THE ORPHAN ONCOLOGY INNOVATOR

A *société anonyme* (limited liability company) with a capital of 10.367.715 Euros
Head office located at 49 Boulevard du Général Martial Valin – 75015 Paris, France
410 910 095 R.C.S. Paris

2015 REFERENCE DOCUMENT

CONTAINING

THE ANNUAL FINANCIAL REPORT AND THE MANAGEMENT REPORT

AMF AUTORITÉ DES MARCHÉS FINANCIERS

This document was submitted to the *Autorité des marchés financier*s (AMF) on April 29, 2016 in accordance with Article 212-13 of its General Regulations. It may be used in connection with a financial transaction only if it is accompanied by a memorandum duly approved by the AMF. This document has been prepared by the issuer under the responsibility of its signatories.

Copies of this Reference Document are available free of charge at Onxeo's registered office located at 49, Boulevard du Général Martial Valin – 75015 Paris, France, on Onxeo's website: http://www.onxeo.com, and on the website of the *Autorité des marchés financiers*: www.amf-france.org.

SUMMARY

This Reference Document includes the annual financial report for the 2015 financial year, the components of which are listed on page 105 of this document.

Note

In this reference document, unless it is provided otherwise:

- The term "**Reference Document**" means this reference document;

- The terms "**Company**" or "**Onxeo**" mean the company Onxeo whose registered office is situated at 49, boulevard du Général Martial Valin, 75015 Paris, France, registered with the Paris trade and companies register under number 410 910 095.

- The term "**Group**" means the group consisting of the Company and its subsidiaries.

A glossary defining certain terms used in the Reference Document is set forth in Chapter 12.

Disclaimer

Market and competition information

The Reference Document contains, in particular in chapter 2 "Company activity in 2015", information relating to the Group's markets and its competitive position. This information derives, in particular, from studies conducted by external sources. The publicly available information which the Company believes to be reliable has not been verified by an independent expert, and the Company cannot guarantee that a third party using different methods to collect, analyze or compute data on these markets would obtain the same results.

Forward-looking information

The Reference Document contains information on the Group's prospects and development strategies. This information is sometimes identified by the use of the future or the conditional tense or forward-looking terms such as "consider", "envisage", "think", "aim to", "expect", "intend", "should", "aspire to", "estimate", "believe", "wish", "could" or, where appropriate, the negative of the terms thereof or any other similar variation or terminology. This information is not historical data and should not be interpreted as a guarantee that the facts and data set out herein will occur. This information is based on data, assumptions and estimates considered as reasonable by the Company. It is subject to change or is likely to be modified due to uncertainties related, in particular, to the economic, financial, competitive and regulatory environment. This information is mentioned in various chapters of the Reference Document and contains data relating to the Group's intentions, estimates and objectives, in particular regarding the market in which it operates, its strategy, its growth, its results, its financial position, its cash flow and its forecasts. The forward-looking information contained in the Reference Document is provided only as of the date of the Reference Document. The Group operates in a constantly changing and competitive environment. It is therefore unable to anticipate all the risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which the occurrence of a risk or a combination of risks could have significantly different results from those stated in any forward-looking information, it being reminded that none of this forward-looking information constitutes a guarantee of actual results.

Risk factors

Investors are encouraged to carefully read the risk factors described in section 5.5.1.4 "Risk Factors" of the Reference Document before making any investment decision. The occurrence of some or all of these risks may have a material adverse effect on the Group's business, financial position, results or prospects. In addition, other risks, not yet identified or deemed immaterial by the Company at the date of registration of the Reference Document, could also have a material adverse effect.

1. ESSENTIAL INFORMATION ABOUT THE GROUP

1.1 Profile and strategy

Onxeo is a biotechnology company specializing in the development of innovative drugs for the treatment of orphan diseases, in particular in oncology, driven by high therapeutic demand in one of the fastest growing segments of the pharmaceutical industry.

The Group's objective is to become a major international player in the field of rare cancers. The Group's growth strategy is founded on the development of innovative drugs based on breakthrough technologies that can make a real difference in the treatment of orphan oncology diseases and considerably improve the quality of life of patients affected by rare and aggressive cancers.

Deployment of this strategy includes notably external growth (M&A) to accelerate development and extend the Group's product portfolio. In 2014, the Group acquired Topotarget, a Danish biopharmaceutical company based in Copenhagen, specializing in the development of oncology products and developer of Beleodaq®, a pan-HDAC inhibitor. In 2016, the Group acquired DNA Therapeutics and through it, a new drug class derived from the revolutionary technology of DNA repair inhibition in cancerous cells.

The acquisition of this new "first-in-class" product named AsiDNA, like that of Beleodaq® in 2014, reinforces the Group's product portfolio, positioning the Group at the forefront of scientific and clinical progress in oncology, DNA repair, thus increasing its scientific renown and, ultimately, its attractiveness on the international market.

The Group's strategy is built on solid assets and distinctive expertise that form the foundation for the Group's future growth:

- Products developed from extremely promising and diversified technologies, with a balanced distribution between products on the market generating revenue and those in advanced clinical programs and preclinical studies. Used as a single-agent therapy or in combination with other anticancer drugs, these programs offer prospects of clinical development for several indications;

- A highly experienced European team of scientists, divided between Paris and Copenhagen, which has repeatedly led programs in Europe and the United States through to the approval stage. The teams are led by a management team and a high-profile Board of Directors with international experience;

- With its international scope and clinical studies conducted in Europe and the United States, it has commercial partners respected throughout the pharmaceutical industry as well as links with the leading academic and scientific opinion-formers in Europe and the United States;

The Group has also developed and successfully obtained approval for three drugs in Europe and the United States, clearly demonstrating the know-how of our teams.

Focusing on orphan drugs in the treatment of cancer, the Group is targeting a particularly attractive market, incorporating pathologies with significant unmet medical need.

The status of "orphan drug" is based on the number of cases of a disease, namely approximately 200,000 cases for the USA[1] and 250,000 for Europe[2]

The markets for orphan drugs and oncology drugs are currently the most dynamic segments in the field of pharmaceuticals due to the increasing medical need. Currently, 7,000 rare, or orphan, diseases have been identified, while treatment exists for less than 5% of them. It is therefore necessary to boost the development of orphan drugs in order to meet the needs of patients seeking a medical solution.

In 2014, the growth rate of the oncology market worldwide was nearly 12%, compared to growth in the overall pharmaceuticals market of just 9%[3]. At the end of 2014, the market was estimated to be worth $74 billion and is set to continue to show dynamic growth. For its part, the orphan drug market is set to grow more than 12% per year, reaching $178 billion by 2020[4]. It is estimated that 15 of the 20 highest selling drugs for orphan diseases in 2020 will be orphan oncology drugs. This market trend is also the result of attractive measures implemented by the health authorities to encourage the development of new drugs in the field:

- optimized clinical development in terms of time and cost, allowing fast-track registration;
- more favorable pricing and reimbursement measures;
- additional protection with commercial exclusivity for 7 years in the USA and 10 years in Europe after marketing authorization ("**MA**").

To support the development and marketing of its products, the Group has opted for a selective partnership strategy via co-development agreements for its products in the clinical phase or via licensing agreements for its registered products. In the medium or long term, the Group could also market its orphan drugs directly in certain countries in order to take advantage of the full amount of margin generated by its high added-value products displaying a high profitability profile.

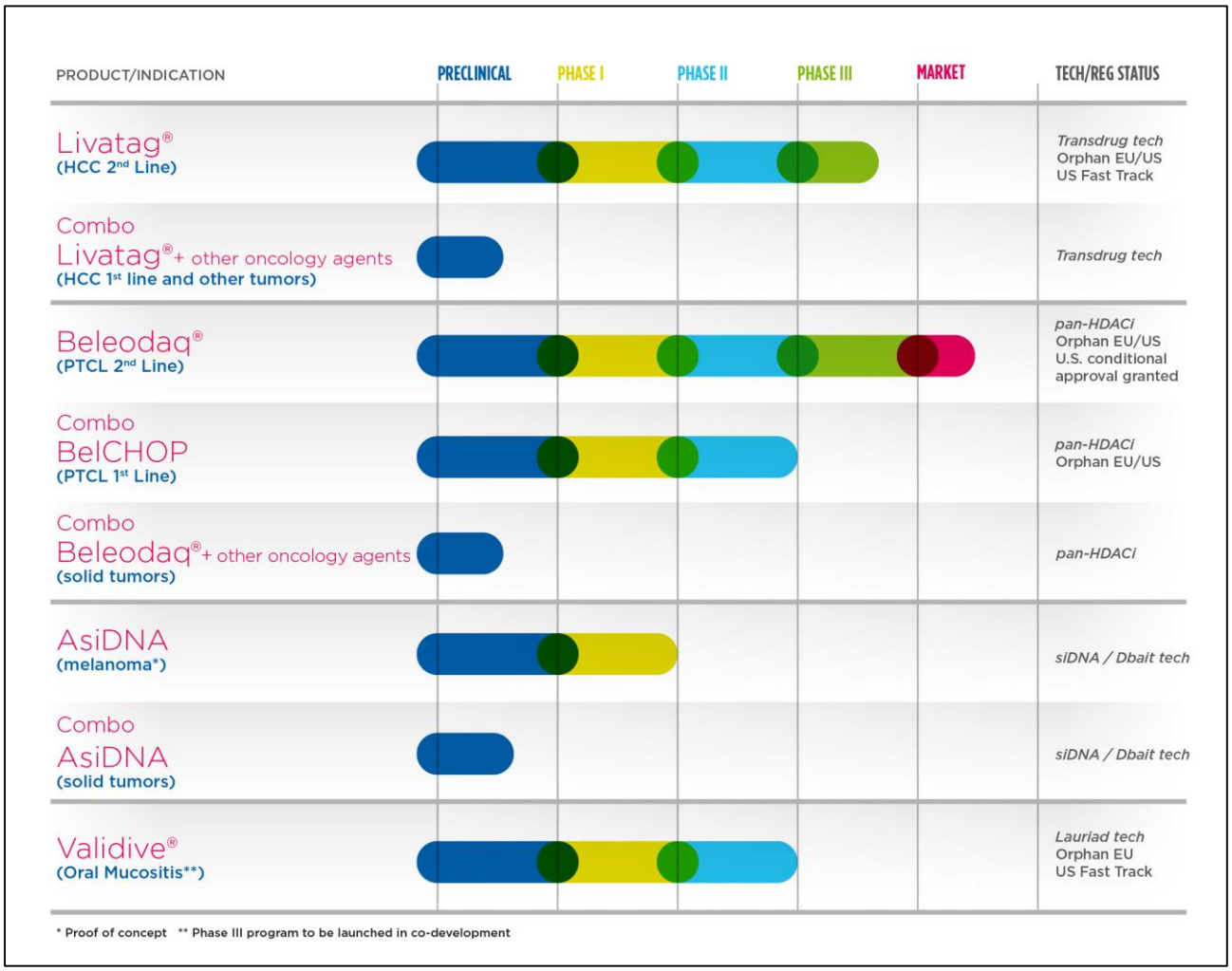
[1] Source: http://www.fda.gov/ForIndustry/DevelopingProductsforRareDiseasesConditions/HowtoapplyforOrphanProductDesignation/default.htm

[2] Source : http://www.orpha.net/consor/cgi-bin/Education_AboutOrphanDrugs.php?lng=EN&stapage=ST_EDUCATION_EDUCATION_ABOUTORPHANDRUGS_EUR

[3] Source: IMS Health Midas, December 2014

[4] Source: EvaluatePharma, Orphan Drug Report 2015

The Group's orphan oncology product portfolio comprises 4 products (Livatag®, Beleodaq®, AsiDNA, and Validive®), ranging from preclinical to advanced phases of clinical development, as detailed in the graph below:



Detailed information on these two portfolios can be found in Section 4.2.1 of this Reference Document.

1.2. Management and control bodies

1.2.1 Board of Directors

Joseph Zakrzewski
Chairman of the Board of Directors and independent Director

Judith Greciet
Chief Executive Officer

Independent Directors:
Russell Greig
Danièle Guyot-Caparros
Thomas Hofstaetter
David H. Solomon

Jean-Pierre Kinet
Jean-Pierre Bizzari

Director, major shareholder representative:
Financière de la Montagne, represented by Nicolas Trebouta

1.2.2 Internal governance

Executive Committee
The Strategy Committee prepares the Company's strategy, its major policies and growth scenarios. It takes all decisions pertaining to strategy, defines priorities and allocate ressources, in relations with the Company Board of Directors. It reviewes and validates development plans and oversees their implementation. It reviews all strategic decisions impacting projects and timelines, and validates all strategic and/or financial decisions based on recommendations of the Operations Committee, with a specific focus on critical issues and risks. It also defines the Company's HR policy. It meets once a week to ensure that the Company is being managed in a collective and cross-functional manner.

Operations Committee
Composed of the operational R&D departments, the Project Coordinator and ad hoc project team members, it sets the operating strategy, systematically reviews and validates the progress of projects, and coordinates the teams. It takes all operational decisions on specific projects and prepares recommendations for the Executive Committee. A specific emphasis is given to adhering to corporate goals and respecting projects' timelines. The committee meets once a week.

Risk Management Committee
This committee updates the Company's risk mapping and monitors action plans with the departments concerned.

1.2.3 External auditor

Grant Thornton
French member of Grant Thornton International
100, rue de Courcelles, 75017 Paris
Represented by Jean-Pierre Colle, a member of the *Compagnie des commissaires aux comptes* of Paris.

Ernst & Young Audit
Tour Ernst & Young, Faubourg de l'Arche
1/2 place des saisons, 92400 Courbevoie
Represented by Beatrice Delaunay, member of the Versailles Institute of Statutory Auditors.

1.3 Key figures

The table below presents selected financial data extracted from the Company's consolidated financial statements prepared under IFRS for the years ended 31 December 2013, 31 December 2014, and 31 December 2015.

Notes on the key figures are found in Section 3 of this Reference Document and should be read in relations with Section 6 of this Reference Document.

	31 December 2015	**31 December 2014**	**31 December 2013**
Net sales	**3,481**	**22,081**	**1,467**
of which non-recurring sales related to licensing agreements	*749*	*20,455*	*530*
Operating expenses	-25,657	-22,697	*-16,888*
of which recurring cash operating expenses (1)	*-23,670*	*-20,564*	*-16,389*
of which non-cash operating expenses (1)	*-1,987*	*-2,133*	*-499*
Other operating expenses (non current)	*-189*	*-4,938*	*-28*
Operating income	**-22,365**	**-5,554**	**-15,450**
Financial income	602	5	126
Taxes	2,353	-2,150	0
Net income	**-19,409**	**-7,699**	**-15,324**
Earnings per share	- 0.48	- 0.19	-0,74
Balance Sheet			
Cash	**33,793**	**57,227**	**11,329**
Other current assets	7,904	5,72	5,103
Non-current assets	87,539	89,052	1,3
Shareholders' equity	102,798	121,971	7,888
Payables	26,438	30,028	9,844
Cash			
Gross operating cash flow	-20,075	-5,897	-15,148
Changes in working capital	-3,042	-1,826	1,056
Net cash generated from operating activities	-23,116	-7,723	-14,092
Net cash used in investing activities	-235	0	-43
Net cash used in financing activities	53,643	-10,912	10,912
Net cash used in other activities	-136	-22	49
Change in cash and cash equivalents	**-23,434**	**45,898**	**-3,174**

(1) Cash and non-cash operating expenses are not accounting measurements as defined by IFRS

2. COMPANY ACTIVITY IN 2015

This section has been extracted from the management report approved by the Board of Directors on 26 February 2016 and has been supplemented by events that have taken place since that date.

2.1 Significant events in 2015

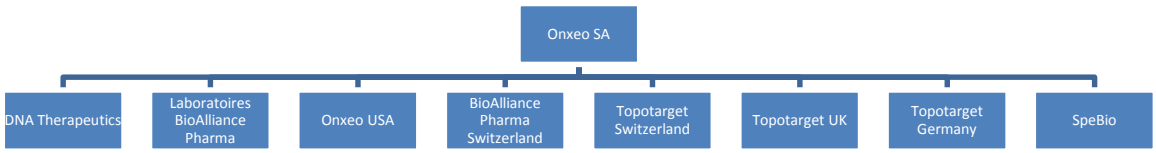
Onxeo specialises in the development of drugs for orphan diseases in oncology. We remind you that the Group is the result of the merger in June 2014 of BioAlliance Pharma, an innovative French company based in Paris, with Topoptarget, a Danish biopharmaceutical company based in Copenhagen. Onxeo is listed on the Euronext Paris and Nasdaq Copenhagen exchanges.

2.1.1 Group companies

At the date of this Reference Document, the Group is comprised of Onxeo SA, which concentrates the majority of its business in Paris and at its secondary establishment in Copenhagen, Denmark, and its subsidiaries, most of which have limited activity:

1. DNA Therapeutics (*société par actions simplifiée),* wholly owned subsidiary registered in France;
2. Laboratoires BioAlliance Pharma, (*société par actions simplifiée),* wholly owned subsidiary registered in France;
3. Onxeo USA, Inc., wholly owned subsidiary registered in the United States;
4. BioAlliance Pharma Switzerland, wholly owned subsidiary registered in Switzerland;
5. Topotarget UK, wholly owned subsidiary registered in the United Kingdom;
6. Topotarget Switzerland, wholly owned subsidiary registered in Switzerland;
7. Topotarget Germany, wholly owned subsidiary registered in Germany;
8. SpeBio, a subsidiary owned at 50% by Onxeo and registered in the Netherlands.

The Group's organizational structure is presented below:



2.1.2 Changes in activity and significant events during the financial year 2015

The Group's objective is to become a major international player in the field of orphan cancers. The Group's growth strategy is founded on the development of innovative drugs based on breakthrough technologies that can make a real difference in the treatment of orphan pathologies in oncology and considerably improve the quality of life of patients affected by rare and aggressive cancers.

In addition to the acquisition of DNA Therapeutics, closed in March 2016, the Group's three flagship programs, Beleodaq®, Livatag®, and Validive® made significant advances, including among others:

- Publication of the positive Phase I results for Beleodaq® (belinostat) in association with the standard CHOP[5] protocol, conducted in collaboration with the US partner Spectrum Pharmaceuticals.

- Progress of the Livatag® "ReLive" Phase III trial (doxorubicine Transdrug™) in primary liver cancer, in line with the clinical development schedule and filing of an additional patent application based on a specific composition of Livatag® nanoparticles.

- Launching of an ambitious research program to evaluate the interest of using Beleodaq® and Livatag® in new therapeutic combinations to position these products either as first line of treatment in their current indications, or in different indications in oncology to optimize their potential.

- Presentation of positive final results for the Validive® Phase II study in the treatment of severe oral mucositis as a part of several international congresses. Further clinical development of Validive® will be conducted with a partner.

The primary operational advances and the organizational changes in the Group during the financial year are set out below.

A. Progress made by the orphan products in oncology portfolio

Publication of the positive results of the Beleodaq® (belinostat) Phase I study in association with the CHOP chemotherapy protocol (BelCHOP study) as part of the annual congress of the American Society of Hematology (ASH).

In July 2014, Beleodaq® obtained a conditional MA from the Food and Drug Administration (FDA) for second line treatment of a rare form of blood cancer known as relapsed or refractory peripheral T-cell lymphoma (PTCL). This approval was granted based on the results of the Pivotal Phase IIb Clinical Study (BELIEF study, see below), subject to these results being confirmed by a Phase III study. The product is marketed in the United States by Spectrum Pharmaceuticals Inc., who is also responsible for the co-development of the product.

The Group and its partner Spectrum Pharmaceutical decided to continue with the belinostat development in association with the 'CHOP' chemotherapy protocol, the current PTCL reference treatment. Within this framework, a Phase I, randomised and open study (the Bel-CHOP study) was conducted on 23 newly diagnosed PTCL patients to determine the optimal dose and the tolerance profile of the therapeutic combination. The principal results are the following:

- The two treatments were administered with approved therapeutic doses and with no new or unexpected adverse events, thus establishing a good tolerance profile of the Bel-CHOP therapeutic combination.
- Also, it was possible to observe an 86% objective response rate out of 21 evaluable patients, including a large majority (67%) of complete responses and 19% of partial responses. These results compare with a complete response rate of approximately 50% for the CHOP combination.

The positive results of this study were presented in a plenary session by Dr. Patrick Johnston, Professor of Medicine at the Rochester Mayo Clinic (USA), during the annual congress of the American Society of Hematology (ASH).

[5] The CHOP protocol is a multidrug chemotherapy (MDT) recommended for the treatment of lymphoma and typically consists of the following drugs: Cyclophosphamide, hydroxydaunomycine (doxorubicine), vincristine (Oncovin®), and prednisolone (steroid).

Publication of numerous abstracts and articles on belinostat during international congresses and in highly regarded scientific journals.

The pivotal Phase II BELIEF (PXD101-CLN-19) clinical study showing positive monotherapy Beleodaq® results, including a complete and sustainable response in second line treatment of Peripheral T-Cell Lymphoma (PTCL), were published in June 2015 in the Journal of Clinical Oncology, one of the most recognised oncology journals.[6]

Furthermore, the results of several studies made on belinostat for various orphan cancer indications generated relevant and robust preclinical and clinical data on the product's profile, whether administered alone or in combination with other chemotherapies. These studies were the subject of several abstract and poster presentations[7] in April 2015 at the annual American Association for Cancer Research (AACR) that met in Philadelphia, and in late May 2015 at the American Society of Clinical Oncology (ASCO) meeting in Chicago.[8]

Livatag® (doxorubicine Transdrug™): progress in the Phase III clinical trial in primary liver cancer (ReLive study), with preliminary results expected to be released mid-2017

In 2015, the Group actively continued with the recruitment of patients and geographical extension of the Phase III 'ReLive' international trial. This trial aims to show Livatag®'s efficacy on the survival of nearly 400 primary liver cancer patients after failure or intolerance to sorafenib. It is conducted in 13 countries: 8 European countries (France, Germany, Spain, Italy, Russia, Hungary, Austria, Belgium,) the United States, and since 2015, 4 countries in the Middle East - North Africa region (Lebanon, Egypt, the Kingdom of Saudi Arabia and Turkey). The inclusion of these 4 new countries aims to optimise the recruitment rate of patients into the trial.

At the end of 2015, there were 53 active investigational sites and over 60% of the patients were treated in the trial. The Group expects to open 10 to 15 additional sites in 2016. At the time of the Reference Document, the recruitment rate is greater than 65%. This recruitment rate is in line with the study's development timetable. The preliminary results of the trial are expected in mid-2017. As the ReLive Phase III trial is an event-driven study, a certain number of events (i.e. 285 deaths) must be reached before preliminary final results can be announced. Taking this into account, the Company has reassessed the timing of the readout to mid-2017, from the late 2016-early 2017 announced in the 2014 Reference Document.

A committee of independent European experts from the Data Safety Monitoring Board (DSMB), chaired by Professor Michel Beaugrand, are continuously monitoring the ReLive trial. This type of committee is usually set up in pivotal Phase III clinical trials to ensure patient safety and recommend possible amendments to the protocol in case of unexpected effects. As specified in the protocol. The DSMB met twice in 2015, and once again in April 2016, and as always from the actual start of the trial, issued unanimously positive recommendations to continue the study without any changes, which confirms the good tolerance of Livatag®.

Strengthening industrial protection of Livatag®

Livatag® is currently protected by two (2) robust patent families; the first one protecting the first generation of doxorubicine nanoparticles until 2019, and the second one covering the administrative schema until 2031/2032, depending on territories.

6 Source: O'Connor et al. J. Clin. Onc. 33, 23 (2015)
7 Source: Abstracts No. 114 and No. 5480– AACR, April 2015
8 Source: Abstracts No. 10516, No. e13581 and e18564 – ASCO, May 2015

In 2015, the Company filed an additional patent application based on a specific composition of Livatag® nanoparticles. This application was filed in the United States and Europe and will be extended to other regions, including several Asian countries, during the examination procedure. If it is issued, this patent will extend the industrial property and market exclusivity of Livatag® internationally until 2036.

Launching an ambitious research program to evaluate the efficacy of Beleodaq® (belinostat) and Livatag® in new therapeutic combinations.

At the end of 2015, the Group initiated a pre-clinical research programme aiming to combine belinostat and Livatag® with other types of anti-cancerous agents such as conventional cytotoxic, targeted therapies and new immunotherapy products such as checkpoint inhibitors, particularly promising class of oncology drugs.

The purpose of this new research program is to identify the most promising synergies in terms of efficacy and tolerance, and thus to extend the potential of the Group's key products by positioning them in the first line of treatment in the indications currently targeted by Livatag® and belinostat, and to aim for new indications to maximise the potential of each program.

The combination of treatments corresponds to an oncological paradigm, intended to enhance the efficacy of existing treatments or development, by combining their methods of actions to create a synergistic event. This approach is supported by several publications in scientific literature. Results have already been obtained by the Group's R&D teams, and confirmed by the positive results of the BelCHOP study.

To accelerate this research programme, the Group set up three collaborative projects with centres of excellence and organisations specialising in oncology research:

- The first one with the Department of Research of the Croix Rousse Hospital and the Cancer Research Centre in Lyon led by Professor Philippe Merle, MD, Ph.D., principal investigator of the ReLive study and international expert in primary liver cancer. It will focus on identifying the potential synergies between Livatag® and belinostat, and treatments in current use or being developed in the treatment of HCC.
- The second one with the Synovo GMbH CRO (Contract Research Organisation) research body, based in Germany and specialising in immune-oncology. The purpose of this collaboration is to explore the potential of belinostat and Livatag® in association with new immunotherapy agents.
- The third with the Centro de Investigación Médica Aplicada of the University of Navarra in Spain, a leading European research institution dedicated to translational medical research in several areas including Oncology and Hepatology. This collaboration will build on the first results obtained by the Croix Rousse Hospital and the Cancer Research Centre in Lyon and Synovo, to build more specifically the understanding of the immune mechanism mediating the combinations' anti-tumor activity with anti-PD-1 and anti-CTLA-4 check point inhibitors in HCC.

A first series of pre-clinical data should be obtained during the first half of 2016. A development in humans could then be initiated within 12 to 24 months for the most promising combinations.

Validive® (clonidine Lauriad®): Final positive results of the Phase II clinical trial in the prevention and treatment of severe oral mucositis presented as part of three international congresses (ASCO, MASCC/ISOO and ASTRO)

The international double-blind placebo controlled randomised Phase II study compared the efficacy and tolerance of mucositis Validive® tablets at doses of 50 µg and 100 µg administered once daily to those of a placebo in the prevention of severe oral mucositis caused by radiotherapy and/or chemotherapy in 183 patients with head and neck cancer.

The positive results showed that severe oral mucositis (grade 3 or 4) appeared in a lower number of patients in the group treated by Validive® and that the patients of the Validive® group who developed severe oral mucositis received a higher dose of radiotherapy, showing that Validive® allows the administration of high doses before the appearance of severe oral mucositis. Validive® displayed a good tolerance profile.

In early 2015, the Group presented the full positive results of this clinical trial during the annual congresses of the American Society of Clinical Oncology (ASCO)[9] and the International Society of Oral Oncology (ISOO) as well as during the international symposium of the Multinational Association of Supportive Care in Cancer (MASCC), dedicated to cancer supportive care. Very good data adherence and tolerance of the clinical trial were, for their part, presented during the annual congress of the American Society of Radiotherapy Oncology (ASTRO)[10].

The study's advisory committee, composed of internationally recognised experts, found that these data justified continuing with the Validive® development programme. To validate the expected upstream development plan, the Group sought in early 2015 the prior opinion of the relevant US and European regulatory agencies (Food and Drug Administration and European Medicines Agency, respectively). Despite recognition from both agencies of Validive®'s interest and value to patients, these discussions have confirmed that two Phase 3 clinical trials will be required for registration in the US, which makes the further clinical program significantly longer and more costly than expected. Therefore, the Group has decided it is in the best interest of its shareholders to move forward with this Phase III program only with the support of a partner. While actively seeking for such collaboration, the Group will continue to promote the scientific value of Validive® through presentations at meetings.

B. Other products dedicated to partnerships

During the first half of 2015, the Group in parallel continued to develop its non-strategic products Sitavig® and Loramyc®/Oravig® through partnership agreements:

- Signing of a licensing agreement in July 2015 with the pharmaceutical company Bruno Farmaceutici for the marketing of Labiriad® (acyclovir Lauriad®) in Italy. The product launch commenced at the end of March 2016.
- Signing of a licensing agreement in March 2015 with Dara BioSciences for the marketing of Oravig® in the United States and possibly in Canada. The marketing in the US began at the beginning of the last quarter of 2015. In December 2015, Dara was acquired by Midatech Pharma PLC. Innocutis Holding LLC, with whom the Group had signed a licensing agreement for the marketing of Sitavig® in the US and Canada, was bought by Cipher Pharmaceuticals, a Canadian company whose strategy is to become the leader in dermatology in the US, in particular through Sitavig.
- Continued agreements in Asia and Latin America for Loramyc® and Sitavig®, with the local partners responsible for the development and registration required for marketing the products.

[9] Source: Giralt, J. et al. J Clin Oncol 33:5s, 2015 (suppl; abstract no. 6058)
[10] Source: Presentation No. 1139 – ASTRO 2015

C. Governance:

Changes in the Board of Directors

In October 2015, Mr Joseph Zakrzewski joined Onxeo's Board of Directors as a permanent member in order to be appointed director and non-executive Chairman of the Board of Directors at the beginning of 2016. Mr Zakrzewski has more than 25 years of international experience in the health/biotech sector. In particular, he held several management positions with US biotech companies, as well as in the area of risk capital.

Mr Patrick Langlois, non-executive Chairman of Onxeo in 2015, resigned from the Board of Directors for personal reasons on January 22, 2016 and was replaced by Mr Joseph Zakrzewski.

Moreover, the General Meeting of Shareholders of April 6, 2016 voted in favor of the nomination as Directors of Dr Jean-Pierre Kinet, Professor at the Faculty of Medicine at Harvard and Dr Jean-Pierre Bizzari, an international oncology expert. Both are leading figures in the field of drug development and have over 30 years' experience in the US pharmaceutical and biotechnology industry. Their appointment as directors is subject to shareholder approval at Onxeo's next Shareholders' General Meeting. Dr. Kinet and Bizzari had joined the board in January 2016 as observers.

Changes in the management team

To support the implementation of its strategic growth plan and assist with the acceleration of its development, in early 2015, Onxeo also strengthened its management team by appointing key individuals to the posts of Director of Research and Development (R&D), Director of Human Resources and Director of Partnerships.

2.2 Important events since the closing of the accounts

Acquisition of DNA Therapeutics and a new class of siDNA drug

On 25 March, the Group announced the closing of the acquisition of DNA Therapeutics and its innovative technology breaking the cycle of tumor DNA repair (siDNA), for €1.7 million in ordinary Onxeo shares. Additional remuneration will be paid in the form of milestone payments, that is €1 million in shares or in cash, at Onxeo's discretion, when the product enters Phase II for a selected indication. Finally, should the product be placed on the market, is the Group expects that the payment of royalties on sales will reach €25 million per indication[11].

No proforma information is included in this Reference Document following the acquisition of DNA Therapeutics, given the non-significant impact of DNA Therapeutics in the group's financial accounts.

Simultaneously with the acquisition, certain DNA Therapeutics' historical shareholders invested an aggregate amount of €1 million in cash in Onxeo through a private placement reserved to a limited number of investors, showing their full support to Onxeo and AsiDNA. These two transaction resulted in the issuance, respectively, of of 553,819 new shares at a price per share of €3.01, and of 364,958 new shares at a price of €2.74.

This acquisition reinforces the Group's orphan oncology product portfolio and positions the Group in a new cutting-edge field of oncological, clinical, and scientific progress: DNA repair. The siDNA (signal-interfering DNA) technology, developed by DNA Therapeutics, acts upstream of multiple DNA repair pathways, at the level of detection and signaling of the damage, and breaks up the DNA repair cycle without damaging healthy tissue.

[11] No proforma information is included in this Reference Document following the acquisition of DNA Therapeutics, given the non-significant impact of DNA Therapeutics in the group's financial accounts.

A "first-in-class" product derived from this new class of drugs, formerly known under the name of DT01 and today referred to as AsiDNA, has already proved its safety profile for intra-tumoral and sub-cutaneous pathways, in combination with radiotherapy in Phases I/IIa, among patients suffering from metastatic melanomas[12]. The Group now proposes ongoing development of this first-in-class drug for systemic administration as single agent therapy or in combination with other treatments for various types of solid tumors. The development will be launched after the initial optimization of the manufacturing processes.

The Group is convinced of the major therapeutic potential of the AsiDNA technology and the innovation it represents for patients suffering from rare cancers. It can be used for a broad spectrum of indications, in monotherapy or combinations. Finally, AsiDNA has the potential to generate many short- and long-term growth catalysts, creating value for the Company and its shareholders.

Creation of a subsidiary in the United States: Onxeo US

The Group has been strengthening its activities in the United States for several years now, to reinforce the Group's visibility and programs in the medical community, the pharmaceutical and biotechnology sectors, as well as the investor community in the United States.

In 2015, Onxeo's US strategy accelerated with the entry of Mr. Joe Zakrzewski to the Board of Directors, with a view to replacing Patrick Langlois as Chairman of the Board of Directors in early 2016. Moreover, the Board of Directors now also includes two new members, Mr. Jean-Pierre Bizzari and Mr. Jean-Pierre Kinet (see above).

The opening of a US subsidiary in New York, announced in March 2016, marked a new stage in the implementation of the Group's US strategy. Philippe Maitre will lead the subsidiary as Executive Vice President & Chief of US Operations, aiming to accelerate the Group's growth thanks to the development of close relations with the scientific and financial communities in the US. P. Maitre has over 35 years' experience in the pharmaceutical and biotechnology industry, including approximately 15 years in listed US companies.

Financial information for the first quarter of 2016

Revenues for the first quarter of 2016 totaled €782K compared with €918K in the first quarter of 2015. As of March 31, 2016, consolidated cash position amounted to €24.4 million.

2.3 Foreseeable development and future outlook

The Group plans to continue its value creation strategy based on developing innovative therapeutics for severe and rare diseases, especially in oncology, and is planning on the following major catalysts for 2016 growth:

- Beleodaq® (Belinostat): preparation of the extension of the indication to the first line of treatment of PTCL, with the US partner, Spectrum Pharmaceuticals; results of the belinostat pre-clinical studies combined with other anti-cancerous agents to assess the potential of the product in new indications.
- Livatag® (doxorubicine Transdrug™): Continuing with the ReLive Phase III study; results of the Livatag® pre-clinical studies combined with other anti-cancerous agents to assess the potential of the product in new indications.
- AsiDNA: optimization of the manufacturing process and preparation of clinical development programs (Phase I) in monotherapy and combination.
- Validive® (Clonidine Lauriad®): Active search of a partner to launch the Phase III program.

[12] NCT01469455

Onxeo considers that, in light of its current activities, it has no specific comments to make on trends that might affect its recurring revenue and its general operating conditions since the date of the last financial year ending 31 December 2015, up to the publication date of this Reference Document.

Main investments for the future; future funding policy

The Group's main investments will focus on research and development. With a stronger cash position of €33,792,000 at 31 December 2015, the Group has sufficient visibility to carry out its projects during 2016 and will regularly seek opportunities to consolidate its financial resources by signing new licensing agreements or by additional market-based financing.

2.4 Social and environmental information

In accordance with the provisions of Article L. 225-102-1, R. 225-104 and R. 225-105 of the French Commercial Code, the Reference Document includes the information relating the social, environmental and societal impact of the Group's activities - the "Social and Environmental Responsibility Report".

The information contained in this Social and Environmental Responsibility (SER) Report by Onxeo has been established based on internal contributions from the Human Resource Department and Quality Department. Activities are coordinated by Executive Management. The list of indicators was defined in accordance with the French ministerial decree relating to SER matters.

The information published reflects the Company's desire for transparency and its wish to objectively describe its most relevant historic and newly-engaged activities that reflect its commitment to SER. The process for collecting SER information and indicators will be reviewed and optimized each year.

The has taken into account the following elements of the aforementioned Decree that are judged to be both relevant and significant in terms of its core business and its current and future challenges:

- Social information: employment, work organisation, social relations, health & safety and training.
- Societal information: relations with stakeholders.
- Environmental information: pollution and waste management.

Accordingly, the following sections of the SER Decree of April 24, 2012, are excluded due to a lack of relevance or the information was judged to be insignificant in view of scale or effect:

- Release of greenhouse gases, adapting to climatic change: The Group's activities are not subject to the issues raised by greenhouse gases and its sites are not located in areas subject to major climatic constraints.
- Biodiversity: The Group is not directly affected by biodiversity protection issues as the risks associated with raw materials are limited. By way of example, according to tests performed, both Loramyc® and Sitavig® present no risk to the environment due to their patient applications.
- Sustainable use of resources, energy consumption, measures taken to improve energy efficiency and the use of renewables, water consumption and supply based on local constraints: as these products are outsourced, and the Group does not have an industrial site, the impact on these issues are related to the activity of two laboratories and R&D offices and are thus limited.
- Land use: the Group's activities do not have any particular impact in terms of land use.
- Visual and noise impact of the Group's activity on the environment: the impact is limited, as the Group's business causes no visual or sound nuisance. Moreover, R&D activities are strictly supervised to ensure that there are no emissions of aqueous or gaseous waste from dangerous products (see section on Pollution and Waste Management).

- Local, economic, and social impact: Due to the Group's size and limited workforce, the impact in terms of employment and regional development, as well as on neighbouring and local populations, is insignificant.

The period covered by the collected data is calendar year 2015 In order to provide a comparative base for the Group's activities, data for the year 2014 is also provided.

The scope of consolidation includes Onxeo and its subsidiaries within the meaning of Article L.233-3 of the French Commercial Code.

2.4.1 Social information

Outside of section 2.4.1.A(e) pertaining to Onxeo's Danish office (which has five employees as of December 31, 2015), the following social information refers solely to the Company and its offices in France ; the subsidiaries having no employees and DNA Therapeutics' employees are not included in the 2015 figures as the acquisition took place in 2016.

A. Employment and remuneration

a) Human Resource Policy

The Group's human resource policy endeavours to support and accompany the Group's momentum and strategy.

By its actions, the Human Resource Department aims at creating the necessary conditions:

- For improving individual and collective performance;
- For employee development by providing access to training;
- And to promote a culture of managerial excellence.

The Group meets all legal requirements for information and consultation of the social partners and maintains a concerted permanent dialogue with them.

The Group's employment policy is based on objective criteria and individual merit. Professional equality is thus granted to employees without distinction of race, colour, religion, sex, handicap, family status, sexual orientation, age and national or ethnic origin.

b) Total Group headcount at 31 December 2015

The total number of full-time equivalents is 47.4 employees (44.4 indefinite-term contracts, 1 fixed-term contracts and 2 trainees). The breakdown is 38.4 executive, 7 non-executive and 2 trainees. Onxeo subsidiaries have no employees.

Distribution of the Group headcount by categories as of December 31, 2015

The table below details the distribution within the Group between men and women as of 31 December 2015 by category:

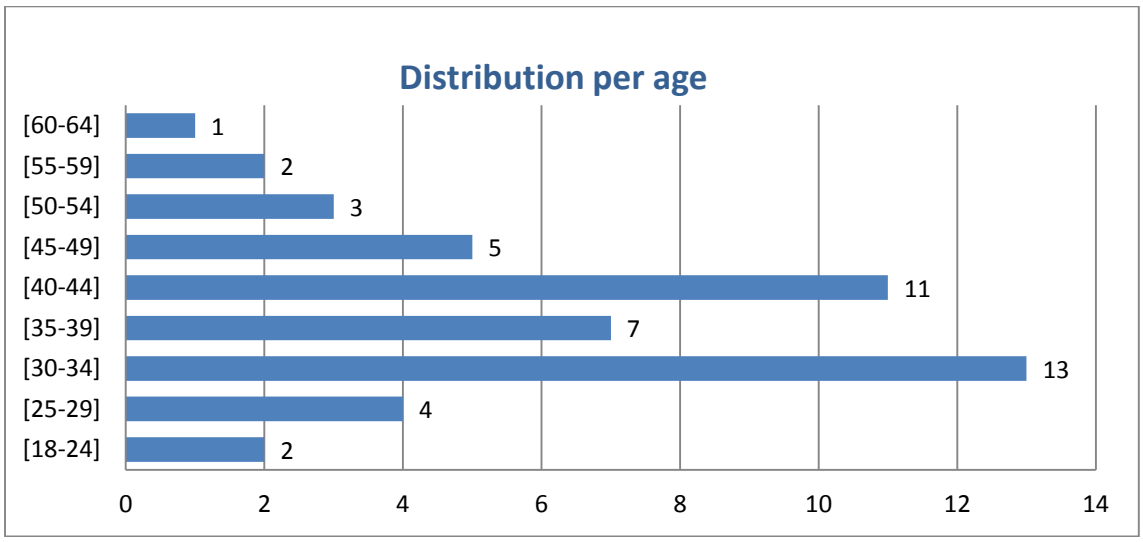
	Women	Men	*Total*
Executive	25	13	*38*
Non-executive	5	2	*7*
Trainee	2	0	*2*

Managing executive	1	0	*1*
Total	*33*	*15*	*48*
	Women	Men	*Total*
Fixed term	1	0	*1*
Permanent	29	15	*46*
Managing executive	1	0	*1*
Trainee	2	0	*2*
Total	33	15	*48*

Distribution of the Group headcount by age (men and women combined) as of December 31, 2015

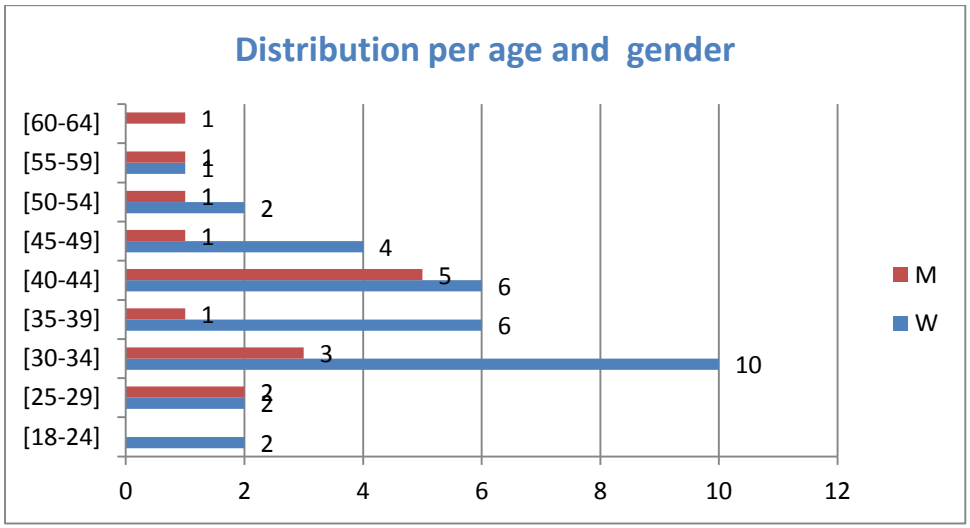
As of December 31, 2015, the average age was 38 years (with 33 years for women, and 40 years for men).

The below graph shows the Group age distribution by age as of December 31, 2015:



Distribution of the Group headcount by age and gender as of December 31, 2015

The below graph shows the breakdown of employees by age and gender as of December 31, 2015.



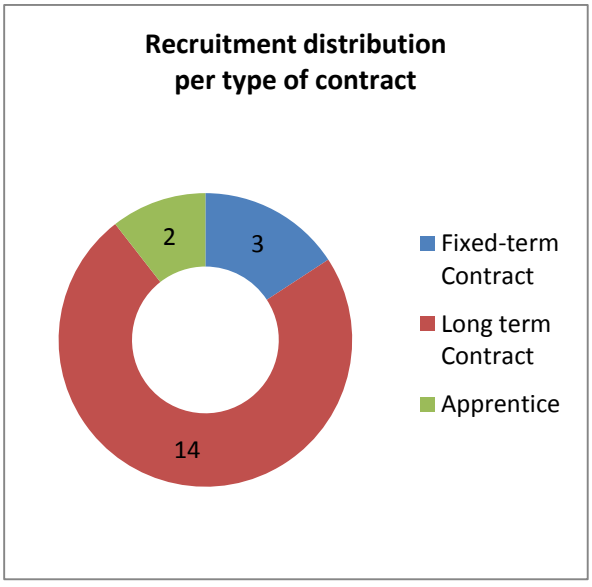
Distribution of the Group headcount by geographic area as of December 31, 2015

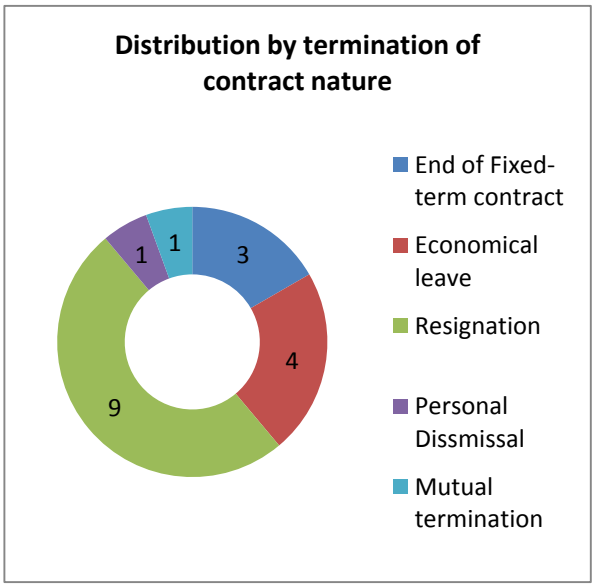
All of the Group's employees are based in France.

c) Staff turnover in 2015:

at Company level:

- New recruits: 19 salaried employees, 14 permanent, 3 fixed-term and 2 trainees.
- Departures: 18 employees - 9 resignations, 4 redundancies 3 at the end of their fixed-terms 1 conventional dismissals and 1 lay-off.





d) Remuneration policy within the Company

Onxeo's remuneration policy is based on the following three main principles:

- Performance recognition;
- External competitiveness;

- And experience in the job and function.

All employees receive a fixed salary and variable compensation linked to individual as well as Company performance.

The table below shows the average increase by status of employees' base salary of the Group, employed full-time, permanent and registered as of February 1, 2015 and having more than one year seniority:

STATUS	Average individual increases in 2015	Average individual increases in 2014
Executive	3.34%	1 %
Non-executive	2.68%	1 %

A salary benchmark was recognised in 2015 for all Company employees. This benchmark revealed that wages at Onxeo were broadly in line with the market. Random checks were carried out where necessary on certain salaries or when hiring new employees. The aim is to check the relevance, integration, and consistency of proposed salaries with the rest of the team and vice versa.

In 2015, the salary increase for women was slightly higher than for men.

All employees on open-ended contracts with at least four months' service also benefit from stock option plans passed at the General Meeting, which are implemented each year by the Board of Directors. During fiscal 2015, the Board of Directors allocated 48,500 stock options to 51 non-executive employees of the Company (including employees in the Danish office). These allocations have exercise periods of 4 years, 25% exercisable at the end of each year elapsed from the date of the grant and at the latest within 10 years of their allocation by the Board.

e) Danish office

As of December 31, 2015, Onxeo's Danish office, located in Copenhagen counts:

- 5 employees, 1 male, all permanent, full-time.
- Average age is 49 years and average seniority is 9.2 years
- The remuneration policy, and distribution of stock-options is the same as in Onxeo headquarters in France

There were 3 resignations in 2015

f) Employee shareholding

At of December 31, 2015, Onxeo employees held 3.30% of the Company's total share capital (fully diluted basis), through shares and stock-options.

B. Organisation of working time and absenteeism:

a) Organisation of working time

In accordance with the terms of the Working Time Organisation and Reduction Agreement of July 11, 2007 - an agreement that cancels and replaces the agreement of February 28, 2002 relating to the same issue, working time within the Company is calculated on an annual basis at 218 days per year for all executive grades and on the basis of 36 hours 45 minutes per week for non-executives.

Two employees work on an 80% part-time basis as of 12/31/2014.

The Company hires temps during peak business periods.

b) Absenteeism

The main reasons for absenteeism in 2014 and 2015 were sickness and maternity leave.

In 2015, sick leave lasting less than a month amounted to 245 business days against 193 in 2014, and leaves of more than a month came to 138 calendar days against 219 in 2014.

Maternity leave represented 656 calendar days in 2015 against 449 in 2014.

As for work-related accidents, there were no accidents in 2015 compared to 1 commuting accident equal to 13 days in 2014.

The Company did not record any therapeutic part-time absences over the last two years.

C. Labour relations

a) Labour relations and description of collective bargaining agreements

Labour dialogue is conducted by the Executive Management with the employee representatives. Employee delegates and Workers' Committee monthly meetings were held during the year ended December 31, 2015.

b) Staff representatives

The Single Delegation of Personnel, renewed in 2012, in 2015 includes: 2 members from management and 1 non-executive member. The mandate of the Single Delegation of Personnel will be renewed in 2016, upon expiry of its mandate.

The Company shall ensure that the rights and freedoms of the staff representatives are strictly respected, and that they have the same prospects for professional development and training than other employees.

The management and staff representatives together freely agree upon common provisions ensuring the development of a social policy of quality and progress through the maintenance of a permanent and constructive social dialogue on subjects relating to the Company and its employees.

c) Principle agreements

The main collective bargaining agreements in force within the Economic and Social Unit formed between Onxeo and Onxeo Laboratories are the following:

- The Reorganisation and Reduction of working hours agreement dated July 11, 2007 - an agreement superseding the agreement of February 28, 2002;
- A company charter relating to the system for employee inventors, concluded on March 17, 2006 and updated on February 26, 2013, to encourage innovations, the Company’s core business;
- The collective agreement dated July 11, 2007, on the change from the collective agreement that applies to the Company, the Collective Bargaining Agreement for Chemical Industries to that of the Pharmaceutical Industry as of October 1, 2007;
- Company collective agreement of July 11, 2007 covering pension and healthcare schemes.

Finally, each year the Company submits a report to the Works Council summarising part-time work in the Company, employment trends, qualifications, training and salaries, the situation compared to general employment and training conditions for men and women, and measures concerning the employment of disabled workers in the Company.

In accordance with Article L.225-37-1 of the Commercial Code, this report is presented to the Board of Directors Meeting during the first quarter of 2016.

D. Health & Safety

a) Occupational Health and Safety (OH&S)

The Group activities include office work and pharmaceutical product research and development. These activities involve general risks applicable to any company - fire, electrical, travel related risks and specific risks related to R & D activities. All these risks are assessed, managed and controlled by the OH&S system put in place by Onxeo and presented below.

b) Health and Safety Department: presentation and assignments

To ensure the health and safety (H&S) of its employees, Onxeo has a health and safety department that ensures the prevention of occupational risks and the implementation of H&S actions. It is responsible for the prevention and management of the risks inherent in the Company's business.

c) H&S Policy

The Company's health and safety policy is based on the following principles:

- The staff operates responsibly and in complete safety;
- The Company strictly complies with H&S legislation;
- H&S is an integral part of all projects, processes, decision-making and planning activities;
- Any incidents and H&S issues are deferred and evaluated so that they are accompanied by corrective and/or preventive action;
- The Company promotes a policy of continuous H&S improvement;

With daily attention to the work, health and safety of its employees and the environment, and in focusing on spreading good practices and preventive actions, the H&S policy is an integral part of sustainable development and the corporate social responsibility policy.

H&S performance: evaluation of 2015 H&S activity

The main 2015 actions carried out in the H&S field concerned:

- Annual updating the Document on Onxeo occupational hazards in accordance with the Decree of November 5, 2001. Audits and regulatory controls of electrical installations and fire extinguishers in accordance with standards and regulations in force. These audits resulted in the issuance of Q18 and Q4 certifications.
  Training: The training of personnel is important in terms of risk prevention and meeting general safety requirements. For staff working in labs, H&S training is complemented with laboratory safety, chemical risk prevention and especially biological carcinogenic mutagenic reprotoxic substances, and related equipment. In addition to training newcomers, H&S training sessions are carried out by the H&S Department. The purpose of these training sessions is to stress laboratory dangers and risks, apply good practices and safety prevention measures in the laboratory, as well

as ensure anticipation and appropriate action of personnel when facing a delicate situation or in the potential case of an incident. In June and December 2014, the H&S Department conducted three training sessions dedicated to the prevention of risks in the laboratory attended by the entire staff of the laboratory.

- Update of safety notes
- Designation and training of teams in charge of the handling and use of fire-extinguishers
- Formation of working groups in consultation with the H&S Department regarding the reorganization of work premises the optimize the work flow and facilitate communications among departments within the Company; and the creation of a "war room" to facilitate collaborative work on Company projects;
- Initiation of a 3-pronged H&S audit regarding the organization, documentation and laboratory work;
- Evaluation of preclinical studies of belinostat (Beleodaq®) and small-scall pre-formulation testing.

H&S legal and regulatory developments are closely watched at Onxeo. This makes it possible to keep up to date regarding regulatory changes affecting the Company.

Prevention and protection in terms of occupational health and safety receives constant attention at Onxeo; investments have been made in this area, notably concerning the purchase and maintenance of collective and individual protection equipment and expenditures associated with regulatory inspection and assessment. Total H&S investment amounted to nearly €19,770 in 2015.

d) 2016 H&S Program

The H&S program has been established to meet regulatory obligations and is designed to achieve continuous improvement.

The main commitments for 2016 include:

- Training of new members of the H&S Committee;
- Updating the Unique Document of both the Chevrons location and the Chatenay-Malabry laboratory;
- Carrying out internal H&S audits;
- H&S training sessions;
- Running the fire drills;
- Regulatory electrical and fire extinguisher controls;
- Ongoing: product management, risk assessment of new activities, updating H&S documents, and regulatory monitoring;
- H&S monitoring, particularly regulatory monitoring;
- Purchase and maintenance of PPE;
- EPEC Maintenance;
- And Waste Management.

The 2015 annual report on hygiene, safety and working conditions and the 2016 annual H&S program will be presented to the members of the Health and Safety Committee during their regular session in March 2016, in accordance with Article L4612 of the French Labour Code.

e) Summary of agreements signed with the H&S staff representatives

The updated version of Onxeo Internal Rules was presented on December 18, 2013 by the Executive Management to the HSC for advice on hygiene, safety and working conditions in the Company. The members of the HSC issued a favourable opinion on the implementation of the 2014 internal rules on the advice of the Works Council and after the filing and publishing formalities.

No new text was signed in 2015 on Occupational Safety and Health.

f) Occupational illnesses and work accidents

In 2014, the work-related accident frequency rate, work-related accidents commuting rate was 24.1 and the severity rate was 0 and work-related accidents commuting severity rate was 0.16, due to a commuting accident, which resulted in a work stoppage of ten calendar days plus another three business days.

In 2015, the work-related accident frequency rate (TF0), the work-related and work-related commuting (TF1) and the severity rate (TG0) and work-related accidents commuting severity rate (TG1) were 0 as there were no work-related or work-related commuting accidents.

An accident is considered to be a work accident, irrespective of the cause, if it occurs due to or during work and affects any salaried or other person working for whatever reason and at whatever location, for one or several employers or managers. A work accident is also any travel accident that occurs over the normal route of the employee between:

- The place of work and one's main residence - or secondary residence if this location is stable in nature (a weekend home, for example) or a place at which they are staying for family reasons;
- And the place of work and that in which they normally take their meals (restaurant, canteen, etc.).

There were no occupational illnesses since 2014. Occupational illnesses are those resulting from exposure to risk at one's workstation.

E. Training

a) Development and training

The Company continually strives to offer its employees quality opportunities for training and development which are adapted to the needs of the Company and the specific requirements of each job. Broken down into two parts: training programs to promote managerial skills and technical training related to the expertise required by different jobs.

b) Investment in training and development

In order to enhance individual and collective performance, the Company's training plan sets out the investment levels necessary to meet the strategic needs of the Company in the short and medium term.

In 2015, the focus was placed on the following three areas:

- The upgrading and acquisition of the technical know-how required to successfully complete the Company's projects;
- The development of management techniques and practices;
- And the improvement of the staff's level of English for those operating in an international environment (65% of total Onxeo staff)

In 2015, the Company committed a total of €70,023 on continuous vocational training, including €38,702 on external trainings conducted as of December 31, 2015, nearly 1.53 % of the total payroll, in addition to contributions due under Individual Training Leave and professionalization. This represents an investment in of
€1,075.05 per employee trained. An important budget optimisation effort was made in 2015 without decreasing the overall amount of training relative to previous years.

During the year ending December 31, 2015, 1,276 hours were committed to external training (36 employees trained) for a total of 755.50 hours completed, compared to 1,273 hours in 2014.

In 2015, focus was placed on improvement of the staff's level of English to strengthen employees' language skills in link with their day-to-day tasks as well as other cross-functional tasks linked to working in a multicultural environment and international company, following the merger with Topotarget. This impacted 64.5% of Onxeo's employees

The annual training program also includes internal training plans related to Pharmacovigilance, quality insurance, health and safety or within the laboratory.

New comers are systematically trained upon their arrival and training contents in these domains are adapted to their field of activity.

F. Equal treatment

a) Measures taken to promote equality between women and men

Onxeo is a decidedly feminised company - 69 % women compared to 31 % men on December 31, 2015 - and is representative of its sector.

For information, women represent 58% of the workforce in the pharmaceutical industry (source LEEM). The distribution of men/women has been stable for more than 20 years.

According to Pôle Emploi statistics, the proportion of men/women is very different in other industrial sectors and the trend is reversed: there are 29% women for 71% men.

A strong majority of women executives in key positions

- 76 % of women at Onxeo have executive status;
- Several key positions at Onxeo are occupied by women:
    - Chief Executive Officer
    - Head of Corporate Development
    - Head of Human Ressources
    - Head of Preclinical and Pharmaceutical
    - Head of Clinical Development
    - Head of Corporate Business Development
    - Head of Regulatory Affairs
    - Head Accountant
- Hirings for 2014/2015:
  In 2014, two executives were hired, including 1 woman as a Junior Business Law Expert on a fixed-term basis.
  In 2015, 14 executives were hired, including 3 men and 11 women on a permanent basis, 2 women on a fixed-term basis.
- Promotions and/or position changes:
  Onxeo makes it possible for its employees to obtain promotions and internal advancements. Since 2012, for example, the following employees benefited from such measures:

- Business Law Expert: fixed-term to permanent employee
- R&D Coordinator: Fixed-term to permanent employee
- Strategic marketing manager : Market access manager

The Company made sure to have an equal number of women and men among its job applicants, which allowed in 2015 to interview an equal number of women and men. However, as final decisions regarding hiring are based on professional and human skills, hiring did not fully respect gender parity.

b) Professional inclusion of disabled persons

In 2015, the Company did not have any disabled employees. Nevertheless, the Company's employment policy is based on objective criteria and individual merit. Professional equality is shown to all employees irrespective of disability.

A study was made in late 2013 to define a disability action plan and reference protective workstations or adapt specific work to provide certain services or facilities. This action plan was put in place in 2014.

In 2014, a collaborator with disabilities was hired on a fixed-term basis. In addition, specific actions were carried out in connection with ESAT (Instituting Personal Services) such as: packaging, purchasing supplies (paper) or ordering meal trays. In 2015, Onxeo renewed these specific actions with ESAT (packaging, purchasing of papier supplies and ordering meal trays) and extended them to include recycling and archiving

c) Diversity and Non-discrimination

The Company takes care to ensure the equal treatment of its colleagues and a respect for diversity. It refuses any and all discrimination, regardless of the nature, origin, sex, or age, etc. in its hiring practices and during employment. Employee advancement within the Company is linked to merit as well as opportunities and openings that depend on the progress of its projects.

G. Fundamental ILO conventions

The Company takes care to ensure that it complies with applicable regulations and is not aware of any particular issues on this matter.

2.4.2 Environmental information

With product manufacturing being outsourced, the Group does not have its own factories. Business takes place in offices and two R&D laboratories and, consequently the impact of Company activity on the environment is limited.

The Company and the Group operate as a responsible corporate citizen that seeks to limit potential negative impacts of its activity on the environment and respects the main principles aimed at ensuring the protection of human health and the environment.

A. General Policy

R&D activities are strictly supervised to ensure that there are no hazardous aqueous or gaseous emissions from dangerous products (see section 2.2. Pollution and Waste Management).

Internal Onxeo referents are the Health and Safety Department and the Laboratory Manager. Regulatory monitoring is performed jointly by these two departments.

Regular training programs, clearances and workstation notices help maintain the level of security on the activities carried out in the laboratory.

Associated costs regarding air treatment, the accreditation of waste management contractors and the administration of waste monitoring documentation are the responsibility of the Laboratory Manager.

The Company is not subject to the rules applicable to installations classified under environmental protection.

Currently, the Company has not commenced any certification process.

a) Training & information concerning environmental protection:

The training of each new arrival incorporates environmental awareness. This awareness centers on the management of waste paper and energy savings.

Communication campaigns are also conducted on the theme of sustainable development and energy consumption.

b) Resources devoted to the prevention of environmental risks and pollution

The resources devoted in 2015 to the prevention of environmental and pollution risks relating to R&D with costs for:

- Central air treatment and conditioning: 21.877 €, including maintenance and repair, air-treatment systems and materials maintenance contracts.
- Waste management by various service providers: 5.537 €

c) The amount of provisions and guarantees for environmental risks.

There are no provisions or guarantees related to the environmental risks.

B. Pollution and waste management

a) Preventive measures and reduction of emissions into the air, water and soil

Gaseous releases

The Group facilities meet the recommendations issued by the INRS (national institute for research and safety) concerning emission controls.

The R&D laboratory is equipped with an air treatment unit. The laboratory air is extracted only after having been processed by suitable filters including HEPA (High Efficiency Particulate Air).

Contaminations generated at workstations are confined and the air extracted at these workstations is filtered at a level corresponding to recommendations and guidelines.

The rules of technical controls and maintenance ensure the reliability of the systems in place.

Specific training for the different workstations and procedures put in place are also sufficient to ensure good operating conditions and avoid releases into the environment.

Aqueous releases

No aqueous effluent of a hazardous product has been released into the environment by the Group: all hazardous waste and unused liquid products are managed and processed by approved service providers.

b) Recycling and disposal of waste prevention measures

Data on waste tonnage produced is not consolidated due to their insignificant nature in terms of the the Group's activities. However, the Group has implemented measures aimed at improving waste management.

Recycling of waste paper and packaging.

Most waste paper and packaging is sorted and recycled.

c) Disposal of waste (specific pollution)

Laboratory waste is of two types: non-hazardous and hazardous.

Non-hazardous waste does not require special treatment. Hazardous waste, however, is sorted according to the risks presented; it is stored securely in the laboratory before contractors specialized in the treatment of chemical and biological waste come to take it away.

All new employees are entitled to a Hygiene & Safety overview. In the laboratory, this overview includes additional training on all instructions and rules specific to the laboratory including waste management. Specific training or clearances are then provided.

2.4.3 Societal information

A. Relations with stakeholders

a) Shareholder and investor relations

All shareholders have access to full, transparent and clear information that is adapted to the needs of the individual and can be used to make an objective assessment of Onxeo's growth strategy and results. This financial communication policy aims to ensure that all shareholders have access to information that complies with usual market practice.

A very diverse array of public documents including regulatory information covering the Company's business activities, strategy and financial position are available on the Company's website under the heading Investors, in French and English, and on request from Onxeo Executive Management. Email us at contact@onxeo.com or investors@onxeo.com to directly receive annual reports, institutional brochures, and press releases.

As part of the regulatory information required of a listed Company, Onxeo publishes various annual and other periodic information. Financial information is complemented by press releases aimed at the financial community and the wider public, concerning subjects of significant importance to better understand the Company's business activities and strategy. The Company holds periodic meetings with fund managers and financial analysts to explain the Group's challenges, products, plans and results.

In 2015, the Group also gave over one hundred and fifty individual presentations to institutional investors, primarily in France and the US.

b) Sponsorship

Currently the Group does not pursue any sponsorship activities.

B. Outsourcing

The Group focuses its activity, its human resources and its know-how developing and registering innovative drugs. To this end, it contracts out clinical trial and manufacturing activities, alongside services in the fields of security, premises maintenance and computer maintenance.

The Group's products require ever more extensive, and therefore ever more costly, clinical trials as development progresses. Accordingly, any product evolving in the various stages of its clinical development and moving ever closer to the marketing stage will require increasingly significant resources. Clinical trials conducted thus far, notably in Europe and the United States, have therefore been mostly performed using the services of subcontractors. The industrial development phase, in anticipation of marketing the product, enables large-scale reproduction of processes developed during the preclinical and clinical trials. This phase is generally initiated only when the products have proved their effectiveness. The Group uses certified subcontractors to carry out these scale changes.

The supplier selection and audit process is carried out in line with pharmaceutical industry regulations, Good Manufacturing Practice, Good Clinical Practice and Good Laboratory Practice.

The Group's subcontractors are audited following contract signature and are also a contractual requirement for key production stages and the delivery of outsourced products.

The Group, in its subcontractor selection criteria, aligns adequacy with need, quality and the associated cost; social and environmental criteria, however, are not decisive at this time.

C. Fair commercial practices

The risk of corruption is deemed low or zero vis-à-vis the Group or coming from its employees. The Group is not involved in winning public market contracts or tender offerings. For this reason, the following ethical elements were developed.

a) Adoption of a code of ethics

Onxeo shares trade on Euronext Paris Stock Exchange. Accordingly, all activities affecting Onxeo shares are regulated, notably the purchase, sale and free allocation of shares and stock options.

Onxeo introduced a Code of Ethics in line with AMF recommendation no. 2010-07 dated November 3, 2010, in accordance with the Middlenext guide "Managing Privileged Information and Prevention of Insider Misconduct" dated December 2011 (the “MiddleNext code”), which covers the rules that apply to inside information, the duties incumbent on persons in possession of inside information and prevention systems to be implemented by the Company.

This Code applies:

- To all salaried persons whose names appear on lists of internal and external persons with access to inside information, namely, and due to the size of the Group and its information circuits this applies to all employees of the Group and contractors and consultants working on behalf of the Group;
- To Directors, the Chairman of the Board of Directors, the CEO and Executive Vice Presidents.

b) Managing conflicts of interest

As provided for in the Board of directors’ charter, each board member thrives to avoid any conflict between his own moral and material interests and those of the Group. Prior to joining the board of directors, he/she shall inform the board of any actual or potential conflict of interest in which he/she would be directly or indirectly involved.

In case a conflict of interest would appear during his/her mandate, the involved board member must inform the board of directors as soon as possible, abstain from participating in discussions and decisions relating to the matter at stake and if needed resign.

When no information is given by a board member, it is understood that no conflict of interest exists.

c) Consumer health and safety measures

Measures taken to ensure the integrity of consumer health and safety are covered by the Group's compliance with Good Manufacturing Practice and Good Laboratory Practice, as well as with French and international regulations relating to clinical trials and the rules of pharmacovigilance. Legislative and regulatory provisions defined by the ANSM (National Drug Safety Agency) in France, the European Commission, EMA (European Medicines Agency) in Europe, the FDA (Food and Drug Administration) and equivalent regulatory authorities in other countries provide a framework for research and development activities, preclinical and clinical studies, regulation of pharmaceutical establishments and drug manufacture and marketing. Regulation applicable to the main regions in which the Group operates is based on procedures defined by the ICH (International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use). This regulatory frame is detailed in the annual Reference Document.

d) Protection of human rights

The Group takes care to ensure that it complies with applicable regulations and is not aware of any particular issues on this matter.

3. RESULTS AND FINANCING

Financial background

Information describing the change in the financial situation and the result of transactions made during the financial years corresponding to historical financial data is included by reference in this Reference Document:

- Section 3 of "Management report and financial position" in the pages 11-35 of the 2014 Reference Document submitted to the AMF on 14 April 2015 under the number D-15-0336.
- Section 3 of "Management report and financial position" in the pages 11-33 of the 2013 Reference Document submitted to the AMF on 7 April 2014 under the number D.14-0303.

This section has been extracted from the Management Report approved by the Board of Directors on 26 February 2016. It should be read in parallel with information provided in Chapter 6 of this reference document.

3.1 Results

3.1.1 Presentation of financial statements and allocation of income of Onxeo

Onxeo's annual financial statements have been prepared in accordance with the rules of presentation and assessment methods prescribed by the legislation in force.

Review of the financial statements and results

For the financial year ended 31 December 2015, the Company turnover was €810,000 compared to €457,000 for the financial year ended 31 December 2014. This turnover corresponds mainly to sales of Loramyc®/Oravig® and Sitavig® to licensing partners, which continued to grow in line with market deployment in the United States, and to service charge-outs.

The other products amounted to €2,898,000 including the royalties calculated on sales made by licensing partners for €2,149,000 and the share of payments received on the signing of partnership agreements spread over time for an amount of €749,000. Other income totalled €31,668,000 for 2014. This important difference comes from recognising income for 2014 from two non-recurrent payments received as part of licensing agreements.

- The amounts due and paid by Spectrum Pharmaceuticals as a result of filing and obtaining the MA Beleodaq® in the United States for a total amount of €28.8 million.
- The payment of $2 million (€1.5 million) upon signing the agreement with Innocutis/Cipher.

Operating expenses for the past financial year amounted to €29,231,000 compared to €29,373,000 in 2014 (after consideration of expense transfers) for 2014. Despite this apparent stability, research and development expenses have increased, primarily due to the internationalisation and progress made in recruiting patients into the Livatag phase III trial: they thus reached €16,232,000, compared to €14,834,000 for the preceding financial year. Operating expenses also included depreciation and other allowances totalling €1,742,000 compared to €2.718.000 in 2014, with this change resulting primarily from unrealised foreign exchange differences on the current accounts of foreign subsidiaries. The other operating charges remain stable and display Onxeo’s ability to manage its growth efficiently.

Operating income was negative at (€25,399,000) compared to a profit of €4,955,000 for FY 2014, resulting from exceptional income for 2014.

Financial income was negative at €2,986,000 compared to a profit of €4,338,000 for FY 2014. This change was due mainly to adjustments on foreign subsidiary equity recorded in 2014 and 2015, particularly due to an alignment in accounting methods between the Danish establishment Onxeo DK (formerly Topotarget) and Onxeo FR. For FY 2015, the Company also recorded positive net exchange differences of €838,000 (compared to €3,014,000 in 2014), investment income totalling €334,000 (compared to €1,140,000) with these latter decreasing as a result of lower interest rates and cash outflows. Finally, assimilated interest and expenses decreased as a result of repayment in early 2015 of the advance on current account of Financière de la Montagne.

Current income before taxes was negative (€28,384,000) compared to a profit of €9,293,000 for FY 2014.

An extraordinary loss of (€497,000) was recorded.

The Company recorded for FY 2015 a research tax credit of €3,814,000.

Due to these various items of revenue and expense, the net income for the period produced a loss of (€25,163,000) compared to a profit of €8,522,000 for FY 2014 related to exceptional revenue for 2014.

Appropriation of net income

The Annual General Meeting of Shareholders of April 6, 2016 has voted to allocate in full the loss for the financial year amounting to €25,163,280.46 to the 'losses carried forward' debtor account, which would thus increase from €116,381,345.53 to €141,544,625.99.

In accordance with the provisions of Article 243 bis of the French General Tax Code, as of the fiscal year ended 31 décember 2015, no dividend was distributed during the three preceding financial years.

Non-deductible expenses

In accordance with the provisions of Article 223 quarter of the French General Tax Code, no non-deductible tax expense was incurred during the financial year.

Furthermore, no overheads as per Articles 39-5 and 223 quinquies of the French General Tax Code which are not listed in the special statement have been noted.

Financial Summary

In accordance with Article R 225-102 paragraph 2 of the Commercial Code, a schedule showing the Company’s results and other key items over the last five years is presented section 6.1 page 160 of the Reference Document.

Equity investments and controlling interests at year-end

In accordance with the provisions of Article L 233-6 of the Commercial Code, during the financial year, the Company did not invest in any company having its registered office in France.

Statement related to payment periods

In accordance with the provisions of Article L.441-6-1 of the French Commercial Code, the table below specifies the payment terms for the Company's suppliers for the past two financial years.

	31/12/2015		31/12/2014	
Accounts payable to suppliers	7,689,488		6,674,641	
Including allowances for unforeseen invoices	3,128,472		3,744,898	
Including accounts payable to suppliers	4,561,016	100%	2,929,743	100%
– **Outstanding invoices**	**2,056,286**	**45%**	**1,456,482**	**50%**
including intragroup	23,956	1%	24,183	1%
including litigation		0%	0	05
– **Invoices payable within 15 days**	**314,248**	**7%**	**241,680**	**8%**
– **Invoices payable between 15 and 30 days**	**2,190,482**	**48%**	**1,231,581**	**42%**
including intragroup	1,379,534	30%	0	0%

3.1.2 Presentation of the Company's accounts

The Company's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements posted a turnover of €3,481,000 compared to €22,081,000 in 2014. This increase emanates from the recognition in income for fiscal 2014 of non-recurring payments, paid by licensing partners, namely, and for the most part, an amount of $25 million (€20 million) due and paid by Spectrum Pharmaceuticals as a result of obtaining in July MA for Beleodaq® in the United Stated together with a payment on signing the agreement with Innocutis of $2 million dollars (€1.5 million). Operational charges amounted to €25,657,000, compared to €22,697,000 in 2014 (€24,983,000 in proforma), as a direct result of the increase in R&D expenditure, in particular for the Livatag® programme. After recognition of non-current operational charges for €160,000, of financial income of €602,000 and decrease in the deferred tax liability of €2,448,000, a loss of €19,409,000 was recorded, compared with a loss of €7,699,000 posted for the previous year, related to exceptional income in 2014.

The contribution made by the consolidated companies to the overall result is as follows:

- Onxeo is the main contributor with non-Group turnover of €3,708,000, mainly consisting of income related to Beleodaq® as part of the agreement with Spectrum. The Company covered all research and development expenditure as well as overhead costs, generating a consolidated loss of €21,426,000.
- The UK subsidiary, Topotarget UK, which is entitled to a portion of Beleodaq® revenues as the owner of certain patents, contributed a loss of €191,000 due to the amortization of R&D intangibles.
- The Group's other subsidiaries had limited activity and their contribution to consolidated income was a loss of €248,000.

The impact related to the Company's financial restatements under IFRS rules was an income of €2,412,000, primarily broken down as follows:

- Income of €2,448,000 resulting from a decrease in the deferred tax liability
- A €385,000 charge corresponding to the warrants and stock options as well as the bonus shares granted during the year.
- Income of €111,000 representing a change in pension liabilities for the year.
- Income of €182,000 on the foreign currency translation adjustments account,
- Income of €54,000 from the recognition of a loss on the liquidity contract.

3.2 Cash flow and financing

This section should be read in conjunction with the figures set out in Section 6 of this Reference Document, and in particular the Consolidated Cash Flow Statement and the Consolidated Statement of Shareholders' Equity.

The Group's financial profile

As a biotechnology company focusing on the development of innovative medecines, the Group has a specific financial profile. It is required to fund clinical trials over the long term, which may sometimes prove long and costly, implying negative cash flows from its activities for several years.

The strategic portfolio "orphan oncology drugs" portfolio should nonetheless generate strong medium/long term growth and high profitability coming from licensing agreements or direct marketing in some areas with a small and highly-focused sales force, thus maximizing its revenues.

In addition, Onxeo is determined to maximize the value of its other assets, Loramyc®/Oravig® and Sitavig®, both of which are registered in Europe and the USA, via licensing agreements with international partners, enabling it to boost its cash position in the short and medium term via stage payments from partners and royalties on sales of the licensed products.

Financial position with respect to the volume and complexity of its business

The Group had a cash position of €33,792,000 at year-end and has not contracted any financial debt, except for repayable public grants amounting to €3,283,000.

Research and development costs

Changes in spending on research and development are presented in the table below:

R&D costs	(€ thousands)
2011	7,899
2012	9,258
2013	9,978
2014	14,834
2015	16,350

The main research and development costs related to clinical trials and industrial-scale development of medicines.

The cost of a clinical trial varies but generally remains proportional to the number of subjects involved in the trial. When the development strategy for a new product is defined, trials are initially carried out on a small number of patients before being extended to a wider patient population if there are no contra-indications.

The development of the Group's products requires ever broader trials, which therefore become ever more costly as they progress. Consequently, a product progressing through the various stages of clinical development will require an increasing amount of resources as it nears commercialization. The clinical trials conducted to date, in Europe and the United States in particular, were conducted using internal resources, through partnerships with public research institutes and also, to a great extent, through subcontracting.

The industrial development phase enables production processes developed during preclinical and clinical trials to be reproduced on the large scale, in readiness for product commercialization. This phase is generally initiated only when the products have proved their effectiveness. The Group relies on qualified subcontractors to make these changes of scale and, depending on agreements with such subcontractors, is likely to support specific investments.

Working capital

The working capital requirement (WCR) is negative on December 31, 2015, at €2.6 million, compared to €5.6 million for the previous year. This variation is caused by the increase in customer receivables, the result of putting Beleodaq® on the market, and other receivables, in particular the research tax credit, with the operating conditions being relatively stable otherwise.

The new licensing agreements for its products that the Group will sign in the coming years and the growth of its trade receivables in line with partners' sales growth will affect WCR.

Investments

The Group’s most significant investment to date is the acquisition in 2014, through a merger, of the biopharmaceutical company Topotarget, for a total cost of 88 million euros (IFRS standards), recognised as an intangible asset (R&D asset and goodwill). As part of this external growth strategy, the Group completed a second transaction in 2016 with the acquisition of DNA Therapeutics, closed in March 2016 for a total of 1.7 million euros in shares and recorded as investment in equity.

Outside of the abovementioned transactions and the R&D expenses incurred by the Group, which are recorded as expenses until the products obtain a MA, Company investments are limited and will remain limited over the coming years.

The Group has made the strategic choice of working with external partners for all its basic research activities, for some of its development activities (clinical studies) and also for the production, storage and distribution of its products. Accordingly, the Group’s activity is not highly capital-intensive, the only fixed assets being various fixtures and fittings, as well as office and laboratory equipment, IT equipment and office furniture. At 31 December 2015, total fixed assets represented a net value of 0.8 million euros.

In order to prevent its financial resources being tied up too heavily, the Group gives priority to rental, in particular for the premises of its registered office in Paris, its establishment in Copenhagen and its laboratory. Accordingly, no heavy capital expenditure is currently planned that would give rise to fixed assets being booked.

No firm commitment has been made by the Group regarding investments.

Financing

- **Funds raised – Equity contributions**

Up until now, existing and new shareholders' cash contributions have been the Company's favoured form of financing.

Capital increases carried out since the formation of Onxeo total 177.4 million euros as of the end of December 2015. Three private financing rounds took place between 1999 and 2004, contributing 27 million euros to the Company. The Company carried out an IPO in December 2005 on Euronext Paris, raising €30 million on this occasion. Between 2007 and 2014, the Company carried out a number of secondary financing operations (capital increases with retention of preferential subscription right, private investment reserved for qualified investors or a PACEO® equity line) raising an additional sum of over 118 million euros. The capital increases from this, benefitting the Company through the conversion of the warrants/options issued, are added to this amount alongside certain partnership contracts.

Research tax credit

In the light of the amount of research and development costs incurred, the research tax credit (*credit d'impot-recherche*, or CIR) is an important mechanism for the Company in terms of financing.

During the last five years, the amount declared for CIR revealed the following trend:

€K	Before 2010	2010	2011	2012	2013	2014	2015	**TOTAL**
Declared CIR	8,369	1,456	1,121	1,979	2,389	2,083	3,814	**21,211**

As a consequence of the merger with the Danish company Topotarget and the retention of a stable establishment in Denmark, Onxeo also benefits from the Danish research tax credit system. For 2015, this regime accounted for €306,000 of the total amount of €3,814,000. In accordance with legal provisions in France, the Company expects to receive the 2015 research tax credit reimbursement before the end of 2016

Grants

In order to optimize and diversify its funding sources, the Company also uses public grants. These are either outright grants received from various French or European organizations or reimbursable advances mostly granted by BPI France. In general, the grants obtained by the Company are paid based on the state of progress of the research and development projects, on the basis of expenditure actually incurred. Thus, the various tranches of funding are paid on the basis of financial assessments that the Company regularly submits to the organizations concerned. In the case of refundable advances, a reimbursement timetable is drawn up based on achievement of the milestones set forth in the research and development programs being financed. In the event of a total or partial failure, the sums generally do not have to be reimbursed by the Company.

The amount of subsidies and reimbursable advances obtained since the creation of the Company can be broken down as follows:

In €K	Total amount obtained	Total amount paid	Total reimbursed
Subsidies	3,244	2,169	
Reimbursable advances	10,905	6,126	1,146

Review of cash flows

Over the course of 2015, cash flow from operating activity totaled 23.1 million euros, compared to 7.7 million euros in 2014 – the Company having received in 2014 a milestone payment from Spectrum Pharmaceutical following the registration of Beleodaq® in the United States.

As investments remain limited over the period, net cash flows from investing activities were 0.2 million euros over 2015. There were nil over 2014.

Cash flows from financing activities were limited in 2015 (0.1 million euros) compared to 2014, where they reached 53.6 million euros following the merger and absorption of Topotarget on the one hand, and a capital increase closed in December 2014, on the other hand.

Cash flow intra companies of the Group

Information related to the loans and advances granted by the Company to its subsidiaries are presented in section 7 of the notes to the Company financial statements presented in section 6.3 of the Reference Document.

4. FROM RESEARCH TO DEVELOPMENT

4.1 Research & Development (R&D)

4.1.1 Principles and organization

General overview

The Group currently has fifty salaried staff with a high level of expertise, over half of whom are in R&D and who carry out and coordinate the various activities associated with research, development, quality assurance, registration and industrial protection, in addition to various strategic marketing activities, market surveys, corporate development and support services (finance and human resources).

Research & Development is at the very heart of the Group's activities. For Research & Development activities (preclinical, clinical and regulatory) and Production activities, the Group uses its own internal resources and exploits partnerships with public research institutes and specialist subcontractors.

The Group has research laboratories at two sites (at the Faculty of Pharmacy in Châtenay-Malabry and at the Company's head office site in Paris).

4.1.2 Regulatory Framework

The Company is subject to regulatory requirements defined by the *Agence Nationale de Sécurité du Médicament* (ANSM) in France, the European Commission and European Medicines Agency (EMA) in Europe, the Food and Drug Administration (FDA) in the USA and equivalent regulatory authorities in other countries, all of which govern research and development work, preclinical trials, clinical trials, regulation of pharmaceutical establishments and the manufacture and marketing of the drugs. The Company also complies with the guidance defined by the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) which apply in the main countries in which the Group operates.

Health products may not be offered for sale within a jurisdiction without having received technical and administrative authorization from the authorities of the country in question, in the form of a MA. In order to obtain a MA for a medicinal product, the Group must demonstrate its quality, safety and efficacy. This forms the framework for conducting a comprehensive pharmaceutical development, and preclinical and clinical studies.

Broadly outlined, the development of a new drug involves six stages, from basic research up to its launch on the market: (1) research (discovery); (2) pharmaceutical development, preclinical studies and manufacture; (3) clinical trials on humans; (4) application for MA; (5) pricing and reimbursement and (6) marketing. The regulatory authorities require a follow-up process to be performed after marketing in order to continue to monitor the effects and safety of authorized products (pharmacovigilance). They may also demand supplementary post-approval safety or efficacy studies involving particular populations or impose conditions to restrict the commercial development of the products.

The deadlines imposed by the regulatory approval process may *de facto* reduce the period of exclusive exploitation of patented technologies or products.

Clinical trials

Human clinical trials are usually conducted in three phases: Phase I, Phase II and Phase III, generally sequential, but which may also overlap.

Phase I trials consist in administering the product (most often to healthy subjects) in order to start defining its safety profile, and its distribution and metabolism.

In ***Phase II trials,*** the drug is studied within a restricted population of patients suffering from the targeted disease in order to establish its preliminary efficacy, its optimum dosage and better define its tolerance profile.

The ***Phase III trials*** are conducted with a larger number of patients suffering from the targeted disease in order to compare the study treatment with a reference treatment and generate sufficient data to be able to demonstrate a positive benefit/risk ratio, as required by the regulatory authorities.

Clinical trials can sometimes be required after the products have been commercialized in order to explain certain side effects, to explore a specific pharmacological effect or to obtain additional and more accurate data. These are known as post-approval ***Phase IV trials***.

Clinical trials must comply with strict legislation and follow Good Clinical Practices (GCP) standards defined by EMA, the FDA and ICH, alongside ethical standards defined by the Helsinki Declaration[13] of June 1964.

In Europe, the carrying out of a Phase I, Phase II or Phase III clinical trial requires prior authorization from a competent authority within the country or countries in which the research is being conducted, alongside an opinion issued by an ethics committee (in France, the *Comité de Protection des Personne*s, or CPP), in accordance with European Directive 2001/20/EC and Regulation (EU) No 536/2014. When companies requesting permission to test products submit clinical trial protocols, the regulatory authorities may either accept or block such trials, or demand that changes be made to the protocol. Additionally, any ethics committee with authority over at least one clinical site may delay or momentarily or definitively interrupt a clinical trial if it judges that patient safety is being compromised or in the event of non-compliance with any regulatory provisions.

In the USA an application to conduct a clinical trial (Investigational New Drug, or IND), notably including a preclinical file for the product and the clinical protocol of the proposed trial, must be submitted to the FDA. In the absence of any objection from the FDA within 30 days of receipt of the IND application, authorization to commence the clinical trial is deemed to have been given. At any time during this 30-day period or subsequent to it, the FDA may demand the interruption of the ongoing or proposed clinical trial ("clinical hold"). This temporary interruption is maintained until the FDA gets a response to its request for further information. At the same time, approval from an ethics committee (Institutional Review Board, or IRB) regarding the clinical protocol is also required before a clinical trial may commence in the USA.

[13] World Medical Association (WMA) Declaration of Helsinki, "Recommendations Guiding Physicians in Biomedical Research Involving Human Subjects."

Marketing Authorisation

In order to be marketed, any drug must be granted a MA issued by the competent national or supranational health authority (ANSM in France, European Commission, FDA, etc.) following –positive- assessment of the quality, safety and efficacy of the product.

The application for a MA must include extremely detailed technical information about the new product, notably its quality, toxicity, safety and efficacy. The extent and nature of the trials and studies required to generate this information vary according to a number of factors such as the nature of the disease, the nature of the active molecule, the sought-after indications and the healthcare standards.

The MA application must include the results of preclinical and clinical trials supported by detailed information about the composition, production process and quality control procedures for the product. The preparation of a drug registration file and subsequent review by the competent authority(ies) are a long (this takes several years) and expensive process.

In the European Union, MA applications may be submitted to the regulatory authorities of selected Member States of the European Union (the Reference State) via the decentralised (or mutual recognition) procedure. For certain products, the application files can be submitted to EMA within the context of the so-called centralised procedure. The centralised procedure leads to a single authorisation to market a particular drug in all European Union Member States.

In the United States, the FDA is the competent authority that grants marketing authorisation following a New Drug Application (NDA) or Biological Licence Application (BLA).

Prior to giving marketing authorization for a product in the USA, the FDA inspects the clinical studies and production sites in order to verify that the data included within the MA application meet Good Manufacturing Practices (GMPs) and Good Clinical Practices. Following issue of the MA, the various regulatory authorities frequently inspect the production sites to verify that regulations are being complied with. Failure to comply with these regulatory requirements may result in criminal or administrative penalties for the manufacturer, such as the suspension of production and product recalls.

Various European and American regulations promote the development of treatments for rare diseases. The FDA grants orphan drug status to any drug aimed at treating diseases affecting fewer than 200,000 people a year in the United States. This status is also available in Europe under a similar law for drugs intended to treat diseases that affect up to five persons out of 10,000 in the European Union and for which there is no satisfactory treatment.

Product pricing and reimbursement

In many markets, drugs pricing is controlled by the state which sets the absolute level or prevents local authorities making reimbursement over a given amount. Medico-economic evidence is increasingly requested by health authorities to determine benefit/cost effectiveness versus existing health technology alternatives. International price referencing is also increasingly used as a price control mechanism.

In France, effective market access requires that the Group's products be reimbursed at hospital level (via local authority approval) or reimbursed through the social security system. Drug prices are negotiated with the *Comité Economique des Produits de Santé* (economic committee for healthcare products) after the *Commission de Transparenc*e (transparency commission) has given its opinion.

In the United States, although pharmaceutical laboratories may freely establish prices for their products, federal and local initiatives aim to lower the overall cost of healthcare. The American Congress and the lawmakers of each State are likely to continue their efforts towards reforming the healthcare system, including Medicare and Medicaid, and controlling the cost of prescription drugs. In the United States, the development of private health maintenance organisations (HMOs), which have a substantial influence on the purchase of healthcare services and therapeutic products, could also contribute to lower prices by imposing discounts or special price reductions on the Group’s products in order to avoid their exclusion from the lists of recommended products drawn up by HMOs.

Environmental, health and safety regulations

The Group is also subject to laws and regulations concerning the environment, health and safety, which apply to aspects such as the utilisation, storage, handling, unloading and disposal of hazardous products, notably chemical and biological products. The impact of such regulations on its activities is therefore significant. National authorities have extensive powers in each of these areas and have the right to impose sanctions in the event of any violation.

4.1.3 Research & Development Projects

The Group develops products in the field of orphan oncology diseases. This involves innovative products for the treatment of resistant cancers or severe diseases for which new therapeutic approaches are needed and which constitute markets of high potential. As of the date of this Reference Document, the portfolio consists of the following main products:

Products in clinical phase I, II or III

- Beleodaq® (belinostat) for the treatment of peripheral T-cell lymphoma (PTCL): positive results of the phase I trial in combination with the CHOP (Cyclophosphamide, Hydroxyadriamycine, Oncovin, Prednisone), showing an 86% objective response rate, of which 67% of complete responses. These results pave the way to starting a phase III trial with this combination.
- Validive® (clonidine Lauriad®) for the prevention and treatment of oral mucositis induced by radiotherapy associated or otherwise with chemotherapy in patients suffering from a head and neck cancer: Positive results of the phase II clinical trial presented in 2015. Further development of Validive® (Phase III) will be conducted in partnership.
- Livatag® (doxorubicine Transdrug™) for the treatment of advanced primary liver cancer: phase III trial underway, commenced in June 2012. Preliminary results are expected mid-2017.
- AsiDNA: first-in-class signal interfering DNA (siDNA) compound, which breaks the cycle to tumor DNA repair. Postive results of a proof-of-concept Phase I/IIa in metastatic melanoma.

Registered products

- Beleodaq® (belinostat), for the treatment of peripheral T-cell lymphoma in relapse or refractory, registered and marketed in the USA by Spectrum Pharmaceuticals.
- Loramyc®/Oravig® (miconazole Lauriad®), for the treatment of oropharyngeal candidiasis, marketed in France, Germany and Italy and registered in a total of five European countries. As Loramyc® was no longer promoted in Germany, Therabel intends to stop commercialization in the country over the course of 2016.
- Sitavig® (acyclovir Lauriad®) for the treatment of recurrent labial herpes, registered and marketed in the USA and Italy and registered in nine other European countries (France, Germany, Sweden, UK, Spain, Denmark, Finland, Norway and Poland).

Each of these products is presented in detail in section 4.2 of this Reference Document.

4.1.4 Intellectual property, patents and licences

Intellectual property is a key asset of the Group and lies at the core of its research and development projects. As of 31 December 2015, the Group's patent portfolio consists of 29 families of published patents concerning innovative products or technologies. The 29 patent families cover 453 patents and patent applications, including 398 delivered patents - i.e. nearly 85% of the portfolio - which provide international and long-term protection for the Group’s assets.

The Group's policy regarding intellectual property consists of (i) submitting new patent applications regularly in order to protect its technologies, products and manufacturing processes, (ii) extending this protection to the countries likely to constitute a favorable market or a generic risk and (iii) continuous monitoring in order to take action against any breach of its patents or trademarks.

The length of protection conferred by a patent family is twenty years as of the date of submission within a given jurisdiction, typically the date of the international patent application. This protection may be amended or extended in certain territories, including the United States and Europe, depending on the currently applicable legislation. The protection conferred can vary from one country to the next depending on the examination procedure, specific to each State.

Finally, in the specific case of orphan medicines, the authorities have scheduled additional protection in the form of commercial exclusivity for ten years in Europe and seven years in the United States in order to encourage laboratories to intensify investment and developments in areas where the number of patients is limited.

The Group has ensured that it enjoys robust intellectual property rights protecting its products that have been marketed or are in clinical development. The patent portfolio presented below specifies the various protections and their expiry dates. The Group has also granted marketing rights ("Out-licensing") on the products Loramyc®/Oravig®, described in Section 4.2.2 of this Reference Document.

Patents portfolio for products that are marketed or undergoing clinical development

Income	Main therapeutic areas	Protections	Expiry date
Transdrug™ technology: nanoparticle technology			
Livatag®	Treatment of primary liver cancer	i) Livatag® nanoparticules	Q1 2019
		ii) New route of administration of the Livatag® nanoparticles	Q1 2032
Histone deacetylase inhibitor (HDACi) technology			
Beleodaq®	Peripheral T-cell lymphoma (PTCL)	(i) Active substance (Belinostat)	Q3 2021
		(ii) Formulation of the active substance	Q4 2027 in the USA Q2 2026 in other countries
		(ii) Production of the active substance	Q2 2030 in the USA Q3 2028 in other countries
Dbait technology* : « DNA strand break bait » (Dbait) molecules			
Dbait * (DT01 = cholesterol-conjugated Dbait molecule)	Treatment of cancer	i) Particular Dbait molecules	Q3 2027
		ii) Dbait molecules and their standalone use for treating cancer	Q1 2028
		iii) Optimized Dbait molecules for an improved in vivo delivery	Q2 2031
Lauriad® technology: prolonged-release oral mucoadhesive tablet			
Loramyc® / Oravig®	Oropharyngeal candidiasis	(i) Lauriad® technology (ii) Treatment of oral candidiasis	Q3 2022
Sitavig®	Prevention and treatment of herpes labialis.	(i) Process for the production of the Sitavig® tablet	Q4 2027 in the USA Q1 2027 in other countries
		(ii) Treatment of herpes via a single administration of Sitavig®	Q2 2030 in the USA Q4 2030 in other countries
Validive®	Treatment of mucositis	Clonidine in the treatment/prevention of mucositis	Q3 2029

*Now known as AsiDNA / siDNA technology

Trademarks

The protection of trademarks varies from country to country. In some countries, this protection is essentially based on the use of the trademark whereas in others, it only results from registration.

Rights on trademarks are obtained through national trademarks, through international registrations or through community trademarks. Registrations are usually granted for a period of ten years and are indefinitely renewable although, in some cases, the persistence of their validity depends on the continuous use of the trademark.

Onxeo's trademarks are the names of the products that are marketed or that are undergoing clinical development as well as the names of its proprietary technologies Lauriad® and Transdrug™, the name of the Company and its logo.

These trademarks benefit from a protection for the pharmaceutical products included in Class 5 of the international classification for products and services.

Trademarks portfolio for products that are marketed or under clinical development

Trademarks	**Income**	**Main countries in which the trademark is registered or pending registration**
Livatag®	Doxorubicine Transdrug™	United States, Europe, France, Japan
Beleodaq®*	Belinostat	USA, Europe, Japan, China, Australia, Russian Federation, Mexico, Norway, Oman, Serbia, Singapore, Switzerland, Turkey, Vietnam, Israel and India
Loramyc®	Miconazole Lauriad®	Europe, United States, China, Japan, India, Singapore, South Korea, Hong Kong, Malaysia
Oravig®		United States, Japan
Sitavig®	Acyclovir Lauriad®	Europe, USA, Australia, New Zealand, South Korea
Validive®	Clonidine Lauriad®	United States, Europe, Japan, China

* The trademark Beleodaq® is held by SPECTRUM PHARMACEUTICALS, the exclusive licensee of the Group for the marketing of Belinostat in the USA, Canada, Mexico and India.

The Group defends its trademark rights by opposing identical or similar trademark registration applications and, if necessary, will initiate lawsuits in order to have its rights recognised.

4.2 Products and markets

Dedicated to orphan products in the treatment of cancers with an approach targeted on drug resistance, the Group designs and develops innovative d rugs in rare and orphan diseases. The Group has also developed and registered two initial drugs based on its innovative Lauriad™ mucoadhesive technology which allow it to raise the efficacy or tolerance profile of an active ingredient for its chosen indication.

According to data from IMS Health, the global medicines market reached 74.4 billion dollars in 2014, up by 12% compared to 2013. Totaling 7.9% of the global pharmaceutical market, cancer products remain in 2014 the leading therapeutic class in terms of revenue, ahead of antidiabetics (63.6 billion dollars) and analgesics (59.8 billion dollars)[14].

The cancer market is expected to reach 1 to 1.2 trillion dollars by 2020[15].

4.2.1 Orphan drugs in oncology

In Europe, the orphan status is obtained for a medicine used in a pathology affecting less than 5/10,000 people, namely some 10,000 people for the EU 28. This status allows favorable measures to be applied in terms of clinical development (optimized development regarding time and cost), additional protection with a commercial exclusivity of 10 years after MA and a favorable price, generally identical or similar in major European countries.

In the United States, the orphan status is obtained for pathologies affecting less than 200,000 people and the commercial exclusivity is for seven years.

EvaluatePharma® forecasts that the orphan drugs market - all pathologies – could reach 176 billion dollars in 2020. And of the 20 main products in terms of sales, 15 are anticancer products, confirming the importance of orphan drugs in oncology[16].

4.2.1.1 Beleodaq® (belinostat) and the market for peripheral T-cell lymphoma, in relapse or refractory.

a) Pathology

Peripheral T-cell lymphoma (PTCL) is a sub-type of non-Hodgkin lymphoma (NHL).

Non-Hodgkin lymphoma occurs as a result of a neoplastic transformation of the lymph cells. In 90% of cases it is associated with cells from the B-cell lymphoma line, in less than 10% of cases with cells from the T-cell lymphoma line and in very rare cases with cells from the NK-cell lymphoma line. The prognosis for T-cell lymphoma is generally worse than for B-cell lymphoma.

The treatment of PTCL is broadly similar to the standard therapeutic treatment for non-Hodgkin lymphoma. In rare cases of localised tumors, the treatment used is radiotherapy (with or without chemotherapy) but with most patients the disease has already spread and chemotherapy is therefore used as first-line treatment. Chemotherapy agents are mainly the alkylants, vinca-alcaloids, anthracyclines and corticosteroids, notably such as the CHOP protocol (Cyclophosphamide, Hydroxyadriamycine, Oncovin, Prednisone) or other similar combinations. Protocols based on anthracyclines, such as the CHOP protocol, remain the reference treatment for most sub-types of PTCL. Most patients suffering from a PTCL relapse after a first treatment and require a second therapeutic treatment.

b) Epidemiology

[14] Source: IMS Health Midas, December 2014
[15] Source: Global Use of Medicines in 2020. Report by the IMS Institute of Healthcare Informatics
[16] Source: EvaluatePharma, Orphan Drug Report 2015

NHL is a rather rare condition worldwide (incidence of 5 / 100,000, 386,000 new cases in 2012), yet they are rather frequent in countries with an aging population. The incidence of NHL is 20.1 / 100 000 in North America (70,000 new cases) and 15.6/100,000 in the European Union (79,000 cases)[17].

PTCL cases account for between 10 and 15% of NHL cases, namely between 38,000 and 58,000 new cases globally each year. In Western countries, proportions are lower (5 to 10% of all NHL) than in Asian countries (15 to 20%)[18].

In the main pharmaceuticals markets (US, Europe, Japan and China) there are an estimated of 17,000 to 27,000 new cases each year. As PTCL is a type of cancer the incidence of which increases with age, the ageing population should bring about a consistent increase in the number of new cases, with estimates amounting to between 22,000 and 36,000 by 2030[18].

The indication approved in the USA (2nd-line treatment) concerns refractory patients or those in relapse following first-line treatment (CHOP), namely around 75% of patients diagnosed with a PTCL, as about 1 out of 4 patients enters long-term remission.

c) Competition

In the USA, three products have been approved by the Food and Drug Administration for 2nd-line treatment of PTCL: Beleodaq®, Istodax® and Folotyn®. In Europe, no drug has currently obtained a MA in this indication.

In addition to the 3 products approved for PTCL, we should mention Adcetris® which is approved (in the US and the EU) for a sub-type of PTCL, systemic anaplastic large-cell lymphoma where relapsed or refractory in adults.

The products in advanced clinical development (phase II/III) in the second-line treatment indication of PTCL are:

NCT Number	Drug	Company (Sponsor)	Title	Phases
NCT02464228	tipifarnib	Kura Oncology	Study of Tipifarnib in Subjects With Relapsed or Refractory Peripheral	Phase 2
NCT02495415	fenretinide	CerRx	Trial of Intravenous Fenretinide Emulsion for Patients With Relapsed/Refractory Peripheral T-cell Lymphomas	Phase 2
NCT02314247	selinexor	Karyopharm Therapeutics	Efficacy & Safety Study of Selinexor in Relapsed/Refractory Peripheral T-cell Lymphoma & Cutaneous T-cell Lymphoma	Phase 2
NCT02653976	darinaparsin	Solasia Pharma	A Phase 2 Study of SP-02L in Patients With Relapsed or Refractory Peripheral T-cell Lymphoma (PTCL)	Phase 2
NCT00406809	ABT-263 (navitoclax)	AbbVie	A Study of ABT-263 in Subjects With Relapsed or Refractory Lymphoid	Phase 2
NCT01431209	ruxolitinib	Incyte Corporation (University of Nebraska)	Ruxolitinib Phosphate (Oral JAK Inhibitor INCB18424) in Treating Patients With Relapsed or Refractory Diffuse Large B-Cell or	Phase 2
NCT02535247	MK-3475 (pembrolizumab)	Merck Sharp & Dohme Corp. (Fox Chase Cancer Center)	Study of MK-3475 in Relapsed or Refractory Peripheral T-cell Non-Hodgkin Lymphoma	Phase 2
NCT01998035	romidepsin + azacitidine	Celgene Corporation (Columbia University)	Romidepsin Plus Oral 5-Azacitidine in Relapsed/Refractory Lymphoid Malignancies	Phase 1|Phase 2

This list is not exhaustive and for information purposes only (source : Clinical Trials.gov using PTCL, Peripheral T-Cell Lymphoma, Relapsed, Refractory as key words for the search)

d) Beleodaq® (belinostat)

Beleodaq® is a histone deacetylase inhibitor (HDACi) which, via an enzymatic process, typically normalizes genetic dysfunctions which are characteristic of cancer cells. Beleodaq® clearly stands out among the various

[17] Globocan 2012 and World Population Prospects, the 2012 revision (United Nations, Department of Economic and Social Affairs), Peripheral T-Cell Lymphoma Facts (July 2014, Leukemia & Lymphoma Society)

HDAC inhibitors as it has already demonstrated anticancerous properties in a number of different human tumors, with an excellent tolerance profile. Thanks to their pleiotropic action, HDAC inhibitors can simultaneously target several crucial channels for the survival of the cancer cells. In preclinical studies, HDAC inhibitors have already shown antineoplastic activity in vitro and in vivo, as well as synergy with other anticancer agents by killing off the cancer cells and inhibiting tumor growth (Bolden et al. 2006[18]; Minucci et al. 2006[19]). This is why HDAC inhibitors represent a very interesting anticancer therapeutic strategy.

Spectrum Pharmaceuticals is co-developing Beleodaq® in partnership with the Group and is in charge of its promotion to oncology and hematology experts in the USA.

This agreement provides for milestone payments by Spectrum Pharmaceuticals to the Company when certain regulatory stages have been reached and for royalties and milestone payments on sales.

In February 2014, the FDA granted the admissibility of the U.S. registration dossier for Beleodaq® coupled with a priority review program to allow conditional approval for a drug that treats a life threatening disease, based on clinical benefit predictors. This admissibility triggered both the payment of $10 million by Spectrum Pharmaceuticals, and the granting of one million of their shares to the Company.

In July 2014, Beleodaq® received MA from the FDA for the treatment of peripheral T-cell lymphoma. This registration is based on the results of the BELIEF clinical study which included 129 patients suffering from peripheral t-cell lymphoma which is resistant or in relapse after at least an initial systemic treatment. Since August, Spectrum Pharmaceuticals has been promoting Beleodaq® to hematologists, generating the first sales during the second half of 2014 and giving rise to royalty payments to Group. A second milestone of $25 million was paid to the Group in November 2014, after obtaining FDA approval.

To meet the post-MA study requirements of the FDA and to extend the indication of belinostat as a first-line treatment for PTCL, a clinical research study into the dosage of BelCHOP (belinostat plus cyclophosphamide, hydroxydaunorubicine, oncovin and prednisone) was conducted in 2015. Results were presented in December 2015. The principal results are the following:

- Identification of the maximum tolerated dose (MTD) at 1000 mg/m², or the approved dose of belinostat in monotherapy. Both ChOP and belinostat were administered with approved therapeutic doses.
- Also, it was possible to observe an 86% objective response rate including a large majority (67%) of complete responses.

These results lead to the initiation of a phase 3 study in partnerhip with Spectrum Pharmaceuticals. Given the preparatory work necessary to design the study with its partner, the Group considers the study could be initiated from the end of 2016 and not in the first smester of 2016 as announced in the reference document 2014.

Beleodaq® has industrial protection through 2021 with a possibility of an extension until 2026. Its protected market exclusivity is further enhanced by its orphan drug status in Europe and the United States.

The table below gives a summary of the licensing agreements signed by the Group for the marketing of Beleodaq®.

[18] Source: Bolden JE, Peart MJ, Johnstone RW. Anticancer activities of histone deacetylase inhibitors. Nat Rev Drug Discov. 2006;5(9):769-84

[19] Source: Minucci S, Pelicci PG. Histone deacetylase inhibitors and the promise of epigenetic (and more) treatments for cancer. Nat Rev Cancer. 2006;6(1):38-51

Partner	Territory	Phase	Amount already generated by the Company	Total to be generated from the agreement
Spectrum Pharmaceuticals. Licensing and collaboration agreement in 2010	USA, Canada, Mexico, India and option for China	Marketed in the USA as a 2nd-line treatment for PTCL Undergoing development in other indications	65 million dollars + 1 million Spectrum shares + royalties on sales	>320 million dollars + royalties on sales

4.2.1.2 Livatag® (Doxorubicin Transdrug™) and the hepatocellular carcinoma market

a) Pathology

Hepatocellular carcinoma (HCC) develops from liver cells (hepatocytes) and represents 85% of primary liver cancers. In the great majority of cases (>90%), HCC occurs when the liver is already abnormal (cirrhosis). Risk factors are well established:

- infection with hepatitis B and C viruses is the source of 80% of liver cancers. This is why the areas where the infection is endemic, such as Asia, are the most affected by HCC;
- Consumption of large amounts of alcohol, because of its implication in cirrhosis, is also an HCC risk factor which contributes more extensively in Western than in Asian countries;
- Metabolic disease, and in particular obesity, are a growing cause of cirrhosis and HCC.

Most HCCs are diagnosed at an advanced stage because the tumor progresses without any visible clinical manifestations in the early stages. In addition, the first symptoms or signs are usually not specific to HCC but to the associated cirrhosis and may suggest other pathologies.

b) Epidemiology

Liver cancer is the 6th most common cancer in terms of incidence (782,000 new cases in the world, 5.6% of all new cancer cases) with the 2nd highest mortality rate (746,000 deaths, 9.1% of the total)[20].

It is the most aggressive form of cancer – alongside pancreatic cancer – with a lethality rate of 95% (relationship between mortality and incidence for a given year).

While Europe (UE28) and the USA see a total of 82,000 new cases each year (10% of the global incidence), it can be said that liver cancer is a public health problem that particularly effects the less developed countries (648,000 new cases) and especially Asia, including China, which alone sees one-half of global cases[21].

The concentration of cases in Asia, and particularly in China, is of course explained by demography but also and above all by a high prevalence of viral hepatitis B and C.

[20] Globocan 2012 (IARC), World Population Prospects, the 2012 revision (United Nations, Department of Economic and Social Affairs)

The incidence rate for liver cancer varies greatly by geographical area: while the average global rate is 11.1/100,000, it approaches 30/100,000 in the Far East (China, Japan, Korea). In the West its incidence is aligned with that of the global average: 10.2/100,000 in the EU and 9.6/100,000 in the USA[21].

The 5-year survival rate remains extremely low, even in the most medically advanced countries such as the USA, where it is 17% for all patients but only 11% for those diagnosed at an advanced stage (regional invasion) and 3% at the metastatic stage[21].

c) Competition

Existing forms of treatment

The only possible curative treatment for HCC is surgical resection to remove the whole tumor. However, due to late diagnosis of HCC, the tumors are often large and numerous and only 15 to 20% of patients can undergo such surgical treatment. Liver transplantation is rarely offered because of the scarcity of grafts and the very strict allocation rules applied.

Radiofrequency is an alternative to surgical resection, bringing about the thermal destruction (via electric current) of the tumor, although the technique is usually limited to tumors no greater than 3cm and in limited number (less than 3).

For patients who cannot have surgical or radiofrequency treatment, there are four alternative therapies:

- Intra-arterial chemoembolization: arterial injection of an obliterating agent in tumor blood vessels whether or not associated with doxorubicin (or cisplatin) allows the survival time to be prolonged by around 4-6 months in certain categories of patients. This is associated with complications that lengthen hospital stays in over 30% of patients;
- Sorafenib (Nexavar®, Onyx / Bayer), a product from biotechnologies active on multiple kinase targets (including RAF and VEGFR) is indicated in the treatment of HCC (as well as renal cancer). It prolongs survival of about 3 months compared to the placebo in patients with compensated cirrhosis who cannot receive any other form of treatment.
- Systemic (intravenous) chemotherapy has limited efficacy due to chemoresistance and systemic toxicity. It is seldom used nowadays.

The problems involved with the treatment of HCC and the associated high mortality rate are attributable to various factors, in particular the deases associated to HCC, such as liver cirrhosis, which limit treatment options. In addition, primary liver cancer is a cancer that is resistant to chemotherapy.

Cancer resistance, whether arising spontaneously or acquired over time, represents a major challenge in the fight against this type of disease. Currently, multi-drug resistance is the principal reason for failure of chemotherapy. Multi-drug resistance of certain tumor cells after repeated cycles of chemotherapy makes these cells insensitive to any other form of therapy.

One of the causes of this type of multi-drug resistance is the activation of a family of transmembrane transport proteins. These proteins are activated under the influence of the multi-resistance gene called MDR-1. The proteins actively reduce the intracellular concentration of cytotoxic agents by expelling them from the target cell on entry. These proteins act as veritable “pumps” preventing the cytotoxic agent from exerting its therapeutic action.

There is therefore an unmet medical need for effective therapy and new treatment strategies for the management of HCC. In preclinical trials, Livatag® has shown its ability to circumvent this efflux pump, allowing the product to permeate and remain in the cancer cell to exert its action.

[21] *Facts & Figures* report 2015 by the American Cancer Society.

Products currently at the same stage of development as Livatag® (phase 3) in 2nd line treatment of HCC

NCT Number	Drug	Company	Title	Trt Line	Phases
NCT01755767	Tivantinib	Daiichi Sankyo - ArQule	Study of Tivantinib in Subjects With Inoperable Hepatocellular Carcinoma Who Have Been Treated With One Prior Therapy	2nd line	Phase 3
NCT01287585	ADI-PEG 20	Polaris Group	Ph 3 ADI-PEG 20 Versus Placebo in Subjects With Advanced Hepatocellular Carcinoma Who Have Failed Prior Systemic Therapy	2nd line	Phase 3
NCT01908426	Cometriq®	Exelixis	Study of Cabozantinib (XL184) vs Placebo in Subjects With Hepatocellular Carcinoma Who Have Received Prior Sorafenib	2nd line	Phase 3
NCT01655693	Livatag®	Onxeo	Efficacy and Safety Doxorubicin Transdrug Study in Patients Suffering From Advanced Hepatocellular Carcinoma	2nd line	Phase 3
NCT02435433	Cyramza®	Lilly	A Study of Ramucirumab (LY3009806) Versus Placebo in Participants With Hepatocellular Carcinoma and Elevated Baseline Alpha-Fetoprotein	2nd line	Phase 3
NCT01774344	Stivarga®	Bayer	Study of Regorafenib After Sorafenib in Patients With Hepatocellular Carcinoma	2nd line	Phase 3

This list is not exhaustive and for information purposes only (source: Clinical Trials.gov using HCC, Hepatocellular Carcinoma as key words for the search)

d) Livatag® (doxorubicin Transdrug™)

Livatag® (Doxorubicin Transdrug™), the flagship program of the orphan products in oncology portfolio, corresponds to a doxorubicin formulation in the form of lyophilized nanoparticles of PEBCA (Poly-Ethyl-Butyl-Cyanoacrylate).

This new therapeutic approach allows drug resistance to be avoided by short-circuiting the mechanisms of multi-drug resistance developed by tumor cells through the masking of the anticancer agent. Acting as a Trojan horse, the nanoparticle formulation avoids rejection of doxorubicin outside the cell so that it can exert its cytotoxic action. By preferentially targeting tumor cells in the liver and overcoming resistance to doxorubicin, Livatag® (Doxorubicin Transdrug™) represents a significant breakthrough in the treatment of this cancer. The first indication of this product is hepatocellular carcinoma; the sixth most widespread cancer in the world and the second cause of cancer-related death[22].

The efficacy of Livatag® (Doxorubicin Transdrug™) has been demonstrated in preclinical models of resistant cancers *in vivo* and *in vitro,* its superiority over free doxorubicin having been established. This form of doxorubicin has obtained the status of orphan medication in Europe and the United States.

In a Phase II trial, Livatag®, administered by hepatic intra-arterial route in the form of repeated treatment in HCC patients has been assessed in comparison with the existing standard of care, essentially consisting of intra-arterial chemoembolisation. The endpoints concerned efficacy and tolerance, with efficacy being judged by the absence of progression at three months, and survival.

On July 16, 2008, Onxeo announced the suspension of this trial, in accordance with the opinion of the independent committee, the Drug Safety Monitoring Board (DSMB), which had been monitoring the progress of this trial. The committee has observed acute pulmonary intolerance of a higher frequency and severity than anticipated. It therefore recommended the suspension of the trial.

In accordance with the decisions of the DSMB, the Group has continued follow-up of patients included in this trial between 2009 and 2010, which revealed positive results in terms of survival with a median survival of 32 months in patients who had received Livatag® by the hepatic intra-arterial route versus 15 months in patients having received the standard treatment (arterial chemoembolisation). These results were presented

[22] Globocan 2012, Liver Cancer : incidence and mortality

at the ILCA Congress (International Liver Cancer Association) in September 2011 and the AASLD Congress (American Association for the Study of Liver Diseases) in November 2011.

At the same time, Onxeo pursued studies designed to improve control of the secondary respiratory effects observed in 2008. The Group has developed a new and validated administration scheme in animals allowing the significant reduction of acute side effects in the lungs, which had led to the interruption of the trial.

In view of this new data, the ANSM has given its authorization for a Phase III clinical trial in patients with advanced stage HCC, after failure with or intolerance to sorafenib (ReLive study). The first patient was included in the Phase III study in June 2012. In November 2012, an independent European experts committee (Data Safety Monitoring Board) was established to provide ongoing monitoring of the safety of patients included in the ReLive study, as specified by the protocol.

Since its creation, the committee has met twice a year and, up to the date of this Reference Document, has issued positive recommendations regarding the continuation of the study without modification on 5 separate occasions since the start of the trial.

The ReLive study is being conducted in 8 European countries (France, Germany, Spain, Italy, Hungary, Austria, Belgium and Russia) and in the USA as well as in the MENA region (Egypt, Turkey, Lebanon and Saoudi Arabia). As of the Reference Document date, over 65% of patients have been randomized in the study. Completion of patient recruitment is estimated for the end of 2016, and the readout of preliminary results mid-2017. The Group has reassessed the necessary period to obtain this preliminary results initially planned for the end of 2016 or the beginning of 2017 in the reference document 2014. Obtention of the results depends on the timing for patient recruitment as well as reaching a certain number of cases (e.g. 285 deaths).

Livatag® was already patented up to 2019 internationally by a first family of patents protecting its composition (doxorubicine contained in nanoparticles). In February 2014, the European Patent Office issued a new family of patents protecting its specific administration regimen. This second family of patents provides very significant supplementary protection for Livatag® as it extends the period during which no generic may be marketed to 2032. In September 2015, the Group filed an international patent application based on a specific composition of nanoparticles resulting from the selection of a particular type of poloxamer that significantly improves the control over the size of the Transdrug™ nanoparticles in the large scale synthesis process. If granted, would extend patent protection to 2036.

Livatag® benefits from orphan drug status in Europe and the United States, enabling optimization of the product's development plan in terms of cost and duration, as well as strengthening its protection (market exclusivity). In May 2014, it also received fast-track status from the Food and Drug Administration in the treatment of hepatocellular carcinoma after treatment with Sorafenib. This status acknowledges that a drug is being developed for a severe life-threatening disease for which the medical need is important. It will allow enhanced interaction with the FDA and optimise the evaluation schedule of the product during development right up to registration.

In July 2013, Onxeo obtained financing from bpifrance of nearly €9 million of which €4.3 million was awarded directly to the Company via an Industrial Strategic Innovation (ISI) programme, payable over 5 years and enabling the acceleration of the industrial development of Livatag®. This financing supported the establishment of the NICE (Nano Innovation for Cancer) consortium, the first consortium with the objective of establishing a nanomedicine sector in France and more specifically focussed on the characterisation and industrialisation of production processes specific to nanomedicines. The Company has already received €3.4 million based on the Livatag® programme progressing as per schedule.

The Group further initiated an ambitious preclinical program to expand the potential of Livatag® through various combination programs with cancer agents (classical cytotoxics, targeted therapies and

immunotherapies) in HCC and other solid tumors. Three partnership agreements have been put in place to date to conduct these studies:

- A first partnership with the Croix-Rousse Hospital, Hepato-Oncology Team and the Centre de Recherche en Cancérologie, Inserm U1052, in Lyon, France led by Professor Philippe Merle, M.D., Ph.D., the principal investigator of the ReLive study and an internationally-recognized expert in HCC.
- A second partnership with the specialized contract research organization (CRO) Synovo GmbH based in Tubingen, Germany.
- A third with the Centro de Investigación Médica Aplicada of the University of Navarra in Spain, under the leadership of Dr. Pablo Sarobe and Professor Bruno Sangro, recognized experts in the field of liver disease.

4.2.1.3 Validive® (clonidine Lauriad®) and the oral mucositis market

a) Pathology

Oral mucositis consists in erythematous and ulcerative lesions of the oral mucous membrane which affect cancer patients treated by chemotherapy and/or radiotherapy.

The occurrence of mucositis is directly linked to the intensity of the dose and the type of chemotherapy administered and/or the radiotherapy protocol.

The consequences of mucositis are pain, difficulty ingesting solid and even liquid food, which may require parenteral or enteral feeding, weight loss and worsening general condition, and infections linked to mucositis which can in turn lead to septicemia during periods of severe immunosuppression. This complication of cancer treatment leads to hospitalization in 30% of cases and sometimes to stopping the cancer treatment protocol for periods of varying length, thus reducing its effectiveness.

Consequently, the patients' quality of life is affected, the periods between treatment cycles are longer and the doses are reduced, resulting in longer hospital stays and less effective treatment. This disease also involves a major healthcare cost.

b) Epidemiology

Patients suffering from head and neck cancer are particularly at risk of developing oral mucositis following treatment by radio-chemotherapy.

Recent studies have shown that more than 66% of patients treated with radiotherapy with or without chemotherapy for head and neck cancers, 75% to 80% of patients receiving high doses of chemotherapy associated with the transplantation of hematopoietic cells and 20% of patients with solid tumors treated by chemotherapy suffered from severe oral mucositis.

The global incidence of head and neck cancers amounted to some 690,000 new cases in 2012 with a significant rise anticipated by 2025 to 930,000 cases[23].

If we confine ourselves to key countries for Validive® – US, Europe and Japan – namely the countries with an established pharmaceuticals market and with wide access to radiotherapy for patients suffering from a head neck and cancer, the incidence is around 170,000 cases in 2012, with a forecast of over 200,000 cases in 2025. Based on US and European treatment recommendations, the Company estimates that around 70% of head and neck cancers are treated with radiotherapy (with or without accompanying chemotherapy)[23].

[23] Globocan 2012

c) Competition

Existing forms of treatment

There is currently no effective treatment to prevent oral mucositis in these various situations. Until now, the only drug with approval for this indication is Kepivance® (palifermin), an effective growth factor in patients with mucositis due to high doses of chemotherapy before the transplant of hematopoietic cells. This medication is administered in an injectable form. The safety of this class of growth factors has been called into questioned in patients who have non-hematological malignant pathologies.

Treatment today is therefore essentially symptomatic in nature. It consists in trying to relieve pain due to oral mucositis with topical pain-killers containing lidocaine, often together with systemic pain-killers such as morphine and its derivatives. The recommendations are oral hygiene, food supplementation, liquid feeding, catheter or intravenous feeding, oral decontamination, and the treatment of xerostomia, infections and hemorrhage. Among therapies without active molecules (status of medical devices) but aiming to protect the mucosa, one can identify Caphosol® (EUSA Pharma), a solution of calcium and phosphate ions, MuGard® (Access Pharmaceuticals), a solution that forms an aqueous gel; Gelclair® (Helsinn / EKR Therapeutics), an oral bioadherent gel and Episil®, a bioadhesive lipid-based liquid film (FluidCrystal® technology) developed by Camurus and licensed to IS Pharma for commercial use in Europe.

Products currently in development (Phase III and Phase II) in oral mucositis

NCT Number	Drug	Company	Title	Phase
NCT01385748	Validive®	Onxeo	Efficacy and Safety Study of Clonidine Lauriad® to Treat Oral Mucositis	Phase 2
NCT01247246	SCV-07	SciClone	Study to Evaluate the Efficacy and Safety of Three Different Doses of SCV 07 in Attenuating Oral Mucositis in Subjects With Head and Neck Cancer	Phase 2
NCT02013050	SGX942	Soligenix	A Dose Escalating Study of SGX942 for Oral Mucositis in Patients With Head and Neck Cancer	Phase 2
NCT02542215	Cobiprostone	Sucampo	Cobiprostone for the Prevention of Oral Mucositis in Subjects With Head and Neck Cancer	Phase 2
NCT02508389	GC4419	Galera Therapeutics	A Study of GC4419 Protection Against Radiation Induced Oral Mucositis in Patients With Head & Neck Cancer	Phase 2
NCT02630004	Melatonin	Spherium Biomed	Melatonin Oral Gel for Oral Mucositis in Patients With Head and Neck Cancer Undergoing Chemoradiation	Phase 1|Pha
NCT01400620	IZN-6N4	Izun Pharma	Safety and Efficacy of IZN-6N4 Oral Rinse for the Prevention of Oral Mucositis in Patients With Head and Neck Cancer	Phase 2
NCT02399228	EISO	Santalis	A Mouth Rinse Containing East Indian Sandalwood Oil (EISO) for the Prevention and Treatment of Oral Mucositis	Phase 2
NCT02324335	Brilacidin	Cellceutix	Phase 2 Study to Evaluate the Safety & Efficacy of Brilacidin Oral Rinse in Patients With Head and Neck Cancer	Phase 2
NCT01941992	Samital®	Indena	Role of SAMITAL® in the Relief of Chemo-radiation (CT-RT) Induced Oral Mucositis in Head and Neck Cancer Patients	Phase 2
NCT01403064	ALD518	Alder	Safety and Efficacy of ALD518 for Reducing Oral Mucositis in Head and Neck Cancer Subjects	Phase 2

This list is not exhaustive and for information purposes only (source: Clinical Trials.gov using oral mucositis as key word for the search)

d) Validive®

The Group is developing Validive® (clonidine Lauriad®) for the treatment of oral mucositis induced by radiotherapy or chemotherapy in patients suffering from a head and neck cancer. It consists of a novel therapeutic application of clonidine, patented by the Group and based on Lauriad® mucoadhesive technology.

Clonidine is an agonist of the alpha-2 adrenergic receptors traditionally used to counter hypertension. It stimulates these receptors in the brain. The result is less peripheral resistance and therefore lower arterial and renal vascular pressure and lower cardiac frequency.

However, clonidine also acts as an agonist of the alpha-2 adrenergic receptors on leucocytes and macrophages, thereby decreasing the expression of the pro-inflammatory genes and the release of cytokines IL6, IL1β and TNFα. This effect leads to a reduction in the pro-inflammatory mechanisms. It also acts on the anti-inflammatory mechanisms by increasing the release of TGF β.

Clonidine therefore has the following properties:

- Painkilling properties due to changes in the inflammatory response and its direct action on nociceptors;

- Anti-inflammatory properties due to its action on the expression of the pro-inflammatory genes and the release of cytokines IL6, IL1 β and TNFα and due to the release of TGF β.

In December 2009, the Group received approval from the ANSM for a randomised clinical Phase II trial, double blind against placebo, comparing the efficacy and tolerance of the mucoadhesive tablet Validive® (clonidine Lauriad®) in doses of 50µg and 10 µg, administered once a day, with that of a placebo in the prevention of severe oral mucositis induced by radiotherapy and/or chemotherapy in 183 patients suffering from a head and neck cancer in post-chemotherapy and post-radiotherapy mucositis. The study was conducted in Europe and the USA and patient recruitment was completed in May 2014. On 30 October 2014, Onxeo announced positive preliminary results from the study.

All of the patients included in the trial received post-operative radio/chemotherapy at an average cumulative dose of 61 Grays associated with chemotherapy, in most cases based on cisplatin. The main criteria were established to compare the incidence, onset and duration of severe oral mucositis, the use of opioids and other events associated with radiotherapy treatment. These parameters were assessed twice a week throughout the treatment duration.

In terms of efficacy, the Phase II trial demonstrated:

- Reduction in the incidence of severe oral mucositis (grades 3 and 4) in the group of patients treated with Validive® compared to the control group. The overall incidence of severe oral mucositis was 45% in patients of the Validive® group (50 and 100µg pooled) with a reduction in absolute value of 15% compared to placebo.
- The onset of severe oral mucositis after a higher dose of radiotherapy in patients treated by Validive® compared to the placebo group.
- Later onset of severe oral mucositis in patients treated with Validive® compared to placebo.
- No significant difference in terms of efficacy between the 50µg and 100µg Validive® groups.
- In terms of tolerance, Validive® showed a very favourable profile without any major differences in the type, incidence and severity of adverse effects between the Validive® and placebo groups.

Compliance with treatment was very good, over 80% of patients having actually applied the Valdive® or placebo tablet to the gums each day during radiotherapy, as specified by the study protocol.

Results of the Phase II study of Validive® were presented at the 57th American Society for Radiation Oncology (ASTRO) Annual Meeting, held October 2015 in San Antonio, USA.

A committee of European and US experts was established in 2013 to provide its expertise and recommendations on the development strategy for Validive® and on its medical positioning in oral mucositis. Following the analysis of this preliminary efficacy data, the experts committee recommended continuation of the Validive® development programme through a Phase III trial in the same patient population. The Group reached out to the US and EU regulatory agencies to discuss requirements for a phase III trial. Despite recognition from both agencies of Validive®'s interest and value to patients, these discussions have confirmed that two Phase III clinical trials will be required for registration in the US, which makes the further clinical program significantly longer and more costly than expected. Therefore, the Company has decided it is in the best interest of its shareholders to move forward with this Phase III program only with the support of a partner. While actively seeking for such collaboration, the Group will continue to promote the scientific value of Validive® through presentations at meetings.

4.2.1.4 AsiDNA and the signal interfering DNA (siDNA) technology

a) AsiDNA: first-in-class product acquired through DNA Therapeutics

Through DNA Therapeutics, Onxeo acquired a first-in-class clinical signal-interfering DNA (siDNA) molecule. Approaches to prevent the repair mechanisms allowing cancer cells to escape treatments have been identified as one of the most promising new avenues in cancer treatment. Cancer cells have the ability to recognize DNA damage and activate multiple DNA repair pathways or proteins to survive DNA damages which occur spontaneously in the case of certain genetically unstable tumors, or caused by certain cytotoxics (chemo- and radiotherapies). These DNA repair processes contribute to cancer aggressiveness and resistance.

AsiDNA molecule is a short double-stranded DNA molecule that acts as a decoy to break the cycle of cancer DNA repair activities by interfering at the core of DNA damage and interfering with multiple repair pathways, while sparing healthy cells. Cancer cells have lost the ability to regulate cell division. Therefore they will continue dividing with damaged DNA, ultimately leading to cell death. Healthy cells, on the other hand, will halt cell division until the compound is no longer present and damaged DNA can be repaired.

The technology, known as Dbait, was invented by Marie Dutreix, Research Director at The French National Centre for Scientific Research (CNRS), and Jian-Sheng Sun, Professor at The French National Museum of Natural History (Museum National d'Histoire Naturelle) in Paris, and further developed in Dr. Dutreix's lab at Institut Curie.

b) Competition

The field of DNA repair counts several compounds in development as well as products already on the market such as Lynparza® (olaparib), a poly ADP-ribose polymerase "PARP" inhibitor developed by Astra Zenecca approved for the treatment of BRCA-mutated advanced ovarian cancer. Other products in development are presented in the table below.

AsiDNA differs from other products in development, including PARP inhibitors, thanks to a unique mechanism of action which does not block a specific enzyme or mutation, but acts upstream of repair mechanisms, at the signaling level thus interfering with multiple DNA repair pathways.

Drug Name	Originator Company	Active Companies	Active Indications	Target-based Actions	Phase
lurbinectedin	PharmaMar SA	PharmaMar SA	Acute leukemia; Ewing sarcoma; Lung tumor; Metastatic breast cancer; Metastatic colon cancer; Metastatic pancreas cancer; Non-small-cell lung cancer; Ovary tumor; Pancreas tumor; Small-cell lung cancer; Solid tumor	RNA polymerase II inhibitor	Phase 3 Clinical
LB-100	Lixte Biotechnology Holdings Inc	Lixte Biotechnology Holdings Inc; Taipei Medical University	Cancer; Depression; Hepatocellular carcinoma; Ischemia	Protein phosphatase 2A inhibitor	Phase 1 Clinical
TRC-102,Tracon	Case Western Reserve University	TRACON Pharmaceuticals Inc	Cancer; Glioblastoma		Phase 2 Clinical Phase 1 Clinical
niraparib	Merck & Co Inc	TESARO Inc	Breast tumor; Ewing sarcoma; Ovary tumor; Small-cell lung cancer	Poly ADP ribose polymerase 1 inhibitor; Poly ADP ribose polymerase 2 inhibitor	Phase 3 Clinical
pentamidine, Oncozyme	Verlyx Pharma Inc	Verlyx Pharma Inc	Alcoholic hepatitis; Hepatocellular carcinoma	Endonuclease inhibitor; Exonuclease inhibitor	Phase 1 Clinical

c) Development to date and next phases

In a variety of preclinical animal models, the siDNA molecule demonstrated an increase in the efficacy of radiotherapy[24], radiofrequency ablation[25], and chemotherapy[26], and has not lead to toxicity with repeated cycles of treatment, making it a promising candidate for both monotherapy and combination therapy.

A first-in-human Phase 1I/IIa trial performed in metastatic melanoma demonstrated that siDNA molecules showed good tolerance and safety when administered intra-tumorally and subcutaneously around the tumors in combination with radiotherapy. This clinical development will be implemented after first optimizing the manufacturing process.

The Group now plans to initate the development of this first-in-class product by the systemic route, and to assess their safety and tolerance in monotherapy and in combination with other DNA-damaging agents in various solid tumors. The Group has currently identified two indications where systemic application is suitable and for which there is significant unmet need:

- 2nd-line triple-negative breast cancer, a genetically unstable cancer for which AsiDNA could be used in monotherapy or combination ;

- Platinum-resistant ovarian cancer, for which AsiDNA would be used in association with carboplatin.

[24] Quanz et al., 2009, Berthault et al., 2011, Coquery et al., 2012, Biau et al., 2014
[25] Devun et al., 2014
[26] Devun et al. 2011, Herath et al., 2016

These targeted indications count between 7,000 and 25,000 patients for a market potential between 300 and 600 million euros of revenue[27].

It should be noted that the Group has not finalized the development plan of AsiDNA.It will be defined based on the outcomes of the optimization of the manufacturing process and the results of the preclinical and clinical results (phase I).

4.2.2 Other products

4.2.2.1 Loramyc®/Oravig® and oropharyngeal candidiasis

Loramyc® (Oravig® in the USA) is an original mucoadhesive gingival tablet of miconazole. It provides early and prolonged release of an efficient concentration of miconazole that impregnates the oral mucosa with little or no systemic transfer. Loramyc® is the first antifungal pharmaceutical specialty to use this mucoadhesive gingival technology. Loramyc® sticks to the gum and disintegrates progressively while releasing miconazole for more than 12h on average.

Loramyc® is indicated in Europe for the treatment of OPC in immunosuppressed patients. In the United States, Oravig® is indicated for the treatment of OPC in adults.

Oropharyngeal candidiasis (OPC) is a mycosis of the oropharynx induced by yeast-type fungi: Candida albicans and non-albicans. The most common species is Candida albicans. OPC is an opportunistic disease that takes advantage of a deficiency in the immune system and/or a local imbalance in order to infect patients. The conditions associated with its development are often physiological, associated with a local trauma (irritation of the mucous membranes, poor dental hygiene) or with immune anomalies (advanced HIV infection, bone marrow or organ transplant, diabetes, severe malnutrition and debilitating age-related conditions). Furthermore, treatments such as immunosuppressive therapies, radiotherapy, chemotherapy, long-term antibiotic therapy and chronic or inhaled corticosteroids promote the development of severe fungal infections.

In oncology, the incidence of OPC varies according to the tumor location, the type of drugs and the therapeutic protocol being used: meta-analysis estimates the median incidence of candidiasis in oncology at between 30% and 70%, reaching nearly 100% in patients with a head and neck cancer[28].

Loramyc®/Oravig® is the first product developed and protected with the health authorities (Europe, USA and China) by the Group's personnel. The Lauriad® technology requires a single application per day of the Loramyc® tablet and maintains adequate levels of miconazole in the saliva for the treatment of OPC. The treatment therefore meets a real need for forms of local treatment administered once a day and targeting the affected mucous membrane, with a broad spectrum of activity covering all Candida, thus avoiding drug resistance and clearly reducing the risk of drug interactions. Positioned in a very competitive market with high price pressures, Loramyc® does not significantly contribute to the earnings of the Group. However, its merits in terms of efficacy and ease of administration makes it an attractive product for licensing agreements with international partners. The latest was signed in March 2015 with Dara BioSciences, a company specializing in oncology support care, for the marketing of Oravig® in the USA.

The clinical development of Loramyc® is also continuing in Japan and China with a phase III study in each country, the final stage prior to registration as required by the regulatory authorities. In Japan, the study is being conducted by the partner Sosei and in China by SciClone Pharmaceuticals.

[27] Company estimates

[28] Yeung-Yue KA Herpes simplex viruses 1 and 2 Dermatol Clin 2002; 20(2):249-66. ; G. Lorette JADD 2006, Vol. 55, n°2, p.225-31

The table below gives a summary of the licensing agreements signed by the Group for the marketing of Loramyc®.

Partner	Territory	Phase	Amount already generated by the Group	Total to be generated from the agreement
Sosei Co., Ltd Licensing agreement from May 2011	Exclusive marketing license for Japan	Ongoing clinical development	3 million dollars	14.5 million dollars + royalties on sales
Therabel Pharma group Licensing agreement from March 2010	Exclusive marketing license for Europe, including Switzerland	Commercialisation in France, Germany* and Italy	9.5 million euros	45.5 million euros + royalties on sales
Handok Licensing agreement from March 2008	Exclusive marketing license for Korea, Taiwan, Singapore and Malaysia	MA for Korea withdrawn	1 million euros	12 million dollars + royalties on sales
ScliClone Licensing agreement from June 2008	Exclusive marketing license for China	Ongoing clinical development	0.6 million euros	4 million dollars + royalties on sales
Dara Licensing agreement in March 2015	MA + marketing licence for the USA	Marketing in the USA	Not disclosed	Not disclosed

***** As Loramyc® was no longer promoted in Germany, Therabel intends to stop commercialization in the country over the course of 2016.

4.2.2.2 Sitavig® (acyclovir Lauriad®) and the labial herpes market

Sitavig®, the second product developed and registered in Europe and the USA by the Group's personnel, is an original mucoadhesive gingival tablet containing acyclovir. It has been developed for the treatment of recurrent herpes labialis with the administration of a single tablet at the first signs of infection:

Caused by herpes simplex virus 1, herpes labialis, often called "cold sores", is the most common form of herpes. This virus causes the appearance, on and around the lips, of transparent vesicles the size of a pinhead, surrounded by a red areola. The blisters burst fairly quickly, become ulcerated and eventually form scabs. Healing takes place without consequences within 7 to 14 days on average.

Herpes virus can be found in vesicular lesions but also in saliva, nasal secretions and tears. Contamination occurs through direct contact with lesions or contaminated secretions. Self-contamination is also common. Transmission can occur as soon as the first symptoms appear and until the scabs dry up.

Over 80% of the global adult population carries HSV-1, the main labial herpes virus[29]. Each year, about 14% of the adult population has at least one episode of herpes labialis[30]. Acyclovir Lauriad® targets patients with at least four outbreaks per year, which represents roughly 35% of patients suffering from recurrent labial herpes according to a study of patients conducted by Nielsen for the Group. In addition, HSV-1 infection is often associated with HIV infection, in which case patients have about twelve outbreaks a year.

Like Loramyc®, Sitavig® shows merit in terms of efficacy and ease of administration being taken just once for the entire herpes episode, making it an attractive product for licensing agreements with international partners. A first exclusive licensing agreement was signed in June 2012 with Abic Marketing Limited, a Teva group subsidiary, to market Sitavig® in Israel. In 2014, new agreements were concluded: with Daewoong Pharmaceutical Co. Ltd and EMS S/A for South Korea and Brazil respectively for the registration and marketing of Sitavig®. In the USA, where the product has been registered since 2013, the Group signed a licensing agreement with Innocutis Holding LLC, a dermatology specialist, for the marketing of Sitavig® which started in July 2014. Innocutis was acquired by Cipher Pharmaceuticals in 2015.

In July 2015, the Group signed a licensing agreement with Bruno Farmaceutici for the commcercialization of Sitavig®. Bruno has launched the commercialization of Labiriad® (Sitavig®'s name in Italy) under its current registration status and will assess the feasibility of obtaining over the counter (OTC) status which would allow direct commercialization by pharmacists to patients.

Signing of a licensing agreement with the pharmaceutical company Bruno Farmaceutici for the marketing of Labiriad® (acyclovir Lauriad®) in Italy. The product launch commenced at the end of March 2016.

The table below gives a summary of the licensing agreements signed by the Group for the marketing of Sitavig®.

Yeung-Yue KA Herpes simplex viruses 1 and 2 Dermatol Clin 2002; 20(2):249-66. ;

[30] G. Lorette JADD 2006, Vol. 55, n°2, p.225-31

Partner	Territory	Phase	Amount already generated by the Group	Total to be generated from the agreement
Daewoong Pharmaceutical Licensing agreement from April 2014	Marketing licence for South Korea	Undergoing registration	0,148 million euros	1.3 million euros + royalties on sales
EMS S/A Licensing agreement from June 2014	Marketing licence for Brazil	Undergoing registration	30,000 dollars	0.12 million dollars + royalties on sales
Cipher (Innocutis) Licensing agreement from March 2014	Marketing licence for the USA, Canada and Mexico	Marketed in the USA, registration ongoing in Canada	2 million dollars + royalties on sales	5 million dollars + royalties on sales
Bruno Farmaceutici Licensing agreement from June 2015	Marketing License for Italy	Launched Q1 2016	0.25 million euros	2.5 million euros + royalties on sales
Teva Licensing agreement from June 2012	Marketing licence for Israel	Undergoing registration	0.15 million dollars	0.35 million dollars + royalties on sales

5. CORPORATE GOVERNANCE

Sections 5.1, 5.2 and 7.2.2 of this Reference Document constitute the Chairman's report on Corporate Governance, internal control and risk management as required under Article L. 225-37 of the Commercial Code. This report was approved by the Board of Directors on February 26, 2016; it was forwarded to the AMF alongside this Reference Document and is available from the Onxeo website: http://www.onxeo.com.

The Chairman's report was prepared and written in accordance with French law no. 2008-649 of 3 July 2008 covering various provisions for adapting French company law to EU law, and with the Code MiddleNext, the code selected by the Board of Directors as a benchmark code, which may be viewed at the MiddleNext website http://www.middlenext.com/IMG/pdf/Code_de_gouvernance_site.pdf. The Board declares that it has fully taken into account all of the elements of this code in the section "Points de vigilance" (areas of vigilance).

5.1 Board of Directors

According to the legal, regulatory and applicable statutory provisions, the Board of Directors must be composed of at least three members, 18 at the most, appointed by the General Shareholders' Meeting for a three-year period.

The composition of Onxeo's Board of Directors did not change during 2015, but has evolved over 2016.

During its meeting on 22 January 2016, the Board of Directors took note of the resignation of Mr Pierre Langlois as director and chairman of the Board of Directors with effect after said meeting of the Board and appointed, as his replacement, Mr Joseph Zakrzewski.

The General Meeting of shareholders of April 6, 2016 ratified the nomination of Mr. Joseph Zakrzewski and renewed its Director mandate for another period of three years expiring at the end of the General Meeting held in 2019 that rules on the accounts for the year ending December 31, 2018.

The General Meeting of shareholders also approved the appointment of two Directors, Mr. Jean-Pierre Kinet and Mr. Jean-Pierre Bizzari, for a period of three years expiring at the end of the General Meeting held in 2019 that rules on the accounts for the year ending December 31, 2018.

In parallel, the 2016 General Meeting of shareholders renewed the term of office of Mr. Russell Greig, and Mrs. Danièle Guyot-Caparros for a period of three years expiring at the end of the Annual General Meeting held in 2019 that rules on the accounts for the year ending December 31, 2018.

It should also be noted that Mr Thomas Hofstaetter's term of office was renewed for a further three years by the General Shareholders' Meeting held on 20 May 2015.

At the time of this Reference Document, the Board of Directors is composed of nine members:

- Mr Joseph Zakrzewski — Independent Director, Chairman
- Ms Judith Greciet — Director, Chief executive officer
- M Russell Greig — Independent Director
- Ms Danielle Guyot-Caparros — Independent Director
- Mr Thomas Hofstaetter — Independent Director
- Mr David Solomon — Independent Director
- Mr Jean-Pierre Kinet — Independent Director
- Jean-Pierre Bizzari — Independent Director
- Financière de la Montagne — Director and shareholder, whose permanent representative

is Mr Nicolas Trebouta

The Board of Directors also appointed among its members a senior independent director, Ms Danielle Guyot-Caparros. This director shall ensure that the Company complies at at all times with the practices of good governance applicable to it, particularly in respect of French regulations. She will also be responsible for providing the Board with ongoing assistance to ensure the proper functioning of the Company's governance bodies and to offer her perspective on the operations on which the Board is called upon to deliberate.

In accordance with the provisions of the law of 27 January 2011 referring to proportionate gender balance on corporate boards, stipulating that the percentage of either sex may not be less than 20% as of 1 January 2014, and increasing to 40% on 1 January 2017, the Board of Directors has elected two women, as of the publication date of this report, thus comprising 29 % of its members.

With a Director representing the major shareholder of the Company, the Board believes that its composition appropriately takes into account the shareholders participation in its capital.

The Board members bring together essential top-level skills, thereby enriching the work and deliberations of the Board and the specialised committees with varied experience in their fields of expertise, particularly in the health and biotech sectors. They are mindful of all shareholder interests and engage fully in the deliberations, participating effectively in the Board's decisions and validly supporting them.

Detailed information about each member of the Onxeo Board as well as details about the directorships held by them is provided in Section 5.1.2 of this Reference Document.

5.1.1 Composition and activities of the Board

5.1.1.1 Composition and responsibilities of the Board of Directors

A. Mandates of the Board

The Board of Directors is responsible for determining the direction of the business of the Group in terms of strategic, economic and financial policies. It oversees and monitors their proper implementation.

Subject to the powers expressly granted by shareholder meetings and within the limits of its corporate purpose, the Board handles all matters affecting the operation of the Company and takes decisions about the more pertinent subjects by deliberation, including all strategic decisions affecting the Group, at the initiative of its CEO.

The Board's rules of procedure, which are available to shareholders at the head office and on the Company's website www.onxeo.com, determine the mission of the Board, its committees and organises their work.

These rules specify the Board's operating methods and the procedures for implementation of the legal and statutory provisions regarding its role in the management of the Group. It also specifies the rights and duties of the Board members, mainly regarding the prevention of conflicts of interest, multiple directorships, the strict confidentiality of deliberations and due diligence in participating in the work of the Board. Finally, they deal with AMF rules relating to Onxeo share transactions.

The Board's rules of procedure clearly state that in order for it to exercise fully its mandate:

(i) the Chief executive officer, assisted by the Secretary to the Board, communicates the relevant information to the other members;

(ii) that Board and Committee meetings are preceded by notification, within a reasonable time, of the items on the agenda that require reflection and special analysis, where appropriate this information should be accompanied by documentation;

(iii) that the Board be regularly informed of any significant event related to company business;

(iv) in order to enable easy consultation and in some cases facilitate directors' decision-making, and in accordance with the law, the Board's rules of procedure authorize the use of video and teleconference systems.

Finally, the Board of Directors decides freely on the procedures pertaining to the Company's general management. These can be assumed under the responsibility of either the Chairman of the Board of Directors or by another individual appointed by the Board and given the title of Chief Executive Officer. Onxeo's Board currently separates the functions of Chairman and Chief Executive Officer.

5.1.1.2 Organization and report on the Board's activities in 2015

The Board of Directors meets when convened by its Chairman who sets the agenda for each session. In order to better prepare decision-making concerning the different mandates under its responsibility, Onxeo's Board of Directors has established four committees:

- The Remuneration Committee,
- the Appointments and Governance Committee,
- the Audit Committee, and
- the Business Development Committee (formerly 'Corporate Development')

At its meeting of 5 November 2015, the Board of Directors amended its rules of procedure to reflect the new organisation of the Board of Directors endorsed by it during its meeting of 30 July 2015, particularly concerning the Remuneration and Appointments Committee, which was divided into two committees: the Remuneration Committee and the Appointments Committee. At its meeting of 26 February 2016, the Appointments Commitee was renamed Appointments and Governance Committee and its mission extended accordingly.

A. The Board's activity report

Eight Board Meetings were held in 2015. The participation rate was 95 %.

At each of these meetings, the Board of Directors took note of the progress of projects and the prospects of activities and results and paid particular attention to financing and Company strategy. Beyond these recurrent themes, the Board made the following key decisions during 2015:

At its meeting of 22 January 2015, the Board approved the 2015-2020 strategic plan as well as the budget for 2015. It determined (i) the percentage of corporate and individual objectives that the Chief executive officerachieved for determining the amount of his variable compensation for fiscal 2014, (ii) the compensation of the Chief executive officerfor FY 2015, as well as the 2015 objectives for the Chief executive officer. The Board also noted the increase in capital as a result of exercising stock options as well as the lapse in stock options and bonus shares due to the departure of some Group employees. Finally it adjusted the bases for the exercise of stock options, bonus shares and securities convertible into shares following the capital increase with preferential shareholder subscription rights carried out in December 2014.

At the Board meeting of 4 March 2015, the annual and consolidated accounts for 2014 were approved alongside the terms of the associated press release. It approved the annual report, including the report of the Chairman on corporate governance, internal control and risk management, as well as special reports on the allocation of stock options or purchase of shares and the bonus shares. The Board reviewed newly concluded regulated agreements or those that are still being negotiated during FY 2014. It approved draft resolutions and convened the Annual General Meeting. It also adopted a new share purchase warrants plan for non-salaried non-executive Board members. Finally, the Board ruled on the Company's policy on equal pay and gender equality.

At the Board meeting of 9 April 2015, written questions were discussed with a view to providing a response at the combined general meeting on 15 April 2015.

At the Board meeting of 15 April 2015 sales figures for Q1 2015 were approved alongside the terms of the associated press release.

The Board meeting of 30 July 2015 approved the half yearly accounts at 30 June 2015 and approved the half yearly financial report alongside the terms of the associated press release. The Board approved the action plan resulting from the evaluation of the Board in 2015 and the new composition of the now four (4) committees: the Audit Committee, the Compensation Committee, the Appointments Committee and the Business Development Committee (formerly the Corporate Development Committee). The Board noted a capital increase resulting from the exercise of stock options and amended Article 6 of the by-laws. It noted the cancellations of securities giving access to capital during the course of the second half of 2015;

At the meeting of 10 September 2015, the Board reviewed the financing plan for the period 2015-2017. It gave an update on the recruitment process for the next Chairman of the Board and its composition.

At the meeting of 27 October 2015, the Board recorded the achievement, without identified gaps or delays, of the objectives of the Chief executive officer. It [allocated] bonus shares to directors on 22 September 2014. The Board allocated 60,000 stock options to the Chief executive officer and 290,000 to Company employees. It also adopted a new share purchase warrants plan for non-salaried non-executive Board members. The report of the consultation of the works council on the strategic directions of the Company was presented.

At the meeting of 5 November 2015, the Board approved sales figures for Q3 2015 alongside the terms of the relevant press release and amended the rules procedure of the Board of Directors.

B. Remuneration Committee

Composition

The members of the Remuneration Committee are selected from among Onxeo directors or outside experts. They are appointed on a personal basis and cannot be represented. The term of office of the committee members coincides with that of their directorship.

At the time of this Reference Document, the Remuneration Committee is composed of four members:

Mr David Solomon, who chairs it, Mr Nicolas Trebouta, representing Financière de la Montagne, Mr Russell Greig and Mr Jean-Pierre Kinet. There are thus three independent directors including the Chairman. Ms Judith Greciet, Chief Executive Officer, attends the meetings as an invitee of committee.

Mission

The Remuneration Committee is responsible for preparing the decisions of the Board of Directors in particular on (i) the determination of the main annual objectives of Management and, where applicable, the Deputy CEO, (ii) the initial level and any increase in Management and possibly the Deputy CEO (including the fixed and variable portions and benefits in kind, including stock options or share purchase or bonus shares), (iii) the distribution of attendance fees allocated to directors, (iv) any exceptional remuneration of directors for specific tasks or duties assigned by the Board.

Moreover, Management informs it of the Company's remuneration policy and proposes draft allocation plans of stock options, share purchase warrants and bonus shares.

Organization of work

The Remuneration Committee meets at least once a year. In 2015, it held two sessions with a 100% participation rate.

At its meeting on **22 January 2015**, the committee examined the variable remuneration of the CEO for 2014 and her objectives for 2015. It also discussed the CEO's remuneration for FY 2015.

At its meeting on **26 October 2015**, the Committee reviewed the attainment of the performance conditions of the stock option allocation plans and 2014 bonus shares for the CEO. It examined the conditions for granting new stock options and bonus shares to executives and employees of the Company. The Committee also reviewed the conditions of the warrant plan for non-salaried non-executive Board members.

C. The Appointments and Governance Committee

Composition

The members of the Appointments and Governance Committee are selected from among Onxeo directors or outside experts. They are appointed on a personal basis and cannot be represented. The term of office of the committee members coincides with that of their directorship.

At the time of this Reference Document, the Appointments and Governance Committee is composed of three members:

Mrs Danièle Guyot-Caparros, who chairs it, Mr Thomas Hofstaetter and Mr Jean-Pierre Bizzari. There are thus three independent directors including the chairperson. An additional member may be appointed temporarily to the Appointments and Governance Committee if his/her profile is suitable for the subject to be handled. Ms Judith Greciet, Chief executive officer, attends the meetings as an invitee of the committee.

Mission

The Appointments and Governance Committee's mandate is to prepare the decisions of the Board of Directors in case of changes to the composition of the Board of Directors or Management.

In particular, it is responsible for:

- presenting to the Board of Directors recommendations on the composition of the Board and its Committees, in particular on its changes;
- preparing succession plans for the Board and Management;
- an annual review of the list of the members of the Board of Directors who may be qualified as an 'independent member';
- organising any selection and evaluation process with a view to recommending to the Board of Directors the final list of candidates for a director position; and
- reviewing, with Management, the profiles of candidates for a position on the Executive Committee and participating, if necessary, in the interview process.

Organization of work

The Appointments and Governance Committee meets in an ad hoc manner and, in any case, at least once a year. In 2015 it met on one occasion with a 100% participation rate.

D. The Audit Committee

Composition

Audit Committee members are selected from among the directors. They are appointed on a personal basis and cannot be represented. The term of office of the committee members coincides with that of their directorship.

The committee may only include members of the Company's Board of Directors, excluding those in management positions.

It is composed of two or three members, of whom one at least must have specific financial or accounting skills and be independent.

The Audit Committee is presently composed of three members: Ms Danielle Guyot-Caparros, who chairs it, Mr Joseph Zakrzewski and Mr. Nicolas Trebouta, permanent representative of Société Financière de la Montagne. There are thus three independent directors including the chairperson. Ms Judith Greciet, Chief executive officer, attends the meetings as an invitee of the committee.

As of the date of this report, the Committee has two independent directors having skills in finance and accounting, Mrs. Danièle Guyot-Caparros and Mr. Joseph Zakrewski.

Mission

The Audit Committee's overall mission is to assist the Board of Directors in monitoring issues related to the development and control of semi-annual and annual accounting and financial information as well as elements to assess the risks incurred by the Group.

It examines the accounts prior to their presentation to the Board and gives views on the appointment and remuneration of the auditors as well as elements relating to their independence.

As part of its review of the Company's consolidated financial statements, the Audit Committee ensures that the adopted accounting principles, which have a significant impact on the presentation of the financial statements of the Company, have been formally validated by the executive management and the auditors and that they are brought to the knowledge of the Board of Directors. It also ensures that the main accounting options and choices made have been explained and justified by the executive management to the Board and reviewed by the Auditors. Finally, it ensures that the Auditors have access to all information necessary to carry out their responsibilities and that they were able to present all their material observations.

Within the framework of internal control, the Audit Committee ensures the monitoring of the effectiveness of the internal control systems.

The Company became aware of the final AMF report concerning the 22 July 2010 Audit Committee and has used it to complete the role of the Committee.

Organisation and minutes

The Audit Committee meets at least twice a year in advance of the approval of annual and interim financial statements. In 2015, it held two sessions with a 100% participation rate.

The Committee met on 27 February 2015 at which time the 2014 consolidated financial statements and the audit of the 2014 accounts were presented and thoroughly reviewed. It also reviewed the Company's risk management process and the Chair’s report on corporate governance, risk management and internal control.

During its 28 July 2015 meeting, the Committee reviewed all documents related to the half-year closing.

At its various meetings, the Audit Committee heard from the Company's CFO and the auditors who submitted their comments.

The Committee's Chairman presented an activity report to the Board of Directors meetings of 4 March 2015 and 30 July 2015.

E. The Business Development Committee (formerly ‘Corporate Development’)

Composition

The Business Development Committee members are selected from among the directors. They are appointed on a personal basis and cannot be represented. The term of office of the Committee members coincides with that of their directorship.

This Committee is composed of Mr Thomas Hofstaetter, who chairs it, Mr Russell Greig, Mr Jean-Pierre Bizzari and Mr Jean-Pierre Kinet. There are thus four independent directors including the Chairman. Ms Judith Greciet, Chief Executive Officer, attends the meetings as an invitee of the committee.

Mission

The Business Development Committee supports and assists the executive management on matters of business development, namely on acquisition projects and strengthening the product pipeline as well as the Group's strategic direction.

It prepares the Board's deliberations relating to the Company's strategic direction. It makes proposals and gives opinions and recommendations in its field of competence.

As such, it must:

- Discuss, assess and evaluate the strategic plan proposed by the Chief Executive Officer to the Board of Directors including the research program issues and the associated strategic choices with regard to the external and internal business context, and
- Investigate, propose targets and present its recommendations on the acquisition of new business projects, whether in the form of acquisitions of assets or companies (as well as their related financing), on any proposed the sale of assets, or on investments belonging to the Company.

Organization of work

The Business Development Committee meets at least once a year.

In 2015 it met on one occasion with a 100% participation rate. In addition, a strategic meeting extended to all members of the Board of Directors and the Executive Committee was held on 2 and 3 July 2015.

5.1.1.3 Assessment of the Board of Directors

In accordance with recommendation No. 15 of the MiddleNext corporate governance code to which the Company adheres, the Chairman of the Board requests, once a year, that each member expresses their opinions on the Board's functioning and the preparation of its work.

The assessment completed in 2015 gave the Board the opportunity to review and amend the organisation of the specialised committees, and to review more generally the organisational rules of the meetings of the Board to ensure greater fluidity of information and greater responsiveness of directors.

5.1.2 Information about the Directors of Onxeo

The board does not have a director elected by employees or an observer.

Apart from Mrs. Judith Greciet, who is also the CEO of the Company, no Director exercises any executive or salaried function for Onxeo or for any company directly or indirectly controlled by Onxeo.

No family relationship exists between any Directors.

No Director has been sentenced for fraud, none has been involved in a management or director capacity in any corporate bankruptcy, receivership or liquidation during the past five years and none has been the subject of any official public incrimination and/or sanction that has been definitively issued by a statutory or regulatory authority. None of them has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer or of taking part in the management or the running of the business of any issuer during the past five years.

5.1.2.1 Corporate offices

As of the date of the Reference Document, the Company Board of Directors comprises the following members:

Directors	Termes of office and functions
Joseph ZAKRZEWSKI Joseph Zakrzewski was appointed Chairman of Onxeo's Board of Directors on January 22, 2016. His mandate will expire at the shareholders' general meeting of 2019. Age: 53. Joseph Zakrzewski has over 25 years' experience as an executive in the biotechnology and pharmaceutical industry, serving on the board of directors of publicly and privately held companies, being advisor to a number of entities, and being involved in a number of philanthropic activities. Mr. Joseph Zakrzewski was coopted as Board member and named Chairman of the Board of Directors following the resignation of Mr. Patrick Langlois from his mandate as Chairman and Board member of the company on January 22, 2016. The annual meeting of shareholders dated April 6, 2016, ratified his nomination and renewed his mandate for a period of three more years. As of 31/12/2015, M. Joseph Zakrzewski held 5,000 shares and 90,000 share warrants in Onxeo. Business address: 715 Street Road, New Hope, PA18938 USA	Within the Company • Chairman of the Board of Directors of Onxeo Outside the Company • Director, Acceleron Pharmaceuticals • Director, Amarin Pharmaceuticals • Director Insulet Corporation Over the past years, Joseph Zakrzewski has also hold, amongst others, the following post outside the company, which he no longer holds: • Director, Liposcience

Judith GRECIET Judith Greciet joined Onxeo on 1 March 2011, as Chief Operating Officer in charge of R&D and Operations. She has been CEO and a director of the company since 29 June 2011. Her term of office will expire at the annual shareholders' general meeting of 2017. Age 47, Judith Greciet's career has been spent in various laboratories (including Eisai, Zeneca, Wyeth), occupying important managerial and strategic international positions in the growing field of Oncology and Immunology, working on innovative products. She has a doctorate in Pharmacy and is a graduate in business administration and pharmaceutical marketing. At 31/12/2015, Judith Greciet held 302,831 stock options and 49,491 bonus shares in Onxeo. Business address: ONXEO 49, boulevard du Général Martial Valin 75015 – Paris.	Within the Company • Director and CEO of Onxeo Outside the Company As of 31 December 2015 Judith Greciet is also: • Chairwoman of Laboratoires BioAlliance Pharma • Director of France Biotech Over the past 5 years, Judith Greciet has also performed the following functions and posts which she no longer performs: • Chairwoman of Eisai France • Director of Theravectys

Russell GREIG

Russell Greig has been a director of Onxeo since 26 June 2013. His term of office will expire at the shareholders' annual shareholders' general meeting of 2019.

Russell Greig, 63, has over 30 years' experience in the pharmaceutical industry, with expertise in research and development and international business development. Russell Greig spent a significant part of his career at GlaxoSmithKline (USA/UK) where he was Senior Vice President of Worldwide Business Development R&D, President of Pharmaceuticals International and SROone, the investment fund of GSK.

At 31/12/2015, Russell Greig held 43,629 share warrants in Onxeo.

Business address:
1241 Karen Lane,
Wayne, PA 19087-2759
United States

Within the Company

- Director of Onxeo

Outside the Company

As of 31 December 2015, Russell Greig was also:

- Chairman of the board of AM Pharmaceuticals (Netherlands)
- Chairman of the board of Mint Solutions (Netherlands)
- Chairman of the Board of Directors of Sanifit (Spain)
- Chairman of the Board of Directors of Bionor (Norway)
- Director of Ablynx (Belgium)
- Director of TiGenix (Belgium)
- Director of Oryzon (Spain)
- Venture Partner of Kurma Partners

Over the past 5 years, Russell Greig has also performed the following functions and posts which he no longer performs:

- Chairman of the Board of Directors of Syntaxin (UK) - now Ipsen (France)
- Director of Isconova (Sweden) - now Novavax AB (US)
- Chairman of the Supervisory Board of Novagli (France) - now Santen (Japan)

Danièle GUYOT-CAPARROS Danièle Guyot-Caparros has been a director of Onxeo since 26 June 2013. His term of office will expire at the annual shareholders' general meeting of 2019. Danièle Guyot-Caparros is 57. After experience with an audit firm carrying out international assignments she joined Rhône-Poulenc, later to become Aventis and then Sanofi, occupying several important posts, notably with responsibilities carried out in France at European level and then in business planning and performance monitoring on a worldwide level. At 31/12/2015, Danielle Guyot-Caparros held 28,629 share warrants in Onxeo.	Within the Company • Director of Onxeo Outside the Company At 31 December 2015, Danielle Guyot-Caparros is also: • Director of Diaxonhit (France)

David H. SOLOMON

David Horn Solomon has been a director of Onxeo since 29 June 2011.
His term of office will expire at the shareholders' annual general meeting of 2017.

Aged 54, David Horn Solomon has been Chief Executive Officer of public BIONOR PHARMA (Norway) since January 2015. A physician-pharmacologist, he was a faculty member at Columbia University from 1994-2001, before joining Carrot Capital Healthcare Ventures, a venture capital investment firm. Since 2006, he has held chief executive positions in Biotech companies, including recently from 2008-2015 as CEO of NASDAQ listed Zealand Pharma.

At 31/12/2015, David H. Solomon held 64,828 share warrants in Onxeo.

Business address:
BionorPharma
Kronprinzesse Märthas Plass 1
Vika, N-0116 Oslo, Norway

Within the Company

- Director of Onxeo and chair, Remuneration and Compensation Committee

Outside the Company

As of 31 December 2015, David H. Solomon was also:

- Director of TxCell (France) and chair RemCo
- Directorof Promosome Inc (USA).
- Directorof the American Chamber of Commerce in Denmark
- Directorof the Cass Foundation (UK)

Over the past 5 years, David H. Solomon has also performed the following functions and posts which he no longer performs:

CEO of Zealand Pharma (Denmark)

Thomas HOFSTAETTER Thomas Hofstaetter has been a director of Onxeo since 31 May 2012. His term of office will expire at the shareholders' annual general meeting of 2018. Age 67, Thomas Hofstaetter holds a doctorate in molecular biology (University of Tubingen, Germany). He has over thirty years' experience in corporate development and mergers and acquisition of pharmaceutical and biotechnology companies, particularly with Wyeth, Inc., Aventis, VaxInnate Corporation and Geron Corporation. At 31/12/2015, Thomas Hofstaetter held 59,325 share warrants in Onxeo. Business address: Thomas Hofstaetter Lindenstr. 37 60325 Frankfurt Germany	Within the Company • Director of Onxeo Outside the Company As of 31 December 2015, Thomas Hofstaetter was also: • Director of Bionor ASA Over the past 5 years, Thomas Hofstaetter has also performed the following functions and posts which he no longer performs: • Director of Geron Corporation (USA) • Chairman & CEO of VaxInnate Corporation (USA)

FINANCIERE DE LA MONTAGNE, represented by Nicolas Trebouta Financière de la Montagne has been a director since 29 June 2011. Its term of office will expire at the shareholders' annual general meeting of 2017. Age 52, Nicolas Trebouta has managed investments since 2004 directly through his company, Financiere de la Montagne, or through biotech funds. Co-founder of Chevrillon and Associates in 2000, he participated via this organization in several LBO operations including Picard Surgeles, the printer CPI and Albingia Insurance. He is a doctor and has been a shareholder of BioAlliance since 2008. At 31/12/2015, Financière de la Montagne held 5,661,532 shares and 33,513 share warrants in Onxeo. Business address: Financière de la Montagne 4-6, Rond-Point des Champs Elysées 75008 Paris	Within the Company • Director of Onxeo Outside the Company As of 31 December 2015, Nicolas Trebouta was also: • Manager of the SCI du Chardonnet • Manager of the SARL Financière de la Montagne SARL • Manager of the SCI Fleurus Immobilier • Chairman of the SCI 5 rue de la Liberté • Chairman of the SAS Dragon 8 • Manager of the SC Financière des Associés • Director of the GIE IO • Chairman of the supervisory board of the SCA Chevrillon & Associés • Manager of the EARL Ferme de Bissy • Manager of the SC Valois • Manager of the SCI du Trillon • Manager of the SC Aster Over the past 5 years, Nicolas Trebouta has also performed the following functions and posts which he no longer performs: • Chairman & CEO of the SICAV Mercure Epargne Longue

Jean-Pierre KINET M. Jean-Pierre Kinet has been a director since April 6, 2016. Its term of office will expire at the annual shareholders' general meeting of 2019. Age 62, Jean-Pierre Kinet has over 30 years of experience in clinical research and development, in the biotechnology sector and academia. He is currently a Pathology Professor at Harvard Medical School and Managing Partner at iX Life Capital. As of the date of the Reference Cocument, Jean-Pierre Kinet does not hold Onxeo shares or warrants. Business address: 42 rue de Berri, 75008 Paris	Within the Company: • Director of Onxeo Outside the Company: • Chairman of iXLife SAS • Chairman of Vaxon • Member of the Surveillance Board of iXCore • Member of the Surveillance Board of iXBlue • Member of the Surveillance Board of iXFund • Director of Pharmaleads • Director of AB Science • Manager of Kinet Life Pharma Management Manager of JPK consulting Over the past 5 years, Nicolas Trebouta has also performed the following functions and posts which he no longer performs: • Director of Theravectys • Director of UCB Pharma

Jean-Pierre BIZZARI M. Jean-Pierre Bizzari has been appointed director on April 6, 2016. Its term of office will expire at the shareholders' annual general meeting of 2019. Age 61, Jean-Pierre Bizzari has over 32 years of experience in the pharmaceutical industry, with a specific expertise in clinical development in oncology. Bizzari worked at Servier, Rhône-Poulenc Rore, Sanofi Aventis (Sanofi) and Celgene where he served as Executive Vice-President, Group Head, and Clinical Oncology Development (U.S., Europe, and Asia/Japan). At Celgene, Bizzari was in charge of the development of several anticancer agents such as Taxotere®, Eloxatin®, Abraxane®, Irinotecan® (CPT-11) indicated in several cancer indications. As of the date of the Reference Cocument, Jean-Pierre Bizzari does not hold Onxeo shares or warrants. Business address: 200 Riverside Blvd NYC – New York 10069	Within the Company : • Director of Onxeo Outside the Company • Director of Transgene (France) • Director of Halozyme Therapeutics (Etats-Unis) • Director of Celator (Etats-Unis) • Director of Pieris (Allemagne) • Director of Iteos (Belgique) • Member of the Scientific Advisory Board of the French National Cancer Institute (INCa) • Chairman of Cancer Synergie Lyon • Member of EORTC (European Organisation of Research and Treatment of Cancer) - Bruxelles Over the past 5 years, Jean-Pierre Bizzari has also performed the following functions and posts which he no longer performs: • Director of Theravectys

5.1.2.2 Conflicts of interest

As provided for under the Board of Directors' rules of procedure, each director must inform the Board without delay of any conflict of interests that arises - even potentially - in relation to items on the agenda and must abstain from voting in any deliberation regarding these items.

To the Company's knowledge, at the date of the present Reference Document, there are no conflicts of interest between the Directors' duties towards the Group and their private interests and/or other duties.

5.1.2.3 Independence

At the date of the Reference Document, the Company estimates that its Board of Directors counts six independent directors as defined in MiddleNext code of governance: Russell Greif, Danièle Guyot-Caparros, Thomas Hofstaetter, Joseph Zakrzewski, David Solomon, Jean-Pierre Kinet and Jean-Pierre Bizzari.

5.1.2.4 Directors' remuneration

Directors' are remunerated in the form of directors' fees paid only to independent directors. The maximum annual amount of attendance fees was set for 2016, and any subsequent year, by the Combined General Meeting of Shareholders of April 6, 2016 at €220,000.

In accordance with the decision of the Board Meeting of January 24, 2013, it was paid as follows:

- the directors receive a fixed, prorated remuneration of €3,400 for their position, and variable remuneration of €2,500 per Board meeting;
- the Chairman of the Board receives fixed, prorated remuneration of €9,400 for his position and variable remuneration of €3,000 for each Board meeting;
- committee members who are also independent directors receive additional variable remuneration of 1,000 euros per committee meeting of which they are a member, apart from the Corporate Development Committee where such remuneration has been set at 2,000 euros;
- committee chairmen receive additional variable remuneration of 2.000 euros per committee meeting of which they are chairman, apart from the Corporate Development Committee where such remuneration has been set at 3.000 euros;
- Directors who exercise a management role or who represent a corporate shareholder shall not receive attendance fees.

At the meeting of March 4, 2015, the Board of Directors granted share purchase warrants to non-salaried non-executive Board members, at a price of 0.63 euros, and a subscription price of 6.26 euros, execiseable over a period of 10 years.

At the meeting of October 27, 2015, the Board of Directors granted share purchase warrants to non-salaried non-executive Board members, at a price of 0.36 euros, and a subscription price of 3.61 euros, execiseable over a period of 10 years.

Directors' fees and other remuneration received by corporate officers				
Corporate officers	**Amounts for fiscal 2015 8 board meetings and 7 committee meetings**		**Amounts for fiscal 2014 8 board meetings and 6 committee meetings**	
	Directors' fees in €	**Other remuneration**	**Directors' fees in €**	**Other remuneration**
Patrick Langlois*	€35,400	13,000 BSAs €24,000 (*)	€45,400	20,000 warrants €24,000 (*)
Russell Greig	€19,900	15,000 warrants	€19,180	12,500 warrants
Danièle Guyot-Caparros	€25,400	0 BSAs	€29,400	12,500 warrants
David Solomon	€18,400	20,500 BSAs	€17,080	12,500 warrants
Thomas Hofstaetter	€25,400	15,000 warrants	€20,580	12,500 warrants
Financière de la Montagne Represented by N. Trebouta	N/A	20,500 BSAs	N/A	12,500 warrants
Orfacare Consulting GmbH Represented by Bo Jesper Hansen Member of the Board until 06/11/2014	N/A	N/A	€3,943	N/A
TOTAL	€124,500	84,000 BSAs €24,000	€135,583	82,500 warrants €24,000

*Patrick Langlois resigned from his position of director and chairman of the Board on January 22, 2016.

Directors do not benefit from any deferred indemnity or remuneration on any termination of their term of office.

5.1.2.5 Agreement with main shareholders, clients or suppliers

To the knowledge of the Company, at the date of the Reference Document, no deal or agreements exists entered into with the main shareholders, clients or suppliers, whereby a director was designated as member of the Board of directors, management or supervisory body or the general management.

5.1.2.6 Restrictions accepted by the corporate officers to sell their shares

To the knowledge of the Company, at the date of the Reference Document, there is no restriction accepted by the corporate officers to sell the shares they hold in the Company.

5.1.2.7 Information on service agreements entered into between members of the Board, management or supervisory body and the Company or one of its subsidiary

There is no service agreement entered into between members of the Board, management or supervisory body and the Company or one of its subsidiary.

5.2 Executive Management

As of the date of this Reference Document, the executive management of this Company is exercised by Judith Greciet, Chief Executive Officer, of whom a presentation is provided in Section 5.1.2.1 above.

Pierre Attali occupied the post of Assistant CEO until his departure from the Company on 9 February 2015.

5.2.1 Limitations imposed by the Board on the powers of the CEO and deputy CEOs

The Board's rules of procedure, which are available on the Company's website, set out the terms of exercise of the CEO's functions.
The Chief Executive Officer and the Chief Operating Officer cannot adopt certain measures or certain acts, commitments or contracts if they have not obtained prior authorisation from the Board of Directors.

Accordingly, in addition to those Company operations that legally require the Board of Directors authorisation - including sureties, guarantees, endorsements and the establishment of collateral arrangements for the purposes of ensuring third party commitments, the following require the Board's prior approval:

- Finalisation of the annual budget;
- Any decision to acquire or dispose of Company or business assets, or any decision to invest in a company, by any means whatsoever;
- Any decision of acquisition or disposal of assets or investments or any contract that commits the Company for an amount exceeding €400,000 per year for any decision other than those approved in the Company's annual budget; and
- And any decision to make available or grant rights to important intellectual or industrial property or tangible assets owned by the Company.

5.2.2 Remuneration of executive corporate officers

Remuneration policy

The remuneration of executive corporate officers is generally composed of a fixed salary supplemented by a benefit in kind - usually a company car, and variable remuneration linked to performance indicators.

This remuneration is accompanied by stock options and free shares, which are awarded for retention purposes.

Executive corporate officers receive no attendance fees for their position.

The Company has not put in place any severance compensation or any supplementary pension plans for corporate officers.

Judith Greciet

Madam Judith Greciet joined Onxeo on March 2, 2011, as Chief Operating Officer in charge of R&D and Operations. She was appointed CEO on June 29, 2011.

Annual gross compensation for Ms. Judith Greceit was set at €300,000 as of 1 July 2014 by the Board of Directors on 21 May 2014 on the proposal and recommendation of the Remuneration and Appointments Committee of 21 May 2014 as part of the merger, subject to closing conditions of the merger and completion of a round of financing. These conditions were met in December 2014. On 22 January 2015, the Board of Directors and the Remuneration and Appointments Committee maintained this annual gross compensation for 2015.

The fixed compensation collected by Ms Judith Greciet was thus set at €320,151 for FY 2015 and and within the aforementioned fixed salary supplement due for 2014 mentioned above and paid in January 2015.

In addition, an exceptional bonus of a sum equal to four (4) months' salary had been granted in 2014, as a result of the merger in 2014. However, her collection of it was subject to the realisation of a capital increase by the Company, a condition fulfilled in December 2014 making way for a payment in January 2015.

On 22 January 2015, the Board of Directors also decided that the variable remuneration of the CEO would in principle represent up to 50 % of the fixed salary and that for FY 2015 it would be subject to the achievement of objectives related to research and development activities, the structuring of Company strategy, and the quality of investor relations. After recognition of the achievement of the objectives, on 21 January 2016, the Board set variable remuneration for Judith Greciet for 2015 at 85% of the envelope.

In 2015, Ms Judith Greciet received no attendance fees in accordance with the rules set out in the preceding paragraph and did not receive any other instruments providing access to capital, except for the allocation of stock options.

Judith Greciet did not receive any benefits in kind in 2015 other than a company car.

A summary of all elements of the executive officers' remuneration is presented in the tables below.

Pierre ATTALI

Director of Strategy and Medical Affairs, Pierre Attali, also corporate officer as Deputy CEO, left the Group in 2015. The Board of Directors took note of his resignation of his post, which was delivered to it.

Onxeo considers that it complies with the recommandations of the MiddleNext Code regarding the compensation of the directors and executive corporate officers of companies whose securities are admitted to trading on a regulated market.

The tables provided by the recommendation of the AMF No 2014-14 "*Guide d'élaboration des documents de reference adapté aux valeurs moyennes*" are set forth hereinafter.

Table 1: Table summaryzing the compensation, stock options and free-shares allocated to each executive corporate officer.

Summary table of remuneration, options and shares allocated to each executive officer (in €)		
	2014	2015
Judith Greciet - CEO		
Remuneration payable in respect of the financial year (broken down in Table 2)	513.883	439.486
Value of options awarded during the year	38.921	24,600
Value of performance shares awarded during the year	190.431	N/A
TOTAL	**743.235**	**464.086**
Pierre Attali - Deputy CEO until February 9, 2015		
Remuneration payable in respect of the financial year (broken down in Table 2)	274.845	386.508
Value of options awarded during the year	23.353	N/A
Value of performance shares awarded during the year	119.525	N/A
TOTAL:	**417.723**	**386.508**

Patrick Langlois did not receive any compensation for the fiscal year 2014 and 2015, apart from the attendance fees (see section 5.1.2.4 of the Reference Document).

Table 2: Summary table of the compensation of each executive corporate officer.

Summary of remuneration paid to each executive officer (in €)				
	Amounts in 2014		Amounts in 2015	
	owed	paid (1)	owed	paid (1)
Judith Greciet - CEO				
- fixed remuneration (2)	287.147	267.184	300.188	320.151
- variable remuneration (3)	137.106	51.500	135.984	137.106
- exceptional remuneration	86.692	N/A	N/A	86.692
- directors' fees	N/A	N/A	N/A	N/A
benefits in kind (4)	2.938	2.938	3.314	3.314
TOTAL	**513.883**	**321.622**	**439.486**	**547.261**
Pierre Attali - Deputy CEO until February 9, 2015				
- fixed remuneration (2)	211.278	211.278	71.766	71.766
- variable remuneration (3)	59.867	29,329	N/A	59.867
- exceptional remuneration (5)	N/A	N/A	313.271	313.271
- directors' fees	N/A	N/A	N/A	N/A
- benefits in kind (4):	3.700	3.700	1.471	1.471
TOTAL	**274.845**	**244.307**	**386.508**	**446.375**

(1) Payment of variable remuneration for year N to year N + 1

(2) Fixed compensation includes base salary, the monetary value of paid leave, and any back pay or absences

(3) Variable remuneration depending on the fulfillment of objectives particularly related to R&D, corporate strategy, financial management, investors relations and the organization of the Company.

(4) Company vehicle

(5) Severance payment

Patrick Langlois did not receive any compensation for the fiscal year 2014 and 2015, apart from the attendance fees (see section 5.1.2.4 of the Reference Document).

Table 3 – Directors' fees and other remuneration received by non-executive corporate officers

Table 3 is provided in Section 5.1.2.4 of this Reference Document.

Table 4 – Stock options to purchase or subscribe for shares granted during the financial year to each corporate officer

During FY 2015, 60,000 stock options were allocated to Ms Judith Greciet in her capacity as executive corporate officer (see table 8 hereinafter).

These options were only exercisable from a period of four (4) years, subject to the achievement of performance conditions assessed one year after their allocation and related to (i) obtaining the approval by

the regulatory authorities of the Validive Phase III trial; (ii) the implementation of the Beleodaq®/belinostat development plan in new indications; and (iii) the conclusion of partnership agreements.

Stock-Options allocated during the fiscal year 2015 to each executive corporate officer						
Name of the executive corporate officer	Allocation date	Category of options	Valuation of the options pursuant to theBlack & Scholes method (in euros)	Amount of options allocated in the fiscal year	Exercise price	Expiration date
Judith Greciet	10/27/2015	Subscription options	€24,600	60.000	€3.61	10/27/2025
TOTAL				**60.000**		

Table 5 – Stock options to purchase or subscribe for shares exercised during the financial year by each executive corporate officer

No option to purchase or subscribe for shares was exercised by the corporate officers in 2015.

Table 6 – Performance shares awarded during the financial year to each corporate officer

Not applicable

Table 7 - Performance shares that became available during the financial year for each corporate officer

Not applicable

Table 8 – History of the allocation of stock warrants and options

As part of its policy of remunerating and motivating its executives and employees, from 2003 to 2005 Onxeo established plans for awarding special founders' share purchase warrants. Starting in 2006, this scheme was succeeded by plans to award stock options, as well as in 2008 and in 2014 by plans to award free bonus shares.

Since 2003, the independent members of the Board also benefited from successive plans awarding share purchase warrants. In 2014, these awards were extended to all directors not having the status of officers or employees of the Company.

Whether for stock options or warrants to purchase shares, the exercise price is determined as the average over the last twenty trading days preceding the grant date.

The conditions for exercising options and warrants granted to executives and corporate officers that were outstanding at December 31, 2014 are described in Table 8 below.

History of the awards of financial instruments granting rights to the share capital				
Information on the stock-options				
	SO Dir.2011	**SO Dir.2012**	**SO Dir.2014**	**SO Dir.2010**

Date of AGM	29/06/2011	31/05/2012	30/06/2014	20/05/2015
Date of Board of Directors meeting	21/09/2011	13/09/2012	22/09/2014	27/10/2015
Exercise terms	1 option/1 share Vesting 4 years subject to performance conditions[3]			
Shares that may be subscribed by executive corporate officers (Judith Greciet) [1]	167,453 [2]	56.507	18.871	60.000
Start date for exercise	21/09/2015	13/09/2016	22/09/2018	27/10/2015
Expiry date	21/09/2021	13/09/2022	22/09/2024	27/10/2025
Subscription price[1]	3.63	3.75	6.17	3.61
Shares subscribed at 31/12/2014	0	0	0	0
Cancelled or lapsed shares	0	0	7.156	0
Options remaining at 31/12/2014[1]	219.782	103.597	18.871	60.000

(1) After adjustment of the number and subscription price of warrants following the capital increases of July 2011, July 2013 and December 2014 in accordance with Article L.228-99 of the Commercial Code (Board meeting of 28 July 2011, 14 November 2013 and 22 January 2015)
(2) Out of the 160,000 options awarded to Judith Greciet by the Board of Directors on September 21, 2011 (before technical adjustments linked to capital increases), only 60,000 are subject to performance conditions.
(3) Performance conditions are related to the progress of R&D programs, company and business development activities, and in certain cases, the performance of the Company stock price.

Table 8 (continued)

Information on the stock-options						
	BSA 2011	BSA 2012	BSA 2013	BSA 2014	BSA 2014-2	BSA 2015
Date of AGM	29/06/2011	31/05/2012	26/06/2013	30/06/2014	30/06/2014	20/05/2015
Date of Management Board/Board of Directors meeting	21/09/2011	13/09/2012	19/09/2013	22/09/2014	04/03/2015	27/10/2015
Exercise terms	1 warrant / 1 share - Vesting/18 months					
Shares able to be subscribed by corporate officers [1]	41.864	41.857	88.490	85.886	19.000	84.000
of which Patrick Langlois	26.165	26.161	26.026	20.821	8.000	5.000
of which David Solomon	15.699	0	15.616	13.013	5.500	15.000
of which Thomas Hofstaetter	N/A	15.696	15.616	13.013	0	15.000

of which Danielle Guyot-Caparros	N/A	N/A	15.616	13.013	0	0
of which Russell Greig	N/A	N/A	15.616	13.013	0	15.000
of which Financière de la Montagne	N/A	N/A	N/A	13.013	5.500	15.000
Starting date for exercise of BSAs	21/03/2012	13/03/2013	19/03/2014	22/03/2015	04/09/2015	27/10/2016
Expiry date	21/09/2017	13/09/2018	19/09/2023	22/09/2024	04/03/2025	27/10/2025
Issue price	€0.38	€0.39	€0.40	€0.64	€0.63	€0.36
Subscription price[(1)]	€3.63	€3.75	€3.85	€6.17	€6.26	€3.61
Shares subscribed at 31/12/2014	0	0	0	0	0	0
Total BSAs cancelled or lapsed	0	0	0	0	0	0
BSAs outstanding at end of period [(1)]	41.864	41.857	88.490	85.886	19.000	65.000

(1) After adjustment of the number and subscription price of warrants following the capital increases of July 2011, July 2013 and December 2014 in accordance with Article L.228-99 of the Commercial Code (Board meeting of 28 July 2011, 14 November 2013 and 22 January 2015)

Table 9 – Warrants and stock options granted during the financial year to the top ten non-executive employees or exercised by them.

Warrants and stock-options granted to the ten employees other than corporate officers receiving the largest number of options	Number of warrants or stock-options granted	Weighted average price	Plan
Stock-options granted, over the fiscal year, to the ten employees other than corporate officers receiving the largest number of stock-options granted (overall information)	227.000	€3.61	2015 SO Employee Plan
Stock-options exercized, over the fiscal year, by the ten non-corporate officers employees having exercized the largest number of options (overall information)	0	-	-

Warrants granted, over the fiscal year, to the ten non-corporate officers employees who have been granted the largest number of options (overall information)	0	-	-
Warrants exercized, over the fiscal year, by the ten non-corporate officers employees having exercized the largest number of share warrants (overall information)	0	-	-

Table 10: Free shares allocation history

Free shares allocation history **Information regarding the free shares allocated**	
	AGA 2014
Date of General Assembly meeting	30/06/2014
Date of Board of Directors meeting	22/09/2014
Total number of free shares(1) allocated	148,500
Including free shares allocated to executive corporate officers (Judith Greciet) (1)	47,000
Acquisition date of the free shares	22/09/2016
End of the conservation period	22/09/2018
Options cancelled or lapsed	16,240
Options remaining as of 31/12/2015 (2)	141,383

(1) subject to performance conditions. Performance conditions are related to the progress of R&D programs, company and business development activities, and the performance of the Company stock price.
(2) after the adjustment of the number and subscription price of the options following the capital increases of Dcember 2014, in accordance with article L.228-99 of the French commercial code (Board Meetings of January 22, 2015)

Table 11:

Executive Officers	Employment contract		Supplementary pension plan		Indemnities or benefits due in respect of termination or change in duties		Indemnities related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Judith Greciet CEO In office since: 29/06/2011 End of term: Shareholders' meeting called to approve the financial statements for the year ending on 31/12/2016.		**x**	x			**x**		**x**

Joseph Zakrzewski Chairman of the Board In office since: 22/01/2016 End of term: Shareholders' meeting called to approve the financial statements for the year ending on 31/12/2019.		x		x		x		**x**

During the Board meeting of 21 May 2014 and on the proposal of the Appointments and Remuneration Committee dated 16 May 2014, the board approved the suspension of the employment contract of Judith GRECIET with effect from 1 July 2014 for the duration of her term of office as Deputy CEO.

Commitments of all kinds corresponding to elements of remuneration, indemnities or benefits due or that could be due by the Company with regard to the assumption of duties, the termination of duties or a change in duties of the executive officers or after such event: There are no such commitments in the Group that are subject to the procedure provided for in Article L 225-42-1 of the French Commercial Code.

In accordance with the provisions of Articles L 225-197-1 and L 225-185 of the French Commercial Code, the Board of Directors, on the recommendation of the Remuneration Committee, set the percentage of shares (shares granted or shares resulting from the exercise of stock options) that the executive officers of Onxeo have the obligation to hold as registered shares until the termination of their duties. This percentage was set at 10% of the capital gains net of tax and related contributions obtained by the exercise of options.

In addition, the Company's pension liabilities for executive officers at 31 December 2015 amounted to €45,320 (IFRS consolidated financial statements).

5.3 Interests held by directors and officers in the Company's share capital

Interests held by directors and officers in the Company's share capital at 31 December 2015:

Interests held by directors and officers in the Company's share capital at 31/12/2015	**Number of shares**	**% of share capital**	**Number of shares resulting from the potential exercise of BSAs**	**Number of shares resulting from the potential exercise of options**	**Number of free shares**	**Total % after potential exercise of warrants and stock options**
J. Greciet		0.00%		302.831	44.491	0.86%
P. Langlois		0.00%	112,173			0.28%
R. Greig		0.00%	43,629			0.11%
D. Guyot-Caparros		0.00%	28,629			0.07%
T. Hofstaetter		0.00%	59,325			0.15%
D. Solomon		0.00%	64,828			0.16%
Financière de la Montagne	5,661,532	13.96 %	33,513			14.04%

5.4 Transactions by executives in the Company's shares

In accordance with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code, transactions involving the Company's securities (acquisitions, divestments, subscriptions or exchanges of securities) made by Company management or members of the Board of Directors or people with close personal ties in FY 2015 are set forth as follows:

- Patrick Langlois, Thomas Hofstaetter, Russell Greig, David Solomon and Financière de la Montagne subscribed, in whole or in part, to the warrants awarded to them by the Board of Directors meetings of 4 March 2015 and 27 October 2015 for a total of 84,000 warrants.

5.5 Internal control

5.5.1 Components of the risk management system

5.5.1.1 Definition and objectives

Internal control consists of the means, behaviours, procedures and actions adapted to the Group's particular characteristics and those of each of its subsidiaries as a whole that:

- Contribute to the control of its activities, its operating effectiveness and the well-organised use of its resources;
- Enable it to take appropriate action to tackle any significant risks it may face, whether they are operational, financial or compliance related.

Internal control is designed to ensure:

- compliance with legislation and regulations;
- Application of instructions and guidelines laid down by the Board of Directors;
- Proper functioning of the Group's internal processes, including those contributing to asset protection;
- The reliability of financial information.

- However, while supporting Company objectives, internal control cannot provide an absolute guarantee that they will be met. There are, in fact, inherent limitations to any internal control system, for example, uncertainties in the external environment, the use of good judgement or the cost-benefit relationship of implementing new controls.

5.5.1.2 Organizational framework

The Group also ensures there is adequate control of its operational risks. Risk management is steered by the Risk Committee, a management body established by executive management. Its responsibilities include proposing and updating annual risk mapping and subsequently reviewing the execution of the risk monitoring plans with those in charge of the particular activity.

It is the executive management's responsibility to validate the mapping put before them by the Risk Committee and in particular approval of the list of "major" company risks.

The annual risk management and mapping processes are presented each year to the Audit Committee within the context of its mission to review and monitor the effectiveness of internal control and risk management systems.

The Group has adopted a procedure that is intended to frame all the risk management methods and tools implemented and which specifies the terminology adopted in the Group - criteria of likelihood and severity, and types of risks, etc.

The objectives of this risk management policy are primarily to preserve the Group's assets and reputation, keep its costs to a minimum and promote the achievement of its strategic objectives.

5.5.1.3 Risk management process: identification and analysis of the main risks

The Risk Committee annually updates the mapping of risks in order to take into account the Group's strategic objectives as well as the evolution of its activities, its financial situation and its environment.

For each of the identified risks, the Committee analyses its potential impact in terms of its financial effect, work days lost, impact on the Group's activity and image, and assigns a probability index and a criticality index from which they deduce a factor from the combining of these two criteria.

Risks are then ranked in order of decreasing importance to categorize them according to the following classification: major risk, high risk, or acceptable risk.

Any major risk falls under a risk management plan specifying actions to be taken, persons in charge, main persons involved, deadlines, and the budget associated with each action.

The following major risk factor descriptions are organised in a way consistent with this risk mapping.

5.5.1.4 Risks factors

The Company conducted a review of the risks that could have a material adverse effect on the Group, its business, financial position, its results, its development or ability to achieve its objectives, and considers that there are no material risks other than those set forth below.

However, investors are warned that there may or could be other risks, which are, as of the date of the Reference Document, unknown or deemed by the Company to be unlikely to have an adverse effect on it, its business, financial position, results, its development or prospects.

5.5.1.4.1 Risks associated with the Group's business

- **Risks related to drug research and development**

The risk of serious side effects occurring in a clinical trial or of negative results of a clinical trial could affect the Group's growth

To obtain marketing authorisation for a product, the Group must conduct preclinical trials on animals and complete clinical trials on humans in order to demonstrate the product's safety and efficacy.

Although some of the products developed by the Group are developed from active ingredients currently existing on the market and whose efficacy and tolerance profiles are well established, and although the Group conducts its trials by taking a maximum number of precautions, notably in the creation of protocols, the recourse to associated experts and the review of competing products, patients could nonetheless be exposed to unexpected and serious risks. In such cases, the Group could choose, or the regulatory authorities could ask the Group, to suspend or end clinical trials. Death and other adverse events may occur during clinical trials because of medical problems, whether related or unrelated to the treatment being tested, and require the Group to delay or interrupt the trial.

In addition, the Group may decide, in the event of negative results, to abandon development projects that it may have initially considered to be promising.

The inability of the Group to carry out clinical trials could have a material adverse effect on its ability to generate future revenues, its financial condition, and its development.

The risk of significant delays in the conduct of its clinical trials could affect the Group's growth.

Clinical trials are generally carried out over several years and are very costly. Their completion depends on a number of important factors such as the indication, the size of the population affected, the nature of the clinical protocol, the proximity of the patients and the clinical sites, the criteria for eligibility for the trials, competition for patient enrolment, the availability of sufficient quantities of products, assistance from third parties and compliance with regulatory standards.

If, for reasons associated with one or more of these factors, a significant delay occurred in a trial, and development times significantly differed from estimates, this could have an adverse impact on the Group's ability to generate future revenue, its financial condition, and its development.

- **Risks related to the acceptance by the market of the Group's products**

The commercial success of the Group strongly depends on its ability to gain and maintain the support of the medical community, the prescribing physicians and paying agencies. The degree of acceptance by the market depends on several factors, in particular:

- the perception of the therapeutic benefit by the prescribing physicians;
- the possible occurrence of undesirable side effects not detected during the clinical trials;
- the reimbursement policies of different countries and, more generally, of public or private paying agencies; and
- the effective implementation of a scientific publication strategy.

Furthermore, while the Company believes that its products will provide a therapeutic response to a need that is currently unmet, competing therapeutic solutions, whether in existence, under development, or previously unknown, could, in the future, gain significant market share and limit the Group's ability to market its products successfully.

Poor market penetration as a result of one or more of the factors described above could have an adverse effect on the Group's business, prospects, financial position, results and development.

- **Risks related to the outsourcing of the clinical studies conducted by the Group**

The Company does not have, at this stage of development, sufficient infrastructure and resources to independently conduct the clinical trials essential for developing the products it designs.

The Group uses various providers, in France and abroad, to carry out its clinical trials. The quality of test results depends mainly on the quality of carrying out the desired services and their compliance with the original specifications and applicable standards.

Although the Group audits its subcontractors and rigorously monitors all stages of the clinical trials, the failure of a subcontractor involved in one of these trials, the loss of data, delays or errors in data processing could have an adverse effect on the accuracy of test results and the preparation of regulatory filings for products under development by the Group.

- **Risks of dependence on the subcontractors to which the Group outsources the manufacturing of its products**

As part of its strategy, the Group subcontracts the manufacturing of its products under development or already on the market. The manufacturing of the Group's products is a particularly complex and demanding process, in particular due to applicable regulations and specific requirements applicable to the authorization of clinical trials and for MAs.

Although the Group's subcontractors are selected after careful assessment of the performance of their quality department and the transparency of their activities, difficulties could occur during the manufacturing or the distribution of the Group's products. In the event of a failure of a subcontractor, an interruption or a quality issue in the provision of products, the Group could find itself temporarily unable to supply its commercial partners, which would adversely affect its reputation, affecting both its sales and profitability.

In addition, one or more subcontractors of the Group may unilaterally decide to increase the manufacturing cost of the drugs they manufacture on its behalf, in order to manage an increase in the price of the raw materials used. If the Group were unable to pass on such increases in the manufacturing cost of its products to its customers (including due to commercial pressure from its competitors), its gross margin could be significantly reduced.

Moreover, in case of non-compliance of the products manufactured by these third parties with applicable regulatory standards, sanctions could be imposed on the Group including fines, injunctions, orders to pay damages or the suspension or the withdrawal of the granted authorizations.

Furthermore, in the event the Group substitutes a critical subcontractor responsible for manufacturing its products, tests and additional validations could be required to maintain MAs granted for its clinical trials. This could delay the development of the products concerned and increase manufacturing costs.

Finally, even though it believes that the number of subcontracts likely to meet its needs is significant, the Group cannot guarantee that it will be able to enter into new contracts in the desired time periods and on acceptable commercial terms.

The activity, financial situation, results, development and financial prospects of the Group in the mid and long term could be significantly affected by the occurrence of one or several of these risks.

- **Risks related to drug pricing and reimbursement policies**

Risk associated with a delay in obtaining pricing and reimbursement rates or lower-than-expected rates

Drug prices are decided by public commissions and agencies in relation to a flat rate deemed acceptable to the community and are therefore largely beyond the control of the Group. Governments and other third party payers actively endeavour to curb healthcare costs by limiting both the coverage and the reimbursement rates applicable to new therapies.

The Group's ability to generate sufficient profits on the sale of its products will partly depend on the level at which they are made available and the level of their reimbursement by the public health authorities, private health insurance companies and healthcare management organisations in the various countries where they are marketed. Should the timing of the procedure for price negotiation result in a significant delay in marketing a product, or should the Group be unable to obtain an appropriate level of reimbursement, its profitability would suffer.

Risk that a marketed product will cease to be reimbursed

The Group anticipates constant and increasing changes in proposed legislation to strengthen government controls over drug prices. In the western world, pressure on prices and reimbursement of drugs is generally on the increase, and there is a growing tendency for certain products not to be reimbursed.

The Group works alongside specialised consultants and international medico-economic experts to anticipate the information needed to provide effective support to its pricing files in the various countries concerned and to maintain a level of publication that makes it possible to regularly confirm the medical service rendered.

However, the Group cannot guarantee that it will succeed over time in maintaining the price level of its drugs or the agreed reimbursement rate. If it is unable to do so, its sales and profitability could be significantly altered.

- **Risks related to the commercial development of the Group**

The Group markets its products through a network of partners with whom it has entered into licensing agreements for the marketing of its products having obtained a MA.

Since the summer of 2014, a first product of its orphan oncology portfolio, Beleodaq®, has been marketed in the United States via the company Spectrum Pharmaceuticals. Similarly, the first two products developed by the Group - Loramyc®/Oravig® and Sitavig®, have been respectively sold in Europe by the Therabel Group and in the United States by Cipher Pharmaceuticals. However these two products, which are not part of the strategic orphan products in the oncology portfolio, do not significantly contribute to either income or results and should not be considered as important elements in the Group's valuation.

The successful marketing of the Group's products via its partners depends, in part, on the financial resources, expertise and customer base of the partners. The Group cannot guarantee that it will be able to keep its existing partners or enter into contracts with new partners in order to market its products on acceptable financial terms in all the countries with a sales potential, nor can it guarantee that its partners will have the necessary expertise in the field of oncology or that they will devote the necessary resources to the commercial success of its products. The future development of the Group will, in part, depend on the pace at which its partners support and use its new products. Indeed, they must be confident in the value, for their market and territory, of the new products offered by the Group, as well as of the acceptability of the prices and sales conditions set by the Group.

The Group could, in the mid and long term, directly market all or part of the products it develops. The success of the direct marketing of the Group's products would then depend on its capacity to implement its own sales and marketing infrastructure and, for that purpose, incur significant costs and recruit a qualified workforce.

Although the Group monitors its partners and strives to retain the in-house expertise needed to coordinate them and monitor their marketing and sales efforts, failure in the efforts of the marketing network of the Group's products and/or the occurrence of one of the risks described above could have an adverse effect on their marketing and, more generally on the Group's business, financial position, results, development and prospects.

- **Risks related to the liability of the Group**

Although the Group has a pharmacovigilance system that complies with international regulations and has been inspected by the health authorities, it may incur product liability in connection with the testing, manufacturing, and marketing of therapeutic products for humans, particularly due to possible unanticipated side effects following administration of the product during clinical development and marketing

Criminal complaints or lawsuits could be filed or brought against the Group by patients, regulatory agencies, pharmaceutical companies or any other third party using or marketing its products. These actions may include claims arising from actions of its partners, licensees and subcontractors of the Group, over which it exerts little or no control.

The Group cannot guarantee that the insurance policies subscribed to (please refer to section 5.5.1.5 of the Reference Document) or that indemnification undertakings agreed to by its subcontractors in favor of the Group, contractually capped where applicable, will be sufficient to cover any liability claim that may be brought against the Company.

In case of claims against the Group or its partners, licensees or subcontractors, or if the Group or its partners, licensees or subcontractors were not able to obtain and maintain adequate insurance coverage at an acceptable cost, or if it was unable to protect itself in any manner against liability claims, the Group's marketing of its products would be seriously affected and, more generally, would harm its business, results, financial position and development prospects.

5.5.1.4.2 Risks related to the Group's organisation

- **The Group could lose key employees and not be able to attract other qualified personnel**

The Group's success depends largely on the work and expertise of its management team and its Chief Executive Officer. To date, the Group has not subscribed to any so-called "key person" insurance (permanent disability/death insurance policy). The temporary or permanent unavailability of one or more members of its management team could impair the Group's ability to achieve its objectives, in particular by depriving it of their experience and know-how.

In addition, the Group will need to recruit new managers and qualified scientific personnel in order to develop its business as and when the Group expands in areas requiring additional skills, such as manufacturing, regulatory matters and, ultimately, marketing. The Group competes with other companies, research organizations and academic institutions to recruit and retain highly qualified scientific, technical and managerial personnel. As this competition is very intense, the Group may not be able to attract or retain key personnel on financially acceptable terms.

The Group's inability to attract and retain key personnel could prevent it from achieving its overall objectives and have a material adverse effect on its business, results, financial position and prospects.

5.5.1.4.3 Legal risks

- **Challenges and constraints related to the regulatory environment**

One of the Group's major challenges consists in successfully developing products through their marketing phase, in an ever more restrictive regulatory environment.

Legislative and regulatory provisions defined by the French health product safety agency (ANSM) in France, the European Commission, the EMA in Europe, the FDA in the United States and equivalent regulatory authorities in other countries, govern research and development, preclinical and clinical studies, and the manufacture and marketing of drugs (see chapter 4 of the Reference Document). Throughout the world, the pharmaceutical industry is confronted with a tightening of this regulatory environment. The health authorities – notably the FDA and the EMA – have imposed ever more stringent requirements in terms of volumes of data required to demonstrate a product's efficacy and safety.

Consequently, the regulatory process for approval of new therapeutic products is long and complex and its outcome is uncertain. Moreover, regulatory requirements and procedures vary greatly from one country to another.

For a growth company like Onxeo, whose product portfolio is, for the most part, still in development, the uncertainties associated with both applying for marketing authorisation and its phase of examination by the regulatory authorities carries major risks whose financial impacts may be significant.

The Group's obtaining of an MA for each of its therapeutic products requires compliance with stringent standards imposed by the regulatory authorities and reporting to the authorities a significant amount of information on the new product (such as its toxicity, dosage, quality, effectiveness, safety, etc.). While the process for obtaining the authorization involves substantial investment, the outcome is uncertain.

The grant to the Group of an MA can be delayed or unsuccessful due to multiple factors:

- the Group may fail to obtain the authorization to pursue the development of a product from a preclinical or clinical phase to the next phase;
- the competent regulatory authorities may require the Group to engage in additional testing; or
- the Group or its subcontracts may not be able to complete the requested clinical trials within the time limits and with the human, technical and financial resources initially planned.

Furthermore, the competent regulatory authority may restrict the geographic area or the indications for which the Group would be authorised to market its product, which could significantly restrict the marketing thereof.

Finally, even once granted in accordance with due procedures, a MA may be suspended or even withdrawn, especially when an adverse effect is subsequently discovered.

The activity, financial situation, results, development and financial prospects of the Group in the mid and long term could be significantly affected by the occurrence of one or several of these risks.

- **Limits on patent protection and other intellectual property rights: risk that patents issued or granted to the Group under licence are contested by third parties or invalidated**

The Group has a proactive Intellectual Property strategy, directly linked to its research and development projects, and regularly files patent applications in order to protect its technologies, products, preparation processes and pharmaceutical compositions. Through its patents and other intellectual property rights, the Group holds exclusive rights to the products it develops by its own

research or which it has acquired through licensing. As of the date of this Reference Document, the Company has rights to 453 patents or patent applications, including 398 patents granted in several countries or major jurisdictions, including the United States, Europe and Japan.

The Group's ability to market its products successfully will therefore depend chiefly on its ability to obtain, maintain and protect its intellectual property rights.

In the pharmaceutical sector, patent law is evolving and presents uncertainties. In particular, no uniform global policy has so far emerged on the content of patents issued in the fields of biotechnology and the scope of allowed claims. Uncertainties also result from the possible emergence of new-found prior art.

As regards the extent of protections claimed, some of the Group's patents may cover products derived from compounds protected by patents held by third parties.

Regarding the possible emergence of new-found prior art, patent applications are never published before a period of eighteen months after their first filing and, in the United States, some applications are not published before the date on which the patent is granted. Thus, at the time a patent application is filed, other as-yet unpublished patent applications belonging to third parties may constitute unidentified prior trademarks. The filing of a patent application or issuance of a patent does not therefore guarantee its validity or its applicability, both of which may be challenged by third parties.

If third parties were to claim a proprietary right over the Group's patents or other intellectual property rights, the Group may have to obtain suitable licences for those patents, interrupt or modify certain activities or procedures, or even develop or obtain alternative technologies, which is liable to have adverse effects on the development of its products and the generation of future revenues.

It may be necessary to take legal action to enforce intellectual property rights, protect trade secrets and establish the validity and scope of the Group's intellectual property rights. Litigation could involve considerable expense, reduce the Company's potential profits and fail to provide the protection sought.

- **Risks associated with patents falling into the public domain, or with the expiration of marketing licenses, or with the eventual emergence of generic drugs for marketed products**

The Group develops most of its product portfolio for niche markets that are not prime targets for generics. In addition, under its Intellectual Property strategy, the Group regularly files new patent applications within existing patent families.

In spite of this, at the expiration of their protective property or commercialisation rights, the products marketed by the Group could be subject to competition by the introduction on the market of comparable drugs, or by the development of generic drugs, which would lead to a reduction in prices and/or volumes and could have a negative effect on the Group's business and financial condition.

- **Legal actions**

The main pending disputes are described in note 10.4 of the notes to the consolidated accounts set out in section 6.1 of the Reference Document.

5.5.1.4.4 Financial risks

- **Liquidity risk**

The Company has posted net operating losses since the start of operations in 1997. As at 31 December 2015, the company's cumulative losses amount to 141 million euros in accordance with French accounting standards. These operating losses are primarily the result of investments in research and development especially for the completion of preclinical studies and clinical trials.

The Group expects to incur further operating losses in the coming years as it continues its research and development activities.

The Group's profitability will depend on its ability to market its products successfully with its partners, as well as its ability to conclude new partnership agreements for the various products in its portfolio. In the event of a significant delay in identifying and negotiating new partnerships, or a delay in achieving sales growth or market share gains, the Group may not be in a break even position for several years.

Furthermore, the Group's financing requirements will continue to increase as the Group invests in order to develop existing and new products. The Company has carried out a specific review of its liquidity risk and considers that it can meet its future payments. However, the Company may need to raise additional funds ahead of time for reasons such as:

- opportunities to develop promising new products or to acquire products, technologies or other activities;
- higher costs and slower progress than the Group anticipates in developing new products and obtaining crucial marketing authorisations.

- **Risk related to research tax credit**

To finance its activities, the Group has also opted, via the Company, for the research tax credit *(Crédit d'Impôt Recherche* – "CIR") pursuant to article 244 quater B of the French general tax code, which provides for a tax incentive mechanism, by way of a tax credit grant to French companies that invest significantly in research and development.

The sums recorded by the Company in respect of the CIR for the fiscal years ended December 31, 2014 and 2015 amount to €2.1 million and €3.8 million respectively.

Upon request of the French tax authorities, the Company could be required to justify the amount of the CIR claim and the eligibility of the R&D work claimed to benefit from the measure.

The Group cannot exclude the possibility of the tax authorities challenging the methods used by the Group for calculating research and development expenditure or of the CIR being called into question pursuant to a regulatory change, or of it being challenged by the tax authorities even though the Group complies with the requirements in respect of documentation and eligibility of expenditure.

If such a situation arose, it could have an adverse effect on the Group's results, financial position, development and prospects.

- **Foreign exchange risk**

The Group has signed several licensing agreements with partners located outside the Eurozone. These agreements generally involve payments in US dollars, whether milestone payments for specific goals in terms of development/product approval or sales, or royalties.

Given the uncertainty concerning these triggering elements and the likely dates of payments, the Company has not implemented any currency hedges. It is possible that the €/$ exchange rate evolves adversely for the Company and that the total amount converted into euros may be significantly less than that initially anticipated. As soon as payment assumptions are confirmed, the Company intends to hedge these flows in US dollars.

Regarding day-to-day operations of the Group, most revenue and payments are in euros. The Company therefore believes that it is not exposed to foreign currency exchange risks

- **Dilution risk**

As part of its incentive policy towards executive officers and employees and to attract additional expertise, the Company has granted shares freely and issued stock options (*options de souscription d'actions*) and other rights giving access to its capital and could, in the future, issue or allot new financial instruments giving the right to subscribe to the Company's capital.

At the date of the Reference Document, the full exercise of all equity instruments allotted to date would result in the subscription of 1,911,107 new shares (please refer to section 7.2.2.2 of the Reference Document), representing a 4.71% dilution on the basis of the existing share capital to date (and result in an identical dilution percentage regarding voting rights).

Exercise of all existing equity instruments as well as the exercise of future grants or allotments would lead to a potentially significant dilution for the current and future shareholders of the Company.

- **Interest rate risk**

Since the Group has not incurred any debt, this point does not apply.

- **Equity risk**

The Company's available cash is exclusively invested in money market funds, which involves no equity risk. These investments are immediately available and of very low volatility, so they do not present any liquidity risk. Information on the market value of the investment securities portfolio is included in the notes to the consolidated financial statements.

5.5.1.5 Insurance and risk coverage

The Group has insurance cover that is appropriate to its business activities on a worldwide basis, and in particular its clinical trials in France, the United States and all countries concerned.

The Group has taken out a number of insurance policies, the main ones being:

✓ A civil liability insurance policy covering:

- Operational liability, which insures the Group against the financial consequences of civil liability that could be incurred because of injury, damage and loss caused to third parties and attributable to the activities of the Group;

- Product liability, which insures the Group against the financial consequences of civil liability that could be incurred because of injury, damage and loss caused to third parties and attributable to the activities of the Group products both before and after delivery;
- civil liability for the defence of criminal proceedings and third-party claims.

✓ A 'directors and officers liability' insurance policy, insuring them against the possibility of incurring liability in the performance of their duties.

✓ A property damage insurance policy, which covers, in particular, the risks of fire, water damage, theft, equipment breakdown and breakage of glass, and tenants' risks, at the Group's premises in Paris, Châtenay-Malabry and Copenhagen.

✓ Specific insurance policies for each clinical trial sponsored by the Group. Policy prices and cover amounts depend on the local regulations and legislation applicable to the clinical research centre concerned. In France, the Public Health Code specifies that sponsors of clinical trials must carry insurance. In countries where there is no requirement to take out such a policy, the Group nonetheless maintains an insurance policy covering its liability in undertaking clinical trials. The overall amount of the premiums depends on the number of patients included in the trials and their geographic location. The Group considers that it is adequately insured for each of the trials currently in progress.

✓ Key personnel insurance policy covering the risks of physical accidents that could occur to members of management.

✓ A 'stock and transit' insurance policy, covering storage and transport of the Group's products.

The insurance programme has been defined with a concern for efficiency in both negotiating and managing policies. The risk management policy should be continued in light of the development and internationalisation of the Group's business activities and in close coordination with the development of our business activities.

Steering the risk management system

The Risk Committee validates and monitors action plans with the managers concerned.

5.5.1.6 Link between risk management and internal control

Risk management aims to identify and analyse major risks and risk factors which could affect the Group's business, processes and objectives and to define ways to keep those risks to an acceptable level, particularly by implementing prevention and control measures that fall within the scope of internal control.

At the same time, the internal control system relies, among other things, on risk management to identify the key risks to be controlled.

5.5.2 General principles of internal control

5.2.2.1 Internal control: definition and objectives

Internal control consists of the means, behaviours, procedures and actions adapted to the Group's particular characteristics and those of the Group as a whole that:

- Contribute to the control of its activities, its operating effectiveness and the well-organised use of its resources;

- Enable it to take appropriate action to tackle any significant risks it may face, whether they are operational, financial or compliance related.

Internal control is designed to ensure:

- compliance with legislation and regulations;
- Application of instructions and guidelines laid down by the Board of Directors;
- Proper functioning of the Group's internal processes, including those contributing to asset protection;
- The reliability of financial information.

However, while supporting Group objectives, internal control cannot provide an absolute guarantee that they will be met. There are, in fact, inherent limitations to any internal control system, for example, uncertainties in the external environment, the use of good judgement or the cost-benefit relationship of implementing new controls.

5.2.2.2 Reference framework used by ONXEO

Onxeo continues to develop its internal control system based on AMF terms of reference found in its updated application guide of July 22, 2010. This control system applies on the one hand to concurrent processes in publishing financial and accounting information and on the other hand to the overall organisation of operations and risk management procedures put in place by the Group.

Internal control at Group level is conducted by taking into account both the Group's operational and legal structure.

It involves all of the Group's subsidiaries consolidated using the full consolidation method.

The summary information in this report on the applied internal control procedures focuses on the significant elements that may have an impact on financial and accounting information published by the Group.

5.2.2.3 Components of internal control

Organisation

The internal control system based on a clear organisation of responsibilities, standards, resources and procedures implemented.

Since the Group's founding, Onxeo has developed a system of quality assurance. Processes of all fields of activity are described by procedures (Standard Operating Procedures or SOP), operating methods, information notices and forms. These documents describe the conduct of activities, define the resources and responsibilities of those involved, specify the know-how held by the Group and give precise instructions in order to carry out a given operation.

All stakeholders of the Group are involved in the internal control system. Their responsibilities are described below.

Reference framework and standards

Onxeo Group, established in the health and biotechnology sector, is subject to very specific and detailed regulations that oversee its activities and whose compliance is monitored by the internal control system. Legislative and regulatory provisions, defined by the European Commission and equivalent regulatory

authorities in other countries including the *Agence nationale de securite du medicament et des produits de sante* (ANSM), the European Medicines Agency (EMA), the Food and Drug Administration (FDA), give relevant guidance for research and development, preclinical studies, clinical studies, the regulation of institutions, as well as the manufacture and marketing of drugs. The main regulatory provisions that apply to the activities of the two companies are as follows: Good Clinical Practices (GCP), Good Manufacturing Practices (GMP), Good Laboratory Practices (GLP), the French and European regulations that apply to the development, sale and marketing of drugs, the regulations regarding GMOs, the disposal of waste, the transportation of hazardous substances, the handling of micro-organisms, health and safety.

Control activities

Monitoring activities implemented by the Group are based on various tools, including:

- A documentation system;
- A reporting system;
- And specific controls related to the preparation and processing of accounting and financial information.

These activities are carried out by various actors, particularly an internal unit structured around three instances of decision-making and follow-up with an internal strategic Committee, a Committee on operations and groups of projects; these last two instances are devoted to managing R&D projects.

Documentation system

All of the internal control system documentation is stored on a dedicated intranet that optimises access to documents and enables them to be continually updated as a result of changes in activity (Records and Information Life Cycle Management). The aim is to improve the quality and processes of the Group and the Group on a continuous basis, whether operational, management or support processes.

The internal control system covers in particular the following areas:

- Quality assurance, health and safety, risk management;
- the administrative, legal, employment and financial fields, including internal control, corporate communications and the rules related to the listing of the Group on Euronext;
- Production and pharmaceutical operations;
- Regulatory activities liaising with drug agencies;
- Pharmaceutical research and development, pre-clinical and clinical trials including very specific animal experimentation, an Ethics Committee on animal experimentation whose objectives are the validation of all the testing protocols and the monitoring of compliance with the regulations;
- pharmacovigilance;
- Information systems: computerized management of the rules on information access, protection and storage;
- Human resources and labour regulations;
- And services performed for third parties.

Reports

The Group's executive management has implemented specific internal control procedures which consist of regular key information reviews relating to each activity. For each of the areas set out below, information considered to be significant for the corresponding activities has been identified and selected. This information must represent the actual situation in the activity and make it possible to retrace such activity both in terms of quantity and quality, also taking into account compliance with the standards governing the activity concerned. This key information must be verifiable and properly documented. It is to be updated each month by the people carrying out the activity concerned. This system covers the following areas:

- Information about research and development projects - preclinical, clinical, pharmaceutical and regulatory;
- Monitoring of the budget and financial operations;
- Group legal issues and intellectual property;
- External communications;
- Quality and the information system;
- Human resources and payroll.

5.2.2.4 Procedures relating to the preparation and processing of accounting and financial information

The reliability of financial information is one of the Group's essential internal control objectives. To this end, control and reporting procedures have been set up in order to guarantee control of the processes of information gathering, preparation and approval of the financial statements, in line with the criteria described in the AMF reference framework. These procedures, related to the general accounting of the Group's operations, also more specifically cover budgetary aspects and the approval of expense commitments and payments. Furthermore, with regard to the consolidation process for the Group's financial statements, the finance department controls the proper elimination of intercompany transactions and uniform restatements of the individual accounts according to international standards (IFRS).

In general, all the Group's accounting options are defined by the Chief Financial Officer, discussed with the Executive Management and the Statutory Auditors and then presented to the Audit Committee and discussed with this committee. This makes it possible to ensure that the Group's practices fully comply with French and international (IFRS) standards and that the financial statements are consistently presented.

At the end of each year, a detailed budget is prepared for the following year by the Chief Financial Officer and approved by executive management. This budget is presented to the Board of Directors. At the end of each month, the accounting teams carry out a closing of the accounts of the Group companies. Budgetary reviews are organised with all the line managers, making it possible to validate the cost accounting entries in this respect and to review all expenses, and a financial report is prepared by the Chief Financial Officer for the attention of the Executive Management and the directors. This reporting is presented and discussed regularly at meetings of the Board of Directors.

The Finance Department is responsible for developing and releasing all of the Group's financial communications to the financial markets following validation by executive management.

Such communication takes place via two main channels:

- The annual report and Reference Document and the interim financial report;
- economic and/or financial news releases.

Preparation of the annual report which has Reference Document status and the half-yearly financial statements are coordinated by the Finance Department. Its preparation involves much collaboration; experts

in their field contribute to the variety and quality of the information. The Reference Document is reviewed and adopted by the Board of Directors prior to release.

Press releases relating to annual and interim results are also validated by the Board of Directors.

5.2.2.5 Persons involved in risk management and internal control procedures

Internal control is carried out by management structures and by all Group employees through their daily actions.

In-house operatives of the internal control system include:

- The Board of Directors, which validates the broad guidelines and the strategy of the Group;
- The Audit Committee, mentioned earlier in the Reference Document, whose powers are defined by the Board of Directors, plays a key role in monitoring (i) the financial information preparation process, (ii) the effectiveness of the internal control and risk management systems, and (iii) the statutory audit of annual and consolidated accounts by the auditors;
- Executive management and department heads, through the various management committees, steer the Group's strategy and allocate the necessary human resources for its implementation by setting and monitoring objectives;
- The Finance Department, Quality Department and Legal Affairs all have a particular role to play in internal control due to their cross-functional expertise;
- The Quality Department plays a key role in the various Group activities through its support in the drafting of procedures and document control, by performing and following up internal and external audits of departments and service providers, and by proposing improvements. It also performs regulatory watch activities and checks all documentation issued by the Group, which is submitted to the regulatory authorities within the context of clinical and preclinical trials.
- Risk management is the responsibility of the Risk Committee in conjunction with the Audit Committee. It is deployed across the whole of the Group by the department heads. This committee meets at least twice a year to update risk mapping and to reflect on strategies for reducing the impact of major risks. It reports to the Strategy Committee, which validates their mapping and action plans.
- Lastly, employees are responsible for day-to-day compliance with standards and orientations in their area and also for the reliability and relevance of the information they generate or pass on.

These provisions are backed up by the outside actors, including the Auditors. Within the context of their legal mission, the latter are not part of internal control and risk management. They are informed, rely on the internal audit to get a better understanding and independently form an opinion as to their relevance. Each year, they inspect the Group as part of their legal task of certifying the consolidated accounts and auditing the Group's individual company accounts. Currently, in accordance with French commercial law, certification of Onxeo's consolidated and individual company accounts is carried out by two auditors who carry out a joint review of all accounts, their preparation methods and certain internal control procedures relating to the production of accounting and financial information. The auditors present their comments on the Chairman's report, on the internal control procedures that relate to the preparation and processing of the accounting and financial information, and certify that other information required by law has been produced.

5.2.3 Main developments

The Group is pursuing its policy aimed at improving its internal control systems.

In 2015, the Group continued to roll out the main action plans identified within its different departments to consolidate the management system put in place during the last few years.

5.2.4 Auditors' Report, established in application of Article L.225-235 of the French Commercial Code, on the report of the Chairman of the Board of Directors of Onxeo

To the Shareholders,

In our capacity as statutory auditors of Onxeo and in accordance with article L. 225-235 of the French commercial code (*Code de commerce*), we hereby report on the report prepared by the chairman of your company in accordance with article L. 225-37 of the French commercial code (*Code de commerce*) for the year ended December 31, 2015.

It is the chairman's responsibility to prepare and submit for the board of directors' approval a report on the internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French commercial code (*Code de commerce*) relating to matters such as corporate governance.

Our role is to:

- report on any matters as 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,

- confirm that the report also includes the other information required by article L. 225-37 of the French commercial code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness 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. These procedures consist mainly in:

- 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 of the 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 board of directors in accordance with article L. 225-37 of the French commercial code (*Code de commerce*).

Other information

We confirm that the report prepared by the chairman of the board of directors also contains the other information required by article L. 225-37 of the French commercial code (*Code de commerce*).

Paris and Paris-La Défense, March 15, 2016

The statutory auditors
French original signed by

GRANT THORNTON *Membre français de Grant Thornton International*	ERNST & YOUNG Audit
Jean-Pierre Colle	Béatrice Delaunay

6. ONXEO's FINANCIAL STATEMENTS

Historical financial information

In accordance with Article 28 of EU Commission regulation no. 809/2004, the following information is incorporated by reference in this Reference Document:

- the consolidated accounts, individual company accounts and associated reports in pages 100 to 178 of the Reference Document for the year 2013 submitted to the AMF on 7 April 2014 under reference number D.14-0333.

- the consolidated accounts, individual company accounts and associated reports in pages 110 to 208 of the Reference Document for the year 2014 submitted to the AMF on 14 April 2014 under reference number D.15-0336.

6.1 Consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS € '000	31/12/2015	31/12/2014	Note
Non-current assets			
Goodwill	20 059	20 059	6
Acquired R&D Programmes	66 300	67 873	6
Other intangible assets	9	0	
Tangible assets	841	711	7
Financial assets	307	409	8
Other non-current assets	0	0	
Deferred tax assets	24	0	
Total non-current assets	87 539	89 052	
Current assets			
Stocks and work in progress	106	65	
Trade receivables	1 036	582	8
Other receivables	6 762	5 073	8
Financial investments	5 307	0	8
Cash	28 486	57 227	8
Total current assets	41 696	62 946	
TOTAL ASSETS	**129 235**	**151 999**	

LIABILITIES AND EQUITY € '000	31/12/2015	31/12/2014	Note
Shareholders' equity			
Share capital	10 138	10 136	9
Less: treasury shares	-157	-122	9
Additional paid-in capital	243 854	243 741	9
Reserves	-131 628	-124 085	9
Minority interests	0	0	
Earnings	-19 409	-7 699	
Total shareholders' equity	102 798	121 971	
Non-current liabilities			
Deferred tax liabilities	11 381	13 805	
Provisions	719	555	10
Other liabilities	3 731	2 748	10
Total non-current liabilities	15 832	17 108	
Current liabilities			
Short-term debt	69	1 630	
Trade payables	6 362	6 676	11
Other liabilities	4 175	4 614	11
Total current liabilities	10 606	12 919	
TOTAL LIABILITIES AND EQUITY	**129 235**	**151 999**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ `000	31/12/2015	31/12/2014	Note
Recurrent sales from licensing agreements	2 733	1 625	
Non-recurrent sales from licensing agreements	749	20 455	
Other sales	0	1	
Total sales	**3 481**	**22 081**	13
Purchases	-337	-249	
Personnel costs	-6 887	-7 116	13
External expenses	-16 194	-13 563	13
Taxes other than on income	-274	-311	
Depreciation and amortisation, net	-1 819	-972	13
Allowances to provisions, net	106	-63	
Other operating income	9	0	
Other operating expenses	-260	-424	
Operating expenses	**-25 657**	**-22 697**	
Ordinary operating income	**-22 176**	**-616**	
Share of income under the equity method	-29	-77	
Other operating income and expenses	-160	-4 861	13
Operating income after share of income under the equity method	**-22 365**	**-5 554**	
Income from cash and cash equivalents	1 818	3 019	
Other financial income	32	149	
Financial expenses	-1 248	-3 163	
Financial income	**602**	**5**	14
Pre-tax income	**-21 763**	**-5 549**	
Income tax	2 353	-2 150	15
	0		
Net loss	**-19 409**	**-7 699**	
	0		
Earnings per share	(0,48)	(0,19)	16
Diluted earnings per share	(0,48)	(0,19)	16

€ `000	31/12/2015	31/12/2014	Note
Income for the period	-19 409	-7 699	
Other comprehensive income	0	0	
Translation adjustments	-92	14	
Losses and gains on derecognition of assets available for sale	0	0	
Cash flow hedges	0	0	
Tax related to elements of the comprehensive income	0	0	
Other recyclable items classified as income	**-92**	**14**	
Actuarial gains and losses	-45	135	
Other non-recyclable items classified as income	**-45**	**135**	
Other elements of the comprehensive income for the period net of taxes	-137	149	
Total comprehensive income for the period	-19 546	-7 549	
Total comprehensive income attributable to			
Owners of the parent company	-19 546	-7 549	
Minority interests			

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

				Variations in reserves and income					
€ '000	Capital	Treasury shares	Additional paid-in capital	Translation adjustment	Share-based payment	Gains and losses recognised in shareholders' equity	Consolidated reserves and income	Total variations	TOTAL
Shareholders' equity at 31/12/2013 (published)	**5 171**	**-59**	**128 044**	**9**	**1 016**		**-126 743**	**-125 719**	**7 438**
Impact of change of method							**451**	**451**	**451**
Shareholders' equity at 31/12/2013 (adjusted)	**5 171**	**-59**	**128 044**	**9**	**1 016**		**-126 293**	**-125 268**	**7 888**
Total comprehensive income for the period				14			-7 699	-7 684	-7 684
Capital increase	4 965		115 697					0	120 662
Capital reduction								0	0
Treasury shares		-64					13	13	-50
Other changes							389	389	389
Share-based payment					766			766	766
Dividends								0	0
Shareholders' equity at 31/12/2014	**10 136**	**-122**	**243 741**	**23**	**1 782**	**0**	**-133 589**	**-131 784**	**121 971**
Total comprehensive income for the period				-92			-19 454	-19 546	-19 546
Capital increase	2		113					0	115
Capital reduction								0	0
Treasury shares		-35					-55	-55	-90
Other changes						-45	6	-38	-38
Share-based payment					385			385	385
Dividends								0	0
Shareholders' equity at 31/12/2015	**10 138**	**-157**	**243 854**	**-69**	**2 167**	**-45**	**-153 091**	**-151 038**	**102 798**

CONSOLIDATED CASH FLOW STATEMENT

€ `000	31/12/2015	31/12/2014	31/12/2013
Consolidated net loss	**-19 409**	**-7 699**	**-15 320**
+/- Depreciation, impairment and provisions, net (1)	2 207	842	3
(excluding provisions against working capital)			
-/+ Unrealized gains and losses associated with changes in fair value	-2	-14	-45
+/- Non-cash income and expenses on stock options and similar items	385	766	300
-/+ Other calculated income and expenses	-66	198	-15
-/+ Capital gains and losses on disposal	-141	0	0
-/+ Dilution gains and losses			
+/- Share of earnings of associates			
- Dividends (non-consolidated investments)			
Gross operating cash flow after cost of net debt and taxes	**-17 027**	**-5 907**	**-15 076**
+ Cost of net debt	-600	10	-72
+/- Tax expense (including deferred taxes)	-2 448		
Gross operating cash flow before cost of net debt and taxes	**-20 075**	**-5 897**	**-15 148**
- Taxes paid			
+/- Change in operating WCR (including debt related to employee benefits)	-3 042	-1 826	1 056
NET CASH FLOWS FROM OPERATING ACTIVITIES	**-23 116**	**-7 723**	**-14 092**
- Expenditures on acquisition of tangible and intangible assets	-410	-2	-58
+ Proceeds of disposal of tangible and intangible assets	161	0	13
- Expenditures on acquisition of financial assets (non-consolidated investments)	-1		
+ Proceeds of disposal of financial assets (non-consolidated investments)	16	2	3
+/- Effect of changes in scope of consolidation			
+ Dividends received (equity accounted investments, non-consolidated investments)			
+/- Change in loans and advances granted			
+ Capital grants received			
+/- Other changes from investment transactions			
NET CASH FLOWS FROM INVESTING ACTIVITIES	**-235**	**0**	**-43**
Cash flow resulting from the merger	0	**14 218**	
+ Net amounts received from shareholders on capital increases			
. Paid by shareholders of the parent company	115	37 291	10 719
. Paid by minority interest in consolidated companies			
+ Amounts received on exercise of stock options			
-/+ Purchase and sale of treasury shares	-35	-64	-52
- Dividends paid in the year			
. Dividends paid to shareholders of the parent company			
. Dividends paid to minority shareholders in consolidated companies			
+ Amounts received on issuance of new loans	898	2 450	83
- Reimbursements of loans (including finance leases)	-1 417	-243	75
- Net interest received (including finance leases)	-18		72
+/- Other flows related to financing activities	509	-10	15
NET CASH FLOWS FROM FINANCING ACTIVITIES	**53**	**53 643**	**10 912**
+/- Effect of fluctuations in foreign exchange rates	-136	-22	48
CHANGE IN CASH AND CASH EQUIVALENTS	**-23 434**	**45 898**	**-3 174**
Cash and cash equivalents at start of year	**57 227**	**11 329**	**14 503**
CASH AND CASH EQUIVALENTS AT YEAR END	**33 793**	**57 227**	**11 329**

(1) before recognition of the research tax credit, see Note 7.3

WORKING CAPITAL	31/12/2015	31/12/2014	Change
Inventories	106	65	41
Trade receivables	1 036	582	454
Other receivables	6 762	5 073	1 689
	7 904	5 720	2 184
Non-recurrent deferred income	-18	21	-39
Trade payables	6 362	6 676	-314
Other liabilities	4 175	4 614	-438
	10 519	11 310	-792
Working capital	2 615	5 591	-2 976
Pension commitments	489	555	-66
Change in operating WCR (including debt related to employee benefits)			-3 042

* 31/12/2014 included merger impact

Note 1: About the Company

Onxeo is a limited liability company incorporated under French law, with its registered office at 49, Boulevard du Général Martial Valin in Paris (15e arrondissement).

The Company is listed on Compartment B of the Euronext Paris exchange and is on a secondary listing on the Copenhagen NASDAQ. Onxeo is an innovative company specializing in the development of orphan products in oncology, which is the result of the merger in June 2014 between BioAlliance Pharma, a French company based in Paris, and Topotarget, a Danish company based in Copenhagen.

The consolidated financial statements of Onxeo as at 31 December 2015 were prepared under the responsibility of the CEO and were approved by the Board of directors on 26 February 2016.

Note 2: Significant events and transactions

2.1 R&D PROGRAMMES

- **Livatag®: progress in the Phase III 'ReLive' trial and strengthening of industrial protection**

In 2015, Onxeo actively continued with the recruitment and geographical extension of the Phase III 'ReLive' international trial. This trial aims to show Livatag®'s efficacy on the survival of nearly 400 primary liver cancer patients after failure or intolerance to sorafenib. It is being conducted in 12 European countries, the United States as well as in the Middle East - North Africa. At the end of 2015 there were 53 active investigational sites and over 60% of the patients were included in the trial. The Company expects to open 10 to 15 additional sites in 2016. The preliminary results are expected mid-2017.

The Company also filed a new patent application in the United States and Europe based on a specific composition of Livatag® nanoparticles. This application will be extended to other regions, including several Asian countries, during the examination procedure. If it is issued, this patent will extend the industrial property and market exclusivity of Livatag® internationally until 2036.

- **Beleodaq®: positive results of the Bel-CHOP study**

In July 2014, Beleodaq® obtained temporary FDA approval for second line treatment of a rare form of blood cancer known as peripheral T-cell lymphoma (PTCL). This approval was granted based on the results of the BELIEF Pivotal Phase IIb Clinical Study, subject to these results being confirmed by a Phase III study. Onxeo and its partner Spectrum Pharmaceutical decided to continue with the Beleodaq® development in first line treatment in association with the 'CHOP' chemotherapy protocol, the current PTCL reference treatment. Within this context, a Phase I study (Bel-CHOP) was conducted on 23 patients during the financial year. The positive results showed a good safety profile and interesting signs of efficacy. Under the agreement with Spectrum, the development costs of the PTCL indication are shared, with Onxeo assuming a 30% share.

- **Launch of a new research programme with Beleodaq® and Livatag®**

At the end of 2015 Onxeo initiated a pre-clinical research programme intended to combine belinostat and Livatag® with other types of anti-cancerous agents, particularly new immunotherapy products, a particularly promising therapeutic category of oncological drugs. The purpose is to identify the most

promising synergies in terms of efficacy and tolerance, and thus to extend the potential of the key Onxeo products by positioning them in the first line of treatment in the indications currently targeted by Livatag® and belinostat, and to target new indications to maximise the potential of each programme. A first series of pre-clinical data should be obtained during the first half of 2016. A development in humans could then be initiated within 12 to 24 months for the most promising combinations.

- **Validive®: presentation of the positive results of the Phase II trial**

The positive final results for the Validive® Phase II Study in the treatment of severe oral mucositis were presented at several international congresses in 2015: ASCO, MASCC/ISOO, ASTRO, facilitating improved visibility of the product in view of the next steps of its development.

2.2 OTHER PRODUCTS DE DEDICATED TO PARTNERSHIPS

During 2015, Onxeo continued to develop in parallel its non-strategic products Sitavig® and Loramyc®/Oravig® through partnership agreements:

- A licensing agreement with Bruno Farmaceutici for the marketing of Labiriad® (acyclovir Lauriad®) in Italy. It should be launched during the first quarter of 2016.
- A licensing agreement with Dara BioSciences for the marketing of Oravig® in the United States and possibly extended to Canada. The marketing in the US began at the beginning of the last quarter of 2015. In December 2015, Dara was acquired by Midatech Pharma PLC, strengthening this partnership.

In addition, the licensee Innocutis Holding LLC, responsible for the marketing of Sitavig® in the United States, was acquired by Cipher Pharmaceuticals, strengthening this partnership.

2.3 EVENTS TAKING PLACE AFTER 31 DECEMBER 2015

There are no subsequentevents likely to have a material effect on the financial statements as at December 31, 2015.

Note 3: Accounting principles, rules and methods

3.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements at 31 December 2015 were prepared in accordance with international accounting standards issued by the IASB (International Accounting Standards Board), as published by the IASB on 31 December 2015, and with international standards as adopted by the European Union at 31 December 2015.

The standards adopted by the European Commission may be consulted on the following website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The financial statements were prepared on a going concern basis.

The accounting principles and methods applied for the consolidated financial statements at 31 December 2015 are identical to those used in the consolidated financial statements at 31 December 2014, with the exception of International Financial Reporting Standards, Amendments and interpretations as adopted by the European Union and the IASB, which are compulsory for financial years beginning on or after 1st January 2015 (and which had not been applied early by the Group), namely:

New legislation applied at 31 December 2015 and subsequent implementing legislation

Standard	Name
IFRS 3	Business combinations
IFRS 13	Fair Value Measurement
IFRIC 21	Levies
IAS 40	Interrelation IFRS 3-IAS 40 / Investment property

Applying these standards, amendments and interpretations had no significant effect on the consolidated financial statements of the Group.

In addition, the other standards, amendments or interpretations published respectively by the IASB and the IFRIC (International Financial Reporting Interpretations Committee) at 31 December 2015 were not applied early by the Group:

- adopted by the European Union but whose mandatory application is subsequent to the financial year beginning 1st January 2015 (standards and amendments relating to IAS 19 (Employee Benefits), IFRS 11 (Joint Arrangements), IFRS 2 (Share-based Payment), IAS16 (Property, Plant and Equipment) , IAS 41 (Agriculture), IAS 1 (Presentation of Financial Statements), IAS 38 (Intangible Assets), and Annual Improvements of IFRS (2010-2012), Annual Improvements of IFRS (Cycle 2012-2014)). '

- not yet adopted by the European Union at 31 December 2015 (standards and amendments relating to IFRS 9 (Financial Instruments), IFRS 10 (Consolidated Financial Statements), IFRS 12 (Disclosure of Interest in Other Entities), IFRS 15 (Revenue from Contracts with Customers).

Estimates and judgements of the Group's Management

The preparation of financial statements requires that management exercises judgement, performs estimates and makes assumptions which have an impact on the application of accounting methods and

on the figures related to assets and liabilities, income and losses. The actual value may be different from the estimated values.
The underlying estimates and assumptions are constantly being reviewed. The impact of accounting estimate changes is recorded in the period in which the change occurred and all subsequently affected periods.
The information on the primary sources of uncertainty related to estimates and assumptions and judgements exercised to apply accounting methods, which have the most significant impact on the amounts recorded in the consolidated financial statements concern the following elements:

- The market value of the R&D programmes acquired within the context of business combinations (mergers and acquisitions) – see Note 6;
- Share-based payments - see Note 9.4;
- Provisions - see Note 10.2;
- The recognition within sales of amounts received related to of licensing agreements – see Note 12.1.

The information provided regarding assets and liabilities existing at the date of preparation of the consolidated financial statements also include estimates (see Note 16).

3.2 SCOPE OF CONSOLIDATION

The Group's companies close their accounts on 31 December of each year.

The scope of consolidation includes the following companies as of 31 December 2015:

- Onxeo (formerly BioAlliance Pharma)
- Laboratoires BioAlliance Pharma
- Topotarget UK
- Topotarget Switzerland
- BioAlliance Pharma Switzerland
- Topotarget Germany
- SpeBio

All subsidiaries are 100% owned and fully consolidated, except SpeBio, which is a 50% owned joint venture under the equity method since January 1st, 2014. Intercompany transactions and balances have been eliminated. When the accounting methods followed by the subsidiaries are different from those of the Group, their reporting packages are restated to be included in the IFRS consolidated financial statements.

The subsidiary Topotarget UK Limited with Company Registration No. 02899713 is exempted from the requirements of this law relating to the audit of accounts pursuant to Article 479A of the Companies Act 2006.

3.3 SEGMENT REPORTING (IFRS 8)

The Group constitutes a single business segment. In accordance with the IFRS standard 8.32 and 33, information regarding the breakdown of sales by geographical zone and product portfolio ("orphan products in oncology" and "other products") is provided in Note 12.1. In reference to this standard it is also specified that non-current assets of the group are mainly located in France, Denmark and the United Kingdom.

3.4 EFFECTS OF CHANGES IN FOREIGN CURRENCIES (IAS 21)

3.4.1. Translation of the financial statements established in a currency other than the Euro

The presentation currency of the consolidated financial statements is the Euro, which is also the functional currency of the parent company

The assets and liabilities of the subsidiaries having a functional currency other than the Euro are translated into Euros at the current exchange rates at the balance sheet date. Their profit and loss accounts are translated at the annual average exchange rates.

Adjustments resulting from these procedures for translation of balance sheet and profit and loss account are recorded in equity under the item 'Translation adjustments'. When the foreign entity is sold, these translation adjustments are recognised in the profit and loss account as part of the gain or loss on disposal.

3.4.2. Recognition of foreign currency transactions

Transactions denominated in foreign currencies are translated into euros using the exchange rates at the dates of the transactions. At the balance sheet date, cash and cash equivalents and operating receivables and payables denominated in foreign currencies are translated into euros on the basis of the annual closing exchange rate for the year. Any unrealized foreign exchange gains or losses resulting from this translation are recognised in profit and loss.

3.5 INTANGIBLE ASSETS

- **PATENTS**

Patents created by BioAlliance are recognized in expenses or capitalised in line with the accounting treatment for research and development costs set out below.

The patents acquired against payment by Onxeo are capitalised and amortised. The amortisation period generally applied by Onxeo is 10 years, which corresponds to the estimated useful life of the patents.

- **RESEARCH AND DEVELOPMENT COSTS**

Research costs are always expensed. Development costs are capitalised once the conditions set out in IAS 38 are satisfied. The Company considers that the six criteria set out in IAS 38 are not satisfied until such time as a marketing authorisation is obtained.

Acquired (or assisted) research and development projects are recognised as intangible assets at their purchase price, even in the absence of marketing authorisation.

In application of IAS 38, intangible assets are classified into two categories:

- Assets with a defined useful life, whose initial values on the balance sheet, decreased, if applicable, from the residual value, are depreciated over the expected useful life by the Company from the time of their commissioning (marketing start-up). They are subjected to depreciation as soon as an indication of impairment is identified.
- Assets with an indefinite useful life, which are not depreciated but subjected to annual impairment tests.

- **GOODWILL**

In the case of business combination transactions, mergers and acquisitions, goodwill corresponds to the difference between the amount of the transaction and the market value of the acquired assets and debts.

Goodwill is not depreciated but its value is reviewed periodically.

- **IMPAIRMENT TEST**

ONXEO considers that it comprises one single cash generating unit (CGU), as programs developed by the group belong to the same family of products and are thus interdependent as regards their business model and the associated company resources allocated to them. This single CGU comprises goodwill and R&D assets acquired upon M&A with Topotarget.

In accordance with the IAS 36 Standard «Impairment of assets», the value of the single CGU, provided it comprises a goodwill, is tested once a year, on closing date.

Acquired R&D assets, although they have a finite useful life, have also been tested as of December 31, 2015. This test compares the carrying value of intangible assets (being measured as the higher between the fair value less costs of disposal and the value in use) to the net book value. Depreciation is booked when the carrying value is lower than the net book value.

3.6 TANGIBLE ASSETS

In accordance with the IAS 16 Standard, tangible fixed assets are recognised at acquisition cost less accumulated depreciation and impairment losses. Depreciation of tangible assets is calculated on a straight-line basis.

The most common depreciation periods are as follows:

Plant & equipment	5 years
Specialized equipment	5 years
Fixtures and fittings	10 years
Office and computer equipment	4 years
Furniture	5 years

Intangible assets are subjected to impairment tests as soon as an indication of impairment is identified.

3.7 FINANCIAL ASSETS

Financial assets included in the scope of IAS 39 are classified either in financial assets at fair value through profit or loss, in loans and receivables, in investments held to maturity, or in available-for-sale financial assets. On initial recognition, financial assets are measured at fair value, increased, in the case of investments that are not recognised at fair value through profit or loss, by directly attributable transaction costs.

The Group sets the classification of its financial assets at the date of initial recognition and, in cases where it is authorised and appropriate to do so, revises this classification at each year-end.

Non-current financial assets include long-term investments, in particular:
- pledged cash mutual funds;
- deposits and guarantees mainly corresponding to deposits required when entering into rental contracts
- the ‘cash’ portion of the liquidity contract related to treasury shares (Note 8.2).

Current financial assets include trade receivables, other current assets, and cash and cash equivalents:

- other current assets include research tax credit receivables;
- cash includes available balances in current bank accounts;
- cash equivalents include money market unit trusts and mutual funds, which can be converted to cash or sold in the short term for a known amount of cash and subject to insignificant risk of changes in value.
These assets are accounted for, depending on their nature, on the basis of the following policies:

- *Assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial instruments designated as being measured at fair value through profit or loss from the date of their initial recognition, in accordance with the conditions of application of the fair value option which can apply to items that are managed, and whose performance is measured, on the basis of fair value.

These items includes bank current accounts and cash mutual funds that can be converted to cash, or sold in the very short term, and which do not present significant risks of loss of value if interest rates were to change.

These assets are classified in the balance sheet under 'Cash and cash equivalents'. They are recognised at fair value, without deduction of any transaction costs which could be incurred upon their sale. Realized and unrealized gains and losses associated with a change in the fair value of the assets are recognized in profit and loss as *Income or Expenses from Cash and cash equivalents*.

- *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. After initial recognition, loans and receivables are measured in accordance with the amortized cost method, using the effective interest rate, net of any impairment.

This category includes deposits and guarantees recognized in non-current assets and operating receivables (trade receivables and other current assets) recognised in current assets.

Trade receivables are initially recognised at fair value. They are discounted when their due settlement is more than one year from year-end. They are then recognised at the amortized cost and the interests are recognized as financial income in profit and loss.

These assets may be subject to a provision for impairment if objective indicators of impairment exist. The amount of the impairment is equal to the difference between the carrying amount of the asset and the present value of the estimated future cash flows (excluding future credit losses which have not yet been incurred), discounted at the original effective interest rate (i.e. at the effective interest rate calculated at the date of initial recognition).

As regards trade receivables, an impairment loss is recognised when the expected cash flows at the balance sheet date are less than the carrying amount. The analysis of the risk is carried out case by case, taking account of criteria such as the client's financial situation (probability of bankruptcy or significant financial difficulties), the age of the receivable or the existence of a dispute.

- *Available-for-sale financial assets*

Available-for-sale financial assets are either non-derivative financial assets that are designated as available for sale or are not classified in one of the three previous categories. After initial recognition, available-for-sale financial assets are measured at fair value and the related gains and losses are recognised through equity. When a financial asset available for sale is derecognised or impaired, the cumulative profit or loss previously recognised through equity is taken to the profit and loss account.

3.8 INVENTORIES

Inventories are stated at the lower of their purchase cost or their net realizable value. The purchase cost is calculated in accordance with the average weighted cost method. The cost of finished goods and work in progress incorporates the cost of raw materials, direct costs and general production overheads.

Impairment is calculated by comparing the book value of the inventories at the balance sheet date with their acquisition cost.

3.9 TRADE RECEIVABLES

Receivables are valued at face value. They are depreciated when the probable realizable value is less than the book value and in accordance with the risk incurred.
The receivables and depreciations emanating from the aforementioned rules are examined on a case-by-case basis in order to take any special situations into account.

3.10 SHARE-BASED PAYMENTS (IFRS 2)

Employee stock options are valued on the allocation date in accordance with the IFRS 2 standard in order to recognize an expense in profit and loss. The valuation is made using the Black-Scholes and binomial / trinomial methods. The application of these methods requires in particular assumptions to be made regarding the underlying Onxeo share price, as well as its volatility. The loss is generally spread over the acquisition period.

The definitive vesting of stock options allocated to Group employees is subject to their presence within the company on the vesting date. Should an employee leave the company prior to this date, the condition is no longer met and the employee loses the benefit of their rights. In this situation, the Group applies the so-called 'forfeiture' method under which all previously-recognised expenses are credited in profit and loss.

3.11 NON-CURRENT LIABILITIES

3.11.1. EMPLOYEE BENEFIT OBLIGATIONS (IAS 19)

- **POST-EMPLOYMENT BENEFITS**

Post-employment obligations are recognised in provisions. In accordance with the IAS 19R Standard, the actuarial valuation method used is the Projected Unit Credit Method with Service Prorate, which is based on financial (discount rate, inflation rate) and demographic (rate of increase in salaries, employee turnover rate) assumptions.

This method enables the present value of the benefit obligation to be determined on the basis of services rendered by the employee at the valuation date. The actuarial differences are recognised in other comprehensive income.

- **OTHER COMMITMENTS TO EMPLOYEES**

Other commitments to employees, in particular those related to long-service awards, are not material.

3.11.2. PROVISIONS FOR LITIGATION

A provision is recognised where the Group has a present legal or constructive obligation to a third party, resulting from a past event, which shall probably result in an outflow of resources to the third party with no equivalent compensation expected from this latter, and where such future cash outflows can be estimated reliably.

3.12. FINANCIAL LIABILITIES

Bank borrowings and debt instruments are initially recognised at fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

Gains and losses are recorded in profit and loss when the debt is derecognised, as well as through the amortised cost mechanism. The amortisation expense as calculated in application of the effective interest rate method is recognised under '*Financial income/expense, Cost of debt*'.

3.13. OTHER CURRENT LIABILITIES

Current liabilities are recorded at fair value.

3.14. SALES

The Group's turnover includes income from the sale of pharmaceutical products, income generated under licensing agreements, royalties collected on sales, as well as income from services rendered.

Sales of goods are recorded at the date of transfer to the client of the risks and rewards inherent in ownership and on the basis of the price stipulated in the sales contract.

Agreements under which the Group issues a licence to a third party providing it with rights to market one or more products in its portfolio generally involve an initial payment at the date of signature, various other additional payments which are subject to the achievement of regulatory and sales objectives and royalties on turnover.

In accordance with the IAS 18 Standard:

- Initial payments received upon the signing of a licensing agreement, representing the contracting party's share of R&D investments incurred by the Company, are initially recorded as deferred revenue and subsequently spread over the period leading up to the estimated date of the marketing authorisation.
- Subsequent payments related to the fulfilment of a contractual milestone are recognised in turnover during the period in which the contractual condition is met.

Royalties collected on sales are recognised in income on the basis of the turnover realised by the partners during the period and in application of the contractual royalty rates. Should a partner be unable to bring forward his net sales data, which is the basis for royalties, prior to the date of publication of the consolidated financial statements, the related income would be estimated by pricing actual quantities for the period with historical net unit sales achieved for the product concerned.

3.15. OPERATING GRANTS

In accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance', grants whose amounts are related to the pattern of corresponding costs are classified as a deduction from the corresponding expenses.

3.16. OTHER OPERATING INCOME AND EXPENSES

This item includes non-recurrent, non-operational and significant events.

3.17. REFUNDABLE ADVANCES

In application of the IAS 20 Standard, the rewards related to no-interest loans, or loans with low interest rates, compared with those in the market are considered and therefore recognized as subsidies. Refundable advances less subsidy amount are recognised as financial liabilities. Interest charges are calculated on the basis of market interest rates.

Refundable advances without preferential rates are recognized in accordance with the IAS 39 Standard under the rule of the "amortized cost"; interest charges are calculated at the effective interest rate.

Refundable advances are recorded under "Other Liabilities" They are initially stated at fair value, which in most cases corresponds to their nominal value, then at amortised cost.

3.18. DEFERRED TAXES

A deferred tax asset is recognised for tax loss carry forwards and unused tax credits where it is probable that future taxable profits against which these items can be offset will be available.

A deferred tax liability is recognised for all taxable temporary differences and for the deferred taxation on acquired R&D fixed assets.

3.19. RESEARCH TAX CREDIT

Tax research credits are granted to companies by the French state to encourage them to conduct technical and scientific research. Companies that provide supporting documentation of expenses fulfilling the criteria required to benefit from the tax research credit may use it for the payment of corporate tax in the financial year during which the expenses were incurred, as well as for the next three years. If the tax amount is not enough to cover the total tax credit amount at the end of the three years, the state repays the entity the difference in cash. If the company meets certain criteria in terms of sales, staffing or assets to be eligible for the SME category, it may request the immediate repayment of the tax research credit. Onxeo meets these criteria. Onxeo benefits from a similar mechanism in Denmark.

The Group uses the tax research credits for research expenditure incurred during each financial year and records the amount to be received as a reduction of these expenses during the same financial year.

Note 4: Merger with Topotarget (IFRS 3)

Onxeo is the result of the 2014 merger between BioAlliance Pharma and Topotarget. In order to prepare the financial statements in accordance with international accounting standards, it was decided that BioAlliance Pharma should take control of Topotarget on the date of the last General Meeting voting the merger on June 30, 2014; no conditions precedent other than formal ones subsisted after that date. The results taken into account in the first half of 2014 were thus limited to those of BioAlliance Pharma. To ensure full comparability between the periods ending on December 31st, 2014 and December 31st, 2015, a consolidated pro forma profit/loss account statement is presented below at 31 December 2014.

The latter was set by taking the interim consolidated financial statements of Topotarget at 30 June 2014, having been subject to a limited review by the statutory auditors, as well as the consolidated accounts of Onxeo at 31 December 2014 having been subject to an audit by the statutory auditors. No restatement or adjustment was required. The presentation by destination of Topotarget's profit/loss account statement was modified to fall in line with the presentation by type of expenditure adopted by BioAlliance Pharma.

(€ '000) - Net Value	Onxeo Data	Topotarget Data	Pro forma adjustments	2014 Combined pro forma data
Recurrent **turnover** from licensing agreements	1 625			1 625
Non-recurrent sales from licensing agreements	20 455	13 219		33 674
Other sales	1			1
Total sales	22 081	13 219		35 300
Other income	0			0
Purchases	-249			-249
Personnel expenses	-7 116	-1 150		-8 266
External expenses	-13 563	-1 083		-14 646
Taxes other than on income	-311			-311
Depreciation and amortisation, net	-972	-54		-1 025
Allowances to provisions, net	-63			-63
Other operating expenses	-424			-424
OPERATING INCOME/(LOSS)	-616	10 933		10 317
Share of income under the equity method	-77			-77
Other operating income and expenses	-4 861	-4 873		-9 734
OPERATING INCOME	-5 554	6 059		505
Cash	3 019	0		3 019
Other financial income	149			149
Financial expenses	-3 163	49		-3 113
FINANCIAL INCOME	5	49		55
ORDINARY PRE-TAX INCOME	-5 549	6 109		560
Corporate income tax	-2 150	-816		-2 966
NET INCOME	-7 699	5 292		-2 406

As the merger is a business combination within the meaning of the IFRS 3R standard, it is recognized as an acquisition and the assets and liabilities transferred to Onxeo are recognized at their market value as follows:

€ `000	Market value	Historic book value at Topotarget	Differences
Goodwill	20 059		20 059
Intangible assets	68 700	30 661	38 039
Tangible assets	54	54	0
Financial assets	46	46	0
Trade receivables	192	192	0
Other receivables	409	409	0
Marketable securities	5 961	5 961	0
Cash	8 257	8 257	0
Trade payables	-3 702	-3 702	0
Deferred tax	-13 805		-13 805
Accrued taxes and personnel costs	-2 798	-2 798	0
Net assets transferred	**83 371**	**39 079**	**44 292**

The market value of the R&D assets acquired, included under intangible assets, was determined using a project-based income method. For each identified project, a multi-year financing plan was established taking into account the income anticipated form the project less any research and development costs yet to be committed plus any other costs associated with the project. This method includes an assessment of the probability of success and consideration of a discount rate specific to the company. The initial valuation of acquired R&D assets is based on information in existence as at the merger date regarding the development plan of the projects and takes into account certain assumptions deemed to be reasonable by the company's management. However, such assumptions may be inaccurate and in the event of any delay or failure, the value of the R&D assets acquired may not be recoverable and could negatively impact the operating result. In this regard, an impairment a value test was performed at 31st December 2015 (see Note 6).

Due to the deferred tax liability on revalued R&D assets located in Denmark (see Note 3.3), a deferred tax liability was calculated in accordance with the rules of ordinary law in Denmark and recognized in the consolidated accounts as an adjustment against Goodwill. Goodwill also includes the various synergies anticipated as a result of the merger.

Note 5: Management of risks related to financial instruments (IFRS 7)

The Group's operational and financial activities expose it to the following main risks linked to the financial instruments employed:

5.1. LIQUIDITY RISKS

The Company is not structurally a borrower. The only financial liabilities are advances from public organisations (including from BPI France) as part of R&D programmes, which are repayable only in the event of commercial or technical success. There is no short-term risk and repayment is dependent on revenue being generated by the financed projects.

5.2. MARKET RISK

Only available-for-sale financial assets (see Note 11) are subject to market risk. They correspond to the portion invested in Onxeo shares of the liquidity contract implemented by the company with CM-CIC Securities. The value of these shares depends on the share price on the NYSE Euronext Paris stock exchange.

5.3. FINANCIAL COUNTERPARTY RISK

The counterparty risk is limited to investments made by the Company. These investments are in leading establishments, and the Company monitors its exposure to counterparty risk on a continual basis.

5.4. FOREIGN EXCHANGE RISK

Because the Company has implemented no foreign exchange hedging instruments, this risk is not applicable.

5.5. INTEREST RATE RISK

Since the Company has not incurred debt, this point does not apply.

Note 6: Intangible assets

Intangible assets for a net amount of €86,367,000 at 31 December 2015 consist primarily of:

- R&D assets acquired within the context of the merger with Topotarget amounting to €66,300,000;
- Goodwill related to from the Topotarget merger of €20,059,000; and

The R&D assets were depreciated by a total amount of €1,600,000 over the year. This depreciation corresponds to the assets associated with the product Beleodaq® for its second-line indication in treatment of peripheral T-cell lymphoma, registered in July 2014 in the USA and generating income through sales achieved by the business partner Spectrum Pharmaceuticals. These assets are depreciated over the duration of the product's anticipated commercialisation for this indication (17 years).

R&D assets and goodwill were subject to an impairment test at 31 December 2015. Onxeo stock market being considered as active according to IRFS 13.38a, the fair value of the single CGU has been evaluated by reference to the company's market capitalization as of December 31, 2015. It being higher than the tested basis (consolidated net assets as of the same date), no depreciation of goodwill (€20.1 million) has been booked.

The Group estimated the fair value of R&D assets acquired from M&A with Topotarget based on future cashflows, including revenues and expenses relating to Beleodaq® in the PTCL indication, as well as other potential indications of the product that could be developed in the future. A discount rate of 16% has been applied to these cashflows, which takes into account the market risk as well as Onxeo's specific risk. Resulting fair values net od disposal costs being higher than book values (€66.3 million), no depreciation was deemed necessary. Besides, the Group performed sensitivity analyses on the main parameters of the valuation model and reached the same conclusions.

Research and development costs incurred in the first half of 2015 were expensed in the amount of €16,350,000, including €3,509,000 for personnel expenses, €73,000 for regulatory taxes and fees, and €12,676,000 for external expenses.

No new significant development costs were incurred on the Company's registered products. Consequently, there were no capitalized development costs over the half-year period.

Note 7: Tangible assets

€ `000	01/01/2015	Increase	Decrease	31/12/2015
Gross value	7 022	395	141	7 276
Depreciation	-6 245	-314	-141	-6 418
Capital grants	-116		-37	-80
Original value of lease	118	45		163
Accumulated amortisation of lease	-67	-34		-100
Net value of tangible assets	**711**	**93**	**-37**	**841**

The change in tangible assets is mainly due to acquisitions of sundry laboratory and research equipment and computer equipment.

Note 8: Other Assets

8.1. FINANCIAL ASSETS

€ `000	01/01/2015	Increase	Decrease	Fair value adjustment	Discounting	31/12/2015
Receivable from investments	1					1
Deposits and guarantees	214	1	-16	2		201
Liquidity contract						
- Treasury shares	0					0
- Cash	195	224	-314			105
Net value of financial assets	**409**	**225**	**-329**	**2**	**0**	**307**

8.2. TRADE RECEIVABLES

€ `000	31/12/2015	< 1 year	> 1 year	31/12/2014
Trade receivables, net	1 036	1 036		582

Trade receivables correspond primarily to receivables vis-à-vis the partner Spectrum Pharmaceuticals corresponding to the royalties on sales due from this partner and due to chargebacks.

8.3. OTHER RECEIVABLES

€ `000	31/12/2015	< 1 year	> 1 year	31/12/2014
Payroll	2	2		3
Research tax credit	3 814	3 814		2 251
Other tax receivables	2 202	2 202		1 343
Other receivables	104	104		771
Prepaid expenses	640	640		705
Net amount of other receivables	**6 762**	**6 762**	**0**	**5 073**

The change in the 'research tax credit' item is due to the collection of the receivable recognised at 31 December 2014 corresponding to the 2014 research tax credit, and the recognition of the research tax credit for 2015 in the amount of €3,508,000. This item also includes the Danish research tax credit of €306,000. These receivables are subject to anticipated recovery and are therefore classified as due in less than one year. In accordance with the IAS 20 Standard, the research tax credit for the 2015 period reduced expense and income items according to their nature, as follows:

€ `000	31/12/2015	31/12/2014
Reduction in personnel costs	749	603
Reduction in external expenses	3 014	1 423
Reduction in depreciation and amortisation	51	56
Total research tax credit	**3 814**	**2 083**

The other tax receivables correspond to the expected repayment of a withholding tax of €1,379,000 and miscellaneous VAT credits.

8.4. CASH AND CASH EQUIVALENTS

€ `000	Net at 31/12/2015	Net at 31/12/2014	Change in cash and cash equivalents
Cash	28 486	57 227	-28 741
Financial investments	5 307	0	5 307
Total net cash	**33 793**	**57 227**	**-23 434**

The change in net cash of €23,434,000 stems from the Company's operational expenses, namely research and development, amounting to €11,886,000, as well as capital increase expenditure in December 2014 undisbursed at 31 December 2014, for a total of €1,308,000.

Bank current accounts are euro and US dollar accounts opened with Neuflize-OBC and Crédit du Nord. Investments mainly consist of:

- Marketable medium-term warrants, available at any time and having low volatility with a very low risk of changes in value due to changes in interest rates.
- Short-term deposits of less than three months with a capital guarantee (current bank accounts), acquired from the banks Neuflize-OBC and Crédit du Nord, capable of boosting performance and that meet the definition of cash equivalents in accordance with the IAS 7.6 and IAS 7.7 Standards.

Note 9: Shareholders' equity

9.1 SHARE CAPITAL

9.4.1 Capital management policy

Since its creation, the Group has financed its growth mainly through raising funds from private investors and public markets. Although Onxeo pursues an active policy of agreements and licensing allowing for early and significant cash inflows, contributions in equity represent an important source of financing for the Group and this lever must allow it to dispose of adequate levels of cash to fund its growth, particularly in the short term during the years when it will not yet generate sufficient revenues to cover its development costs.

In order to reduce the share's volatility, the Group also put in place a liquidity contract with a first-tier partner.

Lastly, the Group intends to encourage the loyalty of its employees through regular grants of stock options or free shares.

9.4.2 Changes in share capital

At 31 December 2015, the share capital amounted to €10,138,020.75, divided into 40,552,083 common shares with a nominal value of €0.25 each, all of the same class and fully paid up.

During the financial year the company's share capital changed as follows:

		Nominal	Number of shares	€
Shares fully paid at 31/12/2014		0,25	40 544 204	10 136 051
Board of directors' meeting of 22/01/2015	(1)	0,25	7 049	1 762,25
Board of Directors' meeting of 30/07/2015	(2)	0,25	830	207,50
Shares fully paid up at 31/12/2015		**0,25**	**40 552 083**	**10 138 021**

(1) Capital increase resulting from the exercise of 7,049 warrants recognised by the Board of Directors on January 22, 2015. This transaction resulted in the issuance of 7,049 new ordinary shares having a nominal value of €0.25 each corresponding to a share capital increase of €1,762.25.

(2) Capital increase resulting from the exercise of 830 warrants approved by the Board of Directors on July 30, 2015. This transaction resulted in the issuance of 830 new ordinary shares having a nominal value of €0.25 each corresponding to a capital increase of €207.50.

9.2 TREASURY SHARES

In accordance with the IAS 32 Standard, paragraph 33, treasury shares acquired in the context of the liquidity contract signed with CM-CIC Securities were deducted from shareholders' equity for an amount of €157,000. Losses on share buybacks at 31 December 2015 amounting to €55,000 were written off the income statement pursuant to the standard.

9.3 RESERVES

Reserves, amounting to a negative €131,628 are mainly made up of a loss brought forward totalling €125,175.

9.4 SHARE-BASED PAYMENTS

All disclosures concerning the Share Purchase Warrants, stock options and free shares granted by the Group are set out in Note 17 below.

The 2015 expense related to share-based payments amounts to €385,000.

9.4.3 French Share Purchase Warrants (BSA).

The valuation of these Share Purchase Warrants BSAs was made using the Black & Scholes method, value supported by the binomial / trinomial method to reflect different possible exercise dates.

The Board of Directors made the following two allocations of share purchase warrants (BSA 2015 and BSA 2015-2) to non-executive or non-salaried employees of the company.

	BSA 2015	BSA 2015-2
Allocation date	04/03/2015	27/10/2015
Number of warrants granted	35 500	80 000
Number of subscription warrants	19 000	65 000
Vesting	18 months	18 months
Exercise price (€)	6,26	3,61

The expense incurred during the period amounts to €40,000.

9.4.4 Stock options (SO)

The valuation of these BSAs was made using the Black & Scholes method, value supported by the binomial / trinomial method to reflect different possible exercise dates.

On 27 October 2015, the Board of Directors made two allocations of stock options to the benefit of employees ("Employee SO 2015" plan) and executives ("Executive SO 2015" plan).

	SO 2015
Allocation date	27/10/2015
Number of options	350 000
Vesting	4 years
Exercise price (€)	6,42

The expense corresponding to the financial year is €13,000.

On October 27th 2015, the Board of Directors assessed the attainment of the performance conditions for the SO Director 2014 plan and for the members of the Executive Committee (part of the Employee SO 2014 plan) and as such decided to cancel 6,875 Director SO 2014 and 13,750 Employee SO 2014.

On January 22nd 2015, the Board of Directors recorded the automatic cancellation due to employee leave of 16,200 SO 2010(1) options, 15,500 SO 2011(1) options, 2,000 SO 2012 options, 19,500 SO 2012 options, 19,500 SO 2013 options and 12,000 SO 2014 options.

The impact of these write-offs is a decrease in the total expense of €62,000.

9.4.5 Free Shares (AGAs)

On October 27th 2015, the Board of Directors assessed the attainment of the performance conditions for the AGA Director 2014 plan and for the members of the Executive Committee (part of the AGA SAL 2014 plan) and as such decided to deduct 4,440 AGA DIR 2014 and 5,550 AGA SAL 2014.

On January 22nd 2016, the Board of Directors recorded the automatic cancellation due to employee departures of 3,150 AGA 2014.

- The impact of these write-offs is a decrease in the total expense of €46,000.

Note 10: Non-current liabilities

10.1 DEFERRED TAX LIABILITIES

This item amounting to €11,381,000 relates to research and development assets acquired under the merger.

10.2 PROVISIONS

€ '000	31/12/2014	Allowances	Reversals		31/12/2015
			Used	Unused	
Post-employment benefits	555			66	489
Provision for litigation	0	230			230
Total non-current provisions	**555**	**230**	**0**	**66**	**719**

10.3 PENSION LIABILITIES (IAS 19 REVISED)

The provision for pension commitments amounts to €489,000 compared to €555,000 in 2014, i.e. . a profit and loss impact of €111,000. The actuarial difference of €44,000 was recognised directly in Other Comprehensive Income according to the standard.

The actuarial assumptions are as follows:

	31/12/2015	31/12/2014
Collective bargaining agreement	Medical industry	Medical industry
Retirement age	Between 65 and 67 years, under the Pension Reform Act of 10 November 2010	Between 65 and 67 years, under the Pension Reform Act of 10 November 2010
Calculation date	31/12/2015	31/12/2014
Mortality table	INSEE 2015	INSEE 2014
Discount rate	2.26% (AA rate Reuters)	1.81% (AA rate Reuters)
Rate of salary increase	3%	3%
Employee turnover rate	By age category: - 0% from 16 to 24 - 2.30 % from 25 to 34 - 8.05 % from 35 to 44 - 2.30 % from 45 to 54 - 0.57 % above 55	By age category: - 0% from 16 to 24 - 4.55% from 25 to 34 - 4.55% from 35 to 44 - 1.52% from 45 to 54 - 1.01% above 55
Social charges	46% for Onxeo FR	46% for Onxeo FR

10.4 PROVISIONS FOR LITIGATION

The provisions for litigation concern provisions with former employees as well as a provision related to non-deductible interest.

Status of litigations with Eurofins and SpePharm as of December 31, 2015 was as follows:

- **Litigation with Eurofins over a diagnostic technology for HIV drug resistance**

The Commercial Court of Paris rendered its decision in the matter of Onxeo and the Eurofins Group and ABL (Advanced Biological Laboratories) in early September 2015. Whereas Onxeo had breached its contractual information obligation with Eurofins while at the same time acknowledging that Eurofins was liable to Onxeo for an amount equivalent to the price of the Option initially set out in the contract, the Commercial Court of Paris cancelled the debts and liabilities of the two companies. Thus, neither party

had to pay any compensation to the other. This litigation is considered closed as none of the parties filed an appeal.

- **Litigation with SpeBio/SpePharm**

Just as on 31 December 2014, the possible litigation risks under way with SpePharm and SpeBio cannot be reliably measured. As the Company considers itself to be within its rights, no provision has been made as of 31 December 2015.

On 27 February 2009, Onxeo broke off collaboration with SpePharm and reacquired the rights to market Loramyc® in Europe from the SpeBio joint venture.

Onxeo has taken SpePharm and SpeBio to the International Court of Arbitration of the International Chamber of Commerce to obtain damages for the losses suffered on account of breaches of contract committed by these companies under the partnership that had been agreed for the commercial launch of Loramyc®. This process is part of the ongoing law suit filed by Onxeo on SpeBio before the Commercial Court of Paris on 27 February 2009. SpeBio itself referred the suit to the Clerk of the Commercial Court while being aware of Onxeo's referral to the Arbitral Tribunal.

SpePharm and Spebio issued counterclaims for damages before the Arbitral Tribunal and the Commercial Court respectively.

In a partial arbitral decision as to the question of its jurisdiction, the Court of The Court of Arbitration affirmed its jurisdiction in respect to the one contract and only against SpePharm.

SpePharm is in favour of suspending the arbitration proceedings pending the decision by the Commercial Court on the merits of the suit between Onxeo and SpeBio. This arbitration is suspended but still ongoing.

The proceedings are currently open before the Commercial Court of Paris.

Onxeo maintains its position of focusing the dispute in such way as to have SpeBio and SpePharm judged before the same jurisdiction. In this perspective, it summoned SpePharm in September 2015 on compulsory intervention on a tort. Naturally, Onxeo is now requesting the joinder of the two cases.

10.5 OTHER NON-CURRENT LIABILITIES

This item mainly includes:

- An advance from BPI France paid under the Livatag programme (NICE consortium), repayable in case of commercial success. An amount of €876,000 was received during the financial year in consideration of the crossing of key contractual milestones at the clinical and industrial development of the product and the balance of the advance at 31 December 2015 is €4,427,000, of which €882,000 remains to be received in the coming years according to the funding schedule specified in the contract.

Long-term deferred revenue corresponds to licensing fees from the partner Sosei (Japan) for Loramyc® in the mount of €18,000 (staggered as turnover for the amount received on the signing of the agreement).

Note 11: Current liabilities

11.1 SHORT-TERM DEBT

This item mainly consisted at 31 December 2014 of the current account advance from Financière de la Montagne in the amount of €1,552,000. This advance was fully repaid during the financial year.

11.2 TRADE PAYABLES

Trade payables have not been discounted to present value as none are due more than one year after the balance sheet date.

€ `000	31/12/2015	31/12/2014
Trade payables and related accounts	6 362	6 676

Trade payables in 2014 included debts related to the capital increase in December 2014 for €1.3 million. Excluding this non-recurrent element, current debts related to the activity increased by €1 million primarily due to the clinical and pharmaceutical expenditure of the R&D programme.

11.3 OTHER LIABILITIES

€ `000	31/12/2015	31/12/2014
Social security and similar liabilities	2 177	3 665
Tax liabilities	1 637	119
Other liabilities	362	829
Total	**4 175**	**4 614**

Tax debts increased significantly due to the recognition of a withholding tax in the amount of €1,379,000 whose repayment will be required in FY 2016.

Other liabilities at 31st December 2015 essentially consist of licence revenues deferred to less than a year amounting to €108,000. These licence revenues are spread according to an estimated date of marketing authorisation.

The amount of short-term deferred license revenues transferred to revenue on the 2015 profit and loss account is detailed below:

€ `000	Balance at 31/12/2014	Increase	Reclassification (1)	Reversal through profit and loss	Balance at 31/12/2015
NovaMed	83		2	67	18
Sosei	448			358	90
Daewoong	74			74	0
Total	**604**	**0**	**2**	**499**	**108**

Note 12: Financial instruments

The carrying amount of financial instruments by category under IAS 39 is detailed as follows:

€ `000	Category in accordance with IAS 39	Net at 31/12/2014	Net at 31/12/2015	Balance sheet amounts as per IAS 39			Fair value as per IFRS7
				Amortized cost	Fair value in equity	Fair value in income	
Loans	P&C	0	0	0	0	0	0
Derivatives at fair value	AJVPR	0	0	0	0	0	0
Trade receivables and related accounts	P&C	885	1 036	1 036	0	0	1 036
Other receivables	P&C	5 936	6 762	6 762	0	0	6 762
Security deposits	P&C	210	201	201	0	0	201
Other assets available for sale	ADV	196	106	0	0	106	0
Cash and equivalents	AJVPR	42 923	33 793	28 486	0	5 307	33 793
Total Assets		**50 149**	**41 897**	**36 485**	**0**	**5 412**	**41 791**
Debenture loans	DACA	0	0	0	0	0	0
Loans debts / credit inst.	DACA	1 777	69	69	0	0	69
Derivatives at fair value	PJVPR	0	0	0	0	0	0
BPI France advances	DACA	2 527	3 545	3 545	0	0	3 545
Trade payables	DACA	5 409	6 362	6 362	0	0	6 362
Other debts / other liabilities	DACA	3 144	4 362	4 362	0	0	4 362
Total Liabilities		**12 857**	**14 337**	**14 337**	**0**	**0**	**14 337**

Breakdown of fair values of financial assets and liabilities:

The table below shows financial instruments at fair value broken down by level:

- Level 1: financial instruments listed on an active market
- Level 2: financial instruments whose fair value is determined by comparison with observable market transactions in similar instruments, or based on a valuation whose variables include only observable market data
- Level 3: financial instruments whose fair value is determined entirely or in part using a valuation based on an estimation not based on market transaction prices in similar instruments.

€ `000	Level 1	Level 2	Level 3
Derivatives at fair value by income			
Derivatives at fair value by equity	0	0	0
Financial assets available for sale	0	106	0
Money market securities available for sale	0	5 307	0
Total Financial Assets	**0**	**5 412**	**0**
Derivatives at fair value by income	0	0	0
Derivatives at fair value by equity	0	0	0
Total Financial Liabilities	**0**	**0**	**0**

Note 13: Operating income and expenses

13.1 SALES

€ `000	31/12/2015	31/12/2014
Recurrent turnover from licensing agreements	2 733	1 625
Non-recurrent sales from licensing agreements	749	20 455
Other sales	0	1
Total sales	**3 481**	**22 081**

Recurring sales come from product sales and sales-based royalties related to licence agreements established by the Company. The increase compared to 2014 is explained by the sales launch of Beleodaq® and Sitavig®, respectively, by Spectrum Pharmaceuticals and Innocutis/Cipher as well as the marketing launch of Oravig® by the new US partner Dara/Midatech.

Non-recurring turnover from licence agreements include a proportionate share of amounts received in previous years when signing these agreements, spread out over time in accordance with the IAS 18 standard (see paragraph 10.5 above). As a reminder, in 2014, this item represented essentially consisted in the payment of $2 million (€1.5 million) on signature of the agreement with Innocutis and the payment of $25 million (€20 million) by Spectrum Pharmaceuticals as a result of obtaining marketing authorization for Beleodaq® in the USA.

In accordance with the IFRS 8.32 and 33 Standard, the table below shows the provenance of sales by geographic area and compares the two product portfolios of the Company:

Breakdown of turnover	**31/12/2015**	**31/12/2014**
Orphan Products in Oncology	3 046	19 094
Other Products	436	2 987
Total	**3 481**	**22 081**
Europe	846	560
Rest of the world	2 636	21 520
Total	**3 481**	**22 081**

13.2 PERSONNEL COSTS

Personnel costs are broken down as follows:

€ `000	31/12/2015	31/12/2014
Salaries	5 233	5 228
Expenses	2 068	2 356
Employee benefits (IFRS 2)	385	766
Deduction of research tax credit	-749	-603
Deduction of government grants	-51	-631
Total personnel costs	**6 887**	**7 116**
Headcount at 31/12/2015	**53**	**55**

13.3 EXTERNAL EXPENSES

External expenses include mainly the following items:

€ `000	31/12/2015	31/12/2014
R&D expenses	12 676	9 613
Deduction of government grants	-9	-1 300
Deduction of research tax credit	-3 014	-1 423
General and administrative expenses	6 541	6 674
Total	**16 194**	**13 563**

The increase in R&D costs reflects the deployment and internationalisation of the clinical programs for Livatag®.

13.4 AMORTISATION

As explained in Note 6, amortisation of part of the research and development programmes acquired under the merger has been recorded for €1,600,000.

13.5 OTHER OPERATING INCOME AND EXPENSES

In 2014, the other expenses for €4,861,000 were mainly legal and financial consultancy fees incurred by Onxeo for the merger transaction.

Note 14: financial income

€ '000	Cash	Non Cash	31/12/2015	31/12/2014
Income from cash and cash equivalents	1 793	12	1 805	2 995
Cost of gross debt	-943	-262	-1 205	-3 005
Cost of net debt	**851**	**-250**	**600**	**-10**
Other financial income and expenses	**0**	2	2	15
Financial income	**851**	**-249**	**602**	**5**

Income from cash and cash equivalent corresponds to a currency gain for €1,580,000, as well as interest in short-term investments.

The financial expenses charges essentially include currency losses for €841,000, interest on the current account advance of Financière de la Montagne for €137,000 as well as interest relating to the BPI France cash advance calculated on the basis of the effective interest rate in application of the IAS 19R Standard.

Note 15: Taxation

A write-back of deferred tax liabilities of €2,424,000 relating to research and development assets acquired through the merger was recognised in 2015.

The tax expense of €94,000 corresponding to a corporation tax adjustment was recognised in 2014, payable in Denmark on the taxable income of the permanent Danish establishment of Onxeo DK.

At December 31st 2015, the Onxeo Group had French tax loss carry forwards of €182 million, including €148 million related to the tax consolidation including Laboratoires BioAlliance Pharma. No deferred tax asset was recognised insofar as the Company is unable to recover these tax losses in the short term.

Note 16: Earnings per share

16.1 EARNINGS PER SHARE

€ `000	31/12/2015	31/12/2014
Net income/(loss) attributable to ordinary shareholders	-19 409	-7 699
Number of ordinary shares	40 544 204	40 544 204
Number of treasury shares	36 774	20 908
Earnings per share	**(0,48)**	**(0,19)**

Basic earnings per share is calculated by dividing the net profit (or loss) attributable to common shareholders (the numerator) by the weighted average number of outstanding ordinary shares (the denominator) for the period.

16.2 DILUTED EARNINGS PER SHARE

€ `000	31/12/2015	31/12/2014
Net income/(loss) attributable to ordinary shareholders	-19 409	-7 699
Number of ordinary shares	40 544 204	40 544 204
Effect of dilution (1)	-	-
Number of shares adjusted for diluted earnings	40 544 204	40 544 204
Diluted earnings	**(0,48)**	**(0,19)**

(1) Taking into account the conversion into shares of all of the BSAs, BSCEs and stock options attributed as of the balance sheet date, 1,911,707 extra shares would be created, the impact of dilution is not presented due to the accretive effect resulting from negative earnings.

To calculate the diluted earnings per share, the average number of outstanding shares is adjusted to take into account the conversion of all ordinary shares that may be issued in the future, notably due to stock options and bonus shares during the vesting period.

The dilution effect is calculated using the treasury stock method. The number thus calculated is added to the average number of outstanding shares to obtain the denominator. To calculate diluted earnings, the net profit (or loss) attributable to holders of ordinary BioAlliance shares is adjusted by:

- any dividends or other items related to dilutive potential ordinary shares deducted in arriving at the profit (or loss) attributable to ordinary-share holders
- interest recognised in the period in respect of the dilutive potential ordinary shares
- any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.

Note 17: Off-balance-sheet commitments

17.1 OFF-BALANCE-SHEET COMMITMENTS RELATED TO THE COMPANY'S OPERATIONAL ACTIVITIES

17.1.1 OPERATING LEASES (IAS 17)

The company has concluded real estate lease contracts for its head offices at 49, Boulevard du Général Martial Valin, Paris, and for the registered offices of its establishment in Denmark, as well as a company vehicle leasing contract. The future minimum lease expense is as follows:

< 1 year	Between 1 and 5 years	> 5 years
887	61	0

17.2 OFF-BALANCE-SHEET COMMITMENTS RELATED TO THE COMPANY'S FINANCING

17.2.1 REFUNDABLE ADVANCES

If the project is successful, these advances shall be refunded based on forecast operating income arising from the project, The repayment would equal to 3.0% of turnover over a maximum period of 15 years. In case the project is a failure, the justified, due and paid advances will not result in any repayment.

17.3 OTHER COMMITMENTS LINKED TO COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

None

Note 18: Summary of BSAs (share purchase warrants), free shares and stock options at 31 December 2015

Summary of BSAs (Share Purchase Warrants) as of December 31, 2015

Type	Date of autorisation	Authorised BSAs	Allocation Date	Allocated BSAs	Beneficiaries	BSAs in circulation at 31/12/15 adjusted (1)	BSA exercisable at 31/12/15 adjusted (1)	Subscription price per share in euros adjusted (1)	Expiry Date
BSA 2011	29 June 2011 Resolution 18	100,000	21/09/2011	70,000	non-salaried, non executive members of the	41,864	41,864	3.63	21/09/2017
BSA 2012	31 May 2012 Resolution 15	100,000	13/09/2012	85,000	non-salaried, non executive members of the	41,857	41,857	3.75	13/09/2018
BSA 2013	26 June 2013 Resolution 17	100,000	19/09/2013	85,000	non-salaried, non executive members of the	88,490	88,490	3.85	19/09/2023
BSA 2014	30 June 2014 Resolution 19	314,800	22/09/2014	107,500	non-salaried, non executive	85,886	57,257	6.17	22/09/2024
			04/03/2015	35,500	non-salaried, non executive	19,000	6,333	6.26	04/03/2025
BSA 2015	20 May 2015 Resolution 18	405,000	27/10/2015	80,000	non-salaried, non executive members of the	65,000	0	3.61	27/10/2025
TOTAL						**342,097**	**235,801**		

(1) Adjustment of the number and subscription price of options following the capital increases of July 2011, July 2013 and December 2014 in accordance with Article L.228-99 of the Commercial Code (Board meeting of 28 July 2011, 14 November 2013 and 22 January 2015)

Summary of Stock Options at 31 December 2015

Name of Plan	Date of authorisation	Number of authorised free shares	Allocation date	Number of allocated shares	Beneficiaries	Options in circulation at 31/12/15 adjusted (1)	Options exercisable at 31/12/15 adjusted (1)	Subscription price per sharein euros ajusted (1)	Expiry date
SO Employees 2010 (1)	22/04/2010 Resolutions 20 and 21	150,500	25/08/2010	120,800	Employees	51,721	51,721	5.28	25/08/2020
SO Employees 2010 (2)			16/12/2010	16,000	Employees	17,491	17,491	5.23	16/12/2020
SO Executives 2010		25,000	25/08/2010	25,000	Executives	10,791	10,791	5.28	25/08/2020
TOTAL SO 2010		**175,500**		**161,800**		**80,003**	**80,003**		
SO Employees 2011 (1)	29/06/2011 Resolutions 16 and 17	300,000	21/09/2011	218,500	Employees	145,575	145,575	3.63	21/09/2021
SO Employees 2011 (2)			26/01/2012	4,000	Employees	1,570	1,570	3.63	26/01/2022
SO Executives 2011		210,000	21/09/2011	210,000	Executives	219,782	219,782	3.63	21/09/2021
TOTAL SO 2011		**510,000**		**432,500**		**366,927**	**366,927**		
SO Employees 2012	31/05/2012 Resolutions 13 and 14	333,000	13/09/2012	268,000	Employees	214,096	173,665	3.75	13/09/2022
SO Executives 2012		110,000	13/09/2012	110,000	Executives	103,597	89,470	3.75	13/09/2022
TOTAL SO 2012		**443,000**		**378,000**		**317,693**	**263,135**		
SO Employees 2013	26/06/2013 Resolution 15	283,000	19/09/2013	195,500	Employees	160,939	80,502	3.85	19/09/2023
TOTAL SO 2013		**283,000**		**195,500**		**160,939**	**80,502**		
SO Employees 2014	30/06/2014 Resolution 17	314,800	22/09/2014	138,700	Employees	118,178	29,528	6.17	22/09/2024
SO Executives 2014			22/09/2014	40,000	Executives	34,487	20,334	6.17	22/09/2024
TOTAL SO 2014		**314,800**		**178,700**		**152,665**	**49,862**		
SO Employees 2015	20/05/2015 Resolution 16	405,000	27/10/2015	290,000	Employees	290,000	0	3.61	27/10/2025
SO Executives 2015			27/10/2015	60,000	Executives	60,000	0	3.61	27/10/2025
TOTAL SO 2015		**405,000**		**350,000**		**350,000**	**0**		
TOTAL SO						**1 428,227**	**840,429**		

(1) Adjustment of the number and subscription price of options following the capital increases of July 2011, July 2013 and December 2014 in accordance with Article L.228-99 of the Commercial Code (Board meeting of 28 July 2011, 14 November 2013 and 22 January 2015)

Summary of AGAs (rights to free shares) at 31 December 2015

Name of plan	Date of authorisation	Number of authorised free shares	Allocation date	Number of allocated shares	Beneficiaries	Rights to free shares in circulation at 31/12/15 adjusted (1)	Shares definitively vested at 31/12/15 adjusted (1)
Employee AGA 2014	30/06/2014 Resolution 18	314,800	22/09/2014	72,000	Employees	66,180	52,885
Executive AGA 2014			22/09/2014	76,500	Executives	75,203	71,177
TOTAL SO 2014		**314,800**		**148,500**		**141,383**	**124,062**
TOTAL SO						**141,383**	**124,062**

(1) Adjustment of the number and subscription price of options following the capital increases of July 2011, July 2013 and December 2014 in accordance with Article L.228-99 of the Commercial Code (Board meeting of 28 July 2011, 14 November 2013 and 22 January 2015)

Note 19: Remuneration of corporate officers

The table below summarises the remuneration accounted for at 31 December 2015 for Judith Greciet (CEO), a non-salaried corporate officer as well as for members of the Board of Directors.

€ `000	31/12/2015	31/12/2014
Executives and corporate officers		
Short-term benefits (fixed/variable/except.)	502	785
Post-employment benefits	76	96
Long-term benefits	0	0
Share-based payment	218	462
Benefits in kind	7	7
Contract termination indemnities	311	0
Directors' fees	125	162
Fees (regulated agreement)	24	24
Total	**1 262**	**1 535**

Onxeo has established a method of remuneration of its directors through attendance fees. The Annual General Meeting of 30th June 2014 set the overall annual amount of directors' fees to be paid and divided among the members of the Board of Directors, at €200,000.

Corporate officers' retirement benefits amount to 76.406 euros.

Note 20: Related Parties

With regard to paragraph 9 of the IAS 24 Standard, Onxeo SA's related parties are as follows:

- Financière de la Montagne which, in its capacity as the largest shareholder of the company with 13.96% of the capital and as a board member, is considered to exert a significant influence on the company.

The transactions with Financière de la Montagne are: the €10 million loan agreement entered into with the Company on 18 July 2014 and the capital increase through debt conversion amounting to €11.1 million in December 2014, which ended on 31 July 2015. The financial expense associated with this loan amounts to 137,135 euros.

- The Chairman of the Board of Directors, as one of the main executives presenting the financial statements.

The transactions with the chairman of the board of directors are mainly fees and expenses in relation to the consultancy agreement with PJL Conseils, as authorized by the board of directors on 17 July 2013 in the amount of 24,000 euros.

Note 21: intergroup transactions

The transactions between the parent company and other group companies are summarized in the following table:

€ `000	31/12/2015	31/12/2014
Assets	28 225	25 479
Liabilities	4 689	2 841
Income	100	589
Expenses	172	65

The amount of the asset mainly relates to the current account of the subsidiary Topotarget Switzerland.

Note 22: Statutory Auditors' fees

The fees paid by Onxeo to its external auditors related to the 2015 and 2014 periods are as follows:

	Grant Thornton				Ernst & Young			
En milliers €	Amount		%		Amount		%	
	2015	2014	2015	2014	2015	2014	2015	2014
Audit, statutory audit, certification, review of financial statements under French GAAP and IFRS								
Issuer	73	65	88%	42%	94	72	100%	35%
Fully consolidated subsidiary	9	3	10%	2%			0%	0%
Other procedures and services directly related to the statutory audit assignment	2	89	2%	57%		130	0%	65%
Sub-total	**84**	**156**	**100%**	**100%**	**94**	**202**	**100%**	**100%**
Other services rendered by the networks to the fully consolidated subsidiary								
Sub-total								
Total	**84**	**156**	**100%**	**100%**	**94**	**202**	**100%**	**100%**

6.2 Statutory auditors' reports on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Onxeo;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; these standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated 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 consolidated 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 consolidated financial statements. We believe that the audit we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2015 and of the results of its operations for the year then ended, in accordance with the IFRS standards as adopted by the European Union.

II. 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 bring to your attention the following matters:

Paragraph 3.5 « Intangible assets » within note 3 « Accounting principles, rules and methods » to the consolidated accounts sets out the accounting rules and methods relating to the valuation of goodwill and research and develoment intangible assets. Our procedures consisted in examining implementation methods of these assets impairment tests as exposed in note 6 « Intangible Assets » to the consolidated financial statements, in examining data and assumptions on which are based actualized free cash flow forecasts as well as reviewing the calculations performed by your group. In the context of our assessments, we also ensured the reasonableness of estimates and assumptions used as well as verified that the notes mentioned above provide appropriate information.

- Paragraph 3.14 « Sales » within note 3 « Accounting principles, rules and methods » to the consolidated financial statements sets out the accounting rules and methods relating to the revenue recognition including the method of accounting for payments due to the signing of license agreements. We assessed the appropriateness of this method and its correct implementation. Our procedures consisted in examining the reasonableness of the estimates and assumptions on which is based the revenue recognition related to these agreements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

Paris and Paris-La Défense, March 15, 2016

The statutory auditors
French original signed by

GRANT THORNTON	ERNST & YOUNG Audit
French Member of Grant Thornton International	
Jean-Pierre Colle	Béatrice Delaunay

6.3 Annual financial statements

Assets

Categories	Gross	Amortization/ Depreciation	Net 2015	Net 2014
SUBSCRIBED UNCALLED SHARE CAPITAL				
INTANGIBLE FIXED ASSETS				
Incorporation expenses				
Development costs	61 830 000	2 240 000	59 590 000	67 900 000
Concessions, patents and similar rights	178 293	176 164	2 130	2 085
Goodwill	4 449 952		4 449 952	4 449 952
Other intangible assets	564 461	558 060	6 401	19 700
Advances and prepayments on intangible assets				
Total intangible fixed assets	67 022 707	2 974 224	64 048 483	72 371 737
TANGIBLE FIXED ASSETS				
Land				
Buildings				
Plant & equipment	821 844	801 583	20 261	48 622
Other tangible assets	5 907 500	5 295 887	611 613	679 543
Tangible assets in progress	226 740		226 740	
Advances and prepayments				
Total tangible fixed assets	6 956 084	6 097 470	858 614	728 165
LONG-TERM INVESTMENTS				
Holdings valued by the equity method				
Other equity holdings	86 284 012	76 038 630	10 245 383	6 764 375
Receivables from investments				
Other long-term securities	157 057		157 057	122 040
Loans				
Other long-term investments	307 939		307 939	411 728
Total tangible fixed assets	86 749 009	76 038 630	10 710 379	7 298 143
NON-CURRENT ASSETS	160 727 799	85 110 323	75 617 476	80 398 045
STOCKS				
Raw materials and supplies				
Work in progress - goods				
Work in progress - services				
Semi-finished and finished goods				
Goods held for resale	106 198		106 198	65 171
Total stocks	106 198		106 198	65 171
RECEIVABLES				
Prepayments to suppliers				
Trade receivables	2 138 852	957 623	1 181 229	895 517
Other receivables	35 128 936	25 407 851	9 721 085	5 333 717
Subscribed, called, unpaid share capital				
Total receivables	37 267 788	26 365 474	10 902 314	6 229 234
LIQUID ASSETS				
Securities including treasury shares:	5 306 681		5 306 681	
Cash	28 225 576		28 225 576	56 829 563
Prepaid expenses	629 203		629 203	694 996
Total liquid assets	34 161 459		34 161 459	57 524 558
CURRENT ASSETS	71 535 445	26 365 474	45 169 971	63 818 963
Issuing costs to be spread over several years				
Loan redemption premiums				
Translation adjustment - assets	281 027		281 027	85 454
GRAND TOTAL	232 544 271	111 475 797	121 068 474	144 302 462

Liabilities and equity

Categories		Net 2015	Net 2014
NET EQUITY			
Share capital Of which paid:	10 138 021	10 138 021	10 136 051
Issue, merger and acquisition premiums		230 554 853	230 441 383
Excess of restated assets over historical cost			
Legal reserve			
Reserves required by the articles of incorporation or by contract			
Regulated reserves			
Other reserves		37 125	37 125
Retained earnings		(116 381 346)	(124 903 104)
NET INCOME for the period (profit or loss)		**(25 163 280)**	**8 521 759**
Total net equity		**99 185 373**	**124 233 214**
Capital grants		79 520	116 219
Regulated provisions			
SHAREHOLDERS' EQUITY		**99 264 892**	**124 349 433**
Proceeds from issue of preference shares			
Advances with specific conditions attached		4 426 567	3 655 910
OTHER SHAREHOLDERS' EQUITY		4 426 567	3 655 910
Contingency provisions		594 807	89 660
Loss provisions			
PROVISIONS FOR CONTINGENCIES AND LOSSES		**594 807**	**89 660**
FINANCIAL LIABILITIES			
Convertible bonds			
Other bonds			
Bank debts		8 791	10 308
Other debt		204 663	1 753 532
Total financial liabilities		**213 454**	**1 763 840**
OPERATING LIABILITIES			
Customer prepayments		49 200	
Trade payables		6 309 953	6 674 641
Accrued taxes and personnel costs		2 415 902	3 881 648
Total operating liabilities		**8 775 056**	**10 556 289**
OTHER LIABILITIES			
Payables on fixed assets and related accounts		116 450	
Other liabilities		4 672 513	2 819 755
Total other financial liabilities		**4 788 963**	**2 819 755**
ACCRUALS			
Deferred revenue		343 346	850 027
LIABILITIES		**14 120 819**	**15 989 911**
Translation adjustment - liabilities		2 661 389	217 549
GRAND TOTAL		**121 068 474**	**144 302 462**

Profit and loss account (part 1)

Categories	France	Export	Net 2015	Net 2014
Sale of goods held for resale		435 537	435 537	173 201
Production goods sold				
Production services sold		374 805	374 805	283 572
NET SALES		**810 343**	**810 343**	**456 774**
Production left in stock				
Capitalised production				
Operating grants			59 586	1 930 519
Excess depreciation and recovery on provisions charged in prior years			63 794	13 521 846
Royalties from licences and other income			2 898 437	31 668 407
TOTAL OPERATING INCOME			3 832 159	47 577 545
EXTERNAL EXPENSES				
Purchases of goods for resale (including customs duties)			298 028	216 866
Change in inventories			(41 027)	(62 026)
Purchases of raw materials and supplies			80 010	92 616
Change in inventories				
Other purchases and external expenses			19 106 108	28 362 010
Total external expenses			**19 443 119**	**28 609 466**
TAXES OTHER THAN ON INCOME			293 454	564 398
CHARGES DE PERSONNEL				
Wages and salaries			5 447 799	8 023 027
Payroll charges			2 063 410	2 392 857
Total personnel costs			**7 511 210**	**10 415 884**
OPERATING ALLOWANCES				
Amortisation on fixed assets			1 712 880	1 157 634
Provisions on fixed assets				
Provisions on current assets			29 260	1 560 483
Provisions for contingencies and losses				
Total operating allowances			**1 742 140**	**2 718 116**
OTHER OPERATING EXPENSES			241 032	314 477
TOTAL OPERATING EXPENSES			**29 230 955**	**42 622 341**
OPERATING INCOME/(LOSS)			**(25 398 796)**	**4 955 204**

Profit and loss account (part 2)

Categories	Net 2015	Net 2014
OPERATING INCOME/(LOSS)	**(25 398 796)**	**4 955 204**
JOINT TRANSACTIONS		
Allocated gain or transferred loss		
Sustained loss or transferred gain		
FINANCIAL INCOME		
Financial income from investments	99 718	1 074 654
Financial income from other securities and from fixed asset securities	234 555	65 972
Other interest and similar income	27 274	158 658
Provision reversals and expense transfers	74 395	3 106 844
Foreign exchange gains	1 571 397	3 733 798
Net gains on sales of marketable securities		1 041
TOTAL FINANCIAL INCOME	**2 007 339**	**8 140 968**
FINANCIAL EXPENSES		
Amortisation, depreciation and provisions	3 687 720	201 086
Interest and similar expenses	572 234	2 881 672
Foreign exchange losses	733 065	720 062
Net losses on sales of marketable securities		
TOTAL FINANCIAL EXPENSES	**4 993 019**	**3 802 820**
FINANCIAL INCOME	**(2 985 679)**	**4 338 147**
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX	**(28 384 475)**	**9 293 351**
EXCEPTIONAL INCOME		
Exceptional income on operating transactions	250	261 469
Exceptional income on capital transactions	57 100	63 340
Provision reversals and expense transfers	2 962	101 135
Exceptional income	**60 312**	**425 944**
EXCEPTIONAL EXPENSES		
Exceptional expenses on operating transactions	120 880	265 131
Exceptional expenses on capital transactions	123 770	49 847
Exceptional provisions and expense transfers	312 536	4 206
Exceptional expenses	**557 186**	**319 184**
EXCEPTIONAL ITEMS	**(496 873)**	**106 760**
Employee profit sharing		
Corporate income tax	(3 718 068)	878 352
TOTAL INCOME	**5 899 811**	**56 144 457**
TOTAL EXPENSES	**31 063 091**	**47 622 698**
PROFIT/(LOSS) FOR THE YEAR	**(25 163 280)**	**8 521 759**

ACCOUNTING RULES AND METHODS

Onxeo SA is an innovative company specializing in the development of orphan products in oncology and which is the result of the merger in June 2014 between BioAlliance Pharma, a French company based in Paris, and Topotarget, a Danish company based in Copenhagen. The annual financial statements were approved by the Board of Directors on February 26 2016.

1. Accounting policies

The annual financial statements for the year ended December 31 2015 have been prepared and presented in accordance with the provisions of the Commercial Code and the French General Accounting Plan, in conformity with the prudence principle and the separation of accounting periods. The financial statements were prepared by applying the going concern principle based on the company's cash projections.

Items are recognised in the financial statements on a historical cost basis. The valuation methods applied for this year are unchanged from the previous financial year

1.1. Intangible assets

Intangible assets are recognised at acquisition cost or contribution value less accumulated depreciation and impairment losses.

Research and development costs are expensed directly to the profit and loss account. They may be capitalised in fixed assets when the following criteria are satisfied simultaneously:
- The projects in question are specific, well-defined projects,
- Each project must be technically feasible and have a realistic chance of commercial success at the balance sheet date,
- The cost of each project can be clearly identified.

These criteria are considered to be satisfied only once the Company has obtained marketing authorisation.

Acquired research and development projects are recognised as intangible assets at transfer value even in the absence of marketing authorisation.

Where a finite useful life has been defined the cost of intangible assets less any residual value is depreciated over the useful life as estimated by the company. This period is determined on a case-by-case basis depending on the nature and characteristics of the elements included within the category. In particular, concessions and patents are amortised over a ten-year period (10) in linear mode, software is amortised over a twelve-month period (12) in linear mode and R&D assets with a finite useful life (in the marketing phase) are amortised over the useful life expected by the Company.

When their useful life is indefinite, intangible assets are not amortised but are subject to annual impairment tests.

1.2. Tangible assets

The gross cost of tangible assets corresponds to their initial carrying value in the balance sheet including costs to bring such assets into condition for use, but excluding ancillary expenses related to their acquisition.

Depreciation of tangible assets is calculated on a straight-line basis. Depreciation periods and depreciation methods are generally as follows:

-Plant and equipment	5 years
-Specialized equipment	5 years
-Fixtures and fittings	10 years
-Office and computer equipment	4 years
-Furniture	5 years

1.3. Financial assets

Investments and other long-term securities are measured at cost, excluding acquisition-related expenses.

A provision for impairment is recorded at the balance sheet date if the actual value is less than their net book value.
The amounts invested in the context of the liquidity contract managed by an investment services provider are recognised:
- under 'Other long-term securities' for treasury shares (being the portion invested in the company's shares),
- under 'Other financial assets' for the portion kept in cash.

1.4. Inventories

Inventories are measured at purchase cost using the weighted average cost method.
A provision for impairment is recorded if the actual value is less than the net book value.

1.5. Receivables and payables

Receivables and payables are measured at their face value. A provision for impairment is recorded at the balance sheet date if the actual value of thee receivables is less than their net book value.
Receivables and payables in foreign currencies are recognised at the exchange rate prevailing on the transaction date and are restated at the closing rate at each period end. Foreign exchange differences arising on such restatements are recognised in balance sheet assets and liabilities. A provision for losses is recognised in the event of unrealised foreign exchange losses.

Receivables are examined on a case-by-case basis and a provision for depreciation is established in line with the incurred risk.

1.6. Marketable securities

Marketable securities are measured at acquisition cost, excluding acquisition-related expenses.

In the event of the sale of a number of similar securities granting the same rights, the carrying value of the securities sold is estimated using the FIFO method.

1.7. Cash

All liquid assets held in cash or banks are valued at their nominal value.

1.8. Provisions for contingencies and losses

Provisions correspond to obligations resulting from various disputes and risks, whose timing and amounts are uncertain, to which the Group may be exposed in the context of its operations. A provision is recognised where the company has a legal or constructive obligation to a third party, as a result of a past event, which will probably and certainly lead to an outflow of resources to the third party without receipt of equivalent consideration, and where such future cash outflows can be estimated reliably.

1.9. Licensing agreements

1.9.1. Licences granted to third parties

Agreements under which the Company licences rights to third parties for marketing one or more products in its portfolio generally involve an upfront payment at the date of signature, as well as future milestone payments and the payment of royalties on net sales.

Upfront payments due on signature of a licensing agreement, representing the contracting party's share of R&D investments incurred by the Company, are initially recognised in deferred revenue and are subsequently taken to the profit and loss account over the period of the agreement or over a shorter period, depending on the company’s involvement and the specific conditions of the agreement.
In general, the future payments are conditional and depend on the achievement of certain objectives: registration of products, marketing authorisation for products, obtaining a price and/or achievement of sales thresholds (sales performance). They are immediately recognised in other operation revenues during the period in which they are received by the Company.

1.10 Grants

Operating grants are taken to profit and loss as the costs are incurred.

Refundable advances are recorded under "Other liable equity". If the project is successful, these advances are refundable based on forecast operating income (loss) arising from the project. In case the project is a failure, the justified, due and paid advances will not result in any repayment.

2. Significant events in the year

2.1. R&D Programmes

- **Livatag®: progress in the Phase III 'ReLive' trial and strengthening of industrial protection**

In 2015 Onxeo actively continued with the recruitment and geographical extension of the Phase III 'ReLive' international trial. This trial aims to show Livatag®'s efficacy on the survival of nearly 400 primary liver cancer patients after failure or intolerance to sorafenib. It is being conducted in 12 European countries, the United States as well as in the Middle East - North Africa. At the end of 2015 there were 53 active investigational sites and over 60% of the patients were included in the trial. The Company expects to open 10 to 15 additional sites in 2016. The preliminary results are expected mid-2017.

The Company also filed a new patent application in the United States and Europe based on a specific composition of Livatag® nanoparticles. This application will be extended to other regions, including several Asian countries, during the examination procedure. If it is issued, this patent will extend the industrial property and market exclusivity of Livatag® internationally until 2036.

- **Beleodaq®: positive results of the Bel-CHOP study**

In July 2014, Beleodaq® obtained temporary FDA approval for second line treatment of a rare form of blood cancer known as peripheral T-cell lymphoma (PTCL). This approval was granted based on the results of the BELIEF Pivotal Phase IIb Clinical Study, subject to these results being confirmed by a Phase III study. Onxeo and its partner Spectrum Pharmaceutical decided to continue with the Beleodaq® development in first line treatment in association with the 'CHOP' chemotherapy protocol, the current PTCL reference treatment. Within this context, a Phase I study (Bel-CHOP) was conducted on 23 patients during the financial year. The positive results showed a good safety profile and interesting signs of efficacy. Under the agreement with Spectrum, the development costs of the PTCL indication are shared, with Onxeo assuming a 30% share.

- **Launch of a new research programme with Beleodaq® and Livatag®**

At the end of 2015, Onxeo initiated a pre-clinical research programme intended to combine belinostat and Livatag® with other types of anti-cancerous agents, particularly new immunotherapy products, a particularly promising therapeutic category of oncological drugs. The purpose is to identify the most promising synergies in terms of efficacy and tolerance, and thus to extend the potential of the key Onxeo products by positioning them in the first line of treatment in the indications currently targeted by Livatag® and belinostat, and to target new indications to maximise the potential of each programme. A first series of pre-clinical data should be obtained during the first half of 2016. A development in humans could then be initiated within 12 to 24 months for the most promising combinations.

- **Validive®: presentation of the positive results of the Phase II trial**

The positive final results for the Validive® Phase II Study in the treatment of severe oral mucositis were presented at several international congresses in 2015: ASCO, MASCC/ISOO, ASTRO, facilitating improved visibility of the product in view of the next steps of its development.

2.2. Other products de dedicated to partnerships

During 2015, Onxeo continued to develop in parallel its non-strategic products Sitavig® and Loramyc®/Oravig® through partnership agreements:

- A licensing agreement with Bruno Farmaceutici for the marketing of Labiriad® (acyclovir Lauriad®) in Italy. It should be launched during the first quarter of 2016.
- A licensing agreement with Dara BioSciences for the marketing of Oravig® in the United States and possibly extended to Canada. The marketing in the US began at the beginning of the last quarter of 2015. In December 2015, Dara was acquired by Midatech Pharma PLC, strengthening this partnership.

In addition, the licensee Innocutis Holding LLC, responsible for the marketing of Sitavig® in the United States, was acquired by Cipher Pharmaceuticals, strengthening this partnership.

2.3. Post-balance sheet events 2015

There are no post-balance sheet events likely to have a material effect on the accounts as at December 31, 2015

3. Notes to the balance sheet

3.1. Intangible assets

Gross intangible assets amounted to €67 022 707 at 31 December 2015, and comprises primarily:

- €61,830 thousand in development costs, corresponding to the acquisition cost of Beleodaq® (belinostat) in connection with the merger-absorption transaction of Topotarget in 2014.
- A goodwill of €4,450 thousand representing the difference between the acquisition value of Topotarget and the net assets contributed.

Intangible Assets also includes patents, brands and software acquired by the company for a gross total amount of €743,000.

Amortization amounted to €2 974 224, of which €2,240,000 resulted from the depreciation of assets associated with the product Beleodaq® for its second-line indication in peripheral T-cell lymphoma, registered in July 2014 in the United States and generating income since August 2014 through sales by the business partner Spectrum Pharmaceuticals. These assets are depreciated over the duration of the product's anticipated commercialisation for this indication (17 years).

The intangible assets from the merger with Topotarget (R&D assets and goodwill) were the subject of an impairment test at 31 December 2015. This test, performed at least once a year, on closing date, consists in a comparison between the net book value of intangible assets and their carrying value. Depreciation is booked when the carrying value of intangible assets is lower than the net book value.

The carrying value of goodwill has been estimated on the basis of Onxeo's stock price. This value being higher than book value of goodwill, no depreciation was deemed necessary.

The carrying value of R&D intangibles was estimated based on future cashflows, including revenues and expenses relating to Beleodaq® in the PTCL indication, as well as other potential indications of the product that could be developed in the future. A discount rate of 16% has been applied to these cashflows, which takes into account the market risk as well as Onxeo's specific risk. Resulting values being higher than book values, no depreciation was deemed necessary.

3.2. Tangible assets

Tangible assets are made up mainly of laboratory and research equipment, computer equipment and other fittings and equipment purchased by the Company.

In 2015, acquisitions amounted to €439,439, including €226,740 of assets under construction and asset disposals amounted to €141,185.

3.3. Financial assets

Financial assets correspond primarily to equity securities held by Onxeo in its subsidiaries in France and abroad.
The increase in the gross value of equity securities is mainly due to a reclassification of €6,870 thousand corresponding to a share of the R&D assets held by a subsidiary.
An allowance on equity securities was recorded for the financial year for an amount of €3,407 thousand to adjust the net value of securities with the positive net assets of subsidiaries, primarily on the subsidiary Topotarget UK.

The amount of treasury shares held within the context of the liquidity contract at 31 December 2015 was €119,497 corresponding to 31,866 shares recognised in "Other long-term securities" and non-invested cash increased to €105,135.

3.4. Trade receivables

Net trade receivables amounted to €1 181 229 at 31 December 2015, mainly consisting of receivables from the partner Spectrum Pharmaceuticals corresponding to deliveries of products made by the company and royalties on sales due by these partners.

3.5. Other receivables

Other net receivables amount to €9 721 085 at 31 December 2015 and mainly consist of the following:

- 2015 Research Tax Credit, France and Denmark: €3,813,669
- Receivables from foreign taxes: €1,379,534
- Grants to be received: €881,567
- VAT refund requested: €337,685
- VAT deductible on purchases and on accrued invoices: €463,012

This increase in this item of €1.7 million between 2014 and 2015 is primarily due to the increase of the research tax credit from €2.3 million to €3.8 million. The French CIR (cost income ratio) for 2014 was decreased by €2.5 million due to the receipt of a repayable advance from BPI France (NICE programme for Livatag) and no Danish CIR had been recorded for that financial year insofar as Onxeo DK had posted a profit (the Danish CIR amounted to €0.3 million in 2015).

The receivable due from foreign taxes corresponds to a withholding tax, the reimbursement of which will be sought in 2016.

The intra-group current accounts of a gross amount of €28,048,301 are depreciated (due to the lack of revenue from the subsidiaries) at 100% of their nominal value, i.e. a total depreciation amount of €25 407 851. The net value of the current accounts stands at €2,640,450.

3.6. Cash

At 31 December 2015, cash totalled €33,532,257 including €5 306 681 of marketable securities (negotiable medium term warrants) and availability of a total amount of €28 225 576 invested in term deposits up to €25,300,000.

The change in net cash is a decrease of €23.3 million.
This stems from the Company's operational expenses, in particular research and development, amounting to €16.2 million, as well as capital increase expenses in December 2014 undisbursed at 31 December 2014, for a total of €1.3 million.

3.7. Prepaid expenses

Prepaid expenses at 31 December 2015 rose to 629 203 euros and mainly correspond to subcontracted services and fees.

3.8. Shareholders' equity

At 31 December 2015, the share capital amounted to €10 138 021, divided into 40,552,083 common shares with a nominal value of €0.25 each, all of the same class and fully paid up.
In 2015, the share capital moved from €10,136,051.00 to €10,138,020.75 as a result of exercising stock options as follows:

- Capital increase of €1,762.25 confirmed by the Board of Directors on 22 January 2015 corresponding to the issue of 7,049 new ordinary shares for a nominal value of €0.25 each in consideration for the exercise of 7,049 stock options.

- Capital increase of €207.50 confirmed by the Board of Directors on 30 July 2015 corresponding to the issue of 830 new ordinary shares for a nominal value of €0.25 each in consideration for the exercise of 830 stock options.

The item Issue Premium increased from €230,441,383.24 to €230,554,852.99 following the exercise of these options.

3.9. Other shareholders' equity

Other equity corresponds to an advance from BPI France paid under the Livatag programme (NICE consortium), repayable in case of commercial success. An amount of €876,000 was received during the financial year as compensation for reaching key contractual milestones at the clinical and industrial development of the product and the balance of the advance at 31 December 2015 is €4 426 567, of which €881,567 remains to be received in the coming years according to the funding schedule specified in the contract.

3.10. Capital grants

The capital grant of €367,000 (amortized over 10 years) corresponds to the landlord's contribution to some of the work on the new registered office which started in 2008. The amount of depreciation at 31 December 2015 amounted to €287,480.47.

3.11. Provisions for contingencies and losses

Provisions for contingencies and losses amounted to 594 807 euros, mainly corresponding to allowances on negative net assets of the subsidiaries for €240,780 and contingencies for latent exchange losses for €281,027.

Litigation with Eurofins over a diagnostic technology for HIV drug resistance

The Commercial Court of Paris rendered its decision in the matter of Onxeo and the Eurofins Group and ABL (Advanced Biological Laboratories) in early September 2015. Whereas Onxeo had breached its contractual information obligation with Eurofins while at the same time acknowledging that Eurofins was liable to Onxeo for an amount equivalent to the price of the Option initially set out in the contract, the Commercial Court of Paris cancelled the debts and liabilities of the two companies. Thus, neither party had to pay any compensation to the other.
This litigation is considered closed as none of the parties filed an appeal.

Litigation with SpeBio/SpePharm

As was stated in the 2014 Financial Statements, the possible litigation risks under way with SpePharm and SpeBio cannot be reliably measured. As the Company considers itself to be within its rights, no provision has been made at 31 December 2015.

On February 27 2009, Onxeo broke off collaboration with SpePharm and reacquired the rights to market Loramyc® in Europe from the SpeBio joint venture.
Onxeo has taken SpePharm and SpeBio to the International Court of Arbitration of the International Chamber of Commerce to obtain damages for the losses suffered on account of breaches of contract committed by these companies under the partnership that had been agreed for the commercial launch of Loramyc®. This process is part of the ongoing law suit filed by Onxeo on SpeBio before the Commercial Court of Paris on February 27 2009. SpeBio itself referred the suit to the Clerk of the Commercial Court while being aware of Onxeo's referral to the Arbitral Tribunal.

SpePharm and Spebio issued counterclaims for damages before the Arbitral Tribunal and the Commercial Court respectively.
In a partial arbitral decision as to the question of its jurisdiction, the Court of The Court of Arbitration affirmed its jurisdiction in respect to the one contract and only against SpePharm.
SpePharm is in favour of suspending the arbitration proceedings pending the decision by the Commercial Court on the merits of the suit between Onxeo and SpeBio. This arbitration is suspended but still ongoing.
The proceedings are currently open with the Commercial Court of Paris.

Onxeo maintains its position of focusing the dispute in such way as to have SpeBio and SpePharm judged before the same jurisdiction. In this perspective, it summoned SpePharm in September 2015 on compulsory intervention on a tort. Naturally, Onxeo is now requesting the joinder of the cases be joined together.

3.12. Loans and financial debts

This item includes primarily a COFACE indemnity collected as part of the export development of non-strategic products in the amount of €204,663.15.

3.13. Trade payables

Trade payables decreased from €6 674 641 at 31 December 2014 to €6 309 953 at 31 December 2015.

3.14. Accrued taxes and personnel costs

The decrease of €1.4 million primarily comes from a reduction of €1.1 million due to exceptional bonuses related to the merger in 2014.

3.15. Other liabilities

The €4 672 513 corresponds to the credit current accounts of the subsidiaries of Laboratoires BioAlliance and Topotarget UK, as well as the recording of an intra-group debt with Topotarget Switzerland for an amount of €1.4 million offsetting a foreign tax credit (see 3.5).

3.16. Deferred revenue

Prepaid income consists mainly of grant receivables for €217,061. It also includes the payments received upon signing Loramyc® Licensing agreements with Sosei and NovaMed, which are recorded in income and spread over several financial years. The balance of these payments at 31 December 2015 amount to €126,285.

4. Notes on the profit and loss account

4.1. Net sales

Turnover for the 2015 period amounting to €810 343 emanates from sales of products to licensed partners for €435 537 as well as from various services for €374 805.

4.2. Operating grants

The decrease of this item stems primarily from the final acquisition in 2014 of a grant for €1.7 million following the halt of the AMEP™ project.

4.3. Royalties from licences and other income

This item, amounting to €2 898 437, down sharply compared to 2014, includes a share of the amounts received upon signing marketing licensing agreements, spread over time, for €748,615, as well as the royalties on partner sales for €2,149,747.
In 2014, the item had risen significantly following the payment of $35 million by the partner Spectrum Pharmaceuticals in consideration of obtaining the marketing authorisation for Beleodaq® in the US.

4.4. Operating expenses

Operating expenses rose from €42 622 341 in 2014 to €29 230 955 in 2015.
Excluding merger and capital increase expenses recorded for 2014 in for €13.2 million, operating expenses remained stable.
The major changes of the year are:

- An increase of €3.9 million in external charges, primarily from an increase of €1.6 million in scientific subcontracting expenses and an increase of €1.4 million in expenses related to clinical trials, mainly due to the internationalisation and increase in the recruitment of patients in the Phase III Livatage trial.
- A drop in personnel costs of €2.9 million, largely related to the recording in 2014 of exceptional remunerations as part of the merger and the change in staff.

The research and development expenditure in 2015 amounted to €16.4 million.

The competitiveness employment tax credit (CICE = *crédit d'impôt compétitivité emploi*) for 2015 was recorded for an amount of €21,632.56 and was recorded as a reduction of operating expenses.
It was assigned exclusively to the Company's research and development effort.

4.5. Financial income

Financial income includes write-backs of financial provisions totalling €74 395, currency gains totalling €1 571 397, interest on group current accounts for €99 718, and income of €261,829 from short-term investments.

Financial charges include interest on current account advances totalling €310 234 and an amount of €262 000 corresponding to interests on the BPI France cash advance calculated using the effective

interest rate. Currency losses totalling €733 065 and equity securities allowances totalling €3,407 thousand.

4.6. Exceptional items

Negative exceptional income of €(496 873) corresponds mainly to allowances for contingencies and losses.

4.7. Corporate income tax

The financial year income tax, for a negative amount of €(3 718 068) consists of:

Tax income of €3,813,668 corresponding to the amount of French and Danish research tax credit. Additional Danish tax charges of €95,600 for FY 2014.

ONXEO SA had a tax loss carry forward of €182 million, including €148 million as head of the tax consolidation group including the deficits from Laboratoires BioAlliance Pharma.

5. Off-balance sheet commitments

5.1. Post-employment benefits

The actuarial valuation method used is the retrospective valuation method. This method enables the present value of the benefit obligation to be determined on the basis of services rendered by the employee at the valuation date. This is about a defined benefits scheme.

The actuarial assumptions applied are as follows:

Collective bargaining agreement: Medical industry
Retirement age:
Between 65 and 67 years, under the Pension Reform Act of 10 November 2010
Calculation date: 31/12/2015
Mortality table: INSEE 2015
Discount rate: 2.26 %
Rate of salary increase: (salary growth rate + inflation) 3 %
Employee turnover rate: By age category:
Social charges 46 %

At 31 December 2015, pension benefits amounted to €489,000.

5.2. Lease commitments

Lease commitments amounted to €81,584.00 at 31 December 2015.

6. Remuneration of corporate officers

Remuneration of corporate officers amount to €1 262 000.
The amount of their retirement benefits was €76,406.

7. Related Parties

Transactions with other companies related to the Group concern only those companies included in the scope of consolidation. These essentially involve sales of finished goods and services, billings of marketing license fees, and intercompany loans and borrowings as part of cash management agreements.

The table below shows the impact of intragroup transactions as at 31 December 2015:

in €	31/12/2015	31/12/2014
Assets	114 429 649	104,875,776
Liabilities	4,683,358	2,836,014
Income	99 718	1,130,987
Expenses	309,312	73,926

The amount of the asset mainly relates to the current account of the subsidiary Topotarget Switzerland and to investments.

Financière de la Montagne which, in its capacity as the largest shareholder of the company with 13.96% of the capital and as a board member, is considered to exert a significant influence on the company. The transactions with Financière de la Montagne are the €10 million loan agreement entered into with the company on July 18 2014. This loan was also fully repaid at maturity on July 31 2015. The financial expense associated with this loan amounts to €137,135.

The transactions with the chairman of the board of directors are mainly fees and expenses in relation to the consultancy agreement with PJL Conseils, as authorized by the board of directors on July 17 2013 in the amount of €24 thousand.

Assets

	Amount at start of 2015	Increases	Decreases	Amount at end 2015
Formation costs and research and development costs	68 700 000	(6 870 000)		61 830 000
Other intangible assets	5 370 092	14 274	191 660	5 192 707
TOTAL INTANGIBLE FIXED ASSETS	**74 070 092**	**(6 855 726)**	**191 660**	**67 022 707**
Land				
Construction on own land				
Leaseholds				
Facilities, fixtures and fittings				
Plant & equipment , and manufacturing tools	859 891	7 612	45 659	821 844
Facilities, fixtures and fittings	3 622 809	61 610	53 255	3 631 163
Transport equipment	21 621		21 621	
Office and computer equipment, furniture	2 197 510	99 477	20 650	2 276 337
Recoverable packaging & other				
Property, plant and equipment in progress		226 740		226 740
Advances and prepayments				
TOTAL TANGIBLE FIXED ASSETS	**6 701 830**	**395 439**	**141 185**	**6 956 084**
Holdings valued by the equity method				
Other equity holdings	79 396 312	6 887 700		86 284 012
Other long-term securities	122 040	244 025	209 007	157 057
Loans and other financial assets	411 728	225 330	329 119	307 939
TOTAL LONG-TERM INVESTMENTS	**79 930 080**	**7 357 055**	**538 126**	**86 749 009**
GRAND TOTAL	160 702 002	896 768	870 971	160 727 799

Amortisation table

	Amount at start of 2015	Increases	Decreases	Amount at end 2015
Formation costs and research and development costs	800 000	1 440 000		2 240 000
Other intangible assets	898 355	7 828	171 960	734 224
TOTAL INTANGIBLE FIXED ASSETS	1 698 355	1 447 828	171 960	2 974 224
Land				
Construction on own land				
Leaseholds				
Facilities, fixtures and fittings				
Plant & equipment	811 269	35 973	45 659	801 583
Fixtures and fittings	2 952 841	205 939	53 318	3 105 462
Transport equipment	21 621		21 621	
Office and computer equipment, furniture	2 187 935	23 140	20 650	2 190 424
Recoverable packaging & other				
TOTAL TANGIBLE FIXED ASSETS	5 973 665	265 052	141 248	6 097 470
GRAND TOTAL	**7 672 020**	**1 712 880**	**313 207**	**9 071 694**

Allowance table

Type of provisions	Amount at start of 2015	Increases: in allowances in the year	Decreases:			Amount at end of 2015
			Used during the period	Unused during the period	Reversals during the year	
Regulated provisions						
Provisions for replenishing sources (mines, oil).						
Provisions for investment						
Provisions for price rises						
Special depreciation allowances						
Additional depreciation for tax purposes of which exceptional increases of 30%						
Tax provisions for foreign establ. (av.1.1.92)						
Tax provisions for foreign establ. (ap.1.1.92)						
Provisions for construction and equipment loans						
Other regulated provisions						
TOTAL REGULATED PROVISIONS						
Provisions for contingencies and losses						
Provisions for litigation						
Provisions for customer warranties						
Provisions for losses on futures markets						
Provisions for fines and penalties						
Provisions for foreign exchange losses	85 454	281 027			85 454	281 027
Provisions for pensions and similar obligations						
Provisions for taxes						
Provisions for capital renewal						
Provisions for major repairs and major overhauls						
Prov. for tax and soc. chgs on holiday pay						
Other provisions for contingencies and losses	4 206	312 536			2 962	313 780
TOTAL PROV. FOR CONTINGENCIES AND LOSSES	89 660	593 563			88 416	594 807
Provisions for impairment						
On intangible fixed assets						
On tangible fixed assets						
On long-term investments in equity securities						
On long-term investments in equity capital	72 631 937	3 406 693				76 038 630
On other long-term investments						
On stocks and work in progress						
On trade receivables	951 836	5 787				957 623
Other provisions for impairment	25 397 680	23 472			13 302	25 407 851
TOTAL PROVISIONS FOR IMPAIRMENT	98 981 453	3 435 952			13 302	102 404 104
GRAND TOTAL	99 071 114	4 029 515			101 718	102 998 911

of which operating allowances and reversals	29 260			13 302
of which financial allowances and reversals	3 687 720			85 454
of which exceptional allowances and reversals	312 536			2 962

Stocks

	Gross value	Allowances for	Net value
Raw materials and supplies			
Work in progress - goods			
Work in progress - services			
Semi-finished and finished goods			
Goods held for resale	106 198		106 198
Total stocks	106 198		106 198

Receivables

RECEIVABLES	Gross amount	Less than 1 year	More than 1 year
Receivables from investments			
Loans (1) (2)			
Other long-term investments	307 939	307 939	
Total fixed assets	307 939	307 939	
Doubtful or contentious receivables	957 623	957 623	
Other trade receivables	1 181 229	1 181 229	
Receivables representing loaned securities			
Personnel	2 139	2 139	
Social security and other employee benefit charges			
Corporate income tax	3 813 669	3 813 669	
Value added tax	800 698	800 698	
Taxes other than on income			
Other	1 436 989	1 436 989	
Group and shareholders (2)	28 048 301	28 048 301	
Miscellaneous receivables	1 027 139	1 027 139	
Total current assets	**37 267 788**	**37 267 788**	
Prepaid expenses	629 203	629 203	
TOTAL RECEIVABLES	**38 204 930**	**38 204 930**	

(1) Amount of loans granted during the period	
(1) Amount of repayments obtained during the period	
(2) Shareholders' loans and advances (natural persons)	

Payables

PAYABLES	Gross amount	Less than 1 year	Between 1 and 5 years	More than 5 years
Convertible bonds (1)				
Other bonds (1)				
Bank debts < 1 year	8 791	8 791		
Bank debts > 1 year				
Other debt (1) (2)	204 663	204 663		
Trade payables	6 309 953	6 309 953		
Personnel	1 183 462	1 183 462		
Social security and other employee benefit charges	993 366	993 366		
Corporate income tax				
Value added tax	150 270	150 270		
Secured obligations				
Taxes other than on income	88 805	88 805		
Payables on fixed assets and related accounts	116 450	116 450		
Group and shareholders (2)				
Other liabilities	4 721 713	4 721 713		
Debt representing borrowed securities				
Deferred revenue	343 346	324 977	18 369	
PAYABLES	14 120 819	14 102 450	18 369	

(1) Loans contracted during the year	
(1) Loans repaid during the year	
(2) Amount of loans and debts payable to shareholders	

Translation adjustments

RELATED ITEMS	ASSETS				LIABILITIES
	Gross amount	Offset by currency hedging	Allowance	Net amount	Amount
Payments on fixed assets					
Loans					
Other current receivables					
Operating receivables					
Other receivables					
Financial liabilities					
Operating liabilities					
Debts on fixed assets					
Other					
Current account translation adjustment	172 316		172 316		2 637 977
Receivable account translation adjustment					20 529
Payable account translation adjustment	106 918		106 918		2 284
TOTAL	**279 234**		**279 234**		**2 660 790**

Accrued income

Accrued income	2015	2014
Financial assets		
Receivables from investments		
Other long-term investments		
Total long-term investments		
Receivables		
Trade receivables	749 273	599 108
Other receivables	153 455	389 571
Total receivables	902 728	988 679
Liquid assets		
Marketable securities	6 681	
Cash	3 810	11 858
Total liquid assets	10 491	11 858
Other		
Total other		
TOTAL	**913 219**	**1 000 537**

Accrued expenses

Nature of expenses	2015	2014
Financial liabilities		
Convertible bonds		
Other bonds		
Bank debts	6 678	8 193
Other debt		
Customer prepayments	49 200	
Total financial liabilities	55 878	8 193
Operating liabilities		
Trade payables	3 128 472	3 744 898
Accrued taxes and personnel costs	1 711 373	2 833 870
Total operating liabilities	4 839 845	6 578 767
Other payables		
Payables on fixed assets and related accounts	116 450	
Other liabilities		18 112
Total operating liabilities	116 450	18 112
Other		
Total other liabilities		
TOTAL	**5 012 173**	**6 605 072**

Deferred revenue and prepaid expenses

Nature of expenses	2015	2014
Operating expenses		
DEFERRED EXPENSES	629 203	694 996
Total	629 203	694 996
Expenses, financial:		
Total		
Expenses, exceptional:		
Total		
TOTAL PREPAID EXPENSES	629 203	694 996
Comparative BALANCE (Balance Sheet Assets: 2050 heading CH)	**629 203**	**694 996**

Nature of income	2015	2014
Income from operations:		
UNEARNED INCOME	343 346	850 027
Total	343 346	850 027
Income, financial:		
Total		
Income, exceptional,:		
Total		
TOTAL DEFERRED INCOME	**343 346**	**850 027**
Comparative BALANCE (Balance Sheet Liabilities: 2051 heading EB)	343 346	850 027
TOTAL DEFERRED REVENUE AND PREPAID EXPENSES	285 857	(155 031)

Composition of share capital

Classes of securities	Number of securities			Total	Nominal value
	Closing N-1	created during period N	redeemed during period N		
Common shares	40 544 204	7 879		40 552 083	0.25
Shares redeemed					
Priority dividend shares					
Preference shares					
Shares					
Investment certificates					
Total	40 544 204	7 879		40 552 083	

Statement of changes in shareholders' equity

	Categories	Amount
A	Opening	
1	Equity on close of period N-1 before appropriations	115 827 674
2	Appropriation of income to net equity by the OGM	8 521 759
3	Period N opening equity	124 349 433
B	Contributions received with retroactive effect to period N opening	
1	Change in share capital	
2	Change in other items	
C	(= A3 + B) Share capital for the period after retroactive contributions	124 349 433
D	Changes during the period	
1	Change in share capital	1 970
2	Changes in premiums, reserves, retained earnings	113 470
3	Changes in "provisions" relating to equity	
4	Revaluations	
5	Changes in regulated provisions and equipment grants	(36 700)
6	Other changes	
7	Net profit (loss) for the year	(25 163 280)
E	Balance sheet date equity for period N prior to OGM (= C + or - D)	99 264 892
F	TOTAL CHANGE IN EQUITY DURING THE PERIOD (= E - C)	(25 084 541)
G	including: changes due to structural changes during the period	
H	**Change in equity during the period excluding structural transactions (F - G)**	**(25 084 541)**

Table of changes in shareholders' equity

	01/01/2015	Capital increase	Capital reduction	Appropriation of income N-1	Other changes	Net profit (loss) for yr N	31/12/2015
Share capital in number of shares							
Nominal value							
Share capital	10 136 051	1 970					10 138 021
Issue, merger and acquisition premiums	230 441 383	41 365			72 105		230 554 853
Excess of restated assets over historical cost							
Legal reserve							
Reserves required by the articles of incorporation or by contract							
Regulated reserves							
Other reserves	37 125						37 125
Retained earnings	(124 903 104)			8 521 759			(116 381 346)
Net profit (loss) for the year	8 521 759			(8 521 759)		(25 163 280)	(25 163 280)
Capital grants	116 219				(36 700)		79 520
Regulated provisions							
Dividends paid							
Total shareholders' equity	**124 349 433**	**43 334**			**35 405**	**(25 163 280)**	**99 264 892**

BREAKDOWN OF NET SALES

Breakdown of net sales	2015			2014		
	France	Export	Total	France	Export	Total
Sales of goods		435 537	435 537		173 201	173 201
Revenue from auxiliary activities		374 805	374 805	58 585	8 495	67 080
Services					216 493	216 493
TOTAL		**810 343**	**810 343**	**58 585**	**398 189**	**456 774**

Exceptional expenses

Nature of expenses	**2015**	2014
Exceptional expenses on operating transactions		
Contract penalties	98 309	
Tax and criminal penalties and fines	21 413	347
Gifts, donations		
Uncollectable receivables in the financial year		235 915
Grants		
Tax reminders		
Other exceptional expenses on management operations	12	7 933
Total	**119 734**	**244 195**
Expenses over previous financial years	**1 146**	**20 936**
Book value of assets sold		
Intangible assets		
Tangible assets	19 637	
Financial assets		
Other assets (excluding inventories and securities)		
Total	**19 637**	
Other operating expenses		
Penalties deriving from indexation clauses		
Lots		
Penalties deriving from the repurchase of own shares	104 133	49 847
Miscellaneous exceptional expenses		
Total	**104 133**	**49 847**
Total		
TOTAL	**244 650**	**314 978**

Exceptional income

Nature of income	2015	2014
Exceptional income on operating transactions		
Forfeits and penalties levied on purchases and sales		
Donations received		
Proceeds from debt written off		
Balancing grants		
Tax reductions (other than income taxes)		
Other exceptional income on management operations	250	27 326
Total	**250**	**27 326**
Income over previous financial years		234 142
Proceeds from sale of assets		
Intangible assets		
Tangible assets	7 687	
Financial assets		
Other assets (excluding inventories and securities)		
Total	**7 687**	
Share of investment subsidies transferred to income		
Other exceptional income		
Bonuses from indexation clauses		
Lots		
Bonuses from the repurchase of own shares	49 413	63 340
Miscellaneous exceptional income:		
Total	**49 413**	**63 340**
Total		
TOTAL	**57 350**	**324 809**

Leases

LEASED ASSETS	Initial cost	Amortisation and depreciation		Net value
		for the period	Cumulative	
Land				
Buildings				
Plant & equipment	45 000	6 750	6 750	38 250
Other tangible assets	117 620	26 787	93 734	23 886
Tangible assets in progress				
TOTAL	**162 620**	**33 537**	**100 484**	**62 136**

LEASE COMMITMENTS	Amounts paid		Amounts outstanding				Residual purchase price
	for the period	Cumulative	< 1 year	From 1 to 5 years	> 5 years	Total	
Land							
Buildings							
Technical installations	7 932	7 932	10 576	42 303		52 879	881
Other tang. fixed assets	32 184	107 241	17 160	11 545		28 705	100
Tangible assets in progress							
TOTAL	**40 116**	**115 173**	**27 736**	**53 848**		**81 584**	**981**

Average headcount

Category	Average headcount		Average available headcount		Total	
	2015	2014	2015	2014	2015	2014
Executive grades	42	48			42	48
Supervisors						
Staff and Technicians	11	11			11	11
Other:						
Total	**53**	**59**			**53**	**59**

Related companies and affiliates

Item	Amount concerning	
	related companies	invested companies
Financial assets		
Advances and prepayments on intangible assets		
Investments		86 284 112
Receivables from investments		
Loans		
Total long-term investments		86 284 112
Receivables		
Prepayments to suppliers		
Trade receivables		97 235
Other receivables		28 048 301
Subscribed, called, unpaid share capital		
Total receivables		28 145 537
Liabilities		
Convertible bonds		
Other bonds		
Bank debts		
Other debt		
Customer prepayments		
Trade payables		1 390 379
Other liabilities		3 292 979
Total payables		4 683 358
Financial income		
Income from investments		
Other financial income		99 718
Financial expenses		(309 312)
Total financial income		(209 594)
Other		
Total other		

Table of subsidiaries and investments

Company	Capital	% share of capital held (as %)	Book value of securities held		Loans and advances made by the Company and not yet repaid	Result (profit or loss for the last financial year)
			Gross	Net		
LABORATOIRES BIOALLIANCE PHARMA	336 837	100	16 000 000	192 138		(6 484)
BIOALLIANCE PHARMA SWITZERLAND	81 460	100	31 918		199 841	(8 562)
SPEBIO	40 000	50	20 000		1 475 000	(58 349)
TOPOTARGET SWITZERLAND	559 949	100	9 917 835		26 370 979	(267 682)
TOPOTARGET UK LTD	1 636 474	100	38 659 221	10 053 245		190 507
TOPOTARGET GERMANY AG	98 312	100	21 655 038		2 481	(29 929)

FIVE-YEAR SUMMARY OF RESULTS

Type of indicator	2011	2012	2013	2014	2015
Share capital at year end					
Share capital	4414929	4414929	5170748	10136051	10138021
Number of common shares outstanding	17659715	17659715	20682992	40544204	40552083
Number of preference shares outstanding					
Maximum no. of future shares to be issued:					
By conversion of bonds					
By exercise of subscription rights					
Operations and results					
Net sales, excluding VAT	1182769	911214	643656	456774	810343
Net loss before tax, profit-sharing, depreciation, amortisation and provisions	-14874396	-11778599	-17162260	8842926	-23266312
Corporate income tax	-1032677	-1978587	-2389161	878352	-3718068
Employee profit sharing for the period					
Net loss after tax, profit-sharing, depreciation, amortisation and provisions	-14613225	-10417994	-15022175	8521759	-25163280
Distributions					
Earnings per share					
Net loss after tax, profit-sharing, depreciation, amortisation and provisions	-0.78	-0.55	-0.71	0.20	-0.48
Net loss after tax, profit-sharing, depreciation, amortisation and provisions	-0.83	-0.59	-0.73	0.21	-0.62
Dividend per share					
Personnel					
Average headcount during the period	59	53	51	59	53
Gross payroll for the period	5023815	3698761	3945900	8023027	5447799
Amounts paid for employee benefits	2201092	1850493	1944581	2392857	2063410

6.4 Statutory auditors' reports on the annual financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Onxeo,
- the justification of our assessments,
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. 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 December 31, 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 bring to your attention the following matters:

- Note 1.1 "Intangible assets" to the annual financial statements describes the accounting rules and methods relating to the valuation of goodwill and development costs. Our procedures consisted in examining implementation methods of these assets impairment tests as exposed in note 3.1 “Intangible assets” of the annual financial statements, in examining data and assumptions on which are based actualized free cash flow forecasts as well as reviewing the calculations performed by your company. In the context of our assessments, we also ensured the reasonableness of estimates and assumptions used as well as verified that the notes mentioned above provide appropriate information.

- Note 1.9.1 "License Agreement" to the annual financial statements describes the method used to account for the recognition of signing of license agreements. We verified the appropriateness of this method and have verified the correct implementation. Our procedures

consisted in verifying the reasonableness of significant estimates and assumptions on which is based the revenue recognition related to these agreements.

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 Board of Directors and in the documents addressed to the 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 required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Paris and Paris-La Défense, March, 15 2016

The statutory auditors
French original signed by

Grant Thornton **French Member of Grant Thornton International**	**ERNST & YOUNG Audit**
Jean-Pierre Colle	Béatrice Delaunay

6.5 Other financial information

Date of latest financial data

26 February 2016: Publication of the press release on the audited 2015 annual financial statements approved by the Board of Directors on 26 February 2016.

Interim and other financial data

None.

Dividend distribution policy

Because of its losses, Onxeo has never distributed any dividends.

In its shareholders' interests, the Company intends to dedicate all of its financial resources to increasing its enterprise value. Any distributable profits as may be earned during the business development phase will be kept by the Company and used in developing its activities.

Subsequently, depending on the level of distributable reserves, the Company intends to adopt a dividend distribution policy reflecting increases in profits and cash generated by the business. The Company does not, however, project any dividend distributions in the near future.

6.6 Statutory Auditors' special report on regulated agreements and commitments

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms, conditions and the reasons for the company's interest of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-31 of the French commercial code (Code de commerce), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-31 of the French commercial code (Code de commerce) concerning the implementation, during the year, of the agreements and commitments already approved by the general meeting of shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the general meeting of shareholders

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L. 225-38 of the French commercial code (Code de commerce).

Agreements and commitments already approved by the general meeting of shareholders

In accordance with article R. 225-30 of the French commercial code (Code de Commerce), we have been advised that the implementation of the following agreements and commitments which were approved by the general meeting of shareholders in prior years continued during the year.

Loan agreement with Financière de la Montagne

Person concerned

Financière de la Montagne, which owns 13.96% of your company and is member of your board of directors, represented by Mr Nicolas Trebouta.

Agreement

The board of directors of May 21, 2014 authorized the signing of a loan agreement between your company and Financière de la Montagne.

The agreement, which was signed on July 18, 2014, is granted for a period of a year, until July 31, 2015 and with an annual interest rate of 15% payable at maturity.

Conditions

Under the prepayment clause, advance and interest of the loan have been mostly reimbursed by offsetting the issue price of the shares subscribed by Financière de la Montagne in the context of increasing capital carried out by your company in December 2014. The balance of the current account with Financière de la Montagne as at December 31, 2015 amounts to € 0 as it has been integrally reimbursed.
As part of this agreement, your Company recorded in 2015 expenses amounting to € 137,135 for interest.

With PJL Conseils EURL

Person concerned

Mr Patrick Langlois, chairman of Onxeo's board of directors during the year 2015 and managing partner of PJL Conseils EURL.

Nature and purpose

Consulting contract between your company and PJL Conseils EURL authorized by the board of directors on July 17, 2012.

Conditions

This agreement covers the benefits of strategic advice and communication within the development strategy and the creation of value for your company.

Under this agreement, your Company recognized as expenses in the amount of € 24,000 excluding taxes for fees as at December 31, 2015.

Paris and Paris-La Défense, March 15, 2016

The statutory auditors
French original signed by

Grant Thornton **French Member of Grant Thornton International**	**ERNST & YOUNG Audit**
Jean-Pierre Colle	Béatrice Delaunay

6.7 Report by the independent third-party body on consolidated labor, social and environmental information contained in the management report

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC, under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Onxeo, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31 december 2015, presented in chapter 10 of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (*Code de commerce*), in accordance with the protocols used by the company (hereafter referred to as the "Criteria"), and available on request at the company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information).

- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

Our verification work was undertaken by a team of four people in February 2016 for an estimated duration of two weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission and in relation to the opinion of fairness, in accordance with the international standard ISAE 30001[31].

1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

6 [31] ISAE 3000 –*Assurance engagements other than audits or reviews of historical information*

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code *(Code de commerce).*

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code *(Code de commerce).*

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code *(Code de commerce)* with the limitations specified in the chapter 10 of the management report, notably that all the social indicators, except headcount and terminations, only concern France.

Based on this work, and given the limitations mentioned above, we confirm the presence in the management report of the required CSR information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook two interviews with the people responsible for the preparation of the CSR Information in the different departments in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards.

- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important[32]:

-At the level of the consolidated entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report ;

[32] **Environmental and Societal information**
- **Qualitative information:** general environmental policy (organisation, training and information delivered to the employees), resources dedicated to the prevention of risks and pollutions, pollution and waste management (preventative measures, recycling and waste disposal), measures undertaken in favour of consumers' health and safety.

Social information
- **Quantitative information**: employment (total headcount and breakdown, hiring and terminations), absenteeism, health and safety at the work place, work accidents, notably their frequency and their severity, as well as occupational diseases, number of training hours.

-At the level of the representative selection of entities, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 100% of the total workforce for headcount and terminations indicators, and 91% of the total workforce for the other indicators.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion
Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, the 26 February 2016

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

7 FURTHER ECONOMIC AND LEGAL INFORMATION

7.1 Capital and the stock market

7.1.1 Onxeo and its shareholders

All shareholders have access to full, transparent and clear information that is adapted to the needs of the individual and can be used to make an objective assessment of Onxeo's growth strategy and results. This financial communication policy aims to ensure that all shareholders have access to information that complies with usual market practice.

A very diverse array of public documents including regulatory information covers the company's business activities, strategy and financial position: Reference Document, annual report, interim financial statements, shareholder communiqués, the Company's articles of association and the rules of procedure of the board. All these documents are readily accessible via the company's website at www.onxeo.com under the Investors section in both French and English and on request by contacting the company's general management. Email us at contact@onxeo.com to directly receive annual reports, institutional brochures, and press releases.

Onxeo circulates and publishes in the BALO legal announcements publication the regulatory information required of a listed company in the form of various annual and other periodic information. Financial information is complemented by press releases aimed at the financial community and the wider public, concerning subjects of significant importance to better understand the company's business activities and strategy. The company holds periodic meetings with financial analysts and economic journalists in order to explain in interactive mode the company's challenges, products, plans and results.

In 2015, Onxeo ensured a number of meetings with institutional investors, mainly in France but also in Europe and the USA, and with retail investors in France and Denmark.

The annual report presented and submitted as a Reference Document with the AMF (Autorité des Marchés Financiers) and the report on the interim accounts are widely distributed amongst the financial community.

2016 CALENDAR

26 February 2016	**Consolidated financial statements for 2015**
06 April 2016	**Extraordinary and Ordinary General Meeting**
28 April 2016	**Quarterly information as of March 31, 2016**
28 July 2016	**Consolidated accounts for the first half of 2016**
25 October 2016	**Quarterly information as of September 30, 2016**

7.1.2 Onxeo's share capital

At the date of the Reference Document, the Company's share capital consisted of 83.04% bearer shares and 16.96% registered shares.

The table below references the shareholders with shareholding in excess of the 5% threshold, namely those possessing more than a twentieth, tenth, three twentieths, one fifth, one quarter, one half, two thirds or nineteen twentieths of the share capital or voting rights as the date of the Reference Document.

Shareholders	Shares		Voting Rights	
	Number of Shares	% of Share Capital	Number of Voting Rights	% of Share Capital
Jean-Nicolas Trebouta	*40,500*	*0.10%*	*40,500*	*0.10%*
Lise Besancon	*104,240*	*0.25%*	*104,240*	*0.25%*
Louis Trebouta	*17,990*	*0.04%*	*17,990*	*0.04%*
Financière de la Montagne	*5,661,532*	*13.96%*	*5,661,532*	*13.96%*
Concert	5,824,262	14.04%	5,824,262	14.04%
Others	35,646,598	85.96%	35,646,598	85.96%
Total as of 31/12/2015	**41,470,860**	**100 %**	**41,470,860**	**100%**

The shareholder structure remained stable during FY 2015, with the percentage of holdings by institutional investors accounting for 40% of the base shareholding. As of December 31, 2015, the Company's share capital consisted of 40,552,083 shares. It increased by 918,777 shares following the acquisition of DNA Therapeutics in March 2016. The shareholder structure and share of capital held by key investors was not impacted.

The Company has not been notified of the existence of a shareholders' agreement.

During the fiscal year 2015 the Company has not received any notification of threshold crossing.

On December 17, 2014, the concert consisting of Financière de la Montagne, Mr Jean-Nicolas Trebouta, Mr Louis Trebouta and Mrs Lise Besancon, declared that they had crossed the threshold of 10% of the share capital and voting rights of the Company and that they hold, in concert, 5,759,812 shares of the Company representing the same amount of voting rights, i.e. 14.20% of its share capital and voting rights.

7.1.3 Changes in Onxeo's share price and other information concerning the share capital

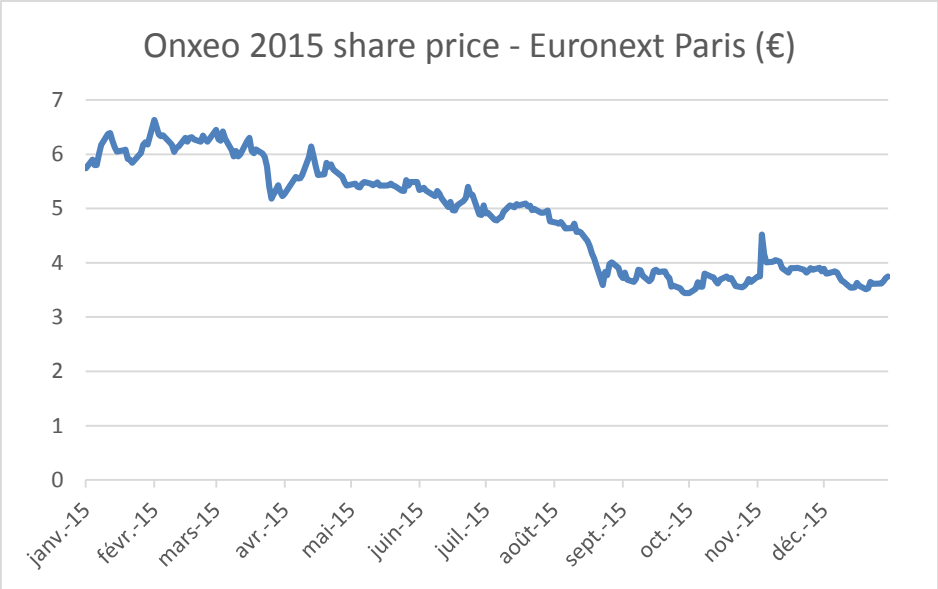
The Company's shares have been listed on Compartment B of the Euronext Paris regulated market since 28 January 2015. According to Euronext regulations, market segment changes are made annually based on market cap of the final 60 days of the year. Compartment B includes listed companies with between €150 million and €1 billion in market cap.

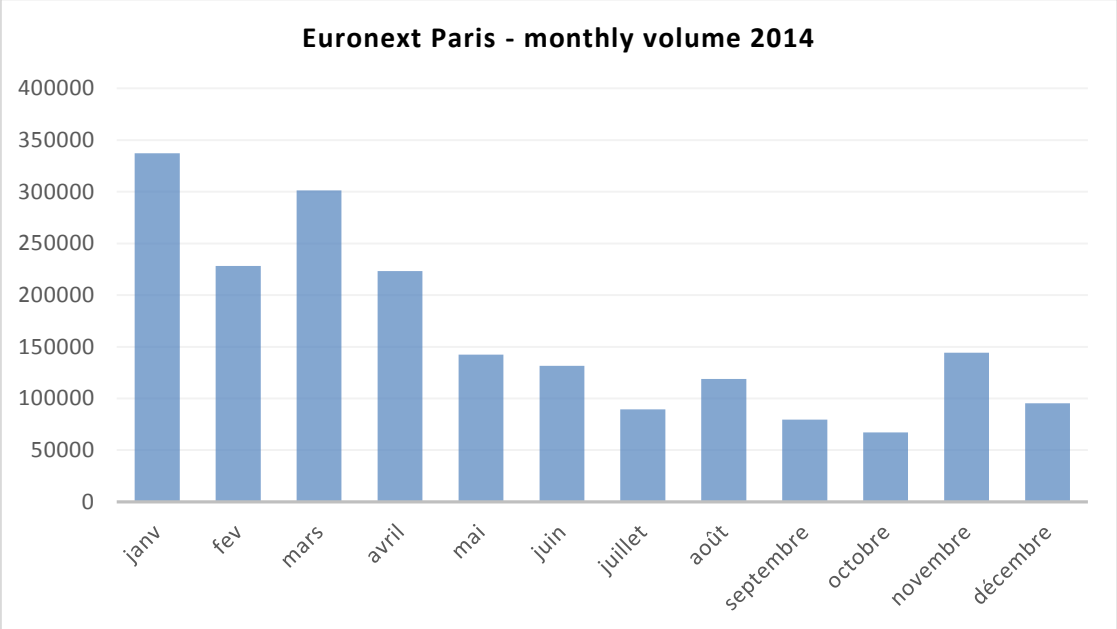
During FY 2015, the share price hit its lowest level of €3.44 on 30 September 2015 and closed at €3.75 on 31 December 2015. A high of €6.63 was reached on 2 February 2015.

Furthermore, the share has had a secondary listing on NASDAQ in Copenhagen since 1 August 2014. Between 1 January 2015 and 31 December 2015 the share price hit its lowest level of DKK 25.9 on 21 December 2015, closing at DKK 27.4 on 31 December 2015. A high of DKK 48.3 was reached on 2 February 2015.

Change in share price and trading volumes

The graphs below shows the changes in the share price and trading volumes of the share for the period from 2 January 2015 to 31 December 2015 for the Euronext Paris regulated market price.





Stock exchange data

	31/12/2015
Market capitalisation at the end of the period *(millions of euros)*	152
Share price (*in euros)*	
• Highest	6.63
• Lowest	3.44
• At end of period	3.75

Dividends

ONXEO shares

Financial year	Number of shares	Dividend paid for the period
2010	13,536,072	-
2011	17,659,715	-
2012	17,659,715	-
2013	20,682,992	-
2014	40,544,204	-
2015	40,552,083	-

7.2 Supplementary information about the Group

7.2.1 History

1997 Founding of the company on 5 March 1997.

1999-2005. The Company financed the development of its first projects, notably its first clinical trials of products based on two patented technologies - the Lauriad™ mucoadhesive oral technology and the Transdrug™ nanoparticle technology - by means of a number of financing rounds with venture capital investors. In 2005, this enabled it to complete and submit a registration application in France for Loramyc®, the first product entirely developed by the Group.

2005. Listing of Onxeo on Euronext Paris on 7 December 2005.

2006-2008. MA issued for Loramyc® in France (October 2006) and in eleven countries across Europe (2008). Launch of Loramyc® in late 2007 on the French market. Agreement signed with PAR Pharmaceutical for the marketing of Oravig® in the USA (2007) and completion of a pivotal phase III clinical trial with the product in the same country (2008).

2009. Three new products entered clinical phase: two emanating from the Lauriad® technology: fentanyl Lauriad® (phase I) for severe and chronic cancer pain and clonidine Lauriad® (phase II) in the treatment of oral mucositis, and a new chemical entity, the anti-invasive biotherapy AMEP® (phase I),

designed for the treatment of invasive melanoma. Positive phase III results obtained in December 2009.

2010. MA issued for Loramyc® in the USA in April, under the brand name Oravig®. Marketing launch of Oravig® in the USA at the end of August 2010 by Strativa Pharmaceuticals, the "support care product" division of Par Pharmaceutical. Issue of 13 new MAs for Loramyc® in Europe, bringing the number of European countries in which it is registered to twenty-six.

Agreement with the Therabel Pharma group to market Loramyc® and Setofilm® in Europe, and transfer of commercial operations. Two other partnership agreements were concluded for the marketing of the product, with Handok and NovaMed in Asia.

In parallel, the Group conducted a pivotal international phase III trial for Sitavig® in the treatment of labial herpes.

2011. A year marked by the departure of Dominique Costantini, CEO and co-founder of the company, and the appointment of a new CEO, Judith Gréciet, and a new chairman, Patrick Langlois, incorporating the restructuring of the board of directors. 16 million euro financing round for the Livatag® development programme and to strengthen the Group's orphan drugs portfolio.

2012. Clinical programmes: start of the Livatag® phase III trial, widening in Europe of the phase II Validive® trial and ANSM approval for the AMEP® phase I/II clinical trial protocol.

Signature of licensing agreements: with the Pharmaceutical Industries Limited for the marketing in Israel of Sitavig®; with Vestiq Pharmaceuticals for the marketing of Oravig® in the USA; and with Shafayab Gostar for the distribution of Loramyc® in Iran.

2013. Continuation of the ReLive phase III trial with Livatag® in France and authorisation from the regulatory authorities to conduct the trial in the USA and in 7 other countries in Europe. Continuation of the phase II trial with Validive® in the USA and Europe. Issue of MA for Sitavig® in the USA. Capital increase of 8.7 million euros, notably intended for the acceleration and completion of the Validive® Phase II trial.

2014. In the summer of 2014, BioAlliance Pharma merged with Danish biopharmaceutical company Topotarget to create Onxeo (August) with a double-listing on Euronext Paris regulated market and NASDAQ Copenhagen market. With the merger came anti-cancer drug belinostat (Beleodaq®), which received FDA approval for PTCL in the US. For Validive, positive preliminary phase II results were presented and the product was granted Fast Track status by the FDA. In that same year, Livatag® also received Fast Track status by the FDA for second-line treatment of HCC. In December, a capital increase of 40.7 million euros was completed to finance the research and development of the Group's key products.

2015. Livatag®: Progression of the ReLive Phase III trial in primary liver cancer with the opening of 4 new centers. Filing of a new patent based on a specific composition of Livatag® nanoparticles, which if granted, would extend industrial protection of Livatag until 2036. Launch of a preclinical research program of Livatag® and Beleodaq® with other cancer agents. Beleodaq® : Publication in December 2015 of the positive results of the Beleodaq® (belinostat) Phase I study in association with the CHOP chemotherapy protocol (BelCHOP study) as 1st line treatment for PTCL. Validive®: Presentation of the final results of the Phase II trial of Validive® in oral mucositis in several international meetings. Strengthening of the Group's management team and key appointment to the posts of Director of Research and Development (R&D), Director of Human Resources and Director of Partnerships.

2016. Livatag® and Beleodaq®: partnership with Univerity of Navarra (CIMA) as part of the preclinical development combination program. Acquisition of DNA Therapeutics and its lead compound: AsiDNA. Validive®: Strategic decisions to continue the development of Validive® (Phase III) in partnership. Evolution of Company Board of Directors with the appointment of two new Directors and replacement

of Patrick Langlois, who resigned, by Joseph Zakrzewski as Chairman of the Board. Opening of a U.S. subsidiary (Onxeo US) in New York.

7.2.2 Legal information about the company

7.2.2.1 General information

Company name and address

- Company name: Onxeo
- Registered office: 49 boulevard Valin – 75015 Paris – France
- Telephone: +33 (0)1 45 58 76 00
- Fax: +33 (0)1 45 58 08 81
- www.onxeo.com

Company form

Onxeo is a French *société anonyme* whose securities are traded on Euronext Paris and also have a secondary listing on Nasdaq Copenhagen regulated market and is governed by the French Commercial Code and its implementation legislation; it complies with the rules of corporate governance generally applicable in France and notably with the MiddleNext code.

Onxeo applies the statutory and regulatory standards governing the corporate bodies of listed companies and reports within this Reference Document on its implementation of the recommendations set out in the aforementioned code.

Statutory auditors

The company's accounts are audited by two statutory auditors appointed in accordance with Article L. 225-228 of the Commercial Code.

Date of incorporation and duration

Date of incorporation of the Company: 5 March 1997.

Incorporation expiry date: 05 March 2096.

Registration

The company is registered in the Paris commercial and companies register under number: 410 910 095.

APE/NAF code: 7219Z. This corresponds to the activity of research and development in the physical and natural sciences.

Document consultation

The following corporate documents may be consulted at the Company's registered office (where a copy can be obtained):

- The memorandum and articles of incorporation, the minutes of shareholders' meetings and other corporate documents of the Company;
- All reports, letters and other documents, historical financial information, valuations and declarations prepared by an expert at the Company's request, some of which are included or referred to in this Reference Document; and
- The historical financial information on the Company for each of the two financial years prior to the publication of this Reference Document.

The 'regulated' financial information is available on Onxeo's website at the following address: http://www.onxeo.com

Corporate objective

Under the terms of Article 2 of the Articles of Incorporation, the corporate objective of the Company is as follows:

- The design, research and development of healthcare products from creation until marketing authorisations are obtained, and all operations related thereto;
- The acquisition, filing, award, assignment and licensing of all patents, trademarks, licences and utilisation processes;
- The acquisition of shareholdings or interests in all companies or enterprises created or to be created, both French and foreign, with or without a purpose similar to that of the Company;
- The provision of services, advice, research, development and marketing in the health sector;
- And, more generally, all industrial, commercial, financial, civil, securities or property operations, which may be related directly or indirectly to one of the aforementioned objects or any similar and related purposes, and which may be useful for the performance and development of the Company's business.

Financial year

The financial year lasting 12 months begins on 1 January and ends on 31 December.

Distribution of profits

Each share entitles with ownership of the Company's assets, profit sharing, and liquidation surplus in proportion to the number and nominal value of the existing shares.

Whenever it is necessary to own several shares, whether or not preferred shares or securities to exercise any right, shareholders or holders of securities are personally responsible for gathering the number of shares or securities necessary.

On the profit for the financial year, reduced by any prior losses as the case may be, it is mandatory to draw at least five percent (5%) to be assigned to the formation of a reserve fund called "legal reserve". This ceases to be mandatory when the amount of the legal reserve reaches one tenth of the share capital.

Distributable income consists of earnings of the fiscal year minus prior losses and the deduction provided in the previous paragraph plus any retained earnings.

If there is in the financial statements, as approved by the shareholders' meeting, a distributable profits, the shareholders' meeting decided (i) to enroll it in one or more reserve funds for which it regulates the assignment, (ii) to carry it forward or (iii) to distribute it as dividends.

However, except in case of capital reduction, no distribution may be made to shareholders when equity is, or would be after this distribution, below the amount of the share capital plus reserves that the law or the by-laws do not allow to distribute.

The shareholders' meeting may decide to distribute amounts deducted from the optional reserves either to provide or supplement a dividend or as an exceptional distribution.

After acknowledging the existence of reserves at its disposal, the shareholders' meeting may decide to distribute amounts drawn from these reserves. In this case, the decision expressly indicates the reserve

items from which these withdrawal were taken. However, dividends are drawn in priority from the distributable profit for the fiscal year.

The modalities of the dividend payment shall be determined by the shareholders' meeting or, failing to do so, by the Board of directors.

However, the dividend payment shall take place within a maximum period of nine months after the closing of the fiscal year.

The shareholders' meeting approving the financial statements for the fiscal year may grant each shareholder, for all or part of the dividend distributed, an option between payment of the dividend in cash or in shares.

Similarly, the ordinary shareholders' meeting, acting in accordance with Article L. 232-12 of the French Commercial Code, may grant shareholders an interim dividend and for all or part of interim dividend, a option of payment of the interim dividend in cash or in shares.

Dividend limitation period

The dividend limitation period is five years from their date of issue, subsequent to which they are paid to the Treasury.

Establishment providing the company's financial services

Coupon payment and transfer services are provided at the branches of Société Générale, SOCIETE GENERALE Securities Services, 32 rue du Champ de Tir - BP 81236 - 44312 NANTES CEDEX 3.

Onxeo share listing

Onxeo's shares are listed in Segment B on Euronext Paris regulated market and have also had a secondary listing on Nasdaq Copenhagen since 1 August 2014: ISIN Code: FR0010095596.

Shareholders' general meetings

Shareholders' meetings are convened and meet under the conditions set by law. Meetings take place at the registered office or at any other location stated in the notice of meeting.

All shareholders have the right to attend shareholders' meetings and to participate in their deliberations either personally or by proxy, regardless of the number of shares that they hold, if an entry is made in respect of the shares held, under the conditions provided for by law, either in the shareholder's own name or in the name of the intermediary registered on such shareholder's behalf, on the third business day before the date of the shareholders' meeting at zero hours, Paris time, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the duly authorised intermediary.
Shareholders who participate in the meeting via video conferencing or via telecommunications methods that allow identification as required by the regulations then in force, are also deemed to be present for determination of a quorum and majority, if the Board of Directors so decides when the meeting is convened.
Onxeo's website maintains an up-to-date financial events diary for the Group, notably including the date of the general meeting.

Voting rights

There is only one class of shares, which conveys to all shareholders the same rights.

Each share conveys rights to the profits and corporate assets in a share proportional to the amount of capital it represents and conveys the right to one vote. The articles of incorporation do not contain any provisions stipulating double voting rights for shareholders or limiting the voting rights attached to shares.

Existence of statutory thresholds to be declared to the company (Article 7 – Articles of Association)

In accordance with the provisions of the French Commercial Code, any natural person or legal entity, acting alone or in concert with any other person, who holds bearer shares entered in an account with an authorised intermediary and who comes to own a number of company shares representing more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the capital or voting rights must inform the Company and the AMF, within four trading days of the date when the ownership threshold is crossed, of the total number of shares or voting rights which said person owns. This information must also be transmitted, within the same periods and under the same conditions, when the interest in the capital or voting rights drops below the aforementioned thresholds.

The company's articles of association do not set out any additional thresholds.

Over the course of 2015, the company did not receive declaration of lower or upper threshold being crossed.

No other provision in the articles of association affects shareholders' rights which may only be modified in accordance with the law.

Existence of an agreement the implementation of which could bring about a change of control of the company or could have the effect of delaying, deferring or preventing a change of control

The company is not aware of any agreement the implementation of which could lead at a later date to a change of control.

There currently does not exist any provision in any instrument of incorporation, in the articles of association or in a charter or regulation which could have the effect of delaying, deferring or preventing a change of control.

Measures taken by the company to ensure that control is not exercised in an abusive manner

The measures taken by the company to ensure that control is not exercised in an abusive manner are described in the Reference Document on the following pages:

- Section 5 of the Reference Document: report from the chairman of the board relating to internal control;
- Section 5 of the Reference Document: existence of independent directors on the board and on specialist committees;
- Section 5: 'Conflicts of interest'.

Significant contracts and transactions with related parties

See section 7.2.2.2 below for information regarding significant contracts.

With regard to related-party transactions, they are described in Note 20 to the consolidated financial statements in section 6.1 of this Reference Document.

Property, plant and equipment

Due to the large-scale use of subcontracting for the manufacture of its products, the Group's activities do not justify the ownership of plant or industrial equipment or facilities.

The Company leases its offices and laboratories, with a total area of 2,500 m² in the building housing its registered office in Paris, and an area of 580 m² in Copenhagen in Denmark.

In addition, in accordance with a temporary agreement to occupy public state-owned land entered into with the Châtenay-Malabry Faculty of Pharmacy and Paris XI University signed in 2006, the Company has a research and development laboratory located on the premises of the Châtenay-Malabry Faculty of Pharmacy. This laboratory, which occupies an area of approximately 60 m^2. has a clean room (a vacuum chamber enabling work with genotoxics) that the Company uses to conduct certain experiments on its products.

Elements that could have an impact on a public tender offer

In accordance with Article L 225-100-3 of the French Commercial Code, the elements that could have an impact on a public tender offer are listed below:

- The capital structure of the Company has no characteristics that are likely to have an impact on a public tender offer;
- There are no restrictions imposed by the articles of incorporation on the exercise of the voting rights and the transfer of shares, and there are no clauses included in agreements brought to the Company's attention pursuant to Article L 233-11 of the Commercial Code;
- No declaration made pursuant to Articles L 233-7 and L 233-12 of the French Commercial Code mentions any direct or indirect shareholdings in the Company's capital that could have an impact on a public tender offer;
- There are no securities carrying special control rights;
- There is no employee ownership system;
- The Company is not aware of any shareholder agreements that could lead to restrictions on the transfer of shares and the exercise of voting rights;
- And under Article 14 of the articles of incorporation, the members of the Board of Directors are appointed for a term of four years by the annual shareholders' meeting. In case of vacancy by death or resignation of one or more board seats, the Board of Directors may, between annual shareholders' meetings, make appointments on an interim basis, which are subject to ratification by the next annual meeting. The Company's articles of incorporation may be amended only by an extraordinary shareholders' meeting;

The Board of Directors benefits from authorisations set forth in the paragraph "*Authorized, non-issued capital/debt securities*" hereinafter;

- The Company has concluded certain agreements explicitly containing a clause with regard to change in control. These are in particular collaboration and licensing agreements which include a clause requiring prior approval by the contractor in the event of a change in control of Onxeo;

To date, there has been no agreement providing for indemnities for members of the Executive Management or employees, if they resign or are dismissed without just and serious cause or if their employment ends due to a public tender offer.

Information from third parties, expert statements and declaration of interest

Not applicable.

7.2.2.2 Significant contracts

Outside of the contracts presented below, the Group has not entered into any contracts other than those entered into in the normal course of business.

Licensing agreements

a. License and collaboration agreement with SPECTRUM

On 2 February 2010, Onxeo (Topotarget) concluded a license and collaborative agreement with Spectrum related to any pharmaceutical preparation containing the Belinostat in any formulation and any dosage.

Pursuant to this agreement, Onxeo grants to Spectrum an exclusive, royalty-bearing license, to research, develop, distribute, import, commercialize and offer for sale, the product Belinostat in USA, Canada, India and Mexico.

This agreement has been concluded as from 2 February 2010 and shall remain in force until the last royalty obligation, subject to early termination.

Each party may early terminate the agreement in case of breach of this agreement by the other party. Spectrum may early and unilateraly terminate the agreement upon 180 day written notice to Onxeo. Onxeo may also early and unilaterally terminate the agreement for Onxeo's patent challenge from Spectrum. In addition to the usual termination cause, the agreement provides for Spectrum to terminate the agreement in the event of prohibition from the U.S. authorities to clinically use the Belinostat on the U.S. territory for safty reasons.

The parties have expressly agree that this agreement and any rights or obligations resulting from this agreement may be assigned or transferred without the prior written consent of the other party, except that a party may make such an assignment to its affiliate or a successor by way of merger, sale of stock, sale of assets or other transaction.

b. License and commercialization agreement with Cipher (Innocutis)

On 17 March 2014, Onxeo (Bioalliance Pharma) and Cipher (Innocutis) concluded a license and commercialization agreement related to the product Sitavig® and any formulation suitable for mucoadhesive use which contains acyclovir as the sole pharmaceutically active ingredient to treat recurrent *Herpes liabialis*.

Pursuant to this agreement, Onxeo grants to Cipher an exclusive, royalty-bearing license, to develop, import and commercialize the product Sitavig ® in USA, Canada and Mexico, and in particular in dermatology sector and to general practitioners and other primary care physicians.

This agreement has been concluded as from the March 17th, 2014 and shall end upon the later of: (i) 15 years after the date of this first commercialization, (ii) at the expiration of the last valid claim within Onxeo patents that claims the composition of the product Sitavig ® , a method of manufacture or use of this product, (iii) at the expiration of the right granted by a regulatory authority to commercialize

the product on its territory, or (iv) at the end of the commercialization of the product bearing the trademark.

The Parties may early terminate the agreement in case of breach of this agreement. Onxeo has the right to early terminate the agreement for failure to reach forecasts, in case of patent challenge from Cipher or for failure to make the specific payment. Cipher has the right to early terminate the agreement in the event of an invalidation or impairment of the value of Onxeo's patent due to final judgment, and if Onxeo engage substantive negotiations with a third party in order to license and commercialize the product on the same territory.

The parties have expressly agree that this agreement and any rights or obligations resulting from this agreement may be assigned or transferred without the prior written consent of the other party

c. License and commercialization agreement with Sosei

On 10 May 2011, Onxeo (Bioalliance Pharma) has concluded a license and commercialization agreement with Sosei related to the product Loramyc ®.

Pursuant to this agreement, Onxeo grants to Sosei an exclusive, royalty-bearing license, to keep, use, develop, sell, offer for sale, have sold and import the product Loramyc ® in Japan.

This agreement has been concluded as from the first commercial sale of the product in Japan and shall end upon the later of: 15 years after the date of this first commercialization, or at the expiration of the last valid claim within Onxeo patents that claims the composition of the product Loramyc ®, a method of manufacture or use of this product in Japan.

The parties have expressly agree that this agreement and any rights or obligations resulting from this agreement may be assigned or transferred with the prior written consent of the other party, except in the situation of an assignment to the benefit from an affiliate.

The agreement provides that the parties can early terminate for cause. It is also provides that Onxeo may early terminate the contract for change of control of Sosei and for Onxeo's patent challenge from Sosei. Sosei has also the right to early terminate upon a six month notice period.

Main subcontracting agreements

d. Master service agreement concluded with Chiltern

Onxeo (Bioalliance Pharma) and Chiltern, a subcontractor for clinical trials, have concluded a master service agreement entered into force on 18 September 2011.

Pursuant to this agreement and its subsequent work orders, Chiltern organizes the setting up of the Phase 3 clinical trial, Relive, for Livatag® on behalf of Onxeo acting as sponsor.

The agreement provides that Chiltern has the right to subcontract the whole or part of the services with the prior written consent of Onxeo.

This agreement has been concluded as from 18 September 2011 for a five-year period.

Onxeo may terminate this agreement or any work order at any time for any reason and without cause upon sixty (60) days prior written notice of termination sent to Chiltern. If Onxeo does so, Chiltern is

entitled to ask for payments for the services performed until the termination date (included) and additional costs related to the termination.

Chiltern may terminate this agreement or any work order at any time for any reason and without cause upon one hundred twenty (120) days prior written notice of termination sent to Onxeo.

Each party may terminate this agreement or any work order at any time based on a material breach of the agreement by the other party after giving thirty (30) days prior written notice of termination if such breach is not fixed by the breaching party within the thirty (30) days notice period to the reasonable satisfaction of the other party.

If Chiltern terminates this agreement or a work order based on a material breach by Onxeo that has not been fixed, Chiltern is entitled to ask for payments for the services performed until the termination date (included) and additional costs related to the termination.

The parties have expressly agreed that this agreement and any rights or obligations resulting from this agreement may be assigned or transferred without the prior written consent of the other party, except in the situation of an assignment to the benefit of an affiliate of the party or in connection with the merger, consolidation or sale of substantially all the assets of one of the parties related to the clinical trial concerned.

e. Master service agreement (manufacturing) concluded with Chemcon

On 1 February 2016, Onxeo has concluded a master service agreement with Chemcon related to the manufacturing of Monorex®, an excipient of Livatag®.

Pursuant to this agreement and its subsequent work orders, Chemcon shall manufacture batches of Monorex® and provide services associated to the manufacturing of these batches.

This master service agreement has been concluded as from 1 February 2016 and for a one-year period and as long as the work orders covering the services performed by Chemcon are in force. This agreement is automatically renewed for the same duration every year.

The master service agreement provides that each party can terminate with immediate effect the agreement in the event of a material breach of the agreement or a work order by the other party, remained without remedy during 30 days upon receipt of formal written notice requesting the remedy.

The parties have expressly agreed that only Chemcon has to obtain prior written consent from Onxeo to assign the agreement.

f. Master service agreement (manufacturing) concluded with Cenexi

Onxeo and Cenexi have concluded a master service agreement entered into force on 25 January 2016 related to the manufacturing of the product called Livatag®.

Pursuant to this master service agreement and its subsequent work orders, Cenexi shall manufacture the product batches for the supply of the international clinical trial and related services.

This agreement also provides that Onxeo is willing to entrust Cenexi with the manufacturing of the Livatag® product in the context of its marketing.

This agreement has been entered into as from 25 January 2016 and for a three-year period. This agreement also provides that the parties may decide to extend its duration through a written amendment signed by both parties.

The agreement provides that each party can terminate the agreement at anytime and for any reason by either party giving no less than 24 months prior written notice to the other party of their intention to terminate.

In addition to the usual termination causes, the agreement also provides that each party can terminate the agreement (i) in the event of a breach of the agreement by the other party and (ii) if a party ceases or threatens to cease to carry on its business or a substantial part thereof or becomes unable to pay its debts.

Onxeo may also terminate a work order, without cause, upon 15 days written notice and will pay an indemnity of 30% of the consideration corresponding to the portion of the work order not performed because of such termination.

Cenexi has the right to terminate this agreement if Onxeo is delinquent in the payment of any sum due to Cenexi for a period of 60 days from the due date of this sum, unless this sum is withheld by Onxeo due to any pending dispute and/or after the expiration of additional payment terms provided, if any.

The parties have expressly agreed that Cenexi must obtain prior written consent from Onxeo to assign the agreement.

7.2.2.3 Supplementary information about the capital

At 31 December 2015, the company's share capital amounted to 10,138,020.75 Euros divided into 40,552,083 shares each of a nominal value of 0.25 Euros, all of the same class and fully paid up. They represent 40,520,217 voting rights, after treasury shares. There are no shares not evidencing the capital of the company.

As of the date of the Reference Document, share capital amounts to 10,367,715 Euros divided into 41,470,860 shares each of a nominal value of 0.25 Euros, all of the same class and fully paid up.

Cross-shareholdings and treasury shares held

The Company did not carry out any transactions covered by Articles L 233-29 and L 233-30 of the Commercial Code.

Acquisition by the Company of its own shares

Share buyback program

Objectives of the share buyback program and use made of the shares bought back

In accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, the Company was authorised by its shareholders to trade in its own shares, up to a maximum of 10% of the share capital. This authorisation was granted to it for a period of eighteen months, by the

Company's ordinary and extraordinary shareholders' meeting of 20 May 2015 under the terms of its sixth resolution and then renewed for a period of eighteen months by the Company's ordinary and extraordinary shareholders' meeting of April 6, 2016 under the terms of its thirteenth resolution.

During the year ending December 31, 2015, the Board of Directors successively implemented the program authorised by the Meeting of 8 April, 2014 and, as of 21 May, 2015, the program authorised by the Meeting of 20 May, 2015, was the same as the previous.

The objectives pursued by this buyback program, in decreasing order of priority, concern the following situations:

- the liquidity of the company's shares with an investment service provider acting independently within the scope of a liquidity contract in accordance with the ethics charter of the French Association of Financial Markets (AMAFI), recognised by the AMF;
- To implement any company share purchase option plan within the scope of the provisions of articles L 225-177 et seq. of the Commercial Code;
- To award free shares to employees and corporate officers;
- To grant shares to employees and, where applicable, corporate officers under profit-sharing agreements and to implement any employee savings plan, under the conditions provided for by law, in particular within the scope of articles L 3332-18 of the French Labour Code;
- To purchase shares to retain them and tender them subsequently in exchange or as payment within the scope of external growth transactions within the limit of 5% of the share capital;
- To provide shares upon the exercise of rights attached to securities granting immediate or future rights to capital;
- To cancel the shares thus bought back within the limits set by law and subject to the condition precedent of the adoption of resolution 11 of this meeting.

The details of this share buyback program are available at the Company's registered office or on its website.

Implementation of the share buyback program – Liquidity agreement

In accordance with the provisions of Article L 225-211 of the Commercial Code, the methods of the share buyback program carried out during the past financial year are presented hereafter.

During the 2015 financial year, this share buyback program was exclusively used within the scope of a liquidity contract aimed at entering into a share management process with regard to, or preserving the liquidity of, the company's shares with an investment services provider. Under the regulations in force, and in particular the provisions of European Regulation No. 2273/2003 of 22 December 2003, on 2 January 2007 the company concluded a liquidity contract with CM-CIC Securities that complied with the ethics charter of the French Association of Financial Markets (Association Française des Marchés Financiers, AMAFI), recognised by the Autorité des Marchés Financiers. This contract is still in force as of the date of this Reference Document. €400,000 was allocated to the liquidity account and trading expenses amounted to €27,000 for the year.

Under the share buyback program, the company made the following purchases and sales of its own shares, between the beginning and end dates of the last financial year:

	Number of shares purchased	Number of shares sold	Average price on purchase	Average sale price	Number of shares registered in the Company's name	Proportion of capital
Pure buyback program	0	0	0	0	0	0
Liquidity contract						
January 2015	51,920	47,800	6.07	5.99	20,120	0.05%
February 2015	23,333	21,669	6.26	6.28	21,784	0.05%
March 2015	116,560	98,611	5.87	5.84	39,733	0.10%
April 2015	28,935	40,250	5.73	5.80	28,418	0.07%
May 2015	142,328	157,478	5.43	3.66	13,268	0.03%
June 2015	68,835	68,103	5.13	5.14	14,000	0.03%
July 2015	75,005	56,178	4.95	4.96	32,827	0.08%
August 2015	48,689	39,615	4.43	4.27	41,901	0.10%
September 2015	53,094	53,268	3.74	3.80	41,727	0.10%
October 2015	36,776	47,501	3.66	3.68	31,002	0.08%
November 2015	64,287	70,356	3.99	4.06	24,933	0.06%
December 2015	41,350	34,414	3.65	3.66	31,866	0.08%
Total 2015	**751,112**	**735,243**	**5.01** [(1)]	**4.62** [(1)]	**341,579**	

(1) Weighted average calculated over the year

The Company held 31,866 treasury shares on 31 December 2015, with a total nominal value of €7,966.5 and a total book value of €116,279 valued at their purchase price.

Shares held by the company (excluding liquidity contract)

At 31 December 2015, the company held 31,866 of its own shares, with a total nominal value of €1.227 and a total book value of €37,559.89.

All purchases and sales made by the company with respect to its shares since they were admitted for trading on the Paris Euronext regulated market have been made within the scope of the liquidity contract in order to stabilise the share price.

Authorized, non-issued capital/debt securities

The Company has authorised the capital increases, not effected at the date of filing of this registration document, which could result from the warrants, stock options and free shares described in Chapter 5 of this Reference Document.

General meeting of 20 May 2015

Resolution	Object of the resolution	Maximum nominal amount in euros	Terms for determining the issue price	Authorization duration and expiry
Free	15 June 2017			

Resolution	Object of the resolution	Maximum nominal amount in euros	Terms for determining the issue price	Authorization duration and expiry
	(26 months)			
9th resolution	Delegation to the board of directors with a view to the issue of shares or any securities giving access to the capital immediately or in the future with removal of shareholders' preferential subscription rights, via a public offer	Nominal amount of capital increases: €3,040,000(1) Nominal amount of bonds and other debt securities giving access to the capital: €75,000,000(1)	At least equal to the average of the prices weighted by the volumes of the last 3 trading days preceding the setting of the issue price less, where applicable, the maximum discount of 5% as set out in Article R. 225-19 of the Commercial Code	20 July 2017 (26 months)
10th resolution	Delegation of authority to the board of directors with a view to issuing shares or any securities giving access to the capital immediately or in the future with removal of shareholders' preferential subscription rights through an offer to qualified investors or a restricted circle of investors within the meaning of paragraph II of Article L. 411-2 of the Monetary and Financial Code.	Nominal amount of capital increases: 2,025,000 €(1) (currently 20% of the capital of the company per 12-month period, the said capital being assessed as of the day of the decision by the board of directors to exercise any such delegation) Nominal amount of the bonds and other debt securities giving access to the capital: €50,000,000(1)	At least equal to the average of the prices weighted by the volumes of the last 3 trading days preceding the setting of the issue price less, where applicable, the maximum discount of 5% as set out in Article R. 225-19 of the Commercial Code	20 July 2017 (26 months)
11th resolution	Authorization of the board of directors in the event of an issue of shares or of any securities giving access to the capital with removal of shareholders' preferential subscription rights, to set the issue price within the limit of 10% of the share capital and within those set by general meeting	Within the limit of 10% of the company's capital as of the transaction date) per 12-month period	At least equal to the weighted average of the prices on last 5 trading days preceding the setting of the price, less any maximum discount of 15%	20 July 2017 (26 months)
12th resolution	Delegation to the board of directors with a view to increasing the amount of any issue with or without preferential subscription rights decided under the 10th resolution	Within the limit of 15% of the initial issue	Price identical to that of the initial issue	20 July 2017 (26 months)
13th resolution	Delegation of authority to the board of directors to issue ordinary shares and securities giving access to the capital of the company in the event of a public offer incorporating an element of	Nominal amount of capital increases: €1,012,500(1) Nominal amount of bonds and other debt securities giving	N/A	20 July 2017 (26 months)

Resolution	Object of the resolution	Maximum nominal amount in euros	Terms for determining the issue price	Authorization duration and expiry
	exchange as initiated by the company	access to the capital: €25,000,000(1)		
14th resolution	Delegation of authority to the board of directors with a view to increasing the share capital within a limit of 10% of the capital in remuneration of contributions in kind of any equity securities or securities giving access to the capital of third-party companies not within the context of a public exchange offer	Within the limit of 10% of the company's capital(1) Nominal amount of bonds and other debt securities giving access to the capital: €25,000,000(1)	N/A	20 July 2017 (26 months)

(1) These amounts are not cumulative, the maximum total amount of capital increases permitted to be implemented under the delegations made under the terms of the 8th, 9th, 10th, 11th, 13th and 14th resolutions is set at 3,040,000 euros The maximum nominal amount of debt securities permitted to be issued under the aforementioned delegations is set at 75,000,000 euros.

The general meeting of 6 April 2016

The complete text of the resolutions of the company's general meetings is available on on the website of *Bulletin d'Annonces Légales Obligatoires*: http://www.journal-officiel.gouv.fr/balo.and Onxeo's company website: www.onxeo.com

Resolution	Object of the resolution	Maximum nominal amount in euros	Terms for determining the issue price	Authorization duration and expiry
15th resolution	Delegation of authority to the board of directors with a view to increasing the capital immediately or in the future through the issue of ordinary shares or of any securities giving access to the capital with retention of preferential subscription right	Nominal amount of capital increases: €5,069,010 (1) Nominal amount of bonds and other debt securities giving access to the capital: €60,000,000(1)	Free	6 June 2018 (26 months)
16th resolution	Delegation to the board of directors with a view to increasing the amount of any issue with or without preferential subscription rights decided under the 15th hresolution	Within the limit of 15% of the initial issue (1)	Price identical to that of the initial issue	6 June 2018 (26 months)
17th resolution	Delegation of authority to the board of directors with a view to issuing shares or any securities giving access to the capital with removal of shareholders' preferential subscription rights for the benefit of a catergory of a specific category of investors	Nominal amount of capital increases: €3,041,406 Nominal amount of bonds and other debt securities giving access to the capital: €36,000,000 (1)	At least equal to the average of the prices weighted by the volumes of the last 3 trading days preceding the setting of the issue price less, where applicable, the maximum discount of 25%	6 october 2017 (18 months)
19th resolution	Delegation of authority to the board of directors with a view to increasing the share capital within a limit of 10% of the capital in remuneration of contributions in kind of any equity securities or securities giving access to the capital of third-party companies not within the context of a public exchange offer	Within the limit of 10% of the company's capital(1) Nominal amount of bonds and other debt securities giving access to the capital: €12.000.000 €((1)	N/A	6 June 2018 (26 months)

Resolution	Object of the resolution	Maximum nominal amount in euros	Terms for determining the issue price	Authorization duration and expiry
22nd resolution	Authorization of the board of directors to grant share subscription or purchase options	€101,380 (equates to 405,520 shares)(2)	(3)	6 June 2019 (38 months)
23rd resolution	Authorization of the board of directors to allocate free shares, whether existing or to be issued	€101,380 (equates to 405,520 shares)(2)	N/A	6 June 2019 (38 months)
24th resolution	Delegation to the board of directors to issue and allocate share warrants to the benefit of the following category of persons: (i) members and observers of the company's board of directors in office as of the warrant allocation date who are neither employees nor executives of the company or of any of its subsidiaries, (ii) consultants and service providers to the Company	€101,380 (equates to 405,520 shares)	(4)	6 October 2017 (18 months)

(1) These amounts are not cumulative, the maximum total amount of capital increases permitted to be implemented under the delegations made under the terms of the 15th, 16th, 17th and 19th resolutions is set at 5,069,010 euros. The maximum nominal amount of debt securities permitted to be issued under the aforementioned delegations is set at 60,000,000 euros.

(2) These amounts are not cumulative, the maximum total amount of capital increases permitted to be implemented under the delegations made under the terms of the 22nd et 23rd resolutions is set at 152,070 euros.

(3) The purchase or subscription price per share shall be set by the board on the day when the option is granted and may not be less than (i) for new share subscription warrants at the average of the prices quoted on the 20 trading days preceding the day when the option is granted, and (ii) for options on existing shares, at the average of the quoted prices on the 20 trading days preceding the day when the option is granted or less than the average purchase price of shares held by the company on the day when the option is granted in accordance with Articles L. 225-208 and L.225-209 of the Commercial Code.

(4) The subscription price of an ordinary share in the company on exercise of a warrant, which shall be set by the board of directors at the time of warrant allocation, must be at least equal to the average of the quoted prices on the 20 trading days preceeding the day of warrant allocation by the board of directors.

SUMMARY OF VALID DELEGATIONS REGARDING CAPITAL INCREASES GRANTED BY THE GENERAL MEETING TO THE BOARD OF DIRECTORS

Year ended 31 December 2015

In accordance with the provisions of Article L.225-100 of the French Commercial Code, the currently valid delegations granted by the General Meeting to the Board of Directors in respect of capital increases and the use made of these delegations during the year ended 31 December 2015, are reported below. The delegations granted by the General Meeting of 30 June 2014, not used by the Board of Directors during FY 2015, are not listed in the table below. The delegations granted by the General Meeting of 30 June 2014 were replaced by new delegations granted by the General Meeting of 20 May 2015.

	Duration of validity/expiry date	Maximum (nominal value)	Use made of the delegation
Delegations granted by the General Meeting of 30 June 2014			
Delegation of authority granted to the board of directors for the issue of a maximum number of 314,800 BSAs (share subscription warrants) in favour of the members and observers of the board of directors in office as of the BSA allocation date who are neither employees nor executives of the company or of any of its subsidiaries	18 months. A new delegation was granted to replace the one that expired on 20 May 2015.	314,800 BSAs giving rights to 314,800 shares, equating to a maximum nominal amount of €78,700	The board of directors used this delegation on 04 March 2015 and proceeded with the issue at a price of 0.63 euros each of 35.500 BSAs in favour of directors who are neither employees nor executives of the company: Patrick Langlois, Danielle Guyot-Caparros, Russell Greig, David H. Solomon, Thomas Hofstaetter and Financière de la Montagne. Each BSA gives the right to subscribe to one share at the price of 6.26 euros each. It is specified that Orfacare Consulting and Per Samuelsson did not subscribe to their BSAs due to their resignation from the board, giving a total of 25,000 unsubscribed BSAs, as noted by the board of directors on 4 March 2015.
Delegations granted by the general meeting of 20 May 2015			
Delegation of authority granted to the board of directors with a view to increasing the capital immediately or in the future through the issue of ordinary shares or of any securities giving access to the capital with retention of preferential subscription right	26 months / 20 July 2017	€3,040,000 (12.160.000 shares)	The Board did not use this delegation during the fiscal year.
Delegation of authority granted to the Board of Directors for a capital increase through the issue of ordinary shares or of any securities giving access to the capital without preferential subscription rights of shareholders and a public offer	26 months / 20 July 2017	€3,040,000 (12.160.000 shares)	The Board did not use this delegation during the fiscal year.

Delegation of authority granted to the board of directors with a view to issuing shares or any securities giving access to the capital immediately or in the future with removal of shareholders' preferential subscription rights through an offer to qualified investors or a restricted circle of investors within the meaning of paragraph II of Article L. 411-2 of the Monetary and Financial Code.	26 months / 20 July 2017	€2,025,000 (8,100,000 shares)	The Board did not use this delegation during the fiscal year.
Delegation granted to the board of directors with a view to increasing the amount of any issue with or without preferential subscription rights decided under the two delegations above	26 months / 20 July 2017	15% of the initial issue	The Board did not use this delegation during the fiscal year.
Delegation of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's capital in the event of a public offer with an exchange component as initiated by the Company	26 months / 20 July 2017	€1,012,500 (4.050.000 shares)	The Board did not use this delegation during the fiscal year.
Delegation of authority granted to the board of directors for the issue of a maximum number of 405.000 BSAs (share subscription warrants) in favour of the members and observers of the board of directors in office as of the BSA allocation date who are neither employees nor executives of the company or of any of its subsidiaries	18 months / 20 November 2016	405,000 BSAs giving rights to 405,000 shares, representing a maximum nominal amount of €101,250	The Board of Directors used this delegation on 27 October 2015 to issue issue at 80,000 BSAs at a price of €0.36 each in favour of directors who are neither employees nor executives of the Company: Patrick Langlois, Danielle Guyot-Caparros, Russell Greig, David H. Solomon, Thomas Hofstaetter and Financière de la Montagne. Each BSA gives the right to subscribe to one share at the price of 3.61 euros each.

Share subscription and purchase options

During the financial year, 7,879 stock options were exercised by Company employees, resulting in the two capital increases in January and July 2015.

Following the authorization granted by general meeting on 20 May 2015, on 27 October 2015 the board of directors adopted:

- A new Company employee stock option plan that allocated 290,000 options subject to attendance conditions;
- A new CEO stock option plan of the company allocating 60,000 options subject to performance and attendance conditions; it is specified that the members of the Company's executive committee, although belonging to the aforementioned employee plan, are subject to the same performance and attendance conditions as the CEO.

The summary of stock options at 31 December 2015 is available in Note 18 of the Exhibit of the consolidated accounts set forth in Section 6.1 of the Reference Document.

BSAs (share purchase warrants)

Two allocation of share purchase warrants for the benefit of the Board of Directors who are not employees or officers of the Company were decided by the Board of Directors during the financial year:

- On 4 March 2015: allocation of 35.500 share purchase warrants, of which 19,000 were effectively subscribed by their holders (authorisation given by the Shareholders' Meeting of 30 June 2014).
- On 27 October 2015: allocation of 80.000 share purchase warrants, of which 65,000 were effectively subscribed by their holders (authorisation given by the Shareholders' Meeting of 20 May 2015).

The summary of share purchase warrants at 31 December 2015 is available in Note 18 of the Exhibit of the consolidated accounts set forth in Section 6.1 of the Reference Document.

Free shares

No new free share plan was allocated during the financial year.

The summary of stock options at 31 December 2015 is available in Note 18 of the consolidated accounts.

Capital that may be subscribed by employees and executives and diluted capital

Diluted capital as of 31 December 2015 amounted to 42,463,790 shares. It includes the share capital at 31 December 2015 (40.552.083 shares) plus the shares that may be issued in respect of plans for allocating securities granting rights to the company's capital (1.911.707) detailed below, representing potential dilution of 4.7%.

Name of plan	Beneficiaries	Adjusted subscription price(*) per share in euros	Expiry date	Number of adjusted shares/warrants (*) in circulation at 31/12/15	% dilution of share capital	% AGGREGATE
BSA 2011	**Non-salaried members or directors of the Board of Directors**	€3.63	21/09/2017	41.864	0.10	0.84
BSA 2012		€3.75	13/09/2018	41.857	0.10	
BSA 2013		€3.85	19/09/2023	88.490	0.22	
BSA 2014-1		€6.17	22/09/2024	85.886	0.21	
BSA 2014-2		€6.26	04/03/2025	19.000	0.05	
BSA 2015		€3.61	27/10/2025	65.000	0.16	
SO 2010	**Executives**	€5.28	25/08/2020	10.791	0.03	1.25
SO 2011		€3.63	21/09/2021	219.782	0.54	
SO 2012		€3.75	13/09/2022	103.597	0.26	
SO 2014		€6.17	22/09/2024	34.487	0.09	
SO 2015		€3.61	27/10/2025	60.000	0.15	
AGA 2014		NA	22/09/2014	75.203	0.19	
SO 2010-1	**Employees**	€5.28	25/08/2020	51.721	0.13	2.62
SO 2010-2		€5.23	16/12/2020	17.491	0.04	
SO 2011-1		€3.63	21/09/2021	145.575	0.36	
SO 2011-2		€3.63	26/01/2022	1.570	0.00	
SO 2012		€3.75	13/09/2022	214.096	0.53	
SO 2013		€3.85	19/09/2023	160.939	0.40	
SO 2014		€6.17	22/09/2024	118.178	0.29	
SO 2015		€3.61	27/10/2025	290.000	0.72	
AGA 2014		NA	22/09/2014	66.180	0.16	
TOTAL				**1.911.707**	**3.92**	**4.71**

(*) After adjusting for the number and the exercise price of the warrants, stock options and free shares following the capital increases of July 2011, July 2013 and December 2014 in accordance with Article L.228-99 of the French Commercial Code (Board Meetings of July 28, 2011, November 14, 2013 and January 22, 2015).

Conditions to exercize stock-options: exercizeable by tranches of 25% on the anniversary of the BSA plan, over the 4 years following their attribution.

Conditions to exercize BSAs (share purchase warrants): exercizeable by tranches of 1/3, at the end of periods of 6 months, 12 months and 18 months following their attribution.

Employee share ownership

In accordance with Article L 225-102 of the French Commercial Code, at 31 December 2015, the Company's employees did not hold any shares in the Company's capital through a collective fund scheme.

Information on the share capital of any member of the Group who is the subject of an option or of a conditional or unconditional agreement to put it under option

To the knowledge of the Company, there is no conditional or unconditional agreement providing such an option on the share capital of the Company.

Change in ONXEO capital over five years

(See hereinafter)

Final completion date of the transaction or of recognition	Capital increase	Number of shares issued	Issue price In €	Nominal amount of the capital increase/reduction in €	Issue premium in €	Successive amounts of capital in €	Cumulative number of shares	Nominal value of shares
27/04/2010	Reserved capital increase	509,338	5.89	127,334.50	2,872,666.32	3,351,918	13,407,672	€0.25
25/08/2010	Vesting of free shares	120,900	0	30,225	-	3,382,143	13,528,572	€0.25
10/02/2011	Exercise of BSAs	7,500	2.95	1,875	20,250	3,384,018	13,536,072	€0.25
15/05/2011	Vesting of free shares	47700	0	11925	-	3,395,943	13,583,772	€0.25
01/08/2011	Capital increase with retention of PSR	3,395,943	4.90	848985.75	15791134.95	4,244,928.75	16,979,715	€0.25
26/12/2011	Reserved capital increase	680,000	3.65	170,000	2312000	4,414,928.75	17,659,715	€0.25
04/02/2013	Reserved capital increase	250,000	5.22	62,500	1,242,500	4,477,428.75	17,909,715	€0.25
26/02/2013	Reserved capital increase	250,000	4.65	62,500	1,100,000	4,539,928.75	18,159,715	€0.25
25/07/2013	Capital increase with retention of PSR	2,496,960	3.50	624,240	8,115,120	5,164,168.75	20,656,675	€0.25
13/12/2013	Exercise of BSAs	26,317	3.58	6,579.25	87,725.90	5,170,748	20,682,992	€0.25
30/06/2014	Reserved capital increase (merger)	10,799,341	7.29	2,699,835.25	76,027,360.75	7,870,583.25	31,482,333	0.25
01/08/2014	Exercise of BSAs	8,311	2.32	2,077.75	17,203.77	7,872,661	31,490,644	€0.25
16/12/2014	Capital increase with retention of PSR	9,053,560	4.50	2,263,390	38,477,630	10,136,051	40,544,204	€0.25
22/01/2015	Exercise of stock options	7,049	5.50	1,762.25	38,769.90	10,137,813	40,551,253	€0.25
30/07/2015	Exercise of stock options	830	5.50	207.50	4,357.50	10,138,020	40,552,083	€0.25
25/03/2016	Reserved capital increase (contribution of securities)	553,819	3.01	138,454.75	1,528,540.44	10,276,475.5	41,105,902	€0.25
25/03/2016	Reserved capital increase	364,958	2.74	91,239.50	908,745.42	10,367,715	41,470,860	€0.25

Change in shareholders over the past three financial years

	31/12/2015		31/12/2014		31/12/2013	
	Number of shares	**% of capital**	**Number of shares**	**% of capital**	**Number of shares**	**% of capital**
Main shareholders (> 5%)					**3,881,965**	**18.76**
Groupe Financière de la Montagne	5,661,532	13.96	5,661,532	13.96	2,807,570	13.56
IDInvest Partners (AGF PE)……	-	-	-	-	1,076,395	5.20
Other	34,890,551	86,04	34,882,672	86.04	16,801,027	81.23
of which treasury shares	36,744	0,09%	16,000	0.04	13,671	0.06
Total	**40,552,083**	**100**	**40,554,204**	**100**	**20,682,992**	**100**

Shareholder identity

The society is entitled to request at any time from the body responsible for securities settlement to reveal the identity of holders of securities offering immediate or future entitlement to vote at its own general meetings, the quantity of securities held by each of them and, where applicable, any restrictions placed on the said securities.

7.2.2.4 Supplementary information about the auditing of the accounts

Audit of the accounts

The statutory auditors of Onxeo carry out certification of the company's accounts in accordance with legislation on commercial companies. The statutory auditors are appointed by shareholders' general meeting.

Statutory auditors

The General Meeting of Shareholders renewed the mandate of the statutory auditor and alternate auditor for a term of six financial years, expiring.

Grant Thornton

French member of Grant Thornton International
100 rue de Courcelles
75017 Paris
Represented by Jean-Pierre Colle, a member of the *Compagnie des commissaires aux comptes* of Paris.

The mandate of Grant Thornton was renewed by the shareholders' meeting of 6 April 2016 meeting to approve the financial statements for the year ending 31 December 2015. Its mandate will expire at at the close of the 2022 shareholders' meeting approving the financial statements for the year ending 31 December 2021.

Ernst & Young Audit

Tour Ernst & Young, Faubourg de l'Arche
Tour First,
1 /2 place des Saisons
92400 Courbevoie, Paris-La Défense 1.
Represented by Beatrice Delaunay, member of the Versailles Institute of Statutory Auditors.

The mandate of Ernst & Young was renewed at general meeting held on 29 June 2011 for a period of six financial years. This appointment expires at the close of the shareholders' meeting deciding on the financial statements for the period ending 31 December 2016.

Alternate auditors

IGEC, Institut de Gestion et d'Expertise Comptable
3 Rue Léon Jost
75017 Paris

The mandate of IGEC was renewed by the shareholders' meeting of 6 April 2016. It will expire at the close of the shareholders' meeting to approve the financial statements for the year ending 31 December 2021.

Société Auditex SA
Tour First,
1 /2 place des Saisons
92400 Courbevoie, Paris-La Défense 1.

The mandate of Auditex SA was renewed at general meeting held on 29 June 2011 for a period of six financial years. This appointment expires at the close of the shareholders' meeting to approve the financial statements for the year ending 31 December 2016.

Statutory auditors have not resigned and their appointments have not terminated during the period covered by the referenced historical information.

Fees paid to auditors and members of their networks

The table of fees paid to the statutory auditors and members of their networks as recognized in expenses by the company between 1 January and 31 December 2015 is provided in Note 22 to the consolidated financial statements, included in section 6.1 of this Reference Document.

8 RESPONSIBLE PERSONS

8.1 Person Responsible for the Reference Document

Mrs. Judith Greciet, Chief Executive Officer

8.2 Declaration by the Responsible Person

DECLARATION BY THE RESPONSIBLE PERSON

I hereby certify, having taken all reasonable measures to that effect, that the information contained in this document is, to my knowledge, truthful and contains no omission likely to affect its import.

I certify that, to my knowledge, the financial statements are prepared in accordance with applicable accounting standards (IFRS as adopted by the EU for the consolidated financial statements and French GAAP for the annual financial statements) and give a true and fair picture of the assets and liabilities, the financial position and the results of the Company and the undertakings included in consolidation, and that the management report presents a true picture of the changes in the business, the results and the financial position of the Company and the undertakings included in the consolidation, along with a description of the principal risks and uncertainties they face.

We have received a letter from the statutory auditors prepared at the conclusion of their work, in which they state that they have audited the information about the financial position and financial statements provided in this Reference Document, and have read the entire Reference Document.

Financial information on the consolidated and annual accounts presented in this document is the subject of reports from the statutory auditors:

- Page 107 for the report on the consolidated financial statements;
- Page 148 for the general report on the annual financial statements.

These reports contain observations which describe the merger transaction that took place during the period and the accounting impact on the financial statements for the year ended 31 December 2015, and the incidence of the impact of the “Change of method" applied during the period regarding the first application of the IFRS 11 standard.

It should be noted that historical financial information on the annual and consolidated financial statements for the years 2013 and 2014 are included for reference purposes in this document and are the subject of reports from the statutory auditors:

- Pages 138 and 171 of the Reference Document - 2013 Annual Report submitted on 7 April 2014, which contains an observation regarding the ongoing litigation with the companies Spepharm, Spebio and Eurofins;

- Pages 110 and 161 of the Reference Document – 2014 Annual Report submitted on 14 April 2015, which contains an observation concerning the conditions for application of the principle of going concern.

29 April 2016

Judith Greciet

Chief Executive Officer

8.3 Responsible Person for the Financial Information

Mr. Nicolas Fellmann
Chief Financial Officer
Directeur Administratif et Financier
Adress : 49 boulevard Valin – 75015 Paris – France
Phone : +33 (0)1 45 58 76 00
Fax : +33 (0)1 45 58 08 81
Email : contact@onxeo.com

TABLE OF CONCORDANCE WITH INFORMATION REQUIRED IN THE ANNUAL FINANCIAL STATEMENTS

In order to enhance the readability of this Reference Document, the concordance table below enables information in this Reference Document to be identified which constitutes the annual financial report that listed companies are required to publish in accordance with Article L. 451-1-2 of the Monetary and Financial Code and Article 22-3 of the General Regulations of the AMF.

	Sections (pages)
CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE DOCUMENT	**8 (P. 220)**
MANAGEMENT REPORT	
Analysis of the results, financial position, executive remuneration and risks and a list of the delegations relating to capital increases for the parent company and consolidated group. (Articles L. 225-100 and L. 225-100-2 of the Commercial Code)	2 (p. 10) 3 (p. 32) 5.1.2.2 (p. 76) 7.2.2.2 (p. 201)
Information required under Article L 225-100-3 of the French Commercial Code relating to factors that could have an impact on a public offer	7.2.2.1 (p. 196)
Information relating to share redemptions (Article L. 225-211, para. 2 of the Commercial Code)	7.2.2.2 (p. 201)
FINANCIAL STATEMENTS	
Annual financial statements	6.3 (p. 148)
Statutory auditors' report on the annual financial statements	6.4 (p. 181)
Consolidated financial statements	6.1 (p. 107)
Statutory auditors' report on the consolidated financial statements	6.2 (p.146)

TABLE OF CONCORDANCE FOR THE REFERENCE DOCUMENT

This cross-reference table shows, as regards each of the headings provided by Annex I of European Commission Regulation (EC) No 809/2004 of 29 April 2004, the numbers of the paragraphs(s) of this registration document in which is mentioned information related to each of the regulation's headings.

Annex I of EC Regulation no. 809/2004		Reference Document
		Chapter(s)/Section(s)
I.	**Persons responsible**	8 (p. 220)
II.	**Statutory Auditors**	1 (p. 5), 7 (p. 190)
III.	**Selected financial data**	
1	Selected historical financial data	1.3 (p. 9)
2	Selected financial data for interim periods and comparative data covering the same periods of the preceding financial year	N/A
IV.	**Risk factors**	**5.2.1** (p. 78)
V.	**Details of issuer**	
1	Corporate history and development	7.2 (p. 193)
	1.1. Registered name and trade name	7.2.2 (p. 196)
	1.2. Location and company registration number of the issuer	7.2.2 (p. 196)
	1.3. Date of incorporation and term of the issuer	7.2.2 (p. 196)
	1.4. Registered office and legal form of the issuer, legislation governing its activities, country of origin, address and telephone number	7.2.2 (p. 196)
	1.5. Significant events in the development of the issuer's activity	2.1 (p. 10) 7.2.1 (p. 193)
2	Investments	3.2 (p. 35)
VI.	**Business overview**	
1	Main activities	1.1 (p. 5)
	1.1. Type of operations carried out by the issuer and its main activities	1.1 (p. 5)
	1.2. Important new product or service launched on the market	4.2 (p. 44)
2	Main markets	4.2 (p. 44)
3	Events that have influenced the information supplied in accordance with points VI and VI.2	N/A

4	Issuer's degree of independence as regards patents or licences, industrial, commercial or financial contracts or new manufacturing processes	4.1.4 (p. 41)
5	Basis of any declaration by the issuer concerning its competitive position	4.2 (p. 44)
VII.	**Organisation chart**	**2.1** (p. 10)
VIII.	**Property, plant and equipment** **Environmental impact**	**7.2.2.1** (p. 196) 2.4.2 (p. 27)
IX.	**Examination of the financial situation and operating income**	**3** (p. 32)
X.	**Cash and capital**	**3.2** (p. 35)
XI.	**Research and development, patents and licences**	**4** (p. 38) **4.1.4** (p. 41)
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XIII.	**Profit forecasts or estimate**	**N/A**
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1	Information on activities, absence of any conviction and terms of office	5.1.2.1 (p. 67)
2	Information on conflicts of interest, agreements concluded with third parties and restriction on the sale of shares	5.1.2.1 (p. 67)
XV.	**Remuneration and benefits of the persons referred to in point XIV.1**	**5.1.2.2** (p. 76)
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1	Expiry date of the current term of office of members of the administrative, management and supervisory bodies	5.1.2.1 (p. 67)
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3	Information on the issuer's audit committee and remuneration committee	5.1.1.2 (p. 62)
4	Compliance with the corporate governance regime in force	5 (p. 60) 7.2.2.1 (p. 196)
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	each financial year of this period and distribution of employees	
2	Holdings and stock options: for each of the persons referred to in point XIV.1, information on the participations that he or she holds in the issuer's share capital and any option existing over its shares	5.1.2.2 (p. 76)
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4	Verification of historical financial data 4.1 Declaration certifying that the historical financial data has been verified 4.2 Other information contained in the registration document and verified by the statutory auditors 4.3 When financial data appearing in the registration document is not derived from financial statements verified by the issuer, state its source and stipulate that it is not verified	 6.2 (p. 146) 6.4 (p. 181) 5.2.4 (p. 103) 6.6 (p. 184) N/A
5	Date of latest financial data verified	6.5 (p. 183)
6	Interim and other financial data	6.5 (p. 183)
7	Dividend distribution policy	6.5 (p. 183)
8	Legal and arbitration proceedings	6.3 (p. 148)
9	Significant change in the financial or commercial situation since the end of the last financial year	N/A
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2	**Environmental information**	**2.4.2** (p. 27)
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	Recognition of noise pollution	N/A
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	Durable utilisation of resources	
	Water consumption and supply in accordance with local constraints	N/A
	Consumption of raw materials and measures taken to enhance their efficient utilisation	N/A
	Consumption of energy, measures taken to improve energy efficiency and utilisation of renewable energy	N/A
	Soil utilisation	N/A
	Climate change	N/A
	Greenhouse gas emissions	N/A
	Adaptation to the consequences of climate change	N/A
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GLOSSARY

WORDS	DEFINITIONS
ANSM	Agence Nationale de Sécurité du Médicament (French drug agency)
MA	Marketing Authorization
Quality Assurance	Quality assurance is a concept encompassing everything individually or collectively capable of influencing product quality. Quality assurance means all the measures taken to ensure that available products are suitable for their intended use. Good practice in the areas of sampling, transport, manufacturing and preservation form part of quality assurance.
GCP (Good Clinical Practice)	The set of measures ensuring the quality of clinical trials.
GMP (Good Manufacturing Practice)	An aspect of pharmaceutical quality assurance that ensures drugs are manufactured and controlled in a consistent manner according to quality standards suitable for the drug's intended use and in accordance with the drug's specifications.
BSA	French share purchase warrants.
CNRS	Centre National de la Recherche Scientifique (French National Scientific Research Centre).
CRO	Contract Research Organization.
Toxic Dose Limit (TDL)	Dose of a given drug at which toxicity first appears. This dose makes it possible to define the therapeutic dose, which must necessarily be lower than the TDL.
DSMB	Data Safety and Monitoring Board. International committee of experts meeting every 6 months and/or after the recruitment of the first 25 patients for the ReLive study, in order to assess the tolerance data for patients included in the study and to recommend any protocol amendments.
EMA	European Medicines Agency.
Clinical trial	The systematic study of a drug on human subjects (either healthy or sick volunteers), in order to discover or verify drug effects, adverse reactions, and to study the absorption, distribution, metabolism, and extraction of the drug in question, for the purpose of establishing its safety and efficacy.
Pharmacokinetic study	The study of a drug's kinetic parameters in various compartments (the bloodstream, tissues).
Pharmacodynamic study	The study of a drug's effective dosage and length of therapeutic efficacy.
Randomised trial	A trial in which selected patients are randomly distributed among the various groups under study.
Pivotal trial	The clinical trial used to register a drug.
Drug Adverse Effect	Any harmful and undesirable effect experienced by a participant in a clinical trial, regardless of the effect's connection to the drug(s) under study and regardless of what caused the effect.
Serious adverse effect	An adverse effect that may contribute to death or is likely to endanger life, causes disability or incapacity, or leads to or prolongs hospitalisation.
FDA	Food and Drug Administration.
HCC	*Hepatocellular Carcinoma* – primary liver cancer.

GLOSSARY

WORDS	DEFINITIONS
ICH	International Conference of Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use.
IFRS	International Financial Reporting Standards.
IND	*Investigational New Drug* – Request to start a clinical trial with the FDA for innovative new medicines.
INSERM	The National Institute of Health and Medical Research, a French institution.
Investigator(s)	Natural person(s) managing and supervising the performance of the study; responsible for protecting the health and wellbeing of study volunteers. The investigator is a doctor with appropriate experience. When a trial is entrusted to multiple investigators, a coordinator is appointed by the sponsor.
In vivo	Manipulation taking place in the body of a human or animal.
ISO 9000 (9001, 9002, 9003)	Quality system: A system designed to ensure quality in design, development, production, installation, and related services.
Batch	A defined quantity (of a raw material, an item used in packaging, or a product manufactured in a process or a series of processes) that may be deemed a consistent unit.
Drug	Substance or combination of substances presented as possessing curative or preventive properties regarding human disease, and any product that can be administered to humans in order to establish a medical diagnosis or to restore, mitigate or modify their biological functions.
MDR	Multi Drug Resistance gene – encoding transmembrane proteins rejecting products or drugs outside the cells.
Compliance	The patient's adherence to treatment (good therapeutic follow-up).
PCT	Patient Cooperation Treaty – an international treaty providing for standardised filing procedures for obtaining foreign patents in the signatory countries.
Phase I	This phase corresponds to the initial clinical trials. It must evaluate drug tolerance in a small number of (usually healthy) volunteer subjects and enable initial studies on the administration of the drug in the human body.
Phase II	This phase is divided into two sub-phases. The objective of Phase II-A is to study the effects of the drug on a small number of volunteer patients (usually healthy) and to complete pharmacokinetic studies. The objective of Phase II-B is to assess the tolerance (adverse effects) and efficacy of the drug on a limited number of patients and to define the optimum dosage.
Phase III	The objective of this phase is to confirm and complete the results related to the efficacy and tolerance of the drug on a sufficient number of patients. It must also enable adverse effects to be studied and the efficacy/safety relationship to be evaluated against a reference treatment.
Phase IV	This phase incorporates tests performed after the MA. It is carried out on a very large number of patients. Its objective is to fine-tune the understanding of the drug and its adverse effects, to adapt the optimum dosage for particular cases and finally to evaluate the treatment strategy.
Sponsor	Natural person or legal entity that assumes leadership of a clinical trial and is responsible for its launch and management.

GLOSSARY

WORDS	DEFINITIONS
Protocol	Document describing the trial's rationale, goals, methodology and statistical methods and which specifies the terms and conditions under which the trial must be conducted and managed.
Benefit/risk ratio	The ratio between a drug's expected benefits and its possible risks.
Biomedical research	Trial or experiment conceived for and conducted on human subjects with a view to developing biological or medical knowledge.
Immune response monitoring	The set of techniques used to monitor the induction and kinetics of the immune response. In the case of immunotherapy, the monitoring of T responses (via the T lymphocytes) is especially pertinent.
SO	Stock Option – Option to subscribe to shares or option to purchase shares.
Traceability	All the information and measures taken to monitor and rapidly retrace each stage of a process.
Validation	The establishment of proof that the implementation or use of any process, procedure, equipment, raw material, activity, or system actually enables the realisation of planned outcomes and set specifications.