

LABORATOIRES NEGMA

Head Office : 1 bis avenue Jean d'Alembert – 78 990 ELANCOURT
Share Capital : € 28.868.371

Statutory auditor's report on the financial statements

Year ended 31 march 2019

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verifications of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.



To The Single-Shareholder of LABORATOIRES NEGMA,

1. Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of LABORATOIRES NEGMA S.A.S.U for the year ended 31st March 2019.

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 31st March 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

2. Basis for Opinion

2.1. 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 Auditor' Responsibilities for the Audit of the Financial Statements section of our report.

2.2. Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st April 2018 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.

3. 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, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

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

The accounting rules and methods present the methods for monitoring the value of the goodwill. An annual impairment test is performed to compare the net book value with the current value. We verified the correct application of this method and examined the approach used to determine the present value of this asset.

4. Specific Verifications

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

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the President and in the other documents provided to the Single-Shareholder of LABORATOIRES NEGMA with respect to the financial position and the financial statements.

We certify the fairness and consistency with the financial statements of the information relating to the payment periods mentioned in Article D.441-4 of the French Commercial Code.

5. Responsibility 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.

6. 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.

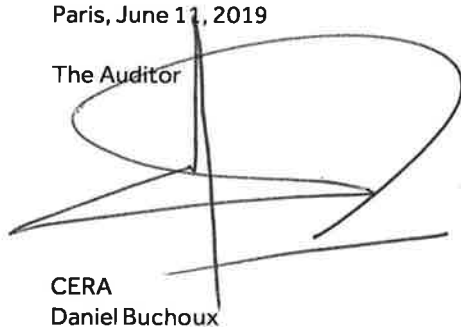
As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- 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.

Paris, June 11, 2019

The Auditor



CERA
Daniel Buchoux

Company name : LABORATOIRES NEGMA

Duration of the tax year (in months) * : 12

Address : Buroplus 3, 1 bis Avenue Jean d'Alembert, 78990 ELANCOURT

Duration of the prior tax year * : 12

Company Reg No * : 410 102 008 00068

Tax return filled in €			31/03/2019			31/03/2018			
			Gross amount		Amortization & depreciation	Net amount	Net amount		
Uncalled subscribed capital (1)			AA			0	0		
FIXED ASSETS *	INTANGIBLE ASSETS	Start-up costs*	AB	0	AC	0	0		
		Research & development costs*	CX	529 086	CQ	528 485	601	601	
		Licences, patents and similar rights	AF	584 384	AG	537 286	47 098	64 014	
		Goodwill (1)	AH	21 617 271	AI	21 617 271	0	12 141 271	
		Other intangible assets	AJ	0	AK	0	0	0	
		Cash advances & down payments on intangible assets	AL	0	AM	0	0	0	
	TANGIBLE ASSETS	Land	AN	0	AO	0	0	0	
		Buildings	AP	0	AQ	0	0	0	
		Plant & equipment	AR	34 540	AS	33 524	1 016	1 496	
		Other tangible assets	AT	399 702	AU	318 440	81 263	109 209	
		Assets under construction	AV	0	AW	0	0	0	
		Cash advances & down payments on tangible assets	AX	0	AY	0	0	0	
	FINANCIAL ASSETS (2)	Shares held at equity value	CS	0	CT	0	0	0	
		Other shares	CU	252 456	CV	252 456	0	0	
		Receivables related to investments	BB	0	BC	0	0	0	
		Other capitalized securities	BD	0	BE	0	0	0	
		Loans	BF	23 267 973	BG	5 279 091,92	17 988 881	17 989 050	
		Other financial assets*	BH	35 475	BI	0	35 475	34 933	
TOTAL (II)			BJ	46 720 887	BK	28 566 553	18 154 334	30 340 573	
CURRENT ASSETS	INVENTORY*	Raw materials & components	BL	904 107	BM	107 853	796 254	840 260	
		Work in progress (goods)	BN	0	BO	0	0	0	
		Work in progress (services)	BP	0	BQ	0	0	0	
		Semi-finished & finished products	BR	934 122	BS	4	934 118	1 173 362	
		Goods held for resale	BT	74 900	BU	0	74 900	56 700	
	Advances & down payments to suppliers	BV	0	BW	0	0	54		
	RECEIVABLES	Trade receivables and related accounts* (3)	BX	2 429 870	BY	1 145 793	1 284 077	1 494 711	
		Other receivables (3)	BZ	8 254 864	CA	6 936 551	1 318 312	1 291 953	
		Called subscribed capital, unpaid	CB	0	CC	0	0	0	
	MISCELLANEOUS	Investments (including own shares)	CD	52 319	CE	13 191	39 129	106 351	
Bank balances		CF	548 230	CG	0	548 230	18 232		
ADJUSTMENTS	Repayments* (3) (E)	CH	237 963	CI	0	237 963	98 693		
	GRAND TOTAL (III)	CJ	13 436 375	CK	8 203 392	5 232 983	5 080 315		
	Expenses amortized over more than one year* (IV)	CW	0			0	0		
	Premium on bond redemption (V)	CM	0			0	0		
	Conversion differences - assets* (VI)	CN	0			0	0		
	TOTAL (I à VI)	CO	60 157 263	1A	36 769 945	23 387 318	35 420 888		
Footnotes: (1) incl. lease agreements			(2) Less than 12 months		CP		(3) Over 12 months	CR	9 428 764,51
Ownership reservations:			assets:		Inventory:		Receivables:		

		Company name : LABORATOIRES NEGMA			31/03/2019	31/03/2018
EQUITY	Share capital (1) (including paid up)	28 868 371)		DA	28 868 371	28 868 371
	Share fusion, ... premiums			DB	0	0
	Acquisition differential (2)* (including equity differential	EK	)	DC	0	0
	Legal reserve (3)			DD	2 886 837	2 886 837
	Statutory & contractual reserves			DE	0	0
	Regulatory reserves (3)* (incl. foreign currency translation reserve)	BI	)	DF	0	0
	Other reserves (incl. Reserve on purchase of works of art from live artists)*	EJ	)	DG	0	0
	Retained earnings/losses			DH	839 228	115 556
	Net income or loss			DI	-11 491 406	749 769
	Investment subsidies			DJ	0	0
	Regulatory provisions*			DK	0	0
TOTAL (I)				DL	21 103 031	32 620 535
OTHER EQUITY	Proceeds from issue of equity securities			DM	0	0
	Conditional advances			DN	0	0
TOTAL (II)				DO	0	0
PROVISIONS	Short-term provisions			DP	0	0
	Long-term provisions			DQ	162 860	109 860
TOTAL (III)				DR	162 860	109 860
PAYABLES (4)	Convertible bond loans			DS	0	0
	Other bond loans			DT	0	0
	Borrowings from financial institutions (5)			DU	1 100	950
	Borrowings from other sources (including borrowings secured by shares)	EI	)	DV	0	0
	Advances and down payments collected on orders			DW	0	0
	Trade payables and related accounts			DX	1 432 271	1 874 094
	Tax payable, payroll and social contributions			DY	366 200	384 194
	Payables on fixed assets and related accounts			DZ	0	0
Other payables			EA	321 856	431 258	
ADJUST.	Deferred income (4)			EB	0	0
TOTAL (IV)				EC	2 121 427	2 690 496
		(V)		ED	0	0
GRAND TOTAL (I à V)				EE	23 387 318	35 420 892
FOOTNOTES	(1) Acquisition differential included in share capital					
	(2) { including	Special Revaluation reserve (EB)				
		Non obligatory revaluation reserve				
		Revaluation reserve (EB)				
	(3) Including long term capital gains regulatory reserve*			EF		
(4) Payables and deferred income under 12 months			EG	2 121 427	2 690 496	
(5) including loans repayable on demand and overdraft bank accounts			EH	1 100	950	

Company name : LABORATOIRES NEGMA									
		31/03/2019						31/03/2018	
		Domestic		export		Total			
REVENUE FROM OPERATIONS	Sales of goods held for resale*	FA	65 155	FB	415	FC	65 570	12 690	
	Sale of finished goods*	FD	5 759 995	FE	147 374	FF	5 907 369	7 231 152	
	services*	FG	169 127,87	FH	19 127	FI	188 255	234 233	
	Net sales*	FJ	5 994 278	FK	166 916	FL	6 161 194	7 478 075	
	Stored production*					FM	-324 519	618 616	
	Capitalized production*					FN	0	0	
	Operating subsidies					FO	2 174	0	
	Amortization & depreciation provisions reversal* (9)					FP	123 263	117 813	
	Other proceeds (1) (11)					FQ	0	0	
		TOTAL OPERATING GAINS (2) (I)					FR	5 962 112	8 214 503
OPERATING EXPENSES	Purchase of goods held for resale (including customs duties)*					FS	30 000	60 000	
	Changes in inventory (goods held for resale)					FT	-18 200	-56 700	
	Purchase of raw materials and components (including excise duty)*					FU	1 163 777	2 105 313	
	Changes in inventory (raw materials and components)*					FV	69 007	-92 649	
	Other external purchases (3) (6bis)*					FW	2 473 215	3 360 090	
	Taxes, contributions and related costs*					FX	152 308	161 979	
	Payroll costs*					FY	564 214	579 811	
	Social contributions (10)					FZ	237 943	245 250	
	OPERATING PROVISIONS	- on fixed assets :					GA	47 092	37 029
		- amortization*					GB	0 0	
		- depreciation *					GC	16 219	199 998
		- on current assets : provisions					GD	53 000	5 512
		- contingencies : provisions					GE	652 889	713 517
		Other costs (12)					GF	5 441 465	7 319 152
	TOTAL OPERATING EXPENSES (4) (II)					GG	5 20 647	895 352	
1 - OPERATING INCOME (I - II)						GH	0	0	
COMMON TRANSACTIONS	Attributed income or transferred loss *					GI	0	0	
	Loss assumed or transferred income *					GJ	913	2 227	
FINANCIAL GAINS	Financial income from investments (5)					GK	23 731	24 313	
	Income from other investment securities (5)					GL	10	0	
	Other interest and related income (5)					GM	1 482 674	1 247 942	
	Accrual reversal and transfer charges					GN	0	0	
	Profits on exchange rates					GO	3 108	72 291	
	Net gains on sales of investment securities					GP	1 510 436	1 346 773	
	TOTAL FINANCIAL GAINS (V)					GQ	1 039 466	1 079 352	
FINANCIAL COSTS	Provisions for financial amortization and depreciation *					GR	0 0		
	Interests and related expenses (6)					GS	10 0		
	Losses on exchange rates					GT	0	4 792	
	Net loss on sales of investment securities					GU	1 039 476	1 084 143	
	TOTAL FINANCIAL COSTS (VI)					GV	470 960	262 629	
2 - FINANCIAL RESULT (V - VI)						GW	991 607	1 157 982	
3 - OPERATING PROFIT BEFORE TAX (II+III-IV +V - VI)									

		Company name : LABORATOIRES NEGMA		
			31/03/19	31/03/2018
EXCEPTIONAL GAINS	Exceptional operating gains	HA	4 074	91 213
	Exceptional capital gains *	HB	0	0
	Accrual reversal and transfer charges	HC	0	0
	TOTAL EXCEPTIONAL GAINS (7) (VII)	HD	4 074	91 213
EXCEPTIONAL LOSSES	Exceptional operating losses (6bis)	HE	3 792	44 717
	Exceptional capital losses *	HF	0	0
	Exceptional amortization and depreciation	HG	12 141 271	0
	TOTAL EXCEPTIONAL LOSSES (7) (VIII)	HH	12 145 063	44 717
4 - EXCEPTIONAL INCOME OR LOSS (VII - VIII)		HI	-12 140 989	46 496
Employee profit sharing scheme		(IX) HJ	0	0
Corporate tax *		(X) HK	342 024	480 807
TOTAL INCOME (I+III+V+VII)		HL	7 476 622	9 652 489
TOTAL EXPENSES (II+IV+VI+VIII+IX+X)		HM	18 968 027	8 928 819
5 - Profit or loss (Total income - total expenses)		HN	-11 491 406	723 670
FOOTNOTES	(1) including net partial gains on long-term capital gains	HO		
	(2) real-estate rent	HY		
	(2) operating gains related to prior years (break-up required in (8) below)	IG	3 310	2 074
	(3) - equipment on lease *	HP		
	(3) - buildings on lease	HQ		
	(4) incl. operating losses related to prior years (8)		3 851	41 785
	(5) incl. Income from related parties	1J	23 731	24 313
	(6) incl. interests from related parties	IK		
	(6bis) incl. Donations to charitable causes (art. 238 bis du C.G.I.)	HX	0	1 140
	(9) incl. Transfer charges	A1	0	11 500
	(10) incl. Personal contributions of the manager (13)	A2		
	(11) incl. Royalties on licences and patents (proceeds)	A3		
	(12) incl. Royalties on licences and patents (expenses)	A4		710 983
(13) incl. non compulsory additional contributions	A6			
	compulsary	A9		
(7) Break-up of exceptional gains & loss			Current year	
			Exceptional loss	Exceptional gain
Goodwill depreciation			12 141 271	
Refund of API+PM destroyed by CMD				3 700
Miscellaneous payment differences			72	374
Amount ceased by Alkopharm			3 720	
(8) Break-up of gains and losses related to prior years :			Current year	
			Prior years losses	Prior years gains
Product batch stabilities			3 180	
Bank charges			478	
2017 waste tax adjustment			74	
2018 product destruction costs			119	
Training subsidy				3 310

PRELIMINARY NOTES

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

The enclosed appendix is an integral part of the annual financial report: it includes pieces of information additional to the balance sheet and profit & loss account, in order to provide a true and fair view of the company's assets, financial situation and results.

The pieces of information that are not required to be disclosed by law are only mentioned if they are significant.

As at the 31st March 2019, the total of the balance sheet, prior to allocation of the current year's result, amounts to 23 387 317,51 € .

The Income Statement reports a total revenue of 7 476 621,68 € and a net loss of -11 491 405,60 €.

The financial year started on 1st April 2018 and closed on 31st march 2019 (12 months).

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

MAIN PRINCIPLES

During the financial year 01.04.18 – 31.03.19, the financial statements have been prepared in accordance with the accounting rules and regulations and in respect of the prudence principle, following the basic assumptions of:

- On-going business
- Continuity of methods
- Independence of financial years

And in accordance with the general rules of preparation and presentation of annual financial statements, based on ANC regulation N° 2016-07 dated 26/12/2016 pertaining to the General Chart of Accounts and on rules dictated by the Committee of Accounting Regulation (CRC) .

VALUATION METHODS

The method used for valuation of assets and liabilities is the historical costs method.

For the year ending 31.03.2019, the company applies the recommendations CRC 2002-10 and 2003-07 pertaining to amortization and depreciation, together with recommendation CRC 2004-6 specific to the definition, accounting and valuation of assets.

The main methods of valuation described below have been used.

FIXED ASSETS

1. Intangible fixed assets

a) Valuation methods

The intangible fixed assets acquired and accounted for as assets meet the criteria of a probable flow of future economic benefits for the company and of a reliable basis for estimation of its value.

The brands held as an asset in the balance sheet have been acquired from a third-party whereas internally generated brands are not recorded as an asset.

The assets acquired against cash are accounted for at their purchase cost, including purchase price (inclusive of non-recoverable customs and excise), commercial discounts and early settlement rebates, as well as all the costs directly traceable to ready the asset for its intended purpose.

Internally generated assets are accounted for at their production costs including all expenses directly traceable and necessary to its creation, the production and readying of the asset to enable it to function as intended by Management.

The financial charges incurred for the purchase or production of an intangible fixed -asset are not included in the book value of the asset.

Registration duties, fees, commissions or cost of deeds on an intangible fixed- asset are not included in the acquisition cost of the asset.

The internally generated goodwill was valued, back in 2001 (when the Group of companies was established) at 32 014 293 €. In 2007 this amount was reduced by 10 397 023€, being the estimated goodwill of the entities not acquired by the current shareholders. The remaining value of internally generated goodwill comes to 21 617 270€.

Since 2013, an annual impairment test has been carried out to compare its book value with the recoverable value based on future cash flow projections for the products that make up the goodwill of the entity – mostly ART 50 and the diacerin based product destined to replace it. Subsequently the asset has been depreciated for a cumulative amount of 9 476 000 € - bringing the remaining book value to 12 141 271 €. That value was in line with expected future cash-flows as estimated on 31/03/2017.

In accordance to the new ANC regulation 2015-06 dated 23rd November 2015, officially recognized by a decree dated 4th December 2015, a new impairment test was carried out on 31st March 2019. Following the abortion of the launch of a new version of ART 40, it highlighted, based on information available for forecasts, a new decrease in the recoverable amount. Consequently, a further depreciation was booked in the current financial year for 12 141 270,62 €, bringing the book value to 0 €. To implement the new regulation, a further analysis of the goodwill was carried out as a result of which the life-expectancy of the goodwill was deemed illimited.

b) Amortization and depreciation methods

The amortization of an assets is the systematic reduction in the books of its value to reflect its depletion due to usage or obsolescence. The usage is measured by way of depletion of the financial benefits expected to be generated by the asset. We have considered, as main criteria, physical, technical and legal data and have consistently elected to apply the shortest schedule.

For instance, the following assets amortization schedule is being applied :

- Softwares 12 to 24 months

The amortizable amount is equal to the gross value of the asset since the company hasn't identified any significant residual value.

The method of amortization reflects the pace at which the financial returns expected by the company from the asset are used up. The method of amortization is consistently applied to all assets sharing identical conditions of use. The linear method is applied for lack of a more suitable method. The accelerated method of depreciation is applied only when it reflects more accurately the depletion of expected financial returns.

Whenever all components of an asset are inseparately used, a common amortization schedule is applied for all the components of the asset. If, however, from the start of the asset's life, one or several components have diverging uses, each component is then accounted for individually and a separate amortization schedule is divided for each of the components.

2. Tangible fixed assets

a) Valuation methods

The assets acquired against cash are accounted for at their purchase cost, including purchase price (inclusive of non-recoverable customs and excise), commercial discounts and early settlement rebates, as well as all the costs directly traceable to ready the asset for its intended purpose. Are also included the estimation of the initial dismantling, haulage and rehabilitation of the site where the assets was once located.

Internally generated assets are accounted for at their production costs which includes the cost of acquiring the various ingredients consumed in the production process together with the other costs committed to the asset during its production process – direct or indirect costs that can be readily traced to the said good or service.

The main components of tangible assets that require regular replacement, have different purposes or result in financial benefits for the organization at a different pace and therefore require the use of different rates or methods of depreciation are accounted for separately from the start and at each replacement.

Registration duties, fees, commissions or cost of deeds on a tangible fixed asset are not included in the acquisition cost of the asset.

The financial charges incurred for the purchase or production of a tangible fixed asset are not included in the book value of the asset.

b) Amortization and depreciation methods

The amortization of an assets is the systematic reduction in the books of its value to reflect its depletion due to usage or obsolescence. The usage is measured by way of depletion of the financial benefits expected to be generated by the asset.

We have considered, as main criteria, physical, technical and legal data and have consistently elected to apply the shortest schedule.

For instance , the following assets amortization schedules are being applied :

- Plant and equipment 1 to 10 years
- Fixtures and fittings 1 to 10 years
- Office and information technology equipment 2 to 10 years

The amortizable amount is equal to the gross value of the asset since the company hasn't identified any significant residual value.

The method of amortization reflects the pace at which the financial returns expected by the company from the asset are used up. The method of amortization is consistently applied to all assets sharing identical conditions of use. The linear method is applied for lack of a more suitable method. The accelerated method of depreciation is applied only when it reflects more accurately the depletion of expected financial returns.

Whenever all components of an asset are inseparately used, a common amortization schedule is applied for all components of the asset. If, however, from the start of the asset's life, one or several components have diverging uses, each component is then accounted for individually and a separate amortization schedule is divided for each of the components.

3. Financial assets

The assets acquired against cash are accounted for at their purchase cost, including purchase price and all costs directly traceable to the asset.

At year end, the company assesses the actual value of its investments. The actual value is an estimation based on market values and on the usefulness of the item for the company – usefulness is defined by what the company would agree to pay out to acquire the asset if it needed to do so. The company books a provision for depreciation when, on an individual basis, the actual value of the asset is lower than the net book value of the asset displayed in the balance sheet.

INVENTORY

The company books as inventory the assets held for the purpose of being sold on in the course of its normal business, as well as work-in-progress intended for the same purpose and items intended for use in the production process (raw materials, excipients or packaging materials).

For exchangeable stock items, the cost of input stock is calculated for each item by using the FIFO method.

The inventory acquired against cash is accounted for at purchase cost, including purchase price (inclusive of non-recoverable customs and excise), commercial discounts and early settlement rebates, haulage and warehouse handling costs, as well as all the costs directly traceable to the finished products, raw materials or packaging materials.

Are also included the purchase, transformation and other costs incurred to bring the stock to the condition, place and state it is in.

Provisions for depreciation :

Whenever a raw material, packaging material, work-in-progress, finished good or good held for resale is not deemed fit for use or fit for sale, provisions for depreciation are booked for such items.

PREPAYMENTS, RECEIVABLES AND DEBTS

Accounts receivables and payables are valued at their face value.

Whenever an account receivable is deemed doubtful, a provision for depreciation is booked. The depreciations are booked on an individual basis, taking into account the likelihood of each account being settled by the debtor.

Account receivables and payables held in a foreign currency are valued at the exchange rate applicable on 31.03.2018. Any exchange rates differences identified are accounted for as translation assets or liabilities.

A provision for exchange rate loss gets booked for the equivalent value of the translation asset identified.

CUSTOMERS

Trade receivables in the form of bills of exchange are worth 607 806,05 € as at 31.03.2019.

Trade receivables are scrutinised on an individual basis in order to assess any doubtful debt at year-end. Whenever a risk of non-payment is recognized, a provision for doubtful debt is booked.

SECURITY INVESTMENTS

The gross value consists of the acquisition costs; incidental purchase expenses are excluded.

For the purpose of capital gains or losses calculation, the investments divested are evaluated using the FIFO method.

For the purpose of financial depreciation, the investments are valued at their market rate applicable at year-end.

AVAILABLE CASH

Available cash in bank is evaluated at its face value.

EMPLOYMENT INCENTIVE TAX CREDIT (CICE)

The CICE tax credit comes to 11 355,00 € for the current financial year and will contribute to increase the working capital of the entity. The credit was booked as a reduction of social contributions.

RESEARCH AND DEVELOPMENT

The overall R&D expenses booked in the financial year amounts to 36 950,83 €.

PROVISIONS

A liability is a present obligation to a third-party arising from past transactions or events, the settlement of which may result in the outflow or use of resources from the company, most likely not accompanied by an inflow of equivalent benefits for the entity

- Accrued liability : a liability that is part of the company's definitely determinable debt, since it is both known to exist and can be measured precisely. The payment deadline is also usually known. The whole of the accrued liabilities at the end of the financial year are booked in the current liabilities in the balance sheet and in their respective cost objects in the profit & loss account.
- Other liability: a liability that reflects a probable (but not certain) obligation to pay out an amount that is not precisely measurable. The uncertain liability is booked in the balance sheet under risk accruals and in the profit & loss under exceptional items.
- Contingent liabilities: liabilities that may be incurred by the entity depending on the outcome of a uncertain or unlikely future event such as a court case. These liabilities are not recorded in a company's accounts nor shown in the balance sheet. A footnote to the balance sheet describes the nature and extent of the contingent liabilities.

RETIREMENT ACCRUALS

The company uses the method recommended in PCG for the accounting of an accrual for retirement liabilities.

The accrual is calculated using an actuarial method that estimates the rights accumulated by the entire workforce according to the Pharmaceutical Industry's charter. The appended document provides the assumptions used, details the calculation and specifies the results' sensitivity to variations.

The calculation is carried out internally on a custom software. The accrual varied by 53 000 € in the financial year.

HIGHLIGHTS OF THE FINANCIAL YEAR

1. The launch of a new drug to replace ART 50 in treatment of arthritis ha been abandoned.
2. In January 2019, Wockhardt France was granted a new marketing authorization for a generic drug. It will be marketed by Negma during the course of financial year 2019-2020.

POST YEAR-END EVENTS

There are no post year-end events to report.

FUTURE PROSPECTS

The Company will continue the promotion of its products ART 50 and VEINAMITOL. In addition, several dossiers for the hospital market have been filed with ANSM and are currently under review. The launch of these products dedicated to the hospital-care segment should contribute to improve the sales prospects by 2021.

GOING CONCERN

The principle of going-concern applied to the financial statements as at 31st March 2019 is based on the above mentioned prospects and P&L and cash flow forecasts for the next 12 months produced on 31/03/19.

We didn't come across any data that would undermine the assumptions upon which the cash flow forecasts were initially calculated.

Company name : LABORATOIRES NEGMA									
SECTION A		FIXED ASSETS		Gross amount at start of year		Increases			
						Following revaluation during the year		Purchases, manufacturing, donation or transfer	
INTANG.	Start-up & research & development costs	TOTAL I	CZ	529 086	D8		D9		
	Other intangible assets	TOTAL II	KD	22 203 444	KE		KF		
TANGIBLE	Land		KG	0	KH		KI		
	Buildings	On own land	KJ	0	KK		KL		
		On third-party land	KM	0	KN		KO		
		General fixtures and fittings*	KP	0	KQ		KR		
	Plant & equipment		KS	34 540	KT		KU		
	Other tangible assets	General fixtures and fittings*	KV	161 199	KW		KX		
		Haulage equipment	KY	0	KZ		LA		
		Office equipment (IT + furniture)	LB	236 754	LC		LD	1 750	
		Recoverable packaging and others	LE	0	LF		LG		
	Tangible assets under construction		LH	0	LI		LJ		
	Cash advances and downpayments		LK	0	LL		LM		
	TOTAL III	LN	432 492	LO	0	LP	1 750		
FINANCIAL	Shares held at equity value			0					
	Other shares			252 456					
	Other capitalized securities			0					
	Loans and other financial assets			23 987 923,9				542	
	TOTAL IV	LQ	24 240 379	LR	0	LS	542		
GRAND TOTAL (I + II + III + IV)		OG	47 405 403	OH	0	OJ	2 292		
SECTION B		FIXED ASSETS		Decreases		Gross amount at year end		Legal revaluation and usefulness revaluation	
				by transfer	By sale, scraping or revaluation			Start value of assets at year end	
INTANG.	Start-up & research & development costs	TOTAL I		LT		LU	529 086		
	Other intangible assets	TOTAL II		LV	1 790	LW	22 201 654		
TANGIBLE	Land			LX		LY	0	LZ	
	Buildings	On own land		MA		MB	0	MC	
		On third-party land		MD		ME	0	MF	
		General fixtures and fittings*		MG		MH	0	MI	
	Plant & equipment		MJ		MK	34 540	ML		
	Other tangible assets	General fixtures and fittings*		MM		MN	161 199	MO	
		Haulage equipment		MP		MQ	0	MR	
		Office equipment (IT + furniture)		MS		MT	238 504	MU	
		Recoverable packaging and others		MV		MW	0	MX	
	Tangible assets under construction	MY		MZ		NA	0	NB	
	Cash advances and downpayments	NC		ND		NE	0	NF	
	TOTAL III	0	NG	0	NH	434 242	NI	0	
FINANCIAL	Shares held at equity value						0		
	Other shares						252 456		
	Other capitalized securities						0		
	Loans and other financial assets				685 018		23 303 449		
	TOTAL IV	0	NJ	685 018	NK	23 555 904		0	
GRAND TOTAL (I + II + III + IV)		0	OK	686 808	OL	46 720 887	OM	0	



N° 10172*05

Formulaire obligatoire (article 53A du Code général des impôts)

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AMORTIZATION

D.G.I. N° 2055

Company name : LABORATOIRES NEGMA

SECTION A		BALANCES AND TRANSACTIONS OF THE YEAR*									
AMORTIZABLE ASSETS		Accumulated depreciation at start of period		Increases: period amortization		Decreases: reversal and amortizations on assets removed during the period		Accumulated depreciation at period end			
Start-up & research & development costs	TOTAL I	CY	528 485	PB		PC		PD	528 485		
Other intangible assets	TOTAL II	PE	522 160	PF	16 916	PG	1 790	PH	537 286		
Land		PI	0	PJ		PK		PL	0		
	On own land	PM	0	PN		PO		PQ	0		
Buildings	On third-party land	PR	0	PS		PT		PU	0		
	General fixtures and fittings*	PV	0	PW		PX		PY	0		
Plant & equipment		PZ	33 044	QA	480	QB		QC	33 524		
	General fixtures and fittings*	QD	77 869	QE	15 692	QF		QG	93 561		
Other tangible assets	Haulage equipment	QH	0	QI		QJ		QK	0		
	Office equipment (IT + furniture)	QL	210 875	QM	14 003	QN		QO	224 878		
	Recoverable packaging and others	QP	0	QR		QS		QT	0		
	TOTAL III	QU	321 788	QV	30 176	QW	0	QX	351 964		
	GRAND TOTAL (I + II + III)	ON	1 372 433	OP	47 092	OQ	1 790	OR	1 417 735		
SECTION B		BREAK-UP OF AMORTIZATION TRANSACTIONS IN THE PERIOD						SECTION C		TRANSACTIONS IMPACTING THE ACCELERATED AMORTIZATION	
AMORTIZABLE ASSETS		Straight line amortization		Accelerated amortization		Exceptional amortization		Provisions	Reversals		
Start-up & research & development costs	TOTAL I	QY		2J		2K		2L	2M		
Intang. assets	TOTAL II	QZ		2N		2P		2R	2S		
Land		RA		RB		RC		2T	2U		
	On own land	RD		RE		RF		2V	2W		
Buildings	On third-party land	RG		RH		RI		2X	2Y		
	General fixtures and fittings*	RJ		RK		RL		2Z	3A		
Plant & equipment		RM		RN		RO		3B	3C		
	General fixtures and fittings*	RP		RQ		RR		3D	3E		
Other tangible assets	Haulage equipment	RS		RT		RU		3	3G		
	Office equipment (IT + furniture)	RV		RW		RX		3H	3J		
	Recoverable packaging and others	RY		RZ		SA		3K	3L		
	TOTAL III	SB	0	SC	0	SD	0	SE	0 SF		
	GRAND TOTAL (I + II + III)	SG	0	SH	0	SJ	0	SK	0 SL		
SECTION D		TRANSACTIONS IN THE PERIOD IMPACTING EXPENSES AMORTIZED OVER MORE THAN 1 YEAR*									
		Net amount at start of period		Increases		Provisions in the period		Net amount at end of period			
Expenses amortized over more than 1 year						SM		SN 0			
Premiums on security refunds						SP		SR 0			

Company name : LABORATOIRES NEGMA										
Provisions by type		Opening balance		INCREASES Period allocations		REDUCTIONS Period Reversals		Closing balance		
Regulatory provisions	Provision for depletion of mining or oil fields	3T	0	TA	0	TB	0	TC	0	
	Provisions for investments (at 237 bis A-II)	3U	0	TD	0	TE	0	TF	0	
	Provisions for price increases (†)	3V	0	TG	0	TH	0	TI	0	
	Accelerated depreciation	3W	0	TJ	0	TK	0	TL	0	
	Provisions for market fluctuation	3X	0	TM	0	TN	0	TO	0	
	Ind. exceptional make-up of 30%	D3		D4		D5		D6	0	
	Tax provisions for international set-up costs prior to 11/892	IA	0	IB	0	IC	0	ID	0	
	Tax provisions for international set-up costs post 11/892	IE	0	IF	0	IG	0	IH	0	
	Provisions for set-up loans (at 39 quinquies H du CGI)	IJ	0	IK	0	IL	0	IM	0	
	Other regulatory provisions (†)	3Y	0	TP	0	TQ	0	TR	0	
TOTAL I	3Z	0	TS	0	TT	0	TU	0		
Contingency provisions	Provisions for disputes & litigation	4A	0	4B	0	4C	0	4D	0	
	Provision for guarantee granted to customers	4E	0	4	0	4G	0	4H	0	
	Provision for losses on futures markets	4J	0	4K	0	4L	0	4M	0	
	Provision for fines and penalties	4N	0	4P	0	4R	0	4S	0	
	Provision for exchange rate losses	4T	0	4U	0	4V	0	4W	0	
	Provision for retirement and related liabilities	4X	109 860	4Y	53 000	4Z	0	5A	162 860	
	Provision for taxation (†)	5B	0	5C	0	5D	0	5E	0	
	Provision for renewal of fixed assets*	5	0	5H	0	5J	0	5K	0	
	Provision for major repair works	5L	0	5M	0	5N	0	5P	0	
	Provision for social & tax contributions on holiday pay*	5R	0	5S	0	5T	0	5U	0	
Other contingency provisions (†)	5V	0	5W	0	5X	0	5Y	0		
TOTAL II	5Z	109 860	TV	53 000	TW	0	TX	162 860		
Depreciation provisions	on fixed assets {	- intangible	6A	9 476 000	6B	12 141 271	6C	0	6D	21 617 271
		- tangible	6E	0	6	0	6G	0	6H	0
		- shares at equity value	O2	0	03	0	04	0	05	0
		- other shares	9U	252 456	9V	0	9W	0	9X	252 456
		- other financial assets	06	5 963 941	07	0	08	684 849	09	5 279 092
	On inventory and work in progress	6N	218 133	6P	3 059	6R	113 334	6S	107 857	
	On trade receivables	6T	1 099 548	6U	56 174	6V	9 929	6W	1 145 793	
	Other provisions for depreciation (†)	6X	6 751 116	6Y	996 451,55	6Z	797 826	7A	6 949 742	
TOTAL III	7B	23 761 193	TY	13 196 955	TZ	1 605 938	UA	35 352 210		
GRAND TOTAL (I + II + III)	7C	23 871 053	UB	13 249 955	UC	1 605 938	UD	35 515 070		
ind. allocations & reversals {				- operating	UE	69 219	UF	123 263		
				- financial	UG	1 039 466	UH	1 482 674		
				- exceptional	UJ	12 141 270,62	UK	0,00		
Shares held at equity value: amount of depreciation at year end as calculated following rules 39-15 du CGI								10,00		
(†) break up to be provided on a separate schedule according to nature of the provision										

BALANCE SHEET NOTES**Appendix 3****PROVISIONS**

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

Details	Opening balance	Accrued during the financial year	Accruals reversed during the financial year		Closing balance
			Accruals used	Accruals not used	
Employee litigation	0 €	0 €	0 €	0 €	0 €
Retirement accruals	109 859 €	53 000 €	0 €	0 €	162 859 €
Other accruals for dispute with suppliers	0 €	0 €	0 €	0 €	0 €
TOTAL	109 859 €	53 000 €	0 €	0 €	162 859 €

BALANCE SHEET NOTES**Appendix 3****RETIREMENT ACCRUAL (Assumptions and calculations)**

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019**I. Assumptions**

1. Annual discount rate	1.40%
2. Annual salary increase rate	0.00%
3. Annual inflation rate	1.00%
4. Mortality rate matrix used	Table INSEE F 2004-2006
5. Staff turn-over by age bracket:	
	From 18 to 39 years m/senior: 17,13% ; nm: 17,62%
	From 40 to 49 years m/senior: 9,35% ; nm: 23,88%
	From 50 to 59 years m/senior: 15,26% ; nm: 8,62%
	Over 60 years m/senior: 15,26% ; nm: 8,62%
6. Retirement age	62 years – 66 years (senior)

II. Expenses in year ending 31/03/2019

1. Cost of services rendered	7 412
2. Interest cost	2 438
3. Impact of discount rate variance	
Total costs	9 850

III. Variances in the provision throughout the year ending 31/03/2019

1. Opening balance as at 01/04/2018	109 860
2. Expenses detailed above	0
3. Impact of reductions	0
4. Accrual booked in the financial year	53 000
5. Closing balance as at 31/03/2019	162 860

IV. Accrual in balance sheet as at 31/03/19

1. Actual value of the commitment as at 31/03/2019	213 941
2. Amount accrued as at 31/03/2019	162 860

V. Sensitivity analysis

- 1% annual discount rate	219 435
+ 1% annual discount rate	208 810

Company name : LABORATOIRES NEGMA											
SECTION A		BREAK-UP OF RECEIVABLES		Gross amount 1		A year or less 2		Over year 3			
FIXED ASSETS	Receivables in connection with shares		UL		UM		UN				
	Loans (1) (2)		UP	23 267 973,35	UR	690 584,67	US	22 577 388,68			
	Other financial assets		UT	35 475,27	UV		UW	35 475,27			
CURRENT ASSETS	Bad and doubtful trade receivables		VA								
	Other trade receivables - considered good		UX	2 429 870,06		895 872,10		1 533 997,96			
	Receivables related to shares on loan *		LD								
	Staff and related accounts		UY	500,00		500,00			0,00		
	Social security and other social welfare organizations		UZ	30,96		30,96					
	Treasury and other public authorities	Corporate tax		VM	0,00		0,00				
		VAT		VB	181 783,46		181 783,46				
		Other taxes, contributions and related costs*		VN	0,00		0,00				
		Miscellaneous		VP	0,00		0,00				
	Related parties (2)		VC	2 513 631,26		0,00		2 513 631,26			
	Miscellaneous receivables		VR	5 558 918,00		177 782,71		5 381 135,29			
	Prepayments		VS	237 962,95		237 962,95					
	TOTAL			VT	34 226 145,31	VU	2 184 516,85	VV	32 041 628,46		
	FOOTNOTES	(1)	- Loans granted during the period		VD						
		- Reimbursements cashed in during the period		VE	684 848,77						
(2)		Loans and advances to shareholders (individuals)		VF							
SECTION B		BREAK-UP OF PAYABLES		Gross amount (1)		A year or less (2)		1 to 5 years (3)		Over 5 years (4)	
Convertible debt on loan (1)		7Y									
Other debt on loan (1)		7Z									
Borrowings and overdraft facilities from banks and financial institutions (1)	upto 1 year originally		VG	1 100,00		1 100,00					
	over 1 year originally		VH	0,00							0,00
Miscellaneous borrowings and financial liabilities (1) (2)		8A	0,00								0,00
Trade payables and related accounts		8B	1 432 270,65		1 432 270,65						
Staff and related accounts		8C	111 343,17		111 343,17						
Social security and other social welfare organizations		8D	35 330,08		35 330,08						
Treasury and other public authorities	Corporate tax		8E								
	VAT		VW	172 271,27		172 271,27					
	Pledged bonds		VX								
	Other taxes, contributions and related costs		VQ	47 255,94		47 255,94					
Payables on fixed assets and related accounts		8J									
Related parties (2)		VI	318 556,00		318 556,00						
Miscellaneous payables		8K	3 300,00		3 300,00						
Payables related to shares borrowed *		SZ									
Deferred income		8L									
TOTAL			VY	2 121 427,11	VZ	2 121 427,11		0,00		0,00	
FOOTNOTES	(1)	Borrowings contracted during the period		VJ		(2)	Amount of the various borrowings & liabilities contracted from individuals		VL		
		Borrowings reimbursed during the period		VK							

PREPAYMENTS BREAK-UP

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

Prepayments	Period		Amount		
			Operating	Financial	Exceptional
486000 PREPAYMENTS BREAK-UP			237 946		
. Inventory			71 392		
. Security deposit	01/04/19	30/06/19	1 242		
. Office rent	01/04/19	30/06/19	34 178		
. Equipment rental	01/04/19	11/04/19	391		
. Equipment rental	01/04/19	31/01/20	5 477		
. Equipment rental	01/04/19	04/05/19	156		
. Equipment rental	01/04/19	30/04/19	77		
. Office rates and service fees	01/04/19	30/06/19	8 845		
. Maintenance and repairs	01/04/19	31/12/19	14 114		
. Maintenance and repairs	01/04/19	11/05/19	891		
. Maintenance and repairs	01/04/19	17/06/19	697		
. Maintenance and repairs	01/04/19	31/07/19	513		
. Maintenance and repairs	01/04/19	14/06/19	146		
. IT maintenance	01/04/19	14/11/21	4 592		
. IT maintenance	01/04/19	23/05/19	3 960		
. IT maintenance	01/04/19	20/06/19	1 178		
. IT maintenance	01/04/19	25/10/19	333		
. IT maintenance	01/04/19	31/01/20	247		
. IT maintenance	01/04/19	13/05/19	143		
. Insurances	01/04/19	31/03/20	16 770		
. Insurances	01/04/19	01/10/19	1 900		
. Insurances	01/04/19	31/12/19	662		
. Technical documentation	01/04/19	31/12/19	2 873		
. Technical documentation	01/04/19	21/10/19	2 302		
. Technical documentation	01/04/19	28/02/20	144		
. Technical studies	01/04/19	31/12/19	22 500		
. Office security	01/04/19	20/07/19	312		
. Royalties	01/04/19	31/12/19	1 943		
. Press publications	01/04/19	31/12/19	16 177		
. Press publications	01/04/19	31/03/20	183		
. Press publications	01/04/19	31/08/19	42		
. Travel expenses	01/04/19	25/04/19	219		
. Postage	01/04/19	31/12/19	1 942		
. Telecom	01/04/19	30/04/19	1 620		
. Telecom	01/04/19	01/10/20	639		
. Creation & Printing	01/04/19	30/04/19	620		
. Miscellaneous services	01/04/19	31/12/19	3 946		
. Miscellaneous IT services	01/04/19	23/05/19	2 069		
. Miscellaneous IT services	01/04/19	26/03/20	979		
. Professional membership fees	01/04/19	31/12/19	5 033		
. Professional membership fees	01/04/19	30/09/19	749		
. Waste disposal tax	01/04/19	31/12/19	4 733		
. Staff medical costs	01/04/19	31/12/19	1 017		
GRAND TOTAL			237 946	0	0

BREAK-UP OF ACCRUED EXPENSES

Appendix 3

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

ACCRUED EXPENSES		Amount
EXTERNAL PURCHASES :	227 184,00	
. Contract manufacturing costs		7 441
. Outsourced supply chain		10 559
. Service fees		6 389
. Outsourced pharmacovigilancy		40 650
. Maintenance & repairs		252
. Fuel		100
. Documentation		14 438
. Technical research & studies		41 583
. Mailing		3 135
. Office cleaning		1 071
. Commissions on sales		3 300
. Consultancy fees		50 700
. Media advertising		2 550
. Advertising conception fees		993
. Haulage on sales & other		10 166
. Postage		700
. Telecom		1 152
. IT maintenance		5 961
. Membership fees		847
. Other staff related costs		828
. Administrative fees		21 600
. Insurance		2 500
. Travel expenses		100
. Stationary		169
TAXES AND CONTRIBUTIONS ON SALES & STAFF:	6 798,00	
. Training contribution		696
. Social security contributions on accrued bonuses		3 932
. Social security contributions on accrued salaries		2 170
SALARIES AND SOCIAL SECURITY CONTRIBUTIONS :	111 342,00	
. Staff - accrued bonuses		9 145
. Accrued holidays (prior years)		37 845
. Accrued holidays (current year)		57 903
. Staff - salaries dued (time in lieu)		4 823
. Staff welfare		1 626
MISCELLANEOUS :	4 400,00	
. Bank charges		1 100
. Sales rebates to be credited		3 300

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

RELATED PARTY BALANCES AND TRANSACTIONS:

ASSETS :

- On the line « loans », loans to other companies in the Group are worth :
 - . 23 262 237,45 € : gross amount
 - . - 5 279 091,92€ : provision for depreciation of financial asset
 - . 5 735,90 € : interests receivable

- On the lines « Trade Receivables », the other companies in the Group amount to :
 - . 1 599 449,73 € : gross amount
 - . - 1 132 633,37 € : provision for doubtful debt

- On the line « Other Receivables », the other companies in the Group come to :
 - . 7 991 892,31 € : gross amount
 - . -6 936 551,32 € : provision for doubtful debt

LIABILITIES :

- On the line « Borrowings and other financial debts », the other companies in the Group amount to 0.

- On the line « Trade Payables », the debt towards other entities in the Group amount to 580 035,38 €.

- On the line « Other Payables », the amount due to related parties comes to 318 556,00 €.

PROFIT AND LOSS ACCOUNT:

- Financial proceeds for an amount of 23 731,30 € are accounted for in the Profit & Loss account.

- Services rendered come to 169 067,04 €.

- Royalty charges come to 648 677,61 €, commercial services to 24 944,77 € and management fees to 9 704,26€.

BALANCE SHEET NOTES

Appendix 3

LIST OF SUBSIDIARIES, ASSOCIATES AND INTERESTS

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

Name & address	Share capital	Equity (excluding share capital)	% of share capital held	Book value of shares held		Loans and advances granted and not yet recovered by the entity	Deposits and guarantees given by the entity	Pre-VAT Turnover In the past year	Prior -year financial result	Dividends in the current financial year
				gross	net					
NEGMA BENELUX Rue du Cours d'Eau, 10 1328 LILLOIS - Belgique	74 400 €	(56 363 €)	46%	252 456 €	0 €	- €	Nil	0 €	(49 708 €)	- €
TOTAL				252 456 €	0 €			0 €	(49 708 €)	- €

BALANCE SHEET NOTES**Appendix 3**

EQUITY

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

Equity as at 01/04/2018	32 594 436,38 €
. Dividends distributed	
. Others	
. Financial result	- 11 491 405,60 €
Equity as at 31/03/2019	21 103 030,78 €

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019**1- Break-up of the share capital**

As at 31.03.2019, the share capital amounts to 28 868 371.38 € , made up of 275 409 shares, each with a nominal value of 104.82 €.

2- Key managerial personnel remuneration

The information is not provided as it would practically disclose an individual remuneration.

3. Auditor's fees

The annual auditing fees of CERA as at 31/03/19 come to 29 100 € before VAT.

4 - Corporate tax break-up

	Before tax	Corporate Tax payable	After Tax
Operating income	991 607 €	342 024 €	649 583 €
Exceptional items	- 12 140 988 €	0 €	- 12 140 988 €
Tax credits	0 €	0 €	0 €
Net profit/loss	- 11 149 381 €	342 024 €	- 11 491 405 €

5. Deferred tax

Tax timing differences	31/03/18	2018-19 transactions	31/03/2019
* Retirement accrual	30 761 €	14 840 €	45 601 €
* Organic contribution	0 €	0 €	0 €
* Unrealized capital gain on investments	212 €	- 62 €	150 €
Total deferred tax assets	30 973 €	14 778 €	45 751 €

6- Consolidated corporate tax

LABORATOIRES NEGMA are members of a Group that has elected to file a consolidated corporate tax return for all its affiliates under the control of the mother company WOCKHARDT France HOLDINGS. The consolidated tax option chosen is governed by an agreement based on the neutrality principle; therefore:

- **In the event of gains** : the tax burden will be accounted for as if the entity was being taxed individually
- **In the event of losses**: the resulting tax saving will be booked as a proceed in the books of the mother company.

There will be no adjustments in the event that an entity exits the Group.

7- Headcount

	Senior and junior executives	Non managerial staff
Average headcount	8,5	1,4
Headcount as at 31.03.19	8	1

8- Consolidation

The accounts of Laboratoires Negma are consolidated into the accounts of Wockhardt France Holdings following the global integration method. Wockhardt France Holdings' accounts are in turn consolidated initially into Wockhardt Bio AG's accounts (Switzerland) and next into Wockhardt Limited's accounts (India).

SALES BREAK-UP (K€)

Appendix 6

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

Details	Domestic turnover in K€	Export turnover in K€	Total as at 31/03/2019	Total as at 31/03/2018	%
Sale of traded goods	65 155	415	65 570	12 690	417%
Sale of finished goods	5 759 995	147 374	5 907 369	7 231 152	-18%
Sale of services	169 128	19 127	188 255	234 233	-20%
TOTAL	5 994 278	166 916	6 161 194	7 478 075	-18%

BREAK-UP OF DIFFERED INCOME**Appendix 3**

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

DIFFERED INCOME	Amount
TOTAL	87 117
. credit note pending from supplier purchase of raw materials	80 000
. accrued interests on financial investments	5 736
. supplier credit note to be received	656
. Pass-through T&E expenses for Pinewood	726

BREAK-UP OF EXCEPTIONAL GAINS AND LOSSES

Appendix 3

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

DETAILS	Amount		
	Operating	Financial	Exceptional
<u>EXCEPTIONAL GAINS : € 4 073</u>			
EXCEPTIONAL GAINS ON OPERATIONS	-4 073		
Miscellaneous gains on suppliers	-373		
Reversal of tax risk accrual			
Reimbursement on litigation			
Sale of office supplies			
Compensation from suppliers on damaged goods	-3 700		
Refund on out of date lunch vouchers			
EXCEPTIONAL GAINS ON ASSETS		0	0
ACCRUAL REVERSALS & TRANSFER CHARGES			0
<u>EXCEPTIONAL LOSSES : € 12 145 061</u>			
EXCEPTIONAL LOSSES ON OPERATIONS	12 145 061		
Goodwill depreciation	12 141 270		
Legal fees	3 719		
Adjustment on social contributions			
Miscellaneous payment differences	72		
Donations			
Loss on API damaged by CMO			
EXCEPTIONAL LOSSES ON ASSETS		0	0
EXCEPTIONAL DEPRECIATION ACCRUAL			0
Goodwill depreciation			
GRAND TOTAL	-12 149 134,00	0,00	0,00

BREAK-UP OF GAINS AND LOSSES RELATED TO PRIOR YEAR**Appendix 3**

Entity name: SAS LABORATOIRES NEGMA

Fiscal year ending: 31st March 2019

DETAILS	Amount		
	Operating	Financial	Exceptional
GAINS RELATED TO PRIOR YEAR	-3 309	0	0
Bank charges			
Miscellaneous services			
Membership fees			
Training grant	-3 309		
Poll tax			
Waste tax			
Exceptional charges on operations			
Technical documentation			
LOSSES RELATED TO PRIOR YEAR	3 372	477	0
Product destruction costs	118		
Bank charges		477	
Waste tax	74		
Professionnal membership fees			
Batch stability costs	3 180		
GRAND TOTAL	63	477	0