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Audit report on simplified annual accounts for the year 2017 issued by an independent auditor.

Simplified balances as of December 31, 2017 and 2016.

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Annual report for the year 2017.

NOVACT

Simplified annual accounts audit report issued by an independent auditor.

To the members of the NOVACT Board of Directors, on behalf of the members of the same.

Opinion

We have audited the accompanying annual accounts of NOVACT as of December 31, 2017, the profit and loss account and the annual report for the year ending on that date.

In our opinion, the accompanying annual accounts express, in all significant respects, the true image of NOVACT's equity and financial position as of December 31, 2017, as well as the results for the year ended on that date, of compliance with the regulatory framework of financial information that results from application and, in particular, with the accounting principles and criteria contained therein.

Foundation of the opinion

We have carried out our audit in accordance with the regulations governing the current account auditing activity in Spain. Our responsibilities in accordance with these standards are described later in the Auditor's Responsibilities section regarding the audit of our report accounts.

We are independent of the Foundation in accordance with the requirements of ethics, including those of independence, which are applicable to our audit of the annual accounts in Spain as required by the regulations governing the audit activity of accounts. In this sense, we have not provided services other than those of the audit of accounts nor have concurred situations or circumstances that, in accordance with the provisions of the aforementioned regulatory regulations, have affected the necessary independence so that it has been compromised.

We believe that the audit evidence we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, according to our professional judgment, have been considered as the most significant material misstatement risks in our audit of the annual accounts of the current period. These risks have been addressed in the context of our audit of the annual accounts as a whole, and in the formation of our opinion on them, and we do not express a separate opinion on those risks.

Key issue related to subsidies received

As indicated in note 14.1, subsidies account for the majority of income.

Mode in which it has been treated in the Audit

Our audit procedures to address the verification of the income described above are the following:

- Obtaining the documentation of the grants of the subsidies of the different public organisms and verification of the justification documentation of the mentioned subsidies.
- Circulation of public entities on outstanding balances, grants granted and existing revocations.

Conclusion

After carrying out the aforementioned audit procedures, we found no elements that could contradict the valuation made by the Entity.

Responsibility of the members of the Board of Directors in relation to the annual accounts

The members of the Board of Directors are responsible for formulating the annual accounts, so as to express the true image of the assets and the financial situation of the Entity in accordance with the regulatory framework of financial information applicable to the entity for the preparation of a financial state of this type of Spain, and of the internal control that they consider necessary to allow the preparation of annual accounts free of material impropriety, due to fraud or error.

In the preparation of the annual accounts, the members of the Board of Directors are responsible for assessing the ability of the Entity to continue as a company in operation, revealing, as appropriate, the issues related to the company in operation and using the accounting principle of operating company unless the members of the Board of Directors intend to liquidate the company or cease operations, or there is no other realistic alternative.

Responsibilities of the auditor in relation to the audit of the annual accounts

Our objectives are to obtain reasonable assurance that the annual accounts as a whole are free of material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable security is a high degree of security, but does not guarantee that an audit carried out in accordance with the regulations governing the current audit activity in Spain will always detect a material error when it exists. The inaccuracies may be due to fraud or error and are considered material if, individually or in an aggregate way, it can reasonably be expected to influence the economic decisions that users make based on the annual accounts.

As part of an audit in accordance with the regulations governing the activity of auditing accounts in Spain, we apply our professional judgment and maintain an attitude of professional skepticism throughout the audit. As well:

- We identify and assess the risks of material misstatement in the normal situation annual accounts due to fraud or error, design and apply audit procedures to respond to such

risks and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, since the fraud may involve collusion, falsification, deliberate omissions, intentionally erroneous statements, or the circumvention of internal control.

- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate whether the accounting policies applied are adequate and the reasonableness of the accounting estimates and the corresponding information revealed by the members of the Board of Directors.
- We conclude on whether the use of the accounting principle of the operating company is appropriate for the members of the Board of Directors and, based on the audit evidence obtained, we conclude whether or not there is material uncertainty related to events or conditions that they can generate significant doubts about the capacity of the Entity to continue as a functioning company. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the annual accounts or, if such disclosures are not adequate, that we express an amended opinion. Our conclusions are based on the audit evidence obtained to date from our audit report. However, future events or conditions may cause the Company to cease to be a functioning company.
- We evaluate the overall presentation, structure and content of the annual accounts and their explanatory notes and whether the annual accounts represent the underlying transactions and events in a way that manages to express the true image.

We communicate with the members of the Board of Directors of the Entity regarding, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identified in the course of the audit.

Among the significant risks that have been communicated to the members of the Board of Directors, we determine those that have been of the greatest significance in the audit of the annual accounts and that are, consequently, the risks considered most significant.

We describe these risks in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

Barcelona, June 1, 2018.