2018 ANNUAL REPORT

Year ended December 31, 2018

Quantum Genomics
Corporation
With capital stock of €6.644.589,70
Registered office: 33, rue Marbeuf
75008 Paris
487 996 647 Trade and Companies Register of Paris

SUMMARY

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MESSAGES FROM THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

2018 marked a new phase in the Quantum Genomics story. Our three-year strategic plan, BAPAIs Fast Growth, aims to step up development by focusing on two key targets: intensifying research activities and realising our commercial potential.

To help make this happen and strengthen overall governance, we separated the roles of Chairman and CEO. Jean-Philippe Milon's experience in the pharmaceutical industry, and particularly in the field of cardiovascular diseases, is an invaluable asset at a time when we are undertaking new stages of development.

We made remarkable strides in our science in 2018. Each and every member of our team is on board to meet the targets of our strategic plan and successfully launch decisive new studies in 2019.

Lionel Ségard
Chairman of the Board of Directors

Quantum Genomics had a busy year in 2018 and marked a number of major milestones in the development of our first-in-class drug candidate, firibastat. Throughout the year, we focused our determination on rigorously implementing our strategic plan.

We had said that we wanted to accelerate our research programmes. And we did exactly this, publishing the results of NEW-HOPE six months in advance. These results provided spectacular validation of the efficacy of our drug, firibastat, paving the way for a Phase III pivotal study.

We had announced the launch of the ambitious QUORUM Phase IIb trial in heart failure to evaluate the safety and efficacy of firibastat compared with ramipril in patients after acute myocardial infarction. We will recruit the first patients for the trial in Q2 2019.

We had stated our intention to improve the pharmaceutical formulation of our drug in line with the challenges posed by marketing the product. We are conducting a study – with results expected in second-quarter 2019 – to evaluate the pharmacokinetic parameters of firibastat in sustained-release tablet form.

Lastly, we had announced that we wanted to sign a formal partnership with a pharmaceutical group within the next 24 months. That was in April 2018, which meant that we wanted to be signing an agreement no later than April 2020. This ambition remains undiminished and we are making every effort to achieve it in 2019.

The strong clinical results in 2018 and the opportunities that await us in 2019 further reinforce our determination to finalise the development of a radically innovative class of medication, bringing hope to millions of patients worldwide who suffer from heart failure or resistant high blood pressure.

Jean-Philippe Milon
CEO

COMPANY PRESENTATION

1. DESCRIPTION OF THE COMPANY'S ACTIVITY

Established on December 23, 2005, QUANTUM GENOMICS ("**QUANTUM GENOMICS**" or the "**Company**") is a biotechnology company specializing in the development of innovative medicines for the fight against cardiovascular diseases.

Led by professionals in the creation and management of technological start-ups, drug development, as well as internationally renowned researchers and inventors, QUANTUM GENOMICS, which has established contractual relations with academic institutions of excellence in France (Inserm, Collège de France, CNRS and Paris Descartes University), prioritizes the development of a very innovative product against high blood pressure and heart failure, firibastat, the first of a new class of drugs acting on the inhibition of aminopeptidase A (APA) in the brain.

The economic model of QUANTUM GENOMICS is not intended to market its products. The Company plans to develop these by its own means, until the end of phase III clinical trials in order to form an alliance with a pharmaceutical company, which can advance complementary clinical trials to reach their market launch.

To this end, QUANTUM GENOMICS has defined the following strategic priorities:

- Build a diversified portfolio of candidate drugs at an advanced stage of development for marketing through partnerships, licenses or alliances.
- Manage its cash resources effectively by closely following the development of its activities and potentially being able to invest in new products.
- Manage existing and future partnerships to support the growth of the Company.

The license agreements with the industries or companies concerned will enable QUANTUM GENOMICS to:

- no longer financially support the clinical and regulatory phases as soon as the license is signed;
- benefit from know-how in the marketing and distribution of the product; and
- collect revenue (upfront/milestones) at each stage of development, according to pre-established terms, then royalties during the product's marketing period.

These combined revenues (upfront and milestones) could be significant.

Once firibastat has been placed on the market, the Company can expect a two-digit royalty rate during the product's marketing years.

2. INDIVIDUALS RESPONSIBLE

2.1 Individual Responsible for the 2018 Annual Report

Jean-Philippe MILON
Chief Executive Officer

Quantum Genomics
33, rue Marbeuf
75008 Paris

Tél. : + 33 (0)1 85 34 77 70

2.2 Statement by the person responsible for the 2018 annual report

I certify that, to the best of my knowledge, the parent company financial statements for the past year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of QUANTUM GENOMICS, and that the annual report presents an accurate record of the business, earnings and financial situation as well as a description of the main risks and uncertainties they face.

Done at Paris on March 29, 2018

Jean-Philippe MILON
Chief Executive Officer

2.3 Responsible of mandatory auditcomm

- Statutory Auditor

Deloitte & Associés, member of the Compagnie régionale des Commissaires aux Comptes de Versailles: appointed by the 14th of June, 2018 General Meeting ; expiration of the mandate by the 31th of December, 2023 General Meeting, ruling on 2023 financial accounts.

- Alternate Auditor

BEAS, member of the Compagnie régionale des Commissaires aux Comptes de Versailles: renewed by the 14th of June, 2018; expiration of the mandate by General Meeting ruling on 2023 financial accounts.

MANAGEMENT REPORT

3. COMPANY ACTIVITY AND HIGHLIGHTS FROM THE FINANCIAL YEAR

During 2018, Quantum Genomics (the "Company") sped up its research programs in high blood pressure and heart failure and developed its new “BAPAIs Fast Growth” strategic plan, seeking to form a partnership or sign a licensing agreement with a pharmaceutical group in the next twelve months.

In February 2018, the Company announced the appointment of Professor Frans Leenen, a noted heart failure expert, to its scientific and clinical advisory board.

On 5 March 2018, the Company secured an equity line of financing set up, structured and guaranteed by Kepler Cheuvreux for up to €24 millions over three years. This financing allows the Company to secure its development plan over the long term and increase its operational flexibility to entrench its position as a committed innovator

In April 2018, the functions of Chairman of the Board of Directors and Chief Executive Officer (CEO) were separated in order to strengthen governance. Lionel Ségard, the Company's cofounder, will stay on as Chairman of the Board of Directors. He will continue to be involved in the Company's development to which he will bring his strategic vision and experience. The scientific and clinical advisory board will still report to him. Jean-Philippe Milon (pharmacy PhD, former chair of Bayer France and member of the executive committee of Bayer Healthcare in charge of global business development, licensing and M&A) was appointed CEO.

Currently the Executive Committee comprises Jean-Philippe Milon (CEO), Marc Karako (Chief Financial Officer), Bruno Besse (Chief Medical Officer) and Fabrice Balavoine (Vice President R&D).

On 19 April 2018, the Company set out its three-year “BAPAIs Fast Growth” strategic plan. Research programs have been accelerated. The NEW-HOPE Phase IIb trial on high blood pressure is nearing conclusion in 2018. Encouraging preliminary results from the QUID-HF Phase IIa trial on heart failure led the Company, with the consent of its scientific and clinical advisory board, to launch the Phase IIb trial ahead of time before waiting for the QUID-HF final results. The aim of this study, named QUORUM, is to assess the efficacy and tolerance of firibastat (QGC001) compared with ramipril in patients with altered ejection fraction after a severe heart attack.

In June 2018, the World Health Organization (WHO) approved firibastat as the International Nonproprietary Name (INN) for the active ingredient developed by the Company known until then as RB150 or QGC001. firibastat is protected until November 2031.

In October 2018, the Company obtained from Lisburn’s (UK) ethics approval to initiate clinical study of extended-relases firibastat tablets.

During a late-breaking oral presentation at the 2018 Scientific Sessions of the American Heart Association (AHA) held November 10-12, 2018 in Chicago, the Company announced excellent topline results from Phase IIb NEW-HOPE study evaluating firibastat for arterial hypertension. Indeed, resultats showed that eight weeks of treatment with firibastat led to a stratistically significant decrease of 9.7 mmHg in systolic office blood pressure from baseline ($P<0.0001$), which was the primary endpoint of the trial. Diastolic AOBP, a secondary endpoint, showed a reduction of 4.3 mmHg ($p<0.0001$).

These results have been presented and analysed On December 10, 2018, in New York, during a Key Opinion Leader & Investor Event.

Concerning legal proceedings, the following decisions were taken since 1 January 2018

- On 28 February, the Board of Directors decided to use delegations of authority granted it by the General Meeting of 8 June 2017, notably in the 8th resolution, to increase the share capital as laid out in Section 1.1 of this report under the following main conditions:

  - The planned capital increase would be undertaken through a private placement (non-public offering) in accordance with article L. 411-2 II of the French Monetary and Financial Code and as such reserved for select investors as defined by article D.411-1 of said Code and/or a select group of investors as defined by paragraph II of article L. 411-2 and article D. 411-4 of said Code, bearing in mind that the select investors in question act on their own behalf and that the select group must comprise less than 150 investors (the "**Private Placement**"),

  - The capital increase would be undertaken without preemptive rights through a Private Placement as defined by article L. 411-2 II of the French Monetary and Financial Code via the issue of a first block of 2,197,000 warrants for new ordinary shares (the "**Warrants$_A$**") whose terms and characteristics, notably their exercise conditions, are laid out below,

  - One Warrant$_A$ would entitle the holder to one new ordinary share,

  - The capital increase resulting from the exercise of all the Warrants$_A$ issued under a Private Placement would not require a prospectus to be sent to and approved by the *Autorité des marchés financiers* (AMF) (French financial markets regulator),

  - The 2,197,000 new shares resulting from the exercise of the 2,197,000 Warrants$_A$ issued under the Private Placement would make up less than 20% of the share capital for a period of one year from the date of this Board meeting, in accordance with article L. 225-136 3° of the French Commercial Code,

  - The overall cost of issuing the 2,197,000 Warrants$_A$ would be set at five hundred (500) euros,

  - The 2,197,000 new ordinary shares resulting from the exercise of the 2,197,000 Warrants$_A$ would be subscribed for at a minimum initial face value of €2.73, including the issue premium, subject to change according to the terms and conditions of the Warrants$_A$;

- In accordance with the powers granted him by the Board of Directors at its meeting of 28 February 2018, the Chairman & CEO decided, in line with decisions made on 5 March, to issue the 2,197,000 Warrants$_A$ for purchase by Kepler Cheuvreux;

- In accordance with the powers granted him by the Board of Directors at its meeting of 28 February 2018, the Chairman & CEO noted, in line with decisions made on 21
- March, that Kepler Cheuvreux had subscribed for all 2,197,000 Warrants$_A$;

- On 8 March, the Board of Directors noted (i) the expiry of the holding period for the 214,963 bonus shares awarded by the Board on 8 July 2016, (ii) the vesting of said bonus shares to Company employees and managers, and (iii) the corresponding capital increase by incorporation of reserves via the deduction of an amount of €85,944.64 from the "Reserves Not Available for Distribution" account created for this purpose;

- On 28 March, the Board of Directors approved the financial statements for the year ended 31 December 2017 and took the necessary decisions to prepare for and convene the Ordinary Annual General Meeting called to approve the financial statements for that year. It also decided to ask the Ordinary AGM to grant the Board new delegations of authority;

- As mentioned in Section 1.1 of this report, on 6 April the Board of Directors:

  - Separated the offices of Chairman and of CEO, following which Lionel Ségard resigned from his position as the latter,

- Appointed a new CEO,
- Set the compensation of the new CEO,
- Determined the social security package of the new CEO (including executive unemployment insurance, life & accident & disability insurance, reimbursement of medical expenses, and supplementary pension plan),
- Suspended the employment contract of Jean-Philippe Milon for the duration of his tenure as CEO,
- Awarded bonus shares to Company employees and/or managers using the delegation of authority granted it by the Ordinary and Extraordinary AGM of 8 June 2017,
- Outlined the tasks and duties of the Chairman of the Board of Directors,
- Set the compensation of the Chairman of the Board of Directors;

- On 4 May the Board of Directors:
  - Noted the resignation of Maurice Salama from his position as a director of the Company,
  - Suggested the overall amount of directors' fees to be set, allocated and paid,
  - Noted the actual capital increase of €3,998.17 resulting from the bonus shares awarded to Company employees and managers,
  - Discussed the correlative amendment of Article 6 of the Articles of Association;
- On 14 June the Ordinary and Extraordinary AGM:
  - Examined and approved the financial statements for the year ended 31 December 2017,
  - Deemed the Board of Directors to have discharged its duties,
  - Allocated the year's earnings,
  - Approved the agreements covered by articles L. 225-38 et seq. of the French Commercial Code,
  - Decided to replace the principal statutory auditor,
  - Decided to reappoint the alternate statutory auditor,
  - Appointed two new directors to the Board of Directors,
  - Set the amount of directors' fees,
  - Authorized the Board of Directors to trade in the Company's shares as permitted by article L. 225-209 of the French Commercial Code,
  - Granted a delegation of authority to the Board of Directors to increase the share capital through a public offering without preemptive rights,
  - Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to equity with preemptive rights and/or by issuing securities giving right to debt securities,
  - Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to equity without preemptive rights and/or by issuing securities giving right to debt securities through a non-public offering covered by article L. 411-2 II of the French

Monetary and Financial Code to select investors or a select group of investors,

- Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to equity and/or by issuing securities giving right to debt securities without preemptive rights in favour of a category of persons (strategic offering),
- Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to equity and/or by issuing securities giving right to debt securities without preemptive rights in favour of a category of persons (investment offering),
- Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to equity and/or by issuing securities giving right to debt securities without preemptive rights in favour of a particular beneficiary, namely, Kepler Cheuvreux,
- Granted a delegation of authority to the Board of Directors to increase the share capital by incorporation of premiums and reserves, retention of earnings, or other such means,
- Granted a delegation of competence to the Board of Directors to increase the number of shares to be issued under a capital increase with or without preemptive rights,
- Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares or securities giving access to equity reserved for members of employee share savings plans without preemptive rights in favour of said members,
- Granted a delegation of authority to the Board of Directors to award stock options,
- Granted a delegation of authority to the Board of Directors to award existing or future bonus shares to salaried employees and corporate officers of the group or to some of them,
- Authorized the Board of Directors to reduce the share capital by retiring repurchased shares;

- The CEO, in line with decisions made on 15 June 2018, noted the exercise of (i) four redeemable warrants$_{2016}$ issued by the Board of Directors on 14 March 2016, and of (ii) 270,000 Warrants$_{A}$ issued by the Board of Directors on 28 February 2018, thus increasing the share capital by €107,951.99 via the creation and issue of 270,002 new shares;

- The CEO, in line with decisions made on 27 June 2018, noted the exercise of (i) 37 redeemable warrants$_{2016}$ issued by the Board of Directors on 14 March 2016, and of (ii) 70,000 Warrants$_{A}$ issued by the Board of Directors on 28 February 2018, thus increasing the share capital by €27,993.75 via the creation and issue of 70,016 new shares.

- On 5 July 2018 the Board of Directors:
  - Noted the end of Maurice Salama's tenure on the Compensation & Appointments Committee following his resignation as a director of the Company,
  - Appointed new members to the Compensation & Appointments Committee,
  - Reviewed the business situation with the CEO,
  - Set the variable compensation of the CEO, Jean-Philippe Milon;

- During a break in the abovementioned Board of Directors meeting of 5 July 2018, the Compensation Committee set the variable compensation of the CEO, Jean-Philippe Milon;

- On 27 July 2018 the Board of Directors:

- Authorized the CEO to sign a letter of appointment,

- Amended the Board's rules of procedure;

- The CEO, in line with decisions made on 30 August 2018, noted the exercise of 445,000 Warrants$_A$ issued by the Board of Directors on 28 February 2018, thus increasing the share capital by €177,919.56 via the creation and issue of 445,000 new shares;

- The CEO, in line with decisions made on 1 October 2018, noted the exercise of (i) 112 Redeemable Warrants$_{2016}$ issued by the Board of Directors on 14 March 2016, and of (ii) 475,000 Warrants$_A$ issued by the Board on 28 February 2018, thus increasing the share capital by €189,936.52 via the creation and issue of 475,056 new shares;

- On 3 October 2018 the Board of Directors:

  - Examined and approved the 2018 interim financial statements, a copy of which appears in the appendix to this report;

  - Noted (i) the expiry of the holding period for the 3,776 bonus shares awarded by the Board of Directors on 22 August 2017, (ii) the vesting of said bonus shares to Company employees and managers, and (iii) the corresponding capital increase by incorporation of reserves via the deduction of an amount of €1,509.71 from the "Reserves Not Available for Distribution" account created for this purpose;

  - Finalized and approved the 2018 interim financial report.

- The Board of Directors resolved on 22 October 2018 to make use of delegations of authority granted by the AGM on 14 June 2018 under its 17th resolution to increase the share capital under the following main conditions:

  - capital increase eliminating shareholders' preferential subscription right in favour of Kepler Cheuvreux, through the issue, for this firm, of a new tranche, on one or more occasions, of a maximum 20,009,000 equity warrants to subscribe for new ordinary shares of the Company ("**BSA$_B$**"), the terms and conditions of which, including the exercise conditions, are set out below;

  - One equity warrant (BSA$_B$) will give the right to one new share of the Company;

  - the issue of 20,009,000 new shares by exercising the 20,009,000 BSA$_B$ issued by the Company would comply with the caps specified in the delegation of authority under the 17th resolution of the above-mentioned general meeting on 14 June 2018;

  - the total fixed issue price for the 20,009,000 equity warrants would be set at five hundred euro (€500);

  - the minimum subscription price for the 20,009,000 new ordinary shares created by the exercise of the 20,009,000 equity warrants would be €1.85 per share, including share premium, which may nonetheless be amended in accordance with the terms and conditions of the equity warrants (BSA$_B$);

- in accordance with the powers granted to it by the Board of Directors at its meeting on 22 October 2018, the CEO decided, under the terms of the decisions dated 23 October 2018, to issue the 20,009,000 BSA$_B$ to Kepler Cheuvreux;

- in accordance with the powers granted to it by the Board of Directors at its meeting on 22 October 2018, the CEO recorded, under the terms of the decisions dated 24 October 2018, that all 20,009,000 BSA$_B$s we subscribed by Kepler Cheuvreux;

- under the terms of decisions dated 5 November 2018, the CEO recognised the exercise of 937,000 BSA$_A$ issued by a decision of the Board of Directors dated 28 February 2018, thus increasing the Company's share capital by €374.630,61 through the creation and issuance of 937,000 new shares;

- under the terms of decisions dated 3 December 2018, the CEO recognised the exercise of 180,000 BSA_B issued by a decision of the Board of Directors dated 22 October 2018, thus increasing the Company's share capital by €71,967.46 through the creation and issuance of 180,000 new shares;

- on 6 December 2018, the Board of Directors:

  - recognised the exercise of 162,000 $BSAR_{06\text{-}2010}$ issued by decisions of the Board dated 30 June 2010 and 5 July 2011, thus increasing the Company's share capital by €3,598.37 through the creation and issuance of 9,000 new shares;

  - reviewed the assumptions and figures for the 2019 budget and the 2019-2021 business plan;

  - reviewed funding plans;

- under the terms of decisions dated 31 December 2018, the CEO recognised the exercise of (i) 2,050,000 BSA_B issued by a decision of the Board of Directors dated 22 October 2018, and (ii) 160,192 equity warrants issued by a decision of the Board of Directors dated 25 July 2017, thus increasing the Company's share capital by €867,665.29 through the creation and issuance of 2,170,144 new shares.

As a result of the operations referred to in paragraph 3 of this report, as at 31 December 2018, the Company's share capital is €6,306,887.99 divided into 15,774,349 shares.

4. EARNINGS AND FINANCIAL POSITION IN 2018

4.1 Operating income

Operating income amounted to €71,261 compared with €25,684 in 2017, while operating expenses came to €13,669,393 against €10,317,561 in 2017, leading to an operating loss for the period of €13,598,111.

Wages and salaries amounted to €1,583,221 while social security charges came to €819,427 for a total of 13 salaried employees at 31 December 2018.

4.2 Financial income and EBIT

Financial income amounted to €104,041 compared with €32,401 in 2017.

Financial expenses came to €67 against €95,704 in 2017.

Financial income was positive with €103,974, leading to an EBIT loss of €13,494,137.

4.3 Nonrecurring income

Nonrecurring income in 2018 amounted to €45,703 in 2018.

4.4 Profit (loss)

After taking a research tax credit of €1.458.378 into account, year 2018 resulted in a net loss of €11,990,055.

4.5 Change in equity and working capital

At 31 December 2018 equity stood at €11,867,668, up by €2,996,169 from the end of 2017.
Year 2018 loss has been more than compensated by warrants exercises which allowed a capital increase of M€ 15 (including premiums related to capital)
Taking the conditional advances from Bpifrance of K€1,030 into account, working capital stood at K€12,898.

4.6 Change in debt and cash flow

Financial debts are insignificant (€2,266 in 2018 against €1,105 in 2017).

4.7 Change in working capital requirement (WCR)

WCR as reduced by K€927 during 2018.

5. SUBSEQUENT EVENTS

5.1 Scientific and economic progress

In January, 2019, the Company appointed steering committee for its Phase III pivotal trial in resistant hypertension. In accordance with its Phase IIb results, the Company is preparing to launch a Phase III trial studying the effectiveness of firibastat as a treatment for resistant hypertension, thus paving the way for marketing authorisation.
The Company has presented its 2019 Corporate Action Plan. The pivotal Phase III study in resistant hypertension will start in the second half of 2019. Before that, the steering committee met in February to elaborate the design of the study that will be presented to the regulatory authorities (FDA, EMA).

In heart failure, the Company is launching QUORUM, a Phase IIb study to evaluate the efficacy and safety of firibastat compared to ramipril in heart failure patients after acute myocardial infarction (AMI).

In February, 2019, the Company announced the publication of two scientific articles confirming the efficacy of firibastat for heart failure.

The same month, the Company has completed enrolment in its pharmacokinetic clinical study of firibastat. This new study now marks the first step in our efforts to transition orally-administered firibastat from a twice daily treatment to a once daily treatment.

In March 2019, the Company has announced positive results from new preclinical studies on firibastat. This studies confirmed that firibastat did not include toxicity ot male and female reproductive functions, gestation, embryonic, and fetal development, and farrowing. Animal models in this study were exposed to quantities of product significantly higher than those tested in patients, particularly hypertensive patients enrolled in the Phase IIb NEW-HOPE study.

5.2 Legal operations

Since January 1, 2019, the following events have taken place :

- The CEO, by decisions of 31 January, 2019, noted the exercise of 520.000 BSA_B issued by the Board of Directors on 22 October 2018, thus increasing the share capital by €207,906 and issue of 520,000 new shares ;
- On 20 February the Board of Directors :
  - Authorized executive unemployment insurance package for the CEO, Jean-Philippe Milon ;
  - Noted the exercise of 1,106,440 $BSA_{06\text{-}2010}$ issued by the Board of Directors on 30 June 2010 and 5 July 2011, thus increasing the share capital by €24,576.49 and issue of 61,469 new shares.
- On 28 February the Board of Directors noted the exercise of 50,000 BSA_B issued by the Board of Directors on 22 October 2018, thus increasing the share capital by €19,990.96 and issue 50,000 new shares.

Finally, on 28 March 2019 the Board of Directors, after the Remunerations and Appointments Committee :

- Noted (i) the expiry of the holding period for 211,187 bonus shares awarded by the Board of Directors on 8 July 2016, (ii) the vesting of said bonus shares to Company employees and managers, and (iii) the corresponding capital increase by incorporation of reserves via the deduction of an amount of €84,436.62 from the "Reserves Not Available for Distribution" account created for this purpose;

- Noted the exercise of 7,923 BSA_{2009} issued by the Board of Directors on 14 May 2009, thus increasing the share capital by €791.64 and issue of 1,980 new shares.

- Examined and approved the 2018 financial statements ;

- Decided not to propose to the next General Meeting one of the Administrator renewal ;

- Decided to submit to this General Meeting new delegations of authority to the Board of Directors ;

- Took decisions concerning remuneration policy, according to the Remunerations and Appointments Committee:

- Decided to increase the CEO remuneration;

- Decided to propose to the next General Meeting to price a new global amount for attendance fees for Administrators, according to the Remunerations and Appointments Committee ;

- Decided to propose to the next General Meeting a delegation project to issue 118,310 warrants for Administrators, according to the Remunerations and Appointments Committee;

- Decided to propose to the next General Meeting to nominate a new Administrator;

- Decided to transfer the Company headquarter in the same department, subject to approval from the next General Meeting;

- Decided to propose to the next General Meeting to proceed an update of the Company articles of association, according to 2016-1691 law of December 9, 2016;

- Took the necessary decisions for the preparation and convening of the Annual Ordinary General Meeting called to approve the financial statements of this financial year.

As a result of the operations listed above, the Company's capital stock was set at €6,644,589.80, divided into 16,618,985 shares as of March 28, 2019.

6. FORECAST EVOLUTION AND OUTLOOK FOR THE FUTURE

Following excellent results of its NEW-HOPE Phase IIb results in Hypertension announced during the American Heart Association late-breaking oral presentation (AHA), the Company will launch during the second half of 2019 its pivotal Phase III trial which will take two years.

In heart failure, the Company will launch its Phase IIb trial, named QUORUM, to assess the efficacy and tolerance of firibastat compared with ramipril in patients with altered ejection fraction after a severe heart attack.

The Company objective is also to sign a partnership or licence agreement contract with a pharmaceutical company in the next twelve months.

7. OBJECTIVE AND EXHAUSTIVE ANALYSIS OF BUSINESS DEVELOPMENTS, RESULTS AND THE FINANCIAL POSITION OF THE COMPANY, PARTICULARLY IN ITS DEBT SITUATION WITH RESPECT TO VOLUME AND COMPLEXITY OF BUSINESS

The €14,8 million of available cash at December 31, 2018, as well as Kepler Cheuvreux's equity financing line remaining of €9,1 million, enable the Company to achieve its budget objectives for the current year, particularly in expenditure on research and development.

8. KEY PERFORMANCE INDICATORS OF A NON-FINANCIAL NATURE RELATING TO THE SPECIFIC ACTIVITY OF THE COMPANY (AND INFORMATION ON ENVIRONMENTAL AND STAFF ISSUES)

This is a question of successfully completing the various steps necessary for the placing on the market of new drugs, which will go through a phase III in hypertension, a phase IIb in heart failure and by a license agreement
This process is long and highly regulated.

9. INFORMATION ON RISKS AND UNCERTAINTIES WHICH THE COMPANY IS FACING

The risks presented below are those that the Company considers, as at the date of this annual report, to have a material adverse effect on the Company, its business, its financial situation, its results or its development. The Company has reviewed risks that could have a material adverse effect on its business, financial position or results and considers that there are no other significant risks other than those presented.

9.1 Strategic risks

Risk related to historical losses and forecast losses

Since the beginning of its operations in 2006, the Company has recorded operating losses. As of December 31, 2018, cumulative net losses amounted to K€38,541 including a net loss of K€11,990 in 2018. They result mainly from large expenditures in research and development programs and lack of revenue.

The Company may be aware of the maintenance of operating losses over the next few years, in relation to its development activities, and in particular as a result of continued spending on the development of its medicines.

At the date of this report, none of the Company's products has been placed on the market or licensed and has therefore not generated sales. The Company's ability to generate profit will come from its ability to finalize a partnership with a pharmaceutical company.

The main sources of revenue known to the Company are public subsidies (Bpifrance and ANR) and refunds from research tax credits (CIR).

The Company cannot guarantee that in the near future it will generate revenue from the sale of licenses for its products in order to achieve profitability. Interruption of any of these revenue streams could have a material adverse effect on its business, prospects, financial condition, results and development.

Specific risks related to preclinical studies and clinical trials

The Company conducts pre-clinical studies[1] and complete clinical trials on animals and humans for which it must ensure the quality of its products and demonstrate their safety and effectiveness for the indications concerned.

In general, the development time of a drug in human health is long, 12 to 15 years between the discovery of the compound (candidate drug) and the provision of the drug for patients.

Typically, the selection and preclinical phases last 2 to 3 years, a phase I 1 to 2 years, a phase IIa 1 to 2 years, a phase IIb 1 to 2 years, a phase III 2 to 3 years and the authorization of placing on the market 2 to 3 years. Nevertheless, these approximate durations remain very variable depending on the nature of the candidate drugs (new chemical entity, biological product) and the targeted pathologies (rare diseases or acute or chronic therapeutic treatment).

Since the beginning of its activities in 2006, the Company has developed 4 research programs. The duration of each step already performed by the Company as of the date of this report are as follows:

- Program no. 1 (firibastat ex-QGC001) started in 2006. The Company selected the candidate drug during 2008 and conducted complementary animal pharmacology studies (duration approximately 1 year) and regulatory studies of the preclinical phase (duration of approximately 2.5 years). The Company has conducted several Phase I clinical trials between 2012 and 2013 (duration of approximately 2 years). It defined the clinical phase IIa protocol in 2014 and obtained all the necessary approvals from the health authorities at the end of 2014. The clinical part of Phase IIa was completed in April 2016 and the positive results were announced in September of the same year.
  After receiving the FDA's agreement in September 2017 to launch the NEW HOPE (Phase II in Hypertension) study in the United States, the company announced that it had recruited its first patients in November 2017.
  During the American Heart Association (AHA) late-breaking oral presentation, the Company announced excellent results for its NEW-HOPE Phase IIb trial in hypertension evaluating efficacy and tolerance of firibastat.

- Program no. 2 (Combination- QGC011) began in 2010. The Company initiated preclinical pharmacology studies in the spontaneously hypertensive rat and was able to select the candidate drug in 2013. The Company conducted additional preclinical pharmacology studies in rats in 2016 and initiated regulatory preclinical toxicity studies for QGC011 in rats. The Company is continuing to explore new combinations of firibastat with other antihypertensive agents (estimated duration of approximately 2 years).

- Program no. 3 (Best-in-class - QGC006) began in 2007. This program has remained at the research stage in close collaboration with the academic teams that are behind this work. The Company selected the second candidate drug in 2013. Since 2016, the Company has been conducting preclinical pharmacology studies in the hypertensive rat. In parallel, the Company has been conducting a medicinal chemistry program since 2016 to identify new chemical families of candidate drugs that will in fact be protected by new patent applications.

[1] As a reminder:

Preclinical phase: Laboratory tests on animals to evaluate the main effects of the drug and its toxicity.

Phase I: Study of the behavior of the drug tested in the body as a function of time (kinetics of absorption and elimination) and analysis of safety and tolerance in humans. This phase is conducted on a small number of volunteers and non-sick people (healthy volunteers);

Phase IIa: Estimation of the effectiveness and the safety of the drug in a limited number of patients.

Phase IIb: Determination of the therapeutic dose of the drug on a larger scale

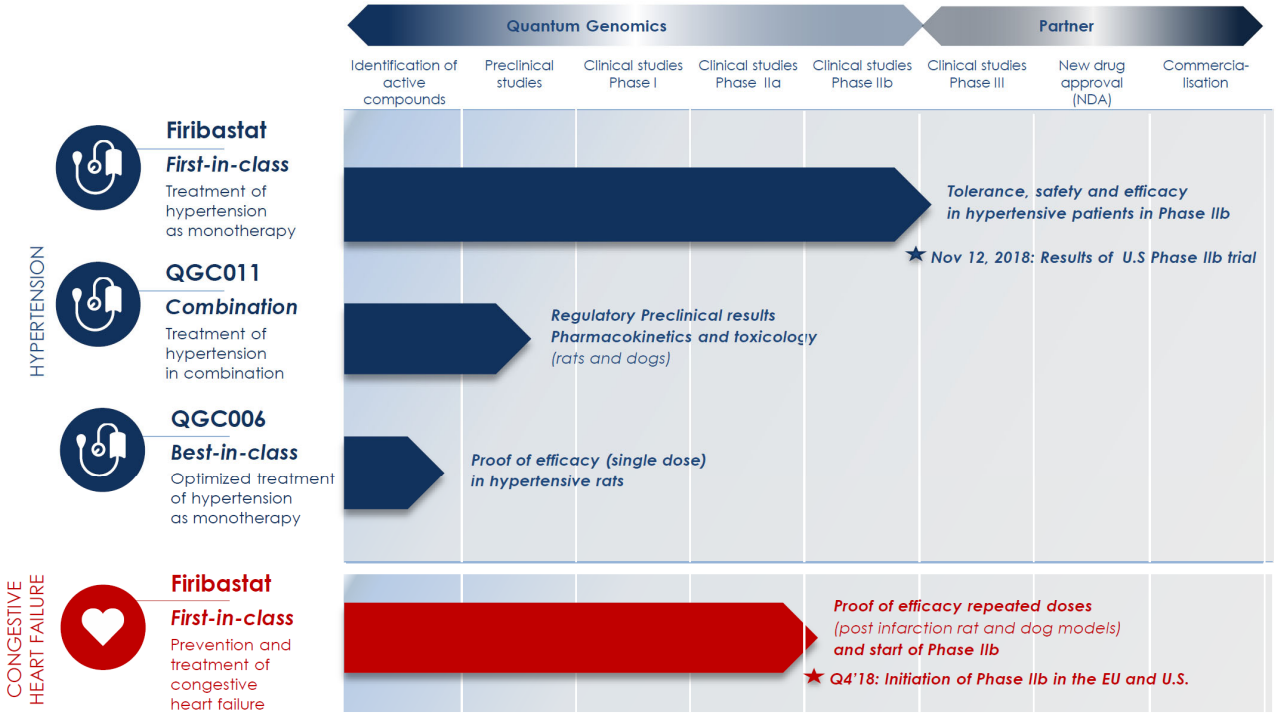
Phase III: comparison of the effectiveness of the new drug compared to the reference treatment. This phase is for a large number of patients. Patients are selected according to specific criteria that will answer the question of the effectiveness and benefit of the drug tested as a new standard treatment for the disease concerned.

- Program no. 4 (firibastat - QGC101) started in 2013 with the selection of the candidate drug based on preclinical pharmacology studies conducted by the academic team led by Dr. Llorens-Cortès. In 2014, the Company prepared a program of preclinical studies to demonstrate the efficacy of the product in repeated doses in both dogs and post-infarction rats (estimated duration of approximately 2 years). In June 2016, the Company announced the launch of a pan-European phase II study (QUID HF) in patients with heart failure (estimated duration of approximately 2 years).

  On April 2018, the Company announced, with the consent of its scientific and clinical advisory board, to launch the Phase IIb trial ahead of time before waiting for the QUID-HF final results. The aim of this study, named QUORUM, is to assess the efficacy and tolerance of firibastat (QGC001) compared with ramipril in patients with altered ejection fraction after a severe heart attack.

Certain stages were longer than those generally observed in the major international pharmaceutical laboratories because the Company conducted its studies according to its means, even if it meant slowing down the programs.

The stage of completion of the firibastat (hypertension and heart failure), QGC011 and QGC006 candidate drugs selected by Quantum Genomics within each program is shown in the figure below.



Source : Quantum Genomics

Each clinical trial is subject to prior authorization and ex-post control and all development data are evaluated by the relevant regulatory authorities.

These regulatory authorities could prevent the Company from undertaking clinical trials or continuing clinical developments if it is proven that the data presented were not produced in accordance with the applicable regulations or if they consider that the ratio of the profits from the product and its potential risks are not sufficient to justify the test. In addition, the Company may choose, or regulatory authorities may request, to suspend or terminate clinical trials if patients are exposed to unforeseen and serious risks. Deaths and other adverse events, whether or not related to the treatment being tested, could occur and require the Company to delay or discontinue the trial and thereby prevent further development of the product for the targeted indication or for other indications.

In addition, the completion of clinical trials and the ability of Quantum Genomics to recruit patients to perform

these tests depend on many factors such as:

- the nature of the targeted indication;
- the number of patients assigned and eligible for treatment;
- the evolution of the pathology of patients included in the trials;
- the existence of other clinical trials targeting the same population;
- the Company's ability to convince clinical investigators to recruit patients for its trials;
- the ability to recruit and treat patients at a given clinical investigation center; and
- the availability of sufficient quantities of product.

The tests being entrusted to service providers, the Company depends on the ability of these service providers to perform their services under the agreed conditions and deadlines. The remoteness or geographical distribution of clinical investigation centers can raise operational and logistical difficulties, which could lead to costs and delays.

Clinical and preclinical trials are expensive. If the results of these tests are not satisfactory or conclusive, the Company may have to choose between abandonment of the program, resulting in the loss of the financial investment and the corresponding time, or its continuation, without guarantee that the additional costs thus incurred make it possible to succeed.

The Company's inability to successfully carry out and complete clinical trials could have a material adverse effect on its business, prospects, financial condition, results and development. Although these risks are common to all players in the industry, they are all the more significant for the Company as its financial and human resources are limited.

This risk is managed in particular by the choice of service providers, subcontractors, the monitoring of compliance with the regulations under the supervision of a project manager or a manager at Quantum Genomics.

Risk of dependency on developing programs

The development of a drug requires considerable investment of time and financial resources as well as the involvement of highly qualified personnel. The future success of the Company and its ability to generate long-term revenue will depend on the successful development and commercial success of its high blood pressure products, including the occurrence of many factors, such as:

- the success of Phase III for the Hypertension Development Program and, to a lesser extent, the success of animal studies or Phase I for the development program on other products developed by the Company (heart failure, combination of treatments for high blood pressure);
- the success of Phase IIb in heart failure;
- the establishment of partnerships and/or license agreements;
- the marketing authorization (“MA”) granted by the regulatory authorities;
- the production on an industrial scale and in sufficient quantities of pharmaceutical batches of consistent and reproducible quality;
- the acceptance of the Company's products by the medical community, healthcare providers and third-party payers (such as social security systems); and
- their commercial success.

Quantum Genomics' strategy is to form an alliance with a pharmaceutical company able to complete the clinical development, to obtain the marketing authorization (MA) for the product and to market it.

To date, the objective of the Company is to launch the Phase III study of its flagship product firibastat in hypertension to continue its Phase IIb in heart failure and to sign a partnership with a pharmaceutical laboratory for studies leading to the MA. The Company also plans to launch, either alone or with partners, additional preclinical studies on its QGC011 product, a combination of 2 drugs (firibastat and a conversion enzyme inhibitor).

If the Company fails to develop its drugs on one or more clinical applications, its business, prospects, financial position, results and development could be significantly affected.

Risks related to the need for financing the business

The Company has made significant investments since the beginning of its business in December 2005. Overall operating expenses amounted to k€13,669 in 2018. They were k€1,934 in 2013, k€2,759 in 2014, k€4,477 in 2015, k€6,233 in 2016 and k€10,317 in 2017, in the absence of recurring revenues.

At December 31, 2018, the Company's cash position was k€14,789. Kepler Cheuvreux also granted an equity financing line for up to €24 million over 3 years.

It is necessary for the Company to obtain funding sources to continue its clinical trials and its long-term growth. The goal is to quickly reach license agreements with pharmaceutical companies, including an initial settlement, milestone payments and royalties when the products developed by the Company are placed on the market. Otherwise, the Company will consider further capital increases and/or new lending by its shareholders.

Future capital requirements will depend on many factors, such as:

- higher costs and slower progress than expected for its development programs, either in Phase III/Phase II or in the Preclinical Phase;
- higher costs and longer delays than expected in obtaining regulatory approvals, including the time required to prepare application files for regulatory authorities;
- costs of preparation, filing, defense and maintenance of patents and other intellectual property rights;
- costs to respond to technological and market developments, to conclude, within the timeframes envisaged and to maintain effective collaboration agreements, and to ensure the efficient manufacture and marketing of its products;
- new opportunities for developing promising new products or acquiring technologies, products or companies.

In the period covered by the Company's cash flow, these costs may be such that they cannot continue to operate or the Company cannot raise sufficient funds on acceptable terms, or even not raise funds at all. If the necessary funds are not available, the Company may be required to:

- delay, reduce or even eliminate development programs;
- obtain funding through partnership agreements that could force it to waive rights to some of its technologies or products, rights that it would not have waived in a different context;
- acquire licenses or enter into new collaborative arrangements that may be less attractive to the company than would have been possible in a different context; or
- consider disposals of assets, or even a merger with another company.

In addition, to the extent that the Company could raise capital by issuing new shares, the shareholders' interest could be diluted. Debt financing, to the extent that it would be available, could also include restrictive conditions.

The occurrence of one or more of these risks could have a material adverse effect on the Company's business, prospects, financial position, results and development, as well as the position of its shareholders.

The Company integrates financing risk into its management issues. The signing of partnerships with payments upon signature as well as throughout product development, as well as sales royalties, aims to reduce, over time, the financing risk and its need for capital financing. Nevertheless, the Company considers that its exposure to the economic and stock market environment remains substantial.

Risque relatif au contrat de licence

As of the date of this report, the Company has obtained an exclusive worldwide license from Inserm, CNRS and Paris Descartes University for the following 3 patents:

1) Concept of BAPAI to treat hypertension
2) Use of firibastat for the treatment of hypertension and related diseases
3) Use of QC006 for the treatment of hypertension and related diseases

These patents protect the use of Aminopeptidase A inhibitors, including firibastat and QGC006, for the treatment of hypertension and related conditions (such as heart failure) in humans and animals.

The license will expire on the later of two dates: (i) the expiry of the last of the Patents irrespective of the country or (ii) 10 years from the date of the initial marketing of a product in a country.

This license will end if Quantum Genomics:

- does not respect the commitments provided for in the contract,
- is in liquidation or receivership (subject to applicable laws)
- does not conduct any study on the products from the patents related to this license for 6 months

Given the three necessary conditions set out above, the Company considers that the loss of this license is unlikely. However, if such a case arises, it could have a material adverse effect on the Company's business, results, financial position and prospects.

By an amendment from the beginning of November 2013 to the exclusive license agreement of May 25, 2009 granted to Quantum Genomics, Inserm, the CNRS and the University Paris Descartes have extended the exclusive license to any application for the treatment of cardiovascular pathologies in humans and animals. The changes to the original agreement concern the extension of the scope to animal health, milestones and royalties.

This exclusive worldwide license is essential to the development of all R&D programs of the Company.

Risk due to lack of therapeutic benefit

The development of a candidate drug is a long, costly and uncertain multi-phase process, the purpose of which is to demonstrate the therapeutic benefit provided by this candidate drug for one or more indications. The Company may be unable to demonstrate the good tolerability or efficacy of one or more of its preclinical or clinical products. Any delay in the preclinical development of a candidate would result in a delay in initiating the clinical development of this candidate. A failure in the preclinical development of a candidate would result in the abandonment of that candidate's development. Failure at different clinical stages for a given indication could delay the development of the product or even halt its development. If the Company is unable to demonstrate a therapeutic benefit for all of the products of a developing class, it may be required to halt development for that class.

If its products prove to be ineffective or if they cause unacceptable side effects, they may not be marketed, which could have a material adverse effect on Quantum Genomics' business, prospects, financial situation, results and development.

The risk of failure of product development is highly related to the maturity stage of the candidate drug. Given the relative precocity of the Company's portfolio of candidate drugs, it considers that there is a significant risk that some of them may not reach the Marketing Authorization (***MA***) stage.

Risks related to research and dependence on current and future partnerships

In order to develop and commercialize products, the Company will seek to enter into collaboration and license agreements with pharmaceutical companies that can assist in drug development and funding. At the date of this report, the Company has not signed any agreements with pharmaceutical companies or protocols of any kind, let alone its possible future registration and marketing.

The Company may not find any partners or find the right partners to develop its products. If it finds these partners, they might decide to withdraw from the agreements. The Company may also fail to enter into new

agreements with respect to its other drugs. In addition, existing and future collaboration and license agreements may not be successful.

If the Company is unable to maintain existing collaboration agreements or enter into new agreements, it may need to consider alternative development conditions, including abandoning or fully disposing of certain programs, which could limit its growth.

The Company cannot control the scope and timing of resources that its existing or future partners will devote to the development, manufacturing and marketing of its products. These partners may not fulfill their obligations as the Company anticipates. That is why it could face significant delays or fail to introduce its products in certain markets.

In addition, although it seeks to include non-competition clauses in its collaboration and license agreements, these restrictions may not provide the Company with sufficient protection. Its partners could pursue alternative and competitive technologies, alone or in collaboration with others.

To carry out certain tasks in the development of its products, the Company relies on a network of scientific experts acting as external consultants, including researchers attached to academic institutions. To build and maintain such a network under acceptable conditions, it faces intense competition. These external collaborators can put an end to their commitments at any time. The Company has only limited control over their activities. However, the Company believes that the experience and professional network of leaders is a means of attracting and retaining quality scientific partners.

The occurrence of one or more of these risks could have a material adverse effect on the business, prospects, financial standing, results and development of the Company. In order to limit the risks associated with its current and future partnerships, partnership, growth and new candidate acquisition strategies are maintained.

Risks related to the competitive environment

The pharmaceutical market is characterized by the rapid evolution of technologies, the predominance of products protected by intellectual property rights and intense competition. Numerous structures, pharmaceutical laboratories, biotechnology companies, academic institutions and other research organizations, are actively engaged in the discovery, research, development and marketing of drugs, including products aimed at reducing blood pressure in humans or to fight against heart failure. The Quantum Genomics products could also compete with a number of therapies under development or recently marketed.

Many of the Company's competitors have resources and experience in management, research access to patients in clinical trials, and manufacturing and marketing beyond their own resources. In particular, large pharmaceutical companies have greater experience in conducting clinical trials and obtaining regulatory approvals. Smaller or younger companies, especially in the field of cardiovascular diseases, can also be significant competitors. All of these companies are also likely to compete with Quantum Genomics to acquire rights to promising products, as well as other complementary technologies.

Finally, the Company cannot guarantee that its products:

- will remain competitive with other products developed by the Company's competitors that prove to be safer, more efficient or less expensive;
- will be a commercial success; or
- will not be rendered obsolete or unprofitable by technological advances or other therapies developed by its competitors.

Such events could have a material adverse effect on the Company's business, prospects, financial standing, results and development.

Quantum Genomics believes that the competitive risk is high for its business, especially given the size of some of its potential competitors. The competitive issue is integrated into the development choices of the Company. It continuously analyzes the market and candidate drugs in development.

Risks related to uncertain protection of patents and other intellectual property rights

It is important to the success of its business that Quantum Genomics and its future licensees be able to obtain, maintain and enforce its patents and intellectual property rights in Europe, the United States and other countries.

The Company has exclusive and worldwide licenses for the exploitation of three patent families owned by Inserm, CNRS and Paris Descartes University[2]. Similarly, Quantum Genomics has extended its patent portfolio by adding three complementary patent families (owned directly or in co-ownership with Inserm)[3] aiming to protect the manufacturing process and the use of its firibastat compound in combination with other antihypertensive drugs.

It cannot be excluded that:

- the Company is unable to develop new inventions that are patentable;
- the patents for which applications are being examined, including certain important patents in several jurisdictions, may not granted;
- the patents granted or licensed to its partners or to the Company may be contested, deemed invalid or Quantum Genomics cannot enforce them;
- the extent of the protection afforded by a patent is insufficient to protect the Company from its competitors; or
- third parties may claim patents or other intellectual property rights owned or licensed by the Company.

Granting a patent does not guarantee its validity or applicability and third parties may question both aspects. The granting and applicability of a patent in the area of biotechnology is highly uncertain and raises complex legal and scientific issues. So far, no uniform policy has emerged at the global level in terms of the content of patents granted in the field of biotechnology and the scope of authorized claims. Legal action may be necessary to enforce the Company's intellectual property rights, protect its trade secrets, or determine the validity and extent of its intellectual property rights. Any litigation could entail considerable expenses, reduce its profits and not provide the protection sought. Quantum Genomics' competitors could successfully challenge its patents, whether issued or licensed, in court or in other proceedings, which could have the effect of reducing the scope of its patents. In addition, these patents could be counterfeited or circumvented successfully through innovations.

The occurrence of any of these elements relating to any of its patents or intellectual property rights could have an adverse effect on the Company's business, prospects, financial standing, results and development.

These risks are all the greater for the Company given its limited financial and human resources. In order to limit this risk, the process of managing patents and rights of the Company is placed under the responsibility of the R&D Director with the involvement of General Management and an external consulting firm that summarizes the rights held directly and indirectly by the company.

Risks related to patents and intellectual property rights held by third parties

The growth of the biotechnology industry and the increasing number of patents granted increase the risk that third parties consider that the Company's products infringe their intellectual property rights. In general, patent applications are published only 18 months after the date of priority applications. In the United States, some patent applications are not published prior to the granting of the patent itself. On the other hand, also in the United States, patents can be granted on the basis of their date of invention, which does not always lead to the granting of a patent to the party who first filed the application. Discoveries are sometimes published or

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[2] Patent family no. 1 is owned by Inserm and CNRS. The patents have been granted by the competent authorities of the countries concerned.

Patent families no. 2 & 3 are owned by Inserm, CNRS and Paris Descartes University. The patents have been granted by the competent authorities of the countries concerned.

[3] Patent families no. 4 & 6 are owned by Quantum Genomics. The patents are being examined by the competent authorities of the countries concerned. They have already been granted in the USA.

Patent family no. 5 is owned by Quantum Genomics and Inserm. The patents are being examined by the competent authorities of the countries concerned. It has already been granted in Europe.

patented only months or even years later. Therefore, the Company can not be certain that third parties were not the first to invent products or to file patent applications for inventions also covered by its own patent applications or those of its partners. In such a case, the Company may need to obtain licenses on the patents of such third parties (licenses that may not be obtained on reasonable terms, if at all), cease the production and marketing of certain product lines or develop alternative technologies.

Any litigation or claim against the Company, regardless of its outcome, could result in substantial costs and compromise its reputation. Some of its competitors with more resources than its own might be able to better withstand the costs of a complex procedure. Any such litigation could seriously affect the Company's ability to continue as a going concern. More specifically, litigation concerning intellectual property may require it to:

- stop selling or using any of its products that would depend on the contested intellectual property, which could reduce its revenues;
- obtain a license from the holder of the intellectual property rights, which may not be obtained on reasonable terms, if at all.

Active IP monitoring activities help mitigate this risk.

Risks related to the inability to protect the confidentiality of its information and know-how

The Company sometimes provides information and materials to researchers from academic institutions and other public or private entities to whom it requests to conduct certain tests, or to potential partners. In these cases, it relies on the signing of confidentiality agreements. Its business also depends on non-patented technologies, processes, know-how and proprietary data that Quantum Genomics considers to be trade secrets and is protected in part by confidentiality agreements with its employees, consultants and subcontractors. It cannot be excluded that these agreements or other methods of protection of trade secrets provide the protection sought or be violated, that the Company does not have appropriate solutions against such violations, or that its trade secrets are disclosed to its competitors or developed independently by them.

The occurrence of one or more of these risks could have a material adverse effect on the business, prospects, financial standing, results and development of the Company. The implementation of different types of confidentiality agreements aims to limit these risks.

Risks related to the lack of commercial success of the products

If a future partner of the Company succeeds in obtaining a marketing authorization for a product derived from the Company's technology, it may take time for it to gain the support of the medical community, prescribers and third-party payers. The degree of market acceptance will depend on several factors, including:

- the perception of the therapeutic benefit of the product by the prescribers;
- clinical developments after the MA;
- the occurrence of adverse effects after the MA;
- the existence of alternative therapeutic options;
- the ease of use of the product, related in particular to the method of administration;
- the cost of treatment;
- reimbursement policies of governments and other third parties;
- effective implementation of a scientific publishing strategy; and
- support from recognized experts.

Poor market penetration, as a result of any of these factors, could have an adverse effect on the royalties received by the Company from its partner and therefore on the business, prospects, financial standing, results and development of the Company.

However, this risk will only occur when the Company's technology products are registered and marketed.

9.2 Operational risks

In addition to the risks associated with delaying and stopping the development of its drugs as well as the specific risks related to preclinical studies and clinical trials described above, the main operational risks are as follows:

Risques liés aux partenariats et à la sous-traitance

La Société recourt à la sous-traitance dans le cadre de son activité, que ce soit pour le développement de ses études cliniques de Phase IIb et bientôt Phase III dans l'hypertension artérielle (fabrication des lots de médicaments et études cliniques chez ces patients) ou pour les essais précliniques pour les autres candidats médicaments et/ou dans l'insuffisance cardiaque (fabrication des lots de médicaments et études cliniques à venir pour la Phase IIb). Elle est donc amenée à confier à ses sous-traitants la fabrication et le développement de procédés complexes qui doivent être très surveillés, ainsi que les essais cliniques. La Société dépend donc de tiers pour la fabrication de ses produits.

Partners

In order to develop and market products, the Company seeks to enter into and concluded collaboration, research and license agreements with pharmaceutical companies that may assist in the development and funding of candidate drugs and with companies or entities, including academic institutions, to participate in its research and share intellectual property. These agreements are necessary for research, preclinical and clinical development of its products. The Company also has research collaborations with Inserm, the CNRS, the Collège de France and Paris Descartes University to deepen the know-how and knowledge about the mechanism of action of its candidate drugs and the manufacturing process of its QGC006 product.

If the Company is unable to maintain its existing collaboration, research and license agreements or enter into new agreements, it may need to consider alternative development conditions, including abandoning or fully disposing of certain programs, which could slow down or even limit its growth.

Existing and future collaboration, research and license agreements may not bear fruit. In addition, Quantum Genomics may also fail to enter into new agreements with respect to its other candidate drugs and programs.

In addition, although the Company seeks to include non-competition clauses in its collaboration, research and license agreements, these restrictions may not provide it with sufficient protection. Partners could pursue alternative and competitive technologies, alone or in collaboration with others.

Subcontractors

As part of its business, Quantum Genomics uses subcontractors in charge of research, biometrics and pharmacovigilance. These heavy and complex processes/tasks are carried out under the supervision of a project manager who coordinates the whole and allows a real-time monitoring of the progress of the project.

The Company outsources, including:

- Carrying out certain research studies;
- Manufacture of the drug for clinical trials;
- Management of clinical trials.

The outsourced activities and their terms are defined at the signing of the contract. The project manager is the point of contact for all the stakeholders, and his or her duties include:

coordination of all tasks and staff involved;

- coordination of all tasks and staff involved;
- follow-up of the calendar and the respect of the objectives;
- identification of possible problems; and
- supervision of weekly follow-up points.

The Company relies on third parties for the development of its products and may be unable to conclude subcontracting agreements for the production, development of its products, or to do so on terms that would be acceptable. If the Company is unable to enter into acceptable subcontracts, it will not be able to successfully develop its products.

Dependence on partners and subcontractors poses risks that Quantum Genomics would not face if it were directly involved in its products, namely:

- non-compliance by third parties with regulatory and quality control standards;
- the violation of agreements by these third parties; and
- the termination or non-renewal of these agreements for reasons beyond the control of the Company.

If products manufactured by third-party suppliers prove to be non-compliant with regulatory standards, sanctions may be imposed on the Company. These sanctions could include fines, injunctions, civil penalties, the refusal of the regulatory authorities to grant the MA of its products, delays, the suspension or the withdrawal of the authorizations, the revocations of the license, the seizure or the recall its products, operational restrictions and criminal prosecution, all of which may have a material and negative impact on the Company's business.

In addition, contracts with subcontractors usually contain limiting liability clauses in their favor, which means that the Company may not obtain full compensation for any losses it may incur in the event of a breach of these commitments by the subcontractors concerned.

To the extent that the Company changes manufacturers for its products, it will be required to revalidate the process and manufacturing procedures in accordance with the current Good Manufacturing Practice ("GMP") standards. This revalidation could be costly, time consuming and may require the attention of the Company's most qualified personnel. If revalidation is refused, the Company may be forced to seek another supplier, which could delay the production, development and marketing of its products and increase their manufacturing costs.

Such events could have a material adverse effect on the Company's business, prospects, financial standing, results and development. In order to limit these risks, the Company attaches the utmost importance to the relationship and to the communication with its subcontractors. Subcontractors are evaluated and subject to strict audits by regulatory agencies and the Company.

To mitigate partner and outsourcing risks, Quantum Genomics controls and regularly instills competition with all players involved at each new stage of development. Management has selected partners and subcontractors on the basis of previous collaborations prior to the creation of the Company and their notoriety. They are audited regularly and an evaluation is conducted annually.

Risks related to the enforcement of liability, particularly with regard to product liability

The Company is exposed to risks of liability, particularly product liability, related to the testing, manufacturing and marketing of therapeutic products for humans. It may also be held liable for clinical trials in connection with the preparation of the therapeutic products tested and the unexpected side effects resulting from the administration of these products. Complaints or lawsuits may be filed or initiated against the Company by patients or regulatory agencies. These actions may include complaints arising from acts carried out by its partners and subcontractors, over which the Company exercises little or no control. The Company cannot guarantee that its current insurance coverage is sufficient to meet the liability claims that may be made against it.

If its responsibility or that of its partners and subcontractors was thus questioned, if it itself or if its partners and subcontractors were not able to obtain and maintain appropriate insurance at an acceptable cost, or to protect itself in any way against claims for product liability, this would have the effect of seriously affecting the marketing of its products and, more generally, adversely affect its activities, prospects, financial situation, its results and its development. The Company could also be the subject of civil or criminal proceedings and the image of the Company would be altered.

In order to limit this risk, the Company has taken out insurance policies detailed in this section and will take out the necessary insurance when advancing its products.

Risks of shortage of raw materials and essential materials necessary for its business

The Company is dependent on third parties for the supply of certain chemical and biological products (adjuvants) that are necessary for the manufacture of its candidate drugs such as the supply of raw materials (L-homocystine) for the synthesis process of firibastat.

Although it has a policy of developing long-term contractual relationships with its strategic suppliers, and relying on important suppliers in the pharmaceutical industry, its supply of certain chemical and biological products may be limited, interrupted, or restricted. In addition, if this were the case, the Company may not be

able to find other suppliers of chemical or biological products of acceptable quality, in appropriate volumes and at an acceptable cost. If its major suppliers or manufacturers fail or if its supply of products is reduced or interrupted, the Company may not be able to continue to develop and produce its products for the continuation of its clinical studies.

If the Company encounters difficulties in the supply of these chemical and biological products, if it is unable to maintain its subcontracting agreements, to make new agreements, or to obtain the necessary chemical and biological products to continue its clinical studies, its activity, its outlook, its financial situation, its results and its development could be significantly affected.

9.3 Regulatory risks

The main regulatory risks are:

Risks related to the regulatory environment

To date, the Company has not received any marketing authorization for its products from a regulatory agency.

The Company cannot be assured that it will receive - directly or indirectly - the necessary authorizations to market one of its products.

Its products are subject to many very stringent legislations and the applicable regulatory requirements are complex, sometimes difficult to apply and subject to change. The French National Agency for Medicines and Health Product Safety (“ANSM”) in France, the European Medecines Agency (“EMA”) in Europe and the Food and Drug Administration (“FDA”) in the United States, as well as their counterparts other countries regulate, among other things, research and development, clinical trials, manufacturing, safety, efficacy, archiving, labeling, marketing and distribution of therapeutic products. In particular, without the authorization of the FDA, it would be impossible to access the US market which is the largest pharmaceutical market in the world in value.

The regulatory approval process for new therapeutic products requires the submission of detailed product characteristics, the manufacturing and control process, as well as preclinical and clinical data and any information to establish the safety and potential efficacy of the product for each indication. It may also require ongoing studies after the MA, as well as controls on the quality of manufacture.

These regulatory procedures are expensive, can take many years and their outcome is unpredictable. In addition, the authorities may carry out inspections to verify that the development of a medicine is proceeding according to the regulations in force.

Data from preclinical and clinical developments may give rise to differing interpretations, which could delay the obtaining and limit the scope of regulatory approval, or force the Company to re-test to meet the requirements of different regulators. Requirements and regulatory processes vary widely from country to country, so that the Company or its strategic partners may not be able to obtain the authorization in each country in time.

In Europe, the United States and other countries, regulations are likely to:

- delay and/or significantly increase the cost of product development, testing, manufacturing and marketing;
- limit the indications for which the Company would be authorized to market its products;
- impose new, stricter requirements, suspend the authorization of its products, require the discontinuation of clinical trials or marketing if unexpected results are obtained during trials by other researchers on products similar to its own;
- impose binding labels.
-

Finally, if the Company does not comply with the laws and regulations that govern its operations, it could be subject to sanctions, which could include a refusal to authorize pending applications, product recalls, sales restrictions, the temporary or permanent suspension of its operations as well as civil or criminal proceedings.

The occurrence of one or more of these risks could have a material adverse effect on its business, prospects, financial position, results and development.

Quantum Genomics' strategy is to develop its candidate drug until the demonstration of its therapeutic efficacy

in humans in phase II clinical trials and thereafter to form an alliance with a pharmaceutical company able to complete the clinical development, to obtain the marketing authorization (MA) for the product and to market it. As a result, the Company believes that it is less exposed to the risks associated with regulatory constraints than a similar company that would financially support the entire process: from research to marketing of the product.

Risks related to the evolution of drug reimbursement policies

Once marketed by a partner, the market acceptance of the Company's technology-based products will depend, in part, on the rate at which public health insurance funds and private insurers will reimburse them. Primary health insurance funds and other third-party payers will seek to limit the cost of care by restricting or refusing to cover costly therapeutic products and procedures. This risk is currently increasing in Europe due to the fiscal crisis of certain states and, more generally, the weak economic growth.

The ability of partners to successfully market the Company's technology-based products will depend, in part, on the determination by public authorities, private insurers and other organizations in Europe and the United States of sufficient reimbursement rates for its drugs and associated treatments. Third-party payers are increasingly questioning the prices of therapeutic products and medical services. The cost containment measures that health care providers and reimbursement agencies are putting in place and the effect of possible health system reforms could adversely affect the Company's operating profits.

Products derived from the Company's technology could thus not obtain satisfactory reimbursements, which would undermine their acceptance by the market, in which case the royalties paid to the Company by its partners would not achieve a sufficient return on investments.

The occurrence of one or more of these risks could have a material adverse effect on its business, prospects, financial position, results and development.

Litigation

The Company is not involved in any litigation at the date of this report.

Risks related to the need to maintain, attract and retain key personnel and scientific advisors

The success of the Company depends largely on the work, experience and expertise of its executives. The loss of their skills could affect its ability to achieve its goals. In addition, as part of its development, the Company may be required to recruit new qualified employees.

The Company's policy is to reduce the magnitude of this risk by managing its human resources, in particular by giving employees the opportunity after each capital increase to subscribe to instruments giving access to the capital (stock warrants).

From an operational point of view, the Company has set up a human resources organization in the form of project management.

Strong competition with other companies, some of which are more prominent than the Company, as well as strong investment by major pharmaceutical companies, could reduce the Company's ability to maintain, attract and retain key employees on economically acceptable terms and would be detrimental to the business, prospects, financial standing and development of Quantum Genomics.

At the date of this report, the Company has not put in place any Key Person Insurance.

9.4 Assurances et couverture des risques

The Company has put in place a policy of hedging the main insurable risks with coverage amounts that it considers compatible with its cash consumption requirements and its activities.

The Company has taken out the following insurance policies for a total cost of k€54:

- Insurance of the premises;
- Liability Insurance for the Sponsor of Biomedical Research;

- Corporate officer liability.

The main features of these policies are summarized below:

Type de contrat	Assureur	Risques couverts /Observations / plafond par sinistre	Echéance
Professional multi-risk	AXA	- Fire/Explosion/Various risks: Unlimited to the extent of damages - Content €51,000 - Climate events and natural disasters: Unlimited to the extent of damages - Content €51,000 - Terrorist attacks and acts: Unlimited to the extent of damages - Content €51,000 - Electric damage: €15,800 - Collapses : €4,000,000 - Water damage: Unlimited to the extent of damages – Content €51,000 - Broken glass: €4,938 - Theft: €51,000 - Breakdown of machines: €39,500 - Civil liability: Unlimited to the extent of damages - Archival reconstruction costs as a result of previous events: €34,563 - Revenue losses : €366,363	12/31/2019
Civil Liability: Clinical studies	CNA	- From €650,000 to €5,000,000 € per patient - From €5,000,000 to €20,000,000 per protocole	12/31/2018
Corporate officer liability	AIG	- €3,000,000 per insurance period	04/21/2019

The Company cannot guarantee that it will always be able to maintain, and if necessary obtain, similar insurance coverage at an acceptable cost, which could lead to it, particularly as it develops, accepting more expensive insurance policies and assuming a higher level of risk. In addition, the occurrence of one or more significant claims, even if covered by these insurance policies, could seriously affect the Company's business and financial position in view of the interruption of its activities which may resulting from such a claim, repayment terms by the insurance companies in the event of exceeding the limits set in the policies and, finally, because of the increase in premiums that would follow.

The occurrence of one or more of its risks could have a material adverse effect on the Company's business, prospects, financial position, results or development.

9.5 Financial risks

The accounting data referred to in this paragraph are derived from the annual accounts of the Company as of December 31, 2018 according to French standards.

Liquidity risk

The financing of the Company's development was achieved through a reinforcement of its own funds by way of capital increases, bank debts, debt with its shareholders/third parties as well as by the receipt of public aid through research tax credits and the support of Bpifrance and ANR.

The Company has carried out a specific review of its liquidity risk. It considers that its cash position at the date of this annual report and the Kepler Cheuvreux equity line should enable it to finance its operating expenses well beyond 2019.

Interest rate risk

Bpifrance's advances of k€1,030 being at an interest rate of zero do not present any interest rate risk.

Currency risk

At the date of this report, the Company's revenues and expenses are almost all denominated in euros.

The Company is therefore practically not exposed to currency risk.

Country risk

The Company is established in France. The Company believes that the country risk is negligible.

Equity risk

At the date of this report, the Company does not hold any interest in listed companies and is therefore not exposed to equity risk.

Risk of dilution

Since its creation, the Company has allocated stock warrants and bonus shares. The Company may in the future allocate or issue new instruments giving access to the capital.

The details of the information relating to the stock warrants and bonus shares issued by the Company appear in paragraphs 11.1 and 11.3 below of this annual report.

10. RESEARCH AND DEVELOPMENT

The Company has invested in its four areas of research and development: firibastat (monotherapy against hypertension and heart failure), QGC011 (combinations against hypertension) and QGC006 (new compound against hypertension).

11. LEGAL INFORMATION

11.1 Social and environmental consequences of the business

In accordance with the provisions of Article L. 225-102-1 paragraph 5 of the French Commercial Code, it is specified that the Company's business has no social or environmental consequences.

11.2 Information on the capital stock and its distribution

As of December 31, 2018, the Company's capital is divided into 15,774,349 common shares. The shareholders of the Company are institutional and private investors including the management team and the employees of QUANTUM GENOMICS.

The capital stock of the Company is as follows at the end of 2018:

Shareholders	existing share capital		Diluted share capital *	
	number of shares	*% of holding*	number of shares	*% of holding*
Tethys	993 161	6,30%	1 090 865	6,05%
André Gombert	785 505	4,98%	785 505	4,36%
Managers/employees/administrator	809 838	5,13%	1 401 857	7,78%
others shareholders	13 185 845	83,59%	14 739 579	81,81%
Total	**15 774 349**	100%	**18 017 806**	100%

**excluding bonus shares. The Company reminds of Kepler Cheuvreux equity line of €24 million over 3 years, set up and structured since March 5, 2018. This equity line is used at the discretion of the Company, by warrants issues, with a non-fixed price which differs according with market price fluctuation. Therefore, the potential issued warrants cannot be calculated since it is a function of the market price and the funding opportunities expressed in euros.*
At December 31, 2018, 4,427,000 new shares had been issued in this context for €14,9 million. Thus, the Company can increase its share capital by €9,1 million issuing new shares with this equity line.

In accordance with Article L. 233-13 of the French Commercial Code, and taking into account the information received pursuant to the provisions of Articles L.233-7 and L.233-12 of the said Code, we hereby disclose the identity of the natural or legal persons directly or indirectly holding 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 stock or voting rights at general meetings, as of December 31, 2018:

- **LIONEL SEGARD**
  Born on February 22, 1968 in Issy Les Moulineaux (92), French citizen, residing at 6, rue de Bel Air - 17690 Angoulins, Lionel Segard is the Chairman of the Company (does not cumulate Chairman and CEO function since April 6, 2018).

- **TETHYS**
  French investment company with a capital of €144,305,535, registered with the Nanterre Trade and Companies Register under number 409 030 053 and owned by the Bettencourt-Meyers family, holding financial assets and interests in companies.

- **ANDRE GOMBERT**
  Born on October 27, 1943 in Paris, French citizen, residing at 53, rue de Bel Air – 75016 Paris.

Lastly, the Company's articles of association, amended on November 21, 2013, grant double voting rights to fully paid-up shares for which specific registration has been warranted for at least two years in the name of the same shareholder.

The conversion to the bearer of a share or the transfer of its ownership causes the share to lose the double voting right mentioned above.

The table below shows the number of double voting securities of the Company as at December 31, 2018:

Shareholders	Number of securities
Tethys	993,161
Lionel Ségard	295,119
Others shareholders	496,486
Total de droits de vote double	**1,784,766**

Potential dilution (excluding Kepler Cheuvreux): as at December 31, 2018, the Company issued stock warrants (BSAs), the characteristics of which are set out below:

Plan no.	BSA 2009	BSA 06-10	BSA 06-12	BSA 11-13	BSA 11-13-02	BSAR 2016	BSA 2017
Meeting Date	Extraordinary General Meeting of 4/15/2009	Extraordinary General Meeting of 6/30/2010	Extraordinary General Meeting of 6/29/2012	Extraordinary General Meeting of 11/21/2013	Extraordinary General Meeting of 11/21/2013	Extraordinary General Meeting of 12/22/2015	Extraordinary General Meeting of 6/08/2017
Board of Directors Meeting Date	Board of Directors Meeting of 5/13/2009	Board of Directors Meeting of 6/30/2010	Board of Directors Meeting of 6/24/2013	Board of Directors Meetings of 4/04/2014 and 11/20/2014	Board of Directors Meeting of 2/13/2015	Board of Directors Meeting of 3/14/2016	Board of Directors Meeting of 7/25/2017
Nombre total d'actions pouvant encore être souscrites	**101 737**	**167 832**	**54 167**	**97 551**	**298 542**	**0**	**1 523 629**
by Lionel Ségard - Chairman	*37 220*	*49 696*	*8 333*	*18 556*	*82 429*	*0*	*0*
by Jean-Philippe Milon – CEO	*0*	*0*	*8 056*	*19 086*	*0*	*0*	*0*
by Marc Karako - Financial Director	*0*	*0*	*0*	*21 737*	*96 559*	*0*	*0*
by Christian Bechon - Board Member	*2 641*	*20 417*	*8 333*	*2 651*	*11 775*	*0*	*0*
Starting point for exercising options	13/05/2009	30/06/2010 ou 05/07/2010	24/06/2013	04/04/2014	13/02/2015	16/03/2016	26/07/2017
Expiration date	13-mai-19	30/06/2020 ou 05/07/2020	24/06/2023	04/04/2024	13/02/2025	16/09/2018	26/01/2020
Subscription price	0,01 €	0,01 €	0,02 €	0,62 €	0,63 €	0 €	0 €
Exercise price	0,10 €	0,08 €	0,18 €	6,12 €	6,30 €	7,75 €	4,75 €
Number of shares subscribed at the date of this report	403 973	152 556	8 056	0	0	896	120 144
Cumulative number of canceled or invalid options	0	0	0	0	0	1 428 181	0
Subscription options remaining as of the date of this report	**406 979**	**3 020 967**	**975 000**	**97 551**	**298 542**	**0**	**1 523 629**

As of the date of this annual report, the Company has:

- Issued and awarded 2,022,870 **BSA2009** subscribed: If all the unexercised warrants were exercised, they would give rights to **99,757** new shares.
- Issued and awarded 5,766,967 **BSA06-2010** subscribed: If all the unexercised warrants were exercised, they would give rights to **167,832** new shares.
- Issued and awarded 1,120,000 **BSA06-2012** subscribed: If all the unexercised warrants were exercised, they would give rights to **54,167** new shares.
- Issued and awarded 97,551 **BSA11-2013** subscribed: If all the unexercised warrants were exercised, they would give rights to **97,551** new shares.
- Issued and awarded 298,542 **BSA11-2013-02** subscribed: If all the unexercised warrants were exercised, they would give rights to **298,542** new shares.
- Issued and awarded 1,429,973 **BSAR2016**: these warrants are invalid since September 16, 2018.
- Issued and awarded 2,191,698 **BSA2017**: If all the unexercised warrants were exercised, they would give rights to **1,523,629** new shares.

As of December 31, 2018, in the event of the exercise of all the instruments giving access to the capital stock (excluding Kepler Cheuvreux equity line), the dilution would be 14,22%.

	Existing securities	In the case of the sole exercise of BSA 2009	In the case of the sole exercise of BSA 06-10	In the case of the sole exercise of BSA 06-12	In the case of the sole exercise of BSA 11-13	In the case of the sole exercise of BSA 11-13-02	In the case of the sole exercise of BSA2017	If the presents dilutive instruments are exercised
Number of shares created	**15,774,349**	101,737	167,832	54,167	97,551	298,542	1,523,629	**2,243,457**
% potential		0,64%	1,06%	0,34%	0,62%	1,89%	9,66%	**14,22%**

11.3 Participation des salariés au capital

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, we inform you that as of December 31, 2018, several company savings plans have been put in place for the benefit of the Company's employees.

As at December 31, 2018, employee profit-sharing calculated in accordance with the provisions of Article L. 225-102 of the French Commercial Code amounted to 3,0% at the end of the previous financial year, with 473,589 bonus shares acquired at this date.

In accordance with Article L. 225-197-1, II al. 4 of the French Commercial Code, we inform you that the Board of Directors, when ruling about bonus shares, decided that bonus shares attribution would be definitively acquired if, by the end of the vesting period, beneficiaries are still employees of the Company or Executive Directors.

- **AGA$_{03\text{-}2016}$**

En effet, le Conseil d'Administration en date du 2 mars 2016 a procédé à une attribution gratuite d'actions, à hauteur de 244.850 actions (« **AGA$_{03\text{-}2016}$** »), réparties comme suit :

- Lionel Ségard (Cha : 51,625 $AGA_{03\text{-}2016}$
- Marc Karako : 51,625 $AGA_{03\text{-}2016}$
- Jean-Philippe Milon : 44,250 $AGA_{03\text{-}2016}$
- Fabrice Balavoine : 29,500 $AGA_{03\text{-}2016}$
- Oliver Madonna[4]: 53,100 $AGA_{03\text{-}2016}$
- Yannick Marc : 2,950 $AGA_{03\text{-}2016}$
- Véronique Pellicer : 2,950 $AGA_{03\text{-}2016}$
- Mathilde Keck : 2,950 $AGA_{03\text{-}2016}$
- Delphine Compère : 2,950 $AGA_{03\text{-}2016}$
- Quentin Ricomard[5] : 2,950 $AGA_{03\text{-}2016}$

The $AGA_{03\text{-}2016}$ have not been in the holding period since March 2, 2018.

- **$AGA_{07\text{-}2016\text{-}1}$ and $AGA_{07\text{-}2016\text{-}2}$**

On July 8, 2016, the Board of Directors proceeded with new bonus shares allocation of 251,713 shares ("**$AGA_{07\text{-}2016\text{-}1}$**"), i.e. 3% of the capital stock on the date of said Board, and distributed so:

- Lionel Ségard (Chairman and CEO): 70,730 $AGA_{07\text{-}2016\text{-}1}$
- Marc Karako: 48,077 $AGA_{07\text{-}2016\text{-}1}$
- Jean-Philippe Milon: 36,750 $AGA_{07\text{-}2016\text{-}1}$
- Fabrice Balavoine: 36,750 $AGA_{07\text{-}2016\text{-}1}$
- Olivier Madonna: 36,750 $AGA_{07\text{-}2016\text{-}1}$
- Yannick Marc: 3,776 $AGA_{07\text{-}2016\text{-}1}$
- Véronique Pellicer: 3,776 $AGA_{07\text{-}2016\text{-}1}$
- Mathilde Keck: 3,776 $AGA_{07\text{-}2016\text{-}1}$
- Delphine Compère: 3,776 $AGA_{07\text{-}2016\text{-}1}$
- Quentin Ricomard: 3,776 $AGA_{07\text{-}2016\text{-}1}$
- Stéphanie Desbrandes: 3,776 $AGA_{07\text{-}2016\text{-}1}$

And 251,713 shares ("**$AGA_{07\text{-}2016\text{-}2}$**"), i.e. 3% of the capital stock on the date of said Board, and distributed as follows:

- Lionel Ségard (Chairman and CEO): 70,730 $AGA_{07\text{-}2016\text{-}2}$
- Marc Karako: 48,077 $AGA_{07\text{-}2016\text{-}2}$
- Jean-Philippe Milon: 36,750 $AGA_{07\text{-}2016\text{-}2}$
- Fabrice Balavoine: 36,750 $AGA_{07\text{-}2016\text{-}2}$
- Olivier Madonna: 36,750 $AGA_{07\text{-}2016\text{-}2}$
- Yannick Marc: 3,776 $AGA_{07\text{-}2016\text{-}2}$
- Véronique Pellicer: 3,776 $AGA_{07\text{-}2016\text{-}2}$
- Mathilde Keck: 3,776 $AGA_{07\text{-}2016\text{-}2}$

[4] Left the company in 2017

[5] Left the company in 2018

- Delphine Compère: 3,776 $AGA_{07\text{-}2016\text{-}2}$
- Quentin Ricomard: 3,776 $AGA_{07\text{-}2016\text{-}2}$
- Stéphanie Desbrandes: 3,776 $AGA_{07\text{-}2016\text{-}2}$

The $AGA_{07\text{-}2016\text{-}1}$ are in a holding period from March 8, 2018 to March 8, 2019.

The $AGA_{07\text{-}2016\text{-}2}$ are in a vesting period until March 8, 2019.

Olivier Madonna has lost his vesting right of $AGA_{07\text{-}2016\text{-}1}$ and $AGA_{07\text{-}2016\text{-}2}$, since he left the Company in 2017.

Quentin Ricomard has lost his vesting right of $AGA_{07\text{-}2016\text{-}2}$, since he left the Company in 2018.

- **$AGA_{01\text{-}2017\text{-}1}$ and $AGA_{01\text{-}2017\text{-}2}$**

On January 18, 2017, the Board of Directors proceeded with new bonus share allocations of 20,000 shares (10,000 of them entitled "**$AGA_{01\text{-}2017\text{-}1}$**" and the remaining 10,000 entitled "**$AGA_{01\text{-}2017\text{-}2}$**"), all attributed to Bruno Besse.

The $AGA_{01\text{-}2017\text{-}2}$ and $AGA_{01\text{-}2017\text{-}2}$ were cancelled by decision of the Board of Directors on May 4, 2017.

- **$AGA_{05\text{-}2017\text{-}2}$ and $AGA_{05\text{-}2017\text{-}2}$**

In replacement of the plans of $AGA_{01\text{-}2017\text{-}2}$ and $AGA_{01\text{-}2017\text{-}2}$, cancelled on May 4, 2017, the Board of Directors, at the same date, proceeded with new bonus share allocations of 20,000 shares (10,000 of them entitled "**$AGA_{05\text{-}2017\text{-}1}$**" and the remaining 10,000 entitled "**$AGA_{05\text{-}2017\text{-}2}$**"), all attributed to Bruno Besse.

The $AGA_{05\text{-}2017\text{-}1}$ are in a vesting period until Friday, May 4, 2018.

The $AGA_{05\text{-}2017\text{-}2}$ are in a vesting period until Saturday, May 4, 2019.

- **$AGA_{08\text{-}2017\text{-}1}$ et $AGA_{08\text{-}2017\text{-}2}$**

On August 22, 2017, the Board of Directors proceeded with new bonus share allocations, for 7,552 shares ("**$AGA_{08\text{-}2017\text{-}1}$**"), i.e. 0.08% of the capital at the date of said Board meeting, and distributed as follows:

- Marine Minder [6]: 3,776 $AGA_{08\text{-}2017\text{-}1}$
- Solène Boitard : 3,776 $AGA_{08\text{-}2017\text{-}1}$

And 7,552 shares ("**$AGA_{08\text{-}2017\text{-}2}$**"), i.e. 0.08% of the capital on the date of said Board meeting, and distributed as follows:

- Marine Minder: 3,776 $AGA_{08\text{-}2017\text{-}2}$
- Solène Boitard: 3,776 $AGA_{08\text{-}2017\text{-}2}$

The $AGA_{08\text{-}2017\text{-}1}$ are in a vesting period until Wednesday, August 22, 2018.

The $AGA_{08\text{-}2017\text{-}2}$ are in a vesting period until Thursday, August 22, 2019.

Marine Minder has lost her vesting right of $AGA_{08\text{-}2017\text{-}1}$ and $AGA_{08\text{-}2017\text{-}2}$, since she left the Company in 2017.

[6] Left the company in 2017

- **AGA$_{04\text{-}2018}$**

On April 6, 2018, the Board of Directors proceeded with new bonus share allocations, for 15,000 shares ("**AGA$_{04\text{-}2018}$**"), i.e. 0;13% of the capital at the date of said Board meeting, and all distributed to Jean-Philippe Milon.

The AGA$_{04\text{-}2018}$ are in a vesting period until April 4, 2019.

11.4 Opérations sur titres des dirigeants et personnes assimilées durant l'exercice

Pursuant to the provisions of Articles 223-22 A and 223-26 of the AMF General Regulation, we inform you of the transactions carried out by the managers and their relatives concerning the Company's shares during the past financial year:

On April 20, 2018, Lionel Ségard bought 7,800 shares on the stock market.
On June 13, 2018, Jean-Philippe Milon bought 11,100 on the stock market.

11.5 Share Buyback Program - Liquidity Agreement

In accordance with the provisions of Articles L. 225-208, L. 225-209-1 and L. 225-211 of the French Commercial Code, we must report to you on the Company's purchase and sale of its own shares.

In accordance with the authorization given to it each year by the General Shareholders' Meeting, the Company has had a liquidity agreement with Invest Securities since April 10, 2014, through the Board of Directors, that is in compliance with the legal or regulatory provisions applicable in this area, in particular to promote liquidity and drive the price of the Company's shares on the Euronext Growth (formerly Alternext) market in Paris.

This contract complies with the code of ethics of the French Association of Financial Markets (AMAFI, formerly AFEI).

As at December 31, 2018, the following assets were on the liquidity account:

- €306,686
- 56,755 securities (0.36% of the total number of shares)

11.6 Subsidiaries and holdings

As at December 31, 2017, as at the date of this report, the Company does not have any subsidiaries or holdings.

11.7 Significant equity investments

In accordance with the provisions of Articles L. 233-6 and L. 247-1 of the French Commercial Code, it is specified that the Company has not taken any equity stake or acquired control during the past financial year.

11.8 Management Team and Committees

The members of the management team during the financial year ended on December 31, 2017 are as follows:

- Lionel SEGARD: Chairman
- Jean-Philippe Milon : CEO
- Mark Karako: Vice President, Finance
- Fabrice Balavoine: Director, Research & Development

- Bruno Besse: Medical Director

Au 31 décembre 2018, les membres des Comités Scientifique sont les suivants :

- Mark CAULFIELD
- Alexandre PERSU
- Keith FERDINAND
- Toshiro FUJITA
- Henry BLACK
- Howard DITTRICH
- Frans LEENEN

Finally, we inform you that Maurice Salama resigned at the beginning of 2018 from his position as a board member of the Company, for reasons that are strictly personal and related in particular to his state of health.

11.9 Status of the terms of office of the Board Members and the Statutory Auditors

We inform you that Marc KARAKO administrator mandate will expire by the General Meeting that will approve the 2018 financial statements. For right corporate governance reasons, by mutual agreement between the Company and Marc Karako, his mandate renewal will not be asked during next General Meeting. A new Administrator researched, with the objective to be nominated by the next General Meeting.

We inform you that none of the other Board Members terms have expired.

The Statutory Auditors' terms has expired during previous June 14, 2018 General meeting, the following has been decided :

- for organizational reasons within the Deloitte Group, the non-renewal of the term of the incumbent Statutory Auditor, Pierre Henri Scacchi et Associés - Deloitte Group, and to propose the appointment of Deloitte et Associés as the new statutory auditor of the Company, for 6 accounting periods taking end by the General Meeting that will approve December 31, 2023, financial accounts.

- the renewal of the term of the alternate auditor, BEAS, for 6 accounting periods taking end by the General Meeting that will approve December 31, 2023, financial accounts

11.10 Money laundering and terrorist financing

Within the framework of the Euronext Growth rules in force, it is specified that the Company, its officers and corporate officers comply with the EC Directive 2005/60 of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing, as well as any other relevant national regulations or laws.

In addition, the Company, its officers and corporate officers do not appear on the European Union sanction list or the list drawn up by OFAC.

11.11 Agreements referred to in Article L. 225-38 of the French Commercial Code

We ask you, in accordance with Article L. 225-40 of the French Commercial Code, to approve the agreements referred to in Article L. 225-38 of the French Commercial Code, entered into and/or which continued during past financial year, having been regularly authorized by the Board of Directors.

Your auditor has been informed of these agreements, which it reports to you in its special report.

We inform you that during March 2018, 2019 meeting, the Board of Directors proceeded a review of past and current agreements.

11.12 Agreements referred to in Article L. 225-39 of the French Commercial Code

The list of agreements relating to ordinary transactions entered into under normal conditions has been kept at your disposal within the statutory periods and communicated to your Statutory Auditor.

11.13 Supplier payment terms

In accordance with the provisions of Article L. 441-6-1 and D. 441-4 of the French Commercial Code, we indicate to you the breakdown of the balance of debts owed to suppliers (excluding invoices not received), by due date:

- For suppliers, the number and the amount of received and no paid invoices which term is overdue. This amount is presented by delay period and expressed in percentage of 2018 purchases.

Factures reçues et émises non réglées à la date de clôture de l'exercice dont le terme est échu (tableau prévu au I de l'article D. 441-4)												
	Article D. 441 I.-1° : received and no paid invoices which term is overdue by Decembre 31, 2018						**Article D. 441 I.-1° : sent invoices no paid which term is overdue by Decemer 31, 2018 non**					
	0 day	1 to 30 days	31 60 days	61 to 90 days	91 days and more	Total (1 day and more)	*0 day*	1 to 30 days	31 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Payment delay period												
Number of invoices concerned	*65*					193						
Global amount of concerned invoices including all taxes	*99788 6*	12282 43	31389 0	38563 0	90965 1	38353 00						
Percentage of 2018 purchases including all taxes	*9%*	10%	3%	3%	8%	33%						
Percentage of 2018 turnover including all taxes												
(B) Invoices excluded from (A), linked to litigious receivables and debts												
Number of excluded invoices												
Global amount of exclued invoices												
(C) Term of payment used (legal or contractual – article L. 441-6 or article L.443-1 of French Commercial Code)												
Term of payment used for delay in payment calculation	□ Contractual terms : (to be precised) □ Legal terms : (to be precised)						□ Contractual terms : (to be precised) □ Legal terms : (to be precised)					

11.14 Dividend distribution

In accordance with the provisions of Article 243 bis of the French General Tax Code, it is recalled that no dividend has been distributed during the last three financial years.

11.15 Evolution of the listed securities during the past financial year

The QUANTUM GENOMICS stock (ALQGC -FR0011648971) is listed on the Euronext Growth Market (formery Alternext) in Paris.

As of December 31, 2018, the share price was €5.34 (compared to €3,15 as at December 31, 2017). The total number of shares traded in 2018 amounted to 54,350,842 shares (Source: Euronext).

QUANTUM GENOMICS share price evolution from January 1st to December 31, 2018 was as follows:

12. FIVE-YEAR FINANCIAL SUMMARY

In accordance with the provisions of Article R. 225-102 of the French Commercial Code, the table showing the earnings of the Company for the last five financial years is reproduced below:

	Financial year 2014	Financial year 2015	Financial year 2016	Financial year 2017	Financial year 2018
Capital at the end of the financial year					
Capital stock	1,923,150.21	2,769,659.67	3,354,781.41	4,393,771.93	6,306,887.99
Number of existing common shares	4,810,087	6,927,334	8,390,811	10,989,392	1,774,349
Financial year operations and results					
Turnover excluding taxes	12,000	6,000	0	0	0
Earnings before tax, employee profit sharing and amortization and provisions	(2,369,866)	(4,451,772)	(6,160,860)	(10,356,785)	(13,233,663)
Taxes on profits (including research tax credit)	(334,953)	(713.844)	(957.927)	(1,149,981)	(1,458,378)
Employee profit-sharing due for the year	0	0	0	0	0
Profit after tax, employee profit-sharing and allocations to Amort. and prov.	(2,206,872)	(3,764,269)	(5,241,359)	(9,381,174)	(11,990,055)
Distributed earnings	0	0	0	0	0
Earnings per share					
Earnings after tax, employee profit-sharing, but before allocations to amortization and provisions	(0.42405)	(0.53959)	(0.62127)	(0.83780)	(0.8389)
Earnings after tax, employee profit-sharing, and allocations to amortization and provisions	(0.45880)	(0.54452)	(0.62466)	(0.85366)	(0.76001)
Dividend distributed to each share	0	0	0	0	0
Staff					
Average number of employees employed during the year	6	9	11	13	13
Amount of payroll for the year	940,436	1,142,826	1,284,076	1,600,355	1,583,221
Amount of benefits paid in the year	362,406	457,371	539,052	855,674	819,429

13. PRESENTATION OF ANNUAL ACCOUNTS

We remind you that the accounts presented to you have been prepared in accordance with the regulations in force and French accounting principles, following the same methods as in the previous financial year.

14. ALLOCATION OF INCOME

We kindly ask you to approve the parent company financial statements (balance sheet, income statement and notes) for the past financial year as presented to you, which show a net accounting loss of (€11,990,055).

We also suggest that you allocate the loss fot he financial year ended December 31, 2018 totalling (€11,990,055) in full to the “Carry forward” item.

It is then suggest to completely reduce the “Carry forward” item which will be negative of €(38,495,697) after allocation of the negative income by allocation to the “issue, merger and transfer premiums” item, which amounted to €(43,950,539) before imputation.

15. NON-DEDUCTIBLE EXPENSES

In accordance with the provisions of Article 223 quater and 223 quinquies of the French General Tax Code, it is specified that the accounts for the past financial year do not show any non-deductible expenses of the tax result.

CORPORATE GOVERNANCE REPORT

In accordance with the provisions of Ordinance No. 2017-1162 of July 12, 2017 and Article L.225-37 paragraph 6 of the French Commercial Code, we present to you, under the terms of this specific section of this report, information relating to the corporate governance report.

1. CORPORATE OFFICERS AND LIST OF OFFICES HELD

At the date of this report, the Board of Directors of the Company is composed as follows:

- Lionel Segard, Chairman of the Board of Directors,

- Christian Bechon, Board Member,

- Marc Karako, Board Member,

- Carole WASSERMANN, Board Member,

- Jean-Paul KRESS, Board Member.

As stated in paragraph 11.8 above of this report, Maurice Salama resigned at the beginning of 2018 from his position as Board Member of the Company, for purely personal reasons and related in particular to his state of health.

As stated in paragraph 5.2 and 11.9 above of the report, March 28, 2019 Board of the Directors decided (i) not to suggest to the next General Meeting Marc Karako Administrator's mandate renewal, expiring, and (ii) to submit to the next General Meeting a resolution nominating Jean-Philippe Milon as new Administrator of the Company.

In accordance with the provisions of Article L. 225-37-4 paragraph 1 of the French Commercial Code, the following is a list of the offices held in any company on December 31st of the year ended by each corporate officer:

Company Board Members			Offices and positions held in other companies		
Positions in the Company	Full name, Date of birth	Salaried position (if applicable)	Characteristics of the Company	Company	Offices and positions exercised
Chairman of the board	Lionel Segard Born on 2/22/1968	Non applicable	Rugby Club Massy Essonne	SASP	Board Member and Vice President
Board Member	Christian Bechon Born on 12/09/1959	Non applicable	OpenHealth Company	SA	Board Member
			Checkpoint Therapeutics (USA)	Inc.	Board Member
			ChB Consultants	SAS	Chairman and CEO
			Dietecom (France)	SARL	Manager
Board Member	Maurice SALAMA* Born on 06/01/1951	Non applicable	MULTIFINANCES INTERNATIONAL	SARL	Manager
Board Member	Carole WASSERMANN Born on 07/20/1965	Non applicable	Wassermann Consulting	SASU	Chairman
CEO	Jean-Philippe MILON** Born on 09/15/1960	CEO	Ionisos	SAS	Board Member
			PLG	SAS	Board Member

**Resigned from its Board Member mandate in the beginning of 2018.*
*** CEO of the Company since 6 April, 2018.*

No mentionned Board Members in the above table do not exercise any mandate or function than the ones in the Company, at Decembre 31, 2018.

2. AGREEMENTS ENTERED INTO BETWEEN A CORPORATE OFFICER OR A SHAREHOLDER HAVING A FRACTION OF THE VOTING RIGHTS GREATER THAN 10% AND, ON THE OTHER HAND, A SUBSIDIARY OF THE COMPANY

In accordance with the provisions of Article L. 225-37-4 paragraph 2 of the French Commercial Code, we inform you that no agreement covered by this legal provision is to be mentioned, the Company having no subsidiary.

3. CURRENT DELEGATIONS GRANTED BY THE GENERAL SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS PURSUANT TO ARTICLES L. 225-129-1 AND L. 225-129-2 OF THE FRENCH COMMERCIAL CODE

In accordance with the provisions of Article L. 225-37-4 paragraph 3 of the French Commercial Code, the table of current delegations of powers and authority granted by the General Shareholders' Meeting on June 8, 2017 to the Board of Directors pursuant to Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code is reproduced below:

Purpose of the resolution	Resolution	Term of authorization and expiration	Terms	Maximum nominal amount in euros
Authorization to be given to the Board of Directors to complete transactions concerning the Company's shares, pursuant to the provisions of Article L. 225-209 of the French Commercial Code	11th	18 months from the date of this meeting, or until December 14, 2019	Authorization to the Board of Directors, with the option of subdelegation under the conditions set by law, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, to acquire a number of shares may exceed 10% of the total number of shares making up the capital stock at the date of this General Meeting, it being specified that the limit of 10% applies to an amount of the capital stock which will, if necessary, be adjusted to take into account transactions affecting said capital after the General Meeting	Maximum amount of the capital increase: 10% of €1,120,435,500
Delegation of authority to be given to the Board of Directors to proceed with the increase of the capital stock, with cancellation of the preferential subscription right and public offering of financial securities (in accordance with Articles L. 225-129 to L. 225-129-6, L. 225-135, L. 225-136, and L. 228-91 to L. 228-97 of the French Commercial Code)	12th	26 months from the date of this meeting, or until August 14, 2020	Delegation of authority to the Board of Directors to decide on the issue, on one or more occasions, at the time or times it will determine and in the proportions that it will assess, both in France and abroad, with cancellation of the preferential subscription right of the shareholders and public offerings of financial securities, (i) of shares of the Company and/or (ii) common shares giving the right to the allocation of other common shares or securities receivables and/or (iii) securities, representing a claim or not, giving access by any means, immediately or in the future, to existing or future shares of the Company or giving right to the attribution of debt securities or a combination of both (including, in particular, bonds convertible into shares with stock warrants), the subscription of which may be released by payment in cash or by compensation with liquid assets held against the Company	Maximum nominal amount* of the capital increase: (i) €8,000,000 for the issue of shares and/or common shares giving the right to the allocation of other common shares and/or non-representative securities of debt securities giving access by any means, immediately or in the future, to existing or future shares of the Company, and (ii) €40,000,000 for issues of securities representing debt securities or giving the right to the allocation of debt securities

Delegation of authority to be given to the Board of Directors to decide to increase the capital stock by issuing - with preferential subscription rights - shares and/or securities giving access to the capital of the Company and/or issue of securities giving right to the allocation of debt securities (in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, in particular Article L. 225-129-2 of the said Code, and the provisions of Articles L. 228-91 et seq. of the said Code)	13th	26 months from the date of this meeting, or until August 14, 2020	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide on the issue, on one or more occasions, in France or abroad, in the proportion and at the times it will consider, of shares (excluding preferred shares), and/or common shares giving the right to the allocation of other common shares or debt securities, and/or securities, representative of a claim or not, giving access by any means, immediately or in the future, to existing or future shares of the Company or giving right to the allocation of debt securities or a combination of both (including in particular, bonds convertible into shares with stock warrants), it being specified that the subscription of shares and/or other securities may be paid either by cash or by receivables, profits or premiums or, under the same conditions, to decide on the issue of securities giving right to the allocation of debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code	Maximum nominal amount* of the capital increase: Idem 12th resolution
Delegation of authority to be given to the Board of Directors to decide to increase the capital stock by issuing - with cancellation of the preferential subscription right - shares and/or securities giving access to the capital of the Company and/or the issue of securities conferring entitlement to the allocation of debt securities through an offer referred to in Article L. 411-2 II of the French Monetary and Financial Code to, among others, qualified investors or a restricted circle of investors	14th	18 months from the date of this meeting, or until December 14, 2019	Delegation of authority to the Board of Directors with the option of subdelegation under the conditions set by law, to decide to increase the capital stock, on one or more occasions, in the proportion and at the times that it assesses, in France or in abroad, by an offer referred to in Article L. 411-2 II of the French Monetary and Financial Code, by the issue of (i) shares (excluding preferred shares) and/or (ii) common shares giving right to the allocation of other common shares or debt securities and/or (iii) transferable securities, representing a claim or not, giving access by any means, immediately or in the future to existing or future shares of the Company or giving right to the allocation of debt securities or a combination of both (including, in particular, bonds convertible into shares with stock warrants), it being specified that the subscription of shares and/or other securities may be released either by payment in cash or by offsetting receivables, or, under the same conditions, to decide the issue of securities giving right	Maximum nominal amount* of the capital increase: Idem 12th resolution in any event 20% of the capital
Delegation of authority to be given to the Board of Directors to decide to increase the capital stock by issuing shares and/or securities giving access to the capital of the Company and/or securities giving rights to the allocation of securities, with cancellation of the preferential subscription right for the benefit of a category of persons (strategic operation) (in accordance with Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135 and L. 225-138 of the said Code, and the provisions of Articles L. 228-91 et seq. of the said Code)	15th	18 months from the date of this meeting, or until December 14, 2019	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide on the issue, on one or more occasions, in France or abroad, by the issue of (i) shares (excluding preferred shares) and/or (ii) common shares giving the right to the allocation of other common shares or debt securities and/or (iii) securities, representative of a right of claim or not, giving access by any means, immediately or in the future, to existing or future shares of the Company or giving right to the allocation of debt securities or a combination of both (including in particular, bonds convertible into shares with stock warrants), it being specified that the subscription of the shares and/or other securities may be paid either by cash or by offsetting claims, or, under the same conditions, to decide on the issue of securities giving right to the allocation of debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code, for the benefit of the category of persons meeting the following characteristics: "*Any natural or legal person involved in the areas or sectors in which the Company operates, and wishing to enter into an agreement with the Company for a strategic partnership, a capital merger or a pooling of resources.* "	Maximum nominal amount* of the capital increase: Idem 12th resolution

Delegation of authority to be given to the Board of Directors to decide to increase the capital stock by issuing shares and/or securities giving access to the capital of the Company and/or securities giving rights to the allocation of debt securities, with cancellation of the preferential subscription right for the benefit of a category of persons (investment transaction) (in accordance with Articles L. 225-129 et seq. of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135 and L. 225-138 of the said Code, and the provisions of Articles L. 228-91 et seq. of the said Code)	16th	18 months from the date of this meeting, or until December 14, 2019	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide on the issue, on one or more occasions, in France or abroad, by the issue of (i) shares (excluding preferred shares) and/or (ii) common shares giving the right to the allocation of other common shares or debt securities and/or (iii) securities, representative of a right of claim or not, giving access by any means, immediately or in the future, to existing or future shares of the Company or giving right to the allocation of debt securities or a combination of both (including in particular, bonds convertible into shares with stock warrants), it being specified that the subscription of the shares and/or other securities may be paid either by cash or by offsetting claims, or, under the same conditions, to decide on the issue of securities giving right to the allocation of debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code, for the benefit of the category of persons meeting the following characteristics: *"Any natural or legal person, including industrial or commercial companies, or investment funds under French or foreign law investing in the pharmaceutical or biotechnology sector, or French or foreign investment service providers or any establishment a foreigner with an equivalent status, likely to carry out such an operation."*	Maximum nominal amount* of the capital increase: Idem 12th resolution
Délégation de compétence à donner au Conseil d'Administration pour décider l'augmentation du capital social par émission d'actions et/ou de valeurs mobilières donnant accès au capital de la Société et/ou de valeurs mobilières donnant droit à l'attribution de titres de créance, avec suppression du droit préférentiel de souscription au profit d'un bénéficiaire désigné, la société KEPLER CHEUVREUX (conformément aux dispositions des articles L. 225-129 et suivants du Code de commerce, notamment des articles L. 225-129-2, L. 225-135, et L. 225-138 dudit Code, et aux dispositions des articles L. 228-91 et suivants dudit Code)	17ème	18 mois à compter de la présente assemblée, soit jusqu'au 14 décembre 2019	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide on the issue, on one or more occasions, in France or abroad, by the issue of (i) shares (excluding preferred shares) and/or (ii) common shares giving the right to the allocation of other common shares or debt securities and/or (iii) securities, representative of a right of claim or not, giving access by any means, immediately or in the future, to existing or future shares of the Company or giving right to the allocation of debt securities or a combination of both (including in particular, bonds convertible into shares with stock warrants), it being specified that the subscription of the shares and/or other securities may be paid either by cash or by offsetting claims, or, under the same conditions, to decide on the issue of securities giving right to the allocation of debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code, for KEPLER CHEUVREUX	Maximum nominal amount* of the capital increase: Idem 12th resolution
Delegation of authority to be given to the Board of Directors to decide to increase the capital stock by incorporation of bonuses, reserves, profits or other (in accordance with the provisions of Articles L.225-129 et seq. of the French Commercial Code)	18th	26 months from the date of this meeting, or until August 14, 2020	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide to increase the capital stock in one or more times in the proportion and at the times that it will assess by incorporation of premiums, reserves, profits or others whose capitalization will be legally and statutorily possible, in the form of issue of new equity securities or increase of the amount of the capital stock or by the joint use of these two processes	Maximum nominal amount* of the capital increase: €8,000,000

Delegation of authority to be given to the Board of Directors to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights (in accordance with the provisions of Article L. 225-135-1 of the Commercial Code)	19th	26 months from the date of this meeting, or until August 14, 2020	Delegation of authority to the Board of Directors, with the option of subdelegation under the conditions set by law, to decide to increase the number of securities to be issued in the event of an increase in the capital stock of the Company with or without preferential subscription rights, at the same price as that used for the initial issue, within the time and limits provided for by the regulations applicable on the day of the issue (to date, within thirty days of the closing of the subscription and within the limit of 15% of the initial issue), in particular with a view to granting an over-allotment option in accordance with market practice	Maximum nominal amount* of the capital increase: Up to 15% of the initial issue
Delegation of authority to be given to the Board of Directors to decide on the increase of the capital stock through the issuance of shares or securities giving access to the capital reserved for members of savings plans with cancellation of the preferential subscription right in favor of the latter (in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code, and secondly with Articles L 3332-1 et seq. of the French Labor Code)	20th	18 months from the date of this meeting, or until, December 8, 2019	Delegation of authority to the Board of Directors to proceed, with the option of subdelegation under the conditions set by law, for the purpose of deciding to proceed, on one or more occasions, in the proportions and at the times that it will assess, to the increase of the capital stock, within the limit of 3% of the capital stock on the day of the Board of Directors' decision, by issuing shares (with the exception of preference shares) reserved for employees of the Company or any company within the scope of consolidation or combination of accounts pursuant to Article L.3344-1 of the French Labor Code which are, where applicable, members of one or more employee savings plans (or any other plan to the members of which Articles L. 3332-1 et seq. of the French Labor Code or any similar law or regulation would make it possible to reserve a capital increase under equivalent conditions) set up within the Company or any related company	Maximum nominal amount* of the capital increase: Up to 3% of the capital
Authorization to be given to the Board of Directors to reduce the capital by canceling the shares bought back (in accordance with the provisions of Articles L. 225-204, L.225-205 and L.225-209 paragraph 7 of the French Commercial Code)	23h	18 months from the date of this meeting, or until December 14, 2019	Authorization to the Board of Directors to reduce the capital stock by cancelling the shares of the Company that it would be required to hold in the context of the delegation subject of the 1st resolution above, up to 10% of the capital of the Company for a period of twenty-four (24) months, in accordance with Article L. 225-209 of the French Commercial Code,	N/A

(*) The nominal amount of the ceiling for capital increases authorized for the 12th to 22 th resolutions will be deducted from the total authorized ceiling of €70,000,000.

It is also explained that the below delegation of authorities, granted by the General Meeting of June 8, 2017 to the Board of Directors, are still ongoing, under the conditions of Article L.225-129-1 and L.225-129-2 of the French Commercial Code.

Delegation of authority to be given to the Board of Directors to grant bonus shares of existing or future shares to the benefit of the employees and corporate officers of the group or of some of them in the context of the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code	15th	38 months from the date of this meeting, or until Saturday, August 8, 2020	Delegation of authority to the Board of Directors, in accordance with the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, to grant, on one or more occasions, bonus share allocations of existing or future shares (excluding preferred shares), for the benefit of the beneficiaries or categories of beneficiaries that it will determine among the salaried employees of the Company or the companies or groupings related to it under the conditions set out in Article L. 225-197-2 of the said Code and the executive officers of the Company or of the companies or groupings related to it which meet the conditions set forth in Article L. 225-197-1, II of the said Code	Up to 10% of the capital*

(*) The nominal amount of the ceiling for capital increases authorized for the 12th to 22 th resolutions will be deducted from the total authorized ceiling of €100,000,000.

4. TERMS OF EXERCISE OF GENERAL MANAGEMENT

In accordance with the provisions of Article L. 225-37-4 paragraph 4 of the French Commercial Code, we inform you that the Company has made the choice, as soon as it has been converted into a public limited company, of general management exercised by the Chairman of the Board of Directors.

As mentioned before, the Board of Directors decided, during the April 6, 2018, to separate Chairman and CEO's functions.

We inform you that during 2018, the Chairman of the Boards perfomed, in association with the CEO, specials missions for the Company:

- Formal and informal meetings with (i) key opinion leaders and researchers in cardiology, (ii) French and international biotech specialized investors, and (iii) industries in the pharmaceutical or heath field.

FINANCIAL STATEMENTS AND APPENDICES

financial annual accounts

Quantum Genomics

31/12/2018

KPMG

Balance sheet assets

Quantum Genomics

Registered Number : 48799664700029

* Mission de Présentation-Voir l'attestation

Assets			Period			Previous period
			Gross Amount	Depr. or Allow.	Net amount	at : 31/12/2017
Uncalled subscribed capital						
Fixed assets	Intangible fixed assets	Start up costs				
		Research and development costs				
		Franchises, patents and similar assets	6 283	6 283		90 945
		Goodwill				
		Other intangible fixes assets				
		Intangible assets in progress				
		Advance payments on intangible fixed assets				
		TOTAL	6 283	6 283		90 945
	Tangible fixed assets	Land				
		Buildings				
		Industrial fixtures and equipment	22 911	16 495	6 415	464
		Other tangible fixed assets	110 828	93 394	17 433	51 747
		Tangible fixed assets in progress				
		Advance paymments on tangible fixed assets				
		TOTAL	133 739	109 890	23 849	52 211
	Financial fixed assets	Investments measured using the equity method				
		Other investments				
		Loans to group and related companies				
		Investments held in portfolio for the long term				
		Other investments	564 141		564 141	258 052
		Loans				
		Other financial assets	37 531		37 531	37 531
		TOTAL	601 672		601 672	295 584
		Total fixed assets	**741 695**	**116 173**	**625 522**	**438 741**
Current assets	Inventories	Raw material and supplies	421 907		421 907	188 888
		Work in progress (goods)				
		Work in progress (services)				
		Finished goods and by-production				
		Merchandise				
		TOTAL	421 907		421 907	188 888
	Advances to suppliers					
	Receivables	Trade accounts receivable				
		Other receivables	2 021 216		2 021 216	1 613 976
		Unpaid called capital				
		TOTAL	2 021 216		2 021 216	1 613 976
	Other	Marketable securities	8 023		8 023	5 001 505
		(of which own shares :)				
		Cash instruments				
		Available funds	14 789 218		14 789 218	6 087 727
		TOTAL	14 797 242		14 797 242	11 089 232
Prepaid expenses			614 480		614 480	583 437
		Total current assets	**17 854 846**		**17 854 846**	**13 475 535**
Defered charges						
Premiums on redemption of borrowings						
Exchange rate differences assets			67		67	2 853
		Total assets	18 596 609	116 173	18 480 436	13 917 130

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Balance sheet liabilities

Quantum Genomics

* Mission de Présentation-Voir l'attestation

	Liabilities	Period	Previous period
Shareholder's funds	Share capital (of which paid up : 6 306 887)	6 306 887	4 393 771
	Share premiums (mergers, contributions)	43 950 539	30 790 466
	Revaluation variance		
	Equity reserve		
	Reserves		
	Legal reserve		
	Statutory reserves		
	Tax regulated reserves	95 939	182 904
	Other reserves		
	Profit and loss account brought forward	-26 495 642	-17 114 468
	Previous results not yet alloted		
	Result for the financial year (profit or loss)	-11 990 055	-9 381 174
	Net worth before allocation	11 867 668	8 871 499
	Investment grants		
	Special provision for tax purposes		
	Total	**11 867 668**	**8 871 499**
Other funds	Subordinated equity		
	Advances subject to covenants	1 030 000	1 257 500
	Total	**1 030 000**	**1 257 500**
Provisions	Provisions for risks	67	2 853
	Provisions for future costs	259 655	
	Total	**259 722**	**2 853**
Liabilities	Financial liabilities		
	Convertible debenture loans		
	Other debenture loans		
	Borrowing from credit institution	2 266	1 105
	Other borrowings		
	Total	**2 266**	**1 105**
	Advances received on orders		
	Trade accounts payable and related liabilities	4 731 854	3 313 429
	Taxes and social debts	569 852	444 509
	Liabilities related to fixed assets		
	Other debts	11 863	19 156
	Cash instruments		
	Total	**5 313 570**	**3 777 095**
	Income recorded in advance		
	Total liabilities and income recorded in advance	5 315 836	3 778 200
	Exchange rate differences liabilities	7 207	7 076
	TOTAL LIABILITIES	**18 480 436**	**13 917 130**
	Leasing for buildings		
	Leasing for other equipment		
	Non expired discounted notes receivable		

Profit and loss account

Quantum Genomics

Periods 01/01/2017 31/12/2017 Length 12 months
01/01/2018 31/12/2018 12 months

* Mission de Présentation-Voir l'attestation

			France	Export	Total	Previous period
Operating income	Sales of purchased goods					
	Sales of manufactured goods					
	Sales of services					
	Net sales					
	Changes in stock of manufactured goods and work in progress					
	Production of fixed assets capitalised					
	Partial profits on long term contracts					
	Trading incentive grants					
	Write back of depreciation, provisions and transferred charges				67 575	25 681
	Other income				3 686	3
		Total			71 261	25 684
Charges d'exploitation	Goods: Purchases					
	Goods: Change in inventory					
	Raw materials and other supplies: Purchases				479 332	6 172
	Raw materials and other supplies: Change in inventory				-178 019	767 319
	Other purchases and expenses				10 399 817	6 939 604
	Taxes				21 040	19 560
	Wages and salaries				1 583 221	1 600 355
	Social security charges				819 427	855 674
	Depreciation and Provisions: Depreciation - on fixed assets				19 018	25 868
	Depreciation and Provisions: Provisions - on current assets: provisions				29 591	
	Depreciation and Provisions: Provisions - for risks and future costs: provisions					55 000
	Other expenses				259 655 236 287	48 007
		Total			13 669 373	10 317 561
		Operating result	A		-13 598 111	-10 291 876
Joint venture oper.	Profit attributed or loss transferred		B			
	Loss attributed or profit transferred		C			
Financial income	From shares in group companies					
	From other investments					
	Interests and similar incomes				10 539	27 851
	Write back of provisions and transferred charges				93 502	1 478
	Exchange gain					3 072
	Net profit on disposals of current financial investments					
		Total			104 041	32 401
Financial expenses	Increase of provisions against financial assets				67	93 502
	Interests payable and similar charges					
	Exchange loss					2 202
	Net losses on disposals of current financial investments					
		Total			67	95 704
		Net financial result	D		103 974	-63 302
RESULT OF ORDINARY OPERATIONS BEFORE CORPORATE TAX ON PROFIT (±A+B-C±D)			**E**		**-13 494 137**	**-10 355 179**
Exceptional income	On operating items				33 193	1 342
	On capital items				300 846	127 674
	Write back of provisions and transferred charges					
		Total			334 039	129 017
Exceptional expenses	On operating items				102 929	9 669
	On capital items				185 406	295 323
	Depreciation and provisions					
		Total			288 336	304 992
		Net exceptional result	F		45 703	-175 975
Employees' profit sharing plan			G			
Corporate tax on profit			H		-1 458 378	-1 149 981
PROFIT OR LOSS (± E ± F - G -H)					**-11 990 055**	**-9 381 174**

Cash Flow statement K€	2018	2017
Résultat de la période	**-11 990**	**-9 381**
Net income		
Non-cash adjusting entries	162	173
Net income non-cash adjusting entries corrected	**-11 828**	**-9 208**
Stock variation	-178	767
Trade receivables variation	0	
Supplier variation	1 418	1 101
Accrued taxes and employee benefits expense variation	125	-40
Other payables and deferred revenues variation	-7	1
Other receivables and prepaid expenses variation	-431	-598
Need for working capital variation	**927**	**1 231**
Cash flow from operations	**-10 901**	**-7 977**
Intangible assets acquisition	0	40
Tangible assets acquisition	-16	-8
Financial assets acquisition	-215	114
Cash flow from investment	**-231**	**146**
Capital increase (net of related costs)	15 071	7 733
new loans and contributions in current account	0	
Repauments of loans and current account	0	-10
Various (including BPI France advance)	-231	
Cash flow from funding	**14 841**	**7 723**
Cash - start of the year	11 089	11 198
Cash - end of the year	**14 797**	**11 089**
Cash variation	**3 708**	**-108**

SA Quantum Genomics

Notes to the annual accounts as at December 31, 2018

Amounts expressed in EUR

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1 Major events

1.1 Main events of the period

On March 5, 2018, the Company obtained a line of equity financing, structured and guaranteed by Kepler Cheuvreux, up to a maximum of €24 million over 3 years. A first tranche of 2,197,000 shares has already been issued. The balance of the issue has been approved by the Board of Directors on June 14, 2018.
During 2018, warrants have been exercised, thus increasing the share capital by €15 million (including premiums related to capital), via the creation and issue of 4,784,957 new shares.

1.2 Events after the close

The Montparnasse Tower is up to close its gates due to a major renovation project, the Company has therefore started to look for new offices.
On February 12, 2019, a lease cancellation agreement has been signed with the lender. The Company will relocate during the first semester of 2019. A depreciation of K€30 has been recognised since arrangements made by the Company will not be used anymore.

1.3 Accounting principles, rules and methods

The annual accounts have been drawn up in accordance with the provisions of ANC Regulation 2014-03 and the Commercial Code.

The general accounting conventions have been applied in accordance with the principle of prudence, in accordance with the basic assumptions:

- going-concern principle,
- consistency of accounting methods from one year to the next,
- independence of financial years, in accordance with the general rules for the preparation and presentation of annual accounts.

The reference period of the accounts is 12 months covering the period from January 1 to December 31, 2018.

1.4 Going-concern principle

Given its activity, the company must be able to finance research until the marketing of pharmaceuticals or the transfer of rights on its work.

Cash available at December 31, 2018 (€14,8 million) and the equity financing line granted by Kepler Cheuvreux on March 5, 2018, allow the Company to continue its programs beyond 2019.

2 Balance sheet information

2.1.1 Schedule of fixed assets

FIXED ASSETS (€)	Gross value 12/31/2017	Acquisitions	Transfers between line items	Disposals	Gross value 12/31/2018
Start-up and development costs					
Other intangible fixed assets	134,283			128,000	6,283
Intangible fixed assets	**134,283**			**128,000**	**6,283**
Land					
Buildings					
General installations, fixtures, various fittings	14,912	8,000			22,912
Other tangible fixed assets	102,852	7,976			110,828
Current tangible fixed assets					
Down payments made on tangible assets					
Tangible fixed assets	**117,764**	**15,976**			**133,740**
Equity interests					
Other interests					
Long-term securities	348,702	1,810,340		1,594,900	564,141
Loans and other long-term investments	37,531				37 531
Long-term investments	**386,233**	**1,810,340**		**1,594,900**	**601,673**
Fixed assets	**638,280**	**1,826,316**		**1,722,900**	**741,696**

2.1.2 Schedule of depreciations and provisions

DEPRECIATIONS & PROVISIONS (€)	Cumulative at 12/31/2017	Allowances	Write-backs	Cumulative at 12/31/2018
Start-up and development costs				
Other intangible fixed assets	43,337	4,271	41,326	6,283
Intangible fixed assets	**43,337**	**4,271**	**41,326**	**6,283**
Land				
Buildings				
General installations, fixtures, various fittings	14,447	2,049		16,496
Other tangible fixed assets	51,105	12,698		63,803
Current tangible fixed assets				
Down payments made on tangible assets				
Tangible fixed assets	**65,552**	**14,747**		**80,299**
Equity interests				
Other interests				
Long-term securities				
Loans and other long-term investments				
Long-term investments				
Total	**108,889**	**19,019**	**41,326**	**86,582**

Provisions for depreciation (€)	Cumulative at 12/31/2017	Allowances	Write-backs	Cumulative at 12/31/2018
Tangible		29,591		29,591
Others financial assets	90,649		90,649	
TOTAL	**90,649**	**29,591**	**90,649**	**29,591**

2.1.3 Tangible fixed assets

Tangible fixed assets are valued at their acquisition cost, after deduction of rebates and discounts or their cost of production.

Impairment is recognized when the present value of an asset is less than the net book value.

2.1.3.1 *Depreciation*

Types of fixed assets	Method	Duration
Machinery and equipment	Straight-line	3 years
General facilities	Straight-line	10 years
Office equipment	Straight-line	3 to 5 years
Office furniture	Straight-line	10 years

2.1.4 Intangible fixed assets

Intangible fixed assets are valued at their acquisition cost, after deducting rebates and discounts or at their production cost.

Impairment is recognized when the actual value of an asset is less than its net book value.

2.1.4.1 *Software*

The company owns several different software packages for a purchase value of €6,283, and fully depreciated.

2.1.4.2 *License*

The €128,000 license for the assets concerns an exclusive patent and know-how license granted jointly by several French public institutions, as INSERM worldwide to the benefit of the company.

The Company decided to record costs associated with this licence agreement in operating expenses, payment of 2018 milestone being recorded this way, and fair value of the previous intangible asset being recorded in exceptional expenses.

2.1.4.3 *Research and development costs*

These costs can be recognized as assets if they relate to clearly individualized projects with a high probability of technical success and commercial profitability.

The following conditions must therefore be fulfilled simultaneously:

- the technical feasibility of completing the intangible fixed asset for commissioning or sale;
- the intention to complete the intangible fixed asset and use or sell it;

- the ability to use or sell the intangible fixed asset;
- the ability of the intangible fixed asset to generate probable future economic benefits. The entity shall demonstrate, among other things, the existence of a market for the production from the intangible fixed asset or the intangible fixed asset itself, or, if it is to be used internally, its usefulness;
- the availability of adequate resources (technical, financial and other) to complete the development and use or sell the intangible fixed asset;
- and the ability to reliably measure the expenditure attributable to the intangible fixed asset during its development.

In light of the above conditions, Quantum Genomics' research and development expenses are not recorded under the assets, given the uncertainties over the technical feasibility and prospects for future economic benefits.

The amount recorded for clinical trial subcontracting expenses for the year totalled €8 million.

2.1.5 Long-term investments

2.1.5.1 Securities of subsidiaries and interests

The company does not have a subsidiary or interest.

2.1.5.2 Autres titres immobilisés

A liquidity agreement was put in place with Aurel BGC on April 10, 2014 and transferred to Invest Securities on April 13, 2015.

Number of securities at 12/31/2018 :	56,755 shares
Buying price :	€257,455
Valuation of the securities at 12/31/2018 :	€303,072
Amount of liquidity at 12/13/2018 :	€306,686

As the price at December 31, 2018 was higher than the purchase price, no provision for impairment was recorded.

2.1.6 Receivables

Receivables are valued at their nominal value. Impairment is applied when the inventory value is lower than the book value.

2.1.6.1 Classification by due date

STATEMENT OF RECEIVABLES (€)			Gross amount	At most at 1 year	At more than 1 year
FIXED ASSETS	Receivables related to equity investments				
	Loans				
	Other long-term investments		37,531	31,658	5,873
	Social security and other social welfare bodies		1,878	1,878	
	State and other public authorities	Corporate income tax	1,469,899	1,469,899	
		Value added tax	505,931	505,931	
		Other taxes, duties and similar			
		Other	13,690	13,690	
	Group and partners				
	Miscellaneous receivables (including receivables related to repo transactions)		29,819	29,819	
Prepaid expenses				Prepaid expenses	
TOTAL			2,673,228	2,667,355	5,873

The "Corporate taxes" line corresponds to the research tax credit (CIR) receivables for the 2018 financial year, as well as receivables related to the employment and competition tax credit (CICE).

2.1.7 Stock

2.1.7.1 *Inventory*

Stock category	Gross value	Depreciation	Net value
Raw material Finished products In progress	421,907	0	421,907

This concerns the stock of active ingredients for the conduct of preclinical and clinical trials.

2.1.7.2 *Stocks of purchased products*

Raw material stocks are valued using the FIFO method.

The purchase cost is composed of the purchase price plus the transport costs.

2.1.7.3 *Depreciation methods*

A provision for depreciation of inventories is made on a case-by-case basis where appropriate.

2.1.8 Accrual accounts

2.1.8.1 *Prepaid expenses*

Prepaid expenses consist only of ordinary expenses, the effect of which on the result is carried forward to a subsequent period.

The details as of December 31, 2018 are found below:

Property rentals	49,338 €
Studies and products invoiced but not yet produced	416,366 €
Cotisations	18,747 €
Publications	61,716 €
Various	652 €
Fees	9,838 €
Travels	33,339 €
Congress	8,589 €
Insurances	15,895 €
	614,480 €

2.1.8.2 *Unrealized foreign exchange gains*

Expenses and income in foreign currencies are recorded for their value at the date of the transaction.
Debts and receivables in foreign currency are shown in the balance sheet at their exchange rate at the end of the year.
The difference resulting from the discounting of debts and receivables in foreign currencies at the latter rate is recorded in the balance sheet as "unrealized foreign exchange gains".

Unrealized foreign exchange losses are fully subject to a provision for risks.

Descriptions	Amount in foreign currency	Valuation on the date of the transaction	Valuation at closing	Unrealized foreign exchange gains	Unrealized foreign exchange losses	Provision for Foreign Exchange Loss
Supplier advances	72,545 USD	63,239 €	62,310 €	67 €	996 €	67 €
Trade accounts payable	167,439 GBP	191,935 €	185,723 €		6,212 €	
				67 €	7,208 €	67 €

2.1.8.3 *Accrued income*

The details as at December 31, 2018 can be found below:

Descriptions	Amount (€)
Grant to receive	29,059
State	13,690
TOTAL	**42,749**

2.1.9 Cash and cash equivalents

Financial investments consist of term deposits in the amount of k€8.

There is no need to establish a provision for depreciation as of December 31, 2018.

2.2 Liabilities

2.2.1 Statement of changes in shareholders' equity

Descriptions (€)	12/31/2017	+	-	12/31/2018
Capital	4,393,771	1,913,116		6,306,887
Capital premiums, reserves and stock warrants	30,973,370	13,166,071	92,962	44,046,479
Carried forward	-17,114,468		9,381,174	-26,495,642
Earnings 12/31/2017	9,381,174	9,381,174		0
Earnings 12/31/2018			11,990,056	-11,990,056
Total	**8,871,499**	**24,460,361**	**21,464,192**	**11,867,668**

Changes during the financial year

The capital is composed of 15,774,349 shares as at December 31, 2018.

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Quantum Genomics
Notes to the annual accounts as at December 31, 2018
Montants exprimés en EUR

	Number of shares	Capital increase in €	Issue premium in €	Stock warrants in €
Position at the beginning of the financial year	10,989,392	4,393,772	30,442,603	348,863
Payment of BSAR 2016 reported on 12/31/2017				31
Board of Directors' meeting 03/08/2018 – Capital increase – Bonus share allocation	214,963	85,945		
Report of CEO and Chairman of the Board – issuing of 2,197,000 BSAa				500
Board of Directors' meeting of 04/06/2018 – Bonus share allocation – Unavailable shares			- 5,997	
Board of Directors' meeting of 05/04/2018 – Capital increase – Bonus share allocation	10,000	3,998		
Report of CEO decisions dated 06/15/2018 – Capital increase by exercise of BSAA 2018	270,000	107,951	485,549	
Report of CEO decisions dated 06/15/2018 – Capital increase by exercise of BSAR 2016	2	1	15	
Report of CEO decisions dated 06/27/2018 – Capital increase by exercise of BSAA 2018	70,000	27,987	118,013	
Report of CEO decisions dated 06/27/2018 – Capital increase by exercise of BSAR 2016	16	6	118	
Report of CEO decisions dated 08/30/2018 – Capital increase by exercise of BSAA 2018	445,000	177,920	550,580	
Report of CEO decisions dated 10/01/2018 – Capital increase by exercise of BSAR 2016	56	22	412	
Report of CEO dated 10/01/2018 – Capital increase by exercise of BSAA 2018	475,000	189,914	607,836	
Board of Directors' meeting of 10/03/2018 – Capital increase – Bonus share allocation	3,776	1,510		
Report of CEO decisions dated 10/23/2018 – issuing of BSAB second part of Kepler Cheuvreux equity line				500
Report of CEO decisions dated 11/05/2018 – Capital increase – exercise of BSAA 2018	937,000	374,631	1,399,419	
Report of CEO decisions dated 12/03/2018 – Capital increase – exercise of BSAB 2018	180,000	71,967	477,033	
Board of Directors' meeting of 03/10/2018 – Capital increase – exercise of BSA 06-2010	9,000	3,598	9,362	
Report of CEO decisions dated 12/31/2018 – Capital increase – exercise of BSAB 2018	2,050,000	819,629	9,479,871	
Report of CEO decisions dated 12/31/2018 – Capital increase – exercise of BSA 2017	120,144	48,036	522,648	
Departure of the Company of Quentin Ricomard, cancellation of AGA 07/2016 2			1,520	
Allocation of issue costs			- 487,324	
Variation of the period	4,784,957	1,913,116	13,159,042	1 031
end of period position before grouping	15,774,349	6,306,888	43,600,645	349,894

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Warrants (BSAs)

Warrants (BSAs)	Number of warrants subscribed	Number of warrants exercised since subscription	Number of warrants remaining to be exercised	Number of new shares attached to the warrants remaining to be exercised	Period of validity
BSA2009 Award	2,022,870	1,615,891	406,979	101,745	10 ans
BSA06-10 Award	5,766,967	2,746,000	3,020,967	167,832	10 ans
BSA06-12 Award	1,120,000	145,000	975,000	54,167	10 ans
BSA11-13 Award	97,551		97,551	97,551	10 ans
BSA11-13-2 Award	298,542		298,542	298,542	10 ans
BSAR2016 Award	1,429,973	1,792			Caduque
BSA2017 Award	2,191,698	160,192	2,031,506	1,523,630	26/01/2020
	12,927,601	4,668,875	6,830,545	2,243,458	

(*) The Company reminds of Kepler Cheuvreux equity line of €24 million over 3 years, set up and structured since March 5, 2018. This equity line is used at the discretion of the Company, by warrants issues, with a non-fixed price which differs according with market price fluctuation. Therefore, the potential issued warrants cannot be calculated since it is a function of the market price and the funding opportunities expressed in euros.
At December 31, 2018, 4,427,000 new shares had been issued in this context for €14,9 million. Thus, the Company can increase its share capital by €9,1 million issuing new shares with this equity line.

All the warrants (not including Kepler Cheuvreux equity line) subscribed as at December 31, 2018 give the right to purchase 2,243,458 new shares.

- the BSA_{2009} allow the purchase of 0.25 new shares at a price of 0.3996 euros per share,
- the $BSA_{06\text{-}10}$ allow the purchase of 0.055 new shares at a price of 1.44 euros per share,
- the $BSA_{06\text{-}12}$ allow the purchase of 0.055 new shares at a price of 3.24 euros per share,
- the $BSA_{11\text{-}2013}$ allow the purchase of 1 new shares at a price of 6.12 euros per share,
- the BSA11-2013-2 allow the purchase of 1 new share at a price of 6.30 euros per share.
- the BSAR2016 allow the purchase of 0.5 new share at a price of 7.75 euros per share. Since September 16, 2018, this warrants are invalids.
- the BSA2017 allow the purchase of 0.75 new share at a price of 3.75 euros per share.

Bonus share allocation

Attribution d'actions gratuites	Nombre AGA au 31/12/2018	% capital	Réserve indisponible (€)	Durée de la période d'acquisition	Date limite
Attribution AGA 07/2016-2	211,184	1,34%	84,435	33 mois	08/03/2019
Attribution AGA 05/2017-2	10,000	0,06%	3,998	24 mois	04/05/2019
Attribution AGA 08/2017-2	3,776	0,02%	1,510	24 mois	22/08/2019
Attribution AGA 04/2018	15,000	0,10%	5,997	12 mois	12/04/2019
	239,960	1,52%	95,940		

The shareholders' meeting of December 22, 2015 authorized the Board of Directors for a period of 38 months to proceed with the allocation of bonus shares up to a limit of 10% of the share capital on the day of the decision of the Board of Directors.

The board of directors' meetings of March 2, 2016 and July 8, 2016 adopt the bonus share allocation plan for the benefit of salaried employees and corporate officers of the group.

The shares awarded will be issued by the Company upon expiry of a vesting period.

In 2017, the boards of directors accordingly decided to deduct the sum of €14,034 from the "issue premium" account in order to allocate it to an account known as a "reserve account for the purpose of definitive allocation of bonus shares".

On March 8, 2018, the Board of Directors noted the final completion of the capital increase of €85,944 (Bonus share allocation AGA 07-2016-1) by incorporation of the reserves. A stock holding period of 21 months was decided by the Board of Directors on July 8, 2016, the shares concerned are therefore non-transferable until December 8, 2019.

On May 4, 2018, the Board of Directors noted the final completion of the capital increase of €3,998 (Bonus share allocation AGA 05-2017-1) by incorporation of the reserves. A stock holding period of 12 months was decided by the Board of Directors on May 4, 2017, the shares concerned are therefore non-transferable until May 4, 2019.

On April 6, 2018, the Board of Directors decided to deduct the sum of €5,997 (Bonus share allocation AGA 04-2018) from the "issue premium" account in order to allocate it to a so-called "reserve account for the definitive allocation of bonus shares".

Following a departure of an employee whose allocation of bonus shares had been granted for €1,510, this amount was reallocated to the "issue premium" account.

On October 3, 2018, the Board of the Directors noted the final completion of the capital increase of €1,510 (Bonus share allocation AGA 08-2017-1) by incorporation of the reserves. A stock holding period of 12 months was decided by the Board of Directors on August 22, 2017, the shares concerned are therefore non-transferable until August 22, 2019.

2.2.2 Conditional advances

The accounts show:

- A conditional advance granted by OSEO (Bpifrance) in 2008 and whose characteristics are as follows:

- Subject: "Preclinical development of a treatment for arterial hypertension, by inhibition of aminopeptidase A"
- Total amount of aid: €740,000

The company has already reimbursed a lump sum of €212,500 as at June 30, 2017 and, only in case of technical success, it will have to repay the remaining amount of €527,500. During 2018, €187,500 have been reimbursed, therefore the Company has to repay €340,000 according to the following schedule:

Échéance	Remboursement
31/03/2019	50 000 €
30/06/2019	72 500 €
30/09/2019	72 500 €
31/12/2019	72 500 €
31/03/2020	72 500 €
Total	**340 000 €**

In addition, the company is committed to ensuring that the maximum repayment annuity corresponds to 49.75% of the revenue generated by the project in the previous calendar year, and the additional amounts thus paid will be deducted first and foremost from the last due date for OSEO (Bpifrance) or if necessary on the second to last date.

- A conditional advance granted by Bpifrance in 2014 and whose characteristics are as follows:
  - Subject: "Innovation assistance for the development and testing of the clinical efficacy of several combinations of QGC001 products with hypertensive agents. "
  - Total amount of aid: €260,000
  - Terms of payment of the aid:
    - After signing the contract: €200,000 (September 2014)
    - At the completion of the work: €60,000 (paid in April 2016)

- Repayment schedule:
- If successful, the advance will be reimbursed up to € 260,000, by quarterly instalments according to the following schedule:

Année	Remboursement
2017	15 000 €
2018	35 000 €
2019	70 000 €
2020	110 000 €
2021	30 000 €
Total	**260 000 €**

At December 31, 2017, two payments of €5,000 were drawn, in other words €10,000 against €15,000 originally planned in the schedule. The remaining €5,000 were taken at the beginning of 2018.

Concerning the repayment of the €35,000 planned in 2018, all was reimbursed according to the schedule.

The balance of the advance on 12/31/2018 is therefore €210,000.

In addition, the company has committed that the maximum repayment annuity will correspond to 30% of the revenue generated by the project in the previous calendar year and that the additional amounts thus paid will be deducted in priority from the last due date for Bpifrance or if necessary on the second to last date.

Whatever the outcome of the study, the lump sum reimbursement will be at least € 100,000 according to the same schedule that will end on Monday, September 30, 2019.

- A conditional advance granted by Bpifrance on 09/28/2016 and whose characteristics are as follows:
  - Subject: "Innovation assistance for the clinical development of QGC001 products for heart failure and phase IIa study"
  - Total amount of aid: €800,000
  - Terms of payment of the aid:
    - After signing the contract: €480,000 (September 2016)
    - At the completion of the work: €320,000
  - - Repayment schedule:
  - If successful, the advance will be reimbursed up to €800,000, by quarterly installments according to the following schedule:

Année	Remboursement
2019	120 000 €
2020	160 000 €
2021	160 000 €
2022	160 000 €
2023	160 000 €
2024	40 000 €
Total	**800 000 €**

Whatever the outcome of the study, the lump sum reimbursement will be at least €400,000 according to the same schedule that will end on Wednesday, June 30, 2021.

2.2.3 Provisions for risks and charges

Nature of Provisions	Amount at the beginning of the year	Increase: Allowances for the year	Decrease: Resumption of the financial	Amount at the end of the financial year
Provisions for foreign exchange losses	2,853	68	2,853	68
Other provisions for charges		259,655		259,655
TOTAL	2,853	259,723	2,853	259,723

The other provision for charges of €259,655 refers to bonus share allocation's employer's contribution. This contribution will be due by the end of the vesting period. This provision has been based on the average stock level of the 30 last trading days preceding the estimation.

2.2.4 Debts

2.2.4.1 *Classification by due date*

STATEMENT OF DEBTS (€)		Gross amount	1 year at most	Between 1 and 5 years	More than 5 years
Other bond loans					
Loans and debts with credit institutions	1 year maximum originally	2,266	2,266		
	More than 1 year originally				
Loans and other financial debts					
Trade accounts payable		4,731,854	4,31,854		
Personnel and related accounts payable		284,483	284,483		
Social security and other social welfare bodies		221,098	221,098		
State and other public authorities	Corporate income tax				
	Value added tax	12,862	12,862		
	Guaranteed bonds				
	Other taxes, duties and similar	51,409	51,409		
Debts on fixed assets and related accounts		11,864	11,864		
Group and partners					
Other debts (including those relating to repurchase transactions)					
Debt representing securities borrowed or pledged as collateral					
Prepaid income					
TOTAL		5,315,837	5,315,837		

2.2.4.2 *Financial debts*

None

2.2.4.3 *Charges to pay*

Descriptions	Amount (€)
VACATION/LEAVE TO PAY	
Provisional leave	70,089
Provisioned social charges	32,379
ACCRUED INTEREST	
Banks	2,266
OTHER CHARGES	
Premiums to pay	59,787
Social charges on premiums to be paid	27,316
Social charges on attendance fees sur jeton de présence	26,600
Invoices to be received	917,675
Other tax charges	24,809
TOTAL	**1,160,921**

2.2.5 Accrual accounts

2.2.5.1 *Composition of prepaid income*

As of December 31, 2018, there is no prepaid income

2.2.5.2 *Exchange rate differences reported as liabilities*

The exchange rate differences reported as liabilities reflect the impact of the conversion of debts into foreign currencies (see 2.1.8.2)

2 Information on the income statement

3.1 Operating subsidies

Subsidies are recognized in the income statement according to the actual progress of the projects for which they are granted.

The actual progress of the projects is assessed taking into account, on the one hand, the time spent by the employees and on the other hand the subcontracting costs assigned to the projects and covered by the grant.

No other new grant was received by the Company during 2018.

3.2 Income tax

3.2.1 Research tax credit

The research tax credit generated in 2018 financial year is in the amount of

€1,458,378.

It has been calculated taking into account the following elements:

- Compensation and corresponding compulsory social security contributions allocated to employees assigned to research taking into account the time actually spent on research activities. For the employee with the status of "young doctor", this remuneration has been retained according to the text,
- Depreciation related to the Inserm license, and the fixed assets used for the research,
- Operating costs, the amount of which is set at a flat rate of 50% of staff costs (200% for "young doctors") plus 75% of depreciation expenses related to fixed assets allocated to research activities,
- Subcontracting expenses billed as of December 31, 2018 by the approved "Research Tax Credit" organizations. For public bodies, the amounts have been doubled,
- Patent expenses billed as of December 31, 2018,
- Subsidies paid have been deducted.

3.2.2 Employment and Competition Tax Credit (CICE)

The provision for the CICE (Employment and Competition Tax Credit) recognized in the accounts of our company as of December 31, 2018 amounts to €11,521.

In the income statement, our entity retained the recognition of the CICE as a reduction of personnel costs.

In the balance sheet, it was charged to the Corporation Tax position in social and tax debts.

This "income" corresponds to the tax credit that will be claimed on the occasion of the declaration of the balance of the corporation tax.

It reflects the right to the CICE acquired by the company and relating to the eligible remuneration recognized during the financial year.

The CICE on 2017 remuneration, amounting to €12,396, partially contributed to the improvement of working capital.

3.3 Relief of future tax debt

The company has, after taking into account the result as of December 31, 2018, loss carry forwards of €48,939,416.

3.4 Leasing contracts

There is no current lease contract.

3.5 Attendance fees

The expenditure as of December 31, 2017 related to attendance fees is €120,000, including related social and tax charges.

4 Other information

4.1 Commitments received

None

4.2 Commitments given

None

4.3 Transactions with related parties

No information is given in respect of transactions between related parties to the extent that such transactions were entered into under normal market conditions.

4.4 Workforce as at 31 December 2018

	Salaried personnel
Executives	12
Non-executives	1
Total	13

4.5 End-of-career benefits

Given the size of the company and its seniority, the end-of-career benefits were not evaluated because they were deemed to be insignificant.

4.6 Auditors' fees

Auditors' fees billed on 12/31/18 (including fees)	Amount (€)
As part of the statutory audit mission	22,108
For guidance and services in connection with services other than certification of accounts	7,200
Total	29,308

STATUTORY AUDITORS' REPORT

1. REPORT OF THE STATUTORY AUDITOR ON THE ANNUAL ACCOUNTS

QUANTUM GENOMICS

Société Anonyme

Tour Maine Montparnasse
33, avenue du Maine
75015 Paris

Statutory auditor's report on the financial statements

For the year ended December 31, 2018

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

QUANTUM GENOMICS

Société Anonyme

Tour Maine Montparnasse
33, avenue du Maine
75015 Paris

Statutory auditor's report on the financial statements

For the year ended December 31, 2018

To annual general meeting of Quantum Genomics,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Quantum Genomics for the year ended December 31, 2018.

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, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors.

Quantum Genomics

Emphasis of Matter

We draw attention to the following matter described in Notes 1.4 and 2.2.1 to the financial statements relating to a line of equity financing, structured and guaranteed by Kepler Cheuvreux obtained on March 5th, 2018 and allowing the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Justification of Assessments

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you that the assessments which, in our professional judgment, were of most significance in our audit of the financial statements addressed the appropriateness of the accounting principles used and the reasonableness of the significant estimates made and the overall presentation of the financial statements.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents provided to Shareholders with respect to the financial position and the financial statements.

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 other documents provided to Shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code.

Information relating to corporate governance

We attest that the Chairman's Board of Directors report on corporate governance, sets out the information required by Article L. 225-37-4 of the French Commercial Code

Quantum Genomics

Other Information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered

to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris-La Défense, March 28, 2019

The Statutory Auditor

Deloitte et Associés

Pierre-François ALLIOUX

2. REPORT OF THE STATUTORY AUDITOR ON THE AGREEMENTS REFERRED TO ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE

QUANTUM GENOMICS

Société Anonyme

Tour Maine Montparnasse
33, avenue du Maine
75015 Paris

Statutory auditor's special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2018

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This report on regulated agreements should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

QUANTUM GENOMICS

Société Anonyme

Tour Maine Montparnasse
33, avenue du Maine
75015 Paris

Statutory auditor's special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2018

To the Shareholders,

In our capacity as Statutory Auditor of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures that we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorised during the year

We hereby inform you that we have not been advised of any agreement authorised during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L. 225-38 of the French Commercial Code.

Agreements authorized since the end of the financial year

We have been advised of the following agreement, authorized and concluded since the end of the financial year, which have been authorized by your Board of Directors.

Person involved: Jean-Philippe Milon, Chief Executive Officer (CEO) of Quantum Genomics

Nature and purpose: A loss of employment guarantee of an additional duration of 12 months (in addition to that initially subscribed by the company in 2018) has been granted by the company in 2019 for the new CEO, Jean-Philippe Milon and authorized by the Board of Directors on February 20, 2019. This additional guarantee allows to Mr. Milon to benefit from guarantees in relation to his new functions as CEO.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements approved in prior years with continuing effect during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreement, approved in prior years, has remained in force during the year.

Person involved: Lionel Ségard, Chairman of Quantum Genomics

Nature and purpose:

On 1 April 2014, the Board of Directors authorised the renewal of the loss of employment insurance initially subscribed in 2009 by the Company for the Chairman, with an extension of the compensation period from 12 to 24 months.

Terms and conditions: the amount accounted in expenses for the year is €20 523,37

Paris-La Défense, March 28, 2019

The Statutory Auditor

Deloitte et Associés

Pierre-François ALLIOUX