Faron Pharmaceuticals Ltd

("Faron" or the "Company")

Interim Results for the six months ended 30 June 2016

Progress continued in Traumakine® Phase III and with Clevegen® indications extended

TURKU – FINLAND, 5 September 2016 – Faron Pharmaceuticals Ltd ("Faron") (LON: FARN), the clinical stage biopharmaceutical company, today announces its unaudited Interim Results for the six months ended 30 June 2016 (the "Period").

KEY HIGHLIGHTS

Operational Highlights (including Post Period-end)

Traumakine® - for treatment of Acute Respiratory Distress Syndrome ("ARDS")

- Continued to progress the Phase III pan-European INTEREST trial as planned. In June 2016, Faron received the first IDMC (Independent Data Monitoring Committee Chaired by Prof. Arthur Slutsky from Toronto, Canada) recommendation to continue the study.
- Announced positive results from the Phase II Japanese study for Traumakine conducted by Faron's Japanese licensing partner, Maruishi Pharmaceutical Co., Ltd. ("Maruishi"), in January 2016.
- Filed a patent application in Finland in March 2016 to further strengthen the Company's protection of its novel Traumakine formulation (FP-1201-lyo) for the intravenous treatment of ARDS and other vascular diseases. The patent filings will be expanded over the next 2 years to most countries worldwide under the Patent Co-operation Treaty ("PCT"). Through its patent filings Faron is seeking to protect its rights to this discovery for the next 20 years.
- Entered into a licensing agreement in June 2016 with Pharmbio Korea Inc. ("Pharmbio") for the development and commercialisation of Traumakine in Korea to supplement the agreements in place for Japan and China.

Clevegen® - novel cancer immunotherapy checkpoint antibody

- Filed two new patent applications for novel cancer immunotherapy candidate Clevegen in April 2016 in Finland. Under the PCT patent filings will be expanded globally over the next few years. The applications open up new opportunities for wider application of this antibody in conditions where removal of suppression of the local or systemic immunity is desired.

- Expanded the development strategy for Clevegen indications by extending the range through the Tumour Immunity Enabling Technology Platform ("TIET"), the Company's new technology platform announced in May 2016, and presented at an R&D Day in London in June 2016, which can be evaluated alone or in combination with other immune checkpoint molecules in the treatment of common cancers.
- Entered into an agreement with Abzena plc (AIM: ABZA) for the manufacture of Clevegen for clinical development in July 2016.

Financial Highlights

- Received a €750,000 fee from the licensing agreement with Pharmbio Korea Inc. for the development and commercialisation of Traumakine in Korea. The Company will be entitled to receive further development milestone payments and one third of the profits from Traumakine in Korea.
- Recorded significant other operating income of €1.0 million for the period from the Company's existing European Union FP7 Traumakine grant, in-line with the Company's strategy to utilise non-dilutive funding sources to support the Company's R&D program where possible.
- As at Period-end, the Company held cash balances of €8.9 million.
- The cash position at the end of the Period was stronger than anticipated. In the future, the Company will continue its active and successful strategy to utilise various forms of public funding – both grants and loans.
- The operating loss for the Period was €2.6 million.
- Net assets as at Period-end were €8.4 million.

Commenting on the results, Dr Markku Jalkanen, CEO of Faron, said:

"Faron has delivered on its key strategic aims for the first half of 2016. We have clear plans to advance our exciting pipeline over the next two to three years, maintaining our focus on the most advanced projects Traumakine and Clevegen, which we believe have tremendous potential for expansion into new indications and territories. Our lead product, Traumakine for acute lung injury, is progressing well. The pivotal pan-European Phase III INTEREST trial is underway at more than 50 sites and we have received encouraging Phase II data from our Japanese partner Maruishi. The Korean licensing deal with Pharmbio is in-line with our growth strategy to partner Traumakine in territories where both clinical and financial impact can be optimised in conjunction with a local partner.

"We have also made substantial progress with our immunotherapy candidate Clevegen through the development of our new TIET platform. In addition to its potential use in combination cancer therapies, new opportunities include chronic infections and vaccination enhancement. We believe the approach offers significant advantages to future collaborators and licensing partners."

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About Faron Pharmaceuticals Ltd

Faron is a clinical stage biopharmaceutical company developing novel treatments for medical conditions with significant unmet needs. The Company currently has a pipeline focusing on acute organ traumas, cancer immunotherapy and vascular damage. The pipeline is built on Faron's scientific knowledge and control of the endothelial barrier, the membrane of cells lining blood and lymphatic vessels to separate blood content from tissues. The Company's lead candidate Traumakine® is in development for the treatment of Acute Respiratory Distress Syndrome ("ARDS"), a rare, severe, life-threatening medical condition characterised by widespread inflammation in the lungs. Traumakine is currently in a pan-European pivotal Phase III study (INTEREST). Additionally, Faron is developing Clevegen® a ground breaking pre-clinical anti-Clever-1 antibody. Clevegen has the ability to convert the immune environment around a tumour from being immune suppressive to immune stimulating. This novel macrophage-directed immuno-oncology approach is called Tumour Immunity Enabling Technology ("TIET") and can be used alone or in combination with other immune checkpoint molecules for the treatment of cancer patients. New application opportunities related to TIET cover chronic infections and inefficient vaccination. Based in Turku, Finland, Faron Pharmaceuticals is listed on AIM under the ticker 'FARN'. Further information is available at www.faronpharmaceuticals.com

Chairman's and Chief Executive Officer's Review

INTRODUCTION

We are pleased to report on the progress of Faron Pharmaceuticals for the six months ended 30 June 2016.

Implementing a strategy of bringing novel treatments for significant unmet medical needs to market in a timely and cost-effective manner, Faron's pipeline is built on its thorough scientific knowledge regarding control of the endothelial barrier, a membrane of cells lining blood and lymphatic vessels to separate blood content from tissues. Both lead indications – acute lung injury and intervening in tumour immune suppression – are based on controlling malfunction of the endothelial barrier.

We continue to strengthen our business and support our objectives of progressing our lead programme, Traumakine, through the on-going pan-European pivotal Phase III INTEREST trial, and the development of our pre-clinical cancer immunotherapy candidate, Clevegen.

OPERATIONAL REVIEW

Pipeline developments

Traumakine® - targeting a breakthrough for ARDS and initiating RAAA plans

Faron's lead candidate Traumakine is in a pan-European pivotal Phase III INTEREST trial which is progressing as expected. In June 2016, Faron received the first IDMC (Independent Data Monitoring Committee) recommendation to continue the study as planned.

Faron's Japanese partner, Maruishi, completed a phase II study in Japan, the results of which were announced in January 2016 with encouraging results which are consistent with Faron's prior Phase I/II data. Maruishi is now preparing for the next pivotal clinical trial which will enable progress towards filing of Traumakine marketing approval in Japan.

Faron has started preparations for a Traumakine US safety trial as requested by the FDA.

In relation to the Company's application for Orphan Drug Designation ("ODD") for Traumakine® in the US, the US Office of Orphan Products Development ("OOPD") has informed Faron that Traumakine is not currently eligible to be granted ODD in the US as according to OOPD's view there is insufficient nationwide evidence to demonstrate that the US incidence of ARDS is less than the statutory "orphan" limit of 200,000 patients per year. Accurate analysis of the US incidence of ARDS is difficult to determine for a number of reasons and there are varying estimates of the incidence, however the Directors believe that based on the latest available data, the true incidence of ARDS is less than 200,000 patients per annum in the US. Therefore, Faron is appealing the decision made by the OOPD and intends to continue to file additional material in further support of its claim. Separately Traumakine has already been granted orphan status in Europe.

Regardless of Traumakine's ODD status in the US, the Company is not aware of any other treatment for ARDS that is in a similar advanced stage of development. Additionally, the Directors believe that Traumakine® could

be entitled to a US regulatory package called a biologics license application (BLA), which could allow 12 years of data exclusivity in the US, reducing the risk of biosimilar competition in the US market. The Company expects also additional long-term IP protection for its new IV formulation filed earlier this year.

In June, Faron entered into a licensing agreement with Pharmbio for the development and commercialisation of Traumakine in Korea. Under the terms of the agreement, Pharmbio will obtain exclusive Korean rights to Traumakine. Faron received the initial signing fee of €750,000, which was recorded as revenue in H1 2016 financial results, and is entitled to receive additional, undisclosed development based milestones. Pharmbio will also pay Faron one third of Traumakine profits, representing a double digit royalty on net sales, depending on end user pricing, and has agreed to cover development costs for Traumakine in Korea. Additionally, Faron will supply Traumakine drug product to Pharmbio at an agreed transfer price.

Faron is planning to file a Clinical Trial Application in H2 2016 to the Finnish Medicines Agency (“FIMEA”) for the INFORAA clinical trial in patients with surgically treated Rupture of Abdominal Aorta Aneurysm (“RAAA”). These patients often suffer from multi-organ failure, similar to ARDS patients, thus Traumakine may improve their condition. The total incidence of RAAA is 13.5 per 100,000. As RAAA is frequently fatal it accounts for the death of at least 4.5 individuals per 100,000 population.

New indications for macrophage-directed immunotherapy candidate Clevegen®

Faron’s preclinical drug development project Clevegen revolves around Clever-1, a cell surface receptor on endothelial cells and macrophages involved in cancer growth and spread. Clevegen binds to Clever-1 which reduces suppression of the immune system and converts the immune environment around a tumour from immuno-supressive to immune stimulating, allowing a patient's own immune system to combat cancer.

In May 2016, Faron announced the expansion of the development strategy for Clevegen introducing the TIET platform, based on Clevegen´s ability to convert pro-tumoural, immune supressing M2 macrophages to pro-inflammatory M1 macrophages which could provide a significant boost to the efficacy of other immune checkpoint molecules already in use or under development. The TIET platform may allow licensing opportunities and wider use of Clevegen as part of combination cancer therapies. As the TIET technology is based on a humanised antibody, the Faron Directors believe it can be combined with a number of other immune therapies without a significant risk of increased adverse events.

Two additional new technology platforms related to TIET, covering chronic infections and inefficient vaccination were also presented at the Company’s R&D Day in London on 14th June 2016. The additional related technology platforms are called Chronic Infection Removal Therapy (“CIRT”) and Vaccination Response Enhancement Technology (“VRET”).

Faron intends to develop Clevegen in-house for immune dependent cancers such as hepatocellular carcinoma, a significant unmet medical need, and other cancers known to depend on tumour associated macrophages (“TAM”).

High quality cGMP manufacturing of Clevegen was assured through a July 2016 agreement with Abzena plc for the manufacture of Clevegen in July 2016.

FINANCIAL REVIEW

During the six months ended 30 June 2016, Faron continued to maintain its focused and cost-conscious strategy without compromising the intensity of its development work. Though the R&D expenses more than doubled (as planned within the Company's strategy), the combination of higher than anticipated income – in the form of both revenue and grant income - and lower operating costs resulted in a modest cash outflow over the Period. Thus the cash position at the end of the Period was stronger than anticipated. In the future, the Company will continue its active and successful strategy to utilise various forms of public funding – both grants and loans.

Statement of Comprehensive Income

The loss from operations for the Period was €2.6 million (six months ended 30 June 2015: loss of €2.4 million). The Company's revenue for the Period was €1.2 million (2015: €0.5 million), which comprised of a €0.8 million signing fee from Pharmbio, €0.3 million of prepayment of IFN-beta production and €0.1 million from product sales to Maruishi Pharmaceutical. The Company also recorded €1.0 million (2015: €nil) of other operational income from the EU FP7 grant. Research and development expenditure increased to €3.4 million (2015: €1.7 million) caused mainly by the increase of the clinical trial costs when patient recruitment for the INTEREST trial commenced at the very end of 2015. The administrative expenses were slightly lower at €1.0 million (2015: €1.1 million) mainly due to lower funding expenses during the Period compared to the same period in 2015. Both the research and development and the administrative expenses include the IFRS charge resulting from the options allocated by the Board to personnel in May 2016. The total charge was €0.2 million (2015: €nil.). This charge had no cash impact on the results for the year.

The loss after tax for the Period was €3.0 million (H1 2015: loss of €2.4 million) and the basic loss per share was €0.13 (H1 2015: loss per share of €0.15)

Statement Of Financial Position and Cash Flows

At 30 June 2016, net assets amounted to €8.4 million (30 June 2015: €1.4 million). The net cash outflow for the first six months in 2016 was €2.2 million (H1 2015: inflow of €2.0 million). As at 30 June 2016, total cash and cash equivalents held were €8.9 million (H1 2015: €2.3 million; H2 2015: €11.1 million).

OUTLOOK

The key aim for Faron in 2016 is the completion of the Phase III INTEREST trial recruitment. We confirm our initial estimate that patient recruitment will be carried out in 12 to 18 months from first patient treatment, which occurred in December 2015. We also reiterate that the INTEREST trial results should be available by mid-2017. In respect of our immunotherapy candidate Clevegen, our contracted partner Abzena will produce the Master Cell Bank and manufacture the anti-Clever-1 antibody for clinical development. Faron also plans to intensify commercial efforts around Tumour Immunity Enabling Technologies and make them available for interested licensing partners while at the same time focusing on internal development programmes as well.

Frank M Armstrong
Chairman
5 September 2016

Markku Jalkanen
Chief Executive Officer

Statement of comprehensive income (Stated in 1,000 euros)	**Note**	**Unaudited six months ended 30 Jun 2016**	**Unaudited six months ended 30 Jun 2015**	Year ended 31 Dec 2015
Revenue	2	1,169	454	520
Cost of sales		(357)	(50)	(25)
Gross profit		813	404	496
Other operating income	3	968	-	701
Administrative expenses		(974)	(1,074)	(3,061)
Research and development expenses		(3,439)	(1,681)	(3,971)
Operating result		(2,632)	(2,350)	(5,835)
Financial income		0	-	0
Financial expenses		(305)	(40)	(311)
Net financial costs		(305)	(40)	(311)
Loss before income taxes		(2,936)	(2,390)	(6,146)
Income tax expense		(75)	(42)	(42)
Total comprehensive income for the period		**(3,011)**	**(2,432)**	**(6,188)**
Total comprehensive income, attributable to:				
Equity holders of the Company		(3,011)	(2,432)	(6,188)
Loss per share attributable to equity holders of the Company				
Basic and diluted loss per share, euro	5	(0.13)	(0.15)	(0.30)

Balance sheet (Stated in 1,000 euros)	Note	Unaudited 30 Jun 2016	Unaudited 30 Jun 2015	31 Dec 2015
Assets				
Non-current assets				
Propertly, plant and equipment		24	0	28
Intangible assets		926	1,180	1,001
		950	**1,180**	**1,029**
Current assets				
Inventories		1,021	649	649
Trade and other receivables		3,836	647	2,074
Cash and cash equivalents		8,862	2,276	11,068
		13,719	**3,572**	**13,791**
Total assets		**14,669**	**4,753**	**14,821**
Equity and liabilities				
Capital and reserves attributable to equity holders of the Company				
Share capital		2,691	2,691	2,691
Reserve for invested non-restricted equity		24,533	11,503	24,533
Retained earnings		(18,820)	(12,764)	(16,046)
Total equity		**8,404**	**1,431**	**11,178**
Non-current liabilities				
Interest-bearing financial liabilities	4	2,057	1,691	1,446
		2,057	**1,691**	**1,446**
Current liabilities				
Interest-bearing financial liabilities		93	-	245
Non-interest-bearing financial liabilities		1,009	-	436
Other current liabilities		3,105	1,631	1,517
		4,207	**1,631**	**2,197**
Total liabilities		**6 265**	**3 322**	**3 643**
Total equity and liabilities		**14 669**	**4 753**	**14 821**

Statement of changes in equity (Stated in 1,000 euros)	**Share capital**	**Reserve for invested non-restricted equity**	**Retained earnings**	**Total equity**
Balance at 1 January 2015	**2,691**	**6,453**	**(10,332)**	**(1,188)**
Total comprehensive income for the first six months 2015	**-**	**-**	(2,432)	(2,432)
Increase of share capital	**-**	5,050	-	5,050
		5,050	(2,432)	2,618
Balance at 30 June 2015	**2,691**	**11,503**	**(12,764)**	**1,431**
Total comprehensive income for the financial year 2015	-	-	(6,188)	(6,188)
Share base payment	-	-	474	474
Increase of share capital	-	19,261	-	19,261
Transaction costs on share capital issued	-	(1,181)	-	(1,181)
	-	18,080	(5,714)	12,366
Balance at 31 December 2015	**2,691**	**24,533**	**(16,046)**	**11,178**
Total comprehensive income for the first six months 2016	-	-	(3,011)	(3,011)
Share base payment	-	-	237	237
	-	-	(2,774)	(2,774)
Balance at 30 June 2016	**2,691**	**24,533**	**(18,820)**	**8,404**

Statements of cash flows (Stated in 1,000 euros)	**Unaudited 1 Jan - 30 Jun 2016**	**Unaudited 1 Jan - 30 Jun 2015**	**1 Jan - 31 Dec 2015**
Cash flow from operating activities			
Loss(-) / profit(+) attributable to equity holders of the Company	(3,011)	(2,432)	(6,188)
Adjustments for			
Depreciation and amortization	79	74	184
Financial items	305	40	298
Income taxes	75	42	42
Expensed R&D	-	-	78
Non-cash items (options granted)	237	-	474
Change in net working capital:			
Trade and other receivables	(1,761)	(608)	(2,035)
Inventories	(372)	50	50
Trade and other current liabilities	2,162	(30)	278
Interest and other financial costs paid	(305)	(40)	(285)
Interest and other financial income received	0	0	0
Income taxes paid	(75)	(42)	(42)
Net cash used in / from operating activities (A)	**(2,666)**	**(2,945)**	**(7,146)**
Cash flow from investment activities			
Investments in machinery and equipment and intangible assets	-	(70)	(107)
Net cash from/used in investing activities (B)	**-**	**(70)**	**(107)**
Cash flow from financing activities			
Proceeds from issue of share capital issue, net	-	5,050	18,080
Proceeds from issue of convertible notes	-	-	-
Proceeds from current borrowings	-	-	-
Proceeds from non-current borrowings	611	-	-
Repayment of current borrowings	(151)	-	-
Net cash used in financing activities (C)	**460**	**5,050**	**18,080**
Net increase(+) / decrease (-) in cash and cash equivalents (A+B+C)	**(2,206)**	**2,034**	**10,827**
Cash and cash equivalents at 1 January	11,068	242	242
Cash and cash equivalents at end of period	**8,862**	**2,276**	**11,068**

Note 1 Basis of Preparation

Corporate information

Faron Pharmaceuticals Ltd (hereafter ”Faron” or ”Company”) is a Finnish limited liability company organised under the laws of Finland and domiciled in Turku, Finland. The Company’s registered address is Joukahaisenkatu 6 B, 20520 Turku, Finland. Faron Pharmaceuticals Ltd is a privately owned clinical stage drug discovery and development company. Currently Faron has two major drug development projects focusing on: acute trauma, inflammatory diseases and cancer growth and spread.

Basis of accounting

The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and as published by the International Accounting Standards Board (IASB) and in force as at 30 June 2016. In the EU IFRS are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. These policies are consistent with those used in the financial statements for the year ended 31 December 2015 and with those that the Company expects to apply in its financial statements for the year ending 31 December 2016.

The interim financial statements do not include all of the information required for full annual financial statements and do not comply with all the disclosures in IAS 34 “Interim Financial Reporting”. Additionally though the interim financial statements have been prepared in accordance with IFRS, they are not in full compliance with IFRS.

Going Concern

The Company has prepared forecasts to estimate the cash requirements over the next twelve months. In order to make these forecasts the Company has made a number of assumptions regarding the quantity and timing of future expenditure and income as well as other key factors. Though these estimates have been made with caution and care, they continue to contain significant amount of uncertainty. Based on the forecast the Company believes that it has adequate financial resources to continue its operations for the foreseeable future (at least twelve months from the date of this report) and therefore these interim financial statements have been prepared on a going concern basis.

Note 2 Revenue

The revenue for the first six months in 2016 totalled EUR 1,169,494. This consisted of EUR 750,000 signing fee from Pharmbio Korea, EUR 356,500 payment of IFN-beta production and EUR 62,994 from sales of active drug product and placebo to Maruishi.

Note 3 Other operating income

Other operating income totalling EUR 967,557 consists almost entirely of the EU FP7 grant income. Of this EUR 620,459 is grant income that is recorded based on the eligible project costs for the first six months of 2016. The next EUR 343,448 is grant income for project expenses for year 2015, for which Faron did not record grant income in 2015 as those expenses had not been budgeted or pre-approved by EU. After the date of publishing the annual accounts for 2015, EU approved all the reported expenses for the year 2015 and thus Faron has recorded that part of the 2015 grant income as other operating income for the first six months in 2016. When recording grant income, Faron has consistently followed the same accounting practice where it records 75% of the eligible project expenses for each period as grant income.

The remaining other operating income is income that derives from a tax-litigation that Faron won, where the court ordered the Finnish tax authorities to cover some of Faron’s legal expenses.

Note 4 Tekes loans

In March 2016, Faron utilised a possibility to apply for two additional amortisation-free years for the first of its two Tekes development loans. The application was approved and Tekes granted two additional amortisation-free years for the loan. Thus the first amortisation of the loan EUR 244,720 will be due in March 2018. Additionally in April 2016, Faron raised the first instalment of the Tekes loan for the Clevegen development work. The loan has a maturity of 10 years of which first five years are amortisation-free. The interest is currently one per cent. The loan is unsecured and if the project falls short of its goals and results cannot be commercialised, part of the loan may afterwards be converted into a grant.

Note 5 Loss per share	**1H2016**	**1H2015**	**2015**
	€ '000	€ '000	€ '000
Basic			
Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.			
Loss attributable to equity holders of the Company (EUR 1,000)	(3,011)	(2,432)	(6,188)
Weighted average number of ordinary shares in issue	23,111,704	16,606,406	20,686,854
Basic (and dilutive) loss per share, EUR	(0.13)	(0.15)	(0.30)
Weighted-average number of ordinary shares			
Issued ordinary shares at 1 January	23,111,704	15,456,250	15,456,250
Effect of shares issued	-	1,150,156	5,230,604
Weighted-average number of ordinary shares at end of period	23,111,704	16,606,406	20,686,854
Diluted			
Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.			
Loss attributable to equity holders of the Company (EUR 1,000)	(3,011)	(2,432)	(6,188)
Interest adjustment	-	9	9
Convertible loan interest adjusted loss attributable to equity holders	(3,011)	(2,423)	(6,179)
Diluted weighted average number of ordinary shares in issue	23,164,610	16,606,406	20,686,854
Basic loss per share, EUR	(0.13)	(0.15)	(0.30)

Weighted-average number of ordinary shares			
Issued ordinary shares at 1 January	23,111,704	15,456,250	15,456,250
Effect of shares issued	-	1,150,156	5,230,604
Weighted-average number of ordinary shares at end of period	23,111,704	16,606,406	20,686,854
Dilution effect of convertible loans	52,906	-	-
Diluted weighted-average number of ord. shares at end of period	23,164,610	16,606,406	20,686,854

FURTHER INFORMATION TO SHAREHOLDERS

AIM:	FARN
Company number:	(ISIN) FI4000153309
Investor website:	http://www.faronpharmaceuticals.com/investor-relations
Registered office:	Joukahaisenkatu 6, 20900 Turku, FINLAND
Directors:	Frank Armstrong (Non-Executive Chairman)
	Matti Manner (Non-Executive Vice-Chairman)
	Markku Jalkanen (CEO)
	Juho Jalkanen (Non-Executive Director)
	Jonathan Knowles (Non-Executive Director)
	Huaizheng Peng (Non-Executive Director)
	Leopoldo Zambeletti (Non-Executive Director)
	Yrjö Wichmann (CFO)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of Faron Pharmaceuticals Ltd

Introduction

We have reviewed the interim financial information of Faron Pharmaceuticals Ltd for the six months ended 30th of June 2016, consisting of Statement of comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Cash Flow Statement, together with related notes 1 to 5.

The Board of Directors and the Managing Director are responsible for the preparation of this interim financial information accordance with IAS 34- Interim Financial Reporting. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consist mainly of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that interim financial information for the six month ended 30th of June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Turku 5th of September 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Kalle Laaksonen
Authorised Public Accountant