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RUSNANO Received 2x Return Investment in the Kirov company NANOLEK

JSC RUSNANO has sold its 33.3% stake in the charter capital of its portfolio company Nanolek Holding Limited (the sole owner of NANOLEK LLC) to current shareholders in the company. RUSNANO's proceeds from the sale of its share in the biopharmaceutical company amounted to 2.35 billion roubles, double its original investment in the project. Its Internal Rate of Return (IRR) following its withdrawal from the company was 8.6%, which is consistent with the average profit level from investments in regulated healthcare sectors. The purchasers paid for the shareholding in ready money.

RUSNANO became an investor in the project when the company was founded, in 2011. RUSNANO's direct participation enabled NANOLEK to construct a biomedical production complex in Kirov region from scratch: the complex has an area of 29,300 square metres, and a production capacity of up to 4 billion tablets, 42 million pre-filled syringes, and 35 million ampoules a year. Currently it has approximately 700 employees.

NANOLEK is engaged in the development of medicines in Russia in order to reduce imports, as part of the Pharma 2020 Federal Target Programme to increase Russian manufacturers' share of the innovative medicine market and substitute expensive imported medicines with domestically produced analogues. Currently the company is one of Russia's leading producers of paediatric vaccines.

NANOLEK's diverse portfolio covers a range of clinical categories including vaccines, HIV medicines, oncology medicines etc. The company has unmatched experience in the transfer of technologies through partnerships with leading global pharmacy companies (Merck, Sanofi, Novartis, Egis, Aspen, Celltrion, Riemser etc.).

During the course of the project, NANOLEK launched the mass production of medicines in tablet form, and also the production of biotechnological medicines including inactivated polio vaccines and the combined vaccine Pentaxim®, containing five active components, and obtained a licence for the production of sterile and non-sterile medicines from the Russian Ministry of Trade and Industry. NANOLEK also launched the local production in its biomedical production



complex of medicines developed by Merck to treat diabetes and conditions affecting the circulatory system (Glucophage and Concor).

Olga Shpichko, RUSNANO Managing Company's Director for Investment Activities:

“In its 8 years as an investor, RUSNANO successfully completed its mission to establish a modern Russian biopharmaceutical company that is able to meet global quality standards for the production of medicines and has considerable potential for growth. The creation of a major domestic manufacturer of essential and socially important medicines in Kirov region represents a significant contribution to the state programme to develop the technological, production and innovative potential of Russia's pharmaceuticals industry so as to reduce dependence on imports, create innovative biomedical clusters and develop skills in this area.

The project's indicators show that it is now financially stable: Nanolek's turnover for 2018 was 6.9 billion roubles, and its net profit was 217 million roubles. These results will allow an investor specialising in this sector to continue to develop the company and to extend the range of medicines that it manufactures.”

***RUSNANO Joint-Stock Company** was founded in March 2011 through reorganization of state corporation Russian Corporation of Nanotechnologies. JSC RUSNANO contributes to implementation of the state policy on the development of the nanotechnology industry by investing directly and through investment funds of nanotechnology in financially effective high-technology projects providing the development of new production facilities in the Russian Federation. Its primary investment focus is in electronics, optoelectronics and telecommunications, healthcare and biotechnology, metallurgy and metalwork, energy, mechanical engineering and instrument making, construction and industrial materials, chemicals and petrochemicals. 100 percent of RUSNANO's shares are state owned. Thanks to RUSNANO's investments, there are currently 103 factories and R&D Centers opened in 37 regions in Russia. JSC RUSNANO has profit for the last 5 years.*

Management of assets of RUSNANO JSC is carried out by Limited Liability Company established in December 2013, RUSNANO Management Company. Anatoly Chubais is the Chairman of its Executive Board.

Work to establish nanotechnology infrastructure and carry out educational programs is fulfilled by RUSNANO's Fund for Infrastructure and Educational Programs, which was also established during the reorganization of the Russian Corporation of Nanotechnologies.

