HALF-YEAR FINANCIAL REPORT 2019

Votre santé mérite le plus grand respect

HALF-YEAR FINANCIAL REPORT

Half-Year closed 30 June, 2019

(L.451-1-2 III of the French Monetary and Financial Code. Article 222-4 and seq.of the french Securities and Exchange Commission - AMF - Regulations)

BOIRON
Limited liability Company with capital of €17,565,560.
Headquarter : 2, avenue de l'Ouest Lyonnais - 69510 Messimy - France.
Lyon Trade and Companies Register n°967 504 697.

This half-year financial report is for the six months ended June 30, 2019, and was prepared in line with the Articles L. 451-1-2 III of the French Monetary and Financial Code and 222-4 and seq. of the AMF Regulations.

It was published in line with the Article 221-3 of the AMF Regulations. It is available on the Company's website: www.boironfinance.com (http://www.boironfinance.com/Shareholders-and-investors-area/Financial-information/Regulated-information/Annual-and-half-year-reports).

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HIGHLIGHTS OF THE FIRST HALF OF 2019

The following products were launched in first-half 2019:

- In France, **Arnigel®** roll-on,
- In Italy **Camilia®** in 30 single-use doses, **Arnigel®** in a 45-gram tube, and **Euphralia®** in 10 single-use doses,
- In Poland **Arnicrème®**.

Group sales in first-half 2019 fell by 8.5% (-9.2% at constant exchange rates).

In France, where homeopathy has been subject to unwarranted and discriminatory attacks, sales declined by 10.5%. In Europe and the United-States, the level of winter pathology was much lower than in 2018. In the United States, the base effect was major in the first quarter, which strongly impacted sales and profitability.

Operating income in first-half 2019 fell by €29,386 thousand compared with 2018.

- **Gross margin** was affected by lower sales and decreased by €21,830 thousand.

- **Operating expenses**, excluding non-recurring items, fell by €3,436 thousand, mainly due to payroll.

- **Non-recurring items** generated a €10,992 thousand unfavorable change in other operating revenue and expenses:

- In first-half 2018, a capital gain of €6,207 thousand was recorded on the sale of the Levallois-Perret site.
- In first-half 2019, asset impairments and provisions were recorded in Belgium in the amount of €4,785 thousand. On July 16, 2019, our subsidiary UNDA, which has been in financial difficulty since ceasing sales to its Italian distributor, signed an agreement for the transfer of its business and a preliminary agreement for the sale of its real property. This buyback will allow to preserve almost all of the jobs.

The government announced its intention to cut the reimbursement rate for homeopathic medicines to 15% as of January 1, 2020 and to end reimbursements altogether as of January 1, 2021.

Denying patients and health professionals their freedom of choice is completely inconsistent with the major public health challenges and the needs of the French people. Furthermore, more than 1.2 million people in France have signed the MonHoméoMonChoix petition for the continued reimbursement of homeopathic medicines.

CHANGES IN GROUPE SALES

Sales (in thousand of euros)	1st quarter 2019	1st quarter 2018	1st quarter Variation at current exchange rates 2019/2018	2nd quarter 2019	2nd quarter 2018	2nd quarter Variation at current exchange rates 2019/2018	1st half-year 2019	1st half-year 2018	1st half-year Variation at current exchange rates 2019/2018	1st half-year Variation at constant exchange rates 2018/2019
France	83,440	91,982	-92.9%	67,917	77,199	-120.2%	151,357	169,181	-105.4%	-105.4%
Europe (excluding France)	31,779	32,899	-34.0%	23,551	24,795	-50.2%	55,330	57,694	-41.0%	-35.9%
North America	23,580	29,617	-203.8%	17,081	14,958	+141.9%	40,661	44,575	-87.8%	-143.7%
Other countries	4,516	4,895	-77.4%	4,854	4,185	+159.9%	9,370	9,080	+31.9%	+46.7%
Group total	143,315	159,393	-100.9%	113,403	121,137	-63.8%	256,718	280,530	-84.9%	-92.2%

Sales (in thousand of euros)	Non-proprietary homeopathic medicines 2019	Non-proprietary homeopathic medicines 2018	Variation at current exchange rate	OTC Specialties 2019	OTC Specialties 2018	Variation at current exchange rate
GROUPE BOIRON	133,214	146,572	- 9.1%	122,716	133,297	- 7.9%
France*	103,010	117,764	- 12.5%	47,729	50,876	- 6.2%
Europe (excluding France)	18,879	17,915	+ 5.4%	36,427	39,712	- 8.3%
North America	9,830	9,664	+ 1.7%	30,815	34,902	- 11.7%
Other countries	1,495	1,229	+ 21.6%	7,745	7,807	- 0.8%

*Mainland and overseas departments and territories

Sales in the second quarter of 2019 decreased by 6.4% following a 10.1% decline in the first quarter.

Half-year sales stood at €256,718 thousand at end-June 2019 versus €280,530 thousand in 2018: non-proprietary medicines and OTC specialties fell by 9.1% and 7.9%, respectively.

At constant exchange rates[(1)], first-half sales fell by 9.2%, primarily in France and the United States.

- **In France**, where homeopathy has been subject to unwarranted and discriminatory attacks, sales declined by €17,824 thousand (-10.5%). Non-proprietary medicines fell by 12.5% and OTC specialties by 6.2%, due mainly to Oscillococcinum® and Sédatif PC®.
- **In Europe excluding France,** sales fell by 4.1%, mainly in Spain (-19.0%, primarily due to non-proprietary medicines, Oscillococcinum® and Stodal®), Belgium (-14.0%, mainly due to Oscillococcinum® and Euphralia®) and Poland (-27.8% at constant exchange rates, primarily due to Stodal®, Oscillococcinum® and Drosetux®).
- **In North America,** sales were down 8.8%. This 14.4% decline at constant exchange rates can be attributed to an unfavorable basis of comparison in the United States due to exceptional activity in 2018.

  Sales in the United States decreased by 16.0%, primarily due to Oscillococcinum®; this was offset by growth in arnica gels and creams. Sales were still 33.9% higher compared with first-half 2017.
- Sales in **"Other countries"** increased by 3.2%. At constant exchange rates, growth was 4.7% and was seen mainly in Hong Kong, China and Taiwan (due to Calendula cream, Homéoplasmine® and Cicaderma®). This was offset by the decline in sales in Colombia (-92.5% due to Oscillococcinum®; weak sales in 2019 due to an increase in our distributor's inventory in 2018).

[(1)]The change in sales at constant exchange rates reflects sales variances reported using the same exchange rates for the year in process as the exchange rates used for the comparable prior period in order to neutralize any impact related to changes in exchange rates. At constant exchange rates, sales in first-half 2019 were €254,653 thousand, i.e., €25,877 thousand below the sales previously reported for 2018.

GROUPE FINANCIAL POSITION

	2019 [(1)]	2018	Var.
Sales	256,718	280,530	- 8.5% [(2)]
Operating income	5,994	35,380	- 83.1%
Net income - group share	-393	21,605	- 101.8%
Cash flow [(3)]	22,529	43,753	- 48.5%
Net investments	20,887	18,933	+ 10.3%
Net cash position	177,667	181,276	- 2.0%

[(1)] IFRS 16 "Leases" is effective for annual reporting periods beginning on or after January 1, 2019. Its impact on the 2019 income statement is insignificant. It has been applied using the simplified retrospective transition method, which does not require the restatement of the 2018 financial statements. The impact of IFRS 16 at January 1, 2019 is described in the notes.

[(2)] - 9,2 % at constant exchange rates.

[(3)] Before cash revenue, financing expenses and corporate income tax.

1. GROUP INCOME STATEMENT

Operating income was €5,994 thousand (2.3% of sales), a decrease of €29,386 thousand compared with first-half 2018.

It was affected by the decline in sales (-€23,812 thousand) and two non-recurring items that resulted in a €10,992 thousand decrease in other operating income and expenses:

- In 2019: asset impairments and provisions in Belgium, prior to the sale of the site of our UNDA subsidiary.
- In 2018: capital gain recorded on the sale of the Levallois-Perret site.

Gross margin was affected by lower sales and decreased by €21,830 thousand, i.e., -10.1%.

Preparation and distribution costs decreased by €3,040 thousand, reflecting the decline in payroll (non-replacement of retirees) and sales tax, offset by costs associated with the gradual start-up of operations at our logistics center in Les Olmes.

Marketing costs rose by 2.4%, including the cost of the MonHoméoMonChoix advocacy campaign and an increase in advertising costs in France and the United States. Payroll declined in France, Spain and Italy.

Research and regulatory affairs costs remained virtually unchanged.

Support function costs declined by 9.5%: they were affected in 2018 by legal fees in France, Belgium and the United States.

Other operating income and expenses amounted to a net expense of €4,247 thousand versus net income of €8,542 thousand in 2018:

- In 2018, this included €6,207 thousand for the capital gain on the sale of the Levallois-Perret site, as well as the French tax credit for competitiveness and employment (€1,554 thousand). The elimination of this tax credit in 2019 was offset by lower social charges, reported under operating activities discussed above.
- In 2019, this included €4,785 thousand in asset impairments and provisions for UNDA, in Belgium (discussed in the Highlights section).

Cash revenue and financing expenses amounted to net income of €293 thousand compared with €203 thousand in 2018.

Other financial income and expenses amounted to a net expense of €1,682 thousand versus a net expense of €1,264 thousand in 2018. This mainly consisted of an expense related to the decrease over time in the impact of the discount rate used for employee benefits and foreign exchange gains and losses on cash flows.

Income tax was €5,034 thousand for first-half 2019. It was higher than income before tax, due to the losses recorded at the subsidiaries, which did not generate any tax savings.

Net income was a loss of €393 thousand versus a gain of €21,605 thousand in the first half of 2018.

2. CONSOLIDATED CASH FLOW

Net cash at June 30, 2019 was €177,667 thousand compared with €216,830 thousand at December 31, 2018. It decreased by €39,163 thousand in the first half of 2019, compared with €83,664 thousand in the first half of 2018.

Cash flow from **operating activities** reached €6,772 thousand versus €23,234 thousand in the first half of 2018:

- Cash flow fell by €21,224 thousand compared with the first half of 2018 and represented 8.8% of sales versus 15.6% in 2018. It tracks changes in profitability excluding non-recurring items that do not affect cash flow (capital gains on sales, asset impairments and provisions).
- Taxes paid were €18,032 thousand versus €17,570 thousand in 2018.
- The change in working capital requirements amounted to a source of cash of €2,275 thousand versus a use of cash of €2,949 thousand in the first half of 2018, mainly due to the change in accounts receivables, inventories and employee-related liabilities.

Cash flow from investing activities reached €20,887 thousand, an increase of €1,954 thousand versus the first half of 2018. It related to:
- the replacement or acquisition of new production equipment at Messimy and Montévrain,
- improvements to the Les Olmes logistics platform,
- work on the new headquarters in the United States,
- IT projects.

Cash flow from **financing activities** was €26,073 thousand versus €87,496 thousand in 2018. It included:
- dividends distributed in 2019 in the amount of €25,389 thousand versus €28,300 thousand in 2018,
- the change in lease-related financial debt and the associated interest in the amount of €1,205 thousand, under new IFRS 16 on the capitalization of leases.

In 2018, it included the buyback of 831,309 shares outside the liquidity contract, for cancellation purposes, in the amount of €59,257 thousand.

POST CLOSING EVENTS

No post-closing events which might have a material impact on the group's financial statements were identified.

OUTLOOK

Given the decrease of sales due to the virulent and unjustified attacks against homeopathy in France, the operating result of the year 2019 will be sharply lower than in 2018.

Following the publication on last August 31 of two decrees relating to the evolution of the covering of homeopathic medicines by the Health Insurance, we remind that these remain reimbursed until January 1, 2021. Until then, we will do everything we can in order to convince the authorities to re-examine their standpoint considering the interest of homeopathy for Public Health. Today, more than 20,000 doctors prescribe homeopathic medicines daily and the majority of French citizens approve this medical approach.

We continue the development of homeopathy in the world with the same confidence and the same determination.

Actual results may differ from this outlook, in particular in terms of the risks and uncertainties mentioned below.

MAIN RISKS AND UNCERTAINTIES

The group's exposure to the risks and uncertainties mentioned in paragraph 1.5 of the 2018 Reference Document did not change significantly in the first half of the year, with the exception of the challenge to reimbursement in France, which is described in the Highlights section.

MAIN TRANSACTIONS WITH RELATED PARTIES

The main transactions with related parties are disclosed in Note 27 to the condensed consolidated half-year financial statements.

Half-year condensed consolidated financial statements at June 30, 2019

Settled by the Board of Directors on September 4, 2019

CONSOLIDATED INCOME STATEMENT

(in thousand of euros)	Notes	2019 (6 months)	2018 (6 months) (1)
Sales	21	**256,718**	**280,530**
Other sales revenue	21	1	2
Industrial production costs		(63,007)	(64,990)
Preparation and distribution costs		(61,839)	(64,879)
Promotion costs		(78,699)	(76,836)
Research costs		(1,503)	(1,828)
Regulatory affairs costs		(5,318)	(5,271)
Function supports costs		(36,112)	(39,890)
Other operating revenue	22	760	8,677
Other operating expenses	22	(5,007)	(135)
Operating income		**5,994**	**35,380**
Cash revenue and financing expenses		293	203
Cash revenue		474	336
Financing expenses		(181)	(133)
Other financial revenue and expenses		(1,682)	(1,264)
Other financial revenue		319	313
Other financial expenses		(2,001)	(1,577)
Share in net earnings (losses) of companies at equity		0	0
Income before corporate income tax		**4,605**	**34,319**
Corporate income tax	23	(5,034)	(12,724)
Consolidated net income		**(429)**	**21,595**
Net income (minority share)		(36)	(10)
Net income (group share)	24	**(393)**	**21,605**
Earnings per share (2)	24	(€0.02)	€1.20

(1) IFRS 16 standard has been applied using the simplified retrospective transition method, which consists of not adjusting the financial statements as at December 31, 2018. The impact of IFRS 16 standard as at January 1, 2019 is shown in notes.

(2) In the absence of a dilutive instrument, the average earnings per share are the same as the average diluted earnings per share.

STATEMENT OF COMPREHENSIVE INCOME

(in thousand of euros)	Notes	2019 (6 months)	2018 (6 months)
Consolidated net income		**(429)**	**21,595**
Other items of comprehensive income that will be reclassified subsequently to profit or loss		**2,190**	**(1,282)**
Currency translation adjustments		2,211	(1,275)
Other movements		(21)	(7)
Changes in the fair value of financial instruments		0	0
Other items of comprehensive income that will not be reclassified subsequently to profit or loss		**(6,984)**	**0**
Actuarial differences related with post-employment benefits (1)	17	(6,984)	0
Other items of comprehensive income (2)		**(4,794)**	**(1,282)**
Consolidated comprehensive income		**(5,223)**	**20,313**
Comprehensive income (minority share)		**(36)**	**8**
Comprehensive income (group share)		**(5,187)**	**20,305**

(1) In 2019 : -€10,274 thousand in gross actuarial differences and €3,290 thousand in deferred taxes.
In 2018 : no actuarial differences were booked, the discount rate was the same as the end of 2017.

(2) There are no tax impact in the other items of comprehensive income other that those mentioned in (1).

CONSOLIDATED BALANCE SHEET

ASSETS (in thousand of euros)	Notes	06/30/2019	12/31/2018 (1)
Non-current assets		**356,761**	**347,327**
Goodwill	7	89,633	89,630
Intangible fixed assets	8	27,562	26,420
Tangible fixed assets	8	193,816	194,657
Right-of-use related to leases	8	6,151	0
Investments		2,194	2,264
Other non-current assets	12	28	32
Deferred tax assets		37,377	34,324
Current assets		**368,930**	**419,750**
Assets held for sale	9	3,397	2,586
Inventories and work in progress	10	74,064	70,747
Accounts receivable	11	70,588	102,153
Corporate income tax receivable	12	16,711	4,961
Other current assets	12	23,974	22,055
Cash and cash equivalents	13	180,196	217,248
TOTAL ASSETS		**725,691**	**767,077**

LIABILITIES (in thousand of euros)	Notes	06/30/2019	12/31/2018 (1)
Shareholders' equity (group share)		**454,634**	**486,004**
Share capital	14	17,566	17,566
Additional paid-in-capital		79,876	79,876
Retained earnings		357,192	388,562
Minority interests		**0**	**39**
Total Shareholders' equity		**454,634**	**486,043**
Non-current liabilities		**129,881**	**115,743**
Non-current borrowings and financial debts		4,647	4,206
Non-current leases financial liabilities	15	4,846	0
Employee benefits	16	118,708	109,194
Non-current provisions	17	8	173
Other non-current liabilities	18	1,644	1,644
Deferred taxes liabilities		28	526
Current liabilities		**141,176**	**165,291**
Liabilities held for sale	9	611	0
Current borrowings and financial debts		3,553	1,786
Current leases financial liabilities	15	1,853	0
Current provisions	17	16,414	16,814
Accounts payable		41,925	48,616
Corporate income tax debt	18	889	2,517
Other current liabilities	18	75,931	95,558
TOTAL LIABILITIES		**725,691**	**767,077**

(1) IFRS 16 standard has been applied using the simplified retrospective transition method, which consists of not adjusting the financial statements as at December 31, 2018. The impact of IFRS 16 standard as at January 1, 2019 is shown in notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousand of euros)	2019 (6 months)	2018 (6 months) [1]
NET CASH FLOWS RELATED TO OPERATING ACTIVITIES	**6,772**	**23,234**
Net income (group share)	(393)	21,605
Amortizations and provisions (excluding current assets)	17,788	15,813
Other items (including income on asset disposals)	393	(6,186)
Cash-flows from consolidated companies after cash revenue, financing expenses and corporate income tax	17,788	31,232
Cash revenue and financing expenses	(293)	(203)
Tax charge (including deferred taxes)	5,034	12,724
Consolidated cash-flows before cash revenue, financing expenses and corporate income tax	**22,529**	**43,753**
Corporate income tax paid / corporate income tax repayment	**(18,032)**	**(17,570)**
Changes in working capital requirements, including:	**2,275**	**(2,949)**
Changes in inventories and work-in-progress	(3,279)	(6,775)
Changes in accounts receivable	33,083	26,498
Changes in accounts payable	(7,744)	(7,822)
Changes in other trade receivables and operating debts	(19,785)	(14,850)
NET CASH FLOWS RELATED TO INVESTMENT ACTIVITIES	**(20,887)**	**(18,933)**
Acquisitions of tangible fixed assets	(15,883)	(23,361)
Acquisitions of intangible fixed assets	(5,597)	(2,981)
Disposals of tangible fixed assets	915	7,519
Disposals of intangible fixed assets	0	0
Investment grants received	0	0
Acquisitions of investments	(16)	(14)
Disposals of investments	1	4
Acquisitions of current financial assets	(307)	(100)
Disposals of current financial assets	0	0
Impact of changes of scope - acquisitions	0	0
Impact of changes of scope - disposals	0	0
NET CASH FLOWS RELATED TO FINANCING ACTIVITIES	**(26,073)**	**(87,496)**
Dividends paid to parent company shareholders	(25,389)	(28,300)
Dividends paid to minority holders of consolidated companies	0	0
Capital increases and reductions, additional paid-in capital and reserves	0	6
Buyback of treasury shares (excluding the liquidity contract)	0	(59,257)
Disposals of treasury shares (excluding the liquidity contract)	0	0
Loans issues	1,721	1,149
Repayment of loans	(1,623)	(1,297)
Paid interests	(51)	(133)
Changes in leases financial liabilities	(1,075)	0
Interets linked to leases financial liabilities	(130)	0
Cash revenue	474	336
CHANGE IN CASH POSITION	**(40,188)**	**(83,195)**
Impact of exchange rate fluctuations	1,025	(469)
Net cash position January 1st	**216,830**	**264,940**
Net cash position June 30th	**177,667**	**181,276**
Consolidated cash flow before cash revenue, financing expenses and corporate income tax		
- per share	**€ 1.29**	**€ 2.42**
- as a % of sales	**8.8%**	**15.6%**

[1] IFRS 16 standard has been applied using the simplified retrospective transition method, which consists of not adjusting the financial statements as at December 31, 2018. The impact of IFRS 16 standard as at January 1, 2019 is shown in notes.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT JUNE 30, 2018

Before allocation of net income (in thousand of euros)	*Number of shares (1)*	Capital	Share premium	Treasury shares	Consolidated reserves (2)	Actuarial differences related with post-employment benefits	Currency translation adjustments	**Shareholder's equity group share**	Minority interest	**Shareholder's equity totals**
12/31/2017	***18,430,251***	**19,415**	**79,876**	**(70,594)**	**532,150**	**(31,853)**	**(11,533)**	**517,461**	**29**	**517,490**
Buyback and disposals of treasury shares	*(826,924)*			(58,715)	(119)			(58,834)		(58,834)
Cancellation of treasury shares		0		0	0			0		0
Dividends paid					(28,300)			(28,300)	(3)	(28,303)
Transactions with shareholders	*(826,924)*	**0**	**0**	**(58,715)**	**(28,419)**	**0**	**0**	**(87,134)**	**(3)**	**(87,137)**
Net income					21,605			21,605	(10)	21,595
Other comprehensive income					(25)	0	(1,275)	(1,300)	18	(1,282)
Comprehensive income	***0***	**0**	**0**	**0**	**21,580**	**0**	**(1,275)**	**20,305**	**8**	**20,313**
06/30/2018	***17,603,327***	**19,415**	**79,876**	**(129,309)**	**525,311**	**(31,853)**	**(12,808)**	**450,632**	**34**	**450,666**

(1) Number of shares after elimination of treasury shares.

(2) Including €460,950 thousand of retained earnings and carryovers and €2,201 thousand of legal reserves in the social accounts of the BOIRON parent company at June 30, 2018.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY AT JUNE 30, 2019

Avant affectation du résultat (in thousand of euros)	*Number of shares (1)*	Capital	Share premium	Treasury shares	Consolidated reserves (2) (3)	Actuarial differences related with post-employment benefits	Currency translation adjustments	**Shareholder's equity group share**	Minority interest	**Shareholder's equity totals**
12/31/2018 Published data	***17,519,302***	**17,566**	**79,876**	**(2,523)**	**430,797**	**(24,888)**	**(14,824)**	**486,004**	**39**	**486,043**
Impact of the application of IFRS 16 standard at 01/01/2019					**(464)**			**(464)**		**(464)**
01/01/2019 restated by IFRS 16 standard	***17,519,302***	**17,566**	**79,876**	**(2,523)**	**430,333**	**(24,888)**	**(14,824)**	**485,540**	**39**	**485,579**
Buyback and disposals of treasury shares	*7,841*			(228)	(102)			(330)		(330)
Cancellation of treasury shares								0		0
Dividends paid					(25,389)			(25,389)	(3)	(25,392)
Transactions with shareholders	*7,841*	**0**	**0**	**(228)**	**(25,491)**	**0**	**0**	**(25,719)**	**(3)**	**(25,722)**
Net income					(393)			(393)	(36)	(429)
Other comprehensive income					(21)	(6,984)	2,211	(4,794)		(4,794)
Comprehensive income	***0***	**0**	**0**	**0**	**(414)**	**(6,984)**	**2,211**	**(5,187)**	**(36)**	**(5,223)**
06/30/2019	***17,527,143***	**17,566**	**79,876**	**(2,751)**	**404,428**	**(31,872)**	**(12,613)**	**454,634**	**0**	**454,634**

(1) Number of shares after elimination of treasury shares.

(2) Including €369,096 thousand of retained earnings and carryovers and €2,201 thousand of legal reserves in the social accounts of the BOIRON parent company at June 30, 2019.

(3) The application of IFRS 16 standard using the simplified retrospective transition method let to the recognition of the standard impact on January 1, 2019 for -€464 thousand.

Those note are an integral part of the condensed consolidated financial statements for the half-year ended June 30, 2019, were settled by the Board of Directors on September 4, 2019.

Presentation of the company

BOIRON, the group parent company, is a French public limited company. Its main business activity is manufacturing and selling homeopathic medicines.

Its headquarters is located at 2, avenue de l'Ouest Lyonnais, 69510, Messimy, France.

On June 30, 2019, BOIRON parent company and its subsidiaries had 3,567 employees (actual workforce), in France and abroad, compared to 3,672 on December 31, 2018.

BOIRON stock is listed on Euronext Paris.

NOTE 1 : MAINS EVENTS OF THE SEMESTER

Group sales in first-half 2019 fell by 8.5% (-9.2% at constant exchange rates).

In France, where homeopathy has been subject to unwarranted and discriminatory attacks, sales declined by 10.5%. In Europe and the United-States, the level of winter pathology was much lower than in 2018. In the United-States, the base effect was major in the first quarter, which strongly impacted sales and profitability.

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- Operating expenses, excluding non-recurring items, fell by €3,436 thousand, mainly due to payroll.

- Non-recurring items generated a €10,992 thousand decline in other operating revenue and expenses:
  - In first-half 2018, a capital gain of €6,207 thousand was recorded on the sale of the Levallois-Perret site.
  - In first-half 2019, asset impairments and provisions were recorded in Belgium in the amount of €4,785 thousand. On July 16, 2019, UNDA, which has been in financial difficulty since ceasing sales to its Italian distributor, signed an agreement for the transfer of its business and a preliminary agreement for the sale of its real property. Almost all of the jobs were preserved.

The French government announced its intention to cut the reimbursement rate for homeopathic medicines to 15% as of January 1, 2020 and to end reimbursements altogether as of January 1, 2021.

Denying patients and health professionals their freedom of choice is completely inconsistent with the major public health challenges and the needs of the French people. Furthermore, more than 1.2 million people in France have signed the MonHoméoMonChoix petition for the continued reimbursement of homeopathic medicines.

NOTE 2 : VALUATION METHODS AND CONSOLIDATION PRINCIPLES

The consolidated financial statements are stated in thousands of euros unless otherwise indicated and were prepared in line with the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union.

This framework, available on the European Commission's website (https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr), comprises:

- international accounting standards (IAS and IFRS),
- interpretations from the Standing Interpretations Committee (SIC) and from the International Financial Reporting Interpretations Committee (IFRIC)

The half-year consolidated financial statements were prepared pursuant to IAS 34 "Interim Financial Reporting". Pursuant to this standard, the half-year consolidated financial statements are presented including the condensed notes; notes are only provided for significant transactions or rules adapted to the specificities of interim accounts. They should be read together with the group's annual financial statements as of December 31, 2018, as presented in the Reference Document filed with the French Securities and Exchange Commission (AMF) on April 15, 2019 under number D.19-0335 and available on the Company's website: *http://www.boironfinance.com/Shareholders-and-investors-area/Financial-information/Regulated-information/Annual-and-half-year-reports*

2.1. New IFRS standards, amendments and interpretations

As stated in the notes to the 2018 consolidated financial statements, BOIRON group applied IFRS 16 standard "Leases" as of January 1, 2019 and chose to use the simplified retrospective method.

The group used the following practical expedients:

- calculation of the incremental borrowing rate on the date of the initial application, taking into consideration the initial lease term and not the remaining lease term;
- restatement of leases whose remaining term at January 1, 2019 was greater than twelve months and for which the value of the asset was greater than $5 thousand;
- exclusion of initial direct costs from the measurement of the assets;
- use of hindsight after the commencement of the lease, such as in determining the lease term if the contract contained options to extend or terminate the lease.

In accordance with the provisions of the standard relating to the simplified retrospective method, the comparative financial statements have not been restated. The main financial impacts on line items in first-half 2019 are described below:

- impact on opening shareholders' equity at January 1, 2019: -€464 thousand;
- increase in right-of-use assets: €6,151 thousand, i.e., 3.18% of the net book value of tangible fixed assets;
- increase in leases financial liabilities: €6,699 thousand, at a time when the group has no debt;
- increase in operating income of €185 thousand in first-half 2019;
- increase in consolidated cash flow and loan repayments of €1,204 thousand and -€1,075 thousand, respectively.

The impact at January 1, 2019 was presented:

- on separate lines on the balance sheet: right-of-use related to leases and leases financial liabilities,
- on a separate line of the statement of changes in consolidated shareholders' equity,
- in a specific column of the statements of changes in right-of-use related to leases and leases financial liabilities.

Off-balance sheet liabilities disclosed at December 31, 2018, in accordance with IAS 17, were €17.5 million, i.e., approximately €15.3 million discounted at the incremental borrowing rate at January 1, 2019.
Leases financial liabilities (see note 16) amounted to €7.7 million at January 1, 2019.
The €7.6 million variance can be attributed to leases that were excluded from the scope of the restatement, in accordance with the provisions of the standard, and leases that were not restated because they had an insignificant impact on the group's financial statements. These were mainly:

- vehicles leases (€4.6 million),
- IT services leases (excluded in accordance with the provisions of the standard) and other leases with a low unit value or whose term is less than twelve months (€3 million).

The discount rate and lease term options used by the group are described in note 2.2. Depending on the decisions made by IFRIC (after the referral made in June 2019), the group may adjust the restatements recognized. However, the group does not expect significant changes to its consolidated shareholders' equity or its consolidated operating income.

The other standards, amendment and interpretations, applicable on or after January 1, 2019 have no significant impact or are not applicable. It is mainly about:

- IFRIC 23 "Uncertainty over income tax treatments". The analysis performed did not lead to the recognition of any additional liabilities for tax uncertainties. Pending a response to the referral to IFRIC in June 2019, liabilities related to the tax risks associated with the audits currently in process have been maintained as provisions for liabilities on the balance sheet (see note 17);
- Annual improvements - 2015-2017 cycle (IFRS 3, 11, 12 and 23 amendments);
- IAS 19 amendment - "Plan amendment, curtailment or settlement"
- IFRS 9 amendment - "Prepayment features with negative compensation" ;
- IAS 28 amendment - "Long-term interests in associates and joint ventures".

BOIRON group chose not to perform early application of the standards, amendments and interpretations adopted or to be adopted by the European Union for which early application would have been possible and which go into effect after June 30, 2019. This mainly concerns the following standards and amendments:

- IFRS 3 "Clarifying what is a business";
- IAS 1 and IAS 8 amendments on the materiality threshold;
- New conceptual framework.

These standards, amendments and interpretations apply to fiscal year beginning on or after January 1, 2020, subject to adoption by the European Union.

There are no standards, amendments and interpretations published by the IASB, and mandatory for the fiscal years beginning on January 1, 2019, but not yet approved at European level (and early application is not possible at European level) which would have a significant impact on the financial statements of this year.

2.2. Specific accounting principles to IFRS 16 standard

As stated in note 2, the group applied IFRS 16 standard "Leases" on January 1, 2019 using the simplified retrospective method. Under this option, the comparative financial statements have not been restated.

2.2.1. Accounting rules for leases until December 31, 2018, applying IAS 17 standard

As stated in note 2.4.3.1 to the 2018 consolidated financial statements, the group has no finance leases.

2.2.2. Accounting rules for leases from January 1, 2019, applying IFRS 16 standard

- **Specific rules to the transition as at January 1, 2019**

The options retained were detailed in note 2.

- **General accounting rules**

For lessees, IFRS 16 standard no longer makes a distinction between finance leases and operating leases, as previously defined in IAS 17.

Leases convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases that meet this definition are recognized in accordance with the procedures defined below, except where exemptions are provided for in the standard (lease terms of less twelve months and/or underlying assets of low value) and except for leases that are not restated because their impact is insignificant.

In practice, only real estate leases were restated as a result of the analysis.

For leases that were not restated, rents continue to be recorded under operating expenses.
For leases that were restated (real estate leases), the rules for recognition are presented below.

At the lease commencement date, the group recognizes a right-of-use asset and a lease liability. The asset and the liability are presented on a separate line on a balance sheet.

The lease liability is measured at the present value of the lease payments that are not paid at that date, over the term of the lease.

The present value is determined using the incremental borrowing rate calculated for each country, based on the term of the lease. Pending a decision by IFRIC (referral made in June 2019), the incremental borrowing rate corresponds to a bullet rate (reflecting only the maturity of the lease, without taking into consideration the payment profile) and not a duration rate.

The term of a lease is the period for which it is enforceable, which corresponds to the non-cancellable period, plus any option to extend, the lease that the group is reasonably certain to exercise and any option to terminate the lease that the group is reasonably certain not to exercise.

In practice, the following terms are used for the main leases:

- in Italy: enforceable period of 10 years;
- in Belgium: 30-year long-term lease;
- in Poland: enforceable period of 10 years;
- in Russia: enforceable period of 6 years;
- in France: enforceable period of 9 years ("3/6/9" commercial leases): non-cancellable period of 3 years and certainty that the option to extend will be exercised after 3 and 6 years.

There are no early termination clauses in the different leases and there are no clauses that would cause lessors to pay the group a significant penalty if the lease is not renewed at the end of the non-cancellable period. In practice, most of the rents are fixed and there are no purchase options.

In terms of taxes, pending IFRIC's confirmation, the group has decided to record deferred taxes on the restatement of real estate leases.

The right-of-use related to leases are measured as follows: the cost is reduced by accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. No impairment loss and no remeasurement of lease liabilities was recorded in 2019.

In the absence of a purchase option, the right-of-use related to leases are depreciated over the term if the lease.
Pending clarification by IFRIC, the fixtures associated with the leases are depreciated over the term of the lease, unless there is a set of presumptions showing that the underlying asset will be used over a period that is greater that the term if lease.

The group has not identified any situations in which it is the lessor or any sale and leaseback situations.

2.3. Specific accounting principles to half-year closing

Principle assumptions and judgements applied are described in note 2 of annual financial statements of December 31, 2018. There is no material change in using estimate and assumptions during the first half-year.

In some cases, these rules were adapted to the specificities of the half-year closing.

2.3.1. Corporate income tax

The corporate income tax expense for the half-year was calculated individually for each company: average rate estimated for this year was applied to income before tax of the period.

As previous years, research tax credit (French "CIR") is booked in other operating income.

The "Tax credit competitiveness employment" (French "CICE") was deleted as of January 1, 2019.
Historically booked in other operating income, its disappearance is offset by a decrease in social security contributions on all operating activities in the consolidated income statement. The impact on operating income is not material.

2.3.2. Profit-sharing and employee profit-sharing

Profit-sharing expenses were calculated prorata temporis on the basis of the estimated annual amount.

2.3.3. Post-employment benefits

In accordance to the provisions of IAS 34 standard, retirement liabilities and related were not subject to a complete recalculation at June 30, 2019, as at June 30, 2018. The changes in the net value of benefits were estimated as follows:

- The financial cost and the cost of services rendered were estimated for December 31, 2019 based on an extrapolation of the total benefit calculated for December 31, 2018.
- The impact of the decline in the discount rate (1.1% at June 30, 2019 versus 1.8% at December 31, 2018) was calculated from the sensitivity tests performed in previous years. The impact of the change, as from 2019, in the procedures for estimating commitments (turnover rate, method used for the prorata calculation, and mortality rate) was also recorded in actuarial gains and losses at June 30, 2019.

  The overall impact at June 30, 2019 of these actuarial gains and losses was recognized in other comprehensive income in the amount of -€10,274 thousand;
- The other actuarial assumptions associated with the global benefit amount are generally updated at year-end. None of the factors were identified as having a material impact at June 30, 2019.
- Other actuarial differences related to experience were not recalculated due to the immaterial impact observed in prior years and the absence of significant variances expected this year.
- Contributions to the external funds are benefits paid to employees who retired in the first half-year period were taken into account.
- No plan change or termination occurred during the first half-year.

2.3.4. Customer contract assets and liabilities

There are no customer contract assets other than accounts receivable. There are, in fact, no assets related to the incremental costs of obtaining a contract and to the costs of fulfilling a contract.
Customer contract liabilities relate to:

- amounts due to customers as compensation for services rendered,
- deferred revenue, which is immaterial, with the aim of recording sales in the fiscal year in question.

As a reminder, the group derives the majority of its sales from the sale of homeopathic products.

Operating revenues are recognized on completion (on delivery of the products). No sales are recognized on completion.
The rules for recognizing operating revenues do not rely on estimates.

2.3.5. Impairment tests

The process for carrying out impairment tests as at December 31, 2018 is described in the 2018 Reference document in note 2.5.

For the purposes of the half-year financial statements, impairment tests were only carried out on assets or groups of assets with respect to which there were indications of impairment during the last six months, or for which there were indications of impairment at the last closing.

The analysis carried out did not lead to the identification of assets related to leases that would have to be tested independently of a CGU.

Pending the expected clarifications on the practical methods of carrying out impairment tests including the adjustment of IFRS 16 standard, and taking into account the many practical difficulties identified, impairment tests were carried out, on the one hand, before the impact of IFRS 16 standard, and on the other hand, in an approximate manner by including in the carrying amount of the CGU the asset related to the right-of-use and the leased financial debt, without changing the calculation of the projected cash flows.

It should be noted that there are no CGUs for which the recoverable amount was close to the net carrying amount at December 31, 2018 and including restated real estate leases. In addition, the first-time application of IFRS 16 standard is not expected to have a material impact on a recoverable amount determined in relation to projected cash flows.

NOTE 3 : SCOPE OF CONSOLIDATION

There has been no change on the scope of consolidation since December 31, 2018. It is set out in note 3 to the 2018 Reference Document.

The year end is December 31 for all companies except BOIRON LABORATORIES in India, which closes its company accounts on March 31. It performs an intermediate closing, subject to a contractual audit, on December 31 for use in the annual consolidated financial statements.

Given that their impact within the group is considered non-significant, the non-consolidated controlled companies are recognized in investments.

NOTE 4 : CURRENCY TRANSLATION METHOD

The following table sets out the euro translation rates against the currencies used for consolidation, for the main companies in foreign currencies:

	Average rate 2019 (6 months)	Average rate 2018 (6 months)	Closing rate 06/30/2019	Closing rate 06/30/2018	Closing rate 12/31/2018
Czech Koruna	25.684	25.497	25.447	26.020	25.724
US Dollar	1.130	1.211	1.138	1.166	1.145
Canadian Dollar	1.507	1.546	1.489	1.544	1.561
Hungarian Forint	320.392	314.091	323.390	329.770	320.980
New Romanian Leu	4.742	4.654	4.734	4.663	4.664
Brazilian Real	4.341	4.141	4.351	4.488	4.444
Russian Rouble	73.721	71.980	71.598	73.158	79.715
Polish Zloty	4.292	4.220	4.250	4.373	4.301

Currency translation adjustments of €2,211 thousand recognized in other comprehensive income are mainly related to the change in the Russian Rouble currency for the first half of 2019.

NOTE 5 : SEASONALITY

The activity of the group can be seasonal due to the level of pathology and to the extent of the wintry specialties range. Generally, the annual results depend on the activity realized on the second half-year of the fiscal year.

Consequently, results of the first half-year can be not representative of results that could be expected for the whole year.

This seasonality has an impact on balance sheet structure at June 30, 2019.

NOTE 6 : SEGMENT REPORTING

The table below shows the data as of June 30, 2019:

DATA CONCERNING INCOME STATEMENT	France	Europe (excluding France)	North America	Other countries	Eliminations (1)	2019 (6 months)
External SALES	160,830	53,064	39,910	2,914		256,718
Inter-sector SALES	42,902	3,403	14	877	(47,196)	0
Total SALES	**203,732**	**56,467**	**39,924**	**3,791**	**(47,196)**	**256,718**
OPERATING INCOME	**20,925**	**(12,433)**	**(3,107)**	**(721)**	**1,330**	**5,994**
of which net allowances to amortizations and depreciations on fixed assets	*(14,150)*	*(3,556)*	*(265)*	*(29)*		*(18,000)*
of which net allowances to amortizations of right-of-use related to leases	*(197)*	*(778)*		*(44)*		*(1,019)*
of which net changes in depreciations of assets, provisions ans employee benefits	*1,505*	*(2,169)*	*340*	*(4)*		*(328)*
Cash revenue and financing expenses (2)	623	51	(423)	42		293
Income tax	(6,254)	872	777	(9)	(420)	(5,034)
NET INCOME (GROUP SHARE)	**13,613**	**(11,472)**	**(2,753)**	**(691)**	**910**	**(393)**

DATA CONCERNING BALANCE SHEET	France	Europe (excluding France)	North America	Other countries	Eliminations (1)	06/30/2019
Total Balance sheet	717,965	101,907	89,159	8,284	(191,624)	725,691
Net tangible fixed assets and intangible fixed assets	203,899	5,686	11,358	435		221,378
Right-of-use related to leases	1,105	4,865		181		6,151
Deferred taxes assets	30,092	4,001	3,279	5		37,377
Working Capital Requirements	28,793	22,804	28,587	3,823	(29,902)	54,105

DATA CONCERNING CASH FLOWS	France	Europe (excluding France)	North America	Other countries	Eliminations (1)	2019 (6 months)
Acquisitions of intangible and tangible assets	16,864	900	3,679	37		21,480
Changes in leases financial liabilities	(202)	(831)		(42)		(1,075)

(1) Included eliminations of inter-sector flows and internal results.

(2) Included -€130 thousand of interest charges for leases financial liabilities.

The adjustment of real estate leases, in accordance with IFRS 16 standard, has an impact on operating income of €185 thousand (see note 2).

The board below presents the data as of June 30, 2018:

DATA CONCERNING INCOME STATEMENT	France	Europe (excluding France)	North America	Other countries	Eliminations (1)	2018 (6 months)
External SALES	178,167	55,768	43,812	2,783		280,530
Inter-sector SALES	57,467	3,381	24	978	(61,850)	0
Total SALES	**235,634**	**59,149**	**43,836**	**3,761**	**(61,850)**	**280,530**
OPERATING INCOME	**47,214**	**(11,165)**	**3,728**	**116**	**(4,513)**	**35,380**
of which net allowances to amortizations and depreciations on fixed assets	*(13,591)*	*(902)*	*(197)*	*(35)*		*(14,725)*
of which net changes in depreciations of assets, provisions and employee benefits	*1,145*	*109*	*(274)*	*34*		*1,014*
Cash revenue and financing expenses	54	90	8	51		203
Income tax	(15,352)	1,884	(855)	(16)	1,615	(12,724)
NET INCOME (GROUP SHARE)	**30,663**	**(9,179)**	**2,882**	**137**	**(2,898)**	**21,605**

DATA CONCERNING BALANCE SHEET	France	Europe (excluding France)	North America	Other countries	Eliminations (1)	06/30/2018
Total Assets	814,034	96,776	45,280	7,009	(254,626)	708,473
Net tangible fixed assets and intangible fixed assets	198,394	10,996	8,224	376		217,990
Deferred taxes assets	28,340	4,750	2,278			35,368
Working Capital Requirements	36,063	24,761	10,481	3,697	(23,242)	51,760

DATA CONCERNING CASH FLOWS	France	Europe (excluding France)	North America	Other countries	Eliminations (1)	2018 (6 months)
Acquisitions of intangible and tangible assets	22,213	403	3,477	249		26,342

(1) Included eliminations of inter-sector flows and internal results.

The consolidated sales broken down by the sales destination, as published in the regulated quarterly information, is as follows for 2019 and 2018 half-year:

	2019	2018
France	151,357	169,181
Europe (excluding France)	55,330	57,694
North America	40,661	44,575
Other countries	9,370	9,080
TOTAL GROUPE	**256,718**	**280,530**

The breakdown of sales by line of products appears in note 21.

The structure of the group customers is atomized. No customer represents more than 10% of the group sales on the periods shown.

NOTE 7 :GOODWILL

	12/31/2018	Increases / (Decreases)	Currency translation adjustments	06/30/2019
BOIRON parent company [(1)]	84,653			84,653
LES EDITIONS SIMILIA	663			663
Total "France" [(2)]	***85,316***	***0***	***0***	***85,316***
Belgium [(3)]	2,232			2,232
Italy	2,242			2,242
Spain	583			583
Switzerland	55			55
Total "Europe (excluding France)"	***5,112***	***0***	***0***	***5,112***
Canada	229		(4)	225
USA	1,260		7	1,267
Total "North America"	***1,489***	***0***	***3***	***1,492***
Total "Other countries"	***0***			***0***
TOTAL GROSS GOODWILL	**91,917**	**0**	**3**	**91,920**
Switzerland impairment	(55)			(55)
Belgium impairment [(3)]	(2,232)			(2,232)
TOTAL NET GOODWILL	**89,630**	**0**	**3**	**89,633**

[(1)] BOIRON parent company goodwill comes from DOLISOS (€70,657 thousand), LHF (€7,561 thousand), SIBOURG (€1,442 thousand), DSA (€1,381 thousand), HERBAXT (€1,785 thousand) and Laboratoire FERRIER (€1,827 thousand).

[(2)] As goodwill from the various acquisitions made in France had become inseparable, impairment tests are realized in France.

[(3)] Goodwill in Belgium comes from UNDA (€1,408 thousand) and OMNIUM MERCUR (€823 thousand). Since 2012, it has been totally depreciated; it was not necessary to depreciate additional assets.

There was no acquisition generating new goodwill during 2019 first half-year.

In first-half 2019, the decline in sales in France and the government's announcement that it intends to cut the reimbursement rate to 15% as of January 1, 2020 and to end reimbursement altogether as of January 1, 2021 are an indication of impairment. The test performed at June 30, 2019 on the French CGU did not result in the recognition of any impairments.

NOTE 8 : INTANGIBLE AND TANGIBLE FIXED ASSETS

On 2019 first half-year, acquisitions of intangible fixed assets are €5,597 thousand and concern IT plan in progress, mainly in France.

Acquisitions of tangible fixed assets opted to €15,883 thousand. They mainly concern Messimy production site, Les Olmes logistics site and landscaping work of the new head office in the United-States.

Amortizations and depreciations net of reversals of tangible fixed assets for the first half-year amounted to €13,992 thousand, of which €2,706 thousand related to depreciation booked by UNDA in preparation for the sales of its assets at the end of 2019 (see note 1).

No intangible fixed assets or tangible fixed assets were pledged or offered as collateral for a guarantee or surety.

NOTE 9 : RIGHT-OF-USE RELATED TO LEASES

The new IFRS 16 standard on leases is mandatory as from January 1, 2019 (see note 2). On the assets side of the balance sheet, the group has chosen to present on a separate line the rights-of-use related to leases.

As at June 30, 2019, impacts are as follows:

	12/31/2018 (1)	Impact of the application of IFRS 16 standard at 01/01/2019	Increases		Decreases	Currency translation adjustments and other movements	06/30/2019
			Acquisitions	Amortization			
Right-of-use related to real estate leases	0	19,142	0	0	(1,427)	113	17,828
Amortizations of right-of-use related to real estate leases	0	(11,995)	0	(1,019)	1,427	(90)	(11,677)
TOTAL RIGHT-OF-USE RELATED TO REAL ESTATE LEASES	**0**	**7,147**	**0**	**(1,019)**	**0**	**23**	**6,151**

(1) IFRS 16 standard has been applied using the simplified retrospective transition method, which consists of not adjusting the financial statements as at December 31, 2018. The impact of IFRS 16 standard as at January 1, 2019 is shown in a specific column.

The main companies concerned by the adjustment associated with this standard are BOIRON Italy (€1,409 thousand), BOIRON SPRL (€1,310 thousand), BOIRON Poland (€611 thousand), BOIRON parent company (€573 thousand), BOIRON Russia (€541 thousand) and BOIRON Indian Ocean (€532 thousand).

NOTE 10 : ASSETS AND LIABILITIES HELD FOR SALE

Assets and liabilities held for sale amounted to €3,397 thousand and €611 thousand respectively at the end of June 2019. They include:

- The headquarter of the US subsidiary (€986 thousand), offered for sale in the second half of 2018 and sold in July 2019;
- Two buildings in Belgium (€1,500 thousand) offered for sale at the end of 2018, one of which was impaired by an additional €107 thousand to align with the purchase price that was offered;
- All of UNDA's (Belgium) tangible fixed assets, inventories and deferred tax assets for €911 thousand, reclassified after their impairment (see notes 8 and 11), which will be sold at the end of 2019 to the buyer with which the subsidiary signed a sale agreement in July 2019 (see note 1). Employee benefits related to bonuses (see note 17) and deferred tax liabilities were classified as liabilities held for sale for €611 thousand.

NOTE 11 : INVENTORIES AND WORK-IN-PROGRESS

	12/31/2018	Variations	Depreciation of the period	Write-back of the period	Currency translation adjustments and other movements	06/30/2019
Raw materials and supplies	13,914	1,588			(842)	14,660
Semi-finished goods and finished goods	58,747	4,024			(1,110)	61,661
Goods	783	132			0	915
TOTAL GROSS INVENTORIES	**73,444**	**5,744**	**0**	**0**	**(1,952)**	**77,236**
TOTAL DEPRECIATIONS OF INVENTORIES	**(2,697)**		**(4,590)**	**2,124**	**1,991**	**(3,172)**
TOTAL NET INVENTORIES	**70,747**	**5,744**	**(4,590)**	**2,124**	**39**	**74,064**

As at June 30, 2019 and December 31, 2018, no inventory has been pledged to guarantee liabilities.

Of the €4,590 thousand of depreciation of the period, €1,743 thousand related to UNDA in preparation for the sale of its assets at the end of 2019 (see note 1).

NOTE 12 : ACCOUNTS RECEIVABLE AND OTHER ASSETS RELATED TO CUSTOMER CONTRACTS

	12/31/2018	Variations	Depreciations of the period	Reversal for the period (unused depreciations)	Reversal for theperiod (used depreciations)	Currency translation adjustments and other movements	06/30/2019
Gross accounts receivable denominated in euros	60,470	(12,390)				0	48,080
Gross accounts receivable denominated in other currencies	43,108	(20,791)				1,527	23,844
TOTAL GROSS ACCOUNTS RECEIVABLE	**103,578**	**(33,181)**	**0**	**0**	**0**	**1,527**	**71,924**
Depreciations of accounts receivable denominated in euros	(1,165)		(103)	122	61	0	(1,085)
Depreciations of accounts receivable denominated in other currencies	(260)		(97)	115	0	(9)	(251)
TOTAL DEPRECIATIONS OF ACCOUNTS RECEIVABLE	**(1,425)**	**0**	**(200)**	**237**	**61**	**(9)**	**(1,336)**
Net accounts receivable denominated in euros	59,305	(12,390)	(103)	122	61	0	46,995
Net accounts receivable denominated in other currencies	42,848	(20,791)	(97)	115	0	1,518	23,593
TOTAL NET ACCOUNTS RECEIVABLE	**102,153**	**(33,181)**	**(200)**	**237**	**61**	**1,518**	**70,588**

No outstanding receivables had been sold as at June 30, 2019 and December 31, 2018.

As indicated in note 2.3.4, there are no assets related to customer contracts other than accounts receivable.

Depreciations on accounts receivable are recognized among the principles detailed in note 2.7.3.1 in 2018 Reference document.
Customer risk is considered low, as the "net cost" of doubtful accounts is low. Credit risk is addressed in note 20 "Financial instruments and risks".

Accounts receivable denominated in currencies mainly concern the United-States, Russia, Brazil, Romania and Poland.

The level of accounts receivable on June 30, 2019 is comparable to the amount on June 30, 2018 (€74,302 thousand). There was no major change in the customer structure. The decrease as compared to December 31, 2018 might be explained by the seasonality of the activity (see note 5) and the decrease of sales (see note 1).

NOTE 13 : INCOME TAX RECEIVABLE AND OTHER CURRENT AND NON-CURRENT ASSETS

Current	12/31/2018	Variations	Depreciations of the period	Reversal of the period (unused depreciations)	Reversal of the period (used depreciations)	Currency translation adjustments and other movements	06/30/2019
Income tax receivable (non financial assets)	**4,961**	11,726				24	**16,711**
Non financial assets	**16,345**	**611**	**0**	**0**	**0**	**(56)**	**16,900**
State and local government, excluding income tax	13,395	(1,133)				(73)	12,189
Staff	249	686				8	943
Accrued expenses	2,701	1,058				9	3,768
							0
Financial assets valued at cost	**5,707**	**1,719**	**0**	**0**	**0**	**(176)**	**7,250**
Other debtors	5,707	1,719				(176)	7,250
Assets linked to customer contracts	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Derivative instruments	**68**	(67)					**1**
Other gross current assets (excluding income tax receivable)	**22,120**	**2,263**	**0**	**0**	**0**	**(232)**	**24,151**
Depreciation of other current assets	**(65)**		(177)	3	62		**(177)**
Other net current assets	**22,055**	**2,263**	**(177)**	**3**	**62**	**(232)**	**23,974**

Non-current	12/31/2018	Variations	Depreciations of the period	Reversal of the period (unused depreciations)	Reversal of the period (used depreciations)	Currency translation adjustments and other movements	06/30/2019
Other net non-current assets	**32**	**(4)**	**0**	**0**	**0**	**0**	**28**

NOTE 14 : CASH AND CASH EQUIVALENTS

	06/30/2019			12/31/2018		
	Euros	Other currencies (euro equivalents)	Total	Euros	Other currencies (euro equivalents)	Total
Cash equivalents	2,097	2,480	**4,577**	1,887	1,771	**3,658**
Cash	164,571	11,048	**175,619**	205,926	7,664	**213,590**
TOTAL	**166,668**	**13,528**	**180,196**	**207,813**	**9,435**	**217,248**

Cash equivalents primarily comprise euro money market funds or similar investments (certificates on deposits and future deposits…) which meet IAS 7 standard criteria (see note 2.7.3.2 of 2018 Reference document).

Fair value changes were not material at the closing date.

No investments instruments had been provided as guarantees or subjected to restrictions as of the end of the period.

The amount of non-available cash and cash equivalents for the group (example: exchange controls) is not material.

The reconciliation between the cash position on the consolidated balance sheet and the net cash position on the statement of consolidated cash flows is as follows:

		06/30/2019	12/31/2018
Cash and cash equivalents	Consolidated balance sheet	180,196	217,248
Cash liabilities * (included in current borrowings and financial debts)	Consolidated balance sheet	2,529	418
Net cash position	Statement of consolidated cash flows	177,667	216,830

** Banking facilities essentially.*

The decrease in net cash position in the first half-year is mainly due to the decrease in cash flow from operations in line with the decrease in profitability, which was increased by the outflows of tangible and intangible fixed investments.

NOTE 15 : SHAREHOLDERS' EQUITY

As at June 30, 2019, the share capital is comprised of 17,565,560 fully paid-up shares, each with a par value of €1.

There are no preference shares.

BOIRON parent company is not subjected to any external regulatory or contractual constraints on its capital. For monitoring purposes, the company includes the same elements in its shareholders' equity as those integrated into the consolidated shareholders' equity.

15.1. Treasury shares

The capital is comprised as follows:

	06/30/2019	12/31/2018
Total number of shares	**17,565,560**	**17,565,560**
Treasury shares	(54,099)	(46,258)
Number of shares excluding treasury shares	**17,511,461**	**17,519,302**

Shares registered to the same person for three years or more have double voting rights at shareholders' meetings.

There are no share warrants in circulation and the company has not introduced any employee stock option plans or dilutive instruments.

Treasury shares are valued at the historical cost, their value is directly booked in consolidated shareholders' equity.

As at June 30, 2019, the treasury shares portfolio amounted to €2,751 thousand.

Acquisition made during the fiscal year totalled €2,762 thousand, all via the liquidity agreement. Disposals during the fiscal year totalled €2,534 thousand (in historical acquisition cost), the whole amount via the liquidity contract.

The unrealized gain on the portfolio was €669 thousand (on the basis of the average price in June 2019.

As at June 30, 2019, 33,947 shares are held through the liquidity agreement contracted with Natixis and 20,152 shares are held excluding liquidity agreement for cancellation.

15.2. Dividend per share

Dividend per share in euro	
Dividend 2017 paid in 2018	1.60
Dividend 2018 paid in 2019	1.45

NOTE 16 : CURRENT AND NON-CURRENT LEASES FINANCIAL LIABILITIES

The new IFRS 16 standard on leases is mandatory as from January 1, 2019 (see note 2). On the liabilities side of the balance sheet, the group has chosen to present on a separate line the current and non-current leases financial liabilities.

As at June 30, 2019, impacts are as follows:

	12/31/2018 (1)	Impact of the application of IFRS 16 standard at 01/01/2019	Increases	Decreases	Currency translation adjustments and other movements	06/30/2019
Non-current leases financial liabilities	0	5,717	0	0	(871)	4,846
Current leases financial liabilities	0	2,029	0	(1,075)	899	1,853
TOTAL OF CURRENT AND NON-CURRENT LEASES FINANCIAL LIABILITIES	**0**	**7,746**	**0**	**(1,075)**	**28**	**6,699**

(1) IFRS 16 standard has been applied using the simplified retrospective transition method, which consists of not adjusting the financial statements as at December 31, 2018. The impact of IFRS 16 standard as at January 1, 2019 is shown in a specific column.

NOTE 17 : NON-CURRENT EMPLOYEE BENEFITS

17.1. Group quantified data

	12/31/2018	Impact on operating income	Impact on financial income	Impact on other comprehensive income		06/30/2019
				Actuarial differencies [1]	Currency translation adjustments and other movements [2]	
Total post-employment benefits (defined contribution plans)	**101,238**	**(1,470)**	**922**	**10,274**	**0**	**110,964**
Total other long-term benefits	**7,956**	**(93)**	**0**	**0**	**(119)**	**7,744**
TOTAL EMPLOYEE BENEFITS RECOGNIZED IN NON-CURRENT LIABILITIES	**109,194**	**(1,563)**	**922**	**10,274**	**(119)**	**118,708**

[1] Included €9,126 thousand linked to the decrease of the discount rate (1.1% at June 30, 2019 versus 1.8% at December 31, 2018).
Included €1,148 thousand linked to changes of estimation methods of benefits (see note 2.3.3).

[2] Employee benefits linked to the bonuses granted at UNDA have been reclassified on liabilities held for sale (see note 10).

The change in non-current employee benefits during 2018 first half-year was as follows:

	12/31/2017	Impact on operating income	Impact on financial income	Impact on other comprehensive income		06/30/2018
				Actuarial differencies [1]	Currency translation adjustments and other movements [2]	
Total post-employment benefits (defined contribution plans)	**108,601**	**(841)**	**895**		**0**	**108,655**
Total other long-term benefits	**8,445**	**(80)**	**0**	**0**	**0**	**8,365**
TOTAL EMPLOYEE BENEFITS RECOGNIZED IN NON-CURRENT LIABILITIES	**117,046**	**(921)**	**895**	**0**	**0**	**117,020**

(1) The discount rate retained at June 30, 2018 is 1.7 %, the same as at December 31, 2017.

17.2. Post-employment benefits of Boiron parent company

	12/31/2018	Impact on operating income			Impact on financial income	Impact on other comprehensive income	06/30/2019
		Service costs	Payments	Plan changes	Financial costs	Actuarial differencies (1)	
Actual value of liabilities	**55,164**	943	(2,200)		479	2,856	**57,242**
Investments value	**(27,235)**		700		(216)		**(26,751)**
Retirement indemnity provision - BOIRON parent company	**27,929**	**943**	**(1,500)**	**0**	**263**	**2,856**	**30,491**
Agreement on Preparation for Retirement provision - BOIRON parent company	**73,160**	**1,071**	**(1,985)**		**659**	**7,418**	**80,323**

(1) The discount rate retained at June 30, 2019 is 1.1%. It was 1.8% at December 31, 2018.

The change in post-employment benefits defined of BOIRON parent company during 2018 first half-year was as follows:

	12/31/2017	Impact on operating income			Impact on financial income	Impact on other comprehensive income	06/30/2018
		Service costs	Payments	Plan changes	Financial costs	Actuarial differencies (1)	
Retirement indemnity provision - BOIRON parent company	**29,120**	**1,177**	**(1,500)**	**0**	**242**	**0**	**29,039**
Agreement on Preparation for Retirement provision - BOIRON parent company	**79,380**	**1,491**	**(2,011)**	**0**	**653**	**0**	**79,513**

(1) The discount rate retained at June 30, 2018 is 1.7%, the same as at December 31, 2017.

NOTE 18 : CURRENT AND NON-CURRENT PROVISIONS

	12/31/2018	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	06/30/2019
Current						
Provisions for returned goods	5,383	1,868	(119)	(2,350)	25	4,807
Provisions for contingencies and lawsuits	10,980	534	(103)	(374)	1	11,038
Provisions for reorganizations	451	625	(182)	(325)		569
Other provisions for other expenses	0					0
TOTAL CURRENT PROVISIONS	**16,814**	**3,027**	**(404)**	**(3,049)**	**26**	**16,414**
Non-current						
Provisions for contingencies and lawsuits	173		(141)	(24)		8
TOTAL NON-CURRENT PROVISIONS	**173**	**0**	**(141)**	**(24)**	**0**	**8**

As at June 30, 2019, a provision for reorganization was recorded on UNDA for €337 thousand, as part of the takeover of the business by a new purchaser at the end of 2019 (see note 1).

The change in current and non-current provisions for 2018 first half-year was as follows:

	12/31/2017	Increases	Decreases (unused)	Decreases (used)	Currency translation adjustments and other movements	06/30/2018
Current						
Provisions for returned goods	5,569	2,487		(2,523)	61	5,594
Provisions for contingencies and lawsuits	1,945	427	(152)	(248)	(9)	1,963
Provisions for reorganizations	567	21		(159)		429
Other provisions for other expenses	0					0
TOTAL CURRENT PROVISIONS	**8,081**	**2,935**	**(152)**	**(2,930)**	**52**	**7,986**
Non-current						
Provisions for contingencies and lawsuits	256					256
TOTAL NON-CURRENT PROVISIONS	**256**	**0**	**0**	**0**	**0**	**256**

Other contingent assets and liabilities are mentioned in note 26.

NOTE 19 : INCOME TAX PAYABLE AND OTHER CURRENT AND NON-CURRENT LIABILITIES

	06/30/2019		12/31/2018	
	Current	Non-current	Current	Non-current
Income tax payable (non financial liabilities)	**889**	**0**	**2,517**	**0**
Other liabilities except income tax payable				
Non financial liabilities	**63,301**	**1,600**	**77,265**	**1,600**
State and local government, excluding income tax	7,703	98	8,527	98
Personnel and social security organizations	55,490	1,497	68,679	1,502
Deferred revenue	108	5	59	
Financial liabilities valued at cost	**12,630**	**44**	**18,293**	**44**
Fixed assets suppliers	5,520		6,896	
Credit customer accounts	6,700		10,250	
Other creditors	410	44	1,147	44
Derivative instruments	**0**	**0**	**0**	**0**
TOTAL	**75,931**	**1,644**	**95,558**	**1,644**

Other non-current liabilities are primarily comprised of the debt in respect of the Italian TFR.

Deferred revenue related to customer contracts are insignificant.

The level of other current and non-current liabilities at June 30, 2019 is comparable to the amount at June 30, 2018 (€85,948 thousand).

NOTE 20 : FINANCIAL INSTRUMENTS AND RISKS

Neither the nature nor maturity of the group's financial assets and liabilities changed materially compared to December 31, 2018.

As of December 31, 2018, the only financial instruments valued at fair value are marketable securities and derivative instruments (see notes 13 and 19), corresponding to level 2 of the hierarchy defined in the standard IFRS 13 (see note 2.10 of 2018 Reference document). The group did not find any adjustments related to counter party risks (non-payment risk of an asset) or credit risks (non-payment risk of a liability).

There are only risk-hedging financial instruments to limit the exchange exposure.
On December 31, 2018 and on June 30, 2019, the current derivative instruments of change only correspond to hedges of fair value and no cash flows. Consequently, changes in value related to derivative instruments were totally recognized in consolidated net income. There is no change on other comprehensive income booked in 2018 and 2019.

Outstanding futures options and forward transactions and the fair value of those instruments were not material at June 30, 2019.

Fair value investments are described in note14.

The group's exposure to market, credit and liquidity risks did not change significantly from December 31, 2018 (see note 21 to the consolidated statements in the 2017 Reference document).

As of June 30, 2019, the amount of accounts receivable due and not provided for amounted to €8,208 thousand, namely 11.4% of accounts receivable (against €9,497 thousand, namely 9.2% of accounts receivable as of December 31, 2018). Accounts receivable due for less than a month accounted for 48% of this amount. The remainder has been overdue for less than a year.

There was no major change in the structure of the aged trial balance during 2019 first half-year.
The risks identified in countries in economic difficulty have not changed materially.

As of June 30, 2019 or as of December 31, 2018, there was no offsetting agreements or accounts receivable restructuring agreements.

As of June 30, 2019, the group achieved sales of €2,739 thousand to the Pharmacie Centrale de Tunisie, the country's sole importer of medications. Due to the healthcare system funding crisis which has affected Tunisia since late 2016, BOIRON has suffered delays in the payment of accounts receivable and longer payment times. Note that all accounts receivable are covered by credit insurers and that no losses were recognized on 2019 first half-year.
The situation is being monitored at the group level.

Losses on bad debts, not of amortizations and reversal on depreciations for bad debts amounted to +€28 thousand, 0.01% of consolidated sales, compared to -€509 thousand in 2018 (0.18% of consolidated sales).

BOIRON group did not observe any material failures on 2019 first half-year, as in 2018.

NOTE 21 : OPERATING REVENUE

	2019 (6 months)	%	2018 (6 months)	%
Non-proprietary homeopathic medicines	133,214	51.9	146,572	52.2
OTC Specialties	122,716	47.8	133,297	47.5
Other (1)	788	0.3	661	0.3
TOTAL SALES	**256,718**	**100.0**	**280,530**	**100.0**
Other operating revenue (fees)	**1**		**2**	

(1) The "Other" heading in net sales includes sales of books as well as invoicing for services (training).

Revenue recognition rules are the same according to the different products line (see note 2.11.1 of 2018 Reference document).

The product lines presented in this breakdown of sales do not constitute operating segments.
The breakdown of sales by geographical area is given in note 6 on segment information.

NOTE 22 : OTHER OPERATING REVENUE AND EXPENSES

	2019 (6 months)	2018 (6 months)
Income on disposal assets [(1)]	(43)	6,177
Tax credit competitiveness and employment [(2)]		1,554
Other tax credits (included tax credits research)	600	622
Gains and losses on derivative instruments (related to operating hedges)	(76)	(117)
Depreciations and provisions in Belgium (UNDA) [(3)]	(4,785)	0
Other net changes in assets depreciations [(4)]	(64)	0
Foreign exchange gains and losses on operating transactions	114	217
Other	7	89
TOTAL	**(4,247)**	**8,542**
Including other operating revenue	***760***	***8,677***
Including other operating expenses	***(5,007)***	***(135)***

[(1)] In 2018: capital gain on disposal of Levallois-Perret site for €6,207 thousand.

[(2)] in 2019, the "Tax credit competitiveness employment" (French "CICE") was delete and it is offset by a decrease in social security contributions on all operating activities. The impact on operating income is not material (see note 2.3.1).

[(3)] In first-half 2019, impairments and provisions were recorded for UNDA (Belgium) in the amount of €4,785 thousand in connection with the signature on July 16 of an agreement for the transfer of the business and a preliminary agreement for the sale of real property (see note 1):
- €2,706 thousand in impairments of tangible fixed assets,
- €1,743 thousand in impairments of inventories,
- €337 thousand in restructuring provisions for the two employees who will not be retained by the future acquirer.

[(4)] Included -€107 thousand of building depreciation in Belgium included in assets hled for sale.

NOTE 23 : INCOME TAX

	2019 (6 months)	2018 (6 months)
Current taxes payable	(4,583)	(13,466)
Deferred taxes	(451)	742
TOTAL	**(5,034)**	**(12,724)**
Effective rate	**109.3%**	**37.1%**

The difference between the recognized tax charge and the tax that would have been recognized at the nominal rate break down as follows:

	2019 (6 months)	%	2018 (6 months)	%
Theoretical rate	(1,475)	32.0	(11,816)	34.4
Impact of subsidiaries tax rates	(1,341)	29.1	(866)	2.5
Impact of reduced tax rates in France	(393)	8.5	33	-0.1
Permanent differences	384	(8.3)	(886)	2.6
Fiscal loss or gain without recognition of income tax	(2,362)	51.3	(795)	2.3
Tax credits, deferred income tax adjustment and other	153	(3.3)	1,606	-4.7
Actual corporate tax	**(5,034)**	**109.3**	**(12,724)**	**37.1**

The group’s theoretical tax rate is calculated on the basis of the rate applicable in France in 2019.

The corporate income tax as of June 30, 2019 amounts to €5,034 thousand and is greater than income before corporate income tax, in the light of subsidiaries losses which don't create tax savings.

As a reminder, 2018 tax included the tax income received by BOIRON parent company on the 3% tax on dividends paid in 2013 and 2014 for €1,480 thousand.

NOTE 24 : EARNINGS PER SHARE (EXCLUDING TREASURY SHARES)

	2019 (6 months)	2018 (6 months)
Net earnings (in thousand of euros)	(393)	21,605
Average number of shares for the fiscal year	17,515,749	18,051,554
EARNINGS PER SHARE (in euros)	**(0.02)**	**1.20**

In the absence of dilutive instruments, the average earnings per share are the same as the average diluted earnings per share.

NOTE 25 : OFF-BALANCE SHEET LIABILITIES

BOIRON group has no off-balance sheet liabilities related to acquisitions and disposals of subsidiaries (agreements to repurchase shares…).

The off-balance sheet liabilities related to asset acquisitions are related to the acquisition of the ALKANTIS patents and brands. This equity-financed acquisition in 2017 cost €2,495 thousand. The contract also includes an earn-out clause:

- in 2023, if annual net sales of the product in fiscal year 2022 exceed 10 million euros, the earn-out payment will be equal to 10% of net sales in excess of 10 million euros during fiscal year 2022. It will be capped at 2 million euros;
- in 2018, if annual net sales of the product in fiscal year 2027 exceed 20 million euros, the earn-out payment will be equal to 10% of net sales in excess of 20 million euros during fiscal year 2027. It will be capped at 4 million euros.

No amounts were recognized for these earn-out payments, because the recognition criteria had not yet been met at closing.

Off-balance sheet liabilities related to group operating activities did not change significantly during 2019 first half-year, excluding those restated under IFRS 16 standard (see note 2).
The reconciliation between the commitments presented off-balance sheet as at December 31, 2018, discounted at the marginal borrowing rate as at January 1, 2019, and the IFRS 16 standard leases financial liabilities is presented in note 2.1.

NOTE 26 : CONTINGENT ASSETS AND LIABILITIES

26.1. Litigation in Canada

BOIRON Canada was the subject of two customer lawsuits, on March 16, 2012 in Ontario and April 13, 2012 in Quebec, seeking to begin class actions.

In Quebec, the Superior Court of Montreal refused the request on its judgement dated January 19, 2015. The Quebec Appeals Court overruled this judgement on October 26, 2016 and authorized the start of class action proceedings. Our Canadian subsidiary appealed against the judgement of the appeals Court before the Supreme Court of Canada.
The Supreme Court rejected this appeal in May 2017. Substantive proceedings are under way before the Superior Court of Quebec.

In Ontario, proceedings have not evolved since the suit was filed by the plaintiff.

No amount was provisioned for this litigation as of June 30, 2019.

26.2. Litigation in France

A commercial dispute opposes us to the company from which we acquired the trademarks and patents of the medical device relating to a sterile compress with cooling effect called "Sterile Alkantis Ice".
The application of the principles defined in note 2.9.3 to the consolidated financial statements, presented in part 4.1 of the 2018 Reference document, did not result in the recognition of a provision at June 30, 2019.

There are no other governmental, judicial or arbitration proceedings, including all proceedings of which the company is aware, or which are pending or threatened, which may have or have had a material impact upon the financial position or profitability of the company or the group in the past six months.

NOTE 27 : RELATED PARTIES

Managers' due gross compensation is described as follows:

	Managers
Fixed compensation	413
Variable compensation linked to employment contract [(1)]	69
Variable compensation linked to corporate manager function [(2)]	176
Other compensation	
Fees	
Attendance fees	13
In kind compensation [(3)]	51
Total due gross compensation at June 30, 2019	**722**
Total due gross compensation at June 30, 2018 (reminder) [(4)]	***1,254***
Post-employment benefits (retirement indemnities and Agreement on Preparation for Retirement) [(5)]	729
Other long-term benefits (long-service bonuses)	77

[(1)] The variable compensation linked to employment contracts includes incentive bonus, legal profit sharing, company savings plan (PEE) and retirement saving plan (PERCO).

[(2)] The variable compensation linked to the corporate manager function consists of incentive bonus for corporate managers without an employment contract.

[(3)] It consists of retirement and insurance premium contribution and a company car.

[(4)] At June 30, 2018, the amount included the components of compensation payable to Christian Boiron, who stepped down as General Manager on January 1, 2019.

[(5)] When she took up her position as General Manager on January 1, 2019, she lost her post-employment benefits.

NOTE 28 : SUBSEQUENT EVENTS

No other post-closing event which might have a material impact on the group's financial statements has been identified.

Statutory auditors' review report on the 2019 first half-year financial information

Period from January 1 to June 30, 2019

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Le Premium
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69624 Villeurbanne Cedex

DELOITTE & ASSOCIES
Immeuble Higashi
106 cours Charlemagne
69002 LYON

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of BOIRON, for the period from January 1 to June 30, 2019,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying the above conclusion, we draw your attention to Note 2.1 "New IFRS standards, amendments and interpretations" setting out the impacts of the first-time application of IFRS 16 "Leases" after January 1, 2019.

II – Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Lyon and Villeurbanne, September 4, 2019
The Statutory Auditors
French original signed by

MAZARS
Nicolas DUSSON and Séverine HERVET

DELOITTE & ASSOCIES
Vanessa GIRARDET

Declaration by the person responsible for this report

DECLARATION BY THE PERSON RESPONSIBLE FOR THIS REPORT

I declare that to the best of my knowledge, the condensed half-year financial statements, have been prepared according to the applicable accounting standards and provide a fair view of the businesses, financial position and income of all entities in the company's scope of consolidation, and the half-year report provides a true and fair view of the highlights of the first six months, their impact on the financial statements, the main related party transactions as well as a description of the main risks and main uncertainties for the remaining six months of the fiscal year.

Messimy
September 4, 2019

Valérie Lorentz-Poinsot
General Manager