Limited company (société anonyme) with a Management Board and a Supervisory Board
with share capital of 1 554 108,60 €
Registered office : Prologue-Biotech – 516, Rue Pierre et Marie Curie - 31670 Labège
Toulouse Trade and Companies Register (RSC) B 439 489 022

ANNUAL FINANCIAL REPORT 2015
INCLUDING MANAGEMENT BOARD'S REPORT

PERIOD ENDING 31 DECEMBER 2015

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1. STATEMENT OF THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT 2015

Labège, 24 March 2016

"I hereby certify that, to the best of my knowledge, the 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 management report offers a true and fair picture of the significant events in the fiscal year, their impact on financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties to which the Society is confronted."

Benedikt Timmerman
Chairman of GENTICEL's Management Board

2. STATUTORY AUDITORS OF THE COMPANY'S ACCOUNTS

2.1 STATUTORY AUDITORS

SYGNATURES, member of the Compagnie Régionale des Commissaires aux Comptes de Toulouse (Toulouse branch of the French Institute of Auditors), 8, chemin de la terrasse, BP 45122, 31512 Toulouse Cedex 5
Represented by Laure Mulin
Renewal date: 7 March 2014
Duration of mandate: 6 years
Mandate expiry date: at the close of the shareholder's General Meeting called to approve the financial statements for the year ending 31 December 2019.

GRANT THORNTON, member of the Compagnie Régionale des Commissaires aux Comptes de Paris (Paris branch of the French Institute of Auditors), 100, rue de Courcelles, 75017 Paris
Represented by Laurent Bouby
Date appointed: 20 December 2013
Duration of mandate: 6 years
Mandate expiry date: at the close of the shareholder's General Meeting called to approve the financial statements for the year ending 31 December 2018.

2.2 ALTERNATE STATUTORY AUDITORS

Philippe BENZONI, member of the *Compagnie Régionale des Commissaires aux Comptes de Toulouse* (Toulouse branch of the French Institute of Auditors), 8, chemin de la terrasse, BP 45122, 31512 Toulouse Cedex 5
Alternate auditor for SYGNATURES
Renewal date: 7 March 2014
Duration of mandate: 6 years
Mandate expiry date: at the close of the shareholder's General Meeting called to approve the financial statements for the year ending 31 December 2019.

IGEC, member of the Compagnie Régionale des Commissaires aux Comptes de Paris (Paris branch of the French Institute of Auditors), 3, rue L. Jost, 75017 Paris
Alternate auditor for GRANT THORNTON
Date appointed: 20 December 2013
Duration of mandate: 6 years
Mandate expiry date: at the close of the shareholder's General Meeting called to approve the financial statements for the year ending 31 December 2018.

3. REPORT OF THE MANAGEMENT BOARD

We present you hereafter with the Management Board's Management Report established in accordance with the provisions of articles L. 225-100 et L. 232-1 of the French Commercial Code.

3.1 INFORMATION ON THE COMPANY'S ECONOMIC LIFE

3.1.1 THE COMPANY'S SITUATION AND EVOLUTION DURING THE YEAR 2015

The Company's activity is entirely devoted to the research, the development of innovative immunotherapies, and more precisely to the development of two therapeutic vaccines designed to treat women infected by the most dangerous types of human papillomavirus (HPV), the agent responsible for cervical cancer. The most advanced candidate, GTL001 (also known in Europe under the name of ProCervix), targets the two most threatening types of HPV – HPV 16 and HPV 18. It is currently evaluated in a Phase 2 study in Europe which will conclude in 2017. The second candidate, GTL002 (multivalent HPV), targets 6 types of HPV (including 16 and 18) and has achieved preclinical proof of concept concept in 2015.

Due to its development stage, the Company does not generate as of today any income from the commercialization of either of these products.

In 2015, GENTICEL delivered on its operational calendar as presented at the time of its initial public offering, and has finalized a number of crucial milestones in its developmental projects.

- **Vaxiclase**

Vaxiclase is GENTICEL's last generation technological platform, based on the CyaA protein from Bordetella Pertussis, the agent responsible for whooping cough. In February 2015, GENTICEL granted a license authorizing the use of Vaxiclase to Serum Institute of India Ltd (SIIL), the most important global producer of vaccine doses. This agreement enables SIIL to evaluate the use of Vaxiclase in the development of acellular multivalent combined vaccines against a variety of infectious diseases, including whooping cough. This license agreement, restricted to emerging markets, comprises upfront and milestones payments for a maximum amount of 57 million dollars, as well as single digit royalties on sales. This partnership progressed satisfactorily in 2015, and the completion of initial milestones is expected for the second semester of 2016.

- **GTL001**

GTL001 (also known in Europe under the name of ProCervix), GENTICEL's most advanced candidate, is intended for women already infected by HPV 16 and/or 18 before the appearance of severe lesions. It is the only immunotherapy in devevelopment which would adress the treatment needs of this sizeable high-risk population insofar as preventive vaccines against HPV are only effective in women who are not yet infected.

The recruitment of a 2-year multicenter Phase 2 trial to evaluate the efficacy of GTL001 in clearing the viral infection was completed in November 2014, 4 months ahead of schedule. Thirty-nine investigation sites in seven Western European countries are actively participating in this clinical trial. The Data and Safety Monitoring Board (DSMB), a group of independent experts that reviews the tolerance data from the trial every six months, twice recommended continuing the trial unchanged after its scheduled meetings in January and July 2015. Patient and physician engagement remained very high throughout 2015 with retention rate of 97% of the enrolled population. *Please refer to the post year close section for information about GTL001 Phase 2 trial 12-months results, released in January 2016.*

The company presented its pipeline development in February 2015 at EUROGIN in Seville, Spain. In April 2015, Genticel also presented additional in-vivo pharmacology results of GTL001 at the AACR Annual Meeting 2015 - Philadelphia, PA, USA. These promising results open the possibility to both protect and treat patients with several different antigens for a given cancer.

In preparation of GTL001 Phase 3 programs, intended to run both in Europe and in the US, Genticel submitted an IND file to the FDA and was granted IND status in June 2015, which triggered the initiation of a Phase 1 study in the US.

The first of the 20 patients planned for this study was treated in October 2015 and results are expected in Q3 2016.

- **GTL002**

The Company's second medicine-candidate, GTL002 (previously named Multivalent HPV), is a multivalent immunotherapy which targets six of the most threatening HPV types, including HPV 16 and 18, both collectively responsible for 85% of cervical cancer cases. Pre-clinical results obtained in 2015 were highly encouraging.

More precisely, GENTICEL announced in May 2015 that GTL002 had attained the pharmacological proof of concept, thus demonstrating the simultaneous delivery of multiple antigens for different types of HPV oncogenes by Vaxiclase technology.

- **Intellectual property**

GENTICEL has enriched its intellectual property portfolio in 2015, notably with an additional US patent granted in September 2015 for use of Genticel's antigen delivery vectors in combination therapy to treat cancer.

Genticel now holds multiple patents layers protecting both its drug candidates and its technology platforms across the key mature and emerging markets.

- **Corporate events**

In order to improve the Company's profile and visibility in the financial community, GENTICEL appointed Valérie Leroy as Senior Director of Corporate Communications and Investor Relations in April 2015.

In July 2015, the Company announced the appointment of the Chief Financial and Administrative Officer, Martin Koch, as Chairman of the Management Board, in order to replace Benedikt Timmerman during a temporary medical leave of absence. Mr. Timmerman resumed his position on December 2, 2015.

3.1.2 THE COMPANY'S ORGANISATIONAL STRUCTURE

3.1.2.1 Evolution of the workforce between 2014 and 2015

At 31 December 2015, the Company employs 34 people (both on permanent and fixed-term contracts) as against 31 employees at 31 December 2014.

Contracts	At 31.12.2015	At 31.12.2014
Permanent contracts	30	28
Fixed-term contracts	3	2
Apprenticeship contracts	1	1
Total	**34**	**31**

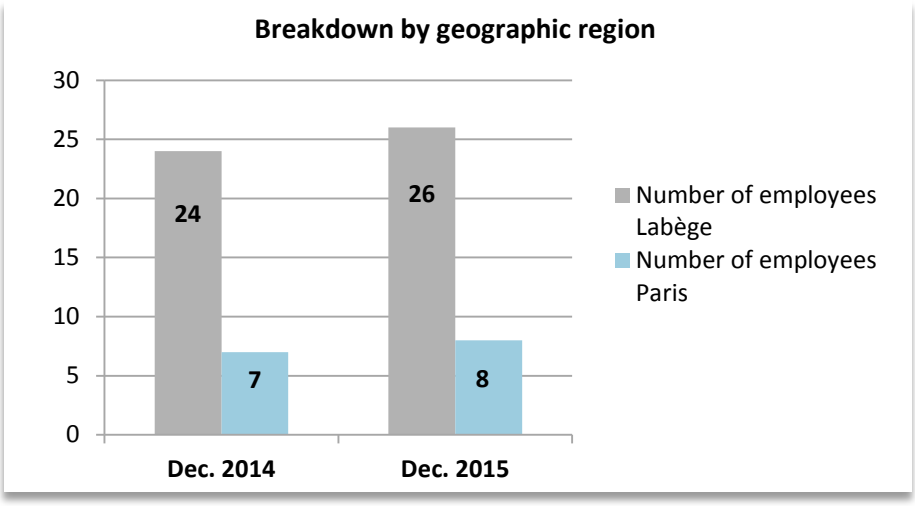
In order to ensure its development, the Company gives priority to stable and lasting employment.

3.1.2.2 Breakdown by geographic region

The Company is based in two geographic regions:

- its registered office and main research activities are located in Labège (31) near Toulouse.
- its clinical activities are sited in Paris (8th arrondissement).

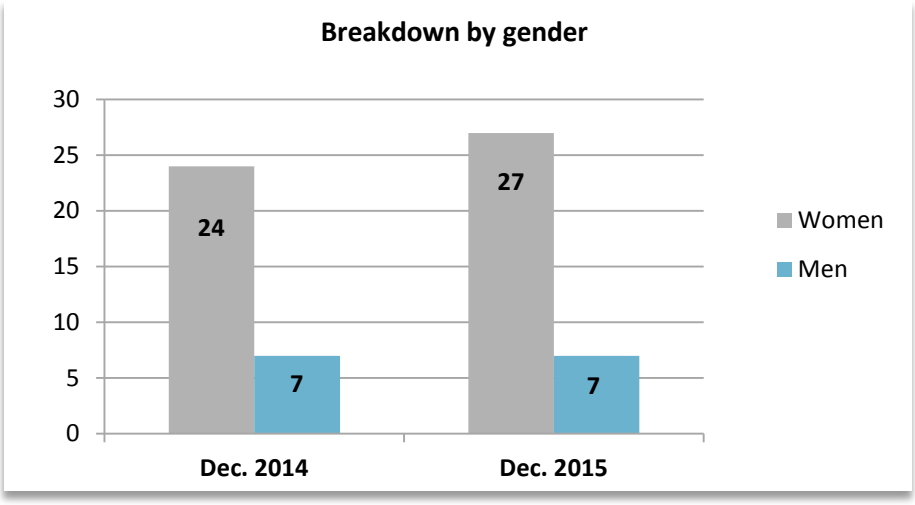
In Labège, the Company has its premises in a business incubator park called Prologue Biotech, in order to benefit from dedicated infrastructure, laboratory services, and shared tertiary services.



3.1.2.3 Breakdown by gender

As at 31 December 2015, women represented about 80% of the Company's contracted workforce, a higher percentage than that of the previous year.

The gender split is as follows:



The Company operates a non-discrimination policy when hiring. Regardless of professional category, the management principles for compensation and assessment of individuals' added value are identical for men and women. The same applies to access to training.

The totality of information concerning the Company´s social and environmental responsibility can be found in the "RSE" report in Annex 5 to the present document.

3.1.3 MAIN RISKS AND UNCERTAINTIES FACED BY THE COMPANY

The main risks faced by the Company, the covering of these risks and the assurances related to them are described in Annex 1 to the present management report.

3.1.4 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- GENTICEL appoints Rémi Palmantier as Scientific Director in order to accelerate its development

On 5 January 2016, Genticel announced the appointment of a seasoned scientist with broad international experience, Rémi Palmantier, PhD, as Chief Scientific Officer. Dr. Palmantier joins Genticel from GSK Vaccines, where he was most recently Senior Director, R&D, for the global portfolio of immunotherapies for chronic

diseases. Dr. Palmantier will support the Company's strategy to expand its pipeline of innovative immunotherapies and to target various types of infectious diseases and cancers, beyond its advanced program of HPV immunotherapeutics.

- Evaluation by GENTICEL of the HPV cobas test of Roche Molecular Systems in preparation of GTL001's Phase III

On 7 January 2016, the Company announced an agreement with Roche Molecular Systems Inc. to evaluate Roche's cobas® HPV Test in preparation for the planned Phase 3 trial of GTL001. The cobas® HPV Test is currently the only HPV assay which is both EU-labeled and FDA-approved and provides specific genotyping information, notably for HPV 16 and 18, the highest-risk types targeted by GTL001. The ability to evaluate this broadly available commercial test is an important milestone that will help the Company anticipate requirements for the planned Phase 3 programs of GTL001 and identify the patient population that will benefit most from treatment.Preliminary results 12 months after Phase II of GTL001, the immunotherapeutic candidate HPV of GENTICEL

- Genticel reports initial results at 12 months from Phase 2 trial of HPV immunotherapeutic candidate, GTL001

On January 27, 2016, Genticel announced initial results from the ongoing randomized, double-blind, placebo controlled Phase 2 clinical study of its immunotherapeutic candidate, GTL001, designed to clear HPV 16 and/or 18 infection. While there was no statistical difference in viral clearance between treatment and placebo in the overall study population at 12 months, there was a clear separation in 2 predefined subgroups, namely patients with normal cytology and patients less than 30 years old at baseline. The independent DSMB (Data Safety and Monitoring Board) recommended on January, 26, 2016, the continuation of the study per protocol. The positive results obtained in the subgroup of patients with normal cytology are particularly interesting to Genticel because this subgroup coincides with the population evaluated in the Phase 1 study, which already showed a trend of efficacy, and because patients with normal cytology represent at least 70% of the overall target population. Further data will be collected at 15, 18 and 24 months. The next information will be reported in Q3 2016 and will provide viral clearance data at 15 and 18 months.

3.1.5 FORESEEABLE DEVELOPMENT AND FUTURE OUTLOOK

At the date of writing, the collection and analysis of figures corresponding to Phase II of the GTL001 trial are ongoing (refer to Section 3.1.4 Significant events after the reporting period).

GTL001 is today halfway through a 24-month proof of concept Phase II trial. The results at 12 months, announced on 27 January 2016, are yet to show a significant difference in viral clearance in the overall population between treatment and placebo, despite encouraging results having been obtained, in particular in a pre-defined sub-group representing over 70% of the target population of women infected by HPV 16/18, the sub-group of patients with normal cervical cytology (NILM).

The Company will release in the third trimester of 2016 the results at 15 and 18 months, and in the first trimester of 2017 the Phase II trial results at 24 months, which is ongoing in Europe, as well as the results of the Phase I trial ongoing in the United States, anticipated for the third trimester 2016.

The Company's available cash, the repayable advances, anticipated research tax credits as well as other financing, notably in shareholders' equity, to which it has access, will thus allow the Company to ensure the progress of its activities and to secure its financing until the end of 2017.

3.2 PRESENTATION OF FINANCIAL STATEMENTS AND APPROPRIATION OF THE RESULT

3.2.1 ANALYSIS OF IFRS ACCOUNTS

In order to satisfy its communication needs towards investors since its initial public offering, the Company publishes its annual financial statements in accordance with the IFRS standards. The notes to financial statements linked to the Company's accounts are presented in Chapters 4 and 5 of the 2015 annual financial report.

3.2.1.1 Income statement 2015

STATEMENT OF COMPREHENSIVE INCOME (Amount in euros)	31/12/2015 12 months	31/12/2014 *revised** 12 months	31/12/2014 published 12 months
Revenue	-	-	-
Cost of sales	-	-	-
Gross margin	**-**	**-**	**-**
Other income	177 742	-	-
Net R&D expenses			
R&D Expenses	(10 935 343)	(11 189 788)	(10 793 686)
Subsidies	2 940 037	2 904 002	2 785 172
General and administrative expenses	(3 599 155)	(2 762 748)	(2 762 749)
Operating income	**(11 416 719)**	**(11 048 534)**	**(10 771 263)**
Financial expenses	(64 535)	(85 167)	(85 167)
Financial income	287 931	189 882	189 882
Pre-tax profit (loss)	**(11 193 323)**	**(10 943 819)**	**(10 666 547)**
Corporate income tax	-	-	-
Net profit	**(11 193 323)**	**(10 943 819)**	**(10 666 547)**
Group share	*(11 193 323)*	*(10 943 819)*	*(10 666 547)*
Non-controlling interests	-	-	-
Earnings per share			
Weighted average number of outstanding shares	15 463 263	13 801 002	13 801 002
Basic earnings per share (€/share)	**(0,72)**	**(0,79)**	**(0,77)**
Diluted earnings per share (€/share)	**(0,72)**	**(0,79)**	**(0,77)**

* *Refer to Note 2.2 Correction of error of the Notes to the IFRS Accounts*

3.2.1.1.1 Revenue and operating revenue

On 2 February 2015, the Company entered into a licensing agreement with the pharmaceutical company Serum Institute of India Ltd. (SIIL) relative to its Vaxiclase technology for SIIL to develop acelullar and multivalent vaccines containing antigens for whooping cough.

In return for the access 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, as well as royalties as a percentage of net sales.

An initial payment (US$100 K) as well as a stage payment corresponding to the delivery of the technical plan (US$100 K) have been invoiced pursuant to this contract in the year 2015, amounting to a recorded €178 k (see “other income” in the income statement 2015).

3.2.1.1.2 Operating expenses per function

R&D expenses

The Company conducts R&D activities aimed to developing therapeutic vaccines GTL001 and GTL002 for women infected by High Risk Human Papillomavirus (“HPV”).

In 2015, the Company focused its research efforts on continuing the evaluation of the clinical efficacy in humans (Phase II) of its first candidate product GTL001 and on designing a 2nd generation product in the same therapeutic area but with the goal of protecting a growing number of patients at confirmed risk of cervical cancer.

Over the reporting periods presented here, the Company has devoted a major part of its resources to developing its products.

Research costs are systematically recorded as expenses.

Because of the risks and uncertainties involved in the R&D process and in obtaining regulatory authorization, the six criteria for capitalizing expenses according to IAS 38 are considered not to be satisfied until the drug marketing authorization (“AMM”) is obtained. Consequently, internal development expenses incurred before obtaining a marketing authorization, mainly consisting of clinical trial costs, are recognized under R&D expenses at the point that they are incurred..

The R&D expenses for the reported fiscal periods break down as follows:

RESEARCH AND DEVELOPMENT (Amount in euros)	**31/12/2015**	**31/12/2014 *revised****	**31/12/2014 published**
Raw materials and consumables	(131 624)	(162 959)	(162 959)
Studies and services	(6 946 649)	(7 310 222)	(6 914 120)
Maintenance and repair	(68 735)	(62 803)	(62 803)
Travel, assignments and entertainment	(83 889)	(88 837)	(88 837)
Other outsourced services	(42 160)	(39 169)	(39 169)
Personnel expense	(2 765 547)	(2 695 210)	(2 695 210)
Royalties and patents	(336 190)	(216 624)	(216 624)
Depreciation of assets	(2 741)	(2 741)	(2 741)
Share-based payments	(557 808)	(611 224)	(611 224)
Research & Development expenses	**(10 935 343)**	**(11 189 788)**	**(10 793 686)**
Research tax credit	2 917 424	2 718 920	2 600 089
Subsidies	0	130 182	130 182
OSEO advances	22 613	54 901	54 901
Subsidies	**2 940 037**	**2 904 002**	**2 785 172**

R&D expenses mainly consist of the following:

- personnel expense for the R&D director and engineers (increase of €0,1 M in comparison to 2014 essentially explained by the recruitment of two supplementary engineers on fixed-term contracts) ;
- materials consumed as part of the R&D work ;
- expenses incurred for studies, tests, trials, clinical batches show a decrease of €0,4M in relation to the previous year (revised) as the continuation of Phase II for GTL001 in Europe in 2015 cost the Company less than its initiation in 2014 ; this reduction in expenses having been partly compensated by the setting up and starting of a Phase I trial in the United States for GTL001 ;
- costs incurred to protect patents and trademarks (on increase of €0,1 M in relation to 2014).

The receivable research tax credit amounts to €2,9M in 2015, thus showing an increase of €36 k in comparison with the previous year (corrected).

General and administrative expenses

General and administrative expenses over the course of the reported fiscal periods break down as follows:

ADMINISTRATIVE EXPENSES (Amount in euros)	**31/12/2015**	**31/12/2014**
Rental of movable and immovable property	(182 935)	(175 622)
Maintenance and repair	(72 628)	(61 596)
Insurance	(125 107)	(108 729)
Fees, legal and ownership	(1 561 860)	(654 995)
IPO-related expenses	0	(214 592)
Advertising	(121 745)	(82 552)
Travel, assignments and entertainment	(244 736)	(172 210)
Other outsourced services	(151 770)	(195 494)
Levies and taxes	(53 541)	(49 841)
Personnel expense	(648 730)	(589 807)
Attendance fees	(100 000)	(110 667)
Depreciation of assets	(53 215)	(33 230)
Share-based payments	(282 887)	(313 414)
Administrative expenses	**(3 599 155)**	**(2 762 749)**

General and administrative expenses mainly consist of:

- rent for premises in Toulouse and Paris ;
- insurance ;
- lawyers' fees and external consultants' fees on increase of €0,9 M essentially due to the increase of administrative expenses related to the Company's stock exchange listing fees (€0.3 M), of expenses connected with the re-evaluation of the commercial potential of GTL001 (€0.2 M) and the temporary increase of the cost of managing the Company's intellectual property (€0.2 M). Only the increase of stock exchange listing fees has a recurrent character ;
- compensation paid to employees, general management, and non-executive corporate officers ;
- travel expenses ;
- 2014 IPO-related expenses.

3.2.1.1.3 Financial profit (loss)

FINANCIAL INCOME AND EXPENSES (Amount in euros)	31/12/2015	31/12/2014
Other financial expenses	-56 645	-84 317
Other financial income	280 090	189 633
Translation gains (losses)	-48	-601
Total financial income and expenses	**223 396**	**104 715**

Financial profit (loss), excluding gains and losses on currency exchange, consists of:

- financial expenses consisting of interest on bonds and the undiscounting of repayable advances in 2015 ;
- interest income on financial investments and the recognition of unrealized gains at their NAV value.

The Company is not significantly exposed to interest rate risk, to the extent that:
- its cash instruments consist mainly of bank accounts ;
- short-term investments consist mainly of fixed-rate interest-bearing term deposits ;
- it has no variable-rate debts.

The Company does not enter into speculative financial investment.

3.2.1.1.4 Corporate income tax

The Company has not posted any corporate income tax.

As at 31 December 2015, the Company's had indefinitely deferrable tax losses in France amounting to 64 M€. The deferrable losses are limited to 50% of taxable income for the period, and are applicably only to the portion of profit that exceeds €1 million. The unused remainder of the loss remains deferrable in subsequent years, and is imputable under the same conditions, with no time limitation.

The tax rate applicable to the Company is the currently applicable rate in France, which is 33.33%.

Deferred tax assets are recognized as deferrable tax losses, when it is probable that the Company will have future taxable profits to which those unused tax losses could be applied. Under this principle, no tax assets can be posted to the Company's accounts that exceed deferred tax liabilities.

3.2.1.1.5 Basic earnings per share

Basic earnings per share are calculated by dividing the net income attributable to Company shareholders by the weighted average number of the shares in circulation in the fiscal year.

BASIC EARNINGS PER SHARE (Amount in euros)	31/12/2015	31/12/2014 *revised**	31/12/2014 published
Profit (loss) for the period	(11 193 323)	(10 943 819)	(10 666 547)
Weighted average number of outstanding shares	15 463 263	13 801 002	13 801 002
Basic earnings per share (€/share)	**(0,72)**	**(0,79)**	**(0,77)**
Diluted earnings per share (€/share)	**(0,72)**	**(0,79)**	**(0,77)**

3.2.1.2 Analysis of financial position (balance sheet) as of 31 December 2015 – IFRS accounts

STATEMENT OF FINANCIAL POSITION (Amount in euros)	31/12/2015	31/12/2014 *revised**	31/12/2014 published
ASSETS			
Intangible assets	54 017	19 131	19 131
Property, plant and equipment	155 874	94 863	94 863
Other non-current financial assets	5 290 657	10 189 293	10 189 293
Total non-current assets	**5 500 549**	**10 303 287**	**10 303 287**
Inventories	52 560	31 469	31 469
Other receivables	3 653 694	3 140 066	3 021 235
Current financial assets	5 021 938	12 557 243	12 557 243
Cash and cash equivalents	11 659 829	10 170 051	10 170 051
Total current assets	**20 388 021**	**25 898 828**	**25 779 998**
Total assets	**25 888 570**	**36 202 115**	**36 083 284**
LIABILITIES			
Shareholders' equity			
Capital	1 554 109	1 544 024	1 544 024
Additional paid-in capital	48 420 039	48 112 032	48 112 032
Other comprehensive income	4 948	(117 555)	(117 555)
Reserves – Group share	(18 451 210)	(8 377 776)	(8 377 776)
Result – Group share	(11 193 323)	(10 943 819)	(10 666 547)
Shareholders' equity, Group share	**20 334 563**	**30 216 905**	**30 494 177**
Non-controlling interests		0	0
Total shareholders' equity	**20 334 563**	**30 216 905**	**30 494 177**
Non-current liabilities			
Employee benefit obligations	322 060	379 718	379 718
Non-current financial debt	1 900 781	1 645 793	1 645 793
Non-current liabilities	**2 222 842**	**2 025 510**	**2 025 510**
Current liabilities			
Current financial debt	621 347	511 841	511 841
Trade payables and related accounts	1 886 424	2 662 777	2 266 675
Tax and social security liabilities	821 340	784 358	784 358
Other creditors and miscellaneous liabilities	2 055	723	723
Current liabilities	**3 331 166**	**3 959 699**	**3 563 597**
Total liabilities	**25 888 570**	**36 202 115**	**36 083 284**

3.2.1.2.1 Non-current assets

NON-CURRENT ASSETS (Amount in euros)	31/12/2015	31/12/2014
Intangible assets	54 017	19 131
Property, plant and equipment	155 874	94 863
Other non-current financial assets	5 290 657	10 189 293
Total non-current assets	**5 500 549**	**10 303 287**

Intangible assets consist mainly of acquired patents and software.

Tangible assets mainly consist of laboratory equipment, computer equipment, and facilities and amenities in premises in Paris.

Other non-current financial assets consist of mainly the following:

- a capitalization contract signed on 18 August 2014 of an initial value of €5,000 K with Natixis Life (Luxembourg) ;
- a cash reserve connected to the liquidity contract ; and
- deposits for commercial property leases.

The amount of non-current financial assets has varied from 2014 to 2015 due to term-deposits which, at the end of 2014, had a duration of over twelve months, are now at the end of 2015 repayable in twelve months' time. They are presented as part of the current financial assets.

3.2.1.2.2 Acquisition of assets

The past fiscal year saw a total amount of €151,853 in acquisition of assets. This amount consists of mainly the following:

- property, plant and equipment in the amount of €112,727, mainly corresponding to the acquisition of laboratory equipment ;
- intangible assets, in the amount of €39,126, corresponding to the investments connected to the setting up of a new financial system.

3.2.1.2.3 Current assets

CURRENT ASSETS (Amount in euros)	31/12/2015	31/12/2014 *revised**	31/12/2014 published
Inventories	52 560	31 469	31 469
Other receivables	3 653 694	3 140 066	3 021 235
Current financial assets	5 021 938	12 557 243	12 557 243
Cash and cash equivalents	11 659 829	10 170 051	10 170 051
Total current assets	**20 388 021**	**25 898 828**	**25 779 998**

Inventories are mainly raw materials and consumables.

Other receivables include mainly:

- the research tax credits identified for the reporting periods (€2,718 K in 2013 (revised) and €917 K in 2015) which have been repaid, or must be repaid, in the next fiscal year;
- deductible VAT or VAT credits ;
- accrued expenses, mainly for insurance and clinical trials.

Current financial assets include term deposits maturing in less than a year.

Cash and cash equivalents consist of bank accounts and term deposits maturing in less than 3 months.

3.2.1.2.4 Shareholders' equity

SHAREHOLDERS' EQUITY (Amount in euros)	31/12/2015	31/12/2014 *revised**	31/12/2014 published
Capital	1 554 109	1 544 024	1 544 024
Additional paid-in capital	48 420 039	48 112 032	48 112 032
Other comprehensive income	4 948	-117 555	-117 555
Reserves – Group share	-18 451 210	-8 377 776	-8 377 776
Result – Group share	-11 193 323	-10 943 819	-10 666 547
Shareholders' equity, Group share	**20 334 564**	**30 216 905**	**30 494 177**
Non-controlling interests			
Total shareholders' equity	**20 334 564**	**30 216 905**	**30 494 177**

The Company's share capital at 31 December 2015 was of €1,554,108.60 made up of 15,541,086 fully subscribed and paid-up shares each with a nominal value of €0.10.

The net change in the Company's share capital mainly results from annual losses reflecting the Company's research and development efforts.

3.2.1.2.5 Non-current liabilities

NON-CURRENT LIABILITIES (Amount in euros)	31/12/2015	31/12/2014
Employee benefit obligations	322 060	379 718
Non-current financial debt	1 900 781	1 645 793
Non-current liabilities	**2 222 842**	**2 025 510**

Employee benefits and obligations consist of a provision for severance pay on retirement.

The non-current financial debt comprises the non-current component of the repayable advances granted by OSEO (HPV, ProCervix (GTL001) and Magenta). (cf. Note 12.2 of the Notes to the IFRS financial statements for more details concerning the repayable advances).

3.2.1.2.6 Current liabilities

CURRENT LIABILITIES (Amount in euros)	31/12/2015	31/12/2014 *revised**	31/12/2014 published
Current financial debts	621 347	511 841	511 841
Trade payables and related accounts	1 886 424	2 662 777	2 266 675
Tax and social security liabilities	821 340	784 358	784 358
Other creditors and related accounts	2 055	723	723
Current liabilities	**3 331 166**	**3 959 699**	**3 563 597**

Current financial debts mainly include the current component of the repayable advances granted by OSEO (cf. Note 12.2 of the Notes to the IFRS financial statements for more details concerning the repayable advances).

3.2.1.3 Funding received

The Company will file a research tax credit application ('CIR') for the year 2015, as it has done in previous years. In 2015, the Company will have received €2,636 k in CIR from the previous fiscal year. The research tax credit pertaining to the 2015 fiscal year has been recorded to amount to €2,917 k under the "Subsidies" category in the income statement (further details in Note 16 to IFRS financial statements) and under the "Other receivables" category of the statement of financial position.

The Company has otherwise received, on 29 October 2015, €853,099 from Bpifrance on behalf of OSEO 4 – Magenta, recorded under the categories "Non-current financial debts" and "Current financial debts" in the liabilities section of the statement of financial position.

Throughout the reference period, the Company proceeded to inject capital on several occasions on 5 August, 10 September, 4 November and 3 December 2015 (refer to paragraph 4.4 for the final amount of this increase in capital) pursuant to the exercise of BSPCE by its employees observed by the Management Board.

3.2.1.4 The Company's situation of indebtedness

Three repayable advances agreements were entered into with OSEO in 2011 and 2014, respectively on 09/03/2011 as part of the "development and clinical trials of a cancer vaccine", on 11/01/2013 as part of the "extension of Phase I clinical trials of ProCervix (GTL001)" and on 07/03/2013 as part of the global strategic industrial innovation project "Magenta", continued in 2015.

The table below outlines the change in repayable advances:

CHANGE IN REPAYABLE ADVANCES (Amount in euros)	OSEO 2 - HPV	OSEO 3 – ProCervix (GTL001)	OSEO 4 - Magenta	OSEO 4 - Magenta Subsidies	Total
At 31 December 2013	**1 298 569**	**311 005**	**104 393**	**-**	**1 713 967**
(+) Encashments		481 663	220 679	128 532	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)	(128 532)
At 31 December 2014	**1 092 371**	**718 380**	**319 363**	**-**	**2 130 113**
(+) Encashments			853 099		853 099
(-) Repayments	(400 000)	(95 600)			(495 600)
Subsidies			(22 613)		(22 613)
Financial expenses	34 828	18 479	3 035		56 343
(+/-) Other movements					-
At 31 December 2015	**727 199**	**641 259**	**1 152 884**	**-**	**2 521 342**

The table below sets out the breakdown of repayable advances by maturity date:

REPAYABLE ADVANCES BY MATURITY DATE (Amount in euros)	OSEO 2 - HPV	OSEO 3 – ProCervix (GTL001)	OSEO 4 - Magenta	OSEO 4 - Magenta Subsidies	Total
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 31 December 2015	**727 199**	**641 259**	**1 152 884**	**-**	**2 521 342**
Component < 1 year	489 051	131 510			620 561
Component 1 ≥ 5 years	238 148	509 749	1 152 884		1 900 781
Component > 5 years					

The details of the repayable advances and their respective conditions of repayment are outlined in Note 12.2 Repayable advances and subsidies of the Notes to the IFRS financial statements and in Note 4.4. Other equity of the Notes to the financial accounts prepared to French standards of the present document.

3.2.1.5 Change in Working Capital Requirements (WCR)

The change in WCR over the reference period evidences an increase in the need of an amount of €1,265,995, which mainly stems from the change in the positions of "Trade payables" and "Other receivables" in the balance sheet.

Breakdown of change in WCR (Amount in euros)	31/12/2015	31/12/2014 *revised**	31/12/2014 published
Other non-current financial assets	(6 763)	17 410	17 410
Inventories (net of inventory impairment)	21 091	(12 946)	(12 946)
Other receivables	513 628	588 411	469 580
Trade payables and related accounts	776 353	(740 742)	(344 640)
Tax and social security liabilities	(36 982)	(192 387)	(192 387)
Other creditors and miscellaneous liabilities	(1 332)	18 449	18 449
Total change	**1 265 995**	**(321 805)**	**(44 534)**

3.2.2 ANALYSIS OF THE COMPANY'S ACCOUNTS

The totality of the accounts drawn up in accordance with French laws as well as relates notes are presented in Chapters 6 and 7 of the Annual Financial Report 2015.

3.2.2.1 Proposed allocation of losses

After deducting all expenses, taxes and depreciation, the Company's results in accordance with French generally accepted accounting principles (see Section 6.2 of the present document) was a loss of (€10,567,153) which we propose to carry forward.

3.2.2.2 Dividend policy

In accordance with Article 243 and following of the French General Tax Code, the Company reports that no dividend has been paid for the last three fiscal years.

There is no intention to initiate a policy to pay dividends in the short term given the Company's state of development.

3.2.2.3 Non tax deductible expenses

In accordance with Article 223-3 of the French General Tax Code, non-tax-deductible expenses and sumptuary spending in the sense of Article 39-4 were zero in the fiscal year ended 31 December 2015.

3.2.2.4 Information on supplier payment terms

In accordance with Articles 441-6 and D.441-4 of the French Commercial Code, we present the reader with the following information on supplier payment terms.

The breakdown of trade payables by due dates is outlined below, on the basis of maturity dates negotiated with suppliers:

	31/12/2015	31/12/2014
Total supplier debt	530 338	1 185 509
Due by 31 January	530 338	1 185 509

3.2.2.5 Table of results of the five previous fiscal years

Annex 2 to the present report provides, in accordance with the provisions of Article R.225-102 of the French Commercial Code, a table outlining the Company's results for the past five fiscal years.

3.2.2.6 Subsidiaries and shareholdings

NONE

3.3 INFORMATION ON THE COMPANY'S LEGAL AFFAIRS

3.3.1 REGULATED AGREEMENTS AND COMMITMENTS

(Article L225.38 of the French Commercial Code)

The Company points out that the conclusion in 2 December 2015 of an amendment of the employment contract of Ms. Marie-Christine Bissery, Management Board member, had the objective of granting Ms. Marie-Christine Bissery the new role of Development Director as part of the separation of the Research Director role into a Development Director position and a Scientific Director position; a separation made necessary by the maturity of the Company's projects.

The Company specifies that this agreement was communicated to the statutory auditors to assist in the production of their corresponding special report.

In addition, the Company points out that the following agreements were tacitly renewed:

- The consulting contract of Mr. Hoch, member of the Supervisory Board, and
- The consulting contract of Mr. Hercend, Chairman of the Supervisory Board.

The Company notes that the terms and conditions of these agreements were identical to the previously existing contracts, namely:

- that in exchange for his services, Mr. Hoch would receive a compensation of 3 000 euros per day of consulting work, with costs;
- that in exchange for his services, Mr. Hercend would receive a compensation of 15 000 euros per quarter.

The Company indeed benefits from Mr. Hoch's advice in the field of evaluation of the commercial potential of its products, which constitutes an essential aspect of the value of the projects led by the Company. As regards Mr. Hercend, the Company benefits of his advice in the field of immunology (Mr. Hercend is a doctor of medicine and doctor in immunology).

Finally, the Company points out that the following agreements, concluded in previous fiscal years, have continued:

- employment contract with Mr. Timmerman, Chairman of the Company's Management Board ;
- employment contract with Mr. Koch, member of the Company's Management Board.

3.3.2 INFORMATION ABOUT CORPORATE OFFICERS AND CONTROL OVER THE COMPANY

3.3.2.1 Compensation paid to corporate officers

Table 1: Summary of compensation, share subscription warrants (BSA), and founders' warrants (BSPCE) granted to executive corporate officers.

Details of compensation, options and shares granted to executive corporate officers		
	Fiscal year 2014	**Fiscal year 2015**
Benedikt Timmerman – Chairman of the Management Board – CEO		
Compensation due for the year *(detailed in Table 2)*	254 645 €	215 939 €
Value of multi-year variable compensation granted in the year	- €	- €
Value of options allocated during the year *(detailed in Table 4)*	463 096 €	- €
Value of free shares allocated during the year *(detailed in Table 6)*	- €	- €
Total	**717 741 €**	**215 939 €**
Martin Koch – member of the Management Board – CFO		
Compensation due for the year *(detailed in Table 2)*	200 533 €	173 075 €
Value of multi-year variable compensation granted in the year	- €	- €
Value of options allocated during the year *(detailed in Table 4)*	297 705 €	- €
Value of free shares allocated during the year *(detailed in Table 6)*	- €	- €
Total	**498 238 €**	**173 075 €**
Marie-Christine Bissery – member of the Management Board – R&D Director		
Compensation due for the year *(detailed in Table 2)*	223 374 €	192 011 €
Value of multi-year variable compensation granted in the year	- €	- €
Value of options allocated during the year *(detailed in Table 4)*	181 931 €	- €
Value of free shares allocated during the year *(detailed in Table 6)*	- €	- €
Total	**405 305 €**	**192 011 €**
Sophie Olivier – member of the Management Board – Chief Medical Officer		
Compensation due for the year *(detailed in Table 2)*	216 954 €	231 774 €
Value of multi-year variable compensation granted in the year	- €	- €
Value of options allocated during the year *(detailed in Table 4)*	330 783 €	- €
Value of free shares allocated during the year *(detailed in Table 6)*	- €	- €
Total	**547 737 €**	**231 774 €**

Table 2: Summary of compensation granted to executive corporate officers

The following tables show the compensation due to the executive corporate officers for the fiscal years ended 31 December 2014 and 2015 and the compensation received by them during those years.

Summary of compensation granted to executive corporate officers				
	Fiscal year 2014		Fiscal year 2015	
	amounts due (1)	amounts paid (2)	amounts due (1)	amounts paid (2)
Benedikt Timmerman – Chairman of the Exec Board – CEO				
Fixed compensation	158 218 €	158 218 €	180 846 €	180 846 €
Annual variable compensation	51 000 €	34 786 €	19 450 €	51 000 €
Multi-year variable compensation	- €	- €	- €	- €
Non-recurring compensation	40 000 €	40 000 €	- €	- €
Attendance fees	- €	- €	- €	- €
Benefits in kind (3)	5 427 €	5 427 €	15 643 €	15 643 €
TOTAL	**254 645 €**	**238 431 €**	**215 939 €**	**247 489 €**
Martin Koch – Member of the Exec Board – Chief administrative & financial officer				
Fixed compensation	129 033 €	129 033 €	150 500 €	150 500 €
Annual variable compensation	31 500 €	20 751 €	22 575 €	31 500 €
Multi-year variable compensation	- €	- €	- €	- €
Non-recurring compensation	40 000 €	40 000 €	- €	- €
Attendance fees	- €	- €	- €	- €
Benefits in kind (3)	- €	- €	- €	- €
TOTAL	**200 533 €**	**189 784 €**	**173 075 €**	**182 000 €**
Marie-Christine Bissery – Member of the Exec Board – R&D Director				
Fixed compensation	165 124 €	165 124 €	170 654 €	170 654 €
Annual variable compensation	38 250 €	38 843 €	21 356 €	38 250 €
Multi-year variable compensation	- €	- €	- €	- €
Non-recurring compensation	20 000 €	20 000 €	- €	- €
Attendance fees	- €	- €	- €	- €
Benefits in kind (3)	- €	- €	- €	- €
TOTAL	**223 374 €**	**223 967 €**	**192 011 €**	**208 904 €**
Sophie Olivier – Member of the Management Board – Chief Medical Officer				
Fixed compensation	170 830 €	170 830 €	206 021 €	206 021 €
Annual variable compensation	46 124 €	- €	25 753 €	46 124 €
Multi-year variable compensation	- €	- €	- €	- €
Non-recurring compensation	- €	- €	- €	- €
Attendance fees	- €	- €	- €	- €
Benefits in kind (3)	- €	- €	- €	- €
TOTAL	**216 954 €**	**170 830 €**	**231 774 €**	**252 145 €**

(1) for the fiscal year.

(2) during the fiscal year.

(3) benefits in kind relate to the subscription to an investment-based life insurance policy and the setting up of a social security scheme.

The granting of bonuses to the Management Board is approved by the Supervisory Board conditionally upon targets being achieved. The targets are set and approved for each fiscal year by the Supervisory Board. They are set up separately for each member of the Management Board, and depend on achieving:

- 70% to 100% of the Company's development targets and deadlines in terms of signing contracts, reaching research programme milestones, etc;
- 0% to 30% of personal objectives such as obtaining financing or reaching research programme milestones.

The variable compensation to Management Board members for any given year is paid in the following year.

The Compensation Committee proposes to the Supervisory Board for its approval the variable and fixed compensation for the members of the Management Board.

Table 3: Attendance fees and other compensation received by non-executive corporate officers

Attendance fees and other compensation received by non-executive corporate officers			
Non-executive corporate officers		Amounts paid in the fiscal year 2014	Amounts paid in the fiscal year 2015 (excl. taxes)
Thierry Hercend – Chairman of the Supervisory Board (1)	Attendance fees	- €	- €
	Other compensation (5)	74 808 €	80 000 €
Dr Gérard Moller – Vice Chairman of the Supervisory Board	Attendance fees	52 000 €	40 000 €
	Other compensation	- €	- €
Ludovic de Meeus d'Argenteuil (2)	Attendance fees	- €	- €
	Other compensation	- €	- €
Edmond de Rothschild Investment Partners represented by Raphaël Wisniewski	Attendance fees	- €	- €
	Other compensation	- €	- €
KURMA LIFE SCIENCES PARTNERS represented by Alain Munoz, then by Philippe Peltier from 2/12/2015 onwards	Attendance fees	- €	- €
	Other compensation	- €	- €
AMUNDI PRIVATE EQUITY FUNDS represented by Alexandre Flageul (3)	Attendance fees	- €	n/a
	Other compensation	- €	n/a
BPI France Investissement represented by Olivier Martinez	Attendance fees	- €	- €
	Other compensation	- €	- €
Dr Didier Hoch	Attendance fees	28 000 €	20 000 €
	Other compensation (6)	- €	6 000 €
Dr Rainer Strohmenger	Attendance fees	- €	- €
	Other compensation	- €	- €
Mary Tanner (4)	Attendance fees	16 667 €	40 000 €
	Other compensation	- €	- €
Caroline Laplane (2)	Attendance fees	n/a	- €
	Other compensation	n/a	- €

(1) Renewed at the Supervisory Board meeting of 17 Mars 2014, until the General Meeting called to approve the financial statements for the year ending 31 December 2019.

(2) Appointment of Caroline Laplane as replacement for Ludovic de Meeus D'Argenteuil whose mandate expired at the General Meeting of 11 June 2015.

(3) Resigned at the Supervisory Board meeting of 11 September 2014.

(4) Appointed at the Supervisory Board meeting of 11 September 2014.

(5) Compensation received as Chairman of the Supervisory Board in the amount of €20,000 and compensation received as part of the consulting contract in the amount of €60,000 (excl. taxes) in 2015.

(6) Compensation received by the Company Hoch Strategy SARL, whose Dr Didier Hoch is the manager for.

Table 4: Ordinary warrants (BSA) and founders' warrants (BSPCE) granted to executive corporate officers by the Company in the fiscal years ended 31 December 2014 and 2015

Founders' warrants (BSPCE) granted to executive corporate officers by the issuer or by a company in the group in 2015						
Name of executive corporate officer	**No. and date of plan**	**Type of warrant (BSA or BSPCE)**	**Valuation of warrants using the Black & Scholes method (in euros)**	**Number of warrants granted**	**Exercise price**	**Exercise period**
None						

Founders' warrants (BSPCE) granted to executive corporate officers by the issuer or by a company in the group in 2014						
Name of executive corporate officer	**No. and date of plan**	**Type of warrant (BSA or BSPCE)**	**Valuation of warrants using the Black & Scholes method (in euros)**	**Number of warrants granted**	**Exercise price**	**Exercise period**
Benedikt Timmerman – Chairman of the Management Board – CEO	BSPCE May 2014 14/05/2014	Founders' warrants	463 096 €	140 000	6,77 €	Until 14/05/2024
Martin Koch – Member of the Management Board – Chief Administrative & Financial Officer	BSPCE May 2014 14/05/2014	Founders' warrants	297 705 €	90 000	6,77 €	Until 14/05/2024
Marie-Christine Bissery – Member of the Management Board – Development Director	BSPCE May 2014 14/05/2014	Founders' warrants	181 931 €	55 000	6,77 €	Until 14/05/2024
Sophie Olivier – Member of the Management Board – Chief Medical Officer	BSPCE May 2014 14/05/2014	Founders' warrants	330 783 €	100 000	6,77 €	Until 14/05/2024

Table 5: Share subscription warrants (BSA) and founders' warrants (BSPCE) exercised by executive corporate officers in the fiscal years ended 31 December 2014 and 2015

Share subscription or purchase options exercised by executive corporate officers in 2015			
Name of executive corporate officer	**No. and date of plan**	**Number of options exercised**	**Exercise price**
Benedikt Timmerman – Chairman of the Management Board – CEO	BSPCE Nov. 2005 30/11/2005	24 200	2,90 €
TOTAL		**24 200**	

Share subscription or purchase options exercised by executive corporate officers in 2014	
TOTAL	None

Table 6: Free shares granted to executive corporate officers during the fiscal years ended 31 December 2014 and 2015

None

Table 7: Free shares that became available to executive corporate officers during the fiscal years ended 31 December 2014 and 2015

None

Table 8: History of grants of ordinary warrants (BSA) or founders' warrants (BSPCE) to executive corporate officers

See the tables in Section 3.3.2.3 of the present document.

Table 9: Ordinary warrants (BSA) or founders' warrants (BSPCE) granted to the 10 highest earning employees who are not corporate officers, and the warrants exercised by them.

FOUNDERS' WARRANTS (BSPCE) GRANTED TO THE TEN HIGHEST-EARNING EMPLOYEES WHO ARE NOT CORPORATE OFFICERS AND THE OPTIONS EXERCISED BY THEM IN 2015	Total number of options allocated/ shares subscribed or purchased	Weighted average subscription price per share	No. and date of plan	Number of founders' warrants allocated/ founders' warrants subscribed or purchased
Founders' warrants granted, during the period, by the issuer and any company included in the scope of founders' warrants allocation, to the top ten employees of the issuer and of any company included in this scope, of which the number of founders' warrants granted is highest (overall information)	50 059 (1)	7,66	BSPCE April 2015 23/04/2015	5 059
			BSPCE July 2015 03/07/2015	45 000
Founders' warrants held on the issuer and above-referenced companies exercised during the year by the top ten employees of the issuer and of these companies, with the highest number of founders' warrants thus purchased or subscribed (aggregate numbers)	76 651 (2)	3,23	BSPCE April 2009 09/04/2009	27 720
			BSPCE Dec. 2010 17/12/2010	28 320
			BSPCE Sept. 2011 30/09/2011	4 500
			BSPCE February 2013 15/02/2013	6 880
			BSPCE Dec. 2013 20/12/2013	6 080
			BSPCE May 2014 14/05/2014	3 151

(1) 2 employees were allocated founders' warrants during the 2015 period.

(2) 8 employees subscribed to founders' warrants during the 2015 period.

FOUNDERS' WARRANTS (BSPCE) GRANTED TO THE TEN HIGHEST-EARNING EMPLOYEES WHO ARE NOT CORPORATE OFFICERS AND THE OPTIONS EXERCISED BY THEM IN 2014	Total number of BSPCE allocated/ BSPCE subscribed or purchased	Weighted average subscription price per share	No. and date of plan	Total number of founders' warrants allocated/ founders' warrants subscribed or purchased
Founders' warrants granted, during the period, by the issuer and any company included in the scope of founders' warrants allocation, to the top ten employees of the issuer and of any company included in this scope, of which the number of founders' warrants granted is highest (overall information)	74 287	6,66	BSPCE May 2014 14/05/2014	66 697
			BSPCE Dec. 2014 09/12/2014	7 590
Founders' warrants held on the issuer and above-referenced companies exercised during the year by the top ten employees of the issuer and of these companies, with the highest number of founders' warrants thus purchased or subscribed (aggregate numbers)	-	-	-	-

Table 10: History of allocations of free shares

None

Table 11

The following table provides a breakdown of compensation terms and other benefits granted to executive corporate officers:

Executive corporate officers	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to be due because of termination or change of function		Indemnities relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Benedikt Timmerman – Chairman of the Management Board – CEO	X		X (1)			X	X (2)	
Start date of mandate:	Most recent renewal date : 22 April 2013							
End date of mandate :	At the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2018.							
Martin Koch – Member of the Management Board – Chief Administrative & Financial Officer	X			X		X		X
Start date of mandate :	Most recent renewal date : 22 April 2013							
End date of mandate :	At the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2018.							
Marie-Christine Bissery – Member of the Management Board – R&D Director	X			X		X	X (3)	
Start date of mandate :	Most recent renewal date : 22 April 2013							
End date of mandate :	At the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2018.							
Sophie Olivier – member of the Management Board – Chief Medical Officer	X			X		X	X (4)	
Start date of mandate :	Appointed 11 September 2014 effective 1 October 2014							
End date of mandate:	At the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2018.							

(1) Benedikt Timmerman benefits from an investment-based life insurance policy.

(2) The non-compete compensation is equal to 50% of the average gross salary received over the course of the last 6 years of service at the Company. Company commitments at 31 December 2015 are €97 K.

(3) The non-compete compensation is equal to 50% of the average gross salary received over the course of the last 6 years of service at the Company. Company commitments at 31 December 2015 are €85 K.

The non-compete compensation is equal to 50% of the average gross salary received over the course of the last 6 years of service at the Company. Company commitments at 31 December 2015 are €103 K

3.3.2.2 Amounts set aside by the Company and its subsidiaries to provide pension, retirement or similar benefits

With the exception of commitments for statutory retirement benefits disclosed in Note 13 in the Notes to the IFRS financial statements for the fiscal years ended 31 December 2014 and 2015 in Section 5 of the present report, the Company has not provisioned any amounts for the payment of pensions, retirement and other benefits for corporate officers.

The Company has not paid arrival or departure bonuses (golden handshakes or parachutes) to corporate officers.

3.3.2.3 Warrants and founders' warrants

3.3.2.3.1 Ordinary warrants (BSA)

	BSA 31-Jul-2008	**BSA$_{2009}$**	**BSA$_{Feb-2010}$**	**BSA$_{Dec-2010}$**	**BSA$_{2013}$**	**BSA$_{Sept-2014}$**	**BSA 2015**
Date d'assemblée	31-juil-2008	24-oct-2008	22-fev-2010	26-oct- 2009	22-avr-2013	7 mars 2014	11 juin 2015
Date of General Meeting	31-Jul-2008	24-Oct-2008	22-Feb-2010	26-Oct- 2009	22-Apr-2013	7 March 2014	11 June 2015
Date of Management Board Decision	-	9-Apr-2009	-	17-Dec-2010	20-Dec-2013	12-Sept-2014	_
Number of BSA authorised	666.670	30.800	10.900	152.500	598.154	2.245.000	675 000
Number of BSA issued	666.670	30.800	2.700	152.500	116.000	35.000	0
Total number of shares subscribable	133.334	30.800	2.700	152.500	116.000	35.000	0
a/w subscribable by members of the Supervisory Board	133.334	30.800	0	152.500	116.000	35.000	0
Supervisory Board members concerned							
Thierry Hercend	-	30.800**	-	152.500	30.000		
Ludovic de Meeus d'Argenteuil	-	-	-		-		
Gérald Möller	-	-	-		51.000		
Edmond de Rothschild Investment Partners	133.334*	-	-		-		
Didier Hoch	-	-	-		35.000		
Mary Tanner	-	-	-		-	35.000	
Number of non-corporate-officer beneficiaries	0	0	1	0	0	0	0
Starting date for exercise of BSA	31-Jul-2008	24-Oct-2009	22-Feb-2010	17 Dec. 2010	19-Dec-2014	11-Sep-2015	
Expiry date of BSA	31-Jul-2018	9-Apr-2019	22-Feb-2020	17 Dec. 2020	20-Dec-2023	12-Sep-2024	
BSA issue price	N/A***	0,001 €	0,001 €	0,001 €	0,20 €	0,58 €	
BSA exercise price	3 €	3 €	3 €	3 €	4 €	5,79 €	
Exercise terms	(1)	(2)	(2)	(2)	(3) (4)	(5) (6)	
Number of shares subscribed at 31-12-2015	0	0	0	0	0	0	
Total number of BSA expired or cancelled at 31-12-2015	0	0	0	0	0	0	
BSA remaining at 31-12-2015	666.670	30.800	2.700	152.500	116.000	35.000	0
Total number of shares subscribable at 31-12-2015	133.334	30.800	2.700	152.500	38.666	11 667	0

* BSA held by the FCPR Biodiscovery II Fund, its management company being Edmond de Rothschild Investment Partners.

** BSA subject to the condition that the holder does not unilaterally decide to quit the post of Chairman of the Supervisory Board or to break the consulting contract he signed with the Company.

*** Each BSA31-Jul-2008 is attached to a P1 share issued by the Company's General Meeting of 31 July 2008.

(1) BSA attached to the 666.670 class P1 preference shares issued by the General Meeting of 31 July 2008. Each BSA (i) is exercisable at any time by its holder and no later than 31 July 2018 and (ii) gives the right to subscribe to one-fifth of a Company share.

(2) The BSA are all exercisable at 31-12-2015.

(3) Up to one-third of the BSA are exercisable at the expiry of each year elapsed counting from 19 December 2013, provided that the holder is still in service at the Company on the anniversary date concerned.

(4) This number counts towards the overall combined ceiling of 598,154 warrants for the BSA2013 and the BSPCEDec-2013.

(5) Up to one-third of the BSA are exercisable at the expiry of each year elapsed counting from 11 September 2014, provided that the holder is still in service at the Company on the anniversary date concerned.

(6) This number counts towards the overall combined ceiling of 2,245,000 warrants for the BSPCE and BSA granted in 2014.

3.3.2.3.2 Founders' warrants (BSPCE)

	BSPCE$_{Nov-2005}$	BSPCE$_{Feb-2007}$	BSPCE$_{Oct-2009}$	BSPCE$_{Dec-2010}$	BSPCE$_{Sep-2011}$	BSPCE$_{June-2012}$	BSPCE$_{Dec-2012}$	BSPCE$_{Feb-2013}$	BSPCE$_{Dec-2013}$	BSPCE$_{Dec-2013}$	BSPCE$_{May-2014}$	BSPCE$_{Dec-2014}$	**BSPCE 2014**	**BSPCE 2015**
Date of General Meeting	28 June 2005	30 June 2006	24-Oct-2008	26-Oct-2009	17 May 2011	26 June 2012	26 June 2012	26 June 2012	22-Apr-2013	22-Apr-2013	7 March 2014	7 March 2014	7 March 2014	11 June 2015
Date of Mgt. Board Meeting	30-Nov-2005	2-Feb-2007	9-Apr-2009	17-Dec- 2010	30-Sept- 2011	-	11-Dec-2012	15-Feb-2013	20-Dec-2013	20-Dec-2013	14 May 2014	9-Dec-2014	23 April 2015	3 July 2015
Number of BSPCE authorised	24.200 *	56.000 *	123.200	310.600	186.600	13.000	173.100	173.100	598.154	598.154	2.245.000	2.245.000	2.245.000	675 000
Total number of BSPCE granted	24.200	28.000	88.460	217.400	13.500	13.000	11.750	19.320	14.000	107.314	481.491	7.590	5 059	45 000
Total number of shares subscribable	24.200	28.000	88.460	217.400	13.500	13.000	11.750	19.320	14.000	107.314	481.491	7.590	5 059	45 000
a/w subscribable by corporate officers	24.200	28.000	36.100	122.000	0	13.000	11.750	0	14.000	75.000	385.000	0	0	0
Corporate officers concerned : Benedikt Timmerman Martin Koch Marie-Christine Bissery Sophie Olivier	 24.200 - - -	 28.000 - - -	 - 5.300 30.800 -	 - 42.500 79.500 -	 - - - -	 - 13.000 - -	 6.325 1.969 3.456 -	 - - - -	 - 14.000 - -	 30.000 20.000 25.000 -	 140.000 90.000 55.000 100.000	 - - - -		
Starting date for exercise of BSPCE	30-Nov-2005	2-Feb-2007	24-Oct-2009	17-Dec-2011	30-Sept-2012	26 June 2013	11-Dec-2013	15-Feb-2014	20-Dec-2013	19-Dec-2014	13 May 2015	8-Dec-2015	23 April 2016	1 July 2016
Expiry date of BSPCE	30-Nov-2015	2-Feb-2017	9-Apr-2019	17-Dec-2020	30-Sept-2021	26 June 2022	11-Dec-2022	15-Feb-2023	20-Dec-2023	20-Dec-2023	14 May 2024	9-Dec-2024	22 April 2025	30 June 2025
Subscription price of one share	2,90 *	2,90 *	3 €	3 €	3 €	3 €	3 €	3 €	4 €	4 €	6,77 €	5,66 €	6,93 €	7.74 €
Exercise terms	(1)	(2)	(3)	(4)	(4bis)	(5)	(5)	(5)	(6) (7)	(6) (8)	(9) (10)	(9) (11)	(12)	(13)
Number of shares subscribed at 31-12-2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total number of BSPCE cancelled or expired	24 2000	0	27 720	57 220	4 500	0	0	8 820	7 476	1.120	14 516	0	0	0
BSPCE remaining at 31-12-2015	0	28.000	60 740	160 180	9 000	13.000	11.750	4 060	1 857	70 423	145 981	2 530	0	0
Total number of shares subscribable at 31-12-2015	0	28.000	60 740	160 180	9 000	13 000	11 750	4 060	1 857	70 423	145 981	2 530	0	0
Total number of shares resulting from the exercise of the BSPCE : 930 512	0	28.000	60 740	160 180	9 000	13.000	11.750	10 500	6 524	106.194	466 975	7.590	5 059	45 000

* Taking into account the 100-for-1 nominal-value split of Company shares decided by the General Meeting of 31 July 2008.

(1) BSPCENov-2005 are all exercisable on the date of this annual financial report.

(2) BSPCEFeb-2007 are all exercisable on the date of this annual financial report.

(3) BSPCEOct-2009 are all exercisable on the date of this annual financial report.

(4) BSPCEDec-2010 are all exercisable on the date of this annual financial report.

(4bis) BSPCESep-2011 are all exercisable on the date of this annual financial report.

(5) The terms and conditions for the exercise of these BSPCE were amended by the General Meeting of 22 April 2013 such that one-third of the BSPCE are exercisable at the expiry of each year elapsed, counting from their allocation by the Management Board.

(6) This number counts towards the overall combined ceiling of 598,154 warrants for the BSPCE2013 and BSA2013 (see Section 21.1.4.2 below).

(7) BSPCE2013 are all exercisable on the date of this annual financial report.

(8) 1/3 of the BSPCE2013 are exercisable at the expiry of each year elapsed counting from 20 December 2013.

(9) This number counts towards the overall combined ceiling of 2,245,000 warrants for the BSPCE and BSA granted in 2014 (See Section 21.1.4.2 below).

(10) 1/3 of the BSPCEMay-2014 will be exercisable at the expiry of each year elapsed counting from 14 May 2014.

(11) 1/3 of the BSPCEDec-2014 will be exercisable at the expiry of each year elapsed counting from 9 December 2014.

(12) 1/3 of the BSPCE April -2015 will be exercisable at the expiry of each year elapsed counting from 23 April 2015

(13) 1/3 of the BSPCE July -2015 will be exercisable from 30 June 2016, with the remaining 2/3 exercisable from 30 June 2017.

3.3.2.4 Share transactions carried out by executive officers

In application of the provisions of Articles 223-22 A and 223-26 of the General Regulations of the FMA, we outline below the transactions carried out by executive officers and the persons mentioned in article L. 621-18-2 of the French Monetary and Financial Code involving Company securities in the past year:

Individuals concerned	Type of transaction	Date of transaction	Number of shares	Nominal value
Edmond de Rothschild Investment Partners	Sale	17/06/2015	1 348	10 856,39
Edmond de Rothschild Investment Partners	Sale	17/06/2015	1 245	10 026,86
Edmond de Rothschild Investment Partners	Sale	17/06/2015	38 398	309 245,97
Edmond de Rothschild Investment Partners	Sale	18/06/2015	1 994	16 051,70
Edmond de Rothschild Investment Partners	Sale	18/06/2015	70	563,50
Edmond de Rothschild Investment Partners	Sale	18/06/2015	65	523,25
Edmond de Rothschild Investment Partners	Sale	19/06/2015	24 383	197 214,58
Edmond de Rothschild Investment Partners	Sale	19/06/2015	856	6 923,50
Edmond de Rothschild Investment Partners	Sale	19/06/2015	790	6 389,68
Benedikt Timmerman	Sale	08/10/2015	4 200	26 460,00
Benedikt Timmerman	Exercise of options	08/10/2015	4 200	12 180,00
Benedikt Timmerman	Sale	12/10/2015	1 000	6 500,00
Benedikt Timmerman	Exercise of options	12/10/2015	1 000	6 500,00
Benedikt Timmerman	Exercise of options	12/10/2015	1 000	2 900,00
Benedikt Timmerman	Sale	13/10/2015	1 000	6 432,40
Benedikt Timmerman	Exercise of options	13/10/2015	1 000	2 900,00
Benedikt Timmerman	Sale	30/10/2015	1 000	6 410,00
Benedikt Timmerman	Exercise of options	30/10/2015	1 000	2 900,00
Benedikt Timmerman	Sale	02/11/2015	719	4 601,60
Benedikt Timmerman	Exercise of options	02/11/2015	719	2 085,10
Benedikt Timmerman	Sale	03/11/2015	281	1 812,45
Benedikt Timmerman	Sale	03/11/2015	1 000	6 450,00
Benedikt Timmerman	Exercise of options	03/11/2015	1 000	2 900,00
Benedikt Timmerman	Exercise of options	03/11/2015	281	814,90
Benedikt Timmerman	Sale	04/11/2015	1 000	6 544,00
Benedikt Timmerman	Exercise of options	04/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	05/11/2015	1 000	6 712,00
Benedikt Timmerman	Exercise of options	05/11/2015	1 000	2 900,00

Individuals concerned	Type of transaction	Date of transaction	Number of shares	Nominal value
Benedikt Timmerman	Sale	06/11/2015	1 000	6 779,90
Benedikt Timmerman	Exercise of options	06/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	09/11/2015	1 000	7 060,00
Benedikt Timmerman	Exercise of options	09/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	10/11/2015	1 000	6 851,00
Benedikt Timmerman	Exercise of options	10/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	11/11/2015	1 000	6 877,30
Benedikt Timmerman	Exercise of options	11/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	12/11/2015	1 000	6 741,90
Benedikt Timmerman	Exercise of options	12/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	13/11/2015	1 000	6 614,60
Benedikt Timmerman	Exercise of options	13/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	16/11/2015	1 000	6 400,00
Benedikt Timmerman	Exercise of options	16/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	17/11/2015	449	2 877,42
Benedikt Timmerman	Exercise of options	17/11/2015	449	1 302,10
Benedikt Timmerman	Sale	19/11/2015	1 000	6 414,00
Benedikt Timmerman	Sale	19/11/2015	551	3 526,40
Benedikt Timmerman	Exercise of options	19/11/2015	551	1 597,90
Benedikt Timmerman	Exercise of options	19/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	20/11/2015	1 000	6 400,00
Benedikt Timmerman	Exercise of options	20/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	23/11/2015	1 000	6 600,00
Benedikt Timmerman	Exercise of options	23/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	24/11/2015	1 000	6 540,00
Benedikt Timmerman	Exercise of options	24/11/2015	1 000	2 900,00
Benedikt Timmerman	Sale	25/11/2015	1 000	6 400,00
Benedikt Timmerman	Exercise of options	25/11/2015	1 000	2 900,00

3.3.2.5 List of exercised mandates

In application of article L. 225-102-1, Annex 3 to the present report outlines the list of mandates held by GENTICEL officers in other companies.

3.3.2.6 Mandates of the Supervisory Board

We remind the reader that:

- the mandate of Bpifrance (represented by Olivier Martinez) will expire at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2015 ;
- the mandate of Ms. Mary Tanner will expire at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2015.

3.3.2.7 Mandates of the statutory auditors

We remind the reader that:

- The mandate of **SYGNATURES**, principal statutory auditor, represented by Laure Mulin, will expire at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2019;
- The mandate of **GRANT THORNTON**, principal statutory auditor, represented by Laurent Bouby, will expire at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2018;
- The mandate of Philippe Benzoni, alternate statutory auditor for SYGNATURES, will expire at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2019;
- The mandate of IGEC, alternate statutory auditor for GRANT THORNTON, will expire at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2018.

3.3.2.8 Prevention of money laundering and terrorist financing

(Directive CE 2005/60)

As part of the Euronext Regulations in force, it is highlighted that GENTICEL, its corporate officers and managing executives comply with Directive CE 2005/60 of the European Parliament and Council relative to the prevention of the use of the financial system for the purpose of money laundering and terrorist financing as well as any related domestic regulations or laws. Moreover, GENTICEL, its corporate and managing executives are not named in the European Union's sanctions list or the list established by the OFAC.

3.3.3 INFORMATION ON THE COMPANY'S SECURITIES

3.3.3.1 Shareholding

In conformity with the provisions set out in Article L. 233-13 of the French Commercial Code and taking into account the information received on the application of the provisions of Articles L.233-7 and L.233-12 of the abovementioned Code, we outline, to the full extent of our knowledge, the identity of the shareholders holding over a twentieth, a tenth, three-twentieths, a fifth, a forth, a third, half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights at 31 December 2015 (after taking into account double voting rights attached to registered shares for the benefit of a sole shareholder for a period going back two years):

Shareholders	At 31/12/2015			
	Number of shares	Number of voting rights	% of share capital	% of voting rights
Edmond de Rothschild Investment Partners	**2 270 168**	**2 270 168**	14,61%	14,62%
IDInvest Partners (Kurma)	**2 170 530**	**2 170 530**	13,97%	13,98%
Wellington Partners	**1 611 857**	**1 611 857**	10,37%	10,38%
Bpifrance (FCPR Innobio)	**1 570 502**	**1 570 502**	10,11%	10,12%
IRDI - Fonds d'amorçage Midi-Pyrénées	**846 201**	**846 201**	5,44%	5,45%
Treasury shares	15 051		0,10%	-
Freely tradable capital	**7 056 777**	**7 056 777**	**45,41%**	**45,45%**
TOTAL	**15 541 086**	**15 526 035**	**100%**	**100%**

3.3.3.2 Employee shareholding

In line with the provisions of Article L. 225-102 of the French Commercial Code, we declare that no Company savings plan has been established for the benefit of the Company's employees.

As of 31 December 2015, employee participation calculated in accordance with the provisions of Article L.225-102 of the French Commercial Code is of 0%.

3.3.3.3 Share transactions carried out by the Company

We are equally required to give full account of purchase or sale transactions by the Company of its own shares in order to regulate such transactions in conformity with article L.225-209-1 of the French Commercial Code.

Throughout the fiscal year ending 31 December 2015, the Company realized share transactions as part of the liquidity contract signed for a period of one year with an external investment services provider.

At 31 December 2015, the Company held 15,051 of its own shares, i.e. 0.10% of the share capital, purchased for a total cost price of €6,39.

The shares sold as part of the liquidity contract resulted in a gain of net added value amounting to €29,783 throughout the 2015.

The table below provides a summary of the situation.

ITEM	31/12/2015
Initial payment on 22/04/2014	200.000 €
Total loss realized on disposals in fiscal year 2015	+ 29.783 €
Account heading (line 277100 « treasury shares »)	
- Number of treasury shares	15.051
- Cost price of treasury shares	96.173 €
- Closing price of treasury shares	6,68 €
Cash account (line 276100 « Other capitalized receivables »)	116.748 €
Unrealized gain as of 31/12/2015	4.268 €
Unrealized loss identified and provisioned 2014	721 €

3.3.3.4 Types of securities giving access to capital

We have provided the breakdown of securities giving access to capital of continuing validity as of 31 December 2015 in the tables available in Section 3.3.2.3 of the present report. In total, these securities permit subscription to 1,410,487 new shares – 470,334 shares by exercise of BSA and 940,153 by exercise of BSPCE (9,1% of the existing capital at 31 December 2015).

3.3.3.5 Equity and controlling interests

In conformity with the provisions of Articles L.233-6 et L.247-1 of the French Commercial Code, the Company underlines that it did not acquire any equity or controlling interests throughout the 2015 fiscal period.

3.3.3.6 Table of authorizations granted to the Management Board to increase capital

In compliance with the provisions of Article L.225-100 of the French Commercial Code, you will find in Annex 4 to the present report, the summary table of authorizations of continuing validity granted by the General Meeting to the Management Board with the purpose of increasing capital through operation of Articles L.225-129-1 and L.225-129-2 of the abovementioned Code. The table outlines the different uses of these authorizations throughout the reference period.

ANNEXES TO THE MANAGEMENT BOARD'S REPORT

ANNEX 1 – MAJOR RISKS AND UNCERTAINTIES FACED BY THE COMPANY

Investors are advised to take into consideration all the information in this document, including the risk factors described in this annex, before deciding to purchase or subscribe to shares in the Company. In preparing this annex, the Company has reviewed the risks that may have a significant adverse impact on its activity, financial position or its ability to achieve its objectives, and considers that at time of writing no other significant risks exist apart from those presented here.

Investors' attention, however, is drawn to the fact that other risks as yet unknown or whose occurrence has not been considered as at the date of this annex, that may adversely impact the Company, its activity, financial position, profits or outlook, can or could exist.

1. RISKS RELATED TO THE COMPANY'S ACTIVITIY

The Company's future rests on successful clinical development followed by the successful sale or licensing to a third-party manufacturer of the marketing rights for its drug candidate at the most advanced stage of development, which is GTL001 (aka ProCervix in Europe). The Company has put all its efforts into developing its first drug candidate, GLT001. The Company has successfully completed Phase I of the clinical trials and is using the funds raised by its Initial Public Offering (IPO) to finance Phase II clinical trials in Europe and to begin clinical development in the United States. The Company hopes to be able to rely on positive results from those trials to conclude an agreement with an industrial partner who can complete the clinical development and then market GTL001.

The second drug candidate in development by the Company, a multivalent therapeutic HPV vaccine, GTL002 (sometimes previously denoted Multivalent HPV) is still in pre-clinical stage.

The Vaxiclase technology used in GTL002 has not yet been evaluated in humans and has all the risks inherent in drug candidates at this stage of development.
The risk factors presented below disclose the risks and events that may slow, interrupt, render more costly, or completely halt the Company's development projects, as well as the factors that may limit the commercial development of its products, or even cause them to fail.
Should any of these events occur, the impact on the Company's activity, outlook, financial position, profits and growth would be even more drastic as it has no other projects at the present time or in the medium term.

1.1. RISKS RELATED TO THE CLINICAL DEVELOPMENT AND MARKETING OF THE COMPANY'S TWO DRUG CANDIDATES - GTL001 ET GTL002

The development of the Company's two drug candidates – GTL001 and GTL002 – may be delayed or unsuccessful.

The Company is running a pre-clinical programme (GTL001) and a clinical programme (GTL002) that should eventually lead to the marketing, by a third party, of vaccines against high-risk human papillomavirus (HPV) that causes cervical cancer and, in particular, type 16 and 18 HPV for GTL001.

Developing a drug candidate is a long and costly process with an uncertain outcome, and involves multiple phases whose objective is to demonstrate the therapeutic benefit provided by the drug candidate in respect of one or more given indications. Any failure at any pre-clinical or clinical stage in respect of a given indication could delay the development, production and marketing of the therapeutic product concerned or even completely halt its development.

During clinical trials, the Company may encounter difficulties in identifying and recruiting suitable patients. Their suitability could also vary depending on the particular phase of clinical trial. Even if the Company succeeds in recruiting patients for the Phase II clinical trials of its drug candidate GTL001 which are being conducted in Europe, the rate of recruitment of patients for the planned clinical trial in the United States may not be compatible with the Company's financial resources.

In every Phase of clinical development, the Company must apply for authorisation from the governing authorities in the various countries in accordance with its development plan to conduct clinical trials, and then present the results of its clinical trials to those authorities. Authorities may refuse to issue the necessary authorisations for clinical trials, may have additional requirements relating to, for example, study protocols, patient characteristics, treatment duration, post-treatment follow-up, differing interpretations between local regulatory agencies of the results obtained, and may require additional investigations. Any refusal or decision by public health authorities to require additional tests or investigations may interrupt or delay the development of the products concerned. Furthermore, as the therapeutic vaccines have a slow clinical response, the effects expected during a trial may not be visible in the short term. The absence or delay of therapeutic response could also delay, or even interrupt, the development of the Company's drug candidates.

The Company cannot guarantee that its development of drug candidates GTL001 and GTL002 will eventually succeed, *a fortiori* that they will succeed within timelines compatible with its financial resources or market needs. Any failure or delay in developing these products would have a very significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

Lastly, the appearance of side effects that the current state of knowledge cannot identify could lead to a delay or interruption in the development of the Company's drug candidates. Additionally, if after the Company or its partners have obtained Marketing Authorisation (**MA**) for its products, those products show unacceptable or unexplainable side effects during clinical trials, the products may be impossible to sell or license to third parties for marketing, which would have a very significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

The absence of the same type of products on the market creates many unknowns

The Company develops therapeutic vaccines against human papillomavirus. The therapeutic objective is to treat individuals who are infected with the human papillomavirus but who do not present with high-grade or cancerous cervical lesions. As at the date of this *Annual Financial Report*, there are no therapeutic vaccines of this type authorised for marketing by the competent regulatory authorities.

Consequently, the development and profitability outlook for GTL001 and GTL002, their safety, efficacy and acceptance by patients, doctors and payment bodies, are uncertain. The pre-clinical and clinical data on the safety and efficacy of GTL001 and GTL002 is still limited. Not only are tests on animals not necessarily predictive of the results that would be obtained on humans, but the positive results for GTL001 in the first clinical phase, obtained on a limited number of patients, may not be confirmed by subsequent phases on a larger number of patients.

Such a situation would have a very significant adverse impact on the Company's activity, profits, financial position and growth.

1.2. RISKS RELATED TO THE VAXICLASE TECHNOLOGY PLATFORM

The use and even the functioning of the Vaxiclase technology platform could be called into question.

The drug candidate Multivalent HPV currently in development and the products that the Company may subsequently develop are now based on the Vaxiclase technology platform. If the studies conducted on the Multivalent HPV were to reveal safety and/or therapeutic efficacy problems or if using the platform were to infringe the intellectual property rights of a third party, it could call into question the use and functionality of the Vaxiclase technology platform and require further research & development efforts and entail additional costs to resolve those problems with no guarantee of success. As the development of Multivalent HPV and other drug candidates is based on Vaxiclase this would have a significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

1.3. RISKS RELATED TO THE MARKET AND COMPETITION

The Company cannot guarantee the commercial success of the drug candidates that it develops

If the Company and/or one or more of its commercial partners succeed in obtaining an MA allowing them to market the therapeutic products developed by the Company, it may nonetheless take them time to win acceptance by the medical community, care prescribers and third-party payment bodies.

The degree of market acceptance of any of the Company's products will depend on multiple factors, in particular:

- Prescribers' perception of the product's therapeutic benefit.
- Occurrence of adverse reactions to the drug after the MA is obtained.
- Frequency of use of HPV tests in the screening of women infected by HPV 16 and/or 18.
- How easy the product is to use, mainly in administering it.
- Cost of treatment.
- Reimbursement policies of governments and other third parties.

- Effective implementation of a scientific publishing strategy.
- Development of one or more competitive products for the same indication.

The Company and/or its partners may also be adversely affected by current controversies over preventive vaccines or other vaccines that are similar but not competitors of those developed by the Company, which may negatively impact public perception of the therapeutic benefit of such vaccine candidates. The vaccination rate that the Company reasonably expects to achieve is also highly dependent on the vaccination policies put in place by the various jurisdictions in which the Company envisages marketing ProCervix.

Even if ProCervix and other future products that the Company might develop are able to provide a successful therapeutic response to a currently unsatisfied need, poor market penetration resulting from one or more of the factors described above would have an adverse impact on their marketing and on the Company's ability to generate profits under any agreements that it happened to conclude with industrial partners, and this would have an adverse impact on its activity, financial position, profits, outlook and growth. Likewise, the Company cannot guarantee that the assumptions used and explained in Section 6 of this *Document de référence* to assess market characteristics are accurate. Should any or all of these assumptions prove incorrect, the Company may need to change its assessment of the size of the market.

The Company is dependent on the results of ProCervix

ProCervix's stage of development is further advanced than any other Company drug candidate.

The development of ProCervix has required and will continue to require the Company to make heavy investments in time and financial resources, and in the very special attention of highly qualified personnel. Consequently, if the Company does not manage to obtain probative results in the Phase II clinical trials of ProCervix, its outlook and financial position would be very significantly adversely affected.

As the development of alternative products entails substantial R&D effort and major financial investment, the Company cannot guarantee that it will develop such alternative products and end up with a varied portfolio of products that can be substituted for ProCervix. In any case, such potential products would be at a very early stage of development.

The Company cannot guarantee the absence of competitors in its target markets

Many pharmaceutical laboratories, biotechnology companies, institutions, universities and other research bodies are actively engaged in the research, discovery, development and marketing of preventive and therapeutic responses to the treatment of human papillomavirus and in particular types 16 and 18 of that virus. Despite the current absence of significant competitors, the development potential and positive growth of the Company's target market makes probable the arrival of new competitors in that market. Certain enterprises active in the vaccine and/or women's health sector have far greater resources than the Company's and could decide to develop rival products by devoting resources and experience in clinical development, management, manufacturing, marketing and research that are much greater than those of the Company.

However, in the Company's opinion, its drug candidate ProCervix will be a pioneer therapeutic solution for treating infection by the human papillomavirus at an early stage of the illness, a stage where no other therapeutic solution exists today. Despite ProCervix's original positioning and its development stage which it considers more advanced than that of its potential competitors, the Company cannot guarantee that competitors will not develop, over the same period or subsequently, alternative therapeutic solutions making those currently developed less attractive or entirely obsolete or that they will be preferred by medical centres, doctors or patients.

Such events would have a significant adverse impact on the Company's activity, profits, financial position and growth prospects.

1.4. RISKS RELATED TO THE COMPANY'S COMMERCIAL AND STRATEGIC DEVELOPMENT

The Company may not find an industrial partner to continue the clinical development and market ProCervix and, potentially, Multivalent HPV

The Company will have to sign a licensing and distribution partnership with a pharmaceutical establishment to finance the completion of the clinical development of ProCervix and to undertake the clinical development of Multivalent HPV. The Company, therefore, will have to find a partner with sufficient capacity to carry out the Phase III clinical trials internationally, manufacture on an industrial scale, and distribute and market ProCervix and, potentially, Multivalent HPV. If the Company concludes such a partnership, the marketing of its products will thus partly depend on the clinical, industrial, marketing and commercial efforts deployed by its business partner as well as that partner's capacity to produce and sell ProCervix and, potentially, Multivalent HPV. That partner's failure to do so would have adverse consequences on the Company, its growth and outlook.

It is also possible that the Company does not succeed in signing a partnership on reasonable economic terms. Such a situation would have a very significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

The Company cannot guarantee marketing authorisations and other pre-marketing certifications

In Europe, the United States, Japan and many other countries, access to the drug and vaccine market is controlled, and the marketing of drugs like those developed by the Company must be authorised by a regulatory authority.

Although the Company has not encountered any marketing authorisation (MA) problems for a number of years, an MA dossier is built up throughout the development period of a drug candidate. The Company is diligent in continuously complying with good practices in order not to risk its chances of eventually obtaining directly, or through its business partners, an MA for the products it develops (including ProCervix).

The ability of the Company and/or its partners to obtain and maintain an MA for ProCervix as well as for each therapeutic product that the Company may subsequently develop, depends on complying with stringent standards imposed by the regulatory authorities and communicating to those authorities a great deal of information about the new product, such as toxicity, dosage, quality, efficacy and safety. The approval process involves substantial investment while the outcome remains uncertain.

It may prove necessary for the Company and/or its future partners to obtain or maintain a Good Manufacturing Practices (**GMP**) certificate in order to be able to manufacture ProCervix and other therapeutic products that the Company may develop (for clinical trial purposes or in the marketing phase). The Company cannot guarantee that it and/or its partners will obtain or be able to maintain this certificate, or that additional constraints linked to this certificate will not be imposed on them in the future.

If the Company and/or its partners fail to obtain an MA or GMP certificate, they will not be able to manufacture or market the products concerned. Furthermore, a product may not be able to obtain an MA or GMP certificate in a given geographic region, significantly restricting its marketing. Lastly, even if properly obtained, an MA or GMP certificate may be suspended, especially if manufacturing rules are not complied with or if an adverse reaction is discovered.

Should one or more of these risks materialise, they would have a significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

The Company may encounter problems in carrying out external growth operations

As part of its risk diversification strategy, the Company assesses the benefit of potentially acquiring other companies and technologies. Those acquisitions may help or permit the Company to access new vaccines or drugs, new research projects, new geographic regions, or to form synergies with existing businesses.

However, if such acquisitions were to prove necessary, the Company may be unable to complete them on satisfactory terms (primarily pricing), or to efficaciously integrate the newly acquired companies or activities, while achieving its operational targets, cost savings or expected synergies. Furthermore, the Company may not be able to obtain financing for such acquisitions on favourable terms so may need to finance them out of cash that has been allocated to other existing activities.

If the Company encounters problems in setting up or executing its external growth policy, it could affect its ability to achieve its financial targets and develop its market shares, which would have a significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

1.5. RISK OF DEPENDENCY ON THIRD PARTIES IN CLINICAL TRIALS

The Company cannot guarantee the supply of specific raw materials and products necessary for conducting clinical trials and manufacturing its products

The Company depends on third parties to supply the diverse materials and chemical and biological products needed to produce the experimental vaccines for clinical trials and, eventually, the vaccines developed by the Company.

The supply of any of these materials and products may be reduced or interrupted. In such a case, the Company may not be able to find other suppliers of materials and chemical or biological products of acceptable quality and cost and in the appropriate volumes. If a supplier or manufacturer reduces, interrupts or fails to supply its products and materials, the Company will not be able to continue developing and arranging the production and marketing of is products in time and in a competitive manner. Moreover, the Company's materials and products are subject to stringent manufacturing specifications and rigorous testing. Supplier delays in manufacturing these materials and products could impact the Company's ability to complete clinical trials and arrange for the marketing of its products in a profitable manner and within reasonable timelines.

However, if the Company encounters problems in the supply of these materials and chemical or biological products and if it is not able to maintain its existing procurement agreements or to sign new ones to develop and manufacture its products in the future, its activity, outlook, financial position, profits and growth could be significantly affected.

The Company may find itself dependent on its subcontractors

In its development, the Company uses subcontractors primarily to manufacture batches of finished or semi-finished products intended for clinical trials and to manufacture the adjuvant for ProCervix (the 5% Imiquimod cream).

Moreover, to the extent that the Company, at this stage of its development, does not have sufficient resources to conduct all the clinical trials essential for developing the vaccines that it designs, it entrusts the running of the trials to specialist care establishments via firms specialising in the management of clinical trials (Contract Research Organisation - CRO) such as PPD Global Limited (**PPD**). The outsourcing of clinical trials creates risks and costs connected with the selection process for these establishments. Operational problems could also arise, mainly due to the geographical remoteness or dispersion of the clinical trial centres.

Any failure or non-performance by these subcontractors could have consequences on the timeline, or even the very running of the clinical trials for ProCervix, as well as on the quality of the data which must meet stringent standards (Good Manufacturing Practices or the ICH Harmonised Tripartite Guideline for Good Clinical Practice) imposed by supervisory authorities, and thereby delay the marketing of the products.

The Company also cannot guarantee that the amount of potential damages connected with the clinical research of the products that it develops would not be higher than the compensation limit specified in the contracts concluded with CROs such as PPD.

Such events would have a very significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

The Company may find itself dependent on HPV screening techniques

Screening by HPV DNA testing has become much more popular in recent years. Such viral DNA tests are faster and more accurate. The higher sensitivity of HPV tests versus cytological examinations has allowed HPV to be detected especially at the cervix at a earlier stage of infection and, in particular, before the appearance of cervical lesions. The Company's objective is to provide, in the form of ProCervix, a therapeutic solution for HPV 16 and HPV 18 strains, for patients identified in this way.

Although the Company has no particular commercial links with any manufacturer of HPV tests, it could find itself dependent on those tests. In clinical trial phase, if HPV tests prove to be less accurate it could have an adverse impact on the profile of target patients and thus on the development of drug candidates. In

marketing phase, the Company or its partners could be dependent on the strategies of HPV test manufacturers especially among care prescribers and on the frequency of use of HPV tests among the populations targeted by the Company. The positioning that the Company has chosen for ProCervix relies on early screening for the infection by HPV testing.

The Company may lose its right to occupy a premises that it considers important

The Company develops its products at a business incubator, Prologue Biotech, in the Sicoval conurbation (*Communauté d'Agglomération*) on the outskirts of Toulouse. The Company does not own the premises that it uses at Prologue Biotech. On 15 July 2013, Sicoval signed an agreement to make available to the Company premises for its use as laboratories and offices, expiring 31 July 2015. The Company cannot guarantee that this agreement will not be renegotiated or unilaterally terminated by Sicoval, or that it will be renewed upon expiry. If it loses the use of these premises, the Company would have to set up a new laboratory or work under potentially less favourable conditions with its subcontractors. Although the existence of multiple potential subcontractors for each of its activities would allow the Company to continue those activities, replacing them would require adaptation time. Such events could have an adverse impact on the development process and thus on the Company's activity.

2. RISKS RELATED TO TO THE REIMBURSEMENT AND DEREIMBURSEMENTS OF DRUGS AND TREATMENTS

The commercial success of the drug candidates developed by the Company depends partly on government policies on the pricing and reimbursement of drugs.

The conditions for setting the reimbursement prices of drugs are beyond the control of pharmaceutical companies. They are each decided by the competent commissions and public bodies as well as by social agencies or private insurers. Given the current pressure to control health costs in the economic and financial crisis, pressure on sale prices and reimbursement levels is intensifying mainly due to the price controls imposed by many States and the increased difficulty in obtaining and maintaining a satisfactory rate of return on drugs.

When the time comes, the conditions for determining the prices and reimbursement rates of the Company's products will be a key factor in their commercial success. The possibility for the Company to receive royalties from its industrial partner(s) on the sale of its treatments will depend on those conditions for setting prices and reimbursement rates. If the time needed for price negotiations significantly delays the marketing of a Company drug or if it does not obtain an appropriate reimbursement rate, its profitability would be reduced.

The Company can also not guarantee that it will succeed in maintaining, over time, the prices of its drugs or the agreed reimbursement rate. Should it fail to do so, its turnover, profitability and outlook could significantly change.

3. REGULATORY AND LEGAL RISKS

3.1. RISKS RELATED TO THE COMPANY'S PATENT PORTFOLIO

3.1.1 The protection offered by patents and other intellectual property rights is uncertain

The Company may not be able to maintain the protection of its intellectual property rights.

The Company's economic plans and in particular the Phase II development of its drug candidates depend on, among other things, its ability to obtain, maintain and protect, against third parties, its pending and issued patents, trademarks and requests relating to them as well as its other intellectual property and similar rights (such as commercial secrets, business secrets and its know-how) or those it is authorised to exploit as part of its activities.

Also important for the Company's activity is its ability to have similar protection for all its intellectual property rights, and over a sufficiently large geographical area, ie., Europe, the United States and other key countries (Australia, Japan, Brazil, Canada, China, South Korea, India, the Russian Federation and Mexico). The Company devotes major financial and human effort to this, and intends to pursue its protection policy by further patent

registrations as and when it considers opportune. In the Company's opinion, its technology is currently protected effectively by the patents and patent applications it has filed, which it owns fully, co-owns or for which it has exclusive license, notably those granted by the Pasteur Institute.

However, the Company may not be able to maintain the protection of its intellectual property rights. Similarly, the Company may lose its technological and competitive advantage.

The Company's intellectual property rights offer protection with a duration that can vary, for example in the case of a patent, from 20 years counting from the date that the patent application is filed. Currently, since 2002, the Company has an exclusive license on certain patents owned by the Pasteur Institute for its CyaA platform. Some of the patents that the Company uses under this license, in particular the patents for the first family of "Recombinant Mutants for Inducing Specific Immune Responses" have already expired in Europe and are at the point of expiring in other countries. The Company may therefore, in years to come, no longer benefit from general protection on the CyaA platform recombined with an antigen and consequently no longer be protected effectively against competition from new specific vectors developed from adenylate cyclase free of rights. However, the Company would still retain an advantage over its competitors based on its knowledge and use of that platform for over a decade.

The Company may also encounter difficulties in the filing and examination of some of its applications for patents, trademarks or other intellectual property rights currently being reviewed / filed. For example, at the time that a patent application is filed, other patents or patent applications may constitute prior executable rights although they have not been published yet, or even if they have been published the Company may not be aware of them. Despite the Company's searches of prior rights and its ongoing monitoring, it can therefore not be certain that it is the first to file a particular patent application. It should be noted that a patent is typically not published until 18 months after its application has been filed. Similarly, when filing a trademark in a new country where the Company is not covered, it may find that the trademark in question is not available in that country. A new trademark would have to found for that country or an agreement negotiated with the owner of the pre-existing mark. There is thus no certainty that the Company's present and future applications for patents, trademarks and other intellectual property rights will result in their issuance/registration effectively protecting those rights.

Therefore, given the recent nature of the families of patents that the Company fully owns, it is not possible to determine, at this date, the scope of the protection they could reasonably provide.

Specific criteria apply in Europe to protect the therapeutic applications of known or new products. When it is only the therapeutic application that is new, relative to existing knowledge, or when the novelty of the application is new only in terms of treatment conditions (selection of responding patient groups, particular administration regime, etc.), the European Patent Office (**EPO**) demands in principle that concrete evidence be provided in the form of experimental results in order for the application to be granted protection. The EPO also sometimes demands that the unexpected properties of the invention relative to existing state of the art knowledge, be demonstrated in relation to the applications involved. These questions could be posed as part of the examination of the Company's patent applications for the families identified as "tumour treatment tritherapy" (5th family), "multivalent CyaA vaccine" (7th family), "CyaA-D203/CyaA-D93" (8th family) and "multivalent HPV vaccine" (9th family). The scientific results that will be obtained by the Company in coming years could naturally come to support arguments in favour of granting the patents.

The granting of a patent, trademark or other intellectual property rights does not in and by itself guarantee its validity, or enforceability. Indeed, any person having an interest in it can at any time challenge the validity or enforceability of the patents, trademarks or applications concerning the Company in a court of law or in other specific proceedings that, depending on their outcome, could reduce their scope or rule them invalid. Evolutions, changes and divergent interpretations of the laws governing intellectual property in Europe, the United States or in other countries may allow competitors to use the Company's inventions or intellectual property rights, and develop or market the Company's products or technologies without financial compensation. Furthermore, some countries do not protect intellectual property rights in the same way that Europe and the United States do, and the effective procedures and rules necessary to ensure the defence of the Company's rights may not exist in those countries. There is therefore no certainty that the Company's present and future patents, trademarks and other intellectual property rights will not be challenged or

invalidated, or that they will provide protection from competitors and from third-party patents covering similar inventions.

Consequently, the Company's rights as regards its patents, trademarks and applications relating to them and its other intellectual property rights may not confer the expected protection against its competitors. The Company therefore cannot guarantee:

- that the patent applications and other rights owned, co-owned or licensed by the Company that are in the process of being examined, notably the Company's recent patent applications, will actually result in the granting of patents, trademarks or other registered intellectual property rights;
- that it will succeed in developing new inventions that can be registered or patented;
- that the patents or other intellectual property rights granted to it will not be contested, invalidated or circumvented;
- that the range of protection conferred by the its patents, trademarks and other intellectual property rights is and will remain sufficient to protect it from competitors and from the patents, trademarks and intellectual property rights of third parties covering rival devices, products, technologies or development.

Should one or more of these risks materialise, they would have a significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

3.1.2 Specific risks related to the intellectual property rights that the Company owns as part of contractual agreements

The Company's ability to continue developing its drug candidates based on CyaA technology depends on maintaining the validity of the license agreed with the Pasteur Institute.

Since 2002 the Company has a license granted by the Pasteur Institute on certain patents, or co-ownership rights on patents, connected with the CyaA technology necessary for carrying out its activity. This licensing agreement allows the Pasteur Institute to end the exclusivity granted (in the event that the Company interrupts the development of either of the two applications involved for a period of 12 consecutive months) or to terminate the agreement (in the event that the Company interrupts the development of both of the applications involved for a period of 12 consecutive months) except in the case of *force majeure*.

Although the above-cited conditions remain satisfied at the time of writing, the Company cannot guarantee that they will remain so for the entire duration of the licensing agreement and, consequently, that it will continue to have a monopoly on the use of the Pasteur Institute patents within the scope of CyaA technology.

3.1.3 Specific risks related to infringement of intellectual property rights

The Company could infringe the intellectual property rights of a third party.

The Company's success will depend partly on its ability to develop products or technologies that do not infringe the patents or other rights belonging to third parties. It is important, for the success of its activity, that the Company be able to freely exploit its products without infringing the patents or other intellectual property rights of third parties, and, conversely, without third parties infringing the Company's intellectual property rights.

The growth of the vaccine research industry and the corresponding proliferation of the number of patents filed increase the risk that the Company's products and technologies may infringe third party rights, in particular intellectual rights.

The Company continues, as it has always done, to conduct the prior due diligence it considers necessary to eliminate the above-mentioned risks before investing in the marketing of its various products / technologies. It maintains a watch on its competitors' activities (especially patent filings).

To the extent that the patents combine the use of multiple compounds, in particular tumour antigens included in adenylate cyclase, the Company must examine and monitor the rights that may have been obtained or would be obtained in the future by third parties on those compounds or antigens. The Company may therefore be forced to take measures to challenge the rights of third parties so it can be free to exploit its products, or it may have to obtain licenses on particular aspects involved in the composition of its products or

vaccines and that cannot be protected by the Company, mainly because they involve products or processes prior to its research in the field or involve distinctly separate although connected fields.

For example, the Company has identified third-party patents on adjuvenants necessary for preparing vaccines and those third-party patents are being monitored by the Company to determine their relevance to long-term exploitation. The Company may need to take action to challenge such patents.

However, monitoring the unauthorized use of the Company's products and technology and, thus, potential infringement of its own rights, in particular its intellectual property rights, is a delicate process. The Company therefore cannot guarantee:

- that it will be able to prevent and obtain compensation for the misappropriation or unauthorised use of its products and technology, particularly in foreign countries where its rights are less well protected due to the territorial scope of its intellectual property rights;
- that there do not exist prior third-party patents or other rights, in particular intellectual property rights, that may cover certain Company products, processes, technologies, results or activities such that third parties are counterfeiting or infringing its rights for the purpose of obtaining damages from the Company or stop it manufacturing and/or marketing the challenged products;
- that there do not exist prior third-party trademarks or other rights that may be grounds for launching legal proceedings against the Company;
- that the Company's domain names will not be challenged by a third party with prior rights (for example, trademarks) under the Uniform Dispute Resolution Policy (UDRP) or similar or legal proceedings for counterfeiting.

If legal proceedings are launched against the Company for its use of intellectual property, it may be forced to:

- stop the development, sale or use of any products that depend on the contested intellectual property;
- review the design of some of its products or technologies or, in the case of pending trademarks, rename its products to avoid infringing third-party intellectual property rights, which may prove to be impossible or a very long and costly process, thereby impacting the marketing of the products concerned by the Company and/or its partners.

Furthermore, the drug candidate Multivalent HPV which uses the Company's Vaxiclase platform is partly dependent on technologies based on the CyAA vector the patent for which the Pasteur Institute has licensed to the Company (see Section 22 of this *Document de référence*). The Company's future development is thus partially linked to maintaining the validity of this licensing agreement.

Third parties (or even the Company's employees) may use or try to use elements of the Company's technology protected by intellectual property rights, which would create a damaging situation for the Company. The Company could thus be forced to bring court or administrative proceedings against such third parties and/or employees in order to establish its intellectual property rights (patents, trademarks, drawings, models and domain names) in case law.

Any litigation, regardless of the outcome, could involve substantial costs, adversely impact the Company's reputation, profits and financial position and may not provide the sought-after protection or reparation. Competitors with more substantial resources than the Company's could support the costs of such proceedings more readily than it could.

However, as at the date of registering this document, the Company is not faced with any such situations nor is it involved in any litigation, as plaintiff or defendant, relating to its intellectual property rights or those of a third party.

3.1.4 Specific risks related to the Company's intellectual property agreements, confidentiality agreements, and know-how

The agreements signed by the Company to protect its technology, business secrets and know-how could prove to be inadequate.

It is important for the Company to protect itself from the unauthorised use or disclosure of its confidential information, its know-how and its trade secrets. This is because technologies, processes, methods, know-how and specific data whether patented or not are considered to be trade secrets that the Company strives to

protect partly by confidentiality agreements. Furthermore, the rules for transferring to the Company's benefit any inventions that its employees have been or will be able to create, as well as their remuneration methods, are governed by Article L. 611-7 of the French Intellectual Property Code which is publicly available.

As part of the collaboration, partnership, research contracts or other types of cooperation agreements signed by the Company with academic research institutions and with other public or private entities, subcontractors, or third-party co-contractors, various information and/or products may be entrusted to them so that they can carry out tests and clinical trials. In such cases, the Company requires confidentiality agreements to be signed. Furthermore, the Company makes sure that the collaboration, partnership or research contracts that it signs give it exclusive ownership, or at least joint ownership, of the results and/or inventions resulting from such collaboration, in cases where it has actually participated in creating the results and/or invention. The Company also seeks, as part of the licensing agreements that it signs with its partners, to retain control of patent management and to grant licenses only in particular areas that it does not itself exploit.

The possibility cannot be excluded that the agreements set up to protect the Company's technology and trade secrets and/or know-how may not provide the intended protection or that they may be breached, and that the Company may not have the appropriate solutions against such breaches, that its trade secrets may be disclosed to its competitors or developed independently by them. Furthermore, the Company has very limited control over the conditions under which third parties with whom it signs agreements, themselves have recourse to third parties and protect its confidential information, independently from the fact that the Company states in its agreements with its co-contractors that it requires them to enforce the same confidentiality obligations on their own co-contractors.

Such contracts therefore expose the Company to the risk that a third party (i) will claim the benefit of the intellectual property rights to inventions or other intellectual property rights of the Company, (ii) will not keep confidential unpatented innovations or developments of the confidential information and know-how of the Company, (iii) disclose the Company's trade secrets to its competitors or independently develop those trade secrets and/or (iv) breach such agreements without the Company having an appropriate solution against such breaches.

Consequently, the Company's rights to its confidential information, trade secrets and know-how may not provide the expected protection against its competitors and the Company cannot guarantee:

- that its know-how and trade secrets will not be obtained, usurped, circumvented, communicated or used without its authorisation or used by unauthorised third parties;
- that the Company's competitors have not already developed technology, products or devices similar in nature or purpose to those of the Company;
- that no co-contractor will claim the benefit of part or all of the intellectual property rights to inventions, knowledge or results that the Company owns outright or jointly or are licensed to it;
- that the Company's employees will not claim rights or additional pay or fair compensation for inventions that they participated in creating.

Should one or more of these risks materialise, they would have a significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

The Company relies on Serum Institute of India Ltd meeting its contractual obligations in its licence dated 2 February 2015

On 2 February 2015 the Company signed a license agreement with Serum Institute of India Ltd (SIIL) for its Vaxiclase technology, for SIIL to help develop acellular and multivalent vaccines containing antigens for whooping cough.

SIIL may encounter problems in obtaining technical and clinical approval for the Company's Vaxiclase technology. Any resulting delays or rejections could delay or even call into question its marketing by SIIL.

SIIL may also not be able to implement all the resources necessary to obtain the expected results under its license agreement with the Company. SIIL's budgets or its prioritization of other business development may delay approval of products that include Vaxiclase technology.

The Company can also not rule out the possibility that SIIL may reduce or interrupt its mutual business relationship. A conflict of interest may arise between SIIL's activities connected with the Company, and SIIL's other activities. This would entail a loss of know-how and expertise for the Company, and could even result in important confidential R&D information being disclosed even though SIIL is contractually bound by a confidentiality agreement under the terms of its license.

Such events could have a very significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

3.2. RISKS RELATED TO PRODUCT LIABILITY

The Company's drug-candidate development could expose it to product liability

The Company may be exposed to liability risk during the clinical development of its products (in particular, product liability related to therapeutic testing of the products on humans and animals). Its liability may therefore be invoked by patients participating in clinical trials as part of the development of tested therapeutic products due to unexpected side effects that could result from the administration of those products.

The Company's liability may also be invoked in the product marketing stage. Civil or criminal proceedings may be launched against the Company by patients, regulatory agencies, pharmaceutical companies and any other third party using or marketing its products. Such actions could include claims resulting from actions of its partners, licensees and subcontractors, over which the Company has little or no control.

The Company cannot guarantee that its present insurance cover is adequate to cover the actions that may be taken against it, or to cover an unexpected situation.

Should the Company, its partners, licensees or subcontractors be found liable, and any of them are not able to obtain or maintain adequate insurance cover at an acceptable cost, or if the Company is not able to cover itself in any other way against a claim, it may seriously affect the marketing of its products and in general adversely impact the Company's activity, financial position, profits, outlook and growth.

3.3. RISKS RELATED TO AN INCREASINGLY CHANGING LEGAL AND REGULATORY FRAMEWORK

The Company may not be able to obtain the required regulatory authorisations.

The pharmaceutical industry operates in a continuously changing and increasingly stringent legal, regulatory and supervisory environment, overseen by the competent oversight authorities which are *Agence Nationale de Sécurité du Médicament et des produits de santé* (**ANSM**) in France, the *European Medicines Agency* (**EMA**) in Europe, and the *Food and Drug Administration* (**FDA**) in the United States. At the same time, the public now demands guarantees as to the safety and efficacy of drugs.

In particular, public health authorities and notably the ANSM, EMA and FDA have imposed increasingly heavy requirements in terms of the volume of data required to demonstrate the efficacy and safety of a product. These more-stringent requirements have thus reduced the number of products authorised in relation to the number of applications submitted. Furthermore, once authorised and on the market, products are subject to regular re-evaluation of their benefit/risk ratio. Late discovery of problems not identified at the research stage can lead to marketing restrictions, the suspension or withdrawal of the product, and to greater risk of litigation.

To the extent that new legal or regulatory provisions lead to higher costs to obtain or maintain marketing authorisations for products, or limit the economic value of a new product for its inventor, the growth prospects of the pharmaceutical industry and of the Company could be reduced.

Good clinical practice requires following the recommendations of a data and safety monitoring committee. In accordance with good clinical practice, the Company has set up, for every study, a Data and Safety Management Board whose recommendations can lead to a premature halt or a delay in the Company's product development.

Should one or more of these risks materialise, they would have a significant adverse impact on the Company's activity, financial position, profits, outlook and growth.

4. RISKS RELATED TO THE COMPANY'S ORGANIZATION

4.1. THE COMPANY MAY LOSE KEY EMPLOYEES AND NOT BE ABLE TO ATTRACT NEW SKILLED PEOPLE

The Company's ability to develop its technologies and to conduct clinical trials depends heavily on being able to hire and retain qualified personnel.

The Company's success largely depends on the work and expertise of the members of its management team and the chairman of its management board. Although the Company has taken out a "key people" insurance policy, the temporary or permanent unavailability of such individuals could alter the Company's ability to achieve its objectives by losing it the know-how of these individuals and their technical abilities.

Furthermore, the Company will need to recruit new managers and qualified scientific staff to develop its activities as and when it extends into fields that require additional skills. The Company competes with other businesses, research bodies and academic institutions to recruit and retain highly qualified scientific, technical and management staff. Given the fierce competition, the Company may not be able to attract or retain such key people on terms that would be acceptable from an economic point of view.

Should the Company be unable to attract and retain such key people, it could prevent it from achieving its objectives, which would have a significant adverse impact on its activity, profits, financial position, growth and outlook.

4.2. THE COMPANY'S DEVELOPMENT WILL DEPEND ON ITS ABILITY TO MANAGE ITS GROWTH

The Company's development depends heavily on its ability to manage its growth and internal resources.

As part of its growth strategy, the Group will need to develop its operational capacities, which could put a heavy strain on its internal resources.
To this end, the Company will need, in particular, to:

- anticipate the expenses connected with this growth as well as the associated financing needs;
- increase the capacity of its existing operational IT, financial and management systems;
- manage the subcontracting of the production of its developed drugs;
- manage partnership agreements with its industrial partners in charge of continuing the clinical development and marketing of its products.

To meet demand within the timelines agreed with its future partners, the Company may need to conclude further new outsourcing contracts.

Should the Company be unable to manage growth or the unexpected difficulties encountered during its expansion, it could have a significant adverse impact on its activity, profits, financial position, growth and outlook.

5. INDUSTRIAL RISKS

5.1. RISKS RELATED TO THE USE OF PRODUCTS THAT ARE HAZARDOUS TO HEALTH AND/OR THE ENVIRONMENT

The handling of hazardous materials by Company personnel could contaminate the environment or cause occupational illnesses.

The Company's activities include the controlled storage, handling, use and treatment of hazardous materials, toxins, and chemical and biological agents.

There exist, therefore, not only environmental risks of environmental contamination but also health risks (notably occupational illnesses) connected the Company's employees' handling of active or toxic products during product research and manufacturing. These risks also exist for third parties with whom the Company works.

Although the Company believes that the safety measures that it takes when handling and treating hazardous materials satisfy the applicable standards and permit its employees and subcontractors to perform their activities in good environmental conditions and in accordance with health and safety principles, the risk of accidental contamination or occupational illness connected with the handling of hazardous materials cannot be completely eliminated. In the event of an accident, the Company could be liable for any resulting damages and the liability incurred could exceed the insurance limit subscribed by the Company, or even not be covered by the subscribed insurance policies.

6. FINANCIAL RISKS

6.1. RISKS RELATED TO HISTORICAL AND FORECAST LOSSES

The Company has posted operating losses and accumulated debt and may never end up being profitable.

Founded in October 2011, the Company has posted operational losses each year due to the following expenses:

- the development of the drug candidate GTL001;
- carrying out pre-clinical and clinical trials;
- the development of the technological platform necessary for the production of the Company's products.

As at 31 December 2015, the accumulated losses, by IFRS standards, over the last two fiscal years totalled 22 137 € of which 11 193 € was for the fiscal year ending 31 December 2015.
In coming years, the Company may experience higher operating losses than in the past as and when its R&D activities continue, in particular due to:

- the programme of clinical trials projected for Europe and the United States relating to GTL001, and specifically the Phase II trials of GTL001;
- the need to undertake further clinical trials to reach new market segments, notably for the drug candidate GTL002;
- increasingly stringent regulations governing the manufacturing of its products; and
- operating an active R&D policy could require acquiring new technologies, products or licenses.

The increase in these expenses may have a significant adverse impact on the Group, its activity, financial position, income, growth and outlook.

6.2. RISKS RELATED TO THE RESEARCH TAX CREDIT

The Company may lose access to research tax credit in future years.

To help fund its activities, the Company makes use of France's research tax credit system *Crédit d'Impôt Recherche* (**CIR**) whereby the State offers tax allowances to companies investing significantly in R&D. Research expenses eligible for CIR include salaries and benefits, depreciation of research equipment, services outsourced to accredited public or private research bodies, and intellectual property fees.

The CIR payments received by the Company for 2014 amounted to 2 636 K€.

The amount that it will request as 2015 CIR to be received in 2016 is 3 001 K€.

The Company cannot exclude the possibility that the tax authorities may decide to contest the methods adopted by the Company for calculating R&D expenses or that the CIR may be challenged (in future and/or retroactively) by an amendment to the regulations or by the tax authorities, in spite of the Company complying with the eligibility regulations in force at the time. Should such a situation occur, it would have an adverse impact on the Group's profits, financial position and outlook.

6.3. RISKS RELATED TO PUBLIC ADVANCES USED BY THE COMPANY

The Company benefits from State advances and, if they were discontinued, would need to turn to other funding sources.

In recent fiscal years, the Company has received the following repayable aid :

As at 31 December 2015 **In thousands euros**	**Amounts granted (€K)**	**Amounts received (€K)**	**Amounts repaid (€K)**
Midi-Pyrénées Regional Council: development of a vaccine ProCervix for cervical / vaginal cancer	411	411	411
OSEO 1: production of preclinical and clinical batches as part of a therapeutic vaccine project against cancer and precancerous lesions of the cervix caused by the human papillomavirus (HPV)	300	300	300
OSEO 2: development and clinical trials of a therapeutic vaccine against cancer and precancerous lesion of the cervix caused by the human papillomavirus (HPV)	1 500	1 500	750
OSEO 3: extension of the Phase I clinical trials for the ProCervix project	812	812	134
OSEO 4: global strategic industrial innovation project "Magenta" - production and testing of a vaccine candidate	3 596	1 182	0
Total	**6 619**	**4 205**	**1 594**

Information on the various advances (payments, repayment schedules and special clauses) are disclosed in Note 12.2 of the Notes to the financial statements prepared in accordance with IFRS standards for the fiscal years ended 31 December 2014 and 2015 in Section 4 "IFRS Financial Statements for the fiscal years ended 31 December 2014 and 31 December 2015" of this document.

For repayable advances from OSEO (now Bpifrance), should the Company not meet its contractual terms and conditions specified in the repayable advances agreements, it may be forced to repay the advances early.
Such a situation could deprive the Company of the financial resources needed for its R&D projects and it cannot guarantee that it would be able to find the additional financial resources necessary in a timely manner or be able to replace those financial resources with others.

6.4. RISKS RELATED TO THE FUTURE USE OF DEFERRED LOSSES

The Company's accumulated tax losses may not be able to be applied to future profits.

As at 31 December 2015, after taking into account the net loss for the fiscal year, the Company had a deferrable tax loss of 64 284 K€. As of the date of this document, this loss can be deferred indefinitely to future profit or loss.

In France, the deferrable loss is limited to 50% of taxable income for the period, and is applicable only to the portion of profit in excess of €1 million. The unused remainder of the loss remains deferrable in subsequent years, and is taxable under the same conditions, with no time limitation.

Investors should note that future changes to statutory or regulatory corporate tax provisions may change or limit previous or future loss deferrals.

6.5. DILUTION RISK

The holdings of the Company's shareholders may become significantly diluted.

Since its creation, the Company has issued and granted ordinary share subscription warrants (BSA), founders' warrants (BSPCE) and share-convertible bonds all of which were converted into Company shares at the Company's Initial Public Offering on the Euronext regulated market in Paris. As at the date of this document,

the exercise in full of the outstanding instruments allocated giving access to capital would permit subscription to 1,400,846 new shares, diluting existing capital by 9.0%, or by 8.3% on the basis of fully diluted capital.

As part of its incentive policy for directors and employees and in order to attract and retain skilled personnel, the Company may in the future issue or allocate shares or new financial instruments giving access to Company capital that may entail further, potentially significant dilution for current and future shareholders of the Company.

Furthermore, authorizations granted to the Management Board by the Combined General Meeting of 11 June 2015 to increase capital on one or more occasions and/or issue securities giving access to capital, explained in Annex 4 of this document, increase the ceiling to 54% of the share capital on the date of this document, not taking into account the shares resulting from the granting of future options and other incentivization instruments to the Company's employees and corporate officers)

7. MARKET RISKS

7.1. LIQUIDITY RISK

The Company may need to strengthen its shareholders' equity or use additional financing to ensure its growth.

Since it was formed, the Company has funded is growth by strengthening shareholders' equity through successive capital increases, obtaining repayable public innovation-support programmes and CIR relief, but has never had recourse to bank loans. Consequently, the Group is not exposed to immediate liquidity risk in the form of a demand for early repayment of a loan.

Major expenses related to R&D and the development of clinical trials have been incurred since the Company began operating, to date generating negative cash flows from operating activities. These were €9,8K and €11,7K for the fiscal years ended 31 December 2014 and 31 December 2015, respectively.

As of 31 December 2015, the Company had:

- cash and cash equivalents amounting to €11,6M;
- available funds (shown in current and in non-current financial assets (in the IFRS financial statements as at 31 December 2015) totalling €10,2M.

As disclosed in the Notes to the IFRS financial statements (see Note 2.1 of the Notes to the IFRS financial statements in Section 5 of this document), the principle of business continuity has been adopted by the Management Board taking into consideration the Company's financial capacity to meet its financing needs over the next 12 months.

The Company will continue to have major financing needs in the future to develop its technology, continue its clinical development programme and equip its own pharmaceutical laboratory, as well as to produce and market its products. Should the Company find itself unable to self-finance its growth, it would be compelled to find other sources of financing, in particular through further capital increases.

The level of the Company's financing needs and their spacing over time depend on factors that are largely beyond the Company's control, such as:

- higher costs and slower progress than envisaged for its R&D programmes and clinical trials;
- the cost of preparing, filing, defending and maintaining its patents and other intellectual property rights;
- costs associated with potential demands to modify trials, or include a larger number of patients;
- higher costs and longer lead times than anticipated to obtain regulatory authorisations and marketing approvals as well as their access to reimbursement schemes, including the time to prepare submissions and applications to the competent authorities;
- further opportunities to develop new products or acquire technologies, products or companies.

The Company may not be able to obtain the additional capital when it needs it, or such capital may not be available on terms acceptable to it. If the necessary funds are not available, the Company may need to:

- delay or reduce the number or scope of its pre-clinical and clinical trials or discontinue them entirely;

- grant technology licences to partners or third parties and/or sign joint agreements on less favourable terms than it might obtain in other circumstances.

If the Company raises capital by issuing new shares, the holdings of its shareholders may be diluted. Debt financing (financing through debt), should it be available, may include restrictions on the Company and on its shareholders.

Should one or more of these risks materialise, they would have a significant adverse impact on the Company, its activity, financial position, income, growth and outlook.

7.2. FOREIGN EXCHANGE RISK

The Company's development of business abroad, especially in the United States, would expose it to significant greater currency risk

The Company's cash is invested exclusively in euro-denominated investment vehicles. As at 31 December 2015, all its cash was denominated in euros.

The Company's strategy is to prefer the euro as its trading currency. The main risks related to the impact of foreign exchange on purchases in a foreign currency are considered insignificant.

Given the small amounts involved, the Company has not, at this stage, entered into any currency hedging arrangements. The Company cannot exclude the possibility that its foreign activity may increase substantially and, notably in the United States, may result in greater exposure to exchange rate risk forcing the Company to adopt an appropriate policy for covering such risk.

7.3. CREDIT RISK

The Company manages its available cash in a prudent manner.

As of 31 December 2015, cash and cash equivalents amounted to €11,6M. They were invested in term deposits with maturities less than three months.

Financial investments included in current and non-current financial assets at 31 December 2015 amounted to €10,2M of which €5,1M was capitalization contracts (guaranteed-capital investments, see Section 5 Note 5 of this document) and €5,1M was term deposits.

Its credit risk is associated with deposits at banks and financial institutions. For its cash investments the Company uses top-tier financial institutions and therefore does not carry significant credit risk on its cash.

7.4. EQUITY RISK

The Company does not hold long or short-term equities tradable on a regulated market.

7.5. INTEREST RATE RISK

The Company is not exposed to interest rate risk on its balance sheet assets, as its cash-equivalent instruments consist of short-term time deposits and no debt is set up at a variable interest rate.

In the company's opinion, given the currently low returns on its investments, a +/- 1% change would have an insignificant impact on its net profits given its losses on operating activities.

The Company therefore believes that it is not exposed to significant risk of interest rate fluctuations.

7.6. RISK RELATED TO SHARE PRICE FLUCTUTATION

The Company shares were listed on the Euronext regulated markets in Paris and Brussels on 9 April 2014 at the IPO price of €7.90 per share.

Its highest price in 2015 was €8.77 on 9 February 2015 and its lowest price was €5.61 on 1 January 2015. On 31 December 2015, it closed at €6.69.

In the first months of 2016, its price fell from €6.53 on 2 January 2016 to €2.92 on 12 February 2016. On the 7 March 2016, the closing price was €4.62, thus setting the Company's market capitalization at 72 million euros.

Taking into account the share price and market capitalization as well as their evolution since the initial public offering, any failure or delay in the realization of scientific, financial or statutory stages, could have a significant negative effect on the stock market price and the stock-exchange valuation of the Company, as well as its activity, its financial situation, its profits), its development and its outlook.

8. INSURANCE AND RISK COVER

The insurance cover subscribed by the Company may prove to be inadequate.

The Company has taken out a policy to cover the main insurable risks, with the insured amounts it considers to be compatible with the nature of its activity. The annual premiums paid by the Company for all its insurance policies amounted to €63,459 and €98,821 for the fiscal years ended 31 December 2013 and 31 December 2014, respectively.

Summary of the Company's insurance policies:

Type of Insurance	Insurance Company or Broker	Cover	Amounts covered	Deductible per claim
Third Party Professional Liability	CHUBB	**Operational third party liability :** All losses combined including personal injury, of which: - Gross negligence - Property and intangible loss, of which: - Intangible non-consequential loss - Accidental damage to the environment (off-site subject to authorisation)	 €3,500,000 - €230,000 / victim and €300,000 / year - €1,500,000 - €150,000 - €300,000	 None - €3,000 / victim - €1,500 - €3,000 - €3,000
Multi-risk Industrial & Commercial Property damage and Operating Losses	ALBINGIA	**Professional multi risk insurance Labège premises :** Fire, explosion, lighting/storm, snow and hail: - Real Estate - Equipement & Furniture Electrical accident Water damage - Real estate - Equipement & Furniture - Associated risks Building or rental liability Claims by neighbors and third parties Theft Glass Operating losses - Guaranteed gross margins - Expenses and consequential losses	 - Rebuild as new - €212,851 15 times the index - Rebuild as new - €42,570 - Total capital 8 times the index €28,617 €4,471 - €279,459 - 2% of the guaranteed gross margin	 - None/ 0,8 times index for storm, snow & hail 0,3 times the index - 0,5 times the index - 0,2 times the index None None 10% with minimum of 0,8 times the index 0,3 times the index - 3 business days - None
	ALLIANZ	**Professional mutli-risk Paris premises :** Fire, associated risks and water damage : - Real estate - Equipement & Furniture Accidents related to electrical appliances Theft Glass and signs All risks computer and office equipement Expenses and consequential losses	 - Rebuild as new - €75,000 for fire €15,000 for water damage €4,000 €15,000 €4,000 €3,000 30% of property loss	 - €200 €200 €200 €200 €200
	ALBINGIA	**Analysis-Laboratory Equipement** Computer equipement used at a fixed workstation in the premises Portable computers -Basic warranty -Theft	€406,560 €29,500 €10,961	€500 €300 €300 €500
	ALLIANZ	**Photocopier**	€89,062	€1,781
Third Party Liability of Executives and Corporate Officers	CHUBB APRIL	Director's liability Key person protection (M. Timmerman) - Death, permanent disability from accident/illness - Permanent and total disability Unemployement insurance agreement Covers for employees traveling abroad : - Health expenses - Psychological support - Repatriation support - Personal accident - Private-life third party liability: - Personal injury - Tangible & intangible - Legal protection - Baggage insurance	€5,000,000 - €150,000 - €150,000 €100,000 - Ceiling €750,000 additional - €4,600,000 - €460,000 - €3 ,100 - €3,000	None None None
Automobile Fleet	GAN	Public liability Lawsuit protection Fire/Theft/all accidental losses	€100,000,000 / claim €300,000 / victim maximum €1,500,000 / yr €30,000 / véhicule et événement	 €457

9. RELEVANT FACTS AND DISPUTES

To its best knowledge, the Company had no pending or potential governmental, judicial, arbitration disputes in the past 12 months that significantly impacted or may significantly impact the financial position or profitability of the Company and/or Group.

ANNEX 2 – FIVE-YEAR FINANCIAL SUMMARY

(Article R 225-102 of the commercial code)

	31/12/2015	31/12/2014	31/12/2013	31/12/2012	31/12/2011
SHARE CAPITAL AT PERIOD END					
Share capital	**1 554 108.60**	1 544 023.50	969 433.90	699 846.60	699 846.60
Number of ordinary shares outstanding	**15 541 086**	15 440 235	9 694 339	6 998 466	6 998 466
Number of premium shares outstanding					
Maximum number of shares :					
- By bond conversion					
- By rights issue					
OPERATIONS ET RESULTATS					
Retained Earnings	**89 371**	0	0	0	170
Income before tax, profit-sharing of employees, amortizations and reserves	**(13 547 452)**	(12 115 729)	(16 871 906)	(2 268 637)	(2 030 500)
Income tax	**(3 036 255)**	(2 601 688)	(1 897 666)	(1 094 635)	(1 560 077)
Profit-sharing of employees for fiscal year	**0**	0	0	0	0
Income after tax, profit-sharing of employees, amortizations and reserves	**(10 567 153)**	(9 549 290,90)	(15 024 683,37)	(4 368 820,13)	(2 641 921)
Distributed earnings	**0**	0	0	0	0
EARNINGS PER SHARE					
Earnings after tax, profits-sharing of employees but before amortizations and reserves	**(0,87)**	(0.78)	(1.74)	(0.32)	(0.29)
Earnings after tax, profits-sharing of employees, amortizations and reserves	**(0.68)**	(0.62)	(1.55)	(0.62)	(0.37)
Dividend paid per share	**0**	0	0		
STAFF					
Number of employees as of 31 December	**34**	31	30	31	30
Payroll expenses for the period	**2 380 102**	2 293 217	1 613 396	1 685 250	1 617 903
Amounts paid as benefits during the period	**1 000 641**	981 534	698 910	733 943	694 676

ANNEX 3 – LIST OF MANDATES OF THE DIRECTORS

Management Board members

Name	Mandate	Last renewal and expiry dates of the mandate	Main operating function in the Company	Main operating functions outside of the Company
Benedikt Timmerman	Chairman of the Management Board	Date of the last renewal : 22 April 2013 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2018	Chief Executive Officer in charge of development	None
Martin Koch	Board member	Date of the last renewal : 22 April 2013 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2018	Finance and Adminsitration Director	None
Marie-Christine Bissery	Board member	Date of the last renewal : 22 April 2013 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2018	Research and Development Director	None
Sophie Olivier	Board member	Date of the 1st appointement : 09 September 2014 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2018	Chief Medical Officer	None

Supervisory Board members

Name	Mandate	Last renewal and expiry dates of the mandate	Main operating function in the Company	Main operating functions outside of the Company
Thierry Hercend	Chairman of the Supervisory Board	First appointement as Chairman of the Supervisory Board : 31 July 2008 Last office renewal as Chairman of the Supervisory Board : 7 March 2014 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2019	None	Venture Partner Edmond de Rothschild Investment Partners
Gerald Möller (independent member)	Vice-Chairman of the Supervisory Board	First appointement : 18 September 2013 First appointement as Vice-Chairman of the Supervisory Board: 18 September 2013 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2018	None	None
Caroline Laplane	Supervisory Board member	First appointement : 11 June 2015 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2020	None	None
Kurma Life Sciences Partners, Represented by Alain Munoz until 2 December 2015 then, henceforth, by Philippe Peltier	Supervisory Board member	Last renewal : 11 June 2015 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2020	None	Associate Director Kurma Partners
Edmond de Rothschild Investment Partners, Represented by Raphaël Wisniewski	Supervisory Board member	Last renewal as Supervisory Board member: 7 March 2014 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2019	None	Associate Director Edmond de Rothschild Investment Partners

Name	Mandate	First appointement and expiry dates of the mandare	Main operating functions in the Company	Main operating functions outside of the Company
Bpifrance Investissement, Represented by Olivier Martinez	Supervisory Board member	First appointement : 22 February 2010 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2015	None	Investments Director at Bpifrance Investissement
Didier Hoch (independent member)	Supervisory Board member	First appointement : 17 May 2011 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2016	None	Executive President of Forum Biovision
Rainer Strohmenger	Supervisory Board member	First appointement : 22 April 2013 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2018	None	Managing Director, Wellington Partners Life Science Venture Capital Consulting GmbH (Germany)
Mary Tanner (independent member)	Supervisory Board member	First appointement : 09 September 2014 Expiry date of the mandate : at the close of the general meeting called to resolve on the financial statements for the financial year on 31 December 2019	None	Senior Managing Director, *EVOLUTION Life Science Partners*

Other mandates held by the members of the Management Board and the Supervisory Board

	Management Board – Other mandates currently exercised outside the Company	
	Nature of Mandate	**Company**
Benedikt Timmerman	None	None
Martin Koch	None	None
Marie-Christine Bissery	None	None
Sophie Olivier	None	None
	Supervisory Board - Other mandates currently exercised outside the Company	
	Nature of Mandate	**Company**
Thierry Hercend	Chairman of the Board of Directors Board of Directors member	- Gamamabs - Poxel - Complix (Belgium) - Inotem
Gerald Möller (independent member)	Chairman of the Board of Directors	- 4Sigma Ltd - Invendo-Medical GmbH - MorphoSys AG - Ayoxxa GmbH
	Board of Directors member	- FIND Foundation - Adrenomed AG
Mary Tanner	Board of Directors member Board of Deans member Advisory Board member	- Lineagen, Inc. - Yale School of Medicine - Yale School of Management
Didier Hoch (independent member)	Independent member of the Supervisory Board	- Effimune - Myasterix (Belgium)

	Management Board – Other mandates currently exercised outside the Company	
	Nature of Mandate	**Company**
Rainer Strohmenger	Board of Directors member	- Implanet - Invendo Medical GmbH (Germany) - Quanta Fluid Solutions Ltd. (UK) - NEUWAY Pharma GmbH (Germany) - Miamed GmbH (Germany)
Caroline Laplane	Board of Directors member Board of Directors member Board of Directors member Chairman of the Board of Directors	- Realdyme (Agro-Industrie France) - ID-Food (Agro Industrie France) - LBP SA (Holding Financier – Belgium) - Géronvillers SA (Belgium)
Kurma Life Sciences Partners represented by Philippe Peltier	Board of Directors member	- APD Advanced Perfusion Diagnostics
Edmond de Rothschild Investment Partners, represented by Raphaël Wisniewski	As a permanent representative of Edmond Rotschild Investment Partners: Director	- Implanet - Poxel - Cellnovo Group
	In his own name : Director Director Director Chief Executive Officer	- ReViral - Axonics - Chase Pharmaceuticals - Axonics Europe
Bpifrance Investissement represented by Olivier Martinez	As permanent representative of Bpifrance Investissement Director Member of the steering committee	- Poxel - Alizé Pharma - FAB Pharma
	As permanent representative of Bpifrance Participations Observer Observer	- Innate Pharma - Cerenis Therapeutics

Other mandates exercised in the last five fiscal years but no longer active (outside the Company)

	Management Board - Other mandates exercied in the last five fiscal years but no longer active	
	Nature of mandate	**Company**
Benedikt Timmerman	Vice-Chairman and member of the Supervisory Board	- Solutions 30
Martin Koch	None	None
Marie-Christine Bissery	Management Board member	- Cytomics
Sophie Olivier	None	None
	Supervisory Board - Other mandates exercied in the last five fiscal years but no longer active	
Thierry Hercend	Board of Directors member	- U3 (Germany)
	Chairman of the Supervisory Board	- Cytomics
Gerald Möller (independent member)	Chairman of the Board of Directors	- Definiens AG - MTM AG - BioAgency AG - Vivacta Ltd
	Board of Directors member	- Bionostics PLC
Caroline Laplane	-	-
Kurma Life Sciences Partners, represented by Philippe Peltier	Director in his own name	- Genocea Biosciences, Inc. - Cellnovo, Ltd
Edmond de Rothschild Investment Partners, represented by Raphaël Wisniewski	Management Board member	- Edmond de Rothschild Investment Partners
	Supervisory Board member	- Novagali
	Board of Directors member	- Biospace Lab - MDx Health - Pamgene - Pangenetics - Vessix Vascular - Eos imaging - Regado Biosciences
	Chairman	- Vessix Vascular Europe

	Management Board - Other mandates exercied in the last five fiscal years but no longer active	
	Nature of mandate	**Company**
Bpifrance Investissement, represented by Olivier Martinez	In his own name : Member and Chairman of the Supervisory Board Director	 - Cytheris - Cerenis
Didier Hoch (independent member)	Chairman of the Board of Directors Chairman	- Pevion (Suisse) - Sanofi-Pasteur MSD (EU) - DBV technologies
Rainer Strohmenger	Board of directors member as a permanent representative for	 - MTM Laboratories AG (Allemagne)
	Wellington Partners	- Sovicell GmbH (Allemagne) - Oxford Immunotec Global plc (Royaume Uni) - Definiens AG (Allemagne)
Marie Tanner	Director	- Evotec - PanGenX

ANNEX 4 - TABLES OF DELEGATIONS GRANTED TO THE MANAGEMENT BOARD RELATING TO AN INCREASE IN EQUITY

In accordance with the provisions of Article L.225-100 of the French Commercial Code, we report in the present document of currently valid delagations of power by the shareholder at the general meeting to the management board to perform increases in equity, as well as delegations of power regarding the uses of said increases, during the period ending 31 December 2015. To date, the delegations of power for increases in equity currently valid are those described hereafter granted to the management board by the general assembly of shareholder which met on 11 June 2015, provided that before their use the management board must submit for approval on principle to the Supervisory Board:

Delegations	**Relevant statutory and regulatory provisions**	**Duration and expiration date**	**Limit**	**Exercise of delegation power**
Delegation of power to the Executive Board to increase capital by issuing ordinary shares or any other securities giving immediate or future access to capital, retaining the preferential subscription right	Articles L. 225-129 to L.225-129-6, L. 228-91 and L. 228-92 of the French Commerical Code	26 months	770 000€ (1)	None
Delegation of power to the Executive Board to increase capital by issuing ordinary shares or any other securities giving access to capital, removing the preferential subscription right and offering to the public as well as the option to establish a priority right	Articles L. 225-129 to L.225-129-6, L. 225-136, L. 228-91 and L. 228-92 of the French Commerical Code	26 months	540 000 € (1)	None
Delegation of power to the Executive Board to increase capital by issuing ordinary shares or any other securities giving access to capital, removing the preferential subscription right, to the benefit of qualified investors or a restricted circle of investors	Articles L. 225-129, L.225-129-2, L. 225-135, L. 225-136, L. 228-91 and L. 228-92 of the French Commerical Code	26 months	309 000 € limited to 20% of the share capital per 12-month period (1)	None
Delegation of power to the Executive Board to increase capital by issuing ordinary shares or any other securities giving access to capital, removing the preferential subscription right, to the benefit of a category of individuals meeting predetermined criteria.	Articles L. 225-129, L.225-129-2, L. 225-135 et seq of the French Commerical Code	26 months	309 000 € limited to 20% of the share capital per 12-month period (1)	None
Delegation of power to the Executive Board to increase the number of securities to be issued in the case of a capital increase, with or without preferential subscription rights, that may be decided pursuant to the preceding delegations	Articles L. 225-129, L.225-129-2, L. 225-135-1 et seq, L. 228-91 and L. 228-92 of the French Commerical Code	26 months	limited to 15% of the initial issue (1)	None
Delegation of power to the Executive Board to issue ordinary shares or any securities giving access to Company capital, in the event of a public offering that includes an exchange component initiated by the Company	Articles L. 225-129 à L.225-129-6, L. 225-148, L. 228-91 and L. 228-92 of the French Commerical Code	26 months	460 000 € (1)	None

Delegations	Relevant statutory and regulatory provisions	Duration and expiration date	Cap	Exercises of delegation power
Delegation of power to the Executive Board to increase capital to compensate contributions in kind made in the form equity instruments or other securities giving access to the capital of third-party companies, outside the scope of a public exchange offer	Article L. 225-147 of the French Commerical Code	26 months	Limited to 10% of the Company capital existing on the date of the transaction being considered	None
Delegation of power to the Executive Board to increase capital by incorporating a premium, reserves, profits or others, by issuing and allocating free shares or by increasing the nominal value of existing shares or by the combined use of two of these procedures	Articles L. 225-129, L.225-129-2 and L. 225-130 of the French Commerical Code	26 months	100 000 €	None
Authorisation to the Executive Board to grant share subscription or purchase options.	Articles L. 225-177 to L.225-185 of the French Commerical Code	38 months	675 000 shares (2)	None
Authorisation to the Executive Board to allocate existing or future shares free of charge.	Article L. 225-197-1 to L.225-197-6 of the French Commerical Code	38 months	675 000 shares and limited to 10% of the share capital (2)	None
Delegation of power to the Executive Board to issue founders' share subscription warrants to the benefit of employees and directors of the Company	Article L. 225-129 et seq, L. 225-138-I, L. 228-91 and L. 228-92 of the French Commerical Code Article 163 bis G of the General Tax Code	18 months	675 000 shares (2)	5 059 BSPCE created 23 April 2015 and 45 000 BSPCE created 3 July 2015
Delegation of power to the Executive Board to issue and allocate share subscription warrants to the benefit of (i) members and observers on the Company's Supervisory Board in office on the allocation date who are not employees or directors of the Company or of any of its subsidiaries or (ii) persons related by a service or consulting contract to the Company or any of its subsidiaries or (iii) members of any committee of the Supervisory Board who are not employees or directors of the Company or of any of its subsidiaries.	Article L. 225-129 et suivants, L. 225-138-I, L. 228-91 et L. 228-92 du code de commerce	18 months	675 000 shares (2)	None

(1) These amounts are not cumulative. The maximum cumulative amount authorised as the nominal value of capital increases is set at 770.000 euros.
(2) These amounts are not cumulative. The maximum cumulative amount authorised as the maximum number of securities giving access to capital is set at 675.000 shares.

ANNEX 5 – CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY REPORT

1. SOCIAL AND ENVIRONMENTAL INFORMATION

1.1. EMPLOYEMENT AND SOCIAL INFORMATION

Genticel is a French biopharmaceutical company, specializing in the development of therapeutic vaccines, in particular vaccines for the early eradication of the human papillomavirus virus (HPV), the agent responsible for cervical and other forms of cancer.

Employment contracts between the Company and its personnel include confidentiality and loyalty agreements as well as, for some managers, a non-compete clause.

1.1.1. EMPLOYEMENT

Workforce

At 31/12/2015, the Company had **34** employees (full time and part time) versus **31** au 31/12/2014.

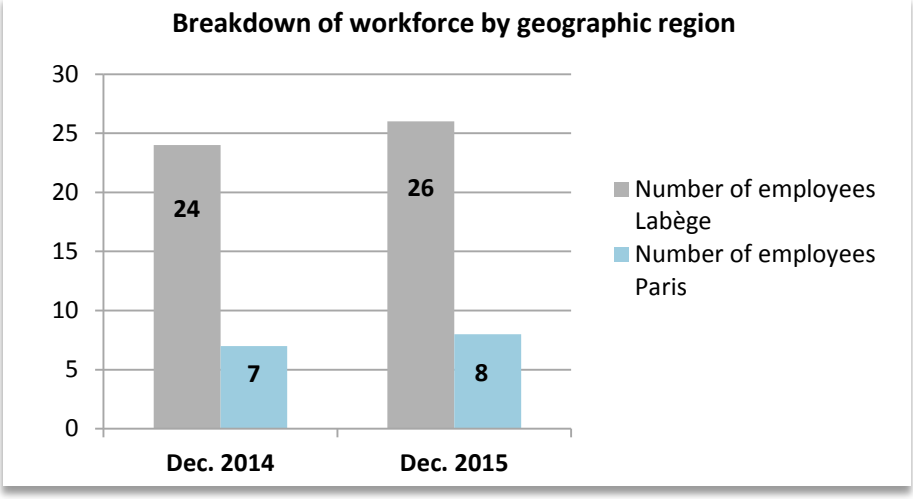
Contracts	At 31/12/2015	At 31/12/2014
Permanent contracts	30	28
Fixed-term contracts	3	2
Apprenticeship contracts	1	1
Total	**34**	**31**

To ensure its development, the Company strives for stable, long-term jobs.

Breakdown by geographic region:

The Company is based in two geographic regions:

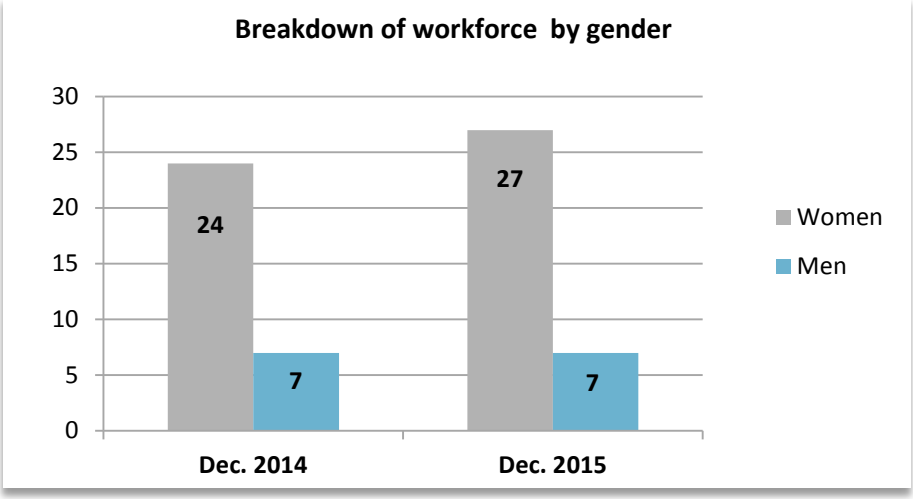
- Its registered office and main research activities are located in Labege (31) near Toulouse.
- Its clinical activities are located in Paris (8th arrondissement).



Breakdown by gender

As at 31 December 2014, women represented 80% of the Company's contracted workforce, a percentage unchanged since the previous year.

The gender split is as follows:



The Company operates a non-discrimination policy when hiring. Regardless of professional category, the management principles for compensation and assessment of individuals' added value are identical for men and women. The same applies to access to training.

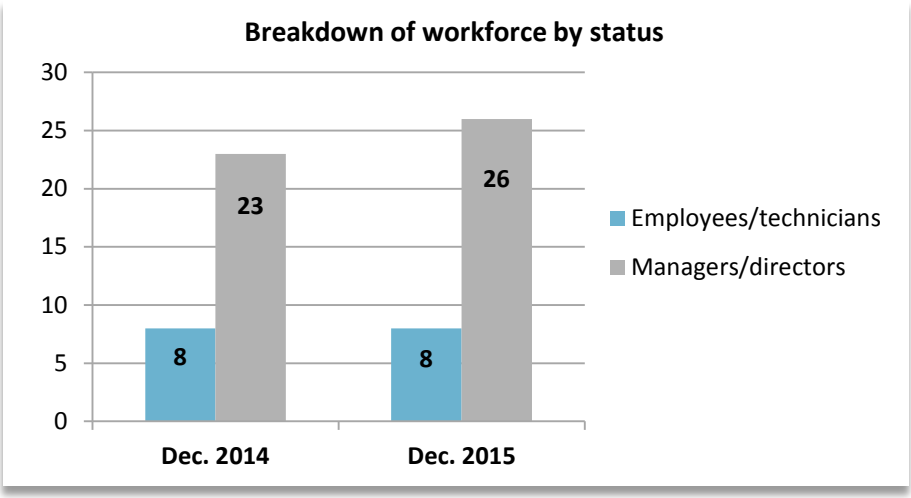
Skills

The Company's personnel are highly skilled with, as at 2015 year-end, 24 employees who are graduates with degrees equivalent or above Masters (70% of total workforce).

Of these 24 people, 9 have doctorates.

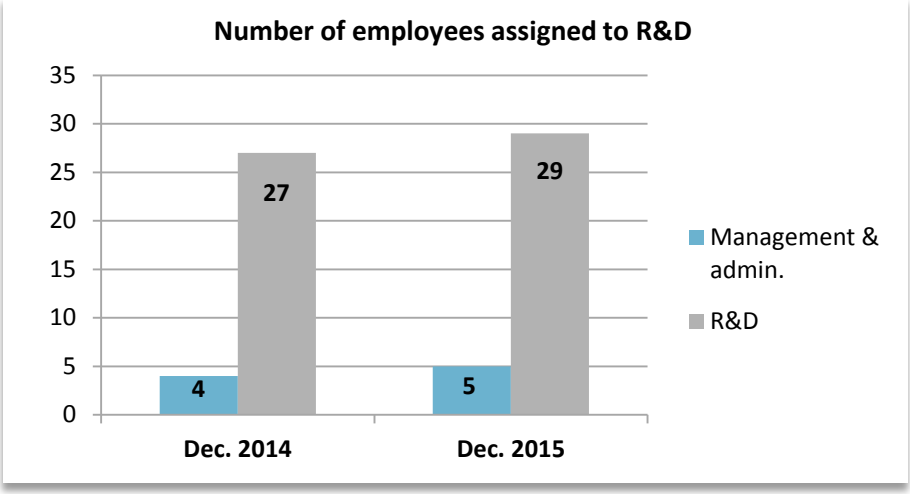
Its personnel have extensive experience in research and innovation management.

As at 31 December 2015, 76% of its workforce were managers. This percentage has growth between 2014 year-end and 2015 year-end, which shows that the Company continues to build its strength with skilled people.



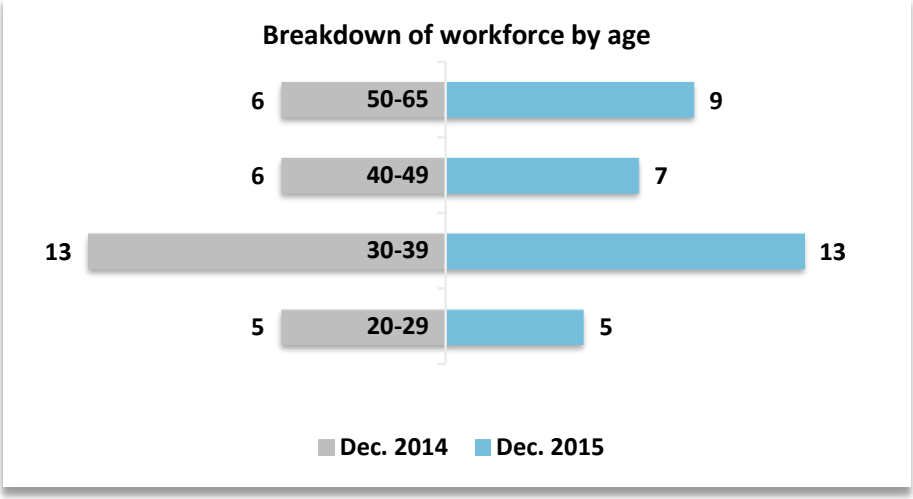
As at 31 December 2015, 29 of its 34 employees were assigned to R&D activities (85% of the Company's workforce) and only 5 employees were assigned to management and administration.

This shows the importance that Genticel assigns to research.



Length of service

Au 31/12/2015, the average age of the workforce was 41, with an average length of service of approximately 6 years (six months longer than the previous year).



The Company benefits from a balanced age split between young professionals and more-experienced employees in its workforce.

Staff turnover

In 2015, the Company hired 6 new people (4 permanent, 2 fixed-term), 5 of whom were assigned to Labège and 1 to Paris. Six people had been hired in 2014.

In December 2015, GENTICEL has appointed Rémi PALMANTIER, Phd, Immunology, as Scientific Director. With over 18 years of expericence in the biotechnology field and pharmaceutical industry, Rémi PALMANTIER offers GENTICEL his expertise to the therapeutic vaccines field and his knowledge of chronic illnesses. He was previously Senior Director R&D, in charge of a portofolio of immutherapies against chronic diseases for the vaccines division of GSK.

3 people resigned 2015, versus 5 in 2014.

The effectiveness of the Company's incentivization and loyalty policy is shown by the generally low turnover rate. Excluding the end of fixed contracts, the turnover rate in 2015 for staff on permanent contracts was 9%.

Compensation

Personnel expense rose by 3.9% in 2015 and payroll is one of the largest operating expense. As research is the Company's main activity, it demands substantial human capital.

Employees' compensation is set on an individual basis in accordance with the role performed. Pay is the same for any two individuals occupying the same role.

The table below illustrates this point:

Gross salary, in euros	Average basic salary in 2015	Average basic salary in 2014	Variation
Management	180,468	171,249	5.4%
Directors	68,627	64,408	6.6%
Managers	46,444	45,307	2.5%
Engineer / Scientific	38,027	36,840	3.2%
Technician	26,841	24,991	7.4%
Total	**60,260**	**57,373**	**5.0%**

The Company has set up an individual bonus policy based on the achievement of quantitatively measurable goals. The criteria for and size of bonus are defined at an annual individual interview, based on the goals set. A report is prepared following every period-end, to confirm whether the goals have been achieved and to award bonuses.

1.1.2. ORGANISATION OF WORK

Employment contracts are subject to the collective bargaining agreement for the pharmaceutical industry.

Executives are not subject to the laws and regulations governing working hours, night work, daily and weekly rest, and holidays. They therefore have total freedom and independence in organizing and managing their own time to accomplish their tasks and assignments.

Managers' working time is expressed as number of days (standard 217 days a year); non-managers' working time is expressed as number of hours.

For non-managers, the actual working week is 35 hours. A working-hours agreement dating from 2009 increased the working week from 35 to 39 actual hours worked, to reflect a weekly package of 4 additional hours for personnel with the status of "employee" and "supervisor".

Non-managers working in excess of these hours accumulate the additional hours, which can either paid at the higher legal rate, or taken as leave. There is little recourse to overtime.

In 2015, of the total hours worked by non-managers, 3.7% were additional hours for a total number of 597 additional hours, (vs. 772 in 2014 corresponding to approximately 4.3% of the total number of hours worked by non-mangers). The Company does not employ temporary staff.

The number of temporary leaves of absence remains low.

Absentéisme	**2014**	**2015**
total jours congés exceptionnels ou sans soldes	130	19
total jours congé parental	46	140
total jours autres absences	-	333
total jours absence	176	492
% absentéisme / jours ouvrés	**2,5%**	**6,9%**

The substantial increase between the two periods results from 3 employees who were absent for over a month due to different and personal reasons. Excluding these specific absences, which alone represent 228 days, the rate of absteeism would stay similar to the 2014 rate of around 3%.

1.1.3. SOCIAL RELATIONS

Social relations revolve around the Company's employee representation body.

The Company has four employee representatives (2 titular and 2 alternate representatives) who were elected in November 2015 for a 4-year term.

Employee representatives meetings are set up on a regular basis, in accordance with the legislation. The minutes are circulated to all staff once drafted and approved.

The Company believes it maintains good relations with its employees. It maintains constructive social dialogue with employee representatives focused on transparency, cooperation and listening.

1.1.4. HEALTH AND SAFETY

The safety of staff and the management of working conditions are fundamental to the Company's long-term development. The Company has filed all the mandatory reports for its facilities and has obtained all the certifications to conduct its activities. Technical inspections and checks of facilities are conducted in accordance with applicable laws. Employees have the necessary qualifications and training to use the equipment, and receive the required health and safety training.

The Company's internal rules summarize the health and safety requirements that its employees have to follow. It has prepared a risk assessment guide (*Document Unique d'évaluation des risques*). These are available to all employees.

When hired, employees take an induction course that includes "quality and safety" training. The induction process for new hires is governed by two internal procedures: the "integration" procedure and the "safety" procedure. When returning after a prolonged absence, employees take a refresher course to ensure they perform their tasks safely.

Laboratory HSE (Health, Safety, Environment) meetings are organized once a quarter. A comprehensive review of employees' personal files is also carried out once every two years (to review training, medical status, job suitability) to ensure that they are consistent with the Company's goals.

Company employees have personal protective equipment (jacket, disposal gloves, safety glasses, etc.). General training in laboratory risk prevention is provided for every new hire by the laboratory's Quality/HSE manager, as part of the new employee's induction.

Laboratory scientific and technical staff is instructed in essential practices to ensure personal health and safety. An internal Company procedure (GP_Q003) describes the laboratory safety rules to be followed (storage and handling of chemical and biological products, personal protective equipment, decontamination of mats, glasses and work surfaces, what to do in an accident, etc.).

Over the course of 2014 and 2015, the Company recorded no incident classed as a workplace accident or commuting accident, among its employees, placements or apprentices.

No occupational or workplace accident was reported in 2014 or 2015 by employees, interns or apprentices. No permanent disability has been reported to the Company for this year or previous years.

1.1.5. TRAINING

The Company has set up a human resource management policy aimed at attracting and retaining the best candidates. It is based on a focused compensation policy and training budget tailored to the needs of its activities and those of its employees, and to support their career progression.

All staff is highly qualified and the Company attaches particular importance to maintaining every person's skills and expertise at a high level. Every person in the Company sets out their training requests in an annual individual interview.

In 2014, one employee followed an accredited course of 250 hours. The Company has set up a system to track the number of actual training hours taken as well as the corresponding training entitlement. In 2015, 12 courses were taken up by different employee for a total of 352 hours.

The Company's employees' training focuses on technical and managerial training. In 2015, a Masters course in Law and Management was passed by one employee, totalling around 250 hours. Other training was mainly focused on technical skills linked to the Company's research activity. In 2015, employess attended technical and managerial training sessions (Good practices / GMP / biostatistics / analytical methodology).

1.1.6. EQUAL TREATMENT

Considering its current headcount, the Company is not required to comply to specific laws or regulations in this respect, with the exception of gender representation on its Supervisory Board. Two of the 9 members of the Supervisory Board are woman. It should also be noted that the Company's Management Board is formed of 2 men and 2 women.

In terms of new hires, in order to prevent discrimination in hiring, the Company strives to make an objective choice based on job-related factors. Accordingly, the Company drafts job descriptions in terms of assignments and skills required for the role.

This defines the level and type of training, experience and special knowledge required. It ensures a non-discriminatory approach to hiring that offers equal opportunities to all applicants.

1.2. ENVIRONMENTAL INFORMATION

The Company's activities are split between two sites as follows:

- At the Labège site, its administrative activity, and a research laboratory. The research wing develops and evaluates recombinant proteins, which are produced for the Company mainly by third parties;
- At the Paris site, tertiary services.

The Company therefore considers its environmental impact to be low.

Its activities do not involve industrial production, distribution, significant use of raw materials for the products to be marketed, significant environmental discharges or greenhouse gas emissions. Its activities do not require the use of town gas or special gas. It generates no particular noise pollution for staff or neighbours.

Furthermore, the Company conducts its research activities within an extremely stringent regulatory framework, with which it complies. In this respect, the Company has all the necessary certifications.

The following are the most relevant:

- General environmental policy ;
- Pollution and waste management ;
- Sustainable use of resources.

1.2.1. GENERAL ENVIRONMENTAL POLICY

The Company reimburses to its employees 50% of their public-transport costs for travelling to and from the Company's premises, in the form of a travel bonus. In total, 13 employees (about 40% of the total workforce) receive this benefit.

Additionally, in order to limit travel and its environmental impact, the Company strives to use video- and teleconferencing as much as possible for the internal and external meetings that it runs.

Note that the Company leases the laboratories and offices that it occupies. It is therefore not the decision-maker for those facilities, which may have an impact in terms of the environment and sustainable development.

Nonetheless, for the activities and investments under its control, the Company strives to limit its environmental impact.

Since its inception, the Company has paid special attention to the handling and processing of chemicals.

The Company buys materials that are used in R&D. However, given the size of the Company, chemicals are handled only in small quantities and are closely monitored: they are tracked rigorously, from storage to requisition.

The Company has outsourced waste treatment to specialist providers (see next Section).

1.2.2. POLLUTION AND WASTE MANAGEMENT

Waste produced by the Company at the Labège site is sorted into two types:

- Chemical and toxic waste (solvents, for example);
- Biological waste (from the treatment of potentially infectious conditions).

To treat this waste, the Company has set up a stringent process. Chemical waste is collected by a specialized carrier, before which it was stored in plastic tubs then moved to protected zone racks. Biological waste is stored in collection bins provided by the waste collection company. The waste collection companies in this case are Santé-Pyrénées Services and Eoval.

In general, the Company produces not much waste as it is generated mainly by laboratory tests. Based on the waste collection statements issued by the two service providers mentioned above for fiscal 2014, the Company produced 2.7 tonnes of waste.

- Chemical waste

  A waste register tracks the following chemical waste: toxic products (since 2006), current laboratory products (since 2006), current laboratory packaging (since 2009), broken glass (since 2012).
  After every collection, EOVAL send to Genticel the following form showing the quantities removed per category. The forms are filed and kept at Genticel. The data is checked and reconciled when the forms are received.
  An SOP (for the removal of chemical and toxic waste) is in the process of being drafted (HSE_001 D9) and will be finalized by Genticel's HSE manager.
  An inventory of chemical products in the Company's chemicals store is carried out annually.

- Biological waste

  Solid waste is collected in cardboard bins. Liquid waste is stored in the labo12 racks. A specialist company comes every two weeks to take away the waste (Santé-Pyrénées Services). After it is taken away, a confirmation of removal of Infectious Clinical Waste is sent to Genticel.

  An SOP (HSE_004) has been validated in 2015 by the Company.

- Veterinary drugs

  At the Company, these products are used only for anaesthetic purposes. In accordance with regulations, they are stored in a locked cabinet. Their use and disposal is described in SOP REAG_008 (V2).

1.2.3. MEASURES TAKEN TO PRESERVE OR DEVELOP BIODIVERSITY

In its research activities, the Company uses genetically modified organisms. All the methods for handling GMOs are described in the operating procedures and experimentation protocols so their use can be defined very precisely and standardized.

To protect biodiversity against GMO-related risks, the Company imposes the most stringent safety requirements on its staff and on the condition of premises where the GMOs will be used, in accordance with applicable regulations.

GMOs are handled only at the Company premises listed below:

- 3 x L1 confinement laboratories, with: confinement measures exceeding L1 requirements; regulated access; a PSM II in every third laboratory; onsite autoclave; inactivation of effluent from sinks and showers
- 1 x L2 confinement laboratory
- 1 x A1+ breeding farm

The Company has applied for and obtained the necessary permits to handle these GMOs.

1.2.4. SUSTAINABLE USE

The Company's core business is research and not the production of organically-based products. Its consumption of "raw materials" is not significant (laboratory consumables are the only form of "raw materials" used by the Company accounting for about 2% of operating expenses).

The Company conducts laboratory tests using reactants on living organisms.

However, despite its reputedly low environmental impact, it applies the incubator's standard rules for consumption, sorting and recycling.

This leads to the following measures:

- Composting;
- Yellow bins for biological waste;
- Dedicated bins for sorting glass;
- Dedicated bins for batteries.

Similarly, water and power consumption is limited simply by using computerized electronics and washroom facilities. Water and power consumption are not significant.

Electricity consumption is approximately 89,755 kWh a year for the Labège site and 5,900 kWh a year for the Paris site, corresponding to approximately 6.9 tonnes CO_2 equivalent emissions for the combined sites (based on the Ademe bilan carbone v7.1, estimated at 0.072 kg CO_2 equivalent per kWh). As the Company has no vehicle fleet, we have not used any other criteria for tracking CO_2 equivalent emissions.

Lastly, the Company's analyses show no impact on global climate change or biodiversity.

In view of its activity, the Company made a significant number of national and international plane trips these past two years. Therefore, the Company has adopted monitoring criteria of its CO2 emissions linked to these types of journeys. This information is estimates gathered from internal data. They do not take into account the impact of fuel combustion for these flights.

	2014	2015	var. in %
GHG emissions by weight	37	56	**50%**
Number of Km travelled (in thousands)	374	620	**66%**

The number of journeys made by train by employees is small compared to those made by plane. In 2014, 55 journeys were made (30 alone between Paris and Belgium), and around 15 journeys were made in 2015, representing respectively 65 and 18 Kg of CO2.

2. INFORMATION RELATED TO SOCIAL RESPONSIBILITY IN THE INTEREST OF SUSTAINABLE DEVELOPMENT

1.1. GENTICEL'S TERRITORIAL AND SOCIAL POLICIES

Genticel was formed in 2001 and as at 31.12.2015 employed 31 people. Over a period of some ten years, the Company recruited skilled qualified staff, most of them in the Toulouse region. The Company prefers to hire people on permanent contracts. Fixed-term contracts are used for replacements or temporary work overloads.

The Company's policy is to hire young people on permanent contracts and offer them training. Each year, the Company also offers apprenticeships or internships to a certain number of work/study placements.

The Company welcomes everyone with the necessary skills for its development on a non-discriminatory basis. Until October 2015, one person in the Company's workforce was officially registered as disabled (RTHQ).

1.2. MEASURES TAKEN TO PROMOTE CONSUMER HEALTH AND SAFETY

The health and safety of consumers is central to the Company's core business: to research and develop therapeutic vaccines against the human papillomavirus. These research activities are ongoing and the main milestones are indicated in Section 6 of this *Document de référence*. The development of a new drug candidate follows a very rigorous evaluation process, in which drug safety is the primary concern, both for the company developing the product and for the oversight authorities responsible for its evaluation. There is no drug that does not have an adverse reaction of some kind: The Company's primary concern, and that of the evaluation agencies such as the European Medicines Agency (EMA) or the U.S. Food and Drug Administration (FDA) is to ensure that the benefits/risk ratio remains highly favourable for the patient being treated, throughout the development and then the marketing of the product. Consequently, the Company must comply with the applicable standards (Good Manufacturing Practices), and with the regulations issued by bodies in charge of evaluating new drugs and safeguarding public health, as mentioned below.

For example, the Company, before the first injection into humans, conducted three toxicological evaluations of its most advanced therapeutic vaccine candidate – ProCervix – which all concluded that ProCervix was well tolerated. On that basis, ProCervix was tested in humans during the first clinical trial in 47 women subjects infected by the HPV virus. The study included a first cohort of five patients at low doses and, cautiously, the patients were included one by one only after the previous patient had received both doses.

The Phase II study under way is being monitored by an independent monitoring and oversight committee whose primary function is to protect the patients included in the study. The committee meets every six months and, to form an opinion, has access to all the data relating to the study. It has the power to stop the trial in the event of a serious adverse reaction in a patient. The committee met twice during the year 2015, and each time authorized the pursuit of the trial without changing the protocole.

Moreover, aiming to be able to offer the use of GTL001 to the largest population possible, the Company started a new Phase I trial in the US. Its objective is to evaluate the tolerance of GTL001 in women between the ages of 50 to 65, infected with HPV 16 and/or HPV 18.

1.3. RELATIONS WITH PERSONS OR ORGANIZATIONS WITH AN INTEREST IN THE COMPANY'S ACTIVITIES

In order to take into account its activity and development over the course of the fiscal year, the Company makes available to its shareholders and its financial backers all regulatory information including all press releases issued.

Important events that occurred in 2015 (excluding quarterly presentations) are as follows:

- February 2015: Genticel grants a license of its Vaxiclase technological platform to the Serum Institute of India (SIIL) for us in the development of vaccines against whooping cough. The licence agreement, established at the pre-clinical stage, will enable Genticel to receive initial and milestone payments of up to 57 M USD, as well as royalties on net sales.
- April 2015: Valérie Leroy appointed as Director of Corporate Communications & Investor Relations
- June 2015: Genticel obtains authorisation from the FDA to initiate Phase I clinical trials in the US for GTL001, its first-in-class therapeutic vaccine.
- September 2015: New patent granted in the US that enables the use of Genticel's antigens delivering vectors in multi-therapy treatment of cancer.
- October 2015: First patient treated with GTl001 in Phase I trial in the US, Genticel therapeutic vaccine candidate against HPV 16/18 infections.
- January 2016: Rémi PALMANTIER is appointed as Scientific Director to improve development
- January 2016: Agreement signed with Roche Molecular Systems Inc. to evaluate the HPV test cobas® in preparation of the Phase III of GTL001, Genticel's most advanced therapeutic vaccine candidate against HPV 16/18

1.4. OUTSOURCING AND SUPPLIERS

The Company has not put in place specifically "CSR" criteria in selecting its suppliers. Its selection criteria are based on suppliers' ability to meet Genticel's needs in terms of products, procedures, processes, manufacturing plant, staff qualifications, quality management systems, and deadlines.

The Company thereby creates pooled value by involving suppliers and health professionals in its corporate responsibility initiative.

This approach applies to all Company suppliers. We are therefore concerned with the following types of suppliers:

- Clinical Research Organizations (CRO) which conduct studies;
- Clinical Manufacturing Organizations (CMO) which provide the material necessary for research.

Some of them are also ISO-certified. This applies mainly to "Quality" standards.

As the Company's activity is currently centred on research, it does not do any subcontracting. This factor is therefore insignificant.

3. METHODOLOGICAL NOTE

This report presents the CSR date for Genticel (the "Company") for fiscal years 2014 and 2015. The year 2014 covers the period from 1 January 2014 to 31 December 2014, the year 2015 covers the period from 1 January 2015 to 31 December 2015. The Company is based in two geographical regions: Its registered office in LABEGE (31), and its premises in PARIS (75), and the data for the two sites is combined here.

All indicators are monitored by the accounting manager and the chief financial officer. Social indicators are produced on the basis of a non-financial analysis which relies on corporate data on pay and personnel.

Environmental indicators are based on non-financial monitoring. Based on this monitoring, an estimate of electricity consumption is presented in this report. To calculate CO2 emissions, we have use an estimated emission factor of 72g CO2 equivalent per kWh, based on the Ademe bilan carbone v7.1.

Waste production calculations are based on real-time monitoring of supplier invoices for the period 1 January to 30 November 2015 and an estimate for the month of December 2015.

The correspondence table below shows all the CSR indicators required by law and identifies the criteria adopted by the Company or not, along with corresponding comments. For each criterion adopted, the collection and verification method used by the Company is explained below.

Les indicateurs de la RSE de la société GENTICEL exercice 2015

Grenelle 2 article 225		GRI 3.1.	Section	Supporting documents	Supporting references
Indicators					
Reporting scope and significant entities	Scope: one company (Genticel SA) at two physical sites (LABEGE / PARIS)	3.5 to 3.11	1	NA	NA
Social information					
Employement					
Total Workforce	Description: Employees related to the employer by an employment contract currently in effect or suspended due to leave or illness, regardless of type of contract, broken down by site at 31.12.2014 & 31.12.2015. Data collection method: excel tracking table by accounting manager Information system used: non-accounting Excluded: employees external to the company are not considered (temps, interns, employees belonging to an external company) Specifics: breakdown by gender, age, contract type, length of service and working hours (full time / part time) Approval route: Finance / Accounting	LA 1	1.1.a)	genticel_fichier reporting social_RSE_311215_1A.xls	**1A**
Breakdown of employees by gender	Description: based on workforce at 31.12.2014 & 31.12.2015 Data collection method: excel tracking table by accounting manager Information system used: non-accounting Exclusion: see: total workforce Approval route: Finance / Accounting	LA 1	1.1.a)	genticel_fichier reporting social_RSE_311215_1A.xls	**1A**
Break down of employees by age	Description: average age and age bracket based on workforce at 31.12.2014 & 31.12.2015 Data collection method: excel tracking table by accounting manager Information system used: non-accounting Exclusion: see: total workforce Approval route: Finance / Accounting	LA 1	1.1.a)	genticel_fichier reporting social_RSE_311215_1A.xls	**1A**
Breakdown of employees by geographic region	Description: breakdown by site based on workforce at 31.12.2014 & 31.12.2015 Data collection method: excel tracking table by accounting manager Information system used: non-accounting Exclusion: see: total workforce Approval route: Finance / Accounting	LA 1	1.1.a)	genticel_fichier reporting social_RSE_311215_1A.xls	**1A**

Grenelle 2 article 225		GRI 3.1.	Section	Supporting documents	Supporting references
Starters and leavers	Description: monitoring of starters and leavers in 2014 and 2015 broken down by geographic region Data collection method: this includes layoffs, resignations, contractual terminations, end of probationary periods, retirement, death, divided by average monthly workforce on permanent contracts Information system used: non-financial Approval route: Finance / Accounting	LA 2	1.1.a)	genticel_fichier reporting social_RSE_311215_1A.xls	**1A**
Compensation	Description: Total amount, percentage of revenue and payroll Data collection method: based on personnel expense indicated in Note 17 of the consolidated financial statements Source: Finance / Accounting	EC1 & EC5	1.1.a)	genticel_fichier reporting social_RSE_311215_1A.xls	**1A**
Change in compensation	Description: comparison with data above Data collection method: based on personnel expense indicated in Note 17 of the consolidated financial statements Source: Finance / Accounting	EC1 & EC5	1.1.a)	genticel_fichier reporting social_RSE_311215_1A.xls	**1A**
Organisation of work					
Organisation of working hours	Description: based on the French Labour Code and terms & conditions of employees' employment contracts Approval route: information centralized and checked by Finance / Accounting	LA	1.1.b)	090129_Accord sur le temps de travail_2A.pdf + cf. Modèles contrat de travail_2A	**2A**
Leaves of absence	Description: weekly monitoring of number of days absence for employees linked to the employer by an currently active employment contract, based on total workforce at 31.12.2014 & 31.12.2015 Data collection method: non-financial excel file tracking days paid leave, holidays and maternity leave. Employees external to the company are not considered (temps, interns, employees belonging to an external company) Approval route: information centralized and checked by Finance	LA 7	1.1.b)	Abs&Dplct-2014-2015_2B	**2B**

Grenelle 2 article 225		GRI 3.1.	Section	Supporting documents	Supporting references
Industrial Relations					
Organisation of social dialog	Description: compliance with applicable French laws, election of staff representative December 2011 / regular meetings of staff representatives. Elections for staff representatives held on 19/11/15. Two incubents and two alternates elected. Specifics: 100% of employees are covered by the collective agreement Approval route: information centralized and checked by Accounting Manager	LA 4	1.1.c)	PV ELECTIONS DP 2015_3C.pdf 141007_DUE INDUSTRIE PHARM JUIN 2014 v3_3C	**3C**
Overview of collective agreements	Description: no collective agreement signed in 2014 & 2015 Election of staff representatives in December 2011 / Unilateral Company Decision setting up an employee insurance plan in 06/14. Approval route: information centralized and checked by Accounting Manager	LA 5	1.1.c)	141127_Réglement intérieur GENTICEL_D4_V1_3C	**3C**
Health and Safety					
Occupational health and safety conditions	Description: When hired, employees take an induction course that includes "quality and safety" training. When returning after a prolonged absence, employees take a refresher course to ensure they perform their tasks safely. Data collection method: year 2014 & 2015 Approval route: QA Manager	LA 6 & LA 8	1.1.d)	HSE_002_4A.pdf	**4A**
Report of agreements signed with unions regarding workplace health and safety	Data collection method: no special agreement signed at the Company. However, the Company strives to ensure that its staff comply with medical checkup obligations. Work-fitness certificates are archived in their personal files. Approval route: QA Manager	LA 9	1.1.d)	NA	**NA**
Frequency and seriousness of workplace accidents	Description: the Company reported no workplace accidents or commuting accidents in 2014 & 2015, Data collection method: information centralized by Accounting Manager. Approval route: Finance	LA 7	1.1.d)	AT_compte_GENTICEL_2015_4B.pdf	**4B**
Occupational illness	Description: The Company received no occupational illness declarations in 2014 & 2015.	LA 7	1.1.d)	NA	**NA**

Grenelle 2 article 225		GRI 3.1.	Section	Supporting documents	Supporting references
Training					
Training policies implemented	Description: annual interview with training request => training plan set up, approved by CEO. Monitoring of training taken or not. Plan focused on training in useful skills. Data collection method: Information system used: non-financial Approval route: information centralized and checked by Finance / Accounting	LA 11	1.1.e)	genticel_formations réalisées_2015_5A.xls	**5A**
Total number of hours of training	Description: Costs charged. Description of main topics of training. Indicator of the number of hours taken was set up in 2015 Data collection method: year 2014 & 2015 Information system used: non-financial Approval route: information centralized and checked by Finance / Accounting	LA 10	1.1.e)	genticel_formations réalisées_2015_5A.xls	**1A**
Equality of treatment					
Measures to promote gender equality	Description: Based on its present workforce, the Company has no legal obligation in this respect. Two women sit on the Supervisory Board. Note also that the Management Board is composed of 2 men and 2 women. Information system used: non-financial Approval route: information centralized and checked by Finance / Accounting	LA 14	1.1.f)	kbis_6A + Registration document filed with the AMF on 31 March 2015 under number R.15-015 (« Document de Référence 2014 »)	**6A**
Measures taken to encourage the employment and integration of people with disabilities	Description: The Company undertook no specific actions in 2015. In 2015, one person in the Company's workforce was officially recognized as having a disability. The Company complies with French law. Data collection method: year 2015 Information system used: non-financial Approval route: information centralized and checked by Finance / Accounting	LA 13	1.1.f)	140616_déclaration 2014 de Reconnaissance de Qualité de Travailleur Handicapé_ME_6B.pdf	**6B**

Grenelle 2 article 225		GRI 3.1.	Section	Supporting documents	Supporting references
Anti-discrimination policy	Description: action implemented to integrate young people (apprenticeships and sandwich courses) Data collection method: year 2014 & 2015 Information system used: non-financial Approval route: information centralized and checked by Finance / Accounting	LA 13	1.1.f) & 2	Stages & Apprentissages_ 6 C Fiches fonction_6C	**6C**
Promotion and compliance with fundamental International Labour Organization (ILO) conventions					
Respect for freedom of association and collective bargaining rights	Description: compliance with French law in this / Drafting of minutes of staff-representative meetings Approval route: information centralized and checked by Finance / Accounting	HR 5, LA 4 & LA 5	1.1.c)	compte rendu des réunions du délégué du personnel_3A	**3A**
Elimination of discrimination in professions and occupations	see: anti-discrimination policy	HR 4, LA 13 & LA 14	1.1.f)	Stages & Apprentissages_ 6 C	**6C**
Elimination of forced or mandatory labour	Exclusion: as the Company is based only in France, it complies with French labour law which prohibits forced or mandatory labour	HR 6 & HR 7	NA	NA	**NA**
Effective abolition of child labour	Exclusion: as the Company is based only in France, it complies with French labour law which prohibits child labour	HR 6	NA	NA	**NA**
Environmental information					
General environmental policy					
Organization of the company to address environmental issues	Description: the Company has contracted with special services providers for waste treatment by type of waste. As the Company's waste production is low for such tests, it has not put in place any other special measures regarding these issues. Data collection method: non financial monitoring of contracts / internal waste management procedure Approval route: information centralized and checked by QA Manager	Manage-rial Approa-ch	1.2	140520_draft_HSE_001_D7_9A	**9A**

Grenelle 2 article 225		GRI 3.1.	Section	Supporting documents	Supporting references
Employee training and information actions on environmental protection	Description: As indicate above, in order to protect the environment of its activity, the Company has put in place stringent procedures for waste management. The Company trains its staff in these procedures and it also updates them with careful tracking of waste management issues. Data collection method: non financial monitoring of contracts / internal waste management procedure Approval route: information centralized and checked by QA Manager		NA	Prime transport_2015_ 8A.xls	**8A**
Resources dedicated to the prevention of environmental and pollution risks	Description: The nature of the Group's activities does not involve any significant environmental risk. The Company does not devote special resources to this issue.	EN 30	NA	NA	**NA**
Amount of provisions and guarantees for environmental risks (excluding claims)	Description: The nature of the Group's activities does not involve any significant environmental risk. The Company recognizes no provision on its balance sheet for such risks.	EN 20 & EC 2	NA	NA	**NA**
Pollution and waste management					
Measures to prevent, reduce or remedy releases into the air, water and soil that seriously affect the environment	Description: the Company does not own its premises so it does not produce them directly. It is therefore considered to have insignificant impact on releases into the air, water and soil.	EN 22, EN 23, EN 24 & EN 26	N/A	Pépinière Prologue Biotech_8B	**8B**
Measures to prevent, recycle and eliminate waste	Description: quantify in tonnes of waste produced by the Company (waste generated by laboratory tests) Data collection method: per calendar year 2014 & 2015 Source: non-financial Approval route: information centralized and checked by Accounting Manager	EN 22	1.2	élimination des déchets_9B	**9B**

Grenelle 2 article 225		GRI 3.1.	Section	Supporting documents	Supporting references
Management of noise and other forms of pollution specific to an activity	Description: - sound pollution considered not significant - CO_2 pollution from Company activities considered not significant	EN 25	N/A	NA	**NA**
Utilisation durable des ressources					
Water consumption	Description: As the Company is not a manufacturer, its water consumption is limited to merely sanitary use by employees.	EN 8	1.2	genticel_suivi utilisations des biens durables _2015_10A.xlsx	**10A**
Measures taken for the more efficient use of water based on local constraints	Considered not applicable in light of the comments above	EN 8, EN 9, EN 10 & EN 21	N/A	NA	**NA**
Consumption of raw materials	Description: as the Company's core activity is research, it uses few raw materials. The Company carries out laboratory analyses. It does not buy special raw materials. It buys only the laboratory reactants that it uses on living organisms. These purchases represent only 2% of operating expenses.	EN 1	N/A	Registration document filed with the AMF on 31 March 2015 under number R.15-015 (« Document de Référence 2014 »)	**NA**
Measures taken for the more efficient use of raw materials	Description: best practices to reduce the consumption of raw materials, sorting and recycling in line with joint practices used at the incubator park Information system used: sundry services Approval route: sundry services	EN 10	N/A	NA	**NA**
Energy consumption	Description: As the Company is not a manufacturer, its electricity consumption is limited to using computer equipment and electrical facilities available to employees. There are no company cars, employees use their own vehicles or public transport to get to work.	EN 3 & EN 4	1.2	genticel_suivi utilisations des biens durables_2014_10A.xlsx	**10A**

Grenelle 2 article 225		GRI 3.1.	Section	Supporting documents	Supporting references
Measures taken to boost energy efficiency and the use of renewable energy	Description: recent sites that the Company does not own. Information not significant.	EN 5, EN 6 & EN 7	1.2	Pépinière Prologue Biotech_8B	**8B**
Land use	Criteria judged not pertinent in light of the Company's activity.	EN 25	N/A	NA	**NA**
Climate change					
Greenhouse gas emissions	Criteria judged not significant in light of the Company's activity.	EN 16 to 20	N/A	NA	**NA**
Adapting to the consequences of climate change	Criteria judged not pertinent in light of the Company's activity.	EN 18 & EC 2	N/A	NA	**NA**
Protection of biodiveristy					
Measures taken to preserve and develop biodiversity	Description: As indicated earlier, the Company conducts laboratory tests using reactants on living organisms. To protect biodiversity from all risks connected with those tests, the Company requires its staff to follow strict safety rules and follow special waste management rules connected with those tests as indicated above, to avoid contamination of the external environment. Additionally, the Company's analyses show no direct impact on global climate change or biodiversity.	EN 11 to 15	1.2	NA	**NA**

Information on corporate commitments to promote sustainable development					
Regional, economic and social impact of the Company's activities					
In terms of jobs and regional development	Description: number of jobs created or maintained by site Data collection method: year 2014 & 2015 Approval route: information centralized and checked by Finance / Accounting	EC 8 & EC 9	1 & 2	genticel_fichier reporting social_RSE_311215_1A.xls	**1A**
on neighbouring or local populations	Description: No special action by the Company.	EC 1 & EC 6	N/A	NA	**NA**
Relations with persons or organisations with an interest in the Company's activities (NB: stakeholders)					
Conditions for dialogue with these individuals or organisations	Description: the Company makes available to its shareholders and financial backers all regulatory information on its website The Company also publishes press releases as updates of its activities and organization. Approval route: information centralized and checked by Finance	4.14 to 4.17	2	Overview of press releases	**14A**
Partnership or sponsorship actions	Description: No special action by the Company.	EC 1 & 4.11 to 4.13	N/A	NA	**NA**
Outsourcing and Suppliers					
Social and environmental issues taken into account in the firm's procurement policy	Description: for research services, the Company uses mainly CMOs and CROs that are on the current quality shortlist (based on special expertise and know-how), in particular GMP (Good Manufacturing Practice), to meet the Company's needs. Source: non-financial monitoring Information system used: non-financial monitoring	EC 6, HR 2 & HR 5 to 7	2	See information on suppliers part 15A	**15A**
Importance of subcontracting and the CSR factor in relations with suppliers and subcontractors	Description: in light of the Company's present activity focused mainly on intangible research services, management considers this criterion to currently be not significant.	3.6 & 4.14	N/A	NA	**NA**

Fair Practices					
Anti-corruption measures	Description: The Company currently has no sales. Suppliers are selected on the basis of technical criteria. It has not introduced a stringent policy for anti-corruption measures.	SO 2 to 4, SO 7 & SO 8	N/A	NA	**NA**
Measures taken to promote consumer health and safety	Description: The Company currently delivers mainly intangible research services. These research activities are ongoing and the main milestones are indicated in Chapter 3 of this Annual Financial Report	PR 1 & PR 2	2	Overview of press releases	**14A**
Other actions undertaken to promote human rights	The Company's operations and commitments are limited to France, which respects human rights.	HR	N/A	NA	**NA**

4. ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015 PREPARED TO IFRS STANDARDS

STATEMENT OF FINANCIAL POSITION

GENTICEL Statement of financial position	Notes	31/12/2015 €	31/12/2014 *corrected** €	31/12/2014 published €
ASSETS				
Intangible assets	3	54 017	19 131	19 131
Property, plant and equipment	4	155 874	94 863	94 863
Other non-current financial assets	5	5 290 657	10 189 293	10 189 293
Total non-current assets		**5 500 549**	**10 303 287**	**10 303 287**
Inventories	6	52 560	31 469	31 469
Other receivables	7	3 653 694	3 140 066	3 021 235
Current financial assets	5	5 021 938	12 557 243	12 557 243
Cash and cash equivalents	8	11 659 829	10 170 051	10 170 051
Total current assets		**20 388 021**	**25 898 828**	**25 779 998**
Total Assets		**25 888 570**	**36 202 115**	**36 083 284**
LIABILITIES				
Shareholders' equity				
Capital	10	1 554 109	1 544 024	1 544 024
Additional paid-in capital	10	48 420 039	48 112 032	48 112 032
Other comprehensive income	10	4 948	(117 555)	(117 555)
Reserves - Group share	10	(18 451 210)	(8 377 776)	(8 377 776)
Result - Group share	10	(11 193 323)	(10 943 819)	(10 666 547)
Shareholders' equity, Group share		**20 334 563**	**30 216 905**	**30 494 177**
Non-controlling interests			0	0
Total shareholders' equity		**20 334 563**	**30 216 905**	**30 494 177**
Non-current liabilities				
Employee benefit obligations	13	322 060	379 719	379 718
Non-current financial debt	12	1 900 781	1 645 793	1 645 793
Non-current liabilities		**2 222 842**	**2 025 510**	**2 025 510**
Current liabilities				
Current financial debt	12	621 347	511 841	511 841
Trade payables and related accounts		1 886 424	2 662 777	2 266 675
Tax and social security liabilities	14.1	821 340	784 358	784 358
Other creditors and miscellaneous liabilities	14.2	2 055	723	723
Current liabilities		**3 331 166**	**3 959 699**	**3 563 597**
Total Liabilities		**25 888 570**	**36 202 115**	**36 083 284**

** Please refer to note 2.2 Correction of error*

INCOME STATEMENT

GENTICEL Income Statement	Notes	31/12/2015 12 months €	31/12/2014 *corrected** 12 months €	31/12/2014 published 12 months €
Sales	15	-	-	-
Cost of sales		-	-	-
Gross margin		**-**	**-**	**-**
Other income	15	177 742	-	-
Net R&D expenses				
R&D expenses	16.1	(10 935 343)	(11 189 788)	(10 793 686)
Subsidies	16.1	2 940 037	2 904 002	2 785 172
General and administrative expenses	16.2	(3 599 155)	(2 762 748)	(2 762 749)
Operating profit (loss)		**(11 416 719)**	**(11 048 534)**	**(10 771 263)**
Financial expenses	18	(64 535)	(85 167)	(85 167)
Financial income	18	287 931	189 882	189 882
Pre-tax profit (loss)		**(11 193 323)**	**(10 943 819)**	**(10 666 547)**
Tax expense		-	-	-
Net income		**(11 193 323)**	**(10 943 819)**	**(10 666 547)**
Group share		*(11 193 323)*	*(10 943 819)*	*(10 666 547)*
Non-controlling interests		-	-	-

Earnings per share	Notes	31/12/2015	31/12/2014	31/12/2014
Weighted average number of outstanding shares		15 463 263	13 801 002	13 801 002
Basic earnings per share (€/share)	20	**(0,72)**	**(0,79)**	**(0,77)**
Diluted earnings per share (€/share)	20	**(0,72)**	**(0,79)**	**(0,77)**

** Please refer to note 2.2 Correction of error*

STATEMENT OF COMPREHENSIVE INCOME

GENTICEL Statement of comprehensive income	Notes	31/12/2015 12 months €	31/12/2014 corrected* 12 months €	31/12/2014 published 12 months €
Profit (loss) for the year		**(11 193 323)**	**(10 943 819)**	**(10 666 547)**
Actuarial gains (losses)	13	122 504	(82 027)	(82 027)
Items not recyclable in income		**122 504**	**(82 027)**	**(82 027)**
Items recyclable in income		**-**	**-**	**-**
Other items of comprehensive income (net of tax)		**122 504**	**(82 027)**	**(82 027)**
Comprehensive income		**(11 070 819)**	**(11 025 846)**	**(10 748 574)**
Group share		*(11 070 819)*	*(11 025 846)*	*(10 748 574)*
Non-controlling interests		-	-	-

** Please refer to note 2.2 Correction of error*

CHANGE IN SHAREHOLDERS' EQUITY

GENTICEL CHANGE IN SHAREHOLDERS' EQUITY	Notes	Capital *Number of shares*	Capital €	Premiums linked to capital €	Reserves and profit €	Translation gains (losses) €	Actuarial gains (losses) €	Shareholder s' equity, Group share €	Non-controlling interests €	Shareholders' equity €
At 31 December 2013		*9 694 339*	**969 434**	**11 219 831**	**(10 131 661)**	**-**	**(35 528)**	**2 022 076**	**-**	**2 022 076**
Net income 2014 (corrected) *					(10 943 819)			(10 943 819)		(10 943 819)
Other comprehensive income							(82 027)	(82 027)		(82 027)
Comprehensive income			**-**	**-**	**(10 943 819)**	**-**	**(82 027)**	**(11 025 846)**	**-**	**(11 025 846)**
Shares issued		*5 435 568*	543 557	37 372 425	942 188			38 858 170		38 858 170
Bond conversions		*310 328*	31 033	2 420 558				2 451 591		2 451 591
BSA subscriptions				43 500				43 500		43 500
BSPCE subscriptions				121				121		121
Liquidity contract					(112 941)			(112 941)		(112 941)
Share-based payments	11				924 637			924 637		924 637
Capital increase costs				(2 944 403)				(2 944 403)		(2 944 403)
At 31 December 2014 (corrected)*		*15 440 235*	**1 544 024**	**48 112 032**	**(19 321 595)**	**-**	**(117 555)**	**30 216 905**	**-**	**30 216 905**
Net income 2015					(11 193 323)			(11 193 323)		(11 193 323)
Other comprehensive income							122 504	122 504		122 504
Comprehensive income			**-**	**-**	**(11 193 323)**	**-**	**122 504**	**(11 070 819)**	**-**	**(11 070 819)**
BSPCE exercised	11	*100 851*	10 085	308 007				318 092		318 092
Liquidity contract					29 689			29 689		29 689
Share-based payments	11				840 695			840 695		840 695
At 31 December 2015		*15 541 086*	**1 554 109**	**48 420 039**	**(29 644 533)**	**-**	**4 948**	**20 334 563**	**-**	**20 334 563**

** Please refer to note 2.2 Correction of error*

CASH FLOW STATEMENT

GENTICEL – IFRS Cash flow statement	Notes	31/12/2015 12 months €	31/12/2014 *corrected** 12 months €	31/12/2014 published 12 months €
Cash flow from operating activities				
Net income		**(11 193 323)**	**(10 943 819)**	**(10 666 547)**
(-) Elimination of amortization of intangible assets	3	(4 240)	(7 645)	(7 645)
(-) Elimination of depreciation of property, plant and equipment	4	(51 716)	(27 606)	(27 606)
(-) Provision additions	13	(64 847)	(46 676)	(46 676)
(-) Expenses linked to share-based payments	11	(840 695)	(924 637)	(924 637)
(-) Subsidies posted to profit and loss	12.2	-	128 532	128 532
(-) Capitalised interest	12.3	-	(27 374)	(27 374)
(+) interest from investments	18	280 090	132 897	132 897
(-) Discounting / unwinding of advances	12.2	(33 730)	(2 044)	(2 044)
Self-financing capacity before cost of net financial debt and taxes		**(10 478 184)**	**(10 169 267)**	**(9 891 995)**
(-) Change in working capital requirements (net of impairment of trade receivables and inventories)		1 265 995	(321 805)	(44 534)
Cash flow from operating activities		**(11 744 179)**	**(9 847 462)**	**(9 847 462)**
Cash flow from investing activities				
Acquisitions of intangible assets	3	(39 126)	-	-
Acquisitions of property, plant and equipment	4	(112 727)	(73 201)	(73 201)
Redemption of term deposits recorded in other current & non-current financial assets		12 500 000	-	
Subscription of term deposits recorded in other current & non-current financial assets		-	(17 500 000)	(17 500 000)
Subscription to a capitalisation contract posted to other non-current financial assets		-	(5 000 000)	(5 000 000)
Interest from investments		236 956	-	
Cash flow from investing activities		**12 585 103**	**(22 573 201)**	**(22 573 201)**
Cash flow from financing activities				
Capital increase net of conversion of bonds to shares	10	-	38 858 170	38 858 170
Capital increase transaction expenses	10	-	(2 944 403)	(2 944 403)
BSA & BSPCE subscriptions		-	43 621	43 621
BSPCE exercised		318 092	-	
Encashment of conditional advances and subsidies (1)	12.2	853 099	830 874	830 874
Issuance of share-convertible bond	12.3	-	2 451 628	2 451 628
Repayment of conditional borrowings and advances	12.2	(495 600)	(288 240)	(288 240)
Bond repayments	12.2	(26 798)	-	
Other flows from financing activities (change in liquidity contract)		-	(200 000)	(200 000)
Cash flow from financing activities		**648 793**	**38 751 650**	**38 751 650**
Increase (decrease) in cash & equivalents		**1 489 716**	**6 330 987**	**6 330 987**
Cash & cash equivalents – beginning of the period (including bank overdrafts)	8	10 169 940	3 838 953	3 838 953
Cash & cash equivalents – end of the period (including bank overdrafts)	8	11 659 656	10 169 940	10 169 940
Increase (decrease) in cash & equivalents		**1 489 716**	**6 330 987**	**6 330 987**

** Please refer to note 2.2 Correction of error*

		31/12/2015 12 months €	31/12/2014 *corrected** 12 months €	31/12/2014 published 12 months €
Cash and cash equivalents	8	11 659 829	10 170 051	10 170 051
Bank overdrafts	12	(174)	(111)	(111)
Cash & cash equivalents at period-end (including bank overdrafts)		**11 659 656**	**10 169 940**	**10 169 940**

BREAKDOWN OF CHANGE IN WORKING CAPITAL REQUIREMENTS (WCR)

Breakdown of change in WCR (Amounts in euros)	**31/12/2015**	**31/12/2014 *corrected****	**31/12/2014 published**
Other non-current financial assets	(6 763)	17 410	17 410
Inventories (net of inventory impairment)	21 091	(12 946)	(12 946)
Other receivables	513 628	588 411	469 580
Trade payables and related accounts	776 353	(740 742)	(344 640)
Tax and social security liabilities	(36 982)	(192 387)	(192 387)
Other creditors and miscellaneous liabilities	(1 332)	18 449	18 449
Total change	**1 265 995**	**(321 805)**	**(44 534)**

** Please refer to note 2.2 Correction of error*

NOTES TO THE IFRS FINANCIAL STATEMENTS

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

NOTE 1 – OVERVIEW OF ACTIVITY AND SIGNIFICANT EVENTS

The information below constitutes the Notes to the IFRS Financial Statements for the fiscal years ended 31 December 2015 and 31 December 2014. Each of two reporting periods covers the 12 months from 1 January to 31 December of its year.

GENTICEL's financial statements were approved by the Executive Board on 9 March 2016 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 immunotherapies (therapeutic vaccines) GTL001 and GTL002 (also known as ProCervix and Multivalent HPV) for women infected by high risk types of the 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 DURING THE FISCAL YEAR ENDED 31 DECEMBER 2015

October 2015:

- The Company announced that its first patient had been treated in the United States as part of a Phase 1 clinical trial of its first-in-class product GTL001 (ProCervix).

September 2015:

- The Company announced that a new patent no. 9095537 entitled "Therapy of cancer based on targeting adaptive, innate and/or regulatory component of the immune response" had been granted in the United States. This patent, for which the Pasteur Institute had granted GENTICEL an exclusive licence, protects the use of the Company's CyaA antigen delivery vectors in the treatment of cancer.

July 2015:

- The Company announced that the Data and Safety Monitoring Board, a committee of independent experts, recommended that Phase 2 trials of GTL001 (ProCervix) continue unchanged in patients infected with HPV 16 and/or 18.

June 2015:

- The Company announced that the U.S. Food and Drug Administration (FDA) granted an Investigational New Drug (ING) authorization to conduct Phase I clinical trials for GTL001 (ProCervix)) 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 immunotherapeutic candidate from Vaxiclase, its proprietary technological platform.

April 2015:

- The Company presented promising results from a new in vivo pharmacological study on its Phase II therapeutic drug candidate GTL001 (ProCervix), at the 2015 Annual Meeting of the American Association for Cancer Research (AACR).
- Valérie Leroy was appointed Director of Corporate Communications 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, will allow GENTICEL to receive up to US$57 million in initial and stage payments, plus royalties based on net sales.

1.3. POST BALANCE SHEET EVENTS

January 2016:

- The Company announced the appointment of Rémi Palmantier, PhD in immunology, as Scientific Director.
- The Company announced it had signed an agreement with Roche Molecular Systems Inc. to evaluate the cobas® HPV test in preparation for the Phase III trial of its therapeutic vaccine candidate GTL001, the most advanced vaccine against HPV 16/18 infections.
- The Company announced the initial results of the Phase III randomized, double-blind, placebo-controlled trial of GTL001, its HPV immunotherapeutic candidate which is aimed at eradicating HPV 16 and/or 18 infections. Despite the absence of a statistically significant difference in viral clearance at 12 months between the treated group and the placebo group among the total trial population, the difference was significant in two predefined subgroups, specifically, in patients with normal cytology and in adult patients under 30 years of age. Statistically significant viral clearance data at 18 months in the total trial population will be a decisive factor for beginning preparations for Phase III. The data will be communicated in the third quarter of 2016. The Data and Safety Monitoring Board (DSMB), which met last January 26, recommended that the trial continue as planned and that additional data be collected on viral clearance and long-term safety.

NOTE 2 – ACCOUNTING PRINCIPLES, RULES AND METHODS

The financial statements are presented in euros unless otherwise indicated.

2.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of compliance

GENTICEL has prepared its financial statements, approved by the Board on 9 March 2016, 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 periods presented.

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.

Principles 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 starting on or after 1 January 2015:

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

- IFRIC 21: Levies
- IFRS Improvements (2011-2013 Cycle)

These new provisions published by the IASB 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 to defined benefit plans
- Amendments to IAS 16 and IAS 41 – Producing plants
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendment to IAS 1 – Presentation of financial statements: Disclosure initiative
- IFRS Improvements (2010-2012 Cycle)
- IFRS Improvements (2012-2014 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. CORRECTION OF ERROR

In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates, and Errors", the Company has corrected an error in the measurement of expenses for studies and services. Following additional investigations conducted by the Company and its service provider, the correction of the error in the IFRS financial statements as at 31 December 2014, identified during the preparation of the interim financial statements for 30 June 2015, has been amended.

The following items are affected by the error correction relating to the IFRS financial statements as at December 31, 2014:

Items affected – Statement of financial position	Impact on 2014 equity	Impact on 2014 equity (published in the 2015 semi-annual report)
Other receivables – research tax credit	+ 119 K€	+ 131 K€
Trade payables and related accounts	+ 396 K€	+ 437 K€
Impact on equity – net loss	- 277 K€	- 306 K€

Items affected – Income statement	Impact on 2014 Income statement
R&D expenses – studies and research	- 396 K€
R&D expenses – research tax credit	119 K€
Net impact on net loss	- 277 K€

2.3. CHANGE IN ACCOUNTING METHOD

With the exception of the new texts identified above, GENTICEL made no changes to its accounting methods for the fiscal year ended 31 December 2015.

2.4. USE OF JUDGMENTS AND ESTIMATES

To prepare the financial statements in accordance with IFRS, the Company's Executive Management has made judgments and estimates that could affect the amounts presented under assets and liabilities, the liabilities as at reporting date, and the amounts presented under income and expenses for the period.

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.

The key significant estimates or judgments made by the Company's Management relate to the following in particular:

- Fees incurred by the Company's IPO and for the concomitant capital increase in 2014:
  - For these concomitant transactions, the Company used its judgment to identify the costs connected with the listing of its existing shares, the marginal costs directly attributable to the issuance of new instruments, and the allocation of "shared" costs for the two operations.
  - The fees charged to equity in 2014 are shown in the statement of changes in shareholders' equity;
- Allocation of share subscription warrants or founders' warrants to employees, executives and external service providers:
  - The fair-value measurement of share-based payments is based on the Black & Scholes option valuation model which makes assumptions about complex and subjective variables. These variables notably include the value of the Company's shares, the expected volatility of the share price over the lifetime of the instrument, and the present and future behaviour of the holders of those instruments. There is a high inherent risk of subjectivity when using an option valuation model to measure the fair value of share-based payments in accordance with IFRS 2.
  - The valuation assumptions adopted are disclosed in Note 11.
- Non-recognition of deferred tax assets net of deferred tax liabilities:
  - The measurement of identifiable deferred tax assets requires Management to make estimates about the time period over which the deferred losses will be used up, and about the level of future taxable income, based on the tax strategies adopted.
  - The accounting principles applied by the Company for the recognition of deferred tax assets are set out in Note 2.24.

2.5. PRESENTATION AND FUNCTIONAL CURRENCIES

The Company's financial statements are prepared in euros (€) which is GENTICEL's functional currency.

2.6. FOREIGN CURRENCY

Transactions denominated in a foreign currency are translated into the functional currency at the effective exchange rate on the transaction date. Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the effective exchange rate on the transaction date.

Gains and losses on translation corresponds to the difference between the amortised cost denominated in the functional currency at the start of the period, adjusted by the impact of the effective interest rate and payments over the period, and the amortised cost denominated in the foreign currency translated at the effective exchange rate at period end.

Non-monetary assets and liabilities denominated in a foreign currency that are measured at fair value are translated into the functional currency at the effective exchange rate on the fair value measurement date. Gains and losses on translation are recognized in profit and loss (income statement) with the exception of a gain or loss from the translation of an equity instrument available for sale, of a financial liability identified as a

net investment hedge in a foreign operation, or of an instrument identified as a cash flow hedge, which are all recognized directly in equity.

2.7. DISTINCTION BETWEEN CURRENT AND NON-CURRENT

In its statement of financial position the Company makes a distinction between current and non-current assets and liabilities.

The following rules were applied to distinguish current from non-current items:

- Assets and liabilities constituting working capital requirements in the normal course of business are classed as "current";
- Assets and liabilities not in the normal course of business are presented as “current” or “non current” depending on whether their maturity is longer or shorter than one year, or in accordance with special cases identified in IAS 1.

2.8. INTANGIBLE ASSETS

Intangible assets consist mainly of software, patents and trademarks.

R&D expenses

According to IAS 38, development expenses can be recognised as intangible assets only if the Company can demonstrate all of the following:

a) the technical feasibility of completing the development project;
b) its intention to complete the project;
c) its ability to use the intangible asset;
d) how the intangible asset will generate probable future economic benefits;
e) the availability of adequate technical, financial and other resources to complete the project;
f) its ability to reliably measure the development expenditure.

Expenses can be activated if they are directly incurred in producing the asset, which includes:

- the cost of services used or consumed to create the intangible asset;
- staff salaries and benefits incurred to create the asset.

Expenses are not activated until the date that the intangible asset activation conditions are satisfied. Expenses cease being posted to assets when the intangible asset is ready to be used.

Due to the risks and uncertainties involved in the R&D process and in obtaining regulatory authorisation, the six criteria for capitalizing expenses are deemed not to be satisfied until the drug marketing authorisation is obtained. Consequently, internal development expenses incurred in obtaining a marketing authorisation (mainly consisting of the cost of clinical trials) are recognised under R&D expenses at the point that they are incurred.

Patents

Patent acquisition costs are posted to assets based on the costs incurred to acquire the patents concerned.

Software

Software license acquisition costs are posted to assets based on the costs incurred to acquire and make the software concerned operational.

Trademarks

Trademark registration costs incurred by the Company are capitalised and are not amortised.

Other intangible assets

In application of the IAS 38 criteria, intangible assets acquired are recognised under assets at their acquisition cost.

Amortisation charge and duration

When their useful duration is finite, depreciation is calculated using the straight-line method to spread the cost over the estimated useful life, specifically:

Item	Amortisation period
Patents	Period of validity
Software	1 year
Trademarks	N/A

The amortisation charge for intangible assets is recognised in profit & loss under:

- administrative expenses for software
- R&D expenses for patents

2.9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at their acquisition cost (purchase price plus ancillary expenses) or at the cost to the company of producing them.

Asset items are depreciated according to the actual useful duration of the asset.

The following depreciation periods and methods are used:

Item	Depreciation period
Technical facilities, hardware and tools	3 to 5 years – Linear
General facilities, fixtures, fittings	3 to 9 years – Linear
Office and computer equipment	3 to 5 years – Linear
Furniture	5 years – Linear

The amortisation charge for property, plant and equipment is recognised in profit & loss under:

- administrative expenses for depreciation of facilities, fixtures and fittings; office and computer equipment; furniture
- R&D costs for the depreciation of laboratory machinery and equipment.

2.10. LEASE AGREEMENTS

The Company has no finance-lease agreements in the sense of IAS 17.

Assets financed by finance-leasing agreements in the sense of IAS 17, which essentially transfer to GENTICEL the risks inherent in their ownership, are recognized under balance sheet assets. The corresponding debt is recognized under balance sheet liabilities.

Lease agreements, in which substantially all risks and benefits are retained by the landlord, are treated as operating leases. The payments made for operating leases, net of incentive fees, are recognised under expenses in profit & loss on the straight line method over the term of the contract.

2.11. RECOVERABLE VALUE OF NON-CURRENT ASSETS

Assets with an indefinite useful duration are not depreciated and are subject to an annual impairment test.

The depreciated assets are subjected to an impairment test whenever an internal or external index indicates that an asset may have lost value.

As at 31 December 2015, no non-current assets presented an internal or external indication of impairment.

2.12. FINANCIAL ASSETS

The Company's financial assets are classified in two categories depending on their type and why they are held:

- Financial assets at fair value through profit or loss
- Loans and receivables

All financial assets are initially recognised at the cost that corresponds to the fair value of the price paid plus acquisition costs.

All normalised purchases and sales of financial assets are recognised on the settlement date.

Financial assets at fair value through profit or loss

This category includes capitalization contracts and term deposits.

They correspond to the assets held for trading purposes, ie., the assets acquired by the company for sale in the short term. They are measured at their fair value and changes in fair value are recognised through profit and loss. Some assets can also voluntarily be classified in this category.

Loans and receivables

This category includes other loans and receivables, and trade receivables.

Non-current financial assets include advances and guarantee deposits given to third parties. Advances and guarantee deposits are non-derivative financial assets with fixed or determinable payments, that are not listed on an active market.

Such assets are recognised at amortised cost using the effective interest rate method. Gains and losses are recognised through profit and loss when the loans and receivables are derecognised or impaired.

2.13. LIQUIDITY CONTRACT

Following its admission to the Euronext regulated market in Paris and Brussels, on 18 April 2014 the Company signed a liquidity contract with Banque Oddo et Cie to limit the "intraday" volatility of GENTICEL shares.

Under this agreement, the Company allocates €200,000 for Oddo to take sell and buy positions on Company shares The portion of the contract invested by Oddo in the Company's treasury shares is recognised as a deduction from Company shareholders' equity at 31 December 2015, at purchase cost.

The income from the sale of these treasury shares is also recognised directly in shareholders' equity.

The cash reserve for the liquidity contract is shown under "Other non-current financial assets".

2.14. INVENTORIES

Inventories consist of products and consumables inherent in the research work and are valued using the first-in first-out method.

Inventories are recognised at the lower of their purchase cost or their net realisable value. In the latter case, the impairment is posted to profit and loss.

An provision for impairment is constituted when the inventory value is less than the book value.

2.15. CASH, CASH EQUIVALENTS AND FINANCIAL INSTRUMENTS

Cash and short-term deposits recognised in the statement of financial position include cash at banks, cash at hand, and short-term deposits with an initial maturity less than three months.

Cash equivalents consist of term deposits. Cash equivalents are held for trading purposes, are easily convertible into a known amount of cash and exposed to negligible risk that they will change in value. They are measured at their fair value and any changes in value are recorded in financial income.

For cash flow statement purposes, net cash consists of cash and cash equivalents as defined above.

2.16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Term deposits and money-market SICAVs identified as cash equivalents at period end, as well as cash investments regarded as other financial assets (term deposits and capitalization contracts) are measured at fair value through profit and loss, their fair value being based on their market value.

Borrowing and financial debt are recognised at amortised cost, measured using the effective interest rate (EIR) method.

The fair value of trade receivables and trade debts is the same as their book value, given the very short payment maturities of these receivables. The same applies to other receivables and other current debts.

The Company has established three categories of financial instruments depending on their valuation methods and uses this classification to disclose some of the information required by IFRS 7:

- Level 1: financial instruments listed on an active market;
- Level 2: financial instruments whose valuation methods rely on observable inputs;
- Level 3: financial instruments whose valuation methods rely entirely or partly on unobservable inputs, an unobservable input being defined as one whose measurement relies on assumptions or correlations that are not based on the prices of observable market transactions for a given instrument on valuation day or on observable market data on valuation date.

The instruments recognised at fair value through profit and loss, that the Company holds, are cash and cash equivalents, term deposits and capitalization contracts that come under Level 1.

2.17. PUBLIC SUBSIDIES RECEIVABLE

Conditional advances

The Group benefits from a certain amount of public aid, in the form of conditional subsidies and advances. These are disclosed in Note 12.2.

They are recognised in accordance with IAS 20. Advances granted at below market rate interest are measured at amortised cost in accordance with IAS 39:

- The interest rate advantage is measured by using a discount rate corresponding to a market rate on the date the aid is granted. The amount resulting from the interest rate advantage obtained when the repayable interest-free advance is granted is considered to be a subsidy recorded under income in the statement of comprehensive income.
- The financial cost of the repayable advances, calculated at the market interest rate, is then recorded under financial expenses.

Subsidies are shown under “Research and development”.

These advances are recorded under “Non-current financial debt” and “Current financial debt” depending on their maturities. In the event of failure of the project, the abandonment of the receivable is recorded under subsidies.

Subsidies

Subsidies received are recognised as soon as the corresponding receivable become certain, taking into consideration the conditions specified when the subsidy was granted.

Operating subsidies are recognised as a reduction in R&D expenses, taking into account the corresponding pace of expenditure so as to maintain the principle of associating expenses with revenues.

Research Tax Credit (CIR)

Research tax credits are granted to enterprises by the French State as an incentive for technical and scientific research. Companies with expenses that meet the eligibility criteria receive a tax credit that can be used to

pay the corporate income tax due in the year in which it is granted as well as in the following three fiscal year or, as the case may be, any surplus tax paid can be reimbursed.

The research tax credit is presented in the statement of comprehensive income under subsidies to research and development.

The Company has benefitted from the research tax credit system since it was formed and uses it in its R&D efforts.

2.18. RECEIVABLES

Receivables are measured at their nominal value. They are depreciated, as appropriate, on a case by case basis via a provision to reflect any recovery problems they may entail.

Other receivables include the nominal value of research tax credits (CIR) which is recognised in assets in the year of acquisition corresponding to the year in which the eligible expenses giving rise to the tax credit are incurred.

2.19. CAPITAL

Classification as equity depends on the specific analysis of the characteristics of each instrument issued. Ordinary shares and preference shares therefore can be classified as equity instruments.

Ancillary costs directly attributable to the issuance of shares or stock options are recognised, net of tax, as a deduction from equity.

2.20. SHARE-BASED PAYMENTS

Since its formation, the Company has set up several compensation plans settled in equity instruments in the form of share subscription warrants (BSA), founders' warrants (BSPCE) allocated to employees, the members of the Executive Board, consultants, and members of the Supervisory Board.

In accordance with IFRS 2, the cost of transactions settled in equity instruments is recognised under expenses in the period in which the rights to benefit from the equity instruments are acquired, as counterpart to the capital increase.

The Company has applied IFRS 2 to all the equity instruments granted to employees, members of the Supervisory Board, members of the Executive Board or to physical persons supplying services such as consultants.

The fair value of the warrants granted to employees is measured via the Black-Scholes option valuation mode. The same applies to the options granted to other physical persons supplying similar services, as their market value is not determinable.

All assumptions used in measuring the value of such plans are disclosed in Note 11.

2.21. PROVISIONS

Provisions correspond to commitments resulting from litigation and various risks, the outcome and value of which are uncertain, that the Company may face as part of its activities.

A provision is recognised when the Company has an obligation to a third party resulting from a past event that likely to cause an outflow of resources to the benefit of that third party without a counterpart at least equivalent to it, and future outflows of cash can be reliably estimated. The amount recognised in provisions is the estimated expense necessary to extinguish the obligation, discounted if necessary at period-end.

2.22. EMPLOYEE BENEFIT OBLIGATIONS

The Company's French employees enjoy retirement benefits specified by French law:

- A severance package, paid by the Company, upon retirement (defined benefit scheme);

- Pension payments by Social Security bodies, which are funded by company and employee contributions (defined contribution scheme).

Pension plans, similar compensation, and other employee benefits that qualify as defined benefit schemes (in which the Company guarantees an amount or defined level of benefits) are recognised on the balance sheet based on an actuarial valuation of the obligations at period-end, minus the fair value of the scheme assets.

This valuation uses the projected unit credit method, taking into account staff turnover and mortality probability. Any actuarial spreads are recognised in equity as "items of other comprehensive income".

The Company's payments into defined contribution schemes are recognised under expenses on the income statement for the period to which it relates.

2.23. BORROWING

Financial liabilities are split into two categories and include:

- financial liabilities recognised at amortised cost;
- financial liabilities recognised at fair value through profit or loss.

Financial liabilities recognised at amortised cost

Borrowings (for the component "debts" see Note 12) and other financial liabilities such as conditional advances, are recognised at amortised cost measured using the effective interest rate method. The "less than 1 year" component of financial debts is presented under "current financial debt".

2.24. RECEIVABLES AND DEBTS DENOMINATED IN A FOREIGN CURRENCY

Debts and receivables denominated in a foreign currency are recognised at the exchange rate applicable at the initial transaction. At period-end, the headings corresponding to assets and liabilities are measured at the closing rate.

2.25. INCOME TAX

Taxable assets and liabilities in the year and in previous years are valued at the amount expected to be recovered or paid by the tax authorities.

The tax rates and tax regulations used to calculate these amounts are those that have been adopted or partially adopted at period-end.

Deferred taxes are recognised using the variable deferral method, which is applied to the temporary differences between the book values and tax basis of the assets and liabilities in the financial statements as well as on deferrable losses.

The main temporary differences relate to deferrable tax losses.

Deferred tax assets are recognised as deferrable tax losses, when it is probable that the Company will have future taxable profits to which those unused tax losses could be applied. The measurement of identifiable deferred tax assets requires Management to make estimates about the time period over which the deferred losses will be used up, and about the level of future taxable income, based on the tax strategies adopted.

2.26. OTHER INCOME

Other income includes proceeds from licence agreements signed with partners.

Payments that are spread out as milestones are reached (stage payments) are measured on a case by case basis and recorded in the income statement when the products and/or services concerned have been delivered or rendered.

2.27. SEGMENT INFORMATION

The Company operates in only one business segment:

- The development of immunotherapies (therapeutic vaccines) for women infected by high risk types of the human papillomavirus (HPV).

The assets and operating losses presented are located in France.

R&D expenses and most administrative expenses are incurred in France.

2.28. OTHER COMPREHENSIVE INCOME

Other income and expense items in the period recognised directly under equity, are presented, if any, in "Other comprehensive income".

2.29. PRESENTATION OF THE INCOME STATEMENT

The Company presents its income statement by function.

The intended use of expenses is disclosed in Note 16.

Financial profit (loss)

Net financial income includes:

- Expenses related to the financing of the Company: Interest paid and unwinding of repayable advances and financial liabilities (see Notes 12.1 and 12.2).
- Interest received on term deposits and the capitalization contract.

Gains and losses on translation, if any, are also recognised under financial profit and loss.

2.30. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net income attributable to Company shareholders by the weighted average number of the shares in circulation in the fiscal year.

Diluted earnings per share is calculated by adjusting the net income attributable to the holders of ordinary shares and the weighted average number of the ordinary shares in circulation by the effects of all the dilutive potential ordinary shares.
If, when calculating diluted earnings per share, the fact of taking into account instruments giving deferred access to capital (BSA warrants and BSPCE founders' warrants) creates an anti-dilutive effect, those instruments are not taken into account.

NOTE 3 – INTANGIBLE ASSETS

INTANGIBLE ASSETS (Amounts in euros)	Patents	Software	Trademarks	Total
GROSS VALUE OF INTANGIBLE ASSETS				
Statement of financial position at 31 December 2013	**47 088**	**26 545**	**990**	**74 623**
Acquisition	-	-	-	-
Sale	-	-	-	-
Transfer	-	-	-	-
Statement of financial position at 31 December 2014	**47 088**	**26 545**	**990**	**74 623**
Acquisition	-	39 126	-	39 126
Sale	-	-	-	-
Transfer	-	-	-	-
Statement of financial position at 31 December 2015	**47 088**	**65 671**	**990**	**113 749**
AMORTIZATION				
Statement of financial position at 31 December 2013	**27 962**	**19 885**	**-**	**47 847**
Increase	2 741	4 904	-	7 645
Decrease	-	-	-	-
Statement of financial position at 31 December 2014	**30 703**	**24 789**	**-**	**55 492**
Increase	2 741	1 499	-	4 240
Decrease	-	-	-	-
Statement of financial position at 31 December 2015	**33 444**	**26 288**	**-**	**59 732**

NET BOOK VALUE				
At 31 December 2013	**19 126**	**6 660**	**990**	**26 776**
At 31 December 2014	**16 385**	**1 756**	**990**	**19 131**
At 31 December 2015	**13 644**	**39 383**	**990**	**54 017**

No impairment was identified in the sense of IAS 36. The Company therefore did not carry out any impairment test on amortizable intangible assets.

NOTE 4 – PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT (Amounts in euros)	Machinery and equipment	Fixtures and fittings	Office and computer equipment, furniture	Total
GROSS VALUE OF PROPERTY, PLANT & EQUIPMENT				
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	-	-	(5 067)	(5 067)
Transfer	-	-	-	-
Statement of financial position at 31 December 2014	**509 585**	**170 019**	**116 304**	**795 908**
Acquisition	91 191	-	21 536	112 727
Sale	-	-	-	-
Transfer	-	-	-	-
Statement of financial position at 31 December 2015	**600 776**	**170 019**	**137 840**	**908 635**
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	30 583	8 511	12 622	51 716
Decrease	-	-	-	-
Statement of financial position at 31 December 2015	**518 619**	**128 855**	**105 287**	**752 761**
NET BOOK 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 31 December 2015	**82 157**	**41 164**	**32 553**	**155 874**

No impairment was recognised on application of IAS 36.

NOTE 5 – OTHER FINANCIAL ASSETS

OTHER FINANCIAL ASSETS (Amounts in euros)	31/12/2015	31/12/2014
Capitalisation contract	5 154 093	5 043 143
Term deposits	-	5 032 511
Liquidity contract	116 748	87 058
Sureties	19 817	26 580
Total other non-current financial assets	**5 290 657**	**10 189 293**
Term deposits	5 021 938	12 557 243
Total current financial assets	**5 021 938**	**12 557 243**

Current financial assets as at December 31, 2015 consisted of a term deposit set up in 2014 with an initial value of €5 million, which was repaid in January 2016. Available cash and equivalents were invested in a new term deposit.

Non-current financial assets as at December 31, 2015 consisted of:

- a capitalization contract signed on 18 August 2014 with an initial value of €5 million 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, only for the current period subscribed 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 cash reserve linked to the liquidity contract;
- deposits for commercial property leases.

NOTE 6 – INVENTORIES

INVENTORIES (Amounts in euros)	31/12/2015	31/12/2014
Inventories of raw materials and consumables	52 560	31 469
Gross inventory	**52 560**	**31 469**
Inventory impairment	-	-
Total inventory impairment	**-**	**-**
Total net inventory	**52 560**	**31 469**

Composition of inventories

Inventories of raw materials mainly consist of products and consumables inherent in research work.

NOTE 7 – OTHER RECEIVABLES

OTHER RECEIVABLES (Amounts in euros)	31/12/2015	31/12/2014 corrected	31/12/2014 published
Research tax credit (1)	3 000 452	2 718 919	2 600 088
Tax credit for training	-	1 600	1 600
Competitiveness & jobs tax credit (CICE) (2)	27 596	28 880	28 880
Value Added Tax (3)	322 253	182 279	182 279
Credits receivable	110 862	29 467	29 467
Prepaid expenses (4)	191 484	177 271	177 271
Other	1 047	1 650	1 650
Total other receivables	**3 653 694**	**3 140 066**	**3 021 235**

(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 21.6, 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, the CIR receivable from the State is paid in the year following the year for which it is granted:

- CIR for fiscal year 2015: €3,001K (including €119K that relates to the error in the measurement of studies and services in fiscal 2014). This amount is scheduled for repayment in 2016.
- CIR 2014: The CIR declaration for 2014 was filed in April 2015 in the amount of €2,636K, close to the €2,600K provisioned on December 31, 2014. This amount was repaid in 2015.

(2) Competitiveness and Employment Tax Credit (CICE)

The tax credit for competitiveness and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi* or "CICE") introduced by the Tax Amendment Act 2012-1510 of 29 December 2012, Article 66, effective 1 January 2013, is posted on the credit side of a dedicated payroll expense ledger, with a counterpart in a dedicated other receivables ledger.

The Company currently receives a CICE credit.

(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)	31/12/2015	31/12/2014
Studies and services	27 797	2 500
Insurance	91 016	123 081
Commissions	-	1 063
Rentals	27 833	19 575
Maintenance	8 313	8 092
Other	36 525	22 960
Total prepaid expenses	**191 484**	**177 271**

NOTE 8 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents can be broken down as follows:

CASH AND CASH EQUIVALENTS (Amounts in euros)	31/12/2015	31/12/2014
Bank accounts	5 650 591	2 948 949
Term deposits	-	702 662
Money-market SICAVs	6 009 238	6 518 440
Total cash and cash equivalents	**11 659 829**	**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 each year:

(Amounts in euros)	31/12/2015		Value - Statement of financial position as per IAS 39		
Headings - Statement of financial position	**Value – Statement of Financial Position**	**Fair value**	**Fair value through profit and loss**	**Loans and receivables**	**Debts at amortised cost**
Non-current financial assets	5 290 657	5 290 657	5 154 093	136 565	
Other receivables	3 653 694	3 653 694		3 653 694	
Current financial assets	5 021 938	5 021 938	5 021 938		
Cash and cash equivalents	11 659 829	11 659 829	6 009 238	5 650 591	
Total Assets	**25 626 119**	**25 626 119**	**16 185 269**	**9 440 850**	**-**
Current financial debt	621 347	621 347			621 347
Non-current financial debt	1 900 781	1 900 781			1 900 781
Trade payables and related accounts	1 886 424	1 886 424			1 886 424
Other creditors and miscellaneous liabilities	2 055	2 055			2 055
Total Liabilities	**4 410 607**	**4 410 607**	**-**	**-**	**4 410 607**

(Amounts in euros)	31/12/2014 corrected		Value - Statement of financial position as per IAS 39		
Headings - Statement of financial position	**Value – 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	3 140 066	3 140 066		3 140 066	
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	**36 056 652**	**36 056 652**	**29 853 998**	**6 202 654**	**-**
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	2 662 777	2 662 777			2 662 777
Other creditors and miscellaneous liabilities	723	723			723
Total Liabilities	**4 821 134**	**4 821 134**	**-**	**-**	**4 821 134**

(Amounts in euros)	Impacts - Income statement at 31/12/2015		Impacts - Income statement at 31/12/2014	
	Interest	**Change in fair value**	**Interest**	**Change in fair value**
Assets				
Fair value of assets through profit and loss		42 026		36 644
Loans and receivables				
Cash and cash equivalents		(1 180)		1 301
Liabilities				
Liabilities measured at amortised cost: "debt" component of convertible bonds				
Liabilities measured at amortised cost: loans and Guarantees	56 343		56 944	

NOTE 10 – CAPITAL

COMPOSITION OF SHARE CAPITAL	31/12/2015	31/12/2014
Capital (in euros)	1 554 109	1 544 025
Number of shares	15 541 086	15 440 235
o/w Ordinary shares	15 541 086	15 440 235
Nominal value (in euros)	0,10	0,10

Issued capital

The Company's share capital at December 31, 2015 was €1,554,108.60 made up of 15,541,086 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, that have not yet been exercised.

As a result of the exercise of BSPCE warrants in 2015 (see Note 11), share capital increased by €10,085.10 through the issuance of 100,851 new shares each with a nominal value of €0.10.

Dividends

The Company paid no dividend in the fiscal years presented.

Capital management

The Group's policy is to maintain a sound 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.

As at 31 December 2015, under this contract, 15,051 ordinary shares were removed from shareholders' equity and €116,748 in cash was entered as non-current financial assets.

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.

	Number of warrants outstanding					Number of shares subscribable
Change in investor BSAs	**31/12/2014**	**Allocated**	**Exercised**	**Forfeited**	**31/12/2015**	
BSA 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:

		Plan features			Assumptions		
Type	**Allocation date**	**Number of warrants allocated**	**Exercise period**	**Exercise price**	**Volatility**	**Risk-free rate**	**Total initial IFRS valuation (Black&Scholes)**
BSA 10/2008	Bd meeting 24/10/2008	**30 800**	10 yrs	3,00 €	63,51%	7,03%	**60 225 €**
BSA 02/2010	Bd meeting 14/02/2010	**155 200**	10 yrs	3,00 €	55,14%	3,58%	**257 630 €**
BSA 12/2013	Bd meeting 20/12/2013	**116 000**	10 yrs	4,00 €	54,27%	2,09%	**220 552 €**
BSA 09/2014	Bd meeting 12/09/2014	**35 000**	10 yrs	5,79 €	50,03%	0,50%	**72 228 €**

		Number of warrants outstanding					Maximum number of shares subscribable (1)
Type	**Allocation date**	**31/12/2014**	**Allocated**	**Exercised**	**Forfeited**	**31/12/2015**	
BSA 10/2008	Bd meeting 24/10/2008	**30 800**				**30 800**	**30 800**
BSA 02/2010	Bd meeting 14/02/2010	**155 200**				**155 200**	**155 200**
BSA 12/2013	Bd meeting 20/12/2013	**116 000**				**116 000**	**116 000**
BSA 09/2014	Bd meeting 12/09/2014	**35 000**				**35 000**	**35 000**
Total		**337 000**	**0**	**0**	**0**	**337 000**	**337 000**

(1) Some warrants are in the process of being vested.

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:

		Plan features			Assumptions		
Type	**Allocation date**	**Number of warrants allocated**	**Exercise period**	**Exercise price**	**Volatility**	**Risk-free rate**	**Total initial IFRS valuation (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	Bd meeting 09/04/2009	**88 460**	10 yrs	3,00 €	58,70%	5,22%	**159 279 €**
BSPCE 12/2010	Bd meeting 17/12/2010	**217 400**	10 yrs	3,00 €	55,10%	3,73%	**342 701 €**
BSPCE 09/2011	Bd 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	Bd meeting 11/12/2012	**11 750**	10 yrs	3,00 €	59,30%	1,42%	**18 943 €**
BSPCE 02/2013	Bd meeting 15/02/2013	**19 320**	10 yrs	3,00 €	54,30%	1,68%	**31 148 €**
BSPCE 12/2013	Bd meeting 20/12/2013	**121 314**	10 yrs	4,00 €	54,30%	2,09%	**252 492 €**
BSPCE 05/2014	Bd meeting 14/05/2014	**481 491**	10 yrs	6,77 €	54,92%	0,81%	**1 592 683 €**
BSPCE 12/2014	Bd meeting 09/12/2014	**7 590**	10 yrs	5,66 €	50,03%	0,30%	**20 918 €**
BSPCE 04/2015	Bd meeting 23/04/2015	**5 059**	10 yrs	6,93 €	47,98%	-0,02%	**15 636 €**
BSPCE 09/2015	Bd meeting 23/04/2015	**45 000**	10 yrs	7,74 €	48,96%	0,40%	**146 095 €**

		Number of warrants outstanding					Maximum number of shares subscribable (1)
Type	**Allocation date**	**31/12/2014**	**Allocated**	**Exercised**	**Forfeited**	**31/12/2015**	
BSPCE 11/2005		24 200		-24 200		0	0
BSPCE 02/2007		28 000				28 000	28 000
BSPCE 04/2009	Bd meeting 09/04/2009	88 460		-27 720		60 740	0
BSPCE 12/2010	Bd meeting 17/12/2010	188 500		-28 320		160 180	160 180
BSPCE 09/2011	Bd meeting 30/09/2011	13 500		-4 500		9 000	9 000
BSPCE 06/2012	GM of 26/06/2012	13 000				13 000	13 000
BSPCE 12/2012	Bd meeting 11/12/2012	11 750				11 750	11 750
BSPCE 02/2013	Bd meeting 15/02/2013	19 320		-6 880	-1 940	10 500	10 500
BSPCE 12/2013	Bd meeting 20/12/2013	120 194		-6 080	-1 396	112 718	112 718
BSPCE 05/2014	Bd meeting 14/05/2014	476 431		-3 151	-6 305	466 975	466 975
BSPCE 12/2014	Bd meeting 09/12/2014	7 590				7 590	7 590
BSPCE 04/2015	Bd meeting 23/04/2015	0	5 059			5 059	5 059
BSPCE 09/2015	Bd meeting 23/04/2015	0	45 000			45 000	45 000
Total		**990 945**	**50 059**	**-100 851**	**-9 641**	**930 512**	**930 512**

(1) Some warrants are in the process of being vested.

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.

Breakdown of charges recognised in accordance with IFRS 2 for the presenting periods

	31/12/2014				31/12/2015			
Type	**Probable cost of plan to date**	**Cumulative expense at opening**	**Expense for the year**	**Cumulative expense to date**	**Probable cost of plan to date**	**Cumulative expense at opening**	**Expense for the year**	**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 €	2 775 €	23 013 €	23 013 €	23 013 €		23 013 €
BSPCE 06/2012	22 161 €	16 713 €	4 254 €	20 967 €	22 161 €	20 967 €	1 194 €	22 161 €
BSPCE 12/2012	18 943 €	11 865 €	5 089 €	16 954 €	18 943 €	16 954 €	1 989 €	18 943 €
BSPCE 02/2013	31 148 €	15 726 €	8 920 €	24 646 €	31 148 €	24 646 €	2 022 €	26 668 €
BSPCE 12/2013	250 192	3 423 €	149 363 €	152 786 €	250 192 €	152 786 €	65 963 €	218 749 €
BSPCE 05/2014	1 588 981 €		607 574 €	607 574 €	1 588 981 €	607 574 €	612 336 €	1 219 910 €
BSPCE 12/2014	20 918 €		730 €	730 €	20 918 €	730 €	11 665 €	12 395 €
BSPCE 04/2015					15 636 €		6 237 €	6 237 €
BSPCE 09/2015					146 095 €		42 321 €	42 321 €
Total	**2 550 052 €**	**662 662 €**	**778 705 €**	**1 441 366 €**	**2 711 783 €**	**1 441 366 €**	**743 727 €**	**2 185 093 €**

	31/12/2014				31/12/2015			
Type	**Probable cost of plan to date**	**Cumulative expense at opening**	**Expense for the year**	**Cumulative expense to date**	**Probable cost of plan to date**	**Cumulative expense at opening**	**Expense for the year**	**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 €	132 611 €	136 681 €	220 552 €	136 681 €	60 105 €	196 786 €
BSA 09/2014	72 228 €		13 322 €	13 322 €	72 228 €	13 322 €	36 864 €	50 186 €
Total	**610 636 €**	**321 92 €**	**145 934 €**	**467 857 €**	**610 636 €**	**467 857 €**	**96 969 €**	**564 827 €**

NOTE 12 – BORROWINGS AND FINANCIAL DEBT

CURRENT AND NON-CURRENT FINANCIAL DEBT (Amounts in euros)	31/12/2015	31/12/2014
Repayable advances	1 900 781	1 645 792
Non-current financial debt	**1 900 781**	**1 645 792**
Bank overdrafts	174	111
Bonds - debt component	612	27 410
Repayable advances	620 561	484 321
Current financial debt	**621 347**	**511 842**
Total financial debt	**2 522 128**	**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)	31/12/2015			
	Gross amount	Component < 1 year	1 ≥ 5 yrs	> 5 years
Bank overdrafts	174	174	-	-
Repayable advances	2 521 342	620 561	1 900 781	-
Bonds - debt component	612	612	-	-
Total financial debt	**2 522 128**	**621 347**	**1 900 781**	**-**
Current financial debt	*621 347*			
Non-current financial debt	*1 900 781*			

CURRENT AND NON-CURRENT FINANCIAL DEBT (Amounts in euros)	31/12/2014			
	Gross amount	Component < 1 year	1 ≥ 5 yrs	> 5 years
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**	**-**
Current financial debt	*511 842*			
Non-current financial debt	*1 645 792*			

12.2. BORROWINGS FROM BANKS AND CREDIT INSTITUTIONS

The Company signed no bank loans in fiscal year 2015.

12.3. REPAYABLE ADVANCES AND SUBSIDIES

The following table shows the change in repayable advances and subsidies:

	Repayable advances and subsidies				
CHANGE IN REPAYABLE ADVANCES (Amounts in euros)	**OSEO 2 - HPV**	**OSEO 3 – ProCervix (GTL001)**	**OSEO 4 - Magenta**	**OSEO 4 - Magenta Subsidy**	**Total**
At 31 December 2013	**1 298 569**	**311 005**	**104 393**	**-**	**1 713 967**
(+) Encashments		481 663	220 679	128 532	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)	(128 532)
At 31 December 2014	**1 092 371**	**718 380**	**319 363**	**-**	**2 130 113**
(+) Encashments			853 099		853 099
(-) Repayments	(400 000)	(95 600)			(495 600)
Subsidies			(22 613)		(22 613)
Financial expenses	34 828	18 479	3 035		56 343
(+/-) Other movements					-
At 31 December 2015	**727 199**	**641 259**	**1 152 884**	**-**	**2 521 342**

Other changes reflect the recognition of subsidies recognized in the income statement when the corresponding receivable becomes certain, in terms of the subsidy award conditions.

Breakdown of repayable advances by maturity date

	Repayable advances and subsidies				
REPAYABLE ADVANCES BY MATURITY DATE (Amounts in euros)	**OSEO 2 - HPV**	**OSEO 3 – ProCervix (GTL001)**	**OSEO 4 - Magenta**	**OSEO 4 - Magenta Subsidy**	**Total**
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 31 December 2015	**727 199**	**641 259**	**1 152 884**	**-**	**2 521 342**
Component < 1 year	489 051	131 510			620 561
Component 1 ≥ 5 years	238 148	509 749	1 152 884		1 900 781
Component > 5 years					

OSEO Innovation repayable advance – OSEO 2

On 9 March 2011, GENTICEL obtained from OSEO an interest-free repayable advance for the “development and clinical trials of a therapeutic vaccine to combat cancer and precancerous lesions of the cervix caused by the human papillomavirus (HPV)”.

The OSEO instalments were deposited on a staggered basis between signing the agreement and the completion of the project, the main stages being:

- First payment of €200,000 after signing the contract (received 14 March 2011);
- Second payment of €1,000,000 on a cash call, received 30 April 2012;
- The balance (€300,000) after confirmation of completion of work, received 18 October 2012.

Following the success of the project, Company repaid this advance as follows:

- €50,000 per quarter from 30 September 2013 to 30 June 2014 on the last day of the quarter;
- €75,000 per quarter from 30 September 2014 to 30 June 2015 on the last day of the quarter;
- €125,000 per quarter from 30 September 2015 to 30 June 2017 on the last day of the quarter.

Furthermore, the agreement provides for an annual repayment on 31 March of each year, effective 1 January 2012, corresponding to 20% of the ex-tax proceeds from the sale or assignment of licenses, patents or know-how relating to all or part of the results of the aided programme, received for the previous year and 20% of the ex-tax proceeds generated by the marketing or use by the beneficiary for its own purposes, of prototypes, pre-series or models produced as part of the aided programme.

The amounts owed to OSEO under this arrangement are to take priority and must be completed at the last due date in implementation of the above repayment plan. This arrangement will not cause the Company to pay to OSEO an amount greater than the aid received.

According to IFRS, the fact that the repayable advance was not interest-bearing means that the Company benefitted from a zero-rate loan, which is more favourable than market conditions. The difference between the amount of the advance at historical cost and the discounted value of the advance at market rates (3-month Euribor + 2.5 points = 3,60%) is considered to be subsidy received from the State.

The advances received with maturities longer than one year are recorded under “Non-current financial debt”, whereas maturities less than one year are recorded under “Current financial debt”.

OSEO Innovation repayable advance – OSEO 3

On 11 January 2013, GENTICEL obtained from OSEO an interest-free repayable advance “to extend the Phase I clinical trials of the ProCervix (GTL001) project”.

The OSEO instalments were deposited on a staggered basis between signing the agreement and the completion of the project, the main stages being:

- First payment of €330,000 after signing the contract (received 21 January 2013);
- The second instalment (€330,000) at the next capital call and the lifting of a suspensive condition on €2,000,000 to be paid to GENTICEL by its shareholders (3rd tranche of convertible bonds).
- The balance (maximum €189,000) upon confirmation that the programme is successfully completed.

Following confirmation of completion of the programme and after obtaining the statement of expenditure incurred on the project financed by OSEO, the repayable advance was reduced to take into account the fact that actual expenditure was less than projected. The aid was thus reduced to €811,663 and an amendment was signed on 5 September 2014 to change the repayment dates.

The resulting repayment schedule is as follows:

- Quarterly from 30 September 2014 to 30/06/2015: €19,120
- Quarterly from 30 September 2015 to 30/06/2016: €28,680
- Quarterly from 30 September 2016 to 30/06/2017: €38,240
- Quarterly from 30 September 2017 to 30/06/2018: €57,360
- Quarterly from 30 September 2018 to 31 March 2019: €59,515
- The balance on 30 June 2019: €59,518

Furthermore, the agreement provides for an annual repayment equal to 40% of the ex-tax proceeds from the sale or assignment of licenses, patents or know-how relating to all or part of the results of the aided programme, received for the previous year and 420% of the ex-tax proceeds generated by the marketing or use by the beneficiary for its own purposes, of prototypes, pre-series or models produced as part of the aided programme.

The amounts owed to OSEO under this arrangement are to take priority and must be completed at the last due date in implementation of the above repayment plan. This arrangement will not cause the Company to pay to OSEO an amount greater than the aid received.

The agreement also provides for the repayment of a minimum lump sum of €340,000, regardless of the technical or commercial outcome of the aided programme (failure, success or inability to achieve a minimum level of expenses), on the following schedule:

- By 30 September and 31 December 2014: €20,000
- By 31 March and 30/06/2015: €20,000
- By 30 September and 31 December 2015: €30,000
- By 31 March and 30 June 2016: €30,000
- By 30 September and 31 December 2016: €40,000
- By 31/03/2017: €40,000
- By 30/06/2017: €20,000

This lump sum of €340,000 is not cumulative with the amount advanced by OSEO.

According to IFRS, the fact that the repayable advance was not interest-bearing means that the Company benefitted from a zero-rate loan, which is more favourable than market conditions. The difference between the amount of the advance at historical cost and the discounted value of the advance at market rates (3-month Euribor + 2.5 points = 2,69%) is considered to be subsidy received from the State.

The advances received with maturities longer than one year are recorded under "Non-current financial debt", whereas maturities less than one year are recorded under "Current financial debt".

OSEO Innovation repayable advance – OSEO 4 (Magenta)

On 7 March 2013, GENTICEL obtained from OSEO a repayable advance as part of the global strategic industrial innovation project "Magenta" grouping six beneficiaries including a lead beneficiary tasked with scientific, technical and administrative coordination. This contract benefitting from the repayable advance is part of a framework agreement signed on that same date.

The financial aid consists of:

- total subsidies up to a maximum of €3,114,847 of which €583,223 is for GENTICEL;
- total repayable advances up to a maximum of €7,594,808 of which €3,596,218 is for GENTICEL.

This support programme requires the Company to work on producing testing a therapeutic anti-HPV vaccine candidate.

The following table shows the projected support payment schedule as well as the actual payments made in instalments at key stages of progress and/or reflecting particular conditions (communication of financial information, ability to pursue the financed programme, the granting of specific administrative and regulatory authorisations notably for clinical trials).

STAGE	Maximum payment	Amount received
Upon signing the contract	108 213 €	€108,213 (11 March 2013)
Upon confirmation of the industrial feasibility of the process for the drug candidate (EC1)	300 000 €	€220,679 (29 August 2014)
Upon preclinical approval and availability of the clinical batch of the drug candidate (EC2)	1 094 029 €	€853,099 (29 October 2015)
Upon obtaining a favourable opinion from the French national drug safety agency *Agence Nationale de Sécurité du Médicament* (ANSM) to continue work on batch 2 (EC3)	1 087 801 €	
Upon confirmation of the safety of the drug candidate (EC4)	466 742 €	
After the clinical results of the Phase I trial of the drug candidate (EC5)	539 433 €	
TOTAL	**3 596 218 €**	**1 181 991 €**

This repayable advance, assuming it totals €3,596,128 taking into account a 25% discount rate, is to be repaid on the following schedule:

- By 30/06/2019: 808 000 €

- By 30/06/2020: 808 000 €
- By 30/06/2021: 808 000 €
- By 30/06/2022: 808 000 €
- By 30 June 2023: 808 000 €

According to IFRS, the fact that the repayable advance a discount rate of 25% means that the Company has benefitted from a loan on more favourable than market conditions. The difference between the amount of the advance discounted at 25% and the discounted value of the advance at market rates (3-month Euribor + 2.5 points = 2.71%) is considered to be subsidy received from the State.

Lastly, once the advance has been repaid in full and under the suspensive condition that the Company achieves at least €50 million in ex-tax sales (by 2028), the contract stipulates that the Company will pay to OSEO the sum of €2,200,000 (see Note 22.6).

OSEO 4 subsidy

Under the global strategic industrial innovation project "Magenta" signed 7 March 2013, the Company can benefit from subsidies of up to 45% of eligible expenses with a total ceiling of €583,223.

The following table shows the projected support payment schedule as well as the actual payments made:

STAGE	Maximum payment	Amount received
Upon signing the contract	367 207 €	367 207 € (in 2013)
Upon confirmation of the industrial feasibility of the process for the vaccine candidate (EC1)	128 532 €	128 532 € (in 2014)
After the clinical results of the Phase I trial of the drug candidate (EC5)	87 484 €	
TOTAL	**583 223 €**	**495 739 €**

12.4. CONVERTIBLE BONDS

CHANGE IN BOND BORROWING (Amounts in euros)	Bonds convertible into ordinary shares
At 31 December 2013	**-**
(+) Encashments	2 451 628
(+/-) Repayment	
(+) Capitalised interest	27 374
(+/-) Impact amortised cost	
(+/-) Conversion	(2 451 592)
At 31 December 2014	**27 410**
(+) Encashments	
(+/-) Repayment	(26 798)
(+) Capitalised interest	
(+/-) Impact amortised cost	
(+/-) Conversion	
At 31 December 2015	**612**

Bond issue, convertible into ordinary shares

A bond convertible into ordinary shares was issued during fiscal 2014 in the maximum amount of €2,451,628 (authorised by the EGM and bond agreement of 7 March 2104).

Their main characteristics are as follows:

- Number of bonds convertible into ordinary shares: 612 907
- Nominal value: 4 €
- Annual interest rate: 3%, capitalised interest on the basis of 365 days,
- Maturity: 30/09/2014
- Early-repayment clauses.

The conversion conditions are as follows:

Conversion case 1:

If no IPO or financing round materialises by 30 September 2014, every convertible-bond holder (CB holder) will have the option of requiring the conversion of all their CBs to P3 shares, at a parity of one P3 share per CB.

Conversion case 2:

The bonds will automatically be converted to P3 shares if the Company is sold and/or it undergoes a change of control, at a parity of one P3 share per bond.

Conversion case 3:

In the case of a first listing on a regulated stock exchange, the CBs held by each CBholder will automatically be converted into ordinary shares in the Company, on the following schedule:

- 306,564 CBs amounting to €1,225,816 will be converted on the later of the following dates: (i) 30 May 2014 or (ii) the IPO date.
- The remaining 306,453 CBs amounting to €1,225,812 will be converted on the later of the following dates: (i) 30 September 2014 or (ii) the IPO date.

The number N of ordinary shares issued upon conversion of the CBs will be calculated as follows: N = M/X, where:

- M is the nominal value of the CBs converted on the applicable date for each affected CB-holder, and
- X is the share price (issue premium included) adopted for the capital increase as part of the IPO

Conversion case 4:

On the assumption that a third party who is not a Company shareholder could acquire more than 50% of the Company's capital and voting rights prior to 30 September 2014, every CB holder will have the option of requiring that all his/her CBs be converted into P3 shares on a 1-to-1 basis.

Taking into account the listing on Euronext in April 2014, scenario 3 applies to the Company. The bond issue was converted in May 2014 and September 2014 in the amount of €1,225,796 on each of those dates. The balance at 31 December 2014 and December 31, 2015 corresponds to capitalised interest, and accrued interest that is in the process of being paid.

Accounting principle adopted for convertible bonds

In accordance with IAS 21, the instruments issued by the Company must be separately identifiable.

As, at the bond issue date, the instruments were redeemable by other than a set number of treasury shares for a set amount of cash (reflecting the existence of special clauses relating to conversion), the instrument is defined as a debt and is recognised using the amortised cost method.

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	31/12/2015	31/12/2014
Age at retirement	Voluntary retirement between age 65 and 67	
Collective agreements	Pharmaceutical Industry	
Discount rate (IBOXX Corporates AA)	2,03%	1,49%
Mortality table	INSEE 2014	INSEE 2012
Salary revaluation rate	2,50%	2,50%
Staff turnover	High	Average
Social security expense ratio		
Managers	45%	44%
Employees	43%	42%
Technicians	47%	45%

The following shows the change in retirement provisions:

EMPLOYEE BENEFIT OBLIGATIONS (Amounts in euros)	Lump-sum retirement benefits
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	59 189
Financial costs	5 658
Actuarial gains (losses)	(122 504)
At 31 December 2015	**322 060**

NOTE 14 – CURRENT LIABILITIES

1.1.1. TAX AND SOCIAL SECURITY LIABILITIES

TAX AND SOCIAL SECURITY LIABILITIES (Amounts in euros)	31/12/2015	31/12/2014
Payroll & related accounts	393 273	402 091
Social security & other welfare programs	394 093	360 295
Other taxes, levies and similar payments	33 973	21 972
Total tax and social security liabilities	**821 340**	**784 358**

1.1.2. OTHER CURRENT LIABILITIES

CURRENT LIABILITIES (Amounts in euros)	31/12/2015	31/12/2014
Attendance fees payable to Supervisory Board members	-	-
Other	2 055	723
Total other current liabilities	**2 055**	**723**

NOTE 15 – SALES AND OTHER INCOME

SALES AND OTHER INCOME BY GEOGRAPHIC REGION (Amounts in euros)	31/12/2015	31/12/2014
France	-	-
India	177 742	-
Sales and other income	**177 742**	**-**

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.

Under the terms of that agreement, an up-front payment (US$100K) as well as a stage payment for a technical milestone (US$100K) were invoiced in 2015.

The Company operates in only one business segment (see Note 2.27).

NOTE 16 – BREAKDOWN OF EXPENSES AND INCOME PER FUNCTION

16.1. RESEARCH AND DEVELOPMENT

RESEARCH & DEVELOPMENT (Amounts in euros)	31/12/2015	31/12/2014 corrected	31/12/2014 published
Raw materials and consumables	(131 624)	(162 959)	(162 959)
Studies and services	(6 946 649)	(7 310 222)	(6 914 120)
Maintenance and repair	(68 735)	(62 803)	(62 803)
Travel, assignments and entertainment	(83 889)	(88 837)	(88 837)
Other outsourced services	(42 160)	(39 169)	(39 169)
Personnel expense	(2 765 547)	(2 695 210)	(2 695 210)
Royalties and patents	(336 190)	(216 624)	(216 624)
Depreciation of assets	(2 741)	(2 741)	(2 741)
Share-based payments	(557 808)	(611 224)	(611 224)
Research & Development Expenses	**(10 935 343)**	**(11 189 788)**	**(10 793 686)**
Research tax credit	2 917 424	2 718 920	2 600 089
Subsidies	-	130 182	130 182
OSEO advances	22 613	54 901	54 901
Subsidies	**2 940 037**	**2 904 002**	**2 785 172**

R&D expenses relate to the development of immunotherapies.

16.2. GENERAL AND ADMINISTRATIVE EXPENSES

GENERAL AND ADMINISTRATIVE EXPENSES (Amounts in euros)	31/12/2015	31/12/2014
Rental of movable and immovable property	(182 935)	(175 622)
Maintenance and repair	(72 628)	(61 596)
Insurance	(125 107)	(108 729)
Fees, legal and ownership	(1 561 860)	(654 995)
IPO-related expenses	-	(214 592)
Advertising	(121 745)	(82 552)
Travel, assignments and entertainment	(244 736)	(172 210)
Other outsourced services	(151 770)	(195 494)
Levies and taxes	(53 541)	(49 841)
Personnel expense	(648 730)	(589 807)
Attendance fees	(100 000)	(110 667)
Depreciation of assets	(53 215)	(33 230)
Share-based payments	(282 887)	(313 414)
Administrative expenses	**(3 599 155)**	**(2 762 749)**

Lawyers' fees and external consultants' fees were €0.9 million higher in 2015 than in 2014, due to €0.3 million administrative costs linked to the company's stock exchange listing, €0.2 million in recruitment agency fees and €0.2 million in GTL001 market potential reassessment.

NOTE 17 – WORKFORCE

GENTICEL's workforce in the last two fiscal years is as follows:

AVERAGE WORKFORCE	31/12/2015	31/12/2014
Managers	25,0	23,9
Employees	8,6	8,9
Average total workforce	**33,6**	**32,8**

NOTE 18 – FINANCIAL INCOME AND EXPENSES, NET

FINANCIAL INCOME AND EXPENSES (Amounts in euros)	31/12/2015	31/12/2014
Other financial expenses	(56 645)	(84 317)
Other financial income	280 090	189 633
Translation gains (losses)	(48)	(601)
Total financial income and expenses	**223 396**	**104 715**

Other financial expenses consisted mainly of interest on bonds and the effect of unwinding the discounting of repayable advances.

Financial income mainly consists of interest from term deposits and other investments.

NOTE 19 – INCOME TAX

The amount of indefinitely deferrable tax losses available to the Company at 31 December 2015 was €64,284K.

The tax rate applicable to the Company is the currently applicable rate in France, which is 33.33%. Under this principle described in Note 2.22, no tax assets can be posted to the Company's accounts that exceed deferred tax liabilities.

Reconciliation between theoretical tax and effective tax

TAX PROOF (Amounts in euros)	31/12/2015	31/12/2014 corrected	31/12/2014 published
Net income	(11 193 323)	(10 943 819)	(10 666 547)
Tax	-	-	-
Profit before tax	**(11 193 323)**	**(10 943 819)**	**(10 666 547)**
Current tax rate in France	33,33%	33,33%	33,33%
Theoretical tax at current rate in France	**3 730 735**	**3 647 575**	**3 555 160**
Permanent differences	1 017 398	1 875 737	1 875 737
Share-based payments	(280 204)	(308 182)	(308 182)
Tax loss not activated adjusted for tax deferral	(4 467 929)	(5 215 130)	(5 122 715)
Tax expense (income)	**-**	**-**	**-**
Effective tax rate	0,00%	0,00%	0,00%

The continuing differences include the impact of the research tax credit (non-taxable operating income).

Nature of deferred taxes

NATURE OF DEFERRED TAXES (Amounts in euros)	31/12/2015	31/12/2014 corrected	31/12/2014 published
Temporary differences	186 274	198 506	106 091
Tax losses	21 425 813	16 926 676	16 926 676
Total deferrable tax assets	**21 612 087**	**17 125 182**	**17 032 767**

Temporary differences	176 265	61 143	61 143
Total deferrable tax liabilities	**176 265**	**61 143**	**61 143**

Total net deferrable tax	**21 435 822**	**17 064 039**	**16 971 624**
Unrecognized deferred tax	(21 435 822)	(17 064 039)	(16 971 624)
Total net deferred tax	**-**	**-**	**-**

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 in circulation 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)	31/12/2015	31/12/2014 corrected	31/12/2014 published
Weighted average number of outstanding shares	15 463 263	13 801 002	13 801 002
Net result for the period	(11 193 323)	(10 943 819)	(10 666 547)
Basic earnings per share (€/share)	**(0,72)**	**(0,79)**	**(0,77)**
Diluted earnings per share (€/share)	**(0,72)**	**(0,79)**	**(0,77)**

As at 31 December 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).
- 940,153 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 OF 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)	31/12/2015	31/12/2014
Fixed compensation due	728 022	637 726
Variable compensation due	89 134	185 416
Non-recurring compensation due	-	100 000
Benefits in kind	15 643	5 427
Attendance fees	100 000	96 667
Share-based payments	659 853	759 792
Consultancy fees	66 000	60 000
Total	**1 658 652**	**1 845 028**

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 €60,000 (excluding tax) for the fiscal year.
- Consultancy contract with Mr Hoch (Member of the Supervisory Board), which generated invoicing totalling €6,000 (excluding tax) for the fiscal year.

NOTE 22 – OFF-BALANCE SHEET COMMITMENTS

22.1. PERSONAL TRAINING ACCOUNT (COMPTE PERSONNEL DE FORMATION / "CPF")

Since 1 January 2015, the Personal Training Account (CPF) replaces the Individual Right to Training (DIF).

Under the CPF system, training costs are now funded by the accredited fund collection agency (Organisme Paritaire Collecteur Agrée / "OPCA"), to which the contributions for vocational training are paid. The Company therefore has no more DIF commitments since 1 January 2015.

22.2. COMMERCIAL LEASES

Property rental

As part of its activity, the Company has signed leases on premises:

Administrative offices and laboratories

Address 516, rue Pierre et Marie Curie, 31670 Labège
Term of Lease 1 September 2013 – 31 July 2015, extended to 31 July 2016
Early Termination Possible at any time, subject to two months' advance notice

Clinical development building:

Address 5, rue Tronchet, 75008 Paris
Term of Lease 1 June 2014 – 31 May 2023
Early Termination Possible initially on 31 May 2020, then at the end of 3-year periods thereafter, subject to six months' notice.

Expenses and commitments

The rent payments recognised at 2015-end and the commitments up to the next termination period can be broken down as follows:

				Commitments until the next termination period		
Finance leasing agreements	**Effective start date of lease**	**End date of lease**	**Occupancy expenses (excl. charges) at 31/12/2015**	**≤ 1 year**	**1 ≥ 5 yrs**	**> 5 years**
Labège building	01/09/2013	31/07/2016	67 629	39 450	-	
Paris building, rue Tronchet	01/06/2014	31/05/2023	72 232	99 031	338 356	

22.3. OPERATING LEASE COMMITMENTS

The Company has signed mirror leasing contracts. After analysis, they have been considered to be operating leases in the sense of IAS 17.

The following table shows the minimum payments and their breakdown:

OFF-BALANCE-SHEET OPERATING LEASES (Amounts in euros)	**< 1 year**	**1 ≥ 5 years**	**> 5 years**
Commitments as at 31/12/2015	16 804	21 005	-

22.4. COMMITMENTS IN OTHER CONTRACTS

On 22 February 2006 the Company signed a licensing agreement with the Pasteur Institute, which provided as follows: This agreement mainly provides for:

- Royalties on the net receipts by the Company related to HPV in the two predefined geographic regions (absence of revenue by the Company to date).
- A share in the cost of maintaining the patents.
  The Pasteur Institute is responsible with obtaining the issuance and continuing validity of patents. However, the Company will reimburse to the Pasteur Institute 25% or 50% (depending on the type of patent) of the direct external expenses incurred by the Pasteur Institute to maintain and extend the patents.
- A guaranteed annual minimum.
  Since 2009, the Company must pay to the Pasteur Institute, for the human and veterinary vaccines used, a minimum annual royalty of €50,000.
- A counterpart in terms of veterinary vaccines.
  The Company will have to pay to the Pasteur Institute €100,000 upon a request for authorisation of clinical trials on animals and €150,000 upon the first marketing authorisation of the product. Additionally, the Company will pay to the Pasteur Institute an annual royalty of 3.5% of net receipts.
- A royalty in the case of sub-licensing. (To date, the Company has not signed this type of contract.)
- A counterpart in terms of human vaccines.

GENTICEL will pay to the Pasteur Institute the following amounts at the various development stages:

- The product enters Phase I: 50 000 €
- The product exits Phase I: 130 000 €
- The product exits Phase II: 160 000 €
- The product exits Phase III: 310 000 €
- The product receives its first marketing authorisation: 610 000 €

The product GTL001 (ProCervix) completed its Phase 1 in May 2014. The 1st Clinical Study Report was published on 20 January 2015.

22.5. OTHER FINANCIAL COMMITMENTS

Additional payments related to repayable advance agreement OSEO 4

The contract provides that the Company will pay to OSEO an annual payment of 50% of any income generated by the sale of intellectual property rights arising from the project, or from the sale of prototypes, pre-series or models produced as part of the project.

Lastly, once the advance has been repaid in full and under the suspensive condition that the Company achieves at least €50 million in ex-tax sales (by 2028), the contract stipulates that the Company will pay to OSEO the sum of €2,200,000 in three tranches as follows:
- €750,000 by 30 June of years 1 and 2 following the fulfilment of the suspensive conditions;
- €750,000 by 30 June of year 3 following the fulfilment of the suspensive conditions.

NOTE 23 – FINANCIAL RISK MANAGEMENT AND ASSESSMENT

GENTICEL may find itself exposed to various types of financial risk: market risk, credit risk and liquidity risk. GENTICEL implements simple measures proportional to its size to minimise the potentially adverse effects of those risks on its financial performance.
It is GENTICEL's policy not to use financial instruments for speculative purposes.

Interest rate risk

The Company is not significantly exposed to interest rate risk, to the extent that:
- its cash and cash equivalents and financial assets include time deposits,
- it has no variable-rate debts.

Credit risk

Its credit risk is associated with deposits at banks and financial institutions. For its cash investments the Company uses top-tier financial institutions and therefore does not carry significant credit risk on its cash.

Exchange rate risk

The main risks related to the impact of changes in foreign exchange rates are considered insignificant.

The Group, at its present stage of development, does not use hedging instruments to protect its activity from exchange rate fluctuations. However, the Group cannot rule out the possibility that a major increase in its activity will increase its exposure to exchange rate risk. In such a case the Group would consider adopting an appropriate policy to hedge such risks.

Equity risk

The Company does not hold long- or short-term equities tradable on a regulated market.

Liquidity risk

Taking into account the available cash and equivalents at December 31, 2015, the Company does not have significant exposure to liquidity risk.

NOTE 24 – STATUTORY AUDITORS' FEES

STATUTORY AUDITORS' FEES (Amounts ex-tax in euros)	**Fiscal yr 2015 (12 months)**		**Fiscal yr 2014 (12 months)**	
	GRANT THORNTON	**SYGNATURES**	**GRANT THORNTON**	**SYGNATURES**
For auditing the financial statements	25 000	25 000	45 500	45 000
For other services directly related to the duties of the statutory auditor	10 500	18 660	38 000	34 400
Subtotal	***35 500***	***43 660***	***83 500***	***79 400***
Other services				
-Tax	-	-	-	-
-Other	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**
Total	**35 500**	**43 660**	**83 500**	**79 400**

Other services and duties connected with the audit of the 2014 financial statements relate to the Statutory Auditors' responsibilities in the IPO.

5. ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015 PREPARED TO FRENCH STANDARDS

BALANCE SHEET

BALANCE SHEET ASSETS IN EUROS	31/12/2015			31/12/2014
	Amount	Depreciation, Amortisation and Provisions	Net book value	Net book value
Subscribed capital not called up				
INTANGIBLE ASSETS				
Start-up costs				
Development expenses				
Licences, patents and similar rights	113 749	59 732	54 017	19 131
Goodwill (1)				
Assets under construction				
Advances and instalments				
TANGIBLE ASSETS				
Land				
Buildings				
Technical facilities, machinery and tools	600 561	518 619	81 942	21 549
Other property, plant & equipment	308 074	234 142	73 932	73 314
Assets under construction				
Advances and instalments				
FINANCIAL ASSETS (2)				
Investments consolidated using the equity method				
Other investments				
Other equity securities				
Loans				
Other financial assets	232 738		232 738	208 997
TOTAL FIXED ASSETS	**1 255 122**	**812 493**	**442 629**	**322 991**
INVENTORIES AND IN-PROCESS PRODUCTION				
Raw materials, supplies	52 560		52 560	31 469
Intermediate and finished goods	43 661		43 661	
Merchandise				
Advances and instalments paid on orders				
RECEIVABLES (3)				
Trade receivables and related accounts	364		364	
Other receivables	3 461 846		3 461 846	2 843 964
Subscribed capital called up, not paid				
OTHER				
Trading securities	11 000 226		11 000 226	11 508 473
Cash & equivalents	10 672 529		10 672 529	21 241 365
ACCRUALS				
Prepaid expenses (3)	191 484		191 484	177 271
TOTAL CURRENT ASSETS	**25 422 669**		**25 422 669**	**35 802 542**
Gain (loss) on asset conversion				
TOTAL ASSETS	**26 677 791**	**812 492**	**25 865 299**	**36 125 533**

(1) includes leasehold rights

(2) o/w < 1 year

(3) o/w < 1 year

BALANCE SHEET LIABILITIES IN EUROS	31/12/2015	31/12/2014
SHAREHOLDERS' EQUITY		
Company and individual share capital	1 554 109	1 544 024
Additional paid-in capital	48 205 447	47 897 440
RESERVES		
Legal reserve	5 451	5 451
Statutory or contractual reserves		
Regulated reserves	18 326 101	18 326 101
Other reserves	103 563	103 563
Retained earnings	(37 082 638)	(27 533 347)
INCREASE / (DECREASE) IN THE PERIOD	**(10 567 153)**	**(9 549 291)**
Investment subsidies		
Regulated provisions		
TOTAL SHAREHOLDERS' EQUITY	**20 544 880**	**30 793 941**
OTHER EQUITY		
Proceeds from the issue of equity instruments		
Conditional advances	2 609 814	2 252 315
TOTAL OTHER EQUITY	**2 609 814**	**2 252 315**
PROVISIONS		
Provision for loss		
Provision for contingencies		
TOTAL PROVISIONS		
DEBT		
Convertible bonds	612	27 410
Other bonds		
Bank borrowings and debt	174	111
Bank overdrafts		
Other borrowings and financial debt		
Advances and instalments received on orders in progress		
OPERATING LIABILITIES		
Trade payables and related accounts	1 886 424	2 266 675
Tax and social security liabilities	821 340	784 358
Debts on assets and related accounts		
Other liabilities	2 055	723
Prepaid income (1)		
ACCRUALS		
Exchange gains/losses (liabilities)		
TOTAL DEBTS	**2 710 605**	**3 079 277**
TOTAL LIABILITIES	**25 865 299**	**36 125 533**

(1) Liabilities and income prepaid less than one year in advance

INCOME STATEMENT

SIMPLIFIED INCOME STATEMENT IN EUROS	31/12/2015 12 months	31/12/2014 12 months
OPERATING INCOME		
Goods sold		
Production sold	89 371	
NET SALES	**89 371**	
Stored production	43 661	
Capitalised production		
Operating subsidies	375	130 182
Reversals of depreciation and provisions, transfers of expenses	61 968	42 550
Other income	88 457	6
TOTAL OPERATING INCOME	**283 832**	**172 738**
OPERATING EXPENSES		
Purchase of trading goods		
Change in inventories of trading goods		
Purchases of raw materials and other supplies	155 294	150 002
Change in inventory of raw materials and supplies	(21 091)	12 947
Other external purchases and expenses	9 866 379	8 603 649
Taxes and similar payments	74 694	57 621
Salaries and wages	2 380 102	2 293 217
Social security contributions	1 000 641	981 534
OPERATING PROVISIONS		
Depreciation charges on assets	55 956	35 250
Provision on current assets		
Provision for loss and contingencies		
Other expenses	150 672	226 750
TOTAL OPERATING EXPENSES	**13 662 647**	**12 360 970**
NET OPERATING INCOME	**(13 378 815)**	**(12 188 232)**
Financial income	178 657	136 772
Financial expenses	8 191	28 944
FINANCIAL PROFIT (LOSS)	**170 466**	**107 828**
PROFIT (LOSS) BEFORE TAXES	**(13 208 349)**	**(12 080 404)**
Exceptional income	33 507	4 363
Exceptional expenses	428 566	74 938
NON-RECURRING INCOME	**(395 059)**	**(70 575)**
Employee profit-sharing		
Income tax	(3 036 255)	(2 601 688)
PROFIT (LOSS) FOR THE FISCAL YEAR	**(10 567 153)**	**(9 549 291)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS PREPARED TO FRENCH STANDARDS

Notes to the financial statements for the year ended 31/12/2015, showing a balance sheet total of €25,865,299, an income statement in the form of a list covering the period 01/01/2015 to 31/12/2015 showing a book loss of €10,567,153.

The fiscal year begins on 1 January 2015 and ends on 31 December 2015, a 12-month period, the same as the previous year.

The following Notes and Tables form an integral part of the financial statements for the fiscal year ending 31 December 2015, approved by the Executive Management Board on 9 March 2016. Unless otherwise indicated, they are presented in euros.

Prior information regarding 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 innovative immunotherapies (GTL001 and GTL002) for women infected by High Risk Human Papillomavirus (HPV).

GENTICEL has been listed on the Euronext market in Paris 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

NOTE 1 – SIGNIFICANT EVENTS IN THE PERIOD AND IN THE PREVIOUS YEAR

1.1. SIGNING OF A LICENCE AGREEMENT

In February 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.

In return 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, as well as royalties as a percentage of net sales.

This licence agreement has generated two invoicing flows in fiscal 2015 totalling €177,742 corresponding to deliveries of Vaxiclase (€89,271) as well as the initial contractual amount (€88,371).

1.2. CAPITAL INCREASE TRANSACTIONS

In 2015, a number of capital increases were completed in cash resulting from the exercise of BSPCE warrants and noted by the Board Meetings of 04/08/2015, 10/09/2015, 04/11/2015 and 03/12/2015.

These transactions are disclosed in Note 4 "Balance sheet liabilities", Section 4.1 "Share capital".

1.3. OSEO REPAYABLE ADVANCES

Three agreements for repayable advances signed with OSEO in 2011 and 2013, specifically on 09/03/2011 as part of the "development and clinical trials of a cancer vaccine", 11/01/2013 as part of the "extension of Phase II clinical trials of ProCervix" and 07/03/2013 as part of the global strategic industrial innovation project "Magenta", continued in 2015. Key information about Magenta and impact on the fiscal year are disclosed in Note 4 – Notes to Balance Sheet Liabilities, paragraph 4.4 "Other Equity"

1.4. ERROR CORRECTION

An error in the measurement of outsourced R&D services as at 31 December 2014 (line item 60400 "Miscellaneous services") was corrected in the 2015 annual financial statements in the total amount of €396,602 following the investigation by the Company and its service provider during the fiscal year.

Pursuant to Article 314-3 of the French General Tax Code and CNC Opinion 96-07, this error correction results in the recognition of exceptional profit/(loss) (separate line) of an unreceived supplier invoice in the additional amount of €396,602.

Its net impact on 2015 net profit is a negative €277,621 taking into account the concomitant increase in CIR (€118,981).

The relevant 2014 balance sheet and income statement items are thus restated as follows:

Affected items	2014	2014 restated
Other external purchases and expenses	8.603.649	**9.000.251**
Income tax	(2.601.688)	**(2.720.669)**
Profit	(9.549.591)	**(9.827.212)**
Shareholders' equity	30.793.941	**30.516.320**

1.5. 2014 INITIAL PUBLIC OFFERING (IPO)

On 4 April 2014 the Company placed an initial public offering on the Euronext regulated markets in Paris (Compartment C) and Brussels permitting it to finance in the short and medium term its continuing research and development activities in therapeutic vaccines in the field of human health.

This operation raised a total €34,670,666.80 through:

- the issuance on 8 April 2014 of 4,367,088 new shares at €7.90 per share, corresponding to the nominal value per share of €0.10 plus an issue premium of €7.80 for a total of €34,499,995.20, as part of an open-price public offering;
- additionally, the issuance on 2 May 2014 of 21,604 new shares at €7.90 per share (as above) for a total of €170,671.60 under the terms of Article L.225-135-1 of the French Commercial Code and resulting from the exercise of the overallotment option granted to underwriters, joint lead managers and joint book runners.

This dual capital increase transaction raised €438,869.20, accompanied by a total issue premium of €34,231,797.60.

The securities issuance costs connected with this IPO, amounting to €3,216,095.27, were posted to the issue premium (in accordance with guidance no. 2000-D of the Emergency Committee of the French National Accounting Board (CU CNC) of 21/12/2000).

Some of the proceeds from the call for funds went into cash investments in various non-risky liquid vehicles (primarily capitalization contract in euros with a guaranteed minimum rate of return, mutual funds, term deposits, interest-bearing accounts).

A liquidity contract was also signed with an investment services provider.

NOTE 2 – ACCOUNTING PRINCIPLES, RULES AND METHODS

The accounting conventions have been adopted on a prudential basis and in accordance with the following basic assumptions:

- Business continuity (see below)
- Consistency of methods from one fiscal period to the next
- Independence of fiscal years

and, in accordance with the general rules for the preparation and presentation of annual financial statements under French generally accepted accounting principles, in particular the regulatory provisions in the general accounting plan (ANC rule 2014-03).

The historical cost method has been adopted as the basic method of accounting.

The business continuity assumption was adopted by the Executive Board taking into account the Company's financial capacity to cover its short- and medium-term financing needs, in light of its available cash position as 31/12/2015 (€21.7 million) and the payment of the expected 2015 CIR (€3 million).

The Company's deficit position over the course of the reporting periods reflects the stage of development of its immunotherapy candidates (GTL001 and GTL001) which required high and increasing expenditure.

The main measurement methods used are described below.

2.1. INTANGIBLE ASSETS

Development expenses

Development expenses incurred by the Company as part of its activities are recognised directly in operating expenses by the type of expense incurred: R&D services, external expenses, personnel expense, etc.

In accordance with the most frequently encountered and accepted in industry practices, development work is assigned to expenses due to the risks and uncertainties linked to regulatory authorisations and the development process. Although the six activation criteria specified in Articles 211-1 to 211-3 of the General Accounting Plan (must be identifiable, controlled by the Company, have future economic benefits, used longer than one fiscal year, can be reliably measured) were deemed not to have been satisfied once the marketing authorisation for the vaccine was obtained, this is no longer the case for the Company.

The activated expenses consisted of direct expenses incurred on the projects concerned (research personnel expense, amortisation charge for the affected assets, various external studies and services, purchases of various products and goods) and indirect expenses corresponding to a percentage of the expenses common to the various R&D projects allocated by time spent.

Software acquired by the Company and website

Software and website development are recognised at their acquisition cost and amortised using the straight line method over 1 and 3 years, respectively.

Patents

Expenses incurred in filing, maintaining and protecting "internal" patents developed by the Company are recognised in dedicated lines under operating expenses (line 622720 "Internal patent management expenses" and 637820 "Taxes / internal patents") and follow the same accounting principles as development expenses.

Only "external" patents acquired or received in contribution, are capitalised and depreciated using the straight line method over their remaining validity period by reference to their filing date (priority date).

Trademarks

Trademark registration costs incurred by the Company are capitalised and are not amortised.

2.2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at their acquisition cost (purchase price plus ancillary expenses) or at their production cost.

2.3. DEPRECIATION

The following table shows the depreciation periods and methods:

Category	Method	Write-off Period
Software	Straight-line	1 year
Website	Straight-line	3 years
External patents acquired or received in contribution	Straight-line	Remaining validity period measured from the priority date
Laboratory fixtures and fittings	Straight-line	3 years
Paris premises fixtures and fittings	Straight-line	9 years (term of lease)
Laboratory equipment	Straight-line	3 to 6 years
Office equipment and furniture	Straight-line	3 to 5 years
Miscellaneous furniture	Straight-line	5 years
IT equipment	Straight-line	3 years

2.4. INVENTORIES

Inventories, strictly speaking, consisting of products and consumables inherent in the research work, are valued using the first-in first-out method. Put simply, the latest known purchase price is adopted. A provision for impairment is entered when the inventory value is less than the carrying amount.

"Vaxiclase" products developed by the Company that are sent to inventory are measured at their direct internal cost plus direct external cost incurred in their manufacture.

2.5. CLINICAL LOTS

The costs inherent in the production of the clinical lots used in clinical trials are, since fiscal 2013, recognised directly in operating expenses by type (see Note 1.1 “Changes to accounting methods”) and are in principle treated the same way as development expenses.

2.6. RECEIVABLES

Receivables are measured at their nominal value. A provision for impairment is constituted when the inventory value is less than the carrying amount.

2.7. TRADING SECURITIES

Trading securities include securities held for sale and a capitalization contract.

Trading securities

The gross value of securities held for sale is measured as the acquisition cost excluding ancillary expenses. When the inventory value is less than the gross value, a provision for impairment is recognised for the amount of the difference.

Capitalisation contract

The capitalization contract signed in fiscal 2014 with NATIXIS LIFE in the amount of €5,000,000 is similar to available cash and equivalent short/medium-term investments and is recorded as such on the balance sheet as “Class 5” in the line item "Investment securities" based on:

- the Company’s investment objectives (surplus cash assets connected with the 2014 IPO in liquid and available form in the expectation of using them to finance its R&D activities in the near future, with no real intention to hold them for the long term),

- the characteristics of the investments: investments in euro-denominated funds and guaranteed minimum returns, unfettered use of funds including total or partial redemption at any time (subject to contractual redemption penalties in the first three years),
- no legal or contractual lock-in provisions.

2.8. CASH & EQUIVALENTS

Cash and cash equivalents include the following assets: current accounts at banks, interest-bearing surplus cash accounts, cash at hand, and interest-bearing term-deposit accounts immediately accessible regardless of contractual term.

2.9. CAPITAL-INCREASE EXPENSES AND SECURITIES-ISSUANCE EXPENSES

Capital-increase expenses and other securities-issuance expenses (external costs) are posted directly to issue premium before taxes.

Consulting fees relating to the IPO, were posted before taxes to the issue premium taking into account the success of the IPO in April 2014 in accordance with CNC CU Opinion 200-D of 21 December 2000.

2.10. COMPETITIVENESS AND EMPLOYMENT TAX CREDIT (CICE)

The CICE introduced by 2012-1510 of 29/12/2012 Article 66 effective 1/12013 is recognised on the credit side of personnel expense on a dedicated line 649000 "CICE" in accordance with the possibility offered by the French Accounting Standards Board (ANC) (ANC information note of 28/02/2013), with counterpart in dedicated line 444300 in other receivables.

The CICE can be used to pay the corporate income tax due in the year that the expenses are incurred plus the three following years or, as the case may be, any surplus tax paid can be rebated.

2.11. LIQUIDITY CONTRACT

Following the IPO in April 2014, the Company signed a liquidity contract on 18/04/2014 with an investment services provider, mandating it to trade on the market to stimulate the liquidity and regular listing of its shares and avoid share price discrepancies not justified by market trends.

This contract was signed in accordance with the applicable European and French laws and regulations (Regulation EC 2273/2003 of 22/12/2003, Directive 2003/6/EC, Articles L.225-209 and following of the French Commercial Code) and market practices (AMF decision 2011-07 and AMF ethics charter of 21/03/2011).

The recognition principles adopted by the Company are consistent with the guidance from the French national auditing body *Compagnie Nationale des Commissaires aux Comptes* (quarterly bulletin no.137 March 2005): The cash part (ie., cash, strictly speaking), is recognised in account 276100 “Other capitalized receivables” and the shares portfolio is recognized in account 277100 “Treasury shares” based on periodic statements of the transactions conducted by the service provider. Realized gains and losses from buying and selling treasury shares are recognized in accounts 778300 “Gain on treasury share buybacks” and 678300 “Loss on treasury share buybacks». The portfolio is measured at period-end at cost price. A provision for financial impairment is recognized if an unrealized loss is identified.

NOTE 3 – NOTES TO THE BALANCE SHEET (ASSETS)

3.1. OTHER RECEIVABLES

OTHER RECEIVABLES	31/12/2015	31/12/2014
R&D and other assets / services receivable	110.862	29.467
CIR	3.000.452	2.600.088
CICE	27.596	28.880
Training tax credit	0	1.600
VAT accruals	0	3.420
Deductible VAT on services	32.078	41.914
Foreign VAT pending	3.473	6.320
VAT credit payable Q4	254.210	90.772
VAT / Trade invoices not received	32.492	39.853
Payroll advances	683	0
Income receivable / Regional Council Support for training	0	1650
Total	**3.461.846**	**2.843.964**

3.2. CASH AND EQUIVALENTS

The following is a summary of net cash position:

VEHICLE	31/12/2015	UNREALIZED GAIN OR LOSS 31/12/2015	31/12/2014
Trading securities / mutual funds	6.000.226	+ 9.012	6.508.473
Capitalisation contract (1)	5.000.000	+154.093	5.000.000
Subtotal Trading securities	**11.000.226**	**+ 163.105**	**11.508.473**
Bank current accounts	2.642.193	-	441.526
Term deposits	5.000.000	-	18.202.434
Interest bearing surplus cash account	3.006.360	-	2.506.350
Accrued interest / term-deposit interest / CET	23.976	-	91.055
Accrued bank charges	-174	-	- 111
Subtotal Cash and cash equivalents	**10.672.355**	-	**21.241.254**
Total	**21.672.581**	**+163.105**	**32.749.727**

(1) See Note 2.7 “Trading securities”.

3.3. LIQUIDITY CONTRACT

The initial payment made on 22/04/2014 amounted to €200,000. The main items relating to the liquidity contract (see Accounting principles Note 2.1 “Liquidity contract”) at 31/12/2015 were as follows:

ITEM	31/12/2015
Initial payment on 22/04/2014	200.000 €
Total loss realized on disposals in fiscal year 2015	+ 29.783 €
Account heading (line 277100 “treasury shares") - Number of treasury shares: - Cost price of treasury shares: - Closing price of treasury shares:	 15.051 96.173 € 6,68 €
Cash account (line 276100 “Other capitalized receivables”)	116.748 €
Unrealised capital gain 31/12/2015	4.268 €
Reversal / provision for 2014 unrealised capital gain	721 €

3.4. PREPAID EXPENSES

PREPAID EXPENSES	31/12/2015	31/12/2014
Maintenance of laboratory, research and other equipment	8.379	8.092
Third party liability insurance for clinical trials	76.237	108.141
Other third party liability insurance	14.178	14.941
Other communication	3.952	7.709
Rent and other lease expenses Paris	27.833	19.575
Conference expenses	16.150	14.818
R&D and Consulting service providers	37.201	2.500
Other (Subscriptions, telecom, laboratory consumables)	7.554	1.495
Total	**191.484**	**177.271**

NOTE 4 – NOTES TO THE BALANCE SHEET (LIABILITIES)

4.1. SHARE CAPITAL, PREMIUMS CONNECTED WITH CAPITAL AND RESERVES

Share capital was increased successively in fiscal 2008, 2009, 2010, 2013, 2014 and 2015:

Dual capital increase decided by the EGM of 31/07/2008, which included a 100-to-1 nominal-value split of shares resulting in the number of outstanding shares increasing by a factor of 100:

- by compensation in shareholder receivables / current accounts in the amount of €17,276.30: 172,763 new shares created with nominal value €0.10 each and issue premium paid totalling €407,720.68;
- in cash, in the amount of €80,000.40: 800,004 P1 preference shares issued with nominal value €1.10 each and issue premium paid totalling €2,320,011.60, posted to a special line of unavailable reserves "reserve for conversion of P1 preference shares” in accordance with the decisions of the Extraordinary General Meeting of 31/07/08.

At the end of this dual transaction and the 100-to-1 nominal-value of shares, the share capital consisted of 2,521,367 shares with nominal value €0.10 each or €252,136.70.

Dual capital increase decided by the Combined GM of 26/10/2009:

- in cash, in the amount of €269,113.30: 2,691,133 P1 preference shares issued with nominal value €1.10 each and issue premium paid totalling €7,804,285.70 (being €2.89 per share) posted to a special line of unavailable reserves "reserve for conversion of P1 preference shares” created by the Extraordinary General Meeting of 31/07/08.
- in cash, in the amount of €66,666.70: 666,667 P1 preference shares issued with nominal value €1.10 each and issue premium paid totalling €1,933,334.30 (being €2.90 per share) posted to a special line of

unavailable reserves "reserve for conversion of P1 preference shares" created by the Extraordinary General Meeting of 31/07/08. This capital increase was measured by the Executive Board at its meeting of 17/12/2009, after the agreement of the Supervisory Board meeting of 10/12/2009, in accordance with the decisions taken by the Combined Extraordinary and Ordinary General Meeting of 26/10/2009.

At the end of this dual transaction during the course of 2009, share capital consisting of 5,879,167 shares with nominal value €0.10 amounted to €587,916.70. The unavailable reserves item "reserve for conversion of P1 preference shares" was €12,057,631.60.

Capital increase decided by the Combined General Meeting of 22/02/2010:

- in cash, in the amount of €3,000,000: 1,000,000 P1 preference shares issued with nominal value €1.10 each and issue premium paid totalling €2,900,000 (being €2.90 per share) posted to a special line of unavailable reserves "reserve for conversion of P1 preference shares" created by the Extraordinary General Meeting of 31/07/08.

Capital increase measured by the Executive Board on 23/12/2010:

- in cash, in the amount of €11,929.90: 119,200 new ordinary shares issued with nominal value €0.10 each following the exercise of 1,193 BSA warrants initially authorised and decided by the EGM of 26/11/2004.

Triple capital increase decided by the Combined General Meeting of 22/04/2013:

- in the nominal amount of €117,424.40 by compensation in receivables (convertible bond 2012/2013 and associated accrued interest) and 1,174,244 new P3 preference shares created with nominal value of €0.10 each, with issue premium of €3.90 per share, being a total issued premium of €4,579,551.60, the capital increase measured by the Executive Board on 28/05/2013;
- in the nominal amount of €84,674.70 by compensation in cash, and 846,747 new P3 preference shares created with nominal value of €0.10 each, with issue premium of €3.90 per share, being a total issued premium of €3,302,313.30, the capital increase measured by the Executive Board on 28/05/2013;
- in the nominal amount of €0.50 by compensation in cash, and 5 new P5 preference shares created with nominal value of €0.10 each, with issue premium of €3.90 per share, being a total issued premium of €19.50, the capital increase measured by the Executive Board on 28/05/2013.

Exercise of BSAs (warrants) authorized by the Combined Ordinary and Extraordinary General Shareholders' Meeting of 22/03/2013:

The BSA 2013 Closing 1 and 2 warrants issued by the Combined General Meeting of 22/04/2013 entitle their holders to subscribe to new P3 shares with a nominal value of €0.10 with an issue premium of €3.90.

- Under the terms of an Executive Board decision of 19/09/2013, the sum of €29,987.70 was contributed corresponding to the exercise of 299,877 warrants (BSA 2013 Closing 1) giving the right to 299,877 P3 shares plus a total issue premium of €1,169,520.30.
- Under the terms of an Executive Board decision of 30/12/2013, the sum of €37,500 was contributed corresponding to the exercise of 375,000 warrants (BSA 2013 Closing 2) giving the right to 375,000 P3 shares plus a total issue premium of €1,462,500. The 2013 BSA Closing 2 warrants expired on 31/12/2013.
- Under the terms of an Executive Board decision of 24/01/2014, the sum of €104,687.60 was contributed corresponding to the exercise of 1,046,876 warrants (BSA 2013 Partial Closing 1) giving the right to 1,046,876 P3 shares plus a total issue premium of €4,082,816.40. The BSA Closing 2013 warrants can be exercised until 31/12/2015.

Capital increases decided by the Executive Board, on the authorization of the Combined General Meeting of 07/03/2014, as part of the Company's IPO on the Euronext Paris and Brussels markets:

- Capital increase in cash via a public offering, in the amount of €436,708.80 by the creation of 4,367,088 new ordinary shares, fully paid-up, with a nominal value of €0.10, plus an issue premium of €7.80 per share, for a total issue premium of €34,063,286.40. This capital increase was decided and then confirmed by the Executive Board on 03/04/2014 and 08/04/2014 (total subscription €34,499,995.20 at an issue price of €7.90 per share).

- And additional capital increase in cash via a public offering, in the amount of €2,160.40 by the creation of 21,604 new ordinary shares, fully paid-up, with a nominal value of €0.10, plus an issue premium of €7.80 per share, for a total issue premium of €168,511.20. This capital increase was decided and then confirmed by the Executive Board on 03/04/2014 and 02/05/2014 (total additional subscription €170,671.60 at an issue price of €7.90 per share).This latter transaction was conducted in accordance with Article L.225-135-1 of the French Commercial Code, resulting from the exercise of the overallotment option granted by the Executive Board to underwriters, joint lead managers and joint bookrunners.

Dual capital increase by the conversion of convertible bonds decided by the Executive Board on the authorization of the Combined General Meeting of 07/03/2014:

- Nominal value €15,516.40 by offsetting debt (automatic conversion of the 1st tranche of the convertible bond issued 07/03/2014) and the creation of 155,164 new ordinary shares at nominal €0.10 per share, plus an issue premium of €7.80 per share for a total issue premium of €1,210,279.20. This capital increase was confirmed by the Executive Board on 02/06/2014 (total subscription €1,225,795.60 at an issue price of €7.90 per share).
- Nominal value €15,516.40 by offsetting debt (automatic conversion of the 2nd tranche of the convertible bond issued 07/03/2014) and the creation of 155,164 new ordinary shares at nominal €0.10 per share, plus an issue premium of €7.80 per share for a total issue premium of €1,210,279.20. This capital increase was confirmed by the Executive Board on 30/09/2014 (total subscription €1,225,795.60 at an issue price of €7.90 per share).

All outstanding P1, P3 and P5 preference shares were automatically transformed into ordinary shares in April 2014 at a parity of one ordinary share for one preference share, immediately before the first stock exchange listing of the Company's shares following the decision of the Combined General Meeting of 07/03/2014.

Share capital was increased four-fold as a result of the exercise of BSPCEs in early 2015:

- Under the terms of a Board decision of 4 August 2015, the sum of €1,769.90 corresponding to the exercise of 17,669 founder warrants (BSPCE) was contributed corresponding to the exercise of 1,046,876 warrants (BSA 2013 Partial Closing 1) giving the right to 1,046,876 P3 shares plus a total issue premium of €4,082,816.40 amounting to an overall issue premium of €60,539.26.
- Under the terms of a Board decision of 9 September 2015, the sum of €1,784.90 corresponding to the exercise of 17,849 founder warrants (BSPCE) was contributed corresponding to the exercise of 1,046,876 founders' warrants € (BSPCE 30/11/2005, 30/09/2011, 20/12/2013 and 14/05/2014) giving the right to 17,849 ordinary shares plus a total issue premium of €55,126.21.
- Under the terms of a Board decision of 4 November 2015, the sum of €870 corresponding to the exercise of 8,700 founder warrants (BSPCE) was contributed corresponding to the exercise of € founders' warrants (BSPCE 30/11/2005) giving the right to 8,700 ordinary shares plus a total issue premium of €24,510.
- Under the terms of a Board decision of 3 December 2015, the sum of €5,660.30 corresponding to the exercise of 56,603 founder warrants (BSPCE) was contributed corresponding to the exercise of € founders' warrants (BSPCE 30/11/2005, 09/04/2009, 17/12/2010, 15/02/2013 and 20/12/2013) giving the right to 56,603 ordinary shares plus a total issue premium of €167,831.70.

At the end of the various transactions carried out during 2015, share capital consisted of 15,541,086 ordinary shares at a nominal €0.10 per share, including 15,051 bearer treasury shares without voting rights.

Share capital at 31/12/2015 was thus **€1,554,108.60.**

Summary of the change in share capital and associated premiums over the fiscal year:

Items / Transactions	Number of shares	NV (€)	Capital	Premiums linked to capital
Total 31/12/2014	**15,440,235**	**0.10**	**1,544,024**	**47,897,440**
Exercise BSPCE 04/08/2015	17,699	0.10	1,770	60,539
Exercise BSPCE 10/09/2015	17,849	0.10	1,785	55,126
Exercise BSPCE 04/10/2015	8,700	0.10	870	24,510
Exercise BSPCE 03/12/2015	56,603	0.10	5,660	167,832
Total 31/12/2015	**15,541,086**	**0.10**	**1,554,109**	**48,205,447**

Securities issuance expense posted to the issue premium

External expenses incurred as part of the various capital increases transacted during fiscal 2014 were posted directly to pre-tax issue premium for a total of **€3,216,095** (see § 2.9 "Accounting rules and methods: Capital-increase expenses and securities-issuance expenses"). They correspond to fees, disbursements and other expenses invoiced by the Company's legal advisors, consultants, other service providers and auditors directly related to the transactions concerned.

Reserves

The unavailable reserves item "reserve for conversion of P1 preference shares" was **€14,957,632**.

The unavailable reserves item "reserve for conversion of P3 preference shares" was **€3,368,450**.The latter was created by decision of the Combined General Meeting of 22/04/2013 and was increased at each creation of P3 preference shares since then by drawing from the issue premium 9 times the nominal value of the shares created.

4.2. BSA AND BSPCE WARRANTS

The status of ordinary warrants (BSA) and founders' warrants (BSPCE) as at 31 December 2015 was as follows:

BSA authorized, granted and exercisable: 470.334
BSPCE authorized, granted and exercisable: 930.512
BSA and BSPCE authorized and not granted: 1.670.860
(maximum combined ceiling of 2,245,000 warrants – decisions of the Combined General Meeting of 07/03/2014).

BSA granted during the period: 0
BSPCE granted during the period: 50.059
BSPCE exercised during the period: 100.851

BSA expired or cancelled during the period: 0
BSPCE expired or cancelled during the period: 9.641
BSA subscribed and paid during the period: 0 €
BSPCE subscribed and paid during the period: 0 €

The balance of the BSA 2013 Closing 1 exercisable until 31/12/2013 (2,240,375) resulting from the issue and allotment by the Combined General Meeting of 22/04/2013, called by the Executive Board meeting of 20/12/2013, was partly paid in January 2014 (1,046,876 BSA) and resulted in the capital increase of 24/01/2014.

The remaining balance, exercisable until 31/12/2015, was waived by their investor holders (1,193,499 BSA) in 2014.

The Combined General Meeting of 07/03/2014 authorized the Executive Board, for a period of 18 months, to issue and grant 2,245,000 BSA and BSPCE (maximum combined ceiling) on the following terms:

- 1 BSA or BSPCE for one ordinary share at €0.10 nominal value

- Exercise price: weighted average of the last 20 stock exchange trading days immediately preceding the grant of warrants, with, for BSA, a minimum of 10% of the subscription price (issue premium included) of the share to which the warrant refers
- Exercise period: 10 years
- BSA beneficiaries: members and observers on the Company's Supervisory Board
- BSPCE beneficiaries: Company executives and employees

BSA summary at 31/12/2015

Reference	Beneficiaries	BSA issued	Warrants Warrants expired / cancelled	BSA exercised	BSA outstanding	Number of shares to be issued	Exercise price (€ per share)
07/2008	Investors	133.334	-	-	133.334	133.334	3,00
10/2008	Executives	30.800	-	-	30.800	30.800	3,00
02/2010	Executives	155.200	-	-	155.200	155.200	3,00
2013 Closing 1	Investors	2.240.375	1.193.499	1.046.876	-	-	-
12/2013	Executives	116.000	-	-	116.000	116.000	4,00
09/2014	Executives	35.000	-	-	35.000	35.000	5,79
Total 31/12/2015		**2.710.709**	**1.193.499**	**1.046.876**	**470.334**	**470.334**	**-**

The exercise period of all BSA is 10 years.

BSPCE summary at 31/12/2015

Ref.	Beneficiaries	BSPCE issued	Founders' warrants Warrants expired / cancelled	BSPCE exercised	BSPCE outstanding	Number of shares to be issued	Exercise price (€ per share)
11/2005	Executives & Employees	24.200	-	24.200	0	0	2,90
02/2007		28.000	-	-	28.000	28.000	2,90
04/2009		88.460	-	27.720	60.740	60.740	3,00
12/2010		197.500	9.000	28.320	160.180	160.180	3,00
09/2011		13.500	-	4.500	9.000	9.000	3,00
06/2012		13.000	-	-	13.000	13.000	3,00
12/2012		11.750	-	-	11.750	11.750	3,00
02/2013		19.320	1.940	6.880	10.500	10.500	3,00
12/2013		121.314	2.516	6.080	112.718	112.718	4,00
05/2014		481.491	11.365	3.151	466.975	466.975	6,77
12/2014		7.590	-	-	7.590	7.590	5,66
23/04/15		5.059	-		5.059	5.059	6,93
23/04/15		45.000	-	-	45.000	45.000	7,74
Total 31/12/2015		**1.056.184**	**24.821**	**100.851**	**930.512**	**930.512**	**-**

The exercise period of all BSPCE is 10 years.

4.3. CHANGE IN SHAREHOLDERS' EQUITY

Item	31/12/2014	Increase	Decrease	31/12/2015
Capital	1.544.024	10.085	-	1.554.109
Issue premium (1)	47.561.653	308.007	-	47.869.660
BSA paid	335.223	-	-	335.223
BSPCE paid	564	-	-	564
Legal reserve	5.451	-	-	5.451
Reserve for P1 conversion	14.957.632	-	-	14.957.632
Reserve for P3 conversion	3.368.470	-	-	3.368.470
Other reserves	103.563	-	-	103.563
Retained losses	- 27.533.347	- 9.549.291	-	-37.082.638
Result for the period	- 9.549.291	- 10.567.153	- 9.549.291	- 10.567.153
Total	**30.793.941**	**-19.798.352**	**- 9.549.291**	**20.544.880**

(1) Increase in this item reflects the capital increase transactions in the period linked to the exercise of BSPCEs.

4.4. OTHER EQUITY

This item consists of the following repayable advances:

Repayable advance OSEO Innovation 2010/2012 “OSEO 2”

An agreement for a repayable advance in the total amount of €1,500,000 was signed with OSEO on 09/03/1011 as part of the “development and clinical trials for a therapeutic anti-cancer vaccine" for the period 20/09/2010 to 30/09/2012, the deadline for establishing the end of the program. The innovation aid, granted on the basis of expenses of €4,908,805.44 (thus 30.56% of expenses) was paid in three instalments: €200,000 on signing the contract, €1,000,000 from 01/04/2011 when called, and the balance €300,000 on completion of the programme.

The repayment schedule is as follows: €50,000 per quarter from 30/09/2013 to 30/06/2014, €75,000 per quarter from 30/09/2014 to 30/06/2015 and €125,000 per quarter from 30/09/2015 to 30/06/2017, which was in 2013: €100,000 ; in 2014: €250,000 ; in 2015: €400,000 ; in 2016: €500,000 ; in 2017: 250.000 €.

Furthermore, the agreement provides for an annual repayment on 31 March of each year, effective 1 January 2012, corresponding to 20 % of the ex-tax proceeds from the sale or assignment of licenses, patents or know-how relating to all or part of the results of the aided programme, received for the previous year and 20 % of the ex-tax proceeds generated by the marketing or use by the beneficiary for its own purposes, of prototypes, pre-series or models produced as part of the aided programme. The agreement also provides for the repayment of a minimum lump sum of €300,000, regardless of the technical or commercial outcome of the aided programme, on the following schedule: €50,000 at each calendar quarter end from 30/09/2013 to 30/06/2014, €75,000 by 30/09/2014 and €25,000 by 31/12/2014.

The balance at 31/12/2015 was **€750,000** and corresponds to all the contractual payments made, minus the normal contractual repayments (including €400,000 in 2015). This improvement shows the determinable nature of debt since 2013 following the confirmation of the end of the programme and its success by OSEO.

Repayable advance OSEO Innovation 2013/2019 “OSEO 3”

An agreement for a repayable advance was signed OSEO on 11/01/2013 in the total amount of €849,000 as part of the “extension of the Phase I clinical trials for the ProCervix project” covering a 12-month period from 12/09/2012 to 11/09/2013. The innovation aid, granted on the basis of expenses of €1,887,309.28 was to be paid in 3 instalments: €330,000 on signing the contract, €330,000 from 30/06/2013 when called and subject to the suspensive condition that €2,000,000 is paid to GENTICEL by its shareholders (3rd tranche of convertible bonds), and the balance €189,000 on completion of work.

The Company had to provide, no later than 30/03/2014, a statement of the expenses incurred for the financed project. The repayable advance will be reduced proportionally (44.98%) if the expenses incurred are less than those projected.

The initial quarterly repayment schedule was as follows, beginning 30/09/2014 and ending 30/06/2019 based on total aid of €849,000.

- €20,000 no later than 30/09/2014, 31/12/2014 , 31/03/2015 and 30/06/2015
- €30,000 no later than 30/09/2015, 31/12/2015 , 31/03/2016 and 30/06/2016
- €40,000 no later than 30/09/2016, 31/12/2016 , 31/03/2017 and 30/06/2017
- €60,000 no later than 30/09/2017, 31/12/2017 , 31/03/2018 and 30/06/2018
- €62,250 no later than 30/09/2018, 31/12/2018 , 31/03/2019 and 30/06/2019

Furthermore, the agreement provides for an annual payment starting no later than 01/01/2014 of 40% of the ex-tax proceeds from the sale or assignment of licenses, patents or know-how relating to all or part of the results of the aided programme, received for the previous year and 40% of the ex-tax proceeds generated by the marketing or use by the beneficiary for its own purposes, of prototypes, pre-series or models produced as part of the aided programme. The agreement also provides that even if the programme fails or is only partially successful, the Company must in any case repay to OSEO the lump sum of €340,000 between 30/09/2014 and 30/06/2017, as follows:

- €20,000 no later than 30/09/2014, 31/12/2014 , 31/03/2015 and 30/06/2015
- €30,000 no later than 30/09/2015, 31/12/2015 , 31/03/2016 and 30/06/2016
- €40,000 no later than 30/09/2016, 31/12/2016 , 31/03/2017
- €20,000 no later than 30/06/2017.

If OSEO judges the programme to have failed technically, the Company will find itself relieved of all its obligations to repay except in the case of entire or partial sale, cessation of activity, amicable winding up or liquidation in which cases the repayable advance received must automatically be repaid in full. The programme succeeds technically but only partially, the repayment terms may be adjusted by addendum.Lastly, the Company has contractually paid to OSEO a risk commission of €25,470 corresponding to 3% of the repayable advance granted (deducted by OSEO at source upon payment of the first tranche of €330,000). This was adjusted in the financial statements for the year ended 31/12/2013 prorated by the advance paid and was recognised as prepaid expenses in the amount of €15,570 posted to fiscal 2014.

The amount of the repayable advance was adjusted during 2014 to the **final sum of €811,662.89** based on confirmation of the end of the programme by the financing body. The agreement was amended by an addendum dated 05/09/2014 modifying the schedule for repaying the advances, as follows:

- €19,120 no later than 30/09/2014, 31/12/2014 , 31/03/2015 and 30/06/2015
- €26,680 no later than 30/09/2015, 31/12/2015 , 31/03/2016 and 30/06/2016
- €38,240 no later than 30/09/2016, 31/12/2016 , 31/03/2017 and 30/06/2017
- €57,360 no later than 30/09/2017, 31/12/2017 , 31/03/2018 and 30/06/2018
- €59,515 no later than 30/09/2018, 31/12/2018 , 31/03/2019
- €59,717.89 no later than 30/06/2019

The balance at 31/12/2015 was **€677,823** and corresponds to all the contractual payments made, minus the normal contractual repayments (including €38,240 in 2015). This improvement shows the determinable nature of debt since 2014 following the confirmation of the end of the programme and its success by OSEO.

Repayable advance OSEO Innovation 2013/2023 Magenta Project “OSEO 4”

On 7 March 2013, the Company signed an agreement with OSEO Innovation for a repayable advance of up to €3,596,218 as part of the global strategic industrial innovation project “Magenta” grouping six beneficiaries

including a lead beneficiary tasked with scientific, technical and administrative coordination. This contract benefitting from the repayable advance is part of a framework agreement signed on that same date.

The R&D work required of the Company concerns the production and testing of a therapeutic anti-HIV vaccine candidate (immunotherapy) and covers a 6-year period from 01/01/2013 to 31/12/2018. The eligible costs adopted, corresponding to the total cost of the project, amount to €8,448,474 and consist partly of industrial research in the amount of €1,296,048 and partly of experimental development in the amount of €7,172,426. The total aid granted amounts to €4,179,441, of which €3,596,218 is repayable advance and €583,223 subsidy. This aid is paid at 5 key stages (**KS**) of progress of R&D (at trigger points).

The following is the projected maximum support payment schedule in instalments at key stages of progress and/or reflecting particular conditions (communication of financial information, ability to pursue the financed programme, the granting of specific administrative and regulatory authorisations notably for clinical trials):

Aid	Start	KS1	KS2	KS3	KS4	KS5	Total
Projected dates	2013	2014	2015	2016	2017	2018	-
Repayable advance	108.213	300.000	1.094.029	1.087.801	466.742	539.433	**3.596.218**
Subsidies	367.207	128.532	-	-	-	87.484	**583.223**
Total	**475.420**	**428.532**	**1.094.029**	**1.087.801**	**466.742**	**626.917**	**4.179.441**

KS1: industrial feasibility of the procedure for the vaccine candidate
KS2: preclinical validation and availability of BMP clinical batch of the vaccine candidate
KS3: presentation of favourable opinion from ANSM for continuation of work on batch 2
KS4: safety of the vaccine candidate
KS5: clinical result of Phase I of the vaccine candidate

The aid received by the Company as part of KS1 is subject to the suspensive condition that it completes a capital increase of €180,000,000 in the fiscal year ended 31/12/2012, as cash contributions without compensation of receivables, in the form of a fully paid-up capital increase, issue premiums, convertible bonds, or current accounts at banks up to 31/12/2017. In the event that GENTICEL receives cash from licenses, the cash will be deducted from the required contribution to equity.

Unless the project fails commercially, the contractual repayment schedule is as follows, after taking into account 25 % annual discounting: €808,000 per year for 5 years, by 30 June of each year from 2019 to 2023 inclusive, for a total of €4,040,000. In the event that the repayable advance actual paid is less than the maximum contractual total, the annual repayments will be reduced prorated by the sums paid.

If no repayment is made within 10 years after the payment of the aid, the contract will be automatically cancelled and the Company will be released from all its repayment obligations provided it has met all its other obligations. The contract provides that the Company will pay to OSEO an annual payment of 50% of any income generated by the sale of intellectual property rights arising from the project, or from the sale of prototypes, pre-series or models produced as part of the project.

Lastly, once the advance has been repaid in full and under the suspensive condition that the Company achieves at least €50 million in ex-tax sales (by 2028), the contract stipulates that the Company will pay to OSEO the sum of €2,200,000 in three tranches as follows: €750,000 by 30 June in years 1 and 2 and €70,000 by 30 June in year 3.

The first tranche of the repayable advance (€108,213) and the first tranche of the subsidy €367,207) were paid in full during 2013.

Following the review in April 2014 of key stage 1 by the financing body and its confirmation of the expenses incurred on the project, the second tranche of the repayable advance was paid in the amount of **€220,679 on 29/08/2014** along with the second tranche of the subsidy (€128,532).

The third tranche of the repayable advance **(€853,099**) was paid on 29/10/2015 once key stage 2 was reached.

Line 167440 "conditional advance OSEO 4" was €1,181,991,213 as at 31/12/2015.

"Conditional advances" at 31/12/2015

Advances	Balance 31/12/2014	Payments	Repayments	Balance 31/12/2015
OSEO 2010 / 2012 "OSEO 2"	1.150.000	-	400.000	750.000
OSEO 2013 / 2019 "OSEO 3"	773.423	-	95.600	677.823
OSEO 2013 / 2023 "OSEO 4" ISI Magenta	328.892	853.099	-	1.181.991
Total	**2.252.315**	**853.099**	**495.600**	**2.609.814**
of which the total advances that had become determinable debt in the course of being repaid (1)				1.427.823

(1) of which: debt < 1 an = €495,600; debt 1>5 years = €1,427,823; debt > 5 years = 0.

4.5. BOND CONVERTIBLE INTO SHARES

A share-convertible bond issued on 07/03/2014 with a total value of €2,451,628 (authorization of Combined General Meeting, decision of Executive Board and all three dated 07/03/2014) was incorporated into the Company's share capital in 2014. The Executive Board meetings of 2/6/2014 and 30/9/2014 confirmed the final completion of this capital increase by offsetting of receivables in two tranches totalling €2,451,591.20.

The main characteristics of his borrowing were: 612,907 bonds convertible into ordinary shares in the event of the IPO and, if not, then convertible into P3 preference shares at nominal €4, annual interest rate 3%, interest capitalized on the basis of 365 days, automatic conversion of the first tranche into ordinary shares on the IPO date or 30/05/2014, whichever is later, projected end 30/09/2014. The contract also provides special and confidential terms regarding conversion, allocation and early redemption principles.

The balance of accrued and capitalised interest remaining to be paid at 31/12/2015 amounted to €2.10 and €609.82 respectively after partial repayments in 2015 of €34.70 and €26,763.66 respectively.

4.6. BREAKDOWN OF TRADE PAYABLES

Item	Amount	< 1 yr	1 ≥ 5 yrs	> 5 yrs
trade debts invoices not received	530.337	530.337	-	-
Invoices not received	1.356.087	1.356.087	-	-
Total	1.886.424	1.886.424	0	0

4.7. PAYABLES

These are included in the various debt items on the liabilities side of the balance sheet.

ACCRUED EXPENSE	31/12/2015	31/12/2014
Supplier goods and services / invoices not received	1.356.087	1.081.166
Provision for paid holidays	137.675	177.810
Social security contributions on paid holidays	64.024	52.472
Provision for bonuses	242.933	270.809
Provision for social security obligations / bonuses	111.981	118.158
Provision for job insecurity / fixed-term contracts	9.857	4.609
Social security contributions on bonuses for job insecurity / fixed-term contracts	4.756	2.091
Provision for working time reduction	2.809	8.864
Soc sec contrib / Provision for working time reduction	1.333	4.040
Professional development	7.705	17.483
Apprenticeship tax	15.463	14.146
Participation in construction effort	7.912	4.825
Agefiph disability contribution	730	0
Accrued bank charges	174	111
Accrued interest on share-convertible bonds	610	27.374
Total	**1.964.049**	**1.723.958**

NOTE 5 – NOTES TO THE INCOME STATEMENT

5.1. OPERATING SUBSIDIES

This item, amounting to €130,182 at 31/12/014 mainly corresponded to the operating subsidy granted for fiscal 2014 in the amount of €128,532 by OSEO Innovation as part of the ISI Magenta project after reaching the contractual key stage 1 and the confirmation of the expenses incurred on the project, the latter also being the object of a repayable advance. The context as well as the main characteristics and terms of the granting of this subsidy are described above in Section 4.4 "Other equity – Repayable advance OSEO Innovation 2013/ 2023 Project Magenta OSEO 4". No subsidy is contractually expected for 2015 for this project.

5.2. PASTEUR INSTITUTE LICENSE AGREEMENT

The Company signed a license agreement with the Pasteur Institute on 22/01/2002 effective 22/01/2002 and two addendums dated 02/05/2007 and 14/12/2007, all of which restated in an amended contract signed 31/07/2008.

Under its terms, the Pasteur Institute grants various licenses for patents and biological material as well as its derivatives to manufacture, cause to be manufactured, use and market the products under license and/or implement the licensed procedures. It runs from 21/01/2002 until the later of the following two dates: the expiry or cancellation or abandonment of the last patent on the last day of the territory agreed or 10 years counting from the first marketing in the country concerned and country by country, of the product under license and/or a service provision by the licensee.

The agreement provides for various financial counterparts, in particular:

- The payment of a minimum annual royalty of €50,000 +VAT beginning fiscal 2009 and going to the credit of any other amount payable to the Pasteur Institute.
- A share in the cost of maintaining the patents.
- Royalties on the net receipts received per territory concerned. (To date, the Company has had no sales.)

- A royalty in the case of sub-licensing. (To date, the Company has not signed this type of contract.)
- Non-reimbursable counterparts in respect of any veterinary vaccines not applicable to day to any work done by the Company (€100,000 in the case of application for clinical trials on animals, and €150,000 for an eventual marketing authorisation).
- Specific payments inherent at each stage of development of the Company's products:
  - The product enters Phase I: 50.000 €
  - The product exits Phase I: 130.000 €
  - The product exits Phase II: 160.000 €
  - The product exits Phase III: 310.000 €
  - Marketing authorisation: 610.000 €

The product completed its Phase I in the first half of 2014 resulting in the invoicing to the Company of the corresponding stage payment on 06/05/2014 (€130,000).

Only the expenses recognised in the 2015 fiscal year relating to this license agreement concern the minimum annual royalty of €50,000 (no stage payment to be paid as thePhase II was not completed on the 31/12/2015) as well as a provision for patent maintenance expenses evaluated at €18,000+VAT by reference to the amount invoiced by the Pasteur Institute for the fiscal year 2014 (large gap in invoicing dates).

5.3. FINANCIAL PROFIT (LOSS)

FINANCIAL PROFIT (LOSS)	31/12/2015	31/12/2014
Interest from term deposits and other cash investments	161.621	126.622
Reversal of provision for impairment of treasury shares	721	0
Currency translation gains	7.841	248
Proceeds from disposal of mutual funds	8.474	9.902
Total income	**178.657**	**136.772**
Exceptional financial expenses / interest on share-convertible bonds	- 302	- 27.373
Currency translation losses	- 7.889	- 850
Provision for impairment of treasury shares	0	-721
Total expenses	**- 8.191**	**- 28.944**
Total	**170.466**	**107.828**

5.4. NON-RECURRING INCOME

NON-RECURRING INCOME	31/12/2015	31/12/2014
SAN adjustment accounts, third-party suppliers	3.724	4.363
Gain on disposals / liquidity contract	29.783	0
Total non-recurring income	**33.507**	**4.363**
Miscellaneous adjustment accounts / previous years (miscellaneous services, pension contributions, insurance, fees)	- 23.418	- 52.457
Tax / pay adjustments 2013-2014	- 7.446	0
Training tax credit adjustments 2014	- 1.600	0
Error correction / FNP R&D provider 2013/2014 (1)	- 396.102	0
Additions – VAT adjustments and penalties	0	- 5.620
Loss on share buybacks – liquidity contract	0	- 16.861
Total non-recurring expenses	**- 428.566**	**- 74.938**
Total non-recurring loss	**- 395.059**	**- 70.575**

Error correction relating to the measurement as at 31/12/2014 of R&D services and studies outsourced to a partner: see Note 1 "Significant events in the period" § 1.4 "Error correction".

NOTE 6 – OTHER INFORMATION

6.1. RESEARCH TAX CREDIT AND OTHER TAX CREDITS

The research tax credit for fiscal 2015 shown in income amounts to €3,000,452.

The research tax credit 2014, amounting to €2,635,891, was paid in full by the tax authorities on 09/11/2015 pursuant to the new Article 199 ter b-02 of the French General Tax Code. It should be noted that the €35,803 difference between it and the CIR initially recognised (€2,600,088) results from the notification of the 2014 certification of a service provider after the end of the reporting period whose invoices had been included in the tax return.

SUMMARY OF CIR / INCOME STATEMENT	31/12/2015	31/12/2014
CIR 2015	3.000.452	2.600.088
Additional CIR 2014	35.803	0
Total	**3.036.255**	**2.600.088**

Tax credit receivables recorded in assets under "Other receivables" can be broken down as follows:

Tax credit receivables	31/12/2015	31/12/2014
CIR	3.000.452	2.600.088
CICE	27.596	28.880
Training tax credit	0	1.600
Total	**3.028.048**	**2.630.568**

In accordance with Article 244 quater C of the French General Tax Code, the CICE, which is intended to fund improvements in business competitiveness, is used by the Company to fund its investments.

6.2. OTHER COMPANY-RELATED INFORMATION

Workforce at 31/12/2015: 34 people, of whom 26 managers and 8 non-supervisory employees, 30 on permanent contracts, 3 on fixed-term contracts and 1 apprenticeship contract, 26 female and 8 male.

Collective bargaining applicable: Pharmaceutical Industry

The individual training rights (DIF) accrued by the Company's employees as at 31/12/2014 were transferred on 1/1/2015 to their personal training accounts (CPF) in the amount of 2,690 hours, in accordance with the Law of 5/3/2014 relating to vocational training, jobs and social democracy.

6.3. OTHER TAX-RELATED INFORMATION

Unlimited-duration deferrable tax loss amounted to €64,283,868 at 31/12/2015.

6.4. TRANSACTIONS WITH RELATED PARTIES

Related party transactions concern the compensation paid to corporate officers who are Executive Board and Supervisory Board members, flowing from employment contracts, attendance fees and one consultancy contract:

COMPENSATION TO EXECUTIVES	31/12/2015	31/12/2014
Fixed compensation	728.022	637.726
Variable compensation	190.642	185.416
Exceptional compensation	0	100.000
Benefits in kind	15.643	5.427
Attendance fees	100.000	96.667
Consultancy fees	66.000	60.000
Total	**1.100.307**	**1.085.236**

6.5. STATUTORY AUDITORS' FEES

The statutory auditors' fees relating to various assignments are as follows:

STATUTORY AUDITORS' FEES	31/12/2015	31/12/2014
Official audit of company financial statements	50.000	90.500
Other services directly related to the duties of the statutory auditor (1)	29.160	72.400
Total	**79.160**	**162.900**

(1) Mainly relates to the Initial Public Offering in 2014 and, for 2015, the CSR / SEO report as well as an assignment to audit the tracking and invoicing of R&D expenses / service providers.

NOTE 7 – COMMITMENTS

7.1. RETIREMENT BENEFITS

These were assessed at €322,060 (31 employees) as at 31/12/2015 using the projected unit credit method (or accrued benefits method) in accordance with CNC recommendation 2003-R-01, based on the following assumptions:

Collective agreement: Pharmaceutical Industry

- Voluntary retirement age 65 to 67
- Mortality table: Insee 2014
- Salary revaluation rate: 2.5 %
- Staff turnover rate: High
- Employer social security expense ratio: managers 45,4 %, technicians 47,1 %, employees 43,2 %
- Discount rate: 2,03 %

7.2. GE CAPITAL LEASING CONTRACTS

A 64-month leasing contract was signed in December 2012 with GE Capital for 2 multifunction Canon and Ricoh copiers, maintenance not included, for quarterly rent of €4,201+VAT.

The commitments under this contract ending 31/03/2018 are as follows: €16,804 less than 1 year, €21,005 between 1 and 5 years, €0 more than 5 years.

7.3. PASTEUR INSTITUTE LICENSE AGREEMENT

See Note 5.2 "Pasteur Institute Licence Agreement".

1.1.3. OSEO REPAYABLE-ADVANCE AGREEMENTS

See Note 4.4 "Other equity".

7.4. COMMERCIAL LEASES

As part of its activity, the Company has signed leases on premises:

Administrative offices and laboratories

Address: Prologue-Biotech, 516 Rue Pierre et Marie Curie, 31670 Labège, France
Tenancy-at-will agreement
Term of Lease: 1 September 2013 – 31 July 2015 extended to 31 July 2016
Early Termination: Possible at any time, subject to two months' advance notice
Monthly Rent: €5,636 excl. tax (2015 rent invoiced: €67,629 excl. tax).

Clinical development building

Address: 5 rue Tronchet, 75008 Paris
Initial commercial lease from 22/05/2014 (5th floor)
Term of Lease: 1 June 2014 – 31 May 2023
Early Termination: Possible at the end of a 6-year period, and at the end of 3-year periods thereafter, subject to six months' advance notice
Quarterly rent: €69,600 excl. tax (2015 rent invoiced: €69,815 excl. tax).

Amendment to the initial commercial lease on 30/09/2015: leased floor area increased (6th floor)
Term of Lease: 1 December 2015 – 31 May 2023
Quarterly rent: €7,250 excl. tax (2015 rent invoiced: €2,417 excl. tax).

Rent commitments (excluding occupancy charges) to the lessors and new tenant until the end of the next termination period were as follows at 31/12/2015:

Contracts	Start	End	Annual rent 2015 excl. tax and charges	Commitment < 1 year	Commitment 1 to 5 years
Premises Labège	01/09/2013	31/07/2016	67.629	39.450	-
Premises Paris, rue Tronchet	01/06/2014	31/05/2023	69.815	70.031	239.273
Premises Paris, rue Tronchet	01/12/2015	31/05/2023	2.417	29.000	99.083
Total			**139.501**	**138.481**	**338.356**

NOTE 8 – EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred since the end of the reporting period that might affect the financial statements.

The following information has been released by the Company between the end of the reporting period and the approval of these accounts.

January 2016:

- The Company announced the initial results of the Phase III randomized, double-blind, placebo-controlled trial of GTL001, its HPV immunotherapeutic candidate which is aimed at eradicating HPV 16 and/or 18 infections. Despite the absence of a statistically significant difference in viral clearance at 12 months between the treated group and the placebo group among the total trial population, the difference was significant in two predefined subgroups, specifically, in patients with normal cytology and in adult patients under 30 years of age. Statistically significant viral clearance data at 18 months in the total trial population will be a decisive factor for beginning preparations for Phase III. The data will be communicated in the third quarter of 2016. The Data and Safety Monitoring Board (DSMB), which met last January 26, recommended that the trial continue as planned and that additional data be collected on viral clearance and long-term safety.

NOTE 9 – STATEMENT OF RECEIVABLES AND PAYABLES

Box A	STATEMENT OF RECEIVABLES	Gross amount	≤ 1 year	> 1 year
Of fixed assets	Receivables linked to equity interests			
	Loans (1) (2)			
	Other financial assets	232.738	0	232.738
Of current assets	Doubtful debts or litigation			
	Other trade receivables	364	364	
	Receivables on repro securities, incl. provisions			
	Payroll & related accounts			
	Social security and other bodies			
	Income tax	3.028.048	3.028.048	
	Value Added Tax	322.253	322.253	
	Other taxes, duties and similar			
	Other			
	Group and associates (2)			
	Other debtors	111.545	111.545	
Prepaid expenses		191.484	191.484	
TOTAL		**3.886.432**	**3.653.694**	**232.738**

Notes (1) Loans granted in the period
(1) Repayments obtained in the period
(2) Loans & advances granted to associates (physical persons)

Box B	STATEMENT OF PAYABLES	Gross amount	≤ 1 year	1 ≥ 5 years	> 5 yrs
Convertible bonds (1)		612	612		
Other bonds (1)					
Bank borrowings and debt (1)	initially 1 yr max	173	173		
	initially longer than 1 yr				
Sundry borrowings and financial debt (1) (2)					
Trade payables and related accounts		1.886.424	1.886.424		
Payroll & related accounts		393.273	393.273		
Social security & other welfare programs		394.094	394.094		
Income tax					
Value Added Tax		61	61		
Guaranteed bonds					
Other taxes and similar		33.912	33.912		
Debts on assets and related accounts					
Group and associates (2)					
Other liabilities		2.055	2.055		
Debt representing securities borrowed					
Prepaid income					
TOTAL		**2.710.605**	**2.710.605**		

Notes (1) Borrowing subscribed in the period:
(1) Borrowing repaid in the period
(2) Miscellaneous borrowing & debts contracted with associates (physical persons)

Note the existence of the following repayable advances, recognized under “Other equity” as determinable debt at 31/12/2015 (see Note 10.4.4 “Other equity”):

Advances	Balance 31/12/2015	< 1 year	1 ≥ 5 years	> 5 yrs
OSEO 2010 / 2012 "OSEO 2"	750.000	500.000	250.000	-
OSEO 2013 / 2019 "OSEO 3"	677.823	133.840	543.983	-
TOTAL	**1.427.823**	**633.840**	**793.983**	**-**

NOTE 10 – STATEMENT OF FIXED ASSETS

Box A	FIXED ASSETS		Gross value of assets at start of period	Additions (1)
INTANGIBLE	Start-up costs, R&D costs			
	TOTAL I			
	Other items of intangible assets		74.623	39.126
	TOTAL II		**74.623**	**39.126**
PROPERTY, PLANT & EQUIPMENT	Land			
	Buildings			
	Technical facilities, hardware and tools		509.584	90.976
	Other property, plant & equipment	Gen facilities, fixtures, fittings, other	170.018	
		Transport equipment		
		Office and computer equipment, furniture	116.305	21.751
		Recoverable packaging & other		
	Property, plant & equipment in construction			
	Advances and instalments			
	TOTAL III		**795.907**	**112.727**
FINANCIAL	Equity interests of associates			
	Other investments			
	Other equity securities			
	Loans and other financial assets		209.718	32.200
	TOTAL IV		**209.718**	**32.200**
GRAND TOTAL (I + II + III + IV)			**1.080.248**	**184.053**

Box B	FIXED ASSETS		Gross value of assets at start of period	Additions (1)
INTANGIBLE	Start-up costs, R&D costs			
	TOTAL I			
	Other items of intangible assets		0	113.749
	TOTAL II		0	113.749
PROPERTY, PLANT & EQUIPMENT	Land			
	Buildings			
	Technical facilities, hardware and tools			600.561
	Other property, plant & equipment	Gen facilities, fixtures, fittings, other		170.018
		Transport equipment		
		Office and computer equipment, furniture		138.056
		Recoverable packaging & other		
	Property, plant & equipment in construction			
	Advances and instalments			
	TOTAL III		0	908.635
FINANCIAL	Equity interests of associates			
	Other investments			
	Other equity securities			
	Loans and other financial assets		9.180	232.738
	TOTAL IV		9.180	232.738
GRAND TOTAL (I + II + III + IV)			**9.180**	**1.255.122**
(1) Acquisitions creations, contributions & payments				
Reduction by sale to third parties or out of service				

NOTE 11 – STATEMENT OF DEPRECIATION

DEPRECIABLE ASSETS		Depreciation charge at start of period	Additions in the period	Reduction due to assets removed and returned	Depreciation charge at end of period
Start-up costs, R&D costs					
TOTAL I					
Other items of intangible assets		55.492	4.240	0	59.732
TOTAL II		**55.492**	**4.240**	**0**	**59.732**
Land					
Buildings					
Technical facilities, hardware and tools		488.035	30.583	0	518.618
Other property, plant & equipment	Gen facilities, fixtures, fittings, other	120.344	8.511	0	128.855
	Transport equipment				
	Office and computer equipment, furniture	92.665	12.622	0	105.287
	Recoverable packaging & other				
Property, plant & equipment in construction					
Advances and instalments					
TOTAL III		**701.044**	**51.716**	**0**	**752.760**
GRAND TOTAL (I + II + III)		**756.536**	**55.956**	**0**	**812.492**

NOTE 12 – STATEMENT OF PROVISIONS

Only one provision for financial impairment impacted the 2015 annual financial statements and concerned the Company's treasury shares held as part of the liquidity contract.

Type of provision		Amount at start of period	Additions in the period	Reversals in the period	Amount at end of period
REGULATED PROVISIONS	Prov. for environ., mining, oil & gas rehabilitation				
	Provision for investments				
	Provision for price increases				
	Depreciation allowances				
	o/w non-recurring 30% increase				
	Tax provision for foreign base				
	before 1.1.1992				
	after 1.1.1992				
	Provision for startup loans				
	Other regulated provisions				
TOTAL I					
PROVISIONS FOR LOSS AND CONTINGENCIES	Prov. for disputes and litigation				
	Prov. for warranties to customers				
	Prov. for loss on financial futures				
	Prov. for fines & penalties				
	Prov. for loss on currency translation				
	Prov. for pensions & similar obligations				
	Prov. for taxes				
	Prov. for property renovation				
	Prov. for major upkeep and refurbishment				
	Prov. for social sec & tax liability on paid leave				
	Other provisions for loss and contingencies				
TOTAL II					
PROVISIONS FOR IMPAIRMENT	Prov. for impairment of assets				
	intangible assets				
	property, plant & equipment				
	interests in equity associates				
	equity securities				
	financial (other)	721	0	721	0
	Prov. for impairment of inventories & in-process				
	Prov. for impairment of trade receivables				
	Other provisions for impairment				
TOTAL III		**721**	**0**	**721**	**0**
GRAND TOTAL (I + II + III)		**721**	**0**	**721**	**0**

CASH FLOW STATEMENT

Cash flow statement	31/12/2015	31/12/2014
Cash flow from operating activities		
Net income	**(10 567 153)**	**(9 549 291)**
(-) Elimination of depreciation of intangible assets	(4 240)	(7 645)
(-) Elimination of depreciation of property, plant and equipment	(51 716)	(27 606)
(-) Provision additions		(721)
(-) Provision reversals	721	
(-) Gain (loss) on sale of treasury shares	29 783	(16 861)
(-) Subsidies received		128 532
(-) Capitalised interest		(27 374)
(-) impact of changed methods for inventory	-	-
(-) impact of changed methods for patents and capitalized R&D expenses	-	-
Cash flow	**(10 541 701)**	**(9 597 616)**
Change in working capital requirements	1 039 148	(119 043)
Cash flow from operating activities	**(11 580 849)**	**(9 478 573)**
Cash flow from investing activities		
Acquisitions of property, plant and equipment	(39 126)	-
Acquisitions of intangible assets	(112 727)	(73 201)
Acquisitions of financial assets	(23 020)	(17 411)
Cash flow from investing activities	**(174 873)**	**(90 612)**
Cash flow from financing activities		
Capital increase net of conversion of bonds to shares	318 092	38 858 170
Expenses / capital increase		(3 216 095)
BSA subscriptions		43 621
Inflow of conditional advances & subsidies	853 099	830 874
Issuance of share-convertible bond		2 451 628
Repayment of conditional borrowings and advances	(522 398)	(288 240)
Other flows from financing activities (change in liquidity contract)	29 783	(200 000)
Cash flow from financing activities	**678 576**	**38 479 958**
Increase (decrease) in cash & equivalents	**(11 077 146)**	**28 910 773**
Cash and cash equivalent at period-start	32 749 727	3 838 954
Cash and cash equivalents at period-end	21 672 581	32 749 727
Increase (decrease) in cash & equivalents	**(11 077 146)**	**28 910 773**
Cash and cash equivalents	21 672 755	32 749 838
Bank overdrafts	174	111
Cash & cash equivalents at period-end (including bank overdrafts)	**21 672 581**	**32 749 727**

BREAKDOWN OF CHANGE IN WORKING CAPITAL REQUIREMENT (WCR)

Breakdown of change in WCR	31/12/2015	31/12/2014
Inventories	64 752	(12 946)
Trade receivables and related accounts	364	(1 041)
Other receivables	617 882	748 563
Prepaid expenses	14 213	(335 042)
Trade payables and related accounts	380 251	(344 639)
Tax and social security liabilities	(36 982)	(192 387)
Other creditors and miscellaneous liabilities	(1 332)	16 149
Prepaid income	-	2 300
Total Change	**1 039 148**	**(119 043)**

CHANGE IN SHAREHOLDERS' EQUITY

(Amounts in euros)	Capital *Number of shares*	Capital	Issue premium	Retained earnings	Reserves and profit	Shareholders' equity
At 31 December 2013	***9 694 339***	**969 434**	**11 276 931**	**(12 508 663)**	**2 468 243**	**2 205 945**
Appropriation from 2013 profit				(15 024 683)	15 024 683	-
Net income 2014					(9 549 291)	(9 549 291)
Dividends						-
Shares issued	*5 435 568*	543 557	37 372 425		942 188	38 858 170
Bond conversions	*310 328*	31 033	2 420 558			2 451 591
BSA subscriptions			43 500			43 500
BSPCE subscriptions			121			121
Share-based payments						-
Capital-increase transaction expenses			(3 216 095)			(3 216 095)
Other						-
At 31 December 2014	***15 440 235***	**1 544 024**	**47 897 440**	**(27 533 346)**	**8 885 823**	**30 793 941**
Appropriation from 2014 profit				(9 549 291)	9 549 291	-
Net income 2015					(10 567 153)	(10 567 153)
Dividends						-
Shares issued	*100 850*	10 085	308 007			318 092
Bond conversions						-
BSA subscriptions						-
BSPCE subscriptions						-
Share-based payments						-
Capital-increase transaction expenses						-
Other						-
At 31 December 2015	***15 541 085***	**1 554 109**	**48 205 447**	**(37 082 637)**	**7 867 961**	**20 544 880**

6. VERIFICATION OF FINANCIAL INFORMATION

6.1 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS

GENTICEL
SOCIETE ANONYME WITH SHARE CAPITAL OF EUR 1,554,108.60

Headquarters :
516 Rue Pierre et Marie Curie
31 670 LABEGE

The Statutory Auditors' Report on the financial statements prepared in accordance with IFRS
Financial year ended 31 December 2014

« To the Chairman,

As statutory auditors of the financial statements of the company Genticel, and in response to your request, we have carried out an audit of Genticel's financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union for the financial year ended 31 December 2015, which are attached to this report.

These financial statements were prepared under the responsibility of the Management Board. Our role is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and dis-closures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

It is our opinion that the financial statements prepared under IFRS present sincerely, in all material aspects, including the assets and financial position of the Company as at 31 December 2015 as well as the profit and loss for the financial year then ended in accordance with the IFRS as adopted by the European Union.

Paris and Toulouse, 24 mars 2016
Statutory Auditors

GRANT THORNTON
French Member of Grant Thornton International

Laurent Bouby
Partner

SYGNATURES

Laure Mulin
Partner

»

6.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH STANDARDS

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

GENTICEL
Period ending December 31 December 2015

« To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended 31 December 2015, on:

- The audit of the accompanying financial statements of **GENTICEL** Company ;
- The justification of our assessments ;
- The specific verification and information required by law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

2. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you that assessments we had focused on the appropriateness of the accounting principles applied and the overall presentation of the accounts, including with regard to the presentation of the securities described in note 2.7 within the annex to the annual accounts.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

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

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris and Toulouse, 24 March 2016,

The Statutory Auditors

GRANT THORNTON **French Member of Grant Thornton International**	**SYGNATURES**
Laurent Bouby Partner	Laure Mulin Partner

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ANNEXES TO THE ANNUAL FINANCIAL REPORT

ANNEX A - REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON INTERNAL CONTROL AND CORPORATE GOVERNANCE

Mesdames, Messieurs,

To the Shareholders,

In accordance with article L.225-68 of the French Commercial Code, as Chairman of the Supervisory Board I have the honour of submitting this report on the conditions for the preparation and organisation of the work of that Board during the period ending on 31 December 2015 as well as on the internal control and risk management procedures put in place by the Company.

The terms of this report, prepared by the Company's management, were approved by the Supervisory Board at its meeting on 9 mars 2016.

1. CORPORATE GOVERNANCE

The Company's management is the responsibility of Benedikt Timmerman as Chairman of the Management Board. Benedikt Timmerman is also an employee of the Company and has been executive director in charge of development since 1 January 2011.

Martin Koch, Chief Financial and Administrative Office of the Company, was temporarily Chairman of the Management Board from July to December 2015, replacing Benedikt Timmerman during his period of recovery following an accident.

An internal rule was adopted by the Supervisory Board on 20 February 2014 specifying the role and composition of the Board, the rules of conduct and obligations of its members, the operating procedures of the Supervisory Board and its committees and the rules for determining the compensation of its members.

To comply with Article L. 225-68 of the French Commercial Code, the Company has designated the Corporate Governance Code for small and medium enterprises as published in December 2009 by MiddleNext (the "MiddleNext Code") as the code of reference.

It is a Company objective to comply with all the recommendations of the Corporate Governance Code for small and medium enterprises.

The Company, however, does not follow all the recommendations in the Corporate Governance Code. In particular, the Company considers that it is not compliant with the following recommendations:

- Combined employment contract and corporate mandate

The Supervisory Board has authorised a combined employment contract and corporate mandate for Benedikt Timmerman, Chairman of the Management Board, taking into consideration the size of the Company. This recommendation affects only the Chairman of the Management Board.

- Terms and conditions for the exercise of executive incentive arrangements

At this stage, the Company has not introduced performance conditions for any executives, for the exercise of founders' warrants (BSPCE) and ordinary warrants (BSA) since its IPO. The Company will, however, bear that recommendation in mind for any future incentives to executives.

- Establishment of a Board-performance assessment

The Supervisory Board has not, to date, evaluated its operating methods and procedures. This was scheduled in the Board's plan of work for 2015 in the form of a self-assessment. However, the changes in management during 2015 did not lend themselves favourable to this assessment. Consequently, this is scheduled in the

Board's plan of work for 2016 in the form of a self-assessment. The results will be debated within the Board and will result in an action plan.

During the year 2015, the Company has complied with the MiddleNext recomendation concerning the publication of internal rules for the Supervisory Board. These have been published on the Company's website.

1.1. COMPOSITION OF THE SUPERVISORY BOARD

In accordance with its bylaws and legal provisions, the Supervisory Board is composed of no fewer than 3 and no more than 18 members.

An employee of the Company cannot be appointed a member of the Supervisory Board unless his/her employment contract corresponds to an actual job. The number of Supervisory Board members related to the Company by an employment contract must not exceed one third of the members in office.

The members of the Supervisory Board must not be more than 78 years of age.

The members of the Supervisory Board may be paid attendance fees which are allocated among them based on their diligence in attending Supervisory Board meetings and their participation in specialised committees.

An internal rule was adopted on 20 February 2014 to specify the role and composition of the Board, and the rules of conduct and obligations of the members of the Company's Supervisory Board.

Supervisory Board members separately promise to maintain their independence of analysis, judgment and action and to proactively participate in the work of the Board. They inform the Board of any conflicts of interests that may involve them. The internal rule reaffirms the applicable regulations on the communication and use of privileged information and specifies that its members must refrain from trading in Company shares when they have privileged information. They are also obligated to declare to the Company and to the AMF any direct or indirect trading they do in Company shares.

At least one of the independent members must have special financial or accounting expertise to be able to be appointed to the Audit Committee

Members of the Supervisory Board

The following table presents the composition of the Supervisory Board as ratified by the General Meeting of shareholders. As at 31 December 2015, the Company's Supervisory Board was composed of nine members.

Name	Nationality	Mandate	Date of first appointment or most recent renewal, and expiry of the mandate	Main operating functions in the Company
Thierry Hercend	French	Chairman of the Supervisory Board	Date of the most recent renewal as member of the supervisory board: 7 March 2014 Expiry date of the mandate as member of the supervisory board: at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2019 Date of the most recent renewal as chairman of the supervisory board: 17 March 2014 effective 7 March 2014	None

Name	Nationality	Mandate	Date of first appointment or most recent renewal, and expiry of the mandate	Main operating functions in the Company
Gerald Möller (independent member)	German	Vice Chairman of the Supervisory Board	First appointed: 18 September 2013 Expiry date of mandate: at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2018 First appointment as vice chairman of the supervisory board: 18 September 2013	None
Caroline Laplane	Belgian	Member of the supervisory board	First appointed: 11 June 2015 Expiry date of mandate: at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2018	None
Kurma Life Sciences Partners, Represented by Alain Munoz until December 2 2015, since then by Philippe Peltier	French	Member of the supervisory board	First appointed: 11 June 2015 Expiry date of mandate: at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2020	None
Edmond de Rothschild Investment Partners, Represented by Raphaël Wisniewski	French	Member of the supervisory board	First appointed: 7 March 2014 Expiry date of mandate: at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2019	None
Bpifrance Investissement Represented by Olivier Martinez	French	Member of the supervisory board	First appointed: 22 February 2010 Expiry date of mandate: at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2015	None
Didier Hoch (Independent Member)	French	Member of the supervisory board	First appointed: 17 May 2011 Expiry date of mandate: at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2016	None
Rainer Strohmenger	Gemran	Member of the supervisory board	First appointed: 22 April 2013 Expiry date of mandate: at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2018	None
Mary Tanner (Independent Member)	USA	Member of the supervisory board	First appointed: 11 September 2014 Expiry date of mandate: at the close of the general meeting called to approve the financial statements for the fiscal year ending 31 December 2015	None

The mandate of Ludovic de Meeus d'Argenteuil expired at the close of the general meeting of 11 June 2015. Caroline Laplane was nominated in his stead as the new member of the supervisory board.

Kurma Partners changed, on December 1 2015, its permanent representative at the supervisory board with the nomination of Philippe Peltier.

No member of the Supervisory Board has any operating functions within the Company.

Independent Members

The Supervisory Board believes that it has, in the person of Dr Didier Hoch, Dr Gerald Möller and Mary Tanner, three independent members in the sense of the Corporate Governance Code for small and medium

enterprises as published in December 2009 by MiddleNext and approved as the code of reference by the AMF, to the extent that Dr Didier Hoch, Dr Gerald Möller and Mary Tanner :

- are not employees or executive corporate officers of the Company or of a company in its group and have not been such in the last three years;
- are not a significant client, supplier or banker of the Company, or for which the Company represents a significant part of its business;
- are not a major shareholder of the Company;
- have no close family relationship with any corporate officer or major shareholder; and,
- have not been an auditors of the Company in the last three years.

Non-voting member

A non-voting member, IRDI represented by Jean Michel Petit, had been appointed at the general meeting of 26 October 2009. This latter attended the meeting of the Supervisory Board and took part in the decision-making process by way of a consultative and non-binding opinion only. The mandate of this non-voting member expired at the close of the general meeting held on 11 June 2015.

1.2. SUPERVISORY BOARD MISSIONS

The Board is governed by the terms of the French Commercial Code, Articles 15 to 17 of the Company's Articles of Association, and the internal rules that it has adopted.

The Supervisory Board exercises on-going supervision of the management of the Company by the Management Board. Accordingly, it conducts audits and controls at any time of the year it considers opportune and may ask to be provided with the documents it considers useful to carry out its mission.

At least once per quarter, the Management Board presents to it a report on the Company's business.

The Supervisory Board is tasked with:

- supervising the Company's management bodies by carrying out, at any time, any checks and controls that it considers appropriate and reviewing any documents it considers useful;
- checking and auditing the financial statements prepared by the Management Board within three months of period end, and reporting its observations to the General;
- appointing the members of the Management Board and setting their compensation;
- choosing the Chairman of the Management Board;
- proposing to the General Meeting the dismissal of any members of the Management Board;
- granting power of attorney to one or more members of the Management Board;
- coopting members of the Supervisory Board;
- authorizing agreements between the Company and a member of the Management Board or of the Supervisory Board;
- authorizing a member of the Management Board to hold more than one term of office simultaneously;
- appointing its own members to serve on Committees;
- distributing attendance fees.

1.3. CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE SUPERVISORY BOARD

To participate effectively in the work and deliberations of the Board, each member must receive the documents he or she considers useful. Requests to receive documents are submitted to the Chairman or, as the case may be, to any director of the Company (chief executive officer or deputy chief executive officer).

Each member of the Board is authorized to meet with the main directors of the Company, subject to notifying the Chairman of the Management Board in advance.

The Board is regularly updated by the Management Board regarding the Company's financial position, cash position, financial commitments and significant events.

Lastly, any member of the Board can request to benefit from training on the specifics of the Company and its group, their businesses and activity sectors.

Any means can be used to convene the Supervisory Board, including verbally.

All documents or drafts of documents in support of the agenda and any questions submitted to the Board for review, are sent or otherwise communicated to the members of the Board in a timely manner before the meeting.

Additionally, the Board is updated at its meetings, regarding the Company's financial position, cash position and commitments.

The Supervisory Board has not, to date, evaluated its operating methods and procedures. This is scheduled in the Board's plan of work for 2015 in the form of a self-assessment. The results will be debated within the Board and will result in an action plan.

The purpose of this assessment will be, among others, to verify that important issues are properly prepared and debated, and that each member's contribution to the work of the Board can be assessed in terms of competence and involvement.

1.4. REPORT OF THE BOARD'S ACTIVITY IN THE PERIOD ENDING DECEMBER 31 2015

The minutes of each meeting are drafted by the Supervisory Board and then approved by the Chairman who then submits it for the Board's approval at the next meeting. It is archived in the register of minutes after being signed by the Chairman and one member.

In the period ending 31 December 2015, the Company's Supervisory Board met eight times on the dates listed below.

Date of Supervisory Board meeting	Number of members present	Attendance rate
19 February 2015	Voting Members : 9 Non-Voting Members : 1	Voting Members : 100% Non-Voting Members : 1
23 April 2015	Voting Members : 9 Non-Voting Members : 0	Voting Members : 100% Non-Voting Members : 1
2 July 2015	Voting Members : 6 Non-Voting Members : N/A	Voting Members : 66.67% Non-Voting Members : N/A
9 July 2015	Voting Members : 8 Non-Voting Members : N/A	Voting Members : 88.89% Non-Voting Members : N/A
10 September 2015	Voting Members : 8 Non-Voting Members : N/A	Voting Members : 88.89% Non-Voting Members : N/A
1 December 2015	Voting Members : 8 Non-Voting Members : N/A	Voting Members : 88.89% Non-Voting Members : N/A
Average participation to the Supervisory Board meetings	**/**	**Voting Members : 90.74%** **Non-Voting Members : 50%**

The agenda of each meeting usually contains the following matters:

- Approval of the minutes of the previous meeting ;
- Discussion and presentation of the progress of the Company's R&D programmes ;
- Strategic review ;
- Governance matters ;
- Miscellaneous newsworthy matters ; and
- If appropriate, review of the financial position, including the half-yearly and yearly accounts.

1.5. AUDIT COMMITTEE

By a Supervisory Board decision on 20 February 2014, the Company has set up an Audit Committee for an indefinite duration. The members of the Audit Committee specified the operating rules of their committee in an internal rule approved by the Supervisory Board on 20 February 2014.

The mission of the Audit Committee is, while maintaining independence from the directors of the Company, to assist the Supervisory Board and ensure the fairness and accuracy of the financial statements, the quality of internal controls, the pertinence of the information provided, and the proper exercise of the statutory auditors' duties.

The Audit Committee's tasks are:

- to monitor the process of preparing financial information;
- to monitor the effectiveness of internal control and risk management systems;
- to oversee the audit process of the Company and consolidated annual financial statements by the Statutory Auditors;
- to make a recommendation on the statutory auditors proposed for ratification by the General Shareholders' Meeting and to review their remuneration terms;
- to monitor the independence of the Statutory Auditors;
- to examine the conditions for the use of derivative financial products;
- to take periodic note of the state of major litigation;
- to review the Company's procedures for receiving, storing and treating complaints concerning internal accounting and control, audit-related issues as well as documents sent by employees anonymously and confidentially that may call into question accounting or auditing practices;
- in general, offer all appropriate advice and recommendations in the above-mentioned areas.

The Audit Committee is composed of at least two members appointed by the Supervisory Board after taking advice from the Appointments and Compensation Committee. The Audit Committee members are chosen from among the member of the Supervisory Board and, to the extent possible, two-thirds of them are independent members, including at least one with special financial or accounting expertise, it being understood that all the members have the minimum required financial and accounting skills.

As at the date of this report, the members of the Audit Committee are:

- Mary Tanner, independent member, Chairman of the Audit Committee,
- Gerald Möller, independent member,
- Olivier Martinez.

The Audit Committee meets with the Statutory Auditors at least four times a year if its Chairman considers it useful, on a schedule set by its Chairman, to review the consolidated annual, semi-annual and, if produced, quarterly financial statements, on an agenda set by its Chairman and sent to the Audit Committee members at least seven days before the date of the meeting. In any case, it meets before the Executive Committee presents the annual financial statements to the Supervisory Board in order to review them. It also meets if its Chairman, or two of its members, or the Chairman of the Supervisory Board, or the Chairman of the Management Board request.

The Audit Committee may hear any member of the Company's Management Board and carry out any internal or external audit on any subject that it considers falls within its mission. The Chairman of the Audit Committee must inform the Management Board and the Chairman of the Supervisory Board before doing so. In particular, the Audit Committee may hear anyone participating in the preparation or auditing of financial statements (Chief Financial and Administrative Officer and key financial managers).

The Audit Committee consults the Statutory Auditors and may invite them to its meetings. It can consult them confidentially without any Company representative attending

The Audit Committee has met twice in the period ending 31 December 2015: 19 February 2015 and 10 September 2015

1.6. APPOINTMENTS AND COMPENSATION COMMITTEE

By a Supervisory Board decision on 20 February 2014, the Company has set up an Appointments and Compensation Committee. The members of this Committee have specified the operating rules of their Committee in an internal rule approved by the Supervisory Board on 20 February 2014. The main provisions of the internal rules of the Appointments and Compensation Committee are described below.

No Supervisory Board member with executive functions may be a member of the Appointments and Compensation Committee.

As at the date of this report, the members of the Appointments and Compensation Committee are:

- Ludovic de Meeus, Chairman of the Appointments and Compensation Committee,
- Thierry Hercend, and
- Raphael Wisniewski.

The Appointments and Compensation Committee's tasks are:

- Regarding appointments:
  - to submit to the Supervisory Board recommendation on the composition of the Management Board, the Supervisory Board and its committees;
  - to propose annually to the Supervisory Board the list of its members qualified as "independent member" in terms of the criteria defined by the Corporate Governance Code for small and medium enterprises as published in December 2009 by MiddleNext and approved as the code of reference by the AMF;
  - to establish a succession plan for Company directors and to assist the Supervisory Board in choosing and evaluating the members of the Management Board;
  - to prepare a list of individuals who can be recommended as members of the Management Board or Supervisory Board;
  - to prepare a list of the members of the Supervisory Board who can be recommended as members of a Supervisory Board Committee.
- Regarding compensation
  - to review the key objectives proposed by the Management Board in terms of compensation for non-corporate-officer senior managers of the Company, including free-share plans and share subscription or purchase options;
  - to review the compensation of non-corporate-officer senior managers of the Company, including free-share plans and share subscription or purchase options, pension and insurance plans, and benefits in kind ;
  - to make recommendations to the Supervisory Board regarding:
    - the compensation, pension and insurance plans, benefits in kind, and other monetary rights, including in the case of the cessation of business, for the members of the Management Board; The Committee proposes compensation amounts and structures and, in particular, the rules for setting the variable portion taking into account the Company's strategy, objectives and results as well as market practices, and
    - free-share plans, share subscription or purchase options, and any other similar incentive mechanism, and in particular allocations to corporate officers by name;
  - to review the total attendance fees and their allocation system among the members of the Supervisory Board, as well as the conditions for the reimbursement of any expenses incurred by the members of the Supervisory Board;
  - to prepare and present reports, if any, specified by the internal rules of the Supervisory Board;
  - to make any other recommendation that may be requested of it by the Supervisory Board or the Management Board regarding compensation

In general, The Appointments and Compensation Committee offers all appropriate advice and recommendations in the above-mentioned areas.

The Appointments and Compensation Committee meets at least four times a year, to a schedule set by its Chairman, on an agenda set by its Chairman and sent to the Appointments and Compensation Committee members at least seven days before the date of the meeting. It also meets if its Chairman, or two of its members, or the Chairman of the Supervisory Board, or the Chairman of the Management Board request.

Any non-executive member of the Supervisory Board can freely participate in its meetings.

The Chairman of the Supervisory Board, if not a member of the Committee, can be invited to participate in the Committee's meetings. The Committee invites him to present any proposals. He cannot vote and cannot be involved in deliberations relating to his own situation.

The Appointments and Compensation Committee can ask the Chairman of the Management Board to make available the assistance of any manager of the Company whose skills may facilitate the treatment of a point on the agenda. The Chairman of the Appointments and Compensation Committee or the Chairman of the meeting draws the attention of any person participating in its debates to their obligation to keep all matters discussed confidential.

Le comité des nominations et des rémunérations s'est réuni deux fois depuis sa création le 16 février 2015 et le 7 octobre 2015.

The Appointments and Compensation Committee has met twice in the period ending 31 December 2015: 16 February 2015 and 7 October 2015.

1.7. PRINCIPLES AND RULES DETERMINING THE COMPENSATION PAID TO CORPORATE OFFICERS

The Company applies all the recommendations of the MiddleNext Code regarding compensation paid to executive corporate officers and to non-executive corporate officers.

The Management Board:

The granting of bonuses to the Management Board is approved by the Supervisory Board conditionally on targets being achieved. The targets are set and approved for each fiscal year by the Supervisory Board. They are set up specifically for each member of the Management Board, as follows:

- 70% to 100% of the company's development targets and deadlines for: signing contracts, reaching research programme milestones, and similar;
- 0% to 30% of personal objectives such as obtaining financing or reaching research programme milestones.

The variable compensation to Management Board members for any given year is paid in the following year.

The Compensation Committee proposes to the Supervisory Board for its approval the variable and fixed compensation for the members of the Management Board.

On 19 February 2015, on the recommendation of the Compensation Committee, the Supervisory Board assessed the extent to which these targets had been achieved and decided to pay to the members of the Management Board the variable component of their compensation corresponding to the achievement of their targets.

The Supervisory Board

Three members of the Company's Supervisory Board, Dr Didier Hoch, Dr Gerald Möller and Ms Mary Tanner received, respectively, €20,000, €40,000 and €40,000 in attendance fees for fiscal 2015.

Le président du conseil de surveillance, M. Hercend, perçoit une rémunération annuelle de 20 000 € au titre de son mandat de président du conseil de surveillance.

The Chairman of the Supervisory Board, Thierry Hercend, received an annual compensation of €20,000 for his role as Chairman of the Supervisory Board.

The General Meeting of 11 June March 2015 approved the attendance fees distributed.

No member of the Supervisory Board has an employment contract with the Company.

1.8. SPECIAL TERMS RELATING TO THE PARTICIPATION OF SHAREHOLDERS AT GENERAL MEETINGS

Article 22 of the bylaws provides special terms for the participation of shareholders at General Meetings.

1.9. LIMITATIONS PLACED BY THE SUPERVISORY BOARD ON THE POWERS OF THE MANAGEMENT BOARD

The Company is directed by a Management Board composed of no more than seven members. These members are appointed or re-appointed in their roles by the Supervisory Board and can be shareholders in the Company or not.

Their term of office is six years. A Management Board member's term ends at the close of the Ordinary General Meeting called to approve the financial statements for the past fiscal year, held in the year in which that member's term of office expires. Management Board members are always re-appointable. They can be dismissed at any time by an Ordinary General Meeting acting on the recommendation of the Supervisory Board.

Management Board members must be physical persons. An employee of the Company can become a member of the Management Board, and vice-versa.

The upper age limit for Management Board members is 65. If a member exceeds this age limit during their term of office, the member is automatically dismissed at the close of the nearest General Meeting.

The Management Board manages the Company and represents it to third parties within the limits of its corporate object. It is vested will the broadest powers to act in all circumstances in the name of the Company, subject to the powers assigned by law to the Supervisory Board and to the General Meeting of shareholders and the limits placed by the Supervisory Board.

1.10. PUBLICATION OF INFORMATION IN ACCORDANCE WITH ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

In accordance with Article L. 225-100-3 of the French Commercial Code, aspects that may have an impact in the event of a public offering are listed below:

- Structure of Company capital: See section 3.3.3 of this document.
- Statutory restrictions on the exercise of voting rights and share transfers and matters brought to the Company's attention pursuant to Article L. 233-11 of the French Commercial Code: none
- Direct or indirect interests in Company capital of which it is aware in the sense of Articles L. 233-7 and L. 233-12 of the French Commercial Code: See section 3.3.3.1 of this document.
- Holders of securities conferring special control rights and a description of them: To the Company's knowledge, no special control rights exist.
- Control mechanisms to cover employee shareholding, when the latter do not control those rights: None
- Shareholders' agreements of which the Company is aware and which may entail restrictions on share transfers and the exercise of voting rights: None
- Special rules for the appointment and replacement of members of the Management Board and for amending the Articles of Association: The applicable rules are in the Articles of Association and comply with law.
- Powers of the Management Board, in particular to issue or buy back shares: the authorization granted to the Management Board by the General Meeting of the Company's shareholders disclosed in Annex 4 of this document.
- Agreements on severance pay for members of the Management Board or employees if they resign or are dismissed without cause or if their job ends as a result of a takeover: None.

2. RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES SET UP BY THE COMPANY

In drafting this part of its report, the Company used the guidelines on internal control for small and medium companies updated and published by the AMF on 22 July 2010.

2.1. GENERAL PRINCIPLES OF RISK MANAGEMENT

2.1.1. Definition

GENTICEL formally sets out its approach to risk management.

Its approach is to identify all risks and risk factors that may affect Company activities and operations and to define the means for managing those risks and for maintaining or reducing them to an acceptable level for the Company. It aims to cover all the types of risks and address all Company activities.

2.1.2. Risk management objectives

Genticel adopts the definition of risk management proposed by the AMF (*Autorité des Marchés Financiers*), whereby risk management is a corporate management lever that contributes to:

- creating and safeguarding the Company's value, assets and reputation;
- adding certainty to decision-making and processes in the Company to facilitate the achievement of goals;
- ensuring that actions are consistent with Company values;
- mobilizing the Company's employees around a common vision of key risks.

2.1.3. Components of risk management system

The risk factors identified by the Company to date, are presented in annex 1 of the Management Board Report, present in this document.

To date, the Company has identified the following broad risk types:

- Risk related to its activities, in particular the clinical development of its products, market competition, the Company's strategic and business development, and dependency on third parties;
- Risks related to the reimbursement and disbursement of drugs and treatments;
- Risks related to intellectual property;
- Risk of product liability;
- Financial risks;
- Legal risks related to an increasingly changing legal and regulatory framework;
- Risks related to the Company's organization;
- Industrial risks;
- Market risks.

These risks will be reviewed and updated annually with the persons concerned. The purpose of this review is to formalize the list of actions to be set up to control those risks, and to assess the effectiveness of those actions.

2.2. RELATIONSHIP BETWEEN RISK MANAGEMENT AND INTERNAL CONTROL

Risk management aims to identify and analyse the main risks and risk factors that may affect the Company's activities, processes and objectives and to define the means to maintain those risks at an acceptable level, by putting in place preventive measures and controls via an internal control system.

At the same time, the internal control system relies on risk management to identify the main risks to control. Historically, the Company has developed and operated an internal control system since it was founded, whereas the formalization of the risk management approach is more recent. The Company is now committed to an approach that combines the two systems, notably to identify control methods for key Company processes identified by risk analyses as "major".

2.3. GENERAL PRINCIPLES OF INTERNAL CONTROL

2.3.1. Definition

The Company has adopted the definition of internal control proposed by the AMF, whereby internal control is a system implemented by the Company to ensure:

- compliance with laws and regulations;
- the correct application of instructions and guidelines set by general management;
- the proper operations of the Company's internal processes;
- the reliability of financial information;
- in general, to contribute to the proper management of its activities, to its operational performance, and to the efficient use of its resources.

During the period, GENTICEL has continued to implement an internal control process aimed at "internally ensuring the pertinence and reliability of the information used and circulated in its activities."

Internal control cannot, however, provide absolute certainty that the Company's goals will be achieved, or that all risk of error or fraud are fully controlled or eliminated.

2.3.2. The components of internal control

The internal control system relies on a clear structuring of responsibilities, benchmarks, resources and procedures. Right from its inception, the Company set up a Quality Assurance system. The processes for all fields of activity are described by procedures, operating guidelines, notices and forms. These written documents track the progress of activities, define the means and responsibilities of the actors involved, specify the Company's know-how, and give precise instructions for performing a given operation.

Every member of the Company is involved in the internal control system.

2.3.3. Operating procedures

All documentation relating to quality management system is posted on a dedicated intranet which optimizes access to documents and keeps them continuously updated to suit changes in activities (document lifecycle management). The objective is continuous improvement of the quality of the Company's operating, management and support procedures.

The quality assurance system covers the following fields:

- Identification, research, and preclinical and clinical development of new vaccine candidates;
- The process of documenting R&D work;
- The production of vaccine candidates;
- Identification and certification of the Company's key service providers;
- Management of laboratory activity and associated waste management;
- Health and safety of Company employees;
- Means and resource management.

2.3.4. Organisation of the accounting and finance department

The accounting and financial function is managed internally by a team of three people including the financial director.

The Company is diligent in maintaining a separation between its production activities and the supervision of its financial statements and uses independent experts to evaluate complex accounting items (pension obligations, valuation of warrants and founders' warrants (BSA and BSPCE) and/or the use of subjective assumptions.

Payroll and tax issues are entrusted to a Chartered Accountancy.

The financial statements in accordance with French standards and with IFRS standards, produced with the assistance of an independent audit firm, are submitted to the Company's co-auditors.

The accounts, prepared internally, are submitted for review to the Company's Statutory Auditors and then to the Audit Committee for discussion with the latter. This ensures that the Company's practices fully conform to French (GAAP) and international (IFRS) principles and ensures consistency of presentation.

The Management Board reports directly to the Chairman of the Supervisory Board.

2.3.5. Budgeting and "monthly reporting" process

The Company establishes an annual spending budget per project, which is reviewed quarterly in the form of projections taking into account actual spending and any adjustments to be made in light of revenue and expenses remaining to be recognised.

These items are reported to the Supervisory Board at their meetings in the form of ad-hoc presentations and at least once a quarter.

2.3.6. Delegation of powers

The Company has put in place a procedure for delegating powers including signing powers for the payment of invoices and the placing of purchase orders.

2.4. KEY PLAYERS IN RISK MANAGEMENT AND INTERNAL CONTROL

Since the Company's inception, the Management Board has played a driving role in defining and running the internal control system and then the risk management system.

Risk management aims to identify and analyse the main risks and risk factors that may affect the Company's activities, processes and objectives and to define the means to maintain those risks at an acceptable level, by putting in place preventive measures and controls via an internal control system.

2.5. LIMITS OF RISK MANAGEMENT AND INTERNAL CONTROL AND AVENUES FOR IMPROVEMENT

In 2015, the Company was determined to adapt and optimize its risk management system to its information system and improve the tracking of identified action plans.

In particular, in 2015 the Company formalized its procedures for committing to spending and approving payments so as to achieve, despite its small workforce, better separation of the critical activities in these processes and to provide reliable reporting of the controls implemented.

Additionally, the Company will change its financial system to achieve better integration between statutory accounts, IFRS accounts, and budget control to make the reporting process more reliable and secure.

The Supervisory Board approves the terms of this report which will be presented to the General Meeting of shareholders called to approve the financial statements for fiscal year 2015.

2.6. GENDER REPRESENTATION ON THE SUPERVISORY BOARD

In accordance with Law 2011-103 of 27 January 2011 on balanced gender representation on executive and supervisory boards and on gender equality in the workplace, the Supervisory Board currently has two female members.

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Le président du conseil de surveillance

ANNEX B - STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

REPORT OF THE STATUTORY AUDITORS, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD OF GENTICEL

GENTICEL
Fiscal Year ending 31 décembre 2015

« To the Shareholders,

As statutory auditors of the company Genticel and pursuant to Article L. 225 of the French Commercial Code, we hereby present to you our report on the report prepared by the Chairman of your company in accordance with Article L. 225-68 of the French Commercial Code for the year ended 31 December 2015.

It is the Chairman's responsibility to prepare and submit for the Supervisory Board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by Article L.225-68 of the French Commercial Code relating to corporate governance.

It is our duty to:

- report on any matters relating to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by Article L. 225-68 of the French Commercial Code, it being understood that it is not our role to verify the fairness and accuracy of such other information.

We have carried out our work in accordance with the professional standards applicable in France.

INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES IN THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

Professional standards require that we perform due diligence to assess the fairness and accuracy of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. This diligence consists mainly of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;

- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L. 225-68 of the French Commercial Code.

OTHER INFORMATION

We hereby confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by Article L. 225-68 of the French Commercial Code.

Paris and Toulouse, 24 March 2016

The Statutory Auditors

GRANT THORNTON **Membre français de Grant Thornton International**	**SYGNATURES**
Laurent Bouby Associé	Laure Mulin Associée

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ANNEX C - REPORT OF THE INDEPENDENT THIRD PARTY ON SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

This is a free translation into English of the verifier's review report issued in the French language and is provided solely for the convenience of English speaking readers. The review report should be read in conjunction with, and construed in accordance with, French law and standards applicable in France.

REPORT BY ONE OF THE STATUTORY AUDITORS,
designated as an independent third-party, regarding the social, environmental and societal information in the Management Report
Period ending 31 December 2015

« To the Shareholders,

As Statutory Auditors for Genticel designated as an independent third party, accredited by COFRAC under number 3-1080[1] we hereby present our report on the social, environmental and societal information ("CSR Information") for the fiscal ended 31 December 2015, presented in the Management Report pursuant to Article L. 225-102-1 of the French Commercial Code.

I. Responsibility of the Company

It is the Management Board's responsibility to prepare a management report covering the CSR Information specified in Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the internal reporting standards ("reporting standards") used by the Company, summarized in the management report in the note on methodology and available on request from the Company's registered office.

II. Independence and quality control

Our independence is defined by regulatory requirements and by the Code of Ethics, as well as Article L.822-11 of the French Commercial Code. Furthermore, we have implemented a quality control system to ensure compliance with the code of ethics, professional practice standards and applicable laws and regulations

III. Statutory Auditor's responsibility

It is our role, on the basis of our work:

- to attest whether the required CSR information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Attestation of disclosure);

[1] scope available at: www.cofrac.fr

- to express limited assurance on the fact that, taken as a whole, the CSR information is presented fairly, in all material aspects, in accordance with the reporting standards (Assurance report)

Our work was performed by a team of four people between January and March 2016 over the course of one week.

We performed the work described below in accordance with the professional practice standards applicable in France and with the decree of 13 May 2013 governing how independent third parties conduct their assignments.

1. Attestation of disclosure

Nature and scope of the work

We met with the various managers and got acquainted with the direction the company is taking in terms of sustainability, with regards to the social and environmental consequences of the company's business and its societal commitments and, where appropriate, the actions and programs that stem from it.

We compared the CSR information presented in the management report with the list set forth in Article R.225-105-1 of the French Commercial Code.

In the event of omission of certain consolidated information, we have verified that explanations are provided in accordance with the third paragraph of Article R.225-105-1 of the French Commercial Code.

Conclusion

Based on our work, we attest that the required Information is disclosed in the management report.

2. Assurance report

Nature and scope of the work

We held one interview with persons responsible for preparing CSR Information in departments in charge of data collection and, where possible, with internal control and risk management officers, in order to:

- assess the appropriateness of the reporting standards in terms of its pertinence, completeness, neutrality, clarity and reliability, taking into consideration existing best practices in the sector;
- verify that a process has been set up for collecting, compiling, processing and checking the CSR Information to ensure that it is complete and consistent, and to understand the internal control and risk management procedures relating to the preparation of CSR Information.

We have determined the type and scope of our tests and checks based on the nature and importance of the CSR Information in light of the Company's own characteristics, the social and environmental challenges of its activities, its guidelines on sustainable development, and sectorial best practices.

Regarding the CSR Information we considered to be most important[2] :

- We consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), we applied analytical procedures to the quantitative

[2] **Corporate information**: Employment (total and distribution, hiring and termination, compensation and promotions), organisation of the work-time and absenteeism, Health and Safety (health and safety conditions in the workplace, work related accidents), Training (policies put in place concerned training, number of training hours)
Environmental information: Pollution and waste management (measures concerning the prevention, recycling and disposal of waste)
Societal information: subcontractors and providers (taking into account the policy concerning purchases of social and environmental stakes, the relative weight of subcontracting and et relationship of providers and subcontractors with social and environmental responsibilities), Fairness of practices (policies taken for the health and safety of consumers).

information and verified, based on sampling, the calculations and consolidations of data as well as its consistency and concordance with other information in the management report;

- For one sample which we selected as representative[3], based on activity, contribution to indicators, location, and risk analysis, we conducted interviews to verify that correct procedures were being applied and to identify any omissions and misstatements by checking calculations and reconciling data with supporting documentation. The sample we selected in this way represents on average 100% of the workforce and 100% of the quantitative environmental information.

For other CSR Information, we checked that it was consistent with our knowledge of the Company.

We also assessed the pertinence of the explanations for the total or partial absence of certain information.

We believe that the sampling techniques and the sample sizes that we set up by exercising our professional judgment have allowed us to formulate a limited assurance conclusion; a higher level of assurance would have required a more extensive review. Because of the use of sampling techniques, and because of other limits inherent to the functioning of any information system and internal control system, the risk of missing out a significant anomaly in the CSR information cannot be totally eliminated.

Conclusion

Based on our work we did not identify any significant misstatement likely to call into question the fact that the CSR information, as a whole, has been presented fairly, in accordance with the reporting standards.

Toulouse, 24 March 2016

SYGNATURES SAS

Laure Mulin

[3] Labège and Paris sites.

ANNEX D – DISCLOSURE OF FEES PAID TO THE STATUTORY AUDITORS

The table below contains the fees of the Company's Statutory Auditors paid by the Company over the past two periods:

FEES OF THE STATUTORY AUDITORS (Amount in EUR excl. taxes)	Period 2015 (12 months)		Period 2014 (12 months)	
	GRANT THORNTON	SYGNATURES	GRANT THORNTON	SYGNATURES
For their role as Statutory Auditors	25 000	25 000	45 500	45 000
For their other services, directly linked to their role as Statutory Auditors	10 500	18 660	38 000	34 400
Sub-total	***35 500***	***43 660***	***83 500***	***79 400***
For other services - Fiscal - Miscellaneous	 - -	 - -	 - -	 - -
Sub-total	**-**	**-**	**-**	**-**
Total	**35 500**	**43 660**	**83 500**	**79 400**