Blau Farmacêutica S.A.

Interim financial information - ITR September 30, 2017

KPDS 210908

Contents

Report on the review of interim financial information - ITR **3**

Balance sheets **5**

Statements of income **6**

Statements of comprehensive income **7**

Statements of changes in shareholders' equity **8**

Statements of cash flows **9**

Statements of added value **10**

Notes to the financial statements **11**

KPMG Auditores Independentes
Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A
04711-904 - São Paulo/SP - Brasil
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil
Telefone +55 (11) 3940-1500, Fax +55 (11) 3940-1501
www.kpmg.com.br

Report on the review of interim financial information - ITR

To the Directors and Shareholders of
Blau Farmacêutica S.A.
Cotia - SP

Introduction
We have reviewed the individual and consolidated interim financial information of Blau Farmacêutica S.A. ("Company"), included in the Quarterly Information - ITR Form for the quarter ended September 30, 2017, which comprise the balance sheet as of September 30, 2017 and related statements of income, of comprehensive income for the three- and nine-month periods then ended, of changes in shareholders' equity and of cash flows for the nine-month period then ended, including the accompanying notes.

The Company's Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21(R1) - Interim Statements and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review
We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists in making inquiries, primarily of persons in charge of financial and accounting matters, and in applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters
On November 13, 2017 we issued an unqualified review report on the individual and consolidated interim financial information of Blau Farmacêutica S.A. included in the Quarterly Information - ITR Form for the quarter ended September 30, 2017, which are now being restated. As described in Note 8, these interim financial information has been amended and is being restated to reflect the correction of the information relating to earnings per share for the corresponding periods and other improvements in the disclosures of inventories, financial instruments, net revenue, related parties and shareholders´ equity, described in the aforementioned explanatory note.

Consequently, our conclusion considers these amendments and replaces the previously conclusion. Our conclusion contains no modification related to this matter.

Statements of added value
We also reviewed the individual and consolidated statements of added value (DVA) for the nine-month period ended on September 30, 2017, prepared under the responsibility of the Company's management, whose presentation in the interim financial information is required in accordance with the standards of the Securities Commission - CVM, applicable to the preparation of Quarterly Information - ITR and considered supplementary information under IAS 34, which do not require the presentation of the DVA. These statements were subjected to the review procedures previously described and, based on our review, we are not aware of any other event that make us believe that those were not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, January 12, 2018

KPMG Auditores Independentes
CRC 2SP014428/O-6

Leonardo Augusto Giusti
Accountant CRC 1SP203952/O-9

Blau Farmacêutica S.A.

Balance sheets at September 30, 2017 and December 31, 2016

(In thousands of Reais)

		Parent company		Consolidated	
Assets	**Notes**	**09/30/17**	**12/31/16**	**09/30/17**	**12/31/16**
Cash and cash equivalents	11	3.652	1.764	10.372	10.199
Trade accounts receivable	12	107.543	97.453	107.044	98.721
Inventories	13	90.023	95.892	97.534	104.208
Recoverable taxes	14	8.423	4.027	9.508	4.902
Other receivables		11.170	3.120	13.103	3.760
Total current assets		220.811	202.256	237.561	221.790
Judicial deposits		2.267	1.254	2.267	1.254
Loans receivable - related parties	18	-	1.462	-	1.462
Recoverable taxes	14	4.166	7.455	4.166	7.455
Deferred income and social contribution taxes	20	1.228	957	1.661	1.402
Other receivables		-	-	1.983	-
		7.661	11.128	10.077	11.573
Investments	15	25.801	24.027	15	10
Biological assets		306	306	306	306
Property, plant and equipment	16	96.067	70.885	97.088	72.023
Intangible assets	17	1.643	2.138	8.973	9.790
		123.817	97.356	106.382	82.129
Total non-current assets		131.478	108.484	116.459	93.702
Total assets		**352.289**	**310.740**	**354.020**	**315.492**

		Parent company		Consolidated	
Liabilities	**Notes**	**09/30/17**	**12/31/16**	**09/30/17**	**12/31/16**
Suppliers	19	63.461	45.216	63.677	45.998
Loans and financing	21	89.058	105.831	89.341	108.198
Tax obligations		2.213	1.063	2.564	1.230
Income and social contribution taxes	20	14.778	6.279	14.778	6.279
Labor obligations		15.895	11.085	16.075	11.518
Other accounts payable		9.722	7.334	10.273	7.857
Total current liabilities		195.127	176.808	196.708	181.080
Loans and financing	21	3.223	33.234	3.279	33.707
Provisions for contingencies	22	3.654	3.443	3.748	3.450
Total non-current liabilities		6.877	36.677	7.027	37.157
Shareholders' equity	23				
Capital		56.500	56.070	56.500	56.070
Retained earnings		4.720		4.720	
Profit reserves		85.429	35.399	85.429	35.399
Other comprehensive income		3.636	5.786	3.636	5.786
Total shareholders' equity		150.285	97.255	150.285	97.255
Total liabilities		202.004	213.485	203.735	218.237
Total liabilities and shareholders' equity		**352.289**	**310.740**	**354.020**	**315.492**

See the accompanying notes to the interim financial information.

Blau Farmacêutica S.A.

Statements of income

Periods ended September 30, 2017 and 2016

(In thousands of Reais)

		Parent company				Consolidated			
		2017		2016		2017		2016	
	Notes	07/01 to 09/30	Accumulated	07/01 to 09/30	Accumulated	07/01 to 09/30	Accumulated	07/01 to 09/30	Accumulated
Net revenue	24	155.731	486.555	123.129	309.449	156.024	491.969	120.854	307.312
Cost of goods and products sold	25	(92.162)	(261.256)	(69.524)	(178.347)	(91.973)	(263.983)	(66.629)	(174.474)
Gross income		**63.569**	**225.299**	**53.605**	**131.102**	**64.051**	**227.986**	**54.225**	**132.838**
Commercial expenses	26	(10.413)	(29.331)	(7.336)	(21.417)	(11.891)	(32.001)	(6.591)	(24.344)
Administrative expenses	26	(14.374)	(55.359)	(21.700)	(59.596)	(13.775)	(57.342)	(23.309)	(61.771)
Other operating income, net		4.340	6.238	200	7.615	4.399	6.375	202	7.855
Total operating expenses, net		(20.447)	(78.452)	(28.836)	(73.398)	(21.267)	(82.968)	(29.698)	(78.260)
Income (loss) before financial income (loss) and taxes		**43.122**	**146.847**	**24.769**	**57.704**	**42.784**	**145.018**	**24.527**	**54.578**
Financial income	27	4.397	9.595	733	23.186	4.500	9.867	1.212	23.877
Financial expenses	27	(3.296)	(20.149)	(8.805)	(39.858)	(3.430)	(20.599)	(8.753)	(40.166)
Net financial expenses		1.101	(10.554)	(8.072)	(16.672)	1.070	(10.732)	(7.541)	(16.289)
Profit sharing of investees accounted for under the equity method, net of taxes	15	(603)	(923)	320	(1.691)	-	-	-	-
Income (loss) before taxes		**43.620**	**135.370**	**17.017**	**39.341**	**43.854**	**134.286**	**16.986**	**38.289**
Current income and social contribution taxes	20	(12.999)	(41.326)	(2.555)	(14.529)	(13.031)	(41.616)	(2.555)	(14.558)
Deferred income and social contribution taxes	20	(360)	348	729	477	(360)	348	729	477
Income and social contribution taxes		**(13.359)**	**(40.978)**	**(1.826)**	**(14.052)**	**(13.391)**	**(41.268)**	**(1.826)**	**(14.081)**
Net income for the period		**30.261**	**94.392**	**15.191**	**25.289**	**30.463**	**93.018**	**15.160**	**24.208**
Income (loss) attributed to:									
Controlling shareholders		30.261	94.392	15.191	25.289	30.463	93.018	15.160	24.208
Net income for the period		**30.261**	**94.392**	**15.191**	**25.289**	**30.463**	**93.018**	**15.160**	**24.208**
Basic and diluted earnings per common share (Restated)		**0,20**	**0,64**	**0,10**	**0,17**	**0,21**	**0,63**	**0,10**	**0,16**

See the accompanying notes to the interim financial information.

Blau Farmacêutica S.A.

Statements of comprehensive income

Periods ended September 30, 2017 and 2016

(In thousands of Reais)

	Parent company				Consolidated			
	2017		2016		2017		2016	
	07/01 to 09/30	Accumulated	07/01 to 09/30	Accumulated	07/01 to 09/30	Accumulated	07/01 to 09/30	Accumulated
Net income for the period	30.261	94.392	15.191	25.289	30.463	93.018	15.160	24.208
Other comprehensive income (OCI)								
Items that will not be reclassified to profit or loss								
Accumulated translation adjustment in subsidiaries	(1.042)	(1.210)	603	(654)	(1.042)	(1.210)	603	(654)
Total comprehensive income	**29.219**	**93.182**	**15.794**	**24.635**	**29.421**	**91.808**	**15.763**	**23.554**
Comprehensive income attributable to								
Controlling shareholders	29.219	93.182	15.794	24.635	29.421	91.808	15.763	23.554
Total comprehensive income	**29.219**	**93.182**	**15.794**	**24.635**	**29.421**	**91.808**	**15.763**	**23.554**

See the accompanying notes to the interim financial information.

Blau Farmacêutica S.A.

Statements of changes in shareholders' equity

Periods ended September 30, 2017 and 2016

(In thousands of Reais)

		Profit reserves						
	Capital	**Legal reserves**	**Investment reserves**	**Additional dividends proposed**	**Other comprehensive income**	**Retained earnings**	**Total parent company's shareholders' equity**	**Total consolidated shareholders' equity**
Balance at December 31, 2015	**56.070**	**3.117**	**11.465**	**-**	**8.536**	**-**	**79.188**	**79.188**
Comprehensive income for the year								
Net income for the period	-	-	-	-	-	25.289	25.289	25.289
Accumulated translation adjustment in subsidiary	-	-	-	-	(654)	-	(654)	(654)
Total comprehensive income, net of taxes	**-**	**-**	**-**	**-**	**(654)**	**25.289**	**24.635**	**24.635**
Transactions with shareholders and formation of reserves								
Realization of equity valuation adjustments	-	-	-	-	(1.072)	1.072	-	-
Additional dividends and interest on own capital	-	-	(4.199)	-	-	-	(4.199)	(4.199)
Formation of reserves	-	-	26.361	-	-	(26.361)	-	-
Total transactions with shareholders and formation of reserves	**-**	**-**	**22.162**	**-**	**(1.072)**	**(25.289)**	**(4.199)**	**(4.199)**
Balance at September 30, 2016	**56.070**	**3.117**	**33.627**	**-**	**6.810**	**-**	**99.624**	**99.624**
Balance at December 31, 2016	**56.070**	**4.722**	**-**	**30.677**	**5.786**	**-**	**97.255**	**97.255**
Comprehensive income for the year								
Net income for the period	-	-	-	-	-	94.392	94.392	94.392
Accumulated translation adjustment in subsidiary	-	-	-	-	(1.210)	-	(1.210)	(1.210)
Total comprehensive income, net of taxes	**-**	**-**	**-**	**-**	**(1.210)**	**94.392**	**93.182**	**93.182**
Transactions with shareholders and formation of reserves								
Authorization of additional dividends proposed			-	(33.584)			(33.584)	(33.584)
Interim dividends			-	-		(6.568)	(6.568)	(6.568)
Capital increase	430		-	(430)			-	-
Realization of equity valuation adjustments					(940)	940	-	-
Additional dividends proposed	-	-	-	84.044	-	(84.044)	-	-
Total transactions with shareholders and formation of reserves	**430**	**-**	**-**	**50.030**	**(940)**	**(89.672)**	**(40.152)**	**(40.152)**
Balance at September 30, 2017	**56.500**	**4.722**	**-**	**80.707**	**3.636**	**4.720**	**150.285**	**150.285**

See the accompanying notes to the interim financial information.

Blau Farmacêutica S.A.

Statements of cash flows

Periods ended September 30, 2017 and 2016

(In thousands of Reais)

	Parent company		Consolidated	
	09/30/2017	**09/30/2016**	**09/30/2017**	**09/30/2016**
Cash flow from operating activities				
Income before income tax	135.370	39.341	134.286	38.289
Adjustments to reconcile income for the year at cash from from operating activities:				
Depreciation and amortization	6.494	6.095	6.617	6.338
Disposal of fixed and intangible assets	5.860	2.144	6.551	2.144
Financial charges on financing	8.092	13.571	8.092	13.571
Unrealized foreign exchange variation on loans and SWAP/MTM provision	(1.472)	(10.057)	(1.472)	(10.057)
Unrealized foreign exchange variation on loans and trade accounts receivable	(3.371)	(3.371)	(3.371)	(3.371)
Equity in net income of subsidiaries	923	1.691	-	-
Allowance for doubtful accounts, net	705	233	495	233
Provision for inventory losses, net	546	(1.319)	1.366	(1.319)
Other (reversals), net	(60)	-	(1.707)	1.481
Provision for contingencies, net	211	275	298	138
	153.298	48.603	151.155	47.447
(Increase) decrease in asset balances				
Trade accounts receivable	(10.818)	(24.779)	(8.841)	(19.944)
Inventories	5.323	(8.045)	5.308	(10.498)
Recoverable taxes	(9.217)	(8.718)	(9.427)	(10.169)
Other receivables	(6.588)	3.245	(7.881)	1.005
Judicial deposits	(1.013)	(218)	(1.013)	(218)
Increase (decrease) in liability balances				
Suppliers	21.639	22.309	21.073	20.964
Labor obligations	4.810	5.103	4.557	4.917
Tax obligations	1.150	544	1.334	869
Other accounts payable	2.388	5.284	2.417	4.185
Cash generated by operating activities	160.972	43.328	158.682	38.558
Income and social contribution taxes paid	(24.256)	(8.241)	(24.256)	(8.241)
Net cash flow from operating activities	136.716	35.087	134.426	30.317
Cash flows from investment activities				
Additions in property, plant and equipment	(37.028)	(11.350)	(37.379)	(11.350)
Advance for future capital increase in investee	(4.661)	(3.583)	-	-
Additions to intangible assets	(13)	(42)	(37)	(66)
Net cash flow used in investment activities	(41.702)	(14.975)	(37.416)	(11.416)
Cash flows from financing activities				
Funds from shareholders' capital contribution	430	-	430	-
Dividends and interest on own capital	(40.152)	(4.199)	(40.152)	(4.199)
Loans and financing	34.680	237.293	34.680	237.293
Payment of loans and financing - principal	(79.944)	(241.250)	(81.944)	(241.650)
Payment of loans and financing - interest	(8.140)	(9.719)	(8.641)	(9.775)
Net cash flow invested in financing activities	(93.126)	(17.875)	(95.627)	(18.331)
Net increase in cash and cash equivalents	1.888	2.237	1.383	570
Cash and cash equivalents at January 1	1.764	350	10.199	10.044
Effect of foreign exchange variations on the balance of cash and cash equivalents	-		(1.210)	(654)
Cash and cash equivalents at September 30	3.652	2.587	10.372	9.960
Net increase in cash and cash equivalents	1.888	2.237	1.383	570

See the accompanying notes to the interim financial information.

Blau Farmacêutica S.A.

Statements of added value

Periods ended September 30, 2017 and 2016

(In thousands of Reais)

	Parent company		Consolidated	
	09/30/2017	**09/30/2016**	**09/30/2017**	**09/30/2016**
Income	**516.061**	**331.678**	**522.470**	**331.425**
Sale of goods, products and services	510.634	331.939	516.045	329.800
Other (expenses) income, net	6.503	693	7.560	2.621
Allowance for doubtful accounts	(1.076)	(954)	(1.135)	(996)
Inputs acquired from third parties	**(259.260)**	**(181.304)**	**(263.974)**	**(179.724)**
Cost of products and goods sold and services provided	(212.618)	(141.403)	(215.345)	(137.530)
Materials, energy, outsourced services and other	(46.638)	(39.979)	(48.627)	(42.272)
Gain (loss) from asset values	(4)	78	(2)	78
Gross added value	**256.801**	**150.374**	**258.496**	**151.701**
Depreciation, amortization and depletion	(6.494)	(6.244)	(6.595)	(6.348)
Net added value produced by the Entity	**250.307**	**144.130**	**251.901**	**145.353**
Added value received as transfer	**8.672**	**21.495**	**8.945**	**22.187**
Loss from ownership interest	(923)	(1.691)	(923)	(1.691)
Financial income	9.595	23.186	9.868	23.878
Total added value payable	258.979	165.625	260.846	167.540
Personnel	**59.415**	**52.262**	**61.873**	**54.893**
Direct remuneration	45.537	39.363	47.575	41.569
Benefits	7.979	6.513	8.399	6.938
FGTS	5.899	6.386	5.899	6.386
Taxes, rates and contributions	**71.589**	**27.652**	**71.920**	**27.711**
Federal	51.733	14.484	52.023	14.513
State	18.119	12.737	18.160	12.767
Municipal	1.737	431	1.737	431
Third-party capital remuneration	**33.815**	**60.420**	**34.266**	**60.727**
Interest	10.921	30.901	10.921	30.901
Financial expenses (includes fluctuation in the foreign exchange rate)	9.228	8.957	9.679	9.264
Rentals	13.666	20.562	13.666	20.562
Remuneration of own capital	**94.160**	**25.291**	**92.787**	**24.209**
Dividends and interest on own capital	6.568	3.570	6.568	3.570
Retained earnings (losses) for the year, including discontinued operations	87.592	21.721	86.219	20.639
Total added value paid	258.979	165.625	260.846	167.540

See the accompanying notes to the interim financial information.

Notes to the interim financial information

(In thousands of reais)

1 Operations

Blau Farmacêutica S.A., hereinafter denominated ("Blau", the "Company" or the "Group") is a privately-held corporation headquartered in the municipality of Cotia, São Paulo State, at Raposo Tavares Road km 30.5.

The Company's individual and consolidated interim financial information for the period ended September 30, 2017 includes the Company and its subsidiaries. The Company and its subsidiaries are engaged in the wholesale trade, distribution, import and export, industrialization of pharmaceutical products, medicines and the like for human use.

Currently, the Company is comprised of nine subsidiaries, seven of which are located in the State of São Paulo, one in Paraná and one in Ceará.

(i) Unit I - Building 100/110 - Headquarters:
Located at Rodovia Raposo Tavares, 2.833, Km 30, Barro Branco, Cotia - SP.
Wholesale trade, distribution, import and export of medicines and drugs for human use, pharmaceutical products, inputs for the production of medicines and raw materials.

(ii) Branch 01:
Located at Avenida Mario Isaac Pires, 7.602, Caucaia, Cotia - SP.
Industrialization of cancer drugs in the form of injectable solution, lyophilic powder, tablets and capsules, intended to serve the pharmaceutical and hospital division.

(iii) Branch 02:
Located at Rodovia Raposo Tavares, 2.833, Km 30,5, Barro Branco, Cotia - SP.
Production of allopathic, biological and biotechnological drugs for human use in the form of injectable solution, lyophilic powder, intended to serve the pharmaceutical and hospital division.

(iv) Branch 03:
Located at Rua João Bettega, 101, Sala 213, Curitiba - PR.
Contact office for rental of equipment and vehicles (rental not included in the lease act).

(v) Branch 04:
Located at Rua Tomas Acioli, 840, sala 701, in the State of Ceará.
Administrative office, exclusively for contacts of sellers and sales representatives.

(vi) Branch 05:
Located at Rodovia Raposo Tavares, 2.833, Km 30,5, Barro Branco, Cotia - SP.
Manufacturing of raw materials to meet the consumption needs in the production of medicines for human use, including the manufacturing of pharmaceutical specialties and quality control for third parties; research, development and innovations in inputs, including raw materials and medicines, biological, biopharmaceutical and biotechnology products.

(vii) Branch 06:
Located at Rua Thomaz Sepe, 454, Jardim da Glória, Cotia - SP.
Warehouse of primary and secondary packaging material, semi-finished preservatives, pharmaceutical retention material and related items of plants I and II, obsolete equipment and material for product incineration, shipping and storing of packaging materials.

(viii) Branch 07:
Located at Rua Etiópia 258, Parque São Lourença, Cotia - SP.
Warehouse of primary and secondary packaging material, semi-finished preservatives, pharmaceutical retention material and related items of plants I and II, obsolete equipment and material for product incineration, shipping and storing of packaging materials.

(ix) Branch 08:
Located at Rua Adherbal Stresser, 84, Jardim Arpoador, São Paulo - SP
Industrialization of condoms, related products, injectable and lyophilic powder antibiotics intended to serve the pharmaceutical and hospital division.

2 List of subsidiaries

Subsidiaries

Company	Country	Interest	
		09/30/2017	12/31/2016
Blau Farmacéutica Colombia S.A.S.	Colombia	100%	100%
Blau Farma Uruguay S.A.	Uruguay	100%	100%
Preserv S.A.	Brazil	-	100%
Blau Farmaceutica Argentina S.A.	Argentina	1%	-
Blau Farmaceutica Peru S.A.C	Peru	1%	-
Blau Farmaceutica Chile	Chile	1%	-

Blau Farmacéutica Colombia S.A.S.
Blau Farmacéutica Colombia is a subsidiary headquartered in the city of Bogotá, Colombia, engaged in the production and trading of pharmaceutical drugs for human consumption and biopharmaceutical inputs, operating in the main pharmaceutical segments. The company's main activity is the import of Company's products for distribution in Colombia and other countries. The commercial operations started in August 2012.

Blau Farma Uruguay S.A.
Blau Farma Uruguay is a subsidiary headquartered in the city of Montevideo, Uruguay, engaged in the production and trading of pharmaceutical drugs for human consumption and biopharmaceutical inputs, operating in the main pharmaceutical segments. The company's main activity is the import of Company's products for distribution in Uruguay and other countries. The commercial operations started in February 2015.

Preserv S.A.
Preserv is a subsidiary headquartered in the city of Cotia, State of São Paulo, engaged in the trading, import and export of condoms and related products intended for intimate and personal hygiene.

Blau Farmacêutica Chile S.A.

Blau Farmacêutica Chile is a subsidiary headquartered in the city of Santiago, Chile, engaged in the trading of pharmaceutical drugs for human consumption and biopharmaceutical inputs, operating in the main pharmaceutical segments. The company's main activity is the import of Company's products for distribution in Chile and other countries. The company has not started its commercial operations yet.

Blau Farmaceutica Peru S.A.

Blau Farma Peru is a subsidiary headquartered in the city of Lima, Peru, engaged in the production and trading of pharmaceutical drugs for human consumption and biopharmaceutical inputs, operating in the main pharmaceutical segments. The company's main activity is the import of Company's products for distribution in Peru and other countries. The company has not started its commercial operations yet.

Blau Farmaceutica Argentina S.A.

Blau Farma Argentina is a subsidiary headquartered in the city of Buenos Aires, Argentina, engaged in the production and trading of pharmaceutical drugs for human consumption and biopharmaceutical inputs, operating in the main pharmaceutical segments. The company's main activity is the import of Company's products for distribution in Argentina and other countries. The company has not started its commercial operations yet.

3 Acquisition of jointly-controlled entity

Based on its expansion project for the pharmaceutical market, on November 11, 2016 the Company acquired full equity control of Preserv S.A. for R$ 2,274. Considering that Preserv was controlled by the same shareholders of the Company, following the accounting practices adopted in Brazil and IFRS, the transaction was carried out by the accounting net assets based on the balance sheet as of October 31, 2016, as follows:

Assets		**Liabilities**	
Current assets	**7,148**	**Current liabilities**	**3,886**
Cash and cash equivalents	(12)	Suppliers	2,982
Trade accounts receivable	1,414	Loans and financing	401
Inventories	2,721	Tax liabilities	37
Other receivables	3,025	Labor and social security obligations	101
Non-current assets	**345**	Accounts payable	130
Property, plant and equipment	335	Provisions	235
Intangible assets	10	**Non-current liabilities**	**1,333**
		Loans and financing	1,333
Total assets	**7,493**	**Total liabilities**	**5,219**
		Acquired net assets	**2,274**

The Extraordinary Shareholders' Meeting held on January 30, 2017 approved the Equity Appraisal Report of Preserv S.A. and ratified the merger of the subsidiary by the Company on January 27, 2017 with effective retroactive date to January 1, 2017.

4 Preparation basis

Statement of conformity
This individual and consolidated interim financial information was prepared according to the International Financial Reporting Standards ("Interim Financial Reporting - IAS 34"), issued by the International Accounting Standards Board (IASB) and also in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statement, also including the supplementary standards issued by Securities Commission (CVM).

On January 12, 2018, the Company's Board of Directors held a meeting and authorized the conclusion and preparation of the interim financial information.

Company's Management affirms that all relevant information characteristic of interim financial information, and are being evidenced and correspond to those used by Management.

5 Functional and presentation currency
The individual and consolidated interim financial information is presented in Brazilian Real, functional currency of the Company. All balances have been rounded to the nearest value, except otherwise indicated.

6 Use of estimates and judgments
The preparation of this individual and consolidated interim financial information, Management used judgments, estimates and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of interim financial information requires the use of accounting estimates, with a basis on Management's judgment for determination of the adequate amount to be recorded in the financial information.

Significant items subject to these estimates and assumptions include:

- **Note 12** - Trade accounts receivable - allowance for doubtful accounts;
- **Note 13** - Inventories - Provision for inventory losses;
- **Note 17** - Intangible assets - amortization and goodwill impairment test - main assumptions in relation to recoverable values;
- **Note 22** - Provision for contingencies.

The settlement of transactions involving these estimates may result in significantly different amounts described in financial information due to the process related to estimates. The Company reviews its estimates at each reporting date, and if changes in estimates are required, they will be recognized prospectively.

Measurement of fair value
A series of Company's accounting policies and disclosures requires the measurement of fair value, for financial and non-financial assets and liabilities.

Significant assessment issues are reported to the Company's Management.

When measuring fair value of an asset or liability, the Company and its subsidiaries use market observable data as much as possible. The fair value is classified in different levels of a hierarchy based on the information (inputs) utilized on the valuation techniques in the following way.

- **Level 1:** Prices quoted (not adjusted) in active markets for identical assets and liabilities.
- **Level 2:** Inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).
- **Level 3**: Inputs, for assets or liabilities, which are not based on observable market data (non-observable inputs).

Additional information on the assumptions adopted in the measurement of fair values is included in the following note:

- **Note 28** - Financial instruments.

7 Measuring basis

The individual and consolidated interim financial information were prepared based on the historical cost, except for the following material items recognized in the balance sheets:

- Derivative financial instruments measured at fair value;
- Non-derivative financial instruments are measured at fair value through profit or loss; and
- Biological assets are measured at acquisition cost and any changes are recognized in income (loss).

8 Restatement of the corresponding amounts

The accounting information for the corresponding periods of three and nine months ended September 30, 2016 are being restated for the following reason:

a. Earnings per share

As disclosed in note 23, on September 20, 2017 the Board of Shareholders approved a split of the shares issued by the Company. The information related to earnings per share for the corresponding periods of three and nine months ended on September 30, 2016 included in the respective financial information originally issued on November 13, 2017 were prepared considering the number of shares existing at that date, instead of the amount approved and subscribed at the date of issuance of the financial information. In accordance with the applicable accounting practice, the financial information should be restated and it has been restated below.

Impact on the Income Statement and Explanatory Note 23, Shareholders' Equity

	Impact of error rectification							
	Parent company				Consolidated			
	2017		2016		2017		2016	
	3º ITR	Accumulated	3º ITR	Accumulated	3º ITR	Accumulated	3º ITR	Accumulated
Net income for the period	**30,261**	**94,392**	**15,191**	**25,289**	**30,463**	**93,018**	**15,160**	**24,208**
Basic and diluted earnings per share (originally presented)	**0.20**	**0.64**	**0.82**	**1.37**	**0.21**	**0.63**	**0.82**	**1.31**
Basic and diluted earnings per share (restated)	**0.20**	**0.64**	**0.10**	**0.17**	**0.21**	**0.63**	**0.10**	**0.16**

b. Enhancement of disclosures

Additional information has been included in the explanatory notes to: (i) related parties, note 18, in relation to policies applied in transactions with related parties, (ii) financial instruments, note 28, in relation to derivative contracts (account recorded in the balance sheet and maturity date), as well as the inclusion of the exchange rate for the probable scenario in the sensitivity analysis table, (iii) inventories, note 13, in relation to the stock valuation policy, (iv) net revenue, note 24, in relation to the disclosure of consolidated revenue by type of treatment, geographic location and key customers, and (v) shareholders´ equity, note 23, in relation to earnings per share. The changes made in these explanatory notes are intended to improve the information previously presented.

9 Consolidation

(i) Business combination

Business combinations are recorded using the acquisition method on acquisition date, that is, when control is transferred to the Company. Control is defined as the ability to rule the entity's financial and operating policies in order to benefit from its activities. When determining that its control is in place, the Company takes into account the currently exercisable potential voting rights.

The Company calculates goodwill in the date of acquisition as:

- fair value of transferred consideration; plus
- the recognized amount of any non-controlling interest in the acquiree; less
- the net value (generally at fair value) of identifiable assets acquired and liabilities assumed.

When the value is negative, the gain from an advantageous purchase is recorded directly in income (loss) for the period.

Transferred consideration does not include amounts referring to payment of pre-existing relations. These amounts are usually recognized in income (loss) for the period.

Transaction costs, except costs for issuing debt or equity instruments, incurred by the Company in connection with business combinations, are recorded in income (loss) as incurred.

(ii) Interest of non-controlling shareholders

For each business combination, the Company chooses to measure any minority interest in the acquired company using one of the following criteria:

- at fair value; or
- by proportional interest of identifiable net assets of the acquiree, which are generally at fair value.

Changes to the Company’s interest in a subsidiary that do not result in loss of control are accounted for as transactions with shareholders, in the capacity of shareholders. Adjustments to minority interest are based on a proportional amount of the subsidiary’s net assets. No adjustment is made to goodwill based on future profitability and no gain or loss is recognized in income (loss) for the period.

(iii) Subsidiaries

The interim financial information of the subsidiaries is included in the consolidated financial statements as from the date they start to be controlled by the Company until the date such control ceases. The accounting policies of the subsidiaries are aligned with the policies adopted by the Company.

In the individual interim financial information of the parent company, financial information of subsidiaries is recognized under the equity method, considering the financial information of the subsidiaries with a delay of 60 days in relation to parent company's financial information.

The consolidated interim financial information includes the information of the parent company and the subsidiaries in operation, Blau Farmacéutica Colombia S.A.S. and Blau Farma Uruguay S.A. The remaining subsidiaries established in 2017 and still without relevant operations were not consolidated and their respective balances are recognized by the investment cost.

(iv) Transactions eliminated in the consolidation

Intragroup and transaction balances, and any unrealized income or expenses derived from intragroup transactions, are eliminated in the preparation of the consolidated interim financial information. Unrealized gains originating from transactions with investees recorded using the equity method are eliminated against the investment in the proportion of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

10 Significant accounting policies

The financial statements for the year ended December 31, 2016 were prepared and presented by the Company in accordance with International Financial Reporting Standards (IFRS) issued by *International Accounting Standards Board* (IASB) and also with accounting practices adopted in Brazil in force until December 31, 2016. Significant accounting practices adopted by the Company in the preparation of its interim financial information - ITS for the three and nine-month period ended September 30, 2017 have been applied consistently with those disclosed in Note 9 of the financial statements for the year ended December 31, 2016, and therefore should be read together.

The Company adopted all pronouncements, interpretations and guidance issued by the CPC and the IASB. The changes in existing standards were disclosed and are mandatory for the subsequent periods. None of those standards or changes in standards was adopted by the Company.

(i) IFRS 9 Financial Instruments

IFRS 9 replaces guidelines of IAS 39 (CPC 38) Financial Instruments: Recognition and measurement. IFRS 9 includes new models for the classification and measurement of financial instruments and measurement of expected credit losses for financial and contractual assets, and new requirements on hedge accounting. The new standard maintains existing instructions on financial instrument recognition and derecognition of IAS 39.

IFRS 9 will become effective for annual periods starting on or after January 1, 2018, with early adoption allowed only to financial statements, pursuant to IFRSs.

The effective impact of the adoption of IFRS 9 on the Company's financial statements in 2018 cannot be estimated with confidence, as it will depend on the financial instruments held by the Company and the economic conditions in 2018, as well as accounting decisions and judgment calls that the Company will make in the future. The new standard will require the Company to review its accounting procedures and internal controls related to the classification and measurement of financial instruments, and these changes are not yet finalized. The Company is evaluating effects that IFRS 9 will have on financial statements and its disclosures.

Disclosures
IFRS 9 will require extensive new disclosures, specifically regarding hedge accounting and credit risk and expected credit losses.

Transition
The main issues addressed in IFRS 9 to be assessed by the Company are as follows:

- Determination of the business model within which a financial asset is held.
- The designation and revoke of previous designations of certain financial assets and liabilities.
- The designation of certain investments in equity instruments not held for trading.

(ii) IFRS 15 Income from Contracts with Clients

IFRS 15 introduces a comprehensive framework for determining whether and when income is recognized, and how income is measured. IFRS 15 replaces current income recognition standards, including CPC 30 (IAS 18) Income, CPC 17 (IAS 11) Construction Contracts, and CPC 30 Interpretation A (IFRIC 13) Client Loyalty Programs.

IFRS 15 will be in force for annual periods starting on or after January 1, 2018. Early adoption is permitted only for financial statements in accordance with IFRS. The Company is evaluating effects that IFRS 15 will have on financial statements and its disclosures.

Sale of products
Regarding sales, the income is currently recognized when the goods are delivered to the client's location, considered as the time when the client accepts the goods and the risks and benefits related to ownership are transferred. Income is recognized at this time, provided that the income and costs can be measured reliably, receipt of consideration is probable, and there is no continuous involvement of Management with the products.

Transition
The Company will adopt IFRS 15 in its financial statements for the year ended December 31, 2018 and intends to use the retrospective approach. As a result, the Company will apply all the requirements of IFRS 15 to each comparative period presented, adjusting its financial statements previously reported.

The Company plans to use practical expedients for completed contracts. This means that completed contracts that started and ended in the same comparative reporting period, as well as those that are completed contracts at the beginning of the oldest period reported, will not be re-reported.

(iii) IFRS 16 Leases

IFRS 16 introduces, for lessees, a single model for bookkeeping of leases in balance sheet. A lessee recognizes an asset of right of use that represents its right to use the leased asset and a lease liability that represents its obligation to make the lease payments. Optional exemptions are available for short-term leases and low-value items. The lessor's accounting remains similar to the current standard, that is, lessors continue to classify leases as financial or operating leases.

IFRS 16 replaces the current lease standards, including CPC 06 (IAS 17) Commercial Lease Operations and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) Complementary Aspects of Commercial Lease Operations.

The standard is effective in years starting on or after January 1, 2019. The early adoption is only permitted for financial statements in accordance with IFRSs and only to entities that adopt IFRS 15 Income from Contracts with Clients on or before the date of early adoption of IRF 16.

The Company is evaluating the effects IFRS 16 will have on its financial statements and disclosures.

(iv) Disclosure Initiative (Amendments to CPC 26 / IAS 7)

The changes require additional disclosures that allow users of financial statements to understand and assess changes in liabilities arising from financing activities, whether arising from cash flow and other changes.

Changes are effective in years starting on or after January 1, 2017. Early adoption is permitted only for financial statements in accordance with IFRS.

In order to fulfill the new disclosure requirements, the Company intends to submit a reconciliation between the opening and closing balances of liabilities with changes arising from financing activities.

(v) Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to CPC 32 / IAS 12)

The changes clarify the accounting of deferred tax assets for unrealized losses on debt instruments measured at fair value.

Amendments are effective in years starting on or after January 1, 2017, and early adoption is allowed only to financial statements, pursuant to IFRSs.

The Company is evaluating the potential impact on its financial statements.

(vi) Other changes

- Changes to CPC 10 (IFRS 2) - Share-based payment in relation to the classification and measurement of certain share-based payment transactions.

- Changes to CPC 36 Consolidated Statements (IFRS 10) and CPC 18 Investments in Associates (IAS 28) in relation to sales or contributions of assets between an investor and its associated company or joint venture.

- The Company's Management started an assessment and understands that applying the mentioned pronouncements to be adopted in the financial statements on the dates required may

have some effect on the balances to be reported. Nonetheless, this assessment's current stage does not allow quantifying these effects, if any, until a detailed review is made at the time of actual adoption.

- The Accounting Pronouncements Committee has not yet issued any accounting pronouncement or amendments in current pronouncements corresponding to all IFRS new standards. Therefore, the early adoption of these IFRS is not permitted for entities that disclose their financial statements according to accounting practices adopted in Brazil.

- The Company adopted these changes in the preparation of financial statements and does not intend to early adopt such standards.

11 Cash and cash equivalents

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Cash equivalent in US$	8	-	8	-
Cash equivalent in Euros	2	3	2	3
Cash in Reais	7	3	12	154
	17	6	22	157
Bank checking account	3,635	1,758	7,773	7,624
Interest earning bank deposits	-	-	2,577	2,418
	3,635	1,758	10,350	10,042
Total cash and cash equivalents	**3,652**	**1,764**	**10,372**	**10,199**

Highly liquid short-term interest earning bank deposits are promptly convertible into a known sum of cash and subject to an insignificant risk of change of value. The subsidiary Blau Farmacêutica Colombia SAS has the option of early redemption of said securities, without penalties or loss of profitability, whose average rate is 5.2% p.a. for the period ended September 30, 2017 and 2.5% p.a. for the year ended December 31, 2016.

The Company's exposure to risks of interest rate and changes in foreign exchange rates are disclosed in Note 28.

12 Trade accounts receivable

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Domestic	100,885	90,169	100,885	91,709
Abroad	2,897	2,657	9,615	10,150
Related parties (Note 18)	7,738	7,899	1,571	1,395
	111,520	100,725	112,071	103,254
Allowance for doubtful accounts	(3,977)	(3,272)	(5,027)	(4,533)
	107,543	**97,453**	**107,044**	**98,721**

Age of balances of trade accounts receivable:

	Parent company					
	Private		Public		Total	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Falling due	52,362	44,158	14,311	23,530	66,673	67,688
Overdue - in days:	10,149	8,903	34,698	24,134	44,847	33,037
1-30	3,100	2,538	13,895	11,999	16,995	14,537
31-60	1,038	980	5,393	1,056	6,431	2,036
61-180	1,723	1,750	12,924	7,295	14,647	9,045
>181	4,288	3,635	2,486	3,784	6,774	7,419
Subtotal	62,511	53,061	49,009	47,664	111,520	100,725
Allowance for doubtful accounts	(3,362)	(3,272)	(615)	-	(3,977)	(3,272)
Total	59,149	49,789	48,394	47,664	107,543	97,453

	Consolidated					
	Private		Public		Total	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Falling due	51,862	43,145	14,311	23,530	66,173	66,675
Overdue - in days:	11,200	12,445	34,698	24,134	45,898	36,579
1-30	4,151	3,848	13,895	11,999	18,046	15,847
31-60	1,038	980	5,393	1,056	6,431	2,036
61-180	1,723	2,815	12,924	7,295	14,647	10,110
>181	4,288	4,802	2,486	3,784	6,774	8,586
Subtotal	63,062	55,590	49,009	47,664	112,071	103,254
Allowance for doubtful accounts	(4,412)	(4,533)	(615)	-	(5,027)	(4,533)
Total	58,650	51,057	48,394	47,664	107,044	98,721

The Company adopts the procedure of recording an allowance for doubtful accounts for overdue notes of private clients, except related parties, whose collection is carried out at the administrative level. Currently, 35% of the balance receivable with private clients is given as collateral for bank loans and financing, as presented in note 21.

Changes in the allowance for doubtful accounts are shown below:

	Parent company	
	09/30/2017	12/31/2016
Opening balance	(3,272)	(3,024)
Formation	(1,097)	(1,196)
Write-off	263	-
Reversal	129	948
Allowance closing balance	**(3,977)**	**(3,272)**

	Consolidated	
	09/30/2017	**12/31/2016**
Opening balance	(4,533)	(4,805)
Formation	(1,096)	(1,381)
Write-off	263	-
Reversal	339	1,653
Allowance closing balance	**(5,027)**	**(4,533)**

13 Inventories (restated)

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Finished products	18,121	24,063	25,632	30,374
Products for resale	-	-	-	681
Semi-finished products	12,182	17,707	12,182	18,949
Work in process	236	94	236	94
Raw materials	37,693	32,324	37,693	32,324
Packaging materials	15,308	19,385	15,308	19,465
Materials in possession of third parties	3,319	83	3,319	83
Imports in progress	96	418	96	418
Advance for imports	2,775	1,569	2,775	1,571
Production of auxiliary material	293	249	293	249
	90,023	**95,892**	**97,534**	**104,208**

In the period ended September 30, 2017, the provision for inventory devaluation, to bring to its net realizable values, totaled R$6,727 in the parent company and R$ 6,431 in the consolidated (R$ 6,818 in the parent company and R$ 7,797 in the consolidated in the year ended December 31, 2016).

The provision for devaluation is calculated considering the maturity date of the products and also takes into account the expected future commercialization of the products. Products with expired due dates are fully provisioned, as well as those with expiration dates in up to 180 days, regardless of the expectation or not of sales.

Changes in provision for inventory devaluation:

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Opening balance	(6,818)	(5,124)	(7,797)	(6,890)
Formation	(6,727)	(4,745)	(6,727)	(3,667)
Write-off	5,100	652	5,100	-
Reversal	2,173	2,399	2,993	2,760
Closing balance	**(6,272)**	**(6,818)**	**(6,431)**	**(7,797)**

14 Recoverable taxes

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Current				
ICMS	573	1,241	573	1,506
IPI	232	204	232	212
PIS	213	276	213	276
COFINS	978	1,363	978	1,363
Other	2	20	823	597
IR and CSLL recoverable	6,403	-	6,403	-
Taxes withheld	22	923	286	948
Subtotal	**8,423**	**4,027**	**9,508**	**4,902**
Non-current				
CIAP	584	551	584	551
PIS	718	1,300	718	1,300
COFINS	2,864	5,604	2,864	5,604
Subtotal	**4,166**	**7,455**	**4,166**	**7,455**
Total	**12,589**	**11,482**	**13,674**	**12,357**

In 2016, the Company engaged a specialized company to assess and recognize amounts related to tax credits arising from overpayments and credits not recorded timely. This work involved a review of the entire process for calculation of indirect taxes and also the analysis of consistency of the tax and accounting information recorded covering the period from January 2012 to August 2016. The credit amounts recognized in 2016 under "Recoverable taxes" as a contraentry to other income in the profit or loss were as follows:

ICMS	2,625
PIS	1,158
COFINS	5,366
Total	**9,149**

These credits have already been offset in 2016, with IRPJ/CSLL offset against PIS and COFINS. The extemporaneous ICMS credit was used to offset the balance payable.

15 Investments

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Interest - Blau Farmacêutica Colombia S.A.S.	13,962	14,327	-	-
Investment goodwill - Blau Colombia S.A.S.	6,800	6,800	-	-
Total investment - Blau Colombia S.A.S.	**20,762**	**21,127**	**-**	**-**
Interest - Blaufarma Uruguay S.A.	(247)	1,443	-	-
Investment goodwill - Blaufarma Uruguay S.A. (i)	271	271	-	-
Advance for future capital increase (ii)	5,000	339	-	-
Total investment - Blaufarma Uruguay S.A.	**5,024**	**2,053**	**-**	**-**
Interest - Preserv S.A. (iii)	-	847	-	-
Total investment - Preserv S.A.	**-**	**847**	**-**	**-**
Interest - Blaufarma Argentina S.A.	14	-	14	-
Total investment - Blaufarma Argentina S.A.	**14**	**-**	**14**	**-**
Interest - Blaufarma Peru SAC	1	-	1	-
Interest - Blaufarma Chile	-	-	-	-
Total other investments	1	-	1	10
Total Investment	**25,801**	**24,027**	**15**	**10**

(i) For consolidation purposes, the goodwill amounts of investees Blau Colombia (R$ 6,800) and Blau Uruguay (R$ 271) were reclassified to intangible assets. See Note 17.

(ii) Remittance of capital under advance for future capital increase in the amount of USD 100 thousand, equivalent to R$ 5,000.

(iii) As Note 3, Preserv S.A. was merged on January 1, 2017.

Changes in investments:

	Blau Colômbia	**Blau Uruguay**	**Preserv**	**Total**
Balance at December 31, 2016	**14,327**	**1,443**	**847**	**16,617**
Decrease in investment due to merger - Preserv	-	-	(847)	(847)
Equity in net income of subsidiaries	479	(1,175)	-	(696)
Unrealized profit, net	(23)	(204)	-	(227)
Total equity in net income of subsidiaries, net	**456**	**(1,379)**	**-**	**(923)**
Translation adjustment	(830)	(380)	-	(1,210)
Result of deferred income and social contribution taxes	9	69	-	78
Balance at September 30, 2017	**13,962**	**(247)**	**-**	**13,715**

In compliance with CPC 45 and IFRS 12 Disclosure of Interests in Other Entities, the Company presents below the summary of the financial information of Blau Colombia, Blau Uruguay and Preserv as of September 30, 2017 and December 31, 2016:

	09/30/2017		12/31/2016		
	Blau Colômbia	**Blaufarma Uruguay**	**Blau Colômbia**	**Blaufarma Uruguay**	**Preserv**
Current assets	20,947	3,124	19,971	3,078	3,920
Non-current assets	805	2,891	1,141	891	141
Total assets	21,752	6,015	21,112	3,969	4,061
Current liabilities	6,323	2,433	5,752	1,845	3,122
Non-current liabilities	56	94	45	343	92
Shareholders' equity	15,373	3,488	15,315	1,781	847
Total liabilities and shareholders' equity	21,752	6,015	21,112	3,969	4,061
Net operating income	10,901	2,086	18,411	2,498	1,188
Net income (loss)	479	(1,254)	(1,070)	(1,948)	(551)

16 Property, plant and equipment

	Parent company								
	12/31/2015	**Addition**	**Transf.**	**Write-off**	**12/31/2016**	**Addition**	**Transf.**	**Write-off**	**09/30/2017**
Cost									
Land	500			-	500	8,315	-	-	8,815
Buildings	1,873	8	30		1,911	9,482			11,393
Machinery and equipment	53,392	6,595	277	(7)	60,257	3,031	218	(12)	63,494
Aircrafts and vehicles	1,772	9	-	(37)	1,744	1,062	-	(45)	2,761
Furniture and fixtures	4,329	197	2	(8)	4,520	131	-	(35)	4,616
Facilities in use	6,939	167	283	-	7,389	24	-	-	7,413
IT equipment	2,451	493	114	-	3,058	241	-	-	3,299
Constructions in progress	23,500	5,852	(5,186)	(236)	23,930	10,272	(218)	(293)	33,691
Leasehold improvements	3,968	35	4,480	-	8,483	-	-	(306)	8,177
Advance of goods for future delivery	4,003	688	-	(2,506)	2,185	4,470	-	(5,241)	1,414
Total cost	**102,727**	**14,044**	**-**	**(2,794)**	**113,977**	**37,028**	**-**	**(5,932)**	145,073
Depreciation									
Buildings	(102)	(80)	-	-	(182)	(178)	-	8	(352)
Machinery and equipment	(22,798)	(5,946)	-	22	(28,722)	(4,700)	-	45	(33,377)
Aircrafts and vehicles	(1,662)	(203)	-	79	(1,786)	(167)	-	18	(1,935)
Furniture and fixtures	(3,835)	(475)	-	8	(4,302)	(201)	-	1	(4,502)
Facilities in use	(5,027)	(696)	-	-	(5,723)	(242)	-	-	(5,965)
IT equipment	(1,971)	(228)	-	-	(2,199)	(239)	-	-	(2,438)
Leasehold improvements	-	(178)	-	-	(178)	(259)	-	-	(437)
							-	-	
Total accumulated depreciation	**(35,395)**	**(7,806)**	**-**	**109**	**(43,092)**	**(5,986)**	**-**	**72**	**(49,006)**
Net balance	**67,332**	**6,238**	**-**	**(2,685)**	**70,885**	**31,042**	**-**	**(5,860)**	**96,067**

As of September 30, 2017, construction in progress totaled R$ 33,693, of which R$ 15,142 refers to the construction of a new warehouse for the storage of inventories. The Company's estimate for the conclusion of work the end of 2017.

	Consolidated									
	12/31/2015	**Acquisition of subsidiary (a)**	**Addition**	**Transf.**	**Write-off**	**12/31/2016**	**Addition**	**Transf.**	**Write-off**	**09/30/2017**
Cost										
Land	500	-			-	500	8,315	-		8,815
Buildings	1,873	-	8	30	-	1,911	9,491		(23)	11,379
Machinery and equipment	52,460	234	6,597	277	(46)	59,522	3,098	1,038	(104)	63,554
Aircrafts and vehicles	2,132	-	9	-	(89)	2,052	1,062	-	(110)	3,004
Furniture and fixtures	5,489	67	200	2	(72)	5,686	201	-	(313)	5,755
Facilities in use	6,996	9	176	283	(132)	7,332	143	(14)	(48)	7,413
IT equipment	2,590	54	497	114	(41)	3,214	324	-	(18)	3,520
Constructions in progress	24,313	-	5,852	(5,186)	(236)	24,743	10,274	(1,032)	(294)	33,691
Leasehold improvements	4,012	180	35	4,480	(180)	8,527	-	-	(350)	8,177
Advance of goods for future delivery	3,994	-	688	-	(2,506)	2,176	4,470	8	(5,241)	1,413
Total cost	104,359	544	14,062	-	(3,302)	115,663	37,379	-	(6,501)	146,541
Depreciation										
Real estate	(102)	-	(80)	-	-	(182)	(203)	-	8	(377)
Machinery and equipment	(22,534)	(132)	(5,967)	-	71	(28,562)	(4,702)	692	45	(32,527)
Aircrafts and vehicles	(1,959)	-	(303)	-	86	(2,176)	(192)	(692)	190	(2,870)
Furniture and fixtures	(4,059)	(43)	(515)	-	83	(4,534)	(218)	-	10	(4,742)
Facilities in use	(4,957)	(5)	(711)	-	11	(5,662)	(249)	-	-	(5,911)
IT equipment	(2,078)	(29)	(266)	-	27	(2,346)	(256)	-	-	(2,602)
Leasehold improvements	-	-	(178)	-	-	(178)	(259)	-	13	(424)
Total accumulated depreciation	(35,689)	(209)	(8,020)	-	278	(43,640)	(6,079)	-	266	(49,453)
Net balance	68,670	335	6,042	-	(3,024)	72,023	31,300	-	(6,235)	97,088

(a) Position of the closing balance and changes in Preserv's assets as of the acquisition date on November 11 to the closing position in December 2016.

17 Intangible assets

		Parent company						
	Annual weighted rates of amortization	**12/31/2015**	**Addition**	**Write-off**	**12/1/2016**	**Addition**	**Write-off**	**30/09/217**
Cost								
Software		3,791	49	(1)	3,839	9	-	3,848
Patent		877	-		877	4	-	881
Total cost		**4,668**	**49**	**(1)**	**4,716**	**13**	**-**	**4,729**
Amortization								
Software	25%	(1,875)	(703)	-	(2,578)	(508)	-	(3,086)
Total accumulated amortization		**(1,875)**	**(703)**	**-**	**(2,578)**	**(508)**	**-**	**(3,086)**
Net balance		**2,793**	**(654)**	**(1)**	**2,138**	**(495)**	**-**	**1,643**

	Annual weighted rates of amortization	Consolidated							
		12/31/2015	From acquisition of subsidiary	Addition	Write-off	12/31/2016	Addition	Write-off	09/30/2017
Cost									
Software		3,801	6	37	-	3,844	9	-	3,853
Patent		877	4	62	-	943	23	(306)	660
Brand		22	-	-	-	22	5	(10)	17
Sanitary records		272	-	402	-	674	-	-	674
Goodwill (i)		7,071	-	-	-	7,071	-	-	7,071
Total cost		**12,043**	**10**	**501**	**-**	**12,554**	**37**	**(316)**	**12,275**
Amortization									
Software	25%	(1,893)	-	(692)	-	(2,585)	(508)	-	(3,093)
Sanitary records	25%	(140)	-	(39)	-	(179)	(30)	-	(209)
Total accumulated amortization		**(2,033)**	**-**	**(731)**	**-**	**(2,764)**	**(538)**	**-**	**(3,302)**
Net balance		**10,010**	**10**	**(230)**	**-**	**9,790**	**(501)**	**(316)**	**8,973**

(i) Goodwill derives from the acquisitions of the investees Blau Colombia, in the amount of R$ 6,800, and of Blau Uruguay, in the amount of R$ 271, which are being presented in intangible assets (Consolidated) pursuant to the accounting standard. See Note 15.

Impairment testing - Intangible assets

The Company evaluated the recovery of the book value of goodwill using the "value in use" concept, by means of discounted cash flow models by means of an estimate of each Cash Generating Unit ("CGU"), representing the tangible and intangible assets recorded in parent company that generated a goodwill.

The process for determining the CGU recovery based on the value in use involves the use of assumptions, judgments and estimates on cash flows, such as income growth rates, costs and expenses, investment estimates and future working capital and discount rates. The assumptions of projections of growth, cash flow and future cash flows are based on Management's best estimates, as well as on comparable market data, economic conditions during the economic life of the set of assets that provide the generation of cash flows. Future cash flows were discounted based on the rate representing the capital cost.

Based on the Company's annual impairment test of intangible assets on projections made to the financial statements, expected growth at the time and monitoring of projections and operating income during the period, it was not identified possible losses or indications of losses, since the value in use is higher than the net book value on the date of evaluation. The main assumptions used in determining operating future cash flows discounted to present value of operations are as follows:

Sale of products - 12/31/2016	Considering sales net of taxes and returns
Hospital line	Growth of 9% p.a.
Oncology line	Growth of 10% p.a.
Biological line	Growth of 14% p.a.
Future	Growth of 9% p.a.
Operating expenses - 12/31/2016	
Fixed	Straight-line growth of 6% p.a.
Variables	Proportional to Net Operating Income on 12/31/16
DCF - Financial cost 12/31/2016	11.7% p.a. capitalized

On December 31, 2016, the Company assessed whether there was any indication that its assets at the end of their useful lives might be damaged or devalued, and concluded that there is no impairment indication.

18 Related parties (restated)

c. Final parent company

During the period ended September 30, 2017 and year ended December 31, 2016, new shares were not issued. On August 28, 2017, the shareholder Marcelo Rodolfo Hahn acquired the amount of 1,850,000 shares of the shareholder Joyce Marrie Hahn, thus holding 100% of the Company's equity control.

d. Remuneration of key management personnel

The remuneration of key management personnel comprises salaries and direct benefits, such as healthcare, dental and food assistance. The Company does not provide non-cash benefits to directors, nor contributes to a defined post-employment benefit plan. The Company has no Company's stock option plans.

	09/30/2017	09/30/2016
Directors' fees	2,043	1,333

e. Balances and transactions with related parties

Transactions with related parties are duly formalized through a contract or other equivalent instrument, such as a purchase order when dealing with a commercial transaction, and consider the same principles and procedures that guide negotiations conducted by the Company with third parties.

The main balances between related parties in the balance sheet and statement of income accounts are as follows:

	Parent company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Assets				
Current				
Clients (Note 12)				
Kollimed Com. Mat. Hospitalares Ltda. (a)	1,388	664	1,388	664
The Package Store Imp. Com. Distr. Emb. Ltda. (b)	184	731	183	731
Blau Farmacéutica Colômbia S.A.S. (c)	4,688	5,079	-	-
Blaufarma Uruguay S.A. (d)	1,478	1,425	-	-
Total clients	**7,738**	**7,899**	**1,571**	**1,395**
Investments (Note 15)				
AFAC Blaufarma Uruguay S.A.	5,000	339	-	-
Total	**5,000**	**339**	**-**	**-**
Non-current				
Loans receivable				
Shareholders (e)	-	1,462	-	1,462
Total loans receivable	**-**	**1,462**	**-**	**1,462**
Total assets	**12,738**	**9,700**	**1,571**	**2,857**

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Liabilities				
Current				
Suppliers				
Kollimed Com. Mat. Hospitalares Ltda.	-	104	-	104
Total suppliers (Note 19)	**-**	**104**	**-**	**104**
Other accounts payable				
Interest on own capital (e)	2,254	-	2,254	-
Hahn Participações (f)	6,578	-	6,578	-
F-11 Segurança Privada Ltda. (g)	256	229	256	229
Dividends to shareholders	-	1,003	-	1,003
Total other accounts payable	**9,088**	**1,232**	**9,088**	**1,232**

Result - Net operating income (Note 24) and cost of goods and products sold (Note 25)

	Parent company			
	09/30/2017		**09/30/2016**	
	Income	**Cost**	**Income**	**Cost**
Kollimed Com. Mat. Hospitalares Ltda. (a)	14,476	(8,023)	14,773	(11,187)
The Package Store Imp. Com. Distr. Emb. Ltda. (b)	1,167	(696)	1,774	(853)
Blau Farmacêutica Colômbia S.A.S. (c)	5,557	(5,420)	10,281	(8,221)
Blaufarma Uruguay S.A. (d)	2,018	(1,950)	1,150	(859)
Preserv S.A.	-	-	814	(549)
Total income (loss) with related parties	**23,218**	**(16,089)**	**28,792**	**(21,669)**

	Consolidated			
	09/30/2017		**09/30/2016**	
	Income	**Cost**	**Income**	**Cost**
Kollimed Com. Mat. Hospitalares Ltda. (a)	14,476	(8,023)	14,773	(11,187)
The Package Store Imp. Com. Distr. Emb. Ltda. (b)	1,167	(696)	1,774	(853)
Total income (loss) with related parties	**15,643**	**(8,719)**	**16,547**	**(12,040)**

Income (loss) - other operations

	09/30/2017	09/30/2016
Hahn Participações (f)	12,018	20,231
Giannetto e Faccio Advogados Associados (h)	338	353
Alban Consultoria Empresarial Ltda.	21	56
F - 11 Segurança Privada Ltda. (g)	2,594	323
Total expenses with related parties	**14,971**	**20,963**

(a) Kolimed Com. Mat. Hospitalares Ltda has as its main activity the Distribution of Medicines, the amounts billed to Kolimed come from sales of medicines under normal market conditions. The margin of sales used for related parties is 15% and the average term of payment is 40 days.

(b) The Package Store Imp. Distr. Emb. Ltda's main activity is the sale of glass packaging for the pharmaceutical industry. The invoiced values for The Package come from glass containers purchased by the Company from suppliers abroad and resold to The Package under normal market conditions. The margin of sales used for related parties is 15% and the average term of payment is 40 days.

(c) Refers to the export operations of drugs manufactured by the Company, which are resold by the subsidiary in Colombian territory. Transactions are made in US Dollars, and the average payment term is 90 days.

(d) Refers to the export operations of drugs manufactured by the Company, which are resold by the subsidiary in the Uruguayan territory. Transactions are made in US Dollars, and the average payment term is 180 days.

(e) Loans receivable from shareholders do not have a due date period, monetary restatement or guarantee terms. The amounts receivable are settled annually through deduction of dividends due to shareholders, as evidenced in note 23 (e). The outstanding balance on December 31, 2016 was fully settled in September 2017.

(f) The Company leased real estate from the related Hahn Participações Eireli, according to a contract signed in June 2013, valid for 5 years. The contract had no guarantee clauses. The amount of the rent was updated annually by inflation indexes, and the payments made monthly. The contract provided for a grace period of 36 months for cancellation, thus being subject to a fine for early termination. Rental expenses amounted to R$ 12,018 in the nine-month period ended September 30, 2017 (R$ 20,231 on September 30, 2016). On June 30, 2017, the rental agreement was terminated and on the same date a purchase and sale agreement was entered into between the Company and Hahn Participações for the purchase of the properties, for a total amount of R$ 17,927. According to the agreement, the amount was fully paid in December 2017.

(g) The Company has a security service agreement that began in the second half of 2016 with the related company F-11 Seguranças Privada Ltda., which Mr. Marcelo Hahn holds 89% and the Legal Officer 10%. The expenses of the services affected the result of general and administrative expenses in the amount of R$ 2,594 in the nine-month period ended September 30, 2017 (R$ 323 on September 30, 2016). The term of the contract is 1 year, and the renewal will take place upon signature of the respective contractual amendment by both parties. The agreement will be readjusted during the validity term on the base date of the category (January). The payment period will be made on the fourth business day of the month subsequent to the rendering of services, with a fine of 2% (two percent) on the value of the invoice, in addition to the financial charges referring to default interest of 1% (one percent) per month if payment delays occur. The monthly amount according to the contract is R$ 283.

(h) The Company currently has a Statutory Legal Officer, which has a holding in the Giannetto Faccio Advogados Associados law firm, which provides legal advice in labor and civil litigation, and the expenses of the services affected the result of general and administrative expenses in the amount of R$ 338 in the period of September 30, 2017 (R$ 353 on September 30, 2016).

19 Suppliers

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Domestic	6,307	7,944	6,307	8,029
Abroad	57,154	37,168	57,370	37,865
Subtotal	**63,461**	**45,112**	**63,677**	**45,894**
Related parties (Note 18)	-	104	-	104
Total suppliers	**63,461**	**45,216**	**63,677**	**45,998**

20 Income and social contribution taxes

Current

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Income tax	11,151	4,587	11,151	4,587
Social contribution	3,627	1,692	3,627	1,692
Subtotal	**14,778**	**6,279**	**14,778**	**6,279**

Changes in income and social contribution taxes payable

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Opening balance	6,279	13,067	6,279	13,067
Provision	41,326	14,530	41,326	14,530
Interest	(461)	1,831	(461)	1,831
Offsetting	(8,110)	(2,340)	(8,110)	(2,340)
Tax paid	(24,256)	(20,809)	(24,256)	(20,809)
Closing balance	**14,778**	**6,279**	**14,778**	**6,279**

Effective rate in the parent company

Reconciliation of income and social contribution taxes	**09/30/2017**	**12/31/2016**
Income before income and social contribution taxes	135,370	45,712
Statutory rate	34%	34%
Amount of income and social contribution taxes on the accounting profit at the statutory rate	46,026	15,542
Additions:	**11,693**	**16,594**
Income Blau Farmacêutica Colômbia S.A.S.	479	209
Tax incentives	1,026	256
Negative equity in net income of subsidiaries	1,176	4,654
Non-deductible provisions	5,520	7,042
Other	3,492	4,433
Exclusions:	**19,586**	**15,467**
Reversal of provisions	6,820	4,111
Expenses with R&D for technological innovation (Law 11.196)	3,965	4,474
Equity income	479	209
Expenses with development of aggregated products	1,000	1,333
Interest on own capital	6,564	5,269
Other	758	71
Taxable income	**127,477**	**46,839**
Statutory rate	**34%**	**34%**
Current income and social contribution taxes	**41,326**	**14,530**
Deferred income and social contribution taxes	**(348)**	**(919)**
Net income and social contribution taxes	**41,268**	**13,611**
Effective rate	**32%**	**29%**

Deferred income and social contribution taxes, net

	Parent company		**Consolidated**	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Liabilities				
Income tax	(1,523)	(1,879)	(1,523)	(1,879)
Social contribution	(548)	(676)	(548)	(676)
Subtotal	**(2,071)**	**(2,555)**	**(2,071)**	**(2,555)**
Assets				
Income tax	2,367	2,524	2,679	2,970
Social contribution	932	988	1,053	987
Subtotal	**3,299**	**3,512**	**3,732**	**3,957**
Total assets (liabilities)	**1,228**	**957**	**1,661**	**1,402**

Changes of deferred income and social contribution taxes

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Opening balance	957	(182)	957	(182)
Income and social contribution taxes on equity valuation adjustment	485	1,135	485	1,135
Income and social contribution taxes on inventory losses	(265)	1,494	(265)	1,494
Income and social contribution taxes on provision for contingencies	71	(475)	71	(475)
Income and social contribution on other	(20)	(1,015)	(20)	(1,015)
Total assets	**1,228**	**957**	**1,228**	**957**
IR/CS on tax loss of negative social contribution basis of Blau Colombia	-	-	433	445
Total liabilities	**-**	**-**	**-**	**-**
Total assets	**1,228**	**957**	**1,661**	**1,402**

21 Loans and financing

			Parent company		Consolidated	
Description	**Average rate**	**Guarantee**	**09/30/2017**	**12/31/2016**	**09/30/2017**	**12/31/2016**
ACC	US$+4.38% p.a.	CEO's consent	8,116	15,870	8,116	15,870
Leases	11% p.a.	Lien	479	-	479	38
Loan	5% p.a.		-	-	60	77
Working capital	15.10% p.a., 18.07% p.a.	35% of Private receivables	55,973	72,532	56,252	75,257
Working capital	17.38% p.a., 16.95% p.a. (SWAP)	35% of Private Receivables	27,713	50,663	27,713	50,663
Total loans and financing with financial institutions			**92,281**	**139,065**	**92,620**	**141,905**
Current			89,058	105,831	89,341	108,198
Non-current			3,223	33,234	3,279	33,707
Total			**92,281**	**139,065**	**92,620**	**141,905**

Long-term loans and financing are broken down as follows:

	Parent company		Consolidated	
The maturity of non-current liabilities will be on:	**09/31/2017**	**12/31/2016**	**09/30/2017**	**12/31/2016**
2018	2,519	33,234	2,575	33,707
2019	647	-	647	-
As of 2020	57	-	57	
Total	**3,223**	**33,234**	**3,279**	**33,707**

As of September 30, 2017, there are no covenants to be met by the Company and its subsidiaries.

Covenants for the year ended December 31, 2016:
The Company had four working capital loan agreements with Banco Itaú BBA with covenants determining that certain obligations be fulfilled so that their respective amounts do not have earlier maturities, among which the main is as follows:

- The ratio between (A) the net bank debt (B) and the EBITDA should always be less than or equal to 2.5.

The Company complied with all covenants contained in those agreements.

22 Provisions for contingencies

The Company and its subsidiaries, in the ordinary course of their business, are subject to judicial proceedings of tax, labor and civil nature. The Management, based on its legal advisors' opinion and, whenever applicable, grounded on specific opinion issued by experts, assesses the expectation of the outcome of the proceeding in course and determines the need or not for forming a provision for contingencies. Based on this assessment, the following provisions were made:

	Parent company					
	12/31/2016	**Inflation adjustment**	**Addition**	**Reversals**	**Payments**	**09/30/2017**
Labor lawsuits	2,498	162	1,305	(831)	(125)	3,009
Civil proceedings	805	45	-	(321)	(4)	525
Anvisa Proceedings	140	-	12	-	(32)	120
Total	**3,443**	**207**	**1,317**	**(1,152)**	**(161)**	**3,654**

	Consolidated					
	12/31/2016	**Inflation adjustment**	**Addition**	**Reversals**	**Payments**	**09/30/2017**
Labor lawsuits	2,529	162	1,404	(843)	(125)	3,127
Civil proceedings	781	45	-	(321)	(4)	501
Anvisa Proceedings	140	-	12	-	(32)	120
Total	**3,450**	**207**	**1,416**	**(1,164)**	**(161)**	**3,748**

The main lawsuits refer to labor claims, but the Company does not expect a material outflow of funds as the result of said lawsuits.

a. Causes classified as a possible loss by the legal advisors

The Company is subject to other lawsuits evaluated by the Company's legal advisors as having a possible risk of loss in the amount of R$ 5,423 as of September 30, 2017 (R$ 7,006 as of December 31, 2016). No provision was recognized for contingencies classified as possible, according to their nature:

Type	**09/30/2017**	**12/31/2016**
Tax	3,001	3,432
Labor	713	548
Civil	1,709	3,026
Total	**5,423**	**7,006**

23 Shareholders' equity

a. Authorized capital

Under the terms of article 5 of its Bylaws, the Company is authorized to increase its capital by means of resolution of Board of Directors, regardless of any amendment to its bylaws, my

means of issuance of shares, debentures convertible into shares or subscription bonus, up to the limit of 190,000,000 shares. The Board of Directors is also responsible for establishing the conditions for the share issue, including price and time frame for payment.

b. Capital

The Company's capital, subscribed and paid-up as of September 30, 2017, is represented by 148,000,000 of common, nominative, book-entry common shares with no par value totaling R$ 56,500.

As of September 20, 2017, during the Special Shareholders' meeting, the Company approved the splitting of issuance shares in the proportion of 1:8, and Company's capital was divided into 148,000,000 common, nominative, book-entry shares and with no par value.

On August 28, 2017, the shareholder Marcelo Rodolfo Hahn acquired the amount of 1,850,000 shares of the shareholder Joyce Marrie Hahn, thus holding 100% of the Company's equity control.

The shareholding structure is as follows:

	09/30/2017			
Shareholders	**Number of shares**	**Capital**	**Shareholders' equity**	**%**
Marcelo Rodolfo Hahn	148,000,000	56,500	150,285	100
Value per share	**148,000,000**	**R$ 0.38**	**R$ 1.02**	

	12/31/2016			
Shareholders	**Number of shares**	**Capital**	**Shareholders' equity**	**%**
Marcelo Rodolfo Hahn	16,650,000	50,463	87,530	90%
Joyce Marrie Hahn	1,850,000	5,607	9,725	10%
Total	**18,500,000**	**56,070**	**97,255**	**100%**
Value per share	**18,500,000**	**R$ 3.03**	**R$ 5.26**	

c. Profit reserve

Comprised by the legal reserve, investment reserve and additional dividends proposed.

The legal reserve is formed in conformity with Brazilian Corporation Law, on the basis of 5% of the net income of each year until it reaches 20% of the capital.

The investment reserve is formed based on up to 75% of the net income for each year, net of amounts allocated to legal reserve, reserve for contingencies reserve and tax incentive reserve. The investment reserve is intended to ensure sufficient funds for the expansion of the Company's activities and investments, and the balance of the reserve may not exceed the capital stock, either alone or in conjunction with other profit reserves.

d. Other comprehensive income

Refer to the gain and loss on the translation of the financial statements of subsidiaries domiciled abroad, and the revaluation adjustment in the initial adoption (deemed cost).

e. Profit distribution

Pursuant to the bylaws, as amended and approved on September 20, 2017, shareholders are entitled to mandatory dividends of 25% on net income (5% previously), offsetting the amounts of interim dividends and the net value of interest on own capital.

On December 31, 2016, considering the profit for that year and the Company's bylaws, the mandatory minimum dividend was R$ 1,114, of which R$ 110 was offset against loans receivable from shareholders on that date, and R$ 1,003 were paid in cash in 2017.

Pursuant to legal provisions and in accordance with the Company's Bylaws, in 2016 the amount of R$ 5,400 was destinated for additional dividends with reserves from prior years.

In accordance with the option provided in Law 9249/95, the Company calculated interest on own capital at TJLP (Long-term interest rate) effective in the nine-month period ended September 30, 2017 in the amount of R$ 6,568 (R$ 6,199 in 2016), which were calculated under earning losses, as required by tax legislation. For the purposes of these interim financial information, such interest is being presented in the change in shareholders' equity as mandatory minimum dividends, pursuant to the Executive Board's formal proposal.

As required by law and in accordance with the Company's Bylaws, interest on own capital were declared and distributed to shareholders as minimum mandatory dividends, thus allocated in a proposal of the Executive Board regarding the interim distribution of dividends related to the Company's net income as of September 30, 2017. On that date, the balance payable on interest on own capital declared in the same period is R$ 2,254, and it was fully paid until December 31, 2017 (interest on own capital in the amount of R$ 6,199 for the year ended 31 December 2016 were fully settled in that year, and the amount of R$ 1,462 was offset against loans receivable from shareholders - see note 18(c), while the amount of R$ 4,737 was paid in cash before the reporting date).

The income and social contribution tax expenses were decreased by R$ 2,233 in 2017 (R$ 2,107 in 2016) as a result of the deduction of these taxes by interest on own capital credited to shareholders.

f. Additional dividend proposed

Pursuant to the provisions of article 204 of Law 6.404/76 and article 30 of the Bylaws, the proposal for the distribution of interim dividends proposed in relation to net income calculated for the nine-month period ended September 30, 2017, amounting to R$ 80,707,111.6, which will be deducted from the legal reserve, is recognized as an additional dividend proposed in the Profit Reserve group and submitted, in January 2018, to the deliberation of the Company's competent body for distribution, prior to the closing of the public offer for distribution of shares issued by the Company, currently in progress.

g. Earnings per share (restated)

Earnings per share are presented by type and nature of share. Such presentation is in accordance with the practice of trading and quoting shares in lots adopted in Brazil. The Company has nominative, book-entry shares with no par value.

Basic and diluted

Basic earnings per share is calculated by dividing profit attributable to company shareholders by

the number of shares of the period. The Company does not have dilutive instruments, such as instruments convertible into shares, options or subscription warrants.

Considering the stock split made on September 20, 2017, the calculation of the basic and diluted earnings per share for the corresponding periods was adjusted retrospectively. The following table sets forth the calculation of earnings per share for the 3 and 9 month periods ended September 30, 2017 and 2016:

	Parent company			
	2017		2016	
	3rd ITR	Accumulated	3rd ITR	Accumulated
Numerator				
Net income for the period	**30,261**	**94,392**	**15,191**	**25,289**
Denominator (in thousands of shares)				
Number of common shares	148,000	148,000	148,000	148,000
Earnings per share				
Basic and diluted earnings per common share	**0.20**	**0.64**	**0.10**	**0.17**

	Consolidated			
	2017		2016	
	3rd ITR	Accumulated	3rd ITR	Accumulated
Numerator				
Net income for the period	**30,463**	**93,018**	**15,160**	**24,208**
Denominator (in thousands of shares)				
Number of common shares	148,000	148,000	148,000	148,000
Earnings per share				
Basic and diluted earnings per common share	**0.21**	**0.63**	**0.10**	**0.16**

24 Net revenue (restated)

	Parent company		Consolidated	
	09/30/2017	09/30/2016	09/30/2017	09/30/2016
Revenue from sale of products - Domestic market	485,169	299,368	485,169	299,368
Revenue from sale of products - Foreign market	5,632	7,956	18,840	18,838
Revenue from related party sales (Note 18)	23,218	28,792	15,643	16,547
	514,019	**336,116**	**519,652**	**334,753**
(-) Taxes	(24,078)	(22,489)	(24,078)	(22,489)
(-) Discounts granted	(5)	(237)	(62)	(431)
(-) Returns	(3,381)	(3,941)	(3,543)	(4,521)
	(27,464)	**(26,667)**	**(27,683)**	**(27,441)**
Total	**486,555**	**309,449**	**491,969**	**307,312**

The Company's sales are mainly concentrated in the hospital segment, in the domestic and foreign market, and distributed and spread between private and public initiatives, as follows:

	Parent company		Consolidated	
	09/30/2017	**09/30/2016**	**09/30/2017**	**09/30/2016**
Private	263,406	226,948	268,820	224,811
Public	223,149	82,501	223,149	82,501
Total net revenue	**486,555**	**309,449**	**491,969**	**307,312**

Following is the presentation of consolidated net revenue segregated by types of treatments:

	Parent Company		Consolidated	
	09/30/2017	**09/30/2016**	**09/30/2017**	**09/30/2016**
Biological	292,344	162,084	295,995	161,175
Specialties	100,081	111,503	100,985	110,217
Oncological	30,633	23,996	30,886	24,253
Others	63,497	11,866	64,102	11,666
Total net revenue	**486,555**	**309,449**	**491,969**	**307,312**

Regarding geographic location, net revenues in Brazil represent 94% and 89% of the consolidated net revenue for the nine-month periods ended September 30, 2017 and 2016, respectively.

	Consolidated	
	09/30/2017	**09/30/2016**
Brazil	462,229	273,093
Colombia	18.876	21,714
Peru	3,856	4,003
Uruguay	5,026	4,127
Thailand	604	2,317
Chile	470	1,396
Paraguay	792	662
Other	114	-
	491,969	**307,312**

The main clients of the Company are segregated between private and public, as detailed below:

	Consolidated	
	09/30/2017	**09/30/2016**
Private		
CM Hospitalar	15,886	12,667
Servimed	16,921	15,223
Kollimed (Note 18)	14,476	14,773
Comercial Rioclarense	5,540	9,302
Macromed	-	745
Health care establishments	2,557	2,600
Pharmacies and drugstores	5,967	2,537
Other private clients	207,473	166,964
Total private	**268,820**	**224,811**
Public		
Ministry of Health	176,809	47,525
Health Departments	18,811	13,517
Other public bodies	27,529	21,459
Total Public	**223,149**	**82,501**
	491,969	**307,312**

25 Cost of goods and products sold

	Parent company		Consolidated	
	09/30/2017	**09/30/2016**	**09/30/2017**	**09/30/2016**
Costs of materials (raw material and packaging)	(196,351)	(128,826)	(199,078)	(124,953)
Labor	(13,596)	(11,178)	(13,596)	(11,178)
Depreciation and amortization	(4,750)	(3,960)	(4,750)	(3,960)
Other manufacturing expenses	(46,559)	(34,383)	(46,559)	(34,383)
Total cost of sales	**(261,256)**	**(178,347)**	**(263,983)**	**(174,474)**

26 Commercial and administrative expenses per function

	Parent company		Consolidated	
	09/30/2017	**09/30/2016**	**09/30/2017**	**09/30/2016**
Personnel expenses	(32,424)	(27,135)	(34,886)	(32,237)
Profit sharing	(1,528)	(76)	(1,528)	(76)
Directors' fees and fees	(1,705)	(1,067)	(1,705)	(1,067)
Regulatory	(631)	(919)	(817)	(919)
Specialized services	(8,320)	(6,944)	(8,668)	(6,944)
Vehicles	(750)	(3,500)	(750)	(3,500)
Marketing	(3,496)	(500)	(3,638)	(500)
Travel and representations	(1,042)	(810)	(1,190)	(810)
Freight expenses	(3,848)	(2,813)	(3,913)	(2,813)
Losses and provisions with clients	(1,076)	(996)	(1,135)	(996)
Depreciation and amortization	(2,387)	(1,531)	(2,488)	(1,531)
General expenses	(6,263)	(9,777)	(7,381)	(9,777)
Materials and services	(468)	(301)	(468)	(301)
Studies and tests on products	(993)	(1,995)	(993)	(1,995)
Maintenance	(839)	(283)	(839)	(283)
Expenses with materials	(1,188)	(1,016)	(1,188)	(1,016)
Communications expenses	(599)	(432)	(598)	(432)
Equipment	(1,268)	(442)	(1,268)	(442)
Contributions, rates and fines	(1,842)	(727)	(1,866)	(727)
Property rental.	(12,498)	(19,474)	(12,498)	(19,474)
Provision for contingencies	(1,525)	(275)	(1,525)	(275)
	(84,690)	**(81,013)**	**(89,343)**	**(86,115)**
Commercial expenses	(29,331)	(21,417)	(32,001)	(24,344)
Administrative expenses	(55,359)	(59,596)	(57,342)	(61,771)
	(84,690)	**(81,013)**	**(89,343)**	**(86,115)**

27 Net financial expenses

	Parent company		Consolidated	
	09/30/2017	**09/30/2016**	**09/30/2017**	**09/30/2016**
Exchange-rate income	9,282	20,830	9,282	20,830
Interest received	275	152	547	152
Gains with SWAP operations	-	2,168	-	2,168
Discounts obtained	38	36	38	727
Total financial income	**9,595**	**23,186**	**9,867**	**23,877**
Foreign exchange costs	(7,746)	(8,327)	(7,746)	(8,327)
Interest paid	(9,156)	(16,082)	(9,606)	(16,390)
Losses from SWAP operations	(3,278)	(3,854)	(3,278)	(3,854)
Loss from MTM operations	1,806	(8,371)	1,806	(8,371)
IOF	(702)	(1,676)	(702)	(1,676)
Commissions and bank expenses	(572)	(601)	(572)	(601)
Other	(489)	(939)	(489)	(939)
Discounts granted	(12)	(8)	(12)	(8)
Total financial expenses	**(20,149)**	**(39,858)**	**(20,599)**	**(40,166)**
Net financial income (loss)	**(10,554)**	**(16,672)**	**(10,732)**	**(16,289)**

28 Financial instruments (restated)

The financial instruments of the Company and its subsidiaries are substantially the same and therefore the Company is presenting only the consolidated information.

a. Accounting classification and fair values

The following table shows the book and fair values of financial assets and liabilities, including their fair value classifications. It does not include information on the fair value of financial assets and liabilities not measured at fair value if the book value is a reasonable approximation of fair value.

	Consolidated - September 30, 2017						
				Fair value			
	Stated at fair value through profit or loss	Loans and receivables	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	2,577	7,795	10,372	7,795	2,577	-	10,372
Trade accounts receivable	-	107,044	107,044	-	107,044	-	107,044
Other receivables	-	13,103	13,103	-	13,103	-	13,103
	3,971	126,542	130,519	6,395	124,115	-	130,519

				Fair value			
	Stated at fair value through profit or loss	Liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Suppliers	-	63,677	63,677	-	63,677	-	63,677
Loans and financing	-	9,148	9,148	9,148	-	-	9,148
Future exchange contracts (SWAP)	1,472	-	1,472	-	1,472	-	1,472
Other accounts payable	10,274	-	10,274	-	10,274	-	10,274
	11,746	72,825	84,571	9,148	75,423	-	84,571

	Consolidated - December 31, 2016						
				Fair value			
	Stated at fair value through profit or loss	Loans and receivables	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	2,418	7,781	10,199	7,781	2,418	-	10,199
Trade accounts receivable	-	98,721	98,721	-	98,721	-	98,721
Other receivables	-	3,760	3,760	-	3,760	-	3,760
Loans receivable - related parties	-	1,462	1,462	-	1,462	-	1,462
	2,418	111,724	114,142	7,781	106,361	-	114,142

				Fair value			
	Stated at fair value through profit or loss	Liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
Suppliers	-	45,998	45,998	-	45,998	-	45,998
Loans and financing	-	137,661	137,661	137,661	-	-	137,661
Future exchange contracts (SWAP)	4,244	-	4,244	-	4,244	-	4,244
Other accounts payable	7,535	321	7,856	321	7,535	-	7,856
	11,779	183,980	195,759	137,982	57,777	-	195,759

b. Measurement of fair value

Valuation techniques and significant unobservable inputs

Table below presents valuation technique used for fair value measurement of Level 2, as well as significant non-observable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Relationship between significant unobservable inputs and measurement of fair value
Forward exchange agreements and interest rate swap	Market comparison technique: Fair values are based on quotes from brokerage firms. Similar contracts are negotiated in active markets and the quotes reflect current transactions of similar instruments.	Not applicable.	Not applicable.

c. Financial risk management

The Company and its subsidiaries are exposed to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk, and
- Market risk.

(i) Credit risks

Credit risk is the risk of the Company and its subsidiaries incurring financial losses due to a client or financial instrument counterparty fails to comply with contract obligations. Such risk is mainly due to trade accounts receivable, and financial instruments of the Company and its subsidiaries.

The book values of financial assets classified as loans and receivables represent the maximum credit exposure.

Accounts receivable and other receivables
The exposure of the Company and its subsidiaries to credit risk is influenced, mainly, by the individual characteristics of each client. However, management also considers the factors that may influence the credit risk of its client base, including the risk of non-payment of the industry and of the country in which the client operates.

The maximum exposure to credit risk was as follows as of September 30, 2017 and December 31, 2016:

	Parent company		Consolidated	
	09/30/2017	**12/31/2016**	**09/30/2017**	**12/31/2016**
Cash and cash equivalents	3,652	1,764	10,372	10,199
Trade accounts receivable	107,543	97,453	107,044	98,721
Other receivables	11,170	3,120	13,103	3,760
Total	**122,365**	**102,337**	**130,519**	**112,680**

Cash and cash equivalents
The Company and its subsidiaries held "Cash and cash equivalents" in the amount of R$ 10,372 on September 30, 2017 (R$ 10,199 thousand as of December 31, 2016).

(ii) Liquidity risk

Liquidity risk is the risk of the Company and its subsidiaries encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The approach of the Company and its subsidiaries in liquidity is to guarantee, as much as possible, that will always have sufficient liquidity to perform their obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with a risk of sullying the reputation of the Company and its subsidiaries.

The Company and its subsidiaries monitor expected level of cash inflows deriving from 'trade accounts receivable and other receivables' as well as expected cash outflows related to 'trade accounts payable and other accounts payable'.

Exposure to liquidity risk
We present below the contractual maturities of financial liabilities on the date of the interim financial information.

	Consolidated - 09/30/2017			
	Up to 1 year	**Up to 2 years**	**Total account amount**	**Total contractual flow**
Suppliers	63,677	-	63,677	63,677
Loans and financing	89,341	3,279	92,620	108,365
Other accounts payable	10,274	-	10,274	10,274
Total	**163,292**	**3,279**	**166,571**	**182,316**

	Consolidated - 12/31/2016			
	Up to 1 year	**Up to 2 years**	**Total account amount**	**Total contractual flow**
Suppliers	45,998	-	45,998	45,998
Loans and financing	108,198	33,707	141,905	166,029
Other accounts payable	7,857	-	7,857	7,857
Total	**162,053**	**33,707**	**195,760**	**219,884**

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates will impact the gains of the Company and its subsidiaries or the value of its financial instruments. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, and at the same time to optimize the return.
The Company and its subsidiaries use derivatives to manage market risks.

Foreign exchange risk

The Company and its subsidiaries are exposed to foreign exchange risk deriving from differences between currencies in which sales and loans are denominated and the respective functional currencies of the Company's entities. The functional currencies of the Company and its subsidiaries are basically the Brazilian Real (R$), the Colombian Peso (COP) and the Uruguayan Peso (UYU). The currencies in which the transactions of the Company and its subsidiaries are primarily denominated are as follows: R$, USD, Colombian Peso (COP) and Uruguayan Peso (UYU).

In general, loans are denominated in currencies equal to the cash flows generated by the commercial operations of the Company and its subsidiaries, mainly in Brazilian reais, but also in USD.

With respect to other monetary assets and liabilities denominated in foreign currency, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to cover short-term mismatches.

Foreign exchange risk exposure

A summary of the foreign exchange risk exposure of the Company and its subsidiaries, as reported to management, is as follows:

	Consolidated - 09/30/2017		**Consolidated - 12/31/2016**	
	USD thousand	**Reais**	**USD thousand**	**Reais**
Trade accounts receivable	3,040	9,615	3,115	10,150
Suppliers	(18,139)	(57,370)	(11,404)	(37,865)
Loans and financing	(11,328)	(35,829)	(20,415)	(66,533)
Net exposure to forecasted transactions	(26,247)	(83,584)	(28,704)	(94,248)
Future foreign exchange contracts	8,762	27,713	15,545	50,663
Net exposure	(17,485)	(55,871)	(13,159)	(43,585)

Sensitivity analysis at foreign exchange risk

A reasonably possible appreciation (devaluation) of US dollar on September 30 would have affected measurement of financial instruments denominated in foreign currency and affected shareholders' equity and income (loss) at amounts shown below. The analysis considers that all the remaining variables, especially interest rates, will be constant and any impact in forecast of sales and purchase will be ignored.

For the purposes of sensitivity analysis, it adopted as a probable scenario the rates of R$ 3.1680 and R$ 3.2462, which refer to the rates on September 30, 2017 and 2016 respectively. For a possible scenario, the rates used were R$ 3.9600 and R$ 4.0578, considering a 25% increase and for the remote scenario, the rates used were R$ 4.7520 and R$ 4.6969, considering a 50% increase.

	Consolidated - 09/30/2017			
Operation	**Exposure in R$**	**Probable scenario**	**Scenario I (25%)**	**Scenario II (50%)**
Trade accounts receivable	9,615	725	906	1,087
Suppliers	(57,370)	2,859	3,574	4,289
Future exchange contracts (SWAP)	27,713	2,322	2,902	3,482
Loans and financing	(35,829)	5,293	6,616	7,940

	Consolidated - 12/31/2016			
Operation	**Exposure in R$**	**Probable scenario**	**Scenario I (25%)**	**Scenario II (50%)**
Trade accounts receivable	10,150	765	956	1,148
Suppliers	(37,865)	1,887	2,359	2,831
Future exchange contracts (SWAP)	50,663	4,244	5,305	6,366
Loans and financing	(66,533)	9,829	12,286	14,744

As of September 30, 2017, the Company has loans amounting to USD 8,762 (USD 15,545 as of December 31, 2016), equivalent to R$ 27,713 as of September 30, 2017 (R$ 50,662 December 31, 2016), hedged by SWAP transactions.

Income from derivative financial instruments

Derivative financial instruments	**09/30/2017**	**12/31/2016**
Gains with SWAP operations, net	5,405	1,614
Net loss from SWAP operations	(3,278)	(5,299)
Net Effect (MtM) of SWAP transactions	(3,599)	(7,778)
Total	(1,472)	(11,463)

On September 30, 2017, the outstanding derivatives with Banco Itaú maturing on April 30, 2018, totaling US$ 5,558 and with HSBC Bank maturing on June 7, 2018, totaling US$ 2,349 refer to SWAP contracts.

The fair value of derivative financial instruments is calculated using the discounted cash flow method using BM&F projection curves.

Open Derivatives

	Base Value			Fair Value	
Derivatives	**Dollar**	**Real**	**Maturity**	**Dollar**	**Real**
Position (USD)	5,558	19,566	30/04/2018	(693)	(2,438)
Position (USD)	2,349	8,147	07/06/2018	(258)	(894)

Maturity	**Notional in Dollars**	**Average Rate**	**MtM**
30/04/2018	5,558	3.5200	(2,438)
07/06/2018	2,349	3.4680	(894)
Total	7,907		(3,332)

The liability side of the financial instruments is recognized as short-term loans and financing and the gain or loss in the net financial result group.

Sensitivity analysis of changes in the interest rates
The Company and its subsidiaries make sensitivity analysis of main risks to which its financial instruments are exposed. For the sensitivity analysis of changes in interest rate, Management adopted for the probable scenario the same rates used on balance sheet date. Scenarios II and III were estimated as an additional devaluation of 25% and 50%, respectively, for rates in the probable scenario.

The table below shows possible impacts on results for each of the scenarios:

	Consolidated - 09/30/2017			
Operation	**Exposure in R$**	**Probable scenario**	**Scenario I (25%)**	**Scenario II (50%)**
Interest earning bank deposits	2,577	154	193	231
Loans and financing	(92,620)	(11,015)	(13,769)	(16,523)

	Consolidated - 12/31/2016			
Operation	**Exposure in R$**	**Probable scenario**	**Scenario I (25%)**	**Scenario II (50%)**
Interest earning bank deposits	2,418	145	181	218
Loans and financing	(141,905)	(16,877)	(21,096)	(25,316)

29 Firm commitments

In the second semester of 2016, the Company entered in an agreement to purchase machinery for the amount of R$ 3,864 thousand, with the expectation of receiving the equipment between November and December 2017.

The Company entered into contracts in May and June of 2017 for the elaboration of the fire prevention and firefighting system and cold room installation services. These contracts will have expenses of R$ 383 thousand and R$ 14 thousand, respectively. The estimate of execution of such services is December 2017.

* * *

Chief Executive Officer
Marcelo Rodolfo Hahn

CFO
Claudio Gomes

Controllership Manager
José Henrique Sobrinho,
Accountant CRC 1SP 220433/O-0