

INDEPENDENT AUDITOR'S REPORT

on annual financial statements of small entity
GENIUS Limited Liability Company
for the period from 2014, until March 31, 2015

Kyiv

April 17, 2015

To: shareholders and management of GENIUS LLC

In line with the agreement 15/04/15 of 15.04.2015 we performed the audit of financial statements of small entity – GENIUS Limited Liability Company (hereinafter referred to as the Company), comprising Balance Sheet as on 31.03.2015 (covering the period from 01.04.2014 until 31.03.2015) and Profit and Loss Statement for the period from 01.04.2014 until 31.03.2015).

The audit started on April 15, 2015, and finished on April 17, 2015.

Background information on the auditor (audit firm):

Name: Auditor-Consultant-Lawyer Audit firm Limited Liability Company.

Legal address: 10, Chapayeva str., Kyiv

Phone: 044-360-46-37.

Certificate on registration on Register of audit firms: № 4082, issued in line with Decision of Chamber of Auditors of Ukraine on 13.12.2007, valid until 01.11.2017.

Certificate on implementation of quality control system: № 0387, issued in line with Decision of Chamber of Auditors of Ukraine № 279/4 of 26.09.2013.

Date and number of Decision of Chamber of Auditors of Ukraine on inclusion into Register of mandatory auditors: 06.09.2013, № 279/4.

Background information on the Company:

Full name: GENIUS Limited Liability Company

EDRPOU Code: 38834287.

Legal address: 9Б Koshitsa str., Kyiv 02068.

Major activities under constituent documents: 46.46 Wholesale of pharmaceutical products.

Separated segments (affiliates and branch offices): none.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Ukrainian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

Scope of audit:

We planned and performed our audit in line with rules and provisions of Law of Ukraine On Accounting and Financial Reporting in Ukraine, Law of Ukraine On Audit, International Standards on Auditing and Assurance (hereinafter referred to as ISA), issued by International Federation of Accountants, accepted in Ukraine by Decision of Chamber of Auditors of Ukraine № 122 of April 18, 2003, including ISA 805 *Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*.

Those standards require that planning and performance of audit to be aimed at receipt of sufficient appropriate evidence on absence of material misstatements in accounting. During our audit, we performed selective testing of evidence substantiating data and information, disclosed in accounting, and compliance of accounting principles used and material management estimates to rules and regulations governing the organization of accounting in Ukraine. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The following was revealed during our audit:

As requested by the management of the Company, we performed audit of financial statements for the period as of the date of 01.04.2014 until 31.03.2015. As a result, the above financial statements do not contain comparative information – opening balances in the Balance Sheet and previous period data in Profit and Loss Statement.

The accounting of the Company is based on Ukrainian Accounting Standards. Under Ukrainian legal criteria, the Company is a small entity, preparing its financial statements in a simplified format in line with Ukrainian Accounting Standard 25 *Financial statements of a small entity*.

Accounting and reporting currency of the Company is Ukrainian Hrivna (UAH), which is also a functional currency for presentation of the financial statements.

The fixed assets of the Company are posted at their historical value. Depreciation is charged by a straight-line method in line with the accounting policies of the Company based on the useful lives of the assets. Fixed assets of the Company do not include the assets, which do not comply with the principles of recognition of the assets.

Purchased (received) inventories are included in the Balance Sheet of the Company at their initial value. Transaction on movement of inventories of the Company in accounting database and financial statements are disclosed in line with the source documents, presented to us by the Company. The Company has no balances of inventories in its accounting database and financial statements as on 31.03.2015, as confirmed by the source documents.

We were not present at the physical count of non-current assets, inventories and settlements with the counterparties in 2014 and the first quarter of 2015, as those counts were performed before our initial engagement as the auditor. Still, we were able to confirm the completeness of settlements with the counterparties and existence of non-current assets through the use of alternative audit procedures.

We did not identify any violations regarding settlements of accounts both in local and foreign currencies. Data, based on bank statements, and data of analytical accounting correspond to accounting data for the respective accounts. Cash balance of the Company as on 31.03.2015 was 1 260.8 thou UAH (TUAH).

Accounting of receivables is based on trial balance and an accounting card for each debtor. Classification of receivables as bad debt is based on evaluation and analysis of every debtor. The Company did not establish a bad debt provision.

The Company does not calculate deferred tax assets or liabilities, as it uses the simplified format of reporting.

Settlements between the Company, buyers and suppliers are usually regulated by respective contracts or agreements. The Company has no trade payables with an overdue period of claim.

Stated and paid capital of the Company is 2 591.2 TUAH.

Disclosure of equity and the respective changes complies with the requirements of current Ukrainian law. The Company did not use any budget funds, funds received under a loan or a mortgage, for its stated capital.

As on 31.03.2015 the unpaid capital of the Company is 1.1 TUAH. The major shareholder (and the controller of the Company) is ALEMBIC GLOBAL HOLDING SA (Switzerland), owning 100% of share capital.

Unqualified opinion

In our opinion, the financial statements referred to operations from April 01, 2014 to March 31, 2015 present fairly, in all material aspects, the financial position of GENIUS Limited Liability Company as of March 31, 2015 (for the period from 01.04.2014 till 31.03.2015), and its financial result for the period from 01.04.2014 till 31.03.2015 in conformity with Ukrainian Accounting Standards.

On behalf of audit firm
I. Chulkovska
Director, auditor
Auditor's certificate A № 004127
April 17, 2015

FINANCIAL REPORT

Enterprise **LLC "GENIUS"**
 Territory
 The legal form of entity Limited Liability Company
 Economic activity
 The average number of employees 5

Date	CODE		
	2015	04	01
	38834287		

Unit of quantity: **Thousand UAH with one decimal place**

Address, phone: 9B Koshytsia Street, KYIV 02068, Ukraine, phone (044) 502-18-67

1. Balance on March 31 2015 (from 01.04.2014 until 31.03.2015)

Assets	Line code	Start of the reporting period	End of the reporting period
1	2	3	4
I. Non-current assets			
Incomplete capital investments	1005	-	-
Permanent assets (PP&E):	1010		14.0
initial value	1011		15.0
depreciation	1012		(1.0)
Long-term biological assets	1020		-
Long-term financial investments	1030		-
Total assets	1090		-
Total for Section I	1095		14.0
II. Current assets			
Inventory:	1100		-
including finished products	1103		-
Current biological assets	1110		-
Accounts receivable for goods, works and services:	1125		3,102.6
Accounts receivable for taxes	1135		33.1
including income tax	1136		-
Other current receivables	1155		1.3
Current financial investments	1160		-
Money and Cash	1165	1.2	1,260.8
Deferred expenses	1170		-
Other current assets	1190		-
Total for Section II	1195	1.2	4,397.8
III. Non-current assets and disposal groups as held for sale	1200		-
Balance	1300	1.2	4,411.8

Liabilities	Line code	Start of the reporting period	End of the reporting period
1	2	3	4
I. Equity			
Registered (share) capital	1400	1.2	2,591.2
Additional Capital	1410		-
Reserve capital	1415		-
Earnings (uncovered loss)	1420		215.1
Unpaid capital	1425		(1.1)
Total for Section I	1495	1.2	2,805.2
II. Long-term liabilities and target funding			
1595			
III. Current liabilities			
Short-term bank loans	1600		-
Current payables for: long-term liabilities	1610		-
goods, works, services	1615		1,601.3
taxes	1620		0.2
including income tax	1621		-
insurance	1625		1.5
wages	1630		3.7
Deferred income	1665		-
Other current liabilities	1690		-
Total for section III	1695		1,606.7
IV. Liabilities associated with non-current assets held for sale and disposal groups			
1700			
Balance	1900	1.2	4,411.8

2. Income Statement 2014- 2015 (from 01.04.2014 until 31.03.2015)

Article	Line code	For the Reporting period	For the similar period of the previous year
1	2	3	4
Net income from sales of products (goods and services)	2000	3,180.0	-
Other operating income	2120	525.1	-
Other income	2240	4.4	-
Total income (2000 + 2120 + 2240)	2280	3,709.5	-
Cost of goods (works, services)	2050	(3,178,8)	-
Other operating expenses	2180	310.9	-
Other expenses	2270	-	-
Total costs (2050 + 2180 + 2270)	2285	3,489.7	-
The financial result before tax (2280 - 2285)	2290	219.8	-
Income tax	2300	4.7	-
Net income (loss) (2290 - 2300)	2350	215.1	-

Head

(signature)

Сінґх Р.К.

(initials, surname)

Chief Accountant

(signature)

Гребенюк Н.С.

(initials, surname)