

INDEPENDENT AUDITOR'S REPORT

To the Participants of Lupin Pharma Limited Liability Company

Opinion

We have audited the accompanying annual financial statements of Lupin Pharma Limited Liability Company (Primary state registration number 1167746155686, address: Nauchny proezd, 17, premises XXXIV, room 1-14, Moscow, 117246 Russian Federation), which are comprised of the balance sheet as of December 31, 2017, financial results statement, appendices to the balance sheet and financial results statement, including the statement of changes in equity and statement of cash flows for the year then ended, and notes to the balance sheet and financial results statement, including a summary of fundamental accounting policies.

In our opinion, due to the importance of the issue outlined in the Basis for Adverse Opinion section hereof, the accompanying annual financial statements do not present fairly, in all material respects, the financial position of Lupin Pharma Limited Liability Company as of December 31, 2017, its financial performance and cash flows for the year then ended in accordance with the established Russian rules for financial statements.

Basis for Adverse Opinion

On March 28, 2018, the participants of Lupin Pharma Limited Liability Company adopted a decision on voluntary liquidation of the Company from 01.04.2018. Using the going concern principle in preparing the financial statements in the specified circumstances is unlawful. The impact of the forthcoming liquidation on the financial statements has not been evaluated. In particular, the information on the losses from the write-off of deferred tax assets has not been disclosed, a provision for impairment of goods value has not been created in connection with their forthcoming write-off or sales at the prices less than their actual cost, and the information on the forthcoming liquidation of the Company and related costs has not been disclosed either.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the audited entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other

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responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for an adverse opinion.

Responsibilities of Management of the Audited Entity and Those Charged with Governance for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the specified annual financial statements in accordance with the Russian financial reporting rules, and for such internal control as management believes necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the audited entity's ability to continue as a going concern, disclosing, when applicable, matters related to going concern and using the going concern principle unless management either intends to liquidate the audited entity or to cease activities, or have no realistic alternative but to do so.

Those charged with governance are responsible for supervising the preparation of the annual financial statements.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objective is to obtain reasonable assurance about whether the annual financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect material misstatements when they exist. Misstatements can result from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we use professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, develop and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain understanding of internal control relevant to the audit in order to develop audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the audited entity's internal control;

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c) evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists due to events or conditions that may cast significant doubt on the audited entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the audited entity to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the annual financial statements, including the disclosure of information and whether the annual financial statements represent the underlying transactions and events so that their fair presentation is assured.

We communicate with those charged with governance, bringing to the notice, among other issues, information about the planned scope and timing of the audit as well as significant audit findings, including significant weaknesses of internal control that we identify during our audit.

Head of the audit engagement according to which
the auditor's report was prepared

Zelenina E.A.

Audit organization:

Audit organization Nordic Advisors Limited Liability Company

Primary state registration number 1097847305654

Shpalernaya st., 54 litera V, Saint Petersburg, 191015

A member of self-regulatory organization of auditors Commonwealth Association

Number of membership registration in the register 11606064625.

May 11, 2018

TRANSLATION
Balance Sheet 2017

English	Code	31.12.17	31.12.16	31.12.15
ASSETS				
Fixed Assets				
Intangible Assets	1110			
	1120			
	1130			
	1140			
Fixed Assets	1150	44	75	
	1160			
	1170			
Deferred Tax Assets	1180	4 972	1 922	
Other Fixed Assets	1190			
Total part I	1100	5 016	1 997	
Current Assets				
Inventories	1210	32 152		
VA on acquired assets	1220	2 908	271	
Accounts receivable	1230	15 723	450	
Short term Financial Investments	1240			
Monetary resources	1250	8 195	22 429	
Other Current Assets	1260	508	567	
Total part II	1200	59 486	23 717	
Balance	1600	64 502	25 714	

LIABILITIES				
Equity & Reserves				
Charter Capital	1310	100	100	
	1320			
	1340			
Additional Capital	1350	33 106	33 106	
Reserve Capital	1360			
Undistributed Earnings	1370	-20 046	-7 629	
Total part III	1300	13 160	25 577	
Long Term Liabilities				
Loans & Credits	1410			
Deferred Tax Liabilities	1420	9	15	
Reserves	1430			
Other Long Term Liabilities	1450			
Total Part IV	1400	9	15	
Short Term Liabilities				
Loans & Credits	1510			
Accounts Payable	1520	50 839	44	
Revenues to be recognized in future periods	1530			
Provisions	1540	495	77	
Other short term liabilities	1550			
Total part V	1500	51 334	122	
Balance	1700	64 503	25 714	

English	Code	01.01.2017- 31.12.2017	01.01.2016- 31.12.2016
Sales	2110	33 147	
Cost of Sales	2120	-27 700	
Gross Margin	2100	5 447	
Commercial Expenses	2210	-105	-18
Overhead expenses	2220	-18 286	-9 697
Net Margin	2200	-12 944	-9 715
Income from investments	2310		
Interest income	2320		
Interest expenses	2330		
Other income	2340	23 475	14 756
Other expenses	2350	-26 004	-14 577
Profit before tax	2300	-15 473	-9 536
Profit tax	2410		
including permanent tax liabilities/assets	2421	-39	
Changes in deferred tax liabilities	2430	6	-15
Changes in deferred tax assets	2450	3 049	1 922
Other	2460		
Net Profit	2400	-12 418	-7 629