

**Public Joint Stock Company
HUMAN STEM CELLS INSTITUTE**

Unaudited Condensed Consolidated Interim Financial Statements

Prepared in Accordance with
International Financial Reporting Standards

as of June 30, 2015
and for the six-month period then ended

Contents

Consolidated interim statement of financial position	3
Consolidated interim statement of comprehensive income	4
Consolidated interim statement of cash flows	5
Consolidated interim statement of changes in equity	6
Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended	7

Important remarks

Hereinafter contained unaudited condensed consolidated interim financial statements of HSCI as of June 30, 2015 and for the six-month period then ended in accordance with IFRS were prepared in Russian. In the event of any inconsistency between the English and the Russian texts, the Russian text shall prevail (The original Statements in Russian: http://hsci.ru/investoram-i-aktsioneram/financial_reporting/otchet_y_msfo).

HSCI PJSC

Consolidated interim statement of financial position
as of 30 June 2015

(thousands of Russian rubles, unless otherwise indicated)

	Notes	30 June 2015 (unaudited)	31 December 2014
Assets			
Non-current assets			
Property, plant and equipment	3	100,197	110,485
Intangible assets	4	51,184	50,636
Investments in associates	13	342,761	314,426
Non-current financial assets	5	1,500	-
Deferred tax assets		3,582	3,258
Total non-current assets		499,224	478,805
Current assets			
Inventories	14	54,625	50,926
Long-term assets held for sale (AFS financial investments)		10,000	10,000
Trade receivables	5	25,876	18,893
Other receivables	5	58,846	39,325
Other current financial assets	5	137,184	136,824
Cash and cash equivalents	15	58,201	70,841
Total current assets		344,732	326,809
Total assets		843,956	805,614
Equity and liabilities			
Equity			
Share capital		7,500	7,500
Share premium		139,702	139,702
Treasury shares		(43,179)	(43,179)
Retained earnings		251,026	234,653
Other components of equity		485	485
Equity attributable to equity holders of the parent		355,534	339,161
Non-controlling interests		79,808	82,729
Total equity		435,342	421,890
Non-current liabilities			
Interest-bearing loans and borrowings	6	25,600	-
Deferred tax liabilities		21,163	18,558
Total non-current liabilities		46,763	18,558
Current liabilities			
Interest-bearing loans and borrowings	6	91,374	98,367
Advances received	6	250,945	254,936
Trade and other payables	6	10,709	9,295
Target financing (grant)	6	5,561	-
Finance lease liabilities		-	499
Taxes payable		3,262	2,069
Total current liabilities		361,851	365,166
Total liabilities		408,614	383,724
Total equity and liabilities		843,956	805,614

28 August 2015

General Director
Chief Accountant

/s/
/s/

A.A.Isaev
N.I.Alyutova

The notes on pages 7 through 16 are an integral part of these condensed consolidated interim financial statements

HSCI PJSC

Consolidated interim statement of comprehensive income
for the six-months ended 30 June 2015

(thousands of Russian rubles, unless otherwise indicated)

	Notes	Six-month periods 30 June 2015 (unaudited)	ended 30 June 2014 (unaudited)
Sale of goods and services	7	151,944	174,201
Total revenue		151,944	174,201
Operating expenses, including:	8	(170,312)	(188,443)
<i>Depreciation and amortization</i>	8	(12,641)	(13,676)
Operating profit / (loss)		(18,368)	(14,242)
Interest expense	11	(4,094)	(7,083)
Interest income		3,338	1,939
Share of profits of associates	13	28,335	-
Net other non-operating income	9	8,236	60,604
Net foreign exchange gain	10	188	533
Profit / (loss) before tax		17,635	41,751
Income tax	12	(3,772)	(11,781)
Profit / (loss) for the period		13,863	29,970
Other comprehensive income			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of foreign operations		-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Total comprehensive income / (loss) for the period, net of tax		13,863	29,970
Profit / (loss) for the period		13,863	29,970
<i>Attributable to:</i>			
Equity holders of the parent		16,373	33,395
Non-controlling interests		(2,510)	(3,425)
Total comprehensive income/ (loss) for the period, net of tax		13,863	29,970
<i>Attributable to:</i>			
Equity holders of the parent		16,373	33,395
Non-controlling interests		(2,510)	(3,425)
Basic and diluted earnings / (loss) per share for profit/ (loss) for the year attributable to equity holders of the parent (in Russian rubles)	16	0.18	0.40

28 August 2015

General Director
Chief Accountant

/s/
/s/

A.A.Isaev
N.I.Alyutova

The notes on pages 7 through 16 are an integral part of these condensed consolidated interim financial statements

HSCI PJSC

Consolidated interim statement of cash flows
for the six-months ended 30 June 2015

(thousands of Russian rubles, unless otherwise indicated)

	Notes	<i>For the periods ended</i> 30 June 2015 (unaudited)	31 December 2014
Operating activities			
Profit / (loss) for the period		13,863	(16,602)
Income tax expense		3,772	16,762
Profit before tax		17,635	160
<i>Adjustment for non-cash items to reconcile profit before tax to net cash flows</i>			
Depreciation and amortization		12,641	25,002
Interest expense		4,094	11,946
Interest income		(3,338)	(5,645)
Share of (profit) / loss of associates		(28,335)	3,329
Gain on sale of subsidiary		(411)	-
Net foreign exchange gain		(188)	(1,325)
Other non-operating (income) / expenses		(8,236)	(15,232)
Net (gain)/ loss from revaluation of financial instruments held for trading		(16,888)	21,458
Operating income / (loss) before changes in working capital, interest and income taxes paid		(23,026)	39,693
<i>Working capital adjustments</i>			
Decrease / (increase) in trade and other receivables and prepayments		(20,417)	3,522
(Increase) in inventories		(3,699)	(35,803)
Increase in trade and other payables		2,577	33,852
Income tax paid		(391)	(3,038)
Net cash flows from / (used in) operating activities		(44,956)	38,226
Investing activities			
Purchase of property, plant and equipment and intangible assets		(6,773)	(32,854)
Loans issued		(506)	(18,761)
Repayment of loans issued		15,532	3,436
Proceeds from sale of financial assets held for trading		-	10,461
Other proceeds		6,000	-
Interest received		4,094	2,898
Net cash flows from / (used) in investing activities		18,347	(34,820)
Financing activities			
Proceeds from loans and borrowings net of fees paid		34,925	61,003
Repayment of loans and borrowings		(18,648)	(76,102)
Interest paid		(1,764)	(9,377)
Payment of finance lease liabilities		(499)	(1,254)
Sale of a stake in a subsidiary		-	75,000
Net cash flows from financing activities		14,014	49,270
Net increase / (decrease) in cash and cash equivalents		(12,595)	52,676
Cash and cash equivalents at the beginning of the period		70,796	18,120
Cash and cash equivalents at the end of the period		58,201	70,796

28 August 2015

General Director
Chief Accountant

/s/
/s/

A.A.Isaev
N.I.Alyutova

The notes on pages 7 through 16 are an integral part of these condensed consolidated interim financial statements

HSCI PJSC

Consolidated interim statement of changes in equity
for the period ended 30 June 2015

(thousands of Russian rubles, unless otherwise indicated)

Attributable to equity holders of the parent										
	Share capital (mln. shares)	Share capital	Treasury shares	Share premium	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
As at 1 January 2015	75	7,500	(43,179)	139,702	-	485	234,653	339,161	82,729	421,890
Profit for the year	-	-	-	-	-	-	16,373	16,373	(2,510)	13,863
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	16,373	16,373	(2,510)	13,863
Increase of subsidiary's charter capital / additional capital contribution	-	-	-	-	-	-	-	-	(411)	(411)
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-
As at 30 June 2015	75	7,500	(43,179)	139,702	-	485	251,026	355,534	79,808	435,342
As at 1 January 2014	75	7,500	(43,179)	139,702	(586)	485	247,846	351,768	10,554	362,322
Profit for the year	-	-	-	-	-	-	(13,193)	(13,193)	(3,409)	(16,602)
Other comprehensive income	-	-	-	-	586	-	-	586	-	586
Total comprehensive income	-	-	-	-	586	-	(13,193)	(12,607)	(3,409)	(16,016)
Increase of subsidiary's charter capital / additional capital contribution	-	-	-	-	-	-	-	-	74,999	74,999
Disposal of subsidiary	-	-	-	-	-	-	-	-	585	585
As at 31 December 2014	75	7,500	(43,179)	139,702	-	485	234,653	339,161	82,729	421,890

28 August 2015
General Director
Chief Accountant

/s/
/s/

A.A.Isaev
N.I.Alyutova

The notes on pages 7 through 16 are an integral part of these condensed consolidated interim financial statements

HSCI PJSC

Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended

(thousands of Russian rubles, unless otherwise indicated)

1. Corporate information

The condensed consolidated interim financial statements of Public Joint Stock Company Human Stem Cells Institute and its subsidiaries as of and for the six-month period ended 30 June 2015 were authorized for issue in accordance with a resolution of the General director on 28 August 2015.

Public Joint Stock Company Human Stem Cells Institute (hereinafter, the "Company", "HSCI PJSC" or "HSCI") is the first Russian public biotech company founded on 27 November 2003 under the laws of the Russian Federation. The Group of HSCI companies (hereinafter, the "Group" of "HSCI Group") comprises the Company and its subsidiaries and associates.

HSCI is engaged in drug discovery, R&D and marketing of innovative proprietary products and services in the field of advanced biomedical technologies, including such segments as:

- Gene therapy
- Regenerative medicine (stem cell therapy and services, tissue engineering products)
- Medical genetics, including reproductive genetics (Lab & clinics /genetic testing and consulting/)
- Bio-insurance
- Biopharmaceutics (within the international SynBio project)

The Company strives to foster a new culture of medical care linked to the concepts of personalized and preventive medicine.

HSCI owns Gemabank® – a family cord blood stem cell bank, the largest in Russia and the CIS, as well as Reprobank® - a reproductive cell and tissue bank (personal storage, donation).

The Company has brought to the market Neovasculgen® - the first Russian gene-therapy drug for treatment of Peripheral Arterial Disease (PAD), including Critical Limb Ischemia (CLI), caused by atherosclerosis. Neovasculgen® is a first-in-class drug whose action mechanism – therapeutic angiogenesis – introduces a new approach to treating ischemia. As of today, the drug has received marketing authorization in both Russia and Ukraine.

HSCI has introduced to the Russian aesthetic medicine market SPRS-therapy® – a set of personalized diagnostics and treatment procedures based on the innovative cell technology which entails the use of autologous dermal fibroblasts to repair skin damage due to aging and other structural changes.

HSCI is implementing a socially significant project to develop its own Russia-wide network of Genetico® medical centers & testing lab to provide a range of genetic diagnostic and consulting services with the aim of early identification, prediction and prophylactic treatment of genetic disorders. Among others, Genetico® centers provide medical genetics consultations using various genetic testing technologies, including HSCI's proprietary DNA array Ethnogene and microfluidics for genetic screening, Prenetix® non-invasive prenatal testing (NIPT) as well as preimplantation genetic diagnosis of early-stage embryos for monogenic inherited diseases and chromosomal aberrations during an IVF cycle (PGD). Starting 2013 the medical genetics diagnostic and consulting services are offered based on the new HSCI's laboratory and production complex in Moscow.

The Company intends to develop its products not only for the Russian market but for international markets as well.

HSCI and its subsidiary Cryonix are co-investors in SynBio – a long-term multilateral project to create new unique medicines (first-in-class and BioBetter) for the Russian and international markets with the aim of achieving progress in the treatment of socially significant diseases. The SynBio project unites top Russian and international companies engaged in biotech/biopharm R&D and is supported by an investment from RUSNANO (a state-owned fund for supporting nanotechnologies).

HSCI actively promotes scientific engagement and discussion of fields of research related to its core business areas. This includes holding the Annual International symposium "Current Topics in Gene and Cell Technologies" and publishing the scientific and analytical journal *Genes & Cells* (former "Cell Transplantation and Tissue Engineering").

In December 2009 Human Stem Cells Institute conducted an IPO on the MICEX (ticker: ISKJ), becoming the first biotech company in Russia to go public. HSCI's IPO opened trading on the iIM (Innovation & Investment Market) – a new exchange sector created as a platform for innovative and growing companies. Today MICEX is part of the Moscow Exchange (the ME MICEX-RTS).

HSCI PJSC

Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended

(thousands of Russian rubles, unless otherwise indicated)

2. Group information

Information about subsidiaries

The subsidiaries consolidated in the Group's consolidated financial statements are disclosed below:

Name	Business activity	Country of incorporation	% equity interest	
			30 June 2015	31 December 2014
NextGen LLC	R&D for gene and cell therapy, the development of techniques for treating inherited diseases using modern assisted reproductive technologies, and the creation of DNA arrays for the diagnosis of inherited diseases and predisposition to them.	Russia	100.00	100.00
Cell Technology Laboratory LLC	R&D for cell- and gene-based technologies.	Russia	75.00	75.00
Vitacel LLC	Aesthetic medicine developer, developer of SPRS-therapy – a set of procedures for individual skin regeneration based on the use of autologous dermal fibroblasts to repair skin damage due to aging or other structural changes.	Russia	60.00	60.00
Cryonix JSC	Development and commercialization of innovative drugs and provision of high-tech medical services.	Russia	70.11	70.11
RGMC HSCI LLC (Regenerative and Genetic Medical Center of the Human Stem Cells Institute)	Provision of medical services (genetic diagnostic and consulting services with the aim of early identification, prediction and prophylactic treatment of genetic disorders; services of the reproductive cell and tissue bank (personal storage / donor bank)).	Russia	76.11	76.11
IceGen LLC	IceGen LLC was created for the consolidation of the shares of participants of SynBio LLC (except RUSNANO OJSC) as an asset holding company. The consolidation of shares of the SynBio LLC participants was carried out in 2014.	Russia	53.60* Was not consolidated in this CFS	53.60* Was not consolidated in this CFS
IMCB LLC	"International Medical Center for Biomaterials Processing and Cryostorage" LLC was set up in October, 2014 for the provision of hematopoietic stem cell banking services. It is planned to start rendering Gemabank® services through IMCB before the end of 2015.	Russia	100.00	100.00
NVG-cardio LLC	R&D and commercialization of innovative drugs and medical equipment and products.	Russia	65.00	-

* effective ownership interest taking into account the indirect interest owned through Cryonix JSC.

HSCI PJSC

Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended

(thousands of Russian rubles, unless otherwise indicated)

On 9 August 2011, by decision of the founders, IceGen LLC was founded with the shares held by HSCI and Cryonix amounting to 48.07% and 9.31%, respectively. As of 30 June 2015 and 31 December 2014, the Group's effective interest in IceGen LLC was 54.60%.

IceGen LLC was established to consolidate participatory interests of SynBio LLC (except for RUSNANO OJSC) as an asset holding company. Participatory interests of SynBio LLC were consolidated in 2014, resulting in the Group's loss of control over IceGen LLC. Therefore, starting from 2014, IceGen LLC is accounted for using the equity method.

In 2011, HSCI and Cryonix acquired stakes in SynBio LLC. SynBio LLC is a company established to carry out an international project involving multiple parties, including RUSNANO, to develop first-in-class innovative medicines as well as products known as BioBettors for commercialization on the Russian and global markets.

According to the conditions of the investment agreement between the participants of the SynBio project, HSCI acquired a stake in the project company SynBio LLC with a nominal value of 613,078. The nominal value of the stake in SynBio LLC acquired by HSCI's subsidiary Cryonix was RUB 118,799.

At the end of 2013, the stake in SynBio LLC held by HSCI was 28.18%. At the end of 2013, the stake in SynBio LLC held by Cryonix HSCI's subsidiary, was 5.46%. On 14 February 2014, HSCI and Cryonix disposed of their shares in SynBio LLC by adding them as an additional contribution to the charter capital of IceGen LLC.

This move has been made to execute the conditions of the Investment Agreement on the SynBio project, signed 4 August 2011 and approved along with other transactions related to its implementation by HSCI's Extraordinary General Shareholders' Meeting on 31 August 2011.

According to the Investment Agreement, the parties of the SynBio project (except RUSNANO) committed themselves to consolidate their assets in an asset holding (nominal owner) company. The consolidation was to occur through the transfer of SynBio participants' stakes (except RUSNANO) into the holding company.

Thereby, as of 31 December 2014, SynBio LLC had only two participants: RUSNANO (41%) and the nominal owner company (59%), which represents the interests of all other partners in the project, including HSCI and Cryonix. This holding company is IceGen LLC, established on 9 August 2011.

As a result, HSCI and Cryonix terminated direct participation in SynBio LLC. Currently, the Group has an indirect interest in this company through its participatory interest in IceGen LLC.

After the state registration of the increased charter capital of IceGen LLC (as of 4 March 2014), the Group's participatory interest in IceGen LLC has not change, but the Group has lost a control over IceGen LLC. The Group henceforth considers IceGen LLC as an associated company, which is accounted for by means of the equity method.

HSCI PJSC

Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended

(thousands of Russian rubles, unless otherwise indicated)

3. Property, plant and equipment

	Buildings and structures	Machinery and equipment	Motor vehicles	Other	Construction in progress	Total
Balance at 31 December 2013	90,768	44,405	5,030	21,238	929	162,370
Additions	1,489	8,650	-	558	4,245	14,942
Disposals	-	(2,635)	(4)	(337)	(929)	(3,905)
Balance at 31 December 2014	92,257	50,420	5,026	21,459	4,245	173,407
Additions	1,260	540	-	267	-	2,067
Disposals	-	(646)	-	(1,141)	(335)	(2,122)
Balance at 30 June 2015	93,517	50,314	5,026	20,586	3,910	173,352
<i>Accumulated depreciation</i>						
Balance at 31 December 2013	(11,590)	(18,686)	(2,532)	(12,108)	-	(44,916)
Depreciation charge for 2014	(7,876)	(7,476)	(1,378)	(4,141)	-	(20,871)
Depreciation of property, plant and equipment disposed in 2014	-	2,526	2	337	-	2,865
Balance at 31 December 2014	(19,466)	(23,636)	(3,908)	(15,912)	-	(62,922)
Depreciation charge for 6 months 2015	(3,970)	(3,798)	(642)	(2,156)	-	(10,566)
Depreciation of property, plant and equipment disposed in 6 months 2015	-	246	-	86	-	332
Balance at 30 June 2015	(23,436)	(27,188)	(4,550)	(17,982)	-	(73,155)
Balance at 31 December 2013	79,178	25,719	2,498	9,130	929	117,454
Balance at 31 December 2014	72,791	26,784	1,118	5,547	4,245	110,485
Balance at 30 June 2015	70,082	23,126	476	2,604	3,910	100,197

4. Intangible assets

	Software and licenses	R&D costs	User rights and patents	Trademarks	Total intangible assets
Balance at 31 December 2013	992	23,806	17,766	630	43,194
Additions	239	-	-	-	239
Development	-	10,725	6,575	373	17,673
Disposals	-	-	-	-	-
Balance at 31 December 2014	1,231	34,531	24,341	1,003	61,106
Additions	345	-	-	-	345
Development	-	4,361	-	-	4,361
Disposals	-	(1,667)	-	-	(1,667)
Balance at 30 June 2015	1,576	37,225	24,341	1,003	64,145
<i>Accumulated amortization</i>					
Balance at 31 December 2013	(522)	(3,400)	(2,265)	(152)	(6,339)
Amortization charge for 2014	(97)	(2,122)	(1,822)	(90)	(4,131)
Disposals	-	-	-	-	-
Balance at 31 December 2014	(619)	(5,522)	(4,087)	(242)	(10,470)

HSCI PJSC

Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended

(thousands of Russian rubles, unless otherwise indicated)

Amortization charge for 6 months 2015	(229)	(1,679)	(528)	(55)	(2,491)
Disposals for 6 months 2015					-
Balance at 30 June 2015	(848)	(7,201)	(4,615)	(297)	(12,961)
Balance at 31 December 2013	470	20,406	15,501	478	36,855
Balance at 31 December 2014	612	29,009	20,254	761	50,636
Balance at 30 June 2015	728	30,024	19,726	706	51,184

5. Financial assets

Financial assets	30 June 2015	31 December 2014
Cash and cash equivalents	58,201	70,841
Trade and other receivables	84,722	58,218
Financial instruments at fair value through profit or loss	116,246	99,360
Loans issued	20,938	37,464
Total financial assets	280,107	265,883
Total current	280,107	265,883
Total non-current	1,500	-

Financial assets at fair value through profit or loss reflect the change in fair value of financial assets held for trading. The fair value of the quoted securities is determined by reference to published price quotations in an active market.

The detailed structure of loans issued is as follows:

Non-current loans	30 June 2015	31 December 2014
IceGen LLC	1,500	-
Total non-current loans issued	1,500	-

The detailed structure of trade and other receivables is as follows:

Trade and other receivables	30 June 2015	31 December 2014
Trade receivables	25,876	18,893
Taxes paid in advance and overpayments	5,639	6,299
Advances to suppliers	36,169	21,865
Other receivables	17,038	11,161
Total	84,722	58,218

HSCI PJSC

Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended

(thousands of Russian rubles, unless otherwise indicated)

6. Financial liabilities

At amortized cost	30 June 2015	31 December 2014
Current interest-bearing loans and borrowings	91,374	98,367
Non-current interest-bearing loans and borrowings	25,600	-
Current finance lease liabilities	-	499
Target financing (grant)	5,561	-
Trade and other payables:	13,971	11,364
Trade payables	5,363	3,968
Other payables	5,346	5,327
Taxes payable	3,262	2,069
Total financial liabilities	136,506	110,230
Total non-current	31,161	-
Total current	105,345	110,230

The detailed structure of loans and borrowings is as follows:

Non-current loans and borrowings

Creditor	Currency	Effective interest rate, %	30 June 2015	31 December 2014
Moscow Seed Fund	RUB	15	25,600	-
Total non-current loans and borrowings			25,600	-

Current loans and borrowings

Creditor	Currency	Effective interest rate, %	30 June 2015	31 December 2014
Atlas Finance Inc.	RUB	14.5	5,192	-
RVC BioFund LLC	RUB	12	29,262	27,437
Sberbank OJSC	RUB	14.5	-	14,031
FINAM Bank CJSC	RUB	14.5	17,564	22,336
SynBio LLC	RUB	11	34,562	34,563
Moscow Seed Fund	RUB	15	4,795	-
Total current loans and borrowings			91,374	98,367
Total interest-bearing loans and borrowings			116,974	98,367

7. Sale of goods and services

	For the six months ended	
	30 June 2015	30 June 2014
Isolation, cryopreservation and storage of cord blood stem cells	103,847	104,188
Sales of Neovasculgen®	1,152	41,800
SPRS-therapy service	17,331	10,616
Genetico® medical centers (genetic diagnostic and consulting services, Reprobank® services)	26,578	7,652
Sale of medical equipment and consumables (distribution for Cytori Therapeutics, Inc.)	-	9,568
R&D revenue	2,994	-
Other revenue	42	377
Total	151,944	174,201

HSCI PJSC

Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended

(thousands of Russian rubles, unless otherwise indicated)

8. Operating expenses

	For the six months ended	
	30 June 2015	30 June 2014
Salary	30,672	62,104
Rent of premises	13,962	21,044
Advisory and legal services	14,775	14,640
R&D costs	14,132	4,561
Supplies and reagents	19,931	15,342
Advertising expenses	20,205	8,669
Social charges	8,121	16,048
Services provided by third parties	11,916	8,693
Transaction support and buyer search	-	3,988
Bad debt expense / (recovery)	5,158	(2,864)
Transport expenses	3,337	2,609
Business trips	1,975	3,381
Telecommunications services	1,756	2,329
Software and maintenance	2,220	1,802
Tax expenses	1,902	3,168
Contract-based manufacturing	-	1,256
Maintenance of cryogenic equipment	1,342	1,457
Representation expenses	68	1,560
Audit fees	-	667
Current repairs of property, plant and equipment	83	313
Other expenses	6,116	4,000
Depreciation of property, plant and equipment	10,566	11,521
Amortization of intangible assets and R&D	2,075	2,155
Total	170,312	188,443

9. Net other non-operating income / (expenses)

	For the six months ended	
	30 June 2015	30 June 2014
Other non-operating expenses:		
Revaluation of securities	(10,437)	(11,865)
Sale of securities	-	(29,723)
Allowance for bad debts	(263)	-
Other	(10,446)	(8,457)
Total other non-operating expenses	(21,146)	(50,045)
Other non-operating income:		
Revaluation of purchased securities	27,325	66,890
Sale of securities	-	30,299
Income from rent of property	481	3,337
Other income	1,576	10,123
Total other non-operating income	29,382	110,649
Total net other non-operating income / (expenses)	8,236	60,604

HSCI PJSC

Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended

(thousands of Russian rubles, unless otherwise indicated)

10. Net foreign exchange gain (loss)

	For the six months ended	
	30 June 2015	30 June 2014
Foreign exchange gains	553	1,242
Foreign exchange losses	(365)	(709)
Total net foreign exchange gain	188	533

11. Interest expense

	30 June 2015	30 June 2014
Interest payable accrued	(3,923)	(6,912)
Finance lease interest	(171)	(171)
Total interest expense	(4,094)	(7,083)

12. Income tax

	For the six months ended	
	30 June 2015	30 June 2015
Current income tax charge	(1,557)	86
Deferred income tax charge	(2,215)	(11,867)
Income tax expense reported in the statement of comprehensive income	(3,772)	(11,781)

13. Share of profits / (losses) of associates

	30 June 2015	31 December 2014
Share of profits / (losses) in the financial results of associated company IceGen LLC	28,335	(3,329)
Total share of profits / (losses) of associates	28,335	(3,329)

14. Inventories

	30 June 2015	31 December 2014
Raw materials	29,005	15,718
Materials transferred for processing	21,026	29,894
Goods for resale	4,101	5,108
Other inventories	493	206
Total inventories	54,625	50,926

HSCI PJSC

Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended

(thousands of Russian rubles, unless otherwise indicated)

15. Cash and cash equivalents

	30 June 2015	31 December 2014
RUB-denominated cash on hand and balances on settlement account	56,763	68,711
Foreign currency-denominated balances on settlement account	1,438	2,130
Total	58,201	70,841

16. Earnings per share (EPS)

	For the six months ended	
	30 June 2015	30 June 2014
Profit attributable to ordinary equity holders of the parent for basic earnings	13,863	29,970
Weighted average number of ordinary shares for basic EPS (with a nominal value of RUB 0.1)	75,000,000	75,000,000
Basic earnings per share, RUB	0.18	0.40
Diluted earnings per share, RUB	0.18	0.40

17. Related party transactions

	For the six months ended	
	30 June 2015	30 June 2014
Operating expenses	10	-
Royalty payments for use of intellectual property SynBio LLC	10	-
Interest income	616	938
First International Investment Group Ltd.	408	160
Hemafund Medical Center LLC	67	389
IceGen LLC	16	-
A.A. Isaev	126	126
D.D. Genkin	-	263
Other income	309	270
IceGen LLC	180	-
Hemafund Medical Center LLC	-	180
SynBio LLC	129	90
Other expenses	14,020	-
Hemafund Medical Center LLC	14,020	-
Accounts receivable	35	1,649
IceGen LLC	30	56
SynBio LLC	5	1,593

HSCI PJSC

Notes to the condensed consolidated interim financial statements as of June 30, 2015 and for the six-month period then ended

(thousands of Russian rubles, unless otherwise indicated)

	30 June 2015	30 June 2014
Accounts payable	19	9
SynBio LLC	19	9
Current loans issued	7,830	20,342
A.A. Isaev	1,740	1,740
IceGen LLC	440	1,700
Hemafund Medical Center LLC	-	11,252
First International Investment Group Ltd.	5,650	5,650
Non-current loans issued	1,500	-
IceGen LLC	1,500	-
Loans and borrowings received	31,955	47,000
SynBio LLC	31,955	47,000
Interest accrued and payable on loans received	2,610	3,845
SynBio LLC	2,607	3,834
IceGen LLC	3	11

This condensed consolidated interim financial statements were authorized for issue in accordance with a resolution of the General Director of HSCI PJSC on 28 August 2015.

General Director

/s/

A.A. Isaev