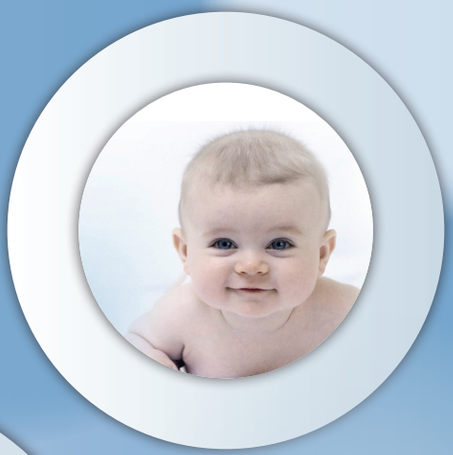
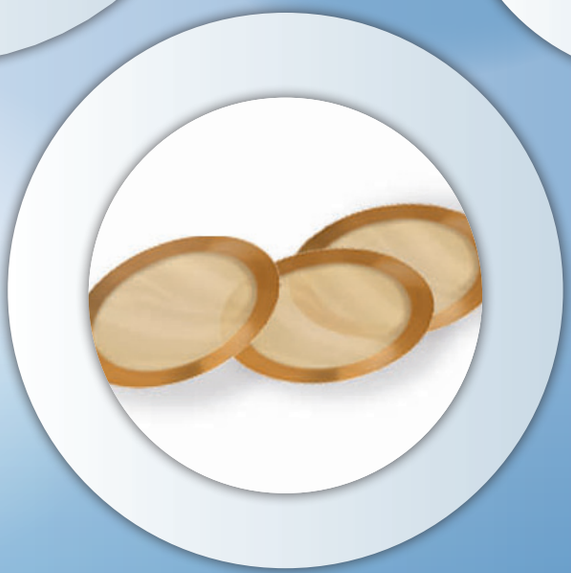
dbv
technologies

2012 INTERIM FINANCIAL REPORT





CONTENT

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I – FIRST HALF 2012 CONDENSED FINANCIAL STATEMENTS

CONDENSED BALANCE SHEET

(Amount in euros)

	Note	30/06/2012	31/12/2011
		€	€
ASSETS			
Fixed Assets			
Long-term intangible assets		19.849	20.512
Property, plant, and equipment		860.558	849.191
Long-term financial assets		607.897	398.266
Total Fixed Assets		**1.488.305**	**1.267.969**
Current assets			
Inventories and work in progress		25.068	34.449
Customer accounts receivable and related receivables		42.525	775
Other current assets		3.689.240	2.886.840
Cash and cash equivalents		42.176.914	11.531.117
Total Current Assets		**45.933.747**	**14.453.181**
TOTAL ASSETS		**47.422.052**	**15.721.150**

	Note	30/06/2012	31/12/2011
		€	€
PASSIF			
Shareholders' equity			
Corporate Share Capital	**6**	1.340.815	882.275
Premiums related to the Share Capital		54.565.890	17.508.641
Reserves		(5.658.667)	556.859
Income or Loss		(5.432.929)	(7.241.157)
Total Shareholders' Capital		**44.815.110**	**11.706.617**
Long-term Liabilities			
Conditional advances	**7**	373.041	621.281
Long-term Provisions		161.382	119.430
Total Long-term Liabilities		**534.423**	**740.711**
Current Liabilities			
Conditional advances	**7**	253.914	198.171
Supplier Accounts Payable and Related Payables	**8**	1.388.755	2.204.477
Other current liabilities	**8**	429.850	871.173
Total Current Liabilities		**2.072.519**	**3.273.822**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**47.422.052**	**15.721.150**

CONDENSED PROFIT AND LOSS STATEMENT
(Amount in euros)

	Note	As at 30 June 2012	2011
		€	€
TOTAL REVENUES			
Sales	**9**	71.704	106.492
Other income	**9**	1.244.382	828.739
TOTAL REVENUES		**1.316.086**	**935.231**
Operating expenses			
Cost of goods sold		54.987	49.388
Research & Development	**10/11**	5.094.902	2.991.838
General & Administrative	**10/11**	1.796.010	1.003.831
Total Expenses		**6.945.899**	**4.045.057**
Operating Profit (Loss)		**(5.629.813)**	**(3.109.826)**
Financial revenues	**12**	212.021	18.670
Financial expenses	**12**	(15.137)	(14.928)
Financial profit (loss)		**196.884**	**3.742**
Corporate tax		-	-
Net Profit (Loss)		**(5.432.929)**	**(3.106.084)**
Basic earnings per share (EUR/share)		**(0,48)**	**(0,45)**

	Au 30 juin 2012	2011
	€	€
Net Profit (Loss)	**(5.432.929)**	**(3.106.084)**
Other items in the total profit (loss):	-	-
Total profit (loss) for the fiscal year	**(5.432.929)**	**(3.106.084)**

CONDENSED CASH FLOW STATEMENT
(Amounts in euros)

	Note	30/06/2012	30/06/2011
		€	€
Cash flows from operating activities			
Results for the reporting period		(5.432.929)	(3.106.084)
Reconciliation of the net income (or loss) and of the cash used for the operational activities:			
Amortization and depreciation		112.333	86.393
Retirement pension obligations		39.457	8.688
Other items excluded from the cash		1.095.108	128.878
Expenses calculated related to the payments in shares			
Operating cash flows before change in working capital		**(4.186.031)**	**(2.882.125)**
Inventories and work in progress		9.381	2.059
Customer accounts receivable		(41.750)	455
Other receivables		(802.400)	(598.281)
Supplier accounts payable		(815.723)	51.315
Other current liabilities		(441.323)	(435.254)
Change in the working capital requirement		**(2.091.815)**	**(979.707)**
Net cash flow from operating activities		**(6.277.846)**	**(3.861.832)**
Cash flows from investment activities			
Acquisitions of property, plant, and equipment		(108.810)	(225.052)
Acquisitions of long-term intangible assets		(11.732)	(810)
Acquisitions of long-term financial assets		(235.831)	(77.497)
Other cash flows related to investment transactions		26.200	-
Net cash flows from investment activities		**(330.173)**	**(303.358)**
Cash flows from financing activities:			
Capital increases		37.515.790	-
Treasury shares		(69.477)	-
Increase (decrease) in repayable advances	**7**	(192.497)	(127.917)
Net cash flows from financing activities:		**37.253.816**	**(127.917)**
(Decrease) / Increase in cash		**30.645.797**	**(4.293.107)**
Cash and cash equivalents at the beginning of the period		11.531.117	9.027.891
Cash and cash equivalents at the close of the period	**5**	42.176.914	4.734.784

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Amounts in Euros)

	Share Capital Shares of Common Stock					
	Number of Shares (note 6)	Amount	Premiums related to the Share Capital	Reserves	Cumulative Income (Loss)	Total Share-holders' Equity
As at January 1, 2011	**462.467**	**462.467**	**27.660.004**	**(19.555.572)**	**-**	**8.566.899**
Net Income					(3.106.084)	(3.106.084)
Share-based payments				128.878		128.878
Au 30 juin 2011	**462.467**	**462.467**	**27.660.004**	**(19.426.694)**	**(3.106.084)**	**5.589.693**
As at January 1, 2012	**8.822.745**	**882.275**	**17.508.641**	**13.091.218**	**(19.775.516)**	**11.706.617**
Net Income					(5.432.929)	(5.432.929)
Increase in capital	4.585.402	458.540	37.057.249			37.515.790
Treasury shares	(9.225)			(69.477)		(69.477)
Share-based payments				1.095.108		1.095.108
		1.340.81			**(25.208.445)**	
As at June 30, 2012	**13.398.922**	**5**	**54.565.890**	**14.116.849**		**44.815.110**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Note 1 : The Company

Incorporated in 2002, DBV Technologies S.A. ("the Company") develops and markets innovative products for the diagnosis and treatment of allergies, particularly food allergies.

The Company markets a ready-to-use diagnostic product to detect the allergy to cow's milk in children, launched in France in 2004, called *Diallertest®*. The Company is currently assessing, in coordination with Regulatory Agencies a potential Phase III clinical trial, that could start in 2012. The Company believes that it could file the Dossier for Diallertest in 2013.

DBV Technologies is also developing an original electrostatic patch technology, *Viaskin®*, for the purpose of developing the cutaneous administration method in specific immunotherapy, or desensitization.

Viaskin® Peanut is the first specific immunotherapy product developed by DBV Technologies. The Company has finished a phase Ib clinical study and disclosed the related data shawing the product was safe and well tolerated in peanut allergic patients Following these encouraging results, Regulatory Authorities have given green light to start a phase IIb clinical trial (called 'VIPES') that could start early in the second half 2012.

Moreover, a phase II efficacy study on 54 peanut allergic patients, called ARACHILD and sponsored by l'Assistance Publique (AP-HP) showed that after 6 months of treatment (on a total duration of 18 months), the product was safe and well tolerated. These interim data also showed statistically significant efficacy for Viaskin Peanut compared to the placebo group.

Viaskin® Milk is the second product developed within the field of specific immunotherapy. A Phase II pilot study published by Dupont et al. (JACI 2010) has demonstrated the safety and effectiveness of *Viaskin® Milk* in children. A European study, in collaboration with the European allergist organizations, is scheduled to be conducted during 2012

Major events during the first half 2012

On February 28, 2012, DBV Technologies announced that it has received "Fast Track Designation" for the Clinical Development Program of its Viaskin® Peanut clinical programme.

On March 28, the Company raised 40,5 million euros, ie 37,5 million euros net of expenses, following its IPO on NYSE-Euronext Paris.

On May 10, 2012, DBV Technologies announced the reinforcement of its team management with the arrival of Charles Ruban as Chief Development Officer, member of the Company's Executive Committee.

On May 31, 2012, DBV Technologies announced the appointment of Pr Hugh Sampson to its Scientific Advisory Board.

On June 18, 2012, DBV announced the presentation for the first time of the detailed results of its phase Ib clinical study completed earlier this year, demonstrating Viaskin is "safe and well-tolerated" peanut allergic patients. DBV Technologies also announced that AP-HP (Assistance Public - Hôpitaux de Paris) sponsor of the ARACHILD study, presented interim clinical data on safety and efficacy data after six months of epicutaneous immunotherapy in peanut allergic patients using Viaskin® Peanut. The 6 months interim data show no drop-out of patients from the study due to adverse events or any serious adverse events related to the treatment. The interim data also show statistically significant efficacy of Viaskin® Peanut versus placebo on the primary efficacy endpoint of the study.

Note 2 : Guiding principles and compliance

Preliminary remarks

The company's accounts are established and presented in euros, unless otherwise stated.

Condensed Half year accounts close on June 30, 2012.

Condensed Half Year accounts have been approved on July 25, 2012 by the Board of Directors.

In compliance with EC regulation n°1606 / 2002 adopted on july 19, 2002 by the European Parliament and European Counsel the financial statements were prepared in compliance with the IFRS standards as adopted by the European Union in effect as of 31 December 2011, for all the reporting periods presented

IFRS as adopted by the EC differs in certain aspects to the one published by IASB. Nevertheless, the Company has made sure that the financial information presented in its statements would not have been materially different if presented according to IASB's IFRS framework.

International standards include IFRS norms (*International Financial Reporting Standards*), IAS norms (*International Accounting Standards*) as well as SIC (*Standing Interpretations Committee*) and IFRIC (*International Financial Reporting Interpretations Committee*) interpretations.

Half Year 2012 condensed financial statements have been prepared according IAS 34 –Interim Financial Information, as adopted by the European Union, that allows for selected notes explaining the statements.

Notes do not include the full information required for full year financial statements and must therefore be read jointly with the full year 2011 financial statements.

The texts adopted by the EC are available on its website :
http://ec.europa.eu/internal_market/accounting/ias_fr.htm

Seasonality

The Company's activities are not subject to any significant seasonality effects in sales.

Note 3 : Long-term financial assets

(Amounts in euros)

	30/06/2012	31/12/2011
Security deposits	101.864	122.756
Capitalized securities	275.510	275.510
Liquidity contract	230.523	-
Total long-term financial assets	**607.897**	**398.266**

The long-term financial assets are composed of security deposits paid to the lessor and of open-ended mutual funds (*sociétés d'investissement à capital variable* "SICAVs") pledged as guarantees of the ordinary rental agreements. The increase in the first half 2012 is a result of the implementation of a liquidity contract of €300.000 following the Company's IPO. 9.225 shares have therefore been deducted from Shareholder's equity as at June 30, 2012 and the cash counterpart maintained in long term .

Note 4 : *Other current assets*

The other current assets are broken down as follows

(Amounts in Euros)

	30/06/2012	31/12/2011
Research tax credit	2.927.419	1.707.572
Other tax claims	639.164	462.470
Other receivables	3.932	71.391
Prepaid expenses	118.725	645.407
Total	**3.689.240**	**2.886.840**

The other tax debt claims are primarily related to the deductible VAT as well as to the reimbursement of VAT that has been requested.

The prepaid expenses correspond mostly to expenses related to rents, insurance, and reservations for conferences.

Crédit d'impôt recherche

The company benefits from the provisions in Articles 244 *quater* B and 49 *septies* F of the French Tax Code related to the Research Tax Credit (*Crédit d'Impôt Recherche*, "CIR"). In compliance with the principles described in Note 3.14 of the Company's December 31, 2011 IFRS financial statements, the Research Tax Credit is posted to the accounts as "other income" during the year with which the eligible research expenditures are associated.

The changes in this Research Tax Credit over the last three fiscal years are presented as follows:

- 2009 : 890.370 €, paid in 2010,
- 2010 : 1.386.989 €, paid in 2011,
- 2011 : 1.699.080 €, to be paid in 2012.

The Research Tax Credit for the years 2008 and 2009 was the object of a tax audit in 2011. That audit, which ended on 11 July 2011, did not result in any significant adjustment.

The Company recorded in its accounts Research Tax Credits in the amount of 1.219.847 euros as at 30 june 2012 and 817.035 euros as at 30 june 2011.

Note 5 : Cash and cash equivalents

The cash and cash equivalents item is broken down as follows:

(Amounts in euros)

	30/06/2012	31/12/2011
Cash	162.604	105.564
Investment securities	3.531	1.526.599
Term deposits	42.010.778	9.898.954
Total	**42.176.914**	**11.531.117**

Note 6 : Capital

6.1 Share capital issued

The share capital, as of 30 June 2012, is set at the sum of €1.340.814,70. It is divided into 13.408.147 fully subscribed and paid-up shares with a par value of € 0.1

This number does not include stock warrants (*Bons de Souscription d'Actions*, "BSAs") and founders' warrants (*Bons de Souscription de Parts de Créateur d'Entreprise*, "BSPCEs") granted to certain individuals, both employees and non-employees of the Company.

All the shares give their owners the right to a proportional share of the income and the net assets of the Company.

The table below presents the Company's share capital as of 30 June, 2012:

Date	Nature of the transactions	Share Capital	Premium	Number of Shares	Par Value
	Balance as of January 1, 2011	**462 467,00 €**	**27 658 779,61 €**	**462 467**	1,00 €
9 Decembre 2011	Capital increase by issuance of "P4" stock	125 716,00 €	9 554 416,00 €	125 716	1,00 €
9 Decembre 2011	Capital increase by incorporation of reserves and increase in the par value of	294 091,50 €	-294 091,50 €		
9 Decembre 2011	Application of the retained earnings to the premium		-19 411 688,00 €		
9 Decembre 2011	Division of the par value of the stock			8 234 562	
	balance as of 31 Decembre 2011	**882 274,50 €**	**17 507 416,11 €**	**8 822 745**	**0,10 €**
28 march 2012	Capital increase by issuance of ordinary shares	457 317,10 €	36 950 105,80 €	4 573 171	
26 april 2012	Capital increase by issuance of ordinary shares	1 223,10 €	107 143,56 €	12 231	
	Solde au 30 juin 2012	**1 340 814,70 €**	**54 564 665,47 €**	**13 408 147**	**0,10 €**

The shares of stock called "Category P preferred stock" have been converted into ordinary shares following the Company's IPO in March 2012.

Capital increase related expenses have been deducted from the issue premium.

6.2 Stock Warrants, Founders' Warrants , performance shares

The company has issued stock warrants (BSAs), founders' warrants (BSPCEs) and performance shares as follows:
:

Date	Type	Number of warrants issued as of 30/06/2011	Number of warrants that were null and void as of 30/06/2011	Number of warrants outstanding as of 30/06/2011	Maximum number of shares of stock to be issued	Subscription price per share
23/12/2005	BSA/BSPCE	17 115	17 115	-	-	- €
07/12/2007	BSA	1 717	572	1 145	17 175	4,33 €
21/01/2009	BSA/BSPCE	16 380	-	16 380	245 700	4,33 €
21/01/2009	BSPCE	2 296	-	2 296	34 440	4,33 €
25/06/2010	BSA	1 825	-	1 825	27 375	4,33 €
28/01/2011	BSA	10 039	-	10 039	150 585	5,13 €
24/06/2011	BSA/BSPCE	32 000	-	32 000	480 000	5,13 €
	Total	**81 372**	**17 687**	**63 685**	**955 275**	

Date	Type	Number of warrants issued as of 30/06/2012	Number of warrants that were null and void as of 30/06/2012	Number of warrants outstanding as of 30/06/2012	Maximum number of shares of stock to be issued	Subscription price per share
23/12/2005	BSA/BSPCE	17 115	17 115	-	-	- €
07/12/2007	BSA	1 717	572	1 145	17 175	4,33 €
21/01/2009	BSA/BSPCE	16 380	-	16 380	245 700	4,33 €
21/01/2009	BSPCE	2 296	-	2 296	34 440	4,33 €
25/06/2010	BSA	1 825	-	1 825	27 375	4,33 €

28/01/2011	BSA	10 039	-	10 039	150 585	5,13 €
24/06/2011	BSA/BSPCE	32 000	-	32 000	480 000	5,13 €
22/11/2011	BSA/BSPCE	11 377	-	11 377	170 655	5,13 €
17/01/2012	BSA	89 835	-	89 835	89 835	5,13 €
02/04/2012	AGA	669 796	-	669 796	669 796	8,86 €
	Total	**852 380**	**17 687**	**834 693**	**1 885 561**	

The total presented above does not include the warrants cancelled prior to 31 December 2007.
In the framework of its IPO, the Company's shares' nominal value has been divided by 15 following the 9 December 2011 General Assembly.

The impact of the share-based payments on the net income (or loss) is presented in Note 11.

Note 7 : Borrowings and financial debts

7.1 Repayable advances

The conditional advances from public institutions are the object of contracts with OSEO and COFACE.

As of 30 June, 2012, the Company had two advance contracts with OSEO Innovation and a contract with COFACE. These advances do not bear interest and are 100% repayable at their nominal value in the event of technical and/or commercial success.

The portion of the conditional advances for terms longer than one year is posted to long-term liabilities, while the portion for terms of less than one year is posted to current liabilities.

The table below presents the details of the debts recorded on the balance sheet by the type of repayable advance (amounts in Euros):

	1st OSEO assistance	2nd OSEO assistance	3rd OSEO assistance	COFACE	Total
Opening Balance Sheet Debt as of 1/1/2012	**-**	**450 713**	**246 238**	**122 501**	**819 452**
+receipts	-	-	-	-	-
-repayments	-	(200 000)	-	-	(200 000)
+/- other transactions	-	(4 257)	9 438	2 322	7 503
Balance Sheet Debt as of 30/06/2012	**-**	**246 456**	**255 676**	**124 823**	**626 955**

	1st OSEO assistance	2nd OSEO assistance	COFACE	Total
Opening Balance Sheet Debt as of 1/1/2011	**130 959**	**578 793**	**118 040**	**827 792**
+receipts	-	-	-	-
-repayments	-	(140 000)	-	(140 000)
+/- other transactions	2 655	7 237	2 191	12 083
Balance Sheet Debt as of 30/06/2011	**133 614**	**446 030**	**120 231**	**699 875**

7.2 Due dates of the financial liabilities

Due dates of the financial liabilities posted as of 30 June 2012
(Amounts in euros)

	Gross Amount	Due in less than One Year	Due in One to Five Years	Due in More than Five Years
Financial LIABILITIES				
Long-term conditional advances	373.041	-	373.041	-
Long-term provisions	161.383	3.932	-	157.451
Current conditional advances	253.914	253.914	-	-
Supplier accounts payable and related payables	1.388.754	1.388.754	-	-
Other current liabilities	429.850	429.850	-	-
Total financial liabilities	**2.606.942**	**2.076.450**	**373.041**	**157.451**

Due dates of the financial liabilities posted as of 30 June 2012
(Amounts in euros)

	Gross Amount	Due in less than One Year	Due in One to Five Years	Due in More than Five Years
Financial LIABILITIES				
	621.281	-	621.281	-
Long-term conditional advances	119.430	-	-	119.430
Long-term provisions	198.171	198.171	-	-
Current conditional advances	2.204.477	2.204.477	-	-
Supplier accounts payable and related payables	871.173	871.173	-	-
Other current liabilities	**4.014.532**	**3.273.821**	**621.281**	**119.430**

The other current liabilities are composed primarily of social security contribution debts.

Note 8 : Supplier accounts receivable and other current liabilities

8.1 Supplier accounts payable and related payables

Of the supplier accounts payable and related payables, no discounting was performed to the extent that the amounts did not present payment terms longer than 1 year at the end of each fiscal year presented.

8.2 Other current liabilities

(Amounts in Euros)

	30/06/2012	31/12/2011
Social security contribution liabilities	354.287	789.651
Tax liabilities	10.619	28.816
Other debts	31.002	11.233
Income posted in advance	33.942	41.473
Total	**429.850**	**871.173**

The other liabilities include the short-term debts to employees and social welfare and tax agencies.

Note 9 : Total revenues

Total revenues break down as follows :

(Amounts in euros)

	30/06/2012	30/06/2011
Sales	71.704	106.492
Credit Tax research	1.219.847	817.035
Subsidies	24.535	11.704
Total	**1.316.086**	**935.231**

Sales stem from the sale of Diallertest kits.

Note 10 : operating expenses

R&D expenses break down as follows :

	First Half	
(Amounts in euros)	**2012**	**2011**
Personnel costs	1,793,643	648,307
Sub-contracting, Collaboration, and Consultants	2,637,834	1,948,409
Research Supplies	261,278	226,512
Real Estate Rentals	122,992	78,711
Conferences, Travel expenses	136,079	90,489
D&A	85,043	-18,934
Others	58,034	18,343
Total R&D expenses	**5,094,902**	**2,991,838**

G&A expenses break down as follows:

	First Half	
Figures in €	**2010**	**2011**
Personnel costs	1,333,363	246,172
Fees	120,565	450,393
Real Estate Rentals	57,186	23,087
Insurance Coverage	31,668	20,855
Communication, Entertainment and Travel expenses	141,788	151,339
Postal and Telecommunications Expenses	45,184	12,703
Administrative supplies and rental of personal property	29,858	17,874
Others	36,398	81,408
Total G&A	**1,796,010**	**1,003,831**

Personnel costs

As at 30 June 2012, the Company had 26 employees, compared with 22 as at 30 June 2011.

Personnel costs break down as follows :

(amounts in euros)	**30/06/2012**	**30/06/2011**
Wages and salaries	834.856	544.486
Social security contributions	394.707	212.427
Performance shares related taxes	802.312	-
Expenses for retirement commitments	39.457	8.688
Payments in shares	1.095.108	128.878
Total	**3.166.440**	**894.479**

Note 11 : Share based payments

The payments in shares of stock involve all the warrants (BSAs/BSPCEs) and performance shares granted to employees, non-employee members of the Board of Directors, scientific consultants, or service providers.

The warrants granted might be exercised at any time after a vesting period of between 0 and 4 years and become null and void after a period of 10 years from the date they are granted. The acquisition of the warrants by the recipients is not subject to market conditions. The expense representing the benefit granted is posted to the accounts using the straight-line method as a personnel expense over the period of acquisition of the rights.

They are broken down as follows:

Ecoulement de la charge au 30 juin 2011 :

Type	Grant date	Number of warrants outstanding	Probable Estimated Cost of the Plan	Accumulated Expense as of 31/12/2010	2011 expense	Accumulated Expense as of 30/06/2011
BSPCE2	23/12/2005	-	427 959 €	427 959 €	- €	427 959 €
BSA	07/12/2007	1 145	34 315 €	32 551 €	950 €	33 501 €
BSA 2	21/01/2009	10 716	326 924 €	294 684 €	11 507 €	306 191 €
BSA 4	21/01/2009	5 358	163 515 €	147 391 €	5 755 €	153 146 €
BSAX	21/01/2009	306	9 856 €	7 573 €	818 €	8 391 €
BCEX	21/01/2009	2 296	70 287 €	53 809 €	5 875 €	59 684 €
BSAX	25/06/2010	1 825	56 504 €	14 889 €	14 217 €	29 106 €
BSA2010	28/01/2011	10 039	330 240 €	- €	75 521 €	75 521 €
	24/06/2011	8 000	261 483 €	- €	3 508 €	3 508 €
BSPCE2010	24/06/2011	24 000	784 685 €	- €	10 527 €	10 527 €
Total		**63 685**	**2 465 768**	**978 856**	**128 678**	**1 107 534**

Type	Grant date	Number of warrants outstanding	Probable Estimated Cost of the Plan	Accumulated Expense as of 31/12/2011	2012 expense	Accumulated Expense as of 30/06/2012
BSPCE2	23/12/2005	-	427 959 €	427 959 €	- €	427 959 €
BSA	07/12/2007	1 145	34 348 €	34 348 €	- €	34 348 €
BSA 2	21/01/2009	10 716	326 893 €	321 928 €	3 940 €	325 868 €
BSA 4	21/01/2009	5 358	163 500 €	161 017 €	1 970 €	162 987 €
BSAX	21/01/2009	306	9 854 €	9 505 €	277 €	9 782 €
BCEX	21/01/2009	2 296	70 239 €	67 700 €	2 013 €	69 713 €
BSAX	25/06/2010	1 825	55 672 €	46 885 €	6 358 €	53 243 €
BSA2010	28/01/2011	10 039	333 172 €	165 702 €	47 694 €	213 396 €
	24/06/2011	8 000	263 805 €	108 897 €	45 094 €	153 991 €
	09/12/2011	1 338	43 527 €	1 371 €	11 401 €	12 772 €
	17/01/2012	89 835	193 288 €	- €	44 497 €	44 497 €
BSPCE2010	24/06/2011	24 000	791 652 €	326 794 €	135 321 €	462 115 €
	15/12/2011	10 039	323 599 €	7 493 €	85 693 €	93 186 €
AGA	02/04/2012	669 796	5 830 569 €	- €	710 850 €	710 850 €
Total		**834 693**	**8 868 078**	**1 679 599**	**1 095 108**	**2 774 708**

The primary assumptions used for the determination of the expense resulting from payments in shares by application of the Black-Scholes option valuation model have been the following:

- Risk-free interest rate: rate of state borrowings (GFRN index),
- Dividend: none,
- Volatility: 40%, corresponding to the average of the historic volatility rates of a panel of comparable companies listed on the stock exchange,
- Turnover:
  - 1% per year for 2011,
  - 1% per year for 2012.
- Anticipated lifetime:: 5,45 to 7 years.

The exercise prices, anticipated lifetime, and fair value of the underlying shares on the grant date of the warrants were used for the valuation of each category of compensation in stock shares.

The detailed information concerning the number of options per category and the exercise prices is presented in Note 6.2.

Note 12 : Financial income & expense

The financial income and expenses are broken down as follows:

(Amounts in euros)	30/06/2012	30/06/2011
Financial income	212.021	18.670
Financial expense	(15.137)	(14.928)
Total	**196.884**	**3.742**

The financial income is principally comprised of capital gains on the disposals of investment securities. The foreign exchange losses and the expenses related to the accretion of the Oséo and Coface advances constitute the financial expenses.

Note 13 : Contingent liabilities

No significant changes occurred in contingent liabilities between 30 December 2011 and 30 June, 2012.

Note 14 : Relationships with related parties

The compensation amounts presented below, which were awarded to the members of the Board of Directors of the Company, were posted to the accounts as expenses during the course of the fiscal years presented (in Euros):

	30/06/2012	30/06/2011
Members of the Board of Directors	66.425	84.063
Directors' fees	6.000	8.000
Payments in shares to the members of the Board of Directors	435.410	101 .529
Fees paid to SCP Benhamou Vannerom	82.256	82.256
Total	**590.091**	**275.848**

The methods for valuation of the benefit related to share-based payments are presented in Note 11. The fees paid to SCP Benhamou Vannerom correspond to scientific consulting services, in particular, to the design of the clinical studies and the production of the protocols.

Statement of the debts to related parties as of 30 June:

	30/06/2012	30/06/2011
SCP Benhamou Vannerom	-	28.178
Directors' fees	34.000	8.000
Retirement pension obligations	11.163	5.557
Total	**45.163**	**41.735**

Note 15 : Post closing events

No event occured between closing and Board approval that could have had neither an impact nor that would have required disclosure in the above condensed accounts.

II - MANAGEMENT DISCUSSION & ANALYSES

ANALYSIS OF PROFIT & LOSS STATEMENT

The Company's **total revenues** amounted to €1,316,086 and €935,231 for the first halves 2012 and 2011 respectively. These revenues were primarily generated by Research Tax Credits, and to a lesser extent, by the sales of *Diallertest*®, as well as by subsidies received within the framework of the research projects conducted by the Company.

	First Half	
Figures in €	**2012**	**2011**
Sales	71,704	106,492
Other income	1,244,382	828,739
of which Research Tax Credits	*1,219,847*	*817,035*
of which subsidies	*24,535*	*11,704*
Total Revenues	**1,316,086**	**935,231**

As no R&D expenditure is being capitalized until a marketing authorization is obtained, the Research Investment Credit related to said research programs is, for its part, entirely posted to the accounts as operating revenue. The amounts of financial assistance received by the Company during the periods have been deducted from the calculation of the basis of the Research Tax Credit.

The Company posted, for the first half 2012, net revenues related to Research Tax Credits of €1,219,847 which corresponds to that generated during the first half 2012. The reimbursement of the 2011 Research Tax Credits (ie. €1,386,989) has been requested by the Company in compliance with the E.C. tax treatment of small and medium companies.
The increase in Research Tax Credits over the period reflects the intensification of the R&D efforts related to the preparation of the launch of the Phase IIb ('VIPES) for *Viaskin*® *Peanut*.

Sales of Diallertest were slightly down over the period, to €71,704 in the first half 2012 compared with 106,492 a year earlier while they displayed growth in the first half 2011. This diagnostic product is not of strategic importance for the Company, which has as its priority the future marketing prodcuts stemming from the Viaskin platform.

The **cost of goods sold** therefore corresponds to the cost of a service provider in charge of manufacturing Diallertest. Indeed, since the Company does not have the status of a pharmaceutical laboratory, the manufacturing of *Diallertest*® has to be entrusted to a third party that does have that status, with 'Good Manufacturing Practices ('GMP'). This CMO (Contract Manufacturing Organization) thus acts on behalf of DBV Technologies, which has made the equipment for production of the patches available. Cost of Goods reached €54,987 in the first half 2012, compared with €49,388 a year earlier.

The Company's gross margin generated in the first half 2012 stood at approximately 23% of sales, from 54% a year earlier, reflecting higher production costs due to a decrease in orders requested by the Company's distributor year-on-year.

Research and development expenses increased significantly by 70% to reach €5,094,902 compared with €2,991,838 a year earlier. This increase reflects primarily the preparation of the launch of the Phase IIb study ('VIPES'), that aims to demonstrate *Viaskin® Peanut* 's efficacy on 300 children, adolescents and adults. Morevover, the Company reinforced its research and development teams over the first half 2012, in order to lead simultaneously no less than 5 clinical studies over the next 24 months.

The Research and Development expenses break down as follows:

	First Half	
Figures in €	**2012**	**2011**
Personnel costs	1,793,643	648,307
Sub-contracting, Collaboration, and Consultants	2,637,834	1,948,409
Research Supplies	261,278	226,512
Real Estate Rentals	122,992	78,711
Conferences, Travel expenses	136,079	90,489
D&A	85,043	-18,934
Others	58,034	18,343
Total R&D expenses	**5,094,902**	**2,991,838**

From one year to the next, this table allows us to note, in particular:

- An increase of c.35% in "Sub-contracting, Collaborations", which includes in particular, the costs of the providers of services on behalf of DBV Technologies within the framework of the Phase I and Phase IIb ('VIPES') for *Viaskin® Peanut*;
- An increase of c.177% in personnel costs dedicated to R&D resulting from both an increase in the workforce (21 employees as of June 30, 2012, compared with 17 a year earlier) and the expense related to the valuation of long term incentives (performance shares and warrants: '*bons de souscription de parts de créateur d'entreprise' or* "BSPCEs"), which increased to €834,619 from €27,129 a year earlier;
- The "Real Estate Rentals" item, which increased by c.56% following the move of the Company to its new premises during the summer of 2011 and;
- The increase in D&A in connection with the move of the Company in its new Headquarters.

The **General & Administrative expenses** ('G&A') include mainly the administrative personnel costs, the building costs related to the headquarters, and certain fees (such as audit, legal, and consultants' fees). In the first half 2012, G&A expenses reached €1,796,010 compared with €1,003,831 a year earlier.

G&A expenses break down as follows:

	First Half	
Figures in €	**2010**	**2011**
Personnel costs	1,333,363	246,172
Fees	120,565	450,393
Real Estate Rentals	57,186	23,087
Insurance Coverage	31,668	20,855
Communication, Entertainment and Travel expenses	141,788	151,339
Postal and Telecommunications Expenses	45,184	12,703
Administrative supplies and rental of personal property	29,858	17,874
Others	36,398	81,408
Total G&A	**1,796,010**	**1,003,831**

Therefore, the total increase mainly stems from:

- A 440% increase in personnel costs, resulting primarily to the recording of share-based payment expenses (€1,062,799 in the first half 2012 compared with €101,749 a year earlier);
- A strong increase in communications expenses related to the listing of the Company and;
- A "Real estate rent" item, significantly higher as a result of the move of the Headquarters during the summer of 2011.

The **net financial income** reached €196,884 in the first half 2012 compared with €3,742 a year earlier. This item includes the financial revenues on the Company's financial assets on the one hand, and foreign exchange losses as well as undiscounting expenses in connection with the OSEO and COFACE advances, on the other. The change in the financial income in the first half 2012 is primarily explained by a strong increase in financial revenues following the cash received by the Company within the framework of previous private financing round and more importantly its IPO in March 2012. Consequently, financial income reached €212,021 in June 2012 compared with €18,670 a year earlier.

Considering the deficits recorded over the last 3 fiscal years, the Company has not posted any **corporate tax expense** to the accounts.

The **net loss** for the first half 2012 amounted to €5,432,929 compared with a €3,106,084 loss for the first half 2011. The loss per share issued (based on the weighted average number of shares outstanding over the period) amounted to €0.48 and €0.45 for the first halves 2012 and 2011 respectively.

ANALYSIS OF THE BALANCE SHEET

The **non-current fixed assets** include the property, plant, and equipment, the long-term intangible assets, and the long-term financial assets. The non-current fixed assets amounted to €1,488,305 and €1,267,969 on June 30, 2012 and December 31, 2011 respectively. This increase results primarily from the implementation of a liquidity contract following the listing of the Company.

The **net current assets** amounted to €45,933,747 and €14,453,181 on June 30, 2012 and December 31, 2011 respectively. This very significant increase results from the evolution in the cash and cash equivalents following stronger Research Tax Credits in line with the intensification of R&D works and more importantly the IPO of the Company on March 28, 2012 allowing to cash-in €37.5 million net proceeds.

As a result, as of June 30, 2012 the Company's **treasury position** stood at €42,176,914 vs. €11,531,117 as at 31 December 2011.

The net change in the **shareholder's equity** of the Company resulted mainly from the last fund raising of €37.54 million net in March 2012. Therefore, Shareholders' equity reached 44,815,110 as of June 30, 2012 compared with €11,706,617 as of December 31, 2011

ANALYSIS OF CASH FLOW STATEMENT

	First half	
Figures in €	**2012**	**2011**
Net cash flow from operational activities	(6 277 846)	(3 861 832)
Net cash flow from investment activities	(330 173)	(303 358)
Net cash flow from financing activities	37 253 816	(127 917)

Net cash flow from operational activities for the first haves 2012 and 2011 stood respectively at €(6,277,846) and €(3,861,832), linked to increased R&D efforts.

Net cash flow from investment activities increased slightly in the first half 2012 following the implementation of a liquidity contract.

Net cash flow from financing activities reached €37.3 million in the first half 2012 versus €(0.1) million a year earlier following the cash receipt of €37.5 million net consecutive to the IPO of the Company on NYSE Euronext in March 2012.

III – INFORMATION REGARDING RELATIONSHIPS WITH RELATED PARTIES

The compensation amounts presented below, which were awarded to the members of the Board of Directors of the Company, were posted to the accounts as expenses during the course of the fiscal years presented (in Euros):

	30/06/2012	30/06/2011
Members of the Board of Directors	66.425	84.063
Directors' fees	6.000	8.000
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Directors' fees	34.000	8.000
Retirement pension obligations	11.163	5.557
Total	**45.163**	**41.735**

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IV – RISK FACTORS

The Company operates in an environment which is undergoing rapid change and exposes its operations to a number of risks, some of which are outside its control. The risks and uncertainties set out below are not exhaustive and the reader is advised to refer to the Group's *Document de Base* available on its website www.dbv-technologies.com.

- The Company is conducting preclinical and clinical programs intended to eventually lead to the commercialization of therapeutic solutions to treat allergies, in particular food allergies. The development of a candidate medicine is a long and costly process, carried out in several phases, the outcome of which is uncertain. The aim is to establish the therapeutic benefit of the candidate medicine for one or more given indications. At each development phase, the Company will present the results of its clinical studies to the authorities of the various countries according to its development plan. Additional requirements could arise. Likewise, during clinical trials, there is no full assurance of the speed at which patients are recruited. In addition, some requests from the regulatory authorities could impact recruitment. The Company is currently initiating its phase IIb ('VIPES') in peanut allergy and cannot guarantee that it ends according to initial plans.
- The Company could be unable to establish the proper tolerance, lack of adverse immediate or long-term effects, or the effectiveness of one or more of its therapeutic products in animals and humans. Any failure during any of the various clinical phases for a given indication could delay the development, production and commercialization of the therapeutic product in question or even suspend its development. Similarly, any decision by the health authorities requesting additional trials or studies could delay, or even suspend, the development of the therapeutic products in question. Even though the local lesions caused by use of the patch have always turned out to be mild, when used on a wider scale, these local effects (such as irritation, local inflammation or eczema) could constitute discomfort for some patients that could lead them to cease the treatment prematurely.
- In order to strengthen its clinical development program and to increase its visibility within the scientific community, the Company uses, and could continue to use, "support" studies conducted by public or university institutions, such as the ARACHILD study, conducted by l'Assistance Publique in France ('AP-HP'). However, as the Company does not sponsor of these studies, it does not handle their steering and follow-up. Accordingly, efficacy results of these studies could be affected by failure to harmonize study protocols. Furthermore, the Company does not have any control over these studies' protocols, and can therefore not anticipate or ensure the manner in which the results will be obtained, used and/or published, or the occurrence of side effects. In the context of these university studies, the Company will not control the publication policy with respect to the results and could be denied use of the results for regulatory or communication purposes by the studies' sponsors.
- Diallertest® Milk, developed by DBV Technologies, is the first product to diagnose allergies to bovine milk proteins in children currently available on the French market with a temporary exceptional status under regulations. Given the history of use, marketing authorization in Europe requires a single phase III study to be conducted, the protocol of which was discussed and approved by the European authorities (EMA) as part of a Scientific Advice then a Pediatric Investigation Plan (PIP) procedure. The Company is continuing discussions with the regulatory authorities and would like to adjust this protocol. In light of these discussions, in 2012, it will re-examine the strategic and economic interest of continuing the marketing of Diallertest® Milk.

- The Company depends on third parties for its supply of various materials, chemicals and biological products (in particular protein extract) necessary to produce patches intended for conducting its clinical trials or diagnostic patches. The Company's supply of any of these materials and products could be reduced or suspended. In such case, the Company could be unable to find other suppliers of materials, chemicals or biological products of acceptable quality, in the appropriate volumes and at an acceptable cost. If the Company were to lack these key suppliers or manufacturers or if the Company's supply of products and materials were reduced or suspended, the Company could be unable to continue to develop, produce and then market its products in time and on a competitive basis.
- In the context of its development, the Company uses subcontractors both for manufacturing patches and for conducting clinical trials. Even though the Company has taken into account the risks of failure by its subcontractors or breach of contractual relations, and implemented measures intended to counter these risks, any failure by them could have consequences on the duration, or even the continuation, of clinical trials and the quality of the data, which must meet strict standards (Good Clinical Practices, Good Manufacturing Practices) imposed by the supervisory authorities and therefore could delay the marketing of the products.
- Any clinical study – such as VIPEs - is subject to the prior consent of the health authorities of the countries in which it is planned to conduct the study and of ethics committees; a rejection could impede or stop the Company's clinical development program. Likewise, for each study, the Company sets up a Data and Safety Monitoring Board; as good clinical practices recommend following the opinions of Data and Safety Monitoring Boards, the latter could lead to premature suspensions or delay product development. Moreover, depending on the information disclosed to them in the course of a study, in particular on the occurrence of serious adverse events, the health authorities could decide to suspend or prematurely stop the study.
- The Company has also opted for the Research Tax Credit (CIR – Crédit Impôt Recherche) to finance its business. This credit is a tax credit offered by the French government to companies investing heavily in research and development. The research costs eligible for the CIR include, among others, salaries and wages, depreciation of research equipment, services subcontracted to approved research entities (public or private) and intellectual property costs. The Company has benefited from a research tax credit that was refunded and verified by the tax authorities for the years 2008 and 2009. It cannot be ruled out that the tax authorities may challenge the methods used to calculate the Company's research and development costs, or that the CIR may be challenged due to a change in regulations or may be challenged by the tax authorities even if the Company complies with the documentation and eligibility requirements regarding costs.