Cerenis™
THERAPEUTICS
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2018

RAPPORT FINANCIER SEMESTRIEL

CERENIS THERAPEUTICS HOLDING

Limited liability company (*société anonyme*) with a Board of Directors and capital of EUR 947,350.50
Registered office: 33-43 avenue Georges Pompidou – Bâtiment D, 31130 Balma, France
Toulouse Trade and Companies Register no. 481 637 718

Semi-Annual Financial Report
Half-year ended June 30, 2018

(L. 451-1-2 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 June 30, 2018 and was prepared in accordance with the provisions of Articles L. 451-1-2 III of the French Monetary and Financial Code and Articles 222-4 et seq. of the French Financial Markets Authority's (AMF) General Regulation.

It has been published 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. DECLARATION BY THE PERSON RESPONSIBLE

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 7, 2018

Jean-Louis Dasseux

CEO

B. SEMI-ANNUAL ACTIVITY REPORT

Overview of the salient points of the activity

a. Significant events

Significant events during the period

The main factors affecting the period from January 1, 2018 to June 30, 2018 were as follows:

- Launch of the multi-dose part of the Phase I trial, assessing the daily administration for 28 days of increasing doses of CER-209 to patients at high risk of developing Non-Alcoholic Steatohepatitis (NASH) and/or Non-Alcoholic Fatty Liver Disease (NAFLD).

- The Group, together with the University of North Texas Health Sciences Center, announced a strategic initiative to develop new HDL-based pharmaceuticals:
    - Joint Program for the Development of New HDL Drug Delivery Technologies;
    - Development of a platform of unique HDL technologies;
    - Development of HDL systems for the delivery of anticancer drugs;

- Initial results of the Phase II study, TARGET, show the ability of CER-001 to target tumors in patients with esophageal cancer. The main conclusions after this first stage are:
    - Primary objective achieved: clinically relevant targeting of tumor tissues in patients with esophageal cancer by CER-001;
    - Extended tumor labeling supports the future use of HDL particles to improve the delivery of a therapeutic agent;
    - No safety or tolerance issues were detected.

- Change of registered office: the company relocated during the period. The registered office is now located at 33-43 avenue Georges Pompidou – Bâtiment D – 31130 Balma, France.

Event occurring after the half-year closing

As of July 26, the Group issued 638,753 new shares at a price of EUR 1.78 per share.

The total amount of the capital increase stands at EUR 1,136,980.34 (of which EUR 31,937.65 is the nominal amount, with an issue premium of EUR 1,105,042.69).

Following this capital increase, the number of shares comprising the Company's capital stood at 18,947,016 corresponding to an identical number of theoretical voting rights.

The capital increase with an overall amount of over one million euro is intended to finance the announced development of the HDL platform, specifically with the launch of two programs (CER-320 and CER-350) in immuno-oncology.

This is consistent with previous initiatives (the acquisition of Lypro's assets, the "HDL Initiative", a strategic partnership to develop new pharmaceutical products with the University of North Texas Health Science Center, the formation of the Scientific Committee on Oncology and TARGET's encouraging results).

b. Overview

i) Overview

Cerenis is an international biopharmaceutical company specializing in the discovery and development of new innovative HDL-based therapies for the treatment of cardiovascular and metabolic diseases, as well as new HDL vectors for the targeted delivery of drugs in the field of oncology.

To date, the Company has been in a research and development phase and has therefore not generated any revenue.

The Company operates out of Toulouse (France) and Lakeland, Michigan (United States). The Company's registered office is in Toulouse.

Since it was founded in 2005, the Company has been financed by:

- Capital increases
- Repayments received under the Research Tax Credit program
- Repayable advances granted by Bpifrance (formerly Oséo)
- Income 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) Sales and operating income

In the last two years reported, the Company was in an R&D phase and therefore generated no revenue.

iii) Research and Development – Sub-contracting

R&D expenses amounted to EUR 1,669 thousand as of June 30, 2018.

R&D expenses mainly include:

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

iv) Overheads and administrative expenses

Overheads and administrative expenses totaled EUR 1,315 thousand as of June 30, 2018.

Overheads and administrative expenses mainly include:
- administrative personnel expenses;
- legal, audit and consultancy fees;
- travel expenses;
- the cost of renting the registered office premises.

v) Financial expenses and income

The financial result posted a loss of EUR 426 thousand as of June 30, 2018.

Financial income 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 repayable 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 presented below, in the “Significant events” section.

c. Comparison between the financial statements for the last two financial years

i.Operating income and net income

1. Sales and operating income

In the last two 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, which provides better financial data.

Operating expenses include R&D expenses 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) including charges to provisions for retirement benefits, which are split between the various functions, totaled EUR 859 thousand as of June 30, 2018 and EUR 1,256 thousand for the period from January 1 to June 30, 2017.

Changes in R&D expenses between June 30, 2018 and June 30, 2017 were as follows:

	06/30/2018 (K€)	06/30/17 (K€)
Personnel expenses	307	695
Share-based payments	33	(348)
Sub-contractors, consultants	1,474	1,783
Professional fees	411	609
Travel expenses	36	48
Charges for depreciation and provisions	0	0
Research Tax Credit	(592)	(654)
TOTAL	**1,669**	**2,133**

R&D expenses totaled EUR 1,669 thousand at June 30, 2018, compared to EUR 2,133 thousand as of June 30, 2017.

This decrease of EUR 464 thousand can be explained by:

- A reduction of EUR 388 thousand in personnel expenses due to a fall in workforce numbers.

- A reduction of EUR 309 thousand in research expenses. In fact, as of June 30, 2017, research and development expenses were primarily linked to the finalization of the CARAT clinical trial.

- An increase of EUR 381 thousand in share-based payments. In fact, as of June 30, 2017, the bonus shares granted in respect of the financial year ended as of December 31, 2016 include 160,000 performance-based shares. Vesting was subject to a performance condition, namely the achievement of the primary endpoint of the CARAT trial. This performance condition, which was not a market condition, was taken as consideration by adjusting the number of equity instruments included in the valuation of the transaction amount. As of June 30, 2017, since the performance condition was not met, the share-based payment expense recorded for the financial year 2016 was reversed in the income statement following the announcement of the results of the CARAT study. Accordingly, no bonus shares were awarded.

Changes in overheads and administrative expenses between June 30, 2018 and June 30, 2017 were as follows:

	06/30/2018 (K€)	06/30/2017 (K€)
Personnel expenses	552	561
Share-based payments	0	(384)
Professional fees	250	390
Leases	77	77
Travel expenses	177	149
Charges for depreciation and provisions	17	(416)
Other	242	379
TOTAL	**1,315**	**756**

Overheads and administrative expenses amounted to EUR 1,315 thousand as of June 30, 2018, and to EUR 756 thousand over the period from January 1 to June 30, 2017.

The main changes between June 30, 2017 and June 30, 2018 were as follows:
- The variation of share-based payment expense (see the paragraph on the R&D expenses above);
- The variation in reversals of provisions, given the settlement of a dispute with the ICM noted as of June 30, 2017.

Operating income changed from a loss of EUR 2,889 thousand as of June 30, 2017 to a loss of EUR 2,984 thousand as of June 30, 2018.

3. Financial income

The financial income posted a loss of EUR 426 thousand as of June 30, 2018 compared to a profit of EUR 2,185 thousand as of June 30, 2017.

The breakdown of financial income is as follows:

	06/30/2018 (K€)	06/30/2017 (K€)
Income from deposits	100	165
Foreign exchange gains	50	88
Other	127	2,440
Total financial income	***277***	***2,693***
Foreign exchange losses	73	233
Interest expenses on	599	83
Other	31	192
Total financial expenses	***703***	***508***
FINANCIAL INCOME	**(426)**	**2,185**

The financial income recorded primarily includes:

- Other financial income of EUR 127 thousand includes the impact of rescheduling the BPI 2012 advance for EUR 84 thousand following the agreement reached by the Group with BPI.
  The sum of EUR 2,440 thousand noted as of June 30, 2017 specifically included the impact of the rescheduling of the 2010 BPI advance for EUR 2,113 thousand.
  Initially, Cerenis planned to repay this from 2017 onwards, thanks to the strategy of implementing a partnership following the results of the phase II "CARAT" study. The negative results of the CARAT study announced by a press release in the first quarter of 2017, led to the discontinuation of the development of CER-001 in treatment of Acute Coronary Syndrome and the end of discussions for setting up a partnership for future developments. Conversely, the Phase III study for the treatment of "FPHA" orphan diseases is ongoing. Given the time required to apply for marketing approval, the marketing of CER-001 for orphan diseases cannot take place until 2019. As a consequence, the repayment schedule has been updated in accordance with the latest management estimates and is expected to start January 31, 2020 and end January 31, 2027.

- Financial income linked to returns on futures accounts and income from investments. This financial income amounted to EUR 165 thousand at June 30, 2017, whereas as of June 30, 2018, it amounted to EUR 100 thousand. This reduction can be explained by the fall in average cash outstanding over the period.

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

Financial expenses mainly include:

- Foreign exchange losses (see the section above on "Foreign currency gains"); and

- The half-yearly interest charge on the BPI 2010 advance.

4. Corporate income tax

In view of the losses recognized during the financial years reported, the Group did not record any corporate income tax.

5. Basic earnings per share

The Company reported a net loss of EUR 3,410 thousand as of June 30, 2018 compared to a loss of EUR 706 thousand at June 30, 2017.

Losses per issued share (weighted average number of shares outstanding during the financial year) amounted respectively to:
- EUR 0.04 as of June 30, 2017;
- EUR 0.19 as of June 30, 2018.

ii. Balance sheet analysis

1. Non-current assets

Net non-current assets totaled EUR 398 thousand as of June 30, 2018, compared to EUR 429 thousand as of December 31, 2017.

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

The net intangible assets of EUR 213 thousand at June 30, 2018 and EUR 214 thousand at December 31, 2017 respectively, consist of the assets of Lypro Biosciences, acquired in November 2017, with the aim of extending its HDL strategy to immuno-oncology and chemotherapy, along with the software used by Cerenis.

As the R&D expenses incurred by the Company had not yet met the recognition criteria specified by IAS 38, they were fully booked as expenses.

The Group owns research equipment, office equipment and IT hardware.

Cerenis does not own any buildings.

Net property, plant and equipment items totaled EUR 68 thousand as of June 30, 2018 compared to EUR 82 thousand in the consolidated financial statements for 2017.

As of June 30, 2018, property, plant and equipment items were mostly composed of IT and office equipment and fittings, for offices at headquarters.

The other non-current assets item totaling EUR 117 thousand as of June 30, 2018 comprise the liquidity agreement for an amount of EUR 89 thousand, compared to EUR 121 thousand as of December 31, 2017. A total of 85,656 treasury shares have been deducted from shareholders' equity as at June 30, 2018. The outstanding amount has been recorded in "Other non-current assets".

Furthermore, the item also included deposits for lease payments on offices.

2. Current assets

Net current assets totaled EUR 14,403 thousand as of June 30, 2018, compared to EUR 17,868 thousand as of December 31, 2017.

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

Available cash includes current accounts at banks as well as short-term deposits, which are broken down as follows:

	06/30/2018 (K€)	12/31/2017 (K€)
Current bank accounts	3,685	5,714
Short-term deposits	9,828	10,558
TOTAL	**13,513**	**16,272**

Other assets are broken down as follows:

	06/30/2018 (K€)	12/31/2017 (K€)
Tax receivables	125	116
Social security receivables	0	0
Research Tax Credit	590	1,264
Pre-paid expenses	72	138
Other	103	78
TOTAL	**890**	**1,596**

Tax receivables correspond 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 in order to encourage them to conduct scientific and technical research. CIR is calculated on the basis of a share of the R&D expenses incurred by Cerenis. The 2017 Research Tax Credit was reimbursed in June 2018 for a total of EUR 1,264 thousand.

Pre-paid expenses mainly concern orders for materials related to research activities that were invoiced but not yet delivered as of June 30, 2018.

3. Shareholders' equity

As of June 30, 2018 and December 31, 2017, total Group Shareholders' equity amounted to EUR 5,488 thousand and EUR 8,888 thousand respectively.

Shareholders' equity mainly includes the items below:
- Share capital of EUR 915 thousand as of December 31, 2017 and EUR 915 thousand as of June 30, 2018;
- Issue premiums related to capital: EUR 166,751 thousand as of December 31, 2017 and EUR 166,751 thousand as of June 30, 2018;
- Aggregate losses for financial years 2005, i.e. a total of EUR 170,425 thousand as of December 31, 2017 and EUR 173,793 as of June 30, 2018;
- Impact from the application of IFRS 2 "Share-based payment" on shareholders' equity: EUR 11,601 thousand as of June 30, 2018 (EUR 11,568 thousand as of December 31, 2017);

4. Non-current liabilities

As of June 30, 2018 and December 31, 2017, total non-current liabilities amounted to EUR 6,854 thousand and EUR 6,172 thousand respectively.

These liabilities mainly corresponded to:
- Advances granted by BPI (Banque Publique d'Investissement, the French public investment bank);
- Provisions for disputes;
- Provisions for retirement benefits.

As of June 30, 2018, non-current liabilities related to repayable advances granted by BPI totaled EUR 6,493 thousand, compared to EUR 5,823 thousand as of December 31, 2017. Cerenis received three repayable advances for its R&D activities.

The “BPI 2010”- Project ISI advance totaling EUR 6,384 thousand was received during the financial year 2010. As of June 30, 2018, Cerenis had received EUR 4,602 thousand for the previous financial years. The balance of EUR 1,782 thousand has still not been received.

The BPI 2012 - OSEO Innovation advance of EUR 1,500 thousand was received in 2012. As of June 30, 2018, Cerenis has received EUR 1,250 thousand. The balance will be paid when the program finalization is notified.

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 I clinical trial.

The provisions are as follows:

	06/30/2018 (K€)	12/31/2017 (K€)
Retirement benefits	107	95
Other	254	254
TOTAL	**361**	**349**

The provision for retirement benefits was accounted for in accordance with IAS 19.

As of June 30, 2018, the Company’s management made an estimate of potential risks.

5. Current liabilities

As of June 30, 2018, and December 31, 2017, current liabilities came to EUR 2,457 thousand and EUR 3,237 thousand respectively.

This balance sheet item mainly comprises liabilities such as:

- Trade payables: EUR 1,954 thousand as of June 30, 2018 and EUR 2,522 thousand as of December 31, 2017;

- Tax and social security liabilities: EUR 303 thousand as of June 30, 2018 and EUR 315 thousand as of December 31, 2017;

- Current financial liabilities: EUR 200 thousand as of June 30, 2018 and EUR 400 thousand as of December 31, 2017.

C. SUMMARY CONSOLIDATED STATEMENTS FOR THE PREVIOUS HALF-YEAR PRESENTED IN CONSOLIDATED FORM

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

(in thousands of euros)	Note	June 30, 2018	December 31, 2017
Intangible assets	*III.G*	213	214
Property, plant and equipment	*III.G*	68	82
Other non-current assets	*III.G*	117	133
Deferred tax assets		0	0
Total non-current assets		**398**	**429**
Inventories and work in progress		0	0
Accounts receivable		0	0
Other current assets	*III.H*	890	1,596
Cash and cash equivalents	*III.H*	13,513	16,272
Total current assets		**14,403**	**17,868**
TOTAL ASSETS		**14,801**	**18,297**

LIABILITIES

(in thousands of euros)	Note	June 30, 2018	December 31, 2017
Share capital	*III.I*	915	915
Additional paid-in capital		166,751	166,751
Reserves and retained earnings		(158,833)	(153,850)
Loss for the financial year		(3,410)	(4,978)
Foreign currency translation reserves		65	51
Non-controlling interests		0	0
Total Shareholders' Equity		**5,488**	**8,888**
Long-term liabilities	*III.L*	6,493	5,823
Non-current provisions	*III.J*	361	349
Deferred tax liabilities		0	0
Other non-current liabilities		0	0
Total non-current liabilities		**6,854**	**6,172**
Current provisions		0	0
Trade payables		1,954	2,522
Other current liabilities		303	315
Current financial liabilities	*III.I*	200	400
Total current liabilities		**2,457**	**3,237**
TOTAL LIABILITIES		**14,801**	**18,297**

INTERIM COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Note	June 30, 2018	June 30, 2017
Revenue	*III.B*	0	0
Manufacturing expenses		0	0
Administrative and sales expenses	*III.C*	(1,315)	(756)
R&D expenses	*III.D*	(1,669)	(2,133)
Operating income		**(2,984)**	**(2,889)**
Financial income	*III.E*	278	2,693
Financial expenses	*III.E*	(704)	(508)
Financial income		**(426)**	**2,185**
Tax on profits		0	(2)
NET INCOME		**(3,410)**	**(706)**
Average number of (undiluted) shares	*III.F*	18,308,263	18,299,374
Loss per share (€)	*III.F*	(0.19)	(0.04)
Average number of diluted shares	*III.F*	19,361,982	19,035,836

OTHER INTERIM COMPREHENSIVE INCOME

(in thousands of euros)	Note	June 30, 2018	June 30, 2017
Net income		**(3,410)**	**(706)**
Items that will not be recyclable subsequently to income			
- Actuarial gains and losses on defined benefit plans		0	0
Items that may be recyclable subsequently to income			
- Currency exchange translation		0	(51)
Comprehensive income		**(3,410)**	**(757)**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of euros)	Number of shares	Share capital	Additional paid-in capital	Retained earnings	Conversion reserve	Actuarial gains and losses	Other reserves	Total
Balance as of 01/01/2017	***18,263,263***	***913***	***166,754***	***(165,462)***	***130***	***(25)***	***12,300***	***14,610***
Loss for the period				(706)				(706)
Capital increase	45,000	2	(2)					
Treasury shares				101				101
Share-based payment							(731)	(731)
Foreign currency translation reserves					(51)			(51)
Balance as of 06/30/2017	***18,308,263***	***915***	***166,752***	***(166,067)***	***79***	***(25)***	***11,569***	***13,223***

(in thousands of euros)	Number of shares	Share capital	Additional paid-in capital	Retained earnings	Conversion reserve	Actuarial gains and losses	Other reserves	Total
Balance as of 01/01/2018	***18,308,263***	***915***	***166,752***	***(170,372)***	***51***	***(25)***	***11,568***	***8,888***
Loss for the period				(3,410)				(3,410)
Capital increase								0
Treasury shares				(44)				(44)
Share-based payment							33	33
Exercise of equity warrants (BSA)				6				6
Foreign currency translation reserves					14			14
Shareholders' equity as of 06/30/2018	***18,308,263***	***915***	***166,752***	***(173,820)***	***65***	***(25)***	***11,601***	***5,488***

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	Note	June 30, 2018	June 30, 2017
Net consolidated net for the period		**(3,410)**	**(706)**
Net charge for depreciation		22	23
Net charge for provisions		14	(752)
Share-based payments (IFRS 2)		33	(731)
Adjustment to fair value of BPI advances	*III.L*	515	(2,030)
Reversal of income of the BPI subsidy	*III.I*	(45)	(110)
Net cash before changes in working capital		***(2,871)***	***(4,306)***
Income taxes		0	0
Net interest expense on borrowings		0	0
Net cash before changes in working capital		***(2,871)***	***(4,306)***
Change in working capital		141	(926)
Taxes paid		0	0
Net cash used in operating activities		**(2,730)**	**(5,232)**
Transfer of tangible capital assets		0	0
Proceeds from intangible assets		0	0
Capital expenditure: property, plant and equipment	*III.G*	(6)	0
Capital expenditure: intangible assets	*III.G*	(16)	0
Net cash from (used in) investing activities		**(22)**	**0**
Capital increase	*III.I*	0	0
Share subscription warrants		6	0
Treasury shares – liquidity agreements	*III.G*	(13)	151
Repayment of debt			
Proceeds from BPI redeemable advances		0	750
Net cash from (used in) financing activities		**(7)**	**901**
Changes in net cash flows		**(2,760)**	**(4,331)**
Effect of exchange rate fluctuations		0	0
Opening cash position		16,272	24,675
Closing cash flow		**13,513**	**20,344**

CERENIS THERAPEUTICS

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

I. PRESENTATION OF THE GROUP

A. PRESENTATION OF THE GROUP

These consolidated half-year financial statements include Cerenis Therapeutics Holding SA (denominated "Cerenis SA") and its American consolidated subsidiary Cerenis Therapeutics Inc. The term the "Group" refers to Cerenis SA together with its consolidated subsidiary. Cerenis Inc. is wholly owned by Cerenis Therapeutics S.A. Cerenis Inc. is wholly owned by Cerenis S.A.

Cerenis is a société anonyme (French limited-liability company) whose registered office is located at 33-43 avenue Georges Pompidou – Bâtiment D – 31130 Balma, France. The company relocated during the period. The Company is registered with the Toulouse Trade and Companies Register under number 481 637 718. The Company is incorporated under the legal regime of a limited liability company with a Board of Directors.

Cerenis is an international biopharmaceutical company specializing in the discovery and development of new innovative HDL-based therapies for the treatment of cardiovascular and metabolic diseases, as well as new HDL vectors for the targeted delivery of drugs in the field of oncology.

Cerenis Therapeutics has operations in Toulouse, France and Ann Arbor (Michigan), United States. The Company's registered office is in Toulouse.

Since its founding in 2005, Cerenis has attracted numerous investors. In July 2005, the Company completed a financing round (Series A) of EUR 25 million.

This was followed in November 2006 by a Series B round of EUR 42 million.

A third capital increase (Series C) was made between July 2010 and December 2011, raising EUR 50 million.

On March 30, 2015, the Group carried out its Initial Public Offering on sub-fund B of the Euronext regulated market in Paris ("Euronext Paris"), raising EUR 53.4 million through a capital increase.

A liquidity agreement was also signed and came into effect when trading began on March 30, 2015.

B. SIGNIFICANT EVENTS DURING THE PERIOD

The main factors affecting the period from January 1, 2018 to June 30, 2018 were as follows:

- Launch of the multi-dose part of the Phase I trial, assessing the daily administration for 28 days of increasing doses of CER-209 to patients at high risk of developing Non-Alcoholic Steatohepatitis (NASH) and/or Non-Alcoholic Fatty Liver Disease (NAFLD).

- The Group, together with the University of North Texas Health Science Center, announced a strategic initiative to develop new HDL-based pharmaceuticals:

    - Joint Program for the Development of New HDL Drug Delivery Technologies;
    - Development of a platform of unique HDL technologies;
    - Development of HDL systems for the delivery of anticancer drugs.

- Initial results of the Phase II study, TARGET, show the ability of CER-001 to target tumors in patients with esophageal cancer. The main conclusions after this first stage are:
    - Primary objective achieved: clinically relevant targeting of tumor tissues in patients with esophageal cancer by CER-001;
    - Extended tumor labeling supports the future use of HDL particles to improve the delivery of a therapeutic agent;
    - No safety or tolerance issues were detected.

- Change of registered office: the company relocated during the period. The registered office is now located at 33-43 avenue Georges Pompidou – Bâtiment D – 31130 Balma, France.

C. MATERIAL EVENTS OCCURRING AFTER THE CLOSING DATE

As of July 26, the Group issued 638,753 new shares at a price of EUR 1.78 per share.

The total amount of the capital increase stands at EUR 1,136,980.34 (of which EUR 31,937.65 is the nominal amount, with an issue premium of EUR 1,105,042.69).

Following this capital increase, the number of shares comprising the Company's capital stood at 18,947,016 corresponding to an identical number of theoretical voting rights.

The capital increase with an overall amount of over one million euro is intended to finance the announced development of the HDL platform, specifically with the launch of two programs (CER-320 and CER-350) in immuno-oncology.

This is consistent with previous initiatives (the acquisition of Lypro's assets, the "HDL Initiative", a strategic partnership to develop new pharmaceutical products with the University of North Texas Health Science Center, the formation of the Scientific Committee on Oncology and TARGET's encouraging results).

II. ACCOUNTING PRINCIPLES AND VALUATION METHODS

A. GENERAL PRINCIPLES AND APPLICABLE STANDARDS

i) General information

The Group's interim condensed consolidated financial statements at June 30, 2018 have been prepared in accordance with IAS 34 – Interim Financial Reporting. They do not include all the information required by IFRS and should therefore be read in conjunction with the Group's consolidated financial statement for the financial year ended December 31, 2017.

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, 2018 and available online at http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.

These accounting policies are consistent with those applied by the Group at December 31, 2017 and described in the Note II to the Group consolidated financial statements as at December 31, 2017, except for the points set out in the paragraph on "New IFRS standards and interpretations" below.

International Financial Reporting Standards include:

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

The financial statements are rounded to the nearest thousand (€000).

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

As of June 30, 2018, the Company did not hold any instruments of this type.

Assets and liabilities under twelve months are presented as current in the balance sheet. All other assets and liabilities are classified as non-current. Expenses in the income statement are presented by destination.

ii) New standards, amendments and interpretations

As of June 30, 2018, the Group applied the standards, interpretations, accounting principles and methods used in the consolidated financial statements for 2017, with the exception of the mandatory changes set out in the IFRS standards listed below applicable on January 1, 2018.

Main IFRS standards, amendments and interpretations in force in the European Union, which are mandatory or applicable in advance as of January 1, 2018:

- *IFRS 9: Financial instruments*

  As of July 24, 2014, the IASB issued a new standard on financial instruments replacing most existing IFRS provisions, specifically IAS 39. The new standard, adopted by the European Union as of November 22, 2016, must apply from January 1, 2018.

  The Group did not apply this standard early. The provisions of the standard on the classification, valuation and impairment of financial instruments are applied by the Group retrospectively with no adjustment to comparatives. As regards those provisions specific to hedge accounting, the Group applies them prospectively in line with the provisions of IFRS 9. There was no impact to the company of the application of this standard as of January 1, 2018.

- *IFRS 15: Revenue from Contracts with Customers*

  As of May 28, 2014, the IASB issued a new standard on income recognition replacing most existing IFRS provisions, specifically IAS 11 and IAS 18. The new standard, adopted by the European Union as of October 29, 2016, applies from January 1, 2018.

  Because the Group does not generate revenue, the application of this standard has no impact as of June 30, 2018.

  The amendments to IFRS 4, IFRS 2 and IAS 40 have no impact on the Group's half-year financial statements.

  The application of IFRIC 22 "Foreign Currency Transactions and Advance Consideration" has no impact on the Group's half-year financial statements.

IFRS in effect in the European Union, mandatory as of January 1, 2019

- *IFRS 16: Leases*

  As of January 13, 2016, the IASB issued IFRS 16, “Leases”. IFRS 16 will replace IAS 17 and the related IFRIC and SIC interpretations, eliminating the distinction for lessees between “operating leases” and “finance leases”.

  Lessees will have to recognize all leases with a term of more than one year similarly to the terms and conditions currently provided for leases under IAS 17 and thus recognize an asset and a liability for the rights and obligations established by a lease. The new standard, adopted by the European Union as of October 31, 2017, applies from January 1, 2019.

  The Group did not apply this standard early.

  The impact of IFRS 16 is currently being assessed. Given the expected changes in standards and uncertainties, in particular regarding the duration of contracts to retain, the items set out in the notes as of December 31, 2017 covering leases do not give an indication of the potential impact of the application of IFRS 16 on the Group's financial statements.

Essential interpretation issued by the IASB, but not adopted by the European Union:

- *IFRIC 23: Uncertainty over income tax treatments*

  As of June 7, 2017, the IFRS IC issued the IFRIC 23 interpretation, for mandatory application from January 1, 2019, not adopted by the European Union. This interpretation contains provisions relating to the recognition of the tax impacts linked to the uncertain nature of the tax.

  The Group opted not to apply this interpretation in advance.

B. CONSOLIDATION METHODS

The principles of consolidation are the same as those applied by the Group on December 31, 2017.

Subsidiaries over which the Group exercises full control are fully consolidated.

The schedule below presents foreign exchange rates used:

US dollar	06/30/2018	12/31/2017	06/30/2017
Average rate	1.2108	1.1293	1.0825
Closing rate	1.1658	1.1993	1.1412

C. SEASONALITY

Since the Group operates in the field of research, there is no seasonal impact on its activities.

D. USE OF ESTIMATES AND JUDGEMENTS

In order to prepare financial statements, the Board of Directors may make estimates and assumptions that affect the application of accounting principles and the reported amounts of assets and liabilities and of revenues and expenses, as well as the information disclosed in the notes to the financial statements.

These estimates and the 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 the book value of assets and liabilities when other methods cannot be used.

The use of estimates and assumptions is of particular importance, primarily for the following items:
- The recoverable value of intangible assets and property, plant and equipment and their useful life;
- The valuation of provisions and employee benefits;
- Research tax credit;
- The estimate of future payments relating to the schedule for the repayment of the advances, to the technical progress of the studies conducted by the Group and to the Group's ability to finance these projects to completion;
- Income tax and recording of differed taxes;
- Measurement at fair value of share-based payments.

As of June 30, 2018, the estimates and assumptions used in preparing the financial statements have been made in a context of real difficulties in formulating an understanding of the economic outlook. The estimates and assumptions used by the Group to prepare the interim consolidated financial statements are based on known information at the reporting date.

III. DETAILED NOTES

A. SUMMARY SECTOR INFORMATION

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

B. REVENUE

As of June 30, 2018, December 31, 2017 and June 30, 2017, Cerenis did not recognize any revenue.

C. ADMINISTRATIVE AND SALES EXPENSES

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

Type	06/30/2018	06/30/2017
Salaries and social security contributions	552	561
Share-based payment	0	(384)
Travel expenses	177	149
Lawyers	75	271
Consultants	175	119
Charges for depreciations and provisions	17	(416)
Other	319	456
TOTAL	**1,315**	**756**

Changes in share-based payments are detailed in Note III-N below.

D. R&D EXPENSES

R&D expenses are broken down as follows:

Type	06/30/2018	06/30/2017
Salaries and social security contributions	307	695
Share-based payment	33	(348)
R&D costs	1,519	1,783
Other	402	657
Research Tax Credit	(592)	(654)
TOTAL	**1,669**	**2,133**

Changes in share-based payments are detailed in Note III-N below.

E. FINANCIAL INCOME

Financial income and expenses are broken down as follows:

Type	06/30/2018	06/30/2017
Financial income		
Income from deposits	100	165
Foreign exchange gains	50	88
Other financial income	127	2,440
TOTAL	**277**	**2,693**
Financial expenses		
Foreign exchange losses	73	233
BPI financial expenses	599	83
Other financial expenses	31	192
TOTAL	**703**	**508**
FINANCIAL INCOME	**(426)**	**2,185**

Other financial income in the amount of EUR 127 thousand at June 30, 2018, which specifically includes the impact of the rescheduling of the BPI 2012 advance for EUR 84 thousand, corresponding to the proceeds of the rescheduling of the debt less the interest charge for the financial year.

F. INCOME PER SHARE

Basic net income/loss per share is computed using the weighted average number of common shares outstanding over the period:

Income per share	06/30/2018	06/30/2017
Net income	(3,410)	(706)
Average number of shares	18,308,263	18,299,374
Income per share (€)	(0.19)	(0.04)

As the net income is a loss, the FSWs, equity warrants (BSA), bonus shares and stock options granting access to the capital in a deferred manner are considered to be anti-dilutive. This means that diluted earnings per share are equal to basic earnings per share.

G. NON-CURRENT ASSETS

i) Intangible assets

Intangible assets amount to EUR 213 thousand as of June 30, 2018, as compared to EUR 214 thousand in the consolidated financial statements for 2017.

In November 2017, the Group acquired the assets of Lypro Biosciences in order to extend its HDL strategy to immuno-oncology and chemotherapy. The company thus made a first payment of EUR 213 thousand; the contract provides for the payment of new sums at each regulatory stage completed.

ii) Property, plant and equipment

The Group owns laboratory equipment, office equipment and IT hardware.

Cerenis does not own any buildings.

Net property, plant and equipment items totaled EUR 68 thousand as of June 30, 2018 compared to EUR 82 thousand in the consolidated financial statements for 2017.

As of June 30, 2018, property, plant and equipment items were mostly composed of IT and office equipment and fittings, for offices at headquarters.

Depreciation for the period ended June 30, 2018 amounts to EUR 21 thousand.

iii) Other non-current assets

	06/30/2018	12/31/2017
Deposits	28	12
Liquidity agreement	89	121
TOTAL	**117**	**133**

The "Other non-current assets" item is made up of deposits relating to the lease of new offices at the Balma site.

The Group is continuing to apply the liquidity agreement it entered into following the IPO. The current account stands at EUR 89 thousand as of June 30, 2018. A total of 85,656 treasury shares were purchased pursuant to this agreement, valued at EUR 170 thousand.

H. CURRENT ASSETS

i) Other current assets

	06/30/2018	12/31/2017
Tax receivables	125	116
Social security receivables	0	0
Research tax credit	590	1,264
Prepaid expenses	72	138
Other debtors	103	78
TOTAL	**890**	**1,596**

The tax receivables relate primarily to a VAT credit and to a deductible VAT balance.

The prepaid expenses relate to costs incurred for clinical trials.

The research tax credit is recorded as a reduction in the "R&D expenses" during the year in which the eligible expenses are incurred. The Research Tax Credit 2017 was repaid as of June 18, 2018 in the amount of EUR 1,265 thousand.

ii) Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement and the balance sheet related to:
- Cash at bank;
- Short-term deposits (futures accounts with progressive interest rates, fixed-term deposits, interest-bearing accounts).

	06/30/18	12/31/2017
Cash	3,685	5,714
Short-term investments	9,828	10,558
TOTAL	**13,513**	**16,272**

I. SHAREHOLDERS' EQUITY

The share capital did not change between June 30, 2017 and June 30, 2018:

Date	Number of shares	Par value	Total share capital in €	Total issue premium in €
07/01/2017	18,308,263	0.05	915,413	166,750,964
Close 12/31/2017	18,308,263	0.05	915,413	166,750,964
Half-year 06/30/2018	18,308,263	0.05	915,413	166,750,964

J. PROVISIONS

Provisions are as follows:

	06/30/2018	12/31/2017
Retirement benefits	107	95
Other	254	254
TOTAL	**361**	**349**

i) Other provisions

As of June 30, 2018, the Company's management made an estimate of potential risks. Cerenis set aside a provision for the risk relating to a lawsuit.

ii) Retirement benefits

The Group records retirement benefit commitments in accordance with IAS 19. This only concerns employees from the French subsidiary.

The provision for retirement benefits is recorded in the balance sheet as a non-current liability under the heading of "Non-current provision", for the total amount of the liability.

As of June 30, 2018, a provision of EUR 107 thousand was recorded. Over the period, Cerenis recognized a provision of EUR 12 thousand.

The Group did not pay any retirement indemnities for the period.

K. CURRENT FINANCIAL LIABILITIES

Current financial liabilities amount to EUR 200 thousand and relate to the short-term portion of the BPI redeemable advance (see L. ii).

L. PUBLIC SUBSIDIES AND FINANCING

i) Research Tax Credit

The Research Tax Credit is reimbursed by the French tax authority in the course of the following financial year. It is recorded in the balance sheet under other current assets.

It appears as:

€ THOUSANDS	06/30/2018	12/31/2017	06/30/2017
RESEARCH TAX CREDIT	590	1,264	654

ii) Repayable BPI advances

Cerenis received repayable advances from BPI.

The situation is as follows:

€ thousands	06/30/2017	Financial income	12/31/2017	Financial income	06/30/2018
Fair value advance	(6,537)	(512)	(7,049)	(599)	(7,648)
Cash to be received	1,781		1,781		1,781
BPI 2010 advance	**(4,756)**	**(512)**	**(5,268)**	**(599)**	**(5,867)**
Fair value advance	(1,065)	(85)	(1,150)	84	(1,065)
Deferred revenue	(93)	38	(55)	45	(10)
Cash to be received	250	0	250		250
BPI 2012 advance	**(908)**	**(47)**	**(955)**	**129**	**(825)**
Total	**(5,664)**	**(559)**	**(6,223)**	**(470)**	**(6,693)**
of which long-term financial liabilities	*(5,464)*		*(5,823)*		*(6,493)*
of which current liabilities	*(200)*		*(400)*		*(200)*

The deferred income of EUR 10 thousand is the amount of the subsidy calculated in accordance with IAS 20 which has not yet been allocated to the R&D expenses funded by this advance.

Income statement position

06/30/2018 € THOUSANDS	Financial expenses	Financial income	Impact on financial income
BPI 2010	(599)	0	(599)
BPI 2012	0	84	84
TOTAL	**(599)**	**84**	**(515)**

12/31/2017 € THOUSANDS	Financial expenses	Financial income	Impact on financial income
BPI 2010	0	1,601	1,601
BPI 2012	(167)	0	(167)
TOTAL	**(167)**	**1,601**	**1,434**

06/30/2017 € THOUSANDS	Financial expenses	Financial Income	Impact on financial income
BPI 2010	0	2,113	2,113
BPI 2012	(82)	0	(82)
TOTAL	**(82)**	**2,113**	**2,031**

The financial expenses recognized in connection with OSEO repayable advances result from the effects of the passage of time.

Financial revenue is recognized as part of the rescheduling of the repayment of these advances.

"BPI 2010" advance: Project ISI

Amount EUR 6,384 thousand (o/w EUR 4,602 thousand received as of June 30, 2018)

Interest rate 0%

Repayment: From January 2020 to January 2027.

In 2010, the Group obtained a repayable advance of EUR 6,384 thousand. As of June 30, 2018, Cerenis has received an amount of EUR 4,602 thousand. The balance of EUR 1,782 thousand has not yet been received.

This advance concerns:

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

The fair value of the BPI liability corresponds to the current value of the advance, less the outstanding amounts receivable.

The fair value of these advances was calculated, when contracts were signed, on the basis of an interest rate of 17%. This rate was chosen because of the volatility and the risks inherent in the projects to which this repayable advance was made.

At the time the advance was arranged, the Company reported a subsidy corresponding to the difference between the amount of the advance and the fair value of that advance at the time of lending to benefit from the advantage that it afforded. This subsidy was offset against R&D expenses for a cumulative amount of EUR 1,322 thousand over financial years 2010 and 2011.

This advance bears interest and a redemption premium is applied in the event that the project proves successful. In this instance, Cerenis would have to pay the BPI up to EUR 20,000 thousand, covering the repayment of the advance, all interest accrued and the redemption premium. This assumption has been used to estimate the fair value of the repayable advance.

The procedure for reimbursement of this repayable advance will occur at two levels:

- The Group will repay the advance for a total amount of EUR 7,400 thousand over 5 years, as soon as cumulative sales of CER-001 exceed EUR 20,000 thousand, according to the schedule below;
- The Group will have to pay a redemption premium for a total amount of EUR 12,600 thousand, which represents 4% of CER-001 sales, as soon as cumulative sales exceed EUR 300,000 thousand.

	Repayment activation	Amount	Total
CER-001 sales	Cumulative sales > €20,000 thousand	Year 1: EUR 300 thousand Year 2: EUR 500 thousand Year 3: EUR 1,000 thousand Year 4: EUR 2,000 thousand Year 5: EUR 3,600 thousand	Total: EUR 7,400 thousand
	Cumulative sales > EUR 300,000 thousand	4% of sales over 4 years	Capped amount: EUR 12,600 thousand

Initially, Cerenis planned to repay this from 2017 onwards thanks to the implementation of a partnership.

The negative results announced in the press release for Q1 2017 of the CARAT study led to the discontinuation of the development of CER-001 in the treatment of acute coronary syndrome and the cessation of discussions to establish a partnership for future developments.

Conversely, the phase III study for the treatment of FPHA orphan diseases has continued, and the results should be released during the fourth quarter of 2018. Given the timeframes for market authorization applications, the marketing of CER-001 for orphan diseases will not be possible before 2020.

Consequently, the repayment schedule has been updated based on the latest estimates by Management and is expected to commence as from January 31, 2020, with completion January 31, 2027.

As of December 31, 2017, the rescheduling of repayments resulted in the recognition of financial income of EUR 1,601 thousand in the consolidated financial statements.

Accounting position

As at June 30, 2018, this advance has been recorded for an amount of EUR 5,867 thousand. This amount has been recorded in full as a non-current liability.

The interest expense stood at EUR 599 thousand for the period from January 1, 2018 to June 30, 2018

"BPI 2012" advance: OSEO Innovation

Amount	EUR 1,500 thousand (o/w EUR 1,250 thousand received as of June 30, 2018)
Interest rate	0%
Repayment:	From March 2019 to December 2021

The Group obtained support from BPI for the pre-clinical development of a new drug candidate (CER-209), as part of its HDL treatment as well as the Phase I clinical trial.

As of June 30, 2018, Cerenis has received EUR 1,250 thousand. The balance will be paid when the program finalization is notified.

This advance should initially be reimbursed between June 2014 and March 2017 according to the following schedule:

Financial year ended December 31, 2014:	EUR 300 thousand
Financial year ended December 31, 2015:	EUR 475 thousand
Financial year ended December 31, 2016:	EUR 575 thousand
Financial year ended December 31, 2017:	EUR 150 thousand

In case of project failure, Cerenis will have to repay an amount of EUR 600 thousand in accordance with the following schedule;

Financial year ended December 31, 2014:	EUR 300 thousand
Financial year ended December 31, 2015:	EUR 300 thousand

In accordance with IAS 20 and IAS 39, these zero-interest repayable advances have been recorded at fair value.

The fair value of these advances was calculated, when contracts were signed, on the basis of an interest rate of 17%. This rate was chosen because of the volatility and the risks inherent in the projects to which this repayable advance was made.

The repayment schedule for the repayable advance was re-estimated and renegotiated during financial year 2014 based on management's best estimate, in order to take into account the expected repayments with effect from 2017.

At December 31, 2016, following the rescheduling agreement entered into with BPI on September 9, 2016, the reimbursement schedule for the BPI 2012 advance had been reviewed to take into account a one-year time lag in the program's implementation.

At June 30, 2018, following a new rescheduling agreement entered into with BPI, the repayment schedule was again revised to take into account a one-year time lag in the program's implementation. The update of the repayment schedule resulted in the posting of net financial income of EUR 84 thousand (corresponding to the total income resulting from the rescheduling of the debt, less the interest expense for the year) in the interim consolidated financial statements at June 30, 2018.

Consequently, this advance will have to be repaid between March 2019 and December 2021 according to the following schedule:

Financial year ended December 31, 2019: EUR 400 thousand
Financial year ended December 31, 2020: EUR 500 thousand
Financial year ended December 31, 2021: EUR 600 thousand

Accounting position

As of June 30, 2018, this advance has been recorded for a net amount of EUR 825 thousand. This amount has been recorded as a non-current liability for an amount of EUR 625 thousand and as a current liability for an amount of EUR 200 thousand.

This amount corresponds to the sum to be reimbursed by the group by June 30, 2019.

The interest expense amounts to EUR 84 thousand for the period from January 1 through June 30, 2018.

M. RELATED PARTIES

The Board of Directors has provided for a termination fee to be paid to the CEO in the event of dismissal or non-renewal of his term of office provided the termination is not the consequence of a violation of the law or the bylaws, or of serious misconduct.

The amount of compensation granted to the three members of the Executive Committee is set out below:

	06/30/2018	06/30/2017
Fixed remuneration	367	346
Variable remuneration	43	78
Benefits in kind	6	6
Social contributions	191	182
TOTAL	**607**	**612**

N. SHARE-BASED PAYMENT

Since its creation, the Company has granted several stock options, stock warrant (SW) and founder's stock warrant (FSW) plans, as well as bonus shares.

Main features of the plans

SWs – FSWs – Stock options

The principal information relating to these plans is as follows:

- Beneficiaries: Company employees and Directors, 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 four years, with a vesting limit of one year.

Bonus shares (BS)

- Beneficiaries: Company employees and directors;
- The vesting 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 vesting, is set at one year.

From the date of vesting, the holding period, at the end of which shares may be freely sold, is set at one year.

Shares issued at the end of the vesting period will be new common shares, to be issued by means of a capital increase through the capitalization of reserves. Holders will be entitled to 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 or she leaves office.

Stock options, FSWs and SWs granted in 2016 and 2017

	Number of options 06/30/2018	Average exercise price 06/30/18	Number of options 12/31/2017	Average exercise price 12/31/2017
Balance at start of period	727,573	8.91	1,059,161	9.02
Options granted	40,000	1.70	0	0.00
Options exercised	0	0	45,000	9.65
Options expired	28,475	0	286,588	0
Balance at end of period	**739,098**	**8.63**	**727,573**	**8.91**

iii) Details of the plans granted

The following table lists the unit evaluations of the options granted and reiterates the assumptions:

Type of plan	Grant date	Number of instruments granted	Number of instruments cancelled	Number of instruments exercised	Number of instruments vested	Exercise price (€)
FSWs	2006	76,500	33,250	43,250	0	5.45
Options	2006	222,500	142,412	80,088	0	4.22 / 7.32
SWs	2006	15,000	15,000	0	0	7.32
FSWS	2007	64,376	64,376	0	0	7.32
Options	2007	250,626	250,626	0	0	7.32
SWs	2007	48,250	48,250	0	0	7.32
FSWS	2008	236,475	236,475	0	0	7.69
Options	2008	68,950	68,950	0	0	7.69
SWs	2008	10,000	10,000	0	0	7.69
FSWS	2009	163,800	144,575	1,025	18,200	7.66
Options	2009	131,300	118,500	1,000	11,800	7.66
SWs	2009	10,000	10,000	0	0	7.66
Options	2010	85,500	74,000	0	11,500	7.77 / 8.74
SWs	2010	43,250	43,250	0	0	7.77 / 8.74
FSWs	2010	83,000	41,800	0	41,200	7.77
FSWs	2011	303,000	114,665	56,135	132,200	8.74 / 9.31
Options	2011	112,500	91,500	0	21,000	8.74 / 9.31
SWs	2011	0	0	0	0	8.74
FSWs	2012	191,381	42,300	0	149,081	9.31
SWs	2012	77,667	44,417	0	33,250	9.31
Options	2012	41,100	41,100	0	0	9.31
FSWs	2013	443,714	409,014	0	34,700	9.49
Options	2013	166,286	166,286	0	0	9.49
SWs	2013	74,000	62,000	0	12,000	9.49
AGA	2015	365,000	0	365,000	0	12.16
AGA	2016	200,000	160,000	40,000	0	11.70
AGA	2016	5,000	0	5,000	0	8.40
SWs	2016	133,000	33,250	0	99,750	9.36
Options	2016	134,417	0	0	134,417	9.36
SWs	2018	40,000	0	0	40,000	1.70
TOTAL		**3,796,592**	**2,465,996**	**591,498**	**739,098**	

iv) Situation at June 30, 2018

Options exercised

Over the period from January 1 through June 30, 2018, no options were exercised.

Options granted

Over the period from January 1 through June 30, 2018, 40,000 SWs were granted.

Impact on income statement

The Group recorded the following expense over the period:

	06/30/2018	06/30/2017
Share-based payment - Income for the period	0	751
Share-based payment - Expenses for the period	(33)	(20)

As of June 30, 2017, since the performance condition was not met, the share-based payment expense recorded for the financial year 2016 was reversed in the income statement following the announcement of the results of the CARAT study.

O. LIST OF CONSOLIDATED COMPANIES

The list of consolidated companies is set out below:

Company and legal form	Registered office	Consolidation method			% Share capital			% Equity interest		
		06-2017	12-2017	06-2018	06-2017	12-2017	06-2018	06-2017	12-2017	06-2018
Cerenis Therapeutics SA	33-43 avenue Georges Pompidou – Bâtiment D 31130 Balma – France –	Parent company	Parent company	Parent company	Parent company	Parent company	Parent company	Parent company	Parent company	Parent company
Cerenis Inc	PO BOX 861 Lakeland, MI 48143 – USA –	Fully consoli-dated	Fully consoli-dated	Fully consoli-dated	100%	100%	100%	100%	100%	100%

D. STATUTORY 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

CERENIS THERAPEUTICS HOLDING

Société anonyme

33-43, avenue Georges Pompidou – Bâtiment D

31130 Balma

Auditor's report
on the interim financial report

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, 2018;

- 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- 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 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- Specific verification

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 and Nantes, September 7th, 2018

The Statutory auditors

HLP Audit	**Deloitte & Associés**
Freddy GARCIN	Etienne ALIBERT
Partner	Partner