A *société anonyme* (limited liability company) with capital of 10,137,813.25 euros
Head Office located at 49 Boulevard du Général Martial Valin – 75015 Paris
410 910 095 R.C.S. Paris

2014 REFERENCE DOCUMENT

CONTAINING

THE ANNUAL FINANCIAL REPORT

Copies of this reference document are available free of charge from Onxeo's registered office located at 49, boulevard du général Martial Valin – 75015 Paris, and from the Onxeo website: http://www.onxeo.com and from the website of the *Autorité des marchés financiers*: www.amf-france.org.

SUMMARY

This reference document includes the annual financial report for the 2014 financial year, the components of which are listed on page 246 of this document.

1. ESSENTIAL INFORMATION ABOUT ONXEO

1.1. Profile and strategy

It is Onxeo's objective to become a major player in the field of orphan drugs in oncology.

The company was created by the acquisition in June 2014 by BioAlliance Pharma, an innovative French company based in Paris specializing in the development of drugs aimed at orphan oncology diseases, of Topotarget, a Danish biopharmaceuticals company based in Copenhagen specializing in the development of products in oncology.

The merger represents a major step in the company's growth strategy which is based on developing a wide range of high-potential and innovative drugs in the field of rare cancers. The merger creates a springboard for the company by strengthening its portfolio with a high-potential drug, by enhancing its internal expertise with the arrival of a number of new employees at its Danish entity with significant additional expertise in the field, by broadening its shareholder base and, ultimately, by improving its visibility and attractiveness in international markets.

This external growth transaction therefore represents a major strategic development and it is for this reason that the company decided to change its name, becoming Onxeo.

To implement this strategy as a major player in the field of orphan drugs in oncology, Onxeo exploits robust advantages and distinctive expertise which it has built up or acquired through the merger with Topotarget, forming the foundations for its future growth:

- A wide, highly dynamic, balanced portfolio of products. It includes two programs, Livatag® and Validive®, which are in a very advanced stage of clinical development, and a newly registered product in the United States called Beleodaq®, which also offers clinical development opportunities in several other rare cancer indications.

- A highly experienced team of scientists, divided between Paris and Copenhagen, which has repeatedly led programs in Europe and the United States through to the approval stage.

- A strong international foothold, notably in the United States with a well-established American partner: Spectrum Pharmaceuticals Inc., for the co-development and marketing of Beleodaq®.

The merger has also enabled the shareholder base of Onxeo to be widened with a large proportion of Nordic shareholders and increased market capitalisation (+/- €250 million) provides greater visibility to international investors, particularly in Europe and the United States. Onxeo is listed on the Euronext Paris stock market and the Nasdaq OMX Copenhagen, facilitating investment transactions for all its shareholders.

Working in the field of orphan drugs in oncology, the company targets a particularly attractive market covering pathologies for which there exists a major medical need and systems suited to the company's model.

The status of "orphan drug" granted by the health authorities in a given jurisdiction is a function of the number of cases affected by a disease within the jurisdiction. For example, an orphan disease covers less than 250,000 cases in the USA and less than 200,000 cases in Europe.

The orphan drug and drugs in oncology markets are currently the most dynamic segments in the field of pharmaceuticals due to the increasing medical need. Currently 7,000 rare or orphan diseases have been identified of which less than 5% benefit from an existing treatment: it is therefore necessary to boost the development of orphan drugs in order to meet the needs of patients seeking a medical solution.

In 2013 the growth rate of the oncology market worldwide was nearly 10%, compared to growth in the overall pharmaceuticals market of just 5%. At the end of 2013 the market is estimated to be worth $91bn and is set to continue to show dynamic growth. For its part the orphan drug market is set to grow at more than 10% per year, reaching $176bn by 2020. It is estimated that of the 20 highest selling drugs for orphan diseases in 2020, 15 will be orphan drugs in oncology. This market trend is also the result of attractive measures implemented by the health authorities to encourage the development of new drugs in the field:

- optimised clinical development in terms of time and cost, allowing fast-track registration;
- more favourable pricing and reimbursement measures;
- additional protection with commercial exclusivity for 7 years in the USA and 10 years in Europe after marketing authorization.

The growth of the company is based on the development of a portfolio of innovative, synergistic and high-potential products targeting severe diseases for which there exists a major medical need. These programmes have reached a very advanced stage of clinical development or are ready to enter clinical phase III, namely the last clinical development phase in humans prior to registration, and offer significant global market potential.

These orphan products in oncology are at an advanced development phase:

PRODUCT	PH1	PH2	PH3	REGISTRATION	MARKET
Beleodaq® (PTCL 2nd line)	→	→	→	→	Registered in USA
Combo BelCHOP (PTCL 1st line)	→				
Livatag® (HCC 2nd line)	→	→	→		
Validive® (oral mucositis)	→	→			

Beleodaq® (belinostat):

Beleodaq® or belinostat is a histone deacetylase inhibitor (HDACi) which, via an enzymatic process, typically normalizes genetic dysfunctions which are characteristic of cancer cells. Developed for

the treatment of peripheral T-cell lymphoma (PTCL) in relapse or refractory after a standard first-line treatment of chemotherapy (CHOP protocol, first-line treatment combining cyclophosphamide, doxorubicine, vincristine and prednisone), and was registered in the USA in July 2014. Beleodaq® has been marketed since this date by Spectrum Pharmaceuticals, a US company which is co-developing the product in partnership with Onxeo and is in charge of its promotion to oncology and hematology experts in the USA.

Onxeo and its partner, Spectrum Pharmaceuticals, have commenced preparation of a phase III trial combining Beleodaq® with the standard treatment, the CHOP protocol. The study is set to commence in the first half of 2016 in the same indication (PTCL) as first-line treatment, enabling extension of the indication from second-line treatment.

Livatag® (doxorubicin Transdrug™)

Livatag® is based on the Transdrug™ nanoformulation technology which is owned by Onxeo, and uses doxorubicine as the active substance. This new therapeutic approach allows drug resistance to be avoided by short-circuiting the mechanisms of multi-drug resistance developed by tumor cells through the masking of the anticancer agent. Acting as a Trojan horse, the nanoparticle formulation avoids rejection of doxorubicin outside the cell so that it can exert its cytotoxic action.

Livatag® is currently undergoing its phase III trial in the treatment of primary liver cancer, the 6th most common cancer worldwide and the 2nd highest cause of death associated with a cancer. As of the date of this report, 40% of the patients planned for the study have been randomized and the international extension of the study is being pursued in order to optimise the recruitment rate.

Regular assessment is carried out by a committee of independent experts (Data Safety Monitoring Board) which is responsible for monitoring the tolerance of the product, meeting twice a year to review the data of treated patients. Twice in 2014, and five times since the start of the study, the group of experts has confirmed continuation of the study without modification, thereby confirming the good tolerance profile of Livatag®.

Validive® (clonidine Lauriad®)

Validive® (clonidine Lauriad®) is a new therapeutic application of clonidine, patented by Onxeo, developed for the treatment of oral mucositis induced by radiotherapy or chemotherapy in patients suffering from a head and neck cancer. The application is based on the mucoadhesive Lauriad® technology which enables the tablet to adhere to the oral mucosa and to rapidly and regularly release concentrations of the active substance to the site of the inflammation.

Clonidine is an agonist of the alpha-2 adrenergic receptors traditionally used to counter hypertension. Clonidine also has painkilling and anti-inflammatory properties, hence its development in severe oral mucositis, a very debilitating inflammation of the oral mucosa affecting patients suffering from cancer treated by chemotherapy and/or radiotherapy.

In late October 2014, Onxeo published positive preliminary results for the international phase II trial comparing the efficacy and tolerance of Validive® against placebo in the prevention of severe oral mucositis in 183 patients suffering from a head and neck cancer.

This trial confirmed the efficacy of Validive® with a reduction of 16% (in absolute values) of the incidence of severe oral mucositis in patients treated against placebo, deferment of the appearance of the mucositis and appearance of severe oral mucositis after higher doses of radiotherapy. In terms of tolerance, Validive® has demonstrated a very favourable profile without major adverse effects.

The study's experts committee also confirmed that the results were able to support the continuation of the Validive® development plan and recommended the establishment of a phase III trial in the same patient population. This trial evaluating the efficacy of Validive® is undergoing preparation and is planned to start during 2015.

Detailed information on these two portfolios can be found in Section 4.2.1 of this reference document.

To support the development and commercialization of its products, Onxeo has opted for a selective partnership strategy via co-development agreements for its products in clinical phase or via licensing agreements for its registered products. In the medium and long term, Onxeo could also market its orphan drugs directly in certain countries in order to enjoy the entirety of the margin generated by its high added-value products with a favourable profitability profile.

1.2. Management and control bodies

1.2.1 Board of Directors

Patrick Langlois
Chairman of the Board of Directors and an independent director

Judith Greciet
Chief Executive Officer

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

Director representing the shareholders:
Financière de la Montagne, represented by Nicolas Trebouta

1.2.2 Internal governance

Strategy Committee

The Strategy Committee prepares the Company's strategy, its major policies and growth scenarios. It validates development plans and oversees their implementation. It also defines the Company's HR policy. It meets once a week to ensure that the company is being managed in a collective and cross-functional manner.

Operations Committee

Composed of the operational R&D departments, the Project Coordinator and ad hoc project team members, it sets the operating strategy, systematically reviews and validates progress of projects, and coordinates the teams. It meets once a week.

Risk Management Committee

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

1.2.3 External auditor

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

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

1.3 Key figures

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

	31 December 2014	**31 December 2013**
Net sales	**22,081**	**1,467**
of which non-recurring sales related to licensing agreements	*20,455*	*530*
Operating expenses	- 22,697	- 16,888
of which recurring cash operating expenses (1)	*- 20,564*	*- 16,389*
of which non-recurring cash operating expenses (1)	*0*	*0*
of which non-cash operating expenses (1)	*- 2,133*	*- 499*
Other operating expenses (non current)	*-4,938*	*-28*
Operating income	**- 5,554**	**- 15,450**
Financial income	5	126
Taxes	-2,150	0
Net income	**- 7,699**	**- 15,324**
Earnings per share	- 0.19	- 0.74
Balance Sheet		
Cash	**57,227**	**11,329**
Other current assets	5,720	5,114
Non-current assets	89,052	1,300
Shareholders' equity	121,971	7,438
Payables	30,028	10,305
Cash		
Cash flow	- 5,897	- 15,148
Changes in working capital	- 1,826	1,056
Net cash generated from operating activities	- 7,723	- 14,092
Net cash used in investing activities	- 328	- 43
Net cash used in financing activities	53,643	- 10,912
Change in cash and cash equivalents	**45,898**	**- 3,174**

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

Notes on the key figures are found in Section 3 of this reference document.

2. COMPANY ACTIVITY IN 2014

This section has been extracted from the management report approved by the Board of Directors on 4 March 2015 and has been supplemented by events that have taken place since that date.

2.1 Significant events in 2014

2.1.1 Group companies

The Group is comprised of Onxeo SA, which concentrates the majority of its business in Paris and at its Danish establishment in Copenhagen, and its subsidiaries, most of which have limited activity:

- Laboratoires BioAlliance Pharma
- BioAlliance Pharma Switzerland
- Topotarget UK
- Topotarget Switzerland
- Topotarget Germany
- SpeBio

2.1.2 Changes in activity and significant events during financial year 2014

Onxeo is the result of a merger between BioAlliance Pharma, an innovative French company based in Paris, specialising in drug development for orphan oncology diseases, and Topotarget, a Danish biopharmaceutical company headquartered in Copenhagen, also specialised in developing oncology products.

Onxeo is set to become a major player in the area of orphan oncology drugs, relying on its solid assets and distinctive skills that form the basis for future growth:

- A wide, highly dynamic, balanced portfolio of products that includes two programs, Livatag® and Validive®, which are in a very advanced stage of clinical development, and a newly registered product in the United States called Beleodaq®, which also offers clinical development opportunities in several other rare cancer indications.

- A dynamic market with high growth potential estimated to increase to $80 billion by 2018. The medical needs of this market are important and rarely satisfied or not at all.

- A strong foothold in the United States with a well-established American partner: Spectrum Pharmaceuticals.

- A highly experienced team of scientists, divided between Paris and Copenhagen, which has repeatedly led programs in Europe and the United States through to the approval stage.

- An international scope, with a dynamic experienced management team, backed by a high quality international Board of Directors.

Moreover, the critical size obtained from the merger strengthened Onxeo's market capitalisation providing greater visibility to international investors, particularly in Europe and the United States. Onxeo is listed on the Euronext Paris stock market and the Nasdaq OMX Copenhagen, facilitating investment transactions for all its shareholders.

From the point of view of its product portfolio, 2014 saw decisive progress for the company's future growth especially in the development of key programs such as Beleodaq®, Livatag® and Validive®.

- US marketing authorization for Beleodaq® (belinostat) in the treatment of peripheral T-cell lymphoma and marketing launch by the US partner Spectrum Pharmaceuticals.
- Positive preliminary results for the Validive® phase II study into the treatment of severe oral mucositis.
- Active pursuit of the ReLive Phase III trial with Livatag® (doxorubicine Transdrug™) in primary liver cancer in Europe and the USA.

And the company has also significantly built up its financial resources after a successful capital increase completed at year end.

A. After the merger of BioAlliance Pharma and Topotarget the new company was renamed Onxeo

The merger between BioAlliance Pharma SA and Topotarget A/S illustrates the company's desire to accelerate its organic growth through complementary and synergistic acquisitions in the area of oncological orphan drugs. The legal format of this cross-border merger, governed by European Directive 2005/56/CE, was selected for its financial efficiency, the transaction having been completed in its entirety via the exchange of shares, thereby enabling the company to retain its cash balances for the development of its R&D programmes.

The proposed merger was approved by over 99% of the shareholders of the two companies during their General Meetings held on 27 and 30 June 2014 respectively. Having completed initial registration formalities with the competent French and Danish authorities, the merger was definitively registered on 22 July 2014, creating Onxeo.

Since 1 August, the company has a secondary listing on the NASDAQ OMX Copenhagen market and retains its listing on Euronext Paris. It is also from this date that BioAlliance Pharma, as the acquiring company within the merger, has been officially operating under the name Onxeo.

This merger provided the Company with a complementary portfolio of advanced stage programs aimed at severe diseases having, as of yet, unmet medical needs. The Company has a strong foothold in the United States with a well-established American partner - Spectrum Pharmaceuticals, responsible for co-developing and marketing Beleodaq® (belinostat) in the United States.

B. Major progress made by the orphan products in oncology portfolio

Beleodaq® (belinostat): Food and Drug Administration approval received for the treatment of peripheral T-cell lymphoma.

Belinostat is a histone deacetylase inhibitor (HDACi). It was tested over several clinical trials both in monotherapy and in combination with other anticancer agents for the treatment of haematological cancers and solid tumours. Its anticancer agent acts to inhibit cell proliferation, induces apoptosis i.e. programmed cell death, inhibits angiogenesis and induces cell differentiation.

Since 2010, Beleodaq® is under license to the US company Spectrum Pharmaceuticals, Inc., which heads the co-development of the product and is in charge of promoting it to oncology and haematology specialists in North America and India.

Belinostat has been developed for the treatment of peripheral T-cell lymphoma (PTCL). It is a rare and aggressive form of blood cancer caused by mature white blood cells called T-cells or NK-cells. PTCL occurs when the T-cells develop and increase abnormally, becoming cancerous. The cause of this development is not well understood.

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

In July 2014 Beleodaq® received marketing authorization from the FDA for the treatment of PTCL, in relapse or refractory. This registration was based on the results of the BELIEF phase II incorporating 129 patients suffering from peripheral T-cell lymphoma who showed resistance or were in relapse after at least one treatment via the systemic route.

Since August 2014, Spectrum Pharmaceutical teams started marketing Beleodaq® to haematologists, generating the first sales figures in the second half of 2014, thereby initiating Onxeo's royalty flow. A second 25-million dollar milestone payment was paid to Onxeo in November 2014 following registration of the product by the FDA.

Validive® (clonidine Lauriad®): Positive phase II clinical trial results in the treatment of severe oral mucositis.

Validive (clonidine Lauriad®) is a treatment based on mucoadhesive Lauriad® technology intended for the prevention and treatment of oral mucositis, an inflammation of the oral mucosa that is very common in head and neck cancer patients being treated with radiotherapy and chemotherapy.

Onxeo conducted an extensive international double-blind placebo controlled randomised phase II study comparing the efficacy and tolerance of mucoadhesive Validive® tablets at doses of 50 mcg and 100 mcg administered once daily in the prevention of severe oral mucositis caused by radiotherapy and/or chemotherapy in 183 patients with head and neck cancer.

The study's positive preliminary results were reported on October 30, 2014.

In terms of efficacy, this Phase II trial mainly demonstrated in the 2 groups of patients treated with Validive® compared to the placebo group:

. A reduction in the incidence of severe oral mucositis in the patient group treated with Validive®.

. A time lag to the onset of the severe oral mucositis.

. And severe oral mucositis developed after higher doses of radiation.

Validive® demonstrated a favourable tolerance profile with no major differences in the nature, incidence and severity of adverse side effects between the Validive® and the placebo groups.

Treatment compliance was very good with over 80% of the patients complying with the study's treatment protocol.

The study's advisory committee, made up of internationally recognised experts, recommended advancing the Validive® development program through a phase III study on the same patient population. The Company plans to begin this trial in 2015.

This development can register under Validive's® "fast track" status obtained from the Food and Drug Administration in January 2014. This status awarded to drugs developed for severe or life-threatening pathologies with a major medical need and facilitates interaction with the FDA, enabling optimization of file assessment periods during development and right up to registration.

Livatag® (Doxorubicin Transdrug™), recruitment progress in the Phase III clinical trial into primary liver cancer

Livatag® is a nanoparticle formulated treatment studied in patients with advanced stage hepatocellular carcinoma. Also known as primary liver cancer, this condition is an aggressive and resistant cancer, the third cause of fatal cancer in the world, for which there is limited treatment alternatives and a very important medical need.

The international randomised Phase III trial aims to demonstrate the efficacy of Livatag® on survival in nearly 400 patients with hepatocellular carcinoma after failure or intolerance to Sorafenib. It is being run in 8 European countries - Germany, Spain, Italy, Russia, Hungary, Austria, Belgium, and Russia, as well as in the United States. In early 2015, 35 investigative centres were active and 10 to 15 additional centres are being planned. 40% of the patients planned for the study have been recruited. The preliminary results of the trial are expected in early 2017.

A committee of independent European experts from the Data Safety Monitoring Board (DSMB), chaired by Professor Michel Beaugrand, are continuously monitoring the trial. This type of committee is usually set up in pivotal Phase III clinical trials to ensure patient safety and recommend possible amendments to the protocol in case of unexpected effects. The Data Safety Monitoring Board (DSMB) meets twice a year and at the start of each test to recommend if the study should continue without modification.

Livatag® was already patented up to 2019 in several countries worldwide with an initial family of patents covering its doxorubicin in nanoparticle composition. In February 2014, the European Patent Office issued a new family of patents protecting its specific dosing regimen. This second patent family significantly strengthens and extends Livatag's® patent protection in Europe until 2032 against the marketing of generics.

Livatag® enjoys orphan drug status in Europe and the United States, enabling optimization of the product’s development plan in terms of cost and duration, as well as strengthening its protection (market exclusivity). In May 2014, it also obtained FDA Fast Track status for treating hepatocellular

carcinoma as a second-line treatment after Sorafenib. As for Validive, this status will facilitate interaction with the FDA and optimise the evaluation schedule of the product during development through to approval.

C. Other products

During 2014 Onxeo continued to exploit the value of its non-strategic products Sitavig® and Loramyc®/Oravig®:

- Market approval in France and Germany of Sitavig ® (acyclovir Lauriad®), the second product developed by the Company using Lauriad® technology used in treating recurrent labial herpes, is already approved in the United States and 8 Europeans countries - Sweden, United Kingdom, Spain, Italy, Denmark, Finland, Norway and Poland.
- Signing of a licensing agreement to market Sitavig® in the USA with the Innocutis Company a dermatology specialist. Under the terms of the agreement, Innocutis paid an initial $2 million, including $0.1 million received in the first half of the year and $1.9 million received upon receipt of the first batch of product in July 2014. Promotion by the Innocutis marketing and sales teams started on July 21.
- Licensing agreements signed with Daewoong Pharmaceutical Co. Ltd. and EMS S/A in South Korea and Brazil respectively. These two companies are in charge of heading product approval for Sitavig® with the regulatory authorities in each country and also its marketing.
- In April 2014 Onxeo regained full marketing rights to Oravig® as well as its US Marketing Authorisation, due to its American partner, Vestiq Pharmaceuticals, not meeting its commercial performance objectives. In March 2015 Onxeo signed a licensing agreement with Dara BioSciences, a pharmaceuticals company specialising in oncology support care, for the commercialisation of the product in North America.
- The Company also followed-up on the development of Loramyc® in Japan, with further pivotal phase III trials conducted by its partner Sosei, and also in China with the furtherance of its clinical phase III program initiated by its partner SciClone in 2013. Moreover, Sosei set up an agreement in February 2014 with Fujifilm Pharma for the future marketing of Loramyc® in Japan.

D. Financing

Shareholder's current account advance agreement

In July 2014 Financière de la Montagne, Onxeo's largest shareholder and a member of the board since 2008, agreed to lend the company 10 million euros. This loan was intended to strengthen Onxeo's financial resources following the merger and expand its R&D programs, in particular, the international phase III trial of Livatag® in primary liver cancer.

This loan, in the form of a current account advance entered into for a period of one year maturing on July 31, 2015, will bear interest at 15% payable upon reimbursement. The principal and interest can be repaid at maturity in cash or in advance by incorporation of debt if Onxeo raises new capital. If this be the case, prepayment in new securities will bear a premium of 25%.

Capital increase

In December 2014, the Company successfully carried out a capital increase in France and Denmark with preferential subscription rights intended to finance the R&D effort of key Company products and, in particular, to support the international expansion of Livatag's® phase III trials, prepare Validive's® phase III study following its phase II, the initial results of which were obtained on October 30, 2014, and continue the development of Beleodaq® to the next level.

This financing was supported by two international investors - Nyenburgh and Capital Ventures International, who pledged to irrevocably subscribe in cash on an irreducible and reducible basis in the amounts of €5 million and €20 million. In addition, Financière de la Montagne irrevocably committed to exercising its preferential subscription rights and subscribing in cash for a total amount of €13.5 million. The net capital increase amounted to €40,741,020 million after an issuance of 9,053,560 new shares, bringing share capital to €10,136,051 divided into 40,544,204 shares at a €0.25 par value.

On the conclusion of this transaction, Financière de la Montagne and Nyenburgh held 13.96% and 1.02% respectively of the capital and voting rights in the company. Capital Ventures International, which mainly took part in the issue on a reducible basis, holds 0.014% of the capital and voting rights in the company.

Settlement of Financière de la Montagne's subscription for the new shares was made in part by way of a debt to equity swap in the amount of €11,188,575, in accordance with the provisions of Article 1289 et seq. of the Civil Code and the terms of the shareholder's current account advance agreement of July 18, 2014.

E. Corporate Governance

Changes in the Board of Directors

The composition of Onxeo's Board of Directors changed during 2014.

The May 21st Board Meeting acknowledged the resignation as a Company director of Kurma Life Science Partners, represented by Mr. Rémi Droller.

The November 6th Board Meeting took note of the resignation of Orfacare Consulting GmbH, represented by Mr. Bo Jesper Hansen, and Mr. Per Samuelsson, both previously named new Directors by the General Meeting of June 30. Dr. Hansen has brought to the attention of the Board the development of a potential conflict of interest that forced his resignation in accordance with good governance practices. Mr. Per Samuelsson, for his part, has asked to be released from his mandate to devote his time to other commitments.

As of December 31, 2014, the Company has seven directors, of whom five are independent.

Additional information on the Board of Directors is available in Section 5 of this reference document.

2.2 Foreseeable developments and future prospects

The Company will continue its value creation strategy based on developing innovative therapeutics for severe and rare diseases, including cancer, and is planning on the following major catalysts for 2015 growth:

- Beleodaq® (Belinostat): Preparation of the extension of the indication in the treatment of peripheral T-cell lymphoma in first-line treatment with the US partner, Spectrum Pharmaceuticals. The study is planned to commence in early 2016; in addition to PTCL, new indications in other orphan cancers are undergoing assessment to establish the best development plan for Beleodaq®;
- Livatag® (doxorubicine Transdrug™): Extension phase III efforts by opening 10 to 15 additional centres, adding to the 35 centres already under recruitment;
- Validive® (Clonidine Lauriad®): Finalisation of the analysis of the complete phase II trial results and preparation for phase III in late 2015.

Onxeo considers that, in light of its current activities, it has no specific comments to make on trends that might affect its recurring revenue and its general operating conditions since the date of the last financial year ending December 31, 2014, up to the filing date of this report.

Main investments for the future; future funding policy

The Company's main investments will focus on research and development. With a stronger cash position at the end of 2014, the Company has sufficient visibility to carry out its projects during 2015 and will regularly seek opportunities to consolidate its financial resources by signing new licensing agreements or by a further market raise.

Significant post-balance sheet events since the end of 2014

None

2.3 Social and environmental information

In accordance with the provisions of Article L. 225-102-1, R. 225-104 and R. 225-105 of the French Commercial Code, your attention is drawn to the information relating to our awareness of the social, environmental and societal impact of the company's activities - the "Social and Environmental Responsibility Report".

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

The information published reflects the company's desire for transparency and its wish to objectively describe its most relevant historic and newly-engaged activities that reflect its

commitment to SER. The process for collecting SER information and indicators will be reviewed and optimized each year.

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

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

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

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

The period covered by the data collated is the calendar year 2014. In order to provide supplementary data about the development of the activities of the group, data for 2013 is also presented.

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

2.3.1 Social information

As the Topotarget acquisition by BioAlliance Pharma occurred in 2014 to form Onxeo, this social information concerns mainly Onxeo SA in France; the subsidiaries have no salaried employees.

On December 31, 2014, the Danish office had eight employees. Complete information on all employees will be provided in the 2015 report.

A. Employment and remuneration

a) Human Resource Policy

Onxeo's human resource policy endeavours to support and accompany the Company's momentum and strategy.

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

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

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

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

b) Total headcount at 31 December 2014

The total number of full-time equivalents is 46.2 employees (45.2 indefinite-term contracts, 1 fixed-term contracts and 0 trainees). The breakdown is 38.6 executive and 7.6 non-executive Onxeo subsidiaries have no employees. Onxeo's subsidiaries do not have any employees.

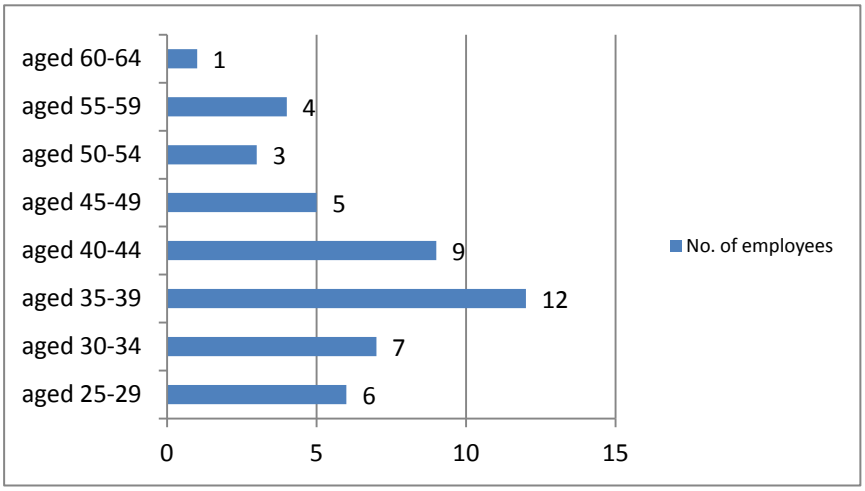
Employee breakdown by gender, age and geographical area

At 31/12/2014 the average age was 40.48 (40.09 for women and 41.33 for men).

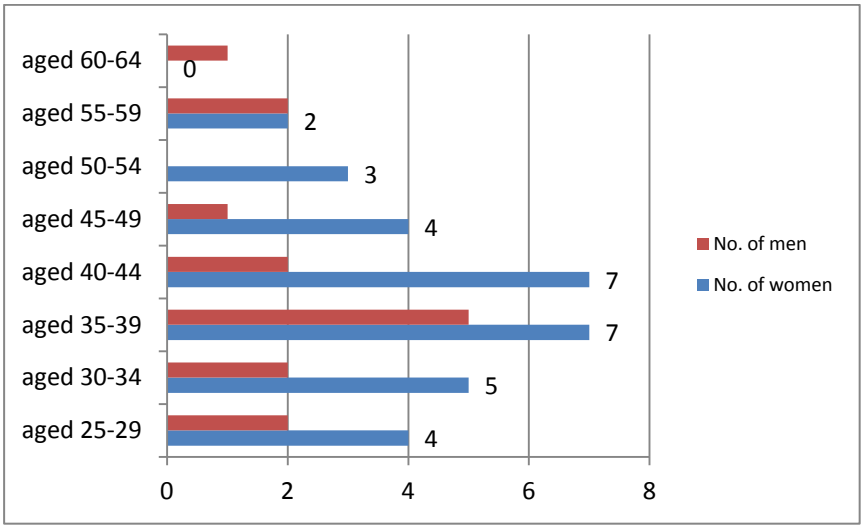
The table below details the distribution within the Group between men and women as of 31 December 2014 by category:

	Women	Men	*Total*
Executive grades	26	13	*39*
Non-executive	6	2	*8*
Total	*32*	*15*	*47*
	Women	Men	*Total*
Fixed term	1	0	*1*
Permanent	31	15	*46*
Total	32	15	*47*

Age distribution (men and women combined) at 31/12/2014



Breakdown of employees by age and sex at 31/12/2014



100% of employees are based in France.

c) Personnel movements during the year ended 31 December 2014

At Company level:

New recruits: 3 employees including 1 permanent and 2 fixed-term.
Departures: 7 employees, of which 2 resignations (one of which left on 31/12/14), 2 concluded fixed-term contracts, 2 amicable contract terminations and 1 dismissal.

d) Remuneration policy within the Company

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

- Performance recognition;
- External competitiveness;
- And experience in the job and function.

All employees receive a fixed salary and variable compensation linked to performance, directly related to the Company's culture.

The table below shows the average increase by status of employees' base salary of the Group, employed full-time, permanent and registered as of February 1, 2014 and having more than six months seniority:

STATUS	Average individual increases in 2014	Average individual increases in 2013
Executive	1%	3.95%
Non-executive	1%	4.90%

A salary benchmark was recognised in 2011 for all Company employees. This benchmark revealed that wages at Onxeo were broadly in line with the market. Random checks were carried out where necessary on certain salaries or when hiring new employees. The aim is to check the relevance, integration, and consistency of proposed salaries with the rest of the team and vice versa.

In 2013, the salary increase for women was slightly higher than for men. The average individual salary increase for women was 4.29% while the average individual salary increase for men was 3.18%. Exceptionally in 2014, to take into account limited resources and liquidity, all employees, women and men, with at least 6 months of service were granted the same individual salary increase of 1%, offsetting inflation but no increase linked to the performance was given. In addition, the variable compensation package provided to all employees was reduced by 50% to account for Company liquidity requirements. Note that this variable remuneration is based on achieving individual goals.

All employees on open-ended contracts with at least four months' service also benefit from stock option plans passed at the General Meeting, which are implemented each year by the Board of Directors. During fiscal 2014, the Board of Directors allocated 138,700 stock options to 55 non-executive employees of the Company. These allocations have exercise periods of 4 years, 25% exercisable at the end of each year elapsed from the date of the grant and at the latest within 10 years of their allocation by the Board.

Furthermore, to award the commitment and efforts made during the merger, the Board also allocated an exceptional Free Share plan during this same year 2014. 72,000 Free Shares were allocated to the 46 non-executive French employees. As required by law, the vesting period for free shares is 2 years as of the grant date September 22, 2014, followed by a two-year holding period. Moreover, the Company requires a condition of presence for the acquisition of free shares:

- 38,000 free shares vested immediately and not conditioned upon presence
- and half of the 34,000 free shares vest after the first year following the grant and the balance at the end of the second year, subject to the presence of employees at those dates.

B. Organisation of working time and absenteeism:

a) Organisation of working time

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

Four employees work on an 80% part-time basis as of 12/31/2013.

The Company hires temps during peak business periods.

b) Absenteeism

The main reasons for absenteeism in 2013 and 2014 were sickness and maternity leave.

In 2014, 193 sick days of below one month's total duration were taken against 160 in 2013, while sick days in excess of one month's total duration amounted to 219 calendar days against 245 in 2013.

Maternity leave represented 449 business days in 2014 against 223 in 2013.

As for work-related accidents, they were commuting accidents equal to 13 days in 2014 and two days in 2013.

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

C. Labour relations

a) Labour relations and description of collective bargaining agreements

Labour dialogue is conducted by the Executive Management with the employee representatives. Employee delegates and Workers' Committee monthly meetings were held during the year ended December 31, 2014.

b) Staff representatives

The Single Delegation of Personnel, renewed in 2012, in 2014 includes: 2 members from management and 1 non-executive member.

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

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

c) Principle agreements

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

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

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

In accordance with Article L.225-37-1 of the Commercial Code, this report is presented to the Board of Directors Meeting of March 4, 2014.

D. Health & Safety

a) Occupational Health and Safety (OH&S)

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

b) Health and Safety Department: presentation and assignments

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

c) H&S Policy

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

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

- The Company promotes a policy of continuous H&S improvement;

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

d) H&S performance: evaluation of 2014 H&S activities

The main 2014 actions carried out in the H&S field concerned:

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

  Finally, in June and December 2014, the H&S Department conducted three training sessions dedicated to the prevention of risks in the laboratory.

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

Prevention and protection in terms of occupational health and safety receives constant attention at Onxeo; investments have been made in this area, notably concerning the purchase and maintenance of collective and individual protection equipment and expenditures associated with regulatory inspection and assessment. Total H&S investment amounted to nearly €17,700 in 2014.

e) 2015 H&S Program

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

The main commitments for 2015 include:

- Election and training of new members of the H&S Committee;
- Updating of the *Document Unique* risk assessment document for the two establishments of Chevrons and the laboratory in Chatenay-Malabry;
- Carrying out internal H&S audits;
- H&S training sessions;
- Training of those in charge of loading and handling the fire extinguishers, OH&S;
- Running the fire drills;
- Regulatory electrical and fire extinguisher controls;

- Ongoing: product management, risk assessment of new activities, updating H&S documents, and regulatory monitoring;
- H&S monitoring, particularly regulatory monitoring;
- Purchase and maintenance of PPE;
- EPEC Maintenance;
- And Waste Management.

The 2014 annual report on hygiene, safety and working conditions and the 2015 annual H&S program were presented to the members of the Health and Safety Committee in accordance with Article L4612 of the French Labour Code. Members of the CHSCT unanimously issued a favorable opinion on the report and the program on 27 February 2015.

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

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

No new text was signed in 2014 on Occupational Safety and Health.

g) Occupational illnesses and work accidents

In 2013, the work-related accident frequency rate was 0 and that of work-related accidents commuting was 11.92 and the severity rate was 0 and work-related accidents commuting severity rate was 0.02, due to a commuting accident (sprain) that resulted in a two-day work stoppage.

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

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

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

The number of occupational illnesses in 2013 and 2014 is 0. Occupational illnesses are those resulting from exposure to risk at one's workstation.

E. Training

a) Development and training

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

b) Investment in training and development

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

In 2014, the focus was placed on the following three areas:

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

In 2014, the Company committed a total of €65,239 on continuous vocational training, including €63,593 on trainings conducted as of December 31, 2014, nearly 1.8 % of the total payroll, in addition to contributions due under Individual Training Leave and professionalization. This represents an investment in training of €1,388.05 per trained FTE employee. An important budget optimisation effort was made in 2014 without decreasing the overall amount of training relative to previous years.

During the year ending December 31, 2014, 1,294 hours were committed to training (41 employees trained) for a total of 1,273 hours completed, compared to 1,567 hours in 2013. Two training programs were set up under the individual training entitlement.

In 2014, focus was placed on preventing clinical risks in the laboratory, 100% of the R&D workforce were concerned.

F. Equal treatment

a) Measures taken to promote equality between women and men

Onxeo is a decidedly feminised Company - 68% women compared to 32% men on December 31, 2014 - and is representative of its sector.

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

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

A strong majority of women executives in key positions

- 82.05% of women at Onxeo have executive status;
- Several key positions at Onxeo are occupied by women:
    - Chief Executive Officer

  - Head of Preclinical and Pharmaceutical (Livatag® / Beleodaq®)
  - Head of Clinical Development
  - Head of Corporate Business Development
  - Head of Regulatory Affairs
  - Head Accountant
- Hirings for 2013/2014:
  In 2013, six executives were hired, including 3 women (Head of Regulatory Affairs, Business Law Expert and R&D Coordinator).
  In 2014, two executives were hired, including 1 woman as a Junior Business Law Expert on a fixed-term basis.
- Promotions and/or position changes:
  Onxeo makes it possible for its employees to obtain promotions and internal advancements. Since 2012, for example, the following employees benefited from such measures:
  - Business Law Expert: fixed-term to permanent employee
  - R&D Coordinator: Fixed-term to permanent employee

The Company made sure to have an equal number of women and men among its job applicants and recruits in 2013 and 2014.

b) Professional inclusion of disabled persons

In 2013, the Company did not have any disabled employees. Nevertheless, the Company's employment policy is based on objective criteria and individual merit. Professional equality is shown to all employees irrespective of disability.

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

In 2014, a collaborator with disabilities was hired on a fixed-term basis. In addition, specific actions were carried out in connection with ESAT (Instituting Personal Services) such as: packaging, purchasing supplies (paper) or ordering meal trays.

c) Diversity and Non-discrimination

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

G. Fundamental ILO conventions

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

2.3.2 Environmental information

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

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

A. General Policy

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

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

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

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

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

Currently, the company has not commenced any certification process.

a) Training & information concerning environmental protection:

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

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

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

The resources devoted in 2014 to the prevention of environmental and pollution risks relating to R&D with costs for:

- Central air treatment and conditioning: €14.2 million
- Waste management by various service providers: €6.8 million

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

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

B. Pollution and waste management

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

Gaseous releases

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

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

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

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

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

Aqueous releases

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

b) Recycling and disposal of waste prevention measures

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

Recycling of waste paper and packaging.

Most waste paper and packaging is sorted and recycled.

c) Disposal of waste (specific pollution)

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

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

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

2.3.3 Societal information

A. Relations with stakeholders

a) Shareholder and investor relations

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

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

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

In 2014, Onxeo also gave over one hundred and fifty individual presentations to institutional investors, primarily in France and the US.

b) Sponsorship

Currently the company does not pursue any sponsorship activities.

B. Outsourcing

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

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

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

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

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

C. Fair commercial practices

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

a) Adoption of a code of ethics

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

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

This Code applies:

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

b) Managing conflicts of interest

As provided for under the Board of Directors' rules of procedure, each director must inform the Board of any conflict of interest that arises - even potentially - in relation to items on the agenda and must abstain from voting in any deliberation regarding these items.

c) Consumer health and safety measures

Measures taken in the interests of consumer health and safety are based on the company's compliance with good manufacturing practices, good laboratory practices, French and international clinical trial regulations and the pharmacovigilance rules broadly set out in Section 4.1.2 of the Reference Document. The company therefore follows a number of sets of rules: statutory and regulatory provisions defined by the *Agence Nationale de Sécurité du Médicament* (ANSM) in France, the European Commission and European Medicines Agency (EMA) in Europe, the Food and Drug Administration (FDA) in the USA and equivalent regulatory authorities in other countries, all of which govern research and development work, preclinical trials, clinical trials, regulation of pharmaceutical establishments and the manufacture and marketing of the drugs. Such regulation in the main countries in which the company operates is based on the procedures defined by the International Conference on Harmonisation of Technical Requirements for

Registration of Pharmaceuticals for Human Use (ICH). This regulatory framework is broadly described each year in the reference document.

d) Protection of human rights

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

3. RESULTS AND FINANCING

Financial background

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

- Section 3 of "Management report and financial position" in the pages of the 2013 reference document submitted to the AMF on 07 April 2014 under the number D.14-0303.

- Section 3 of "Management report and financial position" in the pages of the 2012 reference document submitted to the AMF on 18 April 2013 under the number D.13-0376.

3.1 Results

This section has been extracted from the Management Report approved by the Board of Directors on 4 March 2015.

3.1.1 Presentation of financial statements and allocation of income of Onxeo

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

In accordance with French accounting standards, the merger completed during 2014 was recognized in the accounts retroactively as if BioAlliance Pharma had taken control of Topotarget on 1 January 2014. The financial statements, therefore, include the following:

- Topotarget's assets and liabilities as December 31, 2013 in accordance with the merger agreement;
- Topotarget numbers for the first half 2014, although the merger is actually dated June 30, 2014, which was date of the General Meeting that approved the transaction.

Review of the financial statements and results

For the financial year ended 31 December 2014, the Company achieved net sales amounting to €457,000 against €644,000 for the year ended 31 December 2013. This revenue corresponds mainly to sales of Loramyc®/Oravig® and Sitavig® made by licence partners and intra-group service providers.

Other income totalled €31,668,000, against €954,000 for 2013. This sharp increase is due to recording as revenue non sales related royalties paid by license partners, including:

- Amounts due and paid in two stages by Spectrum Pharmaceuticals from the filing in the first half and obtaining in July US market approval for Beleodaq® and pricing the 1 million Spectrum shares granted to Onxeo in this context, which all together total €28.8 million.
- The payment of $2 million (€1.5 million) upon signing the agreement with Innocutis.

Moreover, as in 2013, the Company continued to record a share of the payments received from other products resulting from the signature of partnership agreements - agreements in Asia with Sosei, Daewong, and NovaMed, with an impact on the 2013 bottom line of €604,000, as well as royalties from sales made by licensed partners.

Operating expenses for the past year amounted to 42,622k euros against 19,813k euros in 2013. A total amount of 13,233k euros, corresponding to expenses incurred for the merger (amounting to 9,777k euros) and for the capital increase in December (amounting to 3,456k euros), was transferred as a debit item on the balance sheet in merger premiums/issue premiums. The amount of operating expenses net of transferred expenses therefore amounts to 29,373k euros. This increase is directly related to spending increases on R&D as well as administrative and general expenses linked to Onxeo's establishment in Denmark. Due to the clinical trials of Validive® and Livatag® as well as expenses related to the new Beleodaq® trials acquired from Topotarget, spending on R&D rose to €14,834,000, versus €9,978,000 the year before.

Operating income was €4,955,000 compared to a loss of €16,489,000 for fiscal 2013.

The financial result produces a profit of 4,338k euros against a loss of 1,067k euros in fiscal 2013. This result is mainly a function of foreign exchange gains on amounts paid by Spectrum Pharmaceuticals denominated in dollars, of reversals of provisions and intercompany interest, and investment income, partially offset by costs associated with the current account advance from Financière de la Montagne.

The current pre-tax income gives a profit of 9,293k euros against a loss of 17,555k euros in fiscal 2013.

Extraordinary income was €107,000.

For fiscal 2014, the Company recorded net tax of €878,000, corresponding to a €2,949,000 tax charge owed on the profits of Onxeo DK from royalties and Spectrum Pharmaceutical shares, which was offset by a research tax credit of €2,083,000.

Due to these various items of revenue and expense, the net income for the period produces a profit of 8,522k euros against a loss of 15,022k euros in 2013.

Appropriation of net income

We propose that you appropriate all of profit for the year of €8,521,759.79 to the 'Retained earnings deficit', which will thus decrease from €124,903,104.32 to €116,381,345.53.

In accordance with the provisions of Article 243a of the General Tax Code, we remind you that no dividend was distributed during the three preceding financial years.

Non-deductible expenses

In accordance with the provisions of Article 223 C of the General Tax Code, we inform you that no non-deductible tax expense was incurred during the financial year.

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

Financial Summary

In accordance with Article R 225-102 paragraph 2 of the Commercial Code, we attach the schedule showing the Company's results and other key items over the last five years as an annex hereto.

Equity investments and controlling interests at year-end

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

Statement related to payment periods

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

	31/12/2014		**31/12/2013**	
Balance of trade payables	6,674,641		4,112,405	
Of which provisions for invoices not received	3,744,898		2,718,029	
Of which trade payables	2,929,743	100%	1,394,376	100%
- Invoices due	**1,456,482**	**50%**	**918,886**	**66%**
of which intragroup	*24,183*	*1%*	*24,077*	*2%*
of which disputed	*0*	*0%*	*0*	*0%*
- Invoices payable in less than 15 days	**241,680**	**8%**	**401,284**	**29%**
- Invoices payable in 15 to 30 days	**1,231,581**	**42%**	**74,207**	**5%**
of which intragroup	*0*	*0%*	*0*	*0%*

The significant amounts of due invoices at the end of 2013 and 2014 are associated with the deferral of transfer from end December to the beginning of the following year. Through this rectification, the amount of outstanding invoices is negligible.

3.1.2 Presentation of the Group accounts

Onxeo Group's consolidated financial statements, which we submit for your approval, have been prepared in accordance with the International Financial Reporting Standards (IFRS).

In accordance with IFRS rules, the merger in mid-2014 was recorded on June 30, 2014, the date of the General Meeting that approved the transaction being considered as the date of Topotarget taken over by BioAlliance Pharma. The consolidated financial statements, therefore, include Topotarget numbers and its subsidiaries uniquely for the second half of 2014.

The consolidated financial statements post revenue of €22,081,000 against €1,467,000 in 2013. This increase emanates from the recognition in income of royalties not related to sales paid by licensing partners, namely, and for the most part, an amount of 25 million dollars (20 million euros) due and paid by Spectrum Pharmaceuticals as a result of the issue in July of marketing authorization for Beleodaq® in the USA and also a payment on signature of the agreement with Innocutis of 2 million dollars (1.5 million euros). Operating expenses amounted to €22,697,000, an

increase compared to the €16,909,000 recorded in 2013, as a direct result of increased R&D spending on Validive® and Livatag®, and the new program Beleodaq® acquired from Topotarget, and general and administrative expenses related to setting up the Danish Onxeo. After recognition in the accounts of merger expenses incurred by BioAlliance Pharma amounting to 4,861k euros, of financial income of 5k euros and tax of 2,150k euros due in Denmark on income from the partner Spectrum, the net income produces a loss of 7,699 euros, a strong improvement on the loss of 15,320k euros posted for the previous year.

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

- Onxeo is the main contributor with non-Group revenue of €20,201,000, mainly consisting of income related to Beleodaq® as part of the agreement with Spectrum. As the Company covered all its own investments in research and development as well as overhead costs, it generated a consolidated loss of 3,376k euros.
- Topotarget UK contributed a profit of €1,785,000 from an allocation of its share of the Spectrum partnership income, as this subsidiary owned certain Beleodaq® patents.
- The Group's other subsidiaries had limited activity and their contribution to consolidated results was a loss of €153,000.

The impact related to Group financial restatements under IFRS was a charge of €5,955,000 broken down as follows:

- A charge of €4,861,000 related to BioAlliance Pharma merger costs, recorded in the financial statements as an equity deduction.
- A €766,000 charge corresponding to the warrants and stock options as well as the free shares granted during the year.
- A charge of €332,000 representing a change in pension liabilities for the year.

We submit these financial statements for your approval under Articles L. 225-100, L. 223-16 and R. 225-102 of the French Commercial Code.

3.2 Cash flow and financing

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

The Group’s financial profile

Onxeo is developing a diversified portfolio of drugs and is required to fund clinical trials over the long term, which may sometimes prove long and costly.

The strategic portfolio "orphan oncology drugs" portfolio should generate strong medium/long term growth and high profitability that could allow the company to market these drugs itself in some areas with a small and highly-focused sales force, thus maximizing its revenues. This does not exclude specific licensing agreements for the marketing of these products or for earlier stages.

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

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

The Group had a cash position of 57,227k euros at year-end and did not contract any financial debt, except for repayable public grants amounting to 2,545k euros.

Research and development costs

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

R&D costs	(€ thousands)
2010	8,563
2011	7,899
2012	9,258
2013	9,978
2014	14,834

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

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

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

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

Working capital

The working capital requirement was in balance at 31 December 2014 at 0.3 million euros. It has notably benefited from the favourable impact of deferred licence income amounting to 0.6 million euros.

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

Investments

The Company has made the strategic choice of working with external partners for all its basic research activities, for some of its development activities (clinical studies) and also for the production, storage and distribution of its products. Accordingly, Onxeo's activity is not highly capital-intensive, the only fixed assets being various fixtures and fittings, as well as office and laboratory equipment, IT equipment and office furniture. At 31 December 2014, total fixed assets represented a net value of 0.7m euros.

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

Financing

- **Funds raised – Equity contributions**

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

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

- **Research tax credit**

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

Between 1999 and 2014, the total amount declared under the research tax credit was 17.4m euros, broken down as follows:

(€ thousands)	Before 2010	2010	2011	2012	2013	2014	**TOTAL**
Research tax credit declared	8,369	1,456	1,121	1,979	2,389	2,083	**17,397**

In accordance with legal provisions, the Company expects to receive the 2014 research tax credit reimbursement of 2,083k euros during 2015.

Grants

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

Between 1999 and 2014, the amount of grants and reimbursable advances obtained by the Company, broken down as follows:

(€ thousands)	Total obtained	Total paid	Total reimbursed
Grants	3,244	2065	
Refundable advances	10905	5250	1009

4. FROM RESEARCH TO DEVELOPMENT

4.1 R&D

4.1.1 Principles and organization

General overview

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

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

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

4.1.2 Regulatory Framework

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

Health products may not be offered for sale within a jurisdiction without having received technical and administrative authorization from the authorities of the country in question, with a minimum requirement of obtaining a prior Marketing Authorization (MA). In order to obtain an MA for a product the company must provide proof regarding its efficacy and safety, including detailed information about its composition and manufacturing process. This forms the framework for conducting pharmaceutical development, and preclinical and clinical studies.

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

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

Clinical trials

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

Phase I: Phase I consists of administering the product, most often to healthy subjects, in order to identify its initial utilisation safety profile, to identify any side effects at the administered doses and its distribution and metabolism.

Phase II: in Phase II, the drug is studied within a restricted population of patients suffering from the targeted disease in order to establish its preliminary efficacy, its optimum dosage and to fine tune its tolerance profile.

Phase III: the Phase III trial is conducted with a larger number of patients suffering from the targeted disease in order to compare the study treatment with the reference treatment in order to generate sufficient data to be able to demonstrate the efficacy and tolerance as required by the regulatory authorities and to ensure that the product is used in optimum safety conditions.

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

In certain cases, the regulatory authorities may authorize Phase I and Phase II to be combined in a single Phase I/II by accepting a Phase II protocol according to which the first patients undergo specific tests regarding utilisation safety and tolerance, especially for diseases where it is inappropriate to carry out Phase I studies in healthy volunteer patients.

Similarly, regulatory authorities may authorise the combination of Phase II and Phase III studies into a single Phase II/III trial by approving a Phase III protocol in which a limited group of patients receives treatment and the results are evaluated.

Clinical trials must comply with strict legislation and follow Good Clinical Practices (GCP) standards defined by EMA, the FDA and the ICH, alongside ethical standards defined by the Helsinki Declaration[1] of June 1964.

In Europe, the carrying out of a Phase I, Phase II or Phase III clinical trial requires prior authorization from a competent authority within the country or countries in which the research is being conducted, alongside an opinion issued by an ethics committee (in France, the *Comité de Protection des Personne*s, or CPP), in accordance with European Directive 2001/20/EC. When companies requesting permission to test products submit clinical trial protocols, the regulatory authorities may block or suspend such trials, or demand that major changes be made to the protocol. Additionally, every ethics committee with authority over at least one clinical site may delay or momentarily or definitively interrupt a clinical trial if it judges that patient safety is being compromised or in the event of non-compliance with any regulatory provisions.

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

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

committee (in the USA: Institutional Review Board, or IRB) regarding the clinical protocol is also required before a clinical trial may commence.

Marketing Authorization

In order to be marketed, every drug must be covered by a Marketing Authorization issued by the competent national or supranational health authority (ANSM, EMA, FDA, etc.) which assesses the product according to scientific criteria of quality, safety and efficacy.

The application for an MA must include medical information about the new product, notably its toxicity, dosage, quality, efficacy and safety. The quality of this information is assured by carefully supervised preclinical and clinical studies. The extent and nature of the trials vary in line with a number of factors such as the nature of the disease, the treatment developed, the sought-after indications and the healthcare standards.

The MA application must include the results of preclinical and clinical trials supported by detailed information about the composition, production process and quality control procedures for the product. The preparation of these applications and their review by the competent authority are an expensive process that may take several years.

In the European Union, MA applications may be submitted to the regulatory authority of a Member State of the European Union (the Reference State) in order to be recognized under the mutual recognition procedure or be decentralized within other Member States or, for certain products, directly with EMA within the context of so-called centralized procedure. The centralised procedure involves an application, a review and a single authorisation to market a particular drug in all European Union Member States.

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

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

Product pricing and reimbursement

In many markets, drugs pricing is controlled by the state which sets the absolute level or prevents local authorities making reimbursement over a given amount, which indirectly leads to drugs prices becoming aligned with this given amount. In France, effective market access presupposes that the company's products will be reimbursed at hospital level (via local authority approval) or reimbursed through the social security system. Drug prices are negotiated with the *Comité Economique des Produits de Santé* (economic committee for healthcare products) after the *Commission de Transparenc*e (transparency commission) has given its opinion.

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

on the Company's products in order to avoid their exclusion from the lists of recommended products drawn up by HMOs.

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

Environmental, health and safety regulations

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

4.1.3 Research & Development Projects

Onxeo develops products in the field of orphan diseases in oncology. This involves innovative products for the treatment of resistant cancers or severe diseases (primary liver cancer, invasive melanoma, etc.) for which new therapeutic approaches are in demand and which constitute markets of high potential. As of the date of this reference document, the portfolio consists of the following main products:

Products in clinical phase I, II or III

- Beleodaq® (belinostat) for the treatment of peripheral T-cell lymphoma (PTCL): phase I trial underway in combination with the CHOP (Cyclophosphamide, Hydroxyadriamycine, Oncovin, Prednisone) treatment in order to establish the optimum combined dose prior to starting a large-scale phase III.
- Validive® (clonidine Lauriad®) for the prevention and treatment of oral mucositis induced by radiotherapy associated or otherwise with chemotherapy in patients suffering from a head and neck cancer: the phase II clinical trial has been completed, positive preliminary results announced on 30 October 2014. Commencement of a phase III study in the same patient population planned to take place in 2015.
- Livatag® (doxorubicine Transdrug™) for the treatment of advanced primary liver cancer: phase III trial underway, commenced in June 2012.

Other products under development

- Fluriad® (Biologics Lauriad®): preclinical development to assess the merits of a vaccine application of the mucoadhesive Lauriad® technology, it being stated, however, that the company does not intend to develop any expertise in the field of vaccination.

Onxeo is also pursuing the development of its expertise in the Transdrug™ technology which could be useful for the subsequent development of new projects combining other active substances with this technology.

Registered products

- Beleodaq® (belinostat), for the treatment of peripheral T-cell lymphoma in relapse or refractory after a standard first-line treatment via chemotherapy (CHOP protocol), registered and marketed in the USA.
- Loramyc®/Oravig® (miconazole Lauriad®), for the treatment of oropharyngeal candidiasis, marketed in France, Germany and Italy and registered in twenty-three countries (Europe, Korea, USA).
- Sitavig® (acyclovir Lauriad®) for the treatment of recurrent labial herpes, registered and marketed in the USA and registered in ten European countries (France, Germany, Sweden, UK, Spain, Italy, Denmark, Finland, Norway and Poland).

Each of these products is presented in detail in section 4.2 of this reference document.

4.1.4. Intellectual property, patents and licences

Intellectual property is a key asset of the Company and lies at the core of its research and development projects. As of 31 December 2014, Onxeo's patent portfolio consists of 23 families of published patents concerning innovative products or technologies. The 23 patent families cover 357 patents and patent applications, including 281 delivered patents - i.e. nearly 80% of the portfolio - which provide international and long-term protection for Onxeo assets.

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

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

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

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

Patents portfolio for products that are marketed or undergoing clinical development

Income	Main therapeutic areas	Protections	Expiry date
Lauriad® technology: prolonged-release oral mucoadhesive tablet			
Loramyc® / Oravig®	Oropharyngeal candidiasis	(i) Lauriad® technology (ii) Treatment of oral candidiasis	Q3 2022
Sitavig®	Prevention and treatment of herpes labialis.	(i) Process for the production of the Sitavig® tablet	Q4 2027 in the USA Q1 2027 in other countries
		(ii) Treatment of herpes via a single administration of Sitavig®	Q2 2030 in the USA Q4 2030 in other countries
Validive®	Treatment of mucositis	Clonidine in the treatment/prevention of mucositis	Q3 2029
Transdrug™ technology: nanoparticle technology			
Livatag®	Treatment of primary liver cancer	i) Livatag® nanoparticules	Q1 2019
		ii) New route of administration of the Livatag® nanoparticles	Q1 2032
Histone deacetylase inhibitor (HDACi) technology			
Beleodaq®	Peripheral T-cell lymphoma (PTCL)	(i) Active substance (Belinostat)	Q3 2021
		(ii) Formulation of the active substance	Q4 2027 in the USA Q2 2026 in other countries
		(ii) Production of the active substance	Q2 2030 in the USA Q3 2028 in other countries

Trademarks

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

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

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

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

Trademarks portfolio for products that are marketed or under clinical development

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

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

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

4.2 Products and markets

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

According to data from IMS Health, the global medicines market reached 989 billion dollars in 2013. The trillion dollar mark should be reached in 2014.

Anticancer treatments remain the largest market with total sales of 65 billion dollars in 2013 and forecast to reach between 85bn and 115bn by 2018 (source: Global Outlook for Medicines through 2018, IMS Institute for Healthcare Informatics).

4.2.1 Orphan drugs in oncology

In Europe, the orphan status is obtained for a medicine used in a pathology affecting less than 5/10,000 people, namely some 10,000 people for the EU 28. This status allows favorable measures to be applied in terms of clinical development (optimized development regarding time and cost), additional protection with a commercial exclusivity of 10 years after MA and a favorable price, generally identical or similar in major European countries.
In the United States, the orphan status is obtained for pathologies affecting less than 200,000 people and the commercial exclusivity is for seven years.

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

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

a) Pathology

Peripheral T-cell lymphoma (PTCL) is a sub-type of non-Hodgkin lymphoma (NHL). With an incidence rate of 19.7 per 100,000 people, NHL is a relatively widespread disease. With an overall survival rate of around 69%, the global prevalence of NHL in the USA was 530,919 people in 2011. Based on 2009 to 2011 data, we estimate that an NHL is diagnosed on around 2.1% of men and women during their lifetime.

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

Peripheral T-cell lymphoma (PTCL) is a cancer of the blood. It is an aggressive cancer provoked by mature white blood cells called T-cells or NK cells. Peripheral T-cell lymphoma occurs when the T-cells develop and increase abnormally, becoming cancerous. The cause of this development is not well understood
The treatment of PTCL is broadly similar to the standard therapeutic treatment for non-Hodgkin lymphoma. In rare cases of localised tumors, the treatment used is radiotherapy (with or without chemotherapy) but with most patients the disease has already spread and chemotherapy is therefore used as first-line treatment. Chemotherapy agents are mainly the alkylants, vinca-alcaloids, anthracyclines and corticosteroids, notably such as the CHOP protocol (cyclophosphamide, doxorubicine, vincristine and prednisone) or other similar combinations. Protocols based on anthracyclines, such as the CHOP protocol, remain the reference treatment for most sub-types of PTCL. Most patients suffering from a PTCL relapse after a first treatment and require a second therapeutic treatment.

b) Epidemiology

PTCL cases account for between 10 and 15% of NHL cases, namely between 38,000 and 58,000 new cases globally each year (2012 Globocan data). In the main pharmaceuticals markets (US, Europe, Japan) there are between 16,000 and 24,000 new cases each year. As PTCL is a type of cancer the incidence of which increases with age, the ageing population should bring about a consistent increase in the number of new cases, amounting to between 21,000 and 31,000 by 2030.

The indication approved in the USA (2nd-line treatment) concerns refractory patients or those in relapse following first-line treatment (CHOP), namely around 70-75% of patients diagnosed with a PTCL.

c) Competition

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

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

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

Molecule	Brand name	Company	Clinical stage
alisertib		Millenium / Takeda	Phase 3 completed
mogamulizumab	Poteligio®	Kyowa H. Kirin	Phase II (registered in Japan)
plitidepsin	Aplidin®	PharmaMar	Phase II
ruxolitinib	Jakafi®	Incyte	Phase II (investigator-sponsored)
forodesine		Mundipharma K.K. (Japan)	Phase I/II (Japanese patients)
clofarabine	Evoltra®	Genzyme	Phase I/II
bendamustine	Levact® / Treanda®	Teva	Phase II
Alemtuzumab + DHAP	Campath®	Genzyme	Phase II

Non-exhaustive list

d) Beleodaq® (belinostat)

Beleodaq® is a histone deacetylase inhibitor (HDACi) which, via an enzymatic process, typically normalizes genetic dysfunctions which are characteristic of cancer cells. Beleodaq® clearly stands out among the various HDAC inhibitors as it has already demonstrated anticancerous properties in

a number of different human tumors, with an excellent tolerance profile. Thanks to their pleiotropic action, HDAC inhibitors can simultaneously target several crucial channels for the survival of the cancer cells. In preclinical studies, HDAC inhibitors have already shown antineoplastic activity in vitro and in vivo, as well as synergy with other anticancer agents by killing off the cancer cells and inhibiting tumor growth (Bolden et al. 2006[2]; Minucci et al. 2006[3]). This is why HDAC inhibitors represent a very interesting anticancer therapeutic strategy.

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

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

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

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

To meet the post-MA study requirements of the FDA and to extend the indication of belinostat as a first-line treatment for PTCL, a clinical research study into the dosage of BelCHOP (belinostat plus cyclophosphamide, hydroxydaunorubicine, oncovin and prednisone) is underway; it should establish which dosage of belinostat in combination with CHOP treatment may safely be administered as a first-line treatment for PTCL. This BelCHOP study will recruit up to 28 patients by Q3 2015. The objective is to establish the recommended dose for the confirmatory phase III study, in accordance with the FDA request, which is planned to commence during Q1 2016.

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

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

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

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

Partner	Territory	Phase	Amount already generated by the Company	Total to be generated from the agreement
Spectrum Pharmaceuticals. Licensing and collaboration agreement in 2010	USA, Canada, Mexico, India and option for China	Marketed in the USA as a 2nd-line treatment for PTCL Undergoing development in other indications	65 million dollars + 1 million Spectrum shares + royalties on sales	350 million dollars + royalties on sales

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

a) Pathology

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

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

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

b) Epidemiology

According to Globocan data (2012 data), liver cancer is the 6th most common cancer in terms of incidence (782,000 new cases in the world, 5.6% of all new cancer cases) with the 2nd highest mortality rate (746,000 deaths, 9.1% of the total).

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

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

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

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

The 5-year survival rate remains extremely low, even in the most medically advanced countries such as the USA, where it is 16% for all patients but only 10% for those diagnosed at an advanced stage (regional invasion) and 3% at the full-blown metastatic stage (*Facts & Figures* report 2014 by the American Cancer Society).

c) Competition

Existing forms of treatment

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

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

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

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

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

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

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

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

Competitive products in development (advanced-stage HCC)

Phase III		**Phase II**	
First line	*Second line*	*First line*	*Second line*
Brivanib (BMS) Lenvatinib (Eisai) Linifanib (Abbott) Sutent® (sunitinib, Pfizer)	Livatag® (doxorubicine Transdrug®, Onxeo) ADI-PEG 20 (Polaris Group) Afinitor® (everolimus, Novartis) Brivanib (BMS) Cabozantinib (Exelis) Muparfostat (Medigen Biotechnology) Ramucirumab (Eli Lilly) Stivarga® (regorafenib, Bayer) Tivantinib (ArQule, Daiichi Sankyo)	Dovitinib (Novartis) Refametinib (Bayer) Selumetinib (AZ) Tigatuzumab (Daiichi Sankyo) Trebananib (Amgen)	Belinostat (Topotarget) GC33 (Chugai) Ceditarabin (AZ) Galunisertib (Eli Lilly) G202 (Genspera) Inlyta® (axitinib, Pfizer) JX-594 (Jennerex) Paclociclib (Onyx, Amgen) Resminostat (4SC) SGI110 (Astex Pharma) Tasquinimod (Ipsen, Activ Biotech)

In red: products whose clinical trials in the indication were negative

d) Livatag® (doxorubicin Transdrug™)

Livatag® (Doxorubicin Transdrug™), the flagship program of the orphan products in oncology portfolio, corresponds to a doxorubicin formulation in the form of lyophilized nanoparticles of polyisohexylcyanoacrylate (PIHCA).

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

The efficacy of Livatag® (Doxorubicin Transdrug™) has been demonstrated in preclinical models of resistant cancers *in vivo* and *in vitro,* its superiority over free doxorubicin having been established.

This form of doxorubicin has obtained the status of orphan medication in Europe and the United States.

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

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

In accordance with the decisions of the DSMB, the Company has continued follow-up of patients included in this trial between 2009 and 2010, which revealed positive results in terms of survival with a median survival of 32 months in patients who had received Livatag® by the hepatic intra-arterial route versus 15 months in patients having received the standard treatment (arterial chemoembolisation). These results were presented at the ILCA Congress (International Liver Cancer Association) in September 2011 and the AASLD Congress (American Association for the Study of Liver Diseases) in November 2011.

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

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

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

The ReLive study is being conducted in 8 European countries (Germany, Spain, Italy, Russia, Hungary, Austria, Belgium and Russia) and in the USA. At the start of 2015, 35 investigation centres were active and 10 to 15 additional centres are planned; 40% of the patients planned for the study have been recruited. The preliminary results of the trial are expected end 2016/early 2017.

Livatag® was already patented up to 2019 internationally by a first family of patents protecting its composition (doxorubicine contained in nanoparticles). In February 2014, the European Patent Office issued a new family of patents protecting its specific administration regimen. This second family of patents provides very significant supplementary protection for Livatag® as it extends the period during which no generic may be marketed to 2032.

Livatag® enjoys orphan drug status in Europe and the United States, enabling optimization of the product's development plan in terms of cost and duration, as well as strengthening its protection (market exclusivity). In May 2014, it also received fast-track status from the Food and Drug

Administration in the treatment of hepatocellular carcinoma after treatment with Sorafenib. This status acknowledges that a drug is being developed for a severe life-threatening disease for which the medical need is important. It will allow enhanced interaction with the FDA and optimise the evaluation schedule of the product during development right up to registration.

Finally, in July 2013, Onxeo obtained financing from bpifrance of nearly €9m of which €4.3m was awarded directly to the company via an Industrial Strategic Innovation (ISI) programme, payable over 5 years and enabling the acceleration of the industrial development of Livatag®. This financing supported the establishment of the NICE (Nano Innovation for Cancer) consortium, the first consortium with the objective of establishing a nanomedicine sector in France and more specifically focussed on the characterisation and industrialisation of production processes specific to nanomedicines. In October 2014, the company received the second payment of €1.25m based on the Livatag® programme progressing as per schedule.

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

a) Pathology

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

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

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

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

b) Epidemiology

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

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

The global incidence of head and neck cancers amounted to some 690,000 new cases in 2012 (source Globocan 2012) with a significant rise anticipated by 2025 to 930,000 cases.

If we confine ourselves to key countries for Validive® – US, Europe and Japan – namely the countries with an established pharmaceuticals market and with wide access to radiotherapy for patients suffering from a head neck and cancer, the incidence is around 170,000 cases in 2012, with a forecast of over 200,000 cases in 2025. Based on US and European treatment

recommendations, the company estimates that around 70% of head and neck cancers are treated with radiotherapy (with or without accompanying chemotherapy).

c) Competition

Existing forms of treatment

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

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

Competitor products currently being developed

Phase III	Phase II
Kepivance (Amgen)	AG013 (ActoGenix NV), a product applied orally Clazakizumab (Alder Biopharm) CR-3294 (Rottapharma Madaus) H0/03/09 (HealOr Ltd), mouthwash IZN-6N4 (Izum Pharma Corp), mouthwash LP-004-09 (Laila Pharmaceuticals Ltd), oral gel P-276 (Piramal Enterprises) Samital (Indena) SGX942 (Soligenix Inc)

d) Validive®

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

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

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

Clonidine therefore has the following properties:

- Painkilling properties due to changes in the inflammatory response and its direct action on nociceptors;
- Anti-inflammatory properties due to its action on the expression of the pro-inflammatory genes and the release of cytokines IL6, IL1 β and TNFα and due to the release of TGF β.

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

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

In terms of efficacy, the Phase II trial demonstrated:

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

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

A committee of European and US experts was established in 2013 to provide its expertise and recommendations on the development strategy for Validive® and on its medical positioning in oral mucositis. Following the analysis of this preliminary efficacy data, the experts committee recommended continuation of the Validive® development programme through a Phase III trial in the same patient population. The company plans to start this trial during 2015.

This development will take place under "fast-track" status, awarded to Validive® by the Food and Drug Administration in January 2014. This status facilitates interaction with the FDA and offers optimised assessment periods for drugs developed in severe or life-threatening pathologies for which there is a major medical need. Furthermore, since 2011 Validive® has benefited from orphan drug status in Europe, enabling optimisation of the development plan in terms of cost and duration and strengthening its protection (market exclusivity).

In March 2014, a new patent was issued by the Japanese patent office protecting the original application of clonidine in oral mucositios and protecting Validive® until 2029.
After China, South Korea and Singapore, the issue of this patent for Japan widens the industrial protection of Validive® in the market.

4.2.2 Other products

4.2.2.1 Loramyc® / Oravig® and oropharyngeal candidiasis

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

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

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

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

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

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

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

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

Partner	**Territory**	**Phase**	**Amount already generated by the Company**	**Total to be generated from the agreement**
Sosei Co., Ltd Licensing agreement from May 2011	Exclusive marketing license for Japan	Ongoing clinical development	3 million dollars	18.5 million dollars + royalties on sales
Therabel Pharma group Licensing agreement from March 2010	Exclusive marketing license for Europe, including Switzerland	Commercialisation in France, Germany and Italy	9.5 million euros	45.5 million euros + royalties on sales
Handok Licensing agreement from March 2008	Exclusive marketing license for Korea, Taiwan, Singapore and Malaysia	MA for Korea obtained in April 2009	1 million euros	12 million dollars + royalties on sales
ScliClone Licensing agreement from June 2008	Exclusive marketing license for China	Ongoing clinical development	0.6 million euros	4 million dollars + royalties on sales
Dara Licensing agreement in March 2015	MA + marketing licence for the USA	Marketing in the USA		

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

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

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

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

Over 80% of the global adult population carries HSV-1, the main labial herpes virus[4]. Each year, about 14% of the adult population has at least one episode of herpes labialis. Acyclovir Lauriad® targets patients with at least four outbreaks per year, which represents roughly 35% of patients suffering from recurrent labial herpes according to a study of patients conducted by Nielsen for Onxeo. In addition, HSV-1 infection is often associated with HIV infection, in which case patients have about twelve outbreaks a year.

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

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

Partner	Territory	Phase	Amount already generated by the Company	Total to be generated from the agreement
Daewoong Pharmaceutical Licensing agreement from April 2014	Marketing licence for South Korea	Undergoing registration	147,680 euros	1,255,280 euros + royalties on sales
EMS S/A	Marketing licence for	Undergoing	30,000 dollars	120,000 dollars +

Licensing agreement from June 2014	Brazil	registration		royalties on sales
Innocutis Holding LLC Licensing agreement from March 2014	Marketing licence for the USA, Canada and Mexico	Marketed in the USA	2 million dollars + royalties on sales	5 million dollars + royalties on sales
Teva Licensing agreement from June 2012	Marketing licence for Israel	Undergoing registration	150,000 dollars	350,000 dollars + royalties on sales

5. CORPORATE GOVERNANCE

Sections 5.1, 5.2 and 7.2.2 of this reference document constitute the Chairman's report to general Meeting as required under Article L. 225-37 of the Commercial Code. This report was approved by the Board of Directors on xxxx; it was forwarded to the AMF alongside this reference document and is available from the Onxeo website: http://www.onxeo.com.

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

5.1 Board of Directors

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

The composition of Onxeo's Board of Directors changed during 2014. The May 21st Board Meeting acknowledged the resignation as Company Director of Kurma Life Science Partners, represented by Mr. Rémi Droller.

The November 6th Board Meeting took note of the resignation of Orfacare Consulting GmbH, represented by Mr. Bo Jesper Hansen, and Mr. Per Samuelsson, both previously named new Directors by the General Meeting of June 30.

Please note that the terms of office of Madam Judith Greciet, Mr. David H. Solomon and Financière de la Montagne, represented by Mr. Nicolas Trebouta were renewed for a period of 3 years by the General Meeting of April 8, 2014.

At the time of this report, the Board of Directors is composed of seven members:

Patrick LANGLOIS	Independent director, Chairman
Judith GRECIET	Director, CEO
Russell GREIG	Independent director
Danièle GUYOT-CAPARROS	Independent director
Thomas HOFSTAETTER	Independent director
David SOLOMON	Independent director
Financière de la Montagne	Director and shareholder, permanent representative Nicolas TREBOUTA

In accordance with the provisions of the law of January 27, 2011 referring to proportionate gender balance on corporate boards, stipulating that the percentage of either sex may not be less than

20% as of January 1, 2014, and increasing to 40% on January 1, 2017. The Board of Directors has elected two women, as of the publication date of this reference document, who make up 29% of its members.

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

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

In accordance with statutory and regulatory provisions, a director's term of office is currently three years.

Detailed information about each member of the Onxeo board including details about the directorships held by them is provided in Section 5.1.4 of the reference document.

5.1.1 Composition and activities of the Board

5.1.1.1 Composition and responsibilities of the board of directors

A. Missions of the Board

The Board of Directors is responsible for determining Onxeo Group's strategic, economic and financial policies. It oversees and monitors their proper implementation.

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

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

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

To enable the full exercise of its mission, the Board of Directors has specified in its rules of procedure:

(i) that it falls to the Chief Executive Officer, assisted by the Secretary to the Board, to transmit the relevant information to the other members;

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

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

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

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

5.1.1.2 Organization and report on the Board's activities in 2014

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

- The Audit Committee
- The Remuneration and Appointments Committee;
- Corporate Development Committee

A. The Board's activity report

Twelve Board Meetings were held in 2014. The participation rate was 88.4%.

At each of these meetings, the Board of Directors took note of the progress of projects and the prospects of activities and results and paid particular attention to financing and Company strategy.

At the Board meeting of 29 January 2014 the 2014 budget was approved. It also set the remuneration of the CEO and Deputy CEO for fiscal 2014, alongside the CEO's objectives for 2014. The Board also approved, in principle, raising approximately €30 to €40 million and approved the list of banks and partners selected to assist the Company in raising this money.

At the Board meeting of 25 February 2014 the 2013 annual and consolidated financial statements were approved. It approved the Chairman's report on corporate governance, internal control and risk management. It also approved the Management Report as well as the Special Report on the allocation of stock options and purchase of shares. They also convened the Annual General Meeting for April 8, 2014 and approved the draft resolutions.

At the Board meeting of 7 April 2014 a written question was discussed with a view to providing a response at the combined general meeting on 8 April 2014.

At the Board meeting of 15 April 2014 the proposed merger/acquisition of Topotarget by BioAlliance Pharma was approved in all aspects, notably regarding the basis of the exchange ratio of the rights attached to 2 BioAlliance Pharma shares for 27 Topotarget shares and in accordance with other terms set out in the Merger Protocol and in the Proposed Merger Agreement, the terms and conditions of which were also approved.

At the Board meeting of 30 April 2014 sales figures for Q1 2014 were approved alongside the terms of the associated press release.

At the Board meeting of 21 May 2014 the definitive merger agreement was approved incorporating new elements arising since 15 April 2014: changes in the BioAlliance Pharma and Topotarget share prices, accelerated exercise of Topotarget share warrants, finalisation of the assignment of the French merger auditors and tax rulings. In general, the Board approved all aspects of the merger, decided to submit it to the vote of the General Meeting of Shareholders and to mobilise all efforts to carry it out, giving all powers to the CEO to that effect. Furthermore, the Board approved the proposed extending the share buyback program in order to permit the exercise of their right to withdraw by the Topotarget shareholders. It also approved the Document E drafts and the listing prospectus and all the media to be used for communication.

The Board approved in principle the current account advance agreement to be entered into with Financière de la Montagne and gave all powers to the CEO to study its feasibility, and to negotiate, finalise and sign it.

The Board acknowledged the resignation of Kurma Life Sciences Partners, represented by Mr. Rémi Droller, as Company Director. It approved the appointment of Financière de la Montagne, represented by Mr. Nicolas Trebouta, as a member of the Remuneration and Appointments Committee concerning Kurma Life Sciences Partners' replacement.

They also convened the Annual General Meeting for June 30, 2014 and approved the draft resolutions.

At the Board meeting of 30 June 2014 remuneration of the financing commitment by Financière de la Montagne was approved, providing authorization for the CEO to complete discussions on the said remuneration.

Following approval at the combined general meeting of 30 June 2014 of the principal and execution of the merger by acquisition of Topotarget A/S by the company, **on 1 August 2014 the Board** recorded that the effective legal date of the merger is 22 July 2014. This Board Meeting also noted a capital increase resulting from the exercise of warrants and the corresponding amendment of Article 6 of the by-laws.

At the Board meeting of 22 September 2014 it was recorded that the performance conditions for the 2013 employee stock option had been met in full. It also laid down new plans for granting stock options and free shares to officers and employees of the Company. Finally, the Board adopted a new warrant attribution plan for non-salaried non-executive members of the Board of Directors.

At the Board meeting of 6 November 2014 sales figures for Q3 2014 were approved alongside the terms of the associated press release. The Board also took note of the resignation of two directors Orfacare Consulting GmbH, represented by Mr. Bo Jesper Hansen and Mr. Per Samuelsson, effective as of November 6, 2014.

At the Board meeting of 7 November 2014 approval was given for a capital increase with preferential subscription rights and provided the CEO with all necessary authority to set the definitive terms of and to implement the capital increase.

At the Board meeting of 14 November 2014 the subscription price was set for the capital increase with retention of preferential subscription right through the issue of new shares. It was also decided to temporarily suspend the ability to exercise share subscription warrants and stock options issued or allocated by the company, incorporating an adjustment of the rights of holders of stock options and share warrants.

B. The Audit Committee

Composition

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

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

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

The Committee may only include non-executive members of the Company's Board of Directors.

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

The Audit Committee is presently composed of three members: Danièle Guyot-Caparros, who chairs it, Mr. Patrick Langlois and Mr. Nicolas Trebouta, permanent representative of Société Financière de la Montagne. Madam Judith Greciet, Chief Executive Officer, attends the meetings as an invitee of the Audit Committee.

As of the date of this report, the Committee has two independent directors including its Chairman.

Mission

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

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

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

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

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

Organisation and minutes

The Audit Committee meets at least twice a year in advance of the approval of annual and interim financial statements. In 2014, it held two sessions with a 100% participation rate.

A committee meeting was held on **24 February 2014** to review the company's risk map and associated action plans, and to review the Chairman's report on corporate governance, risk management and internal control. The session also reviewed the 2013 consolidated financial statements and the audit of the 2013 accounts.

At its meeting on **28 July 2014,** the committee analysed the interim half-yearly accounts as at 30 June 2014. It also reported on the Topotarget merger, the timing of its various stages and the accounting implications.

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

The Committee's Chairman presented an activity report to the Board Meetings of February 25, 2014 and August 1, 2014.

C. Appointments and Remuneration Committee

Composition

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

During 2014, the Appointments and Remuneration Committee was modified after the resignation of Kurma Life Sciences Partners, represented by Mr. Rémi Droller, previously a member of the Committee, and replaced by Mr. Nicolas Trebouta, representing the Financière de la Montagne. The Committee is presently composed of three members: Mr. Patrick Langlois, Chairman, Mr. David Solomon and Mr. Nicolas Trebouta, representing Financière de la Montagne. There are thus two independent directors including the chairman. Madam Judith Greciet attends the meetings as an invitee of the Committee.

Mission

The Appointments and Remuneration Committee is to prepare the Board of Directors' decisions concerning (i) the selection and appointment of future directors, (ii) the remuneration of executive officers, (iii) determining performance conditions concerning the granting of warrants or options to purchase shares, or bonus shares, for the executive officers, and (iv) the periodic evaluation of directors' remuneration.

Organization of work

The Appointments and Remuneration Committee meets at least once a year. In 2014, it held two sessions with an 87.5% participation rate.

At its meeting on **28 January 2014**, the committee examined the variable remuneration of the CEO for 2013 and her objectives for 2014. It also discussed the CEO's and the COO's remuneration for the 2014 financial year.

At its meeting on **22 September 2014**, the committee reviewed the attainment of the performance conditions for the 2013 employee stock option allocation plan. It examined the conditions for grant new stock options and free shares to executives and employees of the company. The Committee also reviewed the conditions of the warrant plan for non-salaried non-executive Board members.

Corporate Development Committee.

Composition

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

This Committee is composed of Thomas Hofstaetter as Chair, Judith Greciet, Russell Greig, Patrick Langlois and David Solomon. In 2014, Mr. Rémi Droller left this Committee after Kurma Life Science Partners resigned from the Board of Directors of the Company. There are thus four independent directors including the Chairman.

Mission

The Corporate Development Committee supports and accompanies the executive management on matters of corporate development, namely on acquisition projects and strengthening the product pipeline as well as the company's strategic direction.

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

As such, it must:

- Discuss, assess and evaluate the strategic plan proposed by the Chief Executive Officer to the Board of Directors including the research program issues and the associated strategic choices with regard to the external and internal business context,

- Investigate, propose targets and present its recommendations on the acquisition of new business projects, whether in the form of acquisitions of assets or companies (as well as their related financing), on any proposed the sale of assets, or on investments belonging to the Company.

Organization of work

The Corporate Development Committee meets at least once a year.

In 2014 it met on September 22nd, with a 100% participation rate. In addition, a strategic meeting extended to all members of the Board of Directors and the Executive Committee was held on December 16 and 17, 2014.

5.1.1.3 Assessment of the Board of Directors

In accordance with recommendation No. 15 of the Middlenext corporate governance code to which the Company adheres, the Chairman of the Board requests, once a year, that each member expresses their opinions on the Board's functioning and the preparation of its work. All remarks made in 2013 have been taken into consideration in 2014 and the Board will organise a new assessment in 2015.

5.1.2 The Directors of Onxeo

5.1.2.1 Information about the Directors

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

Excluding the CEO, no Director exercises any executive or salaried function for Onxeo or for any company directly or indirectly controlled by Onxeo.

No family relationship exists between any Directors.

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

Corporate offices

In accordance with the provisions of Article L. 225-102-1 of the French Commercial Code, we inform you by the following list of all the offices and functions held by each of the Company directors during the year in all French or foreign companies. This list is extended to five years to comply with Annex I to (EC) Regulation no. 809/2004 governing the drafting of reference documents.

Directors	Terms of office and functions
Patrick LANGLOIS Patrick Langlois has been chairman of Onxeo since 29 June 2011. His term of office will expire at the shareholders' general meeting of 2016. Aged 70, Patrick Langlois has been a director of Onxeo since 13 May 2011. Patrick Langlois began his career at Banque Louis Dreyfus and subsequently spent a large part of his career at Rhône-Poulenc and then Aventis SA, where he was vice chairman of the board and CFO. Today he is a general partner at PJL Conseils and a board member and non-executive director of various biotech organisations in Europe and the USA, notably Innate Pharma and Exonhit Therapeutics. As of 31/12/2014, Mr. Patrick Langlois held 99,173 share warrants in Onxeo. Business address: PJL CONSEILS EURL 6, Avenue Frédéric Le Play 75007 Paris – France	Within the Company • Chairman of the Board of Directors of Onxeo Outside the Company As of 31 December 2014, Mr. Patrick Langlois was also: • Chairman of Stallergènes (France) • Member of the supervisory board of Innate Pharma (France) • Director of Newron Pharmaceuticals (Italy) • Director of Scynexis Inc (USA) Over the past 5 years, Patrick Langlois has also performed the following functions and posts outside the company which he no longer performs: • Member of the supervisory board of Diaxonhit (France) • Director of Shire Limited (UK) • Chairman of the supervisory board of Nanobiotix SA (France)

Judith GRECIET Judith Greciet joined Onxeo on 1 March 2011, as Chief Operating Officer in charge of R&D and Operations. She has been CEO and a director of the company since 29 June 2011. His term of office will expire at the shareholders' general meeting of 2017. Age 46, Judith Greciet's career has been spent in various laboratories (including Eisai, Zeneca, Wyeth), occupying important managerial and strategic international positions in the growing field of Oncology and Immunology, working on innovative products. She has a doctorate in Pharmacy and is a graduate in business administration and pharmaceutical marketing. As of 31/12/2014, Judith Greciet held 249,987 stock options and 48,931 free shares in Onxeo. Business address: ONXEO 49, boulevard du Général Martial Valin 75015 – Paris.	Within the Company • Director and CEO of Onxeo Outside the Company As of 31 December 2014 Judith Greciet is also: • Chairwoman of Laboratoires BioAlliance Pharma • Director of Theravectys • Director of France Biotech Over the past 5 years, Judith Greciet has also performed the following functions and posts which she no longer performs: • Chairwoman of Eisai France

Russell GREIG Russell Greig has been a director of Onxeo since 26 June 2013. His term of office will expire at the shareholders' general meeting of 2016. Russell Greig, 63, the Board's permanent invitee, has over 30 years' experience in the pharmaceutical industry, with expertise in research and development and business development. Russell Greig spent a significant part of his career at GlaxoSmithKline (USA/UK) where he was Senior Vice President of Worldwide Business Development R&D. As of 31/12/2014, Russell Greig held 28,629 share warrants in Onxeo. Business address: 1241 Karen Lane, Wayne, PA 19087-2759 United States	Within the Company • Director of Onxeo Outside the Company As of 31 December 2014, Russell Greig was also: • Chairman of the board of AM Pharmaceuticals (Netherlands) • Chairman of the board of Mint Solutions (Netherlands) • Director of Ablynx (Belgium) • Director of TiGenix (Belgium) • Director of Oryzon (Spain) • Venture Partner of Kurma Partners Over the past 5 years, Russell Greig has also performed the following functions and posts which he no longer performs: • Director of Rib-X Pharmaceutials (USA) • Director of Genocea BioSciences, Inc. (USA) • Chairman of the board of Anaphore Inc. (USA) • Chairman of the board of Syntaxin (UK) • Director of Novavax AB (Sweden) • Chairman of the supervisory board of Novagli (France)

Danièle GUYOT-CAPARROS Danièle Guyot-Caparros has been a director of Onxeo since 26 June 2013. His term of office will expire at the shareholders' general meeting of 2016. Danièle Guyot-Caparros is 56. After experience with an audit firm carrying out international assignments she joined Rhône-Poulenc, later to become Aventis and then Sanofi, occupying several important posts, notably with responsibilities carried out in France at European level and then in business planning and performance monitoring on a worldwide level. As of 31/12/2014, Danièle Guyot-Caparros held 28,629 share warrants in Onxeo.	Within the Company • Director of Onxeo

David H. SOLOMON David H. Solomon has been a director of Onxeo since 29 June 2011. His term of office will expire at the shareholders' general meeting of 2017. Aged 54, David H. Solomon has been Chairman & CEO of BIONORPHARMA (Norway) since January 2015. A physician-pharmacologist, he worked for several years at Columbia University, before joining Carrot Capital Healthcare Ventures, an investment firm. Since 2006, he has held chief executive positions in Biotech companies. As of 31/12/2014, David H. Solomon held 44,328 share warrants in Onxeo. Business address: BionorPharma Kronprinzesse Märthas Plass 1 Vika, N-0116 Oslo, Norway	Within the Company • Director of Onxeo Outside the Company As of 31 December 2014, David H. Solomon was also: • CEO of Zealand Pharma • Member of the board of the American Chamber of Commerce in Denmark • Member of the board of the Cass Foundation, Goodwood, UK

Thomas HOFSTAETTER Thomas Hofstaetter has been a director of Onxeo since 31 May 2012. His term of office will expire at the shareholders' general meeting of 2015. Age 66, Thomas Hofstaetter holds a doctorate in molecular biology (University of Tubingen, Germany). He has over thirty years' experience in development and acquisition of companies in biotechnology and technological cooperation agreements, particularly with Wyeth, Inc., Aventis, VaxInnate Corporation and Geron Corporation. As of 31/12/2014, Thomas Hofstaetter held 44,325 share warrants in Onxeo. Business address: Thomas Hofstaetter Die Rappenwiesen D- 61350 Bad Homburg Germany	Within the Company • Director of Onxeo Outside the Company As of 31 December 2014, Thomas Hofstaetter was also: • Director of Geron Corporation Over the past 5 years, Thomas Hofstaetter has also performed the following functions and posts which he no longer performs: • Chairman & CEO of VaxInnate Corporation

FINANCIERE DE LA MONTAGNE, represented by Nicolas Trebouta Financière de la Montagne has been a director since 29 June 2011. Its term of office will expire at the shareholders' general meeting of 2017. Age 51, Nicolas Trebouta has managed investments since 2004 directly through his company, Financière de la Montagne, or through biotech funds. Co-founder of Chevrillon and Associates in 2000, he participated via this organization in several LBO operations including Picard Surgeles, the printer CPI and Albingia Insurance. He is a doctor and has been a shareholder of BioAlliance since 2008. As of 31/12/2014, Financière de la Montagne held 5,661,532 shares and 13,013 share warrants in Onxeo. Business address: Financière de la Montagne 4-6, Rond-Point des Champs Elysées 75008 Paris	Within the Company • Director of Onxeo Outside the Company As of 31 December 2014, Nicolas Trebouta was also: • Manager of the SARL Financière de la Montagne SARL • Manager of the SCI Fleurus Immobilier • Chairman of the SCI 5 rue de la Liberté • Chairman of the SAS Dragon 8 • Manager of the SC Financière des Associés • Director of the GIE IO • Chairman of the supervisory board of the SCA Chevrillon & Associés • Manager of the EARL Ferme de Bissy • Manager of the SC Valois • Manager of the SCI du Trillon • Manager of the SC Aster Over the past 5 years, Nicolas Trebouta has also performed the following functions and posts which he no longer performs: • Chairman & CEO of the SICAV Mercure Epargne Longue

Furthermore, three directors, active during fiscal 2014, resigned from the Board of Directors before December 31, 2014:

- KURMA LIFE SCIENCE PARTNERS, represented by Rémi Droller, a director of Onxeo between 16 December 2010 and 21 May 2014.
- Per SAMUELSSON, director of Onxeo between 30 June 2014 and 6 November 2014.
- ORFACARE CONSULTING GmbH, represented by Bo Jesper Hansen, a director of Onxeo between 30 June 2014 and 6 November 2014.

a) Conflicts of interest

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

b) Independence

There are five independent directors within the meaning of the Middlenext Code of Corporate Governance. These Directors are Russell Greig, Danièle Guyot-Caparros, Thomas Hofstaetter, Patrick Langlois and David Solomon.

c) Directors' remuneration

Directors' are remunerated in the form of directors' fees paid only to independent directors. The maximum annual amount of attendance fees was set for 2014, and any subsequent year, by the General Meeting of Shareholders of June 30, 2014 at €200,000.

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

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

In addition, the Board Meeting of September 22, 2014 decided to allocate to the independent directors warrants having a 10-year exercise term at an issue price of €0.64 and a subscription price of €6.42.

Table 3

Directors' fees and other remuneration received by non-executive corporate officers				
Non-executive corporate officers	**Amounts for fiscal 2014 8 board meetings and 6 committee meetings**		**Amounts for fiscal 2013 7 board meetings and 7 committee meetings**	
	Directors' fees in €	**Other remuneration**	**Directors' fees in €**	**Other remuneration**
Patrick Langlois	€45,400	20,000 warrants €24,000 (*)	36,400	25,000 warrants €24,000 (*)
Russell Greig	€19,180	12,500 warrants	9,240	15,000 warrants
Danièle Guyot-Caparros	€29,400	12,500 warrants	13,200	15,000 warrants
David Solomon	€17,080	12,500 warrants	10,080	15,000 warrants
Thomas Hofstaetter	€20,580	12,500 warrants	15,330	15,000 warrants
Financière de la Montagne Represented by N. Trebouta	N/A	12,500 warrants	N/A	N/A
IDI Invest now Kurma Life Sciences Partners, represented by R. Droller. Member of the Board until 04/06/2014	N/A	N/A	N/A	N/A
Per Samuelsson Member of the Board until 06/11/2014	N/A	N/A	N/A	N/A
Orfacare Consulting GmbH Represented by Bo Jesper Hansen Member of the Board until 06/11/2014	€3,943	N/A	N/A	N/A
TOTAL	€135,583	82,500 warrants €24,000	€84,250	85,000 warrants €24,000

(*) Consultancy contract between Onxeo and PJL Conseils dated 1 July 2012 providing for fixed remuneration of €2,000 exc. VAT per month.

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

5.1.2.2 Information about the corporate officers

As of the date of this reference document, the general management of this company is exercised by Judith Greciet, Chief Executive Officer, of whom a presentation is provided in Section 5.1.2.1.

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

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

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

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

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

Remuneration of executive corporate officers

Remuneration policy

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

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

Corporate officers receive no directors' fees for their position.

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

Onxeo complies with the MiddleNext Code of Corporate Governance regarding the remuneration of executive officers of companies whose shares are admitted to trading on a regulated market.

Judith Greciet

Madam Judith Greciet joined Onxeo on March 2, 2011, as Chief Operating Officer in charge of R&D and Operations. She was appointed CEO on June 29, 2011. For 2014, this remuneration was set at €260,000 by the Board of Directors on January 29, 2014 at the recommendation of the Remuneration and Appointments Committee formulated on January 29, 2014.

The Board Meeting of May 21, 2014 decided to increase the annual gross salary of Judith Greciet from €260,000 to €300,000 with retroactive effect as of July 1, 2014, subject to the full realization of the merger with Topotarget (completed in July 2014) and a capital increase (completed in December 2014). Consequently, the fixed salary of Judith Greciet stood at €287,147 for the year 2014.

An exceptional bonus equal to 4 months' salary was also awarded after recognition of the achievement of these two performance conditions. On January 29, 2014, the Board of Directors also decided that the variable remuneration of the CEO would in principle represent up to 40% of the fixed salary and determined that for 2014 it would be subject to the achievement of objectives related to R&D activities, the advancement of partnerships, and the structuring of Company strategy upon completion of the acquisition. Upon completion of these objectives, the Board Meeting of January 22, 2015 set Judith Greciet's 2014 variable remuneration at €137,106.

In 2014, Judith Greciet received no attendance fees in accordance with the rules set out in the preceding paragraph and did not receive stock options or other instruments providing access to capital. Judith Greciet did not receive any benefits in kind in 2014 other than a company car.

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

Table 1

Summary table of remuneration, options and shares allocated to each executive officer (in €)		
Judith Greciet - CEO since 29 June 2011	2014	2013
Remuneration payable in respect of the financial year (broken down in Table 2)	513,883	338,135
Value of options awarded during the year	38,921	N/A
Value of performance shares awarded during the year	190,431	N/A
TOTAL	**743,235**	**338,135**
Pierre Attali - Pierre Attali - Chief Operating Officer. Expiry of term of office: 09/02/2015		
Remuneration payable in respect of the financial year (broken down in Table 2)	274,845	251,789
Value of options awarded during the year	23,353	N/A
Value of performance shares awarded during the year	119,525	N/A
TOTAL:	**417,723**	**251,789**

Table 2

Summary of remuneration paid to each executive officer (in €)				
	Amounts in 2014		Amounts in 2013	
	owed	paid (1)	owed	paid (1)
Judith Greciet - CEO since 29/06/11				
- fixed remuneration (2)	287,147	267,184	261,025	261,025
- variable remuneration	137,106	51,500	51,500	22,425
- exceptional remuneration	86,692	N/A	22,425	22,425
- directors' fees	N/A	N/A	N/A	N/A
benefits in kind:	2,938	2,938	3,185	3,185
TOTAL	**513,883**	**321,622**	**338,135**	**309,060**
Pierre Attali - Chief Operating Officer – End of term: 09/02/2015				
- fixed remuneration	211,278	211,278	209,935	209,935
- variable remuneration	59,867	29,329	29,329	10,465
- exceptional remuneration	N/A	N/A	10,465	10,465
- directors' fees	N/A	N/A	N/A	N/A
- benefits in kind:	3,700	3,700	2,060	2,060
TOTAL	**274,845**	**244,307**	**251,789**	**232,925**

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

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

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

Table 3 is provided in Section 5.1.2.1 of this reference document.

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

During 2014, 40,000 stock options were allocated to executive corporate officers.

Executives' stock options are only exercisable after a period of 4 years, subject to the achievement of performance conditions evaluated one year after their award and related to (i) advances in research and development programmes, notably Beleodaq®, Validive® and Livatag®; (ii) establishment of partnerships; and (iii) higher stock market valuation.

Name	First name	SO / Person
ATTALI	Pierre	15,000
GRECIET	Judith	25,000
Total		**40,000**

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

Not applicable. No option to purchase or subscribe for shares was exercised by the corporate officers in 2014.

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

During fiscal 2014, 76,500 free shares were granted to executive officers of which 57,500 were free shares acquired in late 2014 conditioned on achieving predefined objectives and 19,000 others, also subject to achieving objectives over a 2-year vesting period conditioned on their continued presence in the Group.

Executives' free shares are only exercisable after a period of 4 years, subject to the achievement of performance conditions and related to (i) successful post-merger integration, (ii) advances in research and development programmes, notably Beleodaq®, Validive® and Livatag®; (iii) establishment of partnerships; and (iv) higher stock market valuation.

Name	First name	AGA / Person
ATTALI	Pierre	29,500
GRECIET	Judith	47,000
Total		**76,500**

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

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

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

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

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

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

History of the awards of financial instruments granting rights to the share capital Information on the BSAs and stock options (SOs) awarded to executive officers				
	SO Dir.2010	**SO Dir.2011**	**SO Dir.2012**	**SO Dir.2014**
Date of AGM	22/04/2010	29/06/2011	31/05/2012	30 June 2014
Date of Board of Directors meeting	25/08/2010	21/09/2011	13/09/2012	22 September 2014
Exercise terms	1 option/1 share Vesting 4 years subject to performance conditions	1 option/1 share Vesting 4 years subject to performance conditions	1 option/1 share Vesting 4 years subject to performance conditions	1 option/1 share Vesting 4 years subject to performance conditions
Shares able to be subscribed by executive corporate officers (1)	10,791	219,782	103,597	41,643
- of which Judith Greciet	N/A	167,453 (2)	56,507	26,027
- of which Pierre Attali	10,791	52,329	47,090	15,616
Start date for exercise	25/08/2014	21/09/2015	13/09/2016	22/09/2018
Expiry date	25/08/2020	21/09/2021	13/09/2022	22/09/2024
Subscription price(1)	5.28	3.63	3.75	6.17
Shares subscribed at 31/12/2014	0	0	0	0
Cancelled or lapsed shares	0	0	0	0
Options remaining at 31/12/2014(1)	10,791	219,782	103,597	41,643

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

Table 8 (continued)

	BSA 2011	BSA 2012	BSA 2013	BSA 2014
Date of AGM	29/06/2011	31/05/2012	26/06/2013	30/06/2014

Date of Management Board/Board of Directors meeting	21/09/2011	13/09/2012	19/09/2013	22/09/2014
Exercise terms	1 warrant/1 share Vesting/18 months	1 warrant/1 share Vesting/18 months	1 warrant/1 share Vesting/18 months	1 warrant/1 share Vesting/18 months
Shares able to be subscribed by corporate officers (1)	41,864	41,857	88,490	85,886
- of which Patrick Langlois	26,165	26,161	26,026	20,821
- of which David Solomon	15,699	0	15,616	13,013
- of which Thomas Hofstaetter	N/A	15,696	15,616	13,013
- of which Danielle Guyot-Caparros	N/A	N/A	15,616	13,013
- of which Russell Greig	N/A	N/A	15,616	13,013
- of which Financière de la Montagne	N/A	N/A	N/A	13,013
Starting date for exercise of BSAs	21/03/2012	13/03/2013	19/03/2014	22/03/2015
Expiry date	21/09/2017	13/09/2018	19/09/2023	22/09/2024
Issue price	€0.38	€0.39	€0.40	€0.64
Subscription price(1)	€3.63	€3.75	€3.85	€6.17
Shares subscribed at 31/12/2014	0	0	0	0
Total BSAs cancelled or lapsed	0	0	0	0
BSAs outstanding at end of period (1)	41,864	41,857	88,490	85,886

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

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

During 2014, 95,000 options were allocated to non-corporate officer employees. No options were taken up by the employees.

Options to subscribe for or purchase shares granted to the ten employees other than corporate officers receiving the largest number of options	Number of options granted	Weighted average price	Plan
Options granted during the year to the ten employees other than corporate officers receiving the largest number of options granted (overall data)	95,000	€6.42	SO 2014 Plan

Table 10

Executive Officers	Employment contract		Supplementary pension plan		Indemnities or benefits due in respect of termination or change in duties		Indemnities related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Judith Greciet CEO since 29/06/2011 In office since: 29/06/2011 End of term: Shareholders' meeting called to approve the financial statements for the year ending on 31/12/2016.		**x**		**x**		**x**		**x**
Pierre Attali Deputy CEO In office since: 22/07/2010 End of term: 09/02/2015	**x**			**x**		**x**		**x**

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

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

During the year ended 31 December 2014, the company did not allocate any equity or debt securities to its managers.

In accordance with the provisions of Articles L 225-197-1 and L 225-185 of the French Commercial

Code, the Board of Directors, on the recommendation of the Remuneration Committee, set the percentage of shares (shares granted or shares resulting from the exercise of stock options) that the executive officers of Onxeo have the obligation to hold as registered shares until the termination of their duties. This percentage was set at 10% of the capital gains net of tax and related contributions obtained by the exercise of options.

In addition, the Onxeo Group's post-employment benefit obligations at December 31, 2013 amounted to €96,195 (IFRS consolidated financial statements).

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

Interests held by directors and officers in the Company's share capital at 31 December 2014:

Interests held by directors and officers in the Company's share capital at 31/12/2014	Number of shares	% of share capital	Number of shares resulting from the potential exercise of BSAs	Number of shares resulting from the potential exercise of options	Number of free shares	Total % after potential exercise of warrants and stock options
J. Greciet		0.00%		249,987	48,931	0.74%
P. Attali	14,597	0.03%		125,826	30,712	0.42%
P. Langlois		0.00%	99,173			0.24%
R. Greig		0.00%	28,629			0.07%
D. Guyot-Caparros		0.00%	28,629			0.07%
T. Hofstaetter		0.00%	44,325			0.11%
D. Solomon		0.00%	44,328			0.11%
Financière de la Montagne	5,611,532	13.96%	13,013			13.99%

Transactions by executives in the Company's shares

In accordance with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code, we advise you that no transactions involving the Company's securities (acquisitions, divestments, subscriptions or exchanges of securities) were made by Company management or members of the Board of Directors or people with close personal ties in FY 2014.

- Patrick Langlois, Thomas Hofstaetter, Russell Greig, Danielle Guyot-Caparros, David Solomon and Financière de la Montagne fully subscribed to the warrants that the Board of Directors Meeting of September 22, 2014 awarded them, for a total of 82,500 warrants.

5.2 Internal control

5.2.1 Components of the risk management system

Definition and objectives

The risk management process put in place by Onxeo aims to identify all the risks that may affect business processes and activities, and to define the means to control the occurrence of these risks and their consequences, to contain or minimize their probability of occurrence, as well as their impact on the Company's activity. This approach is intended to encompass all types of risk and apply to all activities of the Company and the Group.

Onxeo adopts the definition of risk management proposed by the French securities regulator, the AMF[5], according to which risk management is a Company management tool that contributes to:

- creating and preserving the value, assets and reputation of the Company;
- Securing decision-making and processes to promote the attainment of Company objectives;
- Promoting consistency of actions with the values of the Company;
- Involving employees based on a shared view of the main risks of the Company.

The Company has conducted a review of its risks and sees no significant risks other than those mentioned in sections 5.2.1.4 to 5.2.1.6 of this reference document.

Organizational framework

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

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

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

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

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

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

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

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

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

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

[5] Guide to implementation of the reference framework on internal control adapted for small and medium capitalisation companies, updated on 22 July 2010.

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

5.2.1.4 Risks related to the Company's business

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

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

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

If patients are or were to be exposed to unexpected and serious risks, the Company could choose, or the regulatory authorities could ask the Company, to suspend or end clinical trials. Deaths and other undesirable events could occur during a clinical trial because of medical problems, which may or may not be related to the treatment being tested and require the Company to delay or interrupt the trial.

In addition, the Company may decide, in view of negative results, to abandon development projects that it considered initially promising.

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

To minimise this risk, the Company has built its product portfolio in part on innovative medicines designed from ingredients already on the market, whose efficacy and tolerance profiles are well-established. Furthermore, the Company conducts its trials by taking maximum precautions, particularly in defining protocols, using associated experts and studying competing products.

In addition, the Company balances risk by organising its products in two key portfolios: indeed, the independence of its clinical and preclinical projects allows the Company to cope with the risks inherent in pharmaceutical research. In this way, the Company can determine its priorities for accelerating development at any time based on the results obtained, as part of its ongoing search for growth.

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

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

In 2014, Onxeo completed patient enrollment and announced preliminary positive results of its current phase II clinical trial for Validive® and continued the phase III trials for Livatag®. If, for reasons associated with one or more of the aforementioned parameters, a significant delay were to occur in a trial and development times significantly deviating from estimates, this could have an

adverse impact on the Company's ability to generate future revenue, its financial condition, and its development.

This risk becomes less critical as development of the Company's products advances.

- **Risks related to outsourcing the Company's R&D and production capabilities**

The Company is in a situation of dependency on the providers involved in clinical trials that it initiates.

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

The failure of a subcontractor involved in a clinical trial, the loss of data, delays or errors in data processing could have an adverse effect on the validity of tests and the compilation of regulatory filings for products under development by the Company.

To address this risk, Onxeo audits the processes of its subcontractors and rigorously monitors all stages of clinical trials.

The Company is in a situation of dependency on third parties to manufacture its products, which could affect its ability to develop and market its products in a timely and competitive manner.

As part of its strategy, Onxeo subcontracts the manufacture of its products under development. Although the Company believes that the number of subcontractors who can offer manufacturing capacity is significant, their inability to complete a project or their failure could have an adverse effect on the development of its products, the timing of their release on the market or their compliance, thereby affecting the conduct of its trials or related processes.

In addition, the Company entrusts production of its marketed products to third parties. In the event of failure of their respective producers, interruption or quality problems in the provision of products, the Company could be temporarily unable to supply its commercial partners, which would undermine its reputation, affecting both its sales and profitability.

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

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

Decided by public commissions and agencies, the price of drugs is largely beyond the control of the Company and is set in relation to a flat rate deemed acceptable to the Community. Governments and other third party payers actively endeavour to curb healthcare costs by limiting both the coverage and the reimbursement rates applicable to new therapies.

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

- **Risk that a marketed product will cease to be reimbursed**

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

The Company cannot therefore guarantee that it will succeed in maintaining over time the price level of its drugs or the reimbursement rate accepted. Under these conditions, its sales and profitability could be significantly altered.

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

- **Risks related to commercial partnership agreements**

The company has concluded licensing agreements for the marketing of its registered products. Inadequate sales performance by a commercial partner may limit revenue from the company's products and impact on its growth.

The first two products developed by Onxeo - Loramyc®/Oravig® and Sitavig®, are respectively sold in Europe by Therabel and in the United States by Innocutis Holding LLC. These two products are not part of the strategic orphan products in the oncology portfolio, do not make any significant contribution to either income or results and should not be considered as important elements in its valuation.

Since the summer of 2014, the first product of the orphan oncology portfolio, Beleodaq®, began marketing in the US via the partner Spectrum Pharmaceuticals. The Company could be negatively affected by the inadequate commercial performance of its partners due to a lack of resources deployed, however, short-term, the impact is not considered significant.

In general terms and to prevent risks associated with licensing agreements, the company benefits from clauses guaranteeing its interests in the various licensing contracts. It also monitors its partners and retains the in-house expertise needed to coordinate them and monitor their marketing and sales deployment.

- **5.4.1.5 Risks related to the safety of marketed products**

Product liability traditionally represents a significant risk for the pharmaceutical industry. Indeed, all possible side effects of a product cannot be detected during testing prior to receiving its marketing authorisation. A systematic review and regular analysis of data collected through clinical trials and post-marketing surveillance provide additional information (e.g., on the occurrence of rare adverse effects or those affecting a given population), which may lead to changes in the products' composition, limits on its therapeutic indications or even the suspension or withdrawal of the product.

Onxeo took out specific product liability insurance to cover the safety risks associated with the marketing of its products.

In addition, the Company has a pharmacovigilance system that complies with international regulations and has been inspected by the health authorities.

5.2.1.5 Legal risks

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

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

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

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

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

Authorities in the United States, Europe and other countries may:

- Require additional testing to validate the product's registration;
- Restrict the indications for which the Company would be authorised to market its products;
- Significantly delay the issuance of the market authorisation to the Company.

To address these risks which could increase costs and reduce its future revenues, the Company has acquired strong expertise in the clinical and regulatory fields. It also closely coordinates its pharmaceutical and clinical subcontractors to ensure the quality and availability of test data, and maintains active relations with regulatory agencies through the registration procedure.

- **Limits on patent protection and other industrial property rights**

Risk that patents issued or granted to the Company under licence are contested by third parties or invalidated

Onxeo regularly files patent applications in order to protect its technologies, products, preparation processes and pharmaceutical compositions. Through its patents and other industrial property

rights, Onxeo holds exclusive rights to the products it develops by its own research or through acquired licensing. As of the date of this Reference Document, the Company has the rights to three hundred and thirteen patents or patent applications, including two hundred and thirty patents granted in several countries or major jurisdictions, including the United States, Europe and Japan.

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

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

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

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

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

It may be necessary to take legal action to enforce intellectual property rights, protect trade secrets and establish the validity and scope of the Company's intellectual property rights. Litigation could involve considerable expense, reduce the Company's potential profits and not provide the protection sought.

Faced with these risks, the Company has a proactive Industrial Property strategy, directly linked to its research and development projects, both as regards the detection of inventions in order to increase their number and as regards monitoring third-party publications and patent procedures.

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

At the expiration of their protective property or commercialisation rights, the products marketed by the Company could be subject to competition by the introduction on the market of comparable drugs, or by the development of generic drugs, which would lead to a reduction in prices and/or volumes and could have a negative effect on the Company's business and financial condition.2

These risks are currently not significant to Onxeo because, firstly, the Company develops most of its product portfolio for niche markets that are not prime targets for generics and, secondly, under its Industrial Property strategy, the Company regularly files new patent applications within existing patent families.

- **Disputes**

The main ongoing disputes are described in Note 9.4 to the consolidated financial statements at 31 December 2014.

5.2.1.6 Financial risks

- **Risk of insufficient financial resources**

The Company has posted net operating losses since the start of operations in 1997. As at 31 December 2014, the company's cumulative losses amount to 116.4 million euros in accordance with French accounting standards. These operating losses are primarily the result of investments in research and development especially for the completion of preclinical studies and clinical trials.

The Group expects further operating losses for the next few years as it continues its research and development activities.

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

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

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

- **Foreign exchange risk**

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

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

Regarding day-to-day operations, most revenue and payments are in euros for which there is no currency risk to the Company.

- **Interest rate risk**

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

- **Equity risk**

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

Information on the market value of the investment securities portfolio is included in the notes to the consolidated financial statements in Section 6 of this reference document.

5.1.2.7 Insurance and risk coverage

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

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

- ✓ A civil liability insurance policy covering:
  - Operational liability, which insures the Company against the financial consequences of civil liability that could be incurred because of injury, damage and loss caused to third parties and attributable to the activities of the Company;
  - Product liability, which insures the Company against the financial consequences of civil liability that could be incurred because of injury, damage and loss caused to third parties and attributable to the activities of the Company products both before and after delivery;
  - civil liability for the defence of criminal proceedings and third-party claims.
- ✓ A 'directors and officers liability' insurance policy, insuring them against the possibility of incurring liability in the performance of their duties.
- ✓ A property damage insurance policy, which covers, in particular, the risks of fire, water damage, theft, equipment breakdown and breakage of glass, and tenants' risks, at the Company's premises in Paris, Châtenay-Malabry and Copenhagen.
- ✓ Specific insurance policies for each clinical trial sponsored by the Company. Policy prices and cover amounts depend on the local regulations and legislation applicable to the clinical research centre concerned. In France, the Public Health Code specifies that sponsors of clinical trials must carry insurance. In countries where there is no requirement to take out such a policy, the Company nonetheless maintains an insurance policy covering its liability in undertaking clinical trials. The overall amount of the premiums depends on the number of patients included in the trials and their geographic location. The Company considers that it is adequately insured for each of the trials currently in progress.
- ✓ Key personnel insurance policy covering the risks of physical accidents that could occur to members of management.
- ✓ A 'stock and transit' insurance policy, covering storage and transport of the Company's products.

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

Supervision of the risk management system

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

Interface between risk management and internal control

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

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

5.2.2 General principles of internal control

5.2.2.1 Internal control: definition and objectives

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

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

Internal control is designed to ensure:

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

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

5.2.2.2 Reference framework used by ONXEO

Onxeo continues to develop its internal control system based on AMF terms of reference found in its updated application guide of July 22, 2010. This control system applies on the one hand to concurrent processes in publishing financial and accounting information and on the other hand to

the overall organisation of operations and risk management procedures put in place by the Company.

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

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

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

5.2.2.3 Components of internal control

Organisation

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

Since the Company's founding, Onxeo has developed a system of quality assurance. Processes of all fields of activity are described by procedures (Standard Operating Procedures or SOP), operating methods, information notices and forms. These documents describe the conduct of activities, define the resources and responsibilities of those involved, specify the know-how held by the Company and give precise instructions in order to carry out a given operation.

All stakeholders of the Company are involved in the internal control system. Their responsibilities are described below.

Reference framework and standards

Onxeo Group, established in the health and biotechnology sector, is subject to very specific and detailed regulations that oversee its activities and whose compliance is monitored by the internal control system. Legislative and regulatory provisions, defined by the European Commission and equivalent regulatory authorities in other countries including the *Agence nationale de securite du medicament et des produits de sante* (ANSM), the European Medicines Agency (EMA), the Food and Drug Administration (FDA), give relevant guidance for research and development, preclinical studies, clinical studies, the regulation of institutions, as well as the manufacture and marketing of drugs. The main regulatory provisions that apply to the activities of the two companies are as follows: Good Clinical Practices (GCP), Good Manufacturing Practices (GMP), Good Laboratory Practices (GLP), the French and European regulations that apply to the development, sale and marketing of drugs, the regulations regarding GMOs, the disposal of waste, the transportation of hazardous substances, the handling of micro-organisms, health and safety.

Control activities

Monitoring activities implemented by the Company are based on various tools, including:

- A documentation system;
- A reporting system;

- And specific controls related to the preparation and processing of accounting and financial information.

These activities are carried out by various actors, particularly an internal unit structured around three instances of decision-making and follow-up with an internal strategic Committee, a Committee on operations and groups of projects; these last two instances are devoted to managing R&D projects.

Documentation system

All of the internal control system documentation is stored on a dedicated intranet that optimises access to documents and enables them to be continually updated as a result of changes in activity (Records and Information Life Cycle Management). The aim is to improve the quality and processes of the Company and the Group on a continuous basis, whether operational, management or support processes.

The internal control system covers in particular the following areas:

- Quality assurance, health and safety, risk management;
- the administrative, legal, employment and financial fields, including internal control, corporate communications and the rules related to the listing of the Company on Euronext;
- Production and pharmaceutical operations;
- Regulatory activities liaising with drug agencies;
- Pharmaceutical research and development, pre-clinical and clinical trials including very specific animal experimentation, an Ethics Committee on animal experimentation whose objectives are the validation of all the testing protocols and the monitoring of compliance with the regulations;
- pharmacovigilance;
- Information systems: computerized management of the rules on information access, protection and storage;
- Human resources and labour regulations;
- And services performed for third parties.

Reports

The Company's executive management has implemented specific internal control procedures which consist of regular key information reviews relating to each activity. For each of the areas set out below, information considered to be significant for the corresponding activities has been identified and selected. This information must represent the actual situation in the activity and make it possible to retrace such activity both in terms of quantity and quality, also taking into account compliance with the standards governing the activity concerned. This key information must be verifiable and properly documented. It is to be updated each month by the people carrying out the activity concerned. This system covers the following areas:

- Information about research and development projects - preclinical, clinical, pharmaceutical and regulatory;

- Monitoring of the budget and financial operations;
- Company legal issues and intellectual property;
- External communications;
- Quality and the information system;
- Human resources and payroll.

5.2.2.4 Procedures relating to the preparation and processing of accounting and financial information

The reliability of financial information is one of the Company's essential internal control objectives. To this end, control and reporting procedures have been set up in order to guarantee control of the processes of information gathering, preparation and approval of the financial statements, in line with the criteria described in the AMF reference framework. These procedures, related to the general accounting of the Company's operations, also more specifically cover budgetary aspects and the approval of expense commitments and payments. Furthermore, with regard to the consolidation process for the Group's financial statements, the finance department controls the proper elimination of intercompany transactions and uniform restatements of the individual accounts according to international standards (IFRS).

In general, all the Company's accounting options are defined by the Chief Financial Officer, discussed with the Executive Management and the Statutory Auditors and then presented to the Audit Committee and discussed with this committee. This makes it possible to ensure that the Company's practices fully comply with French and international (IFRS) standards and that the financial statements are consistently presented.

At the end of each year, a detailed budget is prepared for the following year by the Chief Financial Officer and approved by executive management. This budget is presented to the Board of Directors. At the end of each month, the accounting teams carry out a closing of the accounts of the Group companies. Budgetary reviews are organised with all the line managers, making it possible to validate the cost accounting entries in this respect and to review all expenses, and a financial report is prepared by the Chief Financial Officer for the attention of the Executive Management and the directors. This reporting is presented and discussed regularly at meetings of the Board of Directors.

The Finance Department is responsible for developing and releasing all of the Group's financial communications to the financial markets following validation by executive management.

Such communication takes place via two main channels:

- The annual report and reference document and the interim financial report;
- economic and/or financial news releases.

Preparation of the annual report which has reference document status and the half-yearly financial statements are coordinated by the Finance Department. Its preparation involves much collaboration; experts in their field contribute to the variety and quality of the information. The reference document is reviewed and adopted by the Board of Directors prior to release.

Press releases relating to annual and interim results are also validated by the Board of Directors.

5.2.2.5 Persons involved in risk management and internal control procedures

Internal control is carried out by management structures and by all Group employees through their daily actions.

In-house operatives of the internal control system include:

- The Board of Directors, which validates the broad guidelines and the strategy of the Group;
- The Audit Committee, mentioned earlier in this report, whose powers are defined by the Board of Directors, plays a key role in monitoring (i) the financial information preparation process, (ii) the effectiveness of the internal control and risk management systems, and (iii) the statutory audit of annual and consolidated accounts by the auditors;
- Executive management and department heads, through the various management committees, steer the Group's strategy and allocate the necessary human resources for its implementation by setting and monitoring objectives;
- The Finance Department, Quality Department and Legal Affairs all have a particular role to play in internal control due to their cross-functional expertise;
- The Quality Department plays a key role in the various Company activities through its support in the drafting of procedures and document control, by performing and following up internal and external audits of departments and service providers, and by proposing improvements. It also performs regulatory watch activities and checks all documentation issued by the Company and which is submitted to the regulatory authorities within the context of clinical and preclinical trials.
- Risk management is the responsibility of the Risk Committee in conjunction with the Audit Committee. It is deployed across the whole of the Group by the department heads. This committee meets at least twice a year to update risk mapping and to reflect on strategies for reducing the impact of major risks. It reports to the Strategy Committee, which validates their mapping and action plans.
- Lastly, employees are responsible for day-to-day compliance with standards and orientations in their area and also for the reliability and relevance of the information they generate or pass on.

These provisions are backed up by the outside actors, including the Auditors. Within the context of their legal mission, the latter are not part of internal control and risk management. They are informed, rely on the internal audit to get a better understanding and independently form an opinion as to their relevance. Each year, they inspect the Group as part of their legal task of certifying the consolidated accounts and auditing the Group's individual company accounts. Currently, in accordance with French commercial law, certification of Onxeo's consolidated and individual company accounts is carried out by two auditors who carry out a joint review of all accounts, their preparation methods and certain internal control procedures relating to the production of accounting and financial information. The auditors present their comments on the Chairman's report, on the internal control procedures that relate to the preparation and processing of the accounting and financial information, and certify that other information required by law has been produced.

5.2.3 Main developments

The Company is pursuing its policy aimed at improving its internal control systems.

In 2014, the Company began deploying specific action plans within its various departments using optimised and standardised monitoring tools. This allowed a homogeneous breakdown of risk management principles across all key areas.

5.2.4 Auditors' Report, established in application of Article L.225-235 of the French Commercial Code, on the report of the Chairman of the Board of Directors of Onxeo

To the Shareholders,

In our capacity as statutory auditors of Onxeo and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby present to you our report on the report prepared by the Chairman of your company in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the financial year ending 31 December 2014.

It is the Chairman's responsibility to prepare and submit for the supervisory board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by Article L. 225-37 of the French Commercial Code relating to matters including corporate governance.

It is our responsibility:

- to relate to you our observations concerning the information contained in the Chairman's report on the procedures of internal control and risk management relating to the preparation and treatment of accounting and financial information and
- confirm that this report also includes the other information required by Article L. 225-37 of the French Commercial Code. It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with the professional standards applicable in France.

Information on risk management and internal control procedures relating to the preparation and treatment of accounting and financial information.

Professional standards require diligence on our part to assess the truthfulness of the information concerning risk management and internal control procedures relating to the preparation and treatment of accounting and financial information contained in the Chairman's report. These procedures consist mainly in:

- • taking cognizance of internal control and risk management procedures in the preparation and treatment of accounting and financial information underlying the information presented in the Chairman's report as well as of existing documentation;
- reviewing the work involved in the preparation of this information and the existing documentation;

- determine if any major internal control deficiencies relevant to the preparation and treatment of accounting and financial information that we may have found in the course of our mission are the subject of appropriate disclosure in the Chairman's report.

On the basis of this work, we have no comments to make on the information concerning the company's procedures of internal control and risk management relating to the preparation and treatment of accounting and financial information contained in the report of the Chairman of the Board of Directors, established in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Additional information

We certify that the report of the Chairman of the Board of Directors includes the additional information required under Article L. 225-37 of the French Commercial Code.

Paris and Paris-La Défense, 25 March 2015

The Statutory Auditors

GRANT THORNTON French member of Grant Thornton International	ERNST & YOUNG Audit
Jean Pierre Colle	Béatrice Delaunay

6. ONXEO's FINANCIAL STATEMENTS

Historical financial information

In accordance with Article 28 of EU Commission regulation no. 809/2004, the following information is incorporated by reference in this reference document:

- the consolidated accounts, individual company accounts and associated reports in pages 119 to 187 of the reference document for the year 2012 submitted to the AMF on 18 April 2013 under reference number D.12-0376.

- the consolidated accounts, individual company accounts and associated reports in pages 100 to 178 of the reference document for the year 2013 submitted to the AMF on 07 April 2014 under reference number D.14-0303.

Proforma financial information

Proforma financial information is provided in Note 3 to the consolidated accounts.

6.1. Consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS €	31/12/2014	31/12/2013	Note
Non-current assets			
Intangible assets	87,931,603	22,785	5
Tangible assets	711,409	908,313	6
Financial assets	409,278	368,998	7
Other non-current assets	0	0	
Total non-current assets	89,052,290	1,300,096	
Current assets			
Stocks and work in progress	65,171	3,145	
Trade receivables	581,909	338,113	7
Other receivables	5,072,616	4,762,374	7
Marketable securities	0	7,357,014	7
Cash	57,226,632	3,971,707	7
Total current assets	62,946,328	16,432,355	
TOTAL ASSETS	**151,998,618**	**17,732,451**	

LIABILITIES €	31/12/2014	31/12/2013	Note
Shareholders' equity			
Share capital	10,136,051	5,170,748	8
Less: treasury shares	(122,040)	(58,512)	8
Additional paid-in capital	243,740,778	128,044,120	8
Reserves	(124,085,197)	(109,943,374)	8
Minority interests	0	0	
Earnings	(7,698,580)	(15,324,614)	
Total shareholders' equity	121,971,013	7,888,368	
Non-current liabilities			
Deferred tax liabilities	13,805,083	0	9
Provisions	555,176	456,878	9
Other liabilities	2,748,111	3,030,220	9
Total non-current liabilities	17,108,370	3,487,098	
Current liabilities			
Short-term debt	1,629,662	91,182	
Trade payables	6,676,048	4,095,749	10
Other liabilities	4,613,525	2,170,054	10
Total current liabilities	12,919,235	6,356,984	
TOTAL LIABILITIES	**151,998,618**	**17,732,451**	

6 – ONXEO's FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€	31/12/2014	31/12/2013	Note
Recurrent sales from licensing agreements	1,624,625	755,041	
Non-recurrent sales from licensing agreements	20,454,680	530,391	
Other sales	1,200	181,280	
Total sales	**22,080,505**	**1,466,712**	12
Other income	24	16	
Purchases	(248,847)	(264,271)	
Personnel costs	(7,115,968)	(5,346,986)	12
External expenses	(13,563,092)	(10,687,094)	12
Taxes other than on income	(311,008)	(297,740)	
Depreciation and amortisation, net	(971,578)	(232,994)	
Allowances to provisions, net	(62,561)	60,417	
Other operating income	0	5,381	
Other operating expenses	(423,542)	(125,028)	
Operating expenses	**(22,696,596)**	**(16,893,696)**	
Ordinary operating income	**(616,066)**	**(15,421,585)**	
Share of income under the equity method	(77,375)	(28,556)	
Other operating income and expenses	(4,860,682)	0	12
Operating income after share of income under the equity method	**(5,554,123)**	**(15,450,141)**	
Income from cash and cash equivalents	3,018,906	281,173	
Other financial income	148,942	127,037	
Financial expenses	(3,162,528)	(282,683)	
Financial income	**5,321**	**125,527**	13
Ordinary pre-tax income	**(5,548,802)**	**(15,324,614)**	
Income tax	(2,149,777)		14
Net loss	**(7,698,580)**	**(15,324,614)**	
Shareholders' equity	(7,698,580)	(15,324,614)	
Minority interests			
Earnings per share	(0.19)	(0.74)	15
Diluted earnings per share	(0.19)	(0.74)	15

€	31/12/2014	31/12/2013	Note
Income for the period	(7,698,580)	(15,324,614)	
Other comprehensive income	0	0	
Translation adjustments	14,455	(783)	
Losses and gains on derecognition of assets available for sale	0	0	
Cash flow hedges	0	0	
Share-based payments	765,738	300,075	
Tax related to elements of the comprehensive income	0	0	
Other elements classified as income	**780,193**	**299,292**	
Actuarial gains and losses	134,739	(45,960)	
Other elements classified as income	**134,739**	**(45,960)**	
Other elements of the comprehensive income for the period net of taxes	914,932	253,332	
Total comprehensive income for the period	(6,783,647)	(15,071,280)	
Total comprehensive income attributable to			
Owners of the parent company	(6,783,647)	(15,071,280)	
Minority interests			

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

				Variations in reserves and income					
In €	**Capital**	**Treasury shares**	**Additional paid-in capital**	**Translation adjustment**	**Share-based payment**	**Consolidated reserves and income**	**Total**	**Minority interests**	**TOTAL**
Shareholders' equity at 31/12/2012	**4,414,929**	**(25,147)**	**118,081,365**	**9,584**	**715,847**	**(111,454,189)**	**(110,728,758)**	**0**	**11,742,389**
Total comprehensive income for the period				(783)	300,075	(15,320,256)	(15,020,964)		(15,020,964)
Capital increase	755,819		9,962,755				0		10,718,574
Capital reduction							0		0
Treasury shares		(33,365)				(18,173)	(18,173)		(51,538)
Other changes						49,273	49,273		49,273
Dividends							0		0
Shareholders' equity at 31/12/2013 (published)	**5,170,748**	**(58,512)**	**128,044,120**	**8,801**	**1,015,922**	**(126,743,345)**	**(125,718,622)**	**0**	**7,437,734**
Impact of change of method						**450,634**	**450,634**		**450,634**
Shareholders' equity at 31/12/2013 (adjusted)	**5,170,748**	**(58,512)**	**128,044,120**	**8,801**	**1,015,922**	**(126,292,711)**	**(125,267,988)**	**0**	**7,888,368**
Total comprehensive income for the period				14,455	765,738	(7,698,580)	(6,918,387)		(6,918,387)
Capital increase	4,965,303		115,696,658				0		120,661,961
Capital reduction							0		0
Treasury shares		(63,528)				13,493	13,493		(50,035)
Other changes						389,105	389,106		389,106
Dividends							0		0
Shareholders' equity at 31/12/2014	**10,136,051**	**(122,040)**	**243,740,778**	**23,256**	**1,781,660**	**(133,588,693)**	**(131,783,776)**	**0**	**121,971,013**

6 – ONXEO's FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

	31/12/2014	31/12/2013	31/12/2012
Consolidated net loss	**(7,698,580)**	**(15,320,256)**	**(11,547,921)**
+/- Depreciation, impairment and provisions, net (1)	842,094	3,419	603,058
(excluding provisions against working capital)	,	,	,
-/+ Unrealized gains and losses associated with changes in fair value	(14,035)	(44,944)	38,424
+/- Non-cash income and expenses on stock options and similar items	765,738	300,075	339,495
-/+ Other calculated income and expenses	197,531	(14,542)	(99,730)
-/+ Capital gains and losses on disposal	0	0	(75)
-/+ Dilution gains and losses	,	,	,
+/- Share of earnings of associates	,	,	,
- Dividends (non-consolidated investments)	,	,	,
Gross operating cash flow after cost of net debt and taxes	**(5,907,251)**	**(15,076,248)**	**(10,666,749)**
+ Cost of net debt	9,875	(71,532)	(5,706)
+/- Tax expense (including deferred taxes)	,	,	,
Gross operating cash flow before cost of net debt and taxes	**(5,897,376)**	**(15,147,781)**	**(10,672,454)**
- Taxes paid	,	,	,
+/- Change in operating WCR (including debt related to employee benefits)	(1,825,546)	1,055,915	(3,409,121)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(7,722,923)**	**(14,091,866)**	**(14,081,575)**
- Expenditures on acquisition of tangible and intangible assets	(1,968)	(58,254)	(53,813)
+ Proceeds of disposal of tangible and intangible assets	0	12,540	1,262
- Expenditures on acquisition of financial assets (non-consolidated investments)	,	,	(10,622)
+ Proceeds of disposal of financial assets (non-consolidated investments)	1,640	2,973	137
+/- Effect of changes in scope of consolidation	,	,	,
+ Dividends received (equity accounted investments, non-consolidated investments)	,	,	,
+/- Change in loans and advances granted	,	,	,
+ Capital grants received	,	,	,
+/- Other changes from investment transactions	,	,	,
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(328)**	**(42,741)**	**(63,036)**
Cash flow resulting from the merger	14,218,037	**,**	**,**
+ Net amounts received from shareholders on capital increases	,	,	,
. Paid by shareholders of the parent company	37,291,048	10,718,574	27,000
. Paid by minority interest in consolidated companies	,	,	,
+ Amounts received on exercise of stock options	,	,	,
-/+ Purchase and sale of treasury shares	(63,528)	(51,538)	34,827
- Dividends paid in the year	,	,	,
. Dividends paid to shareholders of the parent company	,	,	,
. Dividends paid to minority shareholders in consolidated companies	,	,	,
+ Amounts received on issuance of new loans	2,450,361	83,148	56,436
- Reimbursements of loans (including finance leases)	(242,895)	75,456	(122,606)
- Net interest received (including finance leases)		71,532	70,679
+/- Other flows related to financing activities	(9,875)	14,838	(71,527)
NET CASH FLOWS FROM FINANCING ACTIVITIES	**53,643,148**	**10,912,010**	**(5,191)**
+/- Effect of fluctuations in foreign exchange rates	(21,986)	48,490	-12,723
CHANGE IN CASH AND CASH EQUIVALENTS	**45,897,912**	**(3,174,107)**	**(14,162,525)**
Cash and cash equivalents at start of year	**11,328,721**	**14,503,134**	**28,665,659**
CASH AND CASH EQUIVALENTS AT YEAR END	**57,226,633**	**11,329,027**	**14,503,134**

(1) before recognition of the research tax credit, see Note 7.3 (2) Variation of the initial cash balance is due to the impact of IFRS 11 implemented as of January 1, 2014

6 – ONXEO's FINANCIAL STATEMENTS

WORKING CAPITAL	31/12/2014	31/12/2013	Change
Inventories	65,171	3,145	62,026
Trade receivables	390,360	338,113	52,247
Other receivables	4,664,115	4,762,374	(98,259)
	5,119,646	5,103,633	16,013
Non-recurrent deferred income	20,665	551,060	(530,395)
Trade payables	2,973,990	4,095,749	(1,121,759)
Other liabilities	1,815,143	2,170,054	(354,911)
	4,809,798	6,816,862	(2,007,064)
Working capital	(309,848)	1,713,229	(2,023,077)
Pension commitments	555,176	357,645	197,531
Change in operating WCR (including debt related to employee benefits)			(1,825,546)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 DECEMBER 2014

6 – ONXEO's FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT EVENTS AND TRANSACTIONS

Onxeo is an innovative company specializing in the development of orphan products in oncology, which is the result of the merger in June 2014 between BioAlliance Pharma, a French company based in Paris, and Topotarget, a Danish company based in Copenhagen.

1.1. MERGER WITH TOPOTARGET

The merger project between BioAlliance Pharma SA and Topotarget A/S is the result of the company's desire to accelerate its organic growth through the acquisition of complementary and synergistic assets in the field of orphan drugs in oncology. The legal format of this cross-border merger, governed by European Directive 2005/56/CE, was selected for its financial efficiency, the transaction having been completed in its entirety via the exchange of shares, thereby enabling the company to retain its cash balances for the development of its R&D programmes.

The proposed merger was approved by over 99% of the shareholders of the two companies during their General Meetings held on 27 and 30 June 2014 respectively. Having completed initial registration formalities with the competent French and Danish authorities, the merger was definitively registered on 22 July 2014, creating Onxeo.

Since 1 August, the company has a secondary listing on the NASDAQ OMX Copenhagen market and retains its listing on Euronext Paris. It is also from this date that BioAlliance Pharma, as the acquiring company within the merger, has been officially operating under the name Onxeo.

1.2. MAJOR PROGRESS MADE BY THE ORPHAN PRODUCTS IN ONCOLOGY PORTFOLIO

- **Beleodaq® (belinostat): Marketing authorization in the USA**

Since 2010 Beleodaq® has been licensed to the American company Spectrum Pharmaceuticals, Inc. which holds exclusive marketing rights in North America and India and is also a partner in the co-development of the product.

In February 2014 the FDA (Food and Drug Administration) accepted the admissibility of the US registration application for Beleodaq® for the treatment of peripheral T-cell lymphoma. This admissibility triggered both the payment of $10 million by Spectrum Pharmaceuticals, and the granting of one million of their shares to Onxeo. The shares were resold on the market during H2 2014 for a gross amount of 8.1 million dollars. Marketing authorization was granted by the FDA in July 2014 and triggered an additional payment from Spectrum of 25 million dollars.

Since August, staff at Spectrum Pharmaceuticals have been promoting Beleodaq® with hematologists, generating the first sales during H2 2014, giving rise to the payment of royalties to Onxeo.

- **Validive®: Positive preliminary results for the clinical phase II trial**

Validive has been developed to prevent and treat oral mucositis, an inflammation of the mouth which is very common in head and neck cancer patients being treated with radiotherapy and chemotherapy. Onxeo has conducted a large clinical phase II trial with 183 patients. The preliminary results of this trial were announced on 30 October 2014 and were very positive in terms of efficacy and tolerance. In order to pursue the development of the product, the company plans to commence a phase III trial during 2015.

- **Livatag®: progress with recruitment for the clinical phase III trial**

Livatag® is a treatment developed in the form of nanoparticles which is being assessed in patients suffering from hepatocellular carcinoma (primary liver cancer) at an advanced stage. The ongoing international phase III trial is designed to demonstrate the efficacy of Livatag® on the survival outcomes of nearly 400 patients who failed to respond or showed an intolerance to sorafenib. It is being conducted in 8 countries in Europe and in the USA. At the end of 2014 there were 35 active investigation centers and over 35% of the patients planned to take part had been recruited. The preliminary results of the trial are expected in early 2017.

1.3. OTHER PRODUCTS DE DEDICATED TO PARTNERSHIPS

During 2014 Onxeo continued to exploit the value of its non-strategic products Sitavig® and Loramyc®/Oravig®:

- Marketing authorization in France and Germany for Sitavig®.
- Signing of a licensing agreement with Innocutis Holding LLC, a dermatology specialist, for the marketing of Sitavig® in the USA. Innocutis paid an initial amount of 2 million dollars for the year 2014 - fully recognized in income and payment received. Promotion by the Innocutis marketing and sales teams started on July 21.
- Signing of licensing agreements with Daewoong Pharmaceutical Co. Ltd and EMS S/A with a view to the marketing of Sitavig® in South Korea and Brazil respectively.
- Repossession of marketing rights for Oravig® in the USA in April 2014 due to the partner company Vestiq Pharmaceuticals failing to meet sales objectives.

The company also pursued the development of Loramyc® in Japan and China, respectively led in the two countries by its partner companies Sosei and SciClone.

1.4. FINANCING

- **Shareholder's current account advance agreement**

In July 2014 Financière de la Montagne, Onxeo's largest shareholder and a member of the board since 2008, agreed to lend the company 10 million euros. This loan was intended to strengthen Onxeo's financial resources following the merger and expand its R&D programs, in particular, the international phase III trial of Livatag® in primary liver cancer.

This loan, in the form of a current account advance entered into for a period of one year maturing on July 31, 2015, will bear interest at 15% payable upon reimbursement. The principal

and interest can be repaid at maturity in cash or in advance by incorporation of debt if Onxeo raises new capital. If this be the case, prepayment in new securities will bear a premium of 25%.

- **Capital increase**

In December 2014, the Company successfully carried out a capital increase in France and Denmark with preferential subscription rights intended to finance the R&D effort of key Company products and, in particular, to support the international expansion of Livatag's® phase III trials, prepare Validive's® phase III study following its phase II, the initial results of which were obtained on October 30, 2014, and continue the development of Beleodaq® to the next level.

The net amount of the increase came to 40,741,020 million euros through the issue of 9,053,560 new shares, bringing the equity to 10,136,051 euros divided into 40,544,204 shares each of 0.25 euros face value.

On the conclusion of this transaction, Financière de la Montagne and Nyenburgh held 13.96% and 1.02% respectively of the capital and voting rights in the company. Capital Ventures International, which mainly took part in the issue on a reducible basis, holds 0.014% of the capital and voting rights in the company.

The subscription price of new shares subscribed by Financière de la Montagne was paid via debt conversion amounting to 11,188,575 euros, in accordance with the provisions of Article 1289 et seq. of the Civil Code and with the terms of the current account advance agreement entered into with the company on 18 July 2014.

1.5. EVENTS TAKING PLACE AFTER 31 DECEMBER 2014

There are no post-balance sheet events likely to have a material effect on the accounts.

NOTE 2: ACCOUNTING PRINCIPLES, RULES AND METHODS

2.1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of Onxeo as at 31 December 2014 were prepared under the responsibility of the CEO and were approved by the Board of directors on 4 March 2015.

The financial statements were prepared on a going concern basis.

The consolidated financial statements at 31 December 2014 were prepared in accordance with international accounting standards issued by the IASB (International Accounting Standards Board), as published by the IASB on 31 December 2014, and with international standards as adopted by the European Union at 31 December 2014.

The standards adopted by the European Commission may be consulted on the following website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The accounting principles and methods applied for the consolidated financial statements at 31 December 2014 are identical to those used in the consolidated financial statements at 31 December 2013, with the exception of international financial reporting standards, amendments and interpretations as adopted by the European Union and the IASB, which are compulsory for financial years beginning on or after 1 January 2014 (and which had not been applied early by the Group), namely:

Standard	Name
IFRS 10	Consolidated financial statements and amendments relating to transitional measures
IFRS 11	Partnerships and amendments relating to transitional measures
IFRS 12	Information to be provided on interest held in other entities and amendments relating to transitional measures
Revised IFRS 28 -	Investments in associates
Amendments to IAS 32	Offsetting financial assets and financial liabilities (accounting and disclosures)
Amendments to IAS 36	Depreciation of assets - information to be provided on the recoverable value of non-financial assets
Amendments to IAS 39 and IFRS 9	Novation of derivatives and maintaining hedge accounting

The application of these standards, amendments and interpretations has no significant effect on the consolidated financial statements of the Group, with the exception of the IFRS 11 standard (see Note 2.2).

Moreover, the other standards, amendments and interpretations issued by the IASB and IFRIC (International Financial Reporting Interpretations Committee) at 31 December 2014, and not made mandatory at this date (see table below), were not yet adopted by the European Union and not applied early by the Group.

- IFRS 15 "Revenue from contracts with customers"
- IFRS 9 "Financial instruments"

- Amendments to IFRS 11 "Accounting for acquisitions of interest in joint operations"
- Amendments to IAS 19 "Defined benefit plans, employee contributions"
- Amendments to IAS 16 and IAS 38 "Clarification of acceptable methods of amortisation and depreciation"
- Amendments to IAS 1 "Enhancement of information to be provided in the notes" Disclosure initiative
- Annual enhancements, cycle 2010-2012, 2011-2013 and 2012-2014

The preparation of consolidated financial statements in conformity with IFRS requires the Group's management to use estimates and assumptions that may affect the reported amounts of assets and liabilities at the date of preparation of the financial statements as well as the reported revenues and expenses in the profit and loss account. Management uses estimates and assumptions on the basis of past experience and taking into account various factors considered reasonable for the valuation of assets and liabilities. The use of different assumptions could have a material impact on these valuations. The estimates made by the management during the preparation of the financial statements are based on the calculation of:

- The market value of the R1D programmes acquired within the context of business combinations (mergers and acquisitions) – see Note 3.1;
- The goodwill recognized within the context of such transactions - see Note 3.1;
- Share-based payments - see Note 8.4;
- Provisions - see Note 9;
- The recognition within sales of amounts received within the context of licensing agreements – see Note 12.1.

The information provided in respect of assets and liabilities existing at the date of preparation of consolidated financial statements also uses estimates (see Note 16).

The financial statements are prepared in accordance with the historical cost convention, with the exception of certain financial assets and liabilities measured at fair value.

2.2. CHANGE IN METHOD

First application of the IFRS 11 standard:

This standard sets out the terms for moving from proportional consolidation to the equity method for joint operations and has been applied to consolidate the subsidiary SpeBio, in which Onxeo has a 50% interest. The impact of the change of method as of 1 January 2014 is an increase in equity of 450 thousand euros.

2.3. SCOPE OF CONSOLIDATION

The registered office of Onxeo, the parent company of the group, is located at 49, Boulevard du Général Martial Valin. The Group's companies close their accounts on 31 December of each year.

The merger between BioAlliance Pharma and Topotarget was approved by the shareholders of Topotarget on 27 June 2014 and by the shareholders of BioAlliance Pharma on 30 June 2014, the latter date constituting the effective accounting date in the IFRS accounts.

Following the merger, the scope of consolidation changed and includes the following companies as of 31 December 2014:

- Onxeo (formerly BioAlliance Pharma)
- Laboratoires BioAlliance Pharma
- Topotarget UK
- Topotarget Switzerland
- BioAlliance Pharma Switzerland
- Topotarget Germany
- SpeBio

All subsidiaries are 100% owned and fully consolidated, except SpeBio, which is a joint venture 50% owned under the equity method since January 1st, 2014 as explained in Note 2.2. Intercompany transactions and balances arising from transactions between group companies have been eliminated. The accounting methods of the subsidiaries have been brought into line with those of the Group.

2.4. SEGMENT REPORTING (IFRS 8)

The Group constitutes a single business segment. In accordance with the IFRS standard 8.32 and 33, information regarding the breakdown of sales by geographical zone and product portfolio ("orphan products in oncology" and "other products") is provided in Note 12.1. In reference to this standard it is also specified that non-current assets of the group are mainly located in France and Denmark.

2.5. CONVERSION METHOD (IAS 21)

2.5.1. Financial statements prepared in foreign currencies

The assets and liabilities of companies having a functional currency other than the euro and not operating in a hyperinflationary economy are translated into euros at the exchange rates prevailing at the balance sheet date. Their profit and loss accounts are translated at the average exchange rates for the year.

Differences arising from application of these translation methods to balance sheet and profit and loss account items are recognised in equity, under 'Translation adjustments' for the Group share and under 'Minority interests' for the minority share. When the foreign entity is sold, these translation adjustments are recognised in the profit and loss account as part of the gain or loss on disposal.

2.5.2. Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into euros using the exchange rates prevailing at the dates of the transactions. At the balance sheet date, cash and cash equivalents and operating receivables and payables denominated in foreign currencies are translated into euros on the basis of the closing exchange rate for the year. Any foreign

exchange gains or losses resulting from this translation are recognised in the profit and loss account for the year.

2.6. NON-CURRENT ASSETS

2.6.1. INTANGIBLE ASSETS (IAS 38)

- **PATENTS**

Patents created by BioAlliance Pharma are recognised in expenses or activated in line with the accounting treatment for research and development costs set out below.

In application of the criteria set out in IAS 38, patents acquired by BioAlliance for consideration are capitalised and amortised. The amortisation period generally applied by BioAlliance is 10 years, which corresponds to the estimated useful life of the patents.

- **RESEARCH AND DEVELOPMENT COSTS**

Research and development costs are systematically recognized as expenses. They are capitalized when the conditions set out under IAS 38 are met. The Company considers that the six criteria set out in IAS 38 are not satisfied until such time as a marketing authorisation is obtained.

Acquired research and development projects are recognized in intangible fixed assets at their contribution value even in the absence of a marketing authorization. These assets are classified in two categories:

- They are categorized as assets with a defined useful life where they generate economic benefit. In such cases their transfer value entered on the balance sheet, less any residual value, is depreciated over the useful life as estimated by the company.
- In other cases they are categorized as assets with a non-defined useful life and are not depreciated but subjected to annual impairment tests.

- **GOODWILL**

In the case of business combinations, mergers and acquisitions, the goodwill corresponds to the difference between the amount of the transaction and the market value of the acquired assets and debts. Goodwill is not amortized but subjected to annual impairment tests.

- **LICENSING AGREEMENTS**

Licensing agreements under which the Group acquires, from a third party, a licence for the right to sell a product in a given geographical area generally involve an upfront payment at the date of signature, various other additional payments which are subject to the achievement of regulatory and sales objectives, and payment of royalties on sales.

These licensing agreements generally relate to products undergoing clinical development. Upfront payments represent a participation in funding research and development costs and are thus fully expensed in the year in which the contract is signed. Earn-out payments are in the form of royalties for marketing rights and, as such, they are expensed over the period in which they are contractually due.

2.6.2. TANGIBLE FIXED ASSETS (IAS 16)

In accordance with IAS 16, tangible fixed assets are recognised at acquisition cost less accumulated depreciation and impairment losses. Depreciation of tangible assets is calculated on a straight-line basis.

The most common depreciation periods are as follows:

Plant & equipment	5 years
Specialized equipment	5 years
Fixtures and fittings	10 years
Office and computer equipment	4 years
Furniture	5 years

2.6.3. ASSET IMPAIRMENT

When they have a finite useful life, intangible assets are amortised over their useful life as estimated by the Group. When they have indefinite useful lives, they are not amortised but are subjected to annual impairment tests.

Goodwill is not depreciated but its value is reviewed periodically, at least once a year, and when events of changed circumstances give rise to any impairment. Causes of impairment include, but are not limited to, significant changes in the utilisation of the assets acquired or in the overall strategy of the company and negative trends within the business sector. For the purposes of impairment testing, goodwill is allocated to one or more cash-generating entities corresponding to the operational segments defined by the group.

Tangible assets are subjected to impairment tests as soon as an indication of impairment is identified.

2.7. FINANCIAL ASSETS

Financial assets included in the scope of IAS 39 are classified either in financial assets at fair value through profit or loss, in loans and receivables, in investments held to maturity, or in available-for-sale financial assets. On initial recognition, financial assets are measured at fair value, increased, in the case of investments that are not recognised at fair value through profit or loss, by directly attributable transaction costs.

The Group determines the classification of its financial assets at the date of initial recognition and, in cases where it is authorised and appropriate to do so, revises this classification at each year-end.

Non-current financial assets include long-term investments, notably:
- pledged cash mutual funds;
- deposits and guarantees, mainly corresponding to leased premises;
- and the 'cash' portion of the liquidity contract related to the purchase of treasury shares (Note 8.2).

Current financial assets include trade receivables, other current assets, and cash and cash equivalents:
- other current assets include research tax credit receivables (portion less than one year);
- cash includes available balances in bank current accounts;

- cash equivalents include cash mutual funds and other minimally volatile mutual funds which can be converted to cash at any time and which do not present liquidity risks.
These assets are recognised, depending on their nature, on the basis of the following policies:

- *Investments held to maturity at amortised cost*

The Group does not have any such investment at present.

- *Assets at fair value through profit or loss*

Financial assets at fair value through profit or loss account include financial instruments designated as being measured at fair value through profit or loss account as from the date of their initial recognition, in accordance with the conditions of application of the fair value option which can apply to items that are managed, and whose performance is measured, on the basis of fair value.

This item includes bank current accounts and cash mutual funds that can be converted to cash, or sold in the very short term, and which do not present significant risks of loss of value if interest rates were to change.

These assets are classified in the balance sheet under 'Cash and cash equivalents'.

These financial assets are recognised at fair value, without deduction of any transaction costs which could be incurred on their sale. Realized and unrealized gains and losses associated with a change in the fair value of the assets are recognized in profit and loss as *Cash and cash equivalents*.

- *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. After initial recognition, loans and receivables are measured in accordance with the amortised cost method, applying the effective interest rate, net of any impairment.

This category includes deposits and guarantees recognised in non-current assets and operating receivables (trade receivables and other current assets) recognised in current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost. They are discounted when their due date for settlement is more than one year. The difference between the fair value and the amount recognised in the balance sheet is recognised through the profit and loss account.

These assets may be subject to a provision for impairment if objective indications of impairment exist. The amount of the impairment is equal to the difference between the carrying amount of the asset and the present value of the estimated future cash flows (excluding future credit losses which have not yet been incurred), discounted at the original effective interest rate (i.e. at the effective interest rate calculated at the date of initial recognition).

The carrying amount of the asset is reduced using an impairment provision account. The impairment is recognised through the profit and loss account and is reversible if the recoverable amount changes favourably in the future: If the amount of the impairment decreases during a subsequent accounting period, and if this reduction can be objectively

linked to an event which occurred after the recognition of the impairment loss, the impairment loss previously recognised should be reversed. However such reversal cannot have the effect of causing the carrying amount to become greater than the amortised cost at the date of reversal of the impairment.

As regards trade receivables, an impairment loss is recognised when the expected cash flows at the balance sheet date are less than the carrying amount. The analysis of the risk is carried out case by case, taking account of criteria such as the client's financial situation (probability of bankruptcy or significant financial difficulties), the age of the receivable or the existence of a dispute.

- *Available-for-sale financial assets*

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified in one of the three previous categories. After initial recognition, available-for-sale financial assets are measured at fair value and gains and losses arising in relation to them are recognised through equity. When an available for sale financial asset is derecognised or impaired, the cumulative profit or loss previously recognised through equity is taken to the profit and loss account. The Group does not have any such investment at present.

2.8. INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Cost is calculated in accordance with the average weighted cost method. The cost of finished goods and work in progress incorporates the cost of raw materials, direct costs and general production overheads.

Impairment is calculated by comparing the value of the inventories at the balance sheet date with cost.

2.9. TRADE RECEIVABLES

Receivables are valued at face value. They are depreciated when the probable realizable value if less than the book value and in accordance with the risk incurred.
The receivables and depreciations emanating from the aforementioned rules are examined on a case-by-case basis in order to take any special situations into account.

2.10. SHARE-BASED PAYMENTS (IFRS 2)

Employee stock options are valued on the allocation date in accordance with the IFRS 2 standard in order to recognize an expense in profit and loss. The valuation is made using the Black & Scholes method. If the instruments are subject to performance conditions, the binomial model is used. The application of these two methods notably requires assumptions to be made regarding the underlying Onxeo share price, including any volatility.

The definitive vesting of stock options allocated to Group employees is subject to their presence within the company on the vesting date. Should an employee leave the company prior to this date, the condition is no longer met and the employee loses the benefit of their rights. In this situation, the Group applies the so-called 'forfeiture' method under which all previously-recognised expenses are credited in profit and loss.

2.11. NON-CURRENT LIABILITIES

2.11.1. EMPLOYEE BENEFIT OBLIGATIONS (IAS 19)

- **POST-EMPLOYMENT BENEFITS**

Post-employment obligations are recognised in provisions. In accordance with IAS 19, the actuarial valuation method used is the Projected Unit Credit Method Service Prorate, which is based on financial (discount rate, inflation rate) and demographic (rate of increase in salaries, employee turnover rate) assumptions.

This method enables the present value of the benefit obligation to be determined on the basis of services rendered by the employee at the valuation date. The Group does not apply the corridor method.

- **OTHER COMMITMENTS TO EMPLOYEES**

Other commitments to employees, in particular those related to long-service awards, are not material.

2.11.2. PROVISIONS FOR LITIGATION

Provisions correspond to obligations resulting from sundry litigation and risks, whose timing and amount is uncertain, to which the Group may be exposed in the context of its operations. A provision is recognised where the Group has a legal or constructive obligation to a third party, as a result of a past event, which it is probable or certain will lead to an outflow of resources to the third party without receipt of equivalent consideration, where such future cash outflows can be estimated reliably.

2.12. FINANCIAL LIABILITIES

Bank borrowings and debt instruments are initially recognised at fair value less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

Gains and losses are recorded in the profit and loss account when the debt is derecognised, as well as through the amortised cost mechanism. The amortisation expense as calculated in application of the effective interest rate method is recognised under '*Financial income/expense, Cost of debt*'.

2.13. OTHER CURRENT LIABILITIES

Current liabilities are stated at fair value.

2.14. SALES

The Group's net sales include income from the sale of pharmaceutical products, income generated under licensing agreements and income from services rendered.

Sales of goods are recognised under net sales at the date of transfer to the client of the risks and rewards inherent in ownership. They are measured on the basis of the price stipulated in the contract of sale.

Agreements under which the Group issues a licence to a third party providing it with rights to market one or more products in its portfolio generally involve an upfront payment at the date of signature, various other additional payments which are subject to the achievement of regulatory and sales objectives and royalties on sales.

In accordance with IAS 18:

- payments due under the signing of a licensing agreement, representing the contracting party's share of R&D investments incurred by the Company, are initially recorded as deferred revenue and subsequently taken to the profit and loss account until the estimated date of obtaining the marketing authorisation.
- subsequent payments related to the fulfilment of a condition are immediately recognised in other income during the period in which the condition is met.

Royalties earned are recognised in net sales on the basis of the sales figures achieved by the partners in the period and the contractual royalty rates. Should a partner be unable to forward net sales data, the basis for royalties, prior to the date of publication of the accounts, a valuation would be made by valuing actual quantities for the period with historical net unit sales achieved for the product concerned.

2.15. OPERATING GRANTS

In accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance', grants whose amounts are related to the pattern of corresponding costs are classified as a deduction from the corresponding expenses.

2.16. REFUNDABLE ADVANCES

Refundable advances are recorded under "Other liabilities" They are initially stated at fair value, which in most cases corresponds to their nominal value, then at amortised cost.

2.17. DEFERRED TAXES

A deferred tax asset is recognised for tax loss carry forwards and unused tax credits where it is probable that future taxable profits against which these items can be offset will be available.

A deferred tax liability is recognised for all taxable temporary differences and for the acquired R&D fixed assets.

2.18. RESEARCH TAX CREDIT

In accordance with IAS 1, the research tax credit is presented as a deduction from the corresponding income and expense accounts according to their nature.

NOTE 3 - IMPACT OF THE MERGER

3.1 ACCOUNTING TREATMENT OF THE MERGER

In order to prepare the financial statements in accordance with international accounting standards, it was decided that BioAlliance Pharma should take control of Topotarget on the date of the last General Meeting voting the merger on June 30, 2014; no suspensive conditions other than formal ones will subsist after that date. The results included in the first half of 2014 are thus limited to those of BioAlliance Pharma. Topotarget and its subsidiaries are included within the scope of consolidation from 30 June 2014 and will only affect the H2 results and balance sheet items. A pro forma income statement is shown in Note 3.3 below.
The merger was made exclusively through an exchange of shares, with the shareholders of Topotarget receiving 2 new Onxeo shares for 27 shares of Topotarget held. The transaction resulted in the creation of 10,799,341 shares corresponding to a nominal amount of €2,699,835.25 or 10,799,341 new shares. No cash payment was made.
The value of shares issued as part of the exchange, determined using the €7.72 closing price of BioAlliance Pharma shares on June 30, 2014, amounted to €83,371,000.
As the merger is a business combination within the meaning of the IFRS 3 standard, it is recognized as an acquisition and the assets and liabilities transferred to Onxeo are recognized at their market value as follows:

	Market value	Book value	Change
Goodwill	20,058,600		20,058,600
Intangible assets	68,700,000	30,661,204	38,038,796
Tangible assets	53,505	53,505	0
Financial assets	46,241	46,241	0
Trade receivables	191,548	191,548	0
Other receivables	408,500	408,500	0
Marketable securities	5,960,922	5,960,922	0
Cash	8,257,114	8,257,114	0
Trade payables	-3,702,058	-3,702,058	0
Deferred tax	-13,805,083		-13,805,083
Accrued taxes and personnel costs	-2,798,381	-2,798,381	0
Net assets transferred	**83,370,908**	**39,078,595**	**44,292,313**

The market value of the R&D assets acquired, included under intangible assets, was determined using a project-based income method. For each identified project, a multi-year financing plan was established taking into account the income anticipated form the project less any research and development costs yet to be committed plus any other costs associated with the project. This method includes an assessment of the probability of success and consideration of a discount rate specific to the company. The initial valuation of acquired R&D assets is based on information in existence as of the merger date regarding the development plan of the projects and takes into account certain assumptions deemed to be reasonable by the company's management. However, such assumptions may be inaccurate and in the event of any delay or failure, the value of the R&D assets acquired may not be recoverable and could negatively impact the operating result.

Due to the deferred tax liability on revalued R&D assets located in Denmark (see Note 3.3), a deferred tax payment was calculated in accordance with the rules of ordinary law in Denmark and recognized in the consolidated accounts as an adjustment against goodwill. Goodwill also includes the various synergies anticipated as a result of the merger.

3.2 PROFORMA INCOME STATEMENT

a) Regulatory Framework

This pro forma financial statement is presented in accordance with Directive no. 2005-11 of December 13, 2005, Annex II, of the AMF, indicating that, in case the size of the acquiring company is greater than 25%, a pro forma financial statement must be presented.

The pro forma financial statement was prepared in accordance with the provisions of Annex II of EC Regulation No. 809/2004, in accordance with recommendations issued by the CESR in February 2005 regarding the preparation of pro forma financial statements required by regulation No 809/2004 on the prospectus.

b) Scope of the pro forma financial information

The pro forma financial information presented takes into account Topotarget's entry into the BioAlliance Pharma Group.

c) Accounting policies used

The accounting policies used to prepare the pro forma financial statements are the same as those used by the BioAlliance Group at the close of 2013.

Assumptions used when preparing the pro forma financial statements:

- The pro forma results presented below were prepared as follows:
  - Review of Onxeo's consolidated accounts as at 31 December 2014 following an audit by the external auditor.
  - Review of Topotarget's interim consolidated accounts as at 30 June 2014 following an audit by the external auditor.
  - Adjustments necessary to comply with Onxeo Group accounting rules and methods: the presentation by purpose of Topotarget's income statement was modified to fall in line with the presentation by type of expenditure adopted by Onxeo.

- No pro forma adjustment was identified.

6 – ONXEO's FINANCIAL STATEMENTS

(in euros) - Net Value	Onxeo Data	Topotarget Data	Pro forma adjustments	Combined pro forma data
Recurrent *sales from licensing agreements*	1,624,625			1,624,625
Non-recurrent *sales from licensing agreements*	20,454,680	13,219,322		33,674,002
Other sales	1,200			1,200
Total sales	22,080,505	13,219,322		35,299,827
Other income	24			24
Purchases	(248,847)			(248,847)
Personnel expenses	(7,115,968)	(1,150,451).		(8,266,419)
External expenses	(13,563,092)	(1,082,593)		(14,645,685)
Taxes other than on income	(311,008)			(311,008)
Depreciation and amortisation, net	(971,578)	(53,662)		(1,025,240)
Allowances to provisions, net	(62,561)			(62,561)
Other operating expenses	(423,542)			(423,542)
OPERATING INCOME/(LOSS)	(616,066)	10,932,617		10,316,549
Share of income under the equity method	(77,375)			(77,375)
Other operating income and expenses	(4,860,682)	(4,873,127)		(9,733,809)
OPERATING INCOME	(5,554,123)	6,059,489		505,365
Cash	3,018,906	164		3,019,070
Other financial income	148,942			148,942
Financial expenses	(3,162,528)	49,269		(3,113,259)
FINANCIAL INCOME	5,321	49,433		54,753
ORDINARY PRE-TAX INCOME	(5,548,803)	6,108,922		560,118
Corporate income tax	(2,149,777)	(816,463)		(2,966,241)
NET INCOME	(7,698,580)	5,292,458		(2,406,124)

Topotarget revenue mainly includes the following:

- Payment of $10 million received from Spectrum once the Beleodaq® received admissibility of its registration dossier in February 2014.
- The value of the million shares of Spectrum received in consideration of the dossier's admissibility.

Topotarget's other operating expenses correspond, first of all, to the costs incurred in connection with the merger, such as legal and financial consultancy and profit sharing for the Chairman of the Board and the CEO and, secondly, to the royalties payable to Celldex.

3.3 TAX TREATMENT OF THE MERGER

The merger was subject to the provisions set out in the European Council Directive 90/434/EC of 23 July 1990, as amended and recodified by Directive 2009/193/EC of 19 October 2009. It had no fiscal impact in France as it gave rise to no transfer of French assets nor any revaluation of French assets. However, with regard to the revaluation of assets acquired from Topotarget

and held in Denmark, it was decided to subject the merger to the deferred tax liability regime under the Danish Act on Mergers, Divisions and Infusions of Assets, etc. ("Fusionsskatteloven"). Onxeo established a subsidiary named Onxeo DK in which the assets and activities acquired from Topotarget are held. This subsidiary constitutes a permanent establishment for tax purposes and is subject to the tax regime applicable to Danish companies.

In accordance with a ruling obtained from the Danish tax authorities, the effective date for tax purposes of the merger is that of the date on which control was taken of Topotarget and of the effective date of the transaction as per IFRS standards, namely 30 June 2014.

NOTE 4: MANAGEMENT OF RISKS RELATED TO FINANCIAL INSTRUMENTS (IFRS 7)

The Group's operational and financial activities expose it to the following main risks linked to the financial instruments employed:

4.1 LIQUIDITY RISKS

The Company is not structurally a borrower. The only financial liabilities are advances from public organisations (including from OSEO) as part of R&D programmes, which are repayable only in the event of commercial or technical success. There is no short-term risk and repayment is dependent on revenue being generated by the financed projects.

4.2 MARKET RISK

Only available-for-sale financial assets (see Note 10) are subject to market risk. They correspond to the portion invested in Onxeo shares of the liquidity contract implemented by the company with CM-CIC Securities The value of these shares depend on the share price on the NYSE Euronext Paris market.

4.3 COUNTERPARTY RISK

The counterparty risk is limited to investments made by the Company. These investments are in leading establishments, and the Company monitors its exposure to counterparty risk on a continual basis.

4.4 FOREIGN EXCHANGE RISK

Because the Company has implemented no foreign exchange hedging instruments, this point is not applicable.

4.5 INTEREST RATE RISK

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

NOTE 5: INTANGIBLE ASSETS

Intangible assets increased by 87,909k euros as of 31 December 2014; this increase is exclusively related to the merger with Topotarget as follows:

- Contribution of Topotarget intangible assets: 30,661k euros. These assets represent development costs incurred on the belinostat project by a former partner of Topotarget under a license agreement terminated in 2008. Upon termination of this agreement, Topotarget acquired the developments carried out by their former partner and recognised the amount as an asset.

- Allocation of the acquisition price to intangible assets: 38,039k euros (see Note 3.1).

- Goodwill: 20,058k euros (see Note 3.1).

The R&D assets acquired within the context of the merger were depreciated by 800,000 euros over the period. This depreciation corresponds to the assets associated with the product Beleodaq® for its second-line indication in peripheral T-cell lymphoma, registered in July 2014 in the USA and generating income since August 2014 through sales achieved by the business partner Spectrum Pharmaceuticals. These assets are depreciated over the duration of the product's anticipated commercialisation for this indication (17 years).

The research and development costs incurred in 2014 have been recognized in expenses in the amount of 12,978k euros.

Since obtaining the marketing authorisation for Loramyc® for France, no significant development costs have been incurred on this product for the country in question. Accordingly no development costs were capitalized during the year.

NOTE 6: TANGIBLE ASSETS

6.1 MOVEMENTS IN THE YEAR

In €	01/01/2014	Merger	Increase	Decrease	31/12/2014
Gross value	3,600,951	3,419,183	1,968		7,022,102
Depreciation	(2,625,192)	(3,365,677)	(254,275)		(6,245,144)
Capital grants	(152,919)			(36,698)	(116,221)
Original value of lease	191,750			74,130	117,620
Accumulated amortisation of lease	(106,277)		(34,801)	(74,130)	(66,948)
Net value of tangible assets	**908,313**	**53,506**	**(287,108)**	**(36,698)**	**711,409**

The change in tangible assets is due mainly to acquisitions of sundry laboratory and research equipment and computer equipment.

NOTE 7: OTHER ASSETS

7.1. FINANCIAL ASSETS

	01/01/2014	Merger	Increase	Decrease	Fair value adjustment	Discounting	31/12/2014
Receivable from investments	509		117				626
Deposits and guarantees	161,141	46,245		(1,640)	8,035		213,780
Liquidity contract							
- Treasury shares	0						0
- Cash	207,347		395,558	(408,033)			194,872
Net value of financial assets	**368,997**	**46,245**	**395,675**	**(409,673)**	**8,035**	**0**	**409,278**

7.2 TRADE RECEIVABLES

In €	31/12/2014	< 1 year	> 1 year	31/12/2013
Trade receivables, net	581,909	473,921	107,988	338,113

Trade receivables are mainly receivables vis-à-vis the business partners Innocutis, Thérabel and Spectrum Pharmaceuticals in respect of product deliveries made by the company and royalties on sales due from these partners.
The amount classified as "at more than one year" corresponds to services billed to Eurofins that are uncontested but pending the dispute's resolution.

7.3 OTHER RECEIVABLES

In €	31/12/2014	< 1 year	> 1 year	31/12/2013
Personnel	3,069	3,069		25,928
Research tax credit	2,250,708	2,250,708		2,389,161
Other tax receivables	1,342,735	1,342,735		955,250
Other receivables	771,175	771,175		707,525
Prepaid expenses	704,929	704,929		684,509
Net amount of other receivables	**5,072,616**	**5,072,616**	**0**	**4,762,374**

The change in the "research tax credit" item is due to the collection of the receivable recognized as of 31 December 2013, corresponding to the 2013 tax credit, and recognizing the research tax credit for 2014 in the amount of 2,083k euros (for Onxeo France, the balance being accounted for by Onxeo Denmark). This receivable was recovered early and was therefore all classified as short-term. In accordance with the IAS 20 standard, the research tax credit for 2014 reduced expense and income items according to their nature, as follows:

In €	31/12/2014	31/12/2013
Reduction in personnel costs	602,969	976,776
Reduction in external expenses	1,423,396	1,339,182
Reduction in depreciation and amortisation	56,451	73,203
Total research tax credit	**2,082,816**	**2,389,161**

7.4 CASH AND CASH EQUIVALENTS

In €	Net at 31/12/2014	Net at 31/12/2013	Change in cash and cash equivalents
Cash	57,226,632	3,971,707	53,254,925
Marketable securities	0	7,357,014	(7,357,014)
Total net cash	**57,226,632**	**11,328,721**	**45,897,911**

The change in net cash in the amount of 45,898k euros is associated with:

- Topotarget contributions from the merger in the amount of 14,198k euros, including shares received from Spectrum, under the Beleodaq® product registration, valued at 5,953k euros on 30 June 2014;
- The receipt of the additional milestone payment of 25 million dollars (20 million euros) from Spectrum Pharmaceuticals in November 2014 in respect of the Beleodaq® registration in the USA;
- The net proceeds of the capital increase of December 2014 in the amount of 26.1 million euros, taking into account the partial incorporation of the current account advance from Financière de la Montagne.

These exceptional receipts enable operating costs to be met, notably in the area of research and development.

Bank current accounts are euro and US dollar accounts opened with Neuflize-OBC and Crédit du Nord. The reduction in net cash is associated with operating costs, notably in the area of research and development.

Investments mainly consist of:

- shares in short-term money market funds purchased from Neuflize-OBC and Crédit du Nord, available at any time and with low volatility and very low risk of changes in value in the event of interest rate changes;
- short-term deposits of less than three months with a capital guarantee (current bank accounts), acquired from the banks Neuflize-OBC and Crédit du Nord, capable of boosting performance and that meet the definition of cash equivalents in accordance with IAS 7.6 and IAS 7.7.

NOTE 8: SHAREHOLDERS' EQUITY

8.1 SHARE CAPITAL

8.1.1 Capital management policy

Since its creation, the Group has financed its growth mainly through raising funds from private investors and public markets. Although Onxeo pursues an active policy of agreements and licensing allowing for early and significant cash inflows, equity injections represent an important source of financing for the Group and this lever must allow it to dispose of adequate levels of cash to fund its growth, particularly in the short term during the years when it will not yet generate sufficient revenues to cover its development costs.

In order to reduce the share's volatility, the Group also put in place a liquidity contract with a first-tier partner.

Lastly, the Group intends to encourage the loyalty of its employees through regular grants of stock options or free shares.

8.1.2 Changes in share capital

At 31 December 2014, the share capital amounted to 10,136,051 euros, divided into 40,544,204 common shares with a nominal value of €0.25 each, all of the same class and fully paid up.

During the financial year the company's share capital changed as follows:

		Number of shares	Share capital (€)
Shares fully paid at 31/12/2013		**20,682,992**	**5,170,748**
Extraordinary general meeting of 30/06/2014	(1)	10,799,341	2,699,835.25
Board of directors' meeting of 1/08/2014	(2)	8,311	2,077.75
CEO's decision of 16/12/2014	(3)	9,053,560	2,263,390.00
Shares fully paid at 31/12/2014		**40,544,204**	**10,136,051**

1) Capital increase in exchange for contributions related to the merger with Topotarget resulting from the completion of the merger.
2) Capital increase resulting from the exercise of 8,311 stock options.
3) Capital increase by cash contribution with retention of preferential subscription right.

8.2 TREASURY SHARES

In accordance with IAS 32, paragraph 33, treasury shares acquired in the context of the liquidity contract signed with CM-CIC Securities were deducted from shareholders' equity for an amount of 122k euros. Gains on share buybacks as of 31 December 2014 amounting to 13k euros were eliminated from the results pursuant to the standard.

8.3 RESERVES

Reserves, amounting to a negative 124k euros are made up mainly of a losses brought forward of 125k euros.

8.4 SHARE-BASED PAYMENTS

All disclosures concerning the BSAs, stock options and free shares granted by the Group are set out in Note 16 below.

The 2014 expense related to share-based payments amounts to 766k euros.

An adjustment of the exercise prices and quantities of BSAs, SOs and free shares in circulation was made following the capital increase with retention of preferential subscription right in accordance with Article L.228-99 of the Commercial Code in order to maintain the interests of the rights holders, who were unable to exercise their rights during the subscription period. This adjustment was approved by the board of directors on 22 January 2015 and its impact has been taken into account in the summary provided in Note 16.

8.4.1 BSA: French share purchase warrants.

On 22 September 2014, the board of directors allocated 107,500 BSAs 2014 to non-executive or non-salaried directors of the company, of which 82,500 have been subscribed. The valuation of these BSAs was made using the binomial method in order to take account of the different possible dates of exercise, the main features of which are provided below:

	BSA 2014
Date of grant	22/09/2014
Number of BSAs	107,500
Final exercise date	22/09/2024
Exercise price (€)	6.42
Volatility	41.40%
Dividend rate	0%
Risk-free rate	1.44%
Total cost (€k)	206
Unit price (€)	2.55
Cost for the period (€k)	68

8.4.2 (b) Stock options (SO)

On 22 September 2014, the board of directors made two allocations of stock options to the benefit of employees ("Employee SO 2014" plan) and executives ("Executive SO 2014" plan). Only the executive plan has associated performance conditions (advances with development plans, progress with licensing agreements). The valuation of these plans was made using the binomial method in order to take account of the different possible dates of exercise, the main features of which are provided below:

	SO 2014
Date of grant	22/09/2014
Number of options	178,700
Final exercise date	22/09/2024
Exercise price (€)	6.42
Volatility	41.40%
Dividend rate	0%
Risk-free rate	1.44%
Total cost (€k)	225
Unit price (€)	1.60
Cost for the period (€k)	32

On 22 September 2014, the board of directors decided that the performance conditions for the Employee SO 2013 plan had been met in full. Consequently, the relevant grants became final.

On 22 January 2015, the board of directors recorded the automatic cancellation due to employee departure of 5,601 SO 2010(1) options, 21,113 SO 2011(1) options, 21,613 SO 2012 options, 21,500 SO 2013 options and 7,500 SO 2014 options. The impact of these cancellations is a decrease in the total cost of 35k euros.

8.4.3 AGAs (free shares)

On 22 September 2014, the board of directors made two free share allocations to the benefit of employees ("Employee AGA 2014" plan) and executives ("Executive AGA 2014" plan). Only the executive plan has associated performance conditions (successful post-merger integration, advances with development plans, progress with licensing agreements). The plans were valued using the Black & Scholes method in order to take into account the vesting period and retention period; the main features are provided below:

	AGA 2014
Date of grant	22/09/2014
Number of shares	148,500
Availability date	22/09/2018
Volatility	46.00%
Dividend rate	0%
Risk-free rate	0.27%
Total cost (€k)	544
Unit price (€)	4.19
Cost for the period (€k)	394

On 22 January 2015, the board of directors recorded the automatic cancellation due to employee departure of 3,100 2014 free shares. The impact of these cancellations is a decrease in the total cost of 35k euros.

NOTE 9: NON-CURRENT LIABILITIES

9.1. DEFERRED TAX LIABILITIES

This item of 13,805k euros relates to research and development assets acquired within the context of the merger, as explained in Note 3.1.

9.2 PROVISIONS

In €	31/12/2013	Allowances	Reversals		31/12/2014
			Used	Unused	
Post-employment benefits	357,645	197,531			555,176
Provision for litigation	99,233			99,233	- 0
Total non-current provisions	**456,878**	**197,531**	**-**	**99,233**	**555,176**

9.3 PENSION LIABILITIES (IAS 19 REVISED)

The provision for pension commitments amounts to 555,176 euros against 357,645 euros in 2013, reducing income by 332.270 euros. The actuarial variance of 134,739 euros was recognized directly in reserves in accordance with the standard.

The actuarial assumptions are as follows:

	31/12/2014	31/12/2013
Collective bargaining agreement	Medical industry	Medical industry
Retirement age	Between 65 and 67 years, under the Pension Reform Act of 10 November 2010	Between 65 and 67 years, under the Pension Reform Act of 10 November 2010
Calculation date	31/12/2014	31/12/2013
Mortality table	INSEE 2014	INSEE 2013
Discount rate	1.81% (AA rate Reuters)	3.3% (IBOXX corporates rate AA10+)
Rate of salary increase	3%	3%
Employee turnover rate	By age category: - 0% from 16 to 24 - 4.55% from 25 to 34 - 4.55% from 35 to 44 - 1.52% from 45 to 54 - 1.01% above 55	By age category: - 0% from 16 to 24 - 5.80% from 25 to 34 - 3.57% from 35 to 44 - 1.79% from 45 to 54 - 1.34% above 55
Social charges	46% for Onxeo FR	46% for Onxeo FR

9.4 PROVISIONS FOR LITIGATION

Provisions for litigation relate to suppliers.

Just as on 31 December 2013, the possible litigation risks underway with Eurofins and SpePharm cannot be reliably measured. As the Company considers itself to be within its rights, no provision has been made as of 31 December 2014.

- **Litigation with Eurofins over a diagnostic technology for HIV drug resistance**

In October 2008, Onxeo was notified of a law suit filed before the District Court of the State of Delaware (USA) by companies of the Eurofins Group against Onxeo and one of its senior managers. This procedure involves the transfer of intellectual property related to phenotyping technology called Phenoscript® - an HIV resistance test that Onxeo developed before 2005 in collaboration with INSERM and the Institut Pasteur. At the end of 2005, Onxeo transferred its intellectual property and licensing rights to Eurofins to optimise its business development in the United States.

Eurofins alleged that the value of the transferred assets was compromised by the rights of a third party undisclosed at the time of the transfer. Eurofins further contended that a new invention developed by Onxeo had not been proposed to them. Eurofins is asking, thereby, to terminate the contract of sale and is seeking damages. Onxeo contests the merit of these allegations, the court's jurisdiction and immediately submitted an application for withdrawal of the case from the US courts. On September 18, 2009, the District Court of the State of Delaware accepted Onxeo's request for deferral. Eurofins lodged an appeal against this decision. On October 12, 2010, the Federal Third Circuit Court of Appeals affirmed this decision without examining the merits of the case.

Moreover, since Eurofins did not fulfil its contractual obligations, Onxeo sued the Eurofins Group and ABL (Advanced Biological Laboratories) before the Paris Commercial Court in January 2009 for not marketing the phenotyping technology and to compensate for the damage suffered. Damages were sought on this basis. For their part the Eurofins Group companies and ABL have submitted counterclaims.

The proceedings are ongoing as of early 2015 with the two parties making their submissions.

- **Litigation with SpeBio/SpePharm**

On 27 February 2009, Onxeo broke off collaboration with SpePharm and reacquired the rights to market Loramyc® in Europe from the SpeBio joint venture.

Onxeo has taken SpePharm and SpeBio to the International Court of Arbitration of the International Chamber of Commerce to obtain damages for the losses suffered on account of breaches of contract committed by these companies under the partnership that had been agreed for the commercial launch of Loramyc®. This process is part of the ongoing law suit filed by Onxeo on SpeBio before the Commercial Court of Paris on 27 February 2009. SpeBio itself referred the suit to the Clerk of the Commercial Court while being aware of Onxeo's referral to the Arbitral Tribunal.

SpePharm and Spebio issued counterclaims for damages before the Arbitral Tribunal and the Commercial Court respectively.

Having stayed the proceedings, in a ruling handed down on 28 October 2014 the Paris Commercial Court asserted its jurisdiction in the matter of the litigation between Onxeo and the joint venture SpeBio relating to the licensing agreement and exclusive supply contract. Onxeo contested the jurisdiction before the Paris Appeal Court and on 22 December 2014 the Commercial Court stayed the proceedings awaiting the decision of the Appeal Court on this matter.

In a partial arbitral decision as to the question of its jurisdiction, the Court of The Court of Arbitration affirmed its jurisdiction in respect to the one contract and only against SpePharm.

SpePharm is in favour of the suspension of the arbitral proceedings in anticipation of the decision by the Commercial Court on the merits of the suit between Onxeo and SpeBio. Onxeo is requesting completion of this procedure. The proceedings are ongoing.

9.5 OTHER NON-CURRENT LIABILITIES

This item mainly includes:

- Conditional advances relates to public funding obtained for several products under development for a total of 2,545k euros:
  - An advance paid for the Livatag (Doxorubicin Transdrug®) clinical program, the balance of which on 30 June 2014 amounted to 120k euros. This balance will be paid in several instalments until September 30, 2015.
  - An advance under the Validive program, which is repayable in instalments until 2015, the balance of which on 30 June 2014 is 18k euros.
  - An advance for the industrialisation of the Livatag program with 2,407k euros received, of which 1,255k euros in 2014.

- Long-term deferred revenue corresponds to licensing fees from the partner Novamed (China) for Loramyc® in the mount of 21k euros (staggered as revenue for the upfront amount received on the signing of the agreement).

NOTE 10: CURRENT LIABILITIES

10.1 SHORT-TERM DEBT

This item mainly consists of the current account advance from Financière de la Montagne in the amount of de 1,552k euros.

This debt has not been valued at fair value due to the low number of days between the capital increase and the balance sheet date. The impact is minimal.

10.2 TRADE PAYABLES

Trade payables have not been discounted to present value as none are payable more than one year after the balance sheet date.

In €	31/12/2014	31/12/2013
Trade payables	6,676,048	4,095,749

Trade payables include current liabilities from operations, totalling 6,676k euros versus 4,096k euros on 31 December 2013, the increase being due to the Topotarget contributions from the merger and the development of R&D activities.

10.3 OTHER LIABILITIES

In €	31/12/2014	31/12/2013
Social security and similar liabilities	3,665,126	1,268,664
Tax liabilities	119,037	132,025
Other liabilities	829,362	769,365
Total	**4,613,525**	**2,170,054**

Social security liabilities are increasing significantly due to the higher headcount following the merger with Topotarget alongside higher variable remuneration, correlated with the group's overall cash position and the attainment of the company's objectives.
Other liabilities as of 31 December 2014 essentially consist of license revenues deferred to less than a year amounting to 604k euros. These licence revenues are transferred to revenue on the profit and loss account according to an estimated date of obtaining the marketing authorisation on the following bases:

- Over a fixed period of 93 months, as from 1 July 2008 for the NovaMed agreement.
- Over a fixed period of 56 months, as from 1 May 2011 for the Sosei agreement;
- Over a fixed period of 18 months, as from 1 April 2014 for the Daewoong agreement.

The amount of short-term deferred license revenues transferred to revenue on the 2014 profit and loss account is detailed below:

In €	Balance at 31/12/2013	Increase	Reclassification (1)	Reversal through profit and loss	Balance at 31/12/2014
NovaMed	82,660		20,665	20,665	82,660
Sosei	447,734	447,734		447,734	447,734
Daewoong	0	147,680		73,840	73,840
Total	**530,394**	**595,414**	**20,665**	**542,239**	**604,234**

(1) Reclassification short term/long term with the Other Liabilities item

NOTE 11: FINANCIAL INSTRUMENTS

The carrying amount of financial instruments by category under IAS 39 is detailed as follows:

In €	Category in accordance with IAS 39	Net at 31/12/2013	Net at 31/12/2014	Balance sheet amounts as per IAS 39			Fair value as per IFRS7
				Amortized cost	Fair value in equity	Fair value in income	
Loans	P&C	0	0	0	0	0	0
Derivatives at fair value	AJVPR	0	0	0	0	0	0
Trade receivables and related accounts	P&C	338,113	581,909	581,909	0	0	581,909
Other receivables	P&C	4,762,374	5,072,616	5,072,616	0	0	5,072,616
Security deposits	P&C	161,141	213,780	213,780	0	0	213,780
Other assets available for sale	ADV	207,856	195,498	0	0	195,498	0
Cash and equivalents	AJVPR	11,328,721	57,226,631	57,226,632	0	0	57,226,632
Total Assets		**16,798,205**	**63,290,434**	**63,094,937**	**0**	**195,498**	**63,094,937**
Debenture loans	DACA	0	0	0	0	0	0
Loans debts/ credit inst.	DACA	91,182	1,629,662	1,629,662	0	0	1,629,662
Derivatives at fair value	PJVPR	0	0	0	0	0	0
Oséo advances	DACA	2,333,575	2,544,500	2,544,500	0	0	2,544,500
Trade payables	DACA	4,095,749	6,676,048	6,676,048	0	0	6,676,048
Other debts/other liabilities	DACA	2,866,699	4,817,136	4,817,136	0	0	4,817,136
Total Liabilities		**9,387,204**	**15,667,346**	**15,667,346**	**0**	**0**	**15,667,346**

Breakdown of fair values of financial assets and liabilities:

The table below shows financial instruments at fair value broken down by level:

- Level 1: financial instruments listed on an active market
- Level 2: financial instruments whose fair value is determined by comparison with observable market transactions in similar instruments, or based on a valuation whose variables include only observable market data
- Level 3: financial instruments whose fair value is determined entirely or in part using a valuation based on an estimation not based on market transaction prices in similar instruments.

	Level 1	Level 2	Level 3
Derivatives at fair value by income			
Derivatives at fair value by equity	0	0	0
Financial assets available for sale	0	195,498	0
Money market securities available for sale	0	0	0
Total Financial Assets	**0**	**195,498**	**0**
Derivatives at fair value by income	0	0	0
Derivatives at fair value by equity	0	0	0
Total Financial Liabilities	**0**	**0**	**0**

NOTE 12: OPERATING INCOME AND EXPENSES

12.1 SALES

In €	31/12/2014	31/12/2013
Recurrent sales from licensing agreements	1,624,625	755,041
Non-recurrent sales from licensing agreements	20,454,680	530,391
Other sales	1,200	181,280
Total sales	**22,080,505**	**1,466,712**

Recurring sales come from product sales and sales-based royalties related to licence agreements established by the Company.

Non-recurrent sales from licensing agreements

- The recognition in revenue of royalties not linked to sales paid by licensing partners, namely essentially the upfront payment on signature of the agreement with Innocutis amounting to 2 million dollars (1.5 million euros) and the payment by Spectrum Pharmaceuticals of the amount of 25 million dollars (20 million euros) as a result of obtaining marketing authorization for Beleodaq® in the USA.
- A proportion of the amounts received on signature of these agreements staggered over time in accordance with IAS 18 (see above 8.2).

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

Breakdown of sales In €	31/12/2014	31/12/2013
Orphan Products in Oncology	19,093,936	0
Other Proceeds	2,986,5870	1,466,712
Total	**22,080,506**	**1,466,712**
Europe	560,491	768,849
Rest of the world	21,520,015	697,863
Total	**22,080,506**	**1,466,712**

12.2 PERSONNEL COSTS

Personnel costs are broken down as follows:

In €	31/12/2014	31/12/2013
Salaries	5,228,082	4,182,494
Expenses	2,355,829	1,944,581
Employee benefits (IFRS 2)	765,738	300,075
Deduction of research tax credit	(602,969)	(976,776)
Deduction of government grants	(630,712)	(103,388)
Total personnel costs	**7,115,968**	**5,346,986**
Headcount at 31/12/2014	**55**	**51**

The increase in personnel costs is essentially due to the higher headcount following the merger with Topotarget alongside higher variable remuneration, correlated with the group's overall cash position and the attainment of the company's objectives.

12.3 EXTERNAL EXPENSES

External expenses include mainly the following items:

In €	31/12/2014	31/12/2013
R&D expenses	9,612,753	6,774,493
Deduction of government grants	(1,299,807)	(139,562)
Deduction of research tax credit	(1,423,396)	(1,339,182)
Marketing, administration and miscellaneous expenses	6,673,542	5,410,967
Total	**13,563,092**	**10,706,716**

The increase in R&D costs is due to the deployment and internationalisation of the clinical programs for Validive® and Livatag® and to the acquisition via the fusion of the Beleodaq® program. The increase in marketing, administration and miscellaneous expenses is notably associated with the Onxeo site in Denmark.

12.4 AMORTISATION

As explained in Note 5, amortisation of part of the research and development programs acquired under the merger has been recognized in the accounts in the amount of 800k euros.

12.5 OTHER OPERATING INCOME AND EXPENSES

This item in the amount of 4,861k euros at 31 December 2014 represents legal and financial consultancy fees incurred by Onxeo for the merger transaction. It does not include the share of merger fees incurred by Topotarget, which were fully recognized as of 30 June 2014 in this company's accounts and therefore do not feature in the consolidated group accounts. This additional information is provided via the pro forma income statement in Note 3.2.

6 – ONXEO's FINANCIAL STATEMENTS

NOTE 13: NET FINANCIAL INCOME (EXPENSE)

Income from cash mainly corresponds to a foreign exchange gain in the amount of 2,929k euros related to the receipt of the royalties of 25 million dollars (20 million euros) paid by Spectrum Pharmaceuticals resulting from the issue of marketing authorisation for Beleodaq® in the USA.

Financial expenses are mainly a function of the interest related to the current account advance from Financière de la Montagne and the conversion premium calculated for the subscription by this shareholder within the context of the capital increase of December 2014.

NOTE 14: TAXATION

The tax expense of 2,150k euros recognized for 2014 corresponds to corporation tax payable in Denmark on the taxable income of the Danish permanent establishment of Onxeo DK. The tax was calculated according to the rules of ordinary law applicable to Danish companies, although as a result of the merger Onxeo DK was not able to retain the tax loss carryforwards accumulated by Topotarget. The profit by Onxeo DK during H2 2014 emanates from licensing income associated with the registration of Beleodaq® in the USA in July, namely the payment by the partner Spectrum of 25 million dollars.

Danish taxation was paid in November 2014 in accordance with the rules in force.

As of 31 December 2014, the Onxeo Group has French tax loss carryforwards of 163 million euros, of which 129 million euros in relation to the tax consolidation including Laboratoires BioAlliance Pharma. No deferred tax asset was recognised insofar as the Company is unable to recover these tax losses in the short term.

NOTE 15: EARNINGS PER SHARE

15.1 EARNINGS PER SHARE

In €	31/12/2014	31/12/2013
Net income/(loss) attributable to ordinary shareholders	(7,698,580)	(15,324,614)
Number of ordinary shares	40,544,204	20,682,992
Number of treasury shares	20,908	13,671
Earnings per share	**(0.19)**	**(0.74)**

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

15.2 DILUTED EARNINGS PER SHARE

In €	31/12/2014	31/12/2013
Net income/(loss) attributable to ordinary shareholders	(7,698,580)	(15,324,614)
Number of ordinary shares	40,544,204	20,682,992
Effect of dilution (1)	-	-
Number of shares adjusted for diluted earnings	40,544,204	20,682,992
Diluted earnings	**(0.19)**	**(0.74)**

(1) Taking into account the conversion into shares of all of the BSAs, BSCEs and stock options attributed as of the balance sheet date, 1,588,834 extra shares would be created, the impact of dilution is not presented due to the accretive effect resulting from negative earnings.

To calculate diluted earnings per share, the average number of outstanding shares is adjusted to take into account the conversion of all ordinary shares that may be issued in the future, notably due to stock options and bonus shares during the vesting period.

The dilution effect is calculated using the treasury stock method. The number thus calculated is added to the average number of outstanding shares to obtain the denominator. To calculate diluted earnings, the net profit (or loss) attributable to holders of ordinary BioAlliance shares is adjusted by:

- any dividends or other items related to dilutive potential ordinary shares deducted in arriving at the profit (or loss) attributable to ordinary-share holders
- interest recognised in the period in respect of the dilutive potential ordinary shares
- any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.

NOTE 16: OFF-BALANCE-SHEET COMMITMENTS

16.1 OFF-BALANCE-SHEET COMMITMENTS RELATED TO THE COMPANY'S OPERATIONAL ACTIVITIES

16.1.1 OPERATING LEASES (IAS 17)

The company has concluded real estate lease contracts for its head offices at 49, Boulevard du Général Martial Valin, Paris, and for the registered offices of its establishment in Denmark, plus a company vehicle leasing contract. The future minimum lease expense is as follows:

< 1 year	Between 1 and 5 years	> 5 years
1,162,485	733,569	-

16.2 OFF-BALANCE-SHEET COMMITMENTS RELATED TO THE COMPANY'S FINANCING

16.2.1 Refundable advances

Where the project is successful, these advances are refundable based on forecast operating income arising from the project, repayment at a level of 3.0% of turnover over a maximum period of 15 years. In case the project is a failure, the justified, due and paid advances will not result in any repayment.

16.3 OTHER COMMITMENTS LINKED TO COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

None

NOTE 17: SUMMARY OF BSAS (SHARE PURCHASE WARRANTS), BCES (SPECIAL FOUNDERS' SHARE PURCHASE WARRANTS) AND STOCKS OPTIONS AT 31 DECEMBER 2014

Schedule of BSAs (share purchase warrants) at 31 December 2014

Type	Date of authorisation	Authorised BSAs	Allocation date	Allocated BSAs	Beneficiaries	BSAs in circulation at 31/12/14 adjusted (1)	BSAs exercisable at 31/12/14 adjusted (1)	Subscription price per share in euros adjusted (1)	Expiry date	% of share capital at 31/12/14
BSA 2011	29 June 2011 Resolution 18	100,000	21/09/2011	70,000	Non-salaried, non-executive members of the Board	41,864	41,864	3.63	21/09/2017	0.10%
BSA 2012	31 May 2012 Resolution 15	100,000	13/09/2012	85,000	Non-salaried, non-executive members of the Board	41,857	41,857	3.75	13/09/2018	0.10%
BSA 2013	26 June 2013 Resolution 17	100,000	19/09/2013	85,000	Non-salaried, non-executive members of the Board	88,490	58,993	3.85	19/09/2023	0.22%
BSA 2014	30 June 2014 Resolution 19 (2)	314,800	22/09/2014	107,500	Non-salaried, non-executive members of the Board	85,886	0	6.17	22/09/2024	0.21%
TOTAL						**258,097**	**142,714**			0.64%

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

(2) It being specified that the nominal amount of the capital increases resulting from the raising of stock options under the seventeenth resolution, of free share allocations granted under the eighteenth resolution and the exercise of share subscription warrants which would be issued under this resolution may not exceed the nominal amount of 118,000 euros, namely a maximum of 472,000 shares

Summary of stock options at 31 December 2014

Name of plan	Date of authorisation	Number of authorised shares	Allocation date	Number of allocated shares	Beneficiaries	Options in circulation at 31/12/14 adjusted (1)	Options exercisable at 31/12/14 adjusted (1)	Subscription price per share in euros adjusted (1)	Expiry date
SO Employees 2010 (1)	22/04/2010 Resolutions 20 and 21	150,500	25/08/2010	120,800	Employees	69,970	69,970	5.28	25/08/2020
SO Employees 2010 (2)			16/12/2010	16,000	Employees	17,491	17,491	5.23	16/12/2020
SO Executives 2010		25,000	25/08/2010	25,000	Executives	10,791	10,791	5.28	25/08/2020
TOTAL SO 2010		**175,500**		**161,800**		**98,252**	**98,252**		
SO Employees 2011 (1)	29/06/2011 Resolutions 16 and 17	300,000	21/09/2011	218,500	Employees	161,722	121,300	3.63	21/09/2021
SO Employees 2011 (2)			26/01/2012	4,000	Employees	2,094	1,047	3.63	26/01/2022
SO Executives 2011		210,000	21/09/2011	210,000	Executives	219,782	191,002	3.63	21/09/2021
TOTAL SO 2011		**510,000**		**432,500**		**383,598**	**313,349**		
Employee SO 2012	31/05/2012 Resolutions 13 and 14	333,000	13/09/2012	268,000	Employees	234,431	143,379	3.75	13/09/2022
SO Executives 2012		110,000	13/09/2012	110,000	Executives	103,597	51,799	3.75	13/09/2022
TOTAL SO 2012		**443,000**		**378,000**		**338,028**	**195,178**		
Employee SO 2013	26/06/2013 Resolution 15	283,000	19/09/2013	195,500	Employees	181,166	45,306	3.85	19/09/2023
TOTAL SO 2013		**283,000**		**195,500**		**181,166**	**45,306**		
Employee SO 2014	30/06/2014 Resolution 17 **(2)**	314,800	22/09/2014	138,700	Employees	136,618	0	6.17	22/09/2024
SO Executives 2014			22/09/2014	40,000	Executives	41,643	0	6.17	22/09/2024
TOTAL SO 2014		**314,800**		**178,700**		**178,261**	**0**		
TOTAL SO						**1,179,305**	**652,085**		

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

(2) It being specified that the nominal amount of the capital increases resulting from the raising of stock options under this authorisation and of free share allocations able to be granted under the eighteenth resolution and the exercise of share subscription warrants which would be issued under this resolution may not exceed the nominal amount of 118,000 euros, namely a maximum of 472,000 shares

Summary of AGAs (rights to free shares) at 31 December 2014

Name of plan	Date of authorisation	Number of authorised free shares	Allocation date	Number of allocated shares	Beneficiaries	Rights to free shares in circulation at 31/12/14 adjusted (1)	Shares definitively vested at 31/12/14 adjusted (1)
Employee AGA 2014	30/06/2014 Resolution 18 **(2)**	314 800	22/09/2014	72 000	Employees	71 789	39 589
Executive AGA 2014			22/09/2014	76 500	Executives	79 643	59 862
TOTAL SO 2014		**314 800**		**148 500**		**151 432**	**99 451**
TOTAL SO						**151 432**	**99 451**

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

(2) It being specified that the nominal amount of the capital increases resulting from the raising of stock options under the seventeenth resolution, of free share allocations granted under this resolution and the exercise of share subscription warrants which would be issued under the nineteenth resolution may not exceed the nominal amount of 118,000 euros, namely a maximum of 472,000 shares

NOTE 18: REMUNERATION OF CORPORATE OFFICERS

The table below summarises the remuneration accounted for at 31 December 2014 for Judith Greciet (CEO) and Pierre Attali (Chief Operating Officer), both of whom were remunerated exclusively under their employment contracts, as well as the remuneration of the non-executive members of the Board of Directors.

in €	31/12/2014	31/12/2013
Executives and corporate officers		
Short-term benefits (fixed/variable/except.)	784,586	584,289
Post-employment benefits	96,195	62,713
Long-term benefits	0	0
Share-based payment	462,016	143,842
Benefits in kind	6,637	5,245
Contract termination indemnities	0	0
Directors' fees	161,633	117,996
Fees (regulated agreement)	24,000	24,000
Total	**1,535,067**	**938,085**

Onxeo has established a method of remuneration of its directors through fees. The annual shareholders' meeting of 31 May 2012 set the overall amount of directors' fees, to be divided among the members of the Board of Directors, to be paid for the year at €170,000.

Corporate officers' retirement benefits amount to 62,713 euros.

NOTE 19: RELATED PARTIES

With regard to section 9 of IAS 24, Onxeo SA's related parties are as follows:

- The companies included within the scope of consolidation as set out in Note 2.3 in annex:

Transactions carried out with companies included within the scope of consolidation mainly covering sales of finished goods and services, the billing of marketing license fees, and intercompany loans and borrowings as part of cash management agreements. They are summarized in the following table:

in €	31/12/2014	31/12/2013
Assets	**25,479,470**	**1,718,691**
Liabilities	**2,841,264**	**272,918**
		-
Income	**589,026**	**88,807**
Expenses	**65,389**	121

The amount of the asset mainly relates to the current account of the subsidiary Topotarget Switzerland.

- Financière de la Montagne which, in its capacity as the largest shareholder of the company with 13.96% of the capital and as a board member, is considered to exert a significant influence on the company.

The transactions with Financière de la Montagne are: the 10 million euro loan agreement entered into with the company on 18 July 2014 and the capital increase through debt conversion amounting to 11.1 million euros of December 2014. Details of these transactions are provided in Note 1.4. The financial expense associated with this loan amounts to 2,759,161 euros.

- The chairman of the board of directors, as one of the main executives presenting the financial statements.

The transactions with the chairman of the board of directors are mainly fees and expenses in relation to the consultancy agreement with PJL Conseils, as authorized by the board of directors on 17 July 2013 in the amount of 24k euros.

NOTE 20: STATUTORY AUDITORS' FEES

The fees paid by Onxeo to its external auditors in 2014 and 2013 are as follows:

(in euros)	Grant Thornton				Ernst & Young			
	Amount		%		Amount		%	
	2014	2013	2014	2013	2014	2013	2014	2013
Audit, statutory audit, certification, review of financial statements under French GAAP and IFRS								
Issuer	64,916	75,700	42%	78%	80,275	79,258	50%	79%
Fully consolidated subsidiary	2,500	4,800	2%	5%	0		0%	0%
Other procedures and services directly related to the statutory audit assignment	88,800	16,540	57%	17%	79,070	21,330	50%	21%
Sub-total	**156,216**	**97,040**	**100%**	**100%**	**159,346**	**100,588**	**100%**	**100%**
Other services rendered by the networks to the fully consolidated subsidiary								
Sub-total								
Total	**156,216**	**97,040**	**100%**	**100%**	**159,346**	**100,588**	**100%**	**100%**

6.2 Statutory auditors' reports on the consolidated financial statements

To the Shareholders,

In carrying out the mission entrusted to us by your general meetings, we hereby present our report for the financial year ended 31 December 2014, covering:

- the audit of the accompanying consolidated financial statements of Onxeo;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements were approved by the board of directors. Our assignment is to give an opinion on those financial statements on the basis of our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; these standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We consider that the evidence that we obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position and of the results of its operations for the year then ended, in accordance with the IFRS standards as adopted within the European Union.

Without qualifying the opinion expressed above, we draw your attention to the following points set out in:

- Note 2.2 "Change of method" in annex which sets out the impact of the change of method applied during the period regarding the first application of the IFRS 11 standard;
- Note 1.1 "Merger with Topotarget" which describes the merger transaction that took place during the period and Note 3 "Impact of the merger" which described the accounting effects of the merger between your company and Topotarget on the accounts for the year ended 31 December 2014.

II. Justification of assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we draw to your attention to the following matters:

- Note 2.6.1 "Intangible assets" in annex sets out the accounting rules and methods relating to the valuation of goodwill. Our work consisted of examining the process by which such valuations were made, of assessing the data and assumptions on which future updated cash flow forecasts are based and of reviewing the calculations carried out by your company. As part of our assessments we verified the reasonable nature of such estimates and the appropriate nature of the information provided in the notes.

- Note 2.13 "Net sales" in annex sets out the accounting rules and methods relating to the recognition of income and notably the method used to recognise payments due on the signature of licensing agreements. We have satisfied ourselves as to the appropriateness of this method and have verified that it has been correctly applied. Our work included verifying the reasonableness of estimates and assumptions that underlie the recognition of revenues related to these agreements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

We have also performed, in accordance with professional standards applicable in France, the specific verifications required under the law regarding information relating to the group, as provided in the management report.

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

Paris and Paris-La Défense, 25 March 2015

The Statutory Auditors

GRANT THORNTON	ERNST & YOUNG Audit
French member of Grant Thornton International	
Jean-Pierre Colle	Béatrice Delaunay

6.3. Annual financial statements

Assets

Categories	Gross	Amortization	Net 2014	Net 2013
SUBSCRIBED UNCALLED SHARE CAPITAL				
INTANGIBLE FIXED ASSETS				
Incorporation expenses				
Development costs	68 700 000	800 000	67 900 000	
Concessions, patents and similar rights	187 178	185 093	2 085	3 085
Goodwill	4 449 952		4 449 952	
Other intangible assets	732 962	713 262	19 700	19 700
Advances and prepayments on intangible assets				
Total intangible fixed assets	**74 070 092**	**1 698 355**	**72 371 737**	**22 785**
TANGIBLE FIXED ASSETS				
Land				
Buildings				
Plant & equipment	859 891	811 269	48 622	94 398
Other tangible assets	5 841 939	5 162 397	679 543	881 359
Tangible assets in progress				
Advances and prepayments				
Total tangible fixed assets	**6 701 830**	**5 973 665**	**728 165**	**975 757**
LONG-TERM INVESTMENTS				
Holdings valued by the equity method				
Other equity holdings	79 396 312	72 631 937	6 764 375	239 682
Receivables from investments				
Other long-term securities	122 040		122 040	58 512
Loans				
Other long-term investments	411 728		411 728	379 695
Total tangible fixed assets	**79 930 080**	**72 631 937**	**7 298 143**	**677 889**
NON-CURRENT ASSETS	**160 702 002**	**80 303 957**	**80 398 045**	**1 676 430**
STOCKS				
Raw materials and supplies				
Work in progress - goods				
Work in progress - services				
Semi-finished and finished goods				
Goods held for resale	65 171		65 171	3 145
Total stocks	**65 171**		**65 171**	**3 145**
RECEIVABLES				
Prepayments to suppliers				
Trade receivables	1 847 353	951 836	895 517	356 858
Other receivables	30 731 397	25 397 680	5 333 717	5 516 009
Subscribed, called, unpaid share capital				
Total receivables	**32 578 750**	**26 349 516**	**6 229 234**	**5 872 868**
LIQUID ASSETS				
Securities including treasury shares:				7 356 973
Cash	56 829 563		56 829 563	3 972 382
Prepaid expenses	694 996		694 996	678 175
Total liquid assets	**57 524 558**		**57 524 558**	**12 007 531**
CURRENT ASSETS	90 168 479	26 349 516	63 818 963	17 883 544

Issuing costs to be spread over several years				
Loan redemption premiums				
Translation adjustment - assets	85 454		85 454	11 634
GRAND TOTAL	**250 955 936**	**106 653 474**	**144 302 462**	**19 571 608**

Liabilities and equity

Categories		Net 2014	Net 2013
NET EQUITY			
Share capital Of which paid:	10 136 051	10 136 051	5 170 748
Issue, merger and acquisition premiums		230 441 383	128 044 120
Excess of restated assets over historical cost			
Legal reserve			
Reserves required by the articles of incorporation or by contract			
Regulated reserves			
Other reserves		37 125	
Retained earnings		(124 903 104)	(109 880 930)
NET INCOME for the period (profit or loss)		**8 521 759**	**(15 022 175)**
Total net equity		**124 233 214**	**8 311 764**
Capital grants		116 219	152 919
Regulated provisions			
SHAREHOLDERS' EQUITY		**124 349 433**	**8 464 683**
Proceeds from issue of preference shares			
Advances with specific conditions attached		3 655 910	3 340 899
OTHER SHAREHOLDERS' EQUITY		3 655 910	3 340 899
Contingency provisions		89 660	14 222
Loss provisions			99 233
PROVISIONS FOR CONTINGENCIES AND LOSSES		**89 660**	**113 455**
FINANCIAL LIABILITIES			
Convertible bonds			
Other bonds			
Bank debts		10 308	8 652
Other debt		1 753 532	290 037
Total financial liabilities		**1 763 840**	**298 689**
OPERATING LIABILITIES			
Customer prepayments			
Trade payables		6 674 641	4 112 405
Accrued taxes and personnel costs		3 881 648	1 646 695
Total operating liabilities		**10 556 289**	**5 759 100**
OTHER LIABILITIES			
Payables on fixed assets and related accounts			7 681
Other liabilities		2 819 755	256 765
Total other financial liabilities		**2 819 755**	**264 446**
ACCRUALS			
Deferred revenue		850 027	1 320 425
LIABILITIES		**15 989 911**	**7 642 660**
Translation adjustment - liabilities		217 549	9 912
GRAND TOTAL		**144 302 462**	**19 571 608**

Profit and loss account (part 1)

Categories	France	Export	Net 2014	Net 2013
Sale of goods held for resale	0	173 201	173 201	331 557
Production goods sold				
Production services sold	58 585	224 987	283 572	312 099
NET SALES	**58 586**	**398 188**	**456 774**	**643 656**
Production left in stock				
Capitalised production				
Operating grants			1 930 519	242 950
Excess depreciation and recovery on provisions charged in prior years			13 521 846	1 483 250
Other income			31 668 407	953 890
TOTAL OPERATING INCOME			47 577 545	3 323 746
EXTERNAL EXPENSES				
Purchases of goods for resale (including customs duties)			216 866	184 762
Change in inventories			(62 026)	(406)
Purchases of raw materials and supplies			92 616	79 915
Change in inventories				
Other purchases and external expenses			28 362 010	12 564 915
Total external expenses			**28 609 466**	**12 829 186**
TAXES OTHER THAN ON INCOME			564 398	448 489
CHARGES DE PERSONNEL				
Wages and salaries			8 023 027	3 945 900
Payroll charges			2 392 857	1 944 581
Total personnel costs			**10 415 884**	**5 890 481**
OPERATING ALLOWANCES				
Amortisation on fixed assets			1 157 634	302 607
Provisions on fixed assets				
Provisions on current assets			1 560 483	216 853
Provisions for contingencies and losses				
Total operating allowances			**2 718 116**	**519 460**
OTHER OPERATING EXPENSES			314 477	125 023
TOTAL OPERATING EXPENSES			**42 622 341**	**19 812 638**
OPERATING INCOME/(LOSS)			**4 955 204**	**(16 488 892)**

Profit and loss account (part 2)

Categories	Net 2014	Net 2013
OPERATING INCOME/(LOSS)	4 955 204	(16 488 892)
JOINT TRANSACTIONS		
Allocated gain or transferred loss		
Sustained loss or transferred gain		
FINANCIAL INCOME		
Financial income from investments	1 074 654	13 128
Financial income from other securities and from fixed asset securities	65 972	63 468
Other interest and similar income	158 658	75 204
Provision reversals and expense transfers	3 106 844	39 665
Foreign exchange gains	3 733 798	189 978
Net gains on sales of marketable securities	1 041	684
TOTAL FINANCIAL INCOME	8 140 968	382 126
FINANCIAL EXPENSES		
Amortisation, depreciation and provisions	201 086	1 171 952
Interest and similar expenses	2 881 672	192
Foreign exchange losses	720 062	276 536
Net losses on sales of marketable securities		
TOTAL FINANCIAL EXPENSES	3 802 820	1 448 681
FINANCIAL INCOME	4 338 147	(1 066 555)
LOSS BEFORE EXCEPTIONAL ITEMS AND TAX	9 293 351	(17 555 447)
EXCEPTIONAL INCOME		
Exceptional income on operating transactions	261 469	188 230
Exceptional income on capital transactions	63 340	31 648
Provision reversals and expense transfers	101 135	337 774
Exceptional income	425 944	557 652
EXCEPTIONAL EXPENSES		
Exceptional expenses on operating transactions	265 131	337 930
Exceptional expenses on capital transactions	49 847	49 821
Exceptional provisions and expense transfers	4 206	25 790
Exceptional expenses	319 184	413 540
EXCEPTIONAL ITEMS	106 760	144 111
Employee profit sharing		
Corporate income tax	878 352	(2 389 161)
TOTAL INCOME	56 144 457	4 263 523
TOTAL EXPENSES	47 622 698	19 285 698
PROFIT/(LOSS) FOR THE YEAR	8 521 759	(15 022 175)

ACCOUNTING RULES AND METHODS

ONXEO SA is an innovative company specializing in the development of orphan products in oncology and which is the result of the merger in June 2014 between BioAlliance Pharma, a French company based in Paris, and Topotarget, a Danish company based in Copenhagen.

1. Accounting policies

The annual financial statements for the year ended 31 December 2014 have been prepared and presented in accordance with the provisions of the Commercial Code and the French General Accounting Plan, in conformity with the prudence principle and the accruals basis of accounting.
The financial statements were prepared on a going concern basis.

Items are recognised in the financial statements on a historical cost basis. The valuation methods applied for this year are unchanged from the previous financial year

1.1. Intangible assets

Intangible assets are recognised at acquisition cost or contribution value less accumulated depreciation and impairment losses.

Research and development costs are expensed directly to the profit and loss account. They may be capitalised in fixed assets when the following criteria are satisfied simultaneously:
- The projects in question are specific, well-defined projects,
- Each project must be technically feasible and have a realistic chance of commercial success at the balance sheet date,
- The cost of each project can be clearly identified.

These criteria are considered to be satisfied only once the Company has obtained marketing authorisation.

Acquired research and development projects are recognized in intangible fixed assets at their contribution value even in the absence of a marketing authorization.

Where a finite useful life has been defined the cost of intangible assets less any residual value is depreciated over the useful life as estimated by the company. This period is determined on a case-by-case basis depending on the nature and characteristics of the elements included within the category. In particular, concessions and patents are amortised over 10 years using the straight-line method and software is amortised over 12 months using the straight-line method.

Where a finite useful life has been defined the cost of intangible assets less any residual value is depreciated over the useful life as estimated by the company.

1.2. Tangible assets

The gross cost of tangible assets corresponds to their initial carrying value in the balance sheet including costs to bring such assets into condition for use, but excluding ancillary expenses related to their acquisition.

Depreciation of tangible assets is calculated on a straight-line basis. Depreciable lives and depreciation methods are generally as follows:

-Plant and equipment	5 years
-Specialized equipment	5 years
-Fixtures and fittings	10 years
-Office and computer equipment	4 years
-Furniture	5 years

1.3. Financial assets

Investments and other long-term securities are measured at cost, excluding acquisition-related expenses.

A provision for impairment is recorded at the balance sheet date if the actual value is less than their net book value.
The amounts invested in the context of the liquidity contract managed by an investment services provider are recognised:
- under ‘Other long-term securities’ for treasury shares (being the portion invested in the company’s shares),
- under ‘Other financial assets’ for the portion kept in cash.

1.4. Inventories

Inventories are measured at purchase cost using the weighted average cost method. A provision for impairment is recorded if the actual value is less than the net book value.

1.5. Receivables and payables

Receivables and payables are measured at their face value. A provision for impairment is recorded at the balance sheet date if the actual value of the receivables is less than their net book value.
Receivables and payables denominated in foreign currencies are recognised at the exchange rate prevailing on the transaction date and are restated at the closing rate at each period end. Foreign exchange differences arising on such restatements are recognised in balance sheet assets and liabilities. A provision for losses is recognised in the event of unrealised foreign exchange losses.

Receivables are examined on a case-by-case basis and a provision for depreciation is established in line with the incurred risk.

1.6. Marketable securities

Marketable securities are measured at cost, excluding acquisition-related expenses. In the event of the sale of a number of similar securities granting the same rights, the carrying value of the securities sold is estimated using the FIFO method.

1.7. Cash

All liquid assets held in cash or banks are valued at their nominal value.

1.8. Provisions for contingencies and losses

Provisions correspond to obligations resulting from various disputes and risks, whose timing and amount is uncertain, to which the Group may be exposed in the context of its operations. A provision is recognised where the company has a legal or constructive obligation to a third party, as a result of a past event, which it is probable or certain will lead to an outflow of resources to the third party without receipt of equivalent consideration, where such future cash outflows can be estimated reliably.

1.9. Licensing agreements

1.9.1. Licences granted to third parties

Agreements under which the Company licences rights to third parties for marketing one or more products in its portfolio generally involve an upfront payment at the date of signature, as well as future milestone payments and the payment of royalties on net sales.

Upfront payments due on signature of a licensing agreement, representing the contracting party's share of R&D investments incurred by the Company, are initially recognised in deferred revenue and are subsequently taken to the profit and loss account over the period of the agreement or over a shorter period, depending on the company’s involvement and the specific conditions of the agreement.
In general, the future payments are conditional and depend on the achievement of certain objectives: registration of products, marketing authorisation for products, obtaining a price and/or achievement of sales thresholds (sales performance). They are immediately recognised in other income in the year in which they are received by the Company.

1.9.2. Licences acquired from third parties

As in the preceding case, licensing agreements under which the Company acquires from a third party a licence conveying a right to market a product in a given geographical area generally involve an upfront payment at the date of signature, various other additional payments, and payment of royalties on net sales.

These licensing agreements generally relate to products undergoing clinical development. Upfront payments upon signature represent a participation in funding research and development costs and are thus fully expensed in the year in which the agreement is signed. Earn-out payments, generally related to the reaching of sales targets, are in the form of royalties for marketing rights and, as such, they are expensed over the period in which they are due.

1.10 Grants

Operating grants are taken to profit and loss as the costs are incurred.

Refundable advances are recorded under "Other equity". Where the project is successful, these advances are refundable based on forecast operating income (loss) arising from the project. In case the project is a failure, the justified, due and paid advances will not result in any repayment.

2. Significant events in the year

2.1. Merger with Topotarget

The merger between BioAlliance Pharma SA and Topotarget A/S illustrates the company's desire to accelerate its organic growth through complementary and synergistic acquisitions in the area of oncological orphan drugs. The legal form of the cross-border merger was defined by the European Directive 2005/56/EC - chosen for its financial efficiency. The transaction was carried out entirely through an exchange of shares, enabling the company to use its cash reserves to finance its R&D programs.
The merger received over 99% shareholder approval from both companies at their respective General Meetings on June 27 and June 30, 2014. Once the registration formalities by the French and Danish authorities were complete, the merger creating Onxeo was finally recorded on July 22, 2014.
Since August 1st, the company trades as a secondary listing on the NASDAQ OMX in Copenhagen and remains trading on the Euronext Paris. It was also as of that date that BioAlliance Pharma, as the acquiring company in the merger, officially began operating under the Onxeo name.

2.2. Strong progress in the orphan oncology portfolio

- **Beleodaq® (belinostat): Marketing authorization in the USA**

Since 2010 Beleodaq® has been licensed to the American company Spectrum Pharmaceuticals, Inc. which holds exclusive marketing rights in North America and India and is also a partner in the co-development of the product.
In February 2014 the FDA (Food and Drug Administration) accepted the admissibility of the US registration application for Beleodaq® for the treatment of peripheral T-cell lymphoma. This admissibility triggered both the payment of $10 million by Spectrum Pharmaceuticals, and the granting of one million of their shares to Onxeo. The shares were resold on the market during H2 2014 for a gross amount of 8.1 million dollars.
Marketing authorization was granted by the FDA in July 2014 and triggered an additional payment from Spectrum of 25 million dollars.
Since August, staff at Spectrum Pharmaceuticals have been promoting Beleodaq® with hematologists, generating the first sales during H2 2014, giving rise to the payment of royalties to Onxeo.

- **Validive®: Positive preliminary results for the clinical phase II trial**

Validive has been developed to prevent and treat oral mucositis, an inflammation of the mouth which is very common in head and neck cancer patients being treated with radiotherapy and chemotherapy. Onxeo has conducted a large clinical phase II trial with 183 patients. The preliminary results of this trial were announced on 30 October 2014 and were very positive in terms of efficacy and tolerance. In order to pursue the development of the product, the company plans to commence a phase III trial during 2015.

- **Livatag®: progress with recruitment for the clinical phase III trial**

Livatag® is a treatment developed in the form of nanoparticles which is being assessed in patients suffering from hepatocellular carcinoma (primary liver cancer) at an advanced stage. The ongoing international phase III trial is designed to demonstrate the efficacy of Livatag® on the survival outcomes of nearly 400 patients who failed to respond or showed an intolerance to sorafenib. It is being conducted in 8 countries in Europe and in the USA. At the end of 2014 there were 35 active investigation centers and over 35% of the patients planned to take part had been recruited. The preliminary results of the study are expected by the start of 2017.

2.3. Other income

During 2014, Onxeo continued to develop its non-strategic products Sitavig® and Loramyc®/Oravig®:

- Marketing authorization in France and Germany for Sitavig®.
- Signing of a licensing agreement to market Sitavig® in the USA with the Innocutis Company a dermatology specialist. Innocutis paid an initial amount of 2 million dollars for the year 2014 - fully recognized in income. Promotion by the Innocutis marketing and sales teams started on July 21.
- Signing of licensing agreements with Daewoong Pharmaceutical Co. Ltd and EMS S/A with a view to the marketing of Sitavig® in South Korea and Brazil respectively.
- Repossession of marketing rights for Oravig® in the USA in April 2014 due to the partner company Vestiq Pharmaceuticals failing to meet sales objectives.

The company also pursued the development of Loramyc® in Japan and China, respectively led in the two countries by its partner companies Sosei and SciClone.

2.4. Financing

- **Shareholder's current account advance agreement**

In July 2014, Financière de la Montagne, the leading shareholder of Onxeo and member of the Board of Directors since 2008, granted the Company a loan of €10 million. This loan was intended to strengthen Onxeo's financial resources following the merger and expand its R&D programs, in particular, the international phase III trial of Livatag® in primary liver cancer.
This loan, in the form of a current account advance entered into for a period of one year maturing on July 31, 2015, will bear interest at 15% payable upon reimbursement. The principal and interest can be repaid at maturity in cash or in advance by incorporation of debt if Onxeo raises new capital. If this be the case, prepayment in new securities will bear a premium of 25%.

- **Capital increase**

In December 2014, the Company successfully carried out a capital increase in France and Denmark with preferential subscription rights intended to finance the R&D effort of key Company products and, in particular, to support the international expansion of Livatag's® phase III trials, prepare Validive's® phase III study following its phase II, the initial results of which were obtained on October 30, 2014, and continue the development of Beleodaq® to the next level.
The net capital increase amounted to €40,741,020 million after an issuance of 9,053,560 new shares, bringing share capital to €10,136,051 divided into 40,544,204 shares at a €0.25 par value.
On the conclusion of this transaction, Financière de la Montagne and Nyenburgh held 13.96% and 1.02% respectively of the capital and voting rights in the company. Capital Ventures International essentially subscribed on a reducible basis, now holds 0.014% of the Company's capital and voting rights.
Settlement of Financière de la Montagne's subscription for the new shares was made in part by way of a debt to equity swap in the amount of €11,188,575, in accordance with the provisions of Article 1289 et seq. of the Civil Code and the terms of the shareholder's current account advance agreement of July 18, 2014.

2.5. Post-balance sheet events 2014

There are no post-balance sheet events likely to have a material effect on the accounts.

3. ACCOUNTING TREATMENT OF THE MERGER

In accordance with French accounting standards, the merger completed during 2014 was recognized in the accounts retroactively as if BioAlliance Pharma had taken control of Topotarget on 1 January 2014. The financial statements, therefore, include the following:

- Topotarget's assets and liabilities as December 31, 2013 in accordance with the merger agreement;

- Topotarget numbers for the first half 2014, although the merger is actually dated June 30, 2014, which was date of the General Meeting that approved the transaction.

The merger was made exclusively through an exchange of shares, with the shareholders of Topotarget receiving 2 new Onxeo shares for 27 shares of Topotarget held. The transaction resulted in the creation of 10,799,341 shares corresponding to a nominal amount of €2,699,835.25 or 10,799,341 new shares. No cash payment was made.

The value of the shares issued within the context of the exchange amounted to 78,727,196 euros, in line with the merger agreement.

As the merger was recognized in the accounts as an acquisition, the assets and liabilities contributed to Onxeo are recognized at market value as follows:

	Market value	**Historic book value at Topotarget**	**Change**
Goodwill	4,449,954		4,449,954
Intangible assets	68,700,000	27,007,475	41,692,525
Tangible assets	105,137	105,137	0
Financial assets	3,533,187	3,533,187	0
Trade receivables	471,671	471,671	0
Other receivables	225,489	225,489	0
Marketable securities	0	0	0
Cash	4,114,749	4,114,749	0
Trade payables	-2,475,558	-2,475,558	0
Deferred tax	0	0	0
Accrued taxes and personnel costs	-397,433	-397,433	0
Net assets transferred	**78,727,196**	**32,584,717**	**46,142,479**

4. Notes to the balance sheet

4.1. Intangible assets

Intangible assets amounted to 74 070 092 k euros as of 31 December 2014; this increase is exclusively related to the merger with Topotarget as follows:

- Contribution of Topotarget's intangible assets: 68,700k euros. These assets represent development costs incurred on the belinostat project by a former partner of Topotarget under a license agreement terminated in 2008. Upon termination of this agreement, Topotarget acquired the developments carried out by their former partner and recognised the amount as an asset.

- Goodwill of 4,450k euros representing the difference between the acquisition value of Topotarget and the net assets contributed.

The item Intangible Assets also includes patents, brands and software acquired by the company.

4.2. Tangible assets

Tangible assets are made up mainly of laboratory and research equipment, computer equipment and other fittings and equipment purchased by the Company.
The gross increase in this item during 2014 results from the merger with Topotarget.

4.3. Financial assets

The change in equity securities during 2014 is mainly the result of the contribution of Topotarget's subsidiaries under the merger: Topotarget UK, Topotarget Germany and Topotarget Switzerland. Information about the subsidiaries and shareholdings are presented in the subsidiaries and investments table (see ref. p 44).

The amount of treasury shares held within the context of the liquidity contract at 31 December 2014 was 84,480.00 euros corresponding to 16,000 shares recognised in "Other long-term securities" and non-invested cash increased to 194,872.62 euros.

Onxeo also holds 4,908 treasury shares amounting to 37,559.89 euros at 31 December 2014 corresponding to share fractions acquired from Topotarget shareholders as part of the share exchange within the merger.

4.4. Trade receivables

Net trade receivables amounted to 895 517 euros at 31 December2014, mainly consisting of receivables from the partners Innocutis, Thérabel and Spectrum Pharmaceuticals corresponding to deliveries of products made by the company and royalties on sales due by these partners.

4.5. Other receivables

Other net receivables amount to 5 333 717 euros at 31 December 2014 and mainly consist of the following:

- Research Tax Credit, 2014: 2,250,370.58 euros
- Grants to be received: 1,111,410.00 euros
- VAT refund requested: 673,144.45 euros
- VAT deductible and on outstanding invoices: 557,464.41 euros

Due to the lack of income from subsidiaries, intragroup current accounts in the gross amount of 25 397 680 euros are 100% depreciated.

4.6. Prepaid expenses

Prepaid expenses at 31 December 2014 rose to 694 996 euros and mainly correspond to subcontracted services and fees.

4.7. Cash

The change in cash is associated with:

- To the Topotarget contributions under the merger amounting to 4,115k euros.
- To the receipt of payments from Spectrum Pharmaceuticals due to the submission in H1 and issue in July of marketing authorisation for Beleodaq® in the USA and to the associated sale of one million Spectrum shares granted to Onxeo, giving a total of 43.1 million dollars (Onxeo SA share 90%, 10% received by the subsidiary Topotarget UK).
- The net proceeds of the capital increase of December 2014 in the amount of 26.1 million euros, taking into account the partial incorporation of the current account advance from Financière de la Montagne.

These exceptional receipts enable operating costs to be met, notably in the area of research and development.

In order to optimise its short-term investments, Onxeo decided during the period to redirect its cash to term accounts (classified as liquid assets). At 31 December 2014 liquid assets in the amount of 56,819k euros are invested in term accounts in the amount of 32,000k euros.

4.8. Shareholders' equity

At 31 December 2014, the share capital amounted to 10,136,051 euros, divided into 40,544,204 common shares with a nominal value of €0.25 each, all of the same class and fully paid up. Between 31 December 2013 and 31 December 2014, share capital grew from 5,170,748.00 euros to 10,136,051.00 euros due to the three capital increases during the period:

- Increase of a nominal amount of 2,699,835.25 euros through the issue of 10,799,341 shares each of a nominal value of 0.25 euros resulting from the completion of the merger with Topotarget A/S.
- Increase of a nominal amount of 2,077.75 euros through the issue of 8,311 shares each of a nominal value of 0.25 euros resulting from the exercise of 8,311 share purchase warrants.
- Increase of a nominal amount of 2,263,390 euros through the issue of 9,053,560 new shares each of a nominal amount of 0.25 euros via a cash contribution within the context of a capital increase with retention of preferential subscription right.

The item Issue Premium increased from 127,990,805.13 euros to 230,364,067.89 euros as a result of the capital increases and merger premium. In addition an amount of 37,125 euros was deducted from issue premiums and transferred to a reserve account with a view to payment of the new shares to be allocated within the legal period of

two years following the allocation of free shares to employees and executives in September 2014.

4.9. Capital grants

The capital grant of €367,000 corresponds to the landlord's contribution to some of the work on the new registered office which started in 2008. The amount of depreciation at 31 December 2014 amounted to 250,780.27 euros.

4.10. Provisions for contingencies and losses

Provisions for contingencies and losses amount to 89 660 euros, mainly corresponding to litigation with suppliers and the risk of unrealized exchange losses.

Just as on 31 December 2013, the possible litigation risks underway with Eurofins and SpePharm cannot be reliably measured. As the Company considers itself to be within its rights, no provision has been made as of 31 December 2014.

Litigation with Eurofins over a diagnostic technology for HIV drug resistance

In October 2008, Onxeo was notified of a law suit filed before the District Court of the State of Delaware (USA) by companies of the Eurofins Group against Onxeo and one of its senior managers. This procedure involves the transfer of intellectual property related to phenotyping technology called Phenoscript® - an HIV resistance test that Onxeo developed before 2005 in collaboration with INSERM and the Institut Pasteur. At the end of 2005, Onxeo transferred its intellectual property and licensing rights to Eurofins to optimise its business development in the United States.

Eurofins alleged that the value of the transferred assets was compromised by the rights of a third party undisclosed at the time of the transfer. Eurofins further contended that a new invention developed by Onxeo had not been proposed to them. Eurofins is asking, thereby, to terminate the contract of sale and is seeking damages. Onxeo contests the merit of these allegations, the court's jurisdiction and immediately submitted an application for withdrawal of the case from the US courts. On September 18, 2009, the District Court of the State of Delaware accepted Onxeo's request for deferral. Eurofins lodged an appeal against this decision. On October 12, 2010, the Federal Third Circuit Court of Appeals affirmed this decision without examining the merits of the case.

Moreover, since Eurofins did not fulfil its contractual obligations, Onxeo sued the Eurofins Group and ABL (Advanced Biological Laboratories) before the Paris Commercial Court in January 2009 for not marketing the phenotyping technology and to compensate for the damage suffered. Damages were sought on this basis. For their part the Eurofins Group companies and ABL have submitted counterclaims.

The proceedings are ongoing as of early 2015 with the two parties making their submissions.

Litigation with SpeBio/SpePharm

On 27 February 2009, Onxeo broke off collaboration with SpePharm and reacquired the rights to market Loramyc® in Europe from the SpeBio joint venture.

Onxeo has taken SpePharm and SpeBio to the International Court of Arbitration of the International Chamber of Commerce to obtain damages for the losses suffered on account of breaches of contract committed by these companies under the partnership that had been agreed for the commercial launch of Loramyc®. This process is part of the ongoing law suit filed by Onxeo on SpeBio before the Commercial Court of Paris on 27 February 2009. SpeBio itself referred the suit to the Clerk of the Commercial Court while being aware of Onxeo's referral to the Arbitral Tribunal.

SpePharm and Spebio issued counterclaims for damages before the Arbitral Tribunal and the Commercial Court respectively.

Having stayed the proceedings, in a ruling handed down on 28 October 2014 the Paris Commercial Court asserted its jurisdiction in the matter of the litigation between Onxeo and the joint venture SpeBio relating to the licensing agreement and exclusive supply contract. Onxeo contested the jurisdiction before the Paris Appeal Court and on 22 December 2014 the Commercial Court stayed the proceedings awaiting the decision of the Appeal Court on this matter.

In a partial arbitral decision as to the question of its jurisdiction, the Court of The Court of Arbitration affirmed its jurisdiction in respect to the one contract and only against SpePharm.

SpePharm is in favour of the suspension of the arbitral proceedings in anticipation of the decision by the Commercial Court on the merits of the suit between Onxeo and SpeBio. Onxeo is requesting completion of this procedure. The proceedings are ongoing.

4.11. Other shareholders' equity

Conditional advances relates to public funding obtained for several products under development break down as follows at 31 December 2014:

- An OSEO advance paid for the Livatag clinical program amounting at 31/12/2014 to 120,000 euros. A repayment of 100,000 euros was made in 2014 and the balance will be paid in instalments until 30/09/2015.
- An OSEO advance for the Validive program refundable in several instalments until 2015, the balance of which at 31 December 2014 amounted to 17,500 euros.
- A BPI France advanced paid for the Livatag program (NICE consortium) refundable in several instalments up to 2023, the balance of which at 31 December 2014 amounted to 3,518,410 euros.

Furthermore, due to the cessation of the AMEP™ program funds received from OSEO-ISI totalling 1,687,077 euros have been definitively acquired and recognized in income as an operating grant.

4.12. Other debt

This item mainly consists of the current account advance from Financière de la Montagne in the amount of de 1,552k euros.

4.13. Trade payables

Trade payables increased from 4 112 405 euros at 31 December 2013 to 6 674 641 euros at 31 December 2014. The change in trade payables is mainly due to the increased research and development expenses, notably resulting from the acquisition of Beleodaq® under the merger.

4.14. Deferred revenue

Deferred revenue is made up mainly of upfront payments on the Loramyc® licensing agreements which are being recognised in profit and loss over a number of years until the anticipated date of receiving marketing authorization. The balance at 31 December 2014 of 850 027 euros breaks down as follows:
- NovaMed agreement: 103,325 euros
- Sosei agreement: 447,735 euros
- Daewoong agreement: 73,840 euros
- grants: 225,127 euros

5. Notes on the profit and loss account

5.1. Net sales

Net sales for 2014 amounting to 456 774 euros emanates from sales of products to license partners and to various services.

5.2. Operating grants

Operating grants for 2014 amount to 1 930 519 euros and mainly correspond to the funding programs detailed in 4.11.

5.3. Other income

Other income amounting to 31 668 407 euros, a sharp increase on 2013, consists of:
- The recognition in income of non-sales-based royalties paid by license partners, namely essentially the payment on signature of the agreement with Innocutis of an amount of 2 million dollars (1.5 million euros) and a proportion of the payment from Spectrum Pharmaceuticals of a total amount of 35 million dollars resulting

from receipt of marketing authorisation for Beleodaq® in the USA and the associated disposal of one million Spectrum shares granted to Onxeo (28.8 million euros).
- A proportion of the amounts received on signature of the marketing agreements, spread out over time, plus royalties on sales from partners.

5.4. Operating expenses

Operating expenses rose from 19 812 638 euros in 2013 to 42 622 341 euros in 2014. This increase is mainly explained by the higher R&D expenditure due to the acquisition of Beleodaq® under the merger and the roll-out of the Livatag® clinical and industrial program.

The CICE tax credit for competitiveness and employment corresponding to payments due for the calendar year 2014 was recognized in the amount of 36,730.34 euros. In accordance with a recommendation issued by the ANC (Accounting Standards Authority), the corresponding proceeds were recognized as a reduction in operating expenses and were credited to account 649100.

Expenses transfers amounted to 13,249,230.79 euros including:
- 9,777,182.52 euros related to merger costs in the form of financial and legal consultancy fees incurred by Bioalliance Pharma and Topotarget and to bonuses paid to Topotarget executives within the context of the merger.
- 3,456,124.71 euros in costs related to the capital increase carried out in December 2014.

5.5. Financial income

Financial income mainly corresponds to financial provision reversals amounting to 3,106,844.36 euros, to foreign exchange gains amounting to 3,733,798.13 euros, to group current account interest of 1,074,654.44 euros and to other financial income of 225,671.03 euros.

Financial expenses mainly correspond to interest associated with the current account advance from Financière de la Montagne and the conversion premium calculated for this shareholder's subscription under the capital increase of December 2014 totalling 2,754,116.64 euros. Financial expenses also include foreign exchange losses incurred during the period of 720,062.47 euros.

5.6. Exceptional items

The positive exceptional income of 106 760 euros mainly corresponds to a provision reversal on receivables from the former partner Vestiq.

5.7. Corporate income tax

The corporate income tax for the period amounting to 878,352.07 euros can be broken down as follows:

1) The tax expense of 2,948,943.07 recognized for 2014 corresponds to corporation tax payable in Denmark on the taxable income of the Danish permanent establishment of Onxeo DK broken down as follows:

- A tax expense of 799,165.78 euros relating to Topotarget income for the merger retroactivity period (H1 2014). This tax is calculated according to the rule of law applicable to Danish companies, which allows the partial use of loss carryforwards on profits exceeding DKK 7.5 million. The Topotarget profit for H1 2014 emanates from license revenues associated with the admissibility of the Beleodaq® registration application in February, namely the payment from the partner Spectrum of 10 million dollars and from the disposal of the associated one million Spectrum shares granted to Topotarget.

- A tax expense of 2,149,777.29 euros relating to the Danish permanent establishment Onxeo DK. The tax was calculated according to the rules of ordinary law applicable to Danish companies, although as a result of the merger Onxeo DK was not able to retain the tax loss carryforwards accumulated by Topotarget. The profit by Onxeo DK during H2 2014 emanates from licensing income associated with the registration of Beleodaq® in the USA in July, namely the payment by the partner Spectrum of 25 million dollars.

2) A tax receivable of 2,082,817 euros corresponding to the amount of the research tax credit.

ONXEO SA had a tax loss carry forward of 162 million euros, 129 million euros of which as head of the tax consolidation group including the accumulated tax losses of Laboratoires BioAlliance Pharma.

6 Off-balance sheet commitments

6.1. Post-employment benefits

The actuarial valuation method used is the retrospective valuation method. This method enables the present value of the benefit obligation to be determined on the basis of services rendered by the employee at the valuation date.

The actuarial assumptions applied are as follows:

Collective bargaining agreement: Medical industry
Retirement age:
Between 65 and 67 years, under the Pension Reform Act of 10 November 2010

Calculation date: 31/12/2014
Mortality table: INSEE 2014
Discount rate: 1.81%
Rate of salary increase: (salary growth rate + inflation) 3%
Employee turnover rate: By age category:
Social charges 46%

As at 31 December 2014, pension benefits amounted to 555,176 euros.

6.2 Statutory individual training entitlement

A total of 4,312 hours' rights to statutory training entitlement have been acquired by employees. This commitment is valued at 96,172 euros.

7. Remuneration of corporate officers

Remuneration of corporate officers amount to 1,535,067 euros.
The amount of their post-employment benefits was €96,195.

8. Related parties

Transactions with other companies related to the Group concern only those companies included in the scope of consolidation. These essentially involve sales of finished goods and services, billings of marketing license fees, and intercompany loans and borrowings as part of cash management agreements.

The table below shows the impact of intragroup transactions as at 31 December 2014:

in €	31/12/2014	31/12/2013
Assets	104,875,776	1,718,692
Liabilities	2,836,014	272,918
Income	1,130,987	88,807
Expenses	73,926	121

The amount of the asset mainly relates to the current account of the subsidiary Topotarget Switzerland and to investments.

Financière de la Montagne which, in its capacity as the largest shareholder of the company with 13.96% of the capital and as a board member, is considered to exert a significant influence on the company.
The transactions with Financière de la Montagne are the 10 million euro loan agreement entered into with the company on 18 July 2014 and the capital increase through debt conversion amounting to 11.1 million euros of December 2014.
Details of these transactions are provided in Note 2.4. The financial expense associated with this loan amounts to 2,759,161 euros.

The transactions with the chairman of the board of directors are mainly fees and expenses in relation to the consultancy agreement with PJL Conseils, as authorized by the board of directors on 17 July 2013 in the amount of 24k euros.

Assets

	Amount at start of 2014	Increases	Decreases	Amount at end of 2014
Formation costs and research and development costs		68 700 000		68 700 000
Other intangible assets	620 986	4 749 106		5 370 092
TOTAL INTANGIBLE FIXED ASSETS	**620 986**	**73 449 106**		**74 070 092**
Land				
Construction on own land				
Leaseholds				
Facilities, fixtures and fittings				
Plant & equipment	859 149	741		859 891
Facilities, fixtures and fittings	2 185 374	1 437 434		3 622 809
Transport equipment		21 621		21 621
Office and computer equipment, furniture	549 694	1 647 816		2 197 510
Recoverable packaging & other				
Property, plant and equipment in progress				
Advances and prepayments				
TOTAL TANGIBLE FIXED ASSETS	**3 594 218**	**3 107 612**		**6 701 830**
Holdings valued by the equity method				
Other equity holdings	16 051 918	63 344 394		79 396 312
Other long-term securities	58 512	443 096	379 568	122 040
Loans and other financial assets	379 695	443 678	411 645	411 728
TOTAL LONG-TERM INVESTMENTS	**16 490 125**	**64 231 168**	**791 213**	**79 930 080**
GRAND TOTAL	20 705 329	140 787 886	791 213	160 702 002

Amortisation table

	Amount at start of 2014	Increases	Decreases	Amount at end of 2014
Formation costs and research & development costs		800 000		800 000
Other intangible assets	598 201	300 154		898 355
TOTAL INTANGIBLE FIXED ASSETS	598 201	1 100 154		1 698 355
Land				
Construction on own land				
Leaseholds				
Facilities, fixtures and fittings				
Plant & equipment	764 752	46 517		811 269
Fixtures and fittings	1 313 233	1 639 608		2 952 841
Transport equipment		21 621		21 621
Office and computer equipment, furniture	540 476	1 647 459		2 187 935
Recoverable packaging & other				
TOTAL TANGIBLE FIXED ASSETS	2 618 461	3 355 204		5 973 665
GRAND TOTAL	**3 216 662**	**4 455 358**		**7 672 020**

Depreciable assets	ALLOWANCES			REVERSALS			Net change in depreciation at the end of the period
	Difference in dep. period	Declining balance method	Special tax depreciation	Difference in dep. period	Declining balance method	Special tax depreciation	
Formation costs and research & development costs							
Other intangible assets							
TOTAL ASSETS FIXED ASSETS							
Land							
Construction on own land							
Leaseholds							
Facilities, fixtures and fittings							
Tech. equipment & machinery							
Gen Inst, fixtures and improvements							
Transport equipment							
Office and computer equipment							
Recoverable packaging & other							
TOTAL ASSETS FIXED ASSETS							
Cost of acquisition of equity securities							
GRAND TOTAL							
TOTAL unclassified							

Charges spread over several years	Amount at start of	Increases	Amortisation and depreciation	Amount at end
Issuing costs to be spread over several years				
Loan redemption premiums				

Provisions table

Type of provisions	Amount at start of 2014R	Increases: in allowances in the year	Decreases:			Amount at end of 2014R
			Used during the period	Unused during the period	Reversals during the year	
Regulated provisions						
Provisions for replenishing sources (mines, oil).						
Provisions for investment						
Provisions for price rises						
Special depreciation allowances						
Additional depreciation for tax purposes of which exceptional increases of 30%						
Tax provisions for foreign establ. (av.1.1.92)						
Tax provisions for foreign establ. (ap.1.1.92)						
Provisions for construction and equipment loans						
Other regulated provisions						
TOTAL REGULATED PROVISIONS						
Provisions for contingencies and losses						
Provisions for litigation						
Provisions for customer warranties						
Provisions for losses on futures markets						
Provisions for fines and penalties						
Provisions for foreign exchange losses	11 634	85 454			11 634	85 454
Provisions for pensions and similar obligations						
Provisions for taxes						
Provisions for capital renewal						
Provisions for major repairs and major overhauls						
Prov. for tax and soc. chgs on holiday pay						
Other provisions for contingencies and losses	101 821	4 206			101 821	4 206
TOTAL PROV. FOR CONTINGENCIES AND LOSSES	113 455	89 660			113 455	89 660
Provisions for impairment						
On intangible fixed assets						
On tangible fixed assets						
On long-term investments in equity securities						
On long-term investments in equity capital	15 812 236	56 819 701				72 631 937
On other long-term investments						
On stocks and work in progress						
On trade receivables	245 085	942 666			235 915	951 836
Other provisions for impairment	1 634 803	46 700 296			22 937 419	25 397 680
TOTAL PROVISIONS FOR IMPAIRMENT	17 692 124	104 462 663			23 173 334	98 981 453
GRAND TOTAL	17 805 579	104 552 324			23 286 789	99 071 114

of which operating allowances and reversals	1 560 483			235 915
of which financial allowances and reversals	201 086			3 106 844
of which exceptional allowances and reversals	4 206			101 135

Stocks

	Gross Value	Provisions for	Net Value
Raw materials and supplies			
Work in progress - goods			
Work in progress - services			
Semi-finished and finished goods			
Goods held for resale	65 171		65 171
Total stocks	65 171		65 171

Receivables

RECEIVABLES	Gross amount	Less than 1 year	More than 1 year
Receivables from investments			
Loans (1) (2)			
Other long-term investments	411 728	241 021	170 707
Total fixed assets	411 728	241 021	170 707
Doubtful or contentious receivables	951 836	951 836	
Other trade receivables	895 517	895 517	
Receivables representing loaned securities			
Personnel	2 500	2 500	
Social security and other employee benefit charges			
Corporate income tax	2 250 371	2 250 371	
Value added tax	1 229 979	1 229 979	
Taxes other than on income			
Other	70 779	70 779	
Group and shareholders (2)	25 400 959	25 400 959	
Miscellaneous receivables	1 776 809	1 776 809	
Total current assets	**32 578 750**	**32 578 750**	
Prepaid expenses	694 996	694 996	
TOTAL RECEIVABLES	**33 685 474**	**33 514 767**	**170 707**

(1) Amount of loans granted during the period	
(1) Amount of repayments obtained during the period	
(2) Shareholders' loans and advances (natural persons)	

Payables

PAYABLES	Gross amount	Less than 1 year	Between 1 and 5 years	More than 5 years
Convertible bonds (1)				
Other bonds (1)				
Bank debts < 1 year	10 308	10 308		
Bank debts > 1 year				
Other debt (1) (2)	182 946	182 946		
Trade payables	6 674 641	6 674 641		
Personnel	2 136 362	2 136 362		
Social security and other employee benefit charges	1 495 748	1 495 748		
Corporate income tax	11 452	11 452		
Value added tax	138 341	138 341		
Secured obligations				
Taxes other than on income	99 745	99 745		
Payables on fixed assets and related accounts				
Group and shareholders (2)	1 570 586	1 570 586		
Other liabilities	2 819 755	2 819 755		
Debt representing borrowed securities				
Deferred revenue	850 027	829 362	20 665	
PAYABLES	15 989 911	15 969 246	20 665	

(1) Loans contracted during the year	
(1) Loans repaid during the year	
(2) Amount of loans and debts payable to shareholders	

Translation adjustments

ITEMS CONCERNED	ASSETS				LIABILITIES
	Gross amount	Offset by exchange hedging	Provision	Net amount	Amount
Prepayments on fixed assets					
Loans					
Other long-term receivables					
Operating grants					
Other receivables					
Financial liabilities					
Operating liabilities					
Fixed asset liabilities					
Other					
Current account translation difference	53 731		53 731		13 302
DK customer account translation difference					20 349
DK supplier account translation difference	31 723		31 723		
Liaison account translation difference					183 897
TOTAL	**85 454**		**85 454**		**217 549**

Accrued income

Accrued income	2014	2013
Financial assets		
Receivables from investments		
Other long-term investments		
Total long-term investments		
Receivables		
Trade receivables	599 108	
Other receivables	389 571	625 222
Total receivables	988 679	625 222
Liquid assets		
Marketable securities		11 879
Cash	11 858	470
Total liquid assets	11 858	12 349
Other		
Total other		
TOTAL	**1 000 537**	**637 570**

Accrued expenses

Nature of expenses	2014	2013
Financial liabilities		
Convertible bonds		
Other bonds		
Bank debts	8 193	5 708
Other debt		290 037
Customer prepayments		
Total financial liabilities	8 193	295 745
Operating liabilities		
Trade payables	3 744 898	2 718 029
Accrued taxes and personnel costs	2 833 870	1 044 957
Total operating liabilities	6 578 767	3 762 985
Other payables		
Payables on fixed assets and related accounts		7 681
Other liabilities	18 112	
Total operating liabilities	18 112	7 681
Other		
Total other liabilities		
TOTAL	**6 605 072**	**4 066 411**

Deferred revenue and prepaid expenses

Nature of expenses	2014	2013
Operating expenses		
PREPAID EXPENSES	694 996	678 175
Total	694 996	678 175
Expenses, financial:		
Total		
Expenses, exceptional:		
Total		
TOTAL PREPAID EXPENSES	694 996	678 175
Comparative BALANCE (Balance Sheet Assets: 2050 heading CH)	**694 996**	**678 175**
Nature of income	**2014**	**2013**
Income from operations:		
DEFERRED INCOME	850 027	1 320 425
Total	850 027	1 320 425
Income, financial:		
Total		
Income, exceptional,:		
Total		
TOTAL DEFERRED INCOME	**850 027**	**1 320 425**
Comparative BALANCE (Balance Sheet Liabilities: 2051 heading EB)	850 027	1 320 425
TOTAL DEFERRED REVENUE AND PREPAID EXPENSES	(155 031)	(642 250)

Composition of share capital

Classes of securities	Number of securities			Total	Nominal value
	Closing N-1	created during period N	redeemed during period N		
Common shares	20 682 992	19 861 212		40 544 204	0.25
Shares redeemed					
Priority dividend shares					
Preference shares					
Shares					
Investment certificates					
Total	20 682 992	19 861 212		40 544 204	

Statement of changes in shareholders' equity

	Categories	Amount
A	Opening	
1	Equity on close of period N-1 before appropriations	23 486 858
2	Appropriation of income to net equity by the OGM	(15 022 175)
3	Period N opening equity	8 464 683
B	Contributions received with retroactive effect to period N opening	
1	Change in share capital	
2	Change in other items	
C	(= A3 + B) Share capital for the period after retroactive contributions	8 464 683
D	Changes during the period	
1	Change in share capital	4 965 303
2	Changes in premiums, reserves, retained earnings	102 434 388
3	Changes in "provisions" relating to equity	
4	Revaluations	
5	Changes in regulated provisions and equipment grants	(36 700)
6	Other changes	
7	Net profit (loss) for the year	8 521 759
E	Balance sheet date equity for period N prior to OGM (= C + or - D)	124 349 433
F	TOTAL CHANGE IN EQUITY DURING THE PERIOD (= E - C)	115 884 750
G	including: changes due to structural changes during the period	
H	**Change in equity during the period excluding structural transactions (F - G)**	**115 884 750**

Statement of changes in shareholders' equity

	01/01/2014	Capital increase	Capital reduction	Appropriation of income N-1	Other changes	Net profit (loss) for yr N	31/12/2014
Share capital in number of shares							
Nominal value							
Share capital	5 170 748	4 965 303					10 136 051
Issue, merger and acquisition premiums	128 044 120				102 397 263		230 441 383
Excess of restated assets over historical cost							
Legal reserve							
Reserves required by the articles of incorporation or by contract							
Regulated reserves							
Other reserves					37 125		37 125
Retained earnings	(109 880 930)			(15 022 175)			(124 903 104)
Net profit (loss) for the year	(15 022 175)			15 022 175		8 521 759	8 521 759
Capital grants	152 919				(36 700)		116 219
Regulated provisions							
Dividends paid							
Total shareholders' equity	**8 464 683**	**4 965 303**			**102 397 688**	**8 521 759**	**124 349 433**

Table of allocation of earnings for the period submitted to general meeting

SOURCES	Amount
Retained earnings	(124 903 104)
Net profit/loss for the year	8 521 759
Deduction from reserves	
TOTAL	**(116 381 346)**

ALLOCATIONS		Amount
Legal reserve		
Other reserves		
Dividends		
Other distributions		
Retained earnings		(116 381 346)
TOTAL		**(116 381 346)**

BREAKDOWN OF NET SALES

Details of net sales	2014			2013		
	France	Export	Total	France	Export	Total
Sale of goods		173 201	173 201		331 557	331 557
Income from related activities	58 585	8 495	67 080	109 487	202 613	312 099
Services		216 493	216 493			
TOTAL	**58 585**	**398 189**	**456 774**	**109 487**	**534 169**	**643 656**

Details of expense transfers

NATURE	AMOUNT
Staff expenses	15 924
Capital increase expenses	3 456 125
Merger expenses	9 777 183
TOTAL	**13 249 231**

Exceptional expenses

Nature of expenses	**2014**	2013
Exceptional expenses on operating transactions		
Contract penalties		
Tax penalties and other fines	347	
Donations and gifts		7 000
Receivables classified as unrecoverable during the period	235 915	
Grants given		
Tax adjustments		
Other exceptional expenses on operating transactions	7 933	298 660
Total	**244 195**	**305 660**
Expenses from previous years	**20 936**	**32 270**
Book value of transferred assets		
Intangible assets		
Tangible assets		
Financial assets		
Other assets (except stocks and securities)		
Total		
Other exceptional expenses		
Losses resulting from indexation clauses		
Units		
Losses resulting from the buyback of own shares	49 847	49 821
Other exceptional expenses		
Total	**49 847**	**49 821**
Total		
TOTAL	**314 978**	**387 750**

Exceptional income

Nature of income	2014	2013
Exceptional income on operating transactions		
Forfeits and penalties on purchases and sales		
Gifts received		
Receipts on amortised receivables		
Balancing subsidies		
Tax exemptions (other than income tax)		
Other exceptional income on operating transactions	27 326	113 336
Total	**27 326**	**113 336**
Income from previous years	234 142	74 893
Income from transferred assets		
Intangible assets		
Tangible assets		
Financial assets		
Other assets (except stocks and securities)		
Total		
Share of invest. grants transferred to income		
Other exceptional income		
Gains resulting from indexation clauses		
Units		
Gains resulting from the buyback or sale of own shares	63 340	31 648
Other exceptional income		
Total	**63 340**	**31 648**
Total		
TOTAL	**324 809**	**219 878**

Details of income and expenses from previous years

Previous expenses	Recognised in the accounts	Amount
2013 URSSAF adjustment		20 936
TOTAL		**20 936**

Previous income	Recognised in the accounts	Amount
Regulatory tax reimbursements		220 713
2013 URSSAF adjustment		13 429
	TOTAL	**234 142**

Leases

LEASED ASSETS	Initial cost	Amortisation and depreciation		Net value
		for the period	Cumulative	
Land				
Buildings				
Plant & equipment	74 130	6 177	74 130	
Other tangible assets	117 620	28 624	66 947	50 673
Tangible assets in progress				
TOTAL	**191 750**	**34 801**	**141 077**	**50 673**

LEASE COMMITMENTS	Amounts paid		Amounts outstanding				Residual purchase price
	for the period	Cumulative	< 1 year	From 1 to 5 years	> 5 years	Total	
Land							
Buildings							
Technical installations	7 211	86 534					
Other tang. fixed assets	32 187	75 061	32 187	43 600		75 787	100
Tangible assets in progress							
TOTAL	**39 398**	**161 594**	**32 187**	**43 600**		**75 787**	**100**

Average headcount

Category	Average headcount		Average available headcount		Total	
	2014R	2013	2014R	2013	2014R	2013
Executive grades	48	42			48	42
Supervisors						
Staff and Technicians	11	9			11	9
Other:						
Total	**59**	**51**			**59**	**51**

Related companies and affiliates

Item	Amount concerning	
	related companies	invested companies
Financial assets		
Advances and prepayments on intangible assets		
Investments		79 396 312
Receivables from investments		
Loans		
Total long-term investments		79 396 312
Receivables		
Prepayments to suppliers		
Trade receivables		78 505
Other receivables		25 400 959
Subscribed, called, unpaid share capital		
Total receivables		25 479 463
Liabilities		
Convertible bonds		
Other bonds		
Bank debts		
Other debt		
Customer prepayments		
Trade payables		16 259
Other liabilities		2 819 755
Total payables		2 836 014
Financial income		
Income from investments		
Other financial income		1 099 454
Financial expenses		73 926
Total financial income		1 173 380
Other		
Recharged expenses		31 533
Total other		**31 533**
Grand total		**108 916 702**

Table of subsidiaries and investments

Company	Capital	Reserves and retained earnings before appropriation of income	% share of capital held (as %)	Book value of securities held		Loans and advances made by the Company and not yet repaid	Amount of security and guarantees given by the company	Net sales exc. VAT for the last financial year	Result (profit or loss for the last financial year)	Dividends received by the company during the year
				Gross	Net					
LABORATOIRES BIOALLIANCE PHARMA	336 837		100	16 000 000	198 683				(41 059)	
BIOALLIANCE PHARMA SWITZERLAND	81 460		100	31 918		169 390			(7 798)	
SPEBIO	40 000		50	20 000		1 475 000			(154 750)	
APROXISCH	559 949		100	9 917 835		23 753 290			(1 133 325)	
TOPOTARGET UK LTD	1 636 474		100	31 789 221	6 525 995				3 120 233	
TOTPOTARGET GERMANY AG	98 150		100	21 637 338	39 697	3 279			(57 291)	

Information about the application of tax provisions

Impact on the profit and loss account	Allowances	Reversals	Amount
Regulated provisions			
Other provisions			
Carry Back			
Research tax credit and training tax credit			
IMPACT ON THE RESULT FOR THE PERIOD			

Impact on shareholders' equity	Allowances	Reversals	Amount
IMPACT ON SHAREHOLDERS' EQUITY RESULTING FROM REGULATED PROVISIONS			

Statutory auditors' fees

Category	Amounts
Fees for certification of the annual financial statements	169 249
Other fees	193 090
TOTAL	**362 339**

FIVE-YEAR SUMMARY OF RESULTS

Type of indicator	2010	2011	2012	2013	2014
Share capital at year end					
Share capital	3384018	4414929	4414929	5170748	10136051
Number of common shares	13536072	17659715	17659715	20682992	40544204
Number of preference shares					
Maximum no. of future shares to					
By conversion of bonds					
By exercise of subscription					
Operations and results					
Net sales, excluding VAT	1653357	1182769	911214	643656	456774
Net loss before tax, profit-sharing, depreciation,	3636579	-14874396	-11778599	-17162260	8842926
Corporate income tax	-1456276	-1032677	-1978587	-2389161	878352
Employee profit sharing for the					
Net loss after tax, profit-sharing, depreciation, amortisation and provisions	3831450	-14613225	-10417994	-15022175	8521759
Distributions					
Earnings per share					
Net loss after tax, profit-sharing, depreciation, amortisation and provisions	0.38	-0.78	-0.55	-0.71	0.20
Net loss after tax, profit-sharing, depreciation, amortisation and provisions	0.28	-0.83	-0.59	-0.73	0.21
Dividend per share					
Personnel					
Average headcount during the	61	59	53	51	59
Gross payroll for the period	4695184	5023815	3698761	3945900	8023027
Amounts paid for employee	2085017	2201092	1850493	1944581	2392857

6.4 Statutory auditors' reports on the annual financial statements

To the Shareholders,

In carrying out the mission entrusted to us by your annual shareholders' meetings, we hereby present our report for the year ended 31 December 2014, on:

- the audit of the accompanying annual financial statements of Onxeo;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements were approved by the Board of Directors. Our assignment is to give an opinion on those financial statements on the basis of our audit.

1 Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France; these standards require that we plan and perform the audit to obtain reasonable assurance as to whether the parent company financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We consider that the evidence that we obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying the opinion expressed above, we draw your attention to Note 2.1 "Merger with Topotarget" which described the merger transaction that took place during the period and Note 3 "Accounting treatment of the merger" in annex which sets out the accounting impact on the financial statements for the period ended 31 December 2014.

2 Justification of assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 1.1 "Intangible assets" in annex to the annual financial statements presents the accounting rules and methods relating to the recognition of research and development expenses. During our assessment of the accounting principles followed by your company we examined the conditions under which capitalisation and depreciation of research and development expenses took place and we have verified that the Note contains accurate information.
- Note 1.9.1. "Licensing agreements" in annex to the annual financial statements presents the method used to recognize payments due on the signature of licensing agreements. We have satisfied ourselves as to the appropriateness of this method and have verified that it has been correctly applied. Our work included assessing the reasonableness of estimates and assumptions that underlie the recognition of revenues related to these agreements.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verifications and information required by law

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

Apart from the impact of events set out in the first part of this report, we have no other matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the documents addressed to the shareholders with respect to the financial position and the annual financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (Code de Commerce) relating to the remuneration and benefits received by the directors and any other commitments made in their favour, we have checked its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the owners of shares and voting rights has been properly disclosed in the management report.

Paris and Paris-La Défense, 25 March 2015

Statutory Auditors

Grant Thornton French member of Grant Thornton	ERNST & YOUNG Audit

International

Jean-Pierre Colle Béatrice Delaunay

6.5 Other financial information

Date of latest financial data

4 March 2015: Publication of the press release on the audited 2014 annual financial statements approved by the Board of Directors on 4 March 2015.

Interim and other financial data

None.

Dividend distribution policy

Because of its losses, Onxeo has never distributed any dividends.

In its shareholders' interests, the Company intends to dedicate all of its financial resources to increasing its enterprise value. Any distributable profits as may be earned during the business development phase will be kept by the Company and used in developing its activities.

Subsequently, depending on the level of distributable reserves, the Company intends to adopt a dividend distribution policy reflecting increases in profits and cash generated by the business. The Company does not, however, project any dividend distributions in the near future.

6.6 Statutory Auditors' special report on regulated agreements and commitments

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

It is our responsibility to inform you, on the basis of information provided to us, of the essential characteristics and terms of agreements and commitments about which we have been advised or that we have discovered during our audit, without commenting on their usefulness or merit or ascertaining the existence of other such agreements or commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

It is also our responsibility, where applicable, to provide you with the information stipulated in Article R. 225-31 of the Commercial Code relating to the implementation, during the past year, of agreements and commitments already approved by the shareholders' meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of engagement. Those tests and investigations consisted in verifying the consistency of the information given to us with the documents on which it is based.

Agreements and commitments subject to the approval of the shareholders

Pursuant to Article L. 225-40 of the Commercial Code, we have been advised of the following agreements and commitments that have been authorised by your Board of Directors.

Current account advance agreement with Financière de la Montagne

Person concerned

Financière de la Montagne, a shareholder with a 13.96% holding in the company and a director, represented by Nicolas Trebouta.

On 21 May 2014, the board of directors approved a current account advance agreement between the company and Financière de la Montagne.

The minutes of the board meeting:

- State that in the absence of the milestone payment of 25 million dollars by Spectrum Pharmaceuticals by 30 November 2014 associated with the anticipated receipt of the

MA for Beleodaq® in August 2014, the requirements of the combined entity would amount to 15 million euros and would be felt from October 2014;

- State that the company has received a firm commitment from Financière de la Montagne enabling the company to cover its financing needs over the next 13 months.

The agreement, signed on 18 July 2014, is entered into for a period of one year up to 31 July 2015 and includes a bullet payment with a 15% annual interest rate. Should a capital increase be decided by the company during the term of the agreement, when requested to do so by the company Financière de la Montagne undertakes to subscribe to the increase in the amount of its debt, of which it shall accept early repayment by way of offset against the subscription amount after a conversion premium of 25% of the principal of the advance.

Furthermore, at its meeting on 30 June 2014, the board approved a commitment fee of 3% per year in favour of Financière de la Montagne on a pro rata basis from 15 May 2014 until the date of signature of the current account advance agreement. This fee shall be paid in the same form and on the same date as the current account advance and interest.

The minutes of the board meeting of 4 March 2015 specify that the purpose of the agreement is to:

- Enable the company to meet its cash requirements should it at any time:
    - Not be able to borrow from the banks due to its profile and financial position nor be able to raise funds from the market due to the merger schedule;
    - Not be assured of or, moreover, not have received the milestone payment of 25 million dollars from Spectrum Pharmaceuticals associated with the MA for Beleodaq®;

- Enable the successful conclusion of:
    - The merger with Topotarget, approval from the AMF being subject to the company having the means to ensure its financing for the 12 months following its approval;
    - The subsequent fundraising, the support of Financière de la Montagne having significantly contributed to its success.

Under the terms of the CEO's report relating to the financing of Onxeo during 2014 (appended to the minutes of the board meeting of 4 March 2015), the 25% premium conversion is designed to compensate for the risk of Financière de la Montagne not being repaid in cash but in Onxeo shares which may show high volatility and limited liquidity.

Terms

In accordance with the early repayment clause, the current account advance and interest have mainly been repaid via offsetting with the price of the share issue subscribed by Financière de la Montagne as part of the capital increase carried out by the company in December 2014.

The current account balance with Financière de la Montagne at 31 December 2014 amounts to 1,570,586 euros, of which 18,112 euros in accrued interest.

Within the context of this agreement, your company recognised expenses in 2014 of 593,112 euros in interest, 2,111,882 euros in conversion premium and 54,167 euros in commitment fees.

Agreements and commitments already approved by the shareholders' meeting

In accordance with Article L. 225-40 of the Commercial Code, we have been advised that the agreements and commitments approved in prior years remained current during the year.

Agreements with companies sharing the same senior executives or directors

With Laboratoires BioAlliance Pharma, a fully-owned subsidiary of your company

Person concerned
Judith Greciet, CEO of Onxeo and Chairwoman of Laboratoires BioAlliance Pharma

Nature and purpose
Cash management agreement between your company Laboratoires BioAlliance Pharma, authorised by the Supervisory Board on 4 September 2007 and concluded on 17 September 2007 between your company and Laboratoires BioAlliance Pharma.

Terms
This agreement enables implementation of a centralised cash management system in accordance with the provisions of Article 511-7 of the French Monetary and Financial Code. It aims to optimise the management of cash needs and surpluses in order to minimise the interest paid on overdrafts and to facilitate the short-term investment of surplus funds.

The amount of interest invoiced by your company over the period amounts to
€227 excluding VAT.

With PJL Conseils EURL

Person concerned
Patrick Langlois, chairman of the Board of Directors of Onxeo and director of PJL Conseils EURL.

Nature and purpose

Consultancy contract between your company and PJL Conseils EURL, authorised by your Board of Directors on 17 July 2012.

Terms
This agreement covers strategic consultancy and communications services within the context of your company's development and value creation strategy.

Under the terms of agreement, your company recognised expenses of 24,000 euros excluding VAT in respect of associated fees as at 31 December 2014.

Paris and Paris-La Défense, 25 March 2015

The Statutory Auditors

ERNST & YOUNG Audit	**Grant Thornton** **French Member of Grant Thornton International**
Béatrice Delaunay	Jean-Pierre Colle

6.7 Report by the independent third-party body on consolidated labor, social and environmental information contained in the management report

To the Shareholders,

In our role as third-party independent body, COFRAC accreditation number 3-1050[1] and member of the network of one of the statutory auditors of Onxeo, we hereby present our report on consolidated labour, social and environmental information for the financial year ended 31 December 2014 as presented in section 10 of the management report, hereafter "CSR Information", pursuant to Article L. 225-102-1 of the French Commercial Code.

Responsibility of the Company

It is the duty of the Board of Directors to produce a management report containing CSR Information as set out in Article R. 225-105-1 of the French Commercial Code and in accordance with the guidelines adopted by the Company (hereafter the "Guidelines") available on request from the company's registered office.

Independence and quality control

Our independence is defined by regulations, the profession's code of ethics and the provisions set out in Article L. 822-11 of the French Commercial Code. We have furthermore implemented a quality control system which includes documented policies and procedures designed to ensure compliance with rules of ethics, professional standards and applicable laws and regulations.

Responsibility of the independent third-party body

It is our role on the basis of our work:

- To certify that the required CSR information is presented in the management report or is otherwise covered by an explanation pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Statement of completeness of CSR information);

- To express a conclusion of moderate assurance that the CSR Information as a whole is presented in respect of all its significant aspects in a true light and in accordance with the adopted Standards (Reasoned opinion on the fairness of CSR information).

Our work was carried out by a team of three people between December 2014 and March 2015 over a period of approximately three weeks.

The work described below was carried out in accordance with professional standards applicable in France and with the ministerial decree dated 13 May 2013 which sets out the terms under which the independent third-party body performs its engagement and, regarding the reasoned opinion of fairness, in accordance with the international ISAE 3000 standard[2].

[1] Scope of approval available at www.cofrac.fr

[2] ISAE 3000 – *Assurance engagements other than audits or reviews of historical information*

1 Statement of completeness of CSR Information

We conducted interviews with the relevant heads of department to familiarize ourselves with sustainable development policy with respect to the impact of the company's activity on its employees and the environment and in terms of its social commitments and any related activities or programs.

We compared the CSR Information presented in the management report with the list set out in Article R.225-105-1 of the French Commercial Code.

Where certain consolidated Information was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3, of the French Commercial Code.

We have verified that the CSR Information covers the scope of consolidation, namely the company, its subsidiaries as defined by Article L.233-1 of the French Commercial Code and the entities it controls as defined by Article L.233-3 of the same code within the limits specified in the introduction to the CSR section, notably the exclusion of Onxeo's Danish establishment.

On the basis of this work and in view of the aforementioned limits, we certify that the required CSR Information in the management report is complete.

2 Reasoned opinion on the fairness of the CSR Information

Nature and scope of the work

We conducted three interviews with those responsible for preparing the CSR Information within the departments in charge of the information collation processes and, where appropriate, those responsible for internal control and risk management procedures, in order to:

- Assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, where necessary taking into account good market practice;

- Verify the implementation of a data collection, compilation, processing and control procedure that is designed to produce complete and consistent CSR Information and familiarize ourselves with the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information in light of the company characteristics, the impact of its activities on its employees and the environment, its sustainable development policy and good market practice.

For the CSR information we considered to be the most important[3],

[3] **Environmental and social information:**

- *Qualitative information:* employee training and communication initiatives, resources dedicated to the prevention of risk and pollution, pollution and waste management (prevention, recycling, disposal measures) and measures taken in the interests of consumer health and safety.

Social information:

- at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, initiatives, etc.) and applied analytical procedures to the quantitative information and, using sampling techniques, verified the calculations and the consolidation of the data and also verified their consistency and concordance with the other information included in the management report.;

- -at Onxeo's French site, we conducted a number of interviews to verify that procedures are being correctly implemented and that detailed testing is being conducted based on sampling in order to verify calculations made and to reconcile data with supporting documents. The sample taken as a result represents 100% of the workforce.

For the other consolidated CSR information, we assessed consistency based on our understanding of the company.

Finally, we also assessed the pertinence of explanations given for any information that was not disclosed, either in whole or in part.

In our professional opinion, we believe that the sampling methods and sample sizes used allow us to express moderate assurance; a higher level of assurance would require more extensive work. Because of the use of sampling techniques and other limitations inherent to the operation of any information and internal control system, we cannot completely rule out the possibility that we have failed to detect a material irregularity in the CSR Information.

•

Conclusion
Based on our work, no material irregularities were uncovered which would undermine the assertion that the CSR Information, taken as a whole, is presented fairly and in accordance with the Guidelines.

Paris-La Défense, 5 March 2015

The Independent Third-party Body
ERNST & YOUNG and Associés

Christophe Schmeitzky
Partner, Sustainable development

Bruno Perrin
Partner

- *Qualitative information*: employment (total workforce and distribution, recruitments and dismissals), absenteeism, occupational health and safety, working accidents (notably frequency and seriousness), occupational illnesses and total number of training hours.

7 SUPPLEMENTARY FINANCIAL AND LEGAL INFORMATION

7.1 Capital and the stock market

7.1.1 Onxeo and its shareholders

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

A very diverse array of public documents including regulatory information covers the company's business activities, strategy and financial position: reference document, annual report, interim financial statements, shareholder communiqués, the company's articles of association and the rules of procedure of the board. All these documents are readily accessible via the company's website at www.onxeo.com under the Investors section in both French and English and on request by contacting the company's general management. Email us at contact@onxeo.com to directly receive annual reports, institutional brochures, and press releases.

Onxeo circulates and publishes in the BALO legal announcements publication the regulatory information required of a listed company in the form of various annual and other periodic information. Financial information is complemented by press releases aimed at the financial community and the wider public, concerning subjects of significant importance to better understand the company's business activities and strategy. The company holds periodic meetings with financial analysts and economic journalists in order to explain in interactive mode the company's challenges, products, plans and results.

In 2014, Onxeo held more than one hundred and fifty individual meetings with institutional investors, mainly in France but also in Europe and the USA.

The annual report presented and submitted as a reference document with the AMF (Autorité des Marchés Financiers) and the report on the interim accounts are widely distributed amongst the financial community.

2015 DIARY

04 March 2015	Publication of the consolidated financial statements for 2014
05 March 2015	Financial analysts meeting
15 April 2015	Combined Shareholders' Meeting
15 April 2015	Publication of the revenue statement for Q1 2015
30 July 2015	Publication of interim consolidated accounts on 30 June 2015
27 October 2015	Publication of sales figures for Q3 2015

7.1.2 Onxeo's share capital

As of December 31, 2014, the Company's share capital consisted of 94.81% bearer shares and 5.19% registered shares.

In accordance with the provisions of Article L. 233-13 of the Commercial Code, please find below the identity of the shareholders with interests in excess of the 5% threshold, namely those possessing more than a twentieth, tenth, three twentieths, one fifth, one quarter, one half, two thirds or nineteen twentieths of the share capital or voting rights as at 31 December 2014.

Shareholders	Shares		Voting rights	
	Number of shares	% of share capital	Number of voting rights	% of share capital
Financière de la Montagne	5,661,532	13.96%	5,661,532	13.96%
Other	34,882,672	86.04%	34,882,672	86.04%
Total 31/12/2014	**40,544,204**	**100.00%**	**40,544,204**	**100.00%**

During 2014, the shareholder base evolved from individuals holding 50% to 60% due to the high proportion holding Topotarget capital that was merged with Onxeo in mid-2014. After the November 2014 capital increase, Financière de la Montagne, the largest shareholder of the company, crossed above the 10% threshold.

The Company has not been notified of the existence of a shareholders' agreement.

7.1.3 Changes in Onxeo's share price and other information concerning the share capital

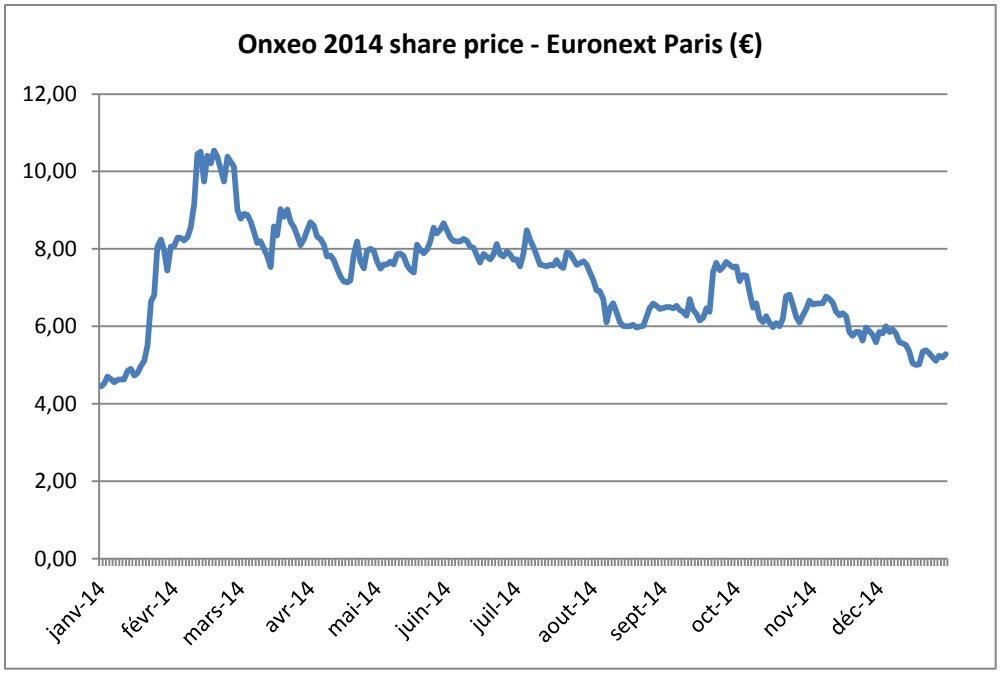
The company's shares are listed on Eurolist at Euronext Paris and were transferred from segment C to segment B of Euronext Paris on 28 January 2015. According to NYSE Euronext regulations, market segment changes are made annually based on market cap of the final 60 days of the year. Compartment B includes listed companies with between €150 million and €1 billion in market cap.

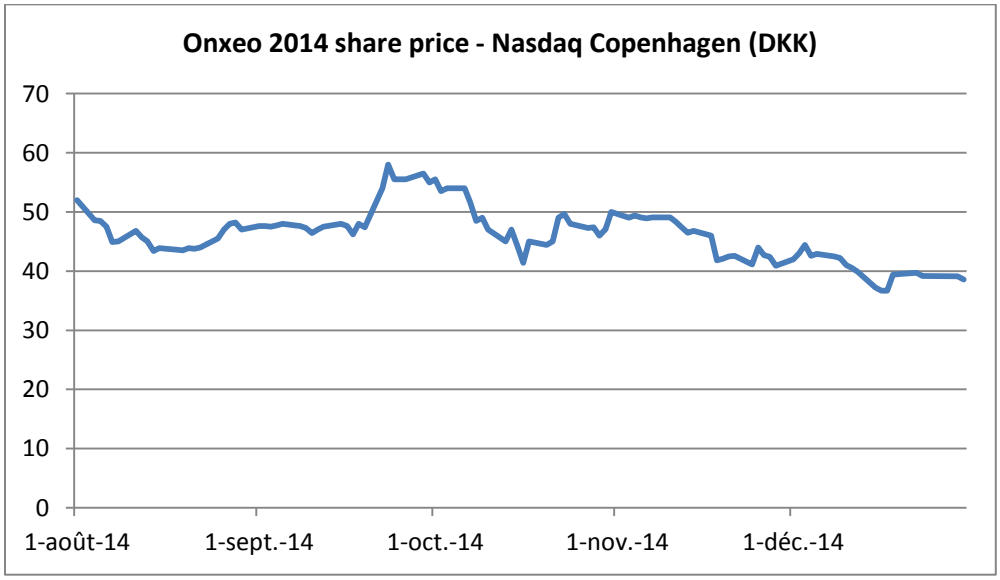
In 2014, the share price hit a low of €4.45 on January 2, 2014, and closed at €5.28 on December 31, 2014. A high of €10.54 was reached on February 19, 2014.

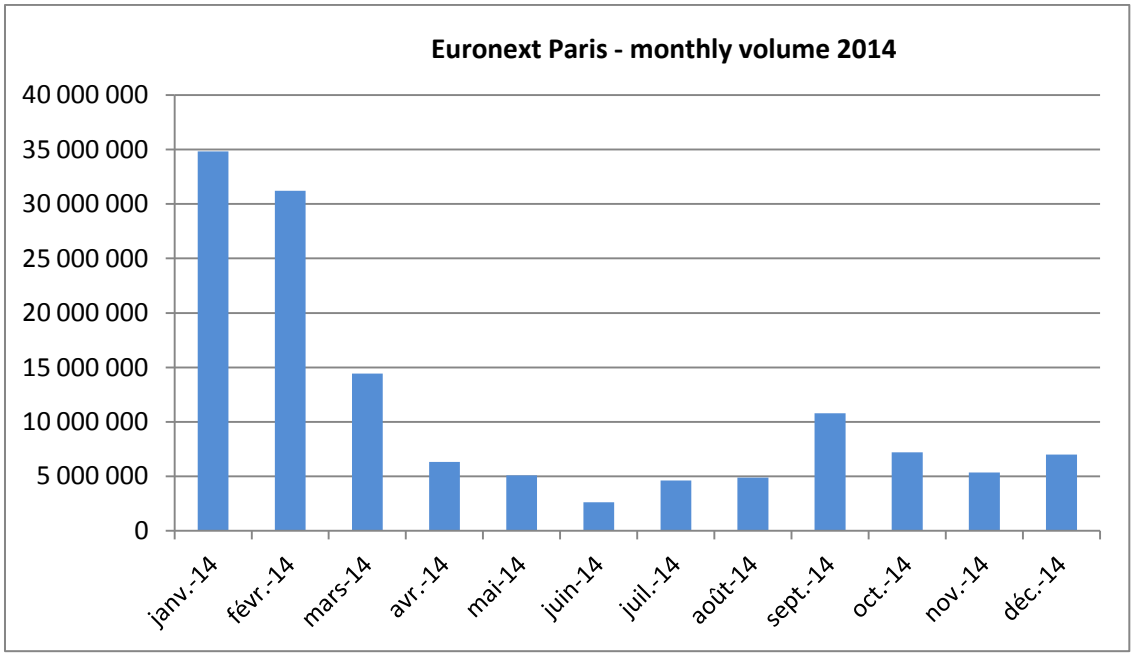
The share has had a secondary listing on Nasdaq OMX in Copenhagen since 1 August 2014. Between 1 August 2014 and 31 December 2014 the share price hit its lowest level of 36.7 DKK on 17 December 2014, closing at 38.6 DKK on 31 December 2014. A high of 58 DKK was reached on September 23, 2014.

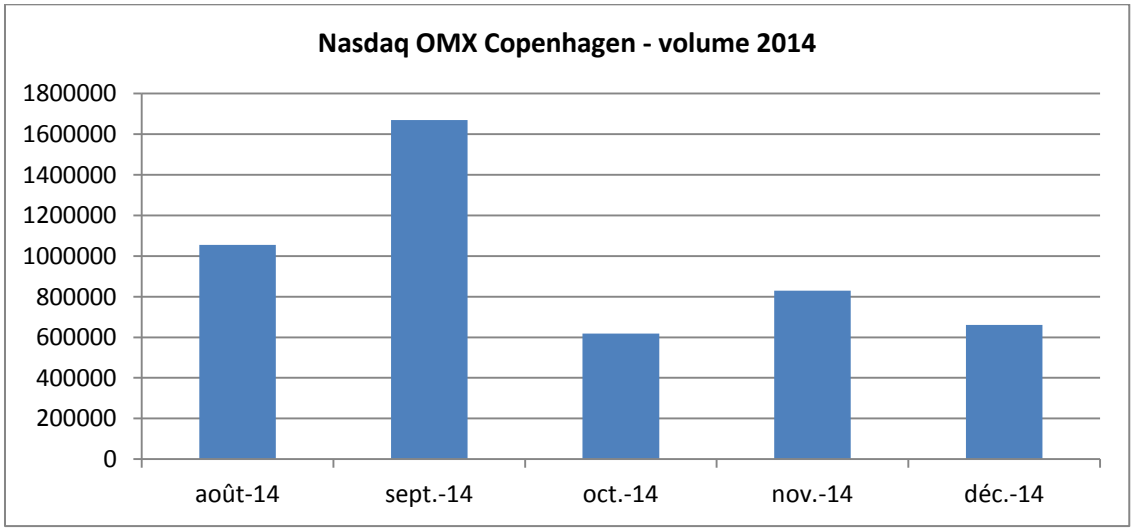
Change in share price and trading volumes

The tables below track the movement in price and trading volumes over the period 2 January 2014 to 31 December 2014 for the NYSE Euronext Paris price, and for the period 1 August 2014 to 30 December 2014 for the Nasdaq OMX Copenhagen price.


Onxeo 2014 share price - Euronext Paris (€)
12,00
10,00
8,00
6,00
4,00
2,00
0,00
janv-14
févr-14
mars-14
avr-14
mai-14
juin-14
juil-14
aout-14
sept-14
oct-14
nov-14
déc-14


Onxeo 2014 share price - Nasdaq Copenhagen (DKK)
70
60
50
40
30
20
10
0
1-août-14
1-sept.-14
1-oct.-14
1-nov.-14
1-déc.-14





Stock exchange data

	31/12/2014
Market capitalisation at the end of the period *(millions of euros)*	230
Share price (*in euros)*	
• Highest	10.54
• Lowest	4.45
• At end of period	5.28

Dividends

ONXEO shares

Financial year	Number of shares	Dividend paid for the period
2010	13,536,072	-
2011	17,659,715	-
2012	17,659,715	-
2013	20,682,992	-
2014	40,544,204	-

7.2 Supplementary information about Onxeo

7.2.1 History

1997 Founding of the company on 5 March 1997.

1999-2005. The Company financed the development of its first projects, notably its first clinical trials of products based on two patented technologies - the Lauriad™ mucoadhesive oral technology and the Transdrug™ nanoparticle technology - by means of a number of financing rounds with venture capital investors. In 2005, this enabled it to complete and submit a registration application in France for Loramyc®, the first product entirely developed by the company.

2005. Listing on Euronext Parison 7 December 2005.

2006-2008. Marketing Authorization (MA) issued for Loramyc® in France (October 2006) and in eleven countries across Europe (2008). Launch of Loramyc® in late 2007 on the French market. Agreement signed with PAR Pharmaceutical for the marketing of Oravig® in the USA (2007) and completion of a pivotal phase III clinical trial with the product in the same country (2008).

2009 Three new products entered clinical phase: two emanating from the Lauriad® technology: fentanyl Lauriad® (phase I) for severe and chronic cancer pain and clonidine Lauriad® (phase II) in the treatment of oral mucositis, and a new chemical entity, the anti-invasive biotherapy AMEP® (phase I), designed for the treatment of invasive melanoma. Positive phase III results obtained in December.

2010 MA issued for Loramyc® in the USA in April, under the brand name Oravig®. Marketing launch of Oravig® in the USA at the end of August 2010 by Strativa Pharmaceuticals, the "support care product" division of Par Pharmaceutical. Issue of 13 new MAs for Loramyc® in Europe, bringing the number of European countries in which it is registered to twenty-six.

Agreement with the Therabel Pharma group to market Loramyc® and Setofilm® in Europe, and transfer of commercial operations. Two other partnership agreements were concluded for the marketing of the product, with Handok and NovaMed in Asia.

In parallel, the company conducted a pivotal international phase III trial for Sitavig® in the treatment of labial herpes.

2011. A year marked by the departure of Dominique Costantini, DCEO and co-founder of the company, and the appointment of a new CEO, Judith Gréciet, and a new chairman, Patrick Langlois, incorporating the restructuring of the board of directors. 16 million euro financing round for the Livatag® development programme and to strengthen the company's orphan drugs portfolio.

2012. Clinical programmes: start of the Livatag® phase III trial, widening in Europe of the phase II Validive® trial and ANSM approval for the AMEP® phase I/II clinical trial protocol.

Signature of licensing agreements: with the Pharmaceutical Industries Limited for the marketing in Israel of Sitavig®; with Vestiq Pharmaceuticals for the marketing of Oravig® in the USA; and with Shafayab Gostar for the distribution of Loramyc® in Iran.

2013. Continuation of the ReLive phase III trial with Livatag® in France and authorisation from the regulatory authorities to conduct the trial in the USA and in 7 other countries in Europe. Continuation of the phase II trial with Validive® in the USA and Europe. Issue of Marketing Authorization for Sitavig® in the USA. Capital increase of 8.7 million euros, notably intended for the acceleration and completion of the Validive® Phase II trial.

2014

Merger of BioAlliance Pharma and Topotarget, creating Onxeo

Approved by the shareholders of the two companies at their general meetings held on 27 June and 30 June 2014 respectively and registration of the merger on 22 July 2014. Since 1 August, the company has a secondary listing on the NASDAQ OMX Copenhagen market and retains its listing on Euronext Paris.

Progress made by the orphan products in oncology portfolio

Beleodaq® (belinostat): US marketing authorization in the treatment of peripheral T-cell lymphoma and marketing launch by the US partner Spectrum Pharmaceuticals.

Validive® (clonidine Lauriad®): positive preliminary Phase II results in the treatment of severe oral mucositis, and recommendation by the trial's consultative committee to pursue the Validive® development programme by conducting a Phase III trial with the same patient population (start planned for 2015). Granting of Fast Track status to Validive® by the Food and Drug Administration (FDA) in the prevention and treatment of oral mucositis induced by radiotherapy and/or chemotherapy in patients being treated for cancer.

Livatag® (doxorubicine Transdrug™): active pursuit of the ReLive Phase III trial in primary liver cancer in Europe and the USA. Granting of "Fast Track" status by the FDA for the second-line treatment of hepatocellular carcinoma after treatment with Sorafenib. Granting of a new family of patents protecting the product's specific administration regimen. Confirmation at this stage of the product's good tolerance profile issued by the independent experts committee responsible for monitoring tolerance.

Continued exploitation of non-strategic products:

Sitavig®: signature of a licensing agreement with Innocutis Holding LLC for the marketing of the product in the USA; promotional launch on 21 July. Licensing agreements for registration and marketing signed with Daewoong Pharmaceutical Co. Ltd. and EMS S/A in South Korea and Brazil respectively. Receipt of Marketing Authorization for the product in France and Germany.

Oravig® after the repossession by Onxeo in April 2014 of all of the rights previously granted to Vestiq Pharmaceuticals for the Marketing Authorization and commercialisation of the product in the USA, an agreement signed in March 2015 with Dara BioSciences for the Marketing Authorization and commercialisation of Oravig® in the USA.

Financing

Loan of 10 million euros to the company by Financière de la Montagne in July 2014. This loan is intended to strengthen the financial resources of Onxeo following the merger and to support the expansion of its R&D programmes, notably the international ReLive trial.

Capital increase completed in December amounting to 40,741,020 million euros in order to finance the research and development effort with the company's key products and in particular to support the international expansion of ReLive.

7.2.2 Legal information about the company

7.2.2.1 General information

Company name and address

- Company name: Onxeo
- Registered office: 49 boulevard Valin – 75015 Paris – France
- Telephone: +33 (0)1 45 58 76 00
- Fax: +33 (0)1 45 58 08 81
- www.onxeo.com

Company form

Onxeo is a French *société anonyme* whose securities are traded on Euronext Paris and also have a secondary listing on Nasdaq OMX Copenhagen and is governed by the French Commercial Code and its implementation legislation; it complies with the rules of corporate governance generally applicable in France and notably with the MiddleNext code of corporate governance.

Onxeo applies the statutory and regulatory standards governing the corporate bodies of listed companies and reports within this document on its implementation of the recommendations set out in the aforementioned code.

Statutory auditors

The company's accounts are audited by two statutory auditors appointed in accordance with Article L. 225-228 of the Commercial Code.

Date of incorporation and duration

Date of incorporation of the Company: 5 March 1997.

Incorporation expiry date: 05 March 2096.

Registration

The company is registered in the Paris commercial and companies register under number: 410 910 095.

APE/NAF code: 219Z. This corresponds to the activity of research and development in the physical and natural sciences.

Document consultation

The following corporate documents may be consulted at the Company's registered office (where a copy can be obtained):

- The memorandum and articles of incorporation, the minutes of shareholders' meetings and other corporate documents of the Company;
- All reports, letters and other documents, historical financial information, valuations and declarations prepared by an expert at the Company's request, some of which are included or referred to in this registration document; and
- The historical financial information on the Company for each of the two financial years prior to the publication of this registration document.

The 'regulated' financial information is available on Onxeo's website at the following address: http://www.onxeo.com and on the website of the official journals or may be obtained by request from Nicolas Fellmann, Chief Financial Officer, e-mail: contact@onxeo.com.

Corporate object

Under the terms of Article 2 of the Articles of Incorporation, the corporate object of the company is as follows:

- The design, research and development of healthcare products from creation until marketing authorisations are obtained, and all operations related thereto;
- The acquisition, filing, award, assignment and licensing of all patents, trademarks, licences and utilisation processes;
- The acquisition of shareholdings or interests in all companies or enterprises created or to be created, both French and foreign, with or without a purpose similar to that of the Company;
- The provision of services, advice, research, development and marketing in the health sector;
- And, more generally, all industrial, commercial, financial, civil, securities or property operations, which may be related directly or indirectly to one of the aforementioned objects or any similar and related purposes, and which may be useful for the performance and development of the Company's business.

Financial year

The financial year lasting 12 months begins on 1 January and ends on 31 December.

Distribution of profits

Distributable profits consist of the profit less any previous losses and amounts held in reserve in accordance with the law and its articles of association, plus any retained earnings.

Of this profit, the general meeting determines the proportion to be distributed to the shareholders in the form of dividend and allocates any amounts it may see fit to any reserve fund or carryforward.
However, in the event of a capital reduction, no distribution may be made to the shareholders should the share capital subsequently fall below the amount of capital plus reserves prevented from being distributed by the law or the articles of association.
General meeting may decide to distribute amounts debited from discretionary reserve funds in order to enable or complete a dividend or in the form of an exceptional dividend.
The articles of association provide that ordinary general meeting called to approve the annual financial statements may grant to each shareholder an option between the payment of the dividend or of interim dividends in cash or in shares.

Dividend limitation period

The dividend limitation period is five years from their date of issue, subsequent to which they are paid to the Treasury.

Establishment providing the company's financial services

Coupon payment and transfer services are provided at the branches of Société Générale, SOCIETE GENERALE Securities Services, 32 rue du Champ de Tir - BP 81236 - 44312 NANTES CEDEX 3.

Onxeo share listing

Onxeo's shares are listed in Segment B on Euronext Paris of NYSE Euronext and have also had a secondary listing on Nasdaq OMX Copenhagen since 1 August 2014: code ISIN FR0010095596.

Shareholders' general meetings

Shareholders’ meetings are convened and meet under the conditions set by law. Meetings take place at the registered office or at any other location stated in the notice of meeting.

All shareholders have the right to attend shareholders’ meetings and to participate in their deliberations either personally or by proxy, regardless of the number of shares that they hold, if an entry is made in respect of the shares held, under the conditions provided for by law, either in the shareholder’s own name or in the name of the intermediary registered on such shareholder’s behalf, on the third business day before the date of the shareholders’ meeting at zero hours, Paris time, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the duly authorised intermediary.
Shareholders who participate in the meeting via video conferencing or via telecommunications methods that allow identification as required by the regulations then in force, are also deemed to be present for determination of a quorum and majority, if the Board of Directors so decides when the meeting is convened.
Onxeo's website maintains an up-to-date financial events diary for the Group, notably including the date of the general meeting.

Voting rights

There is only one class of shares, which conveys to all shareholders the same rights.

Each share conveys rights to the profits and corporate assets in a share proportional to the amount of capital it represents and conveys the right to one vote. The articles of incorporation do not contain any provisions stipulating double voting rights for shareholders or limiting the voting rights attached to shares.

Existence of statutory thresholds to be declared to the company (Article 24 – Articles of Association)

In accordance with the provisions of the French Commercial Code, any natural person or legal entity, acting alone or in concert with any other person, who holds bearer shares entered in an account with an authorised intermediary and who comes to own a number of company shares representing more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the capital or voting rights must inform the Company and the AMF, within four trading days of the date when the ownership threshold is crossed, of the total number of shares or voting rights which said person owns. This information must also be transmitted, within the same periods and under the same conditions, when the interest in the capital or voting rights drops below the aforementioned thresholds.

The company's articles of association do not set out any additional thresholds.

During fiscal 2014, the company received a declaration of an upper threshold being crossed by Financière de la Montagne on 16 December 2014. As of this date Financière de la Montagne held 5,661,532 shares, namely 13.96% of the company's share capital. The company also received a declaration of a lower threshold being crossed by Idinvest Partners on 7 July 2014.

No other provision in the articles of association affects shareholders' rights which may only be modified in accordance with the law.

Existence of an agreement the implementation of which could bring about a change of control of the company or could have the effect of delaying, deferring or preventing a change of control

The company is not aware of any agreement the implementation of which could lead at a later date to a change of control.

There currently does not exist any provision in any instrument of incorporation, in the articles of association or in a charter or regulation which could have the effect of delaying, deferring or preventing a change of control.

Measures taken by the company to ensure that control is not exercised in an abusive manner

The measures taken by the company to ensure that control is not exercised in an abusive manner are described in the reference document on the following pages:

- Section 5 of the reference document: report from the chairman of the board relating to internal control;
- Section 5 of the reference document: existence of independent directors on the board and on specialist committees;
- Section 5: 'Conflicts of interest'.

Significant contracts and transactions with related parties

The Group has not entered into any contracts other than those entered into in the normal course of business.

With regard to related-party transactions, they are described firstly in the management report, in section 5 of this registration document, regarding the compensation of executives and secondly, in Note 18 to the consolidated financial statements in section 6 of this registration document, with regard to transactions carried out with other related companies within the Group.

Property, plant and equipment

Due to the large-scale use of subcontracting for the manufacture of its products, the Group's activities do not justify the ownership of plant or industrial equipment or facilities.

The Company leases its offices and laboratories, with a total area of 2,500m² in the building housing its registered office in Paris, and an area of 620m² in Copenhagen in Denmark.

In addition, in accordance with a temporary agreement to occupy public state-owned land entered into with the Châtenay-Malabry Faculty of Pharmacy and Paris XI University signed in 2006, the Company has a research and development laboratory located on the premises of the Châtenay-Malabry Faculty of Pharmacy. This laboratory, which occupies an area of approximately 60 sq. m. has a clean room (a vacuum chamber enabling work with genotoxics) that the Company uses to conduct certain experiments on its products.

Elements that could have an impact on a public tender offer

In accordance with Article L 225-100-3 of the French Commercial Code, we set out below the elements that could have an impact on a public tender offer:

- The capital structure of the Company has no characteristics that are likely to have an impact on a public tender offer;

- There are no restrictions imposed by the articles of incorporation on the exercise of the voting rights and the transfer of shares, and there are no clauses included in agreements brought to the Company's attention pursuant to Article L 233-11 of the Commercial Code;

- No declaration made pursuant to Articles L 233-7 and L 233-12 of the French Commercial Code mentions any direct or indirect shareholdings in the Company's capital that could have an impact on a public tender offer;
- There are no securities carrying special control rights;
- There is no employee ownership system;
- The Company is not aware of any shareholder agreements that could lead to restrictions on the transfer of shares and the exercise of voting rights;
- And under Article 14 of the articles of incorporation, the members of the Board of Directors are appointed for a term of four years by the annual shareholders' meeting. In case of vacancy by death or resignation of one or more board seats, the Board of Directors may, between annual shareholders' meetings, make appointments on an interim basis, which are subject to ratification by the next annual meeting. The Company's articles of incorporation may be amended only by an extraordinary shareholders' meeting;
- The Board of Directors benefits from authorisations set out in the "Table summarising currently valid authorisations granted by the shareholders' meeting to the Board of Directors" annexed hereto;
- The Company has concluded certain agreements explicitly containing a clause with regard to change in control. These are in particular collaboration and licensing agreements which include a clause requiring prior approval by the contractor in the event of a change in control of Onxeo;

To date, there has been no agreement providing for indemnities for members of the Executive Management or employees, if they resign or are dismissed without just and serious cause or if their employment ends due to a public tender offer.

7.2.2.2 Supplementary information about the capital

At 31 December 2014, the company's share capital amounted to 10,136,051 euros divided into 40,544,204 shares each of a nominal value of 0.25 euros, all of the same class and fully paid up. They represent 40,528,204 voting rights, after treasury shares. There are no shares not evidencing the capital of the company.

As of the date of the reference document, share capital amounts to 10,137,813 euros divided into 40,551,253 shares each of a nominal value of 0.25 euros, all of the same class and fully paid up.

Cross-shareholdings and treasury shares held

The Company did not carry out any transactions covered by Articles L 233-29 and L 233-30 of the Commercial Code.

Liquidity contract

Objectives of the share buyback program and use made of the shares bought back

We wish to remind you that, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, the Company was authorised by its shareholders to trade in

its own shares, up to a maximum of 10% of the share capital. This authorisation was granted to it for a period of eighteen months, by the Company's ordinary and extraordinary shareholders' meeting of 26 June 2013 under the terms of its ninth resolution and then renewed for a period of eighteen months by the Company's ordinary and extraordinary shareholders' meeting of 8 April 2014 under the terms of its eighth resolution.

During the year ending December 31, 2014, the Board of Directors successively implemented the program authorised by the Meeting of June 26, 2013 and, as of April 5, 2014, the program authorised by the Meeting of April 4, 2014, was the same as the previous.

The objectives pursued by this buyback program, in decreasing order of priority, concern the following situations:

- the liquidity of the company's shares with an investment service provider acting independently within the scope of a liquidity contract in accordance with the ethics charter of the French Association of Financial Markets (AMAFI), recognised by the AMF;
- To implement any company share purchase option plan within the scope of the provisions of articles L 225-177 et seq. of the Commercial Code;
- To award free shares to employees and corporate officers;
- To grant shares to employees and, where applicable, corporate officers under profit-sharing agreements and to implement any employee savings plan, under the conditions provided for by law, in particular within the scope of articles L 3332-18 of the French Labour Code;
- To purchase shares to retain them and tender them subsequently in exchange or as payment within the scope of external growth transactions within the limit of 5% of the share capital;
- To provide shares upon the exercise of rights attached to securities granting immediate or future rights to capital;
- To cancel the shares thus bought back within the limits set by law and subject to the condition precedent of the adoption of resolution 11 of this meeting.

The details of this share buyback program are available at the Company's registered office or on its website.

Implementation of the share buyback program

In accordance with the provisions of Article L 225-211 of the Commercial Code, we hereby indicate the methods of the share buyback program carried out during the past financial year.

During the 2014 financial year, this share buyback program was exclusively used within the scope of a liquidity contract aimed at entering into a share management process with regard to, or preserving the liquidity of, the company's shares with an investment services provider. Under the regulations in force, and in particular the provisions of European Regulation No. 2273/2003 of 22 December 2003, on 2 January 2007 the company concluded a liquidity contract with CM-CIC Securities that complied with the ethics charter of the French Association of Financial Markets (Association Française des Marchés Financiers, AMAFI), recognised by the Autorité des Marchés Financiers. This contract is still in force as of the date of this report. €400,000 was allocated to the liquidity account and trading expenses amounted to €27,000 for the year.

Under the share buyback program, the company made the following purchases and sales of its own shares, between the beginning and end dates of the last financial year:

	Number of shares purchased	Number of shares sold	Average price on purchase	Average sale price	Number of shares registered in the company's name	Proportion of capital
Pure buyback programme	0	0	0	0	0	0
Liquidity contract						
January 2014	126,399	139,070	6.10	6.10	1,000	0.00%
February 2014	139,505	128,005	9.65	9.75	12,500	0.06%
March 2014	84,485	84,273	8.54	8.63	12,712	0.06%
April 2014	63,076	61,996	7.78	7.87	13,792	0.07%
May 2014	84,629	92,290	7.87	8.03	6,131	0.03%
June 2014	147,022	124,211	8.02	8.04	28,942	0.14%
July 2014	74,731	85,839	7.86	8.00	17,834	0.09%
August 2014	162,027	174,995	6.14	6.13	4,866	0.02%
September 2014	74,861	73,377	6.74	6.72	6,350	0.02%
October 2014	96,547	81,979	6.65	6.75	20,918	0.07%
November 2014	95,754	88,019	6.10	6.22	28,653	0.09%
December 2014	52,019	64,672	5.42	5.37	16,000	0.04%
Total 2014	**1,201,055**	**1,198,726**	**7.30**[(1)]	**7.30**[(1)]	**169,698**	

(1) Weighted average calculated over the year

The Company held 16,000 treasury shares on December 31, 2014, with a nominal value of €4,000 and €84,480 valued at their purchase price.

Shares held by the company (excluding liquidity contract)

At 31 December 2014, the company held none of its own shares.

All purchases and sales made by the company with respect to its shares since they were admitted for trading on a regulated market have been made within the scope of the liquidity contract in order to stabilise the share price.

Authorized, non-issued capital/debt securities

The Company has authorised the capital increases, not effected at the date of filing of this registration document, which could result from the warrants, stock options and free shares described in section 5 of this reference document.

General meeting of 30 June 2014

Resolution	Object of the resolution	Maximum nominal amount in euros	Terms for determining the issue price	Authorization duration and expiry
11th resolution	Delegation of authority to the board of directors with a view to increasing the capital immediately or in the future through the issue	Nominal amount of capital increases: €2,361,175.02[(1)] Nominal amount of	Free	30 August 2016 (26 months)

Resolution	Object of the resolution	Maximum nominal amount in euros	Terms for determining the issue price	Authorization duration and expiry
	of ordinary shares or of any securities giving access to the capital with retention of preferential subscription right	bonds and other debt securities giving access to the capital: €60,000,000[(1)]		
12th resolution	Delegation of authority to the board of directors with a view to issuing shares or any securities giving access to the capital immediately or in the future with removal of shareholders' preferential subscription rights through an offer to qualified investors or a restricted circle of investors within the meaning of paragraph II of Article L. 411-2 of the Monetary and Financial Code.	Nominal amount of capital increases: €1,574,116.68 [(1)] without being permitted to exceed the limits set out in regulations as applicable of the date of issue (currently 20% of the capital of the company per 12-month period, the said capital being assessed as of the day of the decision by the board of directors to exercise any such delegation) Nominal amount of the bonds and other debt securities giving access to the capital: €40,000,000 [(1)]	At least equal to the average of the prices weighted by the volumes of the last 3 trading days preceding the setting of the issue price less, where applicable, the maximum discount of 5% as set out in Article R. 225-19 of the Commercial Code	30 August 2016 (26 months)
13th resolution	Authorization of the board of directors in the event of an issue of shares or of any securities giving access to the capital with removal of shareholders' preferential subscription rights, to set the issue price within the limit of 10% of the share capital and within those set by general meeting	Within the limit of 10% of the company's capital (as of the transaction date) per 12-month period	At least equal to the weighted average of the prices on last 5 trading days preceding the setting of the price, less any maximum discount of 15%	30 August 2016 (26 months)
14th resolution	Delegation to the board of directors with a view to increasing the amount of any issue with or without preferential subscription right decided under the 11th, 12th or 15th resolutions	Within the limit of 15% of the initial issue	Price identical to that of the initial issue	30 August 2016 (26 months)
15th resolution	Delegation of authority to the board of directors with a view to increasing the share capital within a limit of 10% of the capital in remuneration of contributions in kind of any equity securities or securities giving access to the capital of third-party companies not within the context of a public exchange offer	Within the limit of 10% of the company's capital[(1)] Nominal amount of bonds and other debt securities giving access to the capital: €20,000,000 [(1)]	N/A	30 August 2016 (26 months)
17th resolution	Authorization of the board of directors to grant share subscription or purchase options	€78,700 (equates to 314,800 shares)[(2)]	[(3)]	30 August 2016 (26 months)
18th resolution	Authorization of the board of	€78,700 (equates to	N/A	30 August 2017

Resolution	Object of the resolution	Maximum nominal amount in euros	Terms for determining the issue price	Authorization duration and expiry
	directors to allocate free shares, whether existing or to be issued	314,800 shares)[2]		(38 months)
19th resolution	Delegation to the board of directors to issue and allocate share warrants with removal of shareholders' preferential subscription rights to the benefit of the following category of persons: members and observers of the company's board of directors in office as of the warrant allocation date who are neither employees nor executives of the company or of any of its subsidiaries,	€78,700 (equates to 314,800 shares)[2]	[4]	30 December 2015 (18 months)

(1) These amounts are not cumulative, the maximum total amount of capital increases permitted to be implemented under the delegations made under the terms of the 11th, 12th, 14th and 15th resolutions is set at 2,361,175.02 euros. The maximum nominal amount of debt securities permitted to be issued under the aforementioned delegations is set at 60,000,000 euros.

(2) These amounts are not cumulative, the maximum total amount of capital increases permitted to be implemented under the delegations made under the terms of the 17th and 19th resolutions is set at 78,700 euros.

(3) The purchase or subscription price per share shall be set by the board on the day when the option is granted and may not be less than (i) for new share subscription warrants at the average of the prices quoted on the 20 trading days preceding the day when the option is granted, and (ii) for options on existing shares, at the average of the quoted prices on the 20 trading days preceding the day when the option is granted or less than the average purchase price of shares held by the company on the day when the option is granted in accordance with Articles L. 225-208 and L.225-209 of the Commercial Code.

(4) The subscription price of an ordinary share in the company on exercise of a warrant, which shall be set by the board of directors at the time of warrant allocation, must be at least equal to the average of the quoted prices on the 20 trading days preceding the day of warrant allocation by the board of directors.

The combined general meeting of 15 April 2015 is asked to approve the following delegations and authorizations:

Resolution	Object of the resolution	Maximum nominal amount in euros	Terms for determining the issue price	Authorization duration and expiry
8th resolution	Delegation of authority to the board of directors with a view to increasing the capital immediately or in the future through the issue of ordinary shares or of any securities giving access to the capital with retention of preferential subscription right	Nominal amount of capital increases: €3,040,000[(1)] Nominal amount of bonds and other debt securities giving access to the capital: €75,000,000[(1)]	Free	15 June 2017 (26 months)
9th resolution	Delegation to the board of directors with a view to the issue of shares or any securities giving access to the capital immediately or in the future with removal of shareholders' preferential subscription rights, via a public offer	Nominal amount of capital increases: €3,040,000[(1)] Nominal amount of bonds and other debt securities giving access to the capital: €75,000,000[(1)]	At least equal to the average of the prices weighted by the volumes of the last 3 trading days preceding the setting of the issue price less, where applicable, the maximum discount of 5% as set out in Article R. 225-19 of the Commercial Code	15 June 2017 (26 months)
10th resolution	Delegation of authority to the board of directors with a view to issuing shares or any securities giving access to the capital immediately or in the future with removal of shareholders' preferential subscription rights through an offer to qualified investors or a restricted circle of investors within the meaning of paragraph II of Article L. 411-2 of the Monetary and Financial Code.	Nominal amount of capital increases: 2,025,000 €[(1)] (currently 20% of the capital of the company per 12-month period, the said capital being assessed as of the day of the decision by the board of directors to exercise any such delegation) Nominal amount of the bonds and other debt securities giving access to the capital: €50,000,000[(1)]	At least equal to the average of the prices weighted by the volumes of the last 3 trading days preceding the setting of the issue price less, where applicable, the maximum discount of 5% as set out in Article R. 225-19 of the Commercial Code	15 June 2017 (26 months)
11th resolution	Authorization of the board of directors in the event of an issue of shares or of any securities giving access to the capital with removal of shareholders' preferential subscription rights, to set the issue price within the limit of 10% of the share capital and within those set by general meeting	Within the limit of 10% of the company's capital as of the transaction date) per 12-month period	At least equal to the weighted average of the prices on last 5 trading days preceding the setting of the price, less any maximum discount of 15%	15 June 2017 (26 months)
12th resolution	Delegation to the board of directors with a view to increasing the amount of any issue with or	Within the limit of 15% of the initial issue	Price identical to that of the initial issue	15 June 2017 (26 months)

	without preferential subscription rights decided under the 8th, 10th or 15th resolutions			
13th resolution	Delegation of authority to the board of directors to issue ordinary shares and securities giving access to the capital of the company in the event of a public offer incorporating an element of exchange as initiated by the company	Nominal amount of capital increases: €1,012,500(1) Nominal amount of bonds and other debt securities giving access to the capital: €25,000,000(1)	N/A	15 June 2017 (26 months)
14th resolution	Delegation of authority to the board of directors with a view to increasing the share capital within a limit of 10% of the capital in remuneration of contributions in kind of any equity securities or securities giving access to the capital of third-party companies not within the context of a public exchange offer	Within the limit of 10% of the company's capital(1) Nominal amount of bonds and other debt securities giving access to the capital: €25,000,000(1)	N/A	15 June 2017 (26 months)
16th resolution	Authorization of the board of directors to grant share subscription or purchase options	€101,250 (equates to 405,000 shares)(2)	(3)	15 August 2018 (38 months)
17th resolution	Authorization of the board of directors to allocate free shares, whether existing or to be issued	€101,250 (equates to 405,000 shares)(2)	N/A	15 August 2018 (38 months)
18th resolution	Delegation to the board of directors to issue and allocate share warrants with removal of shareholders' preferential subscription rights to the benefit of the following category of persons: members and observers of the company's board of directors in office as of the warrant allocation date who are neither employees nor executives of the company or of any of its subsidiaries,	€101,250 (equates to 405,000 shares)(2)	(4)	15 October 2017 (18 months)

(1) These amounts are not cumulative, the maximum total amount of capital increases permitted to be implemented under the delegations made under the terms of the 8th, 9th, 10th, 11th, 13th and 14th resolutions is set at 3,040,000 euros The maximum nominal amount of debt securities permitted to be issued under the aforementioned delegations is set at 75,000,000 euros.

(2) These amounts are not cumulative, the maximum total amount of capital increases permitted to be implemented under the delegations made under the terms of the 16th to 18th resolutions is set at 152.000 euros (equates to 608,000 shares).

(3) The purchase or subscription price per share shall be set by the board on the day when the option is granted and may not be less than (i) for new share subscription warrants at the average of the prices quoted on the 20 trading days preceding the day when the option is granted, and (ii) for options on existing shares, at the average of the quoted prices on the 20 trading days preceding the day when the option is granted or less than the average purchase price of shares held by the company on the day when the option is granted in accordance with Articles L. 225-208 and L.225-209 of the Commercial Code.

(4) The subscription price of an ordinary share in the company on exercise of a warrant, which shall be set by the board of directors at the time of warrant allocation, must be at least equal to the average of the quoted prices on the 20 trading days preceeding the day of warrant allocation by the board of directors.

The complete text of the resolutions of the company's general meetings may be viewed on the website of *Bulletin d'Annonces Légales Obligatoires*: http://www.journal-officiel.gouv.fr/balo.

SUMMARY OF VALID DELEGATIONS REGARDING CAPITAL INCREASES GRANTED BY THE GENERAL MEETING TO THE BOARD OF DIRECTORS

Year ended 31 December 2014

In accordance with the provisions of Article L.225-100 of the Commercial Code, we report the currently valid delegations granted by the General Meeting to the Board of Directors in respect of capital increases and the use made of these delegations during the year ended December 31, 2014. The delegations granted by the General Meeting of April 8, 2014, not used by the Board, have been replaced by new delegations granted by the General Meeting of June 30, 2014.

	Duration of validity/expiry date	Maximum (nominal value)	Use made of the delegation
Delegations granted by the general meeting of 30 June 2014			
Delegation of authority granted to the board of directors with a view to increasing the capital immediately or in the future through the issue of ordinary shares or of any securities giving access to the capital with retention of preferential subscription right	26 months / 30 August 2016	2,361,175 € (9,444,700 shares)	This delegation was used in November 2014: capital increase with retention of preferential subscription right in the nominal amount of 2,263,390 euros via the issue at the price of 4.50 euros each, issue premium included, of 9,053,560 shares, equating to a total subscription amount, issue premium included, of 40,741,020 euros
Delegation of authority granted to the board of directors with a view to issuing shares or any securities giving access to the capital immediately or in the future with removal of shareholders' preferential subscription rights through an offer to qualified investors or a restricted circle of investors within the meaning of paragraph II of Article L. 411-2 of the Monetary and Financial Code.	26 months / 30 August 2016	€1,574,116.68 (6,296,467 shares)	N/A
Delegation granted to the board of directors with a view to increasing the amount of any issue with or without preferential subscription rights decided under the two delegations above	26 months / 30 August 2016	15% of the initial issue	This delegation was used within the context of the capital increase with retention of preferential subscription right decided on in November 2014.
Delegation of authority granted to the board of directors for the issue of a maximum number of 314,800 BSAs (share subscription warrants) in favour of the members and observers of the board of directors in office as of the BSA allocation date who are neither employees nor executives of the company or of any of its subsidiaries	18 months / 30 December 2015	314,800 BSAs giving rights to 314,800 shares, equating to a maximum nominal amount of €78,700	The board of directors used this delegation on 22 September 2014 and proceeded with the issue at a price of 0.64 euros each of 107,500 BSAs in favour of directors who are neither employees nor executives of the company: Patrick Langlois, Danielle Guyot-Caparros, Russell Greig, David H. Solomon, Thomas Hofstaetter, Financière de la Montagne, Orfacare Consulting and Per

			Samuelsson. Each BSA gives the right to subscribe to one share at the price of 6.42 euros each. It is specified that Orfacare Consulting and Per Samuelsson did not subscribe to their BSAs due to their resignation from the board, giving a total of 25,000 unsubscribed BSAs, as noted by the board of directors on 4 March 2015.

Share subscription and purchase options

Following the authorization granted by general meeting on 30 June 2014, on 22 September 2014 the board of directors adopted:

- A new employee stock option plan and awarded 138,700 options subject to attendance conditions;
- A new executive stock option plan awarding 40,000 options subject to performance and attendance conditions;

The summary of options issued as of December 31, 2014 is available at note 17 to the consolidated financial statements.

BSAs (share purchase warrants)

During the year, 8,311 equity warrants (not held by directors of) were exercised, resulting in a capital increase in August 2014.

Following the authorization granted by general meeting on 30 June 2014, on 22 September 2014 the board of directors adopted a new share purchase warrant plan in favour of members of the board of directors who are neither employees nor executives of the company, allocating a total of 107,500 share subscription warrants, of which 82,500 were subscribed by the holders.

The summary of warrants issued as of December 31, 2014 is available at note 17 to the consolidated financial statements.

Free shares

Following the authorization granted by general meeting on 30 June 2014, on 22 September 2014 the board of directors adopted:

- A new employee free bonus share plan and awarded 72,000 shares subject to attendance conditions;
- A new executive free bonus share plan and awarded 76,500 shares subject to performance and attendance conditions;

A summary of free shares is provided in Note 17 to the consolidated financial statements.

Capital that may be subscribed by employees and executives and diluted capital

Diluted capital as of December 31, 2014 amounted to 42.133.038 shares. It includes the share capital at 31 December 2014 (40,544,204 shares) plus the shares that may be issued in respect of plans for allocating securities granting rights to the company's capital (1,588,834) detailed below, representing potential dilution of 3.92%.

Name of plan	**Beneficiaries**	**Adjusted subscription price(*) per share in euros**	**Expiry date**	**Number of adjusted shares/warrants (*) in circulation at 31/12/14**	**% dilution of share capital**	**% AGGREGATE**
BSA 2011	**Independent members of the Board of Directors**	€3.63	21/09/2017	41.864	0.10	0.64
BSA 2012		€3.75	13/09/2018	41.857	0.10	
BSA 2013		€3.85	19/09/2023	88.490	0.22	
BSA 2014		€6.17	22/09/2024	85.886	0.21	
SO 2010	**Executives**	€5.28	25/08/2020	10.791	0.03	1.12
SO 2011		€3.63	21/09/2021	219.782	0.54	
SO 2012		€3.75	13/09/2022	103.597	0.26	
SO 2014		€6.17	22/09/2024	41.643	0.10	
AGA 2014		NA	22/09/2014	79.643	0.19	
SO 2010(1)	**Employees**	€5.28	25/08/2020	69.970	0.17	2.16
SO 2010(2)		€5.23	16/12/2020	17.491	0.04	
SO 2011(1)		€3.63	21/09/2021	161.722	0.40	
SO 2011(2)		€3.63	26/01/2022	2.094	0.01	
SO 2012(1)		€3.75	13/09/2022	234.431	0.58	
SO 2013		€3.85	19/09/2023	181.166	0.45	
SO 2014		€6.17	22/09/2024	136.618	0.34	
AGA 2014		NA	22/09/2014	71.789	0.18	
TOTAL				**1.588.834**	**3.92**	**3.92**

(*) After adjusting for the number and the exercise price of the warrants, stock options and free shares following the capital increases of July 2011, July 2013 and December 2014 in accordance with Article L.228-99 of the French Commercial Code (Board Meetings of July 28, 2011, November 14, 2013 and January 22, 2015).

Employee share ownership

In accordance with Article L 225-102 of the French Commercial Code, we inform you that, at 31 December 2014, the Company's employees did not hold any shares in the Company's capital through a collective fund scheme.

Change in ONXEO capital over five years

Final completion date of the transaction or of recognition	Capital increase	Number of shares issued	Issue price In €	Nominal amount of the capital increase/reduction in €	Issue premium in €	Successive amounts of capital in €	Cumulative number of shares	Nominal value of shares
31/12/2009	Exercise of BSAs	1,500	2.95	375	4,050	3,224,583.50	12,898,334	€0.25
27/04/2010	Reserved capital increase	509,338	5.89	127,334.50	2,872,666.32	3,351,918	13,407,672	€0.25
25/08/2010	Vesting of free shares	120,900	0	30,225	-	3,382,143	13,528,572	€0.25
10/02/2011	Exercise of BSAs	7,500	2.95	1,875	20,250	3,384,018	13,536,072	€0.25
15/05/2011	Vesting of free shares	47700	0	11925	-	3,395,943	13,583,772	€0.25
01/08/2011	Capital increase with retention of PSR	3,395,943	4.90	848985.75	15791134.95	4,244,928.75	16,979,715	€0.25
26/12/2011	Reserved capital increase	680,000	3.65	170,000	2312000	4,414,928.75	17,659,715	€0.25
04/02/2013	Reserved capital increase	250,000	5.22	62,500	1,242,500	4,477,428.75	17,909,715	€0.25
26/02/2013	Reserved capital increase	250,000	4.65	62,500	1,100,000	4,539,928.75	18,159,715	€0.25
25/07/2013	Capital increase with retention of PSR	2,496,960	3.50	624,240	8,115,120	5,164,168.75	20,656,675	€0.25
13/12/2013	Exercise of BSAs	26,317	3.58	6,579.25	87,725.90	5,170,748	20,682,992	€0.25
30/06/2014	Reserved capital increase (merger)	10,799,341	7.29	2,699,835.25	76,027,360.75	7,870,583.25	31,482,333	0.25
01/08/2014	Exercise of BSAs	8,311	2.32	2,077.75	17,203.77	7,872,661	31,490,644	€0.25
16/12/2014	Capital increase with retention of PSR	9,053,560	4.50	2,263,390	38,477,630	10,136,051	40,544,204	€0.25

Change in shareholders over the past three financial years

	31/12/2014		31/12/2013		31/12/2012	
	Number of shares	% of capital	Number of shares	% of capital	Number of shares	% of capital
Main shareholders (> 5%)			**3,881,965**	**18.76**	**4,441,986**	**25.12**
Groupe Financière de la Montagne	**5,661,532**	13.96	2,807,570	13.56	1,767,133	10.00
ING Belgium Group	-	-	-	-	1,076,175	6.09
IDInvest Partners (AGF PE)……	-	-	1,076,395	5.20	986,798	5.58
Other	**34,882,672**	**86.04**	**16,801,027**	**81.23**	**13,217,729**	**74.88**
of which treasury shares	16,000	0.04	13,671	0.06	5,283	0.02
Total	**40,544,204**	**100**	**20,682,992**	**100**	**17,659,715**	**100**

Shareholder identity

The society is entitled to request at any time from the body responsible for securities settlement to reveal the identity of holders of securities offering immediate or future entitlement to vote at its own general meetings, the quantity of securities held by each of them and, where applicable, any restrictions placed on the said securities.

7.2.2.3 Supplementary information about the auditing of the accounts

Audit of the accounts

The statutory auditors of Onxeo carry out certification of the company's accounts in accordance with legislation on commercial companies. The statutory auditors are appointed by shareholders' general meeting.

Statutory auditors

Grant Thornton

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

Grant Thornton was appointed, when the Company was formed, for a term of six financial years. It was re-elected at the shareholders' meeting of 17 November 2004 deciding on the financial statements for the period ending 30 June 2004 then at the shareholders' meeting of 22 April 2010 deciding on the financial statements for the period ending 31 December 2009. This appointment expires at the close of the shareholders' meeting to approve the financial statements for the year ending 31 December 2015.

Ernst & Young Audit

Tour Ernst & Young, Faubourg de l'Arche
Tour First,
1 /2 place des Saisons
92400 Courbevoie, Paris-La Défense 1.
Represented by Beatrice Delaunay, member of the Versailles Institute of Statutory Auditors.

The appointment of Ernst & Young was renewed at general meeting held on 29 June 2011 for a period of six financial years. This appointment expires at the close of the shareholders' meeting deciding on the financial statements for the period ending 31 December 2016.

Alternate auditors

IGEC, Institut de Gestion et d'Expertise Comptable
3 Rue Léon Jost
75017 Paris

IGEC was appointed by the shareholders' meeting of 22 April 2010 for a term of six financial years. This appointment expires at the close of the shareholders' meeting to approve the financial statements for the year ending 31 December 2015.

Société Auditex SA
Tour First,
1 /2 place des Saisons
92400 Courbevoie, Paris-La Défense 1.

The appointment of Auditex SA was renewed at general meeting held on 29 June 2011 for a period of six financial years. This appointment expires at the close of the shareholders' meeting to approve the financial statements for the year ending 31 December 2016.

The statutory auditors have not resigned and their appointments have not terminated.

Fees paid to auditors and members of their networks

The table of fees paid to the statutory auditors and members of their networks as recognized in expenses by the company between 1 January and 31 December 2014 is provided in Note 20 to the consolidated financial statements.

7.2.3 Information published by the Company

Date (in reverse chronological order)	**Type of information**	**Media used**
13 April 2015	Cipher Pharmaceuticals acquires INNOCUTIS Holdings, licensee of Sitavig® in the USA	Company website with full and effective distribution
13 April 2015	Onxeo announces 6th positive DSMB recommendation for Livatag® ReLive study in HCC	Company website with full and effective distribution
9 April 2015	Belinostat phase I/II results in soft tissue sarcoma to be presented at the 2015 Annual ASCO Meeting	Company website with full and effective distribution
2 April 2015	Phase II trial results of Validive® presented at the ASCO Conference	Company website with full and effective distribution
31 March 2015	Judith Greciet, invited to deliver a speech at the international Allicense Conference	Company website with full and effective distribution
26 March 2015	Extension of the ReLive phase III trial with Livatag® to 3 new countries	Company website with full and effective distribution
25 March 2015	Combined Shareholders' Meeting of 15 April 2015 Availability of preparatory documents	Company website with full and effective distribution
18 March 2015	Validive® Patent Japan	Company website with full and effective distribution
04 March 2015	Progress 2014 and Outlook 2015 Consolidated financial statements for 2014	Company website with full and effective distribution
10 February 2015	Press release	Company website with full and effective distribution
06 February 2015	Therabel reorganisation project	Company website with full and effective distribution
28 January 2015	Publication of a letter to the shareholders	Company website with full and

Date (in reverse chronological order)	**Type of information**	**Media used**
		effective distribution
26 January 2015	Transfer of Onxeo securities to Segment B on Euronext Paris	Company website with full and effective distribution
16 January 2015	**Onxeo announces its financial calendar for 2015**	Company website with full and effective distribution
08 January 2015	Presentation of the company at the annual conference Biotech Showcase™ San Francisco JP Morgan Healthcare conference	Company website with full and effective distribution
16 December 2014	Implementation of capital increase with retention of shareholders' preferential subscription rights.	Company website with access filters
12 December 2014	Onxeo announces the great success of its capital increase with retention of shareholders' preferential subscription rights Total demand of some 76.4 million euros, an oversubscription rate of 216% Full exercise of the extension clause bringing the amount of the issue to 40.7 million euros	Company website with access filters
24 November 2014	Positive recommendation from the DSMB on tolerance data from the Livatag® phase III trial into the treatment of primary liver cancer	Company website with full and effective distribution
17 November 2014	ONXEO launches a capital increase with retention of shareholders' preferential subscription rights for a maximum amount of 41.6 million euros (including an extension clause for 5.3 million euros)	Company website with access filters
13 November 2014	Onxeo confirms the receipt of a milestone payment of 25 million dollar for Beleodaq®	Company website with full and effective distribution
06 November 2014	Quarterly information up to 30 September 2014	Company website with full and effective distribution
30 October 2014	Positive preliminary results for the Validive® phase II trial into the prevention of severe oral mucositis in patients suffering from a head and neck cancer	Company website with full and effective distribution

Date (in reverse chronological order)	**Type of information**	**Media used**
10 October 2014	Onxeo announces receipt of the second financing payment associated with the progress of the Livatag® programme from the NICE consortium	Company website with full and effective distribution
25 September 2014	2014 Midcaps Corporate Governance: Onxeo receives the Silver Governance award	Company website with full and effective distribution
24 September 2014	Onxeo announces its participation in the MidCap Event in Paris on 2 and 3 October 2014	Company website with full and effective distribution
19 September 2014	Onxeo participates in the InvestorDagen 2014 conference Denmark's largest private investors' gathering	Company website with full and effective distribution
28 August 2014	Onxeo strengthens protection of the Beleodaq® patent in the USA up to 2027	Company website with full and effective distribution
01 August 2014	Results and activity for the first half of 2014	Company website with full and effective distribution
24 July 2014	Merger of BioAlliance Pharma with Topotarget: • Approval for the secondary listing of Onxeo shares on NASDAQ OMX Copenhagen • Exchange of newly-issued shares on 5 August 2014	Company website with full and effective distribution
23 July 2014	Cross-border merger of BioAlliance Pharma with Topotarget Legal effective date 22 July 2014	Company website with full and effective distribution
21 July 2014	BioAlliance Pharma announces the launch of Sitavig® in the USA by its partner Innocutis and the issue of a new US patent	Company website with full and effective distribution
18 July 2014	BioAlliance Pharma boosts its financial resources with the support of its largest shareholder	Company website with full and effective distribution
03 July 2014	Marketing authorization in the USA for Beleodaq™ (belinostat) from the FDA	Company website with full and effective distribution

Date (in reverse chronological order)	**Type of information**	**Media used**
30/06/2014	BioAlliance Pharma and Topotarget shareholders approve the cross-border merger creating Onxeo	Company website with full and effective distribution
25 June 2014	Licensing agreement with EMS for the marketing of Sitavig® in Brazil First licensing agreement in Latin America	Company website with full and effective distribution
20 June 2014	Proposed merger with Topotarget: BioAlliance Pharma receives approval in principle from NASDAQ OMX for the secondary listing of its shares in Copenhagen	Company website with full and effective distribution
10 June 2014	BioAlliance Pharma strengthens the patent protection of Livatag® in Japan until 2032	Company website with full and effective distribution
28 May 2014	Registration of "Document E" and sign off of the listing particulars for the cross-border merger via the absorption of Topotarget by BioAlliance Pharma	Company website with full and effective distribution
21 May 2014	Definitive merger agreement between BioAlliance Pharma and Topotarget The new company will be called Onxeo	Company website with full and effective distribution
19 May 2014	Livatag® obtains fast-track status from the FDA for the treatment of primary liver cancer	Company website with full and effective distribution
05 May 2014	BioAlliance Pharma announces major stages for Validive® • Recruitment completed for the international phase II clinical trial of Validive® in severe oral mucositis • Presentation of preclinical data at the next annual ASCO conference in the USA	Company website with full and effective distribution
30 April 2014	Quarterly information up to 31 March 2014	Company website with full and effective distribution
29 April 2014	BioAlliance Pharma publishes its first Letter to the Shareholders	Company website with full and effective distribution

Date (in reverse chronological order)	**Type of information**	**Media used**
16 April 2014	Merger agreement between BioAlliance Pharma and Topotarget	Company website with full and effective distribution
14 April 2014	BioAlliance Pharma announces a new positive recommendation for its Livatag® phase III trial in primary liver cancer from the independent experts committee	Company website with full and effective distribution
08 April 2014	Publication of 2013 Reference Document	Company website with full and effective distribution
08 April 2014	BioAlliance Pharma Combined General Meeting: Approval of all resolutions	Company website with full and effective distribution
03 April 2014	Onxeo meets the eligibility conditions for the PEA-PME system	Company website with full and effective distribution
02 April 2014	Onxeo signs an agreement with Daewoong Pharmaceutical Co., Ltd for the marketing of Sitavig® in South Korea	Company website with full and effective distribution
01 April 2014	Onxeo reviews its partnerships for Loramyc®/Oravig®: Repossession of all of the product's marketing rights and MA in the USA Advances in development programmes led by its Asian partners	Company website with full and effective distribution
31 March 2014	Onxeo collaborates with Penn Pharma for the industrial development of Validive®	Company website with full and effective distribution
19 March 2014	Sitavig® partnership strategy: Onxeo signs a licensing agreement for North America with Innocutis and obtains a favourable recommendation from the French and German health authorities for marketing authorization	Company website with full and effective distribution
27 February 2014	Onxeo reviews the company's major advances and announces its consolidated financial statements for 2013	Company website with full and effective distribution

Date (in reverse chronological order)	**Type of information**	**Media used**
18 February 2014	Strengthening and extension of industrial protection for Livatag® until 2031 First issue of a new European patent	Company website with full and effective distribution
04 February 2014	Onxeo's Japanese partner, Sosei, concludes an agreement with Fujifilm Pharma for the marketing of Loramyc® in Japan	Company website with full and effective distribution
23 January 2014	Onxeo obtains fast-track status from the FDA for Validive® in the prevention and treatment of oral mucositis caused by anti-cancer treatment	Company website with full and effective distribution

In addition, in accordance with the provisions of Article L. 233-8 II of the French Commercial Code and of Article 223-16 of the General Regulations of the *Autorité des Marchés Financiers*, the Company discloses every month the total number of shares and voting rights comprising its capital.

8 DECLARATION BY THE PERSON RESPONSIBLE

I hereby certify, having taken all reasonable measures to that effect, that the information contained in this document is, to my knowledge, truthful and contains no omission likely to affect its import.

I certify that, to my knowledge, the financial statements are prepared in accordance with applicable accounting standards (IFRS as adopted by the EU for the consolidated financial statements and French GAAP for the annual financial statements) and give a true and fair picture of the assets and liabilities, the financial position and the results of the Company and the undertakings included in consolidation, and that the management report presents a true picture of the changes in the business, the results and the financial position of the Company and the undertakings included in the consolidation, along with a description of the principal risks and uncertainties they face.

We have received a letter from the statutory auditors prepared at the conclusion of their work, in which they state that they have audited the information about the financial position and financial statements provided in this reference document, and have read the entire reference document.

Financial information on the consolidated and annual accounts presented in this document is the subject of reports from the statutory auditors:

- Page 159 for the report on the consolidated financial statements;
- Page 207 for the general report on the annual financial statements.

These reports contain observations which describe the merger transaction that took place during the period and the accounting impact on the financial statements for the year ended 31 December 2014, and the incidence of the impact of the “Change of method" applied during the period regarding the first application of the IFRS 11 standard.

It should be noted that historical financial information on the annual and consolidated financial statements for the years 2012 and 2013 are included for reference purposes in this document and are the subject of reports from the statutory auditors:

- Pages 153 and 187 of the Reference Document - 2012 Annual Report submitted on 18 April 2013, which contains an observation regarding the ongoing litigation with the companies Spepharm, Spebio and Eurofins;
- Pages 138 and 171 of the Reference Document – 2013 Annual Report submitted on 7 April 2014, which contains an observation concerning the conditions for application of the principle of going concern.

14 April 2015

Judith Greciet,

Chief Executive Officer

TABLE OF CONCORDANCE WITH INFORMATION REQUIRED IN THE ANNUAL FINANCIAL STATEMENTS

In order to enhance the readability of this reference document, the concordance table below enables information in this reference document to be identified which constitutes the annual financial report that listed companies are required to publish in accordance with Article L. 451-1-2 of the Monetary and Financial Code and Article 22-3 of the General Regulations of the AMF.

	Sections (pages)
CERTIFICATION BY THE PERSON RESPONSIBLE FOR THE DOCUMENT	**8 (P. 244)**
MANAGEMENT REPORT	
Analysis of the results, financial position, executive remuneration and risks and a list of the delegations relating to capital increases for the parent company and consolidated group. (Articles L. 225-100 and L. 225-100-2 of the Commercial Code)	2 (p. 11) 3 (p. 33) 5.1.2.2 (p. 79) 7.2.2.2 (p. 222)
Information required under Article L 225-100-3 of the French Commercial Code relating to factors that could have an impact on a public offer	7.2.2.1 (p. 217)
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GLOSSARY

WORDS	DEFINITIONS
ANSM	Agence Nationale de Sécurité du Médicament (French drug agency)
MA	Marketing Authorization
Quality Assurance	Quality assurance is a concept encompassing everything individually or collectively capable of influencing product quality. Quality assurance means all the measures taken to ensure that available products are suitable for their intended use. Good practice in the areas of sampling, transport, manufacturing and preservation form part of quality assurance.
GCP (Good Clinical Practice)	The set of measures ensuring the quality of clinical trials.
GMP (Good Manufacturing Practice)	An aspect of pharmaceutical quality assurance that ensures drugs are manufactured and controlled in a consistent manner according to quality standards suitable for the drug's intended use and in accordance with the drug's specifications.
BSA	French share purchase warrants.
CNRS	Centre National de la Recherche Scientifique (French National Scientific Research Centre).
CRO	Contract Research Organization.
Toxic Dose Limit (TDL)	Dose of a given drug at which toxicity first appears. This dose makes it possible to define the therapeutic dose, which must necessarily be lower than the TDL.
DSMB	Data Safety and Monitoring Board. International committee of experts meeting every 6 months and/or after the recruitment of the first 25 patients for the ReLive study, in order to assess the tolerance data for patients included in the study and to recommend any protocol amendments.
EMA	European Medicines Agency.
Clinical trial	The systematic study of a drug on human subjects (either healthy or sick volunteers), in order to discover or verify drug effects, adverse reactions, and to study the absorption, distribution, metabolism, and extraction of the drug in question, for the purpose of establishing its safety and efficacy.
Pharmacokinetic study	The study of a drug's kinetic parameters in various compartments (the bloodstream, tissues).
Pharmacodynamic study	The study of a drug's effective dosage and length of therapeutic efficacy.
Randomised trial	A trial in which selected patients are randomly distributed among the various groups under study.
Pivotal trial	The clinical trial used to register a drug.
Drug Adverse Effect	Any harmful and undesirable effect experienced by a participant in a clinical trial, regardless of the effect's connection to the drug(s) under study and regardless of what caused the effect.
Serious adverse effect	An adverse effect that may contribute to death or is likely to endanger life, causes disability or incapacity, or leads to or prolongs hospitalisation.
FDA	Food and Drug Administration.
HCC	*Hepatocellular Carcinoma* – primary liver cancer.

GLOSSARY

WORDS	DEFINITIONS
ICH	International Conference of Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use.
IFRS	International Financial Reporting Standards.
IND	*Investigational New Drug* – Request to start a clinical trial with the FDA for innovative new medicines.
INSERM	The National Institute of Health and Medical Research, a French institution.
Investigator(s)	Natural person(s) managing and supervising the performance of the study; responsible for protecting the health and wellbeing of study volunteers. The investigator is a doctor with appropriate experience. When a trial is entrusted to multiple investigators, a coordinator is appointed by the sponsor.
In vivo	Manipulation taking place in the body of a human or animal.
ISO 9000 (9001, 9002, 9003)	Quality system: A system designed to ensure quality in design, development, production, installation, and related services.
Batch	A defined quantity (of a raw material, an item used in packaging, or a product manufactured in a process or a series of processes) that may be deemed a consistent unit.
Drug	Substance or combination of substances presented as possessing curative or preventive properties regarding human disease, and any product that can be administered to humans in order to establish a medical diagnosis or to restore, mitigate or modify their biological functions.
MDR	Multi Drug Resistance gene – encoding transmembrane proteins rejecting products or drugs outside the cells.
Compliance	The patient's adherence to treatment (good therapeutic follow-up).
PCT	Patient Cooperation Treaty – an international treaty providing for standardised filing procedures for obtaining foreign patents in the signatory countries.
Phase I	This phase corresponds to the initial clinical trials. It must evaluate drug tolerance in a small number of (usually healthy) volunteer subjects and enable initial studies on the administration of the drug in the human body.
Phase II	This phase is divided into two sub-phases. The objective of Phase II-A is to study the effects of the drug on a small number of volunteer patients (usually healthy) and to complete pharmacokinetic studies. The objective of Phase II-B is to assess the tolerance (adverse effects) and efficacy of the drug on a limited number of patients and to define the optimum dosage.
Phase III	The objective of this phase is to confirm and complete the results related to the efficacy and tolerance of the drug on a sufficient number of patients. It must also enable adverse effects to be studied and the efficacy/safety relationship to be evaluated against a reference treatment.
Phase IV	This phase incorporates tests performed after the MA. It is carried out on a very large number of patients. Its objective is to fine-tune the understanding of the drug and its adverse effects, to adapt the optimum dosage for particular cases and finally to evaluate the treatment strategy.
Sponsor	Natural person or legal entity that assumes leadership of a clinical trial and is responsible for its launch and management.

GLOSSARY

WORDS	DEFINITIONS
Protocol	Document describing the trial's rationale, goals, methodology and statistical methods and which specifies the terms and conditions under which the trial must be conducted and managed.
Benefit/risk ratio	The ratio between a drug's expected benefits and its possible risks.
Biomedical research	Trial or experiment conceived for and conducted on human subjects with a view to developing biological or medical knowledge.
Immune response monitoring	The set of techniques used to monitor the induction and kinetics of the immune response. In the case of immunotherapy, the monitoring of T responses (via the T lymphocytes) is especially pertinent.
SO	Stock Option – Option to subscribe to shares or option to purchase shares.
Traceability	All the information and measures taken to monitor and rapidly retrace each stage of a process.
Validation	The establishment of proof that the implementation or use of any process, procedure, equipment, raw material, activity, or system actually enables the realisation of planned outcomes and set specifications.