Carmila S.A.

French Public Limited Company (Société Anonyme) with share capital of €810,360,174
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92100 Boulogne Billancourt

Statutory Auditors’ additional report on the issuance of share warrants without preferential subscription rights

Board of Directors’ Meeting of 4 September 2017
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Board of Directors’ Meeting of 4 September 2017

To the Shareholders,

In our capacity as Statutory Auditors of your Company, and in compliance with the provisions of Article R.225-116 of the French Commercial Code, further to our report of 22 May 2017, we hereby report on the issuance of a maximum 8,000,000 share warrants without preferential subscription rights, at a subscription unit price of €0.0001. Each share warrant entitles the holder to subscribe to one of your Company’s shares. The issuance is reserved for investment service providers established in France or another Member State of the European Union, acting in connection with the share placement decided by your Company, as authorized in Resolution 47 by your Combined Shareholders’ Meeting of 12 June 2017.

The Combined Shareholders’ Meeting authorized your Board of Directors to undertake or delegate the authority to undertake the issuance, within an 18-month period from the date of the Shareholders’ General Meeting, and to increase share capital by a maximum nominal amount of €50 million. The issuance may only be undertaken by using the authority delegated under Resolution 37 presented at the Combined Shareholders’ Meeting. In the event of an over-allotment option, the exercise price of the share warrants would be equivalent to the price determined for the shares to be issued in connection with the capital increase (directly or on presentation of the warrant issued under Resolution 37).

At its meeting on 23 June 2017, your Board of Directors decided to use the authority delegated to it to proceed with the issuance. Your Board of Directors also delegated authority to the Chief Executive Officer and to each Deputy Chief Executive Officer to undertake the operation.

Following the decisions taken on 6 July 2017, your Chief Executive Officer exercised the authority delegated to him. On 25 July 2017, he noted that share capital had increased by a nominal amount of €18,407,892, with aggregate share premium of €55,223,676, due to the exercise of 3,067,982 share warrants at an exercise price of €24 per share on 31 July.
It is the responsibility of the Board of Directors to prepare a supplementary report in compliance with Article R. 225-115 and the following articles of the French Commercial Code. Our responsibility is to express our opinion on the fairness of the financial information derived from the interim financial statements, on the proposal to cancel preferential subscription rights, and on other information regarding the issuance contained in this report.

We performed the procedures we deemed necessary in accordance with the professional guidance issued by the French Institute of Statutory Auditors for this type of engagement. Those procedures entailed verifying:

- The fairness of the financial information derived from the Company’s interim financial statements and consolidated interim financial statements at 30 June 2017, which were prepared by the Board of Directors using the same methods and presentation as the latest annual statutory and consolidated financial statements. Our work on the interim financial statements included meeting the managers responsible for financial and accounting matters, verifying that the interim financial statements had been prepared using the same accounting principles and valuation and presentation methods as those used to prepare the latest annual statutory and consolidated financial statements, and performing analytical procedures;
- Compliance of the terms and conditions of the operation with the authority delegated by the Combined Shareholders’ Meeting of 12 June 2017;
- The information provided in the supplementary report of the Board of Directors of 4 September 2017, on the choice of components used to calculate the issue price of the new shares and the final issue share price.

We have nothing to report with regard to:

- The fairness of the financial information derived from the Company’s interim accounts and consolidated interim financial statements and included in the supplementary report of the Board of Directors;
- Compliance of the terms and conditions of the operation with the authority delegated by your Combined Shareholders’ meeting of 12 June 2017, and with the information provided to shareholders;
- The choice of the components used to calculate the issue price of the new shares and the final issue share price. Under the terms and conditions of the operation, the exercise price of the share warrants was determined by your Company based on supply and demand in connection with the offering, using order book data;
- The disclosure of the effect of the issuance on shareholders’ financial position as assessed in relation to shareholders’ equity and share price.
- The cancellation of preferential subscription rights upon which you previously voted.

Paris La Défense and Neuilly-sur-Seine, 19 September 19 2017
The Statutory Auditors

KPMG S.A. DELOITTE & ASSOCIES

Eric Ropert Stéphane Rimbeuf
Partner Partner