



KPMG Audit
Espace Européen de l'Entreprise
9 avenue de l'Europe
CS 50033 Schiltigheim
67013 Strasbourg Cedex
France

Telephone: +33 (0)3 88 18 23 00
Telefax: +33 (0)3 90 22 06 61
Internet: www.kpmg.fr

Torrent Pharma France S.A.S.
**Statutory Auditors' report on the financial
statements**

For the year ended 31 March 2020
Torrent Pharma France S.A.S.
15, rue de Taitbout - 75009 Paris
Reference : FD-202-032

KPMG S.A.,
a French limited liability entity and a member firm
of the KPMG Network of independent member firms
affiliated with KPMG International Cooperative, a Swiss entity.

Société anonyme d'expertise
comptable et de commissariat
aux comptes à directoire et
conseil de surveillance.
Inscrite au Tableau de l'Ordre
à Paris sous le n° 14-30080101
et à la Compagnie Régionale
des Commissaires aux Comptes
de Versailles.

Headquarters:
KPMG S.A.
Tour Egho
2 avenue Gambetta
92066 Paris la Défense Cedex
Capital : 5 497 100 €.
Code APE 6920Z
775 726 417 R.C.S. Nanterre
TVA Union Européenne
FR 77 775 726 417



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*This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditor's report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Torrent Pharma France S.A.S.

Registered office: 15, rue de Taitbout - 75009 Paris
Share capital: € 1

Statutory Auditors' report on the financial statements

For the year ended 31 March 2020

To the sole Shareholder of Torrent Pharma France S.A.S.,

Opinion

In compliance with the engagement entrusted to us by your decision, we have audited the accompanying financial statements of Torrent Pharma France S.A.S. for the year ended 31 March 2020. These financial statements were approved by the President on 20th April 2020 based on the information available at that date and in the evolving context of the Covid-19 pandemic.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 March 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 April 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors.

Emphasis of Matter

We draw attention to the following matter described in Note "Règles et méthodes comptables" to the financial statements relating to the preparation of financial statements on realizable value basis as a consequence of the decision to close down the operations of the company. Our opinion is not modified in respect of this matter.

Justification of Assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, and in addition to the matter described in the *Emphasis of Matter* section, we inform you that the most important assessments made by us according to our professional judgment focused on the appropriateness of the accounting principles used, the reasonableness of the significant estimates and the presentation of financial statements taken as a whole.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the context described above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the documents with respect to the financial position and the financial statements provided to the sole Shareholder. With regards to events which occurred and information that became known after the date the financial statements were approved by the President relating to the impact of the crisis linked to Covid-19, management informed us that such events and information will be communicated to the sole Shareholder called to approve the financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the President.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Schiltigheim, on the 21st April 2020

French original signed by Florent Dissert - Partner

Assets

Assets			2020/3/31	2019/3/31
	Gross	Depr.Prov.	Net	Net
Uncalled capital				
FIXED ASSETS				
Intangible assets				
Set-up costs				
Research and Development costs				
Concessions, patents, licences and similar rights	3 060 000	3 060 000		
Goodwill				
Other intangible assets				
Adv. and payments on account in respect of intangible assets				
Tangible assets				
Land				
Buildings				
Plant & machinery, fixtures, fitting, tools & equipments				
Other tangible assets				
Tangible assets in progress				
Advances and payments on account				
Investments				
Investments accounted for using the equity method				
Other categories of participating interest				
Receivable from subsidiaries				
Long-term securities				
Other long-term investments				
Loans				
Other financial assets	680		680	680
	TOTAL (I)	3 060 680	3 060 000	680
CURRENT ASSETS				
Stocks and work in progress				
Raw materials, other supplies				
Work in progress (goods)				
Work in progress (services)				
Semi-finished and finished goods				
Goods for sale				
Advances and payments on account on orders				
Debtors				
Trade receivables				
Other debtors	161 867		161 867	200 081
Unpaid called up share capital				
Marketable securities				
Own shares				
Other securities				
Financial future market securities				
Cash at bank and in hand	5 062		5 062	17 672
Prepaid expenses				
	TOTAL (II)	166 929	166 929	217 752
Deffered charges (III)				
Redemption bond premium (IV)				
Unrealized exchange losses (V)				
	TOTAL ASSETS (I à V)	3 227 609	3 060 000	167 609
				218 432

Equity and liabilities

Equity and Liabilities	2020/3/31	2019/3/31
	Net	Net
CAPITAL AND RESERVES		
Share capital paid-in : 1	1	1
Share premium account		
Revaluation reserve		
Differences on assets assessed on equity method		
Reserves :		
- Legal reserve		
- Statutory and contractual reserves		
- Regulated reserves		
- Other reserves	10 000	10 000
Retained profit / losses	-341 779	-321 940
Profit / Loss for the financial year	38 178	-19 839
Grants for capital expenditures		
Tax-regulated provisions		
	TOTAL (I)	-293 600
		-331 778
OTHER SHAREHOLDERS' EQUITY		
Income from profit-sharing securities		
Conditional advances		
Other		
	TOTAL (I bis)	
PROVISIONS FOR CONTINGENCIES AND LIABILITIES		
Provisions for contingencies		
Provisions for liabilities		
	TOTAL (II)	
FINANCIAL DEBTS		
Convertible debenture loans		
Other debenture loans		
Bank loans and overdrafts		
Other loans and financial liabilities		9 744
Advances and payments received on account		
Trade payables	460 752	540 448
Tax and employee-related liabilities	457	19
Fixed assets creditors		
Other creditors		
Financial future market securities		
Deferred income		
	TOTAL (III)	550 211
Unrealized exchange gains (IV)		
	TOTAL EQUITY and LIABILITIES (I à IV)	167 609
		218 432
Including current bank loans and bank overdrafts		

Income Statement

Income statement			2020/3/31	2019/3/31
	France	Export	Total	Total
Operating income				
Sales of goods				
Sales of processed goods				
Sales of services				
	Turnover			
Change in inventory of finished goods				
Own work capitalised				
Operating grants				
Reversal of depreciations, provisions and cost recharge				
Other operating incomes			19	
		TOTAL (I)	19	
Operating expenses				
Purchase of goods				
Change in inventory of goods				
Purchase of raw materials and consumables				
Change in inventory of raw materials and consumables				
Other external expenses			11 128	19 387
Taxes			457	452
Wages and salaries				
Social contributions				
Amortization and depreciation increase on fixed assets				
Provision increase on fixed assets				
Provision increase on current assets				
Provision increase for contingencies and liabilities				
Other operating expenses				
		TOTAL (II)	11 585	19 839
* Including :				
- Equipment leasing				
- Real property leasing				
		OPERATING INCOME (I - II)	-11 566	-19 839
Results from participation in Joint-ventures				
Profit allotted or Loss transferred (III)				
Loss allotted or Profit transferred (IV)				
Financial income				
Financial income from investments				
Income from securities and other fixed assets investments				
Other interests and financial income				
Reversal of provisions and cost recharge				
Gains on exchange adjustments				
Net income from disposals of marketable securities				
		TOTAL (V)		
Financial expenses				
Depreciation and provision expenses				
Interests and other financial expenses				
Losses on exchange adjustments				
Net losses from disposals of marketable securities				
		TOTAL (VI)		
		FINANCIAL INCOME (V - VI)		
		NET INCOME BEFORE TAX (I-II+III-IV+V-VI)	-11 566	-19 839

Income Statement (2)

Income statement (2)	2020/3/31	2019/3/31
Non-recurring income		
Non-recurring income on operational transactions	49 744	
Non-recurring capital gains		
Reversals of provisions, depreciation and transfers of expenses		
TOTAL (VII)	49 744	
Non-recurring expenses		
Non-recurring expenses on operational transactions		
Non-recurring capital losses		
Non-recurring amortisation, depreciation / impairment and provisions		
TOTAL (VIII)		
NON-RECURRING PROFIT (VII - VIII)	49 744	
Employee profit sharing (IX)		
Corporate income tax (X)		
TOTAL INCOME (I + III + V + VII)	49 763	
TOTAL EXPENSES (II + IV + VI + VIII + IX + X)	11 585	19 839
PROFIT OR LOSS (TOTAL INCOME - TOTAL EXPENSES)	38 178	-19 839

(1) Including income for prior financial years

(2) Including expenses for prior financial years

(3) Including income for affiliated entities

(4) Including interest for affiliated entities