



# Consolidated interim financial statements 2017



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## Consolidated statement of income

## Consolidated statement of income

in thousand CHF	1.1.–30.6.2017	1.1.–30.6.2016
Net sales	1,587,488	1,487,066
Other income	30,611	24,714
<b>Operating income</b>	<b>1,618,099</b>	<b>1,511,780</b>
Cost of goods	(1,211,925)	(1,123,191)
Personnel costs	(212,655)	(202,979)
Other operating costs	(103,643)	(105,828)
Share of result of associates and joint ventures	2,037	1,786
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>91,913</b>	<b>81,568</b>
Depreciation and amortisation	(20,398)	(20,777)
<b>Earnings before interest and taxes (EBIT)</b>	<b>71,515</b>	<b>60,791</b>
Financial income	488	425
Financial expenses	(1,445)	(12,993)
<b>Earnings before taxes (EBT)</b>	<b>70,558</b>	<b>48,223</b>
Income tax	(12,691)	(10,621)
<b>Net profit</b>	<b>57,867</b>	<b>37,602</b>
Attributable to:		
– Shareholders of Galenica Ltd. <sup>1)</sup>	57,850	37,609
– Non-controlling interests	17	(7)

<sup>1)</sup> Changes in company structure (refer to note 1)

in CHF	1.1.–30.6.2017	1.1.–30.6.2016
Earnings per share	1.16	0.75
Diluted earnings per share	1.16	0.75

Unaudited figures

# Consolidated statement of comprehensive income

in thousand CHF	1.1.–30.6.2017	1.1.–30.6.2016
<b>Net profit</b>	<b>57,867</b>	<b>37,602</b>
Translation differences	1	–
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>1</b>	<b>–</b>
Remeasurements of the net defined benefit liability/(asset)	35,706	(45,291)
Income tax from remeasurements of the net defined benefit liability/(asset)	(7,855)	9,964
Share of other comprehensive income from joint ventures	565	(384)
<b>Items that will not be reclassified to profit or loss</b>	<b>28,416</b>	<b>(35,711)</b>
<b>Other comprehensive income</b>	<b>28,417</b>	<b>(35,711)</b>
<b>Comprehensive income</b>	<b>86,284</b>	<b>1,891</b>
Attributable to:		
– Shareholders of Galenica Ltd. <sup>1)</sup>	86,267	1,898
– Non-controlling interests	17	(7)

<sup>1)</sup> Changes in company structure (refer to note 1)

Unaudited figures

## Consolidated statement of financial position

## Consolidated statement of financial position

## Assets

in thousand CHF	30.6.2017		31.12.2016	
Cash and cash equivalents		109,251		9,019
Financial assets – Vifor Pharma Group		–		340,857
Trade and other receivables		413,070		358,888
Inventories		268,663		264,716
Prepaid expenses and accrued income		24,767		18,838
Assets held for sale		–		29,574
<b>Current assets</b>	<b>44%</b>	<b>815,751</b>	<b>51%</b>	<b>1,021,892</b>
Property, plant and equipment		252,332		253,665
Intangible assets		686,699		643,090
Investments in associates and joint ventures		43,144		43,089
Financial assets		11,485		8,930
Deferred tax assets		13,242		14,866
Employee benefit assets		21,629		–
<b>Non-current assets</b>	<b>56%</b>	<b>1,028,531</b>	<b>49%</b>	<b>963,640</b>
<b>Assets</b>	<b>100%</b>	<b>1,844,282</b>	<b>100%</b>	<b>1,985,532</b>

## Liabilities and shareholders' equity

in thousand CHF	30.6.2017		31.12.2016	
Financial liabilities – Vifor Pharma Group		–		347,054
Financial liabilities		36,293		2,854
Trade and other payables		381,277		331,845
Tax payables		12,802		12,386
Accrued expenses and deferred income		108,740		75,244
Provisions		2,040		2,212
<b>Current liabilities</b>	<b>29%</b>	<b>541,152</b>	<b>39%</b>	<b>771,595</b>
Financial liabilities – Vifor Pharma Group		–		763,150
Financial liabilities		385,723		2,122
Deferred tax liabilities		64,119		52,648
Employee benefit liabilities		55,454		60,437
Provisions		7,842		1,375
<b>Non-current liabilities</b>	<b>28%</b>	<b>513,138</b>	<b>44%</b>	<b>879,732</b>
<b>Liabilities</b>	<b>57%</b>	<b>1,054,290</b>	<b>83%</b>	<b>1,651,327</b>
Share capital		5,000		–
Reserves		780,593		329,621
<b>Equity attributable to shareholders of Galenica Ltd.<sup>1)</sup></b>		<b>785,593</b>		<b>329,621</b>
Non-controlling interests		4,399		4,584
<b>Shareholders' equity</b>	<b>43%</b>	<b>789,992</b>	<b>17%</b>	<b>334,205</b>
<b>Liabilities and shareholders' equity</b>	<b>100%</b>	<b>1,844,282</b>	<b>100%</b>	<b>1,985,532</b>

<sup>1)</sup> Changes in company structure (refer to note 1)  
2017 figures are unaudited

# Consolidated statement of cash flows

in thousand CHF	1.1.–30.6.2017	1.1.–30.6.2016
Net profit	57,867	37,602
Income tax	12,691	10,621
Depreciation and amortisation	20,398	20,777
(Gain)/loss on disposal of non-current assets	(44)	(110)
(Gain)/loss on disposal of assets held for sale	(5,164)	–
(Gain)/loss on disposal of subsidiaries	(2,890)	–
Increase/(decrease) in provisions and employee benefit assets and liabilities	2,660	6,128
Net financial result	957	12,568
Share of result of associates and joint venture	(2,037)	(1,786)
Other non-cash items	1,874	4,512
Change in trade and other receivables	(32,243)	(58,313)
Change in inventories	5,153	26,117
Change in trade and other payables	(6,703)	(4,244)
Change in other net current assets	25,093	(4,730)
Interest received	333	420
Interest paid	(903)	(12,566)
Other financial receipts/(payments)	(82)	(91)
Dividends received	2,548	4,116
Income tax paid	(7,949)	(7,178)
<b>Cash flow from operating activities</b>	<b>71,559</b>	<b>33,843</b>
Investments in property, plant and equipment	(14,045)	(15,310)
Investments in intangible assets	(19,428)	(1,701)
Investments in associates and joint ventures	–	(531)
Investments in financial assets and securities	(1,948)	(3,263)
Proceeds from property, plant and equipment and intangible assets	515	229
Proceeds from financial assets and securities	43	40
Proceeds from assets held for sale	39,625	–
Purchase of subsidiaries (net cash flow)	(31,204)	(11,410)
Sale of subsidiaries (net cash flow)	3,220	–
<b>Cash flow from investing activities</b>	<b>(23,222)</b>	<b>(31,946)</b>
Dividends paid to Vifor Pharma Group	–	(46,000)
Proceeds / (Repayment) from financial liabilities (net) – Vifor Pharma Group	3,865	45,317
Repayment loan to Vifor Pharma Group	(360,000)	–
Proceeds from financial liabilities	771,620	–
Repayment of financial liabilities	(363,473)	(1,321)
Purchase of non-controlling interests	(118)	–
<b>Cash flow from financing activities</b>	<b>51,894</b>	<b>(2,004)</b>
Effects of exchange rate changes on cash and cash equivalents	1	–
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>100,232</b>	<b>(107)</b>
Cash and cash equivalents as at 1 January	9,019	10,500
<b>Cash and cash equivalents as at 30 June</b>	<b>109,251</b>	<b>10,393</b>

Unaudited figures

## Consolidated statement of changes in equity

## Consolidated statement of changes in equity

in thousand CHF	Share capital	Treasury shares	Retained earnings	Equity attributable to shareholders of Galenica Ltd.	Non-controlling interests	Equity
<b>Balance as at 31 December 2015</b>	–	–	<b>254,042</b>	<b>254,042</b>	<b>5,149</b>	<b>259,191</b>
Net profit			37,609	37,609	(7)	37,602
Other comprehensive income			(35,711)	(35,711)		(35,711)
<b>Comprehensive income</b>			<b>1,898</b>	<b>1,898</b>	<b>(7)</b>	<b>1,891</b>
Dividends			(46,000)	(46,000)		(46,000)
Share-based payments			1,033	1,033		1,033
Transactions with Vifor Pharma Group			(2,272)	(2,272)		(2,272)
Change in non-controlling interests			50	50	(118)	(68)
<b>Balance as at 30 June 2016</b>	–	–	<b>208,751</b>	<b>208,751</b>	<b>5,024</b>	<b>213,775</b>
<b>Balance as at 31 December 2016</b>	–	–	<b>329,621</b>	<b>329,621</b>	<b>4,584</b>	<b>334,205</b>
Net profit			57,850	57,850	17	57,867
Other comprehensive income			28,417	28,417		28,417
<b>Comprehensive income</b>			<b>86,267</b>	<b>86,267</b>	<b>17</b>	<b>86,284</b>
Transactions on treasury shares		(41,186)		(41,186)		(41,186)
Share-based payments			1,888	1,888		1,888
Incorporation of new parent company	5,000		403,919	408,919		408,919
Change in non-controlling interests			84	84	(202)	(118)
<b>Balance as at 30 June 2017</b>	<b>5,000</b>	<b>(41,186)</b>	<b>821,779</b>	<b>785,593</b>	<b>4,399</b>	<b>789,992</b>

Unaudited figures

# Notes to the consolidated interim financial statements of the Galenica Group

## 1. Significant transactions and general information

### Separation and listing on the SIX Swiss Exchange

Galenica Santé Ltd. was incorporated on 13 February 2017 as a direct wholly owned subsidiary of Galenica Ltd. (now Vifor Pharma Ltd.). The Galenica Santé business comprising legal entities and operations was contributed to the newly incorporated Galenica Santé Ltd.

On 14 March 2017, the Board of Directors of the former Galenica Ltd. (now Vifor Pharma Ltd.) announced its intention to separate the Galenica Santé business unit from the Vifor Pharma business unit. The separation was effected on 7 April 2017 by way of a demerger and initial public offering (IPO) of Galenica Santé. Galenica Santé Ltd. was renamed to Galenica Ltd. on 11 May 2017, upon the change in name of the former Galenica Ltd. to Vifor Pharma Ltd.

These consolidated interim financial statements of Galenica Ltd. are a continuation of the combined financial statements 2014–2016 prepared for the Galenica Santé business. References to Galenica, Galenica Ltd. or the Galenica Group in these consolidated interim financial statements (including for dates or periods before the change in name mentioned above) relate to Galenica Santé Ltd., the Galenica Santé business or the Galenica Santé Group, as the case may be, whereas references to Vifor Pharma Ltd. or Vifor Pharma Group include references to the former Galenica Ltd. or the former Galenica Group prior to the separation.

### General information

Galenica is a fully-integrated healthcare provider in Switzerland. Galenica operates a network of pharmacies, develops and offers own brands and products, exclusive brands and products from business partners as well as a variety of on-site health services and tests for customers. Galenica is also a provider of pre-wholesale and wholesale distribution and database services in the Swiss healthcare market.

The parent company is Galenica Ltd., a Swiss company limited by shares with its head office in Bern. The registered office is at Untermattweg 8, 3027 Bern, Switzerland. Shares in Galenica Ltd. are traded on the SIX Swiss Exchange under securities no. 36067446 (ISIN CH0360674466).

The Board of Directors released the consolidated interim financial statements 2017 for publication on 7 August 2017.

## 2. Accounting principles

### Basis of preparation

The unaudited consolidated interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting – and are based on the financial statements of the individual companies of Galenica as at 30 June 2017, prepared in accordance with uniform principles.

The consolidated interim financial statements have been prepared using the principles of consolidation and accounting policies disclosed in the notes to the combined financial statements 2014–2016 of the Galenica Santé Group, which are part of the listing prospectus dated 24 March 2017 (available on the company's homepage [www.galenica.com/publications/downloadcenter](http://www.galenica.com/publications/downloadcenter)).

Before 7 April 2017, Galenica has not operated as an independent entity. The consolidated interim information may therefore not be indicative of the financial performance that would have been achieved if Galenica had operated as an independent entity prior to the separation or of future results of Galenica.

Galenica's consolidated interim financial statements are prepared in Swiss francs (CHF) and, unless otherwise indicated, figures are rounded to the nearest CHF 1,000.

Foreign currencies are not of relevance for the consolidated interim financial statements.



## Notes to the consolidated interim financial statements of the Galenica Group

### Estimation uncertainty and assumptions

The preparation of the Group's consolidated interim financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and the disclosure of contingent liabilities as at the reporting date.

Although these estimates and assumptions are made on the basis of all available information and with the greatest of care, the actual results may differ. Any adjustments resulting from changes in estimates and assumptions are made during the reporting period in which the original estimates and assumptions changed.

### Seasonal influences on operations

Sales in the business sectors in which Galenica operates are not significantly influenced by seasonal or cyclical fluctuations during the financial year.

### Income tax

Current income tax is based on an estimate of the expected income tax rate for the full year.

### Amendments to IFRS

As at 1 January 2017 Galenica adopted the following amended International Financial Reporting Standards.

- IAS 7 - Disclosure Initiative
- IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements 2014-2016 Cycle

These changes have no or no material impact on the financial position, financial performance and cash flows of Galenica nor on disclosures in these consolidated interim financial statements.

### Scope of consolidation

The consolidated interim financial statements of Galenica comprise those of Galenica Ltd. and all its subsidiaries, including associates and joint ventures.

Subsidiaries, associates and joint ventures acquired during the reporting period are included in the consolidated interim financial statements as at the date when control, significant influence or joint control was obtained. Companies sold during the reporting period are included up to the date when control, significant influence or joint control was lost.

Details of changes in the scope of consolidation in the reporting period are included in note 3, Business combinations.

### 3. Operating segment information

#### Operating segment information first half of 2017

in thousand CHF	Health & Beauty	Services	Corporate	Eliminations	Group
Net sales	729,973	1,233,555	–	(376,040)	1,587,488
Other income	50,261	14,782	7,306	(41,738)	30,611
Intersegmental sales and income	(68,437)	(342,846)	(6,528)	417,811	–
<b>Third party operating income</b>	<b>711,797</b>	<b>905,491</b>	<b>778</b>	<b>33</b>	<b>1,618,099</b>
Share of result of associates and joint ventures	2,290	–	–	(253)	2,037
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>60,212</b>	<b>38,676</b>	<b>117</b>	<b>(7,092)</b>	<b>91,913</b>
Depreciation and amortisation	(10,666)	(9,982)	(18)	268	(20,398)
<b>Earnings before interest and taxes (EBIT)</b>	<b>49,546</b>	<b>28,694</b>	<b>99</b>	<b>(6,824)</b>	<b>71,515</b>
Interest income					364
Interest expense					(1,085)
Other financial result (net)					(236)
<b>Earnings before taxes (EBT)</b>					<b>70,558</b>
Income tax					(12,691)
<b>Net profit</b>					<b>57,867</b>
<b>Assets</b>	<b>1,091,547</b>	<b>825,924</b>	<b>1,003,731</b>	<b>(1,076,920)<sup>1)</sup></b>	<b>1,844,282</b>
Investments in associates and joint ventures	45,276	–	–	(2,132)	43,144
<b>Liabilities</b>	<b>982,946</b>	<b>549,202</b>	<b>561,105</b>	<b>(1,038,963)<sup>2)</sup></b>	<b>1,054,290</b>
Investments in property, plant and equipment	7,240	6,894	–	(37)	14,097
Investments in intangible assets	15,167	4,239	22	–	19,428
Employees as at 30 June (FTE)	3,480	1,333	31		4,844

<sup>1)</sup> Of which elimination of intercompany positions CHF –1,096.7 million and other unallocated amounts CHF 19.8 million

<sup>2)</sup> Of which elimination of intercompany positions CHF –1,096.7 million and other unallocated amounts CHF 57.7 million

## Notes to the consolidated interim financial statements of the Galenica Group

**Operating segment information first half of 2016**

in thousand CHF	Health & Beauty	Services	Eliminations	Group
Net sales	709,246	1,148,439	(370,619)	1,487,066
Other income	50,580	6,387	(32,253)	24,714
Intersegmental sales and income	(67,292)	(335,712)	403,004	–
<b>Third party operating income</b>	<b>692,534</b>	<b>819,114</b>	<b>132</b>	<b>1,511,780</b>
Share of result of associates and joint ventures	2,114	–	(328)	1,786
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>57,960</b>	<b>30,014</b>	<b>(6,406)</b>	<b>81,568</b>
Depreciation and amortisation	(11,424)	(9,789)	436	(20,777)
<b>Earnings before interest and taxes (EBIT)</b>	<b>46,536</b>	<b>20,225</b>	<b>(5,970)</b>	<b>60,791</b>
Interest income				425
Interest expense				(12,565)
Other financial result (net)				(428)
<b>Earnings before taxes (EBT)</b>				<b>48,223</b>
Income tax				(10,621)
<b>Net profit</b>				<b>37,602</b>
<b>Assets<sup>1)</sup></b>	<b>1,298,346</b>	<b>721,385</b>	<b>(34,199)<sup>2)</sup></b>	<b>1,985,532</b>
Investments in associates and joint ventures <sup>1)</sup>	45,535	–	(2,446)	43,089
<b>Liabilities<sup>1)</sup></b>	<b>1,199,486</b>	<b>427,382</b>	<b>24,459<sup>3)</sup></b>	<b>1,651,327</b>
Investments in property, plant and equipment	6,227	9,224	(141)	15,310
Investments in intangible assets	548	1,212	(59)	1,701
Employees as at 30 June (FTE)	3,406	1,208	–	4,614

<sup>1)</sup> Figures as at 31 December 2016

<sup>2)</sup> Of which elimination of intercompany positions CHF –34.8 million and other unallocated amounts CHF +0.6 million

<sup>3)</sup> Of which elimination of intercompany positions CHF –34.8 million and other unallocated amounts CHF +59.3 million

## 4. Business combinations

In the first half of 2017, the scope of consolidation has changed as a result of the following transactions:

**Acquisition of pharmacies.** GaleniCare Holding acquired 100% of the interests in pharmacies in various locations in Switzerland. Upon acquisition, most of these pharmacies were merged with GaleniCare Ltd.

The purchase consideration amounted to CHF 16.0 million, of which CHF 15.2 million was settled in cash. The deferred purchase price consideration of CHF 0.8 million falls due in the second half of 2017. The fair value of the provisional net assets amounts to CHF 5.6 million. The goodwill of CHF 10.4 million was allocated to the business sector Retail and corresponds to the added value of the pharmacies based on their locations.

Transaction costs were insignificant.

**Acquisition of Pharmapool Ltd.** On 10 January 2017 Galexis acquired 100% of the shares in the Swiss company Pharmapool Ltd. Pharmapool is a physicians' wholesaler who supplies and supports medical practices with medicines, consumables, laboratory products and furnishings. The company also manages the Pharmapool central pharmacy.

The purchase consideration amounted to CHF 27.9 million was settled in cash. The fair value of the net assets amounts to CHF 13.7 million on the acquisition date. The goodwill of CHF 14.2 million was allocated to the business sector Services and corresponds to the added value based on the acquirer-specific synergies expected to arise from the acquisition, the growth in market share and the employees gained.

Transaction costs of CHF 0.3 million were recognised in other operating costs.

### Business combinations

in thousand CHF	Pharmapool	Pharmacies	Fair value Total
Cash and cash equivalent	9,996	4,590	14,586
Trade receivables	19,867	1,538	21,405
Inventories	8,564	537	9,101
Other current assets	552	53	605
Property, plant and equipment	1,394	33	1,427
Intangible assets	4,036	–	4,036
Financial assets	149	11	160
Deferred tax assets	559	–	559
Trade payables	(15,017)	(390)	(15,407)
Financial liabilities	(7,000)	(443)	(7,443)
Deferred tax liabilities	(946)	(71)	(1,017)
Employee benefit liabilities	(2,540)	–	(2,540)
Other current and non-current liabilities	(5,878)	(287)	(6,165)
<b>Fair value of net assets</b>	<b>13,736</b>	<b>5,571</b>	<b>19,307</b>
Goodwill	14,162	10,410	24,572
<b>Purchase consideration</b>	<b>27,898</b>	<b>15,981</b>	<b>43,879</b>
Cash acquired	(9,996)	(4,590)	(14,586)
Deferred consideration	–	(789)	(789)
<b>Net cash flow from current business combinations</b>	<b>17,902</b>	<b>10,602</b>	<b>28,504</b>
Payment of consideration due to previous business combinations			2,700
<b>Net cash flow</b>			<b>31,204</b>

**Pro forma figures for acquisitions made in the first half of 2017**

Since their inclusion in the Galenica Group's scope of consolidation, the businesses acquired contributed net sales of CHF 80.5 million and an operating result (EBIT) of CHF 1.9 million to the Group's results. If these acquisitions had occurred on 1 January 2017, they would have contributed additional net sales of CHF 0.9 million and increased EBIT by CHF 0.1 million.

**Disposal of Triamed Ltd.** On 1 March 2017 Galenica disposed of its TriaMed® practice software, a management software solution for doctors' practices developed and marketed by HCI Solutions to Swisscom Health Ltd.

The consideration amounted to CHF 4.4 million and was settled in cash. The carrying amount of the disposed net assets amounted to CHF 1.5 million including cash and cash equivalents of CHF 1.1 million. The net profit from this transaction of CHF 2.9 million has been recognised in other income.

**5. Significant event**

**Assets held for sale.** Due to its lack of strategic relevance, an investment property with a carrying amount of CHF 29.6 million was classified as held for sale on 31 December 2016. This building that belonged to the business sector Services was sold to an independent third party on 30 January 2017 for consideration of CHF 39.6 million. The resulting net profit of CHF 5.1 million has been recognised in other income and includes a provision for guaranteed future lease payments.

**6. Changes in financing transactions related to the separation**

In connection with the separation and listing on the SIX Swiss Exchange on 7 April 2017, receivables and payables with Vifor Pharma Group have been offset and replaced by new financing. This includes the following major transactions:

Transactions realised in 2017 before the separation:

- i) Galenica Santé Ltd. was incorporated on 13 February 2017 as a direct wholly owned subsidiary of Galenica Ltd. (now Vifor Pharma Ltd.). Subsidiaries formerly held by Galenica Ltd. (directly and indirectly) were legally contributed to Galenica Santé Ltd. In this transaction, Vifor Pharma Ltd. (formerly Galenica Ltd.) waived CHF 408.9 million of the Group's obligations (non-cash movement), which increased the equity of the Group accordingly resulting in remaining financial liabilities of CHF 360.0 million towards Vifor Pharma Group.
- ii) Termination of existing cash-pool arrangements of the Vifor Pharma Group.

Transactions realised in 2017 after the separation:

- i) Proceeds from a bridge loan of CHF 360.0 million from a lender bank for the purpose of repayment of financial liabilities to Vifor Pharma Group of CHF 360.0 million.
- ii) Issuance of fixed-interest bonds for a nominal amount totalling CHF 380.0 million for the purpose of long-term financing. The issue consists of two tranches: a tranche of CHF 200.0 million with an annual coupon of 0.50% and a term of 6 years, falling due on 15 June 2023 and a tranche of CHF 180.0 million with an annual coupon of 1.00% coupon and a term of 9 ½ years, falling due on 15 December 2026. The proceeds from the bonds were used to refinance the bridge loan granted in the course of the IPO. The bonds are traded on the SIX Swiss Exchange under securities no. 36720669 and 36720670 respectively. The bonds closed at 100.00% and 99.50% respectively as at 30 June 2017.

## 7. Material related party transactions

In consideration of future costs for the change of corporate names, branding of product packages and for the assignment of trademark rights, domain names and product rights as well as other contractual obligations related to the separation, Vifor Pharma paid to Galenica an amount of CHF 17.5 million in the first half of 2017.

In connection with the separation, Galenica entered into a call option agreement with Vifor Pharma to acquire treasury shares at the IPO price of CHF 39.00 for up to 2.5% of the registered share capital. On 29 June 2017, Galenica exercised the call option for approx. 1.06 million treasury shares at a total purchase consideration of CHF 41.2 million, which was paid to Vifor Pharma in July 2017.

In addition and as outlined in note 6, various financing transactions occurred in relation to the separation of the Group.

## 8. Contingent liabilities and commitments

Galenica has signed purchase agreements to acquire pharmacies in the next few years. The unrecognised commitments are expected to involve payments of CHF 20.5 million at the most. The purchase rights have an estimated volume of CHF 20.9 million. These purchase rights or obligations fall due between 2017 and 2020.

## 9. Subsequent events

The following business combination occurred between 30 June 2017 and the date the consolidated interim financial statements were issued.

**Acquisition of a pharmacy.** GaleniCare Holding acquired 100% of the interests in a pharmacy located in Switzerland. The net assets of this acquisition will be consolidated for financial year 2017 from the date control was obtained. The purchase consideration was CHF 5.4 million, the fair value of the provisional net assets resulting from this addition was estimated at CHF 2.2 million on the acquisition date. Since the transaction was concluded shortly before the consolidated interim financial statements were issued, it was not possible to disclose the additional information required by IFRS.

There were no further significant events after the reporting date.