

Russian Ministry of Industry and Trade Issues HSCI License for Production of Pharmaceuticals

Moscow – 14 February 2014 OJSC HSCI – The Human Stem Cells Institute (“HSCI”, MOEX: [ISKJ](#)), one of Russia’s leading biotech companies, today announces that the Ministry of Industry and Trade of the Russian Federation has issued the Human Stem Cells Institute (HSCI) a license “To engage in the production of medicinal products” (No.12785-LS-P dated 31 December 2013).

On July 11, 2013, HSCI opened in Moscow its new laboratory and production complex, which was designed and built according to GMP. The complex comprises unique clean room laboratory and production space totaling 360 square meters and an advance automated cryopreservation facility for the storage of cell-based drugs and products in a cryogenic environment (-196° C).

In addition to the cell culture product laboratory, molecular genetics laboratory, cord blood stem cell bank and reproductive tissue bank, the complex also has a biopharmaceutical production facility for the development, production and quality control for cell-based drugs, including small batch contract production of cell-based drugs for R&D companies for the purpose of holding preclinical studies and clinical trials.

Alexander Prikhodko, Deputy General Director of HSCI, commented: “Having in-house pharmaceutical production capacity designed according to GMP allows our company to produce cell-based drugs according to international quality control standards. We plan to use the new complex to develop our own products and services as well as to provide Russian and international companies with contract services for the production and commercialization of innovative drugs and technologies. With the opening of our complex R&D companies now have a real opportunity to produce innovative drugs in accordance with the highest standard, which will significantly speed up the assimilation of advanced biomedical cell-based products into healthcare practice.”

Human Stem Cells Institute OJSC (HSCI, www.eng.hsci.ru) is a Russian public biotech company founded in 2003.

HSCI engages in R&D as well as commercialization and marketing of innovative proprietary products and services in the areas of cell-based, gene and post-genome technologies.

The Company aims to foster a new culture of medical care – developing new health care opportunities in such areas as personalized and preventive medicine.

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

The Company launched [Neovascugen](#)[®], the first-in-class gene-therapy drug for treating Peripheral Arterial Disease, including Critical Limb Ischemia, and also introduced the innovative cell technology [SPRS-therapy](#), 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 create its own Russia-wide network of *Genetico* medical genetics centers to provide [genetic diagnostics and consulting services](#) for monogenic inherited diseases as well as multifactorial disorders ([Ethnogene](#), [PGD](#), [Prenetix](#) and other services).

The Company actively promotes its products on the Russian market and intends to open new markets throughout the world.

HSCI is a co-investor in [SynBio](#) – a long-term multilateral project to create new unique medicines (first-in-class and BioBetter) for the Russian and international markets. The SynBio project, supported by an investment from RUSNANO, unites top Russian and international companies engaged in biotech/biopharm R&D.

HSCI is listed on the Innovation & Investment Market (iIM) of the Moscow Exchange (ticker: [ISKJ](#)). The Company conducted its IPO in December 2009, becoming the first Russian biotech company to go public.

Certain statements in this press-release are forward-looking statements within the meaning of the U.S. federal securities laws and are intended to be covered by the safe harbors created thereby.

Those forward-looking statements include, but are not limited to:

- *management's assessment of the Company's future results, including revenue, net profit(loss), profit(loss) per share, dividends, investments, capital structure, margins and other operating and financial results;*
- *forecasts of the present value of future cash flows and related factors;*
- *the Company's plans, goals and tasks relating, among other things, to its products and services development;*
- *the Company's expectations with respect to improving its corporate governance practices;*
- *the Company's market position – as anticipated;*
- *economic outlook and industry trends;*
- *the Company's expectations as to the sector regulation and assessment of impact of regulatory initiatives on the Company's activity;*
- *assumptions and prerequisites under the statements.*

Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

These risks include the risk of changes in political, economic and social conditions in Russia as well as changes in global economic environment, the risks relating to changes in industry regulation and the Russian legislation, the risk of changes in the Company's operations and business prospects, the competition and other risks.

For a more detailed discussion of these and other factors, see the Company's Annual Report and other public filings.

Many of these factors are beyond the Company's ability to control or predict. Given these and other uncertainties, readers are cautioned not to place undue reliance on any of the forward-looking statements contained herein or otherwise. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements (which are made as of the date hereof) to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as may be required under applicable laws.

For additional information, please contact:

Human Stem Cells Institute

Svetlana Samoylova
Director for Investor Relations (IRO)
Telephone: +7 (963) 679 3508
e-mail: ssamoylova@hsci.ru

Elena Romanova
Press Secretary
Telephone: +7 (916) 809 5559
e-mail: rea@gemabank.ru