

MITHRA PHARMACEUTICALS SA

**Statutory auditor's report
to the general meeting
for the year ended December 31, 2019**

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STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF MITHRA PHARMACEUTICALS SA FOR THE YEAR ENDED DECEMBER 31, 2019

In the context of the statutory audit of the annual accounts of Mithra Pharmaceuticals SA ("the Company"), we hereby present our statutory auditor's report. It includes our report on the audit of the annual accounts and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of May 17, 2018, following the proposal formulated by the board of directors issued upon recommendation of the Audit Committee. Our statutory auditor's mandate expires on the date of the general meeting deliberating on the annual accounts closed on December 31, 2020. We have performed the statutory audit of the annual accounts of the Company for 15 consecutive years.

REPORT ON THE ANNUAL ACCOUNTS

Unqualified opinion

We have audited the annual accounts of the Company, which comprise the balance sheet as at December 31, 2019, the profit and loss account for the year then ended and the notes to the annual accounts, characterised by a balance sheet total of 252,659,522 EUR and a profit and loss account showing a loss for the year of 34,725,228 EUR.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at December 31, 2019, as well as of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Statutory auditor's

responsibilities for the audit of the annual accounts' section in this report. We have complied with all the ethical requirements that are relevant to the audit of annual accounts in Belgium, including those concerning independence.

We have obtained from the administrative body and the officials of the Company the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter paragraph

Without qualifying our opinion, we draw attention to the free note in the financial statements which describes the current and potential impact of the COVID-19 crisis on the planned development activities. Mithra Pharmaceuticals SA concluded that no material uncertainty exists that may cast significant doubt on its ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current year. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries

Description of the matter

The Company has a significant amount of investments in subsidiaries and therefore needs to assess whether the value of such investments is not impaired.

We consider this area a key audit matter requiring high auditors' attention because of the potential significant impact on the financial statements and the fact that the impairment test contains key judgmental areas that are strongly affected by assumptions.

Procedures performed

Our audit procedures included, among others, the following:

- We have assessed and discussed with management the substance and the economic rationale of the amendment to the sellers of Estetra (Uteron) agreement signed during the second semester of 2019;
- We have reviewed the accounting treatment of agreements related to investment in subsidiaries;
- We have analysed and reviewed the Company's valuation of the investments in conjunction with the model used to test the intangible assets owned by the subsidiaries for impairment, including the significant underlying assumptions

and checked whether an adequate valuation model was applied;

- We analyzed the consistency of the underlying data used in the valuation model and compared these with the latest Board approved business plan;
- We consulted a valuation expert in our firm to assess the valuation model and the applied discount rates;
- We considered all available information provided to us by the Company to assess potential additional factors that could trigger impairment.

Responsibilities of administrative body for the drafting of the annual accounts

The administrative body is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the administrative body determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the administrative body 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 the administrative body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 annual accounts.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of annual accounts in Belgium. However, a statutory audit does not guarantee the future viability of the Company, neither the efficiency and effectiveness of the management of the Company by the administrative body.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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;

- Obtain 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;
- Conclude on the appropriateness of the administrative body'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. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report, unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the administrative body

The administrative body is responsible for the preparation and the content of the management report, the other information included in the annual report, the documents to be deposited in accordance with the legal and regulatory requirements, as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Code of companies and associations and with the Company's by-laws.

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard (version revised in 2020) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report, the other information included in

the annual report, certain documents to be deposited in accordance with the legal and regulatory requirements and compliance with certain provisions of the Code of Companies and Associations and of the Company's by-laws, as well as to report on these elements.

Aspects related to the management report

In our opinion, after having performed specific procedures in relation to the management report, the management report is consistent with the annual accounts for the same financial year, and it is prepared in accordance with articles 3:5 and 3:6 of the Code of Companies and Associations.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report contains any material misstatement, i.e. any information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to the social balance sheet

The social balance sheet, to be deposited at the National Bank of Belgium in accordance with article 3:12, §1, 8° of the Code of companies and associations, includes, both in terms of form and content, the information required by the said Code, and does not present any material inconsistencies with the information that we have at our disposition during the performance of our mission.

Statement related to independence

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of annual accounts and our audit firm remained independent of the Company during the terms of our mandate.
- The fees related to additional services which are compatible with the statutory audit of annual accounts as referred to in article 3:65 of the Code of companies and associations, were duly itemised and valued in the notes to the annual accounts.

Other statements

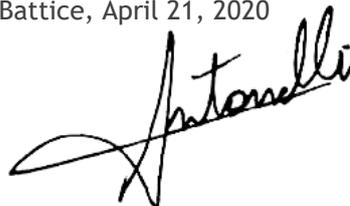
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the Company's by-laws.
- We do not have to report to you any transactions undertaken or decisions taken in breach of the by-laws or of the Company Code, or from November 29, 2019, in breach of the Code of companies and associations.
- This report is in compliance with the contents of our additional report to the Audit Committee as referred to in article 11 of regulation (EU) No 537/2014.
- The Directors report that during the financial year under review decisions have been taken that fall within the provisions of article 523 of the Company Code.

The first decision of the administrative body on July 2, 2019 and September 30, 2019 relates to renegotiation of Uteron Sellers' earn-outs *which* has the following property effects:

- remove the condition of payment of the amounts due to the commercial success of Estelle;
- provide greater clarity on the total amount due : 250 million EUR (of which the first tranche of 40 million EUR was paid in equity);
- gain several years of payment (from 2040 to 2028 based on the base case expectation);
- insert a liquidity test before the payment and thus ensure better control of the cash threshold;
- reduce the absolute value of the amounts due;
- provide a shareholding, and thus to arouse the interest of Uteron Sellers in the societal life of Mithra.

The second decision of the administrative body on July 2, 2019 relates to the confirmation of the appointment of YIMA SPRL, represented by François Fornieri, (permanent representative) as Managing Director of the Company, as of 16 May 2019 and for an indefinite period aligned with the duration of his term of office as director. Insofar as necessary, the Board also decided to ratify all actions taken by YIMA SPRL in this capacity since 16 May 2019. No property effect is to be mentioned as the salary package of YIMA remains unchanged.

Battice, April 21, 2020



BDO Réviseurs d'Entreprises SCRL
Statutory auditor
Represented by Cédric ANTONELLI