"ELPEN PHARMACEUTICAL Co. INC" Public Companies (S.A.) Reg. No. 13231/04/B/86/188, G.E.MI. No.: 264601000 BALANCE SHEET AS AT 31 DECEMBER 2013 (JANUARY 1 - DECEMBER 31, 2013)

(Amounts in EURO)

<u>ASSETS</u>		YEAR ENDED 2013			YEAR ENDED 2012			LIABILITIES		v	EAR ENDED 2013	YEAR ENDED 2012
		Acquisition cost	Depreciation	Net Book value	Acquisition cost	Depreciation	Net Book value			<u>. 1</u>	EAR ENDED 2013	YEAR ENDED 2012
В.	FORMATION EXPENSES 4. Other formation expenses	13.578.333,68 13.578.333,68	1.653.743,06 1.653.743,06	11.924.590,62 11.924.590,62	13.304.471,38 13.304.471,38	1.020.300,67 1.020.300,67	12.284.170,71 12.284.170,71	A. I.	SHAREHOLDERS' EQUITY Share Capital (38.189.410 shares of € 1,00 each) 1. Poid we positel		38.189.410,00	30.136.520,00
C.	FIXED ASSETS I. Intangible Assets 2. Concessions, patents, licences, trade marks and similar rights and assets	587.329,79 587.329,79	453.329,79 453.329,79	134.000,00 134.000,00	587.329,79 587.329,79	426.829,78 426.829,78	160.500,01 160.500,01	III.	2. Reserves from revaluation of other assets		0,00	52.889,15 52.889,15
	II. Tangible Assets 1. Land 3. Buildings and technical works 4. Machinery, technical installations and other mechanical equipment 5. Transportation equipment 6. Furniture and fixtures 7. Payments on account and	5.904.798,23 10.979.677,43 13.041.527,75 1.086.530,67 3.028.052,76	0,00 6.109.683,71 10.139.404,88 904.154,42 2.861.738,69	5.904.798,23 4.869.993,72 2.902.122,87 182.376,25 166.314,07	5.904.798,23 10.979.677,43 12.586.604,49 992.796,87 3.051.046,69	0,00 5.783.256,01 9.496.688,97 858.629,90 2.879.955,89	5.904.798,23 5.196.421,42 3.089.915,52 134.166,97 171.090,80	IV.	Reserves 1. Legal reserve Less: Loss from sale or devaluation of participations and securities for offsetting 4. Extraordinary reserves 4a. Reserve for covering treasury share L. 3299/04 5. Tax-free reserves under special laws	3.460.539,67 3.512.059,63		2.938.599,18 4.903.215,48 -1.964.616.30 261.107.62 640.035.28 3.989.836,19 2.926.362,79
	tangible assets in course of construction Total Tangible and Intangible Assets (CI+CII)	138.427,37 34.179.014,21	0,00 20.014.981,70 20.468.311,49	138.427,37 14.164.032,51	276,92 33.515.200,63 34.102.530,42	0,00 19.018.530,77	276,92 14.496.669,86 14.657.169,87	V.	Results carried forward Profit brought forward Profit carried forward		6.936.423,80 845.384,65 7.781.808,45	2.869.115,92 4.067.307,88 6.936.423.80
	III. <u>Financial Assets</u> 1. Participating interests in affiliated undertakings 7. Other long-term receivables	34.700.344,00	20.408.511,49	6.026.000,00 25.710,35 6.051.710,35	34.102.330,42	19.440.300,33	5.026.000,00 22.095,35 5.048.095,35	В.	Total Shareholders' Equity (Al+AlII+AIV+AV) PROVISIONS FOR LIABILITIES AND CHARGES 1. Provisions for staff retirement benefits 2. Other provisions		50.556.073,36 8.636.120,39 5.356.336,26	40.052.195,74 8.394.618,90 20.529.736,78
D.	Total Fixed Assets (CI+CII+CIII) CURRENT ASSETS Inventories 1. Merchandise 2. Finished and semi-finished products, by-products and scrap 3. Work in progress 4. Raw and auxiliary materials-consumables-spare parts and packing items 5. Payments on account for stocks purchases			20.349.742,86 1.102.779,54 7.156.994,52 1.669.691,45 13.007.969,35 4.726,85 22.942.161,71			838.728,83 8.047.629,28 1.113.869,09 8.439.062,02 39.879,06 18.479.168,28	C. II.	LIABILITIES Current Liabilities 1. Suppliers 2a. Cheques payable 4. Advances due to trade debtors 5. Taxes-duties 6. Social security 10. Dividends payable 11. Sundty reditors Total Liabilities (CII)		13.992.456,65 61.391.795,72 45.941,40 47.970,51 1.996.480,28 1.228.618,47 11.690.814,15 5.488.799,81 81.890.420,34	28.924.355.68 60.704.797,09 215.614,35 71.827,90 4.789.678,14 1.486.812.82 0.00 1.597.398.06 68.836.128.36
	1. Receivables 1. Trade debtors Less: Provisions 3a. Cheques receivable (postdated) 3b. Cheques overdue Less: Provisions 10. Doubtful-contested trade and other debtors Less: Provisions 11. Sundry debtors 12. Advances to account for		19.073.622,61 -875.463,70 1.098.069,69 -1.098.069,69 32.577,41 -32.577,41	18.198.158,91 11.870.613,92 0,00 0,00 2.986.163,17 690.744,56 33.745.680,56		25.945.423,86 -460.430,30 1.071.121,45 -1.071.121,45 32.577,41 -32.577,41	25.484.993,56 10.573.638,08 0,00 0,00 3.337.878,58 246.175,27 39.642.685,49					
	III. Marketable securities 1. Shares 2. Bonds 2a. Greek State Bonds Less: Provisions for value decline		9.436.405,05 -3.512.059,63	78.518,09 650.000,00 5.924.345,42 6.652.863,51		11.251.095,05 -4.903.215,48	79.019,92 850.000,00 6.347.879,57 7.276.899,49					
	Cash and cash equivalents Cash on hand Current and time deposits			304.945,46 50.642.296,58 50.947.242,04			206.266,05 39.877.796,69 40.084.062,74					
E.	Total Current Assets (DI+DII+DII) PREPAYMENTS AND ACCRUED INCOME 1. Prepaid expenses 2. Accrued income 3. Other prepayments and accrued income			22.917,75 298.338,67 257.240,29 578.496,71			13.330,00 343.961,40 38.364,90 395.656,30	D.	ACCRUALS AND DEFERRED INCOME 2. Accrued expenses		701.827,66 701.827,66	55.228,45 55.228,45
	GRAND TOTAL-ASSETS (B+C+D+E)			147.140.778,01			137.867.908,23		GRAND TOTAL SHAREHOLDERS' EQUITY & LIABILITIES (A+B+C+D)		147.140.778,01	137.867.908,23

NOTES:

1) The last revaluation of the company's property assets according to the provisions of the articles 20 to 27 of the L. 2065/1992 was made in the year 2012.

2) For the year 2013 the company's usubject to tax audit of the Certified Auditors Accountants that is required by the provisions of the article 82 par. 5 of L. 2238/1994. This audit is in progress and the relevant Annual Tax Audit Certificate is foreseen to be issued after the publication of the financial statements for the year 2013. (If by the compenditude at validation and tax liabilities arise, we assesses that these will have no material impact on the financial statements).

3) Upon resolution of the Ordinary General Meeting of shareholders, the company's share capital increased by € 8.052.890,00 with the issue of 8.052.890 new shares of par value € 1,00 each.

INCOME STATEMENT
At 31 December 2013 (January 1 - December 31, 2013) APPROPRIATION ACCOUNT

At 31 1	December 201	3 (January 1 - Dec	cember 31, 2013)									
	3	YEAR ENDED 2012				YE	AR ENDED 2013	YEA	AR ENDED 2012			
I. Operating Results Net turnover (sales) Less: Cost of sales	•	YEAR ENDED 201	112.408.171,29 55.988.801.55	-		115.332.548,55 65.764.086.04	Net results (profit) for the year Plus: Profit brought forward	6.936.423.80	14.106.499,81	2.869.115.92	4.272.774,28	
Gross operating results (profit)		=	56.419.369,74			49.568.462,51	Less: Dividends distributed from previous years' profits	0,00		2.712.286,80		
Plus: 1. Other operating income		=	139.847,71 56.559.217.45			103.097,60	Plus: Reserves free of tax for separate taxation article 72 L. 4172/2013)	200 047 05	7 005 070 05	0.00	450 000 40	
Total LESS: 1. Administrative expenses		20.642.720,35	56.559.217,45		5.077.129.75	49.671.560,11	taxation article 72 L. 4172/2013)	398.647,05	7.335.070,85 21.441.570,66	0,00	156.829,12 4.429.603,40	
Research and development costs		6.288.336,81			8.247.407,79		Plus: Loss for valuation of securities	0,00		4.903.215,48		
Distribution costs Sub-total (profit)		26.347.879,13	53.278.936,29 3.280.281.16		25.055.756,47	38.380.294,01 11.291.266.10	Less: Prior years' tax audit differences Total	35.974,85	-35.974,85 21.405.595.81	0,00	4.903.215,48 9.332.818.88	
PLUS: 2. Income from securities		369.748,64	0.200.201,10		433.547,80	11.201.200,10	LESS: 1. Income tax	958.180,13	21.100.000,01	2.171.555,29	0.002.010,00	
 Interest and similar income 		1.562.471,50			1.511.372,02		 Tax on reserves free of tax article 72 L. 4172/2013 Other not charged to the operating cost taxes 	59.797,05 54.205,54	1.072.182,72	0,00 53.928,82	2.225.484,11	
Less:		1.332.220,14			1.544.515,02		Profit for appropriation	54.205,54	20.333.413,09	33.320,02	7.107.334,77	
 Provisions for devaluation of participations and securities 	0.00			4.903.215.48			Assessment and assessment as a second as a second assessment as a second as a se					
3. Interest expense and similar charges	0,00 29.713,73	29.713,73	1.902.506,41	34.452,67	4.937.668.15	-2.992.748,33	Appropriated as under: 1. Legal reserve		521.940,49		170.910,97	
Total operating results (profit)			5.182.787,57			8.298.517,77	2. First dividend		11.690.814,15		0,00	
II. PLUS:Extraordinary results							 Dividend from distribution of reserves article 72 L. 4172/2013 Profit carried forward 		338.850,00 7.781.808.45		0,00 6.936.423,80	
Extraordinary and non-operating income		478.776,57			421.179,07				20.333.413,09	-	7.107.334,77	
Extraordinary gain Prior years' income		0,00 0.00			1.999,99		STATEMENT OF CASH F	OWS FOR THE	VEAD 2012			
Income from prior years' provisions		20.460.956,19			7.027.805,28		STATEMENT OF CASH I					
Lann		20.939.732,76			7.452.484,34		Cash flows from operating activities	<u>YE</u>	AR ENDED 2013			
Less: 1. Extraordinary and non-operating expenses	790.732,10			1.070.404,54			Cash receipts from customers		121.622.111,59			
Extraordinary losses	975.161,65			17.798,96			Cash paid to suppliers and employees	-	-116.203.383,88			
Prior years' expenses Provisions for extraordinary liabilities	3.738,36 9.829.476,22	11.599.108,33	9.340.624,43	6,18 9.973.105,96	11.061.315,64	-3.608.831,30	Cash generated from operations Income tax paid		5.418.727,71 -2.380.088,32			
Operating and extraordinary results (profit)			14.523.412,00			4.689.686,47	Net cash flows from operating activities	•	3.038.639,39			
<u>LESS</u> : Total depreciation of fixed assets <u>Less</u> : Charged to the operating cost		2.045.631,04 1.628.718,85	416.912,19		2.954.994,30 2.538.082,11	416.912,19	Cash flows from investing activities Acquisition of subsidiary, net of cash acquired		-1.000.000.00			
NET RESULTS (Profit) FOR THE YEAR before taxes	5	1.020.7 10,00	14.106.499,81		2.000.002,11	4.272.774,28	Payments for purchase of property, plant and		1.000.000,00			
					equipment (PPE) and intangible assets Payments to acquire financial assets				-1.280.635,18 0.00			
					Proceeds from sale of participations, PPE,				0,00			
	STATEMENT OF CHANGES IN EQUITY						intangible assets and financial assets		68,84			
		Y	EAR ENDED 2013		Y	EAR ENDED 2012	Proceeds from grants relating to PPE Proceeds from interest, dividends and rents of assets		144.042,83			
Net equity of period Opening Balance		· -		•	'-		of the investing activities		1.961.062,57			
(01.01.2013 and 01.01.2012 respectively) Profit for the year after taxes			40.052.195,74 12.998.342.24			40.664.303,22 6.950.505.65	Net cash used in investing activities Cash flows from financing activities	:	-175.460,94			
		=	53.050.537,98			47.614.808,87	Proceeds/Cash paid from increase of share capital		8.000.000,85			
Increase of share capital Dividends distributed (profit)			8.000.000,85 -12.029.664.15			0,00 -2.712.286,80	Repayments of loans and interest Repayments of finance lease obligations		0,00			
Net income/(expense) recognised directly in equity			144.042,83			52.889,15	Dividends paid		0,00			
Other changes in equity		-	1.391.155,85			-4.903.215,48	Net cash used in financing activities		8.000.000,85 10.863,179,30			
Net equity of period Closing Balance (31.12.2013 and 31.12.2012 respectively)			50.556.073,36			40.052.195.74	Net increase/decrease in cash and cash equivalents Cash and cash equivalents at beginning of the year		10.863.179,30 40.084.062,74			
,		=					Cash and cash equivalents at end of the year	•	50.947.242,04			
					F	Pikermi, 30 April 2014						
THE CHAIRMAN OF THE B. OF D.	THE VICE C	HAIRMAN OF TH	E B. OF D.			THE MANAGING DIRECTOR	THE ACCOUNTS DEPT. MANAGER			ANAGER		

ZANIS K. PAPOURTZIS ID. No. P 074023/1993 E.C.G. Licence No. 0006923/A' Class DIMITRIOS K. PENTAFRAGKAS ID. No. AE 562381/2007

INDEPENDENT AUDITOR'S REPORT To the Shareholders of the Company "ELPEN PHARMACEUTICAL Co. INC"

Report on the Financial Statements
We have audited the above financial statements of the Company "ELPEN PHARMACEUTICAL Co. INC", which comprise the balance sheet as at 31 December 2013 and the statements of income, changes in equity and cash flows and the results appropriation account for the year then ended, as well as the relevant notes to the financial statements.

Management's Responsibility for the Financial Statements

management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards that are prescribed by the Greek General Chart of Accounts and the provisions of the articles 42a up to 43c of the cod. L. 2190/1920 and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply wint enrical requirements and pain and upending the additional statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion
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11.673.541,35.
In the account "Participating interests in affiliated undertakings" of amount € 6.026.000,00 is disclosed the acquisition cost of shares of a newly established foreign company. The current value of these shares amounts in total to approximately € 1.050.000,00. By deviation from the accounting principles that are provided by cod. L. 2190/1920 and G.G.C.A., has not been set up provision for value decline of these shares for the arisen difference € 4.976.000,00 and, as a consequence, the value of this account and the Equity are shown equally in amount increased, while the results for the year are shown increased by amount approximately € 250.000,00. amount approximately € 250,000,00.
3) For the years 2010 and 2011 the tax audit is in progress and, therefore, the tax results for these years have not been made final. The company has not proceeded to estimation of additional taxes and penalties, which may be assessed at a future tax audit and has not made relevant provision in respect of this contingent liability. From our audit reasonable assurance has not been obtained in respect of the estimation of the amount of provision that may be required.

Qualified Opinion
In our opinion, except for the effects of the matters (1) and (2) and the possible effects of matter (3) described in the Basic for Qualified Opinion.

Qualified Opinion
In our opinion, except for the effects of the matters (1) and (2) and the possible effects of matter (3) described in the Basis for Qualified Opinion paragraph, the above financial statements present fairly, in all material respects, the financial position of the Company "ELPEN PHARMACEUTICAL Co. INC" as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards that are prescribed by the Greek General Chart of Accounts and the provisions of the articles 42a up to 43c of the cod. L. 2190/1920.

Report on Other Legal and Regulatory R

Athens. 29 May 2014

