A 'Société Anonyme' (public limited company) with a share capital of 14,138,856.50 euros
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2019 HALF-YEARLY FINANCIAL REPORT

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

1. PREAMBLE

Onxeo is a clinical stage biotechnology company that develops new cancer-fighting drugs by targeting tumor DNA-binding functions though unique mechanisms of action in the sought-after field of DNA Damage Response (DDR). The Company focuses on developing innovative first-in-class or disruptive compounds (internal, acquired or licensed) from translational research to proof of clinical concept in humans, one of the most value-creating and attractive points of inflection for potential partners.

Onxeo is listed on the Euronext Paris and Nasdaq Copenhagen markets.

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

The Company's portfolio includes:

- AsiDNA™, a first-in-class inhibitor of tumor DNA break repair pathways, based on a decoy & agonist mechanism, unparalleled in the field of DDR. AsiDNA™ has already been evaluated with success in a first phase 1 trial (DRIIM) in metastatic melanoma by local administration (favorable tolerance, sign of effectiveness and suggestion of a systemic passage) and is currently in the course of clinical development (DRIIV-1 and 1b) for the treatment by systemic administration of other solid tumors, notably in combination with chemotherapy.
- platON™, Onxeo's platform of decoy oligonucleotides, aims to expand the Company's product portfolio by generating new compounds based on this same decoy mechanism and capitalizing on the expertise that the Company has developed on this type of oligonucleotides.

  A new compound, OX401, entered the preclinical phase in the first semester of 2019. This is a next-generation PARP inhibitor that is designed to not induce resistance and to trigger the immune response.
- Belinostat, an HDAC inhibitor (epigenetics) that already has been granted conditional approval by the FDA for second-line treatment of patients with peripheral T-cell lymphoma and is marketed in the United States for this indication under the name Beleodaq®.

The Company believes that its portfolio, through innovative therapeutic approaches and high scientific value, positions Onxeo as a key player in one of the most sought-after fields in oncology.

To implement its growth strategy, the Group relies on innovative assets and robust skills, which form the basis of its future growth:

- A deliberate biotech company profile with a portfolio of promising technology products. Used in monotherapy or in combination with other anticancer drugs, these products offer potential for development in many indications that could open up broad market potential in oncology;
- An experienced scientific and medical team, which has repeatedly managed programs until registration, in Europe and the United States. These teams are led by a management team and a high-level Board of Directors with an international profile and experience;
- Leading-edge translational know-how and clinical trial experience in Europe and the United States, collaborations with academic and scientific opinion leaders at the international level and international business partners.

In the first semester of 2019, the development programs of the Group have advanced significantly and in accordance with the forecast, in particular with the finalization of the Phase 1 study of AsiDNA™ administered by systemic route (DRIIV-1), the initiation of the DRIIV-1b study of AsiDNA™ in combination with chemotherapy and the addition to the pipeline of OX401, an innovative compound at the intersection of the areas of DNA damage response and immunotherapy.

The main operational advances and the organizational changes of the Group during the course of the first half of 2019 are set out below.

2.1. DEVELOPMENT PROGRAMS

2.1.1. AsiDNA™

AsiDNA™ positions the Group on a new field at the forefront of scientific and clinical research in oncology, tumor DNA damage response (DDR).

DNA damage response consists of a network of cellular pathways that identify, signal and repair DNA damage. Proteins monitor DNA integrity and can activate cell cycle checkpoints and repair pathways in response to damage, to prevent potentially harmful mutations.

Applied to oncology, this new research field aims to weaken or block the ability of tumor cells to repair damage occurring to their DNA, either naturally or under the effect of cytotoxic treatments. Tumor cells are much more dependent on DNA repair mechanisms than healthy cells, because of their uncontrolled proliferation.

AsiDNA ™ is a first-in-class product in DDR. It interferes with the repair of tumor DNA using a highly innovative decoy mechanism developed by researchers at the Institut Curie.

The product consists of a double-stranded DNA fragment that behaves like a damaged tumor DNA fragment and causes hyper-activation of repair pathways (agonist mechanism) and sequestration of repair proteins (decoy mechanism). AsiDNA™ thus induces inhibition of ADN repair and exhaustion of the repair pathways of the tumor cell, which nevertheless continues its replication cycle, but its damaged DNA eventually leads to its death.

AsiDNA™ specifically targets tumor cells; preclinical and clinical studies to date have shown that it has no impact on healthy cells, suggesting a favorable safety profile, currently under assessment in humans after systemic administration in the multicenter study DRIIV-1.

Remarkably, unlike targeted products that inhibit a specific repair protein or pathway, such as PARP inhibitors (PARPi), AsiDNA™ interferes with all repair pathways. Acting upstream of multiple pathways, it does not inhibit one or more repair proteins but instead hyper-activates them, thereby interfering with the repair mechanism as a whole. Thus, it does not trigger resistance mechanisms, a problem faced by all targeted therapies used today in oncology. This resistance leads to therapeutic failure after several cycles of treatment.

Thus, this is a very strong differentiation factor which makes it possible to consider its use as a single-agent therapy, but also in combination with other agents which damage tumor DNA such as radiotherapy and chemotherapy, or in combination with inhibitors of a specific repair pathway such as PARPi, to significantly increase their effectiveness, including by avoiding resistance to these treatments..

In the first half of 2019 the Group has actively continued the preclinical and clinical development of this lead candidate by systemic route, in monotherapy and in combination with other treatments in various types of solid tumors, and has achieved several major milestones:

- On January 3, 2019, the company announced the identification of predictive biomarkers for AsiDNA™, its first-in-class DNA damage response inhibitor, which allows to consider customized medicine approaches, both in monotherapy and in combination. A signature of sensitivity to AsiDNA™ has been established by means of bioinformatics analyses based on transcriptomic experiments. This signature was then validated in vitro on several cell lines. Finally, the genes showing an expression profile strongly correlated to the sensitivity to AsiDNA™ have been analyzed. These studies showed that sensitivity to AsiDNA™ is correlated with the level of DNA repair gene expression in the tumor and identified several tumor genes for which the level of expression is the most correlated to AsiDNA™ sensitivity. As a result, the analysis of these genes can be used to select the patients with the highest sensitivity to the treatment and therefore the greater likelihood of response in upcoming clinical trials.
- During the Annual Congress of the AACR (American Association for Cancer Research), which was held from March 29 to April 3, 2019 in Atlanta (Georgia), United States, the Company presented the results of five

pre-clinical studies demonstrating the differentiated profile of AsiDNA™, first-in-class inhibitor of the DNA damage response, strengthening its clinical potential and highlighting its unique mechanism of action:

  - AsiDNA™, a targeted therapy with no acquired resistance
  - AsiDNA™ abrogates acquired resistance to PARP inhibitors
  - Molecular analysis of the mechanism of action of AsiDNA™ brings new clues on DNA damage response regulation
  - Development of a biomarker-driven patient selection strategy for AsiDNA™ treatment (collaboration with the Curie Institute)
  - AsiDNA™, a novel DNA repair inhibitor to sensitize aggressive medulloblastoma subtypes (Curie Institute)

- On May 6, 2019, the Company announced the treatment of the first patient in DRIIV-1b, a phase 1b study of AsiDNA™ in combination with chemotherapy. DRIIV-1b is an extension of Phase 1 DRIIV-1 (DNA Repair Inhibitor administered Intravenously), now finalized, in which AsiDNA™, administered intravenously (IV), demonstrated its intratumoral activity, as evidenced by the significant increase of its activity biomarkers in patients' tumor cells, with a favorable tolerance profile at different active doses. DRIIV-1b is designed to evaluate the safety and efficacy of AsiDNA™ at the active dose of 600 mg in combination with carboplatin alone and with carboplatin plus paclitaxel in up to 18 patients with solid tumors eligible for these treatments (lung, breast, ovary, or head and neck cancer...). The study is conducted in Belgium and its first results are expected in the second half of 2019.
- On May 28, 2019 Onxeo announced the final positive results of the DRIIV-1 phase 1 study of AsiDNA™ in advanced solid tumors, which met its primary endpoints for tolerance and activity. Final data confirmed the preliminary results announced in November 2018: favorable tolerance profile, maximum tolerated dose not reached, optimal active dose of 600 mg determined. In this study, AsiDNA™ has induced a strong intra-tumoral activation of its target DNA-PK, thus confirming its mechanism of action.

2.1.2. PlatON™

AsiDNA™ is the first compound sourced from platON™, Onxeo's platform of decoy oligonucleotides.

PlatON™ is a chemistry platform which can generate new molecules based on the following three components: the oligonucleotide (a double strand fragment of DNA), a linker between the two strands to ensure the stability of the fragment, and a vector to promote cellular penetration (a molecule of cholesterol in the case of AsiDNA™).

With platON™, Onxeo has the ability to expand its drugs pipeline with highly innovative drugs, while capitalizing on its expertise and knowledge of oligonucleotides and DNA repair mechanisms acquired over several years.

On June 20, 2019 Onxeo announced the entry of a new optimized candidate from its platform platON™, OX401, into preclinical phase. Based on the exclusive technology of decoy agonist of Onxeo, OX401 is positioned both in the domain of inhibition of the DNA damage response (DDR) by acting on the PARP and on that of the PARP and that of immuno-oncology by activating the STING pathway. OX401 has been optimized to be a next- generation PARP inhibitor, with an absence of acquired resistance and a higher specificity for the tumor cells. Moreover, OX401 is designed to induce a strong immune response through the activation of the STING pathway. Preclinical studies of OX401 in-vitro and in-vivo will aim in particular to validate its effectiveness, alone and combined with immunotherapies. The first results of these studies, expected at the end of 2019, will constitute the preclinical proof of concept of this new candidate.

The Group strongly believes in the important therapeutic potential of its decoy oligonucleotide technology, in particular by interference with tumor DNA repair signals, and the disruptive innovation that it represents, which could pave the way for a new paradigm in cancer therapy.

2.1.3. Belinostat (Beleodaq®)

Belinostat is an inhibitor of histone deacetylases (HDACI). Belinostat in its injectable form has been marketed in the United States by Spectrum Pharmaceuticals (SPPI) under the name of Beleodaq® since 2014 with a conditional approval of the FDA for the second-line treatment of patients with peripheral T-cell lymphoma.

The American partner of the Company is continuing the preparation of a phase 3 clinical study of Beleodaq as first-line treatment of peripheral T-cell lymphoma.

On March 1, 2019, Spectrum Pharmaceuticals (SPPI) announced the conclusion of the sale of its portfolio of seven hematology/oncology products approved by the FDA, including Beleodaq®, to Acrotech Biopharma LLC. The Company does expect significant impact of this transaction on the activities and results of Beleodaq® for Onxeo.

2.2. CORPORATE GOVERNANCE

On May 22, 2019, the ordinary general meeting of shareholders renewed the mandates of Ms. Danièle Guyot-Caparros, Mr. Jean-Pierre Bizzari and Mr. Jean-Pierre Kinet for three years.

The mandate of Mr. Joseph Zakrzewski, Chairman of the Board of Directors, expired at this general meeting.

Danièle Guyot-Caparros was appointed as Chair of the Board of Directors at the end of this meeting, which reappointed her as director. She has been an independent director of Onxeo and Chair of the Audit Committee since June 2013 and, since October 2015, has been Senior Director in charge of good governance practices.

On the date of this report, the Board of Directors is composed of the following 8 members, 4 men and 4 women, including 6 independent members, as follows[1]:

First Name, Last Name, Title	Independent director	Year of the first appointment	Expiry of the mandate	Audit Committee	Compensation and Appointments Committee	Scientific and Business Development Committee
Danièle Guyot-Caparros, President	Yes	2013	2022	President		
Judith Greciet	No	2011	2020			
Financière de la Montagne[2]	No	2011	2020	Member	Member	
Thomas Hofstaetter	Yes	2012	2021		Member	President
Christine Garnier	Yes	2017	2020	Member		Member
Elvira Sanz	Yes	2017	2020		President	Member
Jean-Pierre Bizarri	Yes	2016	2022			Member
Jean-Pierre Kinet	Yes	2016	2022			Member

2.3. FINANCING

Use of the equity financing line set up on June 15, 2018

On June 15, 2018, the company set up an equity financing line with Nice & Green, for which it issued 4,700,000 new shares, in accordance with the authorization given by the General Meeting of May 24, 2017. At the end of May 2019, all share warrants had been exercised, providing the company with a net total product of 4.6 million euros, including 1.9 million euros in the first half of 2019.

New equity financing line set up on June 7, 2019

In order to actively pursue the R&D programs according to the planned schedule, and acting on the delegation of the Board of Directors and in accordance with the 20th resolution of the Extraordinary General Meeting of

[1] *The Board of Directors of July 25, 2019 modified the organization of the committees. An up-to-date version of the Board charter is available on the Company's website*

[2] *Represented by Nicolas Trebouta*

Shareholders of June 19, 2018[3], on June 7, 2019, the Company has implemented a new equity financing line by issuing new shares over a 12-month period with Nice & Green SA. This funding should extend the cash flow horizon of the Company until the third quarter of 2020.

The principal features of the equity financing line are notably described in the securities note forming part of the Prospectus, granted visa by the Financial Markets Authority (the "AMF") under No. 19-247 on June 7, 2019. The Prospectus is composed of the 2018 registration document of Onxeo, filed with the AMF on April 5, 2019 under N° D.19-0282 and securities note including the summary of the Prospectus.

In accordance with the terms of the agreement, Nice & Green, acting as a specialized investor with no intention of retaining a stake in the Company's share capital, has undertaken, for a 12-month period, to subscribe and exercise each month at Onxeo's initiative, a number of share warrants corresponding to a monthly financing of €850,000, i.e. a total target amount of €10.2 million. The shares shall be issued each month on the basis of the average volume-weighted share price over the three trading days preceding each issue, less a maximum discount of 5.0%.

The total number of new shares to create being limited to 12,000,000, the target amount of €10.2 million might not be reached if the volume weighted average price is less than €0.894 before discount. On the basis of a share price of 0.75 euro per share, the Company would thus obtain a total amount of €8.6 million. On the date of this report, the Company has issued 600 000 shares in the framework of this new line of equity financing, for a net amount of €0.4 M.

In the event that this financing line is used in full[4], a shareholder holding 1.00% of Onxeo's share capital before its implementation would see its shareholding change to 0.82% of the share capital[5]. Onxeo retains the right to suspend drawdowns or to terminate this agreement at any time. The Company is also examining different sources of supplementary financing.

The new shares issued within the framework of this agreement shall be admitted to trading on Euronext Paris and Nasdaq Copenhagen. These issues shall be notified on the Onxeo website (Investors section / Regulated information / Total number of voting rights and shares comprising the share capital).

Moreover, Nice & Green and Onxeo have agreed to continue the incentive program, consisting of allocating in cash to the Company of a portion of any capital gain which Nice & Green may realize on the sale of the shares resulting from the exercise of the warrants.

Proceeds collected and to be collected from these two financing operations will be allocated primarily to the continuation of the R&D programs of the Company and more particularly, to finance the clinical development of AsiDNA™ in combination with other anti-cancer agents and the early stages of the preclinical and pharmaceutical development of OX401, as well as more generally, to finance the Company's activities.

3. IMPACT ON THE FINANCIAL POSITION AND EARNINGS

3.1. REVENUES

The revenue for the period closed on June 30, 2019 amounted to 1.7 million euros, against 2.1 million euros and the first half of 2018. This decrease is due to non-recurring revenue representing contractual license payments other than royalties on sales. At June 30, 2019, these revenues, amounting to € 0.3 million, came from license agreements related to the business transferred to Vectans in 2017, of which Onxeo continued to benefit. Recurring revenue increased from € 1 million to € 1.4 million, as a result of the deployment of the European Named Patient Program, which generates direct sales for the Company, and a good sales performance of Beleodaq® in the United States, for which Onxeo receives royalties.

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[3] *Capital increase with suppression of the preferential subscription right to the benefit of a category of persons in the context of an equity or bond financing line.*

[4] *In this case, 12,000,000 new shares would be issued.*

[5] *On the basis of the 55,537,251 shares comprising the share capital of Onxeo on the date of the Prospectus.*

3.2. PERSONNEL COSTS

Personnel expenses decreased from 2.7 million euros in the first half of 2018 to 2.5 million euros in the first half of 2019, as a results of the change in the workforce.

3.3. EXTERNAL EXPENSES

The external costs amounted to 5.8 million euros and at June 30, 2019 against 4.2 million euros at June 30, 2018. The share of these expenditures related to R&D activities (net of research tax credit) has increased, from 1.9 million euros in the first half of 2018 to 4 million euros in the first half of 2019. This evolution stems mainly from the deployment of AsiDNA™'s preclinical and clinical programs, as well as the work done on the PlatON™ platform that enabled the start of the new OX401 program.

3.4. OTHER OPERATIONAL INCOME AND EXPENSES

This item is zero at June 30, 2019, compared with a charge of 4.6 million euros at June 30, 2018. This variation is related to the recognition of exceptional items in 2018, namely the Impairment of Beleodaq® R & D assets for 8.6 million euros partially offset by the abandonment of a repayable advance granted by Bpifrance under the Livatag® program for €4 million.

3.5. FINANCIAL INCOME

The financial income at June 30, 2019 is a loss of 1.6 million euros, mainly due to the revaluation to the market value of share subscription warrants issued under the line of equity financing with Nice & Green as well as the cost of the bond loan with SWK Holdings.

3.6. NET LOSS

As a result of the evolution of the activity reflected by the cost and revenue positions described above, the net result established at June 30, 2019 is negative in the amount of 8.5 million euros, against 8.8 million euros in the first half of 2018.

3.7. AVAILABLE CASH

The available cash at June 30, 2019 amounted to 6.3 million euros against 11.3 million euros at December 31, 2018. The variation in cash flow is linked to the operational expenditure of the company, in particular in the field of research and development, partially offset by direct sales within the controlled access program for Beleodaq® and by the setting up of a line of equity financing with Nice & Green.

4. PRINCIPAL RISKS AND UNCERTAINTIES FOR THE NEXT HALF-YEAR

No specific risk factors are anticipated in the second half of 2019, other than the risk factors inherent to the activity, the structure, the strategy and the environment of the Company, described in the 2018 reference document deposited with the Financial Markets Authority on April 25, 2019: These risks are inherent to the development of innovative medicines and depend on the success of the preclinical and clinical studies, as well as of the product registration constraints in terms of safety, tolerance and effectiveness. These risks are also related to the activity of commercial partners through licenses.

The main risks and uncertainties, which the Company and the Group could face, are summarized below:

Financial Risks

The financial risks are mainly risks related to the cash flow of the Company, given that it does not generate significant income in relation to its expenditure, particularly in research and development. The Company set up a new equity financing line in June 2019, which would provide proceeds of around 8.6 million euros at an average share price of 0.75 euros. These resources make it possible to extend its financial visibility at least to the third quarter of 2020. By this time, it is not excluded that the Company may recourse to non-dilutive financing or in the form of capital raising in in the relatively short term to secure its operations in cases where it would not generate additional resources, in particular through new license agreements.

Factors such as the inability to establish license agreements for products in its portfolio within the expected time frame, a delay or an insufficient success in the commercialization of its products by its partners, opportunities in terms of development or external growth, higher costs of ongoing developments, particularly due to additional requirements of regulatory authorities or to defend itself in the field of intellectual property can influence the needs and the timing for such funding.

Risks related to the activity of the Company

The operational risks of the Company are essentially related to the development of its products up to the approval of marketing authorizations.

The risk of a failure or a substantial delay in the development of a drug exists at all stages and particularly at the level of clinical trials, which often require a significant number of patients to recruit, in pathologies where by definition the number of patients is limited. Generally, the execution of clinical trials is spread over several years and proved to be very expensive; such trials could suffer a significant delay, reveal serious side effects or produce negative results. These last two cases can lead to the shut-down of development of products with potentially significant consequences on expected future income of the Company.

In addition, the time frame of response of the regulatory authorities the files submitted to them is also variable, especially if additional requests are made by the latter.

With regard to the Company's structure and its strategy, the most significant risks are associated with the resources and size of the Company that has to attract and foster the loyalty of its key staff members, outsource and subcontract its production, and ensure the good performance of its commercial partners.

In addition, there is a competitive risk for all products developed by the Company.

Legal and regulatory risks

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

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

Insurance and risk coverage

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

The reader is invited to consult the annual registration document of the Company for a detailed description of risks and uncertainties, which the Company is facing.

Main ongoing litigation: SpePharm/SpeBio litigation

On 27 February 2009, Onxeo terminated the cooperation with SpePharm and took back the marketing rights of Loramyc® in Europe in the SpeBio joint-venture. Onxeo applied to the International Court of Arbitration of the International Chamber of Commerce (ICC) against the companies SpePharm and SpeBio to obtain

compensation for damages caused by contractual violations committed by these companies under the partnership entered into for the commercial launch of Loramyc®.

In a partial arbitration award regarding jurisdiction, the Arbitration Tribunal recognized its jurisdiction on the framework contract and against SpePharm only. Onxeo then claimed SpeBio's contractual liability before the Commercial Court. Onxeo then applied to the Commercial Court for the compulsory intervention of SpePharm covered by tort law and by judgement of May 3, 2016, the Commercial Court of Paris granted Onxeo's request by adjudicating the compulsory intervention of SpePharm and consolidation of the Onxeo vs SpeBio and Onxeo vs SpePharm proceedings. SpeBio and SpePharm have, as a counter-claim, filed claims for damages.

On October 17, 2017, the Commercial Court of Paris handed down a decision ordering Onxeo to pay SpeBio the sum of 8.6 million euros for costs incurred before the termination, plus interest at the legal rate as of June 30, 2014 with compound interest (as well as 250,000 euros under Section 700 of the Code of Civil Procedure) and SpePharm the sum of 50,000 euros in damages (and 15,000 euros under Section 700 of Code of Civil Procedure). The Court also ordered provisional enforcement of the judgement. SpeBio is 50% jointly owned by Onxeo and SpePharm.

On October 20, 2017, Onxeo filed an appeal against this decision and filed its conclusions on January 9, 2018 with of the Paris Court of Appeal, in order to ensure that the appeal procedure is processed as soon as possible in the interest of its shareholders. In December 2018, the Court of Appeal rendered a decision ordering Onxeo to pay to SpeBio the additional sum of approximately 2.8 million euros as compensation for the damage resulting from costs incurred and loss of opportunity. On the other hand, the Court annulled the condemnation of EUR 50,000 that Onxeo had to pay to SpePharm as damages. The amount of 2.8 million euros was paid to SpeBio by Onxeo at the beginning 2019, operating a compensation with a debt of 1.5 million euros due by SpeBio, which SpeBio challenged. The enforcement judge (JEX) of the Tribunal de Grande Instance of Paris agreed with Onxeo in a judgment of April 17, 2019. Moreover, Onxeo lodged an appeal in the Court de cassation (highest French court) against the decision of the Paris Court of Appeal to challenge the amount of damages.

It is recalled that the procedure before the International Court of Arbitration of the International Chamber of Commerce (ICC) had been suspended pending the decision of the Commercial Court of Paris and then of the Court of Appeal. This arbitral procedure will therefore resume and Onxeo will do its best to seek compensation from SpePharm.

5. FORESEEABLE DEVELOPMENTS AND FUTURE PROSPECTS

In 2019, the Company will continue its value creation strategy based on the development of its therapeutic innovations until the proof-of-concept in man, to generate revenues through agreements with other pharmaceutical laboratories able to continue their development.

The company envisages the following main events:

- AsiDNA™ : submissions and publications of the results of preclinical and clinical studies in international scientific journals in the framework of the development plan aimed at establishing the potential of AsiDNA™, especially in association with other anticancer agents; first results of the phase 1b clinical study of AsiDNA™ in association with chemotherapy (DRIIV-1b) planned before the end of 2019; start in the second half of 2019 of at least one new study of association with other anticancer agents, in particular, the PARP inhibitors, in order to demonstrate the synergy of the association in man and / or the abrogation of the resistance to these treatments.
- PlatON™: proof of pre-clinical concept in vitro and in vivo of OX401, the new molecule originating from platON™, alone or in association with immunotherapies, before the end of 2019.
- Onxeo considers that, in light of its current activities, it has no specific comments on trends that might affect its recurring revenue and its general operating conditions since the date of the last financial period ending December 31, 2018, up to the publication date of this report.

5.1. MAIN INVESTMENTS FOR THE FUTURE AND FUTURE FUNDING POLICY

The main investments of the Company are the research and development expenses.

With a cash position of 6.3 million euros at June 30, 2019 and the implementation in June 2019 of an equity financing that can provide a maximum amount of 10.2 million euros, the Company has sufficient visibility to conduct its projects, particularly the expansion of the clinical development of AsiDNA™, at least until the third quarter of 2020 (this horizon is estimated based on an average share price of 0.75 euros). Moreover, the Company reserves the possibility to consolidate its financial resources through new non-dilutive financing or in the form of new capital raises, in parallel to a continuous search for new license agreements.

5.2. POST PERIOD SIGNIFICANT EVENTS

On July 1, 2019, the Company announced that the equity research company KEPLER CHEUVREUX had initiated the coverage of Onxeo with a "Buy" recommendation.

5.3. CHRONOLOGICAL SUMMARY OF SIGNIFICANT EVENTS OF THE FIRST SEMESTER AND EVENTS AFTER THE CLOSING OF THE PERIOD

January 3	Onxeo announces Identification of Predictive Biomarkers for AsiDNA™, its First-in-Class DNA Damage Response Inhibitor
February 13	Onxeo announces presentation of Five Preclinical Studies Highlighting AsiDNA™ Unique Profile and its clinical potential in Oncology at 2019 American Association for Cancer Research Annual Meeting
March 12	Onxeo Reports Full-Year 2018 Financial Results and Provides Business Update
March 25	Onxeo to Present Data supporting Lead Asset AsiDNA™ in 5 Poster Presentations at 2019 American Association for Cancer Research Annual Meeting
May 6	Onxeo announces Treatment of First Patient in DRIIV-1b, a Phase 1b Clinical Trial of AsiDNA™ in Combination with Chemotherapy
May 28	Onxeo announces final positive data from DRIIV-1 Phase 1 Study of AsiDNA™ in Advanced Solid Tumors
June 7	Onxeo renews its equity financing line with Nice & Green as part of the financing of its business and strategic activities
June 20	Onxeo expands its Pipeline with New Optimized Lead OX401 Entering Proof-of-Concept Preclinical Phase
July 1	The equity research company KEPLER CHEUVREUX initiates the coverage of Onxeo with a "Buy" recommendation

The full text of the news releases can be viewed on the Internet site of the Company (www.onxeo.com).

6. KEY TRANSACTIONS BETWEEN RELATED PARTIES

The transactions with other companies related to the Group within the meaning of paragraph 9 of IAS 24 standard relate exclusively to companies included in the scope of consolidation are not meaningful in the accounts at June 30, 2019.

7. HALF YEARLY CONSOLIDATED ACCOUNTS AT JUNE 30, 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in thousand €)	6/30/2019	12/31/18	Note
Non-current assets			
Goodwill	20,059	20,059	4
Acquired IP R&D	18,356	18,514	4
Tangible assets	3,215	296	5
Securities accounted for by the equity method	3,674	3,701	6
Other financial assets	222	304	
Total non-current assets	**45,526**	**42,874**	
Current assets			
Inventories	58	47	
Accounts receivable	2,965	3,260	7.1
Other receivables	4,130	5,815	7.2
Cash and cash equivalents	6,296	11,253	8
Total current assets	**13,448**	**20,376**	
TOTAL ASSETS	**58,974**	**63,250**	

LIABILITIES AND EQUITY (In thousand €)	6/30/2019	12/31/2018	
Equity			
Share capital	13,954	13,344	9.1
Less: treasury shares	-159	-97	9.1
Additional paid-in capital	43,263	41,824	9.1
Reserves	-9,513	-270	9.2
Net income/(loss) for the year	-8,510	-9,399	
Total equity	**39,034**	**45,402**	
Non-current liabilities			
Deferred tax liabilities	2,330	2,330	10.1
Provisions	859	531	10.2
Non-current financial debts	8,872	6,593	10.3
Total non-current liabilities	**12,062**	**9,455**	
Current liabilities			
Current financial debt	1,367	450	11.1
Trade payables	5,387	4,145	11.2
Other liabilities	1,125	3,798	11.3
Total current liabilities	**7,878**	**8,394**	
TOTAL LIABILITIES AND EQUITY	**58,974**	**63,250**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousand €	6/30/2019	6/30/2018	Note
Recurring revenues from licensing agreements	1,425	1,040	
Non recurring revenues from licensing agreements	278	1,062	
Total revenues	**1,703**	**2,102**	13.1
Purchases	-149	-211	
Personnel expenses	-2,545	-2,682	13.2
External charges	-5,837	-4,228	13.3
Taxes other than on income	-122	-196	
Depreciation and amortization, net	-225	-311	
Allowances to provisions, net	172	163	
Other operating income	82	0	
Other operating expenses	-14	-114	
Total operating expenses	**-8,637**	**-7,578**	
Current operating income / (loss)	**-6,934**	**-5,476**	
Other non-current operating income and expense	0	-4,627	13.4
Operating income / (loss)	-6,934	-10,103	
Share of results of associates	-28	0	
Operating income / (loss) after share of results of associates	**-6,962**	**-10,103**	
Income from cash and cash equivalents	18	0	
Other financial income	147	87	
Financial expenses	-1,716	-532	
Financial income	**-1,550**	**-444**	14
Income/(loss) before taxation	**-8,512**	**-10,547**	
Income tax	2	1,711	
of which, deferred taxes	0	*1,728*	
Net income/(loss)	**-8,510**	**-8,836**	
Result per share	-0.15	-0.17	15
Diluted earnings per share	-0.15	-0.17	

OTHER ELEMENTS OF THE STATEMENT OF COMPREHENSIVE INCOME

In thousand €	6/30/2019	6/30/2018	Note
Loss for the year	**-8,510**	**-8,836**	
Other comprehensive income	0	0	
Currency translation adjustments	5	17	
Gains and losses on derecognition of assets available for sale	0	0	
Cash flow hedges	0	0	
Tax relating to comprehensive income items	0	0	
Other items that may be reclassified to profit or loss	**5**	**17**	
Actuarial gains and losses	-52	0	
Other items that may not be classified to profit or loss	**-52**	**0**	
Other comprehensive income for the year, net of tax	**-47**	**17**	
Total comprehensive income for the year	**-8,557**	**-8,819**	
Total comprehensive income attributable to: - Owners of the parent company - Minority interests	-8,557	-8,819	

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

				Variations of reserves and earnings				
In thousand €	**Share capital**	**Treasury shares**	**Share premium**	**Currency translation reserves[6]**	**Gains and losses recorded as equity**	**Consolidated reserves and earnings**	**Total change**	**TOTAL**
Equity at 01/01/2017	**11 761**	**-97**	**255 960**	**-133**	**-102**	**-173 301**	**-173 535**	**94 089**
Total comprehensive income of the period				-19	-7	-59 071	-59 097	-59 096
Capital increase	913		13 100					14 013
Treasury shares		8				-68	-68	-60
Other movements[7]						-51	-51	-51
Share-based payment						980	980	980
Equity at 12/31/2017	**12 674**	**-89**	**269 060**	**-152**	**-108**	**-231 511**	**-231 771**	**49 874**
Total comprehensive income of the period				17		-8 836	-8 819	-8 819
Capital increase	10		38					48
Treasury shares		-7						-7
Other movements[6]			-229 205			230 048	230 048	843
Share-based payment						311	311	311
Equity at 06/30/2018	**12 684**	**-96**	**39 892**	**-135**	**-108**	**-9 988**	**-10 232**	**42 248**
Total comprehensive income of the period				26	11	-563	-525	-525
Capital increase	660		1 931					2 592
Treasury shares		-1				-15	-15	-16
Other movements[6]						487	487	487
Share-based payment						617	617	616
Equity at 12/31/2018	**13 344**	**-97**	**41 824**	**-109**	**-97**	**-9 462**	**-9 669**	**45 402**
Total comprehensive income of the period				5	-52	-8 510	-8 557	-8 557
Capital increase	610		1 439					2 049
Treasury shares		-63				-19	-19	-82
Other movements						-51	-51	-51
Share-based payment						273	273	273
Equity at 6/30/2019	**13 953**	**-159**	**43 263**	**-104**	**-150**	**-17 770**	**-18 023**	**39 034**

[6] A reclassification with regard to historical accounts published has been made, with regard to the classification between currency translation reserves and other reserves, leading to modification of currency translation reserve variation and of other reserves contained in the column "consolidated reserves and earnings". An explanation regarding this matter is provided in Note 9.2.

[7] This position includes an amount of 229,205 thousand euros corresponding to the compensation of negative carry-forward and premiums, in accordance with the decision of the extraordinary general meeting of June 19, 2018. It also includes, in the section "consolidated reserves and earnings", the impact of the enactment of the IFRS 15 at the beginning of 2018, which is reflected by an increase in consolidated reserves of 935 thousand euros.

CONSOLIDATED NET CASH FLOW STATEMENT

In thousand €	Note	06/30/2019	12/31/2018	06/30/2018
Consolidated net loss		**-8,510**	**-9.399**	**-8,836**
+/- Depreciation, impairment and provisions, net (excluding provisions against working capital)	4, 5	457	9,175	8,888
-/+ Unrealized gains and losses associated with changes in fair value				432
+/- Non-cash income and expenses on stock options and similar items	9.3	273	927	311
-/+ Other calculated income and expenses		-24	-173	-67
-/+ Capital gains and losses on disposal				
-/+ Dilution gains and losses				
+/- Share of earning associates	6	28	-5,176	
- Dividends (non-consolidated equity)				
Gross operating cash flow after net cost of debt and tax		**-7,776**	**-4,646**	**728**
+ Cost of financial debt, net	14	1,550	691	12
+/- Tax liabilities (including deferred tax)		0	-1,764	-1,728
Gross operating cash flow before net cost of debt and tax		**-6,226**	**-5,719**	**-988**
- Taxes paid				
+/- Changes in operating WCR (including debt related to employee benefits)		539	-5,546	-8,631
NET CASH FLOW FROM OPERATING ACTIVITES		**-5,686**	**-11,266**	**-9,620**
- Expenditures on acquisition of tangible and intangible assets		0	-45	-17
+ Proceeds of disposals of tangible and intangible assets				
- Expenditures on acquisition of financial assets (non-consolidated equity)		0	0	12
+ Proceeds of disposals of financial assets				
+/- Effect on changes in scope of consolidation				
+ Dividends received (equity accounted investment)				
+/- Changes in loans and advances granted				
+ Capital grants received				
+/- Other cash flows from investment activities		0	45	
NET CASH FLOW FROM INVESTING ACTIVITIES		0	**1**	**-5**
Cash flow resulting from merger				
+ Net amount received from shareholders on capital increase				
. Paid by shareholders of the parent company	9.1.1	2,043	2,747	48
. Paid by minority interest in consolidated companies				
+ Amount received on exercise of stock options				
-/+ Purchase and Sale of treasury shares			-150	-1
- Dividends paid in the year				
- Dividends paid to minority shareholders in consolidated companies				
'- Dividends paid to minority shareholders				
+ Amounts received on issuances of new loans			5,926	6,375
- Reimbursements of loans (including finance leases)		-750	-193	-77
- Net interest received		-34		
+/- Others cash flows from financing activities		-503	-81	-12
NET CASH FLOW FROM FINANCING ACTIVITIES		**756**	**8,250**	**6,333**
+/- Impact of fluctuations in foreign exchange rates		-27	-8	29
CHANGES IN CASH AND CASH EQUIVALENTS		**-4,958**	**-3,024**	**-3,263**
CASH AND CASH EQUIVALENTS at start of period		**11,253**	**14,277**	**14,277**
CASH AND CASH EQUIVALENTS at end of period		**6,296**	**11,253**	**11,014**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Onxeo is a clinical stage biotechnology company that develops new cancer-fighting drugs against cancer by targeting the functions of the tumor DNA by unique mechanisms of action in the very researched area of DNA damage response (DDR).

NOTE 1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The half-yearly consolidated financial statements of Onxeo at June 30, 2019 were approved by the Board of Directors of July 25, 2019. They have been established in accordance with the International Accounting Standards (IFRS) applicable within the European Union for the interim financial information (IAS 34) authorizing the submission of selected notes. The consolidated financial statements are thus presented in a summarized form and should be read in conjunction with the Group's annual financial statements at December 31, 2018, as included in the registration document filed with the AMF on April 5, 2019.

The accounting principles and methods used for the consolidated financial at June 30, 2019 are identical to those used in the consolidated financial statements at December 31, 2018, and IFRS standards, amendments and interpretations as adopted by the European Union and the IASB, of mandatory application for the years open as of January 1, 2019 (and which had not been applied pre-emptively by the Group), and namely:

Standard	Description
IFRS 16	Lease agreements
Amendments to IAS 12	Tax consequences of distributions
Amendments to IAS 19	Staff benefits: modification, reduction or liquidation of a plan
Amendments to IAS 28	Long-term interests in associated enterprises and joint ventures
Amendments to IFRS 9	Early repayment options
Amendments to IFRS 3	Variations of interest in a joint operation
Amendments to IAS 23	Fate of specific borrowing costs when the financed asset is ready to be used
IFRS 23	Uncertainty relating to tax treatment

The impact of these standards, amendments and interpretations in the consolidated financial statements at June 30, 2019 is not significant, with the exception of the IFRS 16 as described above.

Moreover, the Group has chosen not to apply the new standards, standards amendments and interpretations pre-emptively when the mandatory application is later than June 30, 2019, whether or not they have been adopted by the European Union. The impact of these standards and amendments is currently being analyzed.

Change in accounting methods

As of January 1, 2019, the Group has applied the IFRS 16 standard relative to lease agreements, replacing IAS 17, Leases, IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Assessing the Substance of Transactions in Legal Form of a Lease". When entering into a lease agreement with fixed payments, this standard required recording a liability on the balance sheet corresponding to the updated future payments, in consideration for a right to use the asset amortized over the duration of the agreement. The Group applies the "modified retrospective" transition method which sets forth posting a liability on the transition date equal to the updated residual thresholds, in consideration for a usage right posted in property, plant and equipment and amortized. All the impacts of the transition are recorded in consideration for equity. In accordance with the standard, the comparative information is not restated.

The Group applied the exemption provided by the standard for contracts involving low value assets (less than 5,000 euros).

Under the new standard, the Group has determined the lease term, including the option for extension or termination agreed to by the lessee. The valuation of these options was made at the beginning of a lease and required the judgment of management. The valuation of lease liabilities at the present value of lease payments remaining required using an appropriate discount rate in accordance with IFRS 16. The discount rate is the interest rate implicit in the lease agreement. or, if it cannot be determined, at the additional borrowing rate on the date of the beginning of the lease.

In accordance with IFRS 16, the Company applies a single discount rate to assets with similar characteristics, as follows:

- 2% for the property rental contract, corresponding to the market rate for financing over the remaining period of the lease,
- 5% for operating lease contracts, corresponding to the average internal rate of return of the contracts in question.

The impact of the entry into force of IFRS 16 as of January 1, 2019 resulted in an increase in the Company's financial debts of € 2,920 thousand (variation versus financial lease debt booked as of December 31, 2018 in accordance with IAS 17) and an increase in property, plant and equipment of € 3,220 thousand (see note 5).

The reconciliation between the amount of the lease operating asset recognized as at January 1, 2019 and the off-balance sheet commitments for leases disclosed as at December 31, 2018 is broken down as follows:

	In thousand €
Off-balance sheet commitments on commercial leases on 31/12/2018	**3,142**
Previously restated contracts in accordance with IAS 17	133
Contracts benefiting from an exemption under IFRS 16	-12
Discounting impact on the period adopted for IFRS 16	-237
Difference in the durations retained between off-balance sheet commitments and IFRS 16	0
Non-material off-balance sheet commitments	27
Impact of changes in the benchmark rent revaluation index	0
Rehabilitation costs	300
Total lease operating assets on 01/01/2019	**3,353**

Contracts previously restated in accordance with IAS 17 were exclusively finance lease contracts whose value is now included in the amount of the lease operating asset in accordance with IFRS 16.

The table below shows the impact of the transition from IAS 17 to IFRS 16 on the consolidated statement of income as at June 30, 2019:

In thousand €	30/06/2019 before IFRS 16	IFRS 16 impact	30/06/2019 published
Recurring revenues from licensing agreements	1,425		1,425
Non recurring revenues from licensing agreements	278		278
Total revenues	**1,703**		**1,703**
Purchases	-149		-149
Personnel expenses	-2,545		-2,545
External charges	-6,093	256	-5,837
Taxes other than on income	-122		-122
Depreciation and amortization, net	42	-268	-225
Allowances to provisions, net	172		172
Other operating income	82		82
Other operating expenses	-14		-14
Total operating expenses	**-8,626**	**-12**	**-8,637**
Current operating income / (loss)	**-6,923**	**-12**	**-6,934**
Other non-current operating income and expense	0		0
Operating income / (loss)	**-6,923**	**-12**	**-6,934**
Share of results of associates	-28		-28
Operating income / (loss) after share of results of associates	**-6,950**	**-12**	**-6,962**
Income from cash and cash equivalents	18		18
Other financial income	147		147
Financial expenses	-1,681	-34	-1,716
Financial income	**-1,516**	**-34**	**-1,550**
Income/(loss) before taxation	**-8,466**	**-46**	**-8,512**
Income tax	2		2
Net income/(loss)	**-8,464**	**-46**	**-8,510**

The table below shows the impact of the transition from IAS 17 to IFRS 16 on the consolidated statement of cash flows as of June 30, 2019:

In thousand €	30/06/2019 before IFRS 16	IFRS 16 impact	30/06/2019 published
Net cash flow from operating activites	-5,908	222	-5,686
Net cash flow from investing activities	0	0	0
Net cash flow from financing activities	978	-222	756
Impact of fluctuations in foreign exchange rates	-27	0	-27
Changes In Cash And Cash Equivalents	**-4,958**	**0**	**-4,958**

Use of estimates

As at December 31, 2018, the Group's Executive Committee has used estimates to establish financial statements for the calculation of:

- The market value of R&D programs acquired in the case of groupings of companies (mergers and acquisitions) - see Note 4,
- Payments based on shares - see Note 9.3,
- Retirement commitments and provisions - see Note 10.2.1,
- Recognition of amounts received in the context of license agreements in the turnover - see Note 13.1.

- Supplier debts provisioned at the closure in relation with the ongoing clinical trials,
- Royalties of the second quarter of 2019 from partner Acrotech calculated on the basis of the actual quantities sold assessed on the basis of historical unit prices.

Going concern

The financial statements have been prepared in application of the principle of going concern. This principle has been accepted by the Board of Directors taking account of the following elements: the company has a consolidated net cash position of 6.3 million euros at June 30, 2019 and enjoys a line of equity financing set up in June 2019 with Nice & Green that could bring total gross proceeds of maximum 10.2 million euros. This amount of 10.2 million euros, corresponding to the creation of a maximum of 12 million new shares, is achievable provided that the average price of the Onxeo share during the period is at least equal to €0.894 (before discount).

Taking account of the Company's development plans, the net amount of cash necessary for the continuation of Company activities during the next 12 months, until the end of July 2020, is estimated at €4.7 M. The Company could fill this inadequacy of working capital fund during the next 12 months by means of a line of equity financing if the mean price of the Onxeo share during the period is at least equal to €0.41 before discount (or €4.7 M / 12,000,000 shares / 5% discount). Based on an average price of 0.75 euro per share, the Company would be able to extend its cash runway at least until the third quarter of 2020. Other sources of funding are being explored by the Company, in particular through agreements with financial or industrial partners.

NOTE 2: SCOPE OF CONSOLIDATION

The Group includes the Onxeo SA Company, which focuses the bulk of the activity in Paris, as well as in its Danish branches in Copenhagen, and its subsidiaries listed below:

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

All the subsidiaries are 100% owned and consolidated in overall integration, with the exception of SpeBio, a joint-venture owned in 50%, valued by the equity method.

NOTE 3: SECTOR INFORMATION (IFRS 8)

The Group as a whole constitutes a single sector of activity. In accordance with the IFRS 8.32 and 33, information on the distribution of the turnover by geographical area and by portfolio of products is provided in Note 13.1. It is specified in reference to this standard that the Group's non-current assets are localized mainly in France, Denmark and the United Kingdom.

The Group's main customers, whose share of consolidated revenue is greater than 10%, are Spectrum Pharmaceuticals and Biogen.

NOTE 4: INTANGIBLE ASSETS

In thousand €	12/31/18	Increase	Decrease	6/30/2019
R&D assets				
Beleodaq®	68,700			68,700
AsiDNA™	2,472			2,472
Goodwill	20,059			20,059
Other intangible assets	420			420
Total gross value	**91,651**			**91,651**
Amortization of R&D assets of Beleodaq®	-5,998	-158		-6,156
Other amortization	-419			-419
Total amortizations	**-6,417**	**-158**		**-6,575**
Depreciation of R&D assets of Beleodaq®	-46,661			-46,661
Total impairment	**-46,661**			**-46,661**
TOTAL	**38,573**	**-158**		**38,415**

4.1 R&D assets

The research and development costs incurred in the first half of 2019 were recorded as charges for an amount of 5.6 million euros, including 1 million euros for staff costs and 4.6 million euros for the external costs and the related costs and regulatory fees and taxes. No new significant development costs have been committed on products registered by the Company. As a result, there has been no capitalization development costs of during the semester.

The R&D assets have been subject to depreciation in the amount of 158 thousand euros in the semester. This depreciation corresponds to assets related to the Beleodaq® product for its second-line indication in the treatment of peripheral T-cell lymphoma, generating revenue through the marketing by the partner Acrotech Biopharma. These assets are amortized over the estimated duration of the product marketing for this indication (17 years, until 2031).

4.2 Search for indications of loss of value and impairment test

The R&D assets acquired in the context of the merger with Topotarget and the acquisition of DNA Therapeutics, respectively belinostat (Beleodaq®) in its current indication for the treatment of peripheral T-cell lymphoma and in its possible future indications and AsiDNA™, as well as the goodwill, are the subject of impairment tests at least once a year in accordance with IAS 36. At June 30, 2019, no indication of loss of value has been identified with regard to these assets and no new impairment test have been performed. The value in use determined at December 31, 2018 is considered to reflect the recoverable value of these assets. This value in use was determined using the projected cash flow method based on the Company's extended financial plan until 2040. A discount rate of 17.6% was applied to these cash flows, taking into account the market risk and the specific risks related to Onxeo. In coherence with the absence of indication of loss of value, no sensitivity tests have been presented in the 2019 semi-annual financial statements.

NOTE 5: TANGIBLE ASSETS

In thousand €	12/31/18	First application of IFRS 16	Increase	Decrease	6/30/2019
Operating lease assets	133	3 220			3 353
Other tangible assets	3 121				3 121
Total gross value	**3 254**	**3 220**			**6 474**
Amortization of operating lease assets		-268			-268
Other amortization	-2 800		-33		-2 833
Total amortizations	**-2 800**	**-268**	**-33**		**-3 101**
Depreciation of other tangible assets	-158				-158
Total depreciation	**-158**				**-158**
TOTAL	**296**	**2 952**	**-33**		**3 215**

The change in tangible assets is mainly due to the capitalization of a right to use the assets leased pursuant to IFRS 16, which came into force on January 1, 2019 (see Note 1).

Other tangible assets consist of office and laboratory facilities and equipment, largely depreciated.

NOTE 6: FINANCIAL ASSETS

Financial assets of 3,896 thousand euros at June 30, 2019, are basically constituted of securities treated on the basis of the equity method of the subsidiary SpeBio for an amount of 3,674 thousand euros. These securities were valued based on Onxeo's 50% equity interest in SpeBio. Even though SpeBio's assets are not immediately available, the Group estimates the time value to be insignificant and has not taken it into account in evaluating the value of the securities. The Group's share of income from equity affiliates for the semester is a loss of 28 thousand euros.

NOTE 7: OTHER ASSETS

7.1 Trade receivables

In thousand €	6/30/2019	< 1 year	> 1 year	12/31/18
Net trade receivables	2,965	2,965		3,260

Trade receivables are mainly made of the income to be received from the company Vectans corresponding to milestone payments (contractual royalties) received by Vectans and its partners and the payment of which to Onxeo is deferred to the beginning of 2020, as per contract, for an amount of 1,995 thousand euros. At December 31, 2018, this receivable was recorded in other receivables and has been reclassified under trade receivables for an amount of € 1,781 thousand.

This position also includes receivables concerning the partner Acrotech Biopharma, corresponding to the sales royalties for Beleodaq® in the United States for 523 thousand euros, as well as receivables associated with the sales of products under the NPP (Named Patient program) for Beleodaq® for 442 thousand euros. The breakdown of trade receivables according to their due dates is as follows (in thousands €):

Total recevables	Amount due	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days	Amount not due
969	**153**	**84**	**0**	**0**	**0**	**69**	**816**

7.2 Other credits

In thousand €	6/30/2019	< 1 year	> 1 year	12/31/18
Research tax credit	3,200	3,200		2,454
Other tax credits	528	528		648
Other credits	19	19		1,541
Prepaid expenses	383	383		1,172
Net value of other credits	**4,130**	**4,130**		**5,815**

The "research tax credit" position corresponds to the amount receivable established at December 31, 2018 by Onxeo SA for an amount of 2,454 thousand euros, not yet cashed, and the accumulation of tax credit of the first half of 2019 of an amount of 745 thousand euros. This debt is recoverable in advance and is therefore classified as due in full at less than one year. In accordance with the standard IAS 20, the research tax credit for the first semester of 2019 was presented as a reduction of cost positions as a function of their nature, as follows:

In thousand €	6/30/2019	12/31/18
Decrease in personnel costs	212	480
Decrease in external costs	516	1,925
Decrease in depreciation and amortization	17	48
Total research tax credit	**745**	**2,454**

The other tax credits are for the most part related to the deductible VAT as well as to a VAT credit whose refund has been requested by the Company.

The variation of other receivables is basically associated with the repayment of the loan granted to the subsidiary SpeBio for an amount of 1,475 thousand euros as explained in Note 11.3. In addition, receivables from Vectans, recognized in other receivables at December 31, 2018 for an amount of 1,781 thousand euros, have been reclassified under trade receivables (see note 7.1).

NOTE 8: CASH AND CASH EQUIVALENTS

In thousand €	Net values at 06/30/2019	Net values to 12/31/2018	Variations of cash and cash equivalents
Availabilities	6,296	11,253	-4,958
Total of net cash flow	**6,296**	**11,253**	**-4,958**

The variation in net cash flow is linked mainly to the operational expenditure of the company, in particular in the field of research and development, for an amount of 6.6 million euros, partially offset by the receipt of license and direct sales revenues under the controlled access program for Beleodaq® for 1.1 million euros. The setting up of a line of equity financing with the partner Nice & Green gave rise to a capital increase of 2 million euros over the period. Moreover, the company paid the amount of 1.3 million euros to its subsidiary SpeBio resulting from the offset between the penalty posted at the end of 2018 (see note 11.3) and the current account due by the subsidiary (see note 7.2).

The availabilities on the accounts in euros and dollars opened in first-rank banking institutions, mainly in France and Denmark.

NOTE 9: EQUITY

9.1 Share capital

9.1.1. Evolution of the composition of the share capital

		Nominal	Number of shares	€
Shares fully paid up at 12/31/2018		0.25	53,376,375	13,344,093.75
Line of equity financing capital increase	(1)	0.25	2,416,134	604,033.50
AGA acquired capital increase	(2)	0.25	22,213	5,553.25
Shares fully paid up at 6/30/2019		**0.25**	**55,814,722**	**13,953,680.50**

(1) Increase of capital in relation to the exercise of share subscription warrants under the line of funding by loan implemented with Nice & Green. 2,416,134 new shares with a nominal value of 0.25 euro each were issued over the 2019 half-year at a price within a range from 0.7423 to 0.9611 euro, which corresponds to an increase in the share capital of 604 thousand euros with a share premium of 1,418 thousand euros.

(2) Issuance of 22,213 free shares granted in 2017, finally acquired over the semester, at a par value of 0.25 euros each, or the amount of 6 thousand euros.

9.1.2. Own shares

In accordance with the standard IAS 32 §33, own shares acquired in the framework of the liquidity agreement signed with Keple Cheuvreux were reported in form of deduction from equity, for an amount of 159 thousand euros. The losses on the redemptions of shares at June 30, 2019 for an amount of 19 thousand euros have been reported as a deduction from income in accordance with the standard.

9.2 Reserves

The variation in conversion reserves in 2017 and 2018 presented in the published consolidated financial statements at December 31, 2018 (see page 89 of the Registration Document), respectively amounts to -2,528 and 2,899 thousand euros. These amounts include a reclassification between the conversion reserves and other reserves, since the used previously methodology did not allow an appropriate breakdown between these two categories of reserves. Please note that this reclassification has no impact on the net result or any other balance sheet item.

If the methodology of classification between conversion reserves and other reserves had been correctly applied, the variation of the conversion reserve would be established as follows:

- Fiscal Year 2017: debt movement of 19 thousand euros instead of a debt movement of 2,528 K thousand euros
- 1st semester 2018: credit movement of 17 thousand euros instead of a credit movement of 2,201 K thousand euros
- Fiscal Year 2018: credit movement of 43 thousand euros instead of a credit movement of 2,899 thousand euros

The variations described above are being offset within other reserves.

The above reclassifications have been included in the consolidated statement of changes in equity presented above.

9.3 Share-based payments

All information concerning stock-options, free share and share subscription warrants granted by the Group is presented below.

The charge of the semester relating to share-based payments represents 273 thousand euros, against 311 thousand euros in the first half of 2018.

The Board of Directors of July 25, 2019 declared the cancellation as of right, due to reasons attributable to departure of employees, od stock-options (SO) and free shares (AGA), and namely 2,600 SO SAL 2010, 1,000 SO SAL 2011, 1,000 SO SAL 2012, 1,000 SO SAL 2013, 10,500 SO SAL 2014, 3,625 SO SAL 2015, 8,800 SO SAL 2016, 18,725 SO SAL 2017, 94,078 SO SAL 2018 and 43,952 AGA SAL 2018. The impact of these cancellations is a decrease of the total cost by 36 thousand euros.

9.3.1. Summary of share subscription warrants at June 30, 2019 (BSA)

Type	Date of authorization	Number of BSA authorized	Date of attribution	Number of BSA attributed	Beneficiaries	BSA in circulation at 06/30/2019 adjusted (1)	BSA exercisable at 06/30/2019 adjusted (1)	Price of subscription per share in euros adjusted (1)	The expiration date
2013 BSA	06/26/2013 Resolution 17	100,000	9/19/2013	85,000	Non-employees, not executives and members of the Board	88,490	88,490	3.85	9/19/2023
2014 BSA	6/30/2014 Resolution 19	314,800	9/22/2014	107,500	Non-employees, not executives and members of the Board	85,886	85,886	6.17	9/22/2024
			3/4/2015	35,500		19,000	19,000	6.26	3/4/2025
2015 BSA	5/20/2015 Resolution 18	405,000	10/27/2015	80,000	Non-employees, not executives and members of the Board	65,000	65,000	3.61	10/27/2025
2015 BSA -2			1/23/2016	90,000	Non-employees, not executives and members of the Board	90,000	90,000	3.33	1/23/2026
2016 BSA	4/6/2016 Resolution 23	405,520	7/28/2016	260,000	Non-employees, not executives and members of the Board	160,000	160,000	3.16	7/28/2026
2016-2 BSA			10/25/2016	30,000	Key consultants of the Company	30,000	30,000	2.61	10/25/2026
2016-3 BSA			12/21/2016	70,000	Non-employees, not executives and members of the Board	52,500	52,500	2.43	12/21/2026
2017 BSA	5/24/2017 Resolution 29	470,440	7/28/2017	340,000	Non-employees, not executives and members of the Board	300,000	300,000	4.00	7/28/2027
2018 BSA	6/19/2018 Resolution 28	360,000	7/27/2018	359,500	Board members who are not employees or executives	274,500	274,500	1.187	7/27/2028
2018-2 BSA			10/25/2018	85,000	Board members who are not employees or executives	85,000	85,000	1.017	10/25/2028
2019 N&G BSA	6/19/2018 Resolution 20	12,000,000	6/7/2019	12,000,000	Nice & Green S.A.	11,800,000	11,800,000	Variable	
TOTAL						**13,050,376**	**13,050,376**		

(1) Adjustment of the number and the subscription price of warrants as a result of the increases in capital of July 2011, July 2013 and December 2014, in accordance with Article L.228-99 of the Commercial Code (CA of July 28, 2011, of November 14, 2013 and January 22, 2015)

9.3.2. Summary of share subscription options at June 30, 2019 (SO)

Designation of the plan	Date of authorization	Number of options authorized	Date of attribution	Number of options attributed	Beneficiaries	Options in circulation at 06/30/2019 adjusted (1)	Options exercisable at 06/30/2019 adjusted (1)	Price of subscription per share in euros adjusted (1)	The expiration date
2010 Employee SO (1)	4/22/2010 Resolutions 20 and 21	150,500	8/25/2010	120,800	employees	16,016	16,016	5.28	8/25/2020
2010 Employee SO (2)			12/16/2010	16,000	employees	4,319	4,319	5.23	12/16/2020
2010 Executive SO		25,000	8/25/2010	25,000	executives	10,791	10,791	5.28	8/25/2020
TOTAL SO 2010		**175,500**		**161,800**		**31,126**	**31,126**		
2011 Employee SO (1)	6/29/2011 Resolutions 16 and 17	300,000	9/21/2011	218,500	employees	38,206	38,206	3.63	9/21/2021
2011 Executive SO		210,000		210,000	executives	219,782	219,782	3.63	9/21/2021
TOTAL SO 2011		**510,000**		**428,500**		**257,988**	**257,988**		
2012 Employee SO	5/31/2012 Resolutions 13 and 14	333,000	9/13/2012	268,000	employees	90,522	90,522	3.75	9/13/2022
2012 Executive SO		110,000		110,000	executives	103,597	103,597	3.75	9/13/2022
TOTAL SO 2012		**443,000**		**378,000**		**194,119**	**194,119**		
2013 Employee SO	06/26/2013 Resolution 15	283,000	9/19/2013	195,500	employees	69,235	69,235	3.85	9/19/2023
TOTAL SO 2013		**283,000**		**195,500**		**69,235**	**69,235**		
2014 Employee SO	6/30/2014 Resolution 17	314,800	9/22/2014	138,700	employees	22,720	22,720	6.17	9/22/2024
2014 Executive SO				40,000	executives	34,487	34,487	6.17	9/22/2024
TOTAL SO 2014		**314,800**		**178,700**		**57,207**	**57,207**		
2015 Employee SO	5/20/2015 Resolution 16	405,000	10/27/2015	290,000	employees	68,750	51,750	3.61	10/27/2025
2015 Executive SO				60,000	executives	60,000	45,000	3.61	10/27/2025
TOTAL SO 2015		**405,000**		**350,000**		**128,750**	**96,750**		
2016 Employee SO	6/4/2016 Resolution 22	405,520	7/28/2016	333,500	employees	113,250	57,150	3.16	7/28/2026
2016 Executive SO				70,000	executives	56,000	28,000	3.16	7/28/2026
TOTAL SO 2016		**405,520**		**403,500**		**169,250**	**85,150**		
2017 Employee SO	5/24/2017 Resolution 26	470,440	7/28/2017	347,800	employees	162,025	40,507	4.00	7/28/2027
2017 Executive SO				70,000	executives	63,000	15,750	4.00	7/28/2027
TOTAL SO 2017		**470,440**		**417,800**		**225,025**	**56,257**		
2018 Employee SO	6/19/2018 Resolution 27	970,000	7/27/2018	758,604	employees	628,769	0	1.187	7/27/2028
2018 Executive SO			12/16/2010	150,723	executives	150,723	0	1.187	7/27/2028
TOTAL SO 2017		**970,000**		**909,327**		**779,492**	**0**		
TOTAL SO						**1,912,442**	**847,832**		

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

9.3.3 Summary of rights to free shares at June 30, 2019

Designation of the plan	Date of authorization	Number of free shares authorized	Date of attribution	Number of shares attributed	Beneficiaries	Rights to free shares in circulation at 06/30/2019
2018 Employee AGA	6/19/2018 Resolutions 25 and 26	735,000	7/27/2018	552,170	employees	491,574
2018 Executive AGA				140,778	executives	140,778
TOTAL 2018 AGA				**692,948**		**632,352**
TOTAL AGA				**692,948**		**632,352**

NOTE 10: NON-CURRENT LIABILITIES

10.1 Deferred tax liability

This position contains a deferred tax liability of 2,640 thousand euros relative to research and development assets acquired in the context of the merger with Topotarget in June 2014 and corresponding to the deferred taxation of merger gains for which a tax suspension has been obtained from the Danish tax authorities. This amount is partially offset by a deferred tax asset of 310 thousand euros, taking account of the tax loss carryforwards of the Danish institution Onxeo DK.

10.2 Provisions

In thousand €	12/31/18	Allowances	Write backs		6/30/2019
			Used	Not used	
Pension commitments	404	59		30	433
Provision for litigation and other	127	0		0	127
Provision for works		300			300
Total non-current provision for litigation and other	**531**	**359**		**30**	**859**

10.2.1. Pension commitments (IAS 19 revised)

The provision for pension commitments amounted to 433 thousand euros against 404 million euros at December 31, 2018. An actuarial difference of 52 thousand euros has been recognized in equity as a debit to the reserve account.

The actuarial assumptions are the following:

	6/30/2019	12/31/18
Collective bargaining agreement	Pharmaceutical sector	Pharmaceutical sector
Age of retirement	Between ages 65 and 67 under the Pension Reform Act of November 10, 2010	Between ages 65 and 67 under the Pension Reform Act of November 10, 2010
Calculation date	6/30/2019	12/31/18
Table of Mortality	INSEE 2018	INSEE 2018
Discount rate	0.91%	1.70%
Salary adjustment rate	2%	2%
Salary rotation rate	Structured by age: - 0% from 16 to 24 years - 3.70 % from 25 to 34 years - 6.02 % from 35 to 44 years - 0.93 % from 45 to 54 years - 0.00% above 55 years of age	- 0% from 16 to 24 years - 3.70 % from 25 to 34 years - 6.02 % from 35 to 44 years - 0.93 % from 45 to 54 years - 0.00% above 55 years of age
Employer contributions	46% for Onxeo FR	46% for Onxeo FR

10.2.2. Other provisions

The provisions for litigation and other of an amount of 127 thousand euros correspond to disputes with former employees.

The provision for works relates to a reconditioning obligation at the end of the head office lease, recognized as part of the first application of IFRS 16 as of January 1, 2019.

10.3 Non-current financial debt

The other non-current liabilities include the debenture financing granted by US investor SWK Holdings in the amount of 6,245 thousand euros as of June 30, 2019. Since this debt is repaid by means of royalties paid by the partner Acrotech Biopharma on the future sales of Beleodaq® in the United States, the amount of which has not been communicated by Acrotech Biopharma, it is not possible to provide a breakdown by maturity.

This position also includes the share at more than one year of lease-related debt under IFRS 16, amounting to 2,382 thousand euros.

In addition, it includes the share at more than one year of repayable advances of Bpifrance for the financing of R&D programs of the Company, as detailed below.

In thousand €	6/30/2019	< 1 year	From 1 to 5 years	More than 5 years
AsiDNA™	447	202	245	0

NOTE 11: CURRENT LIABILITIES

11.1. Current financial debt

This position includes the impact of the mark-to-market revaluation of the share purchase warrants issued under the line of equity financing with Nice & Green for an amount of 713 thousand euros. It also includes the short-term share of the debt relating to lease agreements for an amount of 449 thousand euros and repayable advances for an amount of 202 thousand euros.

11.2 Debts to suppliers

In thousand €	6/30/2019	12/31/18
Trade debts and other accounts payable	5,387	4,145

The evolution of the trade debts is mainly associated with the seasonality of expenses within R&D activities.

11.3 Other liabilities

The position "other liabilities" includes mainly employee-related debts, tax debts and other debts.

In thousand €	6/30/2019	12/31/18
Employee-related debts and assimilated	876	745
Tax debts	189	162
Other liabilities	59	2,891
Total	**1,125**	**3,798**

The variation of "other liabilities" is mainly due to the payment of 2,868 thousand euros at the beginning 2019, borne by Onxeo at the end of 2018 in the context of the conflict with SpeBio and SpePharm.

NOTE 12: FINANCIAL INSTRUMENTS

In thousand €	Category in application of IAS 39	Net at 12/31/2018	Net at 6/30/2019	Balance sheet amounts according to IAS 39			Fair value in accordance with IFRS7
				Amortized cost	Fair value in equity	Fair value in the result	
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	1,479	2,965	2,965	0	0	2,965
Other credits	P&C	7,597	4,130	4,130	0	0	4,130
Security deposits	P&C	127	127	127	0	0	127
Other assets available for sale	ADV	177	95	0	0	95	95
Cash and cash equivalents	AJVPR	11,253	6,296	6,296	0	0	6,296
Total assets		**20,633**	**13,612**	**13,517**	**0**	**95**	**13,612**
Bond loans	DACA	6,267	6,245	6,245	0	0	6,245
Debt borrowing / Credit inst.	DACA	133	105	2,831	0	0	2,831
Derivatives at fair value	PJVPR	154	713	0	0	713	713
Trade payables	DACA	4,145	5,387	5,387	0	0	5,387
Other debts/ other liabilities	DACA	3,798	1,125	1,125	0	0	1,125
Total liabilities		**14,498**	**16,301**	**15,588**	**0**	**713**	**16,301**

The financing operations in the course of the year have been treated as follows in relation to IAS 9:

- The share subscription warrants issued for the benefit of Nice & Green representative of derivative instruments have been revalued at fair value by counterpart of the financial result.

Breakdown of financial assets and financial liabilities at fair value:

The table below presents the financial instruments at fair value divided by level:

- Level 1: financial instruments traded on an active market
- Level 2: Financial instruments whose fair value is assessed by comparisons with transactions of observable markets for similar instruments or based on a method of evaluation whose variables include only data from observable markets
- Level 3: financial instruments whose fair value is determined in full or in part by means of an assessment method based on an estimate not based on prices of market transactions on similar instruments.

In thousand €	Level 1	Level 2	Level 3
Derivatives at fair value through profit and loss	0	0	0
Derivatives at fair value through equity	0	0	0
Financial assets available for sale	0	95	0
Monetary assets available for sale	0	0	0
Total financial assets	**0**	**95**	**0**
Derivatives at fair value through profit and loss	0	713	0
Derivatives at fair value through equity	0	0	0
Total financial liabilities	**0**	**713**	**0**

NOTE 13: OTHER OPERATIONAL INCOME AND CHARGES

13.1 Turnover

In thousand €	6/30/2019	6/30/2018
Recurring revenue from license agreements	1,425	1,040
Non-recurring revenue from license agreements	278	1,062
Total turnover	**1,703**	**2,102**

The recurring revenue comes from direct sales of Beleodaq® in the context of the European Named Patient Program (NPP) and from royalties on sales of Beleodaq® in the United States by partner Acrotech Biopharma. These two activities each contributed to the increase in recurring revenue from the previous year.

The non-recurring revenue is basically constituted of contractual license payment attached to goodwill assigned to the company Vectans in 2017, from which Onxeo continued to benefit.

In accordance with the IFRS 8.32 and 33, the table below specifies the origin of the revenue in terms of geographical area as well as with regard to two product portfolios of the company:

Breakdown of the turnover in thousand euros	6/30/2019	6/30/2018
Oncology products	1,510	2,087
Other products	193	15
Total	**1,703**	**2,102**
France	361	0
Rest of Europe	176	312
Rest of the world	1,166	1,790
Total	**1,703**	**2,102**

13.2 Personnel Costs

Personnel costs are broken down as follows:

In thousand €	6/30/2019	6/30/2018
Salaries	1,743	1,930
Expenses	740	701
Employee benefits (IFRS 2)	273	311
Deduction of research tax credit	-212	(260)
Total	**2,545**	**2,682**

The variation of salaries and expenses compared to 2018 is related to the change in the workforce.

The total workforce was 33 persons (employees and officers) at June 30, 2019 against 37 at the end of June 2018.

13.3 External Costs

The external costs are composed of the following positions:

In thousand €	6/30/2019	6/30/2018
R&D expenses	4,554	2,793
Deduction of research tax credit	-516	-866
General and administrative expenses	1,799	2,301
Total	**5,837**	**4,228**

The increase in R&D costs is basically explained by the deployment of AsiDNA™'s preclinical and clinical programs, as well as the work done on the PlatON™ platform that enabled the start of the new OX401 program.

13.4. Other operating revenue and expenses

The variation is associated with posting exceptional items in 2018 namely the depreciation of Beleodaq® R&D assets of 8,550 thousand euros partially offset by abandonment of a repayable advance granted by Bpifrance within the Livatag® program for 4,037 thousand euros.

NOTE 14: FINANCIAL RESULT

The financial result was negative in the amount of 1,550 thousand euros at June 30, 2019, against 444 thousand euros at June 30, 2018.

This loss is mainly due to:

- The valuation at their market value of the BSAs issued within the line of equity financing with Nice & Green for an amount of 663 thousand euros.
- The financial costs associated with the bond loan with SWK for an amount of 558 thousand euros.
- Negative exchange differences for an amount of 147 thousand euros.

NOTE 15: RESULT PER SHARE

In thousand €	6/30/2019	6/30/2018
Net income/(loss) attributable to holders of ordinary capital	-8,510	-8,836
Number of ordinary shares	55,814,722	50,735,653
Number of own shares	210,858	88,576
Result per share	**(0.15)**	**(0.17)**

NOTE 16: RELATED PARTIES

The transactions with other companies related to the Group within the meaning of paragraph 9 of IAS 24 standard did not have significant consequence for the financial statements at June 30, 2019.

NOTE 17: POST-CLOSING EVENTS

There were no events after the June 30, 2019 likely to have an impact on the financial statements.

8. CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

I certify that to the best of my knowledge, the consolidated half-yearly financial statements have been prepared in accordance with accounting standards in force, and give a faithful image of assets, the financial situation as well as of the results of the company and all the companies included in the consolidation, and that the half-yearly management report (presented in Chapter 3 of this report) gives a faithful image of important events during the course of the first six months, their impact on the accounts, the main transactions between related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Paris, July 25, 2019

Ms. Judith Greciet

CEO

9. REPORT OF AUDITORS ON THE HALF-YEARLY FINANCIAL INFORMATION OF 2019

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S.A. with the capital of € 2,297,184
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344 366 315 R.C.S. Nanterre

Statutory Auditor
Member of the regional company of
Versailles.

Period from January 1 to June 30, 2019

Statutory auditors' review report on the half yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Onxeo, for the period from January 1 to June 30, 2019,
- the verification of the information presented in the half-yearly management report.

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

1. Conclusion on the Financial Statements

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

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

Without qualifying our conclusion, we draw your attention to Note 1 “Basis of preparation of the financial statements” of “Change in accounting methods” paragraph to the condensed half-yearly consolidated financial statements, regarding the impacts of the first application of IFRS 16 “leasing”.

2. Specific verification

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

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

Neuilly-sur-Seine and Paris-La Défense, July 25, 2019

The Statutory Auditors
French original signed by

GRANT THORNTON	ERNST & YOUNG Audit
Membre français de Grant Thornton International	
Samuel Clochard	Franck Sebag