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Limited company (*société anonyme*) with an Executive Board and a Supervisory Board
with share capital of €1,547,578.30
Registered office: Prologue-Biotech 516 Rue Pierre et Marie Curie 31670 Labège, France
Toulouse Trade and Companies Register (RCS) B 439 489 022

HALF-YEAR FINANCIAL STATEMENTS

AS AT 30 JUNE 2015

CONTENTS

| | | |
|-----------|--|-----------|
| 1. | Certification by the person responsible for the half-year financial statements | 3 |
| 1.1 | <i>Person responsible for the half-year financial statements</i> | 3 |
| 1.2 | <i>Statement of the person responsible for this document.....</i> | 3 |
| 2. | Activity report as at 30 June 2015 | 4 |
| 2.1 | <i>Significant events in the first half of 2015</i> | 4 |
| 2.2 | <i>Company activity and results.....</i> | 4 |
| 2.3 | <i>Development and prospects</i> | 7 |
| 2.4 | <i>Events after the reporting period.....</i> | 8 |
| 2.5 | <i>Risk factors and transactions between related parties.....</i> | 8 |
| 3. | Condensed half-year financial statements prepared to IFRS standards for the six-month period ended 30 June 2015 | 9 |
| 3.1 | <i>Statement of Financial Position</i> | 9 |
| 3.2 | <i>Income Statement.....</i> | 10 |
| 3.3 | <i>Statement of Comprehensive Income</i> | 10 |
| 3.4 | <i>Change in Shareholders' Equity.....</i> | 11 |
| 3.5 | <i>Cash Flow Statement</i> | 12 |
| 3.6 | <i>Breakdown of Change in Working Capital Requirements (WCR).....</i> | 12 |
| 3.7 | <i>Notes to the half-year Financial Statements</i> | 13 |
| 4. | Statutory auditor's report on the half-year financial statements at 30 June 2015 | 34 |

1. CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL STATEMENTS

1.1 Person responsible for the half-year financial statements

Martin Koch, Chairman of the Executive Board

1.2 Statement of the person responsible for this document

(Art. 222-3 - 4 of the AMF General Regulations)

“I hereby certify that, to the best of my knowledge, the condensed half-year financial statements have been prepared in accordance with applicable standards and are a true and fair picture of the assets, financial position and income of the Company, and that the attached interim management report offers a true and fair picture of the significant events in the first six months of the fiscal year, their impact on the half-year financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties in the remaining six months of the year.”

Labège, September 21, 2015

Martin Koch, Chairman of the Executive Board of GENTICEL.

2. ACTIVITY REPORT AS AT 30 JUNE 2015

2.1 Significant events in the first half of 2015

June 2015:

- The Company announced that the U.S. Food and Drug Administration (FDA) granted an Investigational New Drug (IND) authorization to conduct Phase I clinical trials for ProCervix (GTL001) in the United States in patients with HPV 16 and/or 18.
- The Company announced positive preclinical proof of concept results for GTL002, the new multivalent HPV drug candidate from Vaxiclase, its proprietary technological platform.

April 2015:

- The Company presented promising results from a new *in vivo* pharmacological study on its Phase 2 therapeutic drug candidate ProCervix (GTL001), at the 2015 Annual Meeting of the American Association for Cancer Research (AACR).
- Valérie Leroy was appointed Director of Institutional Communication and Investor Relations.

February 2015:

- License granted to Serum Institute of India to use the Vaxiclase technology platform for whooping cough vaccines. The license agreement, issued at preclinical stage, could allow GENTICEL to receive up to US\$57 million in initial and stage payments, plus royalties based on net sales.

2.2 Company activity and results

2.2.1 Activity

ProCervix (GTL001)

In the first half of 2015, GenticeL passed several key milestones in its product development, primarily for ProCervix (GTL001), its first therapeutic vaccine candidate. ProCervix is intended for women already infected with HPV 16 and/or 18 before the appearance of high-grade or cancerous lesions. It is a “first-in-class” product as it would be the first therapeutic vaccine that meets the medical needs of this high-risk population, as preventive HPV vaccines are only effective in girls or young women who are not yet infected.

The clinical development of ProCervix represented a large part of the Company’s activity during the six months, particularly in conducting the multi-centre Phase 2 trial whose purpose is to evaluate ProCervix in Europe in terms of viral clearance. This trial is proceeding satisfactorily. Half of the 236 vaccinated patients are now at 12 months post-vaccination follow-up. Additionally, the continuing engagement of the patients and the clinicians remains very high with a participant retention rate of 98%.

The Data and Safety Monitoring Board (DSMB), which consists of the group of independent experts who review every six months the tolerance data from the trial, twice recommended – in January and July 2015 – that the trial continue as planned. The first data from this trial will be available in the first half of 2016.

GenticeL continues to accumulate ProCervix preclinical efficacy data, and presented the promising results of a new *in vivo* pharmacological study at the American Association for Cancer Research

(AACR) Annual Meeting in April 2015. The results of this study indicate that ProCervix has the potential to eradicate HPV 16 infections in progress, while offering protection against future HPV 18 infections, and vice-versa. The data also suggests that it would be possible to protect and treat patients with vaccines containing multiple antigens for a given cancer.

In June 2015 the Company obtained Investigational New Drug (IND) authorization to conduct Phase 1 clinical trials for ProCervix (GTL001) in the United States in patients with HPV 16 and/or 18.

Therapeutic multivalent HPV vaccine (GTL002)

The Company's second drug candidate is a therapeutic HPV vaccine that targets HPV 16 and 18 plus four other types of HPV from among the most pertinent HPV genotypes in terms of preventing cervical cancer.

The preclinical development of this product continued in the first half of 2015, with a key milestone passed in May 2015, the preclinical proof of concept. The data from this preclinical proof of concept study of GTL002 shows that an *in vivo* immune response was induced against each of the six proteins from the HPV viruses present in the therapeutic vaccine. Moreover, *in vivo* therapeutic efficacy was shown by tumor eradication in the most widely used and broadly accepted reference model.

Gentecel can now initiate pharmacological and toxicological studies as well as the production of clinical batches, which are all necessary for the preparation of an IND or a Phase 1 clinical trial in Europe, which may begin in 2017.

Vaxiclase technology platform

Vaxiclase is a Gentecel proprietary technology platform used in the development of the multivalent HPV drug candidate. Vaxiclase is the result of optimizations made to the native structure of *Bordetella pertussis* adenylate cyclase (CyaA). Thus optimized, it is possible to insert into Vaxiclase larger antigens or multiple antigens, such as in the case of the multivalent HPV vaccine, GTL002.

Tripling the carrying capacity of the vector opens up the possibility of new applications such as the creation of vaccines against many diseases in multiple indications.

In February 2015, Gentecel granted a license to use its Vaxiclase technology platform to Serum Institute of India Ltd (SIIL), the largest producer of vaccine doses in the world. Under this license, SIIL will evaluate the Vaxiclase platform for the development of multivalent acellular prophylactic vaccines containing whooping cough antigens, for emerging markets.

In return for access to and use of the Vaxiclase platform in the authorized indication and countries, Gentecel could receive up to US\$57 million in initial payments and stage payments on development and sales, as well as royalties as a percentage of net sales. The detailed financial terms of the agreement have not been disclosed.

The agreement also allows Gentecel to benefit from all the production improvements that SIIL could bring to the Vaxiclase platform. Given the Serum Institute's expertise and its results in the field of industrial-scale vaccine production, this agreement represents a major strategic asset for Gentecel.

2.2.2 Human resources

In the first half of 2015, the Company strengthened its senior management team by appointing Valérie Leroy as Senior Director of Corporate Communications and Investor Relations. She has more than 25 years' experience in marketing, in product, institutional and financial communication, and in business development in the field of digital technologies and life sciences.

As at 30 June 2015, the Company had 34 employees.

2.2.3 Income

It should be noted that, to date, given its present state of development, the Company has no recurrent revenue.

In early 2015 the Company signed a license agreement with the pharmaceutical company Serum Institute of India Ltd (SIIL) for its Vaxiclase technology, as part of SIIL's development of acellular and multivalent vaccines containing whooping cough antigens.

As counterpart for access to and use of the Vaxiclase platform in the authorized indication, Gentigel could receive up to US\$57 million in initial payments and stage payments on development and sales based on criteria defined in the terms of the agreement, as well as royalties as a percentage of net sales.

A first invoice of US\$100,000 (€88K) was billed under this contract in the first half of 2015.

2.2.4 Operating expenses

The Company's operating loss of -€5,761K was consistent with the Company's expectations.

The increase in R&D expenses versus the first half of 2014 (€6,075K versus €4,915K) is related to the continuing expenses of the Phase 2 clinical trials as well as the cost associated with the IND preparation.

The increase in these expenses (+24%) was partly offset by Research Credit Tax income amounting to €1,779K at 30 June 2015.

Administrative costs amounted to €1,520K in the first half of 2015, up €193K on the same period the previous year. This increase was due to a €190K increase in professional fees versus the same period the previous year.

2.2.5 Financial profit (loss)

Financial profit for the first half of 2015 was €98K, up €108K on the same period the previous year (-10 k€). This was mainly due to interest earned from investing the funds generated by the Company's IPO, in bank deposits and other liquid investments.

2.2.6 Working capital requirement

Working capital requirements as at 30 June 2015 amounted to €2,317K, versus €463K at 30 June 2014. The growth in working capital requirements was mainly due to the increase in Research Tax Credit (i.e. "C.I.R.") receivables. The 2013 credit due in 2014 was received during the first half of 2014, while the 2014 credit due in 2015 is expected during the second half of 2015.

2.2.7 Cash and cash investments

Cash (€2,425K) and cash investments (€22,749K) at 30 June 2015 amounted to €25,164K versus €36,923 at the same time the previous year. This reduction was mainly due to the cash used up for the Company's R&D in line with the Company's expectations.

2.3 Development and prospects

The financial resources that the Company now has, allow it to drive the development of its portfolio of therapeutic vaccines aimed at early-stage elimination of the human papillomavirus (HPV), responsible for cervical cancer.

In particular, the Company intends in the next two years (until end of 2017) and in accordance with the plan presented at its IPO, to:

- Confirm the efficacy of ProCervix in the current Phase 2 trial;
- Prepare for the admission of ProCervix to Phase 3 clinical trials by:
 - conducting a Phase I trial in the US;
 - introducing a scaled-up industrial production process;
 - producing 1 GMP batch on an industrial scale intended for Phase 3.
- Prepare for admission to Phase 1 clinical trial in 2017, of Multivalent HPV, the Company's second therapeutic vaccine candidate.

Given the satisfying progress to date of its HPV program, the Company intends, as planned, to intensify its business development efforts, beginning the second half of 2015 in order to benefit from new strategic options in 2016.

These efforts will focus not only on maintaining relations with the pharmaceutical industry with a view to pursue partnerships on existing products or platform but, depending on the opportunities that arise, could take the form of a diversification of the Company's portfolio of products or indications, through in-house development, co-development or acquisition.

The funding of these new development options will depend on the amounts that need to be invested at the time that the opportunities arise. If appropriate, further market calls may be necessary, the terms and conditions of which cannot yet be defined given the early stages of its thinking to date (refer to Section 4.1.4. "Risks related to the Company's business and strategic development" of the Company's 2014 Registration Document, registered by the French Financial Markets Authority (AMF) on 31 March 2015 under number R.15-015).

2.4 Events after the reporting period

July 2015:

- The Company announced that the Data and Safety Monitoring Board, a committee of independent experts, recommended that Phase 2 trials of ProCervix (GTL001) continue unchanged in patients infected with HPV 16 and/or 18.
- The Company announced the appointment of Martin Koch, CFO, as Chairman of the Executive Board, to replace Benedikt Timmerman during his convalescence following multiple accidental lower limb fractures.

It is anticipated that Mr Koch's mandate as CEO will be extended beyond its initial 3-month term, most likely until year-end, to give Mr Timmerman the time needed to fully complete his rehabilitation program and to be able to travel extensively again as required by the position.

September 2015:

A new US Patent No. 9,095,537, entitled "Therapy of cancer based on targeting adaptive, innate and/or regulatory component of the immune response", has been granted in the United States. This patent, exclusively licensed by Institut Pasteur to Genticel, protects the use of the Company's CyaA-based antigen delivery vectors in combination therapy to treat cancer.

2.5 Risk factors and transactions between related parties

2.5.1 Risk factors

The risk factors are the same type as those disclosed in Section 4 "Risk factors" of the 2014 Registration Document and present no significant change in the first half of 2015.

The Company does not expect these risks to change in the second half of 2015.

2.5.2 Related party transactions

Related party transactions are the same type as those disclosed in Section 19 "Related party transactions" of the 2014 Registration Document.

No significant agreements were signed with an executive or a board member after the date of the 2014 Registration Document.

3. CONDENSED HALF-YEAR FINANCIAL STATEMENTS PREPARED TO IFRS STANDARDS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

3.1 Statement of Financial Position

| GENTICEL Statement of Financial Position | Notes | 30/06/2015 € | 31/12/2014 corrected* € | 31/12/2014 published € |
|---|-------|-------------------|-------------------------------|------------------------------|
| ASSETS | | | | |
| Intangible assets | 3 | 17,277 | 19,131 | 19,131 |
| Property, plant and equipment | 4 | 136,784 | 94,863 | 94,863 |
| Other non-current financial assets | 5 | 10,258,732 | 10,189,293 | 10,189,293 |
| Total non-current assets | | 10,412,793 | 10,303,287 | 10,303,287 |
| Inventories | 6 | 58,833 | 31,469 | 31,469 |
| Other receivables | 7 | 5,345,704 | 3,152,237 | 3,021,235 |
| Current financial assets | 5 | 12,624,557 | 12,557,243 | 12,557,243 |
| Cash and cash equivalents | 8 | 2,415,503 | 10,170,051 | 10,170,051 |
| Total current assets | | 20,444,597 | 25,911,000 | 25,779,998 |
| Total Assets | | 30,857,390 | 36,214,287 | 36,083,284 |
| LIABILITIES | | | | |
| Shareholders' equity | | | | |
| Capital | 10 | 1,544,024 | 1,544,024 | 1,544,024 |
| Additional paid-in capital | 10 | 48,112,032 | 48,112,032 | 48,112,032 |
| Other comprehensive income | 10 | (89,882) | (117,555) | (117,555) |
| Reserves - Group share | 10 | (18,813,684) | (8,377,776) | (8,377,776) |
| Result - Group share | 10 | (5,662,767) | (10,972,219) | (10,666,547) |
| Shareholders' equity, Group share | | 25,089,722 | 30,188,505 | 30,494,177 |
| Non-controlling interests | | - | - | - |
| Total shareholders' equity | | 25,089,722 | 30,188,505 | 30,494,177 |
| Non-current liabilities | | | | |
| Employee benefit obligations | 13 | 384,702 | 379,718 | 379,718 |
| Non-current financial debt | 12 | 1,370,609 | 1,645,793 | 1,645,793 |
| Non-current liabilities | | 1,755,311 | 2,025,510 | 2,025,510 |
| Current liabilities | | | | |
| Current financial debt | 12 | 629,353 | 511,841 | 511,841 |
| Trade payables and related accounts | 14 | 2,598,055 | 2,703,349 | 2,266,675 |
| Tax and social security liabilities | 14 | 740,448 | 784,358 | 784,358 |
| Other creditors and miscellaneous liabilities | 14 | 44,500 | 723 | 723 |
| Current liabilities | | 4,012,357 | 4,000,271 | 3,563,597 |
| Total Liabilities | | 30,857,390 | 36,214,287 | 36,083,284 |

* In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the error on studies and services valuation has been corrected.

Correction: additional provision on accrued expenses: - K€ 437, simultaneous increase of Research Tax Credit: + K€ 131, net impact of - K€ 306 in Financial Statements as at 31 December 2014.

3.2 Income Statement

| GENTICEL | | 30/06/2015 | 30/06/2014 | 30/06/2014 |
|---|--------------|--------------------|--------------------|--------------------|
| Income Statement | | 6 months | corrected* | published |
| Notes | | € | € | € |
| Revenue | 15 | - | - | - |
| Cost of sales | | - | - | - |
| Gross margin | | - | - | - |
| Other revenue | 15 | 88,371 | - | - |
| Net R&D expenses | | | | |
| R&D expenses | 16 | (6,075,016) | (4,914,843) | (4,696,506) |
| Subsidies | 16 | 1,779,637 | 1,456,523 | 1,391,022 |
| General and administrative expenses | 16 | (1,554,160) | (1,328,241) | (1,328,241) |
| Operating profit (loss) | | (5,761,168) | (4,786,561) | (4,633,725) |
| Financial expenses | 18 | (34,477) | (36,723) | (36,723) |
| Financial income | 18 | 132,878 | 26,874 | 26,874 |
| Pre-tax profit (loss) | | (5,662,767) | (4,796,410) | (4,643,574) |
| Tax expense | | - | - | - |
| Net income | | (5,662,767) | (4,796,410) | (4,643,574) |
| Group share | | (5,662,767) | (4,796,410) | (4,643,574) |
| Non-controlling interests | | - | - | - |
| Earnings per share | Notes | 30/06/2015 | 30/06/2014 | 30/06/2014 |
| | | | corrected* | published |
| Weighted average number of outstanding shares | | 15,440,235 | 12,837,972 | 12,837,972 |
| Basic earnings per share (€/share) | 20 | (0.37) | (0.37) | (0.36) |
| Diluted earnings per share (€/share) | 20 | (0.37) | (0.37) | (0.36) |

* In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the error on studies and services valuation has been corrected.

Correction: additional provision on accrued expenses: - K€ 218, simultaneous increase of Research Tax Credit: + K€ 66, net impact of - K€ 152 in Condensed Financial Statements as at 30 June 2014.

3.3 Statement of Comprehensive Income

| GENTICEL - IFRS | | 30/06/2015 | 30/06/2014 | 30/06/2014 |
|---|--|--------------------|--------------------|--------------------|
| Statement of Comprehensive Income | | 6 months | corrected* | published |
| Notes | | € | € | € |
| Profit (loss) for the year | | (5 662 767) | (4 796 410) | (4 643 574) |
| Actuarial gains (losses) | | 27 673 | (47 227) | (47 227) |
| Items not recyclable in income | | 27 673 | (47 227) | (47 227) |
| Items recyclable in income | | - | - | - |
| Other items of comprehensive income (net of tax) | | 27 673 | (47 227) | (47 227) |
| Comprehensive income | | (5 635 094) | (4 843 637) | (4 690 801) |

* In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the error on studies and services valuation has been corrected.

3.4 Change in Shareholders' Equity

| GENTICEL | | Capital | Capital | Premiums | Reserves and | Translation | Actuarial | Equity | Non- | Shareholders' |
|--|----|------------------|-----------|-------------------|--------------|----------------|----------------|-------------|-----------------------|---------------|
| Change in Shareholders' Equity | | Number of shares | | linked to capital | profit | gains (losses) | gains (losses) | Group share | controlling interests | equity |
| Notes | | | € | € | € | € | € | € | € | € |
| At 31 December 2013 | | 9,694,339 | 969,434 | 11,219,831 | (10,131,661) | - | (35,528) | 2,022,076 | - | 2,022,076 |
| Result at 30 June 2014 corrected* (six months) | | | | | (4,796,410) | | | (4,796,410) | | (4,796,410) |
| Other comprehensive income | | | | | | | (47,227) | (47,227) | | (47,227) |
| Comprehensive income | | | - | - | (4,796,410) | - | (47,227) | (4,843,637) | - | (4,843,637) |
| Shares issued | 10 | 5,435,568 | 543,557 | 37,372,425 | 942,188 | | | 38,858,170 | | 38,858,170 |
| Bond conversions | | 155,164 | 15,516 | 1,210,279 | | | | 1,225,795 | | 1,225,795 |
| BSA subscriptions | | | | 13,000 | | | | 13,000 | | 13,000 |
| Liquidity contract | | | | | (169,077) | | | (169,077) | | |
| Share-based payments | 11 | | | | 265,134 | | | 265,134 | | 265,134 |
| Capital increase transaction expenses | 10 | | | (2,944,403) | | | | (2,944,403) | | (2,944,403) |
| At 30 June 2014 (corrected)* | | 15,285,071 | 1,528,507 | 46,871,132 | (13,889,825) | - | (82,755) | 34,427,059 | - | 34,427,059 |
| At 31 December 2014 (corrected)* | | 15,440,235 | 1,544,024 | 48,112,032 | (19,349,994) | - | (117,555) | 30,188,506 | - | 30,188,506 |
| Result at 30 June 2015 (six months) | | | | | (5,662,767) | | | (5,662,767) | | (5,662,767) |
| Other comprehensive income | | | | | | | 27,673 | 27,673 | | 27,673 |
| Comprehensive income | | | - | - | (5,662,767) | - | 27,673 | (5,635,094) | - | (5,635,094) |
| Liquidity contract | | | | | 29,722 | | | 29,722 | | |
| Share-based payments | 11 | | | | 506,588 | | | 506,588 | | 506,588 |
| At 30 June 2015 | | 15,440,235 | 1,544,024 | 48,112,032 | (24,476,451) | - | (89,882) | 25,089,722 | - | 25,089,722 |

* In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the error on studies and services valuation has been corrected.

3.5 Cash Flow Statement

| GENTICEL - IFRS Cash Flow Statement | | 30/06/2015 6 months € | 30/06/2014 corrected* 6 months € | 30/06/2014 published* 6 months € |
|---|------|-----------------------------|---|---|
| Cash flow from operating activities | | | | |
| Net income | | (5,662,767) | (4,796,410) | (4,643,574) |
| (-) Elimination of depreciation of intangible assets | 3 | (1,854) | (4,299) | (4,299) |
| (-) Elimination of depreciation of property, plant and equipment | 4 | (23,621) | (12,131) | (12,131) |
| (-) Provision additions | 13 | (32,658) | (23,338) | (23,338) |
| (-) Expenses linked to share-based payments | 11 | (506,588) | (265,134) | (265,134) |
| (-) Subsidies posted to profit and loss | 12.2 | - | 42,221 | 42,221 |
| (-) Capitalised interest | 12.3 | - | (18,105) | (18,105) |
| (+) interest from investments | 18 | 132,516 | - | - |
| (-) Unwinding of advances | 12.2 | (30,561) | (28,796) | (28,796) |
| Self-financing capacity before cost of net financial debt and taxes | | (5,200,000) | (4,486,828) | (4,333,992) |
| (-) Change in working capital requirements (net of impairment of trade receivables and inventories) | | 2,317,077 | 463,013 | 615,849 |
| Cash flow from operating activities | | (7,517,077) | (4,949,840) | (4,949,840) |
| Cash flow from investing activities | | | | |
| Acquisitions of property, plant and equipment | 4 | (65,542) | (44,236) | (44,236) |
| Interest from investments | | 16,304 | - | - |
| Cash flow from investing activities | | (49,238) | (44,236) | (44,236) |
| Cash flow from financing activities | | | | |
| Capital increase net of conversion of bonds to shares | 10 | - | 38,858,170 | 38,858,170 |
| BSA & BSPCE subscriptions | 10 | - | 13,000 | 13,000 |
| Capital increase transaction expenses | 10 | - | (2,944,403) | (2,944,403) |
| Issuance of share-convertible bond | 12.3 | - | 2,451,628 | 2,451,628 |
| Repayment of conditional borrowings and advances | 12.2 | (188,240) | (100,000) | (100,000) |
| Other flows from financing activities (change in liquidity contract) | | - | (200,000) | (200,000) |
| Cash flow from financing activities | | (188,240) | 38,078,395 | 38,078,395 |
| Increase (decrease) in cash & equivalents | | (7,754,555) | 33,084,319 | 33,084,319 |
| Cash & cash equivalents at period-start (including bank overdrafts) | 8 | 10,169,940 | 3,838,953 | 3,838,953 |
| Cash & cash equivalents at period-end (including bank overdrafts) | 8 | 2,415,385 | 36,923,272 | 36,923,272 |
| Increase (decrease) in cash & equivalents | | (7,754,555) | 33,084,319 | 33,084,319 |
| | | 30/06/2015 | 30/06/2014 corrected* | 30/06/2014 published* |
| Cash and cash equivalents | 8 | 2,415,503 | 36,923,371 | 36,923,371 |
| Bank overdrafts | 12 | (118) | (99) | (99) |
| Cash & cash equivalents at period-end (including bank overdrafts) | | 2,415,385 | 36,923,272 | 36,923,272 |

* In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the error on studies and services valuation has been corrected.

3.6 Breakdown of Change in Working Capital Requirements (WCR)

| Breakdown of change in WCR | 30/06/2015 | 30/06/2014 corrected* | 30/06/2014 published* |
|---|------------------|-----------------------|-----------------------|
| Other non-current financial assets | (9,179) | 17,400 | 17,400 |
| Inventories (net of inventory impairment) | 27,364 | - | - |
| Other receivables | 2,193,467 | (369,452) | (434,953) |
| Trade payables and related accounts | 105,294 | 725,271 | 943,608 |
| Tax and social security liabilities | 43,910 | 91,713 | 91,713 |
| Other creditors and miscellaneous liabilities | (43,779) | (1,920) | (1,920) |
| Total change | 2,317,077 | 463,013 | 615,849 |

* In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the error on studies and services valuation has been corrected.

3.7 Notes to the half-year Financial Statements

(Unless indicated otherwise, the amounts mentioned in these Notes are in euros)

Note 1: The Company and its activity

The following information constitutes the Notes to the IFRS condensed half-year financial statements as at 30 June 2015.

GENTICEL's financial statements were approved by the Executive Board on September 10, 2015 and authorised for publication.

1.1 The Company and its activity

Created in October 2011, GENTICEL is a French limited company (*société anonyme*) with the following corporate purpose in France and internationally: research, study, development, manufacturing and distribution of medicines and drug and health products in the field of human and animal health.

GENTICEL's research focuses on developing therapeutic vaccines (ProCervix and Multivalent HPV) for women infected by High Risk Human Papillomavirus (HPV).

GENTICEL has been listed on the Euronext market in Paris and Brussels since 8 April 2014.

Registered office:

Prologue-Biotech - 516 Rue Pierre et Marie Curie - 31670 LABEGE

Toulouse Trade and Companies Register (RCS): 439 489 022

GENTICEL is hereinafter referred to as the "Company".

1.2 Significant events

First half of 2015

June 2015:

- The Company announced that the U.S. Food and Drug Administration (FDA) granted an Investigational New Drug (IND) authorization to conduct Phase I clinical trials for ProCervix (GTL001) in the United States in patients with HPV 16 and/or 18.
- The Company announced positive preclinical proof of concept results for GTL002, the new multivalent HPV drug candidate from Vaxiclase, its proprietary technological platform.

April 2015:

- The Company presented promising results from a new in vivo pharmacological study on its Phase 2 therapeutic drug candidate ProCervix (GTL001), at the 2015 Annual Meeting of the American Association for Cancer Research (AACR).
- Valérie Leroy was appointed Director of Institutional Communication and Investor Relations.

February 2015:

- License granted to Serum Institute of India to use the Vaxicelase technology platform for whooping cough vaccines. The license agreement, issued at preclinical stage, will allow GENTICEL to receive up to US\$57 million in initial and stage payments, plus royalties based on net sales.

Fiscal year ended December 31, 2014

November 2014:

- 1st prize “2014 Biotech of the Future” by Deloitte Technology Fast 50™
- Last patient recruited for the RHEIA-VAC Phase 2 trial of ProCervix.

September 2014:

- Appointment of Mary Tanner as new independent member of the Supervisory Board of GENTICEL.

First half of 2014:

- In order to be able to fund (1) its R&D projects, (2) the timely development of therapeutic vaccines, (3) its working capital requirements and repay all its financial obligations, the Company launched an IPO on the Euronext regulated market in Paris and Brussels, compartment C, on 8 April 2014. The gross proceeds from the issue were approximately €34.7 million (of which €0.2 million were overallotment options). 4,388,692 new shares were issued as part of this IPO.
- Issuance of a bond convertible into ordinary shares in the first half of 2014 in the amount of €2,451,678 (EGM authorisation and bond terms & conditions of 7 March 2014). The latter was partially converted in May 2014 in the amount of €1,225,816 with the creation of 155,164 shares and then in September 2014 in the amount of €1,225,812.

1.3 Events after the reporting period

July 2015:

- The Company announced that the Data and Safety Monitoring Board, a committee of independent experts, recommended that Phase 2 trials of ProCervix (GTL001) continue unchanged in patients infected with HPV 16 and/or 18.
- The Company announced the appointment of Martin Koch, CFO, as Chairman of the Executive Board, to replace Benedikt Timmerman during his convalescence.

It is anticipated that Mr Koch’s mandate as CEO will be extended beyond its initial 3-month term, most likely until year-end, to give Mr Timmerman the time needed to fully complete his rehabilitation program and to be able to travel extensively again as required by the position.

September 2015:

A new US Patent No. 9,095,537, entitled “Therapy of cancer based on targeting adaptive, innate and/or regulatory component of the immune response”, has been granted in the United States. This patent, exclusively licensed by Institut Pasteur to Genticel, protects the use of the Company’s CyaA-based antigen delivery vectors in combination therapy to treat cancer.

Note 2: Accounting principles, rules and methods

The financial statements are presented in euros unless otherwise indicated.

2.1 Principles used in preparing the financial statements

Statement of compliance

Genticel has prepared its financial statements, in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union as at the preparation date of the financial statements, for all the reported periods.

This reference, available on the European Commission website http://ec.europa.eu/internal_market/accounting/ias_eu.htm, incorporates the international accounting standards (IAS and IFRS), the interpretations of the Standing Interpretations Committee (SIC) and of the International Financial Interpretations Committee (IFRIC).

The accounting principles, methods and options adopted by the Company are described below. In some cases, IFRS standards allow a choice between the treatment of reference and another approved treatment.

In compliance with European Regulation 1606/2002 of 19 July 2002, Genticel's financial statements as at 30 June 2015 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

As they are condensed financial statements, they do not include all the information required by IFRS for the preparation of financial statements. These Notes should be read in conjunction with the published Genticel IFRS financial statements for the fiscal year ended 31 December 2014.

Principle used in preparing the financial statements

The Company's financial statements have been prepared in accordance with the historical cost principle with the exception of certain classes of assets and liabilities in accordance with the treatment imposed by IFRS standards. The classes concerned are mentioned in the following Notes.

Accounting methods

The accounting principles are identical to those used to prepare the IFRS annual financial statements for the year ended 31 December 2014, with the exception of the following new standards, amendments and interpretations adopted by the European Union, mandatory for the Company from 1 January 2015:

Standards, amendments and interpretations applicable to reporting periods beginning on 1 January 2015

The Company applied the following new standards, amendments and interpretations from the beginning of fiscal year 2015:

- IFRIC 21 – Taxes
- IFRS Improvements (2011-2013 cycle)

These new texts published by the IASB and adopted by the European Union have had no significant impact on the Company's financial statements.

Standards and interpretations adopted by the European Union but not yet mandatory for 2015 financial statements

- Amendment to IAS 19 – Employee contributions
- IFRS Improvements (2010-2012 cycle)

The Company is currently in the process of assessing the impact of the first-time adoption of these new standards. It does not expect them to have a significant impact on its financial statements.

2.2 Change in accounting methods

With the exception of the new texts identified above, GENTICEL made no changes to its accounting methods for the period ended 30 June 2015.

2.3 Use of judgments and estimates

In preparing these condensed financial statements, Management's main judgments and assumptions were the same as for the financial statements as at 31 December 2014:

- Allocation of ordinary share subscription warrants or founders' warrants to employees, executives and external service providers (see Note 11);
- Non-recognition of deferred tax assets net of deferred tax liabilities (see Note 19).

Such estimates are made by Management based on the assumption of business continuity as a going concern and on the information available at the time. These estimates are ongoing and are based on past experience as well as diverse other factors judged to be reasonable, and form the basis for the assessments of the book value of assets and liabilities. The estimates may be revised if the circumstances on which they are based change or as a result of new information. Actual results may differ significantly from such estimates if assumptions or conditions change.

Note 3: Intangible assets

| GROSS VALUE OF INTANGIBLE ASSETS (Amounts in euros) | Patents | Software | Trademarks | Total |
|--|---------------|---------------|------------|---------------|
| Statement of financial position at 31 December 2013 | 47,088 | 26,545 | 990 | 74,623 |
| Acquisition | 0 | 0 | 0 | 0 |
| Sale | 0 | 0 | 0 | 0 |
| Transfer | 0 | 0 | 0 | 0 |
| Statement of financial position at 31 December 2014 | 47,088 | 26,545 | 990 | 74,623 |
| Acquisition | 0 | 0 | 0 | 0 |
| Sale | 0 | 0 | 0 | 0 |
| Transfer | 0 | 0 | 0 | 0 |
| Statement of financial position at 30 June 2015 | 47,088 | 26,545 | 990 | 74,623 |
| DEPRECIATION | | | | |
| Statement of financial position at 31 December 2013 | 27,962 | 19,885 | 0 | 47,847 |
| Increase | 2,741 | 4,904 | 0 | 7,645 |
| Decrease | 0 | 0 | 0 | 0 |
| Statement of financial position at 31 December 2014 | 30,703 | 24,789 | 0 | 55,492 |
| Increase | 1,370 | 483 | 0 | 1,854 |
| Decrease | 0 | 0 | 0 | 0 |
| Statement of financial position at 30 June 2015 | 32,073 | 25,272 | 0 | 57,346 |
| NET CARRYING VALUE | | | | |
| At 31 December 2013 | 19,126 | 6,660 | 990 | 26,776 |
| At 31 December 2014 | 16,385 | 1,756 | 990 | 19,131 |
| At 30 June 2015 | 15,015 | 1,273 | 990 | 17,277 |

No impairment was recognised on application of IAS 36.

Note 4: Property, plant and equipment

| GROSS VALUE OF PROPERTY, PLANT & EQUIPMENT (Amounts in euros) | Machinery and equipment | Fixtures and fittings | Office and computer equipment, furniture | Total |
|---|--------------------------------|------------------------------|---|----------------|
| Statement of financial position at 31 December 2013 | 501,493 | 130,319 | 95,962 | 727,774 |
| Acquisition | 8,092 | 39,700 | 25,409 | 73,201 |
| Sale | 0 | 0 | -5,067 | -5,067 |
| Transfer | 0 | 0 | 0 | 0 |
| Statement of financial position at 31 December 2014 | 509,585 | 170,019 | 116,304 | 795,908 |
| Acquisition | 62,337 | 0 | 3,205 | 65,542 |
| Sale | 0 | 0 | 0 | 0 |
| Transfer | 0 | 0 | 0 | 0 |
| Statement of financial position at 30 June 2015 | 571,922 | 170,019 | 119,509 | 861,450 |

| DEPRECIATION | | | | |
|--|----------------|----------------|---------------|----------------|
| Statement of financial position at 31 December 2013 | 476,610 | 114,454 | 87,442 | 678,506 |
| Increase | 11,426 | 5,890 | 10,290 | 27,606 |
| Decrease | | | -5,067 | -5,067 |
| Statement of financial position at 31 December 2014 | 488,036 | 120,344 | 92,665 | 701,045 |
| Increase | 13,610 | 4,255 | 5,756 | 23,621 |
| Decrease | 0 | 0 | 0 | 0 |
| Statement of financial position at 30 June 2015 | 501,646 | 124,599 | 98,421 | 724,666 |

| NET CARRYING VALUE | | | | |
|----------------------------|---------------|---------------|---------------|----------------|
| At 31 December 2013 | 24,883 | 15,865 | 8,520 | 49,268 |
| At 31 December 2014 | 21,549 | 49,675 | 23,639 | 94,863 |
| At 30 June 2015 | 70,277 | 45,420 | 21,088 | 136,784 |

No impairment was recognised on application of IAS 36.

Note 5: Other financial assets

| OTHER FINANCIAL ASSETS (Amounts in euros) | 30/06/2015 | 31/12/2014 |
|---|-------------------|-------------------|
| Capitalisation contract | 5,055,384 | 5,043,143 |
| Term deposits | 5,069,167 | 5,032,511 |
| Liquidity contract | 116,781 | 87,058 |
| Sureties | 17,400 | 26,580 |
| Total other non-current financial assets | 10,258,732 | 10,189,293 |
| Term deposits | 12,624,557 | 12,557,243 |
| Total current financial assets | 12,624,557 | 12,557,243 |

Non-current financial assets consist of:

- a capitalization contract signed on 18 August 2014 with an initial value of €5,000k with Natixis Life (Luxembourg), its terms as follows:
 - “eurofund” investment (diversified, mostly bonds) with a continuous capital guarantee based on a “ratchet effect”, ie., guaranteed interest payment,
 - guaranteed minimum yield of 2.25% net of expenses until 31 December 2015,

- full discretionary use of funds via total or partial redemption at any time, subject to contractual redemption penalties in the first three years: 2% of amount redeemed in the first 12 months; 1.5% of the amount redeemed between month 13 and 24; 1% of the amount redeemed between month 25 and 36; 0% afterwards
- no legal or contractual lock-in provisions
- a term deposit set up in 2014 with an initial value of €5,000 repayable in 2017.
- a cash reserve linked to the liquidity contract;
- deposits for commercial property leases.

Current financial assets consist of two term deposits of initially €7,000K and €5,500K, respectively, maturing July 2015. They were not renewed at maturity.

Note 6: Inventories

Inventories mainly consist of products, consumables, and in-process research assets.

Note 7: Other receivables

| OTHER RECEIVABLES (Amounts in euros) | 30/06/2015 | 31/12/2014 corrected |
|--|------------------|-------------------------|
| Research tax credit (1) | 4,510,477 | 2,731,090 |
| Competitiveness & jobs tax credit (CICE) (2) | 40,313 | 28,880 |
| Value Added Tax (3) | 430,505 | 182,279 |
| Credits receivable | 14,892 | 29,467 |
| Prepaid expenses (4) | 346,004 | 177,271 |
| Other | 3,513 | 3,250 |
| Total other receivables | 5,345,704 | 3,152,237 |

(1) Research Tax Credit (CIR)

The Company benefits from the provisions of articles 244 quater B and 49 septies F of the French General Tax Code relating to the research tax credit. In accordance with the principles described in Note 21.5, research tax credit is recognised as a deduction from research expenses in the year to which the eligible research expenses relate.

It is presented under subsidies in the category “Research and Development expenses”.

In the absence of taxable income and given the Company's status as an EC-recognized SME, the Research Tax Credit (CIR) receivable from the State is paid in the year following the year for which it is granted:

- Estimated CIR for the first half of 2015: €1,779,387
- CIR 2014: €2,731,090. The declared amount for the fiscal year ended in 2014 (€ 2,600,088) is scheduled to be paid in the second half of 2015.

(2) Competitiveness tax credit (CICE)

The Company may receive an EU support payment in the year following its recognition as an SME:

- Estimated CICE for the first half of 2015: €11,433
- CICE 2014: €28,880.

(3) VAT receivables relate mainly to deductible VAT and the reimbursement of VAT paid.

(4) Prepaid expenses relate to current expenses and correspond mainly to expenses incurred for trials and insurance.

| PREPAID EXPENSES (Amounts in euros) | 30/06/2015 | 31/12/2014 |
|--|-------------------|-------------------|
| Studies and services | 121,170 | 2,500 |
| Insurance | 133,441 | 123,081 |
| Professional fees | 10,000 | 0 |
| Commissions | 0 | 1,063 |
| Rentals | 25,045 | 19,575 |
| Maintenance | 14,750 | 8,092 |
| Other | 41,598 | 22,960 |
| Total prepaid expenses | 346,004 | 177,271 |

Note 8: Trading securities and cash

Cash and cash equivalents can be broken down as follows:

| CASH AND CASH EQUIVALENTS (Amounts in euros) | 30/06/2015 | 31/12/2014 |
|---|-------------------|-------------------|
| Bank accounts | 409,163 | 2,948,949 |
| Term deposits | 0 | 702,662 |
| Money-market SICAVs | 2,006,340 | 6,518,440 |
| Total cash and cash equivalents | 2,415,503 | 10,170,051 |

Money-market SICAVs meet the Company's investment policy, which requires that the assets in which the funds are invested must be highly liquid and easily convertible into cash at any time.

Note 9: Financial assets and liabilities and impact on profit or loss

The Company's assets and liabilities are measured as follows for the following periods:

| (Amounts in euros) | 30/06/2015 | | Value - Statement of financial position per IAS 39 | | |
|---|--|-------------------|--|-----------------------|-------------------------|
| | Value of Statement of Financial Position | Fair value | Fair value through profit and loss | Loans and receivables | Debts at amortised cost |
| Non-current financial assets | 10,258,732 | 10,258,732 | 10,124,551 | 134,181 | |
| Other receivables | 5,345,704 | 5,345,704 | | 5,345,704 | |
| Current financial assets | 12,624,557 | 12,624,557 | 12,624,557 | | |
| Cash and cash equivalents | 2,415,503 | 2,415,503 | 2,006,340 | 409,163 | |
| Total Assets | 30,644,496 | 30,644,496 | 24,755,447 | 5,889,048 | 0 |
| Current financial debt | 629,353 | 629,353 | | | 629,353 |
| Non-current financial debt | 1,370,609 | 1,370,609 | | | 1,370,609 |
| Trade payables and related accounts | 2,598,055 | 2,598,055 | | | 2,598,055 |
| Other creditors and miscellaneous liabilities | 44,500 | 44,500 | | | 44,500 |
| Total Liabilities | 4,642,517 | 4,642,517 | 24,755,447 | 5,889,048 | 4,642,517 |

| (Amounts in euros) | 31/12/2014 corrected | | Value - Statement of financial position per IAS 39 | | |
|---|--|-------------------|--|-----------------------|-------------------------|
| | Value of Statement of Financial Position | Fair value | Fair value through profit and loss | Loans and receivables | Debts at amortised cost |
| Non-current financial assets | 10,189,293 | 10,189,293 | 10,075,654 | 113,639 | |
| Other receivables | 3,152,237 | 3,152,237 | | 3,152,237 | |
| Current financial assets | 12,557,243 | 12,557,243 | 12,557,243 | | |
| Cash and cash equivalents | 10,170,051 | 10,170,051 | 7,221,102 | 2,948,949 | |
| Total Assets | 36,068,824 | 36,068,824 | 29,853,998 | 6,214,825 | 0 |
| Current financial debt | 511,841 | 511,841 | | | 511,841 |
| Non-current financial debt | 1,645,793 | 1,645,793 | | | 1,645,793 |
| Trade payables and related accounts | 2,703,349 | 2,703,349 | | | 2,703,349 |
| Other creditors and miscellaneous liabilities | 723 | 723 | | | 723 |
| Total Liabilities | 4,861,706 | 4,861,706 | 0 | 0 | 4,861,706 |

| (Amounts in euros) | Impacts - Income statement at 30 June 2015 | | Impacts - Income statement at 30 June 2014 | |
|---|--|----------------------|--|----------------------|
| | Interest | Change in fair value | Interest | Change in fair value |
| Assets | | | | |
| Fair value of assets through profit and loss | | 116,210 | | |
| Loans and receivables | | | | |
| Cash and cash equivalents | | (374) | | 3,547 |
| Liabilities | | | | |
| Liabilities measured at amortised cost: "debt" component of convertible bonds | | | | |
| Liabilities measured at amortised cost: advances | 30,561 | | 28,796 | |

Note 10: Capital

| COMPOSITION OF SHARE CAPITAL | 30/06/2015 | 31/12/2014 |
|------------------------------|------------|------------|
| Capital (in euros) | 1,544,024 | 1,544,024 |
| Number of shares | 15,440,235 | 15,440,235 |
| o/w Ordinary shares | 15,440,235 | 15,440,235 |
| Nominal value (in euros) | 0.10 € | 0.10 € |

Issued capital

The Company's share capital is €1,544,024. It consists of 15,440,235 fully subscribed and paid-up ordinary shares each with a nominal value of €0.10.

This number of shares excludes share subscription warrants (BSA) and founders' warrants (BSPCE) granted to certain investors and to certain physical persons, whether or not employees of the Company, which have not yet been exercised.

Dividends

The Company paid no dividend in the first half of 2015.

Capital management

The Company's policy is to maintain a solid capital base, to preserve the confidence of investors and creditors, and to support the future growth of the business.

For this purpose, a liquidity contract was signed on 18 April 2014 with Banque Oddo et Cie to limit the intra-day volatility of GenticeL shares. Under this agreement, the Company allocates to Oddo €200,000 to take "sell" and "buy" positions on Company shares. Shares purchased under this contract in the Company's own name are recorded as treasury shares and shareholder equity is correspondingly reduced by their purchase cost.

As at 30 June 2015, 13,601 shares had been bought back reducing shareholders' equity correspondingly. Shares sold to third parties were similarly recorded as increases in shareholders' equity.

Note 11: Warrants and founders' warrants

Warrants issued to the benefit of financial investors

The Company issued 133,334 warrants to investors in July 2008 (exercise period 10 years).

The BSA warrants issued to the benefit of financial investors are treated as equity instruments.

| Change in investor warrants | Number of warrants outstanding | | | | | Number of subscribable shares |
|-----------------------------|--------------------------------|-----------|-----------|----------|----------------|-------------------------------|
| | 31/12/2014 | Allocated | Exercised | Lapsed | 30/06/2015 | |
| Warrants - other investors | 133,334 | | | | 133,334 | 133,334 |
| Total | 133,334 | 0 | 0 | 0 | 133,334 | 133,334 |

Warrants (BSA) issued to the benefit of Supervisory Board members and Executive Board members.

The following table summarises the option plans issued and the assumptions adopted for IFRS 2 valuation:

| Type | Allocation date | Plan features | | | Assumptions used | | Total initial valuation per IFRS 2 (Black&Scholes) |
|-------------|---------------------------|------------------------------|-----------------|----------------|------------------|----------------|--|
| | | Number of warrants allocated | Exercise period | Exercise price | Volatility | Risk-free rate | |
| BSA 10/2008 | ExecBd meeting 24/10/2008 | 30,800 | 10 yrs | 3.00 € | 64.23% | 7.03% | 60,225 € |
| BSA 02/2010 | ExecBd meeting 14/02/2010 | 155,200 | 10 yrs | 3.00 € | 55.14% | 3.58% | 257,630 € |
| BSA 12/2013 | ExecBd meeting 20/12/2013 | 116,000 | 10 yrs | 4.00 € | 54.27% | 2.09% | 220,552 € |
| BSA 09/2014 | ExecBd meeting 12/09/2014 | 35,000 | 10 yrs | 5.79 € | 50.03% | 0.50% | 72,228 € |

| Type | Allocation date | Number of warrants outstanding | | | | | Number of subscribable shares |
|--------------|---------------------------|--------------------------------|-----------|-----------|----------|----------------|-------------------------------|
| | | 31/12/2014 | Allocated | Exercised | Lapsed | 30/06/2015 | |
| BSA 10/2008 | ExecBd meeting 24/10/2008 | 30,800 | | | | 30,800 | 30,800 |
| BSA 02/2010 | ExecBd meeting 14/02/2010 | 155,200 | | | | 155,200 | 155,200 |
| BSA 12/2013 | ExecBd meeting 20/12/2013 | 116,000 | | | | 116,000 | 116,000 |
| BSA 09/2014 | ExecBd meeting 12/09/2014 | 35,000 | | | | 35,000 | 35,000 |
| Total | | 337,000 | 0 | 0 | 0 | 337,000 | 337,000 |

The BSA (warrants) can be exercised by their holder from the date that they are allocated by the Executive Board, but only up to 1/3 of the holder's allocated warrants per year.

Founders' warrants (BSPCE) issued to the benefit of employees and members of the Executive Board.

The following table summarises the option plans issued and the assumptions adopted for IFRS 2 valuation:

| Type | Allocation date | Plan features | | | Assumptions used | | |
|---------------|---------------------------|------------------------------|-----------------|----------------|------------------|----------------|--|
| | | Number of warrants allocated | Exercise period | Exercise price | Volatility | Risk-free rate | Total initial valuation per IFRS 2 (Black&Scholes) |
| BSPCE 11/2005 | | 24,200 | 10 yrs | 2.90 € | 72.00% | 3.49% | 47,916 € |
| BSPCE 02/2007 | | 28,000 | 10 yrs | 2.90 € | 48.70% | 4.27% | 44,800 € |
| BSPCE 04/2009 | ExecBd meeting 09/04/2009 | 88,460 | 10 yrs | 3.00 € | 58.70% | 5.22% | 159,279 € |
| BSPCE 12/2010 | ExecBd meeting 17/12/2010 | 217,400 | 10 yrs | 3.00 € | 55.10% | 3.73% | 342,701 € |
| BSPCE 09/2011 | ExecBd meeting 30/09/2011 | 13,500 | 10 yrs | 3.00 € | 56.80% | 3.83% | 23,013 € |
| BSPCE 06/2012 | GM of 26/06/2012 | 13,000 | 10 yrs | 3.00 € | 59.30% | 2.34% | 22,161 € |
| BSPCE 12/2012 | ExecBd meeting 11/12/2012 | 11,750 | 10 yrs | 3.00 € | 59.30% | 1.42% | 18,943 € |
| BSPCE 02/2013 | ExecBd meeting 15/02/2013 | 19,320 | 10 yrs | 3.00 € | 54.30% | 1.68% | 31,148 € |
| BSPCE 12/2013 | ExecBd meeting 20/12/2013 | 121,314 | 10 yrs | 4.00 € | 54.30% | 2.09% | 252,492 € |
| BSPCE 05/2014 | ExecBd meeting 14/05/2014 | 481,491 | 10 yrs | 6.77 € | 54.92% | 0.81% | 1,592,683 € |
| BSPCE 12/2014 | ExecBd meeting 9/12/2014 | 7,590 | 10 yrs | 5.66 € | 50.03% | 0.30% | 20,918 € |
| BSPCE 04/2015 | ExecBd meeting 23/04/2015 | 5,059 | 10 yrs | 6.93 € | 47.98% | -0.02% | 15,636 € |

| Type | Allocation date | Number of warrants outstanding | | | | | Number of subscribable shares |
|---------------|---------------------------|--------------------------------|--------------|-----------|----------|----------------|-------------------------------|
| | | 31/12/2014 | Allocated | Exercised | Lapsed | 30/06/2015 | |
| BSPCE 11/2005 | | 24,200 | | | | 24,200 | 24,200 |
| BSPCE 02/2007 | | 28,000 | | | | 28,000 | 28,000 |
| BSPCE 04/2009 | ExecBd meeting 09/04/2009 | 88,460 | | | | 88,460 | 88,460 |
| BSPCE 12/2010 | ExecBd meeting 17/12/2010 | 188,500 | | | | 188,500 | 188,500 |
| BSPCE 09/2011 | ExecBd meeting 30/09/2011 | 13,500 | | | | 13,500 | 13,500 |
| BSPCE 06/2012 | GM of 26/06/2012 | 13,000 | | | | 13,000 | 13,000 |
| BSPCE 12/2012 | ExecBd meeting 11/12/2012 | 11,750 | | | | 11,750 | 11,750 |
| BSPCE 02/2013 | ExecBd meeting 15/02/2013 | 19,320 | | | | 19,320 | 19,320 |
| BSPCE 12/2013 | ExecBd meeting 20/12/2013 | 120,194 | | | | 120,194 | 120,194 |
| BSPCE 05/2014 | ExecBd meeting 14/05/2014 | 476,431 | | | | 476,431 | 476,431 |
| BSPCE 12/2014 | ExecBd meeting 9/12/2014 | 7,590 | | | | 7,590 | 7,590 |
| BSPCE 04/2015 | ExecBd meeting 23/04/2015 | 0 | 5,059 | | | 5,059 | 5,059 |
| Total | | 990,945 | 5,059 | 0 | 0 | 996,004 | 996,004 |

The BSPCE can be exercised by their holder from the date that they are allocated by the Executive Board, but only up to 1/3 of the holder's allocated warrants per year.

BSA and BSPCE valuation methods

The fair value of the options was measured using the Black & Scholes valuation method. The following methods were used to estimate the fair value of the options:

- The option price used is equal to the investor subscription price or by reference to internal valuations;
- The risk-free rate is based on the average lifetime of the instruments;
- Volatility is calculated with reference to a sample of listed companies in the biotechnology sector, as at the date the instruments are subscribed and over a period equal to the lifetime of the option.

IFRS expense recognized for 1st half 2014 and 1st half 2015

| Type | 30/06/2014 | | | | 30/06/2015 | | | |
|--------------|-------------------------------|-------------------------------|-----------------------|----------------------------|-------------------------------|-------------------------------|-----------------------|----------------------------|
| | Probable cost of plan to date | Cumulative expense at opening | Expense in the period | Cumulative expense to date | Probable cost of plan to date | Cumulative expense at opening | Expense in the period | Cumulative expense to date |
| BSA 10/2008 | 60,225 € | 60,225 € | | 60,225 € | 60,225 € | 60,225 € | | 60,225 € |
| BSA 02/2010 | 257,630 € | 257,630 € | | 257,630 € | 257,630 € | 257,630 € | | 257,630 € |
| BSA 12/2013 | 220,552 € | 4,070 € | 66,962 € | 71,032 € | 220,552 € | 136,681 € | 30,405 € | 167,086 € |
| BSA 09/2014 | | | | | 72,228 € | 13,322 € | 21,921 € | 35,243 € |
| Total | 538,407 € | 321,924 € | 66,962 € | 388,886 € | 610,635 € | 467,857 € | 52,327 € | 520,185 € |

| Type | 30/06/2014 | | | | 30/06/2015 | | | |
|---------------|-------------------------------|-------------------------------|-----------------------|----------------------------|-------------------------------|-------------------------------|-----------------------|----------------------------|
| | Probable cost of plan to date | Cumulative expense at opening | Expense in the period | Cumulative expense to date | Probable cost of plan to date | Cumulative expense at opening | Expense in the period | Cumulative expense to date |
| BSPCE 11/2005 | 47,916 € | 47,916 € | | 47,916 € | 47,916 € | 47,916 € | | 47,916 € |
| BSPCE 02/2007 | 44,800 € | 44,800 € | | 44,800 € | 44,800 € | 44,800 € | | 44,800 € |
| BSPCE 04/2009 | 159,279 € | 159,279 € | | 159,279 € | 159,279 € | 159,279 € | | 159,279 € |
| BSPCE 12/2010 | 342,701 € | 342,701 € | | 342,701 € | 342,701 € | 342,701 € | | 342,701 € |
| BSPCE 09/2011 | 23,013 € | 20,239 € | 1,083 € | 21,322 € | 23,013 € | 23,013 € | | 23,013 € |
| BSPCE 06/2012 | 22,161 € | 16,713 € | 3,022 € | 19,735 € | 22,161 € | 20,967 € | 1,194 € | 22,161 € |
| BSPCE 12/2012 | 18,943 € | 11,865 € | 2,618 € | 14,483 € | 18,943 € | 16,954 € | 1,044 € | 17,998 € |
| BSPCE 02/2013 | 31,148 € | 15,726 € | 5,114 € | 20,840 € | 31,148 € | 24,646 € | 3,085 € | 27,731 € |
| BSPCE 12/2013 | 188,635 € | 3,423 € | 56,536 € | 59,959 € | 250,192 € | 152,786 € | 33,392 € | 186,178 € |
| BSPCE 05/2014 | 1,544,540 € | | 129,798 € | 129,798 € | 1,588,981 € | 607,574 € | 407,862 € | 1,015,436 € |
| BSPCE 12/2014 | | | | | 20,918 € | 730 € | 6,003 € | 6,733 € |
| BSPCE 04/2015 | | | | | 15,636 € | 0 € | 1,683 € | 1,683 € |
| Total | 2,423,137 € | 662,663 € | 198,171 € | 860,834 € | 2,565,688 € | 1,441,366 € | 454,262 € | 1,895,628 € |

Note 12: Borrowings and financial debt

| CURRENT AND NON-CURRENT FINANCIAL DEBT (amounts in euros) | 30/06/2015 | 31/12/2014 |
|---|-------------------|-------------------|
| Repayable advances | 1,370,609 | 1,645,792 |
| Non-current financial debt | 1,370,609 | 1,645,792 |
| Bank overdrafts | 118 | 111 |
| Bonds - debt component | 27,410 | 27,410 |
| Repayable advances | 601,825 | 484,321 |
| Current financial debt | 629,353 | 511,842 |
| Total financial debt | 1,999,962 | 2,157,634 |

Breakdown of financial debt by maturity

The following shows financial debt in the period presented:

| CURRENT AND NON-CURRENT FINANCIAL DEBT (amounts in euros) | 30/06/2015 | | | |
|---|---------------------|-----------------|------------------|-------------------|
| | Gross amount | < 1yr | 1 ≥ 5 yrs | > 5 yrs |
| Bank overdrafts | 118 | 118 | | |
| Repayable advances | 1,972,434 | 601,825 | 1,370,609 | |
| Bonds - debt component | 27,410 | 27,410 | | |
| Total financial debt | 1,999,962 | 629,353 | 1,370,609 | 0 |
| <i>Current financial debt</i> | <i>629,353</i> | | | |
| <i>Non-current financial debt</i> | <i>1,370,609</i> | | | |

| CURRENT AND NON-CURRENT FINANCIAL DEBT (amounts in euros) | 31/12/2014 | | | |
|---|---------------------|-----------------|------------------|-------------------|
| | Gross amount | < 1yr | 1 ≥ 5 yrs | > 5 yrs |
| Bank overdrafts | 111 | 111 | | |
| Repayable advances | 2,130,113 | 484,321 | 1,645,792 | |
| Bonds - debt component | 27,410 | 27,410 | | |
| Total financial debt | 2,157,634 | 511,842 | 1,645,792 | 0 |
| <i>Current financial debt</i> | <i>511,842</i> | | | |
| <i>Non-current financial debt</i> | <i>1,645,792</i> | | | |

12.1 Bank borrowings and debt

The Company signed no borrowing agreements with banks in the first half of 2015.

12.2 Repayable advances

The following table shows the change in repayable advances:

| CHANGE IN REPAYABLE ADVANCES (Amount in euros) | Repayable advances | | | Total |
|---|--------------------|--------------------|------------------|------------------|
| | OSEO 2 - HPV | OSEO 3 - ProCervix | OSEO 4 - Magenta | |
| At 31 December 2013 | 1,298,569 | 311,005 | 104,393 | 1,713,967 |
| (+) Encashments | | 481,663 | 220,679 | 830,874 |
| (-) Repayments | -250,000 | -38,240 | | -288,240 |
| Subsidies | | -48,030 | -6,870 | -54,901 |
| Financial expenses | 43,801 | 11,982 | 1,161 | 56,944 |
| (+/-) Other movements | | | | -128,532 |
| At 31 December 2014 | 1,092,371 | 718,380 | 319,363 | 2,130,113 |
| (+) Encashments | | | | 0 |
| (-) Repayments | -150,000 | -38,240 | | -188,240 |
| Subsidies | | | | 0 |
| Financial expenses | 19,000 | 10,447 | 1,114 | 30,561 |
| (+/-) Other movements | | | | 0 |
| At 30 June 2015 | 961,370 | 690,587 | 320,477 | 1,972,434 |

Breakdown of repayable advances by maturity date

| | Repayable advances | | | Total |
|----------------------------|--------------------|--------------------|------------------|------------------|
| | OSEO 2 - HPV | OSEO 3 - ProCervix | OSEO 4 - Magenta | |
| At 31 December 2014 | 1,092,371 | 718,380 | 319,363 | 2,130,113 |
| Component < 1 year | 390,414 | 93,907 | | 484,321 |
| Component 1 ≥ 5 years | 701,957 | 624,473 | 319,363 | 1,645,792 |
| Component > 5 years | | | | |
| At 30 June 2015 | 961,370 | 690,587 | 320,477 | 1,972,434 |
| Component < 1 year | 489,004 | 112,822 | | 601,825 |
| Component 1 ≥ 5 years | 472,366 | 577,765 | 320,477 | 1,370,609 |
| Component > 5 years | | | | |

The Company obtained no additional repayable advances during the first half of 2015, and received no additional payments under existing advances.

12.3 Convertible-bond borrowing

The Company issued no bonds in the first half of 2015.

Note 13: Employee benefit obligations

Commitments to personnel consist of the provision for a retirement package, measured in accordance with the applicable collective bargaining agreement, specifically the collective agreement for the Pharmaceutical Industry.

This commitment concerns only those employees covered by French law. The main actuarial assumptions used to measure retirement packages are as follows:

| ACTUARIAL ASSUMPTIONS | 30/06/2015 | 31/12/2014 |
|--|-----------------------------------|------------|
| Age at retirement | Voluntary retirement age 65 to 67 | |
| Collective agreements | Pharmaceutical Industry | |
| Discount rate (IBOXX Corporates AA) | 2.06% | 1.49% |
| Mortality table | INSEE 2012 | INSEE 2012 |
| Rate of salary increase | 2.50% | 2.50% |
| Staff turnover | Average | Average |
| Social security expense ratio | | |
| Management | 44% | 44% |
| Employees | 42% | 42% |
| Technicians | 39% | 45% |

The following shows the change in retirement provisions:

| EMPLOYEE BENEFIT OBLIGATIONS (Amounts in euros) | Post- employment benefit obligations |
|--|---|
| At 31 December 2013 | 251,015 |
| Past service costs | 39,145 |
| Financial costs | 7,530 |
| Actuarial gains (losses) | 82,027 |
| At 31 December 2014 | 379,717 |
| Past service costs | 29,829 |
| Financial costs | 2,829 |
| Actuarial gains (losses) | -27,673 |
| At 30 June 2015 | 384,702 |

Note 14: Trade and other current liabilities

14.1. Trade payables and related accounts

Trade debts and related accounts are not discounted if the amount is not due within 12 months of the end of the reporting period.

| TRADE PAYABLES AND RELATED ACCOUNTS (Amounts in euros) | 30/06/2015 | 31/12/2014 corrected |
|---|------------------|-------------------------|
| Trade payables | 1,123,180 | 1,185,509 |
| Invoices not received | 1,474,875 | 1,517,840 |
| Total trade payables and related accounts | 2,598,055 | 2,703,349 |

14.2 Tax and social security liabilities

| TAX & SOCIAL SECURITY LIABILITIES (Amounts in euros) | 30/06/2015 | 31/12/2014 |
|---|-------------------|-------------------|
| Payroll & related accounts | 348,956 | 402,091 |
| Social security & other social bodies | 368,581 | 360,295 |
| Other taxes, levies and similar payments | 22,912 | 21,972 |
| Total tax and social security liabilities | 740,449 | 784,358 |

14.3 Other current liabilities

| OTHER CURRENT LIABILITIES (Amounts in euros) | 30/06/2015 | 31/12/2014 |
|---|-------------------|-------------------|
| Attendance fees payable to Supervisory Board members | 40,700 | - |
| Other | 3,800 | 723 |
| Total other current liabilities | 44,500 | 723 |

Note 15: Sales and other earnings

| OTHER INCOME BY GEOGRAPHIC REGION (Amounts in euros) | 30/06/2015 | 30/06/2014 |
|---|-------------------|-------------------|
| France | 0 | 0 |
| India | 88,371 | 0 |
| Total other income | 88,371 | 0 |

In early 2015 the Company signed a license agreement with the pharmaceutical company Serum Institute of India Ltd (SIIL) for its Vaxiclase technology, as part of SIIL's development of acellular and multivalent vaccines containing whooping cough antigens.

As counterpart for access to and use of the Vaxiclase platform in the authorized indication, Genticel could receive up to US\$57 million in initial payments and stage payments on development and sales based on criteria defined in the terms of the agreement, as well as royalties as a percentage of net sales.

An up-front US\$100,000 (€88k) was billed under this contract in the first half of 2015.

Note 16: Breakdown of expenses and income per function

16.1 Research and Development

| RESEARCH & DEVELOPMENT (Amounts in euros) | 30/06/2015 | 30/06/2014 corrected |
|--|-------------------|---------------------------------|
| Raw materials and consumables | -76,577 | -79,878 |
| Studies and services | -3,840,297 | -3,157,161 |
| Maintenance and repair | -46,970 | -28,649 |
| Advertising | -7,666 | -11,055 |
| Travel, assignments and entertainment | -55,436 | -45,203 |
| Other outsourced services | -17,089 | -14,827 |
| Personnel expense | -1,448,521 | -1,247,455 |
| Royalties and patents | -217,754 | -176,454 |
| Depreciation of assets | -1,370 | -1,371 |
| Share-based payments | -363,336 | -152,790 |
| Research & Development Expenses | -6,089,996 | -4,914,843 |
| Research tax credit | 1,779,387 | 1,414,302 |
| Subsidies | 250 | 42,221 |
| Subsidies | 1,779,637 | 1,456,523 |

R&D expenses relate to the development of therapeutic vaccines.

The subsidy recognized in the first half of 2014 related to the OSEO Magenta subsidy. No subsidy was recognized at 30 June 2015 given the state of progress of the project.

16.2 General and administrative expenses

| ADMINISTRATIVE EXPENSES (Amounts in euros) | 30/06/2015 | 30/06/2014 |
|---|-------------------|-------------------|
| Rental of movable and immovable property | -90,587 | -69,745 |
| Maintenance and repair | -26,279 | -25,967 |
| Insurance | -49,493 | -53,094 |
| Fees, legal and ownership | -492,794 | -303,221 |
| Advertising | -72,350 | -27,025 |
| Travel, assignments and entertainment | -106,434 | -79,478 |
| Other outsourced services | -114,734 | -43,589 |
| Levies and taxes | -31,856 | -18,529 |
| Personnel expense | -352,277 | -325,280 |
| IPO-related expenses | 0 | -210,911 |
| Attendance fees | -50,000 | -44,000 |
| Depreciation of assets | -24,105 | -15,058 |
| Share-based payments | -143,252 | -112,343 |
| Administrative expenses | -1,554,160 | -1,328,241 |

Note 17: Workforce

Genticel's workforce in the two fiscal periods presented is as follows:

| WORKFORCE | 30/06/2015 (6 months) | 30/06/2014 (6 months) |
|--------------------------------|--------------------------|--------------------------|
| Managers | 24.6 | 22.6 |
| Employees | 8.0 | 9.1 |
| Average total workforce | 32.6 | 31.7 |

Note 18: Financial income and expenses, net

| FINANCIAL INCOME AND EXPENSES (Amounts in euros) | 30/06/2015 | 30/06/2014 |
|---|---------------|---------------|
| Other financial expenses | -30,561 | -36,150 |
| Other financial income | 132,516 | 26,742 |
| Translation gains (losses) | -3,554 | -441 |
| Total financial income and expenses | 98,401 | -9,849 |

Other financial expenses mainly consist of the unwinding of repayable advances. Financial income mainly consists of interest from term deposits and other investments.

Note 19: Income tax

Applying the same rules as on 31 December 2014, the Company recognized no deferred tax assets at 30 June 2015.

Indefinitely deferrable tax losses available to the Company at 31 December 2014 amounted to €50,783K.

Note 20: Earnings per share

Basic earnings

Basic Earnings Per Share is calculated by dividing the net income attributable to Company shareholders by the weighted average number of ordinary shares outstanding in the fiscal year. Instruments giving deferred rights to share capital (warrants (BSA), founders' warrants (BSPCE) and bonds) are considered anti-dilutive as their effect is to increase earnings per share. Thus, the diluted earnings per share are identical to basic earnings per share.

| BASIC EARNINGS PER SHARE (Amounts in euros) | 30/06/2015 | 30/06/2014 corrected | 30/06/2014 published |
|--|---------------|-------------------------|-------------------------|
| Weighted average number of outstanding shares | 15,440,235 | 12,837,972 | 12,837,972 |
| Net income for the period | (5,662,737) | (4,796,410) | (4,643,574) |
| Basic earnings per share (€/share) | (0.37) | (0.37) | (0.36) |
| Diluted earnings per share (€/share) | (0.37) | (0.37) | (0.36) |

As at 30 June 2015, the Company had the following dilutive instruments:

- 133,334 share subscription warrants to the benefit of investors (see Note 11).
- 337,000 share subscription warrants to the benefit of members of the Supervisory Board and consultants (see Note 11).
- 996,004 founders' warrants (see Note 11).

Note 21: Related parties

The Company has identified as related parties the members of the Executive Board, the Supervisory Board and the shareholders.

21.1 Compensation paid to executives and corporate officers

No post-employment benefits were granted to the members of the Executive Board or members of the Supervisory Board.

Compensation due to members of the Executive Board and to the members of the Supervisory Board can be broken down as follows (in euros):

| Compensation paid to corporate officers (in euros) | 30/06/2015 | 30/06/2014 |
|--|----------------|----------------|
| Fixed compensation due | 370,936 | 212,375 |
| Variable compensation due | 81,492 | 162,781 |
| Benefits in kind | 11,477 | 2,712 |
| Attendance fees | 50,000 | 30,000 |
| Share-based payments | 411,140 | 192,477 |
| Consultancy fees | 34,425 | 30,000 |
| TOTAL | 959,470 | 630,345 |

The variable components of compensation are allocated on the basis of performance criteria. The methods used to calculate the advantage of share-based payments are explained in Note 11.

21.2 Consultancy contracts

The Company has signed consultancy contracts with two members of the Supervisory Board:

- Consultancy contract with Mr Hercend (Chairman of the Supervisory Board), which generated invoicing totalling €30,000 (not including tax) for the first half of 2015.
- Consultancy contract with Mr Hoch (Member of the Supervisory Board), which generated invoicing totalling €4,000 (not including tax) and €425 disbursements for the first half of 2015.

Note 22: Off-balance-sheet commitments

Other off-balance-sheet commitments at 31 December 2014 have not changed significantly over the period.

4. STATUTORY AUDITOR'S REPORT ON THE HALF-YEAR FINANCIAL STATEMENTS AT 30 JUNE 2015

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75107 Paris

8 Chemin de la Terrasse
31500 Toulouse

Member of the Regional Auditors' Institute of Paris

Member of the Regional Auditors' Institute of Toulouse



GENTICEL

Public limited company with capital of 1,528,507.10 euros

Registered Office:

516 Rue Pierre et Marie Curie

31 670 LABEGE, France

**Statutory Auditor's report on the semi-annual financial statements
For the period from January 1 to June 30, 2014**

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 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 financial statements of Genticel, for the period from January 1 to June 30, 2015,
- the verification of the information presented in the half-yearly management report.

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

1. 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 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.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly financial statements.

Paris and Toulouse, September 21, 2015

Statutory Auditors

GRANT THORNTON
French member of Grant Thornton International

SYGNATURES

Laurent Bouby

Partner

Laure Mulin

Partner