THE ORPHAN ONCOLOGY INNOVATOR

A s*ociété anonyme* (public limited company) with a share capital of EUR 12,643,203.75
Registered office: 49, boulevard du général Martial Valin – 75015 Paris
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2017 HALF YEARLY FINANCIAL REPORT

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This report is prepared pursuant to Article L. 451-1-2 of the Monetary and Financial Code and Articles 222-4 to 222-6 of the Financial Markets Authority (AMF) General Regulations and the provisions of Articles L.232-7 par. 3 and R 232-13 of the Commercial Code.*

1. PREAMBLE

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.

As a reminder, the Company was formed by the merger in June 2014 of BioAlliance Pharma, a French biopharmaceutical company based in Paris, with Topotarget, a Danish biotechnology company based in Copenhagen. Onxeo is listed on Euronext Paris and Nasdaq Copenhagen.

In March 2016, the Group announced the acquisition of DNA Therapeutics and, through it, of a new drug class derived from the revolutionary technology of DNA repair inhibition in cancer cells. The Company's newest product candidate, AsiDNA™, results from this acquisition.

2. COMPANY'S ACTIVITY AND SIGNIFICANT EVENTS OF THE PERIOD

Onxeo's objective is to become a major international player in the field of orphan and rare cancers. The Company's strong assets and distinctive expertise form the foundation of its future growth:

- A diversified portfolio of products in clinical development with three independent but synergistic programs – Livatag®, Beleodaq®, and AsiDNA™ [1] – dedicated to cancer pathologies for which medical needs are important;
- Innovative therapeutic approaches, founded on technologies and differentiated mechanisms of action, with strong competitive advantages that can be available in multiple types of cancer;
- Programs that target significant and growing medical indications, with an estimated global market potential of several billion dollars;
- A skilled team of high-level scientists, working in Paris and Copenhagen, repeatedly leading programs in Europe and the United States through to the approval stage;
- An anchor in the United States with a subsidiary and three products sold by international partners;
- An experienced management team, backed by a high quality international Board of Directors

The Company's growth strategy relies on the development of innovative drugs, based on unique action mechanisms and breakthrough technologies that make a difference in the treatment of cancer, in particular rare cancers or those resistant to other treatments. In 2016, the Group's three flagship programs, AsiDNA™, Livatag®, and Beleodaq®, advanced significantly.

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

2.1. R&D PROGRAMS

2.1.1. Livatag®

During 2017, the Company accelerated recruitment in the Phase III trial of "ReLive" to assess the efficacy of Livatag®, its most clinically advanced product in the 2nd line treatment of advanced hepatocellular carcinoma. ReLive is an international multi-center randomized study assessing the intravenous efficacy of Livatag® (Doxorubicin Transdrug™) compared to the available standard of care chosen by physicians for patients with advanced hepatocellular carcinoma (primary liver cancer) after failure or intolerance to sorafenib.

In parallel, the independent follow-up committee - the Data Safety and Monitoring Board (DSMB) – who reviews the study's tolerance data, met for the tenth time since the beginning of the trial and issued a positive

[1] AsiDNA™, Livatag®, and Beleodaq® are registered trademarks of Onxeo SA

recommendation of further study without modification, confirming the absence of unforeseen significant side effects.

In addition, the Company presented at the annual conference of the American Association for Cancer Research (AACR) in April 2017 the results of a study on the mechanism of action of Livatag® that shows a preferential affinity for the liver, confirming its potential in advanced hepatocellular carcinoma.

Onxeo has also obtained in May 2017 a new patent in the United States for Livatag® in the treatment of hepatocellular carcinoma. This patent, issued by the USPTO* pertains specifically to Livatag's mode of administration and grants protection regarding any associated claims until 2032.

2.1.2. AsiDNA™

The Group has continued its activities in the first semester of 2017 to further the development of AsiDNA™ in order to demonstrate its efficiency when administered systemically as a monotherapy or in combination with other treatments in several different types of solid tumors and has achieved some progress in several key areas:

- Optimization of the product manufacturing process, begun in 2016, in order to improve costs and production lead times for future clinical development and ultimately large-scale industrialization
- Preclinical studies in order to better define the pharmacokinetic/pharmacodynamic profile following intravenous infusion (IV) in animal models, singularly or in combination, to determine the most relevant indications (*please refer to paragraph 5.2 below for SIGNIFICANT EVENTS AFTER THE PERIOD*)
- Research of biomarkers that would help identify the best indications for AsiDNA™, alone or in combination with other treatments.

Based on these elements, the filing to regulatory authorities of a dossier to start a Phase I clinical study of AsiDNA™ through systemic administration is expected by the end of 2017.

The Company continued its partnership with the Institut Curie and announced in January 2017 a collaboration aimed at researching the combination of AsiDNA™ with radiotherapy and immunotherapy.

Finally, the Company obtained, in February 2017, the notification of issue by the American patent office of a new patent for AsiDNA™, granting Onxeo a very large spectrum of IP protection in this class of components until 2031 in the United States.

2.1.3. Beleodaq® (belinostat)

In 2016, the Company announced in 2016 the development of an oral formulation for belinostat, which up to now is administered intravenously (IV). Such a formulation would be a clear benefit for patients and physicians alike in terms of ease of administration, compliance, and lack of assistance from medical personnel. It would also enable Onxeo to extend its patent protection for belinostat and increase interest in developing the product with other drugs in new indications.

As with Livatag®, belinostat has been undergoing a program to develop its clinical potential, in particular in combination with other anti-cancer agents.

Finally, the Company has continued the geographical expansion of Beleodaq® for its indication in peripheral T-cell Lymphoma (PTCL) with the creation, in April 2017, of a Managed Access program – also called a Named program in Europe – with Clinigen Plc. Through this framework, a doctor can request treatment via belinostat for his eligible patients having no other therapeutic options. In Europe**, some patients can thereby benefit from the belinostat treatment prior to its potential approval for commercialization in the E.U. market.

The Company's American partner, Spectrum Pharmaceuticals (SPPI), has continued to prepare for the phase III clinical study of first in line treatment of PTCL.

2.2. CORPORATE GOVERNANCE

2.2.1. Changes to the Board of Directors

On 26 April 2017, the Ordinary General Meeting of the shareholders:

- Renewed for three years the appointments as directors of Mrs. Judith Greciet, chief executive officer of the Company, and Mr. Nicolas Trebouta, representative of Financière de la Montagne;
- Approved the appointment of Mrs. Christine Garnier and Mrs. Elvira Sanz as non-executive independent directors, replacing Mr. David Solomon and Mr. Russell Greig.

2.2.2. Changes to the Executive Committee

Onxeo has further strengthened its Executive Committee in the first half of 2017 with the appointment of:

- Mrs. Françoise Bono, Chief Scientific Officer
- Mr. Olivier de Beaumont, Chief Medical Officer

Mr. Graham Dixon, previously in charge of R&D, Medical and Regulatory Affairs, has left the Company.

2.3. FINANCING

On 19 June 2017, the Company announced a capital increase by issue of new ordinary shares without preferential subscription rights. This issue was structured as a private placement in accordance with the terms of the authority granted to the Board of Director by the shareholders at the Extraordinary General Meeting of the Company on 24 May 2017 in their 18th and 20th resolutions, to qualified investors as defined at Article D.411-1 of the French Monetary and Financial Code and to a limited number of investors as defined at II. Of Article L.411-2 and D.411-4 of the French monetary and financial code.

Prominent institutional-investors, both American and European, specialized in the healthcare and pharmaceutical sectors took part in the placement, allowing a diversification and strengthening of the shareholding structure of the Company.

This capital increase took place on 20 June 2017 via the issue of 3,529,411 new ordinary shares for gross proceeds of approximately 15 million euros. The issue price was set at 4.25 euro per new share, representing a discount of 12.6% to the volume weighted average price of the Company's shares over the 3 last trading days before pricing.

The funds raised strengthened the Group's cash position, which amounted to €27.7 million by the end of the period closing 30 June 2017. The funds raised provide additional means to continue R&D programs in the field of orphan diseases in oncology, and will be used to specifically finance:

- the completion of the ReLive Phase III trial of Livatag® as well as pre-clinical studies in combination with this product;
- the first steps of the development of AsiDNA™, including the preclinical assessment of its systemic efficacy and the preparation of a phase 1 trial;
- future developments of Beleodaq® including its indication in first line treatment of PTCL,

and more generally, corporate activities.

3. IMPACT ON THE FINANCIAL POSITION AND EARNINGS

3.1. REVENUES

Total revenues for the period ending 30 June 2017 amounted to 3,367,000 euros, compared to 1,878,000 in the first half of 2016. This increase is mostly due to deferred payments from the signing of the licensing agreement with Pint Pharma in 2016 (non-recurring earnings).

3.2. PERSONNEL COSTS

The salaries, wages and benefits have changed from 3,455,000 euros in the first half of 2016, to 3,716,000 euros in the first half of 2017. This variation is primarily due to changes to the workforce of the Company.

3.3. EXTERNAL EXPENSES

The external expenses amounted to 9,672,000 euros at the end of the period, compared to 8,484,000 euros at 30 June 2016. The share of these expenses attributed to R&D activities (net of research tax-credit (CIR)) has increased by nearly 32%, going from to 5,390,000 euros in the first half of 2016, to 7,106,000 euros in the first half of 2017. This significant increase is principally owed to the launch of the AsiDNA™ industrial and preclinical programs, acquired in March 2016, for which the Company has set up an ambition development plan. In addition, the Company has continued its phase III clinical trial with Livatag® as well as its associated activities in manufacturing, and has also continued its preclinical development program for Beleodaq®.

3.4. FINANCIAL INCOME

The decrease in financial income from a loss of €210,000 on June 30, 2016 to a loss of €338,000 on June 30, 2017 comes mainly from foreign exchange differences on company operations.

3.5. NET LOSS

As a result of the evolution of the business, reflected in the income and expense items discussed above, net income as of June 30, 2017 shows a loss of €11,627,000 compared to a loss of €11,227,000 for the first half of 2016.

3.6. CASH AND TREASURY

Cash available at 30 June 2017 amounts to € 27.7 million compared to €29.2 million at 31 December 2016. The expending of the treasury is linked to the operational expenditures of the Company, in particular with regards to R&D. Its increase compared to the forecast at the beginning of the 2017 are primarily owed to the € 15 million private placement completed in June 2017.

4. PRINCIPAL RISKS AND UNCERTAINTIES RELATING TO THE UPCOMING SEMESTER

No specific risks are anticipated in the second half of 2017, other than those risk factors inherent in the business, structure, strategy and environment of the Company described in the 2016 Reference Document filed with the French Financial Markets Authority (AMF) on April 24, 2017. These risks are inherent to innovative drug development, which depends on the success of preclinical and clinical trials, manufacturing process development and product approval constraints in terms of tolerance safety and treatment efficacy. These risks are also linked to the activities of our licensed trading partners.

The main risks and uncertainties to which the Company and the Group are exposed are listed below:

Financial risks

Financial risks are essentially risks associated with the Company's cash flow to the extent that it does not generate sufficient revenues to ensure its development, particularly in the area of research and development. The cash flow level at year-end provides financial visibility for approximately 12 months. By that time, it is not excluded that the Company might rely on non-dilutive financing or fund raising to secure its operations if it fails to generate additional resources, notably through new licensing agreements.

Factors such as the inability to establish licensing agreements on the products of its portfolio on time, delayed or insufficient success in the marketing of its products by its partners, development or acquisition opportunities, higher costs of current developments particularly because of additional regulatory

requirements or to defend intellectual property can influence the requirements and deadlines of such financing

Risks related to the Company's business

The Company's operational risks relate mostly to the development of its products until approvals to bring them to market are obtained.

The risk of a substantial failure or delay in the development of a drug exists at all stages and particularly at the clinical trial stage, often requiring the enrolment of a large number of patients in diseases where by definition the number of patients is limited.

Moreover, the response time of the regulatory authorities to approve submissions is also variable, in particular if additional requests are made by the latter.

With regard to the Company's structure and its strategy, the most significant risks are associated with the resources and size of the Company that has to attract and foster the loyalty of its key staff members, outsource and subcontract its production, and succeed in launching a product with its partners.

Moreover, there is a competitive risk for all products developed by the Company

Legal and regulatory risks

Legal risks relate chiefly to intellectual property, licensing agreements, and intellectual property infringements once the products are placed on the market.

In addition, the Company is subject to regulatory requirements with regard to obtaining regulatory approval and drug pricing, and it cannot guarantee that regulatory requirements will not lead to a change in the periods required or the terms and conditions of product registration, that there will be no change in the price of its drugs, and that there will not be any change in the policies for care and reimbursement of health products.

Insurance and risk coverage

The Company considers that it has insurance coverage suited to its business activities, and in particular the coverage required by law for clinical trials in France and the rest of the world. The Company does not foresee any specific difficulties in continuing to maintain adequate levels of insurance in the future.

The reader is invited to consult the Company's annual reference document for a detailed description of the risks and uncertainties the Company faces.

Main ongoing litigation: SpePharm/SpeBio litigation

Regarding the ongoing litigation with SpePharm and SpeBio, the proceedings have been ongoing during the first half of 2017. Similarly to the position taken at 31 December 2016, the potential risks relating to this litigation cannot be quantified with any certainty. The Company maintains confidence in its legal position and no provision has been accounted for at 30 June 2017. A detailed description of the litigations and their developments can be found at Note 8.1.2 of the condensed interim consolidated accounts.

5. FORESEEABLE DEVELOPMENTS AND FUTURE PROSPECTS

The Company will continue the development of its portfolio of therapeutic products in orphan oncology.

- Livatag® (doxorubicine Transdrug®): Preliminary efficacy results in the Phase III study of ReLive; results of preclinical studies on Livatag® to assess the product's potential in new indications
- Beleodaq® (belinostat): alongside the American partner, Spectrum Pharmaceuticals, the Company prepares to extend the indication for the 1st line treatment of PTCL; development of a new oral formulation by the Company and an assessment of the interest in associating Beleodaq® with other anti-cancer agents in tumors other than PTCL.
- AsiDNA™: continued preclinical trials by systemic administration (intravenous); assessment of the interest in associating AsiDNA™ with different anti-cancer agents on various types of tumors in animals; finalization

of the optimization of the AsiDNA™ production process enabling the implementation of a clinical study by intravenous administration to demonstrate the systemic activity of AsiDNA™.

Onxeo considers that, in light of its current activities, it has no specific comments on trends that might affect its recurring revenue and its general operating conditions since the date of the last financial period ending December 31, 2016, up to the publication date of this report.

5.1. MAIN INVESTMENTS FOR THE FUTURE AND FUTURE FUNDING POLICY

The Company's main investments will focus on research and development.

With a cash position of €27.7 million at 30 June 2017, the Company has sufficient visibility to carry out its projects through early 2019 and is reviewing the opportunity to put in place new financing, either non-dilutive or by calling on the market, in parallel of its ongoing search for new licensing agreements

5.2. POST PERIOD SIGNIFICANT EVENTS

On 5 July 2017, the Company announced positive pre-clinical proof of concept results showing the effectiveness of AsiDNA™ by systemic (IV) administration, alone or in combination with carboplatin. The preclinical trials are continuing for the association of AsiDNA™ with PARP inhibitors and the Company confirms its intention of filing for the beginning of clinical trials in Q4 2017.

5.3. CHRONOLOGICAL SUMMARY OF SIGNIFICANT EVENTS DURING THE PERIOD AND POST CLOSING EVENTS

24 January	The Company announced finalizing the recruitment of 390 patients for the ReLive study to evaluate the efficacy of Livatag® in the treatment of hepatocellular carcinoma
31 January	In a joint statement with the Curie Institute, the Company announced a partnership to study the interest of combining radiotherapy with AsiDNA™, an inhibitor of DNA tumor repair, and immunotherapy in the treatment of cancer
8 February	Information on the design of the ReLive study and on the role of the Data Safety and Monitoring (DSMB)
13 February	The Company announced that it was notified by the US Patent and Trademark Office of obtaining a new patent covering the broad claims on AsiDNA™ and similar molecules
1 March	Onxeo appoint two experienced chief executives to accelerate its preclinical and clinical development
7 March	Onxeo presents its annual results for the period ending 31 December 2016 and its future prospects for 2017
21 March	Onxeo announces the presentation of scientific data of its key assets in oncology during the ACCR annual congress.
20 April	Onxeo receives the Label Tech 40 from EnterNext
24 April	Clinigen and Onxeo launch a Managed Access program for belinostat in Europe for patients suffering from PTCL
26 April	Ordinary General Meeting and deferral of the Extraordinary General Meeting on second notice to 24 May 2017
10 May	Onxeo is granted a new patent in the United States for Livatag® in the treatment of hepatocellular carcinoma
23 May	Onxeo announced its 10th positive recommendation by the DSNB for the continuance of its phase III trial of Livatag®, ReLive, in primary liver cancer
19 June	Onxeo launches its increase of share capital
20 June	Onxeo raised 15 M€ with American and European investors

5 July	Onxeo announces positive results of preclinical proof of concept showing the efficiency of AsiDNA™ via systemic administration

The complete text of the press releases concerning these events can be found on the Company's website (www.onxeo.com).

6. KEY TRANSACTIONS WITH RELATED PARTIES

Transactions entered into with other companies related to the Group as defined in paragraph 9 of standard IAS 24, relating exclusively to the companies included in the scope of consolidation, do not have any significant effect on the accounts ending 30 June 2017.

7. HALF YEARLY CONSOLIDATED ACCOUNTS AS AT 30 JUNE 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS in K€	30/06/2017	31/12/2016	Note
Non-current assets			
Intangible assets	86,442	87,213	3
Tangible assets	644	713	
Financial assets	337	306	
Deferred tax assets	0	0	
Total non-current assets	**87,423**	**88,232**	
Current assets			
Stock and work-in-progress	18	184	
Trade receivables	2,071	1,548	4.1
Other receivables	8,332	5,893	4.2
Financial investments	3,202	5,302	5
Cash	24,452	23,941	5
Total current assets	**38,075**	**36,868**	
TOTAL ASSETS	**125,498**	**125,100**	

LIABILITIES AND SHAREHOLDERS' EQUITY K€	30/06/2017	31/12/2016	Note
Shareholders' equity			
Share capital	12,643	11,761	6
Less: treasury shares	-96	-97	6
Premium	269,195	255,960	6
Reserves	-173,301	-150,864	6
Earnings	-11,627	-22,671	6
Total shareholders' equity	**96,814**	**94,089**	
Non-current liabilities			
Deferred tax liabilities	11,860	11,895	7
Provisions	558	637	7
Other financial liabilities	4,715	4,723	7
Other liabilities	574	1,339	7
Total non-current liabilities	**17,706**	**18,594**	
Current liabilities			
Short-term financial debt	155	106	
Trade payables and related accounts	7,835	9,246	8
Other liabilities	2,987	3,065	8
Total current liabilities	**10,977**	**12,417**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**125 498**	**125,100**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In K€	30/06/2017	30/06/2016	Note
Recurrent sales from licensing agreement	1,893	1,824	
Non-current sales from licensing agreement	1,474	54	
Total sales	3,367	1,878	10
Purchases	-415	-298	
Personnel costs	-3,716	-3,455	10
External expenses	-9,672	-8 ,484	10
Duties and taxes	-179	-155	
Depreciation and amortization, net	-900	-912	
Allowances to provisions, net	969	327	
Other operating income	3	30	
Other operating expenses	-765	-95	11
Operating expenses	-14,674	-13,043	
Current operating income	-11,307	-11,165	
Share of income under the equity method	-17	-20	
Other operational income and expenses	0	0	
Operating income after share of income under the equity method	-11,324	-11,185	
Income from cash and cash equivalents	530	188	
Other financial income	16	39	
Financial expenses	-884	-436	
Financial income	-338	-210	11
Pre-tax income	-11,663	-11,395	
Income tax	0	0	
-of which deferred tax	35	167	
Net profit/loss	-11,627	-11,227	
Earnings per share	(0,23)	(0.27)	12
Diluted earnings per share	(0,23)	(0.27)	12

OTHER ELEMENTS OF THE STATEMENT OF COMPREHENSIVE INCOME

In K€	30/06/2017	30/06/2016	Note
Income for the period	-11,627	-11,227	
Other comprehensive income	0	0	
Translation adjustments	955	-203	
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 items recycled as income	**955**	-203	
Actuarial gains and losses	-21	-80	
Other non-recyclable items classified as income	**-21**	-80	
Other elements of the comprehensive income for the period net of taxes	934	-283	
Total comprehensive income for the period	-10,693	-11 510	
Total comprehensive income attributable to : - Owners of the parent company - Minority interests	-10,693	-11,510	

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

				Variations reserves and income					
In K€	**Capital**	**Treasury shares**	**Issue Premiums**	**Convertible reserves**	**Share-based payments**	**Gains and losses recorded in shareholders'' equity**	**Consolidated reserves and income**	**Total Variations**	**TOTAL**
Shareholders' equity as at 01/01/2016	**10,138**	**-157**	**243,854**	**-69**	**2,167**	**-45**	**-153,091**	**-151,038**	**102,798**
Total comprehensive income for the period				-203		-80	-11,228	-11,510	-11,510
Capital increase	230		2,205					0	2,435
Treasury shares		36					51	51	87
Other changes							282	282	282
Share-based payments					113			113	113
Dividends								0	0
Shareholders' equity as at 30/06/2016	**10,368**	**-121**	**246,059**	**-272**	**2,280**	**-125**	**-163,985**	**-162,101**	**94,205**
Total comprehensive income for the period				-498		23	-11,501	-11,976	-11,976
Capital increase	1,393		9,901					0	11,294
Treasury shares		24					-82	-82	-58
Other changes							256	256	256
Share-based payments					369			369	369
Dividends								0	0
Shareholders' equity as at 31/12/2016	**11,761**	**-97**	**255,960**	**-770**	**2,648**	**-102**	**-175,312**	**-173,535**	**94,089**
Total comprehensive income for the period				955		-21	-11 648	-10 714	-10 714
Capital increase	882		13 235					0	14 117
Treasury shares		1					-30	-30	-29
Other changes							-899	-899	-899
Share-based payments					249			249	249
Dividends								0	0
Shareholders' equity as at 30/06/2017	**12,643**	**-96**	**269,195**	185	2,898	-122	-187,889	-184,928	96,814

CONSOLIDATED NET CASH FLOW STATEMENT

In K€	30/06/2017	31/12/2016	30/06/2016
Consolidated net loss	-11,627	-22,671	-11,227
+/- Depreciation, impairment and provisions, net	949	1,606	386
(excluding provisions against working capital)			0
-/+ Unrealized gains and losses associated with changes in fair value		0	0
+/- Non-cash income and expenses on stock options and similar items	249	482	113
-/+ Other calculated income and expenses	-92	109	140
-/+ Capital gains and losses on disposal	0	0	0
-/+ Dilution gains and losses			0
+/- Share of earning associates	17	43	20
- Dividends (non-consolidated equity)			0
Gross operating cash flow after net cost of debt and tax	-10,504	-20,432	-10,568
+ Cost of financial debt, net	338	-923	218
+/- Tax liabilities (including deferred tax)	35	538	-167
Gross operating cash flow before net cost of debt and tax	-10,130	-20,817	-10,517
- Taxes paid			0
+/- Changes in operating WCR (including debt related to employee benefits)	-5,547	3,208	-4,122
NET CASH FLOW FROM OPERATING ACTIVITES	**-15,677**	**-17,609**	**-14,639**
- Expenditures on acquisition of tangible and intangible assets	-25	-316	-97
+ Proceeds of disposals of tangible and intangible assets	2	-229	0
- Expenditures on acquisition of financial assets (non-consolidated equity)	-2	-7	0
+ Proceeds of disposals of financial assets (non-consolidated equity)	2	-5	-111
+/- Impact of perimeter variations			0
+ Dividends received (non-consolidated equity, associated companies)			0
+/- Changes in agreed upon loans and advances			0
+ Investment grants received			0
+/- Other cash flow from investment activities		2,406	0
NET CASH FLOW FROM OPERATING ACTIVITIES	**-23**	**1,849**	**-208**
Cash flow from merger	0	0	0
+ Amounts received from shareholders at capital increases			0
. From parent company shareholders	14,702	12,122	1,000
. From minority interest of merged entity			
+ Amounts received from stock options			0
-/+ Buy-back and resale of treasury shares	1	60	36
- Dividends paid during period			0
. To shareholders of parent company			0
. To minority interests of merged entity			0
+ Proceeds of new loans		0	0
- Reimbursement of loans (including finance leases)	-320	-213	143
- Net interests paid (including finance leases)	0	0	0
+/- Other flows related to financing activities	-229	0	-243
NET CASH FLOW FROM FINANCING ACTIVITIES	**14,155**	**11,968**	**936**
+/- Impact of fluctuations in foreign exchange rates	-44	-758	-283
CHANGES IN CAHS AND CASH EQUIVALENTS	**-1,590**	**-4,549**	**-14,194**
CASH AND CASH EQUIVALENTS at start of period	**29,243**	**33,793**	**33,793**
CASH AND CASH EQUIVALENTS at end of period	**27,654**	**29,243**	**19,598**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

Onxeo is a leading developer of orphan oncology drugs. The Company is focused on developing innovative therapeutics for orphan or rare cancers, by developing advanced therapeutics designed to improve the lives of patients

NOTE 1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Onxeo's consolidated interim financial statements for June 30, 2017 were approved by the Board of Directors on July 28, 2017. They were prepared in accordance with International Financial Reporting Standards (IFRS) as they apply in the European Union for interim financial statements (IAS 34) authorizing the filing of selected notes. The consolidated financial statements are presented in condensed form and should be read together with the December 31, 2016 Group financial statements included in the reference document filed with the AMF on April 24, 2017.

The accounting principles and methods applied to the consolidated financial statements at June 30, 2017 are identical to those used in the consolidated financial statements at December 31, 2016, and with the IFRS standards, amendments or interpretations as adopted by the European Union and the IASB, which are compulsory for financial years beginning on or after January 1, 2017 (and which had not been applied early by the Group), namely:

Norm	Name
Amendments à IAS 12	Recognition of deferred tax assets for unrealized losses
Amendments à IAS 7	Disclosure Initiative
Annual updates of IFRS	2014-2016 Cycle
Amendment à IFRS 12	Clarification of scope of norm

Moreover, the Group has chosen not to apply by anticipation the new standards, standard amendments and interpretations, whose mandatory application is subsequent to June 30, 2017, be them adopted or not by the European Union. The impact of these standard and amendments is being reviewed by the Group

Use of estimates

As at 31 December 2016, the Executive Committee of the Group has used estimates to prepare the financial statements for the calculation of:

- Pension commitments
- Share-based payments
- Provisions
- Revenues as the sums received from the signing of licensing agreements

The financial statements have been prepared on the assumption of business as an ongoing concern. This assumption has been made by the Board of Directors in consideration of the following: The Company has consolidated net cash and cash equivalents available of €27.7M as at 30 June 2017 allowing business to continue until 2019 based on its current financing plan.

NOTE 2: SCOPE OF CONSOLIDATION

The Group includes the Company Onxeo SA which centralizes the majority of its business in Paris and Copenhagen, and its subsidiaries are listed below:

- Onxeo US
- Topotarget UK
- BioAlliance Pharma Switzerland
- Topotarget Switzerland
- SpeBio

All subsidiaries are 100% owned and fully consolidated, except SpeBio, a 50%-owned joint venture, consolidated under the equity method.

NOTE 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 11.1. In reference to this standard it is also specified that the non-current assets of the group are mainly located in France, Denmark and the United Kingdom.

Main Group customers representing more than 10% of consolidated revenues are Spectrum Pharmaceuticals, Pint Pharma International and Cipher Pharmaceuiticals.

NOTE 4: INTANGIBLE ASSETS

In K €	31/12/2016	Increase	Decrease	30/06/2017
R&D assets				
Beleodaq® PTCL gross value	48,800			48,800
Beleodaq® PTCL Amortization	- 4,000	- 794		- 4,794
Beleodaq® other indications	19,900			19,900
AsiDNA™	2,452	20		2,472
Goodwill	20,059			20,059
Other intangible assets	693	6	-	698
Other amortizations	- 691	- 2	-	- 694
TOTAL	87,213	- 771	-	86,442

4.1. R&D Assets

Research and development costs incurred in the first half of 2017 were expensed in the amount of €10,481,000, including €1,788,000 for personnel expenses, and €8,693,000 for external expenses, regulatory taxes and fees. No new significant development costs were incurred on the Company's registered products. Consequently, there were no capital development costs over the half-year period.

R&D assets were depreciated by a total amount of €794,000 over the period. This depreciation corresponds to the assets associated with the product Beleodaq® for its second-line purpose in the treatment of peripheral T-cell lymphoma, generating income through sales achieved by the business partner Spectrum Pharmaceuticals. These assets will be amortized over the duration of the product's anticipated commercialization for this purpose (17 years).

4.2. Review of potential value losses

R&D assets and goodwill are subject to impairment tests at least once annually in accordance with IAS 36. At June 30, 2017, no causes of impairment of R&D assets or goodwill were identified in relation to the parameters used in impairment tests at December 31, 2016. As a result, no provision for impairment was recorded.

NOTE 5: OTHER ASSETS

5.1. Trade receivables

In K€	30/06/2017	< 1 year	> 1 year	31/12/2016
Trade receivables, net	2,071	2,071		1,548

Trade receivables mainly consist of receivables from international partners Spectrum Pharmaceuticals, Innocutis/Cipher and Therabel.

5.2. Other receivables

In K€	30/06/2017	< 1 year	> 1 year	31/12/2016
Personnel	16	16		8
Research tax credit	6,011	6,011		3,955
Other tax receivables	1,336	1,336		705
Other receivables	0	0		283
Prepaid expenses	969	969		941
Net amount of other receivables	8,332	8,332	0	5,893

The item "research tax credit" corresponds to the receivable established on December 31, 2016 by ONXEO SA, amounting to €3,955,000, not yet collected, and the receipt of the tax credit for the first half of 2017, for €2,056,000. 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 first half of 2016 reduced expense and income items according to their nature, as follows:

In K€	30/06/2017	31/12/2016
Reduction in personnel costs	576	613
Reduction in external expenses	1,446	3,275
Reduction in depreciation and amortizations	34	67
Total research tax credit	2,056	3,955

Other tax receivables mainly relate to deductible VAT as well as VAT credit, the reimbursement of which was filed for by the Company.

NOTE 6: CASH AND CASH EQUIVALENTS

In K€	Net as at 30/06/2017	Net as at 31/12/2016	Changes in cash and cash equivalents
Cash	24,452	23,941	511
Financial investments	3,202	5,302	-2,101
Total net cash	27,654	29,243	-1,590

Total net cash as of 30 June 2017 amounts to €27.7 million, providing visibility until Q1 2019. The change in net cash stems from the Company's operational expenses, namely research and development, amounting to €10,300,000, which was compensated by an increase in capital in June 2017 for a gross amount of €15 million.

Liquid assets concern euro and dollar accounts opened at leading banks, mainly in France and Denmark. This item includes term deposits of less than three months with a capital guarantee, to boost performance and meet the definition of cash equivalents in accordance with IAS 7.6 and IAS 7.7. Marketable security investments correspond to medium-term freely negotiable notes, having low volatility with very low risk linked to changes interest rates.

NOTE 7: SHAREHOLDERS' EQUITY

7.1. Share capital

7.1.1. Change in structure of share capital

		Nominal	Nb of shares	€
Shares fully paid-up at 31/12/2016		0.25	47,043,404	11,760,851.00
Capital increase	(1)	0.25	3,529,411	882,352.75
Shares fully paid-up at 30/06/2017		**0.25**	**50,572,815**	**12,643,203.75**

(1) Increase in capital dated 20 June 2017: issue of 3,529,411 new ordinary shares at a unitary price of €4.25, for a nominal value of €0.25 each, which effects a share capital increase by an amount of €882,000 with a premium of €14.118 million.

7.1.2. Treasury shares

In accordance with IAS 32, 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 €96,000. Losses on share buybacks as of June 30, 2016 amounting to €31,000 were deducted from income pursuant to the standard

7.2. Share-based payments

All disclosures concerning the BCEs, BSAs and stock options granted by the Group are set out in below.

The first half expense related to share-based payments amounts to €249,000, compared to €113,000 in the first half of 2016.

On 15 June 2017, the Board granted 70,269 free shares (AGA RVI 2017) to the chief executive officer and employees. The corresponding expense for the first half period is €14,000.

On 28 July 2017, the Board of Direction has declared void and invalid, as employees had left the Company, 6,800 SO SAL 2010, 15,500 SO SAL 2011, 15,500 SO SAL 2012, 15,500 SO SAL 2013, 5,250 SO SAL 2014, 55,000 SO SAL 2015, 29,800 SO SAL 2016, 15,400 AGA SAL 2016. The effect of these voidances is a reduction in total liability of €98,000.

7.2.1. Summary of share subscription warrants (BSA) at 30 June 2017

Type	Authorization date	Number of BSA authorized	Allocation date	BSA allocated	Beneficiaries	BSA in circulation at 30/06/2017 adjusted (1)	BSA capable of exercise at 30/06/2017 adjusted (1)	Purchase price per share in euros adjusted (1)	Expiry date
BSA 2011	29/06/2011 Resolution 18	100,000	21/09/2011	70,000	Non-salaried, non-executive, Board members	41,864	41,864	3.63	21/09/2017
BSA 2012	31/05/2012 Resolution 15	100,000	13/09/2012	85,000	Non-salaried, non-executive, Board members	41,857	41,857	3.75	13/09/2018
BSA 2013	26/06/2013 Resolution 17	100,000	19/09/2013	85,000	Non-salaried, non-executive, Board members	88,490	88,490	3.85	19/09/2023
BSA 2014	30/06/2014 Resolution 19	314,800	22/09/2014	107,500	Non-salaried, non-executive, Board members	85,886	85,886	6.17	22/09/2024
			04/03/2015	35,500		19,000	19,000	6.26	04/03/2025
BSA 2015	20/05/2015 Resolution 18	405,000	27/10/2015	80,000	Non-salaried, non-executive, Board members	65,000	65,000	3.61	27/10/2025
BSA 2015-2			23/01/2016	90,000	Non-salaried, non-executive, Board members	90,000	90,000	3.33	23/01/2026
BSA 2016	06/04/2016 Resolution 23	405,520	28/07/2016	260,000	Non-salaried, non-executive, Board members	160,000	53,333	3.16	28/07/2026
BSA 2016-2			25/10/2016	30,000	Key Company consultants	30,000	10,000	2.61	25/10/2026
BSA 2016-3			21/12/2016	70,000	Non-salaried, non-executive, Board members	52,500	17,500	2.43	21/12/2026
TOTAL						**674,597**	**512,930**		

(1) Adjustment to the number and subscription price of warranties following capital increases in July 2011, July 2013 and December 2014, in accordance with article L.288-99 of the Code of Commerce (CA of 28 July 2011, 14 November 2013 and 22 January 2015

7.2.2. Summary of share subscription options at 30 June 2017 (SO)

Name of plan	Authorization date	Number of options authorized	Allocation date	Number of options allocated	Beneficiaries	Options in circulation at 30/06/2017 adjusted (1)	Options exercisable at 30/06/2017 adjusted (1)	Subscription price per share in euros adjusted (1)	Expiry date
SO employees 2010 (1)	22/04/2010 Resolution 20 and 21	150,500	25/08/2010	120,800	Employee	42,360	42,360	5.28	25/08/2020
SO employees 2010 (2)			16/12/2010	16,000	Employee	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**		**70,642**	**70,642**		
SO employees 2011 (1)	29/06/2011 Resolution 16 and 17	300,000	21/09/2011	218,500	Employee	127,174	127,174	3.63	21/09/2021
SO Executives 2011		210,000		210,000	Executives	219,782	219,782	3.63	21/09/2021
TOTAL SO 2011		**510,000**		**428 500**		**346,956**	**346,956**		
SO employees 2012	31/05/2012 Resolution 13 and 14	333,000	13/09/2012	268,000	Employee	195,698	195,698	3.75	13/09/2022
SO Executives 2012		110,000		110,000	Executives	103,597	103,597	3.75	13/09/2022
TOTAL SO 2012		**443,000**		**378,000**		**299,295**	**299,295**		
SO employees 2013	26/06/2013 Resolution 15	283,000	19/09/2013	195,500	Employee	142,636	106,968	3.85	19/09/2023
TOTAL SO 2013		**283,000**		**195,500**		**142,636**	**106,968**		
SO employees 2014	30/06/2014 Resolution 17	314,800	22/09/2014	138,700	Employee	101,775	50,897	6.17	22/09/2024
SO Executives 2014				40,000	Executives	34,487	25,052	6.17	22/09/2024
TOTAL SO 2014		**314,800**		**178,700**		**136,262**	**75,949**		
SO employees 2015	20/05/2015 Resolution 16	405,000	27/10/2015	290,000	Employee	204,000	54,750	3.61	27/10/2025
SO Executives 2015				60,000	Executives	60,000	15,000	3.61	27/10/2025
TOTAL SO 2015		**405,000**		**350,000**		**264,000**	**69,750**		
SO employees 2016	4/06/2016 Resolution 22	405,520	28/07/2016	333,500	Employee	270,000	0	3.16	
SO Executives2016				70,000	Executives	70,000	0	3.16	
TOTAL SO 2016		**405,520**		**403,500**		**340,000**	**0**		
TOTAL SO						**1,599,791**	**969,560**		

(1) Adjustment to the number and subscription price of options following capital increases in July 2011, July 2013 and December 2014, in accordance with article L.288-99 of the Code of Commerce (CA of 28 July 2011, 14 November 2013 and 22 January 2015).

7.2.3 Summary of rights to free shares at 30 June 2017

Name of Plan	Authorization date	Number of free shares authorized	Allocation date	Number of shares subscribed	Beneficiaries	Rights to free shares in circulation at 30/06/2017 adjusted (1)
AGA Employee 2016	6/04/2016 Resolution 24	405,520	28/07/2016	134,750	Employees	102,650
AGA Executives 2016				30,000	Executives	30,000
TOTAL AGA 2016		**405,520**		**164,750**		**132,650**
AGA RVI Employees 2017	24/05/2017 Resolution 28	470,440	15/06/2017	55,447	Employees	55,447
AGA RVI Executives 2017				14,822	Executives	14,822
TOTAL AGA 2017		**470,440**		**70,269**		**70,269**
TOTAL AGA						**202,919**

NOTE 8: NON-CURRENT LIABILITIES

8.1. Deferred tax liabilities

This item of €11,860,000 is related to R&D assets acquired during the acquisition of Topotarget in June 2014. The decrease of the deferred tax liability is linked to the changes in the amount of holdover tax relief in Denmark for relevant R&D assets.

8.2. Provisions

In K€	31/12/2016	Allowances	Reversals		30/06/2017
			Used	Unused	
Non-current pension liabilities	598	-113			485
Provisions for litigation	39	34			73
Total non-current provisions	637	-80	0	0	558

8.1.1. Non-current pension liabilities (IAS 19 revised)

As pension liabilities for Onxeo's Danish employees are outsourced, the provision in the accounts on June 30, 2017 concerns only French employees of the Group

The provision for pension liabilities amounted to €484,000, compared to €598,000 on December 31, 2016. The impact on June 30, 2017 numbers was a gain of €92,000, which came from changes in the workforce. The actuarial charge of -€20,000 was recognized directly as a reserve according to the standard

The actuarial assumptions are as follows

	30/06/2017	31/12/2016
Collective bargaining agreement	Pharmaceutical industry	Pharmaceutical 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	30/06/2017	31/12/2016
Mortality table	INSEE 2015	INSEE 2015
Discount rate	1.87% (AA rate Reuters)	1.63% (AA rate Reuters)
Rate of salary increase	2%	2%
Employee turnover rate	- 0 % from 16 to 24 - 4.42 % from 25 to 34 - 7.73 % from 35 to 44 - 2.76 % from 45 to 54 - 0.00 % above 55	- 0 % from 16 to 24 - 4.42 % from 25 to 34 - 7.73 % from 35 to 44 - 2.76 % from 45 to 54 - 0.00 % above 55
Social charges	46% for Onxeo FR	46% for Onxeo FR

8.1.2. Provisions for litigation

As on December 31, 2016, the possible risks relating to ongoing litigation with SpeBio/SpePharm cannot be reliably measured. As the Company maintains confidence in the validity of its legal position, no provision has been made as of June 30, 2017.

Litigation with SpeBio/SpePharm

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 agreement for the commercial launch of Loramyc®. This process is part of the ongoing lawsuit filed by Onxeo against 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 award, solely on the question of its jurisdiction, the Court of Arbitration has recognized its jurisdiction under the Governing agreement and against SpePharm only.

Having stayed the proceedings on its own jurisdiction, the Paris Commercial Court assumed jurisdiction. In pursuing its strategy to bring the dispute under a single proceeding, Onxeo filed an objection before the Paris Court of Appeals. This objection was rejected and the procedure has now resumed before the Commercial Court.

By judgement on 3 May 2016 the Commercial Court of Paris pronounced the forced intervention of SpePharm and joined the proceedings as a unique number.

SpePharm filed for an appeal against the judgment of 3 May 2016.

SpePharm filed conclusions to obtain severance procedures and alternative claims that the Paris Commercial Court declines jurisdiction (in favor of the ICC). On 5 July 2016, the Commercial Court stayed proceeding pending the Court of Appeal's decision regarding SpePharm application, rejecting an application by SpePharm and SpeBio to disjoint proceedings by virtue of there being no reasonable ground therewith.

On 20 September 2016, the Court of Appeal ruled against SpePharm's application. The proceedings with the Commercial Court were therefore resumed.

In a hearing dated 6 February 2017, SpePharm submitted arguments through which it requested of the Court to declare itself incompetent in its regards, along with various other demands.

In a hearing dated 24 April 2017, the purpose of which was to hear the parties on the matter of competency, the judge set a hearing date for 7 June 2017 in order to deal with both matters of law and facts of the case. At this hearing on 7 June, the judge indicated that his ruling would be given on 10 October 2017 both on the procedural law and the facts of the case.

8.2. Other non-current liabilities

Other non-current liabilities are those reimbursable advances from Bpifrance for the financing of the Company's R&D programs.

In K€	30/06/2017	< 1 year	From 1 to 5 years	More than 5 years
AsiDNA™	562	0	562	0
AsiDNA™	154	154	0	0
Livatag®	3,539	0	2,750	789
Livatag® (Prime)	460	0	0	460
Total	**4,715**	**154**	**3,312**	**1,249**

NOTE 9: CURRENT LIABILITIES

9.1. Trade Payables

In K€	30/06/2017	31/12/2016
Trade payable and associated accounts	7,835	9,246

9.2. Other liabilities

The item "other liabilities" includes mainly social security, tax, and other debts.

In K€	30/06/2017	31/12/2016
Social security and similar liabilities	1,489	1,536
Tax liabilities	133	123
Other liabilities	1,364	1,405
Total	**2,987**	**3,064**

Other liabilities mainly include deferred income from licensing by less than a year regarding agreements with partners Sosei, Novamed and Pint Pharma. For the first half of 2017, the amount included in income and recognized as revenue was 596 thousand euros.

NOTE 10: FINANCIAL INSTRUMENTS

In K €	Category in accordance with IAS 39	Net at 31/12/2016	Net at 30/06/2017	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 & related accounts	P&C	1,548	2,071	2,071	0	0	2,071
Other receivables	P&C	5,579	8,332	8,332	0	0	8,332
Security deposits	P&C	164	196	196	0	0	196
Other assets available for sale	ADV	110	141	0	0	141	141
Cash and equivalents	AJVPR	29,243	27,654	24,452	0	3,202	27,654
Total Assets		**36,645**	**38,394**	**35,051**	**0**	**3,343**	**38,394**
Debenture loans	DACA	0	0	0	0	0	0
Loan debts / credit inst.	DACA	106	155	155	0	0	155
Derivatives at Fair Value	PJVPR	0	0	0	0	0	0
BPI France advances	DACA	4,454	4,715	4,715	0	0	4,715
Trade payables	DACA	9,030	7,835	7,835	0	0	7,835
Other debts/ other liabilities	DACA	4,995	3,561	3,561	0	0	3,561
Total Liabilities		**18,585**	**16,266**	**16,266**	**0**	**0**	**16,266**

Breakdown of fair values financial assets and liabilities:

The table below shows the 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.

In K €	Level 1	Level 2	Level 3
Derivatives at fair value by income	0	0	0
Derivatives at fair value by equity	0	0	0
Financial assets available for sale	0	141	0
Money market securities available for sale	0	3,202	0
Total Financial Assets	**0**	**3,343**	**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 11: OPERATING INCOME AND EXPENSES

11.1. Sales

In K€	30/06/2017	30/06/2016
Recurrent sales from licensing agreements	1,893	1,824
Non-recurrent sales from licensing agreements	1,474	54
Other sales		
Total sales	**3,367**	**1,878**

Recurring sales come from product sales and sales-based royalties related to license agreements established by the Company. The increase is due to the spreading of payments by instalments of the income received from the signing of the licensing agreement with Pint Pharma (non-recurrent income), in accordance with IAS norm 18.

In accordance with IFRS 8.32 and 33, the table below shows the provenance of sales by geographic area and in comparison with two Company product portfolios

Breakdown of sales in euro	30/06/2017	30/06/2016
Orphan Products in Oncology	1,522	965
Other Products	1,845	913
Total	**3,367**	**1,878**
Europe	437	339
Rest of the world	2,932	1,538
Total	**3,367**	**1,878**

11.2. Personnel costs

Personnel costs are broken down as follows:

In K€	30/06/2017	30/06/2016
Salaries	2,909	2,698
Expenses	1,134	1,153
Employee benefits (IFRS 2)	249	113
Deduction of research tax credit	-576	-509
Deduction of operating grants	0	0
Total	**3,716**	**3,455**

The change in salaries and expenses compared with 2016 is related to the change in the staff structure.

Total headcount was 57 *(employees and corporate officer)* as at 30 June 2017.

11.3. External expenses

External expenses include mainly the following items:

In K€	30/06/2017	30/06/2016
R&D expenses	8,552	6,541
Deduction of operating grants	0	0
Deduction of research tax credit	-1,446	-1,151
General and administrative expenses	2,565	3,094
Total	**9,672**	**8,484**

The increase in R&D expenses was to the launch of R&D programs for Livatag® and AsiDNA™.

11.4. Other operating expenses

Other operating expenses include the adjustment of old receivables with a third party, which had been previously provisioned in full.

NOTE 12: FINANCIAL INCOME

Financial income was negative at –€338,000 at 30 June 2017, compared to –€210,000 at 30 June 2016, and the change is mainly owed to foreign exchange losses on transactions and dollar holdings.

NOTE 13: EARNINGS PER SHARE

In K €	30/06/2017	30/06/2016
Net income/(loss) attributable to ordinary shareholders	-11,627	-11,227
Number of ordinary shares	50,572,815	41,470,860
Number of treasury shares	32,907	32,907
Earnings per share	(0,23)	**(0.27)**

Earnings per share is calculated by dividing the net profit (or loss) attributable to ordinary shareholders (the numerator) by the weighted average number of outstanding ordinary shares (the denominator) for the period.

NOTE 14: RELATED PARTIES

Transactions with other companies related to the Group within the meaning of paragraph 9 of the IAS 24 standard have had no significant effect in the June 30, 2017 accounts

NOTE 15: POST PERIOD CLOSE EVENTS

There was no event subsequent to June 30, 2017 likely to have an impact on the financial statements.

8. CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEARLY REPORT

I certify that, to my knowledge, the condensed six-month financial statements are prepared in accordance with applicable accounting standards and give a true picture of the assets, the financial situation and the results of the Company and all the companies included in the consolidation, and that the semi-annual management report (listed on page 3 of this report) presents an accurate picture of the important events during the first six months, of their impact on accounts, of the main transactions between related parties as well as a description of the main risks and key uncertainties for the remaining six months of the year.

Paris, on 28 July 2017

Ms. Judith Greciet

Chief Executive Officer

9. STATUTORY AUDITORS' REPORT ON THE 2017 HALF YEARLY FINANCIAL INFORMATION

GRANT THORNTON
French member of Grant Thornton International
Rue du Pont
92 Neuilly sur Seine
S.A. au capital de € 2.297.184

Statutory Auditor
Member of the regional auditors' association of Paris

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Statutory Auditor
Member of the regional auditors' association of Versailles

Onxeo

Period from 1 January to 30 June 2017

Statutory auditors' review report on the half yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your general meetings and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Onxeo, for the period from January 1 to June 30, 2017,
- the verification of the information presented in the half-yearly management report.

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

1. Conclusion on the Financial Statements

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

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

2. Specific verification

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

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

Neuilly sur Seine and Paris-La Défense, on 28 July 2017

The Statutory Auditors

(French originals signed by)

GRANT THORNTON	ERNST & YOUNG Audit
French member of Grant Thornton International	
Jean-Pierre Colle/Samuel Clochard	Franck Sebag