CERENIS THERAPEUTICS HOLDING
Limited-liability company (société anonyme) with a Board of Directors and capital of EUR 894,913.15
Registered office: 265, rue de la Découverte, 31670 Labège
Toulouse Trade and Companies Register no. 481 637 718

Semi-Annual Financial Report
Half-Year ended June 30, 2016

(L451-1-2 III of the French Monetary and Financial Code
Article 222-4 et seq. of the AMF's GR)

This semi-annual financial report concerns the half-year ended on June 30, 2016 and was prepared in accordance with the provisions of Articles L. 451-1-2 III of the French Monetary and Financial Code 222-4 et seq. of the French Financial Markets Authority's (AMF) General Regulation.

It has been circulated in accordance with the provisions of Article 221-3 of the AMF's general regulation. It is available, in particular, on our company's website, at www.cerenis.com

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A. STATEMENT FROM THE PERSON IN CHARGE

I hereby certify that, to the best of my knowledge, the condensed consolidated financial statements for the half-year ended have been prepared in accordance with the applicable accounting standards and present a true and fair view of the financial position and earnings of the company and of all the companies included in the consolidation, and that the semi-annual business report on page 5 presents a true and fair reflection of the most significant events that occurred during the first six months of the year, their impact on the financial statements, the main related-party transactions as well as an overview of the principal risks and uncertainties for the remaining six months of the financial year.

September 2, 2016

Jean-Louis Dasseux

CEO

B. SEMI-ANNUAL ACTIVITY REPORT

- **Overview of the salient points of the activity**

a. Significant events

Cerenis launched an initial public offering on March 30, 2015 in compartment B of the Euronext Paris regulated market, by raising EUR 53.4 million through a capital increase.

Outline of the fund raising goals:

- To finance all the costs of the phase II study on the post-ACS indication (CARAT), the results of which should be available in the first quarter of 2017, including the manufacturing costs of the tested product;
- To finance all the costs of the phase III study on the FPHA orphan disease indication (TANGO), including the manufacturing costs of the tested product. This phase III study should support CER-001 market approval by 2018 for treating patients with genetically defined FPHA.
- To finance the Company’s regular activity.

The main factors which impacted the period from January 1, 2016 to June 30, 2016 were as follows:

- “CARAT” clinical trial

  A CARAT phase II clinical trial which evaluates the efficiency of CER-001 in the regression of atherosclerotic plaque in post-acute coronary syndrome (ACS) patients. This trial was carried out with 292 patients in four countries: Australia, Hungary, the Netherlands and the United States. During the first half-year, the CARAT clinical trial primarily involved recruitment of patients and this continued throughout the period. The recruitment ended after the reporting period at the end of August 2016.

- “LOCATION” clinical trial

  Cerenis announced on June 2, 2016 the publication in the science journal of the European Atherosclerosis Society (EAS) of the results of the “LOCATION” clinical trial which demonstrates the functionality of CER-001. This trial had been carried out in the first half of 2015.

- “TANGO” clinical trial

  A Phase III (TANGO) trial for the FHPA orphan disease indication intended to assess the effect of six months of chronic treatment by CER-001 with 30 patients suffering from HDL deficiency. Patients are still being recruited for the trial.

b. Overview

i. Overview

Cerenis is a biotechnology company whose core business is R&D in new HDL (“good cholesterol”) therapies to treat cardiovascular and metabolic diseases.
To this date, the Company has been in an R&D phase and has therefore not generated any revenue.
The Company operates out of Toulouse (France) and out of Ann Arbor (United States). The Company’s headquarters are in Toulouse.
Since it was founded in 2005, the Company has been financed through:

- capital increases
- rebates received under the French Research Tax Credit (CIR) governmental program
- reimbursable advances granted by Bpifrance (formerly Oséo)
- financial income derived from investments in futures accounts.

This financial data originates from the Group’s condensed consolidated financial statements which include Cerenis Therapeutics Holding SA (parent company in France) and Cerenis Therapeutics Inc. (wholly owned subsidiary in the United States).

ii. Revenue and operating income

In the last two financial years reported, the Company has been in an R&D phase and has therefore not generated any revenue.

iii. R&D – Sub-contracting

Research costs amounted to EUR 10,213 thousand at June 30, 2016.

Research costs mainly include the items below:

- personnel expenses including direct and indirect costs for Group employees responsible for R&D;
- sub-contracting and consultancy costs. These costs include those relating to preparation of reports, filing and maintenance of patents, and fees paid to experts;
- amortizations on fixed assets used in research activities;
- research tax credit (CIR), which is reported as a deduction from research costs.

iv. Overhead and administrative expenses

Overhead and administrative expenses totaled EUR 3,828 thousand at June 30, 2016.

Overhead and administrative expenses mainly include:

- administrative personnel costs including the charge for share-based payments which is recognized in accordance with international accounting standards;
- legal, audit and consultancy fees;
- travel expenses;
- office leasing costs relating to the Company’s headquarters and the US subsidiary.

v. Financial expenses and income:

Financial result amounted to a loss of EUR 626 thousand at June 30, 2016.

Financial result mainly comprises:
- financial income related to cash invested in futures accounts;
- foreign currency gains and losses resulting from changes in currency rates in transactions made in foreign currencies with foreign service providers;
- financial expenses and income related to BPI-OSEO reimbursable advances recognized in accordance with IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance” and IAS 39 “Financial Instruments: Recognition and Measurement.”

vi. Key factors impacting the Company’s business

The main factors that impacted the half-year are as follows:

“CARAT” clinical trial

Cerenis had announced the start of the CARAT clinical trial activities as part of its initial public offering.

The trial involved 292 patients in four countries, namely Australia, Hungary, the Netherlands and the United States.

This phase II trial (CARAT) on post-ACS indication is designed to maximize the impact of CER-001 by increasing the number of doses administered to post-ACS patients: 10 doses of 3 mg/kg at a rate of one dose per week for nine weeks will be administered.

As part of the performance of this trial during the first half of 2016, production costs were incurred in the first half of 2016 for clinical batches and for the clinical trials. The last patient was included in this clinical trial at the end of August 2016 and the results should become available in the first quarter of 2017, as announced during the initial public offering in 2015.

“TANGO” clinical trial

A Phase III (TANGO) trial for the FPHA orphan disease indication is designed to assess the effect of six months of chronic treatment by CER-001 on 30 patients suffering from HDL deficiency.

The first patient was included in the trial in early December 2015. During the first half of 2016, the trial continued with the recruitment of more patients.
This trial period notably saw the launch in the different countries in which the trial took place, namely Canada, France, Israel, Italy, the Netherlands and the United States.

In this context, production costs were incurred during this period for the clinical batches and the clinical trials. The results should be available at the end of the third quarter of 2017.

c. Comparison between accounts in the last two financial years

i. Operating income and net income

1. Revenue and operating income

In the last two financial years reported, the Company was in a research and development phase, and did not therefore generate any revenue.

2. Operating expenses by function

Cerenis has chosen to present its income statement by function to provide better financial data.

Operating expenses include research costs as well as overheads and administrative costs. As the Company has no sales activity, there are no commercial costs.
Total personnel expenses (excluding share-based payments) and charges for depreciations and provisions, which are broken down between the different functions, totaled EUR 1,646 thousand at June 30, 2016 and EUR 1,754 thousand for the period from January 1 to June 30, 2015.

Variations in research costs between June 30, 2016 and June 30, 2015 were as follows:

	6/30/2016 (EUR thousand)	6/30/2015 (EUR thousand)
Personnel expenses	798	1,080
Share-based payments	929	56
Sub-contractors, consultants	9,740	4,010
Professional fees	410	519
Travel expenses	75	109
Charges for depreciations and provisions	50	50
Research Tax Credit (CIR)	(1,789)	(585)
TOTAL	**10,213**	**5,239**

Research costs totaled EUR 10,213 thousand at June 30, 2016 compared to EUR 5,239 thousand at June 30, 2015.

This EUR 4,974 thousand increase can be explained by:
- A significant increase of EUR 5,730 thousand of research and development expenses linked to the CARAT and TANGO clinical trials, which included patients as part of their implementation. These costs include clinical trial costs as well as costs related to the production activities of CER-001 drug candidate batches with our Novasep partner.
- A decline in personnel expenses due to the drop in employee-related provisions
- A EUR 873 thousand increase in share-based payments which is the direct result of the IFRS 2 recognition of this item in the accounts, the setting up of share plans in late 2015 and early 2016 (see section 21 of the 2015 Annual Registration Document);

Variations in overheads and administrative expenses between June 30, 2016 and June 30, 2015 were as follows:

	6/30/2016 (EUR thousand)	6/30/2015 (EUR thousand)
Personnel expenses	848	679
Share-based payments	2,049	33
Professional fees	367	203
Leases	99	91
Travel expenses	177	88
Charges for depreciations and provisions	(49)	(55)
Other	337	25
TOTAL	**3,828**	**1,064**

Overheads and administrative expenses amounted to EUR 3,828 thousand at June 30, 2016, and to EUR 1,064 thousand over the period between January 1 and June 30, 2015.

The main variations between June 30, 2015 and June 30, 2016 were as follows:

- A EUR 2,016 thousand increase in share-based payments expense which is the direct result of the IFRS 2 recognition of this item in the accounts, the setting up of share plans in late 2015 and early 2016 (see section 21 of the 2015 Annual Registration Document);
- A EUR 169 thousand increase in personnel expenses linked primarily to employer contributions and in particular in connection with share plans.
- The increase in other expenses by EUR 579 thousand and in particular professional fees by EUR 165 thousand.

Operating income changed from a loss of EUR 6,303 thousand at June 30, 2015 to a loss of EUR 14,041 thousand at June 30, 2016 because of the increase in expenses during the period.

3. Financial result

Financial result was a loss of EUR 626 thousand at June 30, 2016 compared to a loss of EUR 760 thousand at June 30, 2015.

The financial result is broken down as follows:

	6/30/2016 (EUR thousand)	6/30/2015 (EUR thousand)
Income from deposits	234	166
Foreign currency gains	262	265
Other	54	4
Total financial income	***550***	***435***
Foreign exchange losses	317	602
Interest expenses on	713	594
Other	146	0
Total financial expenses	***1,176***	***1,195***
FINANCIAL RESULT	**(626)**	**(760)**

The financial income booked mainly includes the items below:

- Financial income linked to returns on futures accounts and income from investments. This financial income amounted to EUR 166 thousand at June 30, 2015, whereas at June 30, 2016, it amounted to EUR 234 thousand. This EUR 68 thousand increase can be explained by the increase in the average cash outstanding over the period following the Group's initial public offering.

- Foreign exchange gains correspond to the impact of changes in currency rates for payments made to service providers in foreign currencies (USD, CAD, pound sterling, Japanese yen, Australian dollar).

Financial expenses mainly include:

- Foreign exchange losses (please see Section above on "Foreign currency gains"); and

- Annual interest charges on BPI reimbursable advances resulting from the discounting of the BPI 2010 advance totaling EUR 629 thousand and the BPI 2012 advance totaling EUR 83 thousand during the six months to June 30, 2016.

4. Corporate income tax

In view of the losses recorded during the reported financial years, the Group did not book any corporate income tax expense.

5. Basic earnings per share

The Company reported a net loss of EUR 14,662 thousand at June 30, 2016 compared to a loss of EUR 7,062 thousand at June 30, 2015.

Losses per issued share (weighted average number of shares outstanding during the financial year) amounted respectively to:
- EUR 0.82 at June 30, 2016;
- EUR 0.46 at June 30, 2015;

ii. Balance-sheet analysis

1. Non-current assets

Net non-current assets totaled EUR 340 thousand at June 30, 2016, compared to EUR 446 thousand at December 31, 2015.

They include intangible assets, property, plant and equipment and non-current financial assets.

Net intangible assets, which totaled EUR 7 thousand at June 30, 2016 and EUR 8 thousand at December 31, 2015, comprise software used by Cerenis.
As the research costs incurred by the Company had not yet met the recognition criteria specified by IAS 38, they were fully booked as liabilities.
The Group owns laboratory equipment, office equipment and IT hardware.

Cerenis does not own any buildings.

Net property, plant and equipment items totaled EUR 146 thousand at June 30, 2016 compared to EUR 169 thousand on the 2015 balance sheet date.

As at June 30, 2016, property, plant and equipment items were mostly composed of IT and office equipment, for offices at headquarters.

The other non-current assets item totaling EUR 187 thousand at June 30, 2016 comprised the liquidity agreement for an amount of EUR 174 thousand to be compared to EUR 257 thousand at December 31, 2015. In this respect, 26,242 treasury shares were allocated to reducing shareholders' equity at June 30, 2016. The balance in cash was maintained in other non-current assets.

Furthermore, the item also included deposits of EUR 13 thousand of lease payments for offices on the Labège site.

2. Current assets

Net current assets totaled EUR 37,152 thousand at June 30, 2016, compared to EUR 45,661 thousand at December 31, 2015.

They include bank accounts and cash equivalents as well as other current assets.

Available cash includes current bank accounts as well as short-term deposits, which break down as follows:

	6/30/2016	12/31/2015 (EUR thousand)
Current bank accounts	6,942	2,505
Short-term deposits	25,929	40,446
TOTAL	**32,871**	**42,951**

Other assets break down as follows:

	6/30/2016	12/31/2015 (EUR thousand)
Tax receivables	246	178
Social security receivables	0	0
Research Tax Credit (CIR)	3,885	2,096
Pre-paid expenses	131	436
Other	19	0
TOTAL	**4,281**	**2,710**

Tax receivables refer to VAT (Value Added Tax) to be recovered from the tax authorities.

The Research Tax Credit (CIR) is granted to businesses by the French government to encourage them to conduct scientific and technical research. CIR is calculated on the basis of a share of R&D costs incurred by Cerenis. The 2015 Research Tax Credit was reimbursed in June 2016 for a total of EUR 2,096 thousand.

Pre-paid expenses mainly concern orders for materials related to research activities that were invoiced but not yet delivered at December 31, 2016.

3. Shareholders' equity

At June 30, 2016 and December 31, 2015, total shareholders' equity amounted to EUR 22,359 thousand and EUR 33,198 thousand respectively.

Shareholders' equity mainly includes the items below:

- Share capital of EUR 890 thousand at December 31, 2015 and EUR 895 thousand at June 30, 2016;
- Issue premiums related to the share capital of EUR 166,032 thousand at December 31, 2015 and EUR 166,771 thousand at June 30, 2016;
- Aggregate losses for financial years 2005 to June 2016, i.e., a total of EUR 140,490 thousand at December 31, 2015 and EUR 155,187 at June 30, 2016;
- Impact from the application of IFRS 2 "Share-based payments" on shareholders' equity: EUR 9,879 thousand at June 30, 2016 (EUR 6,902 thousand at December 31, 2015);

4. Non-current liabilities

As at June 30, 2016 and at December 31, 2015, total non-current liabilities amounted to EUR 7,082 thousand and EUR 7,120 thousand respectively.

These liabilities corresponded mainly to:

- Advances granted by BPI (Banque Publique d'Investissement);
- Provisions for disputes;
- Provisions for retirement commitments.

Non-current liabilities related to reimbursable advances granted by BPI totaled EUR 6,582 thousand at June 30, 2016 compared to EUR 6,092 thousand at December 31, 2015. Cerenis received three reimbursable advances in connection with its research activities.

The "BPI 2010"- Project ISI advance totaling EUR 6,384 thousand was received during 2010. As at June 30, 2016, Cerenis had received EUR 4,602 thousand. The remaining amount of EUR 1,782 thousand has not yet been received. This advance relates to the Phase IIb clinical development (CER-001) for acute coronary syndrome treatment and the development (CER-001) of a drug to treat rare diseases.

The "BPI 2012"- Project OSEO Innovation advance totaling EUR 1,500 thousand was received in 2012. As at June 30, 2016, Cerenis received EUR 500 thousand. The balance will be paid when finalization of the program is announced.
This BPI grant is awarded for pre-clinical development of a new candidate drug (CER-209) as HDL therapy as well as for the Phase 1 clinical trial.

The provisions are as follows:

	6/30/2016 (EUR thousand)	12/31/2015 (EUR thousand)
Retirement commitments	94	94
Other	905	931
TOTAL	**999**	**1,025**

The provision for retirement commitments was booked in accordance with IAS 19.

At June 30, 2016, the Company's management estimated the potential risks regarding disputes with business partners and former employees.

5. Current liabilities

At June 30, 2016 and at December 31, 2015, total current liabilities came to EUR 8,051 thousand and EUR 5,790 thousand respectively.

This balance sheet item mainly comprises liabilities such as:

- Trade payables: EUR 6,804 thousand at June 30, 2016 and EUR 5,071 thousand at December 31, 2015;

- Tax and social security liabilities: EUR 747 thousand at June 30, 2016 (EUR 719 thousand at December 31, 2015);

- Current financial liabilities: EUR 500 thousand at June 30, 2016 and EUR 0 thousand at December 31, 2015

C. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED PRESENTED IN CONSOLIDATED FORM

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(€ 000 audited)	Note	30 June 2016	31 December 2015
Intangible assets	*III.G*	7	8
Property plant and equipment	*III.G*	146	169
Other non-current assets	*III.G*	187	269
Deferred tax assets		0	0
Non-current assets		**340**	**446**
Inventories		0	0
Trade receivables		0	0
Other current assets	*III.H*	4 281	2 710
Cash and cash equivalents	*III.H*	32 871	42 951
Current assets		**37 152**	**45 661**
TOTAL ASSETS		**37 492**	**46 107**

LIABILITIES

(€ 000 audited)	Note	30 June 2016	31 December 2015
Share capital	*III.I*	895	890
Share premium		166 771	166 032
Retained earnings		(130 742)	(117 195)
Loss for the period		(14 662)	(16 638)
Currency translation adjustment		97	110
Non controlling interests		0	0
Equity		**22 359**	**33 198**
Long term debt	*III.L*	6 083	6 094
Provisions	*III.J*	999	1 025
Deferred tax liabilities		0	0
Other non-current liabilities		0	0
Non-current liabilities		**7 082**	**7 120**
Provisions		0	0
Trade payables		6 804	5 071
Other current liabilities		747	719
Other financial liabilities	*III.I*	500	0
Current liabilities		**8 051**	**5 790**
TOTAL LIABILITIES		**37 492**	**46 107**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ 000 audited)	**Note**	**30 June 2016**	**30 June 2015**
Revenue	*III.B*	0	0
Manufacturing expenses		0	0
General administrative expenses	*III.C*	(3 828)	(1 064)
Research and development expenses	*III.D*	(10 213)	(5 239)
Operating loss		**(14 041)**	**(6 303)**
Financial Income	*III.E*	550	435
Financial expenses	*III.E*	(1 176)	(1 195)
Financial loss		**(626)**	**(760)**
Income tax		5	0
LOSS OF THE PERIOD		**(14 662)**	**(7 062)**
Number of shares (basic)	*III.F*	17 860 939	15 475 333
Loss per share (€)	*III.F*	(0.82)	(0.46)
Number of shares (diluted)	*III.F*	19 354 590	403 835 971

OTHER COMPREHENSIVE INCOME

(€ 000 audited)	Note	30 June 2016	30 June 2015
Loss of the period		**(14 662)**	**(7 062)**
Items that will not be recyclable subsequently to profit and loss			
- Remeasurement of defined benefit obligation		0	0
Items that may be recyclable subsequently to profit and loss			
- Currency exchange translation		(13)	48
Total comprehensive income for the period		**(14 675)**	**(7 014)**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(€ 000 audited)	Number of shares	Common stock	Additional paid in capital	Retained earnings	Currency translation adjustment	Equity settled employee benefits reserves	Other reserves	Total
Balance as at 01/01/2015	***13 161 787***	***658***	***116 785***	***(123 852)***	***47***	***(16)***	***6 391***	***12***
Loss of the period				(7 062)				(7 062)
Increase in capital	4 627 091	231	4 9 191					49 422
Own shares				(300)				(300)
Share based payment							89	89
Currency translation adjustment					48			48
Balance as at 30/06/2015	***17 788 878***	***889***	***165 976***	***(131 214)***	***95***	***(16)***	***6 480***	***42 210***

(€ 000 audited)	Number of shares	Common stock	Additional paid in capital	Retained earnings	Currency translation adjustment	Equity settled employee benefits reserves	Other reserves	Total
Balance as at 01/01/2016	***17 794 878***	***890***	***166 032***	***(140 719)***	***110***	***(16)***	***6 902***	***33 198***
Loss of the period				(14 662)				(14 662)
Increase in capital	103 385	5	740					745
Own shares				20				20
Share based payment							2 977	2 977
Options subscribed				93				93
Currency translation adjustment					(13)			(13)
Balance as at 30/06/2016	***17 898 263***	***895***	***166 772***	***(155 268)***	***97***	***(16)***	***9 879***	***22 359***

CONSOLIDATED STATEMENT OF CASH-FLOWS

(€ 000 audited)	**Note**	**30 June 2016**	**30 June 2015**
Net loss		**(14 662)**	**(7 062)**
Amortization (net) of assets		27	24
Depreciation		(35)	74
Share based payment		2 977	89
BPI redeemable advance	*III.L*	713	594
Others non cash operations		(223)	0
Net cash before changes in working capital		***(11 202)***	***(6 281)***
Income taxes		0	0
Cash effects from financial revenue and expenses		0	0
Net cash before changes in working capital		***(11 202)***	***(6 281)***
Change in working capital		184	202
Taxes paid		0	0
Net cash used in operating activities		**(11 018)**	**(6 079)**
Proceeds from disposals of property plant and equipment		0	0
Proceeds from intangible assets		0	0
Capital expenditures : property, plant and equipment	*III.G*	2	15
Capital expenditures : intangible assets	*III.G*	0	10
Net cash from (used in) investing activities		**(2)**	**(25)**
Proceeds from issuance of shares	*III.I*	745	49 424
Proceeds from subscription of options		93	0
Proceeds from issuance of long term debt	*III.G*	102	(500)
Repayment of long term debt		0	0
Proceeds from BPI redeemable advance		0	0
Net cash from (used in) financing activities		**940**	**48 924**
Changes in cash position		**10 079**	**42 820**
Effect of changes in exchange rates on cash position		0	(3)
Opening balance sheet cash position		42 951	7 843
Year-end cash position		**32 872**	**50 660**

CERENIS THERAPEUTICS

NOTES TO THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

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I. GROUP PRESENTATION

a. Group presentation

These consolidated financial statements include Cerenis Therapeutics Holding SA (denominated « Cerenis SA») and its American consolidated subsidiary Cerenis Therapeutics Inc. (denominated Cerenis Inc.). The terms the “Group” or “Cerenis” refer to Cerenis Therapeutics S.A together with its consolidated subsidiary.

Cerenis Therapeutics is a French limited liability company (“société anonyme”) governed by French law. Registered office is located at 265 Rue de la Découverte, 31670 Labege, France. The Company is registered under the number “481 637 718 RCS Toulouse”, with the register of the Toulouse Commercial Court (“Tribunal de Commerce de Toulouse”).

Cerenis Therapeutics Holding is an international biopharmaceutical privately held company focused on research and development of new HDL therapies.

The therapies which be design to increase HDL, represents the next revolution in the treatment of cardiovascular disease. It has been proved, in clinical, that the HDL therapy should conduct to reduce the Atherosclerotic plaque. Moreover, an increase in HDL should reduce mortality and morbidity.

Cerenis develops a product which potentially will become the first and the best HDL recombinant (CER-001) on the worldwide pharmaceutical market.

Cerenis has completed successfully phase I clinical study. CER-001 is an engineered complex. It has been designed to mimic the structure and function of natural, nascent HDL. Its mechanism of action is to increase the number of HDL particles transiently, to stimulate the removal of excess cholesterol with high purity and efficiency.

Cerenis Therapeutics has operations in Toulouse – France – and Ann Arbor (Michigan), United-States. Headquarters are located in Toulouse.

Since its founding in 2005, Cerenis Therapeutics Holding attracted significant financial support from some of the world’s leading biotechnology and life science investment syndicate.

In July 2005, the Company completed a Serie A financing round of M€ 25.
This was followed in November 2006 by a Serie B round of M€ 42.

A third increase in capital raising 50 M€ (Serie C) has been made between July 2010 and December 2011

Cerenis was floated in Compartment B of the regulated Euronext stock market in Paris (“Euronext Paris”) on 30 March 2015, raising €53.4 million through a capital increase.

4,207,316 shares were issued in total, resulting in a capital increase of €53.4 million.

After the IPO, the company signed a liquidity contract.

The shares offered through the IPO were allocated as follows:

- Global placement: 3,786,584 shares allocated to institutional investors (accounting for €48.1 million and 90% of the total number of shares allocated);
- Open price offering (offre à prix ouvert): 420,732 shares allocated to the public (accounting for €5.3 million and 10% of the total number of shares allocated).

The shares issued through the open price offering and global placement were settled through an RVP procedure on 27 March 2015. The liquidity agreement signed with the brokerage firm Gilbert Dupont came into effect when trading began on 30 March 2015.

Reminder of the objectives of the IPO:

- Finance in full the phase II trial (CARAT) on post-Acute Coronary Syndrome (ACS) patients, the results of which should be available in the first quarter of 2017, including the manufacturing costs of the tested product;
- Finance in full the phase III trial (TANGO) on patients with the orphan disease Familial Primary HypoAlphalipoproteinemia (FPHA), including the manufacturing costs of the tested product. This phase III trial will support Cerenis Therapeutics' objective to obtain market approval for CER-001 by 2018, for use in the treatment of patients suffering from genetically defined FPHA;
- To finance the Company's current operations.

b. Significant events

The main factors which impacted the period from January 1, 2016 to June 30, 2016 were as follows:

- “CARAT” clinical trial

CARAT is a phase II study in the post-ACS indication aiming to demonstrate CER-001’s efficacy at reducing atherosclerotic plaque. This trial will be carried out with 292 patients in four countries: Australia, Hungary, the Netherlands and the United States. The recruitment is currently on going.

- “LOCATION” clinical trial

Cerenis announced on June 2 in the scientific journal European Artherosclerosis Society (EAS) the results of the LOCATION clinical trial which demonstrated CER-001’s functionality. This trial was carried out in the first half of 2015.

- “TANGO” Clinical trial

A Phase III (TANGO) trial for the FHPA orphan disease indication intended to assess the effect of six months of chronic treatment by CER-001 with 30 patients suffering from HDL deficiency. The recruitment is currently on going.

c. Subsequent events to the june 30, 2016

No subsequent events to the June 30, 2016, has to be noted.

II. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

a. Significant accounting principles

i) General information

The Group's interim condensed consolidated financial statements at June 30, 2016 have been prepared in accordance with IAS 34 – Interim Financial Reporting. They do not include all the IFRS required information and should therefore be read in connection with the Group's consolidated financial statement for the year ended December 31, 2015.

The accounting policies retained for the preparation of the Group interim condensed consolidated financial statements are compliant with the International Financial Reporting Standards ("IFRS") as endorsed by the European Union as of June 30, 2016 and available on http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

These accounting policies are consistent with the ones applied by the Group at December 31, 2015 and described in the Note 1 of the Group consolidated financial statements of the 2015 Registration Document except for the points presented in paragraph "New IFRS standards and interpretations".

International Financial Reporting Standards include:

- IFRS ;
- IAS (International Accounting Standard) and interpretations SIC (Standing Interpretations Committee) ;
- IFRIC (International Financial Reporting Interpretations Committee).

The consolidated financial statements have been prepared under the historical cost convention, except for the following: derivative financial instruments measured at fair value and financial instruments at fair value through statement of income measured at fair value.

Assets and liabilities under twelve month are presented in current.

Expenses in profit and loss are presented by destination.

ii) New standards, amendments and interpretations applicable in 2016

The new standards, amendments and interpretations applicable to the period are as follows:

- IFRS annual improvements cycle 2011-2013
- IFRS annual improvements cycle 2012-2014
- IFRS 3 – Exclusion of partnerships from scope of application
- IFRS 13 – Scope of application of paragraph 52 ("portfolio" exception)
- IAS 40 – Clarification of the relationship between IFRS 3 and IAS 40 for the classification of a building as an investment or as a property occupied by its owner
- IAS 19 amendment – Defined benefit plans: staff member contributions
- IFRS annual improvements cycle 2010-2012
- IFRS 2 – Definition of vesting conditions
- IFRS 3 – Accounting for potential counterparty in a grouping of companies and amendment of IAS 39/IFRS 9
- IFRS 8 – Grouping of operational sectors
- IFRS 8 – Reconciliation between the total assets of sectors to be presented and entity assets
- IAS 16 – Revaluation model - proportional adjustment of cumulative amortizations
- IAS 24 – Senior management
- IAS 38 – Revaluation model - proportional adjustment of cumulative amortizations

  These amendments do not have a significant impact on the financial statements for the period.

The Group has not applied the following standards and interpretations, which either have not been endorsed by the European Union or their mandatory application began after the start of the fiscal year:

- *Standards and amendments endorsed but for which application is not mandatory by the close on June 30 2016:*
  - IAS 27 amendment – Equity method in separate financial statements
  - Amendment to IAS 1 – Presentation of financial statements: Disclosure Initiative
  - IFRS annual improvements cycle 2012-2014
  - Amendments to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortization
  - Amendment to IFRS 11 – Joint Arrangements: Acquisition of an interest in a joint operation

- *Standards and amendments not endorsed as at February 29, 2016:*
  - IFRS 9 – Financial instruments
  - IFRS 14 – Regulatory deferral accounts
  - IFRS 15 – Revenue from contracts with customers
  - IFRS 16 – Leasing contracts
  - IFRS 10, IFRS 12 and IAS 28 amendments – Consolidation exemption applicable to investment entities
  - IFRS 10 and IAS 28 amendments – Sale or contribution of assets between an investor and its associate or a joint venture
  - IAS 12 amendment – Income tax: Accounting for deferred tax assets as unrealized losses
  - IAS 7 amendment – Cash flow statement: Disclosure Initiative

Cerenis Group is in the process of identifying the potential impacts of these new standards, interpretations, amendments and/or revisions on the Group's consolidated financial statements.

b. Principles of consolidation

Principles of consolidation are the same that those applied on December 31, 2015.
Investments, over which the Group exercises control, are fully consolidated.

The schedule below presents foreign exchange rates for the main currency used within the group:

Dollar US	30-06-2016	31-12-2015	30-06-2015
Average rate	1.1156	1.1096	1.1158
Closing rate	1.1102	1.0887	1.1189

c. Seasonality

The Group occurring in the field of research doesn't know a seasonality effect.

d. Operating segments

In accordance with IFRS 8, the Group is currently focused on a single activity, the research and development of innovative medicines.

e. Use of estimates and judgements

In order to prepare financial statements, the board of directors may carry out estimations and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses as well as information disclosed in the notes to financial statements.

These estimates and underlying assumptions are based on past experience and other factors deemed relevant in view of the economic circumstances.

These assumptions are used in connection with professional judgment to determine book value of assets and liabilities when other methods cannot be used.

The measurement of some assets and liabilities in the preparation of these financial statements include assumptions made by management particularly on the following items: Fair value of intangible assets and Property, plant and equipment:

- Useful life of intangible assets and Property, plant and equipment ;
- Valuation of provisions for liabilities and charges;
- Research tax credit ;
- Fair value of BPI redeemable advance in connection with the future outcome of HDL project, ability to raise sufficient funds to end-up this project, and determination of the discount rate. The feasibility of the project is regularly analyzed by the Board of Directors of the Company, together with the scientific board;
- Income tax and recording of differed taxes;
- Fair value of the equity instruments granted to board members, scientific board, and employees.

At June 30, 2016, the estimates and assumptions made by the management in preparing its financial statements have been performed in a context of real difficulties to appreciate economic outlook. The estimates and assumptions used by the Group to prepare consolidated financial statements are based on known information at the reporting date.

III. DETAILED NOTES TO THE FINANCIAL STATEMENTS

a. Operating Segments

In accordance with IFRS 8, as at June 30, 2016, the Group is currently focused on a single activity, the research and development of innovative medicines.

b. Turnover

At June 30, 2016 and June 30, 2015, Cerenis has not recognized turnover.

c. General And Administrative Expenses - GAE

The table below shows a breakdown of general and administrative expenses:

Nature	30-06-2016	30-06-2015
Payroll	848	679
Share based payment	2 049	33
Travels	177	88
Lawyers	231	144
Consultants	136	59
Provision and depreciation	(49)	(55)
Others	436	116
TOTAL	**3 828**	**1 064**

d. Research and Development Costs

The following amounts have been recorded in the profit and loss account:

Nature	30-06-2016	30-06-2015
Payroll	798	1 080
Share based payment	929	56
R&D costs	9 740	4 010
Others R&D costs	535	678
Research tax credit	(1 789)	(585)
TOTAL	**10 213**	**5 239**

e. Financial Income and Financial Cost

Components of financial (costs) income as follows:

Nature	30-06-2016	30-06-2015
Financial Income		
Financial income on deposits	234	166
Exchange gain	262	265
Other financial income	54	4
TOTAL	**550**	**435**
Financial costs		
Exchange losses	317	602
BPI interest costs	713	594
Other financial losses	146	0
TOTAL	**1 176**	**1 195**
FINANCIAL INCOME / LOSS	**(626)**	**(760)**

f. Earnings Per Share

Basic net income / loss per share is computed using the weighted average number of shares outstanding.

Basic earning / loss per share	30-06-2016	30-06-2015
Net income/ loss in K€	(14 662)	(7 062)
Weighted average number of shares	17 860 939	15 475 333
Weighted average basic loss per share	(0.82)	(0.46)

Diluted net income / loss per share is computed using the weighted average number of outstanding shares and includes the effects of dilutive securities.

The instruments granting access to capital in a deferred manner (stock-options, BSA, BSCPE) are considered antidilutive because they cause a increase in earnings per share.

g. Non-Current Assets

i) Intangible assets

Intangible assets amount to 7 K€ as at June 30, 2016, as compared to K€ 8 as at December 31, 2015.

ii) Property, plant and equipment

Cerenis owns laboratory equipments, furniture & computer equipment and office equipment but do not owns any lands or buildings.

As at June 30, 2016, tangible fixed assets are mostly composed of IT and office equipment, for headquarter.

Property, plant and equipments amounts to 146K€ as at June 30, 2016 (169 K€ as at December 31, 2015).

The depreciation for period ended June 30, 2016 amounts to 27 K€.

iii) Others non-current assets

	30-06-2016	31-12-2015
Deposit	13	12
Liquidity agreement	174	257
TOTAL	**187**	**269**

The "other non-current assets" only concerns the deposits related to the French Company office rental agreement, and to a liquidity agreement.

A number of 26 242 shares have been deducted from Equity as at June 30, 2016. The outstanding amount has been recorded as an « other non-current asset ».

h. Current Assets

i) Other current assets

	30-06-2016	31-12-2015
Social security receivables	246	178
Tax receivables	0	0
Research Tax Credit (CIR)	3 885	2 096
Pre-paid expenses	131	436
Other	19	0
TOTAL	**4 281**	**2 710**

Tax receivables correspond to VAT (Value Added Tax) to be recovered from the tax authorities.

Pre-paid expenses mainly concern costs related to clinical studies.

Research tax credits are granted to businesses by the French Government to give them an incentive to conduct research of a technical and scientific nature.
The research tax credit is recorded as a reduction of the research and "development expenses".

ii) Cash and cash equivalent

Cash and cash equivalent include in the statement of cash flow and in the consolidated statement of financial position related to:

- Bank account (including bank overdraft);
- Short term deposits.

	30-06-16	31-12-15
Bank account	6 942	2 505
Short term deposits	25 929	40 446
TOTAL	**32 871**	**42 951**

i. Equity

The share capital of the Company changed as follows between June 30, 2015 and June 30, 2016:

Date	Number of share	Par value	Capital increase (in €)	Issue premium in €	Cumulated nominal	
					In €	Number of shares
01/07/2015	17.788.878	0.05	231 354	49 191 480	889.443	17.788.878
Closing 31/12/15	17 794 878	0,05	231 655	166 031 964	889 744	17 794 878
Half-year 30/06/2016	17 898 263	0.05	5 169	739 500	894 913	17 898 263

Increase in capital from January 1st 2016 to June 30, 2016

The increase in capital of 103 385 shares relates to bulletins of exercises of BSPCE realized by formers employees.

j. Provisions

The provisions include provisions for defined benefit plans and for litigation, as follows:

	30-06-2016	31-12-2015
Defined benefit plans	94	94
Others	905	931
TOTAL	**999**	**1 025**

i) Others provisions

At June 30, 2015, the Group has estimated potential risks about litigation with business partners and former employees.

ii) Defined benefit plans

Cerenis sponsors both defined benefit and defined contribution plans, in accordance with local legal requirements.

This defined contribution plan only concerns French employees.
As at June 30, 2016 the provision for retirement commitment is recorded as non-current liability under caption « Provision » for an amount of K€ 94.

The Group does not pay any indemnities for the period.

k. Current Financial Liabilities

The current financial liabilities amounts to 500 K€ and relates to short term part of BPI redeemable advance (refer to L.ii).

l. Government Grants

i) Research Tax Credit or CIR

The amounts received by the Company under CIR are as follows:

K €	30-06-2016	31-12-2015	30-06-2015
CIR	1 788	2 096	340

ii) Redeemable advances BPI

Cerenis received redeemable advances from BPI-OSEO that provides financial support to promising French companies:

K€	30/06/2015	Financial Income	31/12/2015	Financial Income	30-06-2016
Fair value advance	(6 843)	(550)	(7 393)	(629)	(8 022)
Cash to be received	1 782		1 782		1 782
Advance BPI 2010	**(5 061)**	**(550)**	**(5 611)**	**(629)**	**(6 240)**
Fair value advance	(910)	(72)	(982)	(83)	(1 065)
Deferred profits	(616)	117	(499)	222	(277)
Cash to be received	1 000		1 000		1 000
Advance BPI 2012	**(526)**	**45**	**(481)**	**139**	**(342)**
Total	**(5 587)**		**(6 093)**		**(6 582)**
Long term debt	*(5 587)*		(6 093)		*(6 082)*
Current financial liabilities	*0*		*0*		*(500)*

The deferred profit for an amount of K€ 277 which is the difference between the nominal value and the fair value of the redeemable advance at inception, represents a grant which has been accounted for in accordance with IAS 20 as a reduction of the expense for which the grant was received.

Financial situation

30-06-2016 K €	Financial expenses	Financial Income	Net financial loss/ income
BPI 2010	(629)	0	(629)
BPI 2012	(83)	0	(83)
TOTAL	**(712)**	**0**	**(712)**

31-12-2015 K €	Financial expenses	Financial Income	Net financial loss/ income
BPI 2010	(1 074)	0	(1 074)
BPI 2012	(143)	0	(143)
TOTAL	**(1 217)**	**0**	**(1 217)**

30-06-2015 K €	Financial expenses	Financial Income	Net financial loss/ income
BPI	**523**	**0**	**523**
BPI	**71**	**0**	**71**
TOTAL	**594**	**0**	**594**

The financial expenses recognized within the framework of redeemable advances BPI result from the effects of the passage of time.

Advance « BPI 2010 »: Project ISI

Amount K€ 6 384 (K€ 4 602 cash in at June 30, 2016)

Interest rate 0%

Reimbursement: From May 2017 to May 2025

In 2010, BPI has granted K€ 6,384 redeemable advance. As at June 30, 2016, Cerenis has received an amount of K€ 4 602. The remaining amount (K€ 1 782) has not been cashed. This amount will be received by Cerenis at the achievement of the project.

This advance concerns:

- A phase IIb clinical development (CER-001) for the treatment of the acute coronary syndrome;
- The development (CER-001) of an orphan drug.

In accordance with IAS 20 and IAS 39, this redeemable advance at been recorded at fair value, then to amortized cost.

The fair value, in effect on the date of contract, has been calculated with a 17% discount rate. This rate has been used due to the high level of risk linked to Group projects subject to this advance.

This advance has been granted with interest and premium to be paid in case of success. In this situation, Cerenis will have to reimburse a maximum amount of K€ 20,000, including advance reimbursement, interest’s costs and redemption premium.

This assumption has been used to determine the fair value of this redeemable advance.

This amount will be reimbursed as follows:

- The Group will reimburse the advance for a total amount of K€ 7 400, under 5 years, as soon as CER-001 sales cumulated equal or > to K€ 20.000;

- The Group will have to pay a premium for a total amount of K€ 12 600, which represents 4% of CER-001 sales as soon as sales cumulated equal or > to K€ 300 000.

	Repayment activation	Amount	Total
CER-001 Sales	Sales cumulated > 20 000 K€	Year 1 : 300 K€ Year 2 : 500 K€ Year 3 : 1 000 K€ Year 4 : 2 000 K€ Year 5 : 3 600 K€	Total : 7 400 K€
	Sales cumulated > 300 000 K€	4% of sales during 4 years	Cap amount : 12 600 K€

In case of failure, the company will have to reimburse an amount of K€ 600.

Until December 31, 2013, Cerenis estimated that its first sales would have started in 2014. Nevertheless, following Chi-Square the Group does not anticipate sales before 2017 regarding orphan drug disease study. As a consequence, the reimbursement should be realized between June 2017 and march 2025.

Until December 31, 2013, Cerenis estimated that its first sales would have started in 2014. Nevertheless, following Chi-Square the Group does not anticipate sales before 2017 regarding orphan drug disease study. As a consequence, the reimbursement should be realized between June 2017 and march 2025.

As a consequence, the repayment schedule of BPI redeemable advance has been re-estimated, based on management best estimate to start to reimburse in 2017. On August 27, 2014, Cerenis has received the update of the reimbursement schedule from BPI.

<u>Situation as at June 30, 2016:</u>

As at June 30, 2016, this advance has been recorded for an amount of 6 240 K€. This amount has been recorded in long-term liability for an amount of 5 940 K€ and in short term liability for an amount of 300 K€ which concerns the amounts to reimbursed before June 30, 2017.

The financial loss amounts to K€ 628 for the period.

<u>Advance «BPI « 2012 »: OSEO Innovation</u>

- Amount 1 500 K€ (500 K€ received on June 30, 2016)
- Interest rate 0%
- Reimbursement: From June 2014 to March 2017

Cerenis received in March 2012, a redeemable advance from BPI for an amount of K€ 1.500 in order to finance ongoing preclinical development of its portfolio of HDL-related products (CER-209), for the treatment of cardiovascular and metabolic diseases.

As at December 31, 2014, Cerenis has received an amount of K€ 500. The remaining amount (K€ 1 000) has not been cashed in. This amount will be received by Cerenis at the achievement of the project.

This advance should initially be reimbursed as follows:
Year ended December 31, 2014: K€ 300
Year ended December 31, 2015: K€ 475
Year ended December 31, 2016: K€ 575
Year ended December 31, 2017: K€ 150

In case of failure, the company will have to reimburse an amount of K€ 600:

Year ended December 31, 2014: K€ 300
Year ended December 31, 2015: K€ 300

In accordance with IAS 20 and IAS 39, this redeemable advance at been recorded at fair value, then to amortized cost.

Due to the high level of risk linked to Group activity, at the contract date, Cerenis retained 17%, discount rate in order to determine the fair value of this loan.

During fiscal year 2014, the repayment schedule of the redeemable advance has been re-estimated and renegotiated, based on management best estimate to start to reimburse in 2017.

Following discussions with BPI, the repayment schedule has been modified as follows:
Year ended December 31, 2017: K€ 400
Year ended December 31, 2018: K€ 500
Year ended December 31, 2019: K€ 600

The repayment schedule in case of failure has been modified as follows:
Year ended December 31, 2017: K€ 300
Year ended December 31, 2018: K€ 300

Situation as at June 30, 2016:

As at June 30, 2016, this advance has been recorded for an amount of 342 K€. This amount has been recorded in long-term liability for an amount of 142 K€ and in short term liability for an amount of 200 K€ which concerns the amounts to reimbursed before June 30, 2017.

The financial loss amounts to 83 K€ for the period.

As at June 30, 2016 the Group has initiate negotiations with BPI in order to differ the reimbursement schedule.

m. Related Parties

The Board has voted a termination fee to be paid to the “Director General” in case of revocation or non-renewal of his mandate provided the term is not consecutive to a violation of the law or the articles of association or serious misconduct.

This compensation, equal to the salary he would have received during the previous 24 months, would be paid subject to the achievement of performance criteria.

n. Share Based Payment

Since its creation, the Company has granted several stock-options plans, BSA (“ Bons de Souscriptions d’Actions ”) and BSPCE (“ Bons de Souscriptions Pour la Création d’Entreprise”) as well as bonus shares (AGA).

i) <u>Main features of the plans</u>

BSA – BSPCE – Stock options

The principal information relating to these plans is as follows:
- Beneficiaries: Employees and corporate managers of the company, members of the Board of Directors and members of the Scientific Advisory Committee.
- Period of exercise of the warrants: 10 years maximum
- The exercise price is at least equal to the fair value at the date of being granted;
- The right to exercise the warrants is acquired on a progressive basis over a period of your years, with an acquisition limit of one year.

Bonus shares (“AGA”)
- Beneficiaries: Company employees and directors;
- The acquisition period, at the end of which shares will be permanently awarded on the express condition that the beneficiary is still an employee or director at the date of acquisition, is set at 1 year.
- From the date of permanent acquisition, the holding period, at the end of which shares may be freely sold, is set at 1 year.
- Shares issued at the end of the acquisition period will be new common shares, to be issued by means of a capital increase through the capitalization of reserves. Holders will be entitled uto the associated rights and benefits as of the date of issue.
- The CEO must hold 10% of such shares as registered shares, until such time as he leaves office.

ii) **Stock options, BSPCE, AGA et BSA granted in 2016 et 2015**

	Number of options 30-06-2016	Average price for the financial period 30-06-16	Number of options 31-12-15	Average price for the financial year 31-12-15
Balance at the beginning of the period	1 263 044	9.49	1 470 430	8,27
Granted during the period	467 417	10.36	365 000	12.16
Exercised during the period	103 385	7.20	6 000	9.31
Expired during the period	78 165	0	566 386	0
Cancelled during the period	33 250	0	0	0
Balance at the beginning of the period	**1 515 661**	**9.92**	**1 263 044**	**9.49**

iii) Details of plan

The following schedule details stock-options, BSPCE, AGA and BSA plans:

Type of plan	Date granted	Number of options granted	Number of options forfeited	Number of options exercised	Number of options vested	Exercise price (€)
BCE	2006	76 500	33 250	43 250	0	5,45
Options	2006	222 500	75 912	80 088	66 500	4,22 / 7,32
BSA	2006	15 000	0	0	15 000	7,32
BCE	2007	64 376	10 313	0	54 063	7,32
Options	2007	250 626	238 126	0	12 500	7,32
BSA	2007	48 250	33 250	0	15 000	7,32
BCE	2008	236 475	211 325	0	25 150	7,69
Options	2008	68 950	60 300	0	8 650	7,69
BSA	2008	10 000	10 000	0	0	7,69
BCE	2009	163 800	141 675	1 025	21 100	7,66
Options	2009	131 300	115 900	1 000	14 400	7,66
BSA	2009	10 000	10 000	0	0	7,66
Options	2010	85 500	70 600	0	14 900	7,77 / 8,74
BSA	2010	43 250	43 250	0	0	7,77 / 8,74
BCE	2010	83 000	37 600	0	45 400	7,77
BCE	2011	303 000	162 000	56 135	84 865	8,74 / 9,31
Options	2011	112 500	85 700	0	26 800	8,74 / 9,31
BSA	2011	0	0	0	0	8,74
BCE	2012	191 381	31 900	0	159 481	9,31
BSA	2012	77 667	44 417	0	33 250	9,31
Options	2012	41 100	33 700	0	7 400	9,31
BCE	2013	443 714	403 414	0	32 744	9,49
Options	2013	166 286	162 686	0	2 925	9,49
BSA	2013	74 000	62 000	0	9 750	9,49
AGA	2015	365 000	0	0	0	12.16
AGA	2016	200 000	0	0	0	11.70
BSA	2016	133 000	33 250	0	0	9.36
Options	2016	134 417	0	0	134 417	9.36
TOTAL		**3 751 592**	**2 053 933**	**181 498**	**840 430**	

iv) **<u>Situation as at June 30, 2016:</u>**

The Group granted the following options:

Date	Type of plan	Numbers	Exercice price
21-01-2016	AGA	200 000	11.70
22-01-2016	BSA	133 000 (*)	9.36
22-01-2016	Options	134 417	9.36

(*) 33 250 BSA have been cancelled.

During the period, 103 385 options have been exercised.

The following amounts have been recorded in the consolidated financial statements:

	30-06-2016	30-06-2015
Share based payement	2 977	89

o. List Of Companies Included In The Consolidated Financial Statements

The following schedule details the list of companies included in the consolidated financial statements:

Name of the company	Headquarter	Consolidation method			% share capital			% interest	Equity	
		06-2015	12-2015	06-2016	06-2015	12-2015	06-2016	06-2015	12-2015	06-2016
Cerenis Therapeutics SA	265 rue de la Découverte Bâtiment A 31670 LABEGE - France –	Parent company	Parent company	Parent company	Parent company	Parent company	Parent company	Parent company	Parent company	Parent company
Cerenis Inc	900 Victors Way Suite 180 Ann Arbor MI 48108 - USA –	Global consolidation	Global consolidation	Global consolidation	100%	100%	100%	100%	100%	100%

D. AUDITORS REPORT

Deloitte & Associés	HLP Audit
12, rue de Vidailhan	3, chemin du Pressoir Chênaie
31130 Balma	44100 Nantes
Member of Versailles's company	Member of Rennes's company

AUDITOR'S REPORT
ON THE INTERIM FINANCIAL REPORT

(Period from January 1st to june 30, 2016)

This is a free translation into English of the auditors' report on the interim financial report issued in the French language and is provided solely for the convenience of English speaking users.
This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in application of article L. 451-1-2 III of the French Monetary and Financial Code, we hereby report to you on:

- the review of the accompanying condensed consolidated financial statements of Cerenis Therapeutics Holding, for the six months ended June 30, 2016 ;
- The verification of the information contained in the interim management report.

These condensed consolidated interim financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. <u>Conclusion on the financial statements</u>

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 consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

II. <u>Specific verification</u>

We have also verified the information given in the interim management report on the condensed consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and its consistency with the condensed consolidated financial statements.

Balma et Nantes, the september 5th, 2016

The Statutory auditors

HLP Audit	**Deloitte & Associés**
Estelle LE BIHAN	Etienne ALIBERT
Partner	Partner