

Medicrea International

Fiscal year ended December 31, 2017

Statutory Auditors' report on the parent company financial statements

ODICEO

115, boulevard de Stalingrad
C.S. 52038
69616 Villeurbanne Cedex
French corporation (*société anonyme*)
with share capital of €275,000
430 130 393 R.C.S. Lyon

Statutory Auditor
Member of Compagnie
régionale de Lyon

ERNST & YOUNG et Autres

Tour Oxygène
10-12, boulevard Marius Vivier Merle
69393 Lyon Cedex 03
Corporation with variable capital
(*S.A.S. à capital variable*)
438 476 913 R.C.S. Nanterre

Statutory Auditor
Member of Compagnie
régionale de Versailles

Medicrea International

Fiscal year ended December 31, 2017

Statutory Auditors' report on the parent company financial statements

To the Shareholders' Meeting of Medicrea International,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying parent company financial statements of Medicrea International for the year ended December 31, 2017.

In our opinion, the parent company financial statements provide a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles and methods.

Basis for opinion**■ Audit framework**

We have performed our audit in accordance with professional standards applicable in France. We believe our audit provides a reasonable basis for our opinion.

Our responsibilities under those standards are further described herein in the section "Statutory Auditors' responsibilities for the audit of the parent company financial statements" of this report.

■ Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any services prohibited by the French Code of Ethics for Statutory Auditors.

Justification of assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters which, in our professional judgment, were of most significance in our audit of the parent company financial statements of the current period.

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

Note 4.4 to the parent company financial statements outlines the valuation, recognition and impairment rules applied to equity securities. As part of our assessment of the accounting principles adopted by your Company, we have verified the appropriateness of the above-specified accounting methods and information disclosed in the notes to the parent company financial statements and we have assured ourselves of their correct application.

Verification of the management report and of other documents sent to the shareholders

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

■ Information provided regarding the financial position and the parent financial statements in the management report and in the other documents sent to shareholders

We have no comments to make concerning the fairness and consistency with the parent company financial statements of the information given in the Board of Directors' management report and in the other documents sent to the shareholders concerning the financial position and the parent company financial statements.

■ Report on corporate governance

We hereby certify that the information required by Article L. 225-37-4 of the French Commercial Code is included in the Board of Director's report on corporate governance.

■ Other information

In accordance with the law, we have verified that the various information relating to the identity of shareholders and holders of voting rights was disclosed in the management report.

Management and individuals responsible for corporate governance in relation to the parent company financial statements

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

In preparing the parent company 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 that it will cease to operate.

The parent company financial statements have been approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the parent company financial statements

Our role is to issue a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the parent company 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 that users take on the basis of these parent company financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management 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. Furthermore, the Statutory Auditor:

- ▶ Identifies and assesses the risks of material misstatement of the parent company 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 parent company 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 parent company financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- ▶ Evaluates the overall presentation of the parent company financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Villeurbanne and Lyon, April 20, 2018

The Statutory Auditors

ODICEO

ERNST & YOUNG et Autres

Sylvain Boccon-Gibod

Nicolas Sabran