A French *Société Anonyme* with share capital of €882,274.50
Registered office: Green Square – Bât. D, 80/84 rue des Meuniers, 92220 Bagneux, France
***RCS* Nanterre B 441 772 522**

DOCUMENT DE BASE

Unofficial English language translation for information purposes only

AMF AUTORITÉ DES MARCHÉS FINANCIERS

Pursuant to its general regulations, particularly Article 212-23, the *Autorité des Marchés Financiers* [French Financial Markets Authority, AMF] registered this *Document de Base* on 30 January 2012 under number I.12-004. This *Document de Base* may not be used in support of a financial transaction until it is supplemented by an information document [*note d'opération*] bearing a visa issued by the AMF. This document has been prepared by the issuer and its signatories are responsible for its content. In accordance with the provisions of Article L. 621-8-1-I of the French Monetary and Financial Code, this document was registered after the AMF verified that "*the document is complete and comprehensible, and that the information it contains is coherently presented*." Registration does not imply authentication by the AMF of the accounting and financial information presented.

This document is available at no charge at the registered office of the Company, as well as electronically on the website of the AMF (www.amf-France.org) and on that of the Company (www.dbv-technologies.com).

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GENERAL REMARKS

Definitions

In this *Document de Base* and unless otherwise indicated:

- The term "DBV Technologies" or the "Company" refers to DBV Technologies SA.

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This document is a free translation into English of the document de base *registered with the Autorité des Marchés Financiers (the "AMF", French financial markets authority) on January 30, 2012 under number I.12-004 originally published by the Company in French. The Company assumes no responsibility with respect to this non-certified translation. In the event of any discrepancy between this document and the original French text, the French text will prevail.*

This document, and the information that it contains, constitute neither an offer to sell or subscribe nor a solicitation to purchase or subscribe for DBV Technologies shares in any countries. No offer of shares is made or will be made in France before the delivery of the visa by the AMF on a prospectus composed of the Document de Base, *the update of it, and a securities note (a note d'opération) which will be subsequently submitted to the AMF.*

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This document contains forward-looking statements and information about the objectives of DBV Technologies, in particular in sections 6.3 and 12 "Information on trends" of this document, which are sometimes identified by the use of the future or conditional tenses, and forward-looking terms such as "estimate", "believe", "have as an objective", "expect", "understand", "should", "hope" and "could". This information is based on data, assumptions and estimates considered reasonable by

the Company. The forward-looking statements and objectives included in this document may be affected by known and unknown risks and uncertainties related to, in particular, the regulatory, economic, financial and competitive environments, and other factors that could cause the future results, performance or achievements of the Company to differ materially from the objectives expressed or implied. Such factors may include, in particular, the factors set forth in section 4 "Risk Factors" of this document.

Investors are asked to consider carefully the risk factors described in section 4 "Risk Factors" of this document before making an investment decision. The materialization of all or part of such risks could have an adverse effect on the business, situation or financial results of the Company or its objectives. In addition, other risks not yet known to the Company or not currently considered material by the Company could have the same adverse effect and investors could lose all or part of their investment.

This document also contains information concerning the markets and market share of the Company and its competitors, and about its competitive position, particularly in section 6 paragraphs 6.2, 6.3 and 6.5.5. This information is in particular taken from studies performed by external sources. However, the publicly available information, which the Company considers reliable, has not been verified by an independent expert and the Company cannot guarantee that a third party using different methods to collect, analyze or calculate data concerning the markets would obtain the same results. The Company, the direct or indirect shareholders of the Company, and the investment services providers do not make any commitment or give any assurance of the accuracy of this information.

1 PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE *DOCUMENT DE BASE*

Mr. Pierre-Henri Benhamou, Chairman and Chief Executive Officer of DBV Technologies.

1.2 CERTIFICATION OF THE PERSON RESPONSIBLE

"I certify, after taking all reasonable measures to this end, that the information contained in this *Document de Base* is, to my knowledge, true to reality and that no information has been omitted that would alter its scope.

I have obtained a work completion letter from the statutory auditors, in which they state that they have verified the information concerning the financial position and the financial statements included in this *Document de Base*, and that they have read this *Document de Base* in its entirety.

The financial information presented in the *Document de Base* has been the subject of reports by the statutory auditors, set forth in paragraphs 20.4.1, 20.4.2.1, 20.4.2.2, 20.4.2.3 and 20.6.2.

The statutory auditors' report on the financial statements prepared according to IFRS as adopted by the European Union for the fiscal years ended on 31 December 2008, 2009 and 2010 set forth in paragraph 20.4.1 contains the following observation: "Without calling into question the opinion expressed above, we draw your attention to Note 3.1 "Basis of preparation of the financial statements" which sets forth the financial position of the company as of 31 December 2010 as well as the measures announced by Management to enable the company to continue as a going concern."

The statutory auditors' report on the semi-annual financial statements prepared according to IFRS as adopted by the European Union for the period from 1 January 2011 to 30 June 2011 set forth in paragraph 20.6.2 contains the following observation: "Without calling into question the opinion expressed above, we draw your attention to Note 3.1 "Basis of preparation of the financial statements" which sets forth the financial position of the company as of 30 June 2011, as well as the measures announced by the Management to enable the Company to continue as a going concern."

The report of the firm CHD AUDIT ET CONSEIL on the annual financial statements of the fiscal year ended on 31 December 2010 set forth in paragraph 20.4.2.1 contains the following observation: "Without calling into question the opinion expressed above, we draw your attention to the fact that these financial statements are assessed subject to the completion and financing of industrial projects."

The report of the firm CHD AUDIT ET CONSEIL on the annual financial statements of the fiscal year ended on 31 December 2009 set forth in paragraph 20.4.2.2 contains the following observation: "Without calling into question the opinion expressed above, we draw your attention to the fact that these financial statements are assessed subject to the completion and financing of industrial projects and their commercial development, in particular, the Diallertest® project, as mentioned in the 'Fixed Assets' Note."

The report of the firm CHD AUDIT ET CONSEIL on the annual financial statements of the fiscal year ended on 31 December 2008 set forth in paragraph 20.4.2.3 contains the following observation: "Without calling into question the opinion expressed above, we draw your attention to the fact that these financial statements are assessed subject to the completion and financing of industrial projects and their commercial development, in particular, the Diallertest® project, as mentioned in the 'Fixed Assets' Note."

Pierre-Henri BENHAMOU
Chairman and Chief Executive Officer

1.3 PERSONS RESPONSIBLE FOR THE FINANCIAL INFORMATION

Mr. Pierre-Henri BENHAMOU Chairman and Chief Executive Officer Address: Green Square- Bâtiment D 80/84 rue des Meuniers, 92220 Bagneux, France Telephone: +33(0)1 55 42 78 78 Fax: +33 (0)1 43 26 10 83 E-mail: phbenhamou@dbv-technologies.com	**Mr. David SCHILANSKY** Chief Financial Officer Address: Green Square- Bâtiment D 80/84 rue des Meuniers, 92220 Bagneux, France Telephone: +33 (0)1 55 42 78 78 Fax: +33 (0)1 43 26 10 83 E-mail: david.schilansky@dbv-technologies.com

2 STATUTORY AUDITORS

2.1 MAIN STATUTORY AUDITORS

- **CHD AUDIT ET CONSEIL represented by Mr. Jean-Marc BULLIER**

8, rue Auber, 75009 Paris, France

CHD Audit et Conseil was appointed as main statutory auditor by the general meeting of 14 June 2007 following its predecessor's resignation and for the term of the latter's office remaining to run, i.e. until the general meeting called to approve the financial statements of the fiscal year ended on 31 December 2007. Its term of office was renewed by the ordinary general meeting of 26 June 2008, and will end upon conclusion of the general meeting approving the financial statements of the fiscal year ending on 31 December 2013.

- **Deloitte & Associés represented by Mr. Fabien BROVEDANI**

185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine Cedex, France

Deloitte & Associés was appointed as main statutory auditor by the general meeting of 9 December 2011 for a term of six fiscal years ending upon conclusion of the ordinary general meeting approving the financial statements of the fiscal year ending on 31 December 2016.

2.2 ALTERNATE STATUTORY AUDITORS

- **AEC-AUDIT ET COMMISSARIAT**

40, avenue du Général de Gaulle, 03100 Montluçon, France

AEC was appointed as alternate statutory auditor by the general meeting of 14 June 2007 following the resignation of the serving alternate statutory auditor, for the term of the latter's office remaining to run, i.e. until the general meeting called to approve the financial statements of the fiscal year ended on 31 December 2007. Its term of office was renewed by the ordinary general meeting of 26 June 2008, and will end upon conclusion of the general meeting approving the financial statements of the fiscal year ending on 31 December 2013.

- **BEAS represented by Mr. William Di CICCO**

7-9 villa Houssay, 92524 Neuilly-sur-Seine Cedex, France

BEAS was appointed as second alternate statutory auditor by the general meeting of 9 December 2011 for a term of six fiscal years ending upon conclusion of the ordinary general meeting approving the financial statements of the fiscal year ending on 31 December 2016.

During the period covered by the historical financial information, there have been no resignations or terminations of statutory auditors.

3 SELECTED FINANCIAL INFORMATION

The key financial information presented below was taken from the financial statements of the Company restated according to IFRS [International Financial Reporting Standards] for the purposes of this *Document de Base*.

Such key accounting and operational data should be read together with the information contained in sections 9 "Review of results and of the financial situation," 10 "Cash and capital," and 20 "Financial information concerning the assets, financial situation and earnings of the issuer."

DBV Technologies SA – IFRS (in €)	FY 2010 12 months audited	FY 2009 12 months audited	FY 2008 12 months audited	1st half-year 2011 6 months unaudited
Fixed assets	**409,310**	**519,765**	**476,767**	**626,276**
Of which intangible assets are	*7,602*	*2,562*	*123*	*5,266*
Of which property, plant, and equipment are	*326,764*	*434,301*	*373,511*	*468,569*
Of which long-term financial assets are	*74,944*	*82,902*	*103,133*	*152,441*
Current assets	**11,164,365**	**5,888,425**	**3,130,004**	**7,467,025**
Of which cash and cash equivalents are	*9,027,891*	*4,408,068*	*1,683,825*	*4,734,784*
TOTAL ASSETS	**11,573,676**	**6,408,190**	**3,606,770**	**8,093,301**
Shareholders' equity	**8,566,899**	**4,183,338**	**1,452,573**	**5,589,693**
Long-term liabilities	**647,876**	**830,247**	**789,080**	**470,094**
Of which conditional advances are	*558,205*	*685,981*	*701,364*	*371,735*
Current liabilities	**2,358,901**	**1,394,605**	**1,365,117**	**2,033,514**
Of which conditional advances are	*269,587*	*97,057*	-	*328,140*
TOTAL LIABILITIES	**11,573,676**	**6,408,190**	**3,606,770**	**8,093,301**

DBV Technologies SA – IFRS (in €)	2010 FY 12 months audited	2009 FY 12 months audited	2008 FY 12 months audited	1st half year of 2011 6 months unaudited	1st half year of 2010 6 months
Total revenue	**1,706,602**	**1,079,258**	**1,043,617**	**935,231**	**838,582**
Of which sales revenue is	*178,620*	*150,352*	*89,173*	*106,492*	*83,833*
Operating expenses	6,494,592	4,749,579	5,297,969	4,045,057	2,968,005
Operating profit	**-4,787,991**	**-3,670,339**	**-4,254,352**	**-3,109,826**	**-2,129,473**
Financial profit (loss)	**-16,355**	**88,223**	**106,454**	**3,742**	**-10,734**
Net income	**-4,804,345**	**-3,582,116**	**-4,147,899**	**-3,106,084**	**-2,140,157**
Total profit (loss) for the fiscal year	**-4,804,345**	**-3,582,116**	**-4,147,899**	**-3,106,084**	**-2,140,157**

DBV Technologies SA – IFRS (in €)	FY 2010 12 months audited	FY 2009 12 months audited	FY 2008 12 months audited	1st half year of 2011 6 months unaudited	1st half of year 2010 6 months
Operating Cash flow before change in working capital	-4,595,081	-2,925,192	-3,814,829	-2,882,125	-2,082,618
Change in working capital	135,648	-101,748	-102,003	-979,707	362,314
Net Cash flows from operating activities	**-4,459,432**	**-3,026,939**	**-3,916,833**	**-3,861,832**	**-1,720,304**
Net Cash flows from investing activities	**-48,759**	**-217,870**	**-104,189**	**-303,358**	**-28,856**
Net Cash flows from financing activities	**9,128,015**	**5,969,052**	**238,138**	**-127,917**	**14,250**
Change in cash and cash equivalents	**4,619,823**	**2,724,243**	**-3,782,884**	**-4,293,107**	**-1,734,910**

4 RISK FACTORS

Investors are asked to take into consideration all the information contained in this prospectus, including the risk factors described in this section, before deciding whether to purchase or subscribe for the Company's shares. As part of the preparation of this prospectus, the Company performed a review of the risks that could have a material adverse effect on the Company, its business, financial situation and earnings, and believes there are no material risks other than those presented.

4.1 RISKS RELATED TO THE BUSINESS OF THE COMPANY

4.1.1 Risks relating to the clinical development and use of the products

The development of the Company's products could be delayed or unsuccessful

The Company is conducting preclinical and clinical programs intended to eventually lead to the commercialization of therapeutic solutions to treat allergies, in particular food allergies. The development of a candidate medicine is a long and costly process, carried out in several phases, the outcome of which is uncertain. The aim is to establish the therapeutic benefit of the candidate medicine for one or more given indications.

At each development phase, the Company will present the results of its clinical studies to the authorities of the various countries according to its development plan. Additional requirements could arise concerning the study protocols, patient characteristics, durations of treatment, post treatment follow-up, differences in interpretation of the results, differences between the regulatory agencies of the various countries and requests for additional studies in order to specify certain points or targeting specific populations.

Likewise, during clinical trials, there is no full assurance of the speed at which patients are recruited, even though centers and partners will always be selected depending on recruitment possibilities. In addition, some requests from the regulatory authorities could impact recruitment.

The Company could be unable to establish the proper tolerance, lack of adverse immediate or long-term effects, or the effectiveness of one or more of its therapeutic products in animals and humans. Any failure during any of the various clinical phases for a given indication could delay the development, production and commercialization of the therapeutic product in question or even suspend its development. Similarly, any decision by the health authorities requesting additional trials or studies could delay, or even suspend, the development of the therapeutic products in question.

Even though the local lesions caused by use of the patch have always turned out to be mild, when used on a wider scale, these local effects (such as irritation, local inflammation or eczema) could constitute discomfort for some patients that could lead them to cease the treatment prematurely.

Furthermore, the occurrence of long-term effects or the onset or worsening of pathologies or infections, whether pre-existing or not, that current knowledge does not enable identifying, could delay, or even suspend the development or commercialization of the products in question.

To date, the Company cannot ensure that its current or future developments of candidate medicines will one day be successful, or *a fortiori* within deadlines compatible with the market's needs. Any failure or delay in developing its therapeutic products could have a material adverse effect on the Company's business, earnings, financial situation and outlook.

Moreover, if, after their marketing authorization (MA), the Company's therapeutic products cause side effects that are unacceptable or unnoticed during the clinical trial period, it would be impossible for it

to continue marketing them for all or some of the indications targeted, which could have a material adverse effect on its business, outlook, financial situation, earnings and development.

Lastly, the Company could decide not to market some products in some countries or even not to market this or these product(s) at all if the market, reimbursement or competition conditions or any other event having occurred during the development phase were to call into question the commercial interest of the product(s) in question.

Risks relating to the results of public or university studies

In order to strengthen its clinical development program and to increase its visibility within the scientific community, the Company uses, and could continue to use, "support" studies conducted by public or university institutions.

However, as the Company does not sponsor of these studies, it does not handle their steering and follow-up. Accordingly, efficacy results of these studies could be affected by failure to harmonize study protocols. Furthermore, the Company does not have any control over these studies' protocols, and can therefore not anticipate or ensure the manner in which the results will be obtained, used and/or published, or the occurrence of side effects.

In the context of these university studies, the Company will not control the publication policy with respect to the results and could be denied use of the results for regulatory or communication purposes by the studies' sponsors.

Risk relating to the status of Diallertest® Milk

Diallertest® Milk, developed by DBV Technologies, is the first product to diagnose allergies to bovine milk proteins in children currently available on the French market with a temporary exceptional status under regulations.

Given the history of use, marketing authorization in Europe requires a single phase III study to be conducted, the protocol of which was discussed and approved by the European authorities (EMA) as part of a Scientific Advice then a Pediatric Investigation Plan (PIP) procedure. The Company is continuing discussions with the regulatory authorities and would like to adjust this protocol. In light of these discussions, in 2012, it will re-examine the strategic and economic interest of continuing the marketing of *Diallertest® Milk*.

The marketing of *Diallertest® Milk* could be suspended, on a final or transitional basis, at any time for strategic reasons and/or at the request of the regulatory authorities.

4.1.2 Risks relating to the market and competition

The commercial success of the Company's products is not ensured

If the Company succeeds in obtaining an MA enabling it to market its therapeutic products, it could nonetheless take time for it to obtain the endorsement of the medical community, health care prescribers and third-party payers.

The degree of acceptance by the market of each of the Company's products will depend on several factors, in particular:
- the perception of the product's therapeutic benefit by prescribers;
- the possible occurrence of adverse effects once the MA is obtained;
- the ease of use of the product, relating in particular to its method of administration;
- the cost of the treatment;
- government and other third-party reimbursement policies;
- the effective implementation of a scientific publication strategy;
- the support of opinion leaders in the allergy field; and
- the development of one or more competing products for the same indication.

Even if the Company's future products are likely to provide a therapeutic response to a need not satisfied to date, poor market penetration, resulting from one or more of the factors described above, could have an adverse effect on the Company's business, outlook, financial situation, earnings and growth.

There are numerous competitors on the market for the therapeutic treatment of allergies

Numerous structures, pharmaceutical laboratories, biotechnology companies, institutions, universities and other research entities are actively involved in the discovery, research, development and marketing of therapeutic responses to treat allergies. The allergy treatment market is therefore intensely competitive. Through their size and the precedence of the technologies used in developing medicines to treat allergies, the Company's main competitors have far greater resources and experience in terms of clinical development, management, manufacturing, marketing and research than the Company.

However, on the food allergies segment (peanut, milk, etc.), the Company's priority development area and, to its knowledge at the date of this *Document de Base*, none of the pharmaceutical companies recognized on this market is developing a desensitization product at a sufficiently advanced clinical stage representing a satisfactory therapeutic response that could be used in daily ambulatory allergology practice.

In spite of its best efforts, the Company can nevertheless not ensure that:
- the clinical developments of its products will lead to obtaining a MA, then to commercializing therapeutic solutions;
- or that competitors will not develop, during the same period, alternative therapeutic solutions making those being developed by the Company obsolete;
- or that the methods currently being studied in academic centers such as sublingual, subcutaneous, intra-nasal or other forms of desensitization or that products using synthetic allergens, denatured allergens or associations of medicines or methods, some of which are referred to in paragraph 6.2.2 of this *Document de Base*, or medicines using traditional methods such as Chinese herbs, could not eventually lead to viable therapeutic solutions that would compete with the products developed by the Company.

Lastly, given the especially competitive environment of the pharmaceutical industry, the Company cannot ensure that its partners and/or employees will not prefer, in the more or less long term, joining or working with competing structures, or that medical centers, physicians or patients will not prefer its competitors over it.

Such events could have a material adverse effect on the Company's business, earnings, financial situation and growth prospects.

4.1.3 Risks relating to the Company's commercial and strategic development

Obtaining the prerequisite marketing authorizations is uncertain

Even though DBV Technologies does not yet have a problem with marketing authorization (MA) in the short term, an MA application is compiled throughout the entire development period of a candidate medicine and the Company monitors that it continually complies with good practices so as not to endanger its future chances of obtaining its future MAs under good conditions.

The Company's obtaining an MA for each of its therapeutic products will depend on several factors, in particular:
- being able to continue to develop its products currently in preliminary clinical phases or to move products currently in a preclinical development phase to a clinical stage or from a clinical phase to the following phase;
- the ability of the Company or its subcontractors (Contract Research Organizations or CROs) to successfully conduct the required clinical trials, within the given periods and with the human, technical and financial resources provided for initially.

Should MAs not be obtained, no product may be marketed by the Company. In addition, a product could fail to obtain an MA for a given geographical area, which could significantly restrict the product's marketing.

The materialization of one or more of these risks could have a material adverse effect on the business, prospects, financial situation, earnings and growth of the Company.

The pricing and reimbursement conditions of the Company's products will be a key factor to the Company's commercial success

The Company's commercial performance depends in part on the conditions for setting the sales price of its products by the relevant public commissions and bodies and the conditions of their reimbursement by the health agencies or private insurers in the countries where the Company intends to market its products. In the current context of healthcare cost control and economic and financial crisis, pressure on sales prices and reimbursement levels is intensifying owing in particular to:
- price controls imposed by many States;
- the increasing reimbursement limitations of some products under budgetary policies;
- the heightened difficulty in obtaining and maintaining a satisfactory reimbursement rate for medicines.

All of these factors will have a direct impact on the Company's ability to make profits on the products in question.

Insofar as the Company is developing products providing a new therapeutic response to pathologies with potentially serious and even deadly consequences for the patients concerned, the Company could, in theory, be less exposed to this risk. To date, the desensitization treatments marketed in France are all at least partially reimbursed (65% for most allergens administered subcutaneously and sublingually in the context of APSI [Specially Prepared Allergens for Individuals] regulations). For the epicutaneous desensitization products using food allergens developed by the Company, there is no reference strictly speaking. Nonetheless, the Company believes that it can get coverage by health insurance systems at least identical to that of existing desensitization products, given the seriousness of the pathologies treated, in particular for peanut, and given that there is no therapeutic alternative. However, healthcare policies are tending to develop greater austerity and the partial/no reimbursement policy of medicines could have a material adverse effect on the business, prospects, financial situation, earnings and growth of the Company.

The Company has limited experience in sales, marketing and distribution

Given its stage in development, at present the Company only has limited experience in the fields of sales, marketing and distribution. In the medium term and once clinical results concerning its products have been obtained, the Company must acquire marketing skills and develop its sales force, either alone or with strategic partners. For example, the Company could be led to seek out partners for the future marketing of some of its products while deciding to implement its own sales and marketing infrastructure for other products. In this last scenario, it would need to incur additional expenses, mobilize management resources, implement new skills and take the time necessary to set up the appropriate organization and structure to market the relevant product(s), in accordance with applicable laws.

It is possible that the Company be unable to enter into a partnership for the sale and marketing of its products under economically reasonable conditions or to market its products itself. Such events could have a material adverse effect on the Company's business, prospects, financial situation, earnings and growth.

The Company could encounter difficulties related to external growth transactions

The Company's strategy does not at this stage involve plans to acquire companies or technologies facilitating or enabling it to access to new medicines, new research projects, or new geographical areas, or enabling it to express synergies with its existing operations.

However, if such acquisitions were to become necessary, the Company could be unable to identify appropriate targets, to make acquisitions under satisfactory conditions (in particular price conditions), or to incorporate the newly acquired companies or operations effectively, while meeting its operational objectives, or making the cost savings or synergies anticipated. In addition, the Company could be unable to obtain the financing for these acquisitions under favorable conditions, and could be led to finance these acquisitions using cash that could be allocated to other purposes in the context of existing operations.

Were the Company to encounter difficulties in implementing or performing its external growth policy, this could affect its ability to reach its financial objectives and develop its market share, which could have a material adverse effect on its business, financial situation, earnings and prospects.

4.1.4 Risk of dependence on third parties

Access to the raw materials and products necessary for conducting clinical trials and manufacturing the Company's products is not guaranteed

The Company depends on third parties for its supply of various materials, chemicals and biological products (in particular protein extract) necessary to produce patches intended for conducting its clinical trials or diagnostic patches and, eventually, its future therapeutic patches.

The Company's supply of any of these materials and products could be reduced or suspended. In such case, the Company could be unable to find other suppliers of materials, chemicals or biological products of acceptable quality, in the appropriate volumes and at an acceptable cost. If the Company were to lack these key suppliers or manufacturers or if the Company's supply of products and materials were reduced or suspended, the Company could be unable to continue to develop, produce and then market its products in time and on a competitive basis. Moreover, these materials and products are subject to strict manufacturing requirements and rigorous tests. Delays in the completion and validation of the facilities and manufacturing processes of these materials and products for the Company's suppliers could affect its ability to finish clinical trials and market its products profitably and within reasonable time periods.

In order to prevent such situations, the Company intends to diversify its sources of supply by identifying at least one additional source of supply for the critical raw materials and supplies (natural proteins and titanium-coated polymer film).

If the Company encountered difficulties in the supply of these materials, chemicals or biological products, if it were unable to maintain its supply agreements in force, or to enter into new agreements, to develop and manufacture its products in the future, its business, prospects, financial situation, earnings and development could be materially affected thereby.

The Company depends on its subcontractors

In the context of its development, the Company uses subcontractors both for manufacturing patches and for conducting clinical trials. Even though the Company has taken into account the risks of failure by its subcontractors or breach of contractual relations, and implemented measures intended to counter these risks, any failure by them could have consequences on the duration, or even the continuation, of clinical trials and the quality of the data, which must meet strict standards (Good Clinical Practices, Good Manufacturing Practices) imposed by the supervisory authorities and therefore could delay the marketing of the products.

Such events could have a material adverse effect on the Company's business, prospects, financial situation, earnings and growth.

In 2010, the contribution of the key suppliers and/or service providers to the total purchases and other external expenses was the following. The largest of them accounted for 26% of the total, 70% for the five largest and 92% for the ten largest.

The Company depends on an exclusive distributor for the marketing of its diagnostic product Diallertest® Milk

The only product the Company markets to date is *Diallertest® Milk*, the distribution of which in France is entrusted to a partner in the context of an exclusive distribution agreement (refer to section 22 - paragraph relating to the distribution agreement). The sales made with this single customer came to €176,120 for the 2010 fiscal year and €103,600 for the first half of 2011. However, in order to assess these contributions in a relevant manner, it is specified that, as this customer is a simple distributor, it has itself made its sales with several end customers.

Any failure by the distributor would have consequences on the distribution of *Diallertest® Milk*.

4.2 LEGAL RISKS

4.2.1 Risks relating to the patent portfolio

4.2.1.1 The protection offered by patents and other intellectual property rights is uncertain.

The Company's economic project relies in particular on a portfolio of patents, including in particular those relating to the Viaskin® technology.

There is no certainty that the Company's current and future patent applications will give rise to patents or that once patents are granted, they will not be disputed, invalidated or circumvented or that they will procure actual protection against competition and third-party patents covering similar compounds. The lack of sufficiently broad protection, invalidation or circumventing of patents could have negative effects on the Company. In addition, the Company's commercial success will depend in particular on its ability to develop products and technologies that do not infringe third-party patents. The Company cannot be certain of being the first to design an invention and to file a patent application, given the fact in particular, that the publication of patent applications is deferred in most countries by 18 months after the applications are filed.

For its operations' success, it is important that the Company be able to obtain, maintain and enforce its patents, especially those covering desensitization to peanuts, the Company's priority development area, as well as all of its other intellectual property rights in Europe, the United States and other countries.

Furthermore, the Company intends to continue its patent protection policy by filing new applications when it deems appropriate. In particular, the Company intends to continue its policy of protecting markets for applications of the Viaskin® technology by filing as the case may be new patent applications and SPCs (Supplementary Protection Certificates) applications in order to obtain an extension of the term of protection of Viaskin® I beyond its initial expiry date. An SPC is based on the basic patent covering the medicine and on the MA of said medicine and can, under some conditions, extend the term of protection for up to a maximum of five years in Europe. There are similar extension possibilities in the United States and other countries.

However, it cannot be ruled out that:

- the Company will be unable to develop new patentable inventions;
- the Company will be unable to obtain the issuance of SPCs;
- the Company's patents will be disputed and considered invalid or the Company is unable to enforce them. The issuance of a patent does not ensure its validity and the scope of its protection and third parties could call these two aspects into question. Court actions or actions with the offices and/or relevant agencies could become necessary in order to enforce the Company's intellectual property rights, protect its commercial secrets or determine the validity and scope of its intellectual property rights. Any dispute could entail considerable expenses, have a negative influence on the earnings and financial situation of the Company and fail to provide the protection sought. The Company's competitors could successfully challenge the validity of its patents before a court or in the context of other proceedings. This could reduce the scope of these patents, and enable competitors to circumvent them. Therefore, the

Company's rights under any patents granted might not provide the expected protection against competition;

- the scope of the protection conferred by a patent will be insufficient to protect the Company against infringement or competition. The issue of the patentability of medicines and medical devices is very complex and poses legal, scientific and factual problems. While there are general trends seeking to standardize the approach to the patentability of inventions in the pharmaceutical field by the three key world patent bodies in the United States, Europe and Japan, uncertainties nonetheless remain in particular as to the interpretation of the scope of the claims that could be granted, which question still falls under domestic law. Developments or changes in interpretation of the laws governing intellectual property in Europe, the United States or other countries could change the legal situation and positioning of the Company with respect to competitors. In addition, there are still some countries that do not protect intellectual property rights in the same manner as in Europe or the United States, and the procedures and rules necessary to defend the Company's rights might not exist in these countries.

- third parties claim rights to patents or other intellectual property rights that the Company owns itself or co-owns, or over which it may be led to enjoy a license. The collaborations, or service or subcontracting agreements of the Company with third parties expose it to the risk of the third parties in question claiming the benefit of intellectual property rights to the Company's inventions or not ensuring the confidentiality of the innovations or unpatented improvements and know-how of the Company. Furthermore, the Company could be led to provide, in various forms, information, data or knowledge to the third parties with which it collaborates (such as university institutions and other public or private entities) concerning the research, development, manufacture and marketing of its products.
  Despite precautions, in particular contractual precautions, taken by the Company with these entities, the latter could claim to hold intellectual property rights resulting from trials conducted by their employees. In terms of co-ownership of intellectual property rights, these entities might not grant exclusive operation to the Company on terms it deems acceptable.

The occurrence of any of these issues concerning any of the patents or intellectual property rights could have a material adverse effect on the business, prospects, financial situation, earnings and growth of the Company, which at the registration date of this *Document de Base*, is facing none of these situations.

4.2.1.2 Some of the Company's business could depend on patents and other intellectual property rights held by third parties.

The growth of the biotechnology industry and the corresponding increase in the number of patents issued increase the risk that third parties consider that the Company's products or technologies infringe their intellectual property rights. In general, patent applications are only published 18 months after the property application date. In the United States, some patent applications are not published until the patent is issued.

Furthermore, still in the United States, patents may be granted on the basis of their invention date, which does not always result in the issuance of a patent to the party that was the first to file the application. Discoveries are sometimes only subject to publication or a patent application months, or often even years later. This is why the Company cannot be certain that third parties have not been the first to invent products or to file patent applications relating to inventions also covered by its own patent applications.

Any dispute or claim brought against the Company, regardless of its outcome, could result in substantial costs and compromise its reputation. Competitors with greater resources than the Company could be able to better bear the costs of complex proceedings. Any dispute of this kind could seriously affect the Company's ability to continue its operations.

If intellectual property disputes arise, the Company could be required to:

- stop developing, selling or using the product(s) that depend on the disputed intellectual property,
- obtain a license from the holder of the intellectual property rights, which license might not be obtained or only under conditions economically unfavorable for the Company.

The occurrence of any of these events concerning any of the patents or intellectual property rights could have a material adverse effect on the business, prospects, financial situation, earnings and growth of the Company, which at the registration date of this *Document de Base*, is facing none of these events.

4.2.1.3 The Company could be unable to protect the confidentiality of its information and know-how.

In the context of the Company's current and future collaboration agreements with researchers from university institutions as well as with other public or private entities, subcontractors, or any third-party co-contractor, information and/or products could be entrusted to them in order to conduct certain tests. In such cases, the Company requires confidentiality agreements to be signed. Indeed, unpatented and/or unpatentable technologies, processes, know-how and data are considered commercial secrets that the Company attempts in part to protect with such confidentiality agreements.

It cannot be ruled out that the methods of protection of the agreements and/or the know-how set up by the Company fail to ensure the protection sought or are breached, that the Company does not have appropriate solutions against such breaches, or that its commercial secrets are disclosed to its competitors or developed independently by them.

More specifically, the Company has no control over the conditions under which the third parties with which it contracts themselves use third parties and protect its confidential information.

The materialization of one or more of these risks could have a material adverse effect on the Company's business, prospects, financial situation, earnings and growth.

4.2.2 Risks relating to potential product liability

The Company could be exposed to risks from liability arising from the clinical development or commercial exploitation of its products, especially product liability, relating to the trials, manufacture and marketing of therapeutic products for humans and animals. For example, its liability could be sought after by patients participating in the clinical trials in the context of the development of the therapeutic products tested and unexpected side effects resulting from the administration of these products. Criminal or civil proceedings might also be filed against the Company by patients, the regulatory authorities, pharmaceutical companies and any other third party using or marketing its products. These actions could include claims resulting from acts by its partners, licensees and subcontractors, over which the Company has little or no control. The Company cannot ensure that its current insurance coverage (see paragraph 4.4 "Insurance and Risk Coverage") is sufficient to respond

to actions for damages that may be brought against it, or to respond to an exceptional or unexpected situation. If its liability or that of its partners, licensees and subcontractors were thus incurred, if it or its partners, licensees and subcontractors were unable to obtain and maintain appropriate insurance coverage at an acceptable cost, or to protect itself in any way against actions for damages, this would seriously affect the marketing of the Company's products and, more generally, be detrimental to its business, earnings, financial situation and growth prospects.

4.2.3 The Company's business is subject to an increasingly restrictive regulatory framework.

Throughout the world, the pharmaceutical industry faces continual changes in its regulatory environment and increased supervision by the relevant authorities and the public, which demand greater guarantees as to the safety and effectiveness of medicines. Furthermore, research incentives have been reduced.

The health authorities, in particular the Food and Drug Administration (FDA) in the United States, have imposed increasingly high demands in terms of the volume of data requested in order to establish a product's effectiveness and safety. These requirements have reduced the number of products authorized. In addition, the products marketed are subject to regular reassessment of the risk/benefit analysis after their authorization. The late discovery of problems not detected at the research stage can lead to marketing restrictions, to the suspension or withdrawal of the product and to a greater risk of litigation.

In parallel, while it is becoming increasingly difficult to put innovative products on the market for the reasons mentioned above, governmental authorities seek to facilitate the entry of generic medicines onto the market of the products already marketed through new regulations seeking to change patent law and the rules on data exclusivity on the key markets.

Insofar as new regulations result in an increase in the costs of obtaining and maintaining authorizations to market products or limit the economic value of a new product for its inventor, the growth prospects of the pharmaceutical industry and of the Company could be reduced as a result.
Furthermore, any clinical study is subject to the prior consent of the health authorities of the countries in which it is planned to conduct the study and of ethics committees; a rejection could impede or stop the Company's clinical development program.

Likewise, for each study, the Company sets up a Data and Safety Monitoring Board; as good clinical practices recommend following the opinions of Data and Safety Monitoring Boards, the latter could lead to premature suspensions or delay product development.

Moreover, depending on the information disclosed to them in the course of a study, in particular on the occurrence of serious adverse events, the health authorities could decide to suspend or prematurely stop the study.

The materialization of one or more of these risks could have a material adverse effect on the business, prospects, financial situation, earnings and growth of the Company.

4.2.4 Risks related to obtaining pharmaceutical company status

To date the Company does not have pharmaceutical company status and can therefore not manufacture the medicines that it develops nor consider their direct commercial production. Obtaining pharmaceutical company status requires submitting an application to the AFSSAPS [French health products safety agency], which only grants it after reviewing the application and evaluating, generally after verification, that the Company has adequate premises, the necessary personnel and an appropriate organization with satisfactory procedures for conducting the envisaged pharmaceutical operations.

It should be noted that there are several types of pharmaceutical company status:

- Operator status that can be obtained rather quickly (within a few months) from the time the application is filed: this operator pharmaceutical company status, which requires the implementation of specific pharmacovigilance procedures, claim follow-up, lot recall, and advertising control procedures in particular, allows the medicines to be marketed and ensures their promotion;

- Manufacturer status, which requires having adapted manufacturing and control premises, authorized personnel and a full QA system meeting Good Manufacturing Practices. This status is the Company's industrial project. See paragraph 6.7.5.

Failure to obtain pharmaceutical company status would force the Company to adapt its strategy. Firstly, failure to obtain pharmaceutical manufacturer status would eventually force the Company to entrust the manufacturing of the therapeutic products to one or more specialized CMOs (Contract Manufacturing Organizations) as is the case with the current production of the clinical lots (see paragraph 6.7.5 below). Secondly, if pharmaceutical operator status were not obtained, contrary to what is envisaged to date, the Company could not conduct a direct commercial approach to the French market and would therefore have to enter into marketing license agreements with pharmaceutical companies.

Failure to obtain pharmaceutical company status would affect the production and marketing of the Company's products and more generally be detrimental to its business, earnings, financial situation and growth prospects.

4.3 RISKS RELATING TO THE COMPANY'S ORGANIZATION

4.3.1 The Company could lose key associates and be unable to attract new qualified people.

The Company's success depends heavily on the work and expertise of the members of its management team and of its CEO. To date the Company has taken out one "key person" insurance policy (permanent disability/death insurance policy). The temporary or permanent unavailability of these people could alter the Company's ability to reach its objectives, in particular by depriving it of their know-how and technical capacities.

Furthermore, the Company will need to recruit new managers and qualified scientific personnel to develop its business and as and when the Company expands into fields that will require additional skills, such as manufacturing if pharmaceutical laboratory status is acquired, quality assurance, regulatory affairs, medical affairs and, eventually, marketing. The Company competes with other companies, research entities and academic institutions to recruit and retain highly qualified scientific,

technical and management personnel. If this competition is very intense, the Company might not be able to attract or retain these key persons on conditions that are economically acceptable.

The inability of the Company to attract and retain these key persons could prevent it from achieving its objectives overall and thus have a material adverse effect on its business, earnings, financial situation and prospects.

4.3.2 The Company's development will depend on its capacity to manage its growth.

As part of its growth strategy, the Company must recruit additional personnel and develop its operating capabilities, which could call strongly on its internal resources. In particular, the Company intends to acquire pharmaceutical company status in order in particular to have its own patch production unit.

To this end, the Company must, among other things:

- train, manage, motivate and retain a growing number of employees;
- anticipate the costs related to this growth and the corresponding financing needs;
- anticipate the demand for its products and the revenues they are able to generate;
- increase the capacity of its existing operating, financial and management computing systems; and
- manage a production plant.

The Company's inability to manage growth, or unexpected difficulties encountered while expanding, could have a material adverse effect on its business, earnings, financial situation, growth and prospects.

4.4 INSURANCE AND RISK COVERAGE

The Company has implemented a policy for covering the main insurable risks with coverage amounts that it deems compatible with the nature of its operations. The amount of charges paid by the Company for all of its insurance policies came to €50 K, €50 K and €56 K respectively, for the fiscal years ended on 31 December 2008, 2009 and 2010 and €21 K at 30 June 2011.

Given the specificity of its operations, at this stage focused on research (with the exception of the Diallertest®) and developing an innovative technology for administering allergens, the quantification of any risks failing direct loss or loss indicators in its sector of operations, makes it difficult to determine a coverage amount, in particular in terms of civil liability but the Company considers that the insurance policies described below adequately cover the risks inherent to its operations and that its insurance policy is consistent with practice in its sector of operations. The Company does not envisage any particular difficulty in maintaining appropriate levels of insurance in the future within the limit of market conditions and capacities.

The policies the Company benefits from are summarized below:

Insurance policy / Risks covered	Insurer	Amount of the coverage	Expiry
Comprehensive corporate insurance * Fire/explosions/miscellaneous risks/climate events/natural catastrophes/bombings and acts of terrorism/building collapse * Electrical damage * water damage * Broken glass and signs * Theft - vandalism except cash, instruments, securities * Vandalism of premises and contents * Cost of reconstituting archives * Operating losses	AXA	Premises: Unlimited Contents: €277 K €14 K €83 K Unlimited except signs (€1,750) and interior glass products (€3,501) €80,000 €7,002 €14,003 each €3,501 €111,000 (limited to the additional costs and with a 12-month indemnity period)	Renewable annually by tacit renewal on 1 August
Broken machinery Laboratory equipment ES-GEN3 Viaskin production machine Additional operating costs following a claim	AXA	Capital insured: €125,400 (excess €260) Capital insured: €319,000 (excess €1,925) €104,028 (excess: 3 days)	Renewable annually by tacit renewal on 9 May
Civil operating liability * All damage taken together including bodily harm: - Inexcusable fault - Property and non-material damage - Non-consecutive non-material damage - Any damage resulting from accidental pollution **Civil product liability** * All damage taken together including bodily harm - Including non-consecutive non-material damage including recall expenses incurred by third parties and the insured **Criminal defense – Appeal**	CHUBB and GREAT LAKES	Per year €7.5 M including: €0.5 M (excess: €5 K per victim) €3 M (excess: €3 K per claim) €0.5 M (excess: €5 K per claim) €0.5 M (excess: €3 K per claim) €3 M (excess: €5 K per claim) €0.3 M (excess: €10 K per claim) €50 K per dispute (action level: €1.5 K per dispute)	Renewable annually by tacit renewal on 1 January
Professional travel insurance for all employees, managers, agents Main risks insured: * Air risks * Land risks * Accidental death * Medical expenses * Civil liability private life abroad (bodily harm, property and non-material damage)	AIG	€25 M €50 M €80 K Unlimited abroad (1 year) €7.5 M	Renewable annually by tacit renewal on 1 January
Key person accident **Risks covered for Bertrand Dupont:** * death * Permanent and full disability	AIG VIE	€250,000 €250,000	Renewable annually by tacit renewal on 12 January

Insurance policy / Risks covered	Insurer	Amount of the coverage	Expiry
Employer Liability Civil liability/defense Legal advice Crisis management	AIG Europe	€500,000/insurance period 2 hours/insurance period €5,000/insurance period	Renewable annually by tacit renewal on 10 March
Comprehensive IT risks All IT, office computing, electronic data transmission and fixed service equipment	AXA	€20,000 (limited to €15,000 in case of claim during transport) (Excess per event: €230)	From 16/02/2011 to 01/02/2012 then renewable by annual tacit renewal on 1 February
Managers' liability ** natural person insured* Civil liability Defense costs Additional coverage a. Harm to reputation b. Psychological support c. Consultant's expenses d. Support costs in case of property restriction ** legal person insured* De jure manager moral fault Non-separable fault Corporate difficulties prevention fund	CHARTIS	Ceiling: €2 M/insurance period with the following sub-limits: €100 K / insurance period €50 K / insurance period €60 K / insurance period (and a total of €200 K per period for all insureds) €50 K per claim €30 K / insurance period	Renewable annually by tacit renewal on 1 December

4.5 RISKS RELATING TO DISPUTES TO WHICH THE COMPANY IS PARTY

At the registration date of this *Document de Base*, there are no administrative, criminal, civil or arbitration proceedings, including any proceedings of which the Company has knowledge that are pending or with which it is threatened, liable to have, or having had over the course of the last 12 months, a material adverse effect on the Company, its business, financial situation, earnings or growth.

4.6 FINANCIAL RISKS

The accounting data referred to in this paragraph is derived from the annual financial statements of the Company adjusted under IFRS for the 2008, 2009 and 2010 fiscal years as well as the financial statements prepared for the first half-year of 2011. The reader may also refer to notes 23 "Management of financial risk" of the financial statements referred to above and inserted respectively in paragraphs 20.3 and 20.6 of this *Document de Base*.

4.6.1 Risks relating to historical losses

The Company has a history of operating losses, losses which could continue.

The Company has recorded operating losses every year since its creation in 2002. At 30 June 2011, on the basis of the financial statements adjusted according to IFRS, the cumulative net losses (including carry-forwards) came to €22,532,778 including a net loss of €4,804,345 for the fiscal year ended on 31 December 2010 and of €3,106,084 at 30 June 2011. These losses are mainly the result of expenses incurred in the context of:

- ✓ developing the Viaskin® technology and
- ✓ carrying out preclinical and clinical trials.

In the coming years, the Company could experience additional operating losses, larger than in the past, as it pursues its research and development and marketing activities, especially in view of:

- the clinical studies program underway;
- the need to conduct new clinical trials to approach new market segments;
- all the steps that will need to be taken with a view to obtaining marketing authorizations and applications for the products' reimbursement eligibility;
- increased regulatory requirements regarding the manufacture of its products;
- the marketing and sales expenses to be incurred depending on progress in product development;
- pursuing an active research and development policy that could, as the case may be, be achieved by the purchase of new technologies, products or licenses.

An increase in these expenses could have a material adverse effect on the Company, its business, financial situation, earnings, growth or prospects.

4.6.2 Liquidity risk

The Company could need to strengthen its shareholders' equity or resort to additional financing in order to ensure its development.

Since its creation, the Company has financed its growth by increasing its shareholders' equity through successive capital increases, obtaining public innovation grants and repayment of Research Tax Credit receivables but has never made use of bank loans. Therefore, the Company is not exposed to a liquidity risk resulting from the potential enforcement of prepayment clauses in such loans.

To date, the Company deems that it is not exposed to a short-term (12 month) liquidity risk given its cash and cash equivalents at 30 June 2011, i.e. €4,734,784 (after taking into account a negative cash fluctuation of €4,293,107 over the first six months of the 2011 fiscal year) to which was added, on 28 October 2011, the repayment of the Research Tax Credit for the 2010 fiscal year for an amount of €1,386,989, and the receipt of €9,680,132 in early December 2011 corresponding to the second tranche of the December 2010 fund raising that was drawn in November 2011. Lastly, following notice received in November 2011 that OSEO would grant a third repayable advance, the Company received on 9 December 2011, the amount of €256,000 corresponding to the initial payment of said grant (see paragraph 4.6.4).

Significant research and development efforts and expenses relating to clinical studies have been incurred since the start of the Company's operations, which has generated negative operating cash flows to date. Cash flows relating to the Company's operations came to €(4,459,432), €(3,026,939) and €(3,916,833) respectively for the fiscal years ended on 31 December 2010, 2009 and 2008 and to €(3,861,832) at 30 June 2011.

In the future, the Company will continue to have significant financing needs to develop its technology, continue its clinical development program and equip its own pharmaceutical laboratory, as well as, in the future, to produce and market its products. The Company may be unable to generate funds internally for its growth, which would cause it to seek other sources of financing, particularly through new capital increases.

The level of the Company's financing needs and their scheduling over time depend on elements that are largely beyond the Company's control, such as:

- higher costs and slower progress than expected in its research and development programs and in clinical studies;

- the costs of preparing, filing, defending and maintaining its patents and other intellectual property rights;

- the costs associated with any requests to modify studies, or to include a greater number of patients;

- higher costs and longer time periods than expected to obtain regulatory marketing authorizations for its products as well as their reimbursement eligibility, including the time needed to prepare applications with the regulatory authorities;

- the costs of responding to developments in the Viaskin® technology and of ensuring the manufacture and marketing of all or some of its products; and

- new opportunities to develop new products or purchase of technologies, products or companies.

The Company may be unable to raise additional capital when it needs it, and this capital might not be available on financial conditions that are acceptable to the Company. If the necessary funds are not available, the Company could have to:

- delay, reduce or end the number or scope of its preclinical and clinical trials program;

- grant licenses to its technologies to partners or third parties; or

- enter into new collaboration agreements that could be less favorable for it than those it might have obtained in a different context.

Furthermore, if the Company raises capital by issuing new shares, the stakes of its shareholders could be diluted. Debt financing, if available, could also include restrictive conditions for the Company and its shareholders.

The materialization of one or more of these risks could have a material adverse effect on the Company, its business, financial situation, earnings, growth or prospects.

4.6.3 Risks related to the research tax credit

The Company has also opted for the Research Tax Credit (CIR – Crédit Impôt Recherche) to finance its business. This credit is a tax credit offered by the French government to companies investing heavily in research and development. The research costs eligible for the CIR include, among others, salaries and wages, depreciation of research equipment, services subcontracted to approved research entities (public or private) and intellectual property costs. The Company has benefited from a research tax credit that was refunded and verified by the tax authorities for the years 2008 and 2009.

As regards 2010 (when the Research Tax Credit entered into the accounts came to €1,386,989) and future years, it cannot be ruled out that the tax authorities may challenge the methods used to calculate the Company's research and development costs, or that the CIR may be challenged due to a change in regulations or may be challenged by the tax authorities even if the Company complies with the documentation and eligibility requirements regarding costs. If such a situation were to occur, it could have an adverse effect on the Company's earnings, financial situation and prospects.

4.6.4 Risk relating to access to public advances

Since its creation, the Company has enjoyed three repayable advances for innovation granted by OSEO:

- ✓ An initial advance was obtained in June 2003 for an amount of €445 K as part of a program to develop a patch-test intended to diagnose allergies, in particular food allergies. This advance has been fully repaid since October 2011.

- ✓ A second advance of an amount of €600 K was obtained in January 2005 as part of the financing to perfect a high-speed prototype machine to produce patches. An initial amount of €140 K was repaid in March 2011. The balance is to be repaid as follows: €200 K on 31 March 2012 at the latest and €260 K on 31 March 2013 at the latest.

- ✓ A third advance of an amount of €640 K was notified to the Company in November 2011 as part of a program to formulate stability studies and preclinical studies for Viaskin® Milk. The agreement signed on 9 December 2011 provides for the following payment and repayment schedules:

    - An initial payment of €256 K received on 9 December 2011;
    - A second payment of €256 K should be made from 30 June 2012 upon a fund drawdown together with an increase in shareholders' equity of the Company of €15M in the form of an increase in capital fully paid up, including the share premium, or convertible bonds or shareholders' loans until 31 March 2017;

- The balance at the works' completion, to be noted no later than 15 August 2013.

It will be repaid in 16 quarterly installments defined as follows: 4 installments of €64 K from 31 March 2014, then 12 installments of €32 K from 31 March 2015 and until 31 December 2017.

Whatever the outcome of the development program may be, a minimum lump-sum amount of €256 K must be repaid in 4 quarterly payments of €64 K from 31 March 2014.

If the Company does not comply with the contractual conditions of the innovation grant agreements entered into, it could be forced to repay the sums advanced ahead of schedule. Such a situation could deprive the Company of some of the financial resources needed to successfully carry out its research and development projects. Indeed, the Company cannot ensure that it will then have the additional financial means needed, the time or the ability to replace these financial resources with others.

4.6.5 Foreign exchange risk

The Company is exposed to a very slight foreign exchange risk inherent to some of its supplies obtained in the United States and invoiced in US dollars. As, to date, the Company makes no sales in dollars or any other currency than the Euro, the Company does not benefit from any full or partial mechanical currency matching.

For the 2010 fiscal year and the first half-year of 2011, less than 6% and 8% respectively of the purchases and other external expenses had been made in US dollars, generating for these periods an annual net foreign exchange loss of €2 K and semi-annual loss of €1 K.

Given these small amounts, the Company has not, at this stage, entered into any hedge to protect its business against exchange rate fluctuations. However, the Company cannot rule out the possibility that a significant increase in its business, in particular in the United States, would cause it to have greater exposure to exchange rate risk and, at that time, would consider implementing an appropriate policy to hedge these risks.

4.6.6 Credit risk

The Company engages in prudent management of its level of cash and cash equivalents. Cash and equivalents include cash on hand and common financial instruments held by the Company (essentially securities and fixed-term structured monetary products). At 30 June 2011, cash on hand and securities held by the Company were invested in products with a maturity of less than 3 months.

Furthermore, the credit risk related to cash, cash equivalents and common financial instruments is not significant based on the quality of the financial institutions with which the Company works.

4.6.7 Interest rate risk

The only exposure to interest rate risk relates to the investment of the cash and cash equivalents exclusively made up of money market funds (SICAVs) and term accounts with a maturity of less than 3 months.

The Company has no variable rate debt. Its debt repayments are not subject to interest rate risk.

Given the low level of current remuneration of this kind of investment, the Company considers that any change of +/- 1% would have an insignificant impact on its net earnings in respect of the losses generated by its operations.

4.6.8 Risk of dilution

Since its creation, the Company has issued or granted stock share subscription warrants (BSAs) and founders' warrants (BSPCEs). At the date of this *Document de Base*, the full exercise of all the financial instruments giving access to the share capital, granted and in circulation to date, would enable the subscription of 1,215,765 new shares (after taking into account the division of the shares' par value by 15 decided by the general meeting of the Company of 9 December 2011), thus generating a dilution equal to 13.78% on the basis of the capital existing to date and 12.11% on the basis of the fully diluted capital. See paragraphs 21.1.4.1 and 21.1.4.2 of this *Document de Base* specifying respectively the BSPCEs and BSAs allocated to date as well as paragraph 21.1.4.3 presenting the summary of the dilutive instruments existing to date.

Upon proposal of the Compensation Committee which met on 2 January 2012, it is planned that the future meeting of the Board of Directors called to meet in order, in particular, to record the final completion of the capital increase to be carried out as part of the listing on the regulated market of NYSE Euronext in Paris, will award free shares, all of which would be conditional on reaching performance criteria not yet set at this time. As the number of such free shares to be granted is linked to the number of securities to be issued as part of the future capital increase, the maximum additional dilution that could result from the allotment to come of such free shares will be specified in the future securities note [*note d'opération*] subject to the AMF's visa. See paragraph 21.1.4.3 of this *Document de Base*.

As part of its policy to motivate its managers and employees and in order to attract additional talent, the Company may, in the future, issue or award shares or new financial instruments giving access to the Company's share capital that could result in a potentially significant additional dilution for the Company's current and future shareholders.

4.6.9 Risks relating to the economic and financial crisis

The Company carries out its operations in some geographical areas where the balance of public accounts, local currencies or even the inflation rates could be affected by the current crisis, which could undermine the local competitiveness of the Company's products compared to competitors operating in these currencies, or even negatively affect the Company's margins in these areas, when it invoices in the local currencies, or compromise the collection of its receivables from public or private entities with which the Company does business.

Moreover, in some geographical areas, in the absence of organized social coverage systems, patients finance the cost of their medicines themselves, and could see their financial resources reduced due to the financial crisis. Lastly, in countries that ensure public or private social coverage of healthcare expenses, the impact of the financial crisis could push the paying entities to increase pressure on the prices of medicines, increase patients' financial contribution or become more selective in their reimbursement criteria. All of these risks could affect the Company's ability to reach its financial objectives in the future.

4.7 INDUSTRIAL RISKS

4.7.1 Use of hazardous materials

The Company uses hazardous materials in carrying out its operations and any claim concerning the improper handling, storage or processing of these materials could prove costly.

The Company's operations involve the controlled storage, handling, use and processing of hazardous materials, toxins, and chemical and biological agents. Therefore not only are there environmental risks related to environmental contamination but also risks in terms of health (occupational illnesses) relating to the handling by employees of the Company of active substances or toxic products in the course of research and manufacturing. These risks also exist for the third parties with which the Company works.

Even though the Company deems that the safety measures it takes in the handling and processing of hazardous materials satisfy the standards recommended by applicable laws and regulations and enable its employees and subcontractors to do their work under good environmental, health and safety conditions, the risk of accidental contamination or of occupational illnesses relating to the handling of hazardous materials cannot be completely eliminated. In the case of an accident, the Company could be held liable for all damage resulting from it and the liability incurred could exceed the ceiling of the insurance taken out by the Company, or not be covered by it.

4.7.2 Dependence on the production plant

The Company depends on its production plant for the manufacturing of the patches. The Company has no control over the protection measures currently implemented by its subcontractors.

Any suspension of production could have a material adverse effect on the Company's business, financial situation and earnings.

In the context of future industrial patch production, the Company has initiated a process that consists in implementing a subcontractor and supplier monitoring system including, in particular, the signing by both parties of specifications for the products and/or services they provide it with, an audit right and access to all the data generated as part of the services conducted for DBV.

4.7.3 Risks relating to the Viaskin® technology used by the Company

The Viaskin® technology enables the production of patches of an entirely new design. The use of these patches in clinical trials was fully satisfactory. It is not, however, ruled out that in the course of widespread use, some drawbacks appear in maintaining production quality, protein stability and allergenic strength.

In production, the confinement of the electrospray function and the use of the allergen in liquid form make it possible to prevent the allergens from contaminating the environment. However, it is not ruled out that, in case of malfunction during the handling or storage phases or during production phases, allergens could be released into the atmosphere and sensitize the persons present in the environment.

The production process was developed in strict compliance with current regulations; however, due to the product's originality, it could be envisaged that specific requests be made by the European or American regulators not yet made to date, or differences arise in the interpretation of regulations with the authorities.

The materialization of these risks could have a material adverse effect on the Company's business, financial situation and earnings.

5 INFORMATION ABOUT THE COMPANY

5.1 HISTORY AND GROWTH OF THE COMPANY

5.1.1 Corporate name of the Company

The corporate name of the Company is: DBV Technologies.

5.1.2 Registration place and number of the Company

DBV Technologies was registered at the *Registre de Commerce et des Sociétés* [Register of Commerce and Companies] of Nanterre on 29 March 2002 under number B 441 772 522.

5.1.3 Date and term of incorporation

The Company was incorporated for a term of 99 years ending on 29 March 2101, except in the case of early winding up or extension.

5.1.4 Registered office of the Company, legal form, legislation governing business activities

Initially incorporated as a French simplified joint stock company [*société par actions simplifiée*], the Company was transformed into a French corporation [*société anonyme*] with a management board and a supervisory board by a decision of the general shareholders' meeting on 13 March 2003. A change in the mode of governance was then decided by the general meeting of 23 December 2005, on which date DBV Technologies became a French *société anonyme* with a Board of Directors.

The Company, governed by French law, is primarily subject for its operations to Articles L. 225-1 et seq. of the French Commercial Code.

The registered office of the Company is located at: Green Square – Bât. D, 80/84, rue des Meuniers, 92220 Bagneux, France. The contact information for the Company is as follows:
Telephone: +33 (0)1 55 42 78 78
Fax: +33 (0)1 43 26 10 83
E-mail: investors@dbv-technologies.com
Website: www.dbv-technologies.com.

5.1.5 Significant events in company history

2002: creation of the Company by its five founders (Pierre-Henri Benhamou, Stéphane Benhamou, Bertrand Dupont, Christophe Dupont and Pierre-Yves Vannerom), in the form of a French *société par actions simplifiée*, then transformation into a *société anonyme* with a management board and a supervisory board. The management board was composed of PH Benhamou (chairman) and Bertrand Dupont;

2003: March: first round of seed funding of an amount of €139.9 K supplemented in May by €159.9 K from Cap Décisif;

June: DBV obtained an OSEO innovation grant for €445 K and was awarded the Altran Prize for innovation;

2004: launch of Diallertest® Milk (product for diagnosing allergies to bovine milk proteins);

2005: DBV obtained an OSEO innovation grant for €600 K;

2006:

First financing round. Nearly €12.3 M was raised from Sofinnova Partners and Apax Partners. The second tranche of this issuance, i.e. €7.9 M, was released in January 2007. The Company became a French corporation with a Board of Directors. Jean-François Biry was appointed Chief Executive Officer;

2009:
Second financing round. €6 M subscribed for by Sofinnova Partners and ALK Abelló;

2010:

- ✓ June: FDA consent to start pilot studies on Viaskin® Peanut (IND);
- ✓ August: start of a Phase Ib clinical study in five centers in the United States relating to Viaskin® Peanut;
- ✓ September: launch of a Phase II pilot multicentre study in France sponsored by AP-HP DBV obtained two patents in the United States relating to the Viaskin® technology;
- ✓ December: third financing round – raised €19.4 M from previous investors (Sofinnova Partners and ALK Abelló) and new investors (InnoBio, Lundbeckfond Ventures, Shire Laboratories and ALTO Invest) intended to finance the clinical development of Viaskin® Peanut, the first specific epicutaneous immunotherapy treatment for peanut allergies;

2011:

- ✓ June: relocation to new premises in Bagneux also housing research laboratories and eventually a production plant;
- ✓ November: notice of a third OSEO innovation grant of a total amounting to €640,000;
- ✓ December: Submission to the FDA of the preliminary results of the Phase I study relating to the Viaskin® Peanut product;

2012:

- ✓ January: modification of the terms and conditions for carrying out the general management and appointment of Pierre-Henri Benhamou as Chairman and Chief Executive Officer.

5.2 INVESTMENTS

5.2.1 Principal investments made since 2008

As all the clinical research and development expenses are entered into the accounts as expenses until the marketing authorizations are obtained, the principal investments of the last three fiscal years

essentially relate to the acquisition of laboratory equipment and, more incidentally, to computer and office equipment.

In the first half-year of 2011, as part of the relocation of the registered office, fittings works accounted for most of the investments, i.e. K€134.7, while K€73.7 was devoted to the acquisition of laboratory equipment.

Gross investments – DBV Technologies S.A. (IFRS, in €)	FY 2010 12 months	FY 2009 12 months	FY 2008 12 months	30 June 2011 6 months	30 June 2010 6 months
Long-term intangible assets	8,435	2,803	604	810	-
Property, plant, and equipment	48,282	235,297	105,291	225,052	28,931
Long term financial assets	-	-	3,528	77,497	-
TOTAL	**56,717**	**238,100**	**109,423**	**303,359**	**28,931**

5.2.2 Principal investments in progress

In the second half-year of 2011, the Company continued the fittings works for installation in the new premises started in the first half-year of 2011.

5.2.3 Principal investments projected

At this time, the Company is not planning to make any significant investments for the years to come and for which the executive bodies of the Company have made any firm commitments.

6 OVERVIEW OF ACTIVITIES

6.1 GENERAL INFORMATION

DBV Technologies was founded in 2002 to develop an innovative therapy to treat allergy. It developed from the observation that the most dangerous allergies, such as certain food allergies, cannot benefit from the desensitization techniques that have proven effective for a century in the treatment of some other allergies, such as respiratory or insect bite allergies. The various routes of administration currently in use actually carry a risk of introducing the allergen into the bloodstream and cannot therefore be safely used to desensitize these patients. The epicutaneous method developed by the Company is based on a completely original, patented technology that enables an allergen to be administered through healthy skin without any significant transfer into the bloodstream, considerably minimizing the risks of generalized allergic reaction (anaphylactic reaction). This technology is called Viaskin®. Studies published in major international specialized journals have demonstrated that once an allergen is applied to intact skin using Viaskin®, it is concentrated in the superficial layers of the skin, where it is taken up by the skin's immune cells (Langerhans cells) and presented to other immune system cells in the lymph nodes. This method, unique in the world, has undergone significant preclinical, clinical and technological development that has culminated in a product whose safety has already been proven in humans.

Leading investors like Sofinnova have been involved with the Company since its origin, and have recently been joined by industry leaders (ALK Abelló, Shire Laboratories) and major specialized investors (Innobio, Lundbeckfond Ventures). As of the end of December 2011, these investors have provided a total of nearly 29 M€ in capital to the Company through several financing rounds. The Company is hoping to become a leading specialized allergy pharmaceutical laboratory and the first in the world to offer treatment to patients with the most severe allergies. It intends to enter the European market directly through its own commercial infrastructure and the North American and Asian markets with the support of strategic partnerships.

DBV Technologies is currently in a unique position in the area of food allergy treatment, with its wholly-owned therapeutic method and technology that address markets heretofore not satisfactorily covered by the pharmaceutical industry. To ensure its place as a reference player, DBV Technologies decided to take advantage of its many assets and give itself the means to accelerate the growth of its portfolio of therapeutic products to become a pharmaceutical company specialized in food allergies and childhood allergies, responding to the immense expectations and wishes of patients and practitioners.

As such, the Company will concentrate its efforts on its clinical development program, which focuses on three products. Viaskin® Peanut for treating peanut allergy in adults and children: a Phase II "proof-of-concept" study to demonstrate efficacy began in France in 2010, targeting marketing authorization in Europe and the United States by 2016; Viaskin® Milk for childhood cow's milk allergy: a phase II clinical study is scheduled for launch in 2013, for marketing authorization in 2016 after a confirmatory phase III study is conducted with the optimal dose determined in the phase II study; and Viaskin® HDM for childhood house dust mite allergy, which is difficult to treat using current desensitization methods: a phase I clinical study will be launched in 2013, to benefit from the initial studies of the other products.

Both the Viaskin® proprietary technology and its fields of applications are currently protected by fourteen families of patents that have either been granted or are at various stages of the patent registration process. For the Company, this policy of innovation and intellectual property protection are an important barrier to potential competitors.

The Company will also have many other growth platforms given the possible applications in allergy (eggs, seafood, etc.) and the many applications of the Viaskin® technology in other therapeutic areas (vaccines, immune diseases, etc.). To complement this program as efficiently as possible, DBV Technologies will also intensify its pre-marketing efforts, increasing its visibility to opinion leaders, scholarly societies and the scientific community in general, all the while pursuing necessary activities (installation, workshop qualification, authorization requests, etc.) to acquire pharmaceutical establishment status. This status will allow it to eventually have an integrated production capacity and the ability to market its future therapeutic products directly in certain geographic areas. The Company plans to market its products in Europe through its own infrastructure or representative offices. The networks of medical visitors needed to market these sorts of products are limited in size, since the prescriber population is limited to allergy specialists. Outside Europe, especially in the United States, China and Japan where market dynamics are complex and require a strong historic presence, the Company intends to secure partnerships with established companies that have strong market expertise and significant marketing strengths. In addition to commercial development, establishing such partnerships should, as is common in the pharmaceutical industry, generate complementary resources resulting from revenues from "up front" payments and payments staggered as key clinical development stages are reached.

The strategy of innovation that DBV Technologies has pursued from the start has given the Company all the assets it needs to become a reference player in the treatment of food and childhood allergies:

- **Technology that can be scaled up for pharmaceutical industry production:** the Viaskin® epicutaneous patches developed by DBV Technologies are unique in the world. Dry particles of active ingredient in their original antigenic state can be bonded onto the base film using an electrostatic technique;

- **Technology recognized by opinion leaders in Europe and the United States:** several scientific papers have been published about Viaskin® technology. On the clinical side, an initial efficacy study led by AP/HP is currently under way in France, in collaboration with the largest French food allergy centers. Initial results for the first 6-month study period were sent to the FDA on December 15, 2011, and complete data are expected at the end of the second quarter of 2012. Another study is set to begin in 2012 in the United States, led by CoFAR (Consortium for Food Allergy Research), the only reference consortium funded by the National Institutes of Health (NIH). Data from the initial 12- month study period should be available during the first quarter of 2014. Conducting and publishing these two studies will significantly boost the visibility and awareness of Viaskin® in scientific circles;

- **Viaskin®, a proprietary technological platform protected by a solid intellectual property portfolio:** both the Viaskin® proprietary technology and its fields of applications are currently protected by fourteen families of patents that have either been granted or are at various stages of the patent registration process. For the Company, this policy of innovation and intellectual property protection are an important barrier to potential competitors;

- **A therapeutic answer to unmet needs:** because it is so adaptable, the Viaskin® patch can offer treatment never before available for the main food allergies (peanut, cow's milk, etc.) as well as for other areas, such as house dust mite (HDM) allergies in children;

- **Significant potential market of over 11 million people and over $5 billion annually:** the first three products developed by the Company – Viaskin® Peanut, Viaskin® Milk and Viaskin® HDM – target a population that the Company estimates at 11 million people (Europe and the United States). The value of the potential market is greater than $5 billion per year;

- **No competing therapy being developed:** to the Company's knowledge, no pharmaceutical product for desensitization comparable to the Viaskin® patch is under development for this huge market;

- **Integrated production capacity:** DBV Technologies may eventually set up its own production and batch control laboratory. Obtaining pharmaceutical manufacturing facility status could allow the Company to integrate the value chain further (see sections 6.7.5 and 6.8.5 of this document);

- **Encouraging preclinical results, finishing up the Phase Ib study on the Viaskin® Peanut patch and Fast Track designation by the FDA:** once it receives the necessary authorizations, the Company is ready to start a Phase IIb clinical study in 2012 for its priority market (peanut allergy). Furthermore, in December 2011, the Company obtained "Fast Track" status from the FDA for the Viaskin® Peanut patch, which is the first desensitization product to obtain such status (see section 6.6.1 of this *Document de Base*);

- **Major clinical program:** In 2012 and 2013 no less than six clinical studies of children and adults will be conducted in Europe and the United States in some of the most important allergy centers in the world. DBV Technologies will be conducting four of these studies – on Viaskin® Peanut (phase IIb, potentially a pivotal study), Viaskin® Milk (phase IIb), Viaskin® HDM (House Dust Mite – phase I) and Diallertest® (pivotal phase III) – while the other two studies will be conducted by prestigious organizations (AP-HP in France and the NIH and CoFAR in the United States) (see section 6.6 of this document for details of these studies and their respective schedules);

- **A scientific committee of international experts:** the Company has a Scientific Advisory Board composed of eight internationally-renowned experts including several key opinion leaders in the area of food allergies and pediatrics (see section 11.1.2 of this document);

- **Exceptional shareholders:** DBV Technologies is supported by first-class French and international shareholders, with both financial investors (Sofinnova Partners, Innobio, Lundbeckfond Ventures) and industry leaders (Shire Laboratories, ALK-Abelló) represented on its Board of Directors;

- **24 collaborators working with an experienced management team:** the Company has a team of professionals with background and expertise in fields that complement its projects perfectly.

6.2 ALLERGY: DEFINITION, TREATMENTS AND TREATMENT LIMITATIONS

6.2.1 Allergies: Deregulation of the immune system and continually-evolving disorders

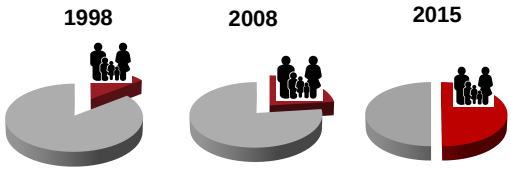
Allergies constitute the fourth most significant disease in the world according to the World Health Organization (*source: Vervloet D.et al. Consensus et perspectives de l'immunothérapie spécifique dans les maladies allergiques [Consensus and perspectives on antigen-specific immunotherapy in allergic diseases]. La Lettre (Supplément à la Revue Française d'Allergologie et d'Immunologie Clinique) 1997; 37 (2): 4–5) [Letter (Supplement to the French Review of Clinical Allergology and Immunology)]).* They affect nearly 500 million people around the globe, primarily in developed countries (*source: Bousquet J. et al. Allergic Rhinitis and its Impact on Asthma (ARIA).Allergy 2008: 63 (Suppl. 86): 8–160).*

Allergies can be divided into several groups:

- Food allergies: peanut, milk, egg, shrimp/shellfish, etc.
- Respiratory allergies: house dust mites and pollen
- Venom allergies, contact allergies and drug allergies.

Asthma, allergic rhinitis, eczema and the more recently described eosinophilic esophagitis are all allergic in origin.

As shown in the graphic on the right, allergies are a growing problem that could affect up to 25% to 40% of the adult population in developed countries and over half of the children in developed countries (World Allergy Organization White Book on Allergy, 2011). Epidemiological studies have already shown that more than half of all Americans (52%) have a sensitivity to at least one allergen.



Source : Bousquet et al 1999

(*source: Arbes SJ et al. Prevalences of positive skin test responses to 10 common allergens in the U.S. population: Results from the Third National Health and Nutrition Examination Survey. J Allergy Clin Immunol. 2005; 116:377–383. - http://www.aaaai.org/about-the-aaaai/newsroom/allergy-statistics.aspx*).

Contributing factors to the rise in allergies include changes in our environment and lifestyle, the development of hygiene and decrease in chronic bacterial infections, urbanization, pollution and changes to eating habits.

The allergic reaction results from the body's inappropriate immune response when it encounters a foreign substance, the allergen. An allergen, which may be completely innocuous, will be viewed as dangerous by the immune system of a sensitized person and will cause an allergic reaction.

This reaction occurs in two steps:

- First there is a sensitization phase, during which the immune system identifies the substance as an allergen. The first time it enters the body, through the skin or mucous membranes (eyes, respiratory or digestive tract), the immune system identifies the foreign element as dangerous. It begins making specific antibodies against the allergen. Antibodies, or immunoglobulins, are substances made by the immune system. They recognize and destroy some of the foreign elements to which the body is exposed. The immune system produces five types of immunoglobulins—IgA, IgD, IgE, IgG and IgM—each with a specific function. It is primarily the IgE immunoglobulins that are involved in people with allergies.

- The second time the allergen enters the body, the immune system is ready to respond. The antibodies try to eliminate the allergen by triggering a cascade of defensive reactions. This is the allergic reaction.

The most severe allergic reaction is anaphylaxis. This is a sudden, generalized reaction that affects the entire body. If not treated rapidly (adrenaline injection with a kit like Anapen or EpiPen) it can lead to anaphylactic shock, i.e. a drop in blood pressure, loss of consciousness and possibly death, within several minutes.

6.2.2 Current allergy management

The most commonly used treatments in the world are to treat symptoms (antihistamines, bronchodilators, corticosteroids, etc.), which represent a total market of $46 billion (*source: Research and markets: The Asthma, COPD & Allergic Rhinitis Market outlook to 2015*). According to a study conducted by IMS Health, 55 million antihistamine prescriptions were written over a twelve-month period (from November 2010 to October 2011), or more than 4.5 million prescriptions per month *(source: IMS Health, 2011).*

Non-sedating antihistamines like histamine H1–receptor antagonists are the basis of respiratory allergy treatment. Pharmaceutical laboratories like Sanofi (Allegra®), Merk (Singulair®) and Pfizer (Zyrtec®, Aerius®) are the main players in this market. The cost of antihistamine treatment varies depending on the dose administered, from $13 to over $300 per month in the United States for second-generation antihistamines. (*source: consumerreport.org, 2010).*

Another therapeutic strategy is to block the production of IgE, the allergy antibodies. Xolair® is the leading anti-IgE product. It was developed by Novartis, Roche and Genentech for the treatment of asthma and launched on the US market in 2003. Depending on the patient profile, the annual cost of treatment in France can be as high as €25,000 (*source: Dictionnaire Vidal 2011.*)

All of these treatments only provide temporary relief and cannot offer a lasting cure to the allergy. A first study using Xolair® to minimize reaction in case of accidental exposure to peanuts initially pursued by Roche was interrupted. More recently, a second academic study is using conventional desensitization methods in combination with Xolair®. Another clinical study, using another anti-IgE (QGE031, Novartis), should be underway for the prevention of anaphylactic reactions in case of peanut exposure (*source: http://clinicaltrials.gov/ct2/show/NCT01451450).* These research studies illustrate the definite interest by the major laboratories in this market with great potential.

6.2.3 Desensitization, or allergen-specific immunotherapy, is the reference treatment

Desensitization is recognized by the WHO (World Health Organization) as the only disease-modifying treatment[1] for allergy. It involves repeatedly administering small amounts of antigen to decrease reactivity in patients with allergies, and is widely used for respiratory allergies and insect bite allergies.

It is usually performed with subcutaneous injections of gradually increasing doses of the allergen at regular intervals, in a hospital under a doctor's supervision. Easier modes of administration (including drops and sublingual tablets that are placed under the tongue) have been developed for simplified treatment that can be administered at home.

[1] *Source: WHO, Durham et al, NEJM, 1999*

The global immunotherapy market is estimated at approximately € 871 million. (*source: ALK Abello investor presentation.)*

Desensitization through injection is the reference method for patients with allergies to dust mites or pollen. The oral route, using drops or sublingual tablets, is the most commonly used route of administration, especially in Europe for pollen allergy. Products are being developed for sublingual immunotherapy for desensitization to house dust mite allergy.

For some allergies, like food allergies, desensitization cannot be routinely used in its current forms of injection, tablets or drops because of safety concerns. Some food allergens, such as peanut or milk proteins, cannot be injected into or ingested by young children because of the risk of anaphylactic shock, although there are some specialized centers that do use the oral method in these patients.

Academic studies about desensitization to food allergies through other routes of administration (oral, sublingual, intranasal or intrarectal) are currently in progress. Some authors propose combining more than one route of administration together, or with symptomatic treatment, as described in the previous section. None of these methods seems to be able to allow normalized pharmaceutical development or completely safe ambulatory use, given the current state of knowledge.

6.3 EXISTING DESENSITIZATION TECHNIQUES ARE NOT APPROPRIATE FOR FOOD ALLERGIES OR FOR TREATING YOUNG CHILDREN

6.3.1 Food allergies

a) The danger of food allergies: anaphylactic reaction and shock

Between 11 million and 26 million people suffer from food allergies in Europe alone; worldwide, the number is estimated at between 220 million and 500 million (*source: WAO White Book on Allergies, 2011).* Between 3% and 5% of Americans suffer from food allergies, and the prevalence of peanut allergy in children nearly quadrupled between 1997 and 2008 (*source: Sicherer et al JACI 2010; 125:1322-6).*

As noted earlier, food allergies can cause extremely dangerous reactions and lead to anaphylactic shocks. In fact, food allergies (primarily to peanuts) are responsible for 150 to 200 deaths every year in the United States (*source: Keet CA, Wood RA. Immunol Allergy Clin N Am. 2007; 27:193–212*) and over 125,000 emergency room visits (s*ource: Sicherer et al. Ann Allergy Asthma Immunol.2001*).

This is why there is no treatment in daily clinical use for these allergies, with their life-threatening risk; thus far, the only solution available has been complete avoidance of the responsible food.

The list of foods implicated in anaphylactic reactions is a long one, but only a handful of them are responsible for the majority of severe anaphylactic reactions. In western countries, the foods most often implicated in fatal or severe reactions are peanuts and nuts, eggs, fish (e.g., cod and whitefish) and shellfish (shrimp, lobster, crab, scallop, oysters). These foods also tend to cause "lifelong sensitivity" in most patients, unlike other foods like milk, eggs and soy, which are also dangerous but have allergic effects that tend to disappear over time.

Food anaphylaxis is currently the number-one known case of anaphylaxis cases treated in US emergency departments [*source: http://www.foodallergy.org (official site of the FAAN)*]. Anaphylactic food reactions account for over one third of the anaphylactic reactions treated in emergency departments and are most often peanut-related (*source: aaaai.org, The diagnosis and management of anaphylaxis: An updated practice parameter. J Allergy Clin Immunol. 2005; 115:S483-523).* Multiple food allergies are common in children and significantly affect their daily lives.

Treatment of food allergies is clearly an unmet medical need. Desensitization is the best possible therapeutic response as long as the method is simple, safe and effective. Generalizing such a method would create a new and massive pharmaceutical market.

b) Peanut allergy prevalence is increasing

Peanut allergy is one of the main causes of fatal or life-threatening food reactions, making it a major health concern around the world, especially in developed countries where the prevalence has steadily increased over the past ten years.

A national survey in the US showed that approximately 1.1% of the general population, or over 3 million people, are allergic to either peanuts or shellfish (*source: Sicherer et al., 1999a*). Two recent studies conducted in the US and the UK revealed that peanut allergy has doubled in five years among children under age five *(source: Grundy et al., 2002, Sicherer et al., 2003)*. It is quite probable that peanut allergy will continue to increase in the general population as it ages. The prevalence of peanut allergy in other western countries (Canada, France, Spain) has been studied by numerous authors and falls at between 0.9% and 1.5% of the population (*source: Crespo et al., 1995; Kanny et al., 2001; Kagan et al., 2003*). In Sweden, peanut sensitivity as determined with IgE testing is estimated at 3.3% of the population *(source: Van Odijk et al., 1998)*.

This allergy affects both children and adults: it is estimated that peanut allergy affects 1.8% of children in the UK *(source: Hourihane et al., 2007; Du Toit et al., 2008)*. Peanut allergy is usually considered to be lifelong, with many studies showing that less than 20% of children are likely to see their peanut allergy disappear. (*source: Sicherer SH, Sampson HA. Peanut allergy: emerging concepts and approaches for an apparent epidemic. J Allergy Clin Immunol 2007; 120:491–503*).

This allergy significantly degrades patients' quality of life (*source: Avery NJ, King RM, Knight S, Hourihane JO. Assessment of quality of life in children with peanut allergy. Pediatric Allergy Immunol. 2003; 14: 378–82.).*

c) Milk allergy is the leading food allergy in children

Allergy to cow's milk is the most common food allergy in infants and children, affecting 2% to 3% of the general population (*source: AAAAI.org, Sicherer SH, Sampson HA. Food allergy. J Allergy Clin Immunol 2006; 117:S470-5).* Sensitivity to milk at age one is a predictor of higher sensitivity to peanuts at age three. Resolution rates are 19% by age 4, 42% by age 8, 64% by age 12 and 79% by age 16 (*source: Skripack et al, JACI 2007)*. Cow's milk-specific IgE levels during the first year of life are a good predictor of the disease's progression: the higher the IgE levels the more likely the child will remain allergic to cow's milk his or her whole life *(source: Skripack, JACI 2007)*.

d) Primary food allergies

The following table summarizes the primary food allergies in children, in whom initial allergies may disappear, and in adults; note the predominance of peanuts, nuts and shellfish.

TABLE I. Estimated Food Allergy Rates in North America

Prevalence	Infant/Child	Adult
Milk	2.5 %	0.3 %
Egg	1.5 %	0.2 %
Peanut	1 %	0.6 %
Nut	0.5 %	0.6 %
Fish	0.1 %	0.4 %
Shellfish	0.1 %	2 %
Wheat, soy	0.4 %	0.3 %
Sesame	0.1 %	0.1 %
Together	5 %	3% to 4%

Source Sicherer & Sampson, JACI 2009

e) Prevalence of food anaphylaxis

The prevalence of food anaphylaxis around the world appears to vary depending on the eating habits of various regions.

Five American studies used administrative and medical databases to estimate the incidence of food anaphylaxis (*source: Boyce et al., NIAID guidelines—2010*). The rate of hospitalizations or emergency-room visits for anaphylaxis varied with each study, method used and population studied from between 1/100,000 and 70/100,000. The proportion of food-related anaphylaxis was between 13% and 65%. The level depended on the criteria used to diagnose anaphylaxis.

Although different methods were used in these types of studies, they all showed an increase in the number of hospitalizations for food-related anaphylaxis over the past ten years. A recent American study showed at 350% increase in the number of hospitalizations for children under 18 years related to a food allergy diagnosis: 2,600 in 1998 and 2000 versus 9,500 between 2004 and 2006 in the United States (*source: Branum AM, et al. Food allergy among children in the United States. Pediatrics 2009; 124:1549–1555*). This increase may be due to both increased prevalence and increased general awareness of allergy problems.

The majority (50% to 65%) of fatal anaphylaxis are caused by peanut allergy (*source: Keet CA, Wood RA. Food allergy and anaphylaxis. Immunol Allergy Clin N Am. 2007; 27:193-212).*

While food anaphylaxis accounts for between one third and one half of the anaphylaxis cases treated in emergency departments in North America, Europe and Australia (*source: aaaai.org, The diagnosis and management of anaphylaxis: An updated practice parameter. J Allergy Clin Immunol. 2005; 115:S483-523*), it appears to be fairly uncommon in countries where people do not have a "Western" diet, such as China.

f) Current therapeutic management and the importance of epicutaneous immunotherapy

Currently, the only option for patients with a food allergy, especially for the most severe cases, is to strictly avoid the foods they are allergic to and to learn to recognize and treat allergic reactions caused by accidental exposure. Yet strict avoidance is difficult, since foods may contain hidden traces of allergens, labeling may be misleading and contamination by certain food allergens of foods that are supposed to be allergen-free occurs frequently. For example, patients with a peanut allergy frequently ingest peanuts accidentally, sometimes resulting in serious or even fatal reactions. A single patient is accidentally exposed to peanuts every three to five years; the annual incidence of accidental ingestion is 14% (*source: Yu et al., 2006*).

So a general, safe treatment for food allergies has always been a goal for allergy specialists.

Of the allergen-specific immunotherapies (SIT) available to food allergy specialists, subcutaneous immunotherapy (SCIT) has raised serious safety concerns. Sublingual immunotherapy (SLIT) and oral immunotherapy (OIT) have also been studied in humans. However, despite initial encouraging results with various types of food allergies (egg, hazelnut, milk, peanut), these methods require further clinical investigation, and safety concerns—especially the high rate of severe systemic reactions—limit their development as a reference treatment for food allergies.

All of this illustrates that there is a clear, significant unmet medical need for the effective and safe treatment of food allergies. Of the SIT options for curative food allergy treatment, the epicutaneous immunotherapy (EPIT) developed by DBV Technologies can provide the clinical benefits and satisfactory safety profile needed to market an innovative therapeutic product.

6.3.2 Treating allergies in young children

Several scientific studies have shown that the early treatment of allergy can prevent progression towards allergic diseases like asthma or the development of multiple food allergies. A study of children desensitized to pollen and followed up for five years clearly demonstrated that the early treatment of pollen allergy has a positive impact on the future onset of asthma. (*source: Jackobsen et al. Allergy 2007; 62:943-8)*

However, current techniques are poorly adapted for the treatment of young children. Injections are not well tolerated by children and must be given under medical supervision, which is not practical on a large scale, and the oral methods developed for use at home are not globally adapted for young children who do not have the discipline to keep the product under their tongues long enough for the dose to be effective. Sublingual administration also sometimes has local side effects in children (tingling, irritation, etc.) that are poorly tolerated.

In light of these limitations, large-scale desensitization for young children appears complicated at this time, even as it becomes increasingly evident that the early treatment of allergy, before allergic diseases like asthma or multiple food allergies develop, is the best possible therapeutic and prophylactic measure.

The Company developed its Viaskin® patch desensitization technology to meet these medical needs.

a) Cow's milk allergy in young children

An allergy to cow's milk proteins is the first allergy that appears in a child's life. In Europe, approximately 2% to 3% of infants have the most severe forms (IgE-dependent) (*source: Host A. Ann Allergy Asthma Immunol. 2002 Dec; 89(6 Suppl 1):33-7)*. In 80% of cases, the allergy disappears after 16 years (*source: Sicherer SH, Sampson HA. Food allergy. J Allergy Clin Immunol 2006; 117:S470-5*). However, 35% of children who are severely allergic to cow's milk proteins later develop many food allergies (multiple food allergies) or allergic respiratory diseases [(*source: Guidelines for the diagnosis and management of food allergy in the US: report of the NIAID-sponsored expert panel – 2010 - § 3.1.2, p. 12).*

Viaskin® Milk is perfectly adapted for the early treatment of allergy, beginning at six months of age. This early treatment could have a positive impact on later sensitizations.

b) Respiratory allergy in young children: house dust mite allergy

Scholarly societies recommend the earliest treatment possible for respiratory allergies in young children to prevent respiratory complications like asthma, wheezing bronchitis and allergic rhinitis. (s*ource: Brozek, Jaci - Allergic Rhinitis and its Impact on Asthma (ARIA) guidelines: 2010 Revision- in collaboration with WHO*)

Dust mite allergy is the most common respiratory allergy in children. This is a vast market, since it is estimated that the incidence of house dust mite (HDM) allergy in children in Europe and the United States is greater than 15% and this allergy is the cause of 82% of severe asthmas (groups 3 and 4) (*source: report requested from Alcimed by DBV Technologies 2007).*
Studies have shown that it can be found in children as early as the first year of life (*source: Boralevi, JACI, 2007*). Early desensitization can help prevent the appearance of many respiratory (asthma, spasmodic bronchitis, allergic rhinitis, etc.) or cutaneous (eczema) complications. The age at which it is managed is crucial since more than 70% of asthmas start before six years of age (*source: Alcimed*

survey, 2008). Unfortunately, because of the risk of anaphylactic reaction, the WHO does not recommend immunotherapy in very young children (*source: J Bousquet, Allergy 2010)*. Under these conditions, there is an urgent need for treatment that combines safety with efficacy.

With its ease-of-use and non-invasive nature, Viaskin® HDM could be one of the long-awaited solutions to treat house dust mite allergy appropriate for young children. Used for house dust mite allergy, Viaskin® could help prevent allergy-related asthma (dust mites) in young children before respiratory complications arise (*source : Des Roches A, Paradis L, Menardo JL, Bouges S, Daurés JP, Bousquet J. Immunotherapy with a standardized Dermatophagoides pteronyssinus extract. VI. Specific immunotherapy prevents the onset of new sensitizations in children. J Allergy Clin Immunol. 1997 Apr; 99(4):450-3).*

Several biotechnology companies are developing dust mite desensitization products, but to the Company's knowledge, the approach adopted by DBV Technologies for early treatment is original, with no clinical studies for pharmaceutical development currently in progress in young children (aged 0 to 5 years).

6.3.3 Conventional players in the desensitization market

Several small- or mid-sized specialist pharmaceutical companies sell allergen extracts (ALK-ABELLO, a minority stockholder of DBV Technologies, in Denmark, Stallergènes in France, Allergopharma in Germany, HAL Allergy in the Netherlands, Allergy Therapeutics in the United Kingdom, Leti Pharma in Spain and Greer in the United States).

ALK ABELLO and Stallergènes are the two main players. These two companies, originally allergen producers, have evolved towards a pharmaceutical model and experienced very rapid growth. The market for specific immunotherapy is expected to grow rapidly after the sublingual tablets for respiratory allergies developed by Stallergènes (Euralair®) and ALK- ABELLO (Grazax®) are introduced on the European market (and expected in the US).

ALK Abelló: Listed on the NASDAQ and the OMX market in Copenhagen, ALK had consolidated sales figures of €287 M in 2010 and a group net income of €17 M (*source: Annual Report for 2010 - http://ir.alk-abello.com/investorkit.cfm)*. ALK is the world leader in specific immunotherapy. It has been expanding in recent years, absorbing the French laboratory Allerbio and buying stock in the Dutch company Hal Allergy. ALK has been a minority stockholder in DBV Technologies since 2008.

Stallergènes: Stallergènes is a European pharmaceutical laboratory specialized in the allergen-specific immunotherapy treatment of severe respiratory allergy. A global leader and forerunner of sublingual immunotherapy (*source: Stallergènes website*), Stallergènes offers treatments, APSI (Specially Prepared Allergens for Individuals), prescribed by allergy specialists to satisfy the unmet needs of patients with severe allergic rhinitis. Listed on the official NYSE-Euronext market in Paris, the group had sales figures of €216.3 M in 2010 and a group net income of €30.8 M (*source*: *Stallergènes 2010 reference document—http://finance.stallergenes.com/l-information-reglementee/2010.html)*. Its consolidated 2011 sales reached 235 M€. (*source: Stallergènes website: http://www.stallergenes.com/fr/actualites/communiques-de-presse/en-detail/hash/be393f6060/back/1/news/chiffre-daffaires-2011.html)*

To the Company's knowledge, none of the current players have developed pharmaceutical products for the treatment of peanut allergy. Some companies are working with recombined peanut proteins that can trigger an attenuated immune response via subcutaneous or intrarectal administration. None of these projects are in clinical phase except for a peptide (allergoid) administered rectally that has not passed phase I. Chinese herbs are used for peanut allergy and have been the subject of clinical studies.

A vast study of sublingual desensitization to dust mites in children under five years of age is in progress (ALK Abelló).

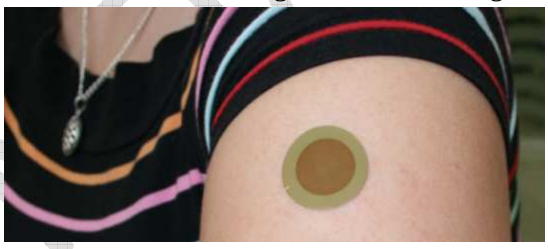
To the Company's knowledge, although several desensitization programs using the natural product administered orally are being studied in specialized centers, no pharmaceutical desensitization product is currently being developed for cow's milk allergy.

6.4 VIASKIN® TECHNOLOGY

6.4.1 An innovative approach to specific immunotherapy

Allergen specific immunotherapy (SIT) acts on the cause of the allergy and modifies its progression. It has been in use for approximately one hundred years, with widely documented effectiveness. SIT consists of gradually administering progressively larger quantities of an allergen to a patient with an IgE-dependent allergic illness to improve, reduce, or eliminate symptoms in subsequent exposure to the causative allergen. It can produce clinical and immunological tolerance that can be maintained for several years after treatment has ended.

DBV Technologies has developed an original method to further develop the cutaneous route of administration for SIT (or desensitization) using its proprietary technology, Viaskin®. This innovative method consists of affixing a patch that diffuses the desensitization treatment through the skin to bring it into contact with the immune system without it entering the bloodstream. The Viaskin® patch is changed every day during a treatment period that, as for all immunotherapy desensitization methods, is fairly long. The patch was developed to create a treatment method that is easy for patients and young children to use and that guarantees the safe treatment of food allergies.



It is a safe, effective and completely non-invasive alternative to specific subcutaneous immunotherapy (SCIT) treatment, which consists of injections, and specific sublingual immunotherapy (SLIT), which delivers treatment through drops or pills. This method, which uses the Viaskin® technology, is called epicutaneous immunotherapy, or EPIT.

During treatment, the Viaskin® patch is affixed to the skin of the upper arm (in adults and adolescents) or the back (in children). The patch is replaced every day. Each day, a new patch is placed on one of six previously-defined application areas, with placement changing from day to day. No specific skin preparation is needed other than ordinary cleaning. The area where the patch is applied must be healthy, with no sores, scratches, or abrasions of any kind. In some cases, skin disorders may be a contraindication to treatment.

The EPIT method has several advantages:

- First, EPIT is non-invasive, as it involves no injections. This ensures that the procedure is safe, considerably decreasing the risk of anaphylactic shock;
- Second, any skin reaction to Viaskin® can be easily visually monitored, and if local tolerance is poor, the Viaskin® product can be easily removed;
- Third, Viaskin®, which can be applied by the patients themselves or their parents, can be left on the skin for long periods after the desensitization process has started. In other words, with the Viaskin® method, the desensitization action can be controlled at all times by modulating the frequency and duration of contact with the allergen;

- Fourth, through Viaskin®, the antigenic information is rapidly transmitted to the Langerhans cells and other dendritic cells in the skin layer. A study conducted by DBV's research team demonstrated that in 6 hours, more than 80% of the Langerhans cells under the patch had captured the allergen (*source: Dioseghy et al, J Immunol 2011).*

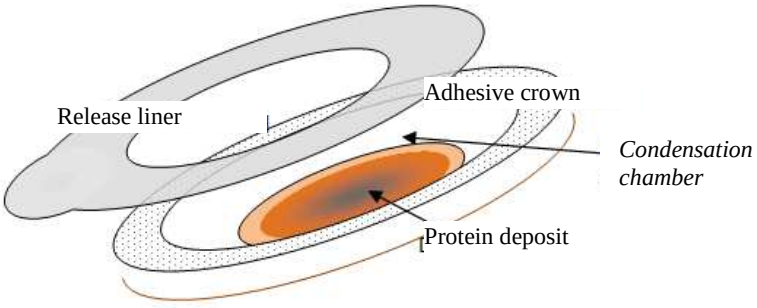
It should be noted that since Viaskin® is a desensitization patch that brings an allergen into contact with the skin, in some patients who are highly allergic, it can cause erythematous or eczema-like skin reactions, which can cause itching and discomfort for the patient. This is a temporary reaction that subsides after several weeks of use, as reported in the milk desensitization study published by Dupont et al. Additionally, some precautionary measures are required in handling the patches after use (contamination risk), during their daily administration for treatment that is generally expected to last three years, although this may vary depending on the severity of the patient's allergy and his or her reaction to treatment. This is also why the protocol for the phase IIb study calls for the skin to be cleaned every time the patch is removed.

6.4.2 The Viaskin® patch

The Viaskin® patch has nearly the same size and appearance as a conventional patch for other pharmaceutical products (nicotine, hormone replacement, etc.), but is actually highly specific.

Its two main features are that:

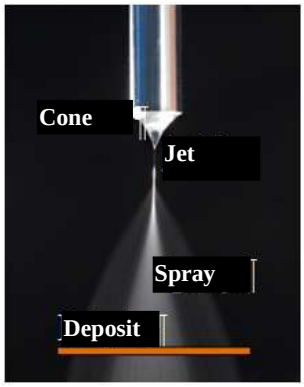
- It contains the allergen to be diffused for allergy treatment in dry form. Because the allergen is composed of proteins, keeping it in dry form maintains their properties in an optimal manner. To do this, the Company developed a technology for depositing the allergen on the patch using electrospray (ES);
- The patch creates a condensation chamber with the skin, causing skin hydration and solubilization of the active ingredient, thus allowing the allergenic proteins to penetrate into the upper layers of the epidermis.



a) Electrospray

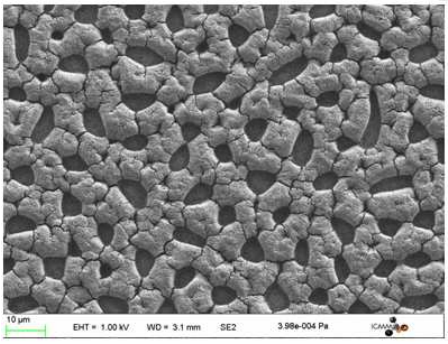
Development of the Viaskin® patch required fine-tuning an electrospray (ES) depositing technology, which allows dry deposits to be produced out of liquid formulations of specific chemical or biological active ingredients.

Electrospray is based on the following principle: when a liquid flowing through a capillary is submitted to high voltage, under certain conditions, the electrical field on the entire surface of the drop (meniscus) transforms the drop into a cone of liquid at the tip of the capillary, emitting a jet that is dispersed into micrometric and then nanometric droplets that follow the electric field lines coming from the cone. In this instance, the electric field lines are directed to the Viaskin® device. The droplets evaporate rapidly and are gradually transformed into dry particles. When a conductive backing is placed facing the cone that is generally bound to the mass, the field lines terminate on this backing and the dry particles, which follow the field lines, are deposited on the backing, drawn and conducted by the electrostatic forces. This results in very even layers (see photos, below) and no material is lost during the depositing. The electrostatic attraction between the particles and the backing maintains them on the patch.

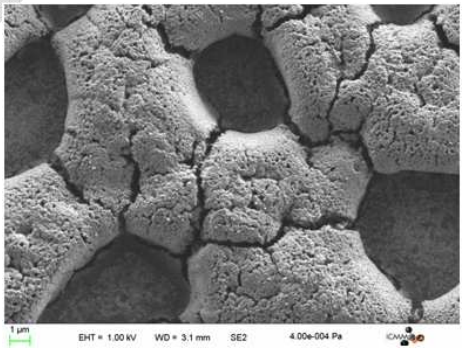


Effect of an electrical field on a drop

Deposit of proteins in patch centre



Micrography (scale: <u>10</u> microns) of proteins deposited on the patch using electrospray



Micrography (scale: <u>1</u> micron) of proteins deposited on the patch using electrospray

Electrospray technology is especially adapted for producing Viaskin® devices that require fast release of the active ingredient. This release depends in part on how quickly the dry deposit is solubilized by water vapor, which condenses in Viaskin®'s occlusive chamber (see b, below). Parameters can be adjusted to change the form and size of the deposit.

ES technology ensures:

- uniform deposit;
- precise deposit mass: from 0 to 500 µg/cm^2;
- modifiable deposit size and dosage;
- instantaneous drying of the deposit;
- high solubility of the deposit;
- option of depositing both biological and chemical substances.

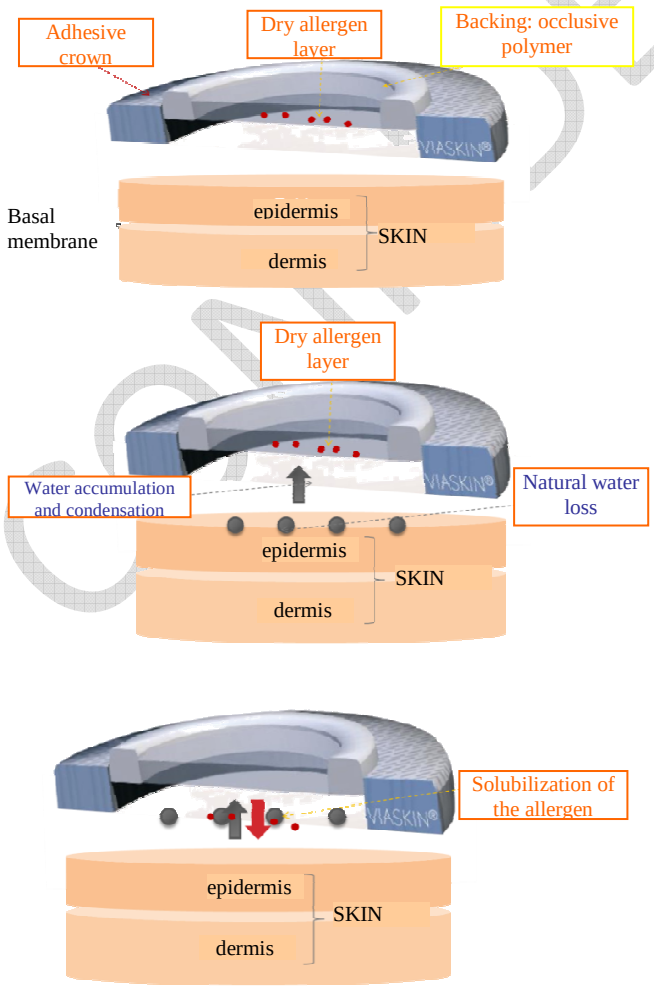
b) Condensation chamber

Every Viaskin® device has a condensation space that is key to delivering proteins to the epidermis. This condensation chamber enables both solubilization of the proteins and hyperhydration of the skin to ensure optimal passage of the proteins across the horny layer (stratum corneum epidermis). Because it doesn't require any additives, the natural allergen extract can be used and deposited on the Viaskin® patch while keeping its immunogenic nature intact.

6.4.3 Viaskin®'s method of action on the skin

Methods of delivering allergens through the skin usually require chemical or physical treatment of the skin. When the horny layer of a mouse's skin is stripped using adhesive tape ("stripping" consists of applying an adhesive band to a skin surface a defined number of times to remove a large portion of the horny layer – the characteristics of mouse skin involve the operation being repeated five times), significant passive diffusion of the allergen through the skin to the lymph system is observed. For safety reasons, the passive passage of allergens in the bloodstream must absolutely be avoided in the treatment of food allergies.

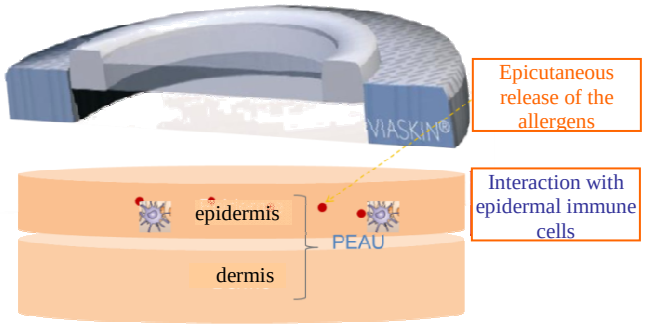
Applying the patch to healthy, intact skin avoids this passive passage. The main steps of the Viaskin® patch method of action are the following:



The patch, holding a dry layer of allergen in its centre, is placed on healthy skin, with no prior preparation.

The condensation chamber that forms between the skin and the centre of the patch creates hyperhydration of the skin and water accumulation.

The water accumulation solubilizes the allergen, which until this point has been in a dry layer; the allergen comes into contact with the skin, whose horny layer has become more permeable to the allergen because of the skin hydration.



Once it is in the epidermis, the allergen is captured by highly-specialized cells, the Langerhans cells, dendritic cells present on the surface of the horned layer of the epidermis (this layer of dead cells is the outermost protective layer of the skin).

The function of Langerhans cells is to capture all foreign bodies that manage to cross the horned layer and present them to other immune system cells in the lymph nodes.
After Viaskin® is applied, the allergenic proteins that cross the horny layer are captured by Langerhans cells, which transport them to the lymph nodes, then purify them and expose the most allergenic areas (epitopes) on their surface, thus bringing the allergenic information to the lymphocytes in the lymph node.

The main characteristics of the Viaskin® technology method of action are the following:

- Viaskin® preserves the properties of the skin barrier, which remains intact. Application of the allergen on the skin using Viaskin® does not result in the passive passage of the allergen through the basal membrane towards the dermis, unlike application to stripped skin.
- The allergen delivery specifics on intact skin using Viaskin® enable specific activation of the dendritic cells, which acquire the capacity to activate regulatory T cells.
- Repeated applications result in the general activation of auxiliary Th1 lymphocytes and regulatory T lymphocytes, which modulate the systemic and local allergic response (skin, intestines and lungs) caused by exposure to the allergen.

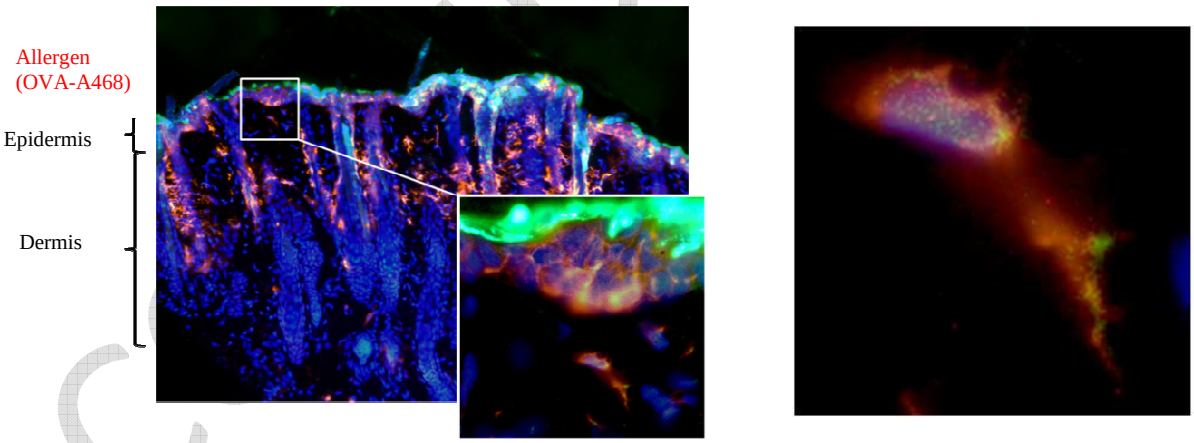
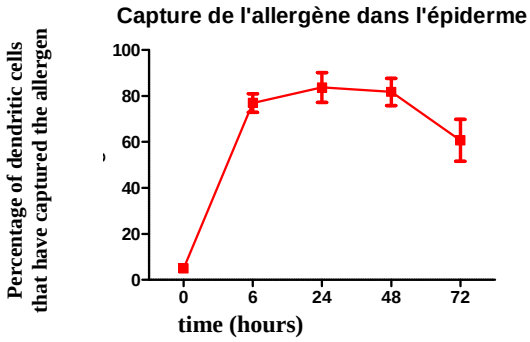


Photo of the immunohistological analysis of allergen capture by skin dendritic cells *(source: Dioszeghy et al; Journal of Immunol; 2011).*

The main photo above on the left shows a section of skin on which the patch has deposited allergens (in green) to its outer surface. This photo clearly shows that the allergens do not then circulate freely: they either remain on the outer surface or, as shown in the close-up, are captured by specific cells (dendritic cells). Thus they are unable to passively penetrate the basal membrane that separates the epidermis from the dermis, as clearly explained in the article by V. Dioszeghy et al., J Immunol 2011.

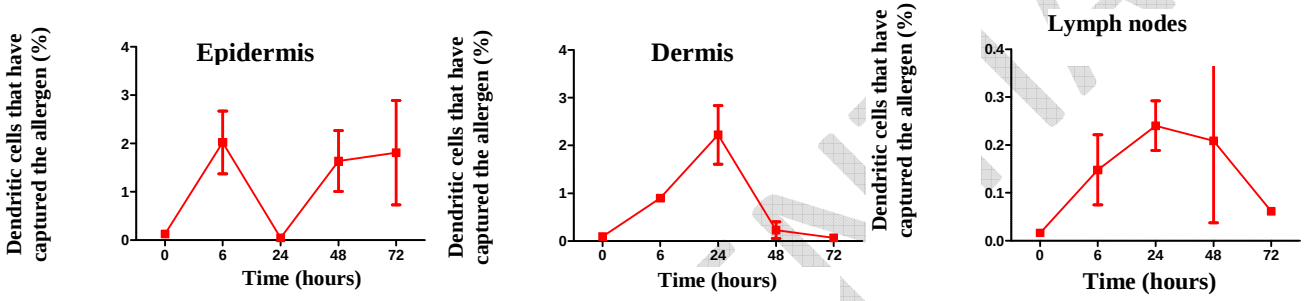
In the photo on the right we see the allergens (in green) captured by a dendritic cell.

Allergen capture in the epidermis



(*source Dioszeghy et al; Journal of Immunol; 2011)*

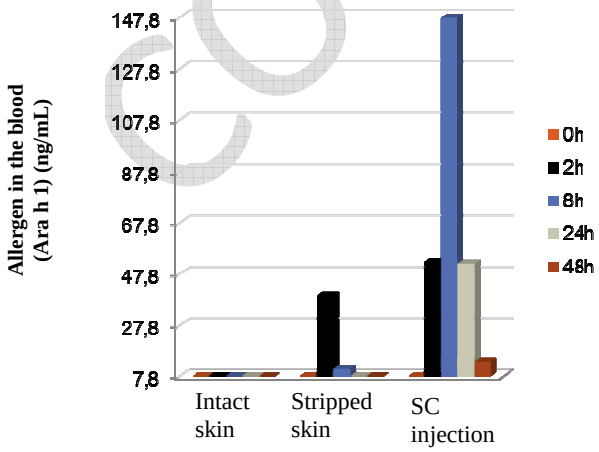
After the Viaskin® patch is applied, the allergen is rapidly captured by the epidermal dendritic cells as illustrated in the graphic above.



(*source: Dioszeghy et al; Journal of Immunol; 2011)*

The three graphs above created significant interest in the scientific community by showing the migration of dendritic cells from the skin to the related lymph nodes.

The capture of allergens by specialized cells, which is associated with an absence of passive passage in the epidermis, leads to specific modulations of immune responses and strongly reduces the risks of severe anaphylactic reactions or subsequent sensitization. This original mechanism explains why Viaskin® products should show a very positive risk/benefit ratio and would at this stage be [to the Company's knowledge] the only truly promising pharmaceutical solution for safe and effective desensitization treatment.



(*source: internal study conducted by DBV Technologies)*

Studies conducted as part of the Viaskin® platform validation process established a comparison of allergen penetration into the bloodstream for three specific immunotherapies: application of the Viaskin® patch on intact skin, application on previously stripped skin, and injection.

As shown in this graphic, only the Viaskin® patch affixed to healthy skin revealed an absence of allergen passage into the bloodstream

DBV Technologies is targeting patients with peanut allergy as the priority population to benefit from the capabilities of this technological platform, as these patients have no satisfactory therapeutic solution available to them.

6.4.1 Viaskin® technology is recognized by the scientific and medical communities

After in-depth scientific research and numerous scientific publications, Viaskin® technology has been recognized by the major scientific journals about allergy.
For example, in 2011, the two main American (JACI) and European (Allergy) scientific journals covered the major advances of recent decades and Viaskin® was mentioned as the "event" of the year 2010 that could have a lasting impact on the history of allergy treatment.

"Epicutaneous allergen administration: is this the future of allergen-specific immunotherapy?"

Senti G, von Moos S, Kündig TM. Allergy 2011; 66 pp. 798–809.

Another strong acknowledgement of Viaskin® technology is the launch of a university clinical study in the United States. In September 2010, the CoFAR (American Consortium of Food Allergy Research) selected Viaskin® Peanut for a phase II study funded by the NIH (National Institutes of Health). See section 6.6.1.

6.4.2 A technology that has been the subject of public media interest in the US and the English-speaking world

Although DBV Technologies has not engaged in a public communication program, the start of its first clinical study at the end of 2010 in the United States had a major impact in the general American, English and Australian press, as the articles below can attest.


Sunday 05 June 2011

The Telegraph

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Health News

Skin patch could cure peanut allergy

A revolutionary skin patch that may cure thousands of deadly peanut allergy has been developed by paediatricans.

5 June 2011


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HEALTH

Will New Skin Patch Cure Deadly Peanut Allergy?

Published May 29, 2011 | Foxnews.com

Print Email Share

A skin patch developed by two French pediatricians may cure thousands of people suffering from deadly peanut allergies, the Daily Mail reports.

Researchers believe the patch, developed to educate the body so it does not over-react to peanut exposure presents one of the best possible ways of treating a life-threatening reaction to peanuts.

29 May 2011


CBCnews Health

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Health

Peanut allergy patch investigated

CBC News Posted: May 30, 2011 10:28 AM ET | Last Updated: May 30, 2011 9:56 PM ET

Peanut allergy patch 1:57

An experimental patch could help desensitize people with peanut allergies, a biotech company says.

In allergies, the immune system reacts inappropriately and vigorously to the point that it can trigger inflammation in the airways that can cause breathing to stop.

External Links

- Peanut allergy clinical trials

30 May 2011

Several major public channels also reported fairly extensively on Viaskin® and the hope it offers for treating peanut allergy.

Reports broadcast at the beginning of 2011 by CNN (US), Fox News (US), CBS Denver (US), 9news (US) and CBC News (Canada) are available on DBV Technologies' website.

This all illustrates the strong unmet demand for a curative treatment for food allergies and the genuine revolution that Viaskin® technology could create.

6.5 The products developed by DBV Technologies and their market potential

Based on a precise analysis of the therapeutic requirements not being met by current therapeutic resources, the Company has determined two priority directions for development:

6.5.1. Food allergies

- *Viaskin® Peanut* is the main product developed by DBV Technologies. Used both in children and in adults, it is intended to allow the threshold of the patient's tolerance of peanuts to be increased. The patient must absolutely, at least during the first year of treatment, continue to avoid any products that contain peanuts. This treatment will be monitored rigorously by a physician on periodic visits. The duration of the treatment varies depending on the duration and the severity of the allergy, but the average duration can be estimated to be between two to three years.
- *Viaskin® Milk* is the second product developed by the Company. It allows for the treatment of the severe forms of the allergy to cow's milk. The great safety in its use allows it to be used at a very early stage. The monitoring is identical to that employed with *Viaskin® Peanut*. It is also necessary that the practice of excluding milk be continued as long as a physician has not observed the patient's milk tolerance.

6.5.2. Allergies in young children

- *Viaskin® Milk* will be specifically developed for very young children, allowing the allergy to be treated during the first two years, in such a manner as to prevent the subsequent emergence of multiple food allergies.
- *Viaskin® HDM* is the product for desensitization to house dust mites. The existing products on the market are intended for children aged over 5 years. DBV Technologies will develop *Viaskin® HDM* for the treatment of allergies to mites for children aged under 5 years.

6.5.3. Other applications of the Viaskin technology within the field of diagnostics

- *Diallertest® Milk* is the first ready-for-use test patch to test for the allergy to milk proteins in young children. It was launched on the French market in 2004, and the Company has sold more than 150,000 units through a distribution agreement initially with one partner until 2009, which has since been replaced by another distributor (see Section 22). It is currently available on the French market with a temporary waiver status. A pivotal Phase III study has been requested by the authorities in order to complete the marketing authorization application. *Diallertest® Milk* is intended to become a "diagnostic companion" of *Viaskin® Milk.*

- *Diallertest® HDM* is intended to allow early diagnosis of mite allergies and the corollary use of a desensitization treatment with the assistance of Viaskin® *HDM*.

The Diallertest® / Viaskin® combination should enable early diagnosis and treatment of the allergy in young children, thereby preventing the development of multiple food allergies (in the case of the milk allergy) and respiratory diseases such as asthma (in the case of the allergy to house dust mites).

6.5.4 Other applications of the Viaskin® (research avenues)

The Company is also pursuing research in the field of vaccines administered by epicutaneous means in collaboration with the University of Geneva. The studies conducted in this field have already been the object of a patent.

6.5.5. The first three products developed by DBV Technologies target a market of more than USD 5 billion per year and a population of more than 11 million persons

The potential of the market targeted by the first three products developed by DBV Technologies (*Viaskin® Peanut*, *Viaskin® Milk*, and *Viaskin® HDM)* is more than USD 5 billion, according to the Company's estimates.
It is important to note, on the basis of the information available, that for each indication and age group targeted by the Company, there exists no desensitizing treatment on the market or in the process of being developed.

In order to determine the potential of the market targeted by its first three products, the Company conducted an analysis of the target population, of the prevalence of the condition as a whole, and of the level of diagnosis. The table below summarizes that analysis. The first three indications targeted by the Company thus represent a total population of 11.3 million persons:

	Type of allergy					
	Peanuts		**Milk**		**Mites**	
In millions of people	**United States**	**Europe**	**United States**	**Europe**	**United States**	**Europe**
Targeted age group	All		<10 years old		<5 years old	
Reference group Prevalence (in %)	**322** 0.97%	**530** 0.70%	**50** 2.20%	**62.7** 2.20%	**28** 15%	**35.2** 15%
people with allergies (in %)	**3.1** 60.00%	**3.7** 60.00%	**1.1** 60.00%	**1.4** 60.00%	**4.2** 60.00%	**5.3** 60.00%
Target population	**1.9**	**2.2**	**0.66**	**0.83**	**2.5**	**3.2**

The table above is based on population data for the United States and the 27 countries of Europe. The prevalence and diagnosis rates are assumptions made by the Company.

To estimate the size of the market, the average treatment duration per patient must be determined. The Company anticipates an average treatment duration of 3 years for desensitization with respect to peanuts and mites, with this time period potentially varying depending on both the severity of the patient's allergy and the patient's tolerance with respect to the allergen generated by the treatment. However, in order to estimate the size of the market, it is prudent to reduce this time period to 2 years in order to incorporate the fact that patients might interrupt their treatment prematurely whether or not they have attained their objective of desensitization. With respect to milk, an average time period of 1 year was used, on the basis of the results of the clinical experiments showing more rapid improvement.

Moreover, the dynamic of the market penetration of the treatment, which is particularly dependent on the precise indication issued by the regulatory authorities, the price determined by the local supervisory authorities, the level of reimbursement obtained for each country, or the age categories of the patients targeted, must be taken into account.

Thus, it is the usual practice within the pharmaceutical industry to determine the "peak sales" (maximum sales envisaged on the basis of initial assumptions). The estimate of peak sales was conducted internally by the Company, and its approach was validated by specialized consultants. The

table below summarizes the Company's estimates of "peak sales" conducted by as of this date for the United States and Europe.

"Peak Sales" or Maximum Potential Sales
for the Three Markets Initially Targeted by the Company (in billions of U.S. dollars)

	Peanuts U.S. and EUR	Milk U.S. and EUR	Mites U.S. and EUR	TOTAL
Targeted age group	Total	< 10 years old	< 5 years old	
"Peak Sales" (in billions of USD)	**2**	**0.5**	**3**	**5.5**

U.S. = United States EUR = Europe (27)

For informational purposes, in the table below, which summarizes the existing treatment methods on the basis of certain types of allergies (food and mites) and populations (adults and children under 5 years of age), cost estimates of treatment using certain desensitization products are also indicated.

		ADMINISTER IT SUBCUTANEOUSLY	ADMINISTER IT SUBLINGUALLY	Anti-IgE	VIASKIN®
					
ALLERGIES TREATED	Food allergies	✗	✗	Ongoing studies	✓
	HDM allergies	✓	Ongoing studies	Severe persistent allergic asthma	✓
PATIENT POPULATION	Adults	✓	✓	✓	✓
	Children (<5 years old)	✗	✗	✗	✓
	Self-administrable/ Ready-to-use	✗	✓	✗	✓
	Non-invasive	✗	✓	✗	✓
TREATMENT	Existing treatments/ Indicative annual price	◆ Injections every 2 weeks during 3 years ◆ Variable price according to consult	For pollen allergy: ◆ Grazax (ALK Abello): €830-€1,460 (1) ◆ Oralair (Stallergènes): €534-€553(2)	◆ Xolair (Novartis): €5,171-€39,707 (3)	
RISKS	Risk of anaphylactic reaction	High (passage in blood)	Existing (passage in blood)	Low	LOW

1. Retail price in France, Spain, the United Kingdom, and Germany for a 12-month treatment;
2. Retail price in Germany and Spain for a 5-month treatment (including 3 and one-half months of preventive treatment before the beginning of the high-risk season);
3. Retail price in France, Spain, Germany, and the United States for a 12-month treatment. The low estimate is based on a dose of 75 mg. two times per month, while the high estimate is established on the basis of a dose of 375 mg. two times per month.

6.6 A PRECISE AND AMBITIOUS DEVELOPMENT PLAN

DBV Technologies is engaged in an ambitious clinical development program for its *Viaskin*® technology in order to market (provided it obtains the marketing authorizations) a safe treatment by epicutaneous immunotherapy of several major allergies, in particular, allergies to peanuts and to cow's milk, as well as the allergy to mites in young children. The Company gives priority to the treatment of the allergy to peanuts because of its seriousness (the allergy is potentially fatal), its permanence throughout an entire lifetime, and a need for a very robust therapeutic response on the part of allergists

and allergic patients. Two other products (*Viaskin® Milk* et *Viaskin® HDM*) will also be developed, each aimed at meeting major medical requirements and addressing markets that are not covered by today's therapeutic methods (early treatment of the allergy in young children).

DBV Technologies is also developing an original system for diagnosing the allergies. The protocol for a pivotal Phase III study with *Diallertest® Milk* is currently under discussion with the regulatory authorities. This product, which is designed for the diagnosis of the allergy to cow's milk among children and has already been marketed in France since 2004.

6.6.1. Development of *Viaskin® Peanut*

Viaskin® Peanut is the first immunotherapy product that DBV Technologies intends to market with the indication of desensitization of subjects allergic to peanuts by increasing in a clinically significant manner the quantity of peanut proteins consumed, thanks to the safety of the use of *Viaskin®*. In so doing, with *Viaskin® Peanut*, it would be possible to give allergic subjects protection against serious systemic reactions in the event of an accidental ingestion of peanuts.

For this purpose, in 2008, the program for developing the *Viaskin® Peanut* medicine was launched.

First of all, the development of the dosage form and then the pre-clinical development of *Viaskin® Peanut* were conducted. At the same time, the development of the production methods and equipment was conducted in compliance with pharmaceutical standards.

On the basis of all the pharmaceutical and pre-clinical data generated, an application for an IND (Investigational New Drug or investigation for a new medicine) authorization was filed with the FDA in May 2010 in order to start clinical studies in the United States, a leading market for the allergy to peanuts. The authorization requested was obtained in June 2010, which allowed DBV Technologies to begin the first clinical study with *Viaskin® Peanut* in July 2010 in the United States.

Phase Ib study of *Viaskin® Peanut:* this study represents the first step in the clinical development plan. It consists of studying the safety of use and the tolerability of the repeated epicutaneous administration of *Viaskin® Peanut* on the skin of patients who are allergic to peanuts. Adults, then adolescents, and finally children were treated with 4 escalating doses of *Viaskin® Peanut* ranging from 20 µg to 500 µg of peanut proteins over a 2-week period. The safety of application was investigated every 24 hours and every 48 hours.

As of this date, an excellent medication-adherence rate of the treatment (> 96%) was found, and the intermediate results show that *Viaskin® Peanut* presents a satisfactory safety of use among patients allergic to peanuts. No serious undesirable event has been reported in the study. As expected, for the cohorts of patients that have been evaluated at this time (70 patients whose history of allergy to peanuts does not include severe life-threatening anaphylactic reactions), the cases of reported undesirable events are frequent at the local level but are not serious in nature, and are the reflection of the activation of the immune system under the effect of the treatment. At the systemic level, undesirable events were reported only for approximately 50% of the subjects; they were transitory and mild in the vast majority of cases. Furthermore, an analysis of the occurrence of the undesirable events reported in the study does not allow one to conclude that there is a high risk of the occurrence of systemic undesirable events in the subjects treated with *Viaskin® Peanut* in comparison with those treated with placebo patches.

In the total population of allergic subjects whose histories of allergy to peanuts does not include severe anaphylactic reactions, the 500 µg. dose of peanut proteins in adults and adolescents, and the 250 µg. dose of peanut proteins in children, are the maximum doses that are well tolerated regardless of the method by which they are administered. The progress report on this Phase I study was transmitted to the FDA on 15 December 2011. The Company anticipates transmitting the complete results of this study at the end of the second quarter of 2012.

The positive results of this Phase Ib study allow the second step of the clinical development plan to be envisaged. After validation of its protocol in the United States and in Europe, a major international study should be initiated in 2012 evaluating the effectiveness and confirming the safety of *Viaskin® Peanut*, which will include several hundreds of patients allergic to peanuts.

Starting the Phase IIb study requires that the Company have prior approval by each of the competent authorities in the countries where the study sites are located with respect to the protocol of the clinical study and the quality of the product in the trial by documenting it. In this case, six applications will have to be filed with the FDA but also with Health Canada (Canada), German (PEI), French (AFSSAPS), Danish (Laegemiddel styrelsen/Danish Medicines Agency), and Dutch (College ter Beoordeling van Geneesmiddelen (CBG) / Medicines Evaluation Board) authorities. Each national state is sovereign and may agree (or not) that the study be conducted with clinical sites located in its national territory. Technically, the filing procedures, the format of the documentation to be submitted, and the time periods for obtaining the approval of the authorities may vary from one country to another. For the FDA, it will only involve completing the application already initiated (IND) for the conduct of the Phase Ib study; on the other hand, for the other five countries, the submission of a complete clinical trial application (including pharmaceutical, pre-clinical, and clinical sections) will be necessary. In general, in Europe, after an acceptable application has been submitted, the authorities should get back to the Company within 60 days.

This involves the VIPES -- "Viaskin® Peanut Efficacy and Safety" -- Study, considered as of this date by DBV Technologies as a Phase IIb study with a size designed to prove in a statistically significant manner the efficacy of the treatment versus a placebo. While evaluating the effectiveness and the safety of *Viaskin® Peanut*, the final objective of this study is the selection of the dose that presents the best therapeutic benefit/risk ratio. In order to do this, 3 doses drawn from the results of the Phase Ib study will be tested and compared to a placebo. It will therefore be a potentially pivotal study for the final registration of the product.

The oral food challenge test with peanuts conducted as double-blind, placebo-controlled food challenge (DBPCFC) will be used to evaluate the effectiveness of the treatment.

This study is intended to include 220 adults and children, aged from 6 to 65 years old, who have an objective allergic reaction to peanuts after consuming a dose lower than or equal to 300 mg. of peanut proteins (that is, the equivalent of one peanut) during the initial DBPCFC. The study will allow 4 dosages to be tested: 50 µg., 100 µg., 250 µg. in comparison with a placebo.

DBV Technologies envisages conducting this study in several dozen study sites distributed across the 6 countries mentioned above and recruiting the 1st patient in the second quarter of 2012. As of this date, the cost of this study is estimated to be approximately EUR 6 million.

The initial results of this Phase II study could be disclosed towards the middle of 2013, with the final results being disclosed towards the middle of 2014. The Company believes that *Viaskin® Peanut* will be considered to be a satisfactory therapeutic solution to the extent that at least 35% of the patients treated for 1 year will be able to tolerate at least 1 g. of peanuts or 10 times the dose initially tolerated at the beginning of the study.

Phase III confirmatory study (planned from 2014 to 2016): subject to the favorable conclusion of the Phase IIb/III study and the approval of its protocol by the FDA and the European authorities, the objective of this study will be to reinforce the results of the efficacy tests in the VIPES study and to consolidate the *Viaskin® Peanut* safety of use data. The positive conclusion of this Phase III study should allow the procedures for the registration of *Viaskin® Peanut* in the United States and in Europe to begin.

In December 2011, the Company obtained "Fast Track" status from the FDA for this study. *Viaskin® Peanut* is the first desensitization product to obtain this status (see paragraph 6.8.3 of this *Document de Base*).

The preparation of the marketing authorization application by the Company will also be able to benefit from the results of two supportive clinical studies conducted under coordination by opinion leaders in the field of food allergies. One began in France in 2010 and is in progress, and the other should begin in the United States in 2012:

- **The ARACHILD study is a Phase II French pilot study, sponsored by the AP-HP [Assistance Publique – Hôpitaux de Paris].** It obtained the authorizations from the AFSSAPS [*Agence Française de Sécurité Sanitaire des Produits de Santé*] and the Paris-Cochin Ethics Committee [*Comité d'Éthique*] in May 2010.
  It involves a double-blind randomized placebo-controlled protocol for studying the effectiveness and safety of *Viaskin® Peanut* in 54 patients allergic to peanuts aged from 5 to 17 years old and recruited from 6 study sites located in France (single dose applied daily in comparison with a placebo; a double-blind 6-month treatment followed by an open-label treatment period for an additional 12 months for all patients recruited). The complete results of this 18-month study should be available during the 1st quarter of 2013.
  As of this date, the safety has been confirmed. No serious undesirable event attributable to *Viaskin® Peanut* has been observed, and no patient has had to be excluded prematurely from the study at the end of the first 6 months.

  As the Company does not sponsor the Arachild study, the efficacy results could be affected by the lack of harmonization of the study protocols, which it will not ensure will be conducted.

The CoFAR (Consortium for Food Allergy Research, United States) study: Financed by the American NIH (National Institute of Health) and coordinated by Professor Hugh Sampson in New York, this other multicenter Phase II study would be conducted in several reference medical centers in the food allergy field in the United States, and should involve 75 patients (adults and children). It should begin in 2012. This study seeks, in particular, to enhance the knowledge of the action mechanisms of *Viaskin® Peanut*. Planned over a period of four years, this study will enable the effects of the desensitization of patients with *Viaskin® Peanut* to be analyzed over an initial period of 12 months, which can be extended if necessary. The first data resulting from the initial 12-month period should be able to be transmitted during the 1st quarter of 2014. This study will contribute significantly to enhancing the visibility and the reputation of the Viaskin® technology in scientific circles.

Here too, as the Company is not a sponsor of the CoFAR study, the effectiveness results could be affected by the lack of harmonization of the study protocols, which it will not conduct. On the other hand, DBV Technologies will provide the batches of clinical patches and will have access to all the study reports.

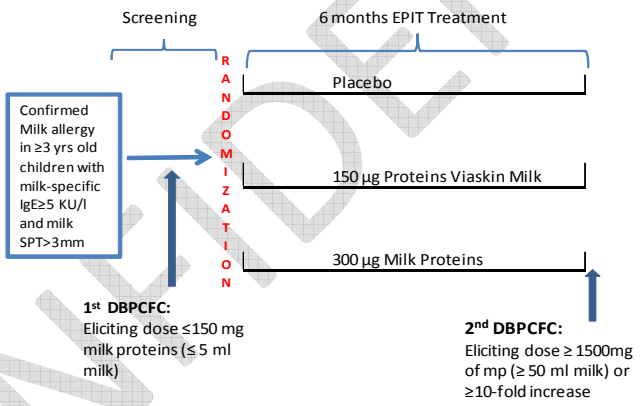
The results of these two supportive studies will be able to flesh out the registration applications that will be submitted to the competent authorities in order to obtain marketing authorization, particularly with respect to the safety aspects of the product as "supporting data" but not as "pivotal data." This study will, in particular, allow a better understanding of the action mechanism of *Viaskin® Peanut*, since CoFAR plans to conduct certain tests that have not yet been performed in the studies conducted by the Company.
The Company estimates the registration application with the FDA for the *Viaskin® Peanut* product will be filed in 2016.

6.6.2. Development of *Viaskin® Milk*

Viaskin® Milk is the 2nd desensitization product that DBV Technologies has been developing. As the allergy to cow's milk is the first allergy developed by children, even at a young age, the objective of desensitization with *Viaskin® Milk* is to allow allergic children to reintroduce cow's milk into their regular diet and prevent the development of new food allergies.

Considering over 150,000 *Diallertest® Milk* patches have been used and marketed since 2004 (see paragraphs 6.5.3 and 6.6.3) with an excellent safety profile and a pilot clinical study of desensitization had previously been conducted, DBV Technologies would be able to launch a Phase II clinical study in 2013 without conducting a Phase I clinical study first. The objective of this study will be to demonstrate the effectiveness of *Viaskin® Milk* in the treatment of hypersensitive reactions to cow's milk proteins in persons whose allergy to milk is IgE-mediated. Obtaining the marketing authorization will be considered after the conduct of a confirmatory Phase III study with the optimal dose revealed by the Phase II study.

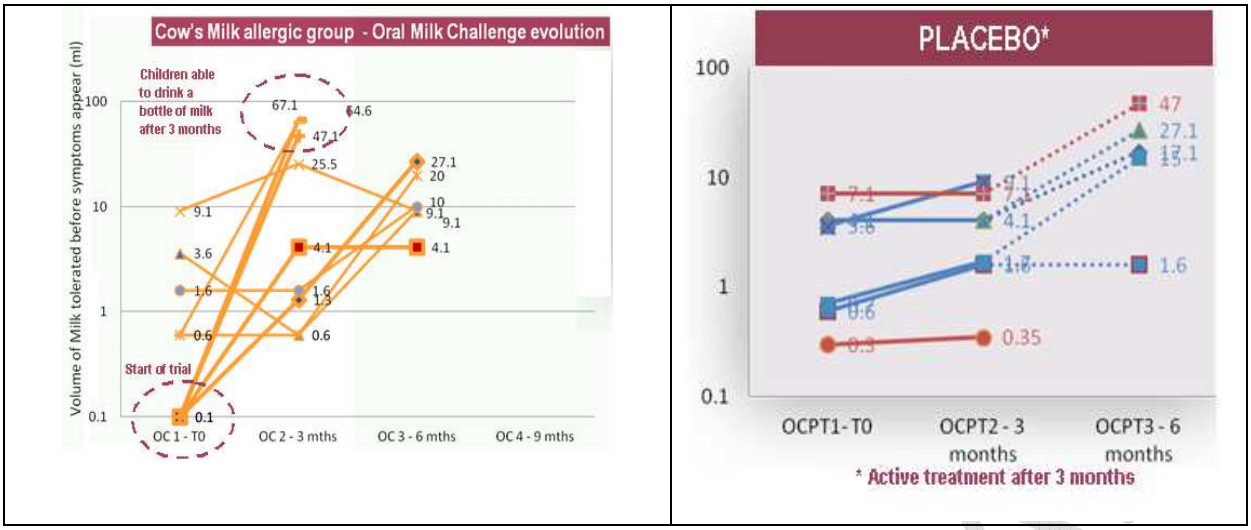
It is anticipated that this study will be conducted through the recruitment of 165 children over 3 years old with specific IgE levels ≥ 5 kU/L and reacting to an oral dose of cow's milk ≤10 ml. (representing approximately 300 mg. of milk proteins). The first patient recruitment should take place during the 1st half year of 2013. For a period of 6 months, the treatment will allow 3 dosages to be tested: 150 µg., 300 µg., in comparison with a placebo.



The results of this Phase II clinical study could be transmitted during the second half year of 2014.

However, a pilot study has already been conducted by the Company. It was a double-blind study with a placebo control group of children aged 3 months to 15 years presenting high rates of specific IgE levels, making them incapable of consuming more than 10 ml. of cow's milk. It generated no serious undesirable events, no premature withdrawals from the study, nor any undesirable events that required treatment.

This pilot study has allowed it to be observed that at the end of a 3-month treatment, the dose of milk tolerated by the patients had been multiplied by 12.



The diagram on the left shows the dose tolerated by each patient treated before the treatment (on the left), and then 3 and 6 months after the start of the treatment. Some patients who could not tolerate the equivalent of one drop of milk without having severe reactions were, at the end of 3 or 6 months, capable of ingesting significant quantities of it.

In the diagram on the right, which shows results for patients treated for the first 3 months with a placebo (a patch without an active substance), no improvement was observed. These same patients were then treated by the *Viaskin® Milk* between month 3 and month 6, and 80% of them saw some improvement in their tolerance of milk. This pilot study is the first that has been able to exhibit clinical effectiveness of the epicutaneous method, and its publication in a prestigious journal (Journal of Allergy and Clinical Immunology in 2010) was judged to be very encouraging by the Company, and allowed it to rally a good number of opinion leaders to take an interest in the *Viaskin®* technology.

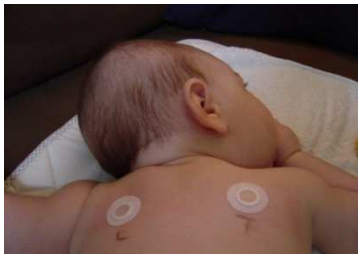
6.6.3 Development of Diallertest® Milk

Diallertest® Milk, which is developed by DBV Technologies, is the first product for diagnosing the allergy to cow's milk proteins in children, which is currently available on the French market with an exemption regulatory status. (See paragraph 4.1.1 "*Risk related to the status of Diallertest® Milk*" in this *Document de Base*.) More than 150,000 units of this product have been sold to date.

The *Diallertest® Milk* kit marketed in France

It contains two ready-to-use devices (applicators), which hold the patch-test to be applied to the skin. The first patch contains 500 µg. of powdered milk (equivalent to approximately 100 µg. of cow's milk proteins) kept on the back of the patch by electrostatic forces (*Viaskin®* technology); this is the patch-test (*verum*) used for diagnosing the allergy to milk.

The second device does not contain any protein and is designed to test the reactivity of the skin; it constitutes a negative control and serves to interpret the result of the test.



The powdered milk used is a high quality powdered skim milk, used in the normal diet of children and adults. It contains all the allergenic proteins, in particular, casein and beta-lactoglobuline.

Diallertest® Milk is positioned as a companion product of *Viaskin® Milk* which could accelerate the penetration of the *Viaskin® Milk* treatment by increasing the diagnostic rate.

Considering the historical record of use, the marketing authorization in Europe requires the conduct of a single Phase III study, the protocol for which was discussed and approved by the European Medicines Agency (EMA) within the context of Scientific Advice and Pediatric Investigation Plan (PIP) procedures. The Company is continuing the discussions with the regulatory authorities, including the Pediatric Committee of the European Medicines Agency (EMA) and wishes to develop this protocol. In light of these discussions, it will re-examine, in the course of 2012, the strategic and economic value of Diallertest® Milk, which could lead to the abandonment of that product, in 2012, if necessary.

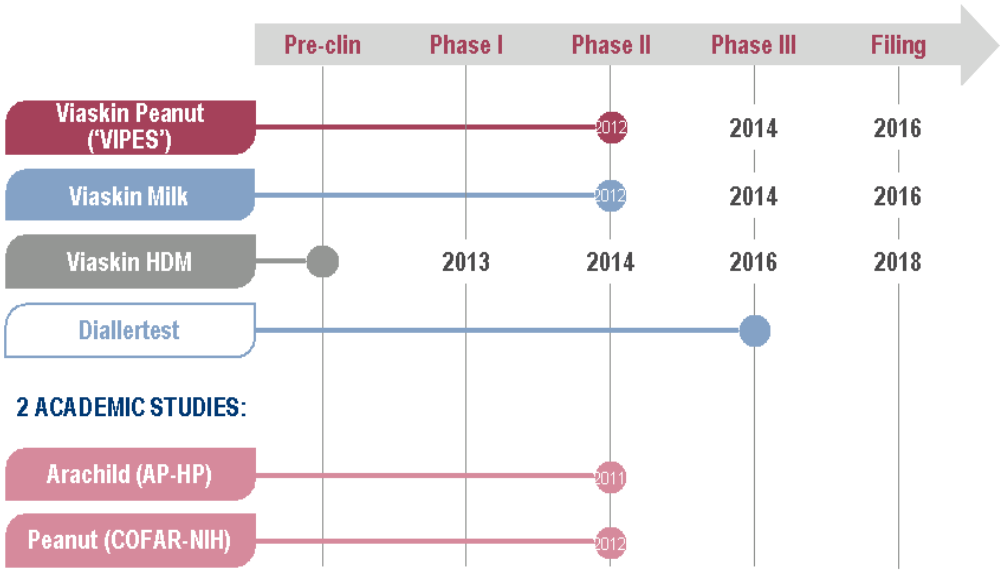
6.6.4 Development of Viaskin® HDM

Viaskin® HDM is the third product that the Company intends to develop over the coming years. This product, intended for young children (0 to 5 years old), will enable the implementation of a mite desensitization treatment. This treatment should allow the clinical manifestations of the allergy to mites such as recurrent ENT infections, spastic bronchitis, allergic rhinitis, as well as allergic eczema and dermatitis, to be reduced. Under certain conditions, early desensitization, before the appearance of secondary clinical manifestations of the allergy to mites, such as asthma and some allergic pulmonary diseases, could be envisaged. Although the medical need is quite large, underscored by the most recent consensus conferences and the first studies conducted in this field are very encouraging, no pharmaceutical development for young children (under 5 years of age) is in progress, to the knowledge of the Company. The anaphylactic risks related to traditional administration methods probably explain the lack of available treatment.

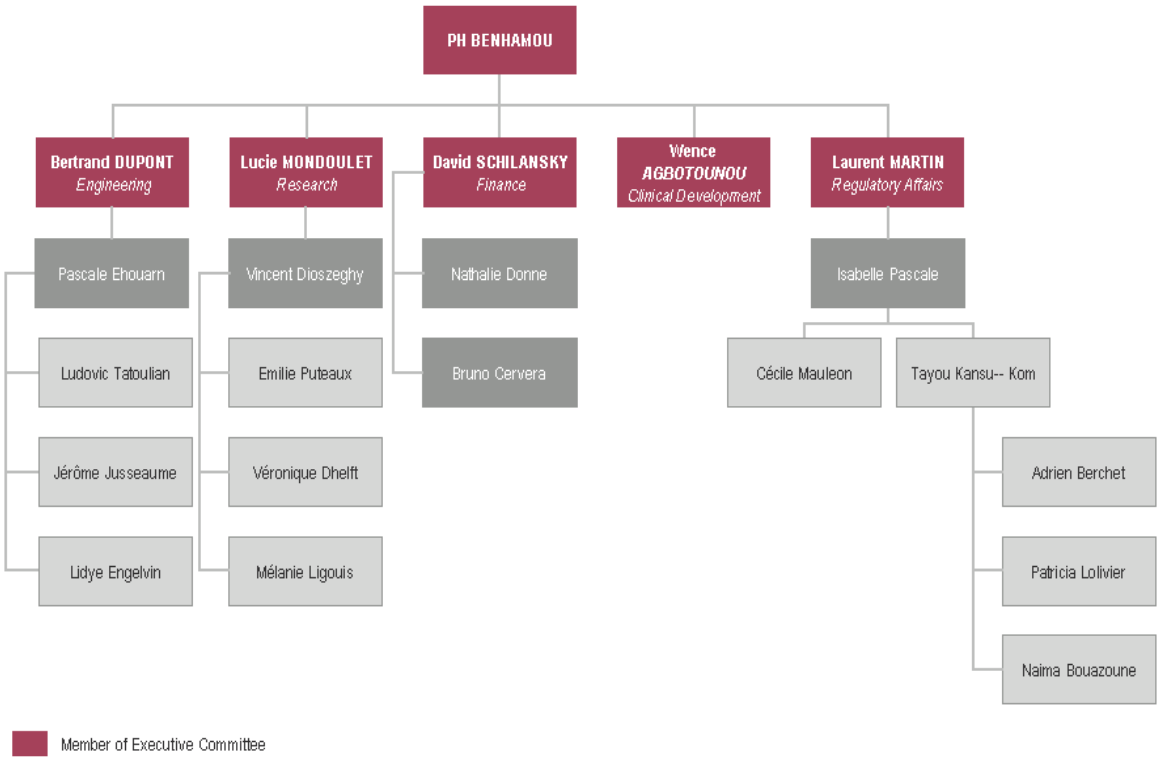
In 2012, the Company will develop *Viaskin HDM* on the basis of the experience acquired and its own expertise, since an initial clinical study using a mite allergy patch test has already been published (*source: Benhamou PH, Kalach N, Soulaines P, Donne N, Dupont C. Ready-to-use house dust mites atopy patch test (HDM-Diallertest, a new screening tool for detection of house dust mites allergy in children. Eur Ann Allergy Clin Immunol. 2009 Oct; 41(5):146-51).* This development will include the identification of the mite protein extract, the refinement of the product and the appropriate electrospray process, the initial stability studies, and the appropriate pre-clinical information (toxicology, cutaneous tolerance, etc.). The objective of the Company is to file an application with the regulatory agencies at the end of the 1st quarter of 2013 in order to be able to begin the Phase Ib clinical studies in the 3rd quarter of 2013.

6.6.5 Summary of the clinical development program

The diagram below summarizes the development plan in progress and to come that the Company has established for itself.



Each step will be the subject of a specific communication from the Company.



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Boasting 24 employees, DBV Technologies is directed by a management team with solid experience in the development of scientific and medicinal products and putting them on the market, a team that is composed of the following individuals:

	**Pierre-Henri Benhamou, co-founder and Chairman and Chief Executive Officer (CEO):** physician, pediatrician, specialized in pediatric gastroenterology. Dr. Benhamou has held numerous important clinical positions, including that of Senior Consultant at the Saint-Vincent-de-Paul Hospital in Paris. At the head of DBV Technologies, of which he is currently the Chief Executive Officer, he received the prize for technological innovation from the Altran Foundation for Innovation in 2003 for his work on the development of test patches allowing the allergy to cow's milk to be diagnosed. Also holding the position of Chief Scientific Officer, PH Benhamou has published numerous works and participated in many scientific collaborations.
	**Bertrand Dupont, co-founder and Chief Technical Officer**: An engineering graduate of the school of Arts et Métiers of Paris and an *agrégé* in mechanical engineering, before the creation of DBV Technologies, Bertrand had a career as a teacher and consultant. Beginning in 1996, he began to put his skills and expertise in mechanical engineering to use in biomedical research. Since 2000, he has been at the core of the development of the Viaskin® patches and applications. As Chief Technical Officer, Bertrand is a key figure in the development of the Viaskin® technology and the application systems. He is responsible for all the industrial processes and machines developed around the Viaskin® technology.
	**David Schilansky**, **Chief Financial Officer (CFO):** A graduate of the Université de Paris Dauphine and Imperial College in London, David supervises all the financial work as well as the partnership and Business Development activities. He previously held the position of Deputy CFO of the Ipsen group, which he had joined in 2006. David held important positions within the Administration and Finance Department, and in particular, he participated in various external growth operations and in the creation of the Investor Relations function. David also held the position of Interim Chief Financial Officer in 2011 and was a member of the Executive Committee. Before joining Ipsen, David spent three years at UBS Warburg in the field of mergers and acquisitions, and then three years at Thomson, as co-manager of investor relations.

	***Laurent Martin, Chief Clinical Trial Officer:*** A pharmacist with a degree from the Université René Descartes in Paris and an M.B.A. from IAE Paris Sorbonne and a Master of Law in Public Health from the faculty of Sceaux, he joined DBV Technologies with more than 15 years of experience in the pharmaceutical industry. He has extensive experience in the management of international pharmaceutical development projects in Europe and the United States and in marketing authorizations, particularly in Europe with the European Medicines Agency (EMA) via the centralized procedure. He acquired his expertise in regulatory affairs through various pharmaceutical companies, such as Galderma, Guerbet, and finally, Orphan Europe, a company specialized in the development and marketing of orphan drugs, in which his last position was as Interim Managing Pharmacist, Manager of Pharmaceutical and Pre-Clinical Development, and Quality Assurance Manager. Laurent coordinates the pharmaceutical development, the regulatory filings related to the clinical studies of the products being developed, and the international registration of the medicines of DBV Technologies.
	**Wence Agbotounou, Director of Clinical Studies:** With a Doctorate in Pharmacology from the Université Pierre et Marie Curie in Paris and an Executive M.B.A. from the ESCP, the European School of Management based in Paris, in the past, he held project management positions in several global, highly reputed contract research organizations (CROs), such as Quintiles and PRA International. As Head and then Director of International Clinical projects, he launched and led successfully on a global scale Phase II and III clinical trials for medium- and large-scale pharmaceutical laboratories, including several pivotal Phase III trials in immunotherapy.
	**Lucie MONDOULET - Coordinator of the Research Staff:** She obtained a biochemical and food engineering degree from the *Institut National des Sciences Appliqués* [National Institute of Applied Sciences, "INSA," Toulouse] before specializing in the field of food allergies. Her doctorate was completed at the *Institut National de la Recherche Agronomique* [French National Institute for Agricultural Research, "INRA"] in the immunology and food allergies unit, in which she studied the biochemical composition of peanut allergens and the effects of heat and enzymatic treatments on the allergenicity of peanut allergens. Her specialization was continued with one year of post-doctoral work at the *Centre National de la Recherche Scientifique* [French National Centre for Scientific Research, "CNRS"] in Paris in the Department of Allergies and the Environment, where she was responsible for the purification of pollen allergens and the study of the repertoire of immunological responses among allergy patients. A member of the research staff of DBV Technologies as a research engineer, first of all she refined all the pre-clinical models (pharmacology) necessary for the characterization of the products of the Company before assuming responsibility for the coordination of the research staff, under the responsibility of PH Benhamou, who is the Scientific Director of the Company. Her research work has been the object of numerous reports in national and international conferences, publications in reviewed scientific journals, and patents.

This leadership team benefits from the existence of a "Scientific Advisory Board" composed of opinion leaders, the composition and role of which are described in detail below in Section 11.

6.7.2 "Clinical Studies" Department

The clinical trials department of DBV Technologies has the primary mission of designing the plans for clinical development of each product of the Company, and then, for launching and guiding the international clinical trials, the operational conduct of which is, as of this date, entirely sub-contracted out to leading CROs. In general, the clinical development of a product goes through three clinical phases, all conducted in human subjects:

1. A Phase I study in which the safety of use or tolerance of the product is studied; it involves several dozen patients.

2. A Phase II (Phase IIa or IIb) trial in which the initial results concerning effectiveness are determined while confirming the safety or the tolerance (these studies may or may not be conducted in comparison with a placebo comparator); it involves several dozens or hundreds of patients.

3. A Phase III confirmatory trial in comparison with a placebo or other comparator (if one already exists on the market); it is conducted on several hundred patients.

At the same time as these 3 traditional phases, other studies called "supportive" or additional studies may also be conducted in order to confirm or to establish new clinical hypotheses.

Within the framework of the leading product of DBV Technologies, Viaskin® Peanut, the clinical program is presented in paragraph 6.6.1.

The preparation of each protocol is done in close collaboration with the experts on the Company's Scientific Board, but also with American and European opinion leaders, regulatory consultants, and experts from the CROs, all in order to refine a protocol that is robust in terms of its medical, scientific, methodological, and regulatory aspects. The design of the study, the criteria for selection of the patients, the criteria of effectiveness, and the study sites, therefore, are discussed and chosen in a rigorous manner.

Considering its size, which remains limited, and the fact that it does not yet possess the status of a pharmaceutical laboratory, the Company entrusts the conduct of its studies within the framework of "full service" contracts to global CROs that have a presence in the countries selected by the Company and are capable of assuming responsibility for all the activities to be conducted within the framework of a clinical study that complies with the best international standards and the Good Clinical Practice (GCP) guidelines. Throughout the lifetime of the study, DBV Technologies maintains continuous control with the objectives of ensuring compliance with the time limits and the quality of the data collected by the CRO.

Once the draft protocol has been prepared, a call for tender is conducted with respect to six to eight internationally renowned CROs. The tenders from each of them are studied carefully, and three to four are selected, on the basis of the quality of the strategy proposed and the estimated budget, to participate a presentation meeting. After additional discussions concerning the budgets and strategies, the best CRO is selected and is granted responsibility for conducting the study. Generally, in close coordination with the Department of Clinical Studies of DBV Technologies, it performs the following missions:

- the formal drafting of the protocol intended for the recruited sites;

- management of all the regulatory filings in all the countries selected (competent authorities and ethics committees);

- randomization and monitoring of the study: steps that consist of ensuring that the recruitment of the patients and the collection of the data are in compliance with the protocol and with the BCP guidelines.

- adding data to the database, and supervising the quality of the data;

- producing the tables presenting the results of the study; statistical analyses performed by a biostatistician;

- the drafting of the final clinical report that the Company will submit within the framework of the marketing authorization application.

The Department of Clinical Studies works in close collaboration with the leadership of the other key departments of DBV Technologies:

- with the Department of Regulatory Affairs in order to ensure that all the documents that will be necessary for the regulatory authorities of all the countries are finalized and available at the beginning but also during the course of the clinical studies;
- with the Technical Department: in order to consider in conjunction with it the requirements with respect to treatment units (TUs), the production times in relation to the time periods of the study, and to be sure that the sites recruited as TUs are properly supplied at the beginning of and during the treatment.

6.7.3 Department of Scientific Research

The research team of DBV Technologies is comprised of 2 research engineers, a Ph.D. and a doctoral student, 3 research technicians, and a laboratory technique apprentice. The research laboratory located in the offices of DBV Technologies includes biochemical and immunology units with cellular culture, cytology, and histology sections.

Numerous collaborations allow the staff to profit from skills, facilities, and technologies that are complementary to those that have been developed on site. The principal collaborations established thereby have been with the following entities:

- the animal facility of the Faculty of Pharmacy of Châtenay Malabry;
- the histology, immunobiology, and genomics facilities of the Institut Cochin;
- APEX, the INRA unit specialized in veterinary anatomo-pathology;
- the Institut LaSalle Beauvais, a platform for experimentation on piglets;
- the Université de Genève, Department of Vaccinology and Immunology, WHO staff (Professor Siegrist, Professor Lambert);
- the Institute of Genetics and Molecular and Cellular Biology (IGBMC) (filaggrin-deficient mouse models; Professor Chambon).

Most of the time, these collaborations are conducted within the framework of service agreements (for the provision of equipment, scientific expertise, etc.). The results obtained within the framework of the collaborations mentioned above belong exclusively to the Company, with the exception of those resulting from the collaboration with the Université de Genève (see paragraph 11.3.1 of this *Document de Base*). Usually, besides the payment of the sums due under the terms of the agreements, DBV Technologies must, in some cases, add the name of the partner to the scientific publications of the Company.

The work of the research staff revolves around the following axes:

- **Innocuousness**, across several animal models, that is, the study of the local tolerance in the New Zealand rabbit (a model recognized by the authorities) as well as the study of anaphylactic reactions as a result of the repeated administration of the epicutaneous devices in the guinea pig. This guinea pig model likely to trigger anaphylactic reactions, was developed

by the research staff. In these two animal models, safety has been demonstrated up to the strongest dose envisaged in the clinical setting for peanuts.

- **The effectiveness of the epicutaneous method (EPIT)** has been demonstrated in comparison with the sub-cutaneous method in a model of mice sensitized to peanuts that present bronchial hyper-reactivity measured by plethysmography and resistance-compliance. The research staff has also refined in the mouse an original model of inflammation of eosinophilic esophagitis (EoE) type digestive mucus, mucus that is targeted during exposure to foods. This model has also allowed the effectiveness of the EPIT to be proven. A new study model of the allergy march sequence in the mouse has just been refined and has allowed the role of the EPIT in its prevention to be emphasized.
- **The action mechanisms:** The specific uptake of the allergen by the cells that present antigens of the skin (Langherans' cells, "LCs" and dendritic cells, "DCs") has been characterized in mice and has allowed the lack of free passage of the allergen to be demonstrated. The LCs and DCs that have taken up the allergen are going to migrate towards the draining lymph nodes and present it to T and B lymphocytes, and redirect the response of the organism to that allergen. Recent work obtained by the research staff has allowed the key actors in that regulation to be manifested, the regulating T cells. The studies continue concerning the characterization of their precise role, the power of the information transmitted, and the regulation of the immune system.
- **The applications other than to allergies:** Vaccination upon first administration or in booster vaccines, studies conducted in collaboration with the Université de Genève. Initial encouraging results have been obtained by DBV Technologies and by the Geneva staff with an antigen model in comparison with the traditional method (intramuscular). These promising results have opened prospects for development of vaccine patches administered on healthy skin without additives.

Among the principal publications: (articles and abstracts from the last three years) the following can be indicated:

❖ Publications

- Mondoulet, L., Dioszeghy, V., Dhelft, V., Ligouis, M., Larcher, T., Cherel, Y., Dupont, C., Benhamou, PH. Epicutaneous immunotherapy (EPIT) blocks the allergic esophago-gastro-enteropathy induced by sustained oral exposure to peanuts in sensitized mice. 2011 (submitted)

- Dioszeghy, V., Mondoulet, L., Dhelft, V., Ligouis, M., Puteaux, E., Benhamou, PH, Dupont, C. Epicutaneous immunotherapy results in rapid allergen uptake by dendritic cells through intact skin and downregulates the allergen-specific response in sensitized mice. *J Immunol*., 2011, 186: 5629-37.

- Mondoulet, L. Dioszeghy, V., Ligouis, M., Vanoirbeek, J., Nemery, B., Dupont, C., Benhamou, PH. Epicutaneous Immunotherapy Using a New Epicutaneous Delivery System in Mice Sensitized to Peanuts. *Int. Arch. Allergy Immunol.*, 2011; 154:299-309.

- Dupont, C., Kalach, N., Soulaines, P., Legoué-Morillon, S., Piloquet, H., Benhamou, PH. Cow's milk epicutaneous immunotherapy in children: a pilot trial of safety, acceptability, and impact on allergic reactivity. *J Allergy Clin Immunol. 2010 May; 125(5):1165-7.*

- Dupont, C., Soulaines, P., Lapillonne, A., Donne, N., Kalach, N., Benhamou, P. Atopy patch test for early diagnosis of cow's milk allergy in preterm infants. *J Pediatr Gastroenterol Nutr. 2010 Apr;50(4):463-4.*

- Mondoulet, L., Dioszeghy, V., Ligouis, M., Dhelft, V., Dupont, C., Benhamou, PH. Epicutaneous immunotherapy on intact skin using a new delivery system in a murine model of allergy *Clin Exp Allergy, 2010; 40, 659-667.*

- Benhamou, PH, Kalach, N., Soulaines, P., Donne, N., Dupont, C. Ready-to-use house dust mites atopy

patch test (HDM-Diallertest), a new screening tool for detection of house dust mites allergy in children. *Eur Ann Allergy Clin Immunol. 2009 Oct;41(5):146-51.*

- Kalach, N., Soulaines, P., de Boissieu, D., Dupont, C. A pilot study of the usefulness and safety of a ready-to-use atopy patch test (**Diallertest**) versus a comparator (Finn Chamber) during cow's milk allergy in children. *J Allergy Clin Immunol. 2005 Dec;116(6):1321-6.*

❖ **Conferences**

Oral presentations

- The crucial role of the stratum corneum superficial layers during epicutaneous immunotherapy (EPIT).
  Mondoulet, L., Dioszeghy, V., Ligouis, M., Puteaux, E., Dhekft, V., Dupont, C., Benhamou, PH.
  AAAAI, March 2011, San Francisco, USA

- A model of eosinophilic esophagitis (EE) and villus atrophy (VA) after challenge in mice sensitized to peanuts: improvement by epicutaneous immunotherapy (EPIT).
  Mondoulet, L., Dioszeghy, V., Dupont, C., Benhamou, PH.
  ESPGHAN, June 2010, Istanbul, Turkey.

- New delivery system across intact skin inducing specific antigen uptake by Langherans cells in sensitized mice.
  Dioszeghy, V., Mondoulet, L., Dhelft, V., Ligouis, M., Dupont, C., Benhamou, PH.
  EAACI, June 2010, London, England.

- Efficacy of epicutaneous immunotherapy (EPIT) in a large cohort of sensitized mice.
  Mondoulet, L., Dioszeghy, V., Ligouis, M., Dupont, C., Benhamou, PH.
  GA²LEN-EAACI, February 2009, Davos, Switzerland and *EEACI*, June 2009, Warsaw – Poland.

Posters

- Epicutaneous (EPIT) vs. Sublingual (SLIT) and Subcutaneous (SCIT) Immunotherapy in a Model of Peanut Sensitized Mice: a dose-effect study.
  Mondoulet, L., Dioszeghy, V., Ligouis, M., Dhelft, V., Puteaux, E., Dupont, C., Benhamou, PH.
  EAACI, June 2011, Istanbul, Turkey

- Efficacy of Epicutaneous Immunotherapy (EPIT) in a model of Mice Sensitized to Milk.
  Mondoulet, L., Dioszeghy, V., Puteaux, E., Ligouis, M., Dhelft, V., Dupont, C., Benhamou, PH.
  EAACI, June 2011, Istanbul, Turkey

- CD25+CD4+Tregs mediate the protection from oral peanut-induced esophageal lesions of sensitized mice treated by epicutaneous immunotherapy.
  Dioszeghy, V., Mondoulet, L., Dheft, V., Ligouis, M., Puteaux, E., Dupont, C., Benhamou, PH.
  EAACI, June 2011, Istanbul, Turkey.

- Epicutaneous immunotherapy requires intact skin and not stripped skin to properly activate and mature dendritic cells toward induction of desensitization.
  Dioszeghy, V., Mondoulet, L., Dheft, V., Ligouis, M., Puteaux, E., Dupont, C., Benhamou, PH.
  EAACI, June 2011, Istanbul, Turkey.

- Epicutaneous Immunotherapy down-regulates the skin local production in response to skin application of peanut of peanut protein extract in mice sensitized to peanut.
  Dioszeghy, V., Mondoulet, L., Dheft, V., Ligouis, M., Puteaux, E., Dupont, C., Benhamou, PH. FOCIS, June 2010 , Boston, USA

- Epicutaneous immunotherapy inhibits peanut-induced anaphylaxis in a Guinea pig model.
  Mondoulet, L., Dioszeghy, V., Ligouis, M., Dhelft, V., Dupont, C., Benhamou, PH.
  EAACI, June 2010, London, England.

- Model of Eosinophilic Esophagitis (EE) and Villus Atrophy (VA) after Challenge in Mice Sensitized to Peanuts: Improvement by Epicutaneous Immunotherapy (EPIT).
  Mondoulet, L., Dioszeghy, V., Ligouis, M., Dhelft, V. Larcher, T., Cherel, Y. Dupont, C., Benhamou, PH. *AAAAI*, March 2010, New Orleans, USA.

- In epicutaneous immunotherapy, application of allergen on intact skin result on rapid uptake by the dendritic cells in sensitized mice.
  Dioszeghy, V., Mondoulet, L., Dheft, V., Dupont, C., Benhamou, PH.
  EAACI, June 2009, Warsaw, Poland.

- Epicutaneous Immunotherapy (EPIT) for House Dust Mite (HDM) Allergy using Viaskin® Technology
  Mondoulet, L., Ligouis, M., Chariglione, S., Dupont, C., Benhamou, PH.
  AAAAI, March 2009, Washington, USA.

6.7.4 Department of Regulatory Affairs

The Department of Regulatory Affairs conducts, in collaboration with the Department of Clinical Studies and the clinical CRO that is responsible for the establishment and the conduct of the study envisaged, the submission of the Clinical Trial Application files (Investigational New Drug -- IND-- in the United States and Clinical Trial Application -- CTA -- for the countries in the European Union). The Department of Regulatory Affairs handles the preparation of these application files, which include not only information concerning the clinical protocol, but also specific data concerning the product and the control of its quality, as well as the results of the pre-clinical studies conducted. It is to be noted that the Department of Regulatory Affairs is in fact directly involved in the management of all the developments that require regulatory approval and that therefore, it acts as the research department for the conduct of analytical services or toxicological studies by sub-contractors.

One of the principal missions of the Department of Regulatory Affairs also consists of contributing to the other departments in the Company the information and regulatory support relevant to the conduct of their activities. This is particularly the case for the Industrial Department so that the manufacturing equipment and processes perfected at DBV Technologies are compatible with the regulatory requirements. The Department of Regulatory Affairs also participates actively in the choice of the pharmaceutical sub-contractors with which DBV Technologies collaborates for the manufacture of the active substances and the finished products and assists with the guidance and their activities.

Finally, when the entire clinical studies program is completed and the pharmaceutical and pre-clinical development is finalized, the full marketing authorization application is prepared by the Department of Regulatory Affairs and submitted to the competent authorities. During the evaluation of the applications, the Department of Regulatory Affairs is the priority contact point for the authorities to respond to all their scientific and administrative requests and to negotiate the text that finally defines the characteristics of the product (indications, contraindications, dosage, conditions of use, etc.). For the products developed by DBV Technologies, the registration procedures may be undertaken within the framework of a BLA (Biologic License Application) filed with the FDA in the United States and within the preferential framework of a centralized procedure with the European Medicines Agency that allows a European marketing authorization to be obtained, opening all the markets in the European Union (even if other registration procedures may also be use in Europe: the decentralized procedure and mutual recognition procedure).

Furthermore, attached to the Department of Regulatory Affairs are:

- the analytics development laboratory: an analytics manager and 3 technicians develop the control methods that serve to control the products (raw materials, finished products) and conduct stability studies of the selection of the formulations of the finished products,
- quality assurance: the "quality assurance" manager develops the overall quality assurance system of the Company and is also responsible for eventually allowing the Company to

acquire the status of a pharmaceutical laboratory, requiring that it comply with the requirements of the "Good Manufacturing Practice" guidelines, as defined by the regulations.

6.7.5 Department of Industrial Development

Under the responsibility of Bertrand Dupont, one of the founders of the company, the Industrial Development Department provides for:

- the research and development work related to the Viaskin® technology;
- the manufacture of the production equipment;
- the identification and management of the suppliers and/or service providers who contribute to the production of the Viaskin® patches;

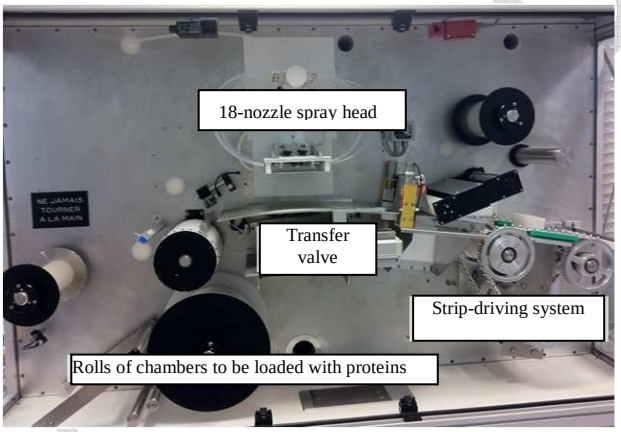
all of which are performed in close collaboration with the Department of Regulatory Affairs and the Department of Clinical Studies.

Since the formation of the Company, all the work involved in the design and refinement of the Viaskin® technological platform, as well as changes in it, has been conducted in house by the R&D team of DBV Technologies, whether it involves:

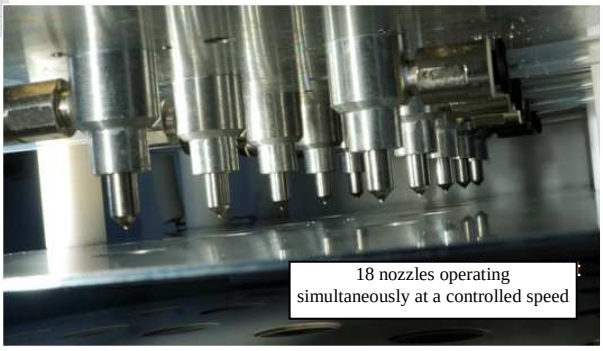
- ✓ the electrospray technique;
- ✓ the design of the patch;
- ✓ or the development of the patch production equipment.

The team composed of four employees bring together a variety of skills such as mechanical, automation, process development, and metrology skills.

The R&D work in progress is related to mastery of the processes (quality of the product, stability of the process). It involves the improvement of the speeds and the robustness of the production machines within the framework of industrial production, by developing specific components.



Frontal view of the machine showing the transfer path for the strip of patches that pass under the spray-head before being protected by a transparent film



View of the spray-head with 18 nozzles operating simultaneously

As it is at the origin of the technological platform, the Technical Department is also the preferred interface for the various suppliers and service providers that contribute to the manufacture of the clinical patches, as well as of Diallertest® Milk.

As of this date, DBV Technologies already possesses:

- ✓ an analytical laboratory in which the analytical methods of the Viaskin® Peanut patches were developed. The work that is necessary for obtaining the Good Manufacturing Practice (GMP) certification for this laboratory within the framework of the project for the creation of a Manufacturing Pharmaceutical Institution and this control integrated into the DBS

Technologies business, was started with a quality assurance specialist and specialized consultants;

the production tool (GEN 3- photo below) for producing the patches necessary for the clinical studies.

The GEN3 pharmaceutical machine owned by the Company is made available today at AMATSI (see Section 22 of this *Document de Base*), which conducts the manufacturing in an environment that meets the "Good Manufacturing Practice" guidelines of the lots of patches necessary for all the clinical studies until Phase II. For the production of the Phase III clinical lots, the manufacturing strategy and the choice of a partner are under consideration.

For example, Phase I required almost 25,000 patches (in addition to which there were 35,000 patches supplied within the framework of the Arachild academic study -- See paragraph 6.6.1 of this *Document de Base*) and a minimum of 130,000 patches will be necessary for the Phase IIb study. This prototype equipment demonstrates the feasibility of industrial production by electrospray (reproducibility, robustness, reliability of a multi-bus machine).

The clinical studies in progress for Viaskin Peanut® and those that are to begin in 2012 should require production of approximately 300,000 patches to be used in 2012/2013. In 2014/2015, a quantity that is at least equivalent is to be produced for the conduct of the clinical program.

The Company is planning to install its own production shops eventually and to be approved as a Manufacturing and Control Pharmaceutical Company by the AFSSAPS (see above) in order to be able to incorporate manufacturing.

The constraints on the creation of this laboratory are the traditional constraints on a pharmaceutical production laboratory, with respect to general organization (circulation of materials, products, and persons, storage, etc.) and documentation. Within this framework, the company is working, with respect to this entire project, closely with a pharmaceutical consulting firm responsible, in particular, for verifying that there is compliance with the pharmaceutical requirements.

As Viaskin® is not a sterile device, its production requires a workshop classified in the ISO 8 clean room class. The primary packaging (enclosure in a sealed pouch package) is also to be performed in an ISO 8 class clean room. On the other hand, the secondary packaging does not require any specific class.

The Company will invest in a more significant production tool intended to produce the commercial lots on an industrial scale, including a piece of GEN4 equipment of the new generation which, with its 100 buses, will be capable of producing 40 million Viaskin® patches per year, while the current GEN3 equipment has 16 buses with an annual production capacity of 6 million patches. Currently, the Company estimates that this production tool has a reasonable cost in the order of EUR 4 million.

Production of Diallertest® Milk: Even if it does not have a marketing authorization, as of this date, Diallertest® Milk is already manufactured in accordance with the requirements for production of a medicine. DBV Technologies has developed semi-automated machines used within a Contract Manufacturing Organization (CMO) in France under Good Manufacturing Practice conditions. The controls over the powdered milk (particularly the protein content, the microbiology, and the allergenicity dosages) and over the products (patches) are conducted within another CMO also located

in France, where the methods of control developed by the Company have been transferred for the routine dosages.

6.8 REGULATORY FRAMEWORK

6.8.1 Introduction

The research and development work, the pre-clinical tests, the clinical studies, the facilities, as well as the manufacture and marketing of the products of the Company are and will continue to be subject to complex legislative and regulatory provisions determined by various public authorities in France, in Europe, in the United States, and in other countries. The AFSSAPS for France, the Paul-Ehrlich-Institut (PEI) for Germany, the EMA at the European level, and the American FDA are authorities with which the Company must specifically discuss development programs in progress. These authorities, as well as the equivalent regulatory authorities in the other countries, impose significant constraints with respect to development, clinical trials, manufacturing, and marketing of products such as those the Company intends to put on the market. If there is non-compliance with these regulations, the regulatory authorities may request the suspension or stoppage of clinical research programs, impose fines, seize products on the market or withdraw them therefrom, or even suspend the production of them entirely or in part. They may also withdraw marketing authorizations granted previously or deny applications for authorization that the Company intends to file and initiate legal proceedings.

Although there are differences from one country to another, the development of in vivo diagnostic substances and therapeutic medicines for human use is subject mainly to identical procedures and must comply with the same types of regulations in all the developed countries. In order to obtain a marketing authorization for a product, evidence of its effectiveness and its safety must be provided, as well as detailed information concerning its pharmaceutical quality by describing the manufacturing processes and the controls performed as well. In most cases, this means conducting major pre-clinical developments, clinical trials, and laboratory tests. The development of a new medicine from the basic research stage until it is put on the market schematically includes five sequential steps: (i) research, (ii) pre-clinical tests, (iii) clinical trials in human subjects, (iv) obtaining the marketing authorization, and (v) marketing.

In some cases, particularly for innovative products and/or products intended for rare diseases for which it is necessary to supplement the data available in the initial marketing authorization application file, the regulatory authorities may request that new post-marketing authorization trials and specific monitoring of patients under treatment be conducted. Likewise, they may impose constraints on prescription or administration that might control or limit the commercial development of the products. At any time, the regulatory authorities have the ability to adopt mandatory health measures to suspend or withdraw the marketing authorizations if there is non-compliance with the conditions governing the approval of the marketing authorization or if problems in drug safety monitoring, in particular, unfavorably modify the benefit/risk profile of the product.

6.8.2 Clinical trials on human subjects

Clinical trials on human subjects are usually conducted in three phases that are generally sequential, but which may overlap and are described in paragraph 6.7.2 of this *Document de Base*. Clinical trials may, at times, be necessary after marketing in order to explain certain side effects, in order to explore a specific pharmacological effect, or in order to obtain additional data that is more precise. A regulatory authorization is required for the conduct of clinical trials. The regulatory authorities may block the protocols for clinical studies suggested by the companies that apply to test products, suspend them, or require significant modifications in them. Moreover, the patient must be kept informed of the objective, the methodology, and the time period of the research, as well as of the anticipated benefits, constraints, and foreseeable risks resulting from the administration of the products that are the object of the clinical trials. The information communicated is summarized in a written document delivered to

the patient prior to any administration of products, and the latter must confirm his or her agreement to participate in the clinical study by signing an informed consent form.

The European Union

In the European Union, the regulations that govern clinical trials are based on European Directive No. 2001/20/EC of 4 April 2011 relating to the implementation of good clinical practice in the conduct of clinical trials on medicinal products for human use. Each country in the European Union has had to transpose this Directive into national law by adapting it as necessary to its own regulatory framework.

In France, for example, Directive 2001/20/EC was transposed by Law No. 2004-806 of 9 August 2004 relating to public health policy and by Decree No. 2006-477 of 26 April 2006 amending the title of the French Public Health Code concerning biomedical research. These regulations replaced the reporting system that had resulted from the Huriet-Sérusclat Law of 20 December 1988. Article L. 1121-4 of the French Public Health Code, in its wording resulting from the Law of 9 August 2004, has now established a system of advance authorization issued by the AFSSAPS with a favorable opinion from one of the Committees for the Protection of Persons that is competent for the place in which the researcher conducts his or her activity. Under the terms of Article L. 1123-7 of the same Code, the Committee issues its opinion on the basis of the conditions under which the research is valid, particularly with respect to the protection of the participants, the informing of the participants, and the methods by which their informed consent is obtained, as well as the general relevance of the project, the satisfactory nature of the assessment of the benefits and risks, and the adequacy of the methods employed for the objectives pursued. The AFSSAPS, after a complete application has been filed containing not only information concerning the clinical protocol but also specific data about the product and the control of its quality, as well as the pre-clinical studies conducted, may inform the sponsor that it has objections to the research being conducted. The sponsor may then change the content of its research project and send that amended or supplemented application to the AFSSAPS, with this procedure being applicable, however, only one time. If the sponsor does not change the content of its application, the latter is considered to have been denied. Under the terms of the Decree of 26 April 2006, the time limit for assessing the application for authorization may not exceed 60 days after the date of the receipt of the complete application file. Finally, under the terms of Article L. 1123-1, in the event of a risk to public health or if the AFSSAPS deems that the conditions under which the research is conducted no longer correspond to the conditions indicated in the application for authorization or do not comply with the provisions of the French Public Health Code, it may request, at any time, that changes be made in the manner in which the research is conducted and suspend or prohibit that research.

The decision of 24 November 2006 establishes the rules of Good Clinical Practices for biomedical research with respect to medicines for human use stipulated in Article L. 1121-3 of the French Public Health Code. The goal of the Good Clinical Practice (GCP) guidelines is to ensure both the reliability of the data that results from the clinical trials and the protection of the individuals who participate in those clinical trials. The GCP guidelines apply to all clinical trials, including the pharmacokinetic, bioavailability, and bioequivalence studies on healthy volunteers and the Phase II to Phase IV clinical trials.

The personal data collected within the framework of the conduct of the clinical trials must be the object of a statement in simplified form filed with the French *Commission Nationale Informatique et Liberté*, [National Information Technology and Liberty Commission, "CNIL"]. The patients then have a right to access and to correct that data pursuant to Law No. 78-17 of 6 January 1978, as amended by Law No. 2004-801 of 6 August 2004, concerning information technology, data files, and civil liberties.

The principal French regulatory texts concerning the conduct of clinical trials are the following:

- ✓ Law No. 2004-806 of 9 August 2004, and the decision of 24 November 2006 establishing the Good Clinical Practice guidelines.
- ✓ Decision of 11 December 2006 establishing the Good Manufacturing Practice guidelines

Law No. 2004-801 of 6 August 2004 and the decrees implementing it concerning the protection of data;
- ✓ Law No. 2002-3003 of 4 March 2002 and the decrees implementing it concerning the rights of patients and the quality of the health care system;
- ✓ The Decision of 5 January 2006 certifying a reference methodology for the processing of personal data conducted within the framework of biomedical research (Reference Methodology MR.-001);
- ✓ Decree No. 2007-454 of 25 March 2007 concerning agreements and relationships among the members of certain health care professions and companies and amending the French Public Health Code (regulatory provisions);
- ✓ The Law of 13 March 2000 concerning electronic signatures and Decree No. 2001-272 of 30 March 2001 concerning electronic signatures.

The principal European regulatory texts concerning the conduct of clinical trials are the following:
- ✓ European Directive 2001/20/EC of 4 April 2001 relating to the implementation of good clinical practice in the conduct of clinical trials on medicinal products for human use;
- ✓ European Directive 2003/94/EC of 8 October 2003 laying down the principles and guidelines of good manufacturing practice in respect of medicinal products for human use and investigational medicinal products for human use;
- ✓ European Directive 2005/28/EC of 8 April 2005 laying down principles and detailed guidelines for good clinical practice as regards investigational medicinal products for human use, as well as the requirements for authorization of the manufacturing or importation of such products
- ✓ European Directive 2001/83/EC of 6 November 2001 (as amended) establishing a community code relating to medicinal products for human use;
- ✓ EudraLex - Volume 10: Clinical trials, notice to applicants dated July 2006;
- ✓ Regulation (EC) No. 726/2004 [sic -- translator's note: Regulation (EC) No. 726/2004 of 31 March 2004 is the regulation "laying down Community procedures for the authorization and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency." The Pediatric Regulation is comprised of Regulation (EC) No. 1901/2006 and Regulation (EC) No. 1902/2006] ("Pediatric regulation") dated 26 January 2007;
- ✓ European Directive 1999/93/EC (electronic signatures);
- ✓ Good Manufacturing Practice (GMP) Annex 11 (Computerized Systems);
- ✓ Directive of 24 October 1995 (free movement of data);

United States of America

In the United States, after a complete file that describes in detail the protocols of the clinical trials and includes the relevant available data concerning the product and the control of its quality, as well as the pre-clinical trials that have been conducted has been submitted, an application for an Investigational New Drug ("IND") authorization must be filed with the FDA and must be accepted for the clinical trials on human subjects to be able to begin. If there is no objection from the FDA, the IND application is deemed accepted and takes effect 30 days after its receipt. At any time during this 30-day period or subsequently, the FDA may request the interruption of the clinical trials that are under consideration or are in progress. That temporary interruption is maintained as long as the FDA has not obtained the details that it requires. Furthermore, each ethics committee that has authority over a clinical site may delay, or even interrupt temporarily or permanently, clinical trials if it believes that the safety of the patients is not ensured or in the event of non-compliance with the regulatory provisions.

The principal American regulatory texts concerning the conduct of clinical trials are the following:
- ✓ 21 Code of Federal Regulation (CFR) part 11 – Electronic Records, Electronic Signatures;
- ✓ 21 CRF part 50 - Protection of human subjects;
- ✓ 21 CRF Part 54 - Financial Disclosure;
- ✓ 21 CRF Part 56 - Institutional Review Boards;
- ✓ 21 CFR Part 210 & Part 211 – Good Manufacturing Practice (GMP);

- ✓ 21 CFR Part 310 – New Drugs;
- ✓ 21 CFR Part 312 - Investigational New Drug application;
- ✓ 21 CFR Part 314 – Applications for FDA approval to market a new drug.

Other countries

In most of the other countries, clinical trials must comply with the standards of Good Clinical Practice defined by the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use ("ICH"). The competent authority designated in each Member State to authorize the clinical trials must, therefore, take into account, among other factors, the scientific value of the study, the safety of the participants, and the potential liability of the clinical site. The principal international/ICH regulatory texts concerning the conduct of clinical trials are the following:

- Good Clinical Practice (CPMP/ICH/135/95) E6, post-Step 4, 09.97;
- Structure and Content of Clinical Study Reports (CPMP/ICH/137/95) E3, Step 4, 30.11.95;
- Statistical Principles for Clinical Trials (CPMP/ICH/363/96) E9, Step 4, 05.02.98;
- General Considerations for Clinical Trials (CPMP/ICH/291/95) E8, Step 4, 17.07.1997;
- Declaration of Helsinki - Ethical Principles for Medical Research Involving Human Subjects (last amendment dated October 2008).

6.8.3 Marketing authorizations

The result of the pre-clinical developments and the clinical trials must be submitted to the competent authorities. Those results, accompanied by detailed information concerning the manufacturing process of the product and the quality controls that allow it to be supervised, constitute the marketing authorization application file. The preparation of these applications and the examination of them by the competent authority are costly processes that may take many months.

The European Union

In Europe, there are several registration procedures that allow access to the community market:
- the centralized procedure (defined in Regulation No. 2309/93/EEC as amended by Regulation No. 726/2004/EEC);
- the mutual-recognition procedure (stipulated in Directive 2001/83/EC as amended by Directive 2004/27/EC),
- and, since October 2005, the decentralized procedure (stipulated in Directive 2004/27/EC).

The centralized procedure is mandatory for those products that result from biotechnologies and for those medicines that have the status of orphan drugs, but is only optional for new active substances, that is, for all the molecules that have never been submitted to a marketing authorization procedure in Europe. The laboratory files its registration application with the European Medicines Agency (EMA), the headquarters of which is in London. If the authorization is granted, it is valid immediately for all the member countries of the European Union.

The mutual-recognition procedure: the laboratory files its application within one of the Member States. If the authorization is granted in that first State, it may be extended to the other Member States by a mutual-recognition procedure (sequential procedure).

The decentralized procedure: the laboratory files its application simultaneously in all of the Member States. The evaluation is conducted by a State chosen as the Reference Member State. If the authorization is granted, it is granted simultaneously in the other Member States (concomitant procedure).

Besides these community registration procedures, there still exist purely national procedures for accessing the market. This type of procedure is used less and less, since it only applies now to marketing applications limited to the national territory.
The marketing authorization application is prepared in accordance with the European template and must be in compliance with European Directive 2004/27/EC. This application must allow the benefit/risk ratio of the medicine to be evaluated on the basis of three criteria: the quality, safety, and effectiveness of the new medicine, outside of any consideration of improvement of the medical service rendered, in comparison with the existing therapeutic arsenal or of any economic considerations. The product evaluated must present a favorable benefit/risk ratio, that is, the benefit provided by the medicine must be more significant than the risks that are associated with it.

United States of America

Before a medicine can be put on the market, it must be approved by the FDA. The evaluation procedure is long and complex. In reality, there is no single evaluation procedure that is applicable to all medicines, but rather a set of procedures related to the various categories of medicines (medicine containing a single chemical unit, biological product, generic medicine, etc.).

For the registration of the products of the Company, that is, of the allergen-based medicines, it is necessary to file a Biological License Application (BLA) with the Centre for Biologics Evaluation and Research (CBER) within the FDA.

Accelerated review and "Fast-track" qualification
In the United States, Congress adopted a new regulation in 1997 (The "Food and Drug Administration Modernization Act" or the "Modernization Act") intended to facilitate the marketing of new medicines, by accelerating the process by which they are evaluated by the FDA.
The Modernization Act led the FDA to issue explanatory notes describing its policy and procedures related to the products that are subject to an accelerated procedure ("Fast Track" procedure).
A product is eligible for "Fast Track" status when it is a medicine intended for the treatment of a serious or potentially fatal pathology and it is likely to meet a medical need that has not yet been met.
The sponsor of a new medicine may ask the FDA, at any time during the clinical development, to allow it to receive "Fast Track" status. The Modernization Act stipulates that the FDA must respond to a request for "Fast Track" qualification within sixty days following the receipt of the request.

The sponsors of products designated as "Fast Track" may benefit from the following procedures when filing their marketing applications:
- priority review of their marketing authorization application (BLAs or NDAs);
- the possibility of submitting the marketing authorization application in parts, such as the pharmaceutical sections (Chemistry, Manufacturing and Controls, "CMC") or the pre-clinical section, as they become available before the registration application (generally for the clinical section) is complete.

6.8.4 Prices and reimbursement for the products

On many markets, the prices of medicines are subject to the control of the national governments, which set them and allow only fixed prices to be paid by the community, leading indirectly to an alignment of the prices of the medicines with the fixed prices. In France, effective access to the market presumes that the responsibility for paying for the products of the Company is assumed at the hospital (through an approval for local communities) or reimbursed by Social Security. The prices of the medicines are negotiated with the French *Comité Économique des Produits de Santé* [Health Products Economics Committee, "CEPS")].

In the United States, although the prices of medicines may be set freely by the pharmaceutical laboratories that sell them, initiatives at the federal and local levels have sought to cause the total costs

of health care to decline. The U.S. Congress and the legislators of each of the individual states are likely to continue their efforts with respect to the reform of the health care system, the cost of pharmaceutical products delivered by prescription, and the reform of the Medicare and Medicaid systems. The development of private health maintenance organizations (HMOs) in the United States, which has had a significant influence on the purchase of health care services and therapeutic products, as well as the most recent initiatives made by the Federal government to reform the health care system could contribute to causing prices to decline or the imposition of special discounts or rebates on the prices of the products of the Company in order to avoid their being excluded from the lists of recommended products prepared by the HMOs.

6.8.5 Status as a pharmaceutical company

As of this date, the Company does not have the status of a pharmaceutical company and therefore cannot manufacture the medicines that it develops and cannot consider directly selling them commercially. Obtaining the status of a pharmaceutical company, either as an operator or as a manufacturer, requires the submission of an application, which is specific to each of the two characterizations, to the AFSSAPS, which only grants it after examination of that application and making an assessment, generally after verification, that the Company has adequate premises, the necessary staff, and an appropriate organization with satisfactory procedures for conducting the pharmaceutical activities under consideration.

6.8.6 Regulations with respect to the environment, health, and safety

The company is also subject to the laws and regulations concerning the environment, health, and safety, in particular, those related to the storage, use, handling, transportation, and elimination of hazardous products, both chemical and biological.

7 ORGANIZATION CHART

7.1 LEGAL ORGANIZATION CHART

None, since the Company does not own any subsidiaries or interests.

7.2 LIST OF THE SUBSIDIARIES, BRANCH OFFICES, AND SECONDARY PLACES OF BUSINESS

None.

7.3 PRINCIPAL INTRA-COMPANY FLOWS

Not applicable.

8 REAL ESTATE PROPERTIES, PLANT, AND EQUIPMENT

8.1 REAL ESTATE PROPERTIES AND EQUIPMENT

8.1.1 Leased real estate properties

The only premises used by DBV Technologies are those occupied by the registered office located at Green Square, Building D, 80/94 Rue des Meuniers, Bagneux, France (92220).

Pursuant to a commercial lease agreement entered into with a third party that has no relationship to the Company and its executives, the premises, distributed over two floors, occupy a surface area of approximately 1,479 m², in addition to 20 parking places.

Concluded on 28 April 2011 for a term of 9 years covering the period from 1 June 2011 to 31 May 2020, the lease provides for a firm period of 4 years during which the Company may not give notice of termination to the lessor. The initial annual rent is set at approximately EUR 310,000 before tax, it being specified that the lease stipulates a 9-month rent-free period, of which 5 months are attributable to the year 2011, 2 months of rent to the year 2012, and 2 months of rent to the year 2013.

8.1.2 Other property, plant, and equipment

The principal property, plant, and equipment owned by the Company are described in Note 5 of the notes to the annual and semi-annual financial statements prepared in accordance with IFRS standards, which are set forth in paragraphs 20.3.1 and 20.6.1 of this *Document de Base*.

The equipment intended for the current production of patches necessary for the clinical trials (GEN3) is described in detail in paragraph 6.7.5 of this *Document de Base*.

8.2 ENVIRONMENTAL ISSUES

The nature of the Company's business activities does not entail significant risk to the environment.

9 REVIEW OF THE PROFIT (OR LOSS) AND OF THE FINANCIAL POSITION

9.1 Financial statements prepared in accordance with IFRS standards

Within the framework of its planned listing on the stock exchange, the Company, which does not have any subsidiaries or any investment interests, has prepared, in addition to its annual financial statements in compliance with the French accounting standards, corporate accounts restated in accordance with the IFRS standards as adopted within the European Union, for the 2008, 2009, and 2010 fiscal years and for the 1st half year that ended 30 June 2011, in order to be able to present accounting data which is comparable with the majority of the companies in its sector of business activity, particularly those that are listed on the stock exchange.

The comments on the financial statements presented in Sections 9 and 10 of this *Document de Base* have been made only on the basis of the financial statements prepared in accordance with the IFRS standards included in paragraphs 20.3.1 and 20.6.1 below.

9.1.1 Business Activity of the Company

The principal business activity of the Company is research and development in the fields of the treatment and diagnosis of allergies, particularly food and pediatric allergies.

Since it was formed, the Company has concentrated its efforts:

- ✓ on the development of a technological platform that offers an innovative approach to the method of desensitization of allergic subjects as well as offering a possible therapeutic response to certain allergies that the existing methods of specific immunotherapy cannot provide. The development of the *Viaskin*® technology initiated in 2002 has led to the issuance of two principal patents out of a total number of fourteen families of patents granted or in various stages of registration. Besides the design of the *Viaskin*® patch, the R&D teams have also designed the equipment capable of producing lots of pre-clinical patches and are now working on a new generation of equipment intended for production on an industrial scale.

- ✓ on the implementation of research programs that, first, had the sole objective of validating the *Viaskin*® technology in terms of safety and toxicology. Armed with the results obtained, the Company then launched a clinical development program within the priority field of the allergy to peanuts. At the end of the pre-clinical and regulatory development, a Phase I study of tolerance of a treatment of the peanut allergy was launched in July 2010.

As of this date, the business model of the company is to develop its products until it obtains a marketing authorization for them. This model should eventually incorporate manufacturing, subject to obtaining the necessary approval as a manufacturer pharmaceutical company.

9.1.2 Research and development, technologies

Since the Company was formed, the research and development activities of the Company have mobilized most of the resources, it being specified that these activities have the special characteristic of including both:

- ✓ a technological dimension that has thus led to the design of a *Viaskin*® technological platform (see paragraph 6.4), a device that takes the form of a special patch that serves as a medium for the desensitization treatments that the Company has been developing;
- ✓ a "biotechnological" dimension with, on the one hand, the pre-clinical validation of the *Viaskin*® patch, which has rapidly led to the marketing of a patch for diagnosing the allergy to

the proteins in cow's milk, *Diallertest®*, and, on the other hand, the start-up in 2010 of a clinical development program for the treatment of the allergy to peanuts.

Even if DBV Technologies has not, as of this date, obtained any marketing authorization ("MA"), it has been collecting operating income related to the marketing of its diagnostic *Diallertest® Milk* product since June 2004.

Since it was formed, the Company has experienced significant net losses, as both the research and development work and the technological platform that the pre-clinical and clinical trials of its potential products have necessitated increasing financial requirements, while the operating income has remained insignificant.

The Company also devotes a non-negligible share of its resources to the protection of its intellectual property by filing patents and patent applications at the international level (see Section 11). As of this date, the portfolio has fourteen families of patents granted or at various stages of registration.

9.1.3 Partnerships and sub-contracting

In order to conduct its activities properly, DBV Technologies has used various sub-contractors, of which the principal ones are:

- ✓ CROs (Contract Research Organizations): all leading international actors, these businesses conduct on behalf of the Company all the activities that fall within the framework of the clinical trials required by the relevant regulations, once the protocols have been defined;
- ✓ CMOs (Contract Manufacturing Organizations): as the Company does not have, as of this date, the regulatory status of a pharmaceutical company, these entities conduct, on behalf of the Company, the production of the lots of patches for the pre-clinical and clinical developments as well as for its *Diallertest® Milk* product.

The principal dedicated suppliers are related to the proteins necessary for the manufacture of the lots of patches and of *Diallertest® Milk*, to the various components of the patches, as well as to the components necessary for production.

In order to intensify its research efforts, the Company has also concluded two cooperation agreements, one with AP-HP, and the other with the Université de Genève. A summary of these agreements is presented in paragraph 11.3.1 of this *Document de Base*.

9.1.4 Pro forma financial statements

None.

9.1.5 Principal factors that have an impact on the business activity and the profit (or loss)

In light of the stage of development of the business activity of the Company, the principal factors that have an impact on the business activity and on the profit (or loss) of the Company are:

- ✓ the size of the R&D programs as well as compliance with their progress schedule;
- ✓ the existence of tax incentive mechanisms for companies that conduct technical and scientific research activities; Thus, from 2004 to 2009, the Company was able to enjoy the status of *Jeune Entreprise Innovante* [Young Innovative Company - "JEI"]. As such, it benefited from reductions in social security contributions for its employees assigned to research projects, which were posted to the accounts as reductions in personnel expenses. Today, it receives only the *Crédit Impôt Recherche* [Research Tax Credit - "CIR"];

- ✓ furthermore, the Company grants financial instruments giving access to its share capital (equity instruments) regularly to its employees, corporate officers, and some of its partners. The profit or loss of the Company is affected by the corresponding expense, which is posted to the accounts in accordance with the IFRS comprehensive basis of account.

9.2 COMPARISON ACROSS THREE FISCAL YEARS AND AS OF 30 JUNE 2011

9.2.1 Constitution of the operating profit

9.2.1.1 Sales and other income from the business activity

The operating income of the Company amounted to EUR 1,043,617, EUR 1,079,258, and EUR 1,706,602 for the 2008, 2009, and 2010 fiscal years and EUR 935,231 as of 30 June 2011, as compared to EUR 838,582 as of 30 June 2010. This revenue was primarily generated by the Research Tax Credit, and to a lesser extent, by the sales of *Diallertest® Milk*, as well as by grants received within the framework of the research projects conducted by the Company.

	31 December			30 June 2011	
	2008	**2009**	**2010**	**2010**	**2011**
Operating revenue	€	€	€	€	€
Sales	89,173	150,352	178,620	83,833	106,492
Other revenue	954,444	928,906	1,527,982	754,749	828,739
Of which the Research Tax Credit was	*875,737*	*890,370*	*1,386,989*	*673,582*	*817,035*
Of which grants were	*78,707*	*38,536*	*140,993*	*81,167*	*11,704*
Total revenue	**1,043,617**	**1,079,258**	**1,706,602**	**838,582**	**935,231**

As no R&D expenditure has been capitalized, the Research Tax Credit related to research programs is, for its part, entirely posted to the accounts as operating income. The amounts of financial assistance received by the Company during the various periods have been deducted from the calculation of the basis of the Research Tax Credit.

The Company received the reimbursement of the Research Tax Credit for the years 2008 and 2009 during the course of the year following the close of the fiscal years involved. It requested the reimbursement of the 2010 Research Tax Credit under the community tax rules for small and medium-sized businesses in compliance with the regulatory texts in effect. That Research Tax Credit was reimbursed in November 2011.

Furthermore, the Research Tax Credit for the years 2008 and 2009 was the object of a tax audit in 2011. That audit, which ended on 11 July 2011, did not result in any significant adjustment.

The sales revenue of the Company is composed of the sales of Diallertest® Milk, which is marketed only in France through a distributor. These sales have increased regularly over the past three fiscal years.

As of 30 June 2011, the sales of Diallertest® Milk were continuing to increase, and the Research Tax Credit posted to the accounts reflected the intensification of the research and development efforts.

9.2.1.2 Operating expenses

9.2.1.2.1 Cost of the goods sold

As of this date, the Company does not have the status of a pharmaceutical laboratory, the manufacture of the Diallertest® Milk diagnostic kits is entrusted to a third party that does have that status, and which therefore demonstrates GMP (Good Manufacturing Practices). That sub-contractor acts on behalf of DBV Technologies, which makes available to it the equipment intended for the production of those kits. The cost of goods sold therefore corresponds to the cost of this service.

	31 December			30 June	
	2008	**2009**	**2010**	**2010**	**2011**
	€	€	€	€	€
Cost of goods sold	31,518	117,622	82,885	39,394	49,388

The gross margin rate was 22% of the sales revenue in 2009, as compared to 65% in 2008. Since the 2010 fiscal year, the gross margin has stabilized at approximately 54% of the sales revenue. The drop in the gross margin rate between 2008 and 2009 is explained by a significantly higher production cost in 2009 because of line losses during the manufacturing process.

9.2.1.2.2 Research and development expenses

In accordance with IAS 38, the development expenses are posted to the accounts as long-term intangible assets only if all the following criteria are met:

(a) technical feasibility necessary for the completion of the development project;
(b) intention on the part of the Company to complete the project and to utilize it;
(c) capacity to utilize the intangible asset;
(d) proof of the probability of future economic benefits associated with the asset;
(e) availability of the technical, financial, and other resources for completing the project;
(f) reliable evaluation of the development expenses.

The Company believes that the 6 criteria stipulated by the IAS 38 standard are fulfilled only when the marketing authorization has been obtained. As a result, since its formation, the Company has posted all its development expenses to the accounts as expenses during the fiscal year in which they have been incurred.

These expenses include, notably, the following:
- the personnel expenses for staff assigned to research and development;
- the expenses of pre-clinical and clinical studies;
- the intellectual property expenditures;
- the expenditures related to regulatory affairs.

During the period under consideration, the total amount of the research and development expenses was constantly increasing. That total amount was EUR 3,199,181, EUR 3,415,648, and EUR 5,061,249 for the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010 respectively. As of 30 June 2011, this trend was confirmed, with the amount of these costs totaling EUR 2,991,838, representing a 28% increase over that amount as of 30 June 2010. These efforts involve primarily the Phase I study of the *Viaskin® Peanut* patch, begun in July 2010, the reinforcement of the research and development staffs, as well as the gradual implementation of the Arachild study initiated with AP-HP.

	31 December			30 June	
	2008	**2009**	**2010**	**2010**	**2011**
	€	€	€	€	€
Research and development expenses	3,199,181	3,415,648	5,061,249	2,330,188	2,991,838

The Research and Development expenses during the course of the period presented are broken down as follows:

	31 December			30 June	
	2008	**2009**	**2010**	**2010**	**2011**
R&D Expenses	€	€	€	€	€
Personnel expenses	1,033,870	1,175,944	1,252,739	449,095	648,307
Sub-contracting, collaboration and consultants	1,073,787	1,376,515	2,780,246	1,336,138	1,948,409
Purchases	234,896	338,298	428,114	209,305	226,512
Real estate leasing	163,939	175,511	150,799	84,911	78,711
Conferences, travel expenses	202,441	191,492	254,481	134,652	90,489
Depreciation, amortization and provisions	443,244	136,456	155,304	81,889	- 18,934
Other	47,004	21,432	39,567	34,199	18,343
Total R&D expenses	**3,199,181**	**3,415,648**	**5,061,249**	**2,330,188**	**2,991,838**

This table allows us to note in particular the significant increase (+102.8% between 31 December 2009 and 31 December 2010, and +45.8% between 30 June 2010 and 30 June 2011) in the "Sub-contracting, collaborations" item, incorporating notably the costs of the services performed on behalf of DBV Technologies within the framework of the Phase I study of *Viaskin® Peanut*.

9.2.1.2.3 Overhead

The overhead includes mainly the expenses of the administrative staff and external expenses such as the audit, attorneys' and consultants' fees. The total amount of these items was EUR 2,067,270, EUR 1,216,327, and EUR 1,350,458 for the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010 respectively. As of 30 June 2011, they exhibited a significant rise, increasing from EUR 598,423 as of 30 June 2010 to EUR 1,003,831 as of 30 June 2011.

	31 December			30 June	
	2008	**2009**	**2010**	**2010**	**2011**
	€	€	€	€	€
Overhead	2,067,270	1,216,327	1,350,458	598,423	1,003,831

The distribution of the overhead posted to the accounts during the period presented is broken down by type as follows:

	31 December			30 June	
Overhead	**2008**	**2009**	**2010**	**2010**	**2011**
	€	€	€	€	€
Personnel expenses	1,288,796	830,251	605,832	264,842	246,172
Fees	398,661	227,982	460,710	157,422	450,393
Real estate leasing	27,902	37,150	30,562	18,195	23,087
Insurance	50,000	50,113	56,463	22,463	20,855
Communication and travel expenses	145,345	- 43,235	60,117	66,787	151,339
Telecommunication expenses	33,950	46,967	26,886	12,204	12,703
Administrative costs and rental of personal property	43,154	35,285	34,718	28,839	17,874
Other	79,462	31,815	75,169	27,671	81,408
Total overhead	**2,067,270**	**1,216,327**	**1,350,458**	**598,423**	**1,003,831**

Between 2008 and 2009, the overhead decreased by 41%, from EUR 2,067,270 to EUR 1,216,327. This significant decline is due to a 36% decline in the personnel expenses related to the decrease in the variable compensation as well as to a nearly 43% reduction in the "Fees" item.
After a moderate increase from 2009 to 2010 (+11%), the overhead posted to the accounts over the first 6 months of the fiscal year in progress increased by 68% in comparison with the same period in the 2010 fiscal year. This sharp increase is primarily the result of the increase in the fees inherent in the recruitment expenses, as well as to a significant rise in the entertainment expenses.

9.2.2 Constitution of the net income

9.2.2.1 Financial result

The financial result totaled EUR 106,454 in 2008, EUR 88,223 in 2009, and EUR (16,355) in 2010. As of 30 June 2011, the net financial income was EUR 3,742, as compared to a net financial loss of EUR 10,734 as of 30 June 2010. This item includes the financial revenue made on the investments of the Company's cash in money market funds or time deposits, on the one hand, and foreign exchange losses and, secondarily, interest on the OSEO and COFACE repayable advances.

The change in the financial income or loss over the period is explained primarily by the change in the income from investment of cash during the period as a result of the cash burn, as the foreign exchange loss did not, for its part, exhibit significant change.

Thus, as of 30 June 2011, the net financial income was primarily the product of the revenue from investment of cash received by the Company, that is, EUR 9,083,261, in December 2010, within the framework of its 3rd round of financing, with that revenue increasing from EUR 7,105 as of 30 June 2010 to EUR 18,670 as of 30 June 2011.

9.2.2.2 Corporate tax

Considering the deficits recorded over the last 3 fiscal years, the Company has not posted any corporate tax expense to the accounts.

9.2.2.3 Net income or net income per share

The loss per share issued (based on the weighted average number of shares outstanding during the fiscal year) totaled EUR 1.10, EUR 0.72, and EUR 0.94 per share for the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010 respectively, and EUR 0.45 as of 30 June 2011, as compared to EUR 0.42 as of 30 June 2010.
These historical data per share take into account the division by 15 of the par value of the shares decided by the general meeting held on 9 December 2011.

9.3 ANALYSIS OF THE BALANCE SHEET

9.3.1 Fixed assets

The net fixed assets amounted to EUR 476,767, EUR 519,765, and EUR 409,310 on 31 December 2008, 31 December 2009, and 31 December 2010 respectively.

The fixed assets include the property, plant, and equipment, intangible assets, and long-term financial assets (composed of open-ended mutual funds, pledges of cash, and of security deposits at the end of 2010). The 9% increase in fixed assets from 2008 to 2009 resulted primarily from the acquisition of laboratory equipment. From 2009 to 2010, the decrease in their total net value, that is, EUR 110,455 resulted primarily from the allowance for depreciation of property, plant, and equipment that was much higher than the acquisitions during the period.

In the 1st half year of 2011, the net fixed assets increased significantly to total EUR 626,276 as of 30 June 2011, as compared to EUR 409,310 as of 31 December 2010, in particular, as a result of the establishment of new business premises for the Company, which generated the payment of a security deposit, improvements, as well as investments related to the equipment in the laboratories.

9.3.2 Current assets

The net current assets amounted to EUR 3,130,004, EUR 5,888,425, and EUR 11,164,365 on 31 December 2008, 31 December 2009, and 31 December 2010 respectively.

The increases in these sums during the period resulted primarily from the increase in the available cash and the Research Tax Credit receivables, the significant increase in the amount of which at the end of 2010 reflected the intensification of the development efforts.

In fact, the net negative cash flows related to the operating and investment activities were largely offset by the receipts of subsidies and funds raised through increases in capital in cash, including EUR 9,083,261 in December 2010 (also see Notes 10.1.1 and 10.1.2 below) and EUR 5,887,378 in December 2009. The result is a sharp increase in the cash balances and current financial instruments.

	31 December			30 June
	2008	**2009**	**2010**	**2011**
Current assets	€	€	€	€
Inventories and work in progress	79,373	76,380	105,137	103,078
Customer accounts receivable and related receivables	16,276	26,999	3,097	2,642
Other current assets	1,350,529	1,376,978	2,028,240	2,626,521
Of which Research Tax Credit receivable was	*972,932*	*898,862*	*1,395,481*	*2,212,516*
Cash and cash equivalents	1,683,825	4,408,068	9,027,891	4,734,784
Total current assets	**3,130,004**	**5,888,425**	**11,164,365**	**7,467,025**

As of 30 June 2011, the "Cash and cash equivalents" item is mainly composed of time deposits with a maximum maturity of 3 months. The time-deposit accounts are, furthermore, convertible immediately into cash without a penalty in case of a need for cash.

On the other hand, during the 1st half year of 2011, as the Company received an insignificant amount from financing cash flow, the net negative cash flows related to the operating and investment activities have had a direct negative impact on the cash balances, which declined from EUR 9,027,891 as of 31 December 2010 to EUR 4,734,784 as of 30 June 2011.

	31 December			30 June	
	2008	**2009**	**2010**	**2010**	**2011**
	€	€	€	€	€
Net cash flow from operating activities	(3,916,833)	(3,026,939)	(4,459,432)	(1,720,304)	(3,861,832)
Net cash flow from investment activities	(104,189)	(217,870)	(48,759)	(28,856)	(303,358)
Receipts/Reimbursements from repayable advances	238,138	81,674	44,754	14,250	(127,917)
Receipts from capital increase	-	5,887,378	9,083,261	-	-

9.3.3 Shareholders' equity

The net changes in the shareholders' equity of the Company are the result of the combined effect of the posting of annual net losses reflecting the efforts that the Company has devoted in particular to R&D work and the validation of its *Viaskin*® technology as well as the conduct of pre-clinical and clinical studies, on the one hand, and the positive changes related to the fund raising conducted during the 2008, 2009, and 2010 fiscal years, on the other.

		31 December		30 June
	2008	**2009**	**2010**	**2011**
	€	€	€	€
Shareholders' equity	1,452,573	4,183,338	8,566,899	5,589,693

9.3.4 Long-term Liabilities

These are primarily the product of the portion of the amounts with repayment periods of more than one year related to the repayable advances granted by OSEO and COFACE and, in lesser amounts, the retirement pension commitments posted to the accounts in accordance with the IAS 19 standard.

As of 30 June 2011, the Company benefits from a total of 3 repayable advance programs, two repayable amounts of financial assistance from OSEO (not bearing interest and 100% repayable in the event of technical and/or commercial success), and an amount of financial assistance from COFACE.

The first OSEO advance: OSEO granted DBV Technologies financial assistance in the amount of EUR 445,000 on 13 June 2003 for a study of the development of a patch-test for screening for allergies, particularly food allergies, and the tool for producing it. All the advances were paid to the Company between 2003 and 2005. The contract stipulated the following four repayment due dates:

- ✓ First repayment of EUR 90,000 in 2006
- ✓ Second repayment of EUR 120,000 in 2007
- ✓ Third repayment of EUR 100,000 in 2010
- ✓ The fourth and final repayment in the amount of EUR 135,000 in 2011.

The last repayment was made in October 2011.

The second OSEO advance: On 10 January 2005, DBV Technologies obtained from OSEO repayable financial assistance for innovation in the amount of EUR 600,000 for a project to design a high-speed prototype machine for the production and development of second-generation patches intended for the detection of various allergies. All the sums had been collected as of 31 December 2010.

The repayment of this innovation assistance is going to begin in accordance with the following terms:

Repayment amounts	Repayment due dates
140,000	31/03/2011
200,000	31/03/2012
260,000	31/03/2013

The first repayment was made on 31 March 2011 in compliance with the payment schedule.

The COFACE advance: On 6 September 2007, DBV Technologies signed a prospecting insurance contract with Compagnie Française d'Assurance pour le Commerce Extérieur (COFACE) in order to promote its *Diallertest*® product internationally. Under the terms of that contract, the Company received repayable advances of up to EUR 147,534. DBV Technologies must repay these advances in the amount of up to 7% of its revenue from the export sales of its product *Diallertest*® *Milk*, until 30 April 2017.

See the summary table set forth in paragraph 10.1.2 below.

It is specified that in November 2011, the Company obtained a new amount of assistance in the form of a repayable advance of EUR 640,000 from OSEO Innovation. The payment schedule of the amounts to be collected and to be repaid is as follows:

- o A 1st payment of EUR 256,000 received on 9 December 2011;
- o A second payment of EUR 256,000 should occur beginning on 31 March 2012 upon a call for funds accompanied by a EUR 15 M increase in the shareholders' equity of the Company in the form of a fully-paid up increase of capital, including the share premium, or convertible bonds or current accounts of shareholders frozen until 31 March 2017;
- o The balance upon the completion of the construction work, to be confirmed no later than 15 August 2013.

The repayment of this assistance shall be made in 16 quarterly installments defined as follows: 4 installments of EUR 64,000 beginning on 31 March 2014, and then 12 installments of EUR 32,000 beginning on 31 March 2015 until 31 December 2017. In case of technical or commercial failure the Company will, nevertheless, be required to repay the sum of EUR 256,000 to OSEO.

9.3.5 Current Liabilities

This item on the balance sheet includes principally the short-term debts to third parties, the tax and social security contribution debts (employees and social security agencies), as well as the portion the amounts with a term of less than one year related to the repayable advances granted by OSEO and COFACE, and finally, revenue posted in advance.

	31 December			30 June
	2008	**2009**	**2010**	**2011**
Current liabilities	€	€	€	€
Conditional advances	-	97,057	269,587	328,140
Supplier accounts payable and related payables	616,477	831,373	1,308,521	1,359,835
Other current liabilities	748,640	466,175	780,793	345,539
Total current liabilities	**1,365,117**	**1,394,605**	**2,358,901**	**2,033,514**

The change from 2008 to 2009 includes notably a significant decrease in the social security contribution debts of the Company, reduced from EUR 627,519 as of 31 December 2008 to EUR 358,698 as of 31 December 2009 as a result of the establishment of an economic layoff plan. The supplier payables increased following the intensification of the pre-clinical development programs, reflected in an increasing use of CRO/CMO-type service providers.

From 2009 to 2010, the increase in current liabilities of nearly 69% is attributable to the increase in supplier accounts payable (+57%) once again related to the intensification of the pre-clinical and clinical programs with the launch in July 2010 of the Phase I study related to the *Viaskin® Peanut* patch, on the one hand, and to a social security contribution debt up by more than 91%, increasing from EUR 358,698 to EUR 687,348 related to provisions for variable compensation while the latter had declined by EUR 238,000 from 2008 to 2009.

10 CASH AND CAPITAL

10.1 INFORMATION CONCERNING THE CAPITAL, CASH AND CASH EQUIVALENTS, AND SOURCES OF FINANCING OF THE GROUP

Also see Notes 9, 10, and 11 appended to the annual financial statements prepared in accordance with the IFRS standards set forth in paragraph 20.1 of this *Document de Base*. As of 31 December 2010, the amount of cash and cash equivalents owned by the Company amounted to EUR 9.0 million, as compared with EUR 4.4 million as of 31 December 2009 and EUR 1.7 million as of 31 December 2008.

The cash and cash equivalents include the cash and the current financial instruments owned by the Company (essentially money market funds and time-deposit accounts). This cash and these investment securities serve to finance the business activities of the Company, and in particular, its research and development expenses that are inherent both in the *Viaskin*® technology and in the pre-clinical and clinical programs for the treatment of food allergies.

As of 30 June 2011, just as on 31 December 2010, 31 December 2009, and 31 December 2008, the cash and investment securities owned by the Company were essentially invested in products with a maturity of a maximum of 3 months. The time-deposit accounts are, furthermore, convertible immediately into cash in case of a need for cash.

Since it was incorporated in 2002, the Company has financed itself by the issue of new shares of several categories of stock: shares of common stock, shares of P1, P2, P3, and P4 preferred stock, as well as significant conditional advances granted by OSEO and COFACE.

The analysis of the net financial debt is presented as follows:

	31 December			30 June
	2008	**2009**	**2010**	**2011**
	€	€	€	€
Cash and cash equivalents	**1,683,825**	**4,408,068**	**9,027,891**	**4,734,784**
Current financial liabilities	-	97,057	269,587	328,140
Current financial debt (A)	**-**	**97,057**	**269,587**	**328,140**
Long-term financial liabilities	701,364	685,981	558,205	371,735
Long-term Financial debt (B)	**701,364**	**685,981**	**558,205**	**371,735**
Financial debt (A)+(B)	**701,364**	**783,038**	**827,792**	**699,875**
Net financial debt	**(982,461)**	**(3,625,030)**	**(8,200,099)**	**(4,034,909)**

10.1.1 Financing by the capital

The Company has received a total of EUR 29.1 M in shareholders' equity, most of which, EUR 29.0, is related to the raising of funds in cash conducted since its formation and until 31 December 2010 (before deduction of the expenses associated with the increases in share capital) by means of increases in share capital conducted beginning from its formation until 31 December 2010.
The remainder, that is, EUR 0.1 M, represents the funds resulting from the exercise of securities such as stock subscription warrants (*bons de souscription d'actions*) or founders' stock subscription warrants (*bons de souscription de parts de créateur d'entreprise*, "BSPCEs") granted to employees and/or executives to secure their loyalty.

It is specified that the last round of financing—the issue of P4 preferred shares with stock subscription warrants [*actions à bons de souscription d'actions*, "ABSAs"]—conducted in December 2010 was in a total amount of EUR 19,360,234, of which only the 1st tranche, that is, EUR 9,680,132, had been called and paid up as of 31 December 2010. This was reflected in a receipt of EUR 9,083,261 (the amount net of issue expenses). The second tranche in an identical amount of EUR 9,083,261 was called in November 2011 and received in full on 6 December 2011.

Date	Nature of the transactions	Gross amount raised
06/02/02	Creation	€ 38,250.00
13/03/03	Capital increase (common stock)	€ 139,850.34
15/05/03	Exercise of A warrants (BSAs)	€ 159,875.10
30/09/03	Exercise of B warrants (BSAs)	€ 99,737.61
30/09/03	Exercise of BSPCEs	€ 64,596.00
02/10/03	Capital increase (common stock)	€ 100,000.08
02/10/03	Capital increase (common stock)	€ 499,999.78
23/12/05	Capital increase by issuing of "P1" stock (preferred stock)	€ 354,575.00
23/12/05	Capital increase by issuing "P1" stock (preferred stock)	€ 4,000,750.00
31/03/06	Exercise of B warrants (BSAs)	€ 24,570.00
15/01/07	Exercise of T2 warrants (BSAs)	€ 7,901,400.00
21/01/09	Capital increase by issuing of "P2" stock (ABSAs)	€ 4,000,010.00
21/01/09	Capital increase by issuing of "P3" stock (ABSAs)	€ 1,999,970.00
21/04/09	Capital increase by issuing of "P1'" stock(preferred stock)	€ 35,360.00
16/12/10	Capital increase by issuing of "P4" stock (ABSAs)	€ 9,000,068.00
23/12/10	Capital increase by issuing of "P4" (ABSAs)	€ 680,064.00
	Total funds raised	**€ 29,099,075.91**

10.1.2 Financing by repayable advances

The Company did not take out any bank loans during the 3 fiscal years presented. On the other hand, during that period it received three conditional advances that were the object of two contracts for repayable advances in financial assistance for innovation with OSEO and a contract with COFACE, it being specified that the Company also obtained, in November 2011, a new grant of financial assistance for innovation from OSEO in the form of a repayable advance in a total amount of EUR 640,000.

The details concerning these contracts are presented in paragraph 9.3.4 above. The amount of these contracts has been posted to the accounts as debts up the amount of the sums received.

The transactions involving the repayable advances recognized during the period presented are summarized in the table below.

The other transactions correspond to the discounting of the conditional advances. Of the total conditional advances that existed as of 31 December 2010, the short-term portion amounted to EUR 269,587 and EUR 328,140 as of 30 June 2011.

Changes in the Repayable Advances

	1st OSEO advance	2nd OSEO advance	COFACE	Total
Balance Debt Start 1/1/2008	**205,566**	**257,660**	**-**	**463,226**
+ receipts	-	180,000	77,965	257,965
- repayments	-	-	-	-
+/- other transactions	8,465	(6,202)	(22,090)	(19,827)
Balance Debt at 31/12/2008	**214,031**	**431,458**	**55,875**	**701,364**
+ receipts	-	-	69,569	69,569
- repayments	-	-	-	-
+/- other transactions	8,789	15,016	(11,700)	12,105
Balance Debt at 31/12/2009	**222,820**	**446,474**	**113,744**	**783,038**
+ receipts	-	120,000	-	120,000
- repayments	(100,000)	-	-	(100,000)
+/- other transactions	8,139	12,319	4,296	24,754
Balance Debt at 31/12/2010	**130,959**	**578,793**	**118,040**	**827,792**
Balance Debt Start 1/1/2011	**130,959**	**578,793**	**118,040**	**827,792**
+ receipts	-	-	-	-
- repayments	-	(140,000)	-	(140,000)
+/- other transactions	2,655	7,237	2,191	12,083
Balance Debt at 30/06/2011	**133,614**	**446,030**	**120,231**	**699,875**

As indicated previously in paragraph 9.3.4, on 9 December 2011, the Company received the sum of EUR 256,000 corresponding to the 1st payment of a 3rd OSEO repayable advance involving a total amount of EUR 640,000.

10.1.3 Financing by the Research Tax Credit

The company benefits from the provisions in Articles 244 *quater* B and 49 *septies* F of the French Tax Code (*Code Général des Impôts*) related to the Research Tax Credit (*Crédit d'Impôt Recherche*, "CIR"). Since the Company is not capitalizing any research and development expenses until a marketing authorization has been obtained for the treatments that have been the object of the clinical developments, the CIR is entirely posted to the accounts as operating revenue.

The changes in the Research Tax Credit during the last three fiscal years and as of the 1st half year of 2011 are presented as follows:

Balance Receivable Start 1 Jan. 2008	**1,064,693**
+ operating revenue	875,737
- payment received	967,498
Balance Receivable Close 31 Dec. 2008	**972,932**
Balance Receivable Start 1 Jan. 2009	**972,932**
+ operating revenue	890,370
- payment received	964,440
Balance Receivable Close 31 Dec. 2009	**898,862**
Balance Receivable Start 1 Jan. 2010	**898,862**
+ operating revenue	1,386,989
- payment received	890,370
Balance Receivable Close 31 Dec. 2010	**1,395,481**
Balance Receivable Start 1 Jan. 2011	**1,395,481**
+ operating revenue	817,035
- payment received	-
Balance Receivable Close 30 June 2011	**2,212,516**

10.1.4 Off-balance-sheet commitments

As of 30 June 2011, the off-balance-sheet commitments were related to:

Obligations under the terms of sub-contracting contracts and/or scientific collaboration agreements

As it has sub-contracted several important functions, the company has been required to conclude, within the framework of its current operations, sub-contracting contracts or short- or medium-term delegation contracts with various third parties, in France and abroad, which include various obligations that are usual in these circumstances.

The Company has sub-contracted to KENDLE International the operational conduct of the Phase I Study for the *Viaskin® Peanut* product within the framework of a Full Service contract dated 4 March 2010 and the Task Order related thereto (refer to Section 22). The amount of that study, which began in July 2010, was initially equal to EUR 2,171,933. An amendment signed on 16 February 2011 increased the total amount of this study to EUR 2,326,582, and an amendment signed on 17 October 2011 increased the total amount of this study to EUR 2,609,427.

As of 30 June 2011, the amount that remained to be paid under the terms of this contract is equal to EUR 778,834.

On 30 July 2010, the Company concluded an agreement with Assistance Publique-Hôpitaux de Paris (AP-HP) within the framework of a study of the effectiveness and safety of a treatment of the allergy

to peanuts by epicutaneous immunotherapy in allergic children. The amount of that study totals EUR 418,511. As of 30 June 2011, the amount of the future commitments is equal to:

- 2011: EUR 90,829;
- 2012 : EUR 130,776.

Obligations under the terms of the ordinary rental agreements

Premises: For its registered office, on 3 May 2007, the Company signed a service agreement with Société Anonyme de Gestion Immobilière (SAGI) for rental of its premises. The amount of the future rents under that agreement was equal to EUR 54,144 as of 31 December 2010. During the 1st half year of 2011, a commitment was made to move the premises. Thus, on 28 April 2011, the Company signed a commercial lease with the company SELECTINVEST 1 that runs until May 2020. The amount of the future rents under that agreement was equal to EUR 2,536,397 as of 30 June 2011.

The Company has signed various ordinary rental agreements for office equipment. The amount of the future rents under those agreements is broken down as follows as of 30 June 2011:

- 2011 : EUR 9,627;
- 2012 : EUR 16,687;
- 2013 : EUR 13,754;
- 2014 : EUR 10,457;
- 2015 : EUR 4,903.

10.2 CASH FLOWS

10.2.1 Cash flows related to operating activities

The cash burn related to the operational activities for the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010 amounted to EUR 3,916,833, EUR 3,026,939, and EUR 4,459,432 respectively.
This cash burn increased by 47.3% from 31 December 2009 to 31 December 2010 as a result, in particular, of the costs of pre-clinical development and those associated with regulatory requirements and the launch of the Phase I clinical study of *Viaskin® Peanut*, while the decrease that occurred from 31 December 2008 to 31 December 2009 resulted primarily from a significant reduction in overhead (reduction of the fees and variable compensation).

During the 1st half year of 2011, the cash burn related to the operating activities accelerated greatly in comparison with the 1st half year of 2010, increasing from EUR 1,720,304 to EUR 3,861,832 because of the combined effect of the increasing efforts made by the company in its research and development program and their impact on the working capital requirement, which increased by EUR 979,707 during that same period.

10.2.2 Cash flows related to investment activities

The cash burn related to the investment activities is relatively limited and for the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010, they amounted to EUR 104,189, EUR 217,870, and EUR 48,759 respectively. As of this date, the business activity of the Company has not required major investments, because of a significant reliance on sub-contracting for the production of the *Diallertest®* product and the lots of clinical patches, as well as for the conduct of the clinical studies.

The cash flows mainly involve the acquisition of property, plant, and equipment, including, in particular, laboratory and research equipment, production tools, and improvements in the business

premises, and amounted to EUR 105,291, EUR 235,297, and EUR 48,282 for the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010.

The cash burn related to investment operations generated in the 1st half year of 2011 is relatively larger and amounted to EUR 303,358 as of 30 June 2011, as compared to EUR 28,856 as of 30 June 2010. This increase originated essentially from the sums committed within the framework of the move of the business premises of the company (improvement work, laboratory equipment, and a security deposit paid to the lessor posted to the accounts under long-term financial assets).

10.2.3 Cash flows related to financing activities

The positive net cash flows related to the financing activities amounted to EUR 238,138 in 2008, EUR 5,969,052 in 2009, and EUR 9,128,015 in 2010.

The cash flows related to the financing activities are of 3 types:

- ✓ the funds raised during rounds of financing, one in January 2009 in the amount of EUR 5,887,378 and the other in December 2010 in the amount of EUR 9,083,261 (after allocation of the expenses in the stock premium);

- ✓ the sums related to the three conditional advances which the company received as of 31 December 2010;

- ✓ and less significantly, the sums related to the exercise of stock subscription warrants (BSAs) or BCE warrants by the warrant holders.

On the other hand, these flows were negative (EUR 127,917) as of 30 June 2011 as opposed to a positive cash flow of EUR 14,250 as of 30 June 2010. They were related to the repayment of the balance of the 1st OSEO repayable assistance in the 1st half year of 2011.

It is to be recalled that during the last round of financing (issue of P4 preferred shares with stock subscription warrants) conducted in December 2010, only the 1st tranche had been called and paid up as of 31 December 2010, reflected by receipt of EUR 9,083,261 (the amount net of issue expenses). The second tranche in an identical amount, which was called in November 2011, was received in full on 6 December 2011.

10.3 INFORMATION CONCERNING THE CONDITIONS OF REPAYABLE ADVANCES AND THE STRUCTURE OF FINANCING

Since the formation of the company and as set forth above in Note 10.1, the only sources of financing have come:

- from the contributions in cash made by its shareholders (Note 10.1.1);
- from the repayable advances granted by OSEO and COFACE (see paragraphs 10.1.2 and 9.3.4 above);
- from the sums received within the framework of the reimbursement of the Research Tax Credit debt claims (see Notes 9.2.1.1 and 10.1.3).

10.4 RESTRICTIONS ON THE USE OF THE CAPITAL

With the exception of the security deposits and bank guarantees posted to the accounts as long-term financial assets in a total amount of EUR 152,441 as of 30 June 2011, the Company has been faced with no restrictions with respect to the availability of its capital.

10.5 SOURCES OF FINANCING NECESSARY IN THE FUTURE

As of 30 June 2011, the amount of the net cash and cash equivalents of the Company was equal to EUR 4,734,784.

Since that date, the Company has received:

- the reimbursement of the Research Tax Credit for the year 2010 in the amount of EUR 1,386,989;
- a contribution of additional shareholders' capital in the amount of EUR 9,680,132 corresponding to the paying up of the second tranche of the fundraising of December 2010 received in full on 6 December 2011;
- the payment of a 1st installment related to a new amount of OSEO assistance granted in December 2011 (see paragraphs 4.5.4 and 9.3.4 above), viz., EUR 256,000.

On the basis of the information that is known as of the date of this *Document de Base* and subject to the risk factors that are described herein, the increase in capital concomitant with the admission of the shares of the stock of the Company to the NYSE Euronext regulated market in Paris has the objective of raising the funds necessary for the financing of the strategy described in paragraph 6.1 until the stage of the marketing of its *Viaskin Peanut*® and *Viaskin Milk*® products, at which time income will be able to be collected from the commercial partnerships mentioned in that same paragraph..

In the event that market conditions do not allow the listing on the stock exchange envisaged to be conducted, the company is considering the following alternatives: (i) pursuit of a search for investors within the framework of a private placement, or (ii) discussions with the financial shareholders of the Company to refinance the Company without relying on new investors. However, no decision has been made to date.

11 RESEARCH AND DEVELOPMENT, PATENTS, LICENSES, TRADEMARKS, AND DOMAIN NAMES

11.1 INNOVATION POLICY

11.1.1 Research that is both technological and therapeutic

The innovation policy of the company includes two complementary aspects that allow it to claim both the status of a "med-tech" company (technological research) and a "biotech" company (therapeutic research).

Since the founding of the Company, most of its resources have been dedicated to research and development activities which allow DBV Technologies to have a technological platform today that offers an innovative approach to specific immunotherapy (see paragraph 6.4 describing the *Viaskin*® technology) and a program of clinical trials within the field of the treatment of food allergies that the *Viaskin*® technology has made possible.

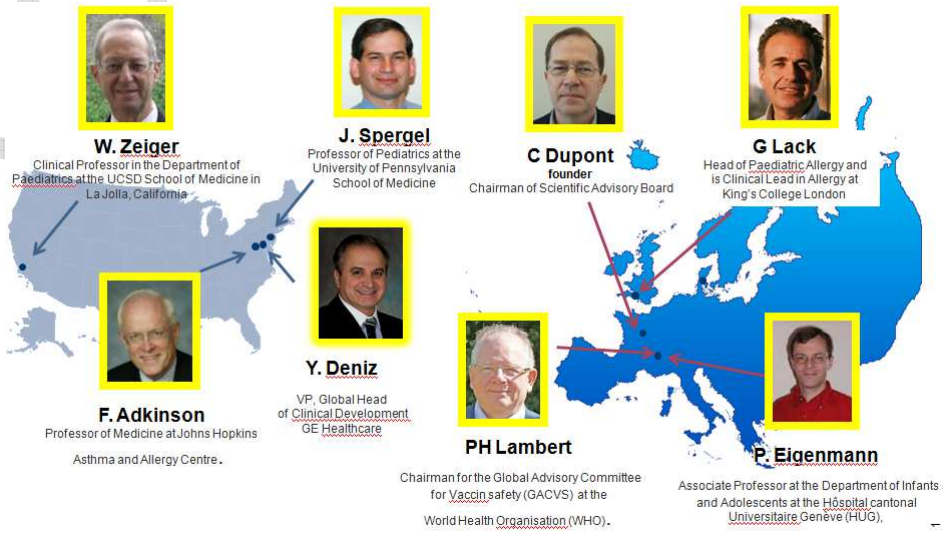
Even though the majority of its available resources are currently dedicated to its clinical development programs, DBV Technologies will continue its R&D efforts in its proprietary technology as well as the manufacturing equipment for *Viaskin*® patches. The equipment designed entirely by the R&D staff and made available to the sub-contractors that manufacture the *Diallertest*® *Milk* and the *Viaskin*® *Peanut* patches, must evolve from prototypes to machines for large scale production under economically viable conditions.

Research and development expenditures are posted to the accounts as expenses in compliance with the accounting rules in effect (IAS 38) as long as the marketing authorizations have not been obtained.

Research and development expenditures for the fiscal years 2010, 2009, and 2008 totaled EUR 5,061.2 K, EUR 3,415.7 K, and EUR 3,199.2 K, composed mainly of wages and salaries as well as fees paid to the partners that conduct the clinical trials on behalf of DBV Technologies.

11.1.2 A scientific board composed of opinion leaders

In addition to its own research and development teams, DBV Technologies has a scientific advisory board composed of eight members, most of whom are experts in the field of allergies, particularly pediatric allergies. They advise the Company in each of the key steps in its clinical development programs (opinions on draft protocols, etc.). Customarily, this committee meets two times per year.



The members of the scientific board, who represent four different countries, are all opinion leaders in their respective fields. The majority of them conduct outstanding scientific and clinical work, particularly in the fields of the diagnosis and treatment of food allergies. Their contribution constitutes a major strength for the Company.

The experience of each of the members is summarized below:

Professor Christophe Dupont: Professor of Pediatrics, Université René Descartes Paris V and Chairman of the Scientific and Co-Founder of the Company, Professor Christophe Dupont is the Chairman of the Department of Pediatric Gastroenterology of Hôpital Necker in Paris. He is a member of the European Society for Pediatric Gastroenterology, Hepatology and Nutrition (ESPGHAN) and the Nutrition Committee of the Société Française de Pédiatrie [French Pediatrics Association]. Professor Dupont's research work and publications are focused on food allergies and pediatric gastroenterology.

Professor Paul-Henri Lambert: Professor Paul-Henri Lambert is the current Chairman of the Global Advisory Committee on Vaccine Safety within the World Health Organization (WHO). Between 2000 and 2004, he was coordinator of the European Project on the Improvement of Neonatal Vaccination, within the European Commission, and, in 2004, the Chairman of the Steering Committee of the Tuberculosis Vaccination Consortium (TB-VAC), also within the European Commission.

Professor Gideon Lack: Professor Lack leads the Pediatric Allergy Service, and is the clinical manager of the Allergy Service at King's College of London and Head of the Children's Allergy Service, Guy's and St. Thomas' NHS Foundation Trust. His research has focused on the prevalence of food allergies in children and the relationship among food allergies, eczema, and asthma. He is currently working on new immunomodulator treatments for food allergies and on the development of new strategies for preventing the development of allergies and asthma in children and adults. Professor Lack is a member of the British Medical Association (BMA), the European Academy of Allergology and Clinical Immunology (EAACI), and the Royal College of Pediatrics and Child Health.

Professor Philippe Eigenmann: Professor Eigenmann is Associate Professor in the Department of Neo-natology and Adolescence at Hôpital Cantonal Universitaire de Genève ([University Cantonal Hospital of Geneva], HUG), in Switzerland, specialized in the diagnosis and treatment of pediatric allergies. His research is currently focused on the pathogenesis of food allergies in relation to intestinal desensitization procedures and the exploration of therapeutic strategies directed against food allergies based on mice models.

Professor Robert Zeiger: Professor Zeiger, M.D., Ph.D., is Clinical Professor of Pediatrics in the Department of Pediatrics of the School of Medicine of the University of California, San Diego in La Jolla, California, United States, and Adjunct Physician Investigator for Kaiser Permanente Southern California. He also serves on the Medical Advisory Boards for the Food Allergy and Anaphylaxis Network (FAAN) and the Food Allergy Initiative (FAI). The current research activities of Professor Zeiger are focused on asthma in children.

Professor Franklin Adkinson: Professor Adkinson, M.D., is Professor of Medicine at the Johns Hopkins Asthma and Allergy Centre. His research has contributed to the understanding we have today of the mechanisms of allergen immunotherapy.

Professor Jonathan Spergel: Professor Spergel, M.D. is an Associate Professor of Pediatrics at the University of Pennsylvania School of Medicine. He is also Chief of the Allergy Department and directs the Centre for Pediatric Eosinophilic Disorders at Children's Hospital of Philadelphia. He is an international expert on the treatment and diagnosis of food allergies.

Dr. Yamo Deniz, M.D.: He is currently the Head of Early and Late Clinical Development at GE Healthcare. Prior to joining GE Healthcare in 2010, Dr. Deniz has held numerous responsible senior

clinical positions in the Respiratory as well as Inflammation groups at Genentech and Roche. Dr. Deniz played a key role in the approval of Anti IgE (Xolair) for the treatment of asthma in the United States and the European Union and supervised the lifecycle plan of the product marketed for other indications. In addition, he led Genentech's Peanut Allergy program.

After studying medicine at the University of Massachusetts, Dr. Deniz completed his subspecialty training in Pediatric Allergy and Immunology at Duke University Medical Centre in North Carolina.

The members of the scientific board are granted stock warrants(see paragraph 21.1.4.2 of this *Document de Base*) and receive fixed compensation per meeting with the exception of Mr. Christophe DUPONT, who has a service agreement with the Company, signed on 30 January 2006, for the purpose of providing the Company with services with respect to scientific, technical, and strategic advice, and in particular, participation in the design of the clinical studies and the production of the protocols, publication of the results, participation in scientific and medical meetings within and outside the Company, a consulting activity, with scientific oversight and acting as chairman of the Company's scientific board. The amount paid pursuant to the agreement, on the basis of an hourly rate, was EUR 62,400 before tax for the fiscal year ended December 31, 2010.

11.2 PATENTS AND PATENT APPLICATIONS

11.2.1 Intellectual property protection policy

Obtaining patents for its technologies is an important issue for DBV Technologies.

Therefore, the protection of its inventions (techniques and methods) by the filing of patent applications is a priority for the Company.

Today the proprietary *Viaskin*® technology, as well as the markets for its application, are protected by fourteen families of patents granted or at various stages of registration which represent a total of 38 patent applications in progress and 27 patents issued.

Like the diagnostic and therapeutic platform based on the cutaneous method, the portfolio of patents can be divided into four groups.

The first three groups are the main ones and cover the majority of the expertise of DBV Technologies:

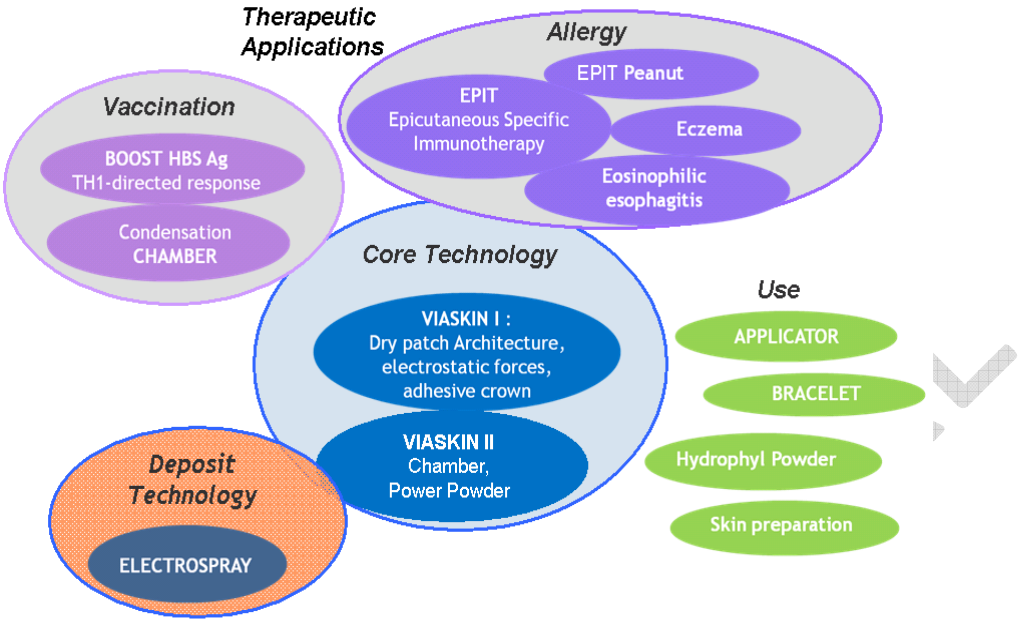
- 1st group: epicutaneous administration device: the *Viaskin*® electrostatic patch,
- 2nd group: techniques for manufacturing the device, and in particular, the deposit of the antigen or allergen in the patch,
- 3rd group: therapeutic epicutaneous treatment (immunotherapy) or prophylactic (vaccination methods) methods

A fourth group of patents, which might be described as secondary, completes the intellectual property associated with the *Viaskin*® technique. These patents have a limited coverage in comparison with the main patents.

The identification, designation, drafting, and monitoring of the patent applications are entrusted, within the Company, to Bertrand Dupont, industrial director, who works in close liaison with the French firm Becker et Associés, manager of the portfolio, on the one hand, and with the American firm Jones Day (San Diego, CA), on the other hand. The United States represents DBV Technologies' primary market for the peanut allergy.

Some patents or patent applications resulting from cooperative endeavors with the AP-HP and Université Paris Descartes are owned jointly with those entities. In all cases, the Company has exclusive possession of the rights to commercial use of the inventions involved. An agreement establishes the royalties that DBV Technologies must pay to its co-owners (see paragraph 11.3.1).

The diagram below represents the four groups of patents or patent applications.



11.2.2 Nature and coverage of the patents

The patents granted and the patent applications that are in progress present a fair image of the research and development work and the pace of the R&D of DBV Technologies. They may also represent a defensive strategy against patent infringement.

11.2.2.1 Epicutaneous administration device

The original DBV Technologies patent, *Viaskin*® I defines the electrostatic patch and the maintenance of the active substance on the patch by electrostatic forces. Already granted in many countries, it was supplemented by a sub-family, *Viaskin® II*, which expands the protection by specifying, in particular, the electrostatic technique of depositing the powders.

This family provides fairly broad protection for the products envisaged by DBV Technologies, those of the *Diallertest*® (diagnostic) family and those of the *Viaskin*® (treatment) family.

The *Viaskin*® family is owned, in co-ownership, by the Company, by Assistance Publique des Hôpitaux de Paris (AP-HP), and by the Université de Paris-Descartes. In compliance with the Regulations of Co-Ownership applicable to this family of patents, DBV Technologies has exclusive possession of all the rights to commercial use of the *Viaskin*® family.

11.2.2.2 Manufacturing techniques

For the time being, there is only one family in this group. It relates to the use of electrospray for the deposit of proteins. The application was first filed in France in 2009, where the patent has been granted, and then through the PCT (Patent Cooperation Treaty), in the principal countries of interest.

Other applications (not filed) for technical patents, the contents of which have not been published, are under review.

11.2.2.3 Treatment methods

- **The EPIT family**

Born out of the patch-test method and the experience acquired through the development of the first product of DBV Technologies (*Diallertest*®), which showed the power of both the device and the administration method for triggering an immune reaction from the organism, the epicutaneous specific immunotherapy (EPIT) was the subject of a specific patent application filed in 2007. This application covers any method of desensitization by cutaneous means using a patch applied to skin that has not been modified by a treatment prior to the application of the patch. This particularity represents the strength of the technology with respect to safety of use, which is essential for its adoption by the authorities and by patients. Thus, the desired patent is one that generally protects the EPIT method of desensitization by cutaneous means. It has been granted in France, and is being considered abroad, in particular in Europe and in the United States. Although mentioned in the *Viaskin* family, the EPIT method is specified here in its description and detailed. It reveals the essential role of the local inflammation in the triggering of the immunological reaction leading to desensitization. This patent covers all the applications of the epicutaneous technique to desensitization and includes the use of any food or respiratory allergen. This, therefore, is a very broad patent for the platform that DBV Technologies has developed. It is owned jointly by the Company with the AP-HP and the Université Paris-Descartes.

- **The desensitization to peanuts patent family**

The lead product of the Company, which is about to enter Phase II, with a market largely located in North America, the treatment of the allergy to peanuts by cutaneous means was the subject of a specific patent application filed in the United States in 2008, and then in the PCT countries and other countries of interest. That application has the priority date of the EPIT application, i.e., 2007. It is also owned jointly by DBV Technologies, the AP-HP, and the Université Paris-Descartes. This patent, once issued, would likely be attached to the future marketing authorization and could then receive an extension.

- **The eczema treatment patent family**

Directly resulting from pre-clinical research of DBV Technologies, this treatment seeks to treat patients affected by eczema by specific immunotherapy. Applied to the skin, EPIT has proven to be particularly effective for healing that same area where an allergic patient suffers from eczema. The application was filed in 2009 and is currently in the PCT phase. The method, applied to mice, was the subject of a publication that same year. It is a very original treatment.

- **The treatment of eosinophic esophagitis patent family**

In the same manner, eosinophic esophagitis seems to yield rapidly to treatment by EPIT, which has the same originality as the one described above. The application has also been in the PCT phase since September 2010.

- **The vaccination patent family**

The principle of epicutaenous vaccination using a *Viaskin*® patch, on unprepared skin without an adjuvant, was the subject of a patent application in 2007, which was granted in France in 2009. The application is currently under consideration in the principal countries. The patent application covers all the applications of the *Viaskin*® product to vaccination, opening the platform to the latter.

- **The booster family**

A special application of vaccination, the booster is intended for patients who have already been vaccinated and require revaccination. The invention emanates from joint research conducted by DBV Technologies and the Université de Genève (refer to the description of the DBV Technologies - Université de Genève agreement below in paragraph 11.3.1).

11.2.2.4 Secondary patents

The "Strip" patent family: claims a patch that allows the skin to be prepared by removing superficial cells of the stratum corneum from the surface of the skin to which the patch is to be applied. The patent was issued in France in 2009, and is in the process of being accepted in Europe;

The "Bracelet-Patch" patent family: claims an original mounting of the patch. The patent was issued in France;

The "Hydrophilic powder" patent family: claims the use of a hydrophilic powder as an excipient with a dry formulation. The patent application is being reviewed in France;

The "Applicator" Patent: the patent has been issued in France;

The "microcontour" Viaskin® patent: patent application filed only in Europe -- Improvement of the technique of depositing powder for the *Diallertest*® product.

11.2.3 Patents currently utilized

The product for diagnosing the allergy to cow's milk proteins, *Diallertest*® *Milk*, currently sold in France, uses the *Viaskin*® *I* and *Viaskin*® *II* patents, as well as the "Applicator" patent.

11.2.4 Territories protected

All the Company's patent applications are extended abroad via the PCT procedure. The territories selected ultimately depend on the strategic significance of the patent. For the most important patents, the territories selected generally include:

- the United States and Canada,
- Europe,
- Israel,
- Brazil
- Japan and Korea,
- Australia,
- India,
- China.

In Europe, the countries selected for validation after issuance of the European patent are at least Germany, the United Kingdom, Spain, and Italy.

Table Summarizing the Families of Patents Owned by DBV Technologies

Ref. (*)	Family	Priority date (**)	Expiry date	Status	
				Countries in which the patent has been obtained (***)	Countries in which the application is pending
Patents	**held by DBV in**	**full ownership**			
B0456	Applicator	Feb-04	Feb-24	Issued in France	
B0457	Microcontour	May-05	May-25		Awaiting issuance in Europe
B0551	Strip	Feb-07	Feb-28	Issued in France and in Europe	National examination underway in the U.S.
B0557	Bracelet	Mar-07	Mar-28	Issued in France	National examination underway in the U.S. and European examination underway
B0575	Electrospray	Jan-08	Jan-28	Issued in France	National examinations underway in the main countries: Australia, Canada, China, Israel, India, Japan, Korea, and U.S. - European examination underway
B0614	Hydrophilic powder	Oct-07	Oct-28		National examinations underway in France, Australia, Canada, China, Israel, India, Japan, Korea, and U.S. - European examination underway
B0642	Vaccination	Dec-07	Dec-28	Issued in France	Examinations underway in Australia, Canada, China, Israel, India, Japan, Korea, and U.S. - European examination underway
B0852	Treatment of Eczema	Mar-09	Mar-30		On hold in France - National examinations underway in the U.S. and Japan - European examination underway
B0946	Treatment of esophagitis	Sep-09	Sep-30		On hold in France - international PCT examination underway
B01023	Sweet boost	Apr-10	Apr-31		International PCT examination underway

Ref. (*)	Family	Priority date (**)	Expiry date	Status	
				Countries in which the patent has been obtained (***)	Countries in which the application is pending
Patents	**co-owned**	**by DBV and the AP/HP**	**Université Paris**	**Descartes**	
B0455	Viaskin I	Mar-01	Aug-21	Issued in the U.S., Europe, Canada, Australia, China, Eurasia, Russia, Hong Kong, Japan, South Korea, and the United Arab Emirates	
B0461	Viaskin 2	United States: March-2001 (CIP of Viaskin I), Other countries: Apr-06	US: August-2021 - Other countries: Apr. 2027	Issued in the United States, Eurasia and South Africa	National examinations underway in Korea, New Zealand, Australia, Brazil, Canada, Israel, India, Japan, and Mexico - European examination underway
B0645	EPIT Method	Dec-07	Dec-28	Issued in France -	National examinations underway in Australia, Canada, China, Israel, India, Japan, Korea and the United States - European examination underway
B0746	Peanut Immunotherapy	Dec-07 (United States)	Dec-28		Filed in the United States - National examinations underway in Australia, Canada, China, Hong Kong, Israel, India, Japan, and Korea - European examination underway

(*) Internal codification of the Company.

(**) The priority date of the patent corresponds to the date of the first filing made beginning from which the patent is issued for a term of 20 years, it being specified that when the corresponding products are registered (i.e., a marketing authorization is obtained), the patents might receive an extension of their term of protection for up to 5 years maximum, depending on the case.

(***) The term "issued" used below means that the patent is approved and that the Company may claim it in order to protect an invention.

The time period for investigation of the patent applications remains somewhat variable. Between the filing of the application and its approval (or denial), one must count on an average of 2-3 years in France, 4-5 years at the European level, and 2-4 years in the United

States. The procedure may be longer if appeals must be brought, or if challenges are made, for example. An accelerated review may also be requested from some offices, including the European Office, which can allow the time period for investigation to be shortened. In all cases, the patent applications are published 18 months after they are filed and, in Europe a research report is issued by the office within the year that follows the date the application is filed. The patents currently being considered and directly linked to the future therapeutic product "Viaskin® Peanut" are patents: *Méthode EPIT* (B645), Peanut immunotherapy (B746) and *électrospray* (B575).

11.3 COLLABORATION, RESEARCH, SERVICE PROVISION, AND LICENSE AGREEMENTS GRANTED BY THE COMPANY OR GRANTED TO THE LATTER

11.3.1 Collaboration agreements

- **Research and Development in collaboration with the AP-HP**

Within the framework of his activities as a hospital practitioner of the AP-HP, Mr. Christophe Dupont has collaborated with DBV Technologies in the refinement of the *Viaskin®* patch (described in paragraph 6.4), intended, in particular, to detect the state of sensitization of a subject to an allergen, manufacturing and use process.

This collaboration resulted in obtaining, in the name of DBV Technologies, the following patents that mention Christophe Dupont as co-inventor:

- *Viaskin® 1*: Patent EP 1367944, obtained on 13 October 2004, and Patent US 7 722 897 obtained on 25 May 2010;
- *Viaskin® 2*: Patent US 7 635 488 filed in the United States and obtained on 22 December; European patent EP 07 728431, in progress.

DBV Technologies, the AP-HP, and the Université Paris-Descartes (hereinafter, together, "the parties") entered into, in December 2008, an agreement establishing the regulations of co-ownership and of assignment-development and licensing arranging for the system of co-ownership thereby created between the parties and the assignment of the exclusive right to use said principal patents and those that might result from the further refinement of them. The same is the case for the "EPIT Method" (B0645) and "Peanut immunotherapy (B0746)" patents, considered as patents derived from the two principal patents indicated above.

As a result of this agreement the parties co-own the patents as follows:

- 90% for DBV Technologies
- 5% for the AP-HP
- 5% for the Université Paris-Descartes

Upon the expiration of this agreement, DBV Technologies has exclusive possession of all the rights attached to the patents, subject to the right of AP-HP and the Université Paris-Descartes to use the technology covered for the sole purposes of internal non-commercial research. The commercial use of the patents is reserved exclusively for the Company, to any third party that might succeed it with respect to its rights, to any assignee, and to any licensee or sub-licensee freely designated by the Company.

Designated as the manager of the patents, the Company has undertook to pay AP-HP in consideration for the assignment of the use rights the sums indicated below, after deduction of the management expenses of the patents and the expenses of clinical development of the products (limited to a cumulative maximum ceiling of deduction during the term of the agreement of EUR 6 million):

- For the direct use:
    - royalties of 2% of the net sales[2] of any product that utilizes at least in part the patented technology covered by the two principal patents alone or combined with one or more of the derivative patents,
    - royalties of 1% of the net sales of any product that uses, at least in part, the derivative patents alone without use of the two principal patents,
- For indirect use, royalties of 2% of the income from the exclusive or non-exclusive licenses or sub-licenses received by the Company

This agreement has a term that ends upon the expiration of the last patent, and was concluded *intuitu personae*, and thus, it is not assignable or transferable without the agreement of the other party. The share of co-ownership of some or all the patents involved is freely assignable, subject to a right of first refusal granted to the other parties.

- **Research and Development in collaboration with the Université de Genève**

On 11 June 2009, DBV Technologies entered into with the Université de Genève (UNIGE) a research and development cooperation framework agreement concerning the comparison of vaccination by injection by traditional means with the epicutaneous *Viaskin*® method (Patent BO1023, "Sweet Boost," which appears in the summary table presented above). Upon the expiration of this agreement governed by Swiss law, a principle of co-ownership of the inventions and patents covering the results developed jointly at the end of said research program is stipulated. An option right is granted to DBV Technologies, allowing it to obtain an exclusive world-wide license to commercial use of the results. The UNIGE also grants DBV Technologies a free license to the new developments that are inseparable from the use of the patents that belong to DBV Technologies, which cover the *Viaskin*® technology. An invention and patent assignment agreement was concluded on 30 April 2010 by DBV Technologies and the UNIGE in application of this collaboration framework agreement. This agreement, which is subject to Swiss law, covers patent application EP 10315399 filed on 16 April 2010 by DBV Technologies and involves a vaccine that amplifies a pre-existing immune response (the "Sweet boost" patent that appears in the last line of the table above), the principal inventor of which is Ms. Claire-Anne Siegrist, Professor at the Université de Genève, in association with Lucie Mondoulet (DBV Technologies).
By means of this agreement, the full and complete ownership of the invention and the inventions derived from it is transferred to DBV Technologies, as well as complete freedom of commercial use thereof, with the UNIGE retaining the right to use the invention for research purposes. The financial consideration for this assignment is expressed in terms of royalties (1%) due to the UNIGE on net sales (defined as the total amount of the sales invoiced excluding the amount of insurance coverage, packaging, freight, taxes and customs expenses to the extent that these items are invoiced separately) of the products protected by the patent in question and as a share of the income related to the assignment, by DBV Technologies, of any license to use these products (5% if the assignment takes place at the end of the pre-clinical studies, 7% if at the end of Phase II).

[2] "Net Sales" means the amount of the sales excluding taxes of products (in all their forms) invoiced to third parties, including the distributors, by the Company or its affiliates, after deduction of the traditional commercial discounts and of the credits resulting from the returns of products in each country in the territory, it being understood that said cumulative commercial reductions may not exceed fifteen percent (15%) of the amount of the sales.
The Net Sales do not include the sales of products between the company and its affiliates or among its affiliates. The Net Sales include only the sales between an affiliate (or the Company) and a third party (and not sale between the company and an affiliate or between affiliates). They also do not include the sales or transfers made within the framework of humanitarian operations, or those made within the framework of clinical studies.

11.3.2 License Agreement

With the exception of the use licenses deriving from the Regulations of Co-ownership of the patents concluded with the AP-HP and the Université Paris-Descartes covering the technology in the *Viaskin*® patch, the Company, to date, has not received any license agreement granted by one or more third parties. It has not granted any license agreement to a third party.

11.4 OTHER INTELLECTUAL PROPERTY ITEMS

The company is the owner of the "*Viaskin*®" and "*Diallertest*®" trademarks for which it has international registration coverage, covering, in particular, the European Union, the United States, and Japan.

Finally, as of this date, the Company is also the owner of the following domain names:

Name	Country	Expiry
aruallergic.com	Generic	03/07/2012
dbvpharma.com	Generic	01/02/2012
dbv-pharma.com	Generic	01/02/2012
dbvtechnologies.com	Generic	11/05/2012
dbv-technologies.com	Generic	04/04/2012
diallertest.com	Generic	20/02/2012
epicutaneouspatch.com	Generic	16/11/2012
skin-patch.com	Generic	16/11/2012
viaskin.com	Generic	24/11/2012
viaskinmilk.com	Generic	16/11/2012
viaskinpeanut.com	Generic	16/11/2012
worldallergies.com	Generic	03/07/2012
dbv-technologies.eu	European Union	11/05/2012
diallertest.eu	European Union	11/05/2012
viaskin.eu	European Union	15/05/2012
dbvtechnologies.fr	France	11/05/2012
dbv-technologies.fr	France	31/05/2012
diallertest.fr	France	11/05/2012
electrospray.fr	France	16/11/2012
milkallergy.fr	France	09/04/2012
peanutallergy.fr	France	09/04/2012
viaskin.fr	France	15/05/2012
dbv-technologies.info	Generic	25/11/2012
diallertest.jp	Japan	30/11/2012
electrospray.jp	Japan	30/11/2012
japanesecedarallergy.jp	Japan	30/11/2012
viaskin.jp	Japan	30/11/2012
viaskinmilk.jp	Japan	30/11/2012
viaskinpeanut.jp	Japan	30/11/2012
ViaskinHDM.com	Generic	

ViaskinHDM.eu	European Union	
ViaskinHDM.fr	France	
ViaskinHDM.jp	Japan	
ViaskinHousedustmites.com	Generic	
ViaskinHousedustmites.eu	European Union	
ViaskinHousedustmites.fr	France	
ViaskinHousedustmites.jp	Japan	

12 TRENDS

12.1 PRINCIPAL TRENDS SINCE THE END OF THE HALF YEAR ENDED ON 30 JUNE 2011

Since the end of the half year that ended on 30 June 2011, the Company has continued its clinical development program, the most recent data for which are provided in detail in Section 6.6 of this *Document de Base*.

It is reiterated there that in December 2011, the Company was notified that it had obtained from the FDA "Fast Track" status for the study related to *Viaskin® Peanut*. This status, which constitutes a first for a desensitization product, is an indication of the expectation that exists with respect to the therapeutic treatment of the allergy to peanuts.

12.2 KNOWN TREND, UNCERTAINTY, REQUEST FOR COMMITMENT, OR EVENT THAT IS REASONABLY LIKELY TO INFLUENCE THE PROSPECTS OF THE COMPANY

See paragraph 6.3 "The market for allergies."

13 FORECASTS OR ESTIMATIONS OF THE NET PROFIT

The Company does not intend to make net profit forecasts or estimates.

14 ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND THE OFFICE OF THE CHIEF EXECUTIVE OFFICER

14.1 EXECUTIVES AND MEMBERS OF THE BOARD OF DIRECTORS

14.1.1 Composition of the Board of Directors

As of the date of this *Document de Base*, the Board of Directors of the Company is composed of the following eight members:

Name	Office	Principal duties in the Company	Principal duties outside of the Company	Dates of 1st appointment and most recent renewal (*)
Pierre-Henri BENHAMOU	Chairman of the board of directors	Chief Executive Officer	None	Appointed by the general meeting of 23 December 2005. His term was renewed by the general meeting of 16 December 2010 for a term of two years ending following the general meeting called to approve the financial statements of the fiscal year ended on 31 December 2011. Appointed as Chairman and Chief Executive Officer by the Board of Directors meeting of 25 February 2010, then confirmed as chief executive officer by the Board of Directors meeting of 23 December 2010. Appointed as Chairman and Chief Executive Officer by the Board of Directors meeting of 17 January 2012 having decided to abandon the separation of the duties of chairman and chief executive officer following the resignation of Mr. George Horner III from his office as Chairman.
George HORNER III	Director	None	None	Appointed by the general meeting of 16 December 2010 for a term of two years ending following the general meeting called to approve the financial statements of the fiscal year ended on 31 December 2011. Appointed in the capacity of chairman by the Board of Directors meeting of 23 December 2010, from which office he resigned on 17 January 2012.
Dr Torbjörn BJERKE (Independent director)	Director	None	Managing Director of Karolinska Development AB	Appointed by the general meeting of 27 February 2006. His office was renewed by the general meeting of 16 December 2010 for a term of two years ending following the general meeting called to approve the financial statements of the fiscal year ended on 31 December 2011.
SOFINNOVA Partners represented by Ms Rafaèle TORDJMAN	Director	None	Partner at Sofinnova Partners	Appointed by the general meeting of 23 December 2005. Her term was renewed by the general meeting of 16 December 2010 for a term of two years ending following the general meeting called to approve the financial statements of the fiscal year ended on 31 December 2011.
Peter HUTT (Independent director)	Director	None	Partner at Covington & Burling LLP	Appointed by the general meeting of 21 January 2009. His term was renewed by the general meeting of 16 December 2010 for a term of two years ending following the general meeting called to approve the financial statements of the fiscal year ended on 31 December 2011.
Flemming PEDERSEN	Director	None	Chief Financial Officer and executive Vice President of ALK Abello	Co-opted by the Board meeting of 24 June 2011 for the term remaining to run of the office of the resigning director that he replaced, i.e. until the meeting called to approve the financial statements of the fiscal year ended on 31 December 2011.
Mette Kirstine AGGER	Director	None	Managing Director of Lundbeckfond Ventures	Appointed by the general meeting of 16 December 2010 for a term of two years ending following the general meeting called to approve the financial statements of the fiscal year ended on 31 December 2011.
CDC Enterprises (INNOBIO) represented by Chahra LOUAFI	Director	None	Investment Director CDC Enterprises	Appointed by the general meeting of 16 December 2010 for a term of two years ending following the general meeting called to approve the financial statements of the fiscal year ended on 31 December 2011.

(*) All the terms expire during the ordinary general meeting that will be held to approve the financial statements for the fiscal year ended on 31 December 2011. It is anticipated that when they are renewed, the composition of the Board of Directors will include: Mr. Pierre-Henri Benhamou and at least three members of the Board designated upon the proposal of each of the three major investors who collectively represent more than 50% of the share capital and voting rights and three independent members of the Board.

The Board of Directors also includes a non-voting member of the board who does not hold any position within the Company. This is Ms. Gwen MELINCOFF, currently Senior Vice President of Business Development at SHIRE Pharmaceuticals Ltd, appointed on 16 December 2010 for a term of two years that expires at the end of the general meeting called to approve the financial statements for the fiscal year ended on 31 December 2011.

The business addresses of the members of the Board of Directors are as follows:

- Pierre-Henri BENHAMOU: registered office of the Company;
- Georges HORNER III: registered office of the Company;
- Dr. Torbjorn BJERKE: Karolinska Development, Fogdevreten 2 A, SE-17165 Solna, Sweden;
- Ms. Rafaèle TORDJMAN: SOFINNOVA PARTNERS, 17 Rue de Surène 75008 Paris, France;
- Mr. Peter HUTT: Covington & Burling LLP, 1201 Pennsylvania Avenue, N.W. ,Washington, DC 20004, United States of America;
- Mr. Flemming PEDERSEN: ALK-Abelló, Bøge Allé 1 · DK-2970 Hørsholm, Denmark;
- Ms. Mette Kirstin AGGER: Lundbeckfonden, Vestagervej 17, DK-2900 Hellerup, Denmark;
- Ms. Chahra LOUAFI: CDC Enterprises, 137 Rue de l'Université 75007 Paris, France.

The expertise and experience with management of these persons is the result of various salaried and management positions that they previously held (see paragraph 14.1.3).
There are no family relationships among the persons indicated above.

None of these persons during the past 5 years has been:

- sentenced for fraud;
- associated, in his or her capacity of executive or member of a Board of Directors, with a bankruptcy, sequestration, or liquidation;
- barred from management;
- the object of incriminations or official public sanctions delivered by statutory or regulatory authorities.

14.1.2 Other Current Positions

	Other current positions	
	Company	**Nature of the office**
Pierre-Henri BENHAMOU	SCP Benhamou Vannerom SCP Cabinet Médical Victor Hugo PHYS	Co-manager Co-Manager Manager
George HORNER	Creabilis Therapeutics Omthera Pharmaceuticals Durata Therapeutics	Chairman of the Board of Directors Chairman of the Board of Directors Director
Dr Torbjörn BJERKE	Neurosearch Aprea AB Axela AB Pergamum AB Action Pharma Karolinska Development	Director Director Director Chairman of the Board of Directors Vice President and director Managing Director
Ms Rafaèle TORDJMAN	**On a personal basis** PregLem SA (Switzerland) Ascendis Phamaceuticals [sic] A/S (Denmark) Healthcare Brands International Ltd (United Kingdom) Flexion Therapeutics Inc. (United States) Nucana BioMed Ltd (United Kingdom)	 Director Director Director Director Director

	As permanent representative of Sofinnova Endotis Pharma SA	 Director
Peter HUTT	Ista Pharmaceuticals, Inc. Momenta Pharmaceuticals, Inc. Xoma Ltd Q Therapeutics, Inc. BIND Biosciences, Inc. Blend Biosciences, Inc. Concert Pharmaceuticals, Inc. Entodis Pharma SA LifeLine Screening Holdings, Inc. Living Proof, Inc. Nanomedical Systems, Inc. Pervasis Therapeutics, Inc. Selecta Biosciences, Inc. Seventh Sense, Inc.	Director Director Director Director Director Director Director Director Director Director Director Director Director Director
Flemming PEDERSEN	Origio A/S (Denmark) Sophion Bioscience A/S NsGene A/S Atonomics A/S MBITA/S	Chairman of the Board of Directors Chairman of the Board of Directors Director Chairman of the Board of Directors Director
Mette Kirstine AGGER	Klifo A/S Harboes Bryggerier A/S Veloxis A/S Epitherapeutics Aps Statens Serum Institute	Chairwoman of the Board of Directors Director Director Director Director
Ms Chahra LOUAFI	*In her own name:* Cap Décisif Management *As permanent representative of CDC Enterprises:* Inserm Transfert Initiative SAS	Member of the supervisory board Chairwoman of the supervisory board until February 2012. Then, member of the supervisory board from February 2012.

14.1.3 Other Positions Held During the Past 5 Fiscal Years But Have Ended as of This Date

	Positions held over the last five fiscal years but having ended to date	
	Company	**Nature of the office**
Pierre-Henri BENHAMOU	None	
George HORNER	Prestwick Pharmaceuticals Novexel SA Endo Pharmaceuticals Endotis SA	Chief Executive Officer and director Director Director Director
Dr Torbjörn BJERKE	Biolipox Orexo AN	Chief Executive Officer Chief Executive Officer
Ms Rafaèle TORDJMAN	**On a personal basis** EndoArt SA (Switzerland) **As permanent representative of Sofinnova** Inserm Transfert Initiative SAS	Director Member of the management board
Peter HUTT	Celera Corporation CV Therapeutics, Inc. Entegrion Therapeutics, Inc. Favrille, Inc. Introgen Therapeutics, Inc.	Director Director Director Director Director
Flemming PEDERSEN	Bavarian Nordic A/S Zgene A/S Neurodan A/S Astion Pharma A/S	Director Director Director Director
Mette Kirstine AGGER	Symbion Science Park	Director
Ms Chahra LOUAFI	*As permanent representative of CDC Enterprises:* Emertec Gestion	Member of the supervisory board

14.1.4 Biographies of the members of Board of Directors and of the non-voting member of the board

Pierre-Henri BENHAMOU, physician, pediatrician, specialized in pediatric gastroenterology. Dr. Benhamou has held numerous important clinical positions, including that of Senior Consultant at the Saint-Vincent-de-Paul Hospital in Paris. At the head of DBV Technologies, he received the prize for technological innovation from the Altran Foundation for Innovation in 2003 for his work on the development of test patches allowing the allergy to cow's milk to be diagnosed. With the first-class scientific research staff that he leads within DBV, PH Benhamou has published numerous works and conducted numerous scientific collaborations. Within DBV Technologies, he currently holds the position of Chairman and Chief Executive Officer.

George HORNER III is a pharmaceutical/biopharmaceutical executive with more than 40 years of experience in that sector. He is currently a Biotech management consultant for several private companies in the United States and in Europe. Previously, Mr. Horner was Chairman and Chief Executive Officer of Prestwick Pharmaceuticals, a company that has business activities that involve the SNC and which he led in order to obtain the approval of the FDA for tetrabenazine (TBZ), the first medicine ever authorized in the United States for the treatment of patients stricken by Huntington's Disease. Prior to that, Mr. Horner was Chairman and Chief Executive Officer of Vicuron Pharmaceuticals, a company operating in the field of anti-infectives; under his leadership, the company increased from a market value of USD 12.8 million to a value of USD 1.9 billion at the time it was bought out by Pfizer. Furthermore, he has held numerous positions as an executive, as chief executive officer, and development marketing/sales manager within Abbott Laboratories and E.R. Squibb, across four continents.

Torbjorn BJERKE: Dr. Bjerke contributes valuable skills and great expertise in the area of the treatment of allergies as a result of his vast experience as Chairman and Chief Executive Officer of Piolipox, a Swedish pharmaceutical laboratory that develops new treatments for inflammatory diseases. Previously, Dr. Bjerke was Vice President of the Research and Development Department at ALK-Abelló and prior to that occupied positions as Director of Research at AstraZeneca.

Rafaèle TORDJMAN, M.D., Ph.D., is an associated partner in the life sciences sector at Sofinnova Partners, which she joined in 2001. Before dedicating herself to venture capital, Rafaèle was a physician and researcher. After a five-year residency at the Hôpitaux de Paris as a physician, she presented her doctor of sciences thesis in hematology and angiogenesis, which she obtained brilliantly in 2000. She then worked as a post-doctoral researcher in Immunology at the French National Institute of Health and Medical Research (*Institut National de la Recherche Médicale*, "INSERM") at the Hôpital Cochin, in Paris. In 2002, she was a member of the "Young Managers" Program at INSEAD.

Peter HUTT brings to DBV Technologies very extensive skills and direct experience with the legislation of the U.S. F.D.A. He is currently Senior Counsel in the law firm Covington & Burling LLP, in Washington, D.C., and is specialized in the legislation with respect to foods and medicines, which he teaches at Harvard Law School. He was a member of the Institute of Medicine of the American National Academy of Sciences since it was formed in 1971, and Chief Counsel for the Food and Drug Administration.

Flemming PEDERSEN brings to the Board of Directors of DBV Technologies his experience as Chief Financial Officer and Executive Vice President of Finance and IT for ALK-Abelló A/S, a world leader specialized in the prevention, treatment, and diagnosis of allergies. Before joining ALK, Mr. Pedersen was Chairman and Chief Executive Officer of NeuroSearch, a company specialized in the research and development of pharmaceutical products that treat disorders of the nervous system. Previously, Mr. Pedersen held several positions within the finance departments of large Danish companies. Flemming Pederson has extensive experience acquired with boards of directors of public and private medical companies.

Mette Kirstine AGGER: Previously co-founder and Chairman and Chief Executive Officer of 7TM Pharma A/S Vice President and Manager of Commercial Development and Authorizations at NeuroSearch A/S. She has been a co-founder of several biotechnology companies and has held numerous seats on boards of directors. She began her career as a patent agent, after obtaining a biology degree at the University of Copenhagen as well as an M.B.A.

Chahra LOUAFI: Before joining CDC Enterprises in 2001, Chahra Louafi was responsible for the preparation and implementation of projects, as well as creation, within a private business incubator specialized in biotechnologies, Mendel Partner. At CDC Enterprises, Chahra Louafi (investment manager) was responsible for, among other things, investment funds, particularly start-up funds and biotechnology funds, as well as technology transfer transactions. Since October 2009, she has been part of the management staff of the fund InnoBio, a fund dedicated to biotechnology companies, led by CDC Enterprises, and in which business in the pharmaceutical industry invest. Ms. Louafi is Chairman of the Supervisory Commission of Inserm Transfert Initiative and a member of the Supervisory Commission of Cap Décisif Management.

Gwen MELINCOFF (Non-voting board member) has more than 20 years of experience in management within biotechnology companies and pharmaceutical laboratories. Her experience covers research, marketing, product management, project management, authorizations, and commercial development.
Since September 2004, Ms. Melincoff has been part of the Commercial Development staff of Shire Pharmaceuticals, first as Vice President of Commercial Development, then recently as Vice President and Manager of Commercial Development. She is also at the head of the strategic investment group of Shire Pharmaceuticals. During her term in office, she has worked on numerous authorizations, product divestments, co-promotion and collaboration and merger and acquisition agreements. She was responsible for the collaboration with New River Pharmaceuticals, which culminated in the acquisition of the company for USD 2.6 billion within two years following the first transaction.
Ms. Melincoff has a B.S. in Biology, a Master's degree in Management and Health Care Administration, and has obtained the title of Certified Licensing Professional (CLP™).

14.2 CONFLICTS OF INTEREST IN THE ADMINISTRATIVE AND MANAGERIAL BODIES AND THE OFFICE OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer and the members of the Board of Directors who constitute the management team are shareholders, directly or indirectly, of the Company and owners of securities giving access to the share capital of the Company (see paragraph 17.2), with the exception

- of Mr. PEDERSEN, appointed as a natural person member of the Board of Directors and not as a permanent representative of ALK-Abelló, which, for its part, as of this date owns 818,175 shares of DBV Technologies, i.e., 9.27% of the share capital and of which he is Chief Financial Officerand

- of Ms. AGGER, appointed as a natural person member of the Board of Directors and not as a permanent representative of Lundbeckfond Ventures, which, for its part, as of this date owns 779,220 shares of DBV, that is, 8.83% of the share capital and of which she is Chief Executive Officer.

Related party agreements are described in paragraphs 16.2 and 19.3.1.

The shareholders' agreement signed among the major shareholders of the Company on 16 December 2010 will be terminated on the date of the first listing of the shares of the Company's stock on the NYSE Euronext regulated market in Paris. To the knowledge of the Company there are no other agreements entered into with shareholders, customers, suppliers, or others under the terms of which one of the members of the Board of Directors or one of the executives of the Company was appointed.

To the Company's knowledge, there are no, as of the filing date of this *Document de Base*, other restrictions accepted by the persons indicated in paragraph 14.1 of this *Document de Base* concerning the assignment of their investment in the share capital of the Company.

To the Company's knowledge, there are no actual or potential conflicts of interest between the duties of the persons who compose the administrative and management bodies or the Chief Executive Officer with respect to the company and their private interests or other duties, as indicated in paragraph 14.1 above.

15 COMPENSATION AND BENEFITS

15.1 COMPENSATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES

In compliance with the law of 3 July 2008, the information has been prepared by referring to the Corporate Governance Code for Small and Medium Capitalization Companies [*Code de gouvernement d'entreprise pour les valeurs moyennes et petites*] as published in December 2009 by MiddleNext. Tables No. 1, No. 2, No. 3, and No. 10 in the "*Recommandation AMF relative à l'information à donner dans les prospectus sur la rémunération des mandataires sociaux du 22 décembre 2008* [AMF Recommendation dated 22 December 2008 concerning information to be provided in the *Document de Base* with respect to the compensation of the corporate officers] are presented below:

Table No. 1

Summary table of the compensation and BSPCEs allocated to each executive corporate officer			
	2008 fiscal year	**2009 fiscal year**	**2010 fiscal year**
George Horner III - Chairman of the Board of Directors (1) Compensation owed for the fiscal year Valuation of the BSPCEs allocated during the fiscal year Valuation of the performance shares allocated during the fiscal year			**Appointed on 23-Dec-10**
TOTAL			**€ 0**
Pierre-Henri Benhamou - Chairman-CEO (2) Compensation owed for the fiscal year Valuation of the BSPCEs and share warrants allocated during the fiscal year (3) Valuation of the performance shares allocated during the fiscal year	€ 187,000 € 0	€ 189,000 € 125,403	€ 325,875 € 21,939
TOTAL	**€ 187,000**	**€ 314,403**	**€ 347,814**
Jean-François Biry - Chairman-CEO (4) Compensation owed for the fiscal year Valuation of the BSPCEs allocated during the fiscal year (3) Valuation of the performance shares allocated during the fiscal year	€ 404,526 € 41,435	€ 305,038 € 0	€ 50,173 € 0
TOTAL	**€ 445,961**	**€ 305,038**	**€ 50,173**
TOTAL EXECUTIVES	**€ 632,961**	**€ 619,441**	**€ 397,987**

(1) Appointed as Chairman by the Board of Directors meeting held on 23 December 2010, which opted for the separation of the positions of Chairman and Chief Executive Officer. His annual compensation was set at € 50,000 per year by the Board of Directors meeting held on 28 January 2011. Mr. Georges Horner III resigned from his term in office as Chairman of the Board of Directors on 17 January 2012, a decision enacted by the Board of Directors meeting on that same day, which therefore decided to waive the separation between the duties of Chairman and Chief Executive Officer. During the period presented, he did not receive any compensation.

(2) Appointed as Chairman and Chief Executive Officer by the Board of Directors meeting held on 25 February 2010 and confirmed as Chief Executive Officer by the Board of Directors meeting held on 23 December 2010, which opted for the separation of the positions of Chairman and Chief Executive Officer. Following the resignation of Mr. Georges HORNER III from his term as Chairman on 17 January 2012 and the decision of the Board of Directors that met on that same day to waive the separation of the positions of Chairman and Chief Executive Officer, Mr. Benhamou became Chairman and Chief Executive Officer on such date.

(3) The method of valuation of the securities is described in detail in Note 17 of the Appendix to the financial statements prepared in accordance with IFRS standards presented in paragraph 20.3.1 below;

(4) Removed from office by the Board of Directors held on 25 February 2010 and resigned from his position as a member of the Board of Directors on 11 March 2010.

Beginning in the 2011 fiscal year, upon a proposal by the Compensation Committee, the fixed compensation of Mr. Pierre-Henri Benhamou for his term in office as Chief Executive Officer has been set at €118,125 by the Board of Directors meeting held on 24 June 2011. Following the change in the term as a corporate officer of Mr. Pierre-Henri BENHAMOU from Chief Executive Officer to Chairman and Chief Executive Officer beginning on 17 January 2012, a subsequent meeting of the Compensation Committee is to determine a possible change in the fixed compensation awarded up to then for his term in office as Chief Executive Officer that is reiterated above. Also see paragraph 21.1.4.3, where there is a description of the principle of a forthcoming grant of free shares all of which are related to performance criteria to Mr. BENHAMOU to be decided by the Board of Directors meeting convoked in order, specifically, to record the final completion of the capital increase to be made within the framework of the listing on the NYSE Euronext regulated market in Paris.

Table No. 2

Summary table of the compensation of each executive corporate officer						
	2008 fiscal year		**2009 fiscal year**		**2010 fiscal year**	
	Amounts owed	**Amounts paid**	**Amounts owed**	**Amounts paid**	**Amounts owed**	**Amounts paid**
George Horner III - Chairman of the Board (1)						
Annual fixed compensation						
Variable compensation						
Exceptional compensation						
Directors' fees						
Benefits in kind						
TOTAL						
Pierre-Henri Benhamou - Chairman and CEO (2)						
Annual fixed compensation (3)	€ 162,000	€ 162,000	€ 162,000	€ 162,000.	€ 245,125	€ 245,125.
Variable compensation (3)	€ 25,000	€ 15,000	€ 27,000	€ 25,000	€ 80,750	€ 27,000
Exceptional compensation						
Directors' fees						
Benefits in kind						
TOTAL	**€ 187,000**	**€ 177,000**	**€ 189,000**	**€ 187,000**	**€ 325,875**	**€ 272,125**
Jean-François Biry - Chairman and CEO (4)						
Fixed compensation	€ 258,000	€ 258,000	€ 258,000	€ 258,000	€ 47,333	€ 47,333
Variable compensation (5)	€ 130,000	€ 80,000	€ 30,000	€ 160,000	€ 0	€ 0
Exceptional compensation						
Directors' fees						
Benefits in kind (6)	€ 16,526	€ 16,526	€ 17,038	€ 17,038	€ 2,840	€ 2,840
TOTAL	**€ 404,526**	**€ 354,526**	**€ 305,038**	**€ 435,038**	**€ 50,173**	**€ 50,173**
TOTAL EXECUTIVES	**€ 591,526**	**€ 531,526**	**€ 494,038**	**€ 622,038**	**€ 376,048**	**€ 322,298**

(1) Appointed chairman by the board meeting of 23 December 2010, which opted to separate the duties of Chairman and Chief Executive Officer. His annual compensation was set at €50,000 per year by a board meeting of 28 January 2011. Mr. Georges Horner III resigned from his term in office as Chairman of the Board of Directors on 17 January 2012, a decision enacted by the Board of Directors meeting on that same day, which therefore decided to waive the separation between the duties of Chairman and Chief Executive Officer. During the period presented, he did not receive any compensation;

(2) Appointed as Chairman and CEO by the board meeting of 25 February 2010 and confirmed as CEO by the board meeting of 23 December 2010, which opted to separate the duties of chairman and chief executive officer. Following the resignation of Mr. Georges HORNER III from his term as Chairman on 17 January 2012 and the decision of the Board of Directors that met on that same day to waive the separation of the positions of Chairman and Chief Executive Officer, Mr. Benhamou became Chairman and Chief Executive Officer on that same date;

(3) In 2008 and 2009, the amounts relate exclusively to advisory fees and fees for scientific expertise received through a service agreement (see paragraphs 16.3 and 19.3). The amount of fixed fees comes to € 162 K, to which were added exceptional fees decided upon by the board meetings of 21 January 2009 and 17 December 2009. In 2010, his compensation includes both fixed fees of € 162 K and compensation for his mandate as Chairman and CEO following his appointment on 25 February 2010. In addition, he was granted variable compensation totaling € 80,750, including € 47,000 excluding taxes representing an additional fee within the framework of the agreement with SCP Benhamou for services not covered by the monthly fees stipulated in the agreement and a bonus for his term in office in light, in particular, of the success of the fund raising conducted at the end of December 2010;

(4) Removed from his duties by a board meeting of 25 February 2010 and resignation from his duties as director on 11 March 2010;

(5) The bonus due for the fiscal year 2008 was based on the achievement of individual objectives determined in advance by the members of the Compensation Committee who met on 19 February 2008 and approved by the Board of Directors meeting held on 25

March 2008. The Board of Directors meeting held on 21 January 2009 recognized the full achievement of the objectives and as a result, decided on the payment of the entirety of the bonus (€ 130,000) proposed by the Compensation Committee.
For fiscal year 2009, three individual objectives had been determined in advance by the members of the Compensation Committee who met on 22 June 2009 and were approved by the Board of Directors meeting held on 24 June 2009. The Board of Directors meeting on 17 December 2009 deemed that only one of the three objectives assigned had been achieved and decided on the payment of an amount equal to one-third of the total bonus of € 90,000 proposed by the Compensation Committee, that is, € 30,000.

(6) This is a GSC unemployment insurance policy.

Table No. 3:

Table on the directors' fees and other compensation received by the non-executive corporate officers						
Non-executive corporate officers	**2008 fiscal year**		**2009 fiscal year**		**2010 fiscal year**	
	Amounts owed	**Amounts paid**	**Amounts owed**	**Amounts paid**	**Amounts owed**	**Amounts paid**
SOFINNOVA PARTNERS Directors' fees Other compensation						
Torbjorn Bjerke Directors' fees Other compensation (1)	€ 6,000		€ 8,000 € 26,000		€ 6,000 € 11,500	€ 20,000 € 37,500
Peter Hutt Directors' fees Other compensation			€ 6,000		€ 4,000	€ 6,000
Jens Bager (2) Directors' fees Other compensation						
Mette Agger Directors' fees Other compensation						
InnoBio Directors' fees Other compensation						
Flemming Pedersen Directors' fees Other compensation						
Stéphane Thiroloix (2) Directors' fees Other compensation	€ 5,000		€ 5,000			€ 10,000
TOTAL	**€ 11,000**	**€ 0**	**€ 45,000**	**€ 0**	**€ 21,500**	**€ 73,500**

(1) The amounts correspond to compensation granted by the Board of Directors for services rendered for the fiscal years 2009 and 2010.
(2) Resigned as of 25 April 2010.

Table No. 10:

The table below provides details with respect to the conditions governing compensation and other benefits granted to the sole corporate executive officer:

Executive corporate officers	Employment contract		Additional pension plan		Compensation or benefit owed or which could be owed due to the reason for the cessation of or change in duties		Compensation relating to a non compete clause	
	YES	NO	YES	NO	YES	NO	YES	NO
Pierre-Henri Benhamou Chairman-CEO *Date start of term (2)* *Date end of term*		**X (1)**		**X**		**X**		**X**
	17-Jan-12 Annual OGM called to approve the financial statements of the fiscal year ended on 31 December 2011							

(1) Pierre-Henri Benhamou does not have an employment contract but rather a service provision agreement (see paragraph 16.2);

(2) Appointed Chairman and Chief Executive Officer by the Board of Directors meeting held on 25 February 2010 and confirmed as Chief Executive Officer by the Board of Directors meeting held on 23 December 2010. Following the resignation of Mr. Georges HORNER III from his term in office as Chairman on 17 January 2012 and the decision by the Board of Directors which met that same day to waive the separation of the positions of Chairman and Chief Executive Officer, Mr. Benhamou became Chairman and Chief Executive Officer on that same date.

Table No. 8 is set forth in paragraphs 21.1.4.1 and 21.1.4.2 of this *Document de Base*.

15.2 SUMS FOR WHICH PROVISIONS WERE MADE BY THE COMPANY FOR THE PURPOSES OF THE PAYMENT OF PENSIONS, RETIREMENT COMMITMENTS, AND OTHER BENEFITS FOR THE MEMBERS OF THE BOARD OF DIRECTORS AND OFFICERS

The Company has not reserved any sums for the purposes of the payment of pensions and other benefits to the members of the Board of Directors and executives, but has reserved sums for retirement commitments.

The Company has not granted arrival or departure bonuses to these persons.

15.3 STOCK WARRANTS [*BONS DE SOUSCRIPTION D'ACTIONS,* "**BSAs**"], FOUNDERS' WARRANTS [*BONS DE SOUSCRIPTION DE PARTS DE CRÉATEUR D'ENTREPRISE,* "**BSPCEs**"], OR OTHER SECURITIES GIVING ACCESS TO THE SHARE CAPITAL GRANTED TO THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES

See paragraphs 17.2 and 21.1.4 below.

16 FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

16.1 MANAGEMENT OF THE COMPANY

The detailed composition of the Board of Directors is set forth in paragraph 14.1 of this *Document de Base*. All the terms of the members of the Board of Directors expire on the date of the ordinary general meeting that will be held in order to approve the financial statements for the fiscal year ended on 31 December 2011.

During the fiscal year ended on 31 December 2011, the Board of Directors of the Company met 7 times. The average rate of attendance of the members of the Board was 91.1%.

Conduct of the General Management of the Company

By a decision dated 23 December 2010, the Board of Directors had elected to separate the positions of Chairman and Chief Executive Officer. At that time the Company was represented with respect to third parties by Mr. Pierre-Henri BENHAMOU as Chief Executive Officer, George HORNER III serving as Chairman of the Board of Directors.

Following the resignation of Mr. Georges HORNER III from his position as Chairman dated 17 January 2012 enacted by the Board of Directors which met on that same day, the latter decided to waive the separation of the positions of Chairman and Chief Executive Officer. Thus, beginning on 17 January 2012, the Company is represented with respect to third parties by Mr. Pierre-Henri BENHAMOU as Chairman and Chief Executive Officer.

16.2 INFORMATION CONCERNING AGREEMENTS BETWEEN THE EXECUTIVES AND THE COMPANY

The only agreement between the Company and one of its shareholders and/or executives is the following service agreement:

Agreement with the service provider "***SCP Benhamou Vannerom***," a company of physicians specialized in the detection and treatment of allergies, of which Pierre-Henri BENHAMOU is co-manager and a 50% shareholder: Under the terms of this agreement, the service provider agrees to provide DBV Technologies scientific consulting services, and in particular to participate in the design of the clinical studies and the production of the protocols, in the publication of the results, and in scientific and medical meetings within and outside the Company, to conduct scientific oversight, and to produce summaries and documents concerning the medical fields of the business activity of the Company. All the intellectual property that might result from the execution of this agreement will be the sole property of the Company.

Under the terms of this agreement, payment of monthly average fees of EUR 13,500 excluding taxes until 31 December 2010, then EUR 13,709.39 excluding taxes beginning on 1 January 2011 corresponding to an estimated term of the services provided established on the basis of an hourly rate of EUR 135 excluding taxes will be invoiced by the service provider to the Company. Depending on the time actually spent, the invoicing could result in additional invoicing or, if the contrary is the case, in a credit to be assessed on the next invoice.

The amounts due under the terms of this agreement was equal to EUR 187,000 excluding taxes, EUR 189,000 excluding taxes, and EUR 209,000 excluding taxes for the fiscal years 2008, 2009, and 2010 respectively.

An initial agreement was entered into which was terminated in July 2008. The current agreement entered into force on 1 January 2009. Its initial term of one year may be renewed tacitly for one-year periods. It may be terminated by either of the parties with six months of advance notice. As it is a regulated agreement, this agreement was authorized for the first time by the Board of Directors that met on 25 March 2008, and the authorization was renewed on 24 June 2009 and 24 June 2011.

The agreement with SCP Benhamou may be continued following the listing on the NYSE Euronext regulated market in Paris. However, the Company, with the support of the Compensation Committee, will consider a potential change in said agreement after the listing on the stock exchange in order to adapt it best to the requirements of the Company.

16.3 SPECIALIZED COMMITTEES - CORPORATE GOVERNANCE

One non-voting Board member sits on the Board of Directors of the Company (see paragraph 14.1 above). The articles in the Bylaws related to the functioning of the Board of Directors are set forth in paragraph 21.2.2 below.

By means of a decision dated 28 January 2011, the Board of Directors decided to create two specialized committees. New Board rules of procedure that incorporate provisions related to these committees were approved by the Board of Directors, which met on 17 January 2012, subject to the initial listing of the shares of the Company's stock on the NYSE Euronext regulated market in Paris. The rules of procedure include, in addition, a list of important decisions, which will be subject to the prior approval of the majority of the Board of Directors.

These important decisions are the following:

- transactions that might affect the strategy of the Company, its share capital, its financial structure, or its scope of business activity,

- approval and amendment of the business plan of the Company and adoption of the annual budget,

- merger, de-merger, partial contribution of assets or any other similar or equivalent operation, dissolution, liquidation, lease-taking and management or sale of a business, transfer of important assets, both with respect to the Company and with respect to its subsidiaries;

- acquisitions or sales, acquisition or sale of interests in other entities, joint ventures, in a unit amount that is more than EUR 1 million or a cumulative amount that is greater than EUR 5 million; any exchanges involving property, shares, or securities in the context of acquisition or divestments;

- investments or divestments (regardless of whether they are made in the form of capital expenditures (CAPEX) or operating expenses (OPEX)), commitments or disengagements, asset acquisitions or sale not stipulated in the annual budget in an amount that is greater than EUR 1 million or a cumulative amount that is greater than EUR 5 million;

- formation of subsidiaries, opening of their share capital to third parties;

- establishment of sites outside French territory, particularly through offices, branches, or establishments, including those involving R&D activities, or removal of such sites;

- entering into financing arrangements not stipulated in the annual budget, in a unit amount that is more than EUR 1 million or a cumulative commitment amount greater than EUR 5 million, including credit facilities and financing lease agreements; any decision by the Company or by one of its subsidiaries that might lead to a case of default under the terms of the financing agreements signed by the Company and/or its subsidiaries;

- grant of sureties, guarantees, or warranties on the property of the Company or of its subsidiaries, or any other off-balance sheet commitment, outside the normal course of business;

- agreements that establish or amend the principal terms and conditions of any agreement related to strategic partnerships;

- sale or transfer of intellectual property rights and of R&D results, as well as any license related thereto, that is outside the normal course of business or not stipulated in the annual budget;

- implementation and conduct of significant litigation, settlements related to such litigation;

- amendment of the rules governing the composition of the Board of Directors as well as concerning voting on decisions submitted to the Board of Directors for its consideration;

- amendment of the list of Important Decisions;

- recruitment of site or department managers employed by the Company or by one of its subsidiaries;

- any signature, amendment, and/or termination by the Company or by one of its subsidiaries of an agreement entered into, directly or indirectly, with an affiliate, a shareholder, a member of the Board of Directors, a corporate officer, and/or any other executive of the Company or of one of its subsidiaries (including any regulated agreement pursuant to the terms of the French Commercial Code);

- convening of the general meeting of the shareholders, as well as any resolution proposed at such meeting.

16.3.1 Compensation Committee

- **Composition- compensation**

The Compensation Committee is composed of three members appointed from among the members of the Board who do not hold management positions, at least two of whom must be independent members.

The members of the Committee are appointed by the Board of Directors, upon a proposal by the Chairman of the board.

The Committee appoints its Chairman from among its members and its Secretary. The latter may be chosen from among non-members. As required, it may be assisted by the Secretary of the board.

The length of the term of the members of the Committee is equal to that of the term of the member of the Board. It may be renewed at the same time as the latter.

The members of the Committee may not claim any compensation for serving in their capacity other than the director's fees that may be allotted to them in their capacity as members of the Board of Directors.

As of this date, the three members of the Committee are:

- ✓ Ms. Rafaèle Tordjman (Chairman),
- ✓ Mr. Torbjorn Bjerke, and
- ✓ Mr. George Horner III.

- **Meetings**

The Committee meets at least two times per year, and as many times as necessary to accomplish its mission, upon a notice by its Chairman, or at least two of its members.

Members of the Committee may be convened by all methods and even orally (by letter, fax, e-mail message, etc.). Unless urgency requires it, the corresponding documents are sent to the members of the Committee at least 5 business days before the meeting date. The notice must indicate the agenda, which is established by the person(s) who convened the Committee.

The Committee may invite to its meetings those responsible for recruitment and compensation in the Company and more generally any person whose presence it deems useful. It may request from them information that is necessary to carry out its mission.

In order to deliberate validly, at least one-half of the members of the Committee must be present. Any member of the Committee has the option of having himself or herself represented by another member of the Committee, and the proxy may be given by any written or electronic means (letter, fax, e-mail message, etc.).

The decisions are made by majority vote. If there is a tie vote, the Chairman of the Committee has the deciding vote.

Minutes of each meeting of the Committee are prepared under the responsibility of the Chairman of the Committee, who transmits a copy of the minutes to the Chairman of the board.

The Chairman of the Committee or a member of the Committee designated for this purpose reports to the Board of Directors on the work of the Committee.

- **Mission**

The Committee does not have powers of its own. It receives from the Board of Directors specifically the following as its mission:

a. suggesting compensation, retirement and pension plans, the benefits in kind of the corporate officers and the members of the Executive Committee of the Company on the basis of the assessment of individual results,

b. suggesting the annual gross compensation of each manager to the extent that the latter (including the variable portion) is more than EUR 100,000 per year, on the basis of comparative market information,

c. suggesting, as necessary, the annual amount of the directors' fees to be submitted to the general meeting for approval, as well as their distribution among the members of the board,

d. providing its opinion concerning the broad guidelines for the Company with respect to the compensation policy,

e. providing its opinion concerning the rules established by the Company with respect to profit-sharing and holding of interests,

f. providing its opinion concerning the resources granted to the members of the board elected by the employees.

16.3.2 Audit Committee

- **Composition - compensation**

The Audit Committee is composed of three members appointed from among the members of the Board who do not hold management positions, at least one of whom is an independent member who is qualified in the accounting and financial field.

The members of the Committee are appointed by the Board of Directors, upon a proposal by the Chairman of the board.

The Committee appoints its Chairman and its Secretary. The latter may be chosen from non-members. As required, it may be assisted by the Secretary of the board.
The length of the term of the members of the Committee is equal to that of the term of the member of the board. It may be renewed at the same time as the latter.

The members of the Committee do not receive any compensation for their capacity other than the director's fees that may be allotted to them in their capacity as members of the Board of Directors.

As of this date, the Audit Committee has only two members (Ms. Chahra Louafi (Chair) and Ms. Mette Agger) in light of the simplicity of the structure of the accounts of the Company and the lack of subsidiaries and, therefore, of consolidated financial statements. However, in the context of its planned listing on the stock exchange, the Company is considering reorganizing these two specialized committees, including the Audit Committee. In accordance with the Middlenext recommendations, they will be each composed of three members including at least one who is independent.

The two current members do not hold any management positions within the Company and were selected because of their both financial and scientific profiles, which allow them to understand the accounting and financial position of the Company. Each has been considered to be independent, even while representing investment funds that are shareholders of the Company, since neither is an employee or an executive officer of the Company, or has not been one, during the last three years, is not a significant customer, supplier, or banker of the Company, or has any close family relationship with a corporate officer or reference shareholder.

- **Meetings**

The Committee meets at least two times per year, and as many times as necessary to accomplish its mission, upon notice by its Chairman, or by at least two of its members.

The Committee may be convened by any means and even orally (by letter, fax, e-mail message, etc.). Unless urgency requires it, the corresponding documents are sent to the members of the Committee at least five business days before the meeting date. The notice of the meeting must indicate the agenda, which is established by the person(s) who convened the Committee.

The Committee may invite to its meetings the accounting and financial managers of the Company and more generally any person whose presence it deems useful, and particularly the Statutory Auditors. It may request from them information that is necessary to carry out its mission.
In order to deliberate validly, at least one-half of the members of the Committee must be present. Any member of the Committee has the option of having himself or herself represented by another member of the Committee, and the proxy may be given by any written or electronic means (letter, fax, e-mail message, etc.).
The decisions are made by majority vote. In case of a tie vote, the Chairman of the Committee has the deciding vote.

Minutes of each meeting of the Committee are prepared under the responsibility of the Chairman of the Committee, who transmits a copy of the minutes to the Chairman of the board.
The Chairman of the Committee or a member of the Committee designated for this purpose reports to

the Board of Directors on the work of the Committee.

- **Mission**

The Committee does not have powers of its own. Its mission is to assist the board:

a. in analyzing the economic and financial information;
b. in ensuring the accuracy and the authenticity of the Company's financial statements, as well as the quality of the information provided.

It receives from the Board of Directors the following mission:

a. With respect to the financial statements:
   a. reviewing the draft budgets and the draft annual financial statements of the Company, as well as the draft three-year plan of the Company before they are submitted to the board,
   b. with respect to the annual financial statements, the Committee, must meet with the Statutory Auditors of the Company and of its subsidiaries, outside the presence of the managers of the Company if it deems it useful, in order to assist the board in its mission of verification and control,
   c. assessing and contributing to the definition of the accounting, financial, or ethical standards, as applicable, which must be implemented by the Company, and preventing any potential default in the application of these standards.
   d. reviewing drafts of comments, announcements, and financial communications concerning the financial statements,
   e. reviewing any draft issue of new negotiable securities or of new bond borrowings by the Company,
   f. offering an occasional opinion to the Office of the Chief Financial Officer of the Company upon its request.

b. With respect to the external control of the Company:
   a. assessing the proposed appointments of the Statutory Auditors of the Company and their compensation, after a call for proposals has been made.
   b. reviewing each year with the Statutory Auditors their plans for providing service, the conclusions of the latter, and their recommendations, as well as any resulting follow-up.

c. With respect to the internal control and audit of the Company:
   a. assessing, along with those responsible for the internal control, the internal control systems of the group,
   b. reviewing with them the audit schedules and the action plans within the area of the internal control, the conclusions of those operations and actions, and the recommendations, as well as any resulting follow-ups.

d. With respect to the cash and cash equivalents:
   a. reviewing the general cash policy (investments and borrowings, risk hedging tools) and the cash position of the Company.

Furthermore, the mission of the Committee is to give its opinion concerning the reimbursement of the expenses incurred by the members of the board in the interest of the Company and to prepare the mapping of the legal risks of any kind to which the Company is exposed.

16.4 STATEMENT CONCERNING CORPORATE GOVERNANCE

Out of a concern for transparency and disclosure to the public, the Company has initiated a general review with respect to its corporate governance practices with a view towards the admission of its stock to trading on the NYSE Euronext regulated market in Paris.

The Company intends to refer to the French Corporate Governance Code for Small and Medium Capitalization Companies as published in December 2009 by MiddleNext and validated as a code of practice by the French Financial Markets Authority (*Autorité des Marchés Financiers*, "AMF") to the extent that the principles that it contains are compatible with the organization, the size, the resources, and the structure of the shareholding of the Company, in particular, within the framework of the preparation of the report of the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

The Company already has two specialized committees which were established by the Board of Directors meeting held on 28 January 2011: a Compensation Committee and an Audit Committee. See paragraph 16.3 above.

The Company believes that it already has (Messrs. Peter HUTT and Torbjorn BJERKE), two independent members of the Board of Directors pursuant to the provisions of the French Corporate Governance Code for Small and Medium Capitalization Companies as published in December 2009 by MiddleNext and validated as a code of practice by the French Financial Markets Authority to which the company intends to refer once its securities have been admitted to trading on the NYSE Euronext regulated market in Paris, to the extent that neither of these two members of the Board of Directors:

- is an employee or a corporate executive officer of the Company, or an employee or a corporate executive officer of one of its subsidiaries and has not been so during the past three years;
- is a significant customer, supplier, or banker of the Company, or one for which the Company represents a significant share of the business activity;
- is a reference shareholder of the Company;
- has a close family relationship with a corporate executive or a reference shareholder; or
- has been an auditor of the Company during the past three years.

The Company is considering recruiting one or more other independent members of the Board of Directors, within the context of the improvement of its corporate governance in anticipation of the admission of the shares of its stock to trading on the NYSE Euronext regulated market in Paris.

16.5 REPORT OF THE CHAIRMAN ON THE INTERNAL CONTROL

As a French *société anonyme* [corporation] whose securities are not admitted to trading on a regulated market, the Company is not, as of this date, required to issue a report, pursuant to Article L. 225-37 of the French Commercial Code, concerning the composition and conditions governing the organization and preparatory work of the Board of Directors, as well as concerning the internal control and management risk procedures established by the Company.
As of the date of this *Document de Base*, the Company does have, however, internal control procedures related to the accounting and financial information:

- The company maintains, internally, a separation between the production and the supervision of the financial statements and relies on independent experts for the evaluation of accounting items that are complex or rely on subjective assumptions;
- The preparation of the accounting information for DBV TECHNOLOGIES is sub-contracted to an independent certified public accounting firm, which provides for the monitoring of the posting of the accounting documents as well as the reconciliations of bank statements. That firm also manages the payroll and the tax returns and social security returns;

- Independent agents are appointed for the calculation of the provisions for compensation payable to employees on their retirement and for the calculation of the expense related to the award of stock options;
- The consolidation of the financial statements as well as the reports are performed by a specialized independent firm.

In anticipation of the admission of the shares of its stock to trading on the NYSE Euronext regulated market in Paris, the Company nevertheless would like to establish measures in order to develop a system for identifying and assessing the risks as well as related control procedures.

In compliance with the provisions of Article 222-9 I of the General Regulations of the French Financial Markets Authority and in application of the provisions of Article L. 225-37 of the French Commercial Code, beginning in fiscal year 2012, and to the extent that the shares of the Company have been admitted to trading on NYSE Euronext regulated market in Paris, the Chairman of the Board of Directors will provide an account, in a report, of the composition, the conditions under which the work of the Board of Directors is prepared and organized, as well as the internal control procedures and the management of risk established by the Company.

17 EMPLOYEES

17.1 HUMAN RESOURCES

As of the closing of the periods under consideration, the workforce of the Company had developed as follows:

Work Force as of the Closing Date	30/06/2011	2010	2009	2008
Preclinical development and regulatory affairs	3	2	2	2
Clinical development	1	1	1	1
Research	9	7	7	7
Engineering/Production	5	4	4	4
Management, administration	4	3	2	2
TOTAL	**22**	**17**	**16**	**16**

An operational organization chart is included in paragraph 6.6.1.

The company has one employee delegate. The first round of the most recent elections will be held on 24 January 2012.

17.2 INTERESTS AND STOCK OPTIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES

As of the date of this *Document de Base*, the direct and indirect interests of the members of the Board of Directors, as well as the number of securities giving access to the share capital of the Company that they own are the following (excluding "ratchet" warrants attached to the Category P4 preferred shares which will become null and void on the date the shares of the Company's stock are admitted to trading on the NYSE Euronext regulated market in Paris):

Directors	Shares held (post 15-for-1 share split)		Securities giving access to the capital
	Number	% of the capital	
Pierre-Henri BENHAMOU	15,750 directly and 308,250 indirectly (1)	0.18 % directly and 3.49 % indirectly (1)	5,358 share warrants 2 giving the right to subscribe for 80,370 shares post 15-for-1 share split 10,000 2010 BSPCEs giving the right to subscribe for 150,000 shares post 15-for-1 share split
George HORNER	0	0.00%	10,039 2010 share warrants giving the right to subscribe for 150,585 shares post 15-for-1 share split
Dr Torbjörn BJERKE	0	0.00%	859 share warrants giving the right to subscribe for 12,885 shares post 15-for-1 share split 1,036 X share warrants giving the right to subscribe for 15,540 shares post 15-for-1 share split
SOFINNOVA Partners	3,049,170	34.56%	None
Peter HUTT	0	0.00%	1,095 X share warrants giving the right to subscribe for 16,425 shares post 15-for-1 share split
Flemming PEDERSEN	0 (2)	0.00%	None
Mette Kirstine AGGER	0 (3)	0.00%	None

CDC Enterprises (INNOBIO)	1,168,830	13.25%	None

(1) Shares owned by PHYS Participations, a company of which Pierre-Henri BENHAMOU owns 36.8% of the share capital;
(2) Appointed a natural person member of the Board of Directors of the Company, Mr. PEDERSON is also Chief Financial Officer of ALK-Abelló, which, for its part, as of this date, owns 818,175 shares of DBV Technologies stock, that is, 9.27% of the share capital;
(3) Appointed a natural person member of the Board of Directors of the Company, Ms. AGGER is also Chief Executive Officer of Lundbeckfond Ventures, which, for its part, as of this date, owns 779,220 shares of DBV Technologies stock, that is, 8.83% of the share capital.

The conditions governing the exercise of the BCEs and BSAs are described in paragraph 21.1.4 below.

That same paragraph also reiterates the decision in principle adopted by the Board of Directors meeting held on 17 January 2012 to make an award of free shares to, in particular, Mr. Pierre-Henri BENHAMOU during the Board of Directors meeting called to meet to act on the final completion of the forthcoming increase in capital within the context of the initial listing on the stock exchange of the shares of the Company's stock on the NYSE Euronext regulated market in Paris, in compliance with the provisions of Article L. 225-197-6 of the French Commercial Code. Refer to Section 21.1.4. of this *Document de Base*.

17.3 EMPLOYEE SHAREHOLDING OF THE SHARE CAPITAL OF THE COMPANY

As of the date of the filing of this *Document de Base*, the shareholding of the employees of the share capital of the Company totals 0.18%.

17.4 PROFIT-SHARING AND SHAREHOLDING AGREEMENTS

None as of the filing date of this *Document de Base*.

18 MAJOR SHAREHOLDERS

18.1 DISTRIBUTION OF THE CAPITAL AND OF THE VOTING RIGHTS AS OF 9 DECEMBER 2011

The detailed table of the shareholding below takes into account two decisions approved by the general meeting held on 9 December 2011:

- the division by 15 of the par value of the shares of the Company's stock;
- and the automatic conversion, immediately before the first listing of the Company's shares on the NYSE Euronext regulated market in Paris, of the various categories of shares of preferred stock at the rate of one share of common stock for one share of preferred stock owned.

Shareholders	No. of Shares and Voting Rights	% of Share Capital and Voting Rights
FCPR Sofinnova Capital V	3,049,170	34.56%
InnoBio (CDC Enterprises)	1,168,830	13.25%
ALK-Abelló	818,175	9.27%
Apax France VI FCPR	814,635	9.23%
Lundbeckfond Ventures	779,220	8.83%
SHIRE LABORATORIES	584,430	6.62%
Altamir Amboise et Cie	316,815	3.59%
PHYS Participations (a)	308,250	3.49%
DBCS Participations (b)	308,250	3.49%
Cap Décisif (Groupe CDC)	283,020	3.21%
FIP France FORTUNE ALTO (1 and 2)	264,960	3.00%
Other shareholders (c)	126,990	1.44%
of which Pierre-Henri Benhamou (co-founder and Chairman and Chief Executive Officer) owns	*15,750*	*0.18%*
of which employees own	*15,750*	*0.18%*
TOTAL	**8,822,745**	**100.00%**

(a) A company in which Pierre-Henri BENHAMOU owns 36.8% of the share capital;
(b) A holding company controlled by the DUPONT family group in which it owns 73.6% of the share capital;
(c) Six shareholders as of 9 December 2011, none of whom own more than 1.06% of the share capital.

As of this date, there is shareholders' agreement that will become legally null and void as will the contractual commitments that are related to it (in compliance with the provisions of Article 17.2 of such agreement) on the date the Company's shares are admitted to trading on the NYSE Euronext regulated market in Paris.

To the knowledge of the Company, no shareholders are acting in concert.

18.2 SIGNIFICANT SHAREHOLDERS NOT REPRESENTED ON THE BOARD OF DIRECTORS

None.

18.3 VOTING RIGHTS OF THE MAJOR SHAREHOLDERS

The voting rights of each shareholder are equal to the number of shares owned by each of them. There are no double voting rights.

18.4 CONTROL OF THE COMPANY

As of the date of this *Document de Base*, no shareholder possesses control of the Company, nor holds a percentage that might cause a presumption that such shareholder controls the Company within the meaning of Article L. 233-3 of the French Commercial Code.

On the other hand, FCPR Sofinnova Capital V is the sole shareholder that, as of this date, has a blocking minority with 34.56% of the share capital and voting rights of the Company. The Company has not established measures to ensure that this blocking minority is not exercised in an abusive manner.

As of this date, a shareholders' agreement exists that will become null and void on the date the Company's shares are admitted to trading on the NYSE Euronext regulated market in Paris.

To the knowledge of the Company, no shareholders are acting in concert.

18.5 AGREEMENT THAT CAN ENTAIL A CHANGE IN CONTROL

No particular item in the Act of Incorporation, the Bylaws, a charter, or regulations of the issuer could have the effect of delaying, deferring, or preventing a change in its control.

18.6 STATEMENT OF THE PLEDGES

None.

19 TRANSACTIONS WITH RELATED PARTIES

The regulated agreements that exist as of this date are indicated in the special reports of the statutory auditor presented below.

Since the preparation of the special report of the statutory auditor concerning the 2010 fiscal year, no new regulated agreement has been submitted for authorization by the Board of Directors.

19.1 INTRA-GROUP TRANSACTIONS

Not applicable.

19.2 TRANSACTIONS WITH RELATED PARTIES

The transactions with the related parties are the following:

- The service agreement with SCP Benhamou Vannerom: See paragraph 16.2;
- the directors' fees paid to the members of the Board of Directors;

The compensation granted to Mr. Bjerke by the Board of Directors for services rendered (support services with respect to the acquisition of an interest in the share capital by ALK-Abelló) during the 2009 and 2010 fiscal years.
Also see Note 21 in the appendices to the annual and half-year financial statements prepared in accordance with IFRS as of 31 December 2010 and as of 30 June 2011 in paragraphs 20.3.1 and 20.6.1, respectively, of this *Document de Base*.

19.3 REPORTS OF THE STATUTORY AUDITOR ON THE REGULATED AGREEMENTS PREPARED FOR THE FISCAL YEARS ENDED ON 31 DECEMBER 2010, 31 DECEMBER 2009, AND 31 DECEMBER 2008

19.3.1 Special report of the statutory auditor on regulated agreements - Fiscal year ended 31 December 2010

This a free translation into English of the statutory auditor's special report on regulated agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Paris, 7 June 2011,

Ladies and Gentlemen,

"In our capacity of Statutory Auditor of your company, we hereby present to you our report on regulated agreements.

The terms of our engagement do not require us to identify such other agreements, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Furthermore, it is our responsibility, as applicable, to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code concerning the execution, during the course of the past fiscal year, of the agreements that have already been approved by the general meeting.

We carried out the procedures we deemed necessary in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes related to this assignment. These procedures consisted in verifying the consistency of the information that was provided to us with the relevant source documents.

Agreements submitted for approval by the general meeting

We hereby inform you that we have not received notification of any agreement authorized during the past fiscal year to be submitted to the general meeting for its approval pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements already approved by the general meeting

Furthermore, pursuant to Article 30 of the Bylaws, we have been advised that the following agreements authorized in previous years have had continuing effect during the past fiscal year.

- *With Mr. Pierre-Henri BENHAMOU (Member of the Board of Directors)*

SCP BENHAMOU-VANNEROM invoiced DBV-Technologies for monthly consulting and scientific expertise services for a total amount of €162,000 excluding taxes.

Board of Directors meetings held on 23 March 2007, 25 March 2008, 21 January 2009, and 17 December 2009."

CHD Audit & Conseil
Statutory Auditor
Jean-Marc BULLIER

The report of the Statutory Auditor on the regulated agreements relating to the 2010 fiscal year mentions only the fees invoiced during the fiscal year by SCP Benhamou, that is, €162,000. The amount of the variable portion granted to SCP Benhamou, for which provisions were set aside in the accounts for the year ended 31 December 2010, was not included, as a result of an omission, in the amount stated by the Company with respect to the regulated agreements concluded during the 2010 fiscal year or in the special report of the Statutory Auditor.

19.3.2 Special report of the statutory auditor on regulated agreements - Fiscal year ended 31 December 2009

This a free translation into English of the statutory auditor's special report on regulated agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Paris, 9 June 2010,
Gentlemen,

In our capacity of Statutory Auditor of your company, we hereby present to you our report on the regulated agreements.

Agreements authorized during the fiscal year

Pursuant to Article L. 225-40 of the French Commercial Code, we were advised of the agreements that were authorized in advance by your Board of Directors.
The terms of our engagement do not require us to identify such other agreements, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention, without expressing an opinion on their usefulness and appropriateness.

It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

We carried out the procedures we deemed necessary in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes related to this assignment. These procedures consisted in verifying the consistency of the information that was provided to us with the relevant source documents

- *With Mr. Jean-François BIRY (Chairman)*

On 11 March 2010, an agreement was signed between DBV Technologies and Mr. Jean-François BIRY.

The agreement stipulates that Mr. BIRY shall repay the sum of €160,000 under the following terms:
- €60,000 on the signing of the agreement;
- €100,000 before 31 May 2010.

Board of Directors meeting held on 3 March 2010

Agreements approved during previous fiscal years and having continuing effect during the last fiscal year

Furthermore, pursuant to the French Commercial Code, we have been advised that the following agreement authorized in previous years has had continuing effect during the last fiscal year.

- *With Mr. Pierre-Henri BENHAMOU (Member of the Board of Directors)*

SCP BENHAMOU-VANNEROM invoiced DBV Technologies for monthly consulting and scientific expertise services for a total amount of €189,000, including exceptional fees totaling €27,000.

Board of Directors meetings held on 23 March 2007, 25 March 2008, 21 January 2009, and 17 December 2009."

CHD Audit & Conseil
Statutory Auditor
Jean-Marc BULLIER

19.3.3 Special report of the statutory auditor on regulated agreements - Fiscal year ended 31 December 2008

This a free translation into English of the statutory auditor's special report on regulated agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

Paris, 9 June 2009,

Gentlemen,

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

The terms of our engagement do not require us to identify such other agreements, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention, without expressing an opinion on their usefulness and appropriateness.

It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Absence of notification of agreements

We hereby inform you that we have not received notification of any agreement concluded during the fiscal year that is subject to the provisions of Article L. 225-38 of the French Commercial Code.

Furthermore, pursuant to the French Commercial Code, we have been advised that the following agreements authorized in previous years have had continuing effect during the last fiscal year.

Agreements approved during previous fiscal years and having continuing effect during the last fiscal year

- *With Mr. Pierre-Henri BENHAMOU (Member of the Board of Directors)*

SCP BENHAMOU-VANNEROM invoiced DBV Technologies for monthly consulting and scientific expertise services for a total amount of €187,000 excluding taxes, including exceptional fees totaling €25,000 excluding taxes.

Board of Directors meetings held on 23 March 2007, 25 March 2008, and 21 January 2009.

We carried out the procedures we deemed necessary in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes related to this assignment. These procedures consisted in verifying the consistency of the information that was provided to us with the relevant source documents.

CHD Audit & Conseil
Statutory Auditor
Jean-Marc BULLIER

20 FINANCIAL INFORMATION CONCERNING THE ASSETS, THE FINANCIAL POSITION, AND THE FINANCIAL RESULTS OF THE ISSUER

20.1 CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS STANDARDS FOR THE FISCAL YEARS ENDED ON 31 DECEMBER 2008, 31 DECEMBER 2009, AND 31 DECEMBER 2010

Not applicable. The Company has no subsidiaries and no interests.

20.2 PRO FORMA FINANCIAL INFORMATION

Not applicable.

20.3FINANCIAL STATEMENTS OF DBV TECHNOLOGIES S.A.

This part includes both:

- the financial statements of the Company restated in accordance with IFRS standards for the period covering the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010;

- the historical annual financial statements of the Company prepared in compliance with French accounting principles for the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010.

20.3.1 Financial statements prepared in accordance with IFRS standards for the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010

STATEMENT OF THE FINANCIAL POSITION
(Amounts in Euros)

	Note	As of 31 December 2008	2009	2010
		EUR	EUR	EUR
ASSETS				
Fixed Assets				
Long-term intangible assets	**4**	123	2,562	7,602
Property, plant, and equipment	**5**	373,511	434,301	326,764
Long-term financial assets	**6**	103,133	82,902	74,944
Total Fixed Assets		**476,767**	**519,765**	**409,310**
Current assets				
Inventories and work in progress	**7**	79,373	76,380	105,137
Customer accounts receivable and related receivables	**8**	16,276	26,999	3,097
Other current assets	**8**	1,350,529	1,376,978	2,028,240
Cash and cash equivalents	**9**	1,683,825	4,408,068	9,027,891
Total Current Assets		**3,130,004**	**5,888,425**	**11,164,365**
TOTAL ASSETS		**3,606,770**	**6,408,190**	**11,573,676**

STATEMENT OF THE FINANCIAL POSITION
(Amounts in Euros)

	Note	As of 31 December 2008	2009	2010
		EUR	EUR	EUR
LIABILITIES				
Shareholders' equity				
Share Capital	**10**	250,493	336,751	462,467
Premiums related to the Share Capital		12,901,339	18,702,460	27,660,004
Reserves		(7,551,361)	(11,273,758)	(14,751,227)
Income or Loss		(4,147,899)	(3,582,116)	(4,804,345)
Total Shareholders' Capital		**1,452,573**	**4,183,338**	**8,566,899**
Long-term Liabilities				
Conditional advances	**11**	701,364	685,981	558,205
Long-term Provisions	**12**	87,716	144,266	89,671
Total Long-term Liabilities		**789,080**	**830,247**	**647,876**
Current Liabilities				
Conditional advances	**11**	-	97,057	269,587
Supplier Accounts Payable and Related Payables	**13**	616,477	831,373	1,308,521
Other current liabilities	**13**	748,640	466,175	780,793
Total Current Liabilities		**1,365,117**	**1,394,605**	**2,358,901**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,606,770**	**6,408,190**	**11,573,676**

STATEMENT OF TOTAL INCOME (LOSS)
(Amounts in Euros)

	Note	As of 31 December 2008	2009	2010
		EUR	EUR	EUR
Operating Revenue				
Sales	**15**	89,173	150,352	178,620
Other income	**15**	954,444	928,906	1,527,982
Total Income		**1,043,617**	**1,079,258**	**1,706,602**
Operating expenses				
Cost of the goods sold		31,518	117,622	82,885
Research & Development expenses	**16/17**	3,199,181	3,415,648	5,061,249
Overhead	**16/17**	2,067,270	1,216,327	1,350,458
Total Expenses		**5,297,969**	**4,749,597**	**6,494,592**
Operating Profit or Loss		**(4,254,352)**	**(3,670,339)**	**(4,787,991)**
Financial revenues	**18**	139,379	118,993	20.,538
Financial expenses	**18**	(32,925)	(30,770)	(36,893)
Financial result		**106,454**	**88,223**	**(16,355)**
Corporate tax	**19**	-	-	-
Net Income		**(4,147,899)**	**(3,582,116)**	**(4,804,345)**
Basic earnings per share (EUR/share)	**22**	**(1.10)**	**(0.72)**	**(0.94)**

	As of 31 December 2008	2009	2010
	EUR	EUR	EUR
Net Income	**(4,147,899)**	**(3,582,116)**	**(4,804,345)**
Other items in the total profit or loss:	-	-	-
Total profit or loss for the fiscal year	**(4,147,899)**	**(3,582,116)**	**(4,804,345)**

STATEMENT OF CASH FLOWS
(Amounts in Euros)

	Note	2008	2009	2010
		€	€	€
Cash flows from operating activities				
Results of the reporting period		(4,147,899)	(3,582,116)	(4,804,345)
Reconciliation of the net income (or loss) and of the cash used for the operational activities:				
Amortization and depreciation		134,790	133,872	159,214
Retirement pension obligations		4,195	56,550	(54,595)
Other items excluded from the cash		133,212	41,000	-
Expenses calculated related to the payments in shares		60,872	425,502	104,646
Operating Cash Flows before change in working capital		**(3,814,829)**	**(2,925,192)**	**(4,595,081)**
Inventories and work in progress		21,143	2,993	(28,757)
Customer accounts receivable		129,476	(10,723)	23,902
Other receivables		65,475	(26,449)	(651,262)
Supplier accounts payable		(230,704)	214,896	477,148
Other current liabilities		(87,394)	(282,465)	314,618
Change in the working capital requirement		**(102,003)**	**(101,748)**	**135,648**
Net cash flow from operating activities		**(3,916,833)**	**(3,026,939)**	**(4,459,432)**
Cash flows from investment activities				
Acquisitions of property, plant, and equipment	**5**	(105,291)	(235,297)	(48,282)
Acquisitions of intangible long-term assets	**4**	(604)	(2,803)	(8,435)
Acquisitions of financial long-term assets		(3,528)	-	-
Other cash flows from investment transactions		5,234	20,231	7,958
Net cash flows from investment activities		**(104,189)**	**(217,870)**	**(48,759)**
Cash flows from financing activities:				
Increase (decrease) in repayable advances	**11**	238,138	81,674	44,754
Increase in share capital	**10**	-	5,887,378	9,083,261
Net cash flows from financing activities:		**238,138**	**5,969,052**	**9,128,015**
(Decrease) / Increase in cash and cash equivalents		**(3,782,884)**	**2,724,243**	**4,619,823**
Cash and cash equivalents at the beginning of the period		5,466,709	1,683,825	4,408,068
Cash and cash equivalents at the close of the period	**9**	1,683,825	4,408,068	9,027,891

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Amounts in Euros)

	share capital Shares of Common Stock					
	Number of Shares (Note 10)	**Amount**	**Premiums related to the Share Capital**	**Reserves**	**Cumulative Income (Loss)**	**Total Share-holders' Equity**
As of 1 January 2008	**250,493**	**250,493**	**12,901,339**	**(7,612,233)**	**-**	**5,539,600**
Net Income					(4,147,899)	(4,147,899)
Share-based payments				60,872		60,872
As of 31 December 2008	**250,493**	**250,493**	**12,901,339**	**(7,551,361)**	**(4,147,899)**	**1,452,573**
Net Income					(3,582,116)	(3,582,116)
Increase in capital	86,258	86,258	5,801,120			5,887,378
Share-based payments				425,502		425,502
As of 31 December 2009	**336,751**	**336,751**	**18,702,460**	**(7,125,859)**	**(7,730,014)**	**4,183,338**
Net Income					(4,804,345)	(4,804,345)
Increase in capital	125,716	125,716	8,957,545			9,083,261
Share-based payments				104,646		104,646
As of 31 December 2010	**462,467**	**462,467**	**27,660,004**	**(7,021,213)**	**(12,534,359)**	**8,566,899**

NOTES TO THE FINANCIAL STATEMENTS

Note 1: The Company

Incorporated in 2002, DBV Technologies S.A. ("the Company") develops and markets innovative products for the diagnosis and treatment of allergies, particularly food allergies.

The Company markets a ready-to-use diagnostic product to detect the allergy to cow's milk in children, launched in France in 2004 and called *Diallertest*®. This product is currently distributed in France. The pursuit of marketing and its internationalization is subject to the conduct of a clinical study the protocol of which is currently being discussed with the regulatory authorities. Subject to the conduct of that study, the international marketing authorization is expected for the end of 2014.

DBV Technologies is also developing an original electrostatic patch technology, *Viaskin*®, for the purpose of developing the cutaneous administration method in specific immunotherapy, or desensitization.

Viaskin® *Peanut* is the first specific immunotherapy product developed by DBV Technologies. Solid pre-clinical data have already been published. The pharmacological development has been able to be conducted as a result of a vast network of collaborations in the United States and in Europe. The FDA has approved the start of a tolerance study (Phase Ib) in the United States (IND). That study has just been completed. The AFSAPPS in France has authorized an effectiveness study sponsored by the AP-HP. In the beginning of 2012, a Phase IIb/III study should start in the United States and Europe.

Viaskin® *Milk* is the second product developed within the field of specific immunotherapy. A Phase II pilot study published by Dupont et al. (JACI 2010) has demonstrated the safety and effectiveness of *Viaskin*® *Milk* in children. A European study, in collaboration with the European allergist organizations, is scheduled to be conducted during 2012.

Note 2: The Company's first financial statements prepared in accordance with IFRS standards

The financial statements presented were prepared by applying the IFRS 1 standard "First-Time Adoption of International Financial Reporting Standards." These financial statements constitute a set of financial statements that are supplemental to the historical corporate financial statements of the Company which are prepared in accordance with French financial principles.
The transition date adopted by the Company is 1 January 2008.
The financial statements were prepared in compliance with the IFRS standards as adopted by the European Union in effect as of 31 December 2010, for all the reporting periods presented.
The latter are available on the website of the European Commission: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

These financial statements are also in compliance with the standards and interpretations adopted by the International Accounting Standards Board (IASB) as of the same date.

These IFRS corporate financial statements, which cover the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010, were approved by the Board of Directors meeting held on 9 December 2011. These financial statements are not submitted for approval by the general meeting.

The IFRS 1 standard stipulates exceptions to the retrospective application of the IFRS standards as of the transition date. Within this framework, the Company used no exemption stipulated by the IFRS 1 standard, with the exception of that offered for the posting to the accounts of employee benefits.

Therefore, all the cumulative actuarial variances as of the transition date, that is, as of 1 January 2008, are posted to accounts as consideration for initial shareholders' equity.

Note 3: Accounting principles

3.1. Basis of preparation of the financial statements

The financial statements are presented in Euros.

The preparation of the financial statements in accordance with the IFRS principles requires that estimations be made and assumptions be formulated that affect the amounts and the information provided in the financial statements. The actual results may prove to be significantly different from these estimations depending on various assumptions or conditions and, as applicable, a sensitivity analysis may be implemented if this variation is significant.

The going concern assumption was used by the Board of Directors, considering the following information:

- The historical deficit position of the Company is explained by the innovative character of the products developed, which thus involved a research and development phase of several years preceding the marketing thereof.

- The available cash as of 31 December 2010 in the amount of EUR 9 million, the payments of the second tranche of the December 2010 financing round up to the amount of EUR 9.6 million, and the reimbursement of the 2010 Research Tax Credit in the amount of EUR 1.4 million should enable to company to cover its cash requirements until mid-2013.

- In order to cover its subsequent requirements, the Company is preparing for a listing on the stock exchange of the shares of the Company's stock on the NYSE Euronext Paris market in the beginning of 2012, and the capital generated on that occasion is to enable to Company to continue its business activities until it is profitable.

The Company chose not to apply early the new standards, amendments of standards, and interpretations that have not been adopted by the European Union or the mandatory application of which is after 31 December 2010.

The standards that have been adopted by the European Union but application of which is not mandatory in the fiscal years that are begun as of 1 January 2010 are:

- IAS 24 as revised "Related Party Disclosures," applicable to the fiscal years open beginning on 1 January 2011;
- the amendment to IFRS 1 "Exemptions from comparative IFRS disclosures for first-time adopters";
- the amendment to IAS 32 "Classification of Rights Issues" applicable to fiscal years begun beginning on 1 February 2010;
- the amendment to IFRIC 14 "Prepayments of a Minimum Funding Requirement" applicable to fiscal years begun beginning on 1 January 2011;
- IFRIC 19 "Extinguishing financial Liabilities with Equity Instruments" applicable to fiscal years begun beginning on 1 July 2010.

The management anticipates that the application of these standards will not have a significant impact on the IFRS financial statements.

3.2 Long-term intangible assets

In application of the provisions in the IAS 38 standard, the long-term intangible assets acquired are posted as assets on the balance sheet at their acquisition cost.

Research and development expenses

The research expenses are consistently posted to the accounts as expenses.

In accordance with IAS 38, the research expenses are posted to the accounts as long-term intangible assets only if all the following criteria are met:

(a) technical feasibility necessary for the completion of the development project,
(b) intention on the part of the Company to complete the project and to utilize it,
(c) capacity to utilize the intangible asset,
(d) proof of the probability of future economic benefits associated with the asset,
(e) availability of the technical, financial, and other resources for completing the project, and
(f) reliable evaluation of the development expenses.

Because of the risks and uncertainties related to the regulatory authorizations and to the research and development process, the Company believes that the 6 criteria stipulated by the IAS 38 standard are only fulfilled once the Marketing Authorization has been obtained.

Software packages

The costs related to the acquisition of the licenses to software packages are posted to assets on the basis of the costs incurred to acquire and to implement the software packages in question.

They are amortized using the straight-line method over a period of from 1 to 3 years depending on the anticipated period of use.

3.3 Property, plant, and equipment

Property, plant, and equipment are posted at their acquisition cost or, if applicable, at their production cost.

The property, plant, and equipment are depreciated on the basis of the straight-line method over the estimated use period of the property. The fixtures of property rented are depreciated over the term of their own lifetime or of the term of the rental agreement, whichever is shorter.

The depreciation periods used are the following:

Fixtures and improvements in structures.....…….9 years,
Research and development tools ……..5 years,
Production tools .....….5 years,
Research equipment and Technical facilities .....5 years,
Office equipment and furniture ..... 10 years,
Computer equipment .....3 years.

3.4 Financial Assets

The financial assets include the assets available for sale, the assets owned until their maturity, loans and accounts receivable, and the cash and cash equivalents.

The valuation and the accounting treatment of the financial assets and liabilities are defined by the IAS 39 standard "Financial instruments: Recognition and Measurement."

Assets owned until their maturity

These securities are exclusively fixed income or determinable income and have fixed maturities, other than loans and accounts receivable, that the company has the intention and the ability to keep until maturity. After their initial posting at their fair value, they are valuated and posted to the accounts at the cost amortized on the basis of the effective interest rate ("EIR") method.
The assets owned until their maturity are the object of a tracking of any objective indication of impairment. A financial asset is impaired if its book value is greater than its recoverable amount as estimated during impairment tests. The impairment is posted to the income statement.

Loans and Accounts Receivable

This category includes the other loans and accounts receivable and the commercial receivables.

These instruments are initially posted to the accounts at their fair value and then at the amortized cost calculated with the EIR method. The short term receivables without an interest rate are valuated at the amount of the original invoice unless the application of an implicit interest rate has a significant effect. For the loans and variable rate accounts receivable, a periodic re-estimation of the cash flows, in order to reflect the change in the market interest rate, modifies the effective interest rate and therefore the valuation of the loan or of the receivable.

The loans and accounts receivable are the object of a tracking of any objective indication of impairment. A financial asset is impaired if its book value is greater than its recoverable amount as estimated during impairment tests. The impairment is posted to the income statement.

The loans and accounts receivable also include the deposits and guarantees, which are classified under Long-term Financial Assets on the balance sheet.

Assets at fair value per the income statement

The assets considered to be held for trading purposes include the assets that the Company intends to resell in the near future in order to realize a capital gain, which is part of a portfolio of financial instruments managed together for which there exists a practice of selling in the short term. The assets held for trading may also include assets voluntarily classified in this category, in a manner that is independent of the criteria listed above ("fair value" option).

Assets available for sale

The assets available for sale include, primarily, securities that do not meet the criteria of the definition of the other categories of financial assets. They are valuated at their fair value, and the changes in value are posted to shareholders' equity.

The fair value corresponds to the market price for those securities that are listed on the stock exchange or to an estimate of the use value for unlisted securities, determined on the basis of the financial criteria most appropriate for the specific situation of each security. When there is an objective indication of the impairment of these securities, the accumulated impairment that has been posted to shareholders' equity is recognized in the income statement.

3.5 Recoverable amount of the long-term intangible assets and property, plant, and equipment

The property, plant, and equipment and intangible assets that have an established lifetime are subjected to an impairment test when the recoverability of their book value is called into question by the existence of indications of impairment. An impairment is posted to the accounts up to the amount of the excess of the book value over the recoverable value of the asset. The recoverable value of an asset corresponds to its fair value minus the costs of sale or its use value, if the latter is higher.

3.6 Inventories and work in progress

The inventories are posted to the accounts at their cost or at their net liquidation value, if the latter is lower. In the latter case, the impairment is posted to the income statement. The inventories are valuated on the basis of the FIFO method.

3.7 Cash and cash equivalents

The cash equivalents are owned for the purpose of meeting short-term cash commitments rather than for the objective of investment or for other purposes. They are readily convertible, into a known amount of cash, and are subject to a negligible risk of change in value. The cash and cash equivalents are constituted by liquid assets that are available immediately, long-term investments that can liquidated immediately without a penalty, and investment securities. They are valuated on the basis of the IAS 39 categories under which they fall.
The investment securities are readily convertible into a known amount of cash and are subject to a negligible risk of change in value. They are valuated at their fair value, and the changes in value are posted to the financial income or loss.

3.8 Share Capital

The common shares of stock are classified under shareholder's equity. The costs of share capital transactions that are directly attributable to the issue of new shares or options are posted to the books under shareholders' equity as a deduction from the revenue from the issue, net of tax.

3.9 Payments in shares of stock

Since its formation, the Company has established several plans for compensation paid in equity instruments in the form of founders' warrants (*bons de souscription de parts de créateur d'entreprise*, BSPCEs) granted to employees and/or executives and in the form of share warrants (*bons de souscription d'actions*, BSAs) granted to non-employee members of the Board of Directors and scientific consultants.
In application of the IFRS 2 standard, the cost of the transactions paid with equity instruments is posted to the accounts as an expense in exchange for an increase in the shareholders' equity for the period during the course of which the rights to be enjoyed from the equity instruments are acquired.

The Company has applied the IFRS 2 standard to all the equity instruments granted, since 2002, to its employees, members of the Board of Directors, natural persons, or to companies.

The options are not subject to any market conditions. The characteristics of the options are presented in Note 17.

3.10 Valuation and posting to the accounts of financial liabilities

Financial liabilities at the amortized cost

The borrowings and other financial liabilities are valuated initially at their fair value and then at the amortized cost, calculated on the basis of the effective interest rate ("EIR") method.

The transaction expenses that are directly attributable to the acquisition or to the issue of a financial liability reduce that financial liability. These expenses are then amortized actuarially over the lifetime of the liability, on the basis of the EIR.
The EIR is the rate that equalizes the anticipated flow of future cash outflows with the current net book value of the financial liability in order to deduct its amortized cost therefrom.

Liabilities at fair value per the income statement

The liabilities at fair value per the income statement are valued at their fair value.

3.11 Subsidies and conditional advances

The Company receives a certain number of forms of assistance, in the form of subsidies or conditional advances. The details concerning this assistance are provided in Note 11.

The subsidies are posted to the accounts where there exists reasonable assurance that:
- the Company will comply with the conditions attached to the subsidies, and
- the subsidies will be received.

A public subsidy that is to be received either as compensation for expenses or for losses already incurred, either for immediate financial support of the Company without associated future costs, is posted to the accounts as revenue for the fiscal year during the course of which the debt becomes owned as a receivable.

The amount resulting from the benefit of the rate obtained at the time of the granting of repayable advances does not bear interest and is considered a subsidy. This benefit is determined by applying a discount rate equal to the rate of fungible Treasury bonds over the time period that corresponds to the time period of the repayment of the advances.

In the event of a change in payment schedule of the stipulated repayments of the repayable advances, the Company makes a new calculation of the net book value of the debt resulting from the discounting of the anticipated new future cash flows.
The adjustment that results therefrom is posted to the income statement for the fiscal year during which the modification is recognized.
The advances that can be subject to this type of modification are the Coface advances presented in Note 11.1.

From 2004 to 2009, the Company states that it enjoyed the status of *Jeune Entreprise Innovante* ([Young Innovative Company] "JEI"). As such, it benefited from reductions in social security contribution expenses for those of its employees who were assigned primarily to research projects.

3.12 Provisions

Provisions for risks and expenses

The provisions for risks and lawsuits correspond to the commitments resulting from lawsuits and various risks, the due dates and amounts of which are uncertain.

A provision is posted to the accounts when the company has a legal or implicit obligation to a third party resulting from a past event, concerning which it is likely or certain that it will cause an outflow of resources to that third party, without consideration that is anticipated to be at least equivalent to the latter, and that the future outflows of liquid assets can be estimated reliably.

The amount posted to the accounts as a provision is the best estimation of the expenses necessary to extinguish the obligation.

Retirement pension obligations

The employees of the Company receive the retirement benefits stipulated by law in France:

- obtaining a compensation paid by the Company to employees upon their retirement (defined benefit plan);
- payment of retirement pensions by the Social Security agencies, which are financed by the contributions made by companies and employees (defined contribution plans).

For the defined benefit plans, the costs of the retirement benefits are estimated by using the projected credit unit method. According to this method, the cost of the retirement pensions is recognized in the income statement in such a manner as to distribute it uniformly over the term of the services of the employees. The retirement benefits commitments are valuated at the current value of the future payments estimated using, for the discounting, the market rate based on the long-term obligations of the first-category companies with a term that corresponds to that estimated for the payment of the services provided.
The Company relies on external actuaries to conduct an annual review of the valuation of these plans.

The difference between the amount of the provision at the beginning of a fiscal year and at the close of that year is entirely posted to the accounts as a personnel expense.

The Company's payments for the defined contribution plans are recognized as expenses on the income statement of the period with which they are associated.

3.13 Revenue from ordinary business activities

The sales revenue of the Company results mainly from the sale of the product *Diallertest*®, a kit for diagnosing the allergy to proteins in cow's milk.

The Company posts revenue to the accounts when the amount can be valuated reliably, when it is likely that the future economic advantages will benefit the Company, and when the specific criteria are met for the business activity of the Company. For the product sales, the sales revenue is recognized upon delivery.

3.14 Other income

Subsidies

Since it was formed, because of its innovative character, the Company has received a certain number of sources of assistance or subsidies from the central Government or from local public authorities, intended to finance its operation or the recruitment of specific personnel.

These subsidies are posted to the accounts as "Other income" for the fiscal year that recorded the corresponding expenses or expenditures, when obtaining the subsidy is reasonable certain.

Research Tax Credit

The Research Tax Credit (*Crédit d'Impôt Recherche*, CIR) is granted to companies by the French tax authorities in order to encourage them to conduct technical and scientific research. Companies that prove that they have expenditures that meet the required criteria (research expenditures located in France or, since 1 January 2005, within the European Community or in another State that is a party to the Agreement on the European Economic Area that has concluded a tax treaty with France that contains an administrative assistance clause) receive a tax credit that can be used for the payment of

the corporate tax due for the fiscal year in which the expenditures were made and the next three fiscal years, or as applicable, be reimbursed for the excess portion. The expenditures taken into account for the calculation of the Research Tax Credit involve only research expenses.

The Company has received the Research Tax Credit since it was formed.
The Company received the reimbursement of the Research Tax Credit for the years 2008 and 2009 during the course of the year following the close of the fiscal years involved. It requested the reimbursement of the 2010 Research Tax Credit under the community tax rules for small and medium firms in compliance with the regulatory texts in effect. The reimbursement of the 2010 Research Tax Credit was received in October 2011.

The CIR is presented under "Other income." The Research Tax Credit for the years 2008 and 2009 was the object of a tax audit in 2011. That audit, which edited on 11 July 2011, did not result in any significant adjustment.

3.15 Rental agreements

The rental agreements involving property, plant, and equipment are classified as finance lease agreements when the Company bears substantially all the benefits and risks inherent in the ownership of the property. The assets that are the object of financing lease agreements are capitalized as of the beginning date of the rental agreement on the basis of the fair value of the rented asset or the discounted values of the future minimum payments, whichever is lower. Each rental payment is distributed between the debt and the financial cost in such a manner as to determine a constant interest rate on the principal that remains due. The corresponding rental obligations, net of the financial expenses, are classified under other long-term debts. The portion of the financial expense that corresponds to the interest is recognized as an expense over the term of the agreement. The property, plant, or equipment acquired within the framework of a finance lease agreement is amortized over the use period or the term of the lease agreement, whichever is shorter.

The rental agreements for which a significant portion of the risks and advantages is preserved by the lessor are classified as ordinary rental agreements. The payments made for these ordinary rental agreements, net of any incentive measures, are recognized as expenses on the income statement in a linear manner over the term of the agreement.

3.16 Taxes

Income tax

Deferred taxes are recognized for all the temporary differences arising from the difference between the tax basis and the accounting basis of the assets and liabilities that are set forth in the financial statements. The primary temporary differences are related to the tax losses that can be carried forward or backward. The tax rates that have been ratified by a legal text as of the closing date are utilized to determine the differed taxes.

The deferred tax assets are posted to the accounts only to the extent that it is likely that the future profits will be sufficient to absorb the losses that can be carried forward or backward. Considering its stage of development, which does not allow income projections judged to be sufficiently reliable to be made, the Company has not posted assets net of deferred taxes to the balance sheet.

3.17 Sectoral information

The Company operates in a single operating segment: the conduct of research and development of epicutaneous immunotherapy products in order to market them in the future. The assets, liabilities, and operating loss realized over the 3 periods presented are located in France.

3.18 Other items in the comprehensive profit (or loss)

The revenue and expense items for the period that are not posted to the income statement as stipulated by the applicable standards are presented, as necessary, under the rubric "Other items in the comprehensive profit (or loss)."

3.19 Decisive accounting estimates and judgments

The estimates and judgments made by the management while implementing the accounting methods described above are based on the historical information and on other factors, in particular, on the anticipation of future events judged to be reasonable in light of the circumstances. These estimates and judgments involve mainly:
- the valuation of the fair value of the founders' warrants (BSPCEs) granted to employees and/or executives and share warrants (BSAs) granted to non-employee members of the Board of Directors and scientific consultants and to service providers is performed on the basis of actuarial models; these models require the use by the Company of certain calculation assumptions such as the expected volatility of the security;
- the estimation of the repayments of the repayable advances obtained by the Company from public institutions. The anticipated repayments of the advances are analyzed at the closing of each fiscal year.

3.20 Events after the close of the fiscal year

The balance sheet and the income statement of the Company are adjusted to reflect the subsequent events that alter the amounts related to the situations that exist as of the closing date. The adjustments are made until the date the financial statements are approved by the Board of Directors.

The other events following the closing date that have not resulted in adjustments are presented in Note 24.

Note 4: Long-term Intangible assets

The intangible fixed assets are broken down as follows:

(Amounts in Euros)

	2008	2009	2010
Patents, licenses, trademarks	29,038	29,038	29,038
Software packages	15,519	18,322	26,757
Total historical cost	**44,557**	**47,360**	**55,795**
Accumulated amort. of patents, licenses, and trademarks	29,038	29,038	29,038
Accumulated depreciation of software packages	15,397	15,761	19,155
Accumulated amortization and depreciation	**44,435**	**44,799**	**48,193**
Net total	**123**	**2,562**	**7,602**

There has been no recognition of impairment losses in application of the IAS 36 standard over the 3 fiscal years presented.

Note 5: Property, Plant, and Equipment

(Amounts in Euros)

	01/01/08	In-crease	De-crease	2008
Laboratory equipment	717.403	90.747	433,680	374,470
Building fixtures	167.329	-	25,879	141,450
Office equipment	72.469	2.136	-	74,605
Computer equipment	62.510	12.408	-	74,918
Other property, plant, and equipment	-	-	-	-
Total, gross	**1.019.711**	**105.291**	**459,559**	**665,443**
Accumulated depreciation of laboratory equipment	416,425	66,240	300,468	182,197
Accumulated depreciation of the fixtures in structures	32,016	36,762	25,879	42,899
Accumulated depreciation of office equipment	10,929	7,399	-	18,329
Accumulated depreciation of computer equipment	33,814	14,693	-	48,507
Accumulated depreciation of other property, plant, and equipment	-	-	-	-
Total accumulated amortization and depreciation	**493,185**	**125,094**	**326,347**	**291,932**
Total, net	**526,526**			**373,511**

	2008	In-crease	De-crease	2009
Laboratory equipment	374,470	191,092	58,487	507,075
Building fixtures	141,450	41,735	-	183,185
Office equipment	74,605	-	-	74,605
Computer equipment	74,918	2,422	-	77,340
Other property, plant, and equipment	-	48	-	48
Total, gross	**665,443**	**235,297**	**58,487**	**842,253**
Accumulated depreciation of laboratory equipment	182,197	59,920	17,487	224,630
Accumulated depreciation of the fixtures in structures	42,899	52,349	-	95,247
Accumulated depreciation of office equipment	18,329	7,461	-	25,789
Accumulated depreciation of computer equipment	48,507	13,751	-	62,258
Accumulated depreciation of other property, plant, and equipment	-	28	-	28
Total accumulated amortization and depreciation	**291,932**	**133,508**	**17,487**	**407,953**
Total, net	**373,511**			**434,301**

	2009	In-crease	De-crease	2010
Laboratory equipment	507,075	41,350	-	548,425
Building fixtures	183,185	-	-	183,185
Office equipment	74,605	-	-	74,605
Computer equipment	77,340	6,932	-	84,272
Other property, plant, and equipment	48	-	-	48
Total, gross	**842,253**	**48,282**	**-**	**890,536**
Accumulated depreciation of laboratory equipment	224,630	83,486	-	308,116
Accumulated depreciation of the fixtures in structures	95,247	53,912	-	149,159
Accumulated depreciation of office equipment	25,789	7,461	-	33,250
Accumulated depreciation of computer equipment	62,258	10,941	-	73,199
Accumulated depreciation of other property, plant, and equipment	28	20	-	48
Total accumulated amortization and depreciation	**407,953**	**155,819**	**-**	**563.772**
Total, net	**434,301**			**326,764**

Over the 3 fiscal years presented, the acquisitions correspond primarily to laboratory and production equipment and materiel.

Note 6: Long-term financial assets

(Amounts in Euros)

	2008	2009	2010
Security deposits	53,850	33,619	25,661
Capitalized securities	49,283	49,283	49,283
Total long-term financial assets	**103,133**	**82 ,902**	**74,944**

The long-term financial assets are composed of security deposits paid to the lessor and of open-ended mutual funds (*sociétés d'investissement à capital variable*, "SICAVs") pledged as guarantees of the ordinary rental agreements.

Note 7: Inventories and Work in Progress

(Amounts in Euros)

	2008	2009	2010
Inventories of raw materials	25,243	16,522	53,621
Finished products inventories	54,130	59,858	51,516
Depreciation of inventories and work in progress	-	-	-
Total net value of the inventories and work in progress	**79,373**	**76,380**	**105,137**

The inventories and work in progress involve the *Diallertest*® product.

Note 8: Customer accounts receivable and other current assets

8.1 Customer accounts receivable and related receivables

(Amounts in Euros)

	2008	2009	2010
Customer accounts receivable and related receivables	16,276	26,999	13,097
Depreciation of customer receivables	-	-	10,000
Total net value of customer accounts receivable	**16,276**	**26,999**	**3,097**

All the customer accounts receivable have terms of less than one year.

The customer accounts receivable and related receivables relate primarily to the sales of *Diallertest*®. Considering the prospects for collection of certain receivables as of 31 December 2010, a provision in the amount of EUR 10,000 was posted to the accounts.

8.2 Other current assets

The other current assets are broken down as follows:

(Amounts in Euros)

	2008	2009	2010
Employees and related accounts	631	164,155	614
Research tax credit	972,932	898,862	1,395,481
Other tax claims	273,691	241,492	533,655
Other receivables	80,181	19,320	19,326
Prepaid expenses	23,094	53,149	79,164
Total	**1,350,529**	**1,376,978**	**2,028,240**

As of 31 December 2009, the Company owned a debt claim on the Chairman and Chief Executive Officer on the basis of that date in the amount of EUR 160,000. The latter was repaid in full at the end of May 2010.

The other tax debt claims are primarily related to the deductible VAT as well as to the reimbursement of VAT requested.

The prepaid expenses correspond mostly to rents, insurance policies, and reservations for conferences.

Research tax credit

The company benefits from the provisions in Articles 244 *quater* B and 49 *septies* F of the French Tax Code (*Code Général des Impôts*) related to the Research Tax Credit (*Crédit d'Impôt Recherche*, "CIR"). In compliance with the principles described in Note 3.14, the Research Tax Credit is posted to the accounts as "other income" during the year with which the eligible research expenditures are associated.

The changes in this Research Tax Credit during the last three fiscal years are presented as follows:

- 2008 : EUR 875,737, reimbursed in 2009,
- 2009 : EUR 890,370, reimbursed in 2010,
- 2010 : EUR 1,386,989, reimbursed in October 2011.

The Research Tax Credit for the years 2008 and 2009 was the object of a tax audit in 2011. That audit, which ended on 11 July 2011, did not result in any significant adjustment.

Note 9: Cash and cash equivalents

The cash and cash equivalents item is broken down as follows (in Euros):

(Amounts in Euros)

	2008	**2009**	**2010**
Cash	-	93,319	650,395
Investment securities	1,683,825	4,314,749	8,377,496
Total	**1,683,825**	**4,408,068**	**9,027,891**

Note 10: Capital

10.1 Share capital issued

The share capital, as of 31 December 2010, is set at the sum of EUR 462,467 (four hundred sixty-two thousand four hundred sixty-seven Euros). It is divided into 462,467 fully subscribed and paid-up shares with a par value of € 1.

This number does not include share warrants (*Bons de Souscription d'Actions*, "BSAs") and founders' warrants (*Bons de Souscription de Parts de Créateur d'Entreprise*, "BSPCEs") granted to certain investors and to certain natural persons, both employees and non-employees of the Company.

All the shares give their owners the right to a proportional share of the income and the net assets of the Company.

The table below presents the historical changes in the capital of the Company since it was created on 6 February 2002:

Date	Nature of the Transactions	Share Capital	Premium	Number of Shares of Stock	Par Value
6 February 2002	Creation	€ 38,250.00		3,825	€ 10.00
13 March 2003	Capital increase (common stock)	€ 4,330.00	€ 135,520.34	433	€ 10.00
15 May 2003	Exercise of A' warrants (BSAs)	€ 4,950.00	€ 154,925.10	495	€ 10.00
30 September 2003	Exercise of B warrants (BSAs)	€ 2,470.00	€ 97,267.61	247	€ 10.00
30 September 2003	Exercise of "BSPCEs"	€ 2,000.00	€ 62,596.00	200	€ 10.00
2 October 2003	Capital increase (common stock)	€ 1,800.00	€ 98,200.08	180	€ 10.00
2 October 2003	Capital increase (common stock)	€ 7,750.00	€ 492,249.78	775	€ 10.00
23 December 2005	Nominal value divided by 10			55,395	€ 1.00
23 December 2005	Capital increase by issue of "P1" stock	€ 5,455.00	€ 349,120.00	5,455	€ 1.00
23 December 2005	Capital increase by issuing of "P1" stock	€ 61,550.00	€ 3,939,200.00	61,550	€ 1.00
31 March 2006	Exercise of B warrants (BSAs)	€ 378.00	€ 24,192.00	378	€ 1.00
18 January 2007	Exercise of warrants (BSA Tranche 2)	€ 121,560.00	€ 7,779,840.00	121,560	€ 1.00
	Sub-total as of 31 December 2008	**€ 250,493.00**	**€ 13,133,110.91**	**250,493**	€ 1.00
	Expenses posted to the accounts minus the premium		-€ 232,996.27		
	Balance as of 31 December 2008	**€ 250,493.00**	**€ 12,900,114.64**	**250,493**	€ 1.00
21 January 2009	Capital increase by issuing of "P2" stock	€ 57,143.00	€ 3,942,867.00	57,143	€ 1.00
21 January 2009	Capital increase by issuing of "P3" stock	€ 28,571.00	€ 1,971,399.00	28,571	€ 1.00
21 April 2009	Capital increase by issuing of "P1" stock	€ 544.00	€ 34,816.00	544	€ 1.00
	Sub-total as of 31 December 2009	**€ 336,751.00**	**€ 18,849,196.64**	**336,751**	€ 1.00
	Expenses posted to the accounts minus the premium		-€ 147,961.53		
	Balance as of 31 December 2009	**€ 336,751.00**	**€ 18,701,235.11**	**336,751**	€ 1.00
16 December 2010	Capital increase by issuing of "P4" stock	€ 116,884.00	€ 8,883,184.00	116,884	€ 1.00
23 December 2010	Capital increase by issuing of "P4" stock	€ 8,832.00	€ 671,232.00	8,832	€ 1.00
	Balance as of 31 December 2010	**€ 462,467.00**	**€ 28,255,651.11**	**462,467.00 €**	**€ 1.00**
	Expenses posted to the accounts minus the premium		-€ 596,871.50		
	Balance as of 31 December 2010	**€ 462,467.00**	**€ 27,658,779.61**	**462,467**	€ 1.00

The shares called "Category P preferred stock" benefit from additional rights in comparison with the shares called "shares of common stock," primarily enhanced financial rights, preferential rights in case of sale, merger, or liquidation of the Company.
The expenses of share capital increases have been posted to the accounts after deduction of the share premium.

10.2 Share warrants, founders' warrants

The company has issued stock warrants (BSAs) and founder's warrants (BSPCEs) as follows:

Date	Type	Number of Warrants Issued as of 31/12/2008	Number of Warrants that were Null and Void as of 31/12/2008	Number of Warrants Outstanding as of 31/12/2008	Maximum Number of Shares of Stock to be Issued	Subscription Price per Share of Stock
12/23/2005	BSA/BSPCE	17,115	-	17,115	17,115	€ 65.00
12/7/2007	BSA	1,717	-	1,717	1,717	€ 65.00
	Total	**18,832**	**-**	**18,832**	**18,832**	

Date	Type	Number of Warrants Issued as of 31/12/2009	Number of Warrants that were Null and Void as of 31/12/2009	Number of Warrants Outstanding as of 31/12/2009	Maximum Number of Shares of Stock to be Issued	Subscription Price per Share of Stock
12/23/2005	BSA/BSPCE	17,115	-	17,115	17,115	€ 65.00
12/7/2007	BSA	1,717	-	1,717	1,717	€ 65.00
1/21/2009	BSA/BSPCE	16,380	-	16,380	16,380	€ 65.00
1/21/2009	BSPCE	2,296	-	2,296	2,296	€ 70.00
	Total	**37,508**	**-**	**37,508**	**37,508**	

Date	Type	Number of Warrants Issued as of 31/12/2010	Number of Warrants that were Null and Void as of 31/12/2010	Number of Warrants Outstanding as of 31/12/2010	Maximum Number of Shares of Stock to be Issued	Subscription Price per Share of Stock
12/23/2005	BSA/BSPCE	17,115	17,115	-	-	€ 65.00
12/7/2007	BSA	1,717	572	1,145	1,145	€ 65.00
1/21/2009	BSA/BSPCE	16,380	-	16,380	16,380	€ 65.00
1/21/2009	BSPCE	2,296	-	2,296	2,296	€ 70.00
6/25/2010	BSA	1,825	-	1,825	1,825	€ 65.00
	Total	**39,333**	**17,687**	**21,646**	**21,646**	

The total presented above does not include the warrants cancelled prior to 31 December 2007.

The impact of the share-based payments on the net income (or loss) is presented in Note 17.

Note 11: Borrowings and financial debts

11.1 Repayable advances

The conditional advances from public institutions are the object of contracts with OSEO and COFACE.

The Company has been granted two advance contracts with OSEO Innovation and a contract with COFACE. These advances do not bear interest and are 100% repayable (at par value) in the event of technical and/or commercial success.

The portion of the conditional advances for terms longer than one year is posted to long-term liabilities, while the portion for terms of less than one year is posted to current liabilities.

The table below presents the details of the debts recorded on the balance sheet by the type of repayable advance (amounts in Euros):

	1st OSEO Assistance	2nd OSEO Assistance	COFACE	Total
Opening Debt Balance as of 1/1/2008	**205,566**	**257,660**	**-**	**463,226**
+ receipts	-	180,000	77,965	257,965
- repayments	-	-	-	-
+/- other transactions	8,465	(6,202)	(22,090)	(19,827)
Opening Debt Balance as of 31/12/2008	**214,031**	**431,458**	**55,875**	**701,364**
+ receipts	-	-	69,569	69,569
- repayments	-	-	-	-
+/- other transactions	8,789	15,016	(11,700)	12,105
Opening Debt Balance as of 31/12/2009	**222,820**	**446,474**	**113,744**	**783,038**
+ receipts	-	120,000	-	120,000
- repayments	(100,000)	-	-	(100,000)
+/- other transactions	8,139	12,319	4,296	24,754
Balance as of 31/12/2010	**130,959**	**578,793**	**118,040**	**827,792**

The changes that are set forth in "Other transactions" involve the discounting of the conditional advances.

<u>The first OSEO advance:</u>

OSEO granted DBV Technologies financial assistance in the amount of EUR 445,000 on 13 June 2003 for a study of the development of a patch-test for screening for allergies, particularly food allergies, and the tool for producing it. The principal steps of this advance were the following:

- All the advances were paid to the Company between 2003 and 2004;
- First repayment of EUR 90,000 in 2006;
- Second repayment of EUR 120,000 in 2007;
- Third repayment of EUR 100,000 in 2010
- The fourth and final repayment in the amount of EUR 135,000 will be made in 2011.

The second OSEO advance:

On 10 January 2005, DBV Technologies obtained from OSEO repayable financial assistance for innovation in the amount of EUR 600,000 for a project to design a high-speed prototype machine for the production and development of second-generation patches intended for the detection of various allergies. The principal steps of this advance are the following:

- EUR 300,000 were paid to the Company in 2005 upon the signing of the contract;
- EUR 180,000 were paid to the Company in 2008;
- the balance of EUR 120,000 was received in 2010.

The repayment of this innovation assistance is going to begin in accordance with the following terms:

Amounts of the Repayments (in EUR)	Due Dates of the Repayments
140,000	31/03/2011
200,000	31/03/2012
260,000	31/03/2013

The COFACE advance:

On 6 September 2007, DBV Technologies signed a prospecting insurance contract with Compagnie Française d'Assurance pour le Commerce Extérieur (COFACE) in order to promote its *Diallertest*® product internationally. Under the terms of that contract, the Company received repayable advances of up to EUR 147,534. DBV Technologies must repay these advances in amounts of up to 7% of its revenue from the export sales of its *Diallertest*® product, until 30 April 2017. As of 31 December 2010, the nominal amount remaining to be repaid under this advance amounted to EUR 147,534 (EUR 147,534 as of 31 December 2009 and EUR 77,965 as of 31 December 2008).

The accounting treatment resulting from any changes in the anticipated flow of repayments of this advance is described in Note 3.11.

11.2 Due dates of the financial liabilities

Due dates of the financial liabilities posted as of 31 December 2008
(Amounts in Euros)

	Gross Amount	**Due in less than One Year**	**Due in One to Five Years**	**Due in More than Five Years**
Financial LIABILITIES				
Long term conditional advances	701,364	-	645,489	55,875
Long-term provisions	87,716	-	-	87,716
Current conditional advances	-	-	-	-
Supplier accounts payable and related payables	616,477	616,477	-	-
Other current liabilities	748,640	748,640	-	-
Total financial liabilities	**2,154,197**	**1,365,117**	**645,489**	**143,591**

Due dates of the financial liabilities posted as of 31 December 2009
(Amounts in Euros)

	Gross Amount	Due in less than One Year	Due in One to Five Years	Due in More than Five Years
Financial LIABILITIES				
Long term conditional advances	685,981	-	572,237	113,744
Long-term Provisions	144,266	-	-	144,266
Current conditional advances	97,057	97,057	-	-
Supplier accounts payable and related payables	831,373	831,373	-	-
Other current liabilities	466,175	466,175	-	-
Total financial liabilities	**2,224,852**	**1,394,605**	**572,237**	**258,010**

Due dates of the financial liabilities posted as of 31 December 2010
(Amounts in Euros)

	Gross Amount	Due in less than One Year	Due in One to Five Years	Due in More than Five Years
Financial LIABILITIES				
Long term conditional advances	558,205	-	440,165	118,040
Long-term provisions	89,671	-	-	89,671
Current conditional advances	269,587	269,587	-	-
Supplier accounts payable and related payables	1,308,521	1,308,521	-	-
Other current liabilities	780,793	780,793	-	-
Total financial liabilities	**3,006,777**	**2,358,901**	**440,165**	**207,711**

The other current liabilities are composed primarily of social security contribution debts.

Note 12: Long-term Provisions

(Amounts in Euros)

	2008	2009	2010
Retirement commitments	87,716	144,266	89,671
Provisions for risks	-	-	-
Total	**87,716**	**144,266**	**89,671**

The increase in the commitment in 2009 is explained primarily by the change in the discount rate used. The decrease in the commitment in 2010 is explained by the departure of the Chairman and Chief Executive officer during the fiscal year.

Commitments for Compensation Payable to Employees upon their Retirement

	Amount in EUR
As of 1 January 2008	**(83,521)**
Costs of services rendered (operating expense)	(33.184)
Interest expense	(4,260)
Benefit paid	-
Actuarial gains	33,249
As of 31 December 2008	**(87,716)**
Costs of services rendered (operating expense)	(26,378)
Interest expense	(4,648)
Benefit paid	-
Actuarial losses	(25,524)
As of 31 December 2009	**(144,266)**
Costs of services rendered (operating expense)	(35,396)
Interest expense	(6,635)
Benefit paid	-
Actuarial gains	96,626
As of 31 December 2010	**(89,671)**

Within the framework of the estimation of the retirement commitments, the following assumptions were used for all the categories of employees:

	2008	2009	2010
% of social security expenses	50%	50%	50%
Salary increases	3.3%	3.3%	3.3%
Discount rate	5.30%	4.60%	4.30%

- Retirement age: 64 years old (managers); 62 years old (non-managers)
- Terms of retirement: voluntary retirement
- Mortality table: TGH05-TGF05
- Collective agreement: *Convention Collective Nationale de l'Industrie Pharmaceutique* [National Collective Agreement in the Pharmaceutical Industry]
- Turnover of the personnel declining with age.

The discount rate comes from the references in the Bloomberg F66710Y IND index.

No retirement was recorded during the 3 fiscal years presented.

Note 13: Supplier accounts receivable and other current liabilities

13.1 Supplier accounts payable and related payables

Of the supplier accounts payable and related payables, no discounting was performed to the extent that the amounts did not present payment terms longer than 1 year at the end of each fiscal year presented.

13.2 Other current liabilities

(Amounts in Euros)

	2008	2009	2010
Social security contribution liabilities	627,519	358,698	687,348
Tax liabilities	30,827	16,581	19,700
Other debts	3,054	15,601	22,268
Income posted in advance	87,240	75,295	51,477
Total	**748,640**	**466,175**	**780,793**

The other liabilities include the short term debts to employees and social welfare and tax agencies.

Note 14: Financial instruments posted to the balance sheet and the effect on the income statement

2008	Value on the Balance Sheet	Fair value per the Income Statement	Loans and Accounts Receivable	Debt at the Amortized Cost	Non-financial Instruments
Financial ASSETS	€	€	€	€	€
Assets available for sale					
Other long-term financial assets	103,133	49,283	53,850		
Inventories and Work in Progress	79,373				79,373
Net customer accounts receivable	16,276		16,276		
Other current financial assets	1,350,529				1,350,529
Cash equivalents	1,683,825	1,683,825			
Total financial assets	**3.233.137**	**1.733.108**	**70,726**	**-**	**1,429,902**
Financial LIABILITIES					
Short-term conditional advances	701,364			701,364	
Long-term Provisions	87,716			87,716	
Short-term conditional advances	-			-	
Supplier accounts payable and other liabilities	1,365,117			1,365,117	
Total financial liabilities	**2,154,197**	**-**	**-**	**2,154,197**	**-**

2009	Value on the Balance Sheet	Fair value per the Income Statement	Loans and Accounts Receivable	Debt at the Amortized Cost	Non-financial Instruments
Financial ASSETS	€	€	€	€	€
Assets available for sale	-				
Other long-term financial assets	82,902	49,283	33,619		
Inventories and Work in Progress	76,380				76,380
Net customer accounts receivable	26,999		26,999		
Other current financial assets	1,376,978				1,376,978
Cash equivalents	4,314,749	4,314,749			
Total financial assets	**5,878,008**	**4,364.,032**	**60,618**	**-**	**1,453,359**

Financial LIABILITIES					
Short-term conditional advances	685,981			685,981	
Long-term Provisions	144,266			144,266	
Short-term conditional advances	97,057			97,057	
Supplier accounts payable and other liabilities	1,297,548			1,297,548	
Total financial liabilities	**2,224,852**	**-**	**-**	**2,224,852**	**-**

2010	**Value on the Balance Sheet**	**Fair value per the Income Statement**	**Loans and Accounts Receivable**	**Debt at the Amortized Cost**	**Non-financial Instruments**
Financial ASSETS	€	€	€	€	€
Assets available for sale	-				
Other long-term financial assets	74,944	49,283	25,661		
Inventories and Work in Progress	105,137				105,137
Net customer accounts receivable	3,097		3,097		
Other current financial assets	2,028,240				2,028,240
Cash equivalents	8,377,496	8,377,496			
Total financial assets	**10,588,914**	**8,426,779**	**28,758**	**-**	**2,133,377**
Financial LIABILITIES					
Short-term conditional advances	558,205			558,205	
Long-term Provisions	89,671			89,671	
Short-term conditional advances	269,587			269,587	
Supplier accounts payable and other liabilities	2,089,314			2,089,314	
Total financial liabilities	**3,006,776**	**-**	**-**	**3,006,776**	**-**

Amounts on the Income Statement (€)

	2008	**2009**	**2010**
Financial revenues	139,379	118,993	20,538
Financial expenses	(32,925)	(30,770)	(36,893)

Note 15: Operating Revenues

The operating income is broken down in the following manner:

(Amounts in Euros)

	2008	2009	2010
Sales revenue	89,173	150,352	178,620
Research Tax Credit	875,737	890,370	1,386,989
Subsidies	78,707	38,536	140,993
Total	**1,043,617**	**1,079,258**	**1,706,602**

The sales revenue of the Company is composed of the sale of the *Diallertest*® products.

Note 16: Operating expenses

The research and development expenditures are broken down as follows:

	31 December		
	2008	**2009**	**2010**
R&D Expenditures	EUR	EUR	EUR
Personnel expenses	1,033,870	1,175,944	1,252,739
Sub-contracting, Collaboration, and consultants	1,073,787	1,376,515	2,780,246
Purchases	234,896	338,298	428,114
Real estate property rental	163,939	175,511	150,799
Conferences, Travel expenses	202,441	191,492	254,481
Depreciation, Amortization and Provision	443,244	136,456	155,304
Other	47,004	21,432	39,567
Total R&D expenditures	**3,199,181**	**3,415,648**	**5,061,249**

By type, the distribution of the overhead is as follows:

	31 December		
Overhead	**2008**	**2009**	**2010**
	EUR	EUR	EUR
Personnel expenses	1,288,796	830,251	605,832
Fees	398,661	227,982	460,710
Real estate rental	27,902	37,150	30,562
Insurance policies	50,000	50,113	56,463
Communications and travel expenses	145,345	- 43,235	60,117
Telecommunications expenses	33,950	46,967	26,886
Administrative costs and rental of personal property	43,154	35,285	34,718
Other	79,462	31,815	75,169
Total overhead	**2,067,270**	**1,216,327**	**1,350,458**

Employee Expenses

The Company employed 17 persons as of 31 December 2010, as opposed to 16 as of 31 December 2009 and 31 December 2008.

The employee expenses are broken down as follows (in Euros):

	2008	2009	2010
Wages and salaries	1,888,891	1,238,105	1,251,507
Social security contributions	368,708	286,037	557,013
Expenses for retirement commitments	4,195	56,550	(54,595)
Payments in shares	60,872	425,502	104,646
Total	**2,322,666**	**2,006,194**	**1,858,571**

Note 17: Payments in shares of stock

The payments in shares of stock involve all the warrants (BSAs/BSPCEs) granted to employees, non-employee members of the Board of Directors, scientific consultants, or service providers.

The warrants granted might be exercised at any time after a vesting period of between 0 and 4 years and become null and void after a period of 10 years from the date they are granted. The acquisition of the warrants by the recipients is not subject to market conditions. The expense representing the benefit granted is posted to the accounts using the straight-line method as a personnel expense over the period of acquisition of the rights.

They are broken down as follows:

The table below provides the result of the unit valuations of the warrants granted excluding the effect of turnover and reiteration of the assumptions:

Type	Award Date	Vesting Date	Date of End of Lifetime	Exercise Price	Market Price	Volatility	Dividend Rate	Maturity	Risk -free Rate	Purchase Price	Warrant Price	Number of Warrants Granted
BSPCE2	23/12/2005	23/12/2005	22/12/2013	65 €	65 €	40%	0%	4.00	3.00%	€ 0.00	€ 22.93	4,279
		23/12/2006	22/12/2013	65 €	65 €	40%	0%	4.50	3.00%	€ 0.00	€ 24.34	4,279
		23/12/2007	22/12/2013	65 €	65 €	40%	0%	5.00	3.06%	€ 0.00	€ 25.75	4,279
		23/12/2008	22/12/2013	65 €	65 €	40%	0%	5.50	3.06%	€ 0.00	€ 27.00	4,278
BSA	07/12/2007	07/12/2008	06/12/2015	65 €	65 €	40%	0%	4.50	4.06%	€ 3.25	€ 25.43	431
		07/12/2009	06/12/2015	65 €	65 €	40%	0%	5.00	4.09%	€ 3.25	€ 26.87	431
		07/12/2010	06/12/2015	65 €	65 €	40%	0%	5.50	4.09%	€ 3.25	€ 28.20	428
		07/12/2011	06/12/2015	65 €	65 €	40%	0%	6.00	4.10%	€ 3.25	€ 29.47	427
BCEX	21/01/2009	21/01/2010	20/01/2019	70 €	70 €	40%	0%	5.50	2.71%	€ 0.00	€ 28.64	574
		21/01/2011	20/01/2019	70 €	70 €	40%	0%	6.00	2.98%	€ 0.00	€ 30.25	574
		21/01/2012	20/01/2019	70 €	70 €	40%	0%	6.50	2.98%	€ 0.00	€ 31.46	574
		21/01/2013	20/01/2019	70 €	70 €	40%	0%	7.00	3.11%	€ 0.00	€ 32.79	574
BSA 2	21/01/2009	21/01/2009	20/01/2019	65 €	70 €	40%	0%	5.00	2.71%	€ 0.01	€ 29.06	4,822
		21/01/2010	20/01/2019	65 €	70 €	40%	0%	5.50	2.71%	€ 0.01	€ 30.33	2,680
		21/01/2011	20/01/2019	65 €	70 €	40%	0%	6.00	2.98%	€ 0.01	€ 31.90	1,072
		21/01/2012	20/01/2019	65 €	70 €	40%	0%	6.50	2.98%	€ 0.01	€ 33.06	1,072
		21/01/2013	20/01/2019	65 €	70 €	40%	0%	7.00	3.11%	€ 0.01	€ 34.35	1,070
BSA 4	21/01/2009	21/01/2009	20/01/2019	65 €	70 €	40%	0%	5.00	2.71%	€ 0.00	€ 29.06	2,411
		21/01/2010	20/01/2019	65 €	70 €	40%	0%	5.50	2.71%	€ 0.00	€ 30.33	1,340
		21/01/2011	20/01/2019	65 €	70 €	40%	0%	6.00	2.98%	€ 0.00	€ 31.90	536
		21/01/2012	20/01/2019	65 €	70 €	40%	0%	6.50	2.98%	€ 0.00	€ 33.06	536
		21/01/2013	20/01/2019	65 €	70 €	40%	0%	7.00	3.11%	€ 0.00	€ 34.35	535
BSAX	21/01/2009	21/01/2010	20/01/2019	65 €	70 €	40%	0%	5.50	2.71%	€ 0.01	€ 30.33	77
		21/01/2011	20/01/2019	65 €	70 €	40%	0%	6.00	2.98%	€ 0.01	€ 31.90	77
		21/01/2012	20/01/2019	65 €	70 €	40%	0%	6.50	2.98%	€ 0.01	€ 33.06	77
		21/01/2013	20/01/2019	65 €	70 €	40%	0%	7.00	3.11%	€ 0.01	€ 34.35	75
	25/06/2010	25/06/2011	24/06/2020	65 €	70 €	40%	0%	5.50	2.04%	€ 0.01	€ 29.48	457
		25/06/2012	24/06/2020	65 €	70 €	40%	0%	6.00	2.23%	€ 0.01	€ 30.89	457
		25/06/2013	24/06/2020	65 €	70 €	40%	0%	6.50	2.23%	€ 0.01	€ 32.00	456
		25/06/2014	24/06/2020	65 €	70 €	40%	0%	7.00	2.50%	€ 0.01	€ 33.45	455
Total												**39,333**

The details of the expense posted to the accounts for the fiscal years 2008, 2009, and 2010 are described as follows by plan:

Flow of the expense as of 31 December 2008:

Type	Award Date	Number of Options Outstanding	Probable Estimated Cost of the Plan	Accumulated Expense as of 01/01/2008	2008 Expense	Accumulated Expense as of 31/12/08
BSPCE2	23/12/2005	17,115	€ 427,959	€ 386,524	€ 41,435	€ 427,959
BSA	07/12/2007	1,717	€ 38,565	€ 1,312	€ 19,437	€ 20,749
Total		**18,832**	€ **466,524**	€ **387,836**	€ **60,872**	€ **448,708**

Flow of the expense as of 31 December 2009:

Type	Award Date	Number of Options Outstanding	Probable Estimated Cost of the Plan	Accumulated Expense as of 31/12/08	2009 Expense	Accumulated Expense as of 31/12/09
BSPCE2	23/12/2005	17,115	€ 427,959	€ 427,959	€ -	€ 427,959
Stock Warrants	07/12/2007	1,717	€ 40,830	€ 20,749	€ 11,684	€ 32,433
BSA 2	21/01/2009	10,716	€ 322,137	€ -	€ 250,806	€ 250,806
BSA 4	21/01/2009	5,358	€ 161,121	€ -	€ 125,445	€ 125,445
BSAX	21/01/2009	306	€ 9,521	€ -	€ 4,644	€ 4,644
BCEX	21/01/2009	2,296	€ 67,880	€ -	€ 32,923	€ 32,923
Total		**37,508**	**1,029,447**	**448,708**	**425 502**	**874 210**

Flow of the expense as of 31 December 2010:

Type	Award Date	Number of Options Outstanding	Probable Estimated Cost of the Plan	Accumulated Expense as of 31/12/09	2010 Expense	Accumulated Expense as of 31/12/10
BSPCE2	23/12/2005	-	€ 427,959	427 959 €	€ -	€ 427,959
Stock Warrants	07/12/2007	1,145	€ 34,278	€ 32,433	€ 118	€ 32,551
BSA 2	21/01/2009	10,716	€ 326,549	€ 250,806	€ 43,878	€ 294,684
BSA 4	21/01/2009	5,358	€ 163,328	€ 125,445	€ 21,946	€ 147,391
BSAX	21/01/2009	306	€ 9,829	€ 4,644	€ 2,929	€ 7,573
BCEX	21/01/2009	2,296	€ 70,096	€ 32,923	€ 20,886	€ 53,809
BSAX	25/06/2010	1,825	€ 56,225	€ -	€ 14,889	€ 14,889
Total		**21,646**	**1,088,264**	**874,210**	**104,646**	**978,856**

The expense posted to the accounts as of 1 January 2008 was 387,836, fully recognized in reserves for the fiscal years 2005 to 2007.

The expense posted to the income statement in 2008 was EUR 60,872.
The expense posted to the income statement in 2009 was EUR 425,502.
The expense posted to the income statement in 2010 was EUR 104,646.

The primary assumptions used for the determination of the expense resulting from payments in shares by application of the Black-Scholes option valuation model have been the following:

- Risk-free interest rate: rate of state borrowings (GFRN index),
- Dividend: none,
- Volatility: 40 %, corresponding to the average of the historic volatility rates of a panel of comparable companies listed on the stock exchange,
- Turnover:
  - 5% per year for 2008,
  - 2.5% per year for 2009,
  - 1% per year for 2010,
- Anticipated lifetime: 5.45 to 7 years.

The exercise prices, anticipated lifetime, and fair value of the underlying shares on the award date of the warrants were used for the valuation of each category of compensation in stock shares.

The detailed information concerning the number of options per category and the exercise prices is presented in Note 10.2.

Note 18: Financial revenue and expenses

The financial income and expenses are broken down as follows (in Euros):

	2008	**2009**	**2010**
Financial revenues	139,379	118,993	20,538
Financial expenses	(32,925)	(30,770)	(36,893)
Total	**106,454**	**88,223**	**(16,355)**

The financial income is principally comprised of capital gains on the disposals of investment securities. The foreign exchange losses and the expenses related to the accretion of the Oséo and Coface advances constitute the financial expenses.

Note 19: Tax expense

In accordance with the legislation in effect, the Company has tax losses that can be carried forward indefinitely in France in a total amount of EUR 24,100,688 as of 31 December 2010 (EUR 17,753,569 as of 31 December 2009 and EUR 13,691,666 as of 31 December 2008). The asset basis of deferred taxation net of the temporary passive differences was not posted to assets as a cautionary measure, in application of the principles described in Note 3.16.

The tax rate applicable to the Company is the rate in effect in France, that is, 33.33%.

Note 20: Commitments

Obligations under the terms of the ordinary rental agreements

For its registered office, on 3 May 2007, the Company signed a service agreement with Société Anonyme de Gestion Immobilière (SAGI) for rental of its premises. The amount of the future rents under those agreements is broken down as follows as of 31 December 2010:

- 2011 : EUR 54,144

The company has signed various ordinary rental agreements for office equipment. The amount of the future rents under those agreements is broken down as follows as of 31 December 2010:

- 2011 : EUR 19,254;
- 2012 : EUR 16,687;
- 2013 : EUR 13,754;
- 2014 : EUR 10,457;
- 2015 : EUR 4,903.

Obligations under the terms of other agreements

As it has sub-contracted several important functions, the company has been required to conclude, within the framework of its current operations, sub-contracting contracts or short- or medium-term delegation contracts with various third parties, in France and abroad, which include various obligations that are usual in these circumstances.

The Company has sub-contracted to KENDLE International the operational conduct of the Phase I Study for the *Viaskin® Peanut* product within the framework of a Full Service contract dated 4 March 2010 and the Task Order related thereto (refer to Section 22). The amount of that study, which began in July 2010, was initially equal to EUR 2,171,933 and was increased by two successive amendments dated 16 February 2011 and 17 October 2011 to EUR 2,326,582 and EUR 2,609,427.

As of 31 December 2010, the amount that remained to be paid under the terms of this contract was equal to EUR 1,714,942.

On 30 July 2010, the Company concluded an agreement with Assistance Publique-Hôpitaux de Paris (AP-HP) within the framework of a study of the effectiveness and safety of a treatment of the allergy to peanuts by epicutaneous immunotherapy in allergic children. The amount of that study totals EUR 418,511. As of 31 December 2010, the amount of the future commitments was equal to:

- 2011 : EUR 150,365;
- 2012 : EUR 130,776.

Note 21: Relationships with related parties

The compensation amounts presented below, which were granted to the members of the Board of Directors of the Company, were posted to the accounts as expenses during the course of the fiscal years presented (in Euros):

	2008	**2009**	**2010**
Members of the Board of Directors	404,526	331,038	178,548
Directors' fees	11,000	19,000	10,000
Payments in shares to the members of the Board of Directors	54,397	137,839	39,836
Fees paid to SCP Benhamou-Vannerom	187,000	189,000	209,000
Total	**656,923**	**676,877**	**437,384**

The methods for valuation of the benefit related to share-based payments are presented in Note 17. The fees paid to SCP Benhamou-Vannerom correspond to scientific consulting services, in particular, to the design of the clinical studies and the production of the protocols.

Statement of the debts to related parties as of 31 December:

	2008	2009	2010
Variable compensation	155,000	53,000	80,750
Directors' fees	18,000	37,000	11,000
SCP Benhamou Vannerom	13,250	13,500	76,096
Retirement pension obligations	39,533	67,144	2,813
Total	**225,783**	**170,644**	**170,659**

As of 31 December 2009, the Company owned a debt claim on the Chairman and Chief Executive Officer on the basis of that date in the amount of EUR 160,000. The latter was repaid in full at the end of May 2010.

Note 22: Earnings per share

Basic earnings

The basic earnings per share is calculated by dividing the net income going to the shareholders of the Company by the weighted average number of shares of common and preferred stock outstanding during the course of the fiscal year. The weighted average number of shares was 250,493 in 2008, 332,025 in 2009, and 342,262 in 2010. Considering the division of the par value of the shares of the Company's stock by 15, decided by the general meeting held on 9 December 2011, this number of shares has been adjusted, by multiplying it by 15, for all the fiscal years presented.

	As of 31 December		
	2008	2009	2010
Results of the reporting period	(4,147,899)	(3,582,116)	(4,804,345)
Adjusted weighted average number of outstanding shares	3,757,395	4,980,368	5,133,928
Basic earnings per share (€/share)	**(1.10)**	**(0.72)**	**(0.94)**

The instruments that entitle their holders to portion of the share capital on a deferred basis (BSAs, BSPCEs) are considered to be anti-dilutive since they cause an increase in the earnings per share. These instruments are presented in detail in Note 17. Therefore, the diluted earnings per share are identical to the basic earnings per share.

Note 23: Management of the financial risks

The principal financial instruments of the Company are comprised of financial assets, cash, and investment securities. The objective of the management of these instruments is to allow the business activities of the Company to be financed. The Company's policy is to not subscribe to financial instruments for speculative purposes. The Company does not utilize derivatives.
The principal risks to which the Company is exposed are interest rate risk and credit risk.

Liquidity risk

Cf., Note 3.4.

Interest rate risk

The Company's exposure to interest rate risk primarily involves investment securities. The latter are composed of money market funds and time deposit accounts. Changes in interest rates have a direct impact on the rate of return on these investments and the cash flows generated.

The Company has no variable rate debt. The flows of repayments of its debts are not subject to interest rate risk.

The repayment of the repayable advances may vary depending on whether or not objectives are attained. The change in the flow of the anticipated repayments is treated in the income statement (Note 3.11).

As of this date, the Company has not contracted borrowings from credit institutions and, therefore, has only very low exposure to interest rate risk.

Credit risk

The credit risk related to the cash, the cash equivalents, and the current financial instruments is not significant in light of the quality of the co-contracting financial institutions.

Fair value

The fair value of financial instruments traded on an active market, such as the available-for-sale securities, is based on the market rate as of the closing date. The market price used for the financial assets owned by the Company are the bid prices in effect on the market as of the valuation date.

The nominal value, less the provisions for depreciation, of the accounts receivable and current debts is presumed to approximate the fair value of those items.

Note 24: Events after the close of the fiscal year

Since the close of the 2010 fiscal year, the Company has signed a new rental agreement with the company SELECTINVEST 1 for its premises and research laboratories.

Furthermore, the tax authorities have launched an audit of the Research Tax Credit for the years 2008 and 2009. This audit procedure was completed on 11 July 2011 and did not result in any significant adjustment.

The Board of Directors granted, on 28 January 2011, 10,039 stock warrants to the Chairman of the Board of Directors and, on 24 June 2011, 8,000 stock warrants and 24,000 founders' warrants to employees, consultants, and members of the Board of Directors, in compliance with the authorization by the combined general meeting held on 16 December 2010.

The general meeting held on 9 December 2011 decided to divide the par value of the shares of the Company's stock by 15. This item has been taken into account in the determination of the earnings per share in compliance with the provisions of the IAS 33 standard (Note 22).

Finally, the Company has been notified by Oséo Innovation of the grant of a new amount of assistance in the form of a repayable advance of up to EUR 640,000 to finance the development of its program of treatment of the allergy to proteins in cow's milk.

The amount of the assistance will be paid as follows:

- EUR 256,000 after the signing of the contract; this sum was received by the Company on 9 December 2011;

- EUR 256,000 beginning on 31 March 2012 on a call for funds;
- the balance of EUR 128,000 after confirmation of the end of the program no later than 15/08/2013.

In the event of technical or commercial success of the program, the repayment schedule will be the following:

- EUR 64,000 no later than 31 March 2014;
- EUR 64,000 no later than 30 June 2014;
- EUR 64,000 no later than 30 September 2014;
- EUR 64,000 no later than 31 December 2014;
- EUR 32,000 no later than 31 March 2015;
- EUR 32,000 no later than 30 June 2015;
- EUR 32,000 no later than 30 September 2015;
- EUR 32,000 no later than 31 December 2015;
- EUR 32,000 no later than 31 March 2016;
- EUR 32,000 no later than 30 June 2016;
- EUR 32,000 no later than 30 September 2016;
- EUR 32,000 no later than 31 December 2016;
- EUR 32,000 no later than 31 March 2017;
- EUR 32,000 no later than 30 June 2017;
- EUR 32,000 no later than 30 September 2017;
- EUR 32,000 no later than 31 December 2017.

Note 25: Information concerning the IFRS transition

The Company considered for the sole purpose of the financial information that the transition date was 1/1/2008 and prepared its first set of financial statements in accordance with IFRS standards on 31/12/2008. As the Company is not required to publish IFRS financial statements, this date is a mere working assumption.

Note 26: Reconciliation between the IFRS standards and the French corporate financial statements

The financial statements of the Company prepared in accordance with the International Financial Reporting Standards (IFRS) differ on certain points from those prepared in accordance with the French accounting principles, which is the applicable set of standards considering where the Company is domiciled and the nature of the statutory financial statements of the Company. The principal differences are presented in the following tables:

Table presenting the Transition from the Net Income (Loss) in the French Corporate Financial Statements and the IFRS Net Income (Loss) (in Euros):

	2008	2009	2010
Net corporate profit or loss	**(3,760,515)**	**(3,172,904)**	**(4,961,074)**
Payments in shares of stock			
Expense posted to the accounts	(60,872)	(425,502)	(104,646)
Retirement commitments			
Commitments at the beg. of the FY	83,521	87,716	144,266
Commitments at the end of the FY	(87,716)	(144,266)	(89,671)
Other restatements and eliminations			
Impact on the profit or loss for the period	(322,317)	72,840	206,780
Net IFRS profit or loss	**(4,147,899)**	**(3,582,116)**	**(4,804,345)**

The Company has applied the IFRS 2 standard "Share-based payments" to all the equity instruments granted, since 2002, to employees, members of the Board of Directors, natural persons, or companies. An expense is posted to the accounts in consideration for a corresponding increase in the reserves.

In application of the IAS 19 standard, the Company posts the provisions for retirement commitments to the accounts as personnel expenses. Thus, and in light of the accounting methods used by the Company as described in Note 3.12, the change in the commitments between the beginning and the close of a fiscal year is entirely posted to the accounts as an expense.

The other restatements and eliminations correspond primarily to:

- The discounting of the repayable advances over each fiscal year: The amount resulting from the benefit of the rate obtained at the time of the granting of repayable advances does not bear interest and is considered a subsidy. This benefit is determined by applying a discount rate equal to the rate of fungible Treasury bonds over the time period that corresponds to the time period of the repayment of the advances;
- The cancellation in 2008, in the IFRS accounting statements, of development costs capitalized within the corporate financial statements in the amount of EUR 308,000;
- The cancellation in 2010, in the IFRS financial statements, of the allowance for provisions recognized in the corporate financial statements related to the capitalized development costs mentioned above.

The other restatements made are not significant individually.

Table presenting the Transition from the Shareholders' Equity in the French Corporate Financial Statements to the IFRS Shareholders' Equity (Amounts in Euros):

	2008	2009	2010
Corporate shareholders' equity	**1,874,122**	**4,596,027**	**8,726,329**
Retirement commitments			
Commitments at the end of the fiscal year	(87,716)	(144,266)	(89,671)
Other restatements and eliminations			
Impact on reserves at the end of the FY	(333,833)	(268,423)	(69,759)
IFRS shareholder' equity	**1,452,573**	**4,183,338**	**8,566,899**

20.3.2 Historical annual financial statements prepared in accordance with French accounting principles related to the fiscal years ended on 31 December 2008, 31 December 2009, and 31 December 2010

20.3.2.1 Fiscal Year ended on 31 December 2010

ASSETS	31/12/10			31/12/09
(In €)	Gross	Amort. & dep.	Net	Net
Uncalled subscribed capital				
FIXED ASSETS				
Long-term intangible assets				
Start-up costs				
Capitalized research and development costs				
Franchises, patents, licenses, software, etc.	55,795	48,193	7,602	2,562
Goodwill (1)				
Other long-term intangible assets				
Intangible assets in progress				
Advances and prepaid expenses				
Property, plant, and equipment				
Land				
Buildings				
Machinery & equipment	585,160	328,106	257,054	314,625
Other plant, property, and equipment	300,375	220,120	80,255	127,106
Plant, property, and equipment under construction				
Advances and prepaid expenses	380,716	375,716	5,000	375,716
Investments (2)				
Controlling interests				
Receivables from controlled entities				
Fixed securities from portfolio activity				
Other fixed securities				
Loans				
Other investments	25,661		25,661	33,619
	1,347,708	**972,135**	**375,573**	**853,628**
CURRENT ASSETS				
Inventories and work in progress				
Raw materials & supplies	53,621		53,621	16,522
Work in progress (goods and services)				
Intermediate and finished goods	51,516		51,516	59,858
Goods held for resale				
Down-payments to suppliers				437
Receivables (3)				
Customer accounts receivable and related receivables	13,097		13,097	26,999
Other receivables	1,949,076		1,949,076	1,323,392
Shares subscribed, called and unpaid				
Holdings				
Treasury shares				
Other securities	49,283		49,283	49,283
Cash instruments				
Cash	9,027,891		9,027,891	4,408,068
Prepaid expenses (3)	79,164		79,164	53,149
	11,223,649		**11,223,649**	**5,937,709**
Expenses capitalized, to be amortized				
Bond discounts to be amortized				
Unrealized losses on foreign exchange				
GRAND TOTAL	**12,571,356**	**972,135**	**11,599,221**	**6,791,336**
(1) Of which, leasehold acquisition costs				

LIABILITIES	31/12/10	31/12/09
(in €)	Net	Net
SHAREHOLDERS' EQUITY		
Capital (including actual payments of: €462,467)	462,467	336,751
Paid-in capital	27,660,004	18,702,460
Revaluation of assets above historical costs		
Equity method evaluation difference		
Reserves:		
- Legal reserve		
- Statutory or contractual reserves		
- Regulated reserves		
- Other reserves		
Retained earnings	-14,450,614	-11,277,711
Net profit or loss for the period	-4,961,074	-3,172,904
Subsidies for long-term investments		
Regulated provisions	15,546	7,430
	8,726,329	**4,596,027**
EQUITY EQUIVALENTS		
Income from issuances of equity loans		
Conditional advances	898,056	878,056
Equity equivalents		
	898,056	**878,056**
PROVISIONS		
Contingency provisions		**63,474**
Loss provisions		
		63,474
LIABILITIES (1)		
Convertible bond debentures		
Other debenture bonds		
Bank borrowings (2)	1,006	873
Various debts (3)	404	404
Down-payments from customers		
Supplier accounts payable and related payables	1,308,521	831,373
Taxes & dividends payable, liabilities to personnel & other social liabilities	644,048	406,805
Liabilities to fixed asset suppliers, incl. unpaid amts. on subscribed investment shares		
Other liabilities	20,857	14,324
Cash instruments		
Prepaid income (1)		
	1,974,837	**1,253,779**
Unrealized gains on foreign exchange transactions		
GRAND TOTAL	**11,599,221**	**6,791,336**
(1) Of which, with payment terms of more than one year (a)		
(1) Of which, with payment terms of less than one year (a)	*1,974,837*	*1,253,779*
(2) Of which, bank borrowings and positive bank balances		
(3) Of which, equity loans		

(a) With the exception of down-payments from customers

(2) Of which, with payment terms of less than one year (gross)
(3) Of which, with payment terms of more than one year (gross)

Income Statement

In €	31/12/10			31/12/09
	France	Export	Total	Total
Sales from operations (1)				
Sales of goods held for resale	180,596	3,797	184,394	159,141
Sales of manufactured products				
Service sales	2,568		2,568	4,824
Net sales	**183,164**	**3797**	**186,961**	**163,965**
Change in finished goods and in-progress inventory			- 8,342	- 8,789
Fixed assets produced for use by the company itself				
Net partial income on long-term transactions				
Operating subsidies			113,333	11,500
Recoveries on provisions & expense transfers			64,784	28,094
Other income			251	2,343
			356,988	**197,113**
Operating expenses (2)				
Stock purchases for resale				
Change in inventory				
Raw materials and supplies bought			65,143	91,839
Change in inventory			- 37,090	- 5,796
Other purchases and external charges (a)			4,371,683	2,497,082
Taxes			26,768	25,581
Wages and salaries			1,164,507	1,325,105
Social security taxes			579,174	307,123
Depreciation allowances and provisions:				
* Fixed assets depreciation allowance			151,098	126,441
* Provisions for loss in value of fixed assets				
* Provisions for losses on current assets				
* Contingency and loss provisions				
Other expenses			11,796	831
			6,333,079	**4,368,206**
OPERATING PROFIT OR LOSS			**- 5,976,092**	**- 4,171,093**
Net losses/gains from joint ventures				
Profit allocated or loss transferred				
Loss borne or profit transferred				
Interest, dividends and other financial income				
from controlled entities (3)				
from other capitalized securities and receivables (3)				
Other interest income (3)				
Excess provisions charged and expense transfers				
Foreign exchange gains			4,107	2,043
Gains on sales of short-term investments			16,431	116,950
			20,538	**118,993**
Interest and other finance charges				
Amortization of bond discounts & financial provisions				
Interest expense (4)			2,533	2,502
Foreign exchange losses			5,764	1,071
Losses on sales on short-term investments				
			8,297	**3,574**
FINANCIAL PROFIT OR LOSS			**12,241**	**115,419**
EARNINGS BEFORE TAX AND INTEREST			**- 5,963,850**	**- 4,055,674**

EARNINGS BEFORE TAX AND INTEREST	**- 5,963,850**	**- 4,055,674**
Extraordinary gains		
In operations		
Proceeds of assets sold and other capital gains		
Excess provisions charged and expense transfers		
Extraordinary losses		
In operations	382	169
Book value of assets sold and other capital losses		
Unusual depreciation and regulated provisions	383,831	7,430
	384,213	**7,599**
EXTRAORDINARY GAIN OR LOSS	**- 384,213**	**- 7,599**

Personnel profit-sharing plan		
Income tax expense	- 1,386,989	- 890,370

Total income	**377,526**	**316,106**
Total expenses	**5,338,600**	**3,489,010**

PROFIT OR LOSS	**- 4,961,074**	**- 3,172,904**
(a) Of which,		
- Equipment leasing fees are	*4,188*	*7,754*
- Property leasing fees are		

(1) Of which, income relating to prior financial years

(2) Of which, expenses relating to prior financial years

(3) Of which, income involving affiliates

(4) Of which, expenses involving affiliates

ACCOUNTING RULES AND METHODS

(Decree No. 83-1020 of 29/11/1983 - Articles 7, 1, beginning of 24, 24-1, 24-2 and 24-3)

APPENDIX TO THE BALANCE SHEET AND THE INCOME STATEMENT

To the balance sheet before distribution for the fiscal year ended on 31/12/2010, which shows a total of EUR 11,599,221.37
And to the income statement for the fiscal year, presented in list form and generating a loss of EUR - 4,961,073.77.

The fiscal year is 12 months long, covering the period from 01/01/10 to 31/12/2010.

The notes or tables below are an integral part of the annual financial statements.

Significant events during the fiscal year
None

Significant events following the close of the fiscal year
None

General accounting conventions were applied in compliance with due regard for the principle of prudence, in compliance with the basic assumptions of:
- the going concern,
- consistency in accounting methods from one fiscal year to the next,
- independence of the fiscal years,

and in compliance with the general rules governing the preparation and presentation of the annual financial statements.

The basic method used for the valuation of the items posted to the accounts is the historical cost basis method.

The development expenses are posted to the accounts as expenses.

The Company benefited from having the status as a Jeune Entreprise Innovante until 31/12/2009.

Property, plant, and equipment
The property, plant, and equipment are valued at their acquisition cost (purchase price and ancillary expenses).

The depreciation is calculated on the basis of the straight-line method or the declining balance method depending on the anticipated lifetime:

- Industrial facilities 5 years
- Office and computer equipment 3 years
- Office furniture 10 years.

Cash
The "Cash and Cash Equivalents" item is almost entirely represented by Investment Securities.

Accounts receivable
The accounts receivable are valued at their nominal value. A provision for depreciation is made when the net asset value is less than the book value.

Change in methods
There was no change in valuation method during the fiscal year.

There was no change in presentation method during the fiscal year.

No change occurred in comparison with the previous fiscal year.

Other information
The fees paid to the Statutory Auditor during the 2010 fiscal year amounted to EUR 13,156.

FIXED ASSETS

In Euros	Gross Value beginning of Fiscal Period	Increases		Decreases		Gross Value at the End of the Period	Revaluation of Original Value
		Revaluations	Acquisitions	By wire	By sale		
Long-term intangible assets							
Start-up and development expenses **Total I**							
Other long-term intangible asset items **Total II**	**47,360**		**8,435**			**55,795**	
Property, plant, and equipment							
Land							
Structures on own soil							
Structures on soil of others							
General facilities, fixtures, and improvement of structures							
Technical facilities, and industrial equipment and tools	548,810		68,266	31,916		585,160	
Other miscellaneous facilities, fixtures, and improvements	141,450					141,450	
Transportation equipment	48					48	
Office and computer equipment, furniture	151,945		6,932			158,878	
Recoverable and miscellaneous packaging							
Long-term intangible assets in progress							
Advances and deposits	375,716		5,000			380,716	
Total III	**1,217,969**		**80,198**	**31,916**		**1,266,251**	
Long-term financial assets							
Interests valuated on the basis of the equity method							
Other interests							
Other capitalized securities							
Loans and other long-term financial assets	33,619				7,958	25,661	
Total IV	**33,619**				**7,958**	**25,661**	
GRAND TOTAL (I+II+III+IV)	**1,298,948**		**88,633**	**31,916**	**7,958**	**1,347,708**	

The investments initiated within the framework of putting the "*Diallertest*®" product into production, which amounted to EUR 375,715.69, were posted to the accounts as advances and deposits.

The investments have not been fully completed as of this date.

The principle of putting the product into production has been postponed.

As a result, an exceptional provision for the total value was recognized on 31/12/2010.

AMORTIZATION AND DEPRECIATION

In Euros	POSITION AND TRANSACTIONS DURING THE FISCAL YEAR			
AMORTIZABLE OR DEPRECIABLE FIXED ASSETS	**Value at the beg. of the Fiscal Year.**	**Increases in Allowances**	**Decreases in Outflows/Recaptures**	**Value at the end of the Fiscal Year**
Long-term intangible assets				
Start-up expenses **Total I**				
Other long-term intangible assets **Total II**	**44,799**	**3,395**		**48,193**
Property, plant, and equipment				
Land				
Structures on own soil				
Structures on soil of others				
General facilities, fixtures, and structures				
Technical facilities, industrial equipment and tools	234,186	93,920		328,106
Other miscellaneous facilities, fixtures, and improvements	78,261	35,363		113,624
Transportation equipment	28	20		48
Office and computer equipment, furniture	88,047	18,401		106,449
Recoverable and miscellaneous packaging				
Total III	**400,522**	**147,704**		**548,226**
GRAND TOTAL (I+II+III)	**445,321**	**151,098**		**596,419**

BREAKDOWN OF THE TRANSACTIONS THAT AFFECT THE PROVISION FOR SPECIAL DEPRECIATION ALLOWANCES							
En Euros	**ALLOWANCES**			**RECAPTURES**			**Dep. / Amort. Transactions at FY-end**
AMORTIZABLE OR DEPRECIABLE FIXED ASSETS	**Use Time Differential**	**Declining Bal. Method**	**Excpt'l Tax Dep./Amort.**	**Use Time Differential**	**Declining Bal. Method**	**Excpt'l Tax Dep./Amort.**	
Long-term intangible assets							
Start-up and development expenses **Total I**							
Other long-term intangible assets **Total II**							
Property, plant, and equipment							
Land							
Structures on own soil							
Structures on soil of others							
General facilities, fixtures, and improvements in structures							
Technical facilities, industrial equipment and tools							
Other miscellaneous facilities, fixtures, and improvements	8,115						8,115
Transportation equipment							
Office and computer equipment, furniture							
Recoverable and miscellaneous packaging							
Total III	**8,115**						**8,115**
Acquisition expenses for equity securities Total IV							
GRAND TOTAL (I+II+III+IV)	**8,115**						**8,115**

TRANSACTIONS DURING THE FY THAT AFFECT THE EXPENSES DISTRIBUTED OVER SEVERAL FISCAL YEARS	Net amount at Beg. of the FY	Increases	Allocs. for FY to Dep./Amort.	Net amount at the FY-end
Expenses to be distributed across several fiscal years				
Bond redemption premium				

PROVISIONS ON THE BALANCE SHEET

In Euros	Amount as of Beg. of the FY	Increases: Allocations for the FY	Decreases: Recaptures for the FY	Amount at the End of the Fiscal Year
Regulated provisions				
Provisions for reconstruction of fields				
Provisions for investments				
Provisions for price increases				
Special depreciation allowances	7,430	8,115		15,546
Provisions for start-up loans				
Other regulated provisions				
Total I	**7,430**	**8,115**		**15,546**
Provisions for risks and expenses				
Provisions for expense of warranties given to customers				
Provisions for losses on futures markets				
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Provisions for pensions and obligations				
Provisions for taxes				
Provisions for replacements of fixed assets				
Provisions for major repairs				
Provisions for social security and tax expenses with respect to paid vacations				
Other provisions for risks and expenses	63,474		63,474	
Total II	**63,474**		**63,474**	
Amortization and Depreciation				
On long-term intangible assets				
On tangible fixed assets		375,716		375,716
On interests valuated on the basis of the equity method				
On equity securities				
On other long-term financial assets				
On inventories and work in progress				
On customer accounts receivable				
Other amortization and depreciation				
Total III		**375,716**		**375,716**
GRAND TOTAL (I+II+III)	**70,904**	**383,831**	**63,474**	**391,261**

Of which, allowances and recaptures of the following kind are:	** operating*		*63,474*
	** financial*		
	** exceptional*	*383,831*	

Interests valuated on the basis of the equity method amount of the amortization and depreciation for the fiscal year (Art 39-1-5 of the French Tax Code [CGI]*)*	

STATEMENT OF ACCOUNTS RECEIVABLE AND DEBTS

STATEMENT OF ACCOUNTS RECEIVABLE (EUR)	Gross Amount	Due in No More than 1 Year	Due in More than 1 Year
Related to fixed assets			
Accounts receivable associated with interests			
Loans (1) (2)			
Other financial long-term assets	25,661		25,661
Related to current assets			
Bad or disputed debts			
Other customer accounts receivable	13,097	13,097	
Receivables that represent securities loaned			
Employees and related accounts			
Social security and other social welfare agencies			
Income tax	1,395,481	1,395,481	
Value-Added Tax	525,222	525,222	
Other taxes, levies, and similar payments	8,433	8,433	
Miscellaneous			
Group and associates (2)			
Miscellaneous debtors	19,939	19,939	
Prepaid expenses	79,164	79,164	
TOTAL	**2,066,998**	**2,041,337**	**25,661**

(1) Including loans granted during the fiscal year	
(1) Including repayments obtained during the fiscal year	
(2) Including loans and advances granted to associates	

STATEMENT OF DEBTS (EUR)	Gross Amount	Due in No More than 1 Year	Due in 1 to 5 Years	Due in More than 5 Years
Convertible bond borrowings (1)				
Other bond borrowings (1)				
Borrowings from and debts to credit institutions (1)				
* Originally due in no more than one year	1,006	1,006		
* Originally due in more than one year				
Miscellaneous borrowings and financial debts (1) (2)				
Supplier Accounts Payable and Related Payables	1,308,521	1,308,521		
Employees and related accounts	488,242	488,242		
Social security and other social welfare agencies	136,107	136,107		
Income tax				
Value-Added Tax	3,218	3,218		
Guaranteed bonds				
Other taxes, levies, and similar payments	16,482	16,482		
Debts on fixed assets and related accounts				
Group and associates (2)	404	404		
Other debts	20,857	20,857		
Debts that represent securities borrowed				
Income posted in advance				
TOTAL	**1,974,837**	**1,974,837**		

(1) Borrowings taken out during the fiscal year	
(1) Borrowings repaid during the fiscal year	
(2) Borrowings, debts contracted with associates	

The amount of the Oséo/Anvar conditional advances was equal to EUR 735,000 at the end of 2010.

They are broken down as follows:

- EUR 600,000 related to total assistance repayable in full if the project is successful, and up to EUR 120,000 if the project fails
- EUR 445,000 paid in 2003 and 2005, of which there remains EUR 135,000 to be repaid in accordance with the payment schedule.

ACCRUED INCOME

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Accrued Inc. Included in the Items Below on the Balance Sheet (EUR)	31/12/2010	31/12/2009
Accounts receivable associated with interests		
Other capitalized securities		
Loans		
Other financial long-term assets		
Customer accounts receivable and related receivables		
Other receivables	21,702	33,056
Accrued income	8,433	19,233
Accrued receivables	13,269	13,823
Investment securities		
Cash	3,409	10,437
TOTAL	**25,111**	**43,493**

ACCRUED EXPENSES

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Accrued Expenses Included in the Following Items on the balance sheet (EUR)	31/12/2010	31/12/2009
Convertible bond borrowings		
Other bond borrowings		
Borrowings from and debts to credit institutions	1,006	873
Borrowings and miscellaneous financial debts		
Supplier accounts payable and related payables	198,272	225,923
Tax and social security contribution debts	540,180	277,805
Debts on fixed assets and related accounts		
Other debts	20,000	13,777
Credit notes to be issued		13,777
Miscellaneous accrued expenses	20,000	
TOTAL	**759,458**	**518,378**

INCOME POSTED IN ADVANCE AND PREPAID EXPENSES

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Income Posted in Advance (EUR)	31/12/2010	31/12/2009
Operating Income Financial income Exceptional income		
TOTAL		

Prepaid Expenses (EUR)	31/12/2010	31/12/2009
Operating income Financial expenses Exceptional expenses	79,164	53,149
TOTAL	**79,164**	**53,149**

COMPOSITION OF THE SHARE CAPITAL

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Various Categories of Securities	Par Value (EUR)		Number of Securities			
	At the beg. of the fiscal year	At the end of the fiscal yr.	At the beg. of the fiscal year	Created during the fiscal year	Redeemed during the fiscal year	At the end of the fiscal yr.
Shares of Common Stock	1.00	1.00	61,550			61,550
Preferred shares of stock	1.00	1.00	275,201	125,716		400,917

20.3.2.2 The Fiscal Year ended on 31 December 2009

ASSETS	31/12/09			31/12/08
(In €)	Gross	Amort. & dep.	Net	Net
Uncalled subscribed capital				
FIXED ASSETS				
Long-term intangible assets				
Start-up costs				
Capitalized research and development costs				
Franchises, patents, licenses, software, etc.	47,360	44,799	2,562	123
Goodwill (1)				
Other long-term intangible assets				
Long-term intangible assets in progress				
Advances and prepaid expenses				
Property, plant, and equipment				
Land				
Buildings				
Machinery & equipment	548,810	234,186	314,625	151,273
Other property, plant, and equipment	293,443	166,337	127,106	181,238
Property, plant, and equipment under construction				
Advances and prepaid expenses	375,716		375,716	416,716
Investments (2)				
Controlling interests				
Receivables from controlled entities				
Fixed securities from portfolio activity				
Other fixed securities				
Loans				
Other investments	33,619		33,619	53,850
	1,298,949	**445,321**	**853,628**	**803,199**
CURRENT ASSETS				
Inventories and work in progress				
Raw materials & supplies	16,522		16,522	25,243
Work in progress (goods and services)				
Intermediate and finished goods	59,858		59,858	54,130
Goods held for resale				
Down-payments to suppliers	437		437	463
Receivables (3)				
Customer accounts receivable and related receivables	26,999		26,999	16,276
Other receivables	1,323,392		1,323,392	1,326,972
Shares subscribed, called and unpaid				
Holdings				
Treasury shares				
Other securities	49,283		49,283	49,283
Cash instruments				
Cash	4,408,068		4,408,068	1,683,825
Prepaid expenses (3)	53,149		53,149	23,094
	5,937,709		**5,937,709**	**3,179,287**
Expenses capitalized, to be amortized				
Bond discounts to be amortized				

LIABILITIES	31/12/09	31/12/08
(In €)	Net	Net
SHAREHOLDERS' EQUITY		
Capital (including actual payments of: €336,751)	336,751	250,493
Paid-in capital	18,702,460	12,901,339
Revaluation of assets above historical costs		
Equity method evaluation difference		
Reserves:		
- Legal reserve		
- Statutory or contractual reserves		
- Regulated reserves		
- Other reserves		
Retained earnings	-11,277,711	-7,517,196
Net income or loss of period	-3,172,904	-3,760,515
Subsidies for long-term investments		
Regulated provisions	7,430	
	4,596,027	**1,874,122**
EQUITY EQUIVALENTS		
Income from issuances of equity loans		
Conditional advances	878,056	808,487
Equity equivalents		
	878,056	**808,487**
PROVISIONS		
Contingency provisions	63,474	63,474
Loss provisions		
	63,474	**63,474**
LIABILITIES (1)		
Convertible bond debentures		
Other debenture bonds		
Bank borrowings (2)	873	1,293
Various debts (3)	404	1,044
Down-payments from customers		
Supplier accounts payable and related payables	831,373	616,477
Taxes & dividends payable, liabilities to personnel & other social liabilities	406,805	616,871
Liabilities to fixed asset suppliers, incl. unpaid amts. on subscribed investment shares		
Other liabilities	14,324	717
Cash instruments		
Prepaid income (1)		
	1,253,779	**1,236,403**
Unrealized gains on foreign exchange transactions		
GRAND TOTAL	**6,791,336**	**3,982,486**
(1) of which, with payment terms of more than one year (a) are		
(1) Of which, with payment terms of less than one year (a) are	*1,253,779*	*1,236,403*
(2) Of which, bank borrowings and positive bank balances are		
(3) Of which equity loans are		

(a) With the exception of down-payments from customers

Unrealized losses on foreign exchange				
GRAND TOTAL	**7,236,657**	**445,321**	**6,791,336**	**3,982,486**

(1) Including leasehold acquisition costs

(2) Including at less than one year (gross)

(3) Including at more than one year (gross)

Income Statement

In €	31/12/09			31/12/08
	France	Export	Total	Total
Sales from operations (1)				
Sales of goods held for resale	154,241	4,900	159,141	96,215
Sales of manufactured products				
Service sales	4,824		4,824	18,662
Net sales	**159,065**	**4,900**	**163,965**	**114,878**
Change in finished goods and in-progress inventory			- 8,789	- 19,465
Fixed assets produced for use by the company itself				
Net partial income on long-term transactions				
Operating subsidies			11,500	58,993
Recoveries on provisions & expense transfers			28,094	10,091
Other income			2,343	61
			197,113	**164,557**
Operating expenses (2)				
Stock purchases for resale				
Change in inventory				
Raw materials and supplies bought			91,839	29,840
Change in inventory			- 5,796	1,678
Other purchases and external charges (a)			2,497,082	2,428,606
Taxes			25,581	40,070
Wages and salaries			1,325,105	1,888,891
Social security taxes			307,123	392,943
Depreciation allowances and provisions:				
* Fixed assets depreciation allowance			126,441	126,941
* Provisions for loss in value of fixed assets				
* Provisions for losses on current assets				
* Contingency and loss provisions				
Other expenses			831	10,118
			4,368,206	**4,919,087**
OPERATING PROFIT OR LOSS			**- 4,171,093**	**- 4,754,531**
Net losses/gains from joint ventures				
Profit allocated or loss transferred				
Loss borne or profit transferred				
Interest, dividends and other financial income				
from controlled entities (3)				
from other capitalized securities and receivables (3)				
Other interest income (3)				
Excess provisions charged and expense transfers				
Foreign exchange gains			2,043	0
Gains on sales of short-term investments			116,950	139,379
			118,993	**139,379**
Interest and other finance charges				
Amortization of bond discounts & financial provisions				
Interest expenses (4)			2,502	11,541
Foreign exchange losses			1,071	1,517
Losses on sales on short-term investments				
			3,574	**13,058**
FINANCIAL PROFIT OR LOSS			**115,419**	**126,321**
EARNINGS BEFORE TAX AND INTEREST			**- 4,055,674**	**- 4,628,210**

EARNINGS BEFORE TAX AND INTEREST	**- 4,055,674**	**- 4,628,210**
Extraordinary gains		
In operations		
Proceeds of assets sold and other capital gains		
Excess provisions charged and expense transfers		
Extraordinary losses		
In operations	169	193
Book value of assets sold and other capital losses		
Unusual depreciation and regulated provisions	7,430	7,849
	7,599	**8,042**
EXTRAORDINARY GAIN OR LOSS	**- 7,599**	**- 8,042**

Personnel profit-sharing plan		
Income tax expense	- 890,370	- 875,737

Total income	**316,106**	**303,935**
Total expenses	**3,489,010**	**4,064,451**

PROFIT OR LOSS	**- 3,172,904**	**- 3,760,515**

(a) Of which,		
- Equipment leasing fees are	*7,754*	*10,978*
- Property leasing fees are		
(1) Including income relating to prior financial years		
(2) Including expenses relating to prior financial years		
(3) Including income involving affiliates		
(4) Including expenses involving affiliates		

ACCOUNTING RULES AND METHODS

(Decree No. 83-1020 of 29/11/1983 - Articles 7, 1, beginning of 24, 24-1, 24-2, and 24-3)

APPENDIX TO THE BALANCE SHEET AND THE INCOME STATEMENT

To the balance sheet before distribution for the fiscal year ended on 31 December 2009, which shows a total of EUR 6,791,336.10
And to the income statement for the fiscal year, presented in list form and generating a loss of:
EUR - 3,172,903.54

The fiscal year is 12 months long, covering the period from 01/01/09 to 31/12/09.

The notes or tables below are an integral part of the annual financial statements.

Significant events during the fiscal year
None

Significant events following the close of the fiscal year
None

General accounting conventions were applied in compliance with due regard for the principle of prudence, in compliance with the basic assumptions of:
- the going concern,
- consistency in accounting methods from one fiscal year to the next,
- independence of the fiscal years,

And in compliance with the general rules governing the preparation and presentation of the annual financial statements.

The basic method used for the valuation of the items posted to the accounts is the historical cost basis method.

The development expenses are posted to the accounts as expenses.

The Company benefited from having the status as a Jeune Entreprise Innovante until 31/12/2009.

Property, plant, and equipment
Property, plant, and equipment are valued at their acquisition cost (purchase price and ancillary expenses).

The depreciation is calculated on the basis of the straight-line method or the declining balance method depending on the anticipated lifetime.

- Industrial facilities……..5 years
- Office and computer equipment…… 3 years
- Office furniture…….. 10 years

Cash
The "Cash and Cash Equivalents" item is almost entirely represented by Investment Securities.

Accounts receivable
Accounts receivable are valued at their nominal value. A provision for depreciation is made when the net asset value is less than the book value.

Change in methods
There was no change in valuation method during the fiscal year.

There was no change in presentation method during the fiscal year.

No change occurred in comparison with the previous fiscal year.

Other information
The fees paid to the Statutory Auditor during the 2009 fiscal year was equal to EUR 24,518.

FIXED ASSETS

In Euros	Gross Value at the beg. of the FY	Increases		Decreases		Gross Value at the End of the FY	Revaluation of the Original Value
		Revaluations	Acquisitions	By Wire	By Sale		
Long-term intangible assets							
Start-up and development expenses **Total I**							
Other long-term intangible assets **Total II**	**44,557**		**2,803**			**47,360**	
Property, plant, and equipment							
Land							
Structures on own soil							
Structures on soil of others							
General facilities, fixtures, and improvement of structures							
Technical facilities, and industrial equipment and tools	333,470		232,827		17,487	548,810	
Other miscellaneous facilities, fixtures, and improvements	141,450					141,450	
Transportation equipment			48			48	
Office and computer equipment, furniture	149,523		2,422			151,945	
Recoverable and miscellaneous packaging							
Property, plant, and equipment under construction							
Advances and deposits	416,716			41,000		375,716	
Total III	**1,041,159**		**235,297**	**41,000**	**17,487**	**1,217,969**	
Long-term financial assets							
Interests valuated on the basis of the equity method							
Other interests							
Other capitalized securities							
Loans and other long-term financial assets	53,850				20,231	33,619	
Total IV	**53,850**				**20,231**	**33,619**	
GRAND TOTAL (I+II+III+IV)	**1,139,566**		**238,100**	**41,000**	**37,718**	**1,298,948**	

The investments initiated within the framework of putting the "*Diallertest*®" product into production, which amounted to EUR 375,715.69, were posted to the accounts as advances and deposits and are not amortized.

Serious negotiations are currently in progress with a partner to continue and finish the investments and, therefore, the financing of the *DIALLERTEST*® project.

Therefore, the advances and deposits were maintained at their historic value in the annual financial statements as of 31 December 2009.

AMORTIZATION AND DEPRECIATION

In Euros	POSITION AND TRANSACTIONS DURING THE FISCAL YEAR			
FIXED ASSETS AMORTIZABLE OR DEPRECIABLE ITEMS	Value at The beg. of fiscal yr.	Increases in Allowances	Decreases in Outflows/Recaptures	Value at the end of fiscal year
Long-term intangible assets				
Start-up expenses **Total I**				
Other long-term intangible assets **Total II**	**44,435**	**364**		**44,799**
Property, plant, and equipment				
Land				
Structures on own soil				
Structures on soil of others				
General facilities, fixtures, and structures				
Technical facilities, and industrial equipment and tools	182,197	69,475	17,487	234,186
Other miscellaneous facilities, fixtures, and improvements	42,899	35,363		78,261
Transportation equipment		28		28
Office and computer equipment, furniture	66,836	21,212		88,047
Recoverable and miscellaneous packaging				
Total III	**291,932**	**126,077**	**17,487**	**400,522**
GRAND TOTAL (I+II+III)	**336,367**	**126,441**	**17,487**	**445,321**

BREAKDOWN OF THE TRANSACTIONS THAT AFFECT THE PROVISION FOR SPECIAL DEPRECIATION ALLOWANCES							
In Euros	ALLOWANCES			RECAPTURES			Dep. / Amort. Transactions at FY-end
FIXED ASSETS AMORTIZABLE OR DEPRECIABLE ITEMS	Use Time Differential	Declining Bal. Method	Exceptional Tax Dep./Amort.	Use Time Differential	Declining Bal. Method	Exceptional Tax Dep./Amort.	
Long-term intangible assets							
Start-up and development expenses **Total I**							
Other long-term intangible assets **Total II**							
Property, plant, and equipment							
Land							
Structures on own soil							
Structures on soil of others							
General facilities, fixtures, and improvement of structures	7,430						7,430
Technical facilities, and industrial equipment and tools							
Other miscellaneous facilities, fixtures, and improvements							
Transportation equipment							
Office and computer equipment, furniture							
Recoverable and miscellaneous packaging							
Total III	**7,430**						**7,430**
Acquisition expenses for equity securities **Total IV**							
GRAND TOTAL (I+II+III+IV)	**7,430**						**7,430**

TRANSACTIONS DURING THE FY THAT AFFECT THE EXPENSES DIST'D ACROSS SEVERAL FISCAL YEARS	Net Amount at the beg. of the FY	Increases	Allowances for Dep./Amort. for the FY	Net Amount at FY-end
Expenses to be distributed across several fiscal years Bond redemption premium				

PROVISIONS ON THE BALANCE SHEET

In Euros	Amount as of Beg. of the FY	Increases: Allocations for the FY	Decreases: Recaptures for the FY	Amount at FY-end
Regulated provisions				
Provisions for reconstruction of fields				
Provisions for investments				
Provisions for price increases				
Special depreciation allowances		7,430		7,430
Provisions for start-up loans				
Other regulated provisions				
Total I		**7,430**		**7,430**
Provisions for risks and expenses				
Provisions for expense of warranties given to customers				
Provisions for losses on futures markets				
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Provisions for pensions and obligations				
Provisions for taxes				
Provisions for replacements of fixed assets				
Provisions for major repairs				
Provisions for social security and tax expenses with respect to paid vacations				
Other provisions for risks and expenses	63,474			63,474
Total II	**63,474**			**63,474**
Amortization and Depreciation				
On long-term intangible assets				
On property, plant, and equipment				
On interests valuated on the basis of the equity method				
On equity securities				
On other long-term financial assets				
On inventories and work in progress				
On customer accounts receivable				
Other amortization and depreciation				
Total III				
GRAND TOTAL (I+II+III)	**63,474**	**7,430**		**70,904**

Of which allowances and recaptures of the following kinds are:		
** operating*		
** financial*		
** exceptional*	7430	

Interests valuated on the basis of the equity method: amount of the amortization and depreciation for the fiscal year (Art 39-1-5 of the French Tax Code [CGI])

STATEMENT OF ACCOUNTS RECEIVABLE AND DEBTS

STATEMENT OF ACCOUNTS RECEIVABLE (EUR)	Gross Amount	Due in no More than 1 Year	Due in More than 1 Year
Related to fixed assets			
Accounts receivable associated with interests			
Loans (1) (2)			
Other financial long-term assets	33,619		33,619
Related to current assets			
Bad or disputed debts			
Other customer accounts receivable	26,999	26,999	
Receivables that represent securities loaned			
Employees and related accounts			
Social security and other social welfare agencies			
Income tax	898,862	898,862	
Value-Added Tax	222,259	222,259	
Other taxes, levies, and similar payments	19,233	19,233	
Miscellaneous			
Group and associates (2)			
Miscellaneous debtors	183,038	183,038	
Prepaid expenses	53,149	53,149	
TOTAL	**1,437,159**	**1,403,540**	**33,619**

(1) Including loans granted during the fiscal year
(1) Including repayments obtained during the fiscal year
(2) Including loans and advances granted to the associates

STATEMENT OF DEBTS (EUR)	Gross Amt.	Due in no More than 1 year	Due in 1 to 5 Years	Due in More than 5 years
Convertible bond borrowings (1)				
Other bond borrowings (1)				
Borrowings from and debts to credit institutions (1)				
* Originally due in no more than one year	873	873		
* Originally due in no more than one year				
Miscellaneous borrowings and financial debts (1) (2)				
Supplier accounts payable and related payables	831,373	831,373		
Employees and related accounts	231,576	231,576		
Social security and other social welfare agencies	158,649	158,649		
Income tax				
Value-Added Tax	1,860	1,860		
Guaranteed bonds				
Other taxes, levies, and similar payments	14,721	14,721		
Debts on fixed assets and related accounts				
Group and associates (2)	404	404		
Other debts	14,324	14,324		
Debts that represent securities borrowed				
Income posted in advance				
TOTAL	**1,253,779**	**1,253,779**		

(1) Borrowings taken out during the fiscal year
(1) Borrowings repaid during the fiscal year
(2) Borrowings, debts contracted with associates

The amount of the Anvar conditional advances was equal to EUR 715,000 at the end of 2008. They are broken down as follows:

- EUR 480,000 paid as of this date related to a total amount of assistance in the amount of EUR 600,000. This total advance will be repayable in full if the project is successful, and up to EUR 120,000 if the project fails.

ACCRUED INCOME

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Accrued income included in the Items below on the Balance Sheet (EUR)	31/12/2009	31/12/2008
Accounts receivable associated with interests		
Other capitalized securities		
Loans		
Other financial long-term assets		
Customer accounts receivable and related receivables		
Other receivables	33,056	62,862
Accrued income	19,233	19,233
Accrued receivables	13,823	43,629
Investment securities		
Cash	10,437	18,537
TOTAL	**43,493**	**81,398**

ACCRUED EXPENSES

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Accrued Liabilities included in the Items below on the Balance Sheet (EUR)	31/12/2009	31/12/2008
Convertible bond borrowings		
Other bond borrowings		
Borrowings from and debts to credit institutions	873	1,293
Borrowings and miscellaneous financial debts		
Supplier accounts payable and related payables	225,923	205,444
Tax and social security debts	277,805	517,010
Debts on fixed assets and related payables		
Other debts	13,777	
Credit notes to be issued	13,777	
TOTAL	**518,378**	**723,747**

INCOME POSTED IN ADVANCE AND PREPAID EXPENSES

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Income posted in advance (EUR)	31/12/2009	31/12/2008
Operating Income		
Financial revenues		
Exceptional income		
Total		

Prepaid expenses (EUR)	31/12/2009	31/12/2008
Operating expenses	53,149	23,094
Financial expenses		
Exceptional expenses		
Total	**53,149**	**23,094**

COMPOSITION OF THE SHARE CAPITAL

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Various Categories of Securities	Par Value (EUR)		Number of Securities			
	At the beg. of the FY	At the end of the FY	At the beg. of the FY	Created during the Fiscal Year	Redeemed during the Fiscal Year	At the FY-end
Shares of common stock	1.00	1.00	61,928		378	61,550
Preferred shares of stock	1.00	1.00	188,565	86,258	-378	275,201

20.3.2.3 The Fiscal Year ended on 31 December 2008

ASSETS	31/12/08			31/12/07
(In €)	Gross	Amort. & dep.	Net	Net
Uncalled subscribed capital				
NON-CURRENT ASSETS				
Long-term intangible assets				
Start-up costs				
Capitalized research and development costs				
Franchises, patents, licenses, software, etc.	44,557	44,435	123	9,215
Goodwill (1)				
Other long-term intangible assets				
Long-term intangible assets in progress				
Advances and prepaid expenses				
Property, plant, and equipment				
Land				
Buildings				
Machinery & equipment	333,470	182,197	151,273	300,977
Other property, plant, and equipment	290,973	109,735	181,238	225,548
Property, plant, and equipment under construction				
Advances and prepaid expenses	416,716		416,716	67,552
Investments (2)				
Controlling interests				
Receivables from controlled entities				
Fixed securities from portfolio activity				
Other fixed securities				
Loans				
Other investments	53,850		53,850	55,556
	1,139,566	**336,367**	**803,199**	**658,848**
CURRENT ASSETS				
Inventories and work in progress				
Raw materials & supplies	25,243		25,243	26,921
Work in progress (goods and services)				
Intermediate and finished goods	54,130		54,130	73,595
Goods held for resale				
Down-payments to suppliers	463		463	3,447
Receivables (3)				
Customer accounts receivable and related receivables	16,276		16,276	145,753
Other receivables	1,326,972		1,326,972	1,385,987
Shares subscribed, called and unpaid				
Interests				
Treasury shares				
Other securities	49,283		49,283	49,283
Cash instruments				
Cash	1,683,825		1,683,825	5,466,709
Prepaid expenses (3)	23,094		23,094	26,570
	3,179,287		**3,179,287**	**7,178,265**
Expenses capitalized, to be amortized				
Bond discounts to be amortized				
Unrealized losses on foreign exchange				
GRAND TOTAL	**4,318,853**	**336,367**	**3,982,486**	**7,837,114**

(1) Including leasehold acquisition costs
(2) Including those with payment terms of less than one year (gross)
(3) Including those with payment terms of more than one year (gross)

LIABILITIES	31/12/08	31/12/07
(In €)	Net	Net
SHAREHOLDERS' EQUITY		
Capital (including actual payments of: €250,493)	250,493	250,493
Paid-in capital	12,901,339	12,901,339
Revaluation of assets above historical costs		9
Equity method evaluation difference		
Reserves:		
- Legal reserve		
- Statutory or contractual reserves		
- Regulated reserves		
- Other reserves		
Retained earnings	-7,517,196	-3,989,771
Net income or loss of period	-3,760,515	-3,527,425
Subsidies for long-term investments		
Regulated provisions		
	1,874,122	**5,634,637**
EQUITY EQUIVALENTS		
Income from issuances of equity loans		
Conditional advances	808,487	550,522
Equity equivalents		
	808,487	**550,522**
PROVISIONS		
Contingency provisions	63,474	**63,474**
Loss provisions		
	63,474	**63,474**
LIABILITIES (1)		
Convertible bond debentures		
Other debenture bonds		
Bank borrowings (2)	1,293	1,206
Various debts (3)	1,044	404
Down-payments from customers		
Supplier accounts payable and other payables	616,477	847,181
Tax and social security debts	616,871	739,029
Debts on fixed assets and related payables		
Other liabilities	717	661
Cash instruments		
Prepaid income (1)		
	1,236,403	**1,588,481**
Unrealized gains on foreign exchange transactions		
GRAND TOTAL	**3,982,486**	**7,837,114**
(1) Of which, those with payment terms of more than one year (a) are		
(1) Of which, those with payment terms of less than one year (a) are	*1,236,403*	*1,588,481*
positive bank [balances]		
(3) Including equity loans		

(a) With the exception of down-payments from customers

Income Statement

In €	31/12/08			31/12/07
	France	**Export**	**Total**	**Total**
Sales from operations (1)				
Sales of goods held for resale	80,117	16,098	96,215	231,449
Sales of manufactured products				
Service sales	18,662		18,662	13,148
Net sales	**98,779**	**16,098**	**114,878**	**244,597**
Change in finished goods and in-progress inventory			- 19,465	46,845
Fixed assets produced for use by the company itself				
Net partial income on long-term transactions				
Operating subsidies			58,993	
Recoveries on provisions & expense transfers			10,091	15,747
Other income			61	103
			164,557	**307,292**
Operating expenses (2)				
Stock purchases, for resale				
Change in inventory				
Raw materials and supplies bought			29,840	132,885
Change in inventory			1,678	10,199
Other purchases and external charges (a)			2,428,606	2,592,345
Taxes			4,070	20,180
Wages and salaries			1,888,891	1,604,884
Social security taxes			392,943	275,931
Depreciation allowances and provisions:				
* Fixed assets depreciation allowance			126,941	169,563
* Provisions for loss in value of fixed assets				
* Provisions for losses on current assets				
* Contingency and loss provisions				
Other expenses			10,118	707
			4,919,087	**4,806,694**
OPERATING PROFIT OR LOSS			**- 4,754,531**	**- 4,499,402**
Net losses/gains from joint ventures				
Profit allocated or loss transferred				
Loss borne or profit transferred				
Interest, dividends and other financial income				
from controlled entities (3)				
from other capitalized securities and receivables (3)				
Other interest income (3)				47
Excess provisions charged and expense transfers				
Foreign exchange gains				590
Gains on sales of short-term investments			139,379	285,298
			139,379	**285,935**
Interest and other finance charges				
Amortization of bond discounts & financial provisions				
Interest expense (4)			11,541	10,187
Foreign exchange losses			1,517	611
Losses on sales on short-term investments				
			13,058	**10,795**
FINANCIAL PROFIT OR LOSS			**126,321**	**275,137**

EARNINGS BEFORE TAX AND INTEREST	**- 4,628,210**	**- 4,224,265**
Extraordinary gains		
in operations		
Proceeds of assets sold and other capital gains		
Excess provisions charged and expense transfers		
Extraordinary losses		
in operations	193	529
Book value of assets sold and other capital losses		
Unusual depreciation and regulated provisions	7,849	
	8,042	**529**
EXTRAORDINARY GAIN OR LOSS	**- 8,042**	**- 529**

Personnel profit-sharing plan		
Income tax expense	- 875,737	- 697,369

Total income	**303,935**	**593,228**
Total expenses	**4,064,451**	**4,120,652**

PROFIT OR LOSS	**- 3,760,515**	**- 3,527,425**

(a) Of which,		
- Equipment leasing fees are	*10,978*	*8,558*
- Property leasing fees are		
(1) Including income relating to prior financial years		
(2) Including expenses relating to prior financial years		
(3) Including income involving affiliates		
(4) Including expenses involving affiliates		

ACCOUNTING RULES AND METHODS

(Decree No. 83-1020 of 29/11/1983 - Articles 7, 1, beginning of 24, 24-1, 24-2, and 24-3)

APPENDIX TO THE BALANCE SHEET AND THE INCOME STATEMENT

To the balance sheet before distribution for the fiscal year ended on 31 December 2008, which shows a total of EUR 3,982,485.90
And to the income statement for the fiscal year, presented in list form and generating a loss of:
EUR - 3,760,515.08

The fiscal year is 12 months long, covering the period from 01/01/08 to 31/12/08.

The notes or tables below are an integral part of the annual financial statements.

Significant events during the fiscal year
None

Significant Events after the Close of the Fiscal Year
None

General accounting conventions were applied in compliance with due regard for the principle of prudence, in compliance with the basic assumptions of:
- the going concern,
- consistency in accounting methods from one fiscal year to the next,
- independence of the fiscal years.

And in compliance with the general rules governing the preparation and presentation of the annual financial statements.

The basic method used for the valuation of the items posted to the accounts is the historical cost basis method.

Development expenses are posted to the accounts as expenses.

The Company benefited from having the status as a Jeune Entreprise Innovante.

Property, plant, and equipment
The property, plant, and equipment are valued at their acquisition cost (purchase price and ancillary expenses).

The depreciation is calculated on the basis of the straight-line method or the declining balance method depending on the anticipated lifetime.

- Industrial facilities 5 years
- Office and computer equipment 3 years
- Office furniture 10 years

Cash
The "Cash and Cash Equivalents" item is almost entirely represented by Investment Securities.

Accounts receivable

The accounts receivable are valued at their nominal value. A provision for depreciation is made when the net asset value is less than the book value.

Change in methods

There was no change in valuation method during the fiscal year.
There was no change in presentation method during the fiscal year.

No change occurred in comparison with the previous fiscal year.

FIXED ASSETS

In Euros	Gross Value at the Beg. of the Period	Increases		Decreases		Gross Value at the End of the Period	Revaluation Value Original
		Revaluations	Acquisitions	By Wire	By Sale		
Long-term intangible assets							
Start-up and development expenses **Total I**							
Other long-term intangible asset items **Total II**	**43,953**		**604**			**44,557**	
Property, plant, and equipment							
Land							
Structures on own soil							
Structures on soil of others							
General facilities, fixtures, and improvement of structures							
Technical facilities, and industrial equipment and tools	717,403		43,438		427,371	333,470	
Other miscellaneous facilities, fixtures, and improvements	167,329				25,879	141,450	
Transportation equipment							
Office and computer equipment, furniture	134,979		14,544			149,523	
Recoverable and miscellaneous packaging							
Property, plant, and equipment under construction							
Advances and deposits	67,552		460,556	111,392		416,716	
Total III	**1,087,263**		**518,538**	**111,392**	**453,250**	**1,041,159**	
Long-term financial assets							
Interests valuated on the basis of the equity method							
Other interests							
Other capitalized securities							
Loans and other long-term financial assets	55,556		3,528		5,234	53,850	
Total IV	**55,556**		**3,528**		**5,234**	**53,850**	
GRAND TOTAL (I+II+III+IV)	**1,186,772**		**522,670**	**111,392**	**458,484**	**1,139,566**	

The investments initiated within the framework of putting the "*Diallertest*®" product into production, which amounted to EUR 416,715.69, were posted to the accounts as advances and deposits and are not amortized.

Use of them is suspended until the program to market this product is resumed in the future.

AMORTIZATION AND DEPRECIATION

In Euros	POSITION AND TRANSACTIONS DURING THE FISCAL YEAR			
FIXED ASSETS AMORTIZABLE OR DEPRECIABLE ITEMS	Value in beg. of the fiscal yr.	Increases Allowances	Decreases Outflows/Recaptures	Value in the end of the fiscal year
Long-term intangible assets				
Start-up expenses **Total I**				
Other long-term intangible assets **Total II**	**34,738**	**9,697**		**44,435**
Property, plant, and equipment				
Land				
Structures on own soil				
Structures on soil of others				
General facilities, fixtures, and structures				
Technical facilities, and industrial equipment and tools	416,425	66,240	300,468	182,197
Other miscellaneous facilities, fixtures, and improvements	32,016	36,762	25,879	42,899
Transportation equipment				
Office and computer equipment, furniture	44,744	22,092		66,836
Recoverable and miscellaneous packaging				
Total III	**493,185**	**125,094**	**326,347**	**291,932**
GRAND TOTAL (I+II+III)	**527,923**	**134,790**	**326,347**	**336,367**

BREAKDOWN OF THE TRANSACTIONS THAT AFFECT THE PROVISION FOR SPECIAL DEPRECIATION ALLOWANCES							
En Euros	ALLOWANCES			RECAPTURES			
FIXED ASSETS AMORTIZABLE OR DEPRECIABLE ITEMS	Use Time Differential	Declining Bal. Method	Tax Dep./Amort. exceptional	Use Time Differential	Declining Bal. Method	Exceptional Tax Dep./Amort.	Dep./Amort. Transactions at FY-end]
Long-term intangible assets							
Start-up and development expenses **Total I**							
Other long-term intangible assets **Total II**							
Property, plant, and equipment							
Land							
Structures on own soil							
Structures on soil of others							
General facilities, fixtures, and improvement of structures							
Technical facilities, and industrial equipment and tools							
Other miscellaneous facilities, fixtures, and improvements							
Transportation equipment							
Office and computer equipment, furniture							
Recoverable and miscellaneous packaging							
Total III							
Acquisition expenses for equity securities Total IV							
GRAND TOTAL (I+II+III+IV)							

TRANSACTIONS DURING THE FY THAT AFFECT THE EXPENSES DIST'D ACROSS SEVERAL FISCAL YEARS	Net amount at the beg. of the FY	Increases	Dep./Amort. Allowances for the FY	Net amount at the end. of the FY
Expenses to be distributed across several fiscal years Bond redemption premium				

PROVISIONS ON THE BALANCE SHEET

In Euros	Amount as of beg. of the FY	Increases: Allocs. For the FY	Decreases: Recaptures for the FY	Amount at the end of the FY
Regulated provisions				
Provisions for reconstruction of fields				
Provisions for investments				
Provisions for price increases				
Special depreciation allowances				
Provisions for start-up loans				
Other regulated provisions				
Total I				
Provisions for risks and expenses				
Provisions for expense of warranties given to customers				
Provisions for losses on futures markets				
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Provisions for pensions and obligations				
Provisions for taxes				
Provisions for replacements of fixed assets				
Provisions for major repairs				
Provisions for social security and tax expenses with respect to paid vacations				
Other provisions for risks and expenses	63,474			63,474
Total II	**63,474**			**63,474**
Amortization and Depreciation				
On long-term intangible assets				
On property, plant, and equipment				
On interests valuated on the basis of the equity method				
On equity securities				
On other long-term financial assets				
On inventories and work in progress				
On customer accounts receivable				
Other amortization and depreciation				
Total III				
GRAND TOTAL (I+II+III)	**63,474**			**63,474**

Including allowances and recaptures of the following kinds:	* *operating*		
	* *financial*		
	* *exceptional*		

Interests valuated on the basis of the equity method: amount of the amortization and depreciation for the fiscal year (Art 39-1-5 of the French Tax Code [CGI]*)*	

STATEMENT OF ACCOUNTS RECEIVABLE AND DEBTS

STATEMENT OF ACCOUNTS RECEIVABLE (in EUR)	Gross Amount	Due in no more than 1 year	Due in more than 1 year
Related to fixed assets			
Accounts receivable associated with interests			
Loans (1) (2)			
Other financial long-term assets	53,850		53,850
Related to current assets			
Bad or disputed debts			
Other customer accounts receivable	16,276	16,276	
Receivables that represent securities loaned			
Employees and related accounts			
Social security and other social welfare agencies			
Income tax	972,932	972,932	
Value-Added Tax	254,458	254,458	
Other taxes, levies, and similar payments	19,233	19,233	
Miscellaneous			
Group and associates (2)			
Miscellaneous debtors	80,348	80,348	
Prepaid expenses	23,094	23,094	
TOTAL	**1,420,192**	**1,366,342**	**53,850**

(1) Including loans granted during the fiscal year	
(1) Including repayments obtained during the fiscal year	
(2) Including loans and advances granted to the associates	

STATEMENT OF DEBTS (in EUR)	Gross Amount	Due in no More than 1 Yr.	Due in 1 to 5 Yrs.	Due in More than 5 Years
Convertible bond borrowings (1)				
Other bond borrowings (1)				
Borrowings from and debts to credit institutions (1)				
* Originally due in no more than one year	1,293	1,293		
* Originally due in more than one year				
Miscellaneous borrowings and financial debts (1) (2)				
Supplier accounts payable and related payables	616,477	616,477		
Employees and related accounts	481,825	481,825		
Social security and other social welfare agencies	104,220	104,220		
Income tax				
Value-Added Tax	7,329	7,329		
Guaranteed bonds				
Other taxes, levies, and similar payments	23,498	23,498		
Debts on fixed assets and related accounts				
Group and associates (2)	1,044	1,044		
Other debts	717	717		
Debts that represent securities borrowed				
Income posted in advance				
TOTAL	**1,236,403**	**1,236,403**		

(1) Borrowings taken out during the fiscal year	
(1) Borrowings repaid during the fiscal year	
(2) Borrowings, debts contracted with associates	

The amount of the Anvar conditional advances was equal to EUR 715,000 at the end of 2008.
They are broken down as follows:
- EUR 480,000 paid as of this date related to a total amount of assistance in the amount of EUR 600,000. This total advance will be repayable in full if the project is successful, and up to EUR 120,000 if the project fails.
- EUR 445,000 paid in 2003 and 2005, of which there remains EUR 235,000 to be repaid according to the repayment schedule.

ACCRUED INCOME

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Accrued Income included in the Items below on the Balance Sheet (EUR)	31/12/2008	31/12/2007
Accounts receivable associated with interests		
Other capitalized securities		
Loans		
Other long-term financial assets		
Customer accounts receivable and related receivables		
Other receivables	62,862	17,452
Accrued income / Local business tax	19,233	17,452
Accrued receivables	43,629	
Investment securities		
Cash	18,537	64,483
TOTAL	**81,398**	**81,935**

ACCRUED EXPENSES

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Accrued Liabilities Included in the Items below on the Balance Sheet (EUR)	31/12/2008	31/12/2007
Convertible bond borrowings		
Other bond borrowings		
Borrowings from and debts to credit institutions	1,293	1,206
Borrowings and miscellaneous financial debts		
Supplier accounts payable and related payables	205,444	287,691
Tax and social security debts	517,010	618,881
Debts on fixed assets and related payables		
Other debts		
Credit notes to be issued		
Miscellaneous accrued liabilities		
TOTAL	**723,747**	**907,778**

INCOME POSTED IN ADVANCE AND PREPAID EXPENSES

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Income posted in advance (EUR)	31/12/2008	31/12/2007
Operating Income Financial revenues Exceptional income		
TOTAL		

Prepaid expenses (EUR)	31/12/2008	31/12/2007
Operating expenses Financial expenses Exceptional expenses	23,094	26,570
TOTAL	**23,094**	**26,570**

COMPOSITION OF THE SHARE CAPITAL

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Various Categories of Securities	Par Value (EUR)		Number of Securities			
	At the beginning of the Fiscal Year	At the End of the Fiscal Year	At the beginning of the Fiscal Year	Created during the Fiscal Year	Redeemed during the Fiscal Year	At the end of the Fiscal Year
Shares of Common Stock	1.00	1.00	61,928			61,928
Preferred shares of stock	1.00	1.00	188,565			188,565

FINANCIAL COMMITMENTS

(Articles R. 123-195 and R. 123-196 of the French Commercial Code)

Commitments Made	Amount
Discounted notes not yet due	
Guarantees, surety bonds, and warranties	
Commitments to finance leases for personal property	3,564
Commitments to finance leases for real estate properties	
Commitments with respect to pensions, retirements, and related items	
Other commitments made:	
TOTAL (1)	**3,564**

(1) Including those involving:
- the executives
- the subsidiaries
- the interests
- the other related companies
Including commitments with financial guarantees

Commitments Received	Amount
TOTAL (2)	

(1) Including those involving:
- the executives
- the subsidiaries
- the interests
- the other related companies
Including commitments with financial guarantees

Mutual Commitments	Amount
TOTAL	

20.4 VERIFICATION OF ANNUAL HISTORICAL FINANCIAL INFORMATION

20.4.1 Report of the Statutory Auditors on the audit of the financial statements prepared in accordance with IFRS standards -- Fiscal years ended 31 December 2008, 31 December 2009, and 31 December 2010

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

To the Board of Directors,

In our capacity as Statutory Auditors of DBV Technologies and pursuant to Commission Regulation (EC) No. 809/2004, we have audited the accompanying financial statements of DBV Technologies, which were prepared in accordance with IFRS, as adopted within the European Union, for the fiscal years ended 31 December 2008, 31 December 2009, and 31 December 2010, as part of a plan to admit the Company's shares for trading on the NYSE Euronext market in Paris.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements prepared for the purpose of the *Document de Base* present fairly, in all material respects, and pursuant to the IFRS framework as adopted within the European Union, the financial position and the assets and liabilities of the Company as of 31 December 2008, 31 December 2009, and 31 December 2010, and the results of its operations for the years then ended.

Without calling into question the opinion expressed above, we draw your attention to Note 3.1 "Basis of preparation of the financial statements," which sets forth the financial position of the Company as of 31 December 2010, as well as the measures announced by Management to enable the Company to continue as a going concern.

This report does not constitute the statutory report stipulated in Article L. 823-9 of the French Commercial Code concerning annual financial statements prepared in accordance with French accounting regulations.

This report is governed by French law. The French courts shall have exclusive jurisdiction over any claim, dispute or difference that may arise from our aforementioned procedures or from this report.

Paris and Neuilly-sur-Seine, 13 December 2011.

The Statutory Auditors

CHD AUDIT ET CONSEIL	Deloitte & Associés
Jean-Marc BULLIER	Fabien BROVEDANI

20.4.2 Additional information verified by the statutory auditors

20.4.2.1 Report of the Statutory Auditor concerning the annual financial statements - Fiscal year ended 31 December 2010

This a free translation into English of the statutory auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

In accordance with our appointment as statutory auditor by your annual general meeting, we hereby report to you for the year ended 31 December 2010 on:

- the audit of the accompanying financial statements of DBV Technologies,
- the justification of our assessments,
- and the specific procedures and disclosures required by law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on those financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and of the assets and liabilities of the Company as of 31 December 2010 and the results of its operations for the year then ended in accordance with French accounting regulations.

Without calling into question the opinion expressed above, we draw your attention to the fact that these financial statements are assessed subject to the completion and financing of industrial projects.

II - Justification of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we bring the following items to your attention:

- With respect to significant estimates, we verified the reasonableness of the change in estimate used to value the assets of the *Diallertest*® project, as mentioned in the "Fixed Assets" Note.

These assessments were performed as part of our audit approach for the financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

III - Specific procedures and disclosures

We have also performed the other procedures required by law, in accordance with the professional standards applicable in France.

We have no comment to make as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Paris, 7 June 2011
CHD AUDIT & CONSEIL
Statutory Auditor
Jean-Marc BULLIER

20.4.2.2 Report of the Statutory Auditor concerning the annual financial statements - Fiscal year ended 31 December 2009

This a free translation into English of the statutory auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

In accordance with our appointment as statutory auditor by your Annual General Meeting, we hereby report to you for the year ended 31 December 2009 on:

- the audit of the accompanying financial statements of DBV Technologies,
- the justification of our assessments,
- and the specific procedures and disclosures required by law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on those financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of 31 December 2009 and the results of its operations for the year then ended in accordance with French accounting regulations.

Without calling into question the opinion expressed above, we draw your attention to the fact that these financial statements are assessed subject to the completion and financing of industrial projects and their commercial development and, in particular, the *Diallertest*® project, as mentioned in the "Fixed Assets" Note.

II - Justification of our assessments

The financial crisis has been gradually accompanied by an economic crisis that has had multiple consequences for businesses, particularly in terms of their activities and financing. These factors were taken into consideration by your Company in assessing the appropriateness of the going concern assumption used for the preparation of the financial statements for the year ended 31 December 2009.

It is in this context that we have made our assessments pursuant to the provisions of Article L. 823-9 of the French Commercial Code.

In terms of the significant estimates, the "Fixed Assets" note mentions the valuation and maintenance of assets with respect to the *Diallertest*® project.

We have received assurance from Management regarding the ongoing operations to pursue the industrial project and maintain these assets.

These assessments were performed as part of our audit approach for the financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

III - Specific verifications and disclosures

We have also performed the other procedures required by law, in compliance with the professional standards applicable in France.

We have no comment to make as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Paris, 9 June 2010
CHD AUDIT & CONSEIL
Statutory Auditor
Jean-Marc BULLIER

20.4.2.3 Report of the Statutory Auditor concerning the annual financial statements - Fiscal year ended 31 December 2008

This a free translation into English of the statutory auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

In accordance with our appointment as statutory auditor by your annual general meeting, we hereby report to you for the year ended 31 December 2008 on:

- the audit of the accompanying financial statements of DBV Technologies,
- the justification of our assessments,
- and the specific procedures and disclosures required by law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on those financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position and the assets and liabilities of the Company as of 31 December 2008 and the results of its operations for the year then ended in accordance with French accounting regulations.

Without calling into question the opinion expressed above, we draw your attention to the fact that these financial statements are assessed subject to the completion and financing of industrial projects and their commercial development and, in particular, the *Diallertest®* project, as mentioned in the "Fixed Assets" Note.

II - Justification of our assessments

The financial crisis has been gradually accompanied by an economic crisis that has had multiple consequences for businesses, particularly in terms of their activities and financing. These factors were taken into consideration by your Company in assessing the appropriateness of the going concern assumption used for the preparation of the financial statements for the year ended 31 December 2008.

It is in this context that we have made our assessments pursuant to the provisions of Article L. 823-9 of the French Commercial Code.

In terms of the significant estimates, the "Fixed Assets" note mentions the valuation and maintenance of assets with respect to the *Diallertest®* project.

We have received assurance from Management regarding the ongoing operations to pursue the industrial project and maintain these assets.

These assessments were performed as part of our audit approach for the financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

III - Specific verifications and disclosures

We have also performed the other procedures required by law, in accordance with the professional standards applicable in France.

We have no comment to make as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Paris, 9 June 2009
CHD AUDIT & CONSEIL
Statutory Auditor
Jean-Marc BULLIER

The interim financial statements of the Company for the 1st half year of 2011 ended on 30 June 2011 were the subject of a report by the statutory auditors presented in paragraph 20.6.2.

20.5 DATE OF THE MOST RECENT FINANCIAL INFORMATION

30 June 2011.

20.6 INTERIM FINANCIAL INFORMATION

20.6.1 Semi-annual financial statements as of 30 June 2011 prepared in accordance with the IFRS

STATEMENT OF FINANCIAL POSITION
(Amounts in Euros)

	Note	30/06/2011	31/12/2010
		EUR	EUR
ASSETS			
Fixed Assets			
Long-term intangible assets	**4**	5,266	7,602
Property, plant, and equipment	**5**	468,569	326,764
Long-term financial assets	**6**	152,441	74,944
Total Fixed Assets		**626,276**	**409,310**
Current assets			
Inventories and work in progress	**7**	103,078	105,137
Customer accounts receivable and related receivables	**8**	2,642	3,097
Other current assets	**8**	2,626,521	2,028,240
Cash and cash equivalents	**9**	4,734,784	9,027,891
Total Current Assets		**7,467,025**	**11,164,365**
TOTAL ASSETS		**8,093,301**	**11,573,676**

STATEMENT OF FINANCIAL POSITION
(Amounts in Euros)

	Note	30/06/2011	31/12/2010
		EUR	EUR
LIABILITIES			
Shareholders' equity			
Share Capital	**10**	462,467	462,467
Premiums related to the Share Capital		27,660,004	27,660,004
Reserves		(19,426,694)	(14,751,227)
Income or Loss		(3,106,084)	(4,804,345)
Total Shareholders' Capital		**5,589,693**	**8,566,899**
Long-term Liabilities			
Conditional advances	**11**	371,735	558,205
Long-term Provisions	**12**	98,359	89,671
Total Long-term Liabilities		**470,094**	**647,876**
Current Liabilities			
Conditional advances	**11**	328,140	269,587
Supplier accounts payable and related payables	**13**	1,359,835	1,308,521
Other current liabilities	**13**	345,539	780,793
Total Current Liabilities		**2,033,514**	**2,358,901**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**8,093,301**	**11,573,676**

STATEMENT OF TOTAL INCOME (LOSS)
(Amounts in Euros)

	Note	As of 30 June 2011 EUR	As of 30 June 2010 EUR
Operating Revenues			
Sales	**15**	106,492	83,833
Other income	**15**	828,739	754,749
Total Income		**935,231**	**838,582**
Operating expenses			
Cost of goods sold		49,388	39,394
Research & Development expenses	**16/17**	2,991,838	2,330,188
General Costs	**16/17**	1,003,831	598,423
Total Expenses		**4,045,057**	**2,968,005**
Operating Profit		**(3,109,826)**	**(2,129,473)**
Financial revenues	**18**	18,670	7,105
Financial expenses	**18**	(14,928)	(17,839)
Financial result		**3,742**	**(10,734)**
Corporate tax	**19**	-	-
Net Profit (Loss)		**(3,106,084)**	**(2,140,157)**
Basic earnings per share (€/share)	**22**	**(0.45)**	**(0.42)**

	As of 30 June 2011 EUR	As of 30 June 2010 EUR
Net Income	**(3,106,084)**	**(2,140,157)**
Other items in the total profit (loss):	-	-
Total Profit (Loss) for the Period	**(3,106,084)**	**(2,140,157)**

STATEMENT OF CASH FLOWS
(Amounts in Euros)

	Note	30/06/2011	30/06/2010
		EUR	EUR
Cash flows from operating activities			
Results of the reporting period		(3,106.84)	(2,140,156)
Reconciliation of the net income (or loss) and of the cash used for the operational activities:			
Amortization and depreciation		86,393	79,607
Retirement pension obligations		(8,688)	(70,007)
Expenses calculated related to the payments in shares		128,878	47,739
Operating cash flow before change in working capital		**(2,882,125)**	**(2,082,618)**
Inventories and work in progress		2,059	(50,620)
Customer accounts receivable		455	9,753
Other receivables		(598,281)	333,985
Supplier accounts payable		5,.315	104,709
Other current liabilities		(435,254)	(35,513)
Change in the working capital requirement		**(979,707)**	**362,314**
Net cash flow related to operating activities		**(3,861,832)**	**(1,720,304)**
Cash flows related to investment activities			
Acquisitions of property, plant, and equipment	**5**	(225,052)	(28,931)
Acquisitions of long-term intangible assets	**4**	(810)	-
Acquisitions of financial long-term assets		(77,497)	75
Cash flows from investment activities			
Net cash flows from investment activities		**(303,358)**	**(28,856)**
Cash flows related to financing activities:			
Increase (decrease) in repayable advances	**11**	(127,917)	14,250
Net cash flows related to financing activities:		**(127,917)**	**14,250**
(Decrease) / Increase in cash		**(4,293,107)**	**(1,734,910)**
Cash and cash equivalents at the beginning of the period		9,027,891	4,408,068
Cash and cash equivalents at the close of the period	**9**	4,734,784	2,673,158

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Amounts in Euros)

	Share Capital Shares of Common Stock					
	Number of Shares (Note 10)	**Amount**	**Premiums related to the Share Capital**	**Reserves**	**Cumulative Income (Loss)**	**Total Share-holders' Equity**
As of 1 January 2010	**336,751**	**336,751**	**18,702,460**	**(14,855,873)**	**-**	**4,183,338**
Net Profit (Loss)					(2,140,157)	(2,140,157)
Share-based payments				47,939		47,939
As of 30 June 2010	**336,751**	**336,751**	**18,702,460**	**(14,807,934)**	**(2,140,157)**	**2,091,120**
As of 1 January 2011	**462,467**	**462,467**	**27,660,004**	**(19,555,572)**	**-**	**8,566,899**
Net Profit (Loss)					(3,106,084)	(3,106,084)
Share-based payments				128,878		128,878
As of 30 June 2011	**462,467**	**462,467**	**27,660,004**	**(19,426,694)**	**(3,106,084)**	**5,589,693**

NOTES TO THE FINANCIAL STATEMENTS

Note 1: The Company

Formed in 2002, DBV Technologies S.A. ("the Company") develops and markets innovative products for the diagnosis and treatment of allergies, particularly food allergies.

The Company markets a ready-to-use diagnostic product to detect the allergy to cow's milk in children, launched in France in 2004 and called *Diallertest*®. This product is currently distributed in France. The pursuit of marketing and its internationalization is subject to the conduct of a clinical study the protocol of which is currently being discussed with the regulatory authorities. Subject to the conduct of that study, international marketing authorization is expected for the end of 2014.

DBV Technologies is also developing an original electrostatic patch technology, *Viaskin*®, for the purpose of developing the cutaneous administration method in specific immunotherapy, or desensitization.

Viaskin® *Peanut* is the first specific immunotherapy product developed by DBV Technologies. Solid pre-clinical data have already been published. The pharmacological development has been able to be conducted as a result of a vast network of collaborations in the United States and in Europe. The FDA has approved the start of a tolerance study (Phase Ib) in the United States (IND). That study has just been completed. The AFSAPPS in France has authorized an effectiveness study sponsored by the AP-HP. In the beginning of 2012, a Phase IIb/III study should start in the United States and Europe.

Viaskin® Milk is the second product developed within the field of specific immunotherapy. A Phase II pilot study published by Dupont et al. (JACI 2010) has demonstrated the safety and effectiveness of *Viaskin*® *Milk* in children. A European study, in collaboration with the European allergist organizations, is scheduled to be conducted during 2012.

Note 2: The Company's first financial statements prepared in accordance with IFRS standards

The semi-annual financial statements are the first semi-annual financial statements prepared by the Company.

The financial statements were prepared in compliance with the IFRS standards as adopted by the European Union in effect as of 30 June 2011, for all the reporting periods presented.
The latter are available on the website of the European Commission: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

These financial statements are also in compliance with the standards and interpretations adopted by the International Accounting Standards Board (IASB) as of the same date.

Therefore, the Company has prepared complete semi-annual financial statements.

These semi-annual financial statements prepared in accordance with IFRS standards covering the period from 1 January 2011 to 30 June 2011 were approved by the Board of Directors on 9 December 2011.

Reminder of the options for first-time adoption of the IFRS standards adopted by the Company

The IFRS 1 standard stipulates exceptions to the retrospective application of the IFRS standards as of the transition date. Within this framework, the Company used no exemption stipulated by the IFRS 1

standard, with the exception of that offered for the posting to the accounts of employee benefits. Therefore, all the cumulative actuarial variances as of the transition date, that is, as of 1 January 2008, are posted to accounts as consideration for initial shareholders' equity.

Note 3: Accounting principles

3.1. Basis of preparation of the financial statements

The financial statements are presented in Euros.

The preparation of the financial statements in accordance with the IFRS principles requires that estimations be made and assumptions be formulated that affect the amounts and the information provided in the financial statements. The actual results may prove to be significantly different from these estimations depending on various assumptions or conditions and, as applicable, a sensitivity analysis may be implemented if this variation is significant.

The going concern assumption was used by the Board of Directors, considering the following information:

- The historical deficit position of the Company is explained by the innovative character of the products developed, which thus involved a research and development phase of several years preceding the marketing thereof.

- The available cash as of 30.06.11 in the amount of EUR 4.7 million, the payments of the second tranche of the December 2010 financing round up to the amount of EUR 9.6 million, and the reimbursement of the 2010 Research Tax Credit in the amount of EUR 1.4 million should enable to company to cover its cash requirements until mid-2013.

- In order to cover its subsequent requirements, the Company is preparing for a listing on the stock exchange of the shares of the Company's stock on the NYSE Euronext Paris market in the beginning of 2012, and the capital generated on that occasion is to enable to Company to continue its business activities until it is profitable.

The Company chose not to apply early the new standards, amendments of standards, and interpretations that have not been adopted by the European Union or the application of which is not mandatory as of 1 January 2011.

3.2 Long-term intangible assets

In application of the provisions in the IAS 38 standard, the long-term intangible assets acquired are posted as assets on the balance sheet at their acquisition cost.

Research and development expenses

The research expenses are consistently posted to the accounts as expenses.

In accordance with IAS 38, the research expenses are posted to the accounts as long-term intangible assets only if all the following criteria are met:

(a) technical feasibility necessary for the completion of the development project,
(b) intention on the part of the Company to complete the project and to utilize it,
(c) capacity to utilize the intangible asset,
(d) proof of the probability of future economic benefits associated with the asset,
(e) availability of the technical, financial, and other resources for completing the project, and
(f) reliable evaluation of the development expenses.

Because of the risks and uncertainties related to the regulatory authorizations and to the research and development process, the Company believes that the 6 criteria stipulated by the IAS 38 standard are only fulfilled once the Marketing Authorization has been obtained.

Software packages

The costs related to the acquisition of the licenses to software packages are posted to assets on the basis of the costs incurred to acquire and to implement the software packages in question.

They are amortized using the straight-line method over a period of from 1 to 3 years depending on the anticipated period of use.

3.3 Property, plant, and equipment

Property, plant, and equipment are posted at their acquisition cost or, if applicable, at their production cost.

The property, plant, and equipment are depreciated on the basis of the straight-line method over the estimated use period of the property. The fixtures of property rented are depreciated over the term of their own lifetime or of the term of the rental agreement, whichever is shorter.

The depreciation periods used are the following:

Fixtures and improvements in structures.....……...9 years,
Research and development tools …….. 5 years,
Production tools .....5 years,
Research equipment and Technical facilities ..... 5 years,
Office equipment and furniture ..... 10 years,
Computer equipment ..... 3 years.

3.4 Financial Assets

The financial assets include the assets available for sale, the assets owned until their maturity, loans and accounts receivable, and the cash and cash equivalents.

The valuation and the accounting treatment of the financial assets and liabilities are defined by the IAS 39 standard "Financial instruments: Recognition and Measurement."

Assets owned until their maturity

These securities are exclusively fixed income or determinable income and have fixed maturities, other than loans and accounts receivable, that the company has the intention and the ability to keep until maturity. After their initial posting at their fair value, they are valuated and posted to the accounts at the cost amortized on the basis of the effective interest rate ("EIR") method.
The assets owned until their maturity are the object of a tracking of any objective indication of impairment. A financial asset is impaired if its book value is greater than its recoverable amount as estimated during impairment tests. The impairment is posted to the income statement.

Loans and Accounts Receivable

This category includes the other loans and accounts receivable and the commercial receivables.

These instruments are initially posted to the accounts at their fair value and then at the amortized cost calculated with the EIR method. The short term receivables without an interest rate are valuated at the

amount of the original invoice unless the application of an implicit interest rate has a significant effect. For the loans and variable rate accounts receivable, a periodic re-estimation of the cash flows, in order to reflect the change in the market interest rate, modifies the effective interest rate and therefore the valuation of the loan or of the receivable.

The loans and accounts receivable are the object of a tracking of any objective indication of impairment. A financial asset is impaired if its book value is greater than its recoverable amount as estimated during impairment tests. The impairment is posted to the income statement.

The loans and accounts receivable also include the deposits and guarantees, which are classified under Long-term Financial Assets on the balance sheet.

Assets at fair value per the income statement

The assets considered to be held for trading purposes include the assets that the Company intends to resell in the near future in order to realize a capital gain, which is part of a portfolio of financial instruments managed together for which there exists a practice of selling in the short term. The assets held for trading may also include assets voluntarily classified in this category, in a manner that is independent of the criteria listed above ("fair value" option).

Assets available for sale

The assets available for sale include, primarily, securities that do not meet the criteria of the definition of the other categories of financial assets. They are valuated at their fair value, and the changes in value are posted to shareholders' equity.

The fair value corresponds to the market price for those securities that are listed on the stock exchange or to an estimate of the use value for unlisted securities, determined on the basis of the financial criteria most appropriate for the specific situation of each security. When there is an objective indication of the impairment of these securities, the accumulated impairment that has been posted to shareholders' equity is recognized in the income statement.

3.5 Recoverable amount of the long-term intangible assets and property, plant, and equipment

The property, plant, and equipment and intangible assets that have an established lifetime are subjected to an impairment test when the recoverability of their book value is called into question by the existence of indications of impairment. An impairment is posted to the accounts up to the amount of the excess of the book value over the recoverable value of the asset. The recoverable value of an asset corresponds to its fair value minus the costs of sale or its use value, if the latter is higher.

3.6 Inventories and work in progress

The inventories are posted to the accounts at their cost or at their net liquidation value, if the latter is lower. The inventories are valuated on the basis of the FIFO method.

3.7 Cash and cash equivalents

The cash equivalents are owned for the purpose of meeting short-term cash commitments rather than for the objective of investment or for other purposes. They are readily convertible, into a known amount of cash, and are subject to a negligible risk of change in value. The cash and cash equivalents are constituted by liquid assets that are available immediately, long-term investments that can liquidated immediately without a penalty, and investment securities. They are valuated on the basis of the IAS 39 categories under which they fall.

The investment securities are readily convertible into a known amount of cash and are subject to a negligible risk of change in value. They are valuated at their fair value, and the changes in value are posted to the financial income or loss.

3.8 Share Capital

The common shares of stock are classified under shareholder's equity. The costs of share capital transactions that are directly attributable to the issue of new shares or options are posted to the books under shareholders' equity as a deduction from the revenue from the issue, net of tax.

3.9 Payments in shares of stock

Since its formation, the Company has established several plans for compensation paid in equity instruments in the form of founders' warrants (*bons de souscription de parts de créateur d'entreprise*, BSPCEs) granted to employees and/or executives and in the form of "stock warrants (*bons de souscription d'actions*, BSAs) granted to non-employee members of the Board of Directors and scientific consultants.
In application of the IFRS 2 standard, the cost of the transactions paid with equity instruments is posted to the accounts as an expense in exchange for an increase in the shareholders' equity for the period during the course of which the rights to be enjoyed from the equity instruments are acquired.

The Company has applied the IFRS 2 standard to all the equity instruments granted, since 2002, to its employees, members of the Board of Directors, natural persons, or to companies.

The options are not subject to any market conditions. The characteristics of the options are presented in Note 17.

3.10 Valuation and posting to the accounts of financial liabilities

Financial liabilities at the amortized cost

The borrowings and other financial liabilities are valuated initially at their fair value and then at the amortized cost, calculated on the basis of the effective interest rate ("EIR") method.

The transaction expenses that are directly attributable to the acquisition or to the issue of a financial liability reduce that financial liability. These expenses are then amortized actuarially over the lifetime of the liability, on the basis of the EIR.
The EIR is the rate that equalizes the anticipated flow of future cash outflows with the current net book value of the financial liability in order to deduct its amortized cost therefrom.

Liabilities at fair value per the income statement

The liabilities at fair value per the income statement are valued at their fair value.

3.11 Subsidies and conditional advances

The Company receives a certain number of forms of assistance, in the form of subsidies or conditional advances. The details concerning this assistance are provided in Note 11.

The subsidies are posted to the accounts where there exists reasonable assurance that:
- the Company will comply with the conditions attached to the subsidies, and
- the subsidies will be received.

A public subsidy that is to be received either as compensation for expenses or for losses already incurred, either for immediate financial support of the Company without associated future costs, is

posted to the accounts as revenue for the fiscal year during the course of which the debt becomes owned as a receivable.

The amount resulting from the benefit of the rate obtained at the time of the granting of repayable advances does not bear interest and is considered a subsidy. This benefit is determined by applying a discount rate equal to the rate of fungible Treasury bonds over the time period that corresponds to the time period of the repayment of the advances.

In the event of a change in payment schedule of the stipulated repayments of the repayable advances, the Company makes a new calculation of the net book value of the debt resulting from the discounting of the anticipated new future cash flows. The adjustment that results therefrom is posted to the income statement for the fiscal year during which the modification is recognized.
The advances that can be subject to this type of modification are the Coface advances presented in Note 11.1.

From 2004 to 2009, the Company states that it enjoyed the status of *Jeune Entreprise Innovante* ([Young Innovative Company] "JEI"). As such, it benefited from reductions in social security contribution expenses for those of its employees who were assigned primarily to research projects.

3.12 Provisions

Provisions for risks and expenses

The provisions for risks and lawsuits correspond to the commitments resulting from lawsuits and various risks, the due dates and amounts of which are uncertain.

A provision is posted to the accounts when the company has a legal or implicit obligation to a third party resulting from a past event, concerning which it is likely or certain that it will cause an outflow of resources to that third party, without consideration that is anticipated to be at least equivalent to the latter, and that the future outflows of liquid assets can be estimated reliably.

The amount posted to the accounts as a provision is the best estimation of the expenses necessary to extinguish the obligation.

Retirement pension obligations

The employees of the Company receive the retirement benefits stipulated by law in France:

- obtaining a compensation paid by the Company to employees upon their retirement (defined benefit plan);
- payment of retirement pensions by the Social Security agencies, which are financed by the contributions made by companies and employees (defined contribution plans).

For the defined benefit plans, the costs of the retirement benefits are estimated by using the projected credit unit method. According to this method, the cost of the retirement pensions is recognized in the income statement in such a manner as to distribute it uniformly over the term of the services of the employees. The retirement benefits commitments are valuated at the current value of the future payments estimated using, for the discounting, the market rate based on the long-term obligations of the first-category companies with a term that corresponds to that estimated for the payment of the services provided.
The Company relies on external actuaries to conduct an annual review of the valuation of these plans.
The difference between the amount of the provision at the beginning of a fiscal year and at the close of that year is entirely posted to the accounts as a personnel expense.

The Company's payments for the defined contribution plans are recognized as expenses on the income statement of the period with which they are associated.

3.13 Revenue from ordinary business activities

The sales revenue of the Company results mainly from the sale of the product *Diallertest*®, a kit for diagnosing the allergy to proteins in cow's milk.

The Company posts revenue to the accounts when the amount can be valuated reliably, when it is likely that the future economic advantages will benefit the Company, and when the specific criteria are met for the business activity of the Company. For the product sales, the sales revenue is recognized upon delivery.

3.14 Other income

Subsidies

Since it was formed, because of its innovative character, the Company has received a certain number of sources of assistance or subsidies from the central Government or from local public authorities, intended to finance its operation or the recruitment of specific personnel.

These subsidies are posted to the accounts as "Other income" for the fiscal year that recorded the corresponding expenses or expenditures, when obtaining the subsidy is reasonable certain.

Research Tax Credit

The Research Tax Credit (*Crédit d'Impôt Recherche*, CIR) is granted to companies by the French tax authorities in order to encourage them to conduct technical and scientific research. Companies that prove that they have expenditures that meet the required criteria (research expenditures located in France or, since 1 January 2005, within the European Community or in another State that is a party to the Agreement on the European Economic Area that has concluded a tax treaty with France that contains an administrative assistance clause) receive a tax credit that can be used for the payment of the corporate tax due for the fiscal year in which the expenditures were made and the next three fiscal years, or as applicable, be reimbursed for the excess portion. The expenditures taken into account for the calculation of the Research Tax Credit involve only research expenses.

The Company has received the Research Tax Credit since it was formed.

The Company received the reimbursement of the Research Tax Credit for the years 2008 and 2009 during the course of the year following the close of the fiscal years involved. It requested the reimbursement of the 2010 Research Tax Credit under the community tax rules for small and medium firms in compliance with the regulatory texts in effect. The reimbursement of the 2010 Research Tax Credit was received in October 2011.

The CIR is presented under "Other income." The Research Tax Credit for the years 2008 and 2009 was the object of a tax audit in 2011. That audit, which ended on 11 July 2011, did not result in any significant adjustment.

3.15 Rental agreements

The rental agreements involving property, plant, and equipment are classified as finance lease agreements when the Company bears substantially all the benefits and risks inherent in the ownership of the property. The assets that are the object of financing lease agreements are capitalized as of the beginning date of the rental agreement on the basis of the fair value of the rented asset or the discounted values of the future minimum payments, whichever is lower. Each rental payment is

distributed between the debt and the financial cost in such a manner as to determine a constant interest rate on the principal that remains due. The corresponding rental obligations, net of the financial expenses, are classified under other long-term debts. The portion of the financial expense that corresponds to the interest is recognized as an expense over the term of the agreement. The property, plant, or equipment acquired within the framework of a finance lease agreement is amortized over the use period or the term of the lease agreement, whichever is shorter.

The rental agreements for which a significant portion of the risks and advantages is preserved by the lessor are classified as ordinary rental agreements. The payments made for these ordinary rental agreements, net of any incentive measures, are recognized as expenses on the income statement in a linear manner over the term of the agreement.

3.16 Taxes

Income tax

Deferred taxes are recognized for all the temporary differences arising from the difference between the tax basis and the accounting basis of the assets and liabilities that are set forth in the financial statements. The primary temporary differences are related to the tax losses that can be carried forward or backward. The tax rates that have been ratified by a legal text as of the closing date are utilized to determine the differed taxes.

The deferred tax assets are posted to the accounts only to the extent that it is likely that the future profits will be sufficient to absorb the losses that can be carried forward or backward. Considering its stage of development, which does not allow income projections judged to be sufficiently reliable to be made, the Company has not posted assets net of deferred taxes to the balance sheet.

3.17 Sectoral information

The Company operates in a single operating segment: the conduct of research and development of epicutaneous immunotherapy products in order to market them in the future. The assets, liabilities, and operating loss realized over the 2 periods presented are located in France.

3.18 Other items in the comprehensive profit (or loss)

The revenue and expense items for the period that are not posted to the income statement as stipulated by the applicable standards are presented, as necessary, under the rubric "Other items in the comprehensive profit (or loss)."

3.19 Decisive accounting estimates and judgments

The estimates and judgments made by the management while implementing the accounting methods described above are based on the historical information and on other factors, in particular, on the anticipation of future events judged to be reasonable in light of the circumstances. These estimates and judgments involve mainly:

- the valuation of the fair value of the founders' warrants (BSPCEs) granted to employees and/or executives and stock warrants (BSAs) granted to non-employee members of the Board of Directors and scientific consultants and to service providers is performed on the basis of actuarial models; these models require the use by the Company of certain calculation assumptions such as the expected volatility of the security;
- the estimation of the repayments of the repayable advances obtained by the Company from public institutions. The anticipated repayments of the advances are analyzed at the closing of each fiscal year.

3.20 Events after the close of the fiscal year

The balance sheet and the income statement of the Company are adjusted to reflect the subsequent events that alter the amounts related to the situations that exist as of the closing date. The adjustments are made until the date the financial statements are approved by the Board of Directors.

The other events following the closing date that have not resulted in adjustments are presented in Note 24.

Note 4: Long-term intangible assets

The intangible fixed assets are broken down as follows:

(Amounts in Euros)

	30/06/2011	31/12/2010
Patents, licenses, trademarks	29,848	29,038
Software packages	26,757	26,757
Total historical cost	**56,605**	**55,795**
Accumulated amort. of patents, licenses, and trademarks	29,038	29,038
Accumulated depreciation of software packages	22,301	19,155
Accumulated amortization and depreciation	**51,339**	**48,193**
Net total	**5,266**	**7,602**

(Amounts in Euros)

	30/06/2010	31/12/2009
Patents, licenses, trademarks	29,038	29,038
Software packages	18,322	18,322
Total historical cost	**47,360**	**47,360**
Accumulated amort. of patents, licenses, and trademarks	29,038	29,038
Accumulated depreciation of software packages	17,458	15,761
Accumulated amortization and depreciation	**46,496**	**44,799**
Net total	**865**	**2,562**

There has been no recognition of impairment losses in application of the IAS 36 standard over the 2 fiscal years presented.

Note 5: Property, plant, and equipment

(Amounts in Euros)

	01/01/2011	In-crease	De-crease	30/06/2011
Laboratory equipment	548,425	73,700	-	622,125
Building fixtures	183,185	134 ,677	-	317,862
Office equipment	74,605	6,689	-	81,294
Computer equipment	84,272	9,986	-	94,258
Other property, plant, and equipment	48	-	-	48
Total, gross	**890,536**	**225,052**	**-**	**1,115,588**
Accumulated depreciation of laboratory equipment	308,116	46,007	-	354,124
Accumulated depreciation of the fixtures in structures	149,159	29,166	-	178,324
Accumulated depreciation of office equipment	33,250	3,730	-	77,542
Accumulated depreciation of computer equipment	73,199	4,344	-	36,980
Accumulated depreciation of other property, plant, and equipment	48	-	-	48
Total accumulated amortization and depreciation	**563,772**	**83,247**	**-**	**647,018**
Total, net	**326,764**			**468,569**

	01/01/2010	In-crease	De-crease	30/06/2010
Laboratory equipment	507,075	25,911	-	532,986
Building fixtures	183,185	-	-	183,185
Office equipment	74,605	-	-	80,360
Computer equipment	77,340	3,020	-	74,605
Other property, plant, and equipment	48	-	-	48
Total, gross	**842,253**	**28,931**	**-**	**871,185**
Accumulated depreciation of laboratory equipment	224,630	41,743	-	266,373
Accumulated depreciation of the fixtures in structures	95,247	26,956	-	122,203
Accumulated depreciation of office equipment	25,789	3,730	-	29,520
Accumulated depreciation of computer equipment	62,258	5,470	-	67,728
Accumulated depreciation of other property, plant, and equipment	28	10	-	38
Total accumulated amortization and depreciation	**407,953**	**77,909**	**-**	**485,862**
Total, net	**434,301**			**385,323**

The acquisitions correspond primarily to laboratory and production equipment and materiel. The increase in the improvement of structures item is related to the arrangement of the new premises of the Company.

Note 6: Long-term financial assets

(Amounts in Euros)

	30/06/2011	31/12/2010
Security deposits	103,158	25,661
Capitalized securities	49,283	49,283
Total long-term financial assets	**152,441**	**74,944**

(Amounts in Euros)

	30/06/2010	31/12/2009
Security deposits	33,544	33,619
Capitalized securities	49,283	49,283
Total long-term financial assets	**82,827**	**82,902**

The long-term financial assets are composed of security deposits paid to the lessor and of open-ended mutual funds (*sociétés d'investissement à capital variable*, "SICAVs") pledged as guarantees of the ordinary rental agreements. The increase in the 1st half-year of 2011 is the result of the payment of the security deposit for the new lease for the premises.

Note 7: Inventories and Work in Progress

(Amounts in Euros)

	30/06/2011	31/12/2010
Inventories and Work in Progress	103,078	105,137
Depreciation of inventories and work in progress	-	-
Total net value of the inventories and work in progress	**103,078**	**105,137**

(Amounts in Euros)

	30/06/2010	31/12/2009
Inventories and Work in Progress	127,000	76,380
Depreciation of inventories and work in progress	-	-
Total net value of the inventories and work in progress	**127,000**	**76,380**

The inventories and work in progress involve the *Diallertest*® product.

Note 8: Customer accounts receivable and other current assets

8.1 Customer accounts receivable and related receivables

(Amounts in Euros)

	30/06/2011	31/12/2010
Customer accounts receivable and related receivables	12,642	13,097
Depreciation of customer receivables	(10,000)	(10,000)
Total net value of customer accounts receivable	**2,642**	**3,097**

(Amounts in Euros)

	30/06/2010	31/12/2009
Customer accounts receivable and related receivables	27,246	26,999
Depreciation of customer receivables	(10,000)	-
Total net value of customer accounts receivable	**17,246**	**26,999**

All the customer accounts receivable have terms of less than one year.

The customer accounts receivable and related receivables relate primarily to the sales of *Diallertest*®. Considering the prospects for collection of certain receivables as of 30.06.10, a provision in the amount of EUR 10,000 was posted to the accounts.

8.2 Other current assets

The other current assets are broken down as follows:

(Amounts in Euros)

	30/06/2011	31/12/2010
Employees and related accounts	614	614
Research tax credit	2,212,516	1,395,481
Other tax claims	296,649	533,655
Other receivables	13,927	19,326
Prepaid expenses	102,815	79,164
Total	**2,626,521**	**2,028,240**

(Amounts in Euros)

	30/06/2010	31/12/2009
Employees and related accounts	85	164,155
Research tax credit	682,074	898,862
Other tax claims	300,601	241,492
Other receivables	33,234	19,320
Prepaid expenses	27,000	53,149
Total	**1,042,994**	**1,376,978**

The other tax debt claims are primarily related to the deductible VAT as well as to the reimbursement of VAT that has been requested.

The prepaid expenses correspond mostly to rents, insurance policies, and reservations for conferences.

Research Tax Credit

The company benefits from the provisions in Articles 244 *quater* B and 49 *septies* F of the French Tax Code (*Code Général des Impôts*) related to the Research Tax Credit (*Crédit d'Impôt Recherche*, "CIR"). In compliance with the principles described in Note 3.14, the Research Tax Credit is posted to the accounts as "other income" during the year with which the eligible research expenditures are associated.

The changes in this Research Tax Credit during the last three fiscal years are presented as follows:

- 2008 : EUR 875,737, reimbursed in 2009,
- 2009 : EUR 890,370, reimbursed in 2010,
- 2010 : EUR 1,386,989, reimbursed in October 2011.

The Research Tax Credit for the years 2008 and 2009 was the object of a tax audit in 2011. That audit, which ended on 11 July 2011, did not result in any significant adjustment.

For the financial statements presented, the Company posted a Research Tax Credit to the accounts in the amounts of EUR 817,035 as of 30 June 2011 and EUR 673,582 as of 30 June 2010.

Note 9: Cash and cash equivalents

The cash and cash equivalents item is broken down as follows:

(Amounts in Euros)

	30/06/2011	31/12/2010
Cash	259,275	650,395
Investment securities		8,377,496
Term deposits	4,475,509	-
Total	**4,734,784**	**9,027,891**

Note 10: Capital

10.1 Share capital issued

The corporate share capital, as of 30.06.11, is set at the sum of EUR 462,467 (four hundred sixty-two thousand four hundred sixty-seven Euros). It is divided into 462,467 fully subscribed and paid-up shares with a par value of € 1.

This number does not include stock warrants (*Bons de Souscription d'Actions*, "BSAs") and founders' warrants (*Bons de Souscription de Parts de Créateur d'Entreprise*, "BSPCEs") granted to certain investors and to certain natural persons, both employees and non-employees of the Company.

All the shares give their owners the right to a proportional share of the income and the net assets of the Company.

The table below presents the historical changes in the capital of the Company since it was created on 6 February 2002:

Date	Nature of the Transactions	Share Capital	Premium	Number of Shares of Stock	Par Value
6 February 2002	Creation	€ 38,250.00		3,825	€ 10.00
13 March 2003	Capital increase (common stock)	€ 4,330.00	€ 135,520.34	433	€ 10.00
15 May 2003	Exercise of A' warrants (BSAs)	€ 4,950.00	€ 154,925.10	495	€ 10.00
30 September 2003	Exercise of B warrants (BSAs)	€ 2,470.00	€ 97,267.61	247	€ 10.00
30 September 2003	Exercise of "BSPCEs"	€ 2,000.00	€ 62,596.00	200	€ 10.00
2 October 2003	Capital increase (common stock)	€ 1,800.00	€ 98,200.08	180	€ 10.00
2 October 2003	Capital increase (common stock)	€ 7,750.00	€ 492,249.78	775	€ 10.00
23 December 2005	Par value divided by 10			55,395	€ 1.00
23 December 2005	Capital increase by issuing of "P1" stock	€ 5,455.00	€ 349,120.00	5,455	€ 1.00
23 December 2005	Capital increase by issuing of "P1" stock	€ 61,550.00	€ 3,939,200.00	61,550	€ 1.00
31 March 2006	Exercise of B warrants (BSAs)	€ 378.00	€ 24,192.00	378	€ 1.00
18 January 2007	Exercise of "BSA Tranche 2" warrants (BSA Tranche 2)	€ 121,560.00	€ 7,779,840.00	121,560	€ 1.00
	Sub-total as of 31 December 2008	**€ 250,493.00**	**€ 13,133,110.91**	**250,493**	€ 1.00
	Expenses posted to the books minus the share premium		-€ 232,996.27		
	Balance as of 31 December 2008	**€ 250,493.00**	**€ 12,900,114.64**	**250,493**	€ 1.00
21 January 2009	Capital increase by issuing of "P2" stock	€ 57,143.00	€ 3,942,867.00	57,143	€ 1.00
21 January 2009	Capital increase by issuing of "P3" stock	€ 28,571.00	€ 1,971,399.00	28,571	€ 1.00
21 April 2009	Capital increase by issuing of "P1" stock	€ 544.00	€ 34,816.00	544	€ 1.00
	Sub-total as of 31 December 2009	**€ 336,751.00**	**€ 18,849,196.64**	**336,751**	€ 1.00
	Expenses posted to the books minus the share premium		-€ 147,961.53		
	Balance as of 31 December 2009	**€ 336,751.00**	**€ 18,701,235.11**	**336,751**	€ 1.00
16 December 2010	Capital increase by issuing of "P4" stock	€ 116,884.00	€ 8,883,184.00	116,884	€ 1.00
23 December 2010	Capital increase by issuing of "P4" stock	€ 8,832.00	€ 671,232.00	8,832	€ 1.00
				462,467.00	
	Sub-total as of 31 December 2010	**€ 462,467.00**	**€ 28,255,651.11**	**€**	**€ 1.00**
	Expenses posted to the books minus the share premium		-€ 596,871.50		
	Balance as of 31 December 2010	**€ 462,467.00**	**€ 27,658,779.61**	**462,467**	€ 1.00
No transactions involving the capital from 1 January 2011 to 30 June 2011					
	Balance as of 30 June 2011	**€ 462,467.00**	**€ 27,658,779.61**	**462,467**	**€ 1.00**

The shares called "shares of Category P preferred stock" benefit from additional rights in comparison with the shares called "shares of common stock," primarily enhanced financial rights, preferential rights in case of sale, merger, or liquidation of the Company.
The expenses of capital increases have been posted to the accounts after deduction of the share premium.

10.2 Stock warrants, founders' warrants

The company has issued stock warrants (BSAs) and founders' warrants (BSPCEs) as follows:

Date	Type	Number of Warrants Issued as of 30/06/2010	Number of Warrants that were Null and Void as of 30/06/2010	Number of Warrants Outstanding 30/06/2010	Maximum Number of Shares to be Issued	Subscription Price per Share
23/12/2005	BSA/BSPCE	17,115	17,115	-	-	€ 65.00
07/12/2007	BSA	1,717	572	1,145	1,145	€ 65.00
21/01/2009	BSA/BSPCE	16,380	-	16,380	16,380	€ 65.00
21/01/2009	BSPCE	2,296	-	2,296	2,296	€ 70.00
25/06/2010	BSA	1,825	-	1,825	1,825	€ 65.00
	Total	**39,333**	**17,687**	**21,646**	**21,646**	

Date	Type	Number of Warrants Issued as of 30/06/2011	Number of Warrants that were Null and Void as of 30/06/2011	Number of Warrants Outstanding 30/06/2011	Maximum Number of Shares to be Issued	Subscription Price per Share
23/12/2005	BSA/BSPCE	17,115	17,115	-	-	€ 65.00
07/12/2007	BSA	1,717	572	1,145	1,145	€ 65.00
21/01/2009	BSA/BSPCE	16,380	-	16,380	16,380	€ 65.00
21/01/2009	BSPCE	2,296	-	2,296	2,296	€ 70.00
25/06/2010	BSA	1,825	-	1,825	1,825	€ 65.00
28/01/2011	BSA	10,039	-	10,039	10,039	€ 77.00
24/06/2011	BSA/BSPCE	32,000	-	32,000	32,000	€ 77.00
	Total	**81,372**	**17,687**	**63,685**	**63,685**	

The total presented above does not include the warrants cancelled prior to 31 December 2007.

The impact of the share-based payments on the net income (or loss) is presented in Note 17.

Note 11: Borrowings and financial debts

11.1 Repayable advances

The conditional advances from public institutions are the object of contracts with OSEO and COFACE.

The Company has been granted two advance contracts with OSEO Innovation and a contract with COFACE. These advances do not bear interest and are 100% repayable (at par value) in the event of technical and/or commercial success.

The portion of the conditional advances for terms longer than one year is posted to long-term liabilities, while the portion for terms of less than one year is posted to current liabilities.

The table below presents the details of the debts recorded on the balance sheet by the type of repayable advance (amounts in Euros):

	1st OSEO advance	2nd OSEO advance	COFACE	Total
Opening Debt Balance 1/1/2011	**130,959**	**578,793**	**118,040**	**827,792**
+ receipts	-	-	-	-
- repayments	-	(140,000)	-	(140,000)
+/- other transactions	2,655	7,237	2,191	12,083
Debt Balance as of 30/06/2011	**133,614**	**446,030**	**120,231**	**699,875**

	1st OSEO advance	2nd OSEO advance	COFACE	Total
Opening Debt Balance 1/1/2010	**222,820**	**446,474**	**113,744**	**783,038**
+ receipts	-	-	-	-
- repayments	-	-	-	-
+/- other transactions	4,492	7,648	2,110	14,250
Debt Balance as of 30/06/2010	**227,312**	**454,122**	**115,854**	**797,288**

The first OSEO advance:

OSEO granted DBV Technologies financial assistance in the amount of EUR 445,000 on 13 June 2003 for a study of the development of a patch-test for screening for allergies, particularly food allergies, and the tool for producing it. The principal steps of this advance were the following:

- All the advances were paid to the Company between 2003 and 2004;
- First repayment of EUR 90,000 in 2006;
- Second repayment of EUR 120,000 in 2007;
- Third repayment of EUR 100,000 in 2010
- The fourth and final repayment in the amount of EUR 135,000 will be made in the second half year of 2011.

The second OSEO advance:

On 10 January 2005, DBV Technologies obtained from OSEO repayable financial assistance for innovation in the amount of EUR 600,000 for a project to design a high-speed prototype machine for the production and development of second-generation patches intended for the detection of various allergies. The principal steps of this advance are the following:

- EUR 300,000 were paid to the Company in 2005 upon the signing of the contract;
- EUR 180,000 were paid to the Company in 2008;
- the balance of EUR 120,000 was received in 2010;
- The first repayment of EUR 140,000 was made on 31 March 2011;
- The second repayment was made on 31 March 2012 in the amount of EUR 200,000;
- The balance of EUR 260,000 will be paid on 31 March 2013.

The COFACE advance:
On 6 September 2007, DBV Technologies signed a prospecting insurance contract with Compagnie Française d'Assurance pour le Commerce Extérieur (COFACE) in order to promote its *Diallertest*® product internationally. Under the terms of that contract, the Company received repayable advances of up to EUR 147,534. DBV Technologies must repay these advances in amounts of up to 7% of its revenue from the export sales of its *Diallertest*® product, until 30 April 2017. As of 30 June 2011, the nominal amount remaining to be repaid under this advance amounted to EUR 147,534 (EUR 147,534 as of 31 December 2010 and EUR 147,534 as of 30 June 2010).

The accounting treatment resulting from any changes in the anticipated flow of repayments of this advance is described in Note 3.11.

11.2 Due dates of the financial liabilities

Due dates of the financial liabilities posted as of 30 June 2011
(Amounts in Euros)

	Gross Amount	Due in less than One Year	Due in One to Five Years	Due in More than Five Years
Financial LIABILITIES				
Long term conditional advances	371,735	-	251,504	120,231
Long-term provisions	98,359	-	-	98,359
Current conditional advances	328,140	328,140	-	-
Supplier accounts payable and related payables	1,359,835	1,359,835	-	-
Other current liabilities	345,538	345,538	-	-
Total financial liabilities	**2,503,607**	**2,034,503**	**251,504**	**218,590**

Due dates of the financial liabilities posted as of 31 December 2010
(Amounts in Euros)

	Gross Amount	Due in less than One Year	Due in One to Five Years	Due in More than Five Years
Financial LIABILITIES				
Long term conditional advances	558,205	-	440,165	118,040
Long-term Provisions	89,671	-	-	89,671
Current conditional advances	269,587	269,587	-	-
Supplier Accounts Payable and Related Payables	1,308,521	1,308,521	-	-
Other current liabilities	780,793	780,793	-	-
Total financial liabilities	**3,006,777**	**2,358,901**	**440,165**	**207,711**

The other current liabilities are composed primarily of social security contribution debts.

Note 12: Long-term Provisions

(Amounts in Euros)

	30/06/2011	31/12/2010
Retirement commitments	98,359	89,671
Provisions for risks	-	-
Total	**98,359**	**89,671**

(Amounts in Euros)

	30/06/2010	31/12/2009
Retirement commitments	74,259	144,266
Provisions for risks	-	-
Total	**74,259**	**144,266**

Commitments for Compensation Payable to Employees upon their Retirement

	Amount in EUR
As of 1 January 2011	**(89,671)**
Costs of services rendered (operating expense)	(32,354)
Interest expense	(4,523)
Benefit paid	-
Actuarial gains	28,189
As of 30 June 2011	**(98,359)**
As of 1 January 2010	**(144,266)**
Costs of services rendered (operating expense)	(21,062)
Interest expense	(2,894)
Benefit paid	-
Actuarial gains	93,963
As of 30 June 2010	**(74,259)**

Within the framework of the estimation of the retirement commitments, the following assumptions were used for all the categories of employees:

	30/06/2010	30/06/2011
% of social security expenses	50%	50%
Salary increases	3.30%	3.30%
Discount rate	3.90%	4.60%

- Retirement age: 64 years old (managers); 62 years old (non-managers)
- Terms of retirement: voluntary retirement
- Mortality table: TGH05-TGF05
- Collective agreement: *Convention Collective Nationale de l'Industrie Pharmaceutique* [National Collective Agreement in the Pharmaceutical Industry]
- Turn-over of the personnel declining with age.

The discount rate comes from the references in the Bloomberg F66710Y IND index.

No retirement was recorded during the period presented.

Note 13: Supplier accounts receivable and other current liabilities

13.1 Supplier accounts payable and related payables

Of the supplier accounts payable and related payables, no discounting was performed to the extent that the amounts did not present payment times longer than 1 year at the end of each period presented.

13.2 Other current liabilities

(Amounts in Euros)

	30/06/2011	31/12/2010
Social security contribution liabilities	272,834	687,348
Tax liabilities	10,664	19,700
Other debts	22,268	22,268
Income posted in advance	39,773	51,477
Total	**345,539**	**780,793**

(Amounts in Euros)

	30/06/2010	31/12/2009
Social security contribution liabilities	306,763	358,698
Tax liabilities	47,533	16,581
Other debts	15,038	15,601
Income posted in advance	61,328	75,295
Total	**430,662**	**466,175**

The other liabilities include the short term debts to employees and social welfare and tax agencies.

Note 14: Financial instruments posted to the balance sheet and the effect on the income statement

30/06/2011	Value on the Balance Sheet	Fair value per the Income Statement	Loans and Accounts Receivable	Debt at the Amortized Cost	Non-financial Instruments
Financial ASSETS	€	€	€	€	€
Assets available for sale	-				
Other long-term financial assets	152,441	49,283	103,158		
Inventories and work in progress	103,078				103,078
Net customer accounts receivable	2,642		2,642		
Other current financial assets	2,626,521				2,626,521
Cash equivalents	4,475,509	4,475,509			
Total financial assets	**7,360,191**	**4,524,792**	**105,800**	**-**	**2,729,599**
Financial LIABILITIES					
Short-term conditional advances	371.735			371.735	
Long-term provisions	98.359			98.359	
Short-term conditional advances	328.140			328.140	
Supplier accounts payable and other liabilities	1.705.374			1.705.374	
Total financial liabilities	**2.503.608**	**-**	**-**	**2.503.608**	**-**

31/12/2010	Value on the Balance Sheet	Fair value per the Income Statement	Loans and Accounts Receivable	Debt at the Amortized Cost	Non-financial Instruments
Financial ASSETS	€	€	€	€	€
Assets available for sale	-				
Other long-term financial assets	74,944	49,283	25,661		
Inventories and work in progress	105,137				105,137
Net customer accounts receivable	3,097		3,097		
Other current financial assets	2,028,240				2,028,240
Cash and cash equivalents	8,377,496	8,377,496			
Total financial assets	**10,588,914**	**8,426,779**	**28,758**	**-**	**2,133,377**
Financial LIABILITIES					
Short-term conditional advances	558.205			558.205	
Long-term provisions	89.671			89.671	
Short-term conditional advances	269.587			269.587	
Supplier accounts payable and other liabilities	2.089.314			2.089.314	
Total financial liabilities	**3.006.776**	**-**	**-**	**3.006.776**	**-**

Amounts on the Income Statement (€)

	30/06/2011	30/06/2010
Financial revenues	18,670	7,105
Financial expenses	(14,928)	(17,939)

Note 15: Operating Revenues

The operating income is broken down in the following manner:

(Amounts in Euros)

	30/06/2011	30/06/2010
Sales revenue	106,492	83,833
Research Tax Credit	817,035	673,582
Subsidies	11,704	81,167
Total	**935,231**	**838,582**

The sales revenue of the Company is composed of the proceeds from the sale of the *Diallertest*® products.

Note 16: Operating expenses

The research and development expenditures are broken down as follows:

	30 June	
	2011	**2010**
R&D expenditures	EUR	EUR
Personnel expenses	648,307	449,095
Sub-contracting, Collaborations & Consultants	1,948,409	1,336,138
Purchases	226,512	209,305
Real estate property rental	78,711	84,911
Conferences, travel costs	90,489	134,652
Allowances for provisions, dep. & amort.	- 18,934	81,889
Other	18,343	34,199
Total R&D expenditures	**2,991,838**	**2,330,188**

By type, the distribution of the overhead is as follows:

	30 June	
Overhead	**2011**	**2010**
	EUR	EUR
Personnel expenses	246,172	264,842
Fees	450,393	157,422
Real estate property rentals	23,087	18,195
Insurance policies	20,855	22,463
Communications, conference, and travel expenses	151,339	66,787
Postal and telecommunications expenses	12,703	12,204
Administrative supplies and pers. property rentals	17,874	28,839
Other	81,408	27,671
Total overhead	**1,003,831**	**598,423**

Employee Expenses

The Company employed 22 persons as of 30 June 2011, in comparison with 17 as of 30 June 2010.

The employee expenses are broken down as follows (in Euros):

	30/06/2011	30/06/2010
Wages and salaries	544,486	510,531
Social security contributions	212,427	225,474
Expenses for retirement commitments	8,688	(70,007)
Payments in shares	128,878	47,939
Total	**894,479**	**713,937**

Note 17: Payments in shares of stock

The payments in shares of stock involve all the warrants (BSAs/BSPCEs) granted to employees, non-employee members of the Board of Directors, scientific consultants, or service providers.

The warrants granted might be exercised at any time after a vesting period of between 0 and 4 years and become null and void after a period of 10 years from the date they are granted. The acquisition of the warrants by the recipients is not subject to market conditions. The expense representing the benefit granted is posted to the accounts using the straight-line method as a personnel expense over the period of acquisition of the rights.
They are broken down as follows:

The table below provides the result of the unit valuations of the warrants granted excluding the effect of turnover and reiteration of the assumptions:

Type	Award Date	Vesting Date	Date of End of Lifetime	Exercise Price	Market Price	Volatility	Dividend Rate	Maturity	Risk-free Rate	Purchase Price	Warrant Price	Number of Shares of Stock Granted
BSPCE2	12/23/2005	12/23/2005	12/22/2013	65 €	65 €	40%	0%	4.00	3.00%	- €	22.93 €	4,279
		12/23/2006	12/22/2013	65 €	65 €	40%	0%	4.50	3.00%	- €	24.34 €	4,279
		12/23/2007	12/22/2013	65 €	65 €	40%	0%	5.00	3.06%	- €	25.75 €	4,279
		12/23/2008	12/22/2013	65 €	65 €	40%	0%	5.50	3.06%	- €	27.00 €	4,278
BSA	12/7/2007	12/7/2008	12/6/2015	65 €	65 €	40%	0%	4.50	4.06%	3.25 €	25.43 €	431
		12/7/2009	12/6/2015	65 €	65 €	40%	0%	5.00	4.09%	3.25 €	26.87 €	431
		12/7/2010	12/6/2015	65 €	65 €	40%	0%	5.50	4.09%	3.25 €	28.20 €	428
		12/7/2011	12/6/2015	65 €	65 €	40%	0%	6.00	4.10%	3.25 €	29.47 €	427
BCEX	1/21/2009	1/21/2010	1/20/2019	70 €	70 €	40%	0%	5.50	2.71%	- €	28.64 €	574
		1/21/2011	1/20/2019	70 €	70 €	40%	0%	6.00	2.98%	- €	30.25 €	574
		1/21/2012	1/20/2019	70 €	70 €	40%	0%	6.50	2.98%	- €	31.46 €	574
		1/21/2013	1/20/2019	70 €	70 €	40%	0%	7.00	3.11%	- €	32.79 €	574
BSA 2	1/21/2009	1/21/2009	1/20/2019	65 €	70 €	40%	0%	5.00	2.71%	0.01 €	29.06 €	4,822
		1/21/2010	1/20/2019	65 €	70 €	40%	0%	5.50	2.71%	0.01 €	30.33 €	2,680
		1/21/2011	1/20/2019	65 €	70 €	40%	0%	6.00	2.98%	0.01 €	31.90 €	1,072
		1/21/2012	1/20/2019	65 €	70 €	40%	0%	6.50	2.98%	0.01 €	33.06 €	1,072
		1/21/2013	1/20/2019	65 €	70 €	40%	0%	7.00	3.11%	0.01 €	34.35 €	1,070
BSA 4	1/21/2009	1/21/2009	1/20/2019	65 €	70 €	40%	0%	5.00	2.71%	- €	29.06 €	2,411
		1/21/2010	1/20/2019	65 €	70 €	40%	0%	5.50	2.71%	- €	30.33 €	1,340
		1/21/2011	1/20/2019	65 €	70 €	40%	0%	6.00	2.98%	- €	31.90 €	536
		1/21/2012	1/20/2019	65 €	70 €	40%	0%	6.50	2.98%	- €	33.06 €	536
		1/21/2013	1/20/2019	65 €	70 €	40%	0%	7.00	3.11%	- €	34.35 €	535
BSAX	1/21/2009	1/21/2010	1/20/2019	65 €	70 €	40%	0%	5.50	2.71%	0.01 €	30.33 €	77
		1/21/2011	1/20/2019	65 €	70 €	40%	0%	6.00	2.98%	0.01 €	31.90 €	77
		1/21/2012	1/20/2019	65 €	70 €	40%	0%	6.50	2.98%	0.01 €	33.06 €	77
		1/21/2013	1/20/2019	65 €	70 €	40%	0%	7.00	3.11%	0.01 €	34.35 €	75
	6/25/2010	6/25/2011	6/24/2020	65 €	70 €	40%	0%	5.50	2.04%	0.01 €	29.48 €	457
		6/25/2012	6/24/2020	65 €	70 €	40%	0%	6.00	2.23%	0.01 €	30.89 €	457
		6/25/2013	6/24/2020	65 €	70 €	40%	0%	6.50	2.23%	0.01 €	32.00 €	456
		6/25/2014	6/24/2020	65 €	70 €	40%	0%	7.00	2.50%	0.01 €	33.45 €	455
BSA2010	1/28/2011	12/23/2011	1/27/2021	77 €	77 €	40%	0%	5.45	2.70%	0.01 €	31.34 €	2,510
		12/23/2012	1/27/2021	77 €	77 €	40%	0%	5.95	2.82%	0.01 €	32.91 €	2,510
		12/23/2013	1/27/2021	77 €	77 €	40%	0%	6.45	2.82%	0.01 €	34.24 €	2,510
		12/23/2014	1/27/2021	77 €	77 €	40%	0%	6.95	3.04%	0.01 €	35.85 €	2,509
	6/24/2011	12/23/2011	11/22/2021	77 €	77 €	40%	0%	5.45	2.55%	0.01 €	31.16 €	2,000
		12/23/2012	11/22/2021	77 €	77 €	40%	0%	5.95	2.68%	0.01 €	32.71 €	2,000
		12/23/2013	11/22/2021	77 €	77 €	40%	0%	6.45	2.68%	0.01 €	34.03 €	2,000
		12/23/2014	11/22/2021	77 €	77 €	40%	0%	6.95	2.87%	0.01 €	35.58 €	2,000
BSPCE2010	6/24/2011	12/23/2011	11/22/2021	77 €	77 €	40%	0%	5.45	2.55%	- €	31.16 €	6,000
		12/23/2012	11/22/2021	77 €	77 €	40%	0%	5.95	2.68%	- €	32.71 €	6,000
		12/23/2013	11/22/2021	77 €	77 €	40%	0%	6.45	2.68%	- €	34.03 €	6,000
		12/23/2014	11/22/2021	77 €	77 €	40%	0%	6.95	2.87%	- €	35.58 €	6,000
Total												**81,372**

The details of the expense posted to the accounts for the periods presented are described as follows by plan:

Flow of the expense as of 30 June 2010:

Type	Award Date	Number of Options Outstanding	Probable Estimated Cost of the Plan	Accumulated Expense as of 31/12/09	2010 Expense	Accumulated Expense as of 30/06/10
BSPCE2	23/12/2005	-	€ 427,959	€ 427,959	€ -	427,959 €
BSA	07/12/2007	1,145	€ 34,210	€ 32,433	€ - 1,907	30,526 €
BSA 2	21/01/2009	10,716	€ 326,017	€ 250,806	€ 24,568	€ 275,374
BSA 4	21/01/2009	5,358	€ 163,062	€ 125,445	€ 12,288	€ 137,733
BSAX	21/01/2009	306	€ 9,792	€ 4,644	€ 1,550	€ 6,194
BCEX	21/01/2009	2,296	€ 69,825	€ 32,923	€ 11,048	€ 43,971
BSAX	25/06/2010	1,825	€ 55,941	€ -	€ 392	€ 392
Total		**21,646**	**1,086,804**	**874,210**	**47,939**	**922,149**

Flow of the expense as of 30.06.11:

Type	Award Date	Number of Options Outstanding	Probable Estimated Cost of the Plan	Accumulated Expense as of 31/12/10	2011 Expense	Accumulated Expense as of 30/06/11
BSPCE2	23/12/2005	-	€ 427,959	€ 427,959	€ -	€ 427,959
BSA	07/12/2007	1,145	€ 34,315	€ 32,551	€ 950	€ 33,501
BSA 2	21/01/2009	10,716	€ 326,924	€ 294,684	€ 11,507	€ 306,191
BSA 4	21/01/2009	5,358	€ 163,515	€ 147,391	€ 5,755	€ 153,146
BSAX	21/01/2009	306	€ 9,856	€ 7,573	€ 818	€ 8,391
BCEX	21/01/2009	2,296	€ 70,287	€ 53,809	€ 5,875	€ 59,684
BSAX	25/06/2010	1,825	€ 56,504	€ 14,889	€ 14,217	€ 29,106
BSA2010	28/01/2011	10,039	€ 330,240	€ -	€ 75,521	€ 75,521
	24/06/2011	8,000	€ 261,483	€ -	€ 3,508	€ 3,508
BSPCE2010	24/06/2011	24,000	€ 784,685	€ -	€ 10,527	€ 10,527
Total		**63,685**	**2,465,768**	**978,856**	**128,678**	**1,107,534**

The expense posted to the accounts as of 1 January 2010 was EUR 978,856, fully recognized in reserves for the fiscal years 2005 to 2009.
The expense posted to the income statement as of 30 June 2010 was EUR 47,939.
The expense posted to the income statement as of 30 June 2011 was EUR 128,678.

The primary assumptions used for the determination of the expense resulting from payments in shares by application of the Black-Scholes option valuation model have been the following:

- Risk-free interest rate: rate of state borrowings (GFRN index),
- Dividend: none,
- Volatility: 40 %, corresponding to the average of the historic volatility rates of a panel of comparable companies listed on the stock exchange,
- Turnover:
  - 1% per year for 2010,
  - 1% per year for 2011,
- Anticipated lifetime: 5.45 to 7 years.

The exercise prices, anticipated lifetime, and fair value of the underlying shares on the award date of the warrants were used for the valuation of each category of compensation in stock shares.

The detailed information concerning the number of options per category and the exercise prices is presented in Note 10.2.

Note 18: Financial revenue and expenses

The financial income and expenses are broken down as follows (in Euros):

	30/06/2011	**30/06/2010**
Financial revenues	18,670	7,105
Financial expenses	(14,928)	(17,839)
Total	**3,742**	**(10,734)**

The financial income is principally comprised of capital gains on the disposals of investment securities. The interest on borrowings, foreign exchange losses, and expenses related to the accretion of the Oséo and Coface repayable advances constitute the financial expenses.

Note 19: Tax expense

In accordance with the legislation in effect, the Company has tax losses that can be carried forward indefinitely in France in a total amount of EUR 24,100,688 as of 31 December 2010 (EUR 17,753,569 as of 31 December 2009 and EUR 13,691,666 as of 31 December 2008). The asset basis of deferred taxation net of the temporary passive differences was not posted to assets as a cautionary measure, in application of the principles described in Note 3.16.

The tax rate applicable to the Company is the rate in effect in France, that is, 33.33%.

Note 20: Commitments

Obligations under the terms of the ordinary rental agreements

On 28 April 2011, the Company signed a rental agreement with the company SELECTINVEST 1 for its premises. The amount of the future rents and expenses under those agreements is broken down as follows as of 30 June 2011:

	30/06/2011
2011 Year	125,932
2012 Year	251,864
2013 Year	251,864
2014 Year	251,864
2015 Year	285,768
2016 Year	309,986
2017 Year	309,986
2018 Year	309,986
2019 Year	309,986
2020 Year	129,161
Total	**2,536,397**

The company has signed various ordinary rental agreements for office equipment. The amount of the future rents under those agreements is broken down as follows as of 30 June 2011:

- 2011 : EUR 9,627;
- 2012 : EUR 16,687;
- 2013 : EUR 13,754;
- 2014 : EUR 10,457;
- 2015 : EUR 4,903.

Obligations under the terms of other agreements

As it has sub-contracted several important functions, the company has been required to conclude, within the framework of its current operations, sub-contracting contracts or short- or medium-term delegation contracts with various third parties, in France and abroad, which include various obligations that are usual in these circumstances.

The Company has sub-contracted to KENDLE International the operational conduct of the Phase I Study for the *Viaskin® Peanut* product within the framework of a Full Service contract dated 4 March 2010 and the Task Order related thereto (refer to Section 22). The amount of that study, which began in July 2010 was initially equal to EUR 2,171,933 and was increased by two successive amendments dated 16 February 2011 and 17 October 2011 to EUR 2,326,582 and EUR 2,609,427.

As of 30 June 2011, the amount that remained to be paid under the terms of this contract was equal to EUR 778,834.

On 30 July 2010, the Company concluded an agreement with Assistance Publique-Hôpitaux de Paris (AP-HP) within the framework of a study of the effectiveness and safety of a treatment of the allergy to peanuts by epicutaneous immunotherapy in allergic children. The amount of that study totals EUR 418,511. As of 30 June 2011, the amount of the future commitments was equal to:

- 2011 : EUR 90,829;
- 2012 : EUR 130,776.

Note 21: Relationships with related parties

The compensation amounts presented below, which were granted to the members of the Board of Directors of the Company, were posted to the accounts as expenses during the course of the periods presented (in Euros):

	30/06/2011	30/06/2010
Members of the Board of Directors	84,063	47,125
Directors' fees	8,000	10,000
Payments in shares to the members of the Board of Directors	101,529	12,954
Fees paid to SCP Benhamou-Vannerom	82,256	81,000
Total	**275,848**	**151,079**

The methods for valuation of the benefit related to share-based payments are presented in Note 17. The fees paid to SCP Benhamou-Vannerom correspond to scientific consulting services, in particular, to the design of the clinical studies and the production of the protocols.

Statement of the debts to related parties as of 30 June:

	30/06/2011	30/06/2010
SCP Benhamou Vannerom	28,178	-
Directors' fees	8,000	10,000
Retirement pension obligations	5,557	1,240
Total	**41,735**	**11,240**

Note 22: Earnings per share

Basic earnings

The basic earnings per share is calculated by dividing the net income going to the shareholders of the Company by the weighted average number of shares of common and preferred stock outstanding during the course of the period. The weighted average number of shares if 336,751 as of 30 June 2010 and 462,467 as of 30 June 2011. Considering the division of the par value of the shares of the Company's stock by 15, decided by the general meeting held on 9 December 2011, this number of shares has been adjusted, by multiplying it by 15, for all the periods presented.

	30/06/2011	30/06/2010
Results of the reporting period	(3,106,084)	(2,140,157)
Adjusted weighted average number of outstanding shares	6,937,005	5,051,265
Basic earnings per share (€/share)	**(0.45)**	**(0.42)**

The instruments that entitle their holders to portion of the share capital on a deferred basis (BSAs, BSPCEs) are considered to be anti-dilutive since they cause an increase in the earnings per share. These instruments are presented in detail in Note 17. Therefore, the diluted earnings per share are identical to the basic earnings per share.

Note 23: Management of the financial risks

The principal financial instruments of the Company are comprised of financial assets, cash, and investment securities. The objective of the management of these instruments is to allow the business activities of the Company to be financed. The Company's policy is to not subscribe to financial instruments for speculative purposes. The Company does not utilize derivatives.
The principal risks to which the Company is exposed are interest rate risk and credit risk.
Liquidity risk

Cf., Note 3.

Interest rate risk

The Company's exposure to interest rate risk primarily involves the investment securities. The latter are composed of money market funds and time deposit accounts. Changes in interest rates have a direct impact on the rate of return on these investments and the cash flows generated.

The Company has no variable rate debt. The flows of repayments of its debts are not subject to interest rate risk.

The repayment of the repayable advances may vary depending on whether or not objectives are attained. The change in the flow of the anticipated repayments is treated in the income statement (Note 3.11).

As of this date, the Company has not contracted borrowings from credit institutions and, therefore, has only very low exposure to interest rate risk.

Credit risk

The credit risk related to the cash, the cash equivalents, and the current financial instruments is not significant in light of the quality of the co-contracting financial institutions.

Fair value

The fair value of financial instruments traded on an active market, such as the available-for-sale securities, is based on the market rate as of the closing date. The market price used for the financial assets owned by the Company are the bid prices in effect on the market as of the valuation date.

The nominal value, less the provisions for depreciation, of the accounts receivable and current debts is presumed to approximate the fair value of those items.

Note 24: Events after 30 June 2011

The general meeting held on 9 December 2011 decided to divide the par value of the shares of the Company's stock by 15. This item has been taken into account in the determination of the earnings per share in compliance with the provisions of the IAS 33 standard (Note 22).

The Company has been notified by Oséo Innovation of the grant of a new amount of assistance in the form of a repayable advance of up to EUR 640,000 to finance the development of its program of treatment of the allergy to proteins in cow's milk.

The amount of the assistance will be paid as follows:

- EUR 256,000 after the signing of the contract; this sum was received by the Company on 9 December 2011;

- EUR 256,000 beginning on 31 March 2012 upon a call for funds;
- the balance of EUR 128,000 after confirmation of the end of the program no later than 15/08/2013.

In the event of technical or commercial success of the program, the repayment schedule will be the following:

- EUR 64,000 no later than 31 March 2014;
- EUR 64,000 no later than 30 June 2014;
- EUR 64,000 no later than 30 September 2014;
- EUR 64,000 no later than 31 December 2014;
- EUR 32,000 no later than 31 March 2015;
- EUR 32,000 no later than 30 June 2015;
- EUR 32,000 no later than 30 September 2015;
- EUR 32,000 no later than 31 December 2015;
- EUR 32,000 no later than 31 March 2016;
- EUR 32,000 no later than 30 June 2016;
- EUR 32,000 no later than 30 September 2016;
- EUR 32,000 no later than 31 December 2016;
- EUR 32,000 no later than 31 March 2017;
- EUR 32,000 no later than 30 June 2017;
- EUR 32,000 no later than 30 September 2017;
- EUR 32,000 no later than 31 December 2017.

20.6.2 Report on the limited review by the Statutory Auditors of the half-yearly financial statements for the period from 1 January 2011 to 30 June 2011

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

To the Board of Directors,

In our capacity as statutory auditors of DBV Technologies and in response to your request as part of an application to admit the Company's shares for trading on the NYSE Euronext market in Paris, we have conducted a limited review of the accompanying financial statements of DBV Technologies, for the period from 1 January 2011 to 30 June 2011, prepared in accordance with the IFRS framework as adopted within the European Union.

As this is the first time DBV Technologies has prepared half-yearly financial statements for the period ended 30 June 2011, the information relating to the period from 1 January 2010 to 30 June 2010, presented for comparative purposes, has not been the subject of an audit or a limited review.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our limited review.

We conducted our limited review in accordance with professional standards applicable in France. A limited review primarily consists of making inquiries of management responsible for financial and accounting matters, and applying analytical and other review procedures. Those procedures are substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently the assurance obtained that the financial statements, taken as a whole, are free of material misstatement is moderate and less than that obtained by an audit.

Based on our limited review, we did not identify any material misstatements that would cause us to believe that the accompanying half-yearly financial statements do not give a true and fair view of the financial position and the assets and liabilities of the Company as of 30 June 2011 and the results of its operations for the period then ended, in accordance with IFRS as adopted by the European Union.

Without calling into question the opinion expressed above, we draw your attention to Note 3.1 "Basis of preparation of the financial statements," which sets forth the financial position of the Company as of 30 June 2011, as well as the measures announced by the Management to enable the Company to continue as a going concern.

This report is governed by French law. The French courts shall have exclusive jurisdiction over any claim, dispute or difference that may arise from our aforementioned procedures or from this report.

Paris and Neuilly-sur-Seine, 13 December 2011.

The Statutory Auditors

CHD AUDIT ET CONSEIL	Deloitte & Associés
Jean-Marc BULLIER	Fabien BROVEDANI

20.7DIVIDEND DISTRIBUTION POLICY

20.7.1 Dividends paid during the last three fiscal years

None.

20.7.2 Dividend distribution policy

Initiating a dividend payment policy is not anticipated in the short term considering the stage of development of the Company.

20.8LEGAL AND ARBITRAL PROCEEDINGS

As of the filing date of the *Document de Base*, there do not exist any governmental, legal, or arbitral proceedings, including any proceeding of which the Company has knowledge, which is pending or with which it is threatened, that might have or had significant effects on the financial position, the business activity, or the financial results of the company during the last 12 months.

20.9SIGNIFICANT CHANGE IN THE FINANCIAL OR COMMERCIAL POSITION

To the Company's knowledge, there has been no significant change in the financial or commercial position of the company since 30 June 2011.

21 ADDITIONAL INFORMATION

The description below takes into account the amendments to the Bylaws adopted by the combined general meeting held on 9 December 2011, some of which are subject to the first listing of the Company's shares on the NYSE Euronext regulated market in Paris no later than 30 June 2012.

21.1SHARE CAPITAL

21.1.1 Amount of the share capital

As of the filing date of the *Document de Base*, the share capital of the Company totals EUR 882,274.50, divided into 8,822,745 shares with a par value of EUR 0.10 each, fully paid up, including:

- ✓ 923,250 shares of common stock,
- ✓ 2,828,475 shares of Category P1 preferred stock;
- ✓ 13,830 shares of Category P1' preferred stock;
- ✓ 857,145 shares of Category P2 preferred stock;
- ✓ 428,565 shares of Category P3 preferred stock;
- ✓ 3,771,480 shares of Category P4 preferred stock;

Subject to the admission of the shares to trading on the NYSE Euronext regulated market in Paris, all the categories of the shares called preferred stock will, in compliance with the by-laws, be converted into shares of common stock, which will then constitute the entirety of the share capital of the Company.

21.1.2 Securities that are not equity securities

None.

21.1.3 Acquisition by the Company of its own shares

As of the date of this *Document de Base*, the Company does not own any of its stock and none is owned by a third party on its behalf.

The combined general meeting of the Company held on 9 December 2011 authorized the Board of Directors, for a period of eighteen months from the date of the Meeting subject to the admission of the Company's stock to trading on the NYSE Euronext regulated market in Paris no later than 30 June 2012, to implement a program to buy back the shares of the Company in accordance with of Article L. 225-209 of the French Commercial Code and in compliance with the General Regulations of the *Autorité des Marché Financiers* [French Financial Markets Authority, AMF] under the conditions described below:

Maximum number of shares that may be purchased: 10% of the share capital as of the date of the buy back of the shares. When the shares are acquired with the objective of encouraging the promotion and the liquidity of the securities, the number of shares taken into account for the calculation of the 10% limit stipulated above corresponds to the number of shares purchased, minus the number of shares resold during the time period of the authorization.

Objectives of the share buybacks:

- to encourage the promotion and the liquidity of the securities of the Company under a liquidity agreement to be entered into with an independent investment service provider in compliance with the ethics charter recognized by the AMF on 21 March 2011;

- to allow the company to meet its obligations under stock options, free share award programs, or employee savings plans or other awards of shares to the employees and executives of the Company or of companies associated with it; to deliver shares upon the exercise of rights attached to securities giving access to the share capital;

- to purchase shares to hold and deliver subsequently for exchange or in payment in external growth transactions; or

- the cancellation of some or all of the securities thereby bought back;

- any other purpose that is authorized or that might be authorized by law or recognized or that might come to be recognized as a market practice by the French Financial Markets Authority.

Maximum purchase price: 300% of the price per share in the initial public offering, excluding expenses and commissions and any adjustments in order to take transactions involving the share capital into account;

Maximum amount of the funds that may be dedicated to the buyback of shares: EUR 5,000,000.

That the number of shares purchased by the Company in order to hold them and to deliver them subsequently in payment or in exchange in a merger, split, or capital contribution transaction may not exceed 5% of its share capital.

The shares thereby bought back may be cancelled.

Beginning on the date of the admission to trading of the securities of the Company, the Company will be required to fulfill the following reporting obligations with respect to the buyback of shares:

Prior to the implementation of the buyback program authorized by the general meeting held on 9 December 2011

- ✓ Publication of a description of the share buy-back program (actual and full electronic distribution and published online on the Company's website).

During the share buyback program

- ✓ Publication of the transactions with seven days, by publication online on the website of the Company (excluding transactions conducted pursuant to a liquidity agreement);
- ✓ Monthly statements filed by the Company with the AMF.

Annually

- ✓ Submission of the assessment of the implementation of the share buyback program and of the use of the shares purchased in the report of the Board of Directors to the general meeting.

21.1.4 Securities that entitle the buyer to a share of the share capital

The number and characteristics of the securities giving access to the share capital which have been granted by the Company as of the date of the *Document de Base* are summarized below.

The division by 15 of the par value of the shares decided by the general meeting that met on 9 December 2011 does not have an impact on the number of founders' warrants (BSPCE) and warrants (BSA) that have been granted or cancelled, or have become null and void. Only the conditions governing the exercise of said warrants, that is the exercise price and parity, have been adjusted. The tables below take said adjustments into account.

21.1.4.1 Founders' warrants (*bons de souscription de parts de créateur d'entreprise*, "BSPCEs")

Name of the Plan	BCE 4	BCE X	BCE 2010	
Meeting date	21-Jan-09	21-Jan-09	16/12/2010	
Date of grant by the Board of Directors	21-Jan-09	21-Jan-09	24-Jun-11	22-Nov-11
Total number of BSPCEs authorized	5,358	10,858 (1)	59,405	59,405
Total number of BSPCEs granted	5,358	2,296	24,000	10,039
Total number of shares that can be subscribed *the total number that can be subscribed or purchased by the corporate officers* *Including by Pierre-Henri BENHAMOU*	*0*	*0*	*10,000*	0
Number of non-officer recipients	*1*	*2*	7	1
Start date for the exercise of the BSPCEs	21-Jan-09	21-Jan-10	23-Dec-11	22-Nov-12
Expiration date of the BSPCEs	21-Jan-19	21-Jan-19	24-Jun-21	22-Nov-21
Exercise price of the BSPCEs (6)	€ 4.33	€ 4.67	€ 5.13	€ 5.13
Terms and conditions for the exercise	(2)	(3)	(4)	(5)
Number of shares of stock subscribed as of 27 January 2012 (6)	0	0	0	0
Total number of BSPCEs cancelled or null and void as of 27 Jan 2012	0	0	0	0
Total number of BSPCEs remaining as of 27 January 2012	5,358	2,296	24,000	10,039
Total number of shares that can be subscribed as of 27 January 2012 (6)	80,370	34,440	360,000	150,585

(1) Ceiling shared with that of the BCE 4 and BSA X warrants (see paragraph 21.1.4.2). The balance not granted has become null and void;

(2) The BCE 4 warrants will all become exercisable beginning on the date of the first listing of the shares of the Company's stock on the NYSE Euronext regulated market in Paris;

(3) By a decision by the Board of Directors meeting held on 22 November 2011, the BCE X warrants will all become exercisable beginning on the date of the 1st quotation of the shares of the Company's stock on the NYSE Euronext regulated market in Paris;

(4) Including 6,000 BCE 2010 warrants exercisable beginning on 23 December 2011. An additional 6,000 BCE 2010 warrants will be exercisable on 23 December 2012 and 6,000 in December 2013. The balance, that is 6,000 BCE 2010 warrants, will be exercisable on 23 December 2014;

(5) 2,510 BCE 2010 warrants will become exercisable beginning on 22 November 2012. An additional 2,510 BCE 2010 warrants will be exercisable on 22 November 2013 as well as 2,510 on 22 November 2014. The balance, that is 2,509 BCE 2010 warrants, will become exercisable on 22 November 2015;

(6) The number of shares takes into account an exercise parity adjusted by the division by 15 of the par value of the shares decided by the general meeting on 9 December 2011; each BCE warrant now gives the right to subscribe to 15 new shares instead of 1 new share. For the same reason, the exercise price of each BCE plan was adjusted as a result and is thus equal to 1/15th of the price initially determined by the general meeting that authorized each of the plans.

As of the filing date of the *Document de Base*, the full exercise of all the 41,693 BSPCE warrants granted and still outstanding could lead to the creation of 625,395 new shares after the division by 15 of the par value of the shares decided by the general meeting on 9 December 2011 is taken into account.

21.1.4.2 Warrants (BSAs)

Name of the Plan	**BSA**	**BSA 2**	**BSA X**		**BSA 2010**			
Meeting date	14-Jun-07	21-Jan-09	21-Jan 2009		16/12/2010			
Date of grant by the Board of Directors	7-Dec-07	21-Jan-09	21-Jan-09	25-Jun-10	28-Jan-11	24-Jun-11	22-Nov-11	17-Jan-12
Total number of BSA warrants authorized	4,395	10,716	10 858 (2)	10 858 (2)	59,405	59,405	59,405	59,405
Total number of BSA warrants granted	1717 (1)	10,716	306	1825	10,039	8,000	1,338	89 835 (3)
Total number of shares that can be subscribed *the total number of which that can be subscribed or purchased by the corporate officers:*								
Including by Pierre-Henri BENHAMOU		*5358*						
including Peter HUTT				*1095*				
including Torbjorn BJERKE	*859*		*306*	*730*				
including George HORNER III					*10,039*			
Number of non-officer recipients	*3*	*1*	*0*	0	*0*	*7*	*1*	*1*
Start date for the exercise of the BSAs	7-Dec-08	21-Jan-09	21-Jan-10	25-Jun-11	23-Dec-11	23-Dec-11	22-Nov-12	(12)
Expiration date of the BSAs	7-Dec-15	21-Jan-19	21-Jan-19	25-Jun-20	28-Jan-21	24-Jun-21	22-Nov-21	(12)
Exercise price of the BSAs (9)	€ 4.33	€ 4.33	€ 4.33	€ 4.33	€ 5.13	€ 5.13	5,13 €	5,13 €
Terms and conditions for the exercise	(4)	(5)	(6)	(6)	(7)	(8)	(10)	(12)
Number of shares of stock subscribed as of 27 January 2012 (9)	0	0	0	0	0	0	0	0
Total number of BSAs cancelled or null and void as of 27 Jan 2012	572	0	0	0	0	0	0	0
Total number of BSAs remaining as of 27 January 2012	1,145	10,716	306	1,825	10,039	8,000	1,338	89,835
Total number of shares that can be subscribed as of 27 January 2012	17,175	160,740	4,590	27,375	150,585	120,000	20,070	89,835

(1) The balance not granted has become null and void;

(2) Shared ceiling with that of the BSC X and BCE 4 warrants (see paragraph 21.1.4.1). the balance not granted has become null and void.

(3) Since these 89,835 BSA were granted after the general meeting that approved the division of the par value of the shares of stock by 15, the number of them incorporates that division by 15. Before division, this number would have been 5,989.

(4) Beginning on 7 December 2011, all the BSAs are exercisable;

(5) The BSA 2 warrants will become exercisable beginning on the date of the first listing of the Company's stock on the NYSE Euronext regulated market in Paris;

(6) By a decision by the Board of Directors meeting held on 22 November 2011, the BSA X warrants will all become exercisable beginning on the date of the first listing of the Company's stock on the NYSE Euronext regulated market in Paris;

(7) 2,510 BSA 2010 warrants will become exercisable beginning on 23 December 2011. An additional 2,510 BSA 2010 warrants will be exercisable on 23 December 2012 and 2,510 on 23 December 2013. The balance, that is, 2,509 BSA 2010 warrants, will become exercisable on 23 December 2014;

(8) Including 2,000 BSA 2010 warrants exercisable beginning on 23 December 2011. An additional 2,000 BSA 2010 warrants will be exercisable on 23 December 2012 and 2,000 on 23 December 2013. The balance, that is, 2,000 BSA 2010 warrants, will be exercisable on 23 December 2014;

(9) The number of shares takes into account an exercise parity adjusted by the division by 15 of the par value of the shares decided by the general meeting on 9 December 2011, that is, each BSA now gives the right to subscribe to 15 new shares instead of 1 new share. For the same reason, the exercise price of each BSA plan was adjusted as a result, and is therefore equal to 1/15th of the price initially determined by the general meeting that authorized each of the plans;

(10) 335 BSA 2010 warrants will become exercisable beginning on 22 November 2012. An additional 335 BSA 2010 warrants will be exercisable on 22 November 2013, and then an additional 334 BSA 2010 warrants on 22 November 2014. The balance, that is, 334 BSA 2010 warrants, will become exercisable on 22 November 2015.

(11) With the exception of the corporate officers clearly identified in this table, all the other awardees of the BSA warrants that exist as of this date are members of the scientific board;

(12) Performance conditions will be attached to the exercise of these BSAs. Not yet established as of this date, the performance conditions will be determined during the meeting of the Board of Directors convoked specifically in order to recognize the final completion of the increase in the share capital to take place within the framework of the listing on Euronext. In any case, besides compliance with the performance conditions, none of these BSAs will be exercisable before a time period of 4 years from the date they are granted

As of the filing date of the *Document de Base*, the full exercise of all the 123,204 BSA warrants granted and still outstanding could lead to the creation of 590,370 new shares after the division by 15 of the par value of the shares decided by the general meeting on 9 December 2011 is taken into account.

All the "ratchet" warrants attached to the Category P4 preferred shares, protecting their holders from any issue of shares or other securities giving access to the share capital on the basis of a price per share that is lower than that paid by said warrant holders, will become, for their part, null and void on the date of the first listing of the Company's stock on the regulated market of NYSE Euronext in Paris.

21.1.4.3Summary of the dilutive instruments

Thus, as of the filing date of the *Document de Base* and after taking into account the division of the par value of the shares by 15 decided by the general meeting on 9 December 2011, the total number of shares that might be created by the full exercise of all the securities giving access to the share capital issued as of this date totals 215,765, i.e., a maximum dilution of 13.78% on the basis of the share capital and of the voting rights that exist as of this date and 12.11% on the basis of the fully diluted share capital and voting rights.

The Board of Directors meeting held on 17 January 2012, upon a proposal by the Compensation Committee that met on 2 January 2012, decided on the principle of the award of free shares that is entirely conditional on the fulfillment of performance criteria that have not yet been established as of this date, which will be implemented legally during the future meeting of the Board of Directors called to meet in order, in particular, to acknowledge the final completion of the share capital increase to occur within the framework of the listing on the NYSE Euronext regulated market in Paris. These performance conditions will be the same as those applicable to the 89,835 BSA warrants granted on 17 January 2012.

It is anticipated that the granting of a free stock award plan will be conducted, in compliance with the provisions of Article L. 225-197-6 of the French Commercial Code, involving approximately 5% of the fully diluted share capital after the initial public offering, approximately 3.5% of which would be granted to Messrs. Pierre-Henri Benhamou and Bertrand Dupont.

Since the conditions governing the future increase in share capital to be made in connection with the initial public offering are not known as of this date, the maximum additional dilution that can result from the upcoming award of this free shares plan will be specified in the future information document submitted for approval by the AMF.

21.1.5 Authorized share capital

The resolutions concerning issuances approved by the general meeting held on 9 December 2011 voting on an extraordinary basis are summarized below:

	Term of Validity	**Ceiling (nominal value)**	**Methods for Determining the Issue Price**
Issue with maintenance of a preferential subscription right to subscribe shares and/or securities giving access, immediately and/or in the future to the share capital of the Company	26 months	EUR 882,274.50 (1)	
Issue, with elimination of the preferential subscription right to subscribe shares and/or securities giving access to the share capital of the Company either immediately or in the future and option to grant a preferential right	26 months	EUR 882,274.50 (1)	Refer to (2)
An immediate or future increase in share capital by the issue shares or of any securities giving access to the share capital of the Company, up to a limit of 20% of the share capital per year, with elimination of the preferential subscription right of the shareholders, by means of an offer to qualified investors or to a limited circle of investors pursuant to the terms of Article L. 411-2 Par. II of the French Monetary and Financial Code (private placement)	26 months	EUR 882,274.50 (1) and up to the limit of 20% f the share capital per year	Refer to (3)
Authorization given to the board, in the event of issue of shares or of any securities giving access to the share capital with elimination of the preferential subscription right of the shareholders, for the purpose of setting the issue price up to the limit of 10% of the share capital and within the limitations stipulated by the general meeting	26 months	up to the limit of 10% of the corporate share capital per year	Refer to (4)
Possibility of increasing the number of securities to be issued in the event of an increase in share capital with or without a preferential subscription right	26 months	15% of the initial issue (1) (5)	Same price as the initial issue
Issue of shares of common stock intended to compensate tenders of securities in the event of a public exchange offer that includes a component involving an exchange initiated by the Company	26 months	EUR 882,274.50 (1)	
An increase of share capital by the issue of shares and/or securities giving access, immediately and/or in the future, to the share capital of the Company with elimination of the preferential subscription right in compensation for contributions in kind involving equity securities or securities giving access to the share capital of third companies outside of a public exchange offer	26 months	EUR 882,274.50 (1) up to the limit of 10% of the corporate share capital per year	
Increase in the share capital by incorporation of premiums, reserves, profits, or other items	26 months	EUR 150,000	
Issue of shares or of any securities giving access, immediately and/or in the future, to the share capital of the Company, with elimination of the preferential subscription right of the shareholders, to a category of persons defined as follows: *any shareholder, except natural persons, of the Company as of the date of this Meeting, or any entity that controls, is controlled by, or is under common control with a shareholder, (with control being defined as control in accordance with the terms of Article L. 233-3 of the French Commercial Code),*	18 months	EUR 882,274.50 (1)	Refer to (6)
Authorization to be given to the board to grant options to subscribe or purchase the Company's shares to employees and executives of the Company.	38 months	1,968,528 shares of stock (7)	Refer to (8)
Authorization to be given to the Board of Directors to make awards of free shares to employees and executives of the Company	38 months	1,968,528 shares of stock up to the limit of 10% of the share capital (7)	
Authorization to be given to the Board of Directors to issue, free of charge, founders' warrants ("BSPCEs").	18 months	1,968,528 shares of stock (7)	Refer to (9)
Issue of warrants with elimination of the preferential subscription right to: *(i) members of the Board of Directors of the Company on the basis of the award date of the warrants who are not employees*	18 months	300,000 BSAs entitling the warrant holders to 300,000 shares of stock	

or executives of the Company or (ii) of persons bound by a service or consulting agreement with the company, or (iii) of members who are not employees or executives of the Company or of one of its subsidiaries or of any committee that either exists or that the Board of Directors might establish		(7)	Refer to (10)
Decrease in the share capital of the company by cancellation of the treasury shares.	18 months	Up to the limit of 10% of the share capital over a 24-month period	

(1) These amounts are not cumulative. The maximum cumulative ceiling authorized by the general meeting for the increases of share capital at par value is set at € 882,274.50. The total nominal amount of the issues of debt securities Company may not exceed € 50,000,000;

(2) The issue price will be determined as follows:

- for the capital increase to be conducted when the shares of the Company are admitted to trading and the first listing of its shares is made on the regulated market of NYSE Euronext in Paris, the subscription price of one new share will be the product of the interaction between the supply of shares and the demand for subscriptions from investors as results from the "book building" process,
- following the admission to trading and the first listing of the shares of the Company's on the regulated market of NYSE Euronext in Paris, the issue price of the shares will be at least equal to the weighted average of the prices quoted on the last three trading days before it is set, such as it is, as applicable, minus the discount authorized by the legislation (currently, 5%) and corrected in the case of a difference in the possession date, it being specified that the issue price of the securities giving access to the share capital will be such that the sum collected immediately by the Company, plus, as applicable, that which might be collected subsequently by it is, for each share issued as a result of the issue of these securities, at least equal to the issue price defined above;

(3) The issue price of the shares will be at least equal to the weighted average of the prices quoted on the last three trading days before it is set, such as it is, as applicable, minus the discount authorized by the legislation (that is, currently, 5%) and corrected in the case of a difference in the possession date, it being specified that the issue price of the securities giving access to the share capital will be such that the sum collected immediately by the Company, plus, as applicable, that which might be collected subsequently by it, is, for each share issued as a result of the issue of these securities, at least equal to the issue price defined above;

(4) Up to the limit of 10% of the share capital of the Company (as it exists as of the date of the transaction) per 12-month period, the board may derogate from the price setting conditions stipulated by the resolutions mentioned above and set the issue price of the shares of common stock and/or the securities giving access to the share capital either immediately or in the future that are issued, in accordance with the following terms and conditions:

- the issue price of the shares will be at least equal to the weighted average of the prices of the last 5 trading sessions before it is set, potentially minus a maximum discount of 15% and that in any event it cannot be less than the par value of one share of the Company on the issue date of the shares involved,

- the issue price of the securities giving access to the share capital will be such that the sum collected immediately by the Company, plus, as applicable, the sum that might be collected subsequently by it, is, for each share issued as a result of the issue of those securities, at least equal to the issue price defined in the paragraph above;

(5) 15% as of this date or any other proportion that has been determined by decree;

(6) the issue price of the shares, securities, or debt securities issued pursuant to this delegation will be determined by the Board of Directors under the following conditions:

- prior to the first listing of the Company's shares on the NYSE Euronext Regulated Market in Paris, the subscription price of one new share will be the result of the interaction between the number of securities offered for subscription (supply) and the demand for subscriptions from investors that fall within the category of the persons defined in this resolution within the framework of the private placement involved, on the basis of the technique called book building as developed by the customary local professional practices, and

after the first listing of the Company's stock on the NYSE Euronext Regulated Market in Paris, the subscription price will be at least equal to the weighted average of the prices quoted on the last three stock exchange days before it is set, such as it is, as applicable, minus the discount authorized by the legislation (that is, currently, 5%) and corrected in the case of a difference in the possession date, it being specified that the issue price of the securities giving access to the share capital will be such that the sum collected immediately by the Company, plus, as applicable, that which might be collected subsequently by it, is, for each share issued as a result of the issuance of these securities, at least equal to the issue price defined above;

(7) the exercise of the options, free shares, BSPCEs and/or BSAs may not entitle their owners to subscribe to or to purchase a number of shares greater than 1,968,528, it being specified that this amount is a shared ceiling;

(8) The purchase or subscription price per share will be set by the board on the day on which the option is granted on the basis of the following terms and conditions:

As long as the shares of the company are admitted to trading on a regulated market in the European Union or on a stock exchange in Switzerland, or on the Nasdaq National Market or the New York Stock Exchange in the United States, the board may determine the purchase or subscription price per share by reference to the sale price of one share at the closing on that regulated market the day before on the day which the board decides to award the options. However, the purchase or subscription price per share may in no event be less than ninety-five percent (95%) of the average of the prices quoted in the twenty trading sessions preceding the day on which the board decides to award the options,

When an option allows its recipient to purchase shares that have been purchased in advance by the Company, its exercise price, without prejudice to the preceding clauses, and in compliance with the applicable legal provisions, may not, moreover, be less than 80% of the average price paid by the Company for all the shares that it has purchased in advance,

(9) The subscription price will be determined by the Board of Directors on the date on which the BSPCEs are granted and will be at least equal to the one of the following two values, whichever is higher:

(a) the average of the prices quoted in the twenty trading sessions preceding the date of the decision by the board to award the BSPCEs;
(b) if one or more increases in share capital was/were made less than six months before the decision by the Board of Directors to award the BSPCEs in question, the subscription price of one share of common stock of the Company utilized within the context of the most recent of said increases in share capital as assessed on the date of the award of each BSPCE.

(10) the Exercise Price, which will be determined by the Board of Directors at the time the BSAs are granted, must be at least equal to the weighted average of the prices of the last 10 trading sessions preceding the date said BSAs were granted by the Board of Directors.

21.1.6 Information concerning the share capital of any member of the Company that is the subject of an option or a conditional or unconditional agreement to put it under option

To the Company's knowledge, there are no call or put options or other commitments for the benefit of the shareholders of the Company or granted by the latter involving shares of the Company's stock.

21.1.7 History of the capital

21.1.7.1 Changes in the share capital since the incorporation of the Company

Date	Nature of the Transactions	Share Capital	Premium	Number of shares created	No. of Shares that comprise the share capital	Par Value	Corporate Share Capital	Pro Forma(*) Issue Price per Share(*)
6/2/2002	Incorporation	€ 38,250.00		3,825	3,825	€ 10.00	€ 38,250.00	€ 0.07
13/03/03	Issue of common stock in cash.	€ 4,330.00	€ 135,520.34	433	4,258	€ 10.00	€ 42,580.00	€ 2.15
15/05/03	Exercise of BSA A warrants	€ 4,950.00	€ 154,925.10	495	4,753	€ 10.00	€ 47,530.00	€ 2.15
30/09/03	Exercise of BSA B warrants	€ 2,470.00	€ 97,267.61	247	5,000	€ 10.00	€ 50,000.00	€ 2.69
30/09/03	Exercise of BSPCEs	€ 2,000.00	€ 62,596.00	200	5,200	€ 10.00	€ 52,000.00	€ 2.15
2/10/2003	Issue of common stock shares in cash.	€ 1,800.00	€ 98,200.08	180	5,380	€ 10.00	€ 53,800.00	€ 3.70
2/10/2003	Issue of common stock in cash.	€ 7,750.00	€ 492,249.78	775	6,155	€ 10.00	€ 61,550.00	€ 4.30
23/12/05	Division of the par value by 10			55,395	61,550	€ 1.00	€ 61,550.00	N/A
23/12/05	Issue of shares of P1 stock in cash	€ 5,455.00	€ 349,120.00	5,455	67,005	€ 1.00	€ 67,005.00	€ 4.33
23/12/05	Issue of shares of P1 stock in cash	€ 61,550.00	€ 3,939,200.00	61,550	128,555	€ 1.00	€ 128,555.00	€ 4.33
31/03/06	Exercise of BSA B warrants	€ 378.00	€ 24,192.00	378	128,933	€ 1.00	€ 128,933.00	€ 4.33
15/01/07	Exercise of BSA Tranche 2 for shares of P1 stock	€ 121,560.00	€ 7,779,840.00	121,560	250,493	€ 1.00	€ 250,493.00	€ 4.33
21/01/09	Issue of shares of ABSA P2 stock in cash	€ 57,143.00	€ 3,942,867.00	57,143	307,636	€ 1.00	€ 307,636.00	€ 4.67
21/01/09	Issue of shares of ABSA P3 stock in cash	€ 28,571.00	€ 1,971,399.00	28,571	336,207	€ 1.00	€ 336,207.00	€ 4.67
21/04/09	Issue of shares of P1' stock in cash	€ 544.00	€ 34,816.00	544	336,751	€ 1.00	€ 336,751.00	€ 4.33
16/12/10	Issue of shares of ABSA P stock in cash	€ 116,884.00	€ 8,883,184.00	116,884	453,635	€ 1.00	€ 453,635.00	€ 5.13
23/12/10	Issue of shares of ABSA P4 stock in cash	€ 8,832.00	€ 671,232.00	8,832	462,467	€ 1.00	€ 462,467.00	€ 5.13
9/12/2011	Exercise of BSA Tranche 2 warrants for shares of ABSA P4 stock	€ 125,716.00	€ 9,554,416.00	125,716	588,183	€ 1.00	€ 588,183.00	€ 5.13
9/12/2011	Increase in the par value	€ 294,091.50	-€ 294,091.50		588,183	€ 1.50	€ 882,274.50	N/A
9/12/2011	Division of the par value by 15			8,234,562	8,822,745	€ 0.10	€ 882,274.50	N/A

(*) This column indicates the issue price per share of each transaction that led to a change in the share capital (issue of new shares, exercise of BSPCEs, etc.) after taking into account the divisions of the par value of the shares by 10 and then by 15 decided by the general meetings held on 23 December 2005 and 9 December 2011, respectively. These prices will therefore be comparable to the initial public offering price to be used within the framework of the future increase in share capital to be made when the securities are admitted to listing on the NYSE Euronext regulated market in Paris.

Subject to the admission of the stock to trading on the regulated market of NYSE Euronext in Paris, all the shares of Category P1, P1', P2, P3, and P4 preferred stock will be converted into shares of common stock, and all the share capital will then be composed of shares of common stock.

21.1.7.2 Changes in the Distribution of the Share Capital and of the Voting Rights since 1 January 2009

	01/01/2009	01/01/2010	01/01/2011	27/01/2012
Shareholders	**% share capital and voting rights**	**% share capital and voting rights**	**% share capital and voting rights**	**% share capital and voting rights**
FCPR Sofinnova Capital V	42.99%	48.79%	39.74%	34.56%
InnoBio (CDC Enterprises)	0.00%	0.00%	8.42%	13.25%
ALK-Abelló	0.00%	8.48%	8.99%	9.27%
Apax France VI FCPR	21.68%	16.13%	11.74%	9.23%
Lundbeckfond Ventures	0.00%	0.00%	5.62%	8.83%
SHIRE Laboratories	0.00%	0.00%	4.21%	6.62%
Altamir Amboise et Cie	8.43%	6.27%	4.57%	3.59%
PHYS Participations (a)	8.20%	6.10%	4.44%	3.49%
DBCS Participations (b)	8.20%	6.10%	4.44%	3.49%
Cap Décisif (Groupe CDC)	6.96%	5.60%	4.08%	3.21%
FIP France FORTUNE ALTO (1 and 2)	0.00%	0.00%	1.91%	3.00%
Other shareholders (c)	3.53%	2.51%	1.83%	1.44%
of which Pierre-Henri Benhamou (co-founder and Chairman and CEO) possesses	*0.42%*	*0.31%*	*0.23%*	*0.18%*
of which employees possess	*0.42%*	*0.31%*	*0.23%*	*0.18%*
TOTAL	**100.00%**	**100.00%**	**100.00%**	**100.00%**

(a) A company in which Pierre-Henri BENHAMOU owns 36.8% of the share capital;
(b) A holding company controlled by the DUPONT family group in which it owns 73.6% of the share capital;
(c) 7 shareholders as of 1 January 2009, none of which owned more than 2.48% of the share capital
6 shareholders as of 1 January 2010, none of which owned more than 1.85% of the share capital
6 shareholders as of 1 January 2011, none of which owned more than 1.34% of the share capital
6 shareholders as of 9 December 2011, none of which owned more than 1.06% of the share capital.

The changes in the distribution of the share capital have resulted primarily from the following transactions:

- **During the 2009 fiscal year:**
  - ✓ Issues of shares of preferred stock in January 2009
  - ✓ Some sales among shareholders in January 2009.

- **During the 2010 fiscal year:**
  - ✓ An issue of shares called "ABSA P4" preferred stock in December 2010 to be paid up in two equal tranches.

- **Since 1 January 2011:**
  - ✓ The paying up in December 2011 of the second tranche of the shares called "ABSA P4" preferred stock issued in December 2010.

21.1.7.3 Distribution of the share capital and of the voting rights as of 27 January 2012

The detailed table of the shareholding below takes into account two decisions adopted by the general meeting on 9 December 2011:

- the division by 15 of the par value of Company's stock;
- and the automatic conversion, immediately before the first listing of the Company's stock on the NYSE Euronext regulated market in Paris, of the various categories of shares called

preferred stock at the rate of one share of common stock for one share of preferred stock owned.

Shareholders	No. of Shares and Voting Rights	% of Share Capital and Voting Rights
FCPR Sofinnova Capital V	3,049,170	34.56%
InnoBio (CDC Enterprises)	1,168,830	13.25%
ALK-Abelló	818,175	9.27%
Apax France VI FCPR	814,635	9.23%
Lundbeckfond Ventures	779,220	8.83%
SHIRE Laboratories	584,430	6.62%
Altamir Amboise et Cie	316,815	3.59%
PHYS Participations (a)	308,250	3.49%
DBCS Participations (b)	308,250	3.49%
Cap Décisif (Groupe CDC)	283,020	3.21%
FIP France FORTUNE ALTO (1 and 2)	264,960	3.00%
Other shareholders (c)	126 990	1.44%
of which Pierre-Henri Benhamou (co-founder and Chairman and Chief Executive Officer) owns	*15,750*	*0.18%*
of which employees own	*15,750*	*0.18%*
TOTAL	**8,822,745**	**100.00%**

(a) A company in which Pierre-Henri BENHAMOU owns 36.8% of the share capital;
(b) A holding company controlled by the DUPONT family group, in which it owns 73.6% of the share capital;
(c) 6 shareholders as of 9 December 2011, none of which owned more than 1.06% of the share capital.

As of this date, there is a shareholders' agreement that will become legally null and void, as will the contractual commitments that are related to it (in compliance with the provisions of Article 17.2 of such agreement) beginning on the date the Company's stock is admitted to the NYSE Euronext regulated market in Paris.

To the knowledge of the Company, no shareholders are acting in concert.

21.2ACT OF INCORPORATION AND BYLAWS

The description below takes into account the amendments to the Bylaws adopted by the combined general meeting held on 9 December 2011, some of which are subject to the first listing of the Company's stock on the regulated market of NYSE Euronext in Paris no later than 30 June 2012.

21.2.1 Corporate purpose

The Company has as its corporate purpose in France and in all countries:

- the development of any innovative medical product, and particularly any medicine, diagnostic product, or therapeutic product,

- the study, research, refinement, industrial manufacture, and marketing of said products,

- the use and development of all patents and all licenses related to such products, and generally, all commercial, personal property, and real property, financial, or other transactions related directly or indirectly, in whole or in part, to the corporate purpose or to any other similar or related purpose, that may facilitate the use and commercial development thereof.

21.2.2 Provisions in the Bylaws or other provisions related to the members of the administrative and management bodies.

21.2.2.1 Board of Directors

Article 10 - Composition of the Board of Directors

The Company is administered by a Board of Directors composed of three to eighteen members.
The members of the Board of Directors are appointed by the general meeting of the Shareholders, making decisions with a quorum and by majority vote in ordinary general meetings.

The term of the members of the Board of Directors is two (2) years; it expires at the end of the meeting that approves the financial statements of the previous fiscal year held in the year during which their term expires.

The members of the Board of Directors may be removed from office, at any time and without motive, by the general meeting of the Shareholders, voting with a quorum and by majority vote at ordinary general meetings.
The number of members of the Board of Directors who are over eighty years old may not exceed one-third of the members of the board.

Article 11 - Deliberations of the Board

The Board of Directors meets as often as the interest of the Company requires, upon calling by the Chairman of the Board of Directors to the registered office or the place indicated in the notice to convene. The notice to convene is made by any and all methods, five days in advance. It can be also made orally and without advance notice if all the members of the board and the non-voting members of the Board agree to do so.

When it has not met for more than two months, at least one-fourth of the members of the Board of Directors may ask the Chairman to call it to meet concerning a specific agenda. The Chief Executive Officer or a member of the Board of Directors may also ask the Chairman to call the Board of

Directors concerning a specific agenda. The Chairman is bound by the requests that are so made of him or her.

An attendance register is kept; minutes are prepared after each meeting. The board may only validly deliberate if at least one-half of its members are present.
Except for the choice of who shall be the Chief Executive Officer, decisions are made by a majority vote of the members of the board who are present or represented. The vote of the Chairman is not decisive in the case of a tie vote.

The members of the Board of Directors as well as any person asked to attend the meetings of the Board of Directors are required to be discreet with respect to the information that is confidential in nature and data so deemed by the Chairman of the Board of Directors.

Article 12 - Powers of the Board

The Board of Directors determines the guidelines for the business activity of the Company and ensures that they are implemented. Subject to the powers expressly granted to the Meetings of Shareholders and within the limitations of the corporate purpose, any issue concerning the proper functioning of the Company is referred to it, and it settles the matters concerning the Company by its deliberations.

The Board of Directors carries out the monitoring and verifications that it deems appropriate. Each member of the Board of Directors receives all the information necessary to perform his or her mission and may have transmitted to him or her all the documents that he or she deems to be relevant.

Article 13 - Chairman of the Board of Directors

The Board of Directors elects, from among its members, a Chairman, a natural person, whose compensation it determines. The Chairman is appointed for a term that may not exceed that of his or her term as a member of the Board of Directors. The Chairman may be re-elected. The Board of Directors may remove him or her at any time. Any provision to the contrary shall be deemed null and void.

No one may be appointed Chairman if he or she has reached 70 years of age. If the Chairman in office reaches that age, his or her duties shall end by operation of law at the end of the annual ordinary general meeting approving the financial statements for fiscal year in which the Chairman reached such age.

The Chairman of the Board of Directors represents the Board of Directors. The Chairman organizes and directs the work of the latter, on which he or she reports at the general meeting. He or she ensures the proper functioning of the administrative bodies of the Company and ensures, in particular, that the members of the Board of Directors are able to accomplish their mission.

The Chairman of the Board of Directors receives from the interested parties copies of the agreements that concern normal business transactions and are concluded under normal conditions. The Chairman transmits the list and the subjects of said agreements to the members of the board and to the statutory auditors.

Article 14 – Non-Voting Members of the Board of Directors [*Censeurs*]

The general meeting may appoint up to two non-voting members who are (a) natural person(s), whether a shareholder or shareholders or not, and who are no older than 65 as of the date of his, her, or their appointment(s).

The non-voting members are appointed for a term of two (2) years. Their term ends at the end of the general meeting of the Shareholders that votes on the financial statements of the previous fiscal year held in the year in which their term expires.

Non-voting members of the Board of Directors do not receive compensation. The non-voting members of the board may receive, as reimbursement for the expenses that they are required to incur in the normal exercise of their duties, fixed amounts of compensation set by the Board of Directors. If the board delegates a specific assignment to one of the non-voting members of the board, it may allocate to him or her (or them), besides a budget for its execution, an amount of compensation in proportion to the importance of the assignment entrusted to him, her, or them. The non-voting members of the board are called to all the meetings of the Board of Directors and to all the Meetings of Shareholders and participate in the deliberations only in an advisory capacity. The non-voting members of the board perform a general and continuous mission of consultation and supervision vis-à-vis the Company. They may not, however, in any case, interfere in the management of the Company, or, in general, substitute themselves for the legal administrative bodies of the latter.

21.2.2.2 Office of the Chief Executive Officer

Article 15 - Chief Executive Officer and Executive Vice Presidents

The position of Chief Executive Officer of the Company is held by a natural person, appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Upon a proposal by the Chief Executive Officer, the Board of Directors may appoint one or more natural persons responsible for assisting the Chief Executive Officer, with the title of Executive Vice President. The number of Executive Vice Presidents may not exceed five.

The Chief Executive Officer may be removed from office at any time by the Board of Directors. The same applies, upon a proposal made by the Chief Executive Officer, to the Executive Vice President(s). If the removal from office is made without reasonable grounds, it may result in liquidated damages.

When the Chief Executive Officer ceases to perform or is prevented from performing his or her duties, the Executive Vice President(s) retains his or her (their) positions and powers, unless there is a decision to the contrary by the Board, until a new Chief Executive Officer is appointed.

The Board of Directors determines the compensation of the Chief Executive Officer and of the Executive Vice President(s).

Article 16 - Powers of the Chief Executive Officer and of the Executive Vice Presidents

The Chief Executive Officer is vested with the broadest powers to act in all circumstances in the name of the Company. He or she exercises his or her powers within the limitations of the corporate purpose subject to those powers that the law and the Bylaws expressly award to the Shareholders' meetings and to the Board of Directors.

He or she represents the Company in its relationships with third parties. The Company is bound even by the acts of the Chief Executive Officer that do not fall within the corporate purpose, unless the company proves that the third party knew that the act went beyond that purpose and the third party could not be have been unaware of that considering the circumstances, although the publication of the Bylaws alone is sufficient to constitute that proof.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and the term of the powers granted to the Executive Vice Presidents. The Executive Vice Presidents have, with respect to third parties, the same powers as the Chief Executive Officer.

21.2.3 Rights, privileges, and restrictions attached to the Company's stock

21.2.3.1 Voting rights

Each share entitles its owner to vote and to be represented at the general meetings under the conditions stipulated by law and by the Bylaws.

No double voting rights have been instituted.

21.2.3.2 Rights to the dividends and profits

Each share entitles its owner to a portion of the profits and of the corporate assets that is proportional to the share of the share capital that it represents.

After approval of the financial statements and confirmation of the availability of distributable sums, the ordinary general meeting determines the portion of the latter granted to the shareholders in the form of a dividend; such amount is deducted as a matter of priority from the distributable profits for the fiscal year.

The terms and conditions of the release of the dividends for payment or of installment payments of dividends are set by the general meeting.

21.2.3.3 Statute of limitations on the payment of dividends

Dividends that are not claimed within a period of 5 years from the date they are released for payment escheat to the French State (Article L. 1126-1 of the French Code of Public Property [*Code Général de la Propriété des Personnes Publiques*]).

21.2.3.4 Right to the proceeds of liquidation

The liquidation of the company is conducted in accordance with French Commercial Code.

The liquidator(s) continues the business in progress until it is completed, unless there is a decision to the contrary by the ordinary general meeting of the Shareholders.

The net proceeds from the liquidation, after the extinction of the liabilities and the social security contribution expenses and the repayment to the shareholders of the unimpaired par value of their shares is distributed among the shareholders, taking into account, as applicable, the rights of the various categories.

21.2.3.5 Preferential subscription right

The shares of the Company's stock all include a preferential subscription right to the increases in share capital.

21.2.3.6 Limitations on the voting rights

None.

21.2.3.7 Identifiable bearer shares

The shares are registered or, if the legislation so allows, bearer shares, at the choice of the shareholder. Issued shares are registered in individual accounts opened by the Company or by any authorized intermediary, in the name of each shareholder, maintained under the conditions and in accordance with the terms stipulated by the legal and regulatory provisions.

The Company is authorized to make use of the legal provisions, and, in particular. those of Article L. 228-2 of the French Commercial Code, with respect to the identification of the owners of bearer shares and, for that purpose, may request the central custodian that maintains the accounts of these securities, in return for compensation for which it must bear the cost, for the information indicated in Article L. 228-2 of the French Commercial Code. Therefore, the Company is, in particular, entitled to ask at any time for the name and the year of birth or, if a legal entity, the name and the year it was incorporated, the nationality, and the address of the owners of securities that confer either immediately or in the future a right to vote in its general meetings as well as the number of securities owned by each of them and, as applicable, the restrictions that may apply to the securities.

21.2.3.8 Buyback by the Company of its own shares.

See paragraph 21.1.3.

21.2.4 Terms and conditions for modifying the rights of the shareholders

The rights of the shareholders as they are set forth in the Bylaws of the Company may be modified only by an extraordinary general meeting of the shareholders of the Company.

21.2.5 General meetings of the shareholders

Articles 17 - Meetings

The general meeting, constituted lawfully, represents the entire body of the shareholders.
Its decisions when made in compliance with the law and the Bylaws are binding on all the shareholders, even those who are absent, dissenting, or disabled.

Depending on the purpose of the resolutions proposed, there exist three forms of meetings:
- an ordinary general meeting,
- an extraordinary general meeting,
- a special meeting of the owners of shares of a specific category of stock.

Article 18 - Convening

The meetings are called by the Board of Directors. They may also be called by the Statutory Auditors or by a agent appointed by the court under the conditions and in accordance with the methods stipulated by law.

During the liquidation period, the meetings are called by the liquidator(s).
The meetings are held at the registered office or in any other place specified in the notice to convene. A meeting notice is published in *Bulletin des Annonces Légales Obligatoires* [Bulletin of Mandatory Legal Notices, "BALO"] at least thirty-five days before a meeting is held. In addition to the information related to the Company, it indicates, in particular, the agenda for the meeting and the text of the draft resolutions that will be presented. Requests to have items or draft resolutions included on the agenda must be sent to the Company under the conditions stipulated by the regulations in effect.

The meetings are held at the registered office or in any other place specified in the convocation notice. Subject to special legal provisions, the notice to convene is made, at least fifteen days before the date of the meeting, by means of a notice published in a legal notice paper of the *département* of the registered office, and in the *Bulletin des Annonces Légales Obligatoires* (BALO).

However, those who have been owners of registered shares for at least one month from the date of the last publication of the notice to convene must be called individually, by means of an ordinary letter (or by registered or certified letter, if they request it and advance payment for the expenses thereof) sent to their last known addresses. This notice to convene may also be transmitted by means of electronic telecommunication, instead and in place of such a postal mailing, for any shareholder that so requests in advance by registered or certified letter with return receipt requested in compliance with the legal and regulatory requirements indicating said shareholder's e-mail address. The latter may at any time expressly ask the Company by registered or certified letter with return receipt requested that the aforementioned means of telecommunications be replaced in the future by a postal mailing.

The notice to convene must also indicate the conditions under which the shareholders may vote by mail and the places in which and conditions under which they may obtain the ballots for a vote by mail.

The notice to convene may be sent, as applicable, with a proxy form and a mail ballot, under the conditions specified in Article 21.I of the Bylaws, or with a mail ballot only, under the conditions specified in Article 21.II of the Bylaws.

When a meeting is unable to conduct deliberations because of a failure to attain the required quorum, a second meeting is called, subject to specific legal provisions, at least ten days in advance, in the forms stipulated by the regulations in effect.

Article 19 - Agenda

The agenda for the meetings is determined by the author of the notice to convene.

One or more shareholders representing at least the share of the share capital set by law and acting under the legally stipulated conditions and within the legally stipulated time periods, shall have the option of requesting, by registered or certified letter with return receipt requested, the inclusion of draft resolutions on the agenda of the meeting.

The meeting may not deliberate on an issue that is not on the agenda, which may not be changed upon a second convocation. It may, however, under all circumstances, remove one or more members of the Board of Directors from office and replace them.

Article 20 - Participation of the Shareholders in the meetings

Any shareholder is entitled to attend the meetings and to participate in the deliberations
(i) in person, or
(ii) by giving a proxy to any natural person or legal entity of his, her, or its choice, or
(iii) by sending a proxy to the Company without indicating the proxy holder, or
(iv) by voting by mail, or
(v) by videoconference or by another means of telecommunications in compliance with the applicable legal and regulatory provisions.

Participation in the general meetings, in any form whatsoever, is subject to registration or recording of the shares under the conditions and time periods stipulated by the regulations in effect.

The deadline for returning mail ballots is set by the Board of Directors and communicated in the meeting notice published in the *Bulletin d'Annonce Légales et Obligatoires* (BALO). That date may not be earlier than three days before the meeting.

A shareholder that has voted by mail may no longer participate directly or be represented at the meeting.

In the case of use of the proxy form and the mail ballot, only the proxy form is taken into account, subject to the votes expressed in the mail ballot.

Article 21 - Representation of the shareholders

I. Any shareholder may elect to be represented at the meetings by any natural person or legal entity of his, her, or its choice, by means of a proxy form that is sent to said shareholder by the Company:

- either upon said shareholder's request, sent to the Company by any means. That request must be received at the corporate registered office at least five days before the date of the meeting,
- or at the initiative of the Company.

A proxy given by a shareholder to be represented at a meeting is signed by the latter, and as applicable, by a secure electronic signature process or by any other reliable identification process that guarantees its relationship to the document to which it is attached.

The proxy is revocable in the same forms as those required for the appointment of the proxy.

To any proxy form sent to the shareholders by the Company there must be attached for each meeting all the documents and information stipulated by the regulations in effect.

A proxy given by an shareholder is valid only for a single meeting or for the successive meetings called with the same agenda. It may also be given for two meetings, one an ordinary meeting, and the other an extraordinary meeting, held on the same day, or within a time limit of fifteen days.

II. Any shareholder may vote by mail using a ballot that is sent to said shareholder by the Company:

- at said shareholder's request, sent to the Company by registered or certified mail with return receipt requested. That request must be received at the registered office of the Company at least six days before the date of the meeting, or
- or at the initiative of the Company, or
- attached to a ballot for a vote by proxy under the conditions stipulated by the regulations in effect.

To any mail ballot sent to the shareholders by the Company there must be attached for each meeting all the documents and information stipulated by the regulations in effect.

A mail ballot sent by an shareholder is valid for only a single meeting or for the successive meetings called with the same agenda.

Article 22 - Attendance sheet

An attendance sheet that contains the information prescribed by law is kept for each meeting.

That attendance sheet, duly initialed in the margin by the shareholders present and the proxies, and the shareholders participating by videoconference or by any other means of telecommunication that is in compliance with the legal and regulatory requirements and to which the proxies given to each proxy holder are attached, and, as applicable, the mail ballots, is certified to be accurate by the Executive Committee of the meeting.

The meetings are chaired by the Chairman of the Board of Directors. Otherwise, the meeting elects its own Chairman.

The duties of the ballot counters are fulfilled by the two shareholders who are present and agree to do so that represent, both by themselves and as proxies, the largest number of votes.

The Executive Committee thereby composed appoints a Secretary, who may be chosen from among persons who are not shareholders.

Article 23 - Quorum

In the ordinary and extraordinary general meetings, the quorum is calculated on the basis of all the shares that compose the share capital and, in the Special Meetings, on the basis of all the shares of the category involved, in all cases after the shares of stock deprived of voting rights pursuant to the provisions of law have been subtracted.

The voting right attached to the shares is proportional to the portion of the share capital that they represent. Each portion of the share capital or of possession entitles its holder to one vote.

In the case of a vote by mail, only those ballots completed and received by the Company at least three days before the meeting is held are counted for the calculation of a quorum.

The ballots that indicate neither a positive nor negative vote or express an abstention are considered to be negative votes.

Article 24 - Minutes

The deliberations of the meetings are confirmed by minutes prepared in a special register kept at the registered office and signed by the members who compose the Executive Committee.

Copies or excerpts from the minutes of the deliberations are certified either by the Chairman of the Board of Directors or by the Secretary of the meeting. In case of dissolution, they are validly certified by the liquidator(s).

Article 25 - Transmission of documents

Any shareholder is entitled to obtain the transmission of, and the Board of Directors has the obligation to send or make available to said shareholder, the documents necessary to permit said shareholder to state that he, she, or it is fully informed and to make an informed judgment concerning the management and operation of the Company.
The nature of these documents and the conditions under which they are sent or made available to the shareholders are determined by the regulations in effect.

In order to exercise his, her, or its right to have materials transmitted, each shareholder or his, or, or its agent may arrange to be assisted by an expert registered on the lists established by the Courts and Tribunals.

The exercise of the right to the transmission of information includes that of copying, except with respect to the inventories.

21.2.6 Mechanisms that allow a change of control to be delayed, deferred, or prevented

The Bylaws of the Company do not contain mechanisms that allow a change of control to be delayed, deferred, or prevented.

21.2.7 Statutory thresholds

Any natural person or legal entity mentioned in Articles L. 233-7, L. 233-9, and L. 223-10 of the French Commercial Code that comes to hold directly or indirectly, either alone or in concert, a number of shares that represent a portion of the share capital or of the voting rights of the Company that is equal to or greater than 2.5% or a multiple of that percentage must inform the Company of the total number of shares and of the voting rights and securities giving access to the share capital or to the voting rights that it possesses either immediately or in the future, by registered or certified letter with return receipt requested sent to the registered office of the Company within a time limit of five trading days on the stock exchange from the date said investment threshold(s) is(are) exceeded.
The obligation of disclosure stipulated above also applies under the same conditions when a shareholder falls below each of the thresholds mentioned above.

If shares or voting rights that exceed the portion that should have been declared are not declared under the conditions stipulated above, they are deprived of the right to vote in the general meetings of shareholders for any meeting that might be held until the expiration of a time limit of two years following the date on which the notification is brought into compliance with Article L. 233-14 of the French Commercial Code, if the failure to make the declaration has been noted and if one or more shareholders that own at least 2.5% of the share capital so request as recorded in the minutes of the general meeting.
The declarations above apply without prejudice to the declarations of reaching the thresholds stipulated by legal or regulatory provisions in effect.

21.2.8 Special provisions governing changes in the share capital

There are no special provisions in the Bylaws of the Company that govern the changes in its share capital.

22 SIGNIFICANT AGREEMENTS

Besides the two agreements presented in Section 11 related to the agreements with the AP-HP and the Université de Genève (Unige), the major agreements are the following[3]:

1 - Contracts with the contract research organizations (CROs) that provide for the execution of the clinical trials on behalf of the Company

- **Contract with KENDLE International (*): Phase Ib clinical trials**

The Company has sub-contracted to KENDLE International (hereinafter, "KENDLE") the operational conduct of the Phase I PEP01.09 Study for the *Viaskin® Peanut* product (see paragraph 6.6.1 of this *Document de Base*) within the framework of a Full Service contract dated 4 March 2010 and the Task Order related thereto.

KENDLE will execute the contract in compliance with the international professional standards as well as the Good Clinical Practice (GCP) guidelines and the ICH (International Conference on Harmonization) recommendations.

The Task Order initially provided for expiration in March 2011 as well as a total budget of EUR 2,171,933 excluding taxes (including the fees of the service provider, fees of the investigators, and related costs). Two successive amendments dated 16 February 2011 and 17 October 2011 were made in this Task Order, postponing the expiration of the contract to 31 January 2012 and increasing the total budget first to EUR 2,326,528 and then to EUR 2,609,427 in order to take into account the prolongation of the study and the additional services requested of Kendle.

The contract may be terminated by the Company in the following cases:

- ✓ at any time and immediately in the event of a medical risk for the subjects of the study;
- ✓ at any time, with 30 days of advance notice with full payment of the costs incurred, as well as an amount equal to 5% of the budget related to the Task Order in progress, the steps of which have not yet been initiated.

In the case of a breach of the parties, the other party may terminate the contract effective immediately if the breach cannot be corrected or with advance notice of 30 days in the opposite case.

**Kendle was acquired by INC Research (another CRO) during 2011.*

- **Contract with a leading CMO: Phase IIb/III clinical trials**

The Company has sub-contracted to a leading CMO the operational conduct of the VIPES Phase IIb/III Study of *Viaskin® Peanut* (see paragraph 6.6.1) within the framework of a Full Service contract dated 5 December 2011 and the Task Order related thereto.

This service provider will execute each of the steps stipulated by the contract or by any task order associated with it in compliance with the terms of the contract and the task order involved, in compliance with the international professional standards (Good Clinical Practice and International Conference on Harmonization guidelines).

The Task Order provides for the completion of the mission at the end of April 2014 and a total estimated budget of approximately EUR 7 million in fees, including related costs).

[3] In consideration of the confidentiality clauses included in some contracts, certain names of service providers as well as certain data cannot be disclosed.

This contract became effective on 9 May 2011, with the Company able to terminate it at any time with 60 days' advance notice and full payment of the costs incurred and an amount equal to 10% of the budget related to the Task Order in progress the steps of which have not yet been initiated.

In the case of a breach by either of the parties, the other party may terminate the contract effective immediately if the breach cannot be corrected or with 60 days' advance notice in the opposite case.

2 - Supply agreements with suppliers

- ***AMATSI Contract (manufacture of the lots of pre-clinical and clinical patches)***

In June 2009, the Company signed a processing contract related to the manufacture of its preclinical and clinical lots of patches with the company Amatsi (formerly named CRID Pharma), a pharmaceutical laboratory specialized in the manufacture, labeling, and shipping of lots for clinical studies.

Amatsi makes available, trains, and pays the staff necessary to provide the service requested by the Company, which it agrees to conduct in compliance with the European and American Good Pharmaceutical Practices (GPM). Any use of sub-contracting by Amatsi must be approved in advance by the Company. The Company reserves the right to full and complete ownership of any data, image, information, document, recording, or any technical invention obtained in relation to this contract.

The contract may be terminated under the following conditions:

- ✓ upon a unilateral decision by the Company with advance notice of 30 days;
- ✓ by one of the parties in the event of a serious breach by the other part of its obligations if that breach persists for more than 30 days after the first formal notice of breach; or
- ✓ by one of the parties in the case of the bankruptcy or insolvency of the other.

In the event that the Company decides to terminate the contract unilaterally, the Company must pay Amatsi the amounts corresponding to the work that cannot be cancelled and that which has been completed.

- **Contract for the supply of natural peanut protein**

The Company concluded with GREER Laboratories (a company incorporated in the United States) a contract for the development and supply of a peanut allergenic extract, as that extract is the active substance of the *Viaskin® Peanut* product in development. Under the terms of this contract initially concluded on 9 December 2008, and amended by an amendment dated 21 April 2011, the supplier, a company authorized and audited regularly by the FDA to produce and market allergens for the American market, agreed to develop a peanut allergenic extract of a specific quality that meets specifications dictated by the Company, and to produce that extract for the clinical studies conducted by the Company under conditions that meet the standards of the Good Manufacturing Practice guidelines applicable to the active substance. This supplier agreed to supply the Company the quantities necessary to carry out the complete program of clinical development until the filing for the marketing authorization. The contract also stipulates a right of first refusal for the supplier to negotiate a contract with the Company to market the products in the event that the Company would like to negotiate such a contract with a third party. The contract terminates upon the expiration of a period of six months following the conclusion of the project involved.

The contract may be terminated under the following conditions:

- by one of the parties in the case of a serious breach of its obligations by the other party that has not been remedied within 30 days;
- by one party if the other party is in suspension of payments or in a bankruptcy proceeding;

- by the Company if the latter decides not to continue the project; or
- by the supplier if the latter determines that the development or the manufacture of the product is not technically possible.

3 - Exclusive *Diallertest*® distribution agreement

The Company has concluded with a company incorporated in France a distribution agreement under the terms of which the partner distributes the diagnostic patch *Diallertest*® *Milk* in France on an exclusive basis. This agreement entered into force on 30 July 2009 for an initial term of 3 years until 31 August 2012, with tacit renewal for a term of one year every year thereafter. The Company has a right to terminate the agreement unilaterally with advance notice of 30 days if the distributor does not reach the minimum threshold of orders agreed with the Company for each of the three years and also in the event that the distributor is the subject of a direct or indirect takeover by a competitor, with the advance notice period then increased to 6 months. The purchase price of the *Diallertest*® for the distributor is set in the agreement and depends on the annual quantities ordered. The distributor is free to set the resale price of *Diallertest*® in the pharmaceutical distribution network. From an accounting point of view, the distributor is considered a customer of the Company. It is then up to the distributor to invoice its own customers, which are, in particular, pharmaceutical wholesale distributors.

3 – Agreement with AP-HP (Assistance Publique-Hôpitaux de Paris)

On 30 July 2010, the Company entered into an agreement with the Assistance Publique-Hôpitaux de Paris (AP-HP) within the framework of a study of the effectiveness and safety of a treatment of the allergy to peanuts by epicutaneous immunotherapy in allergic children.

The purpose of the agreement was to define the conditions for supplying the Company with *Viaskin*® patches and the placebo for it and for an oral challenge test conducted as a double-blind, placebo controlled food challenge necessary to conduct the study as well as the general terms and conditions of the partnership and for the payment of the financial contribution between the Company and the AP-HP, the amount of which totals EUR 418,511 excluding taxes.

This agreement contains an *intuitu personae* clause under the terms of which the written consent in advance of the AP-HP must be obtained in the event of a transformation of the Company that involves modifying the *intuitu personae* nature of the agreement.

23 INFORMATION PROVIDED BY THIRD PARTIES, APPRAISERS' CERTIFICATIONS, AND DECLARATIONS OF INTERESTS

None.

24 DOCUMENTS ACCESSIBLE TO THE PUBLIC

Copies of this *Document de Base* are available free of charge at the registered office of the Company, at Green Square, Building D, 80/84, Rue des Meuniers, 92220 Bagneux, France. This *Document de Base* may also be consulted on the web site of the Company (www.dbv-technologies.com) and on the web site of the AMF (www.amf-france.org).

The Bylaws, minutes of the general meetings, and other corporate documents of the Company, as well as the historical financial information, and any evaluation or statement prepared by an expert at the request of the Company to be made available to the shareholders, in compliance with the applicable legislation, may be consulted, free of charge, at the registered office of the Company.

Beginning on the date the shares of the Company's stock are admitted to trading on the regulated market of NYSE Euronext in Paris, the information required to be provided pursuant to the terms of the General Regulations of the AMF will also be available on the Company's web site (www.dbv-technologies.com).

25 INFORMATION CONCERNING THE INTERESTS

Not applicable.

26 GLOSSARY

- **AFSSAPS**: The *Agence Française pour la Sécurité Sanitaire des Produits de Santé* [French Health Products Safety Agency]

- **Allergen**: An allergen is a substance, a particle, an organic body (atom, molecule, protein) capable of provoking an allergic reaction in a subject that is sensitized in advance when he or she is in contact with it (most often with the skin, inhalation, or ingestion).
  An allergen is called "major" when a purified antigen triggers an allergy in 40% or more of the patients tested, and presents specific IgEs IgE, with cutaneous tests that are positive immediately, at a very low concentration, in at least 90% of the subjects that have the allergic disease related to that allergen. For example, peanuts contain -- of 7 allergens identified -- 3 major allergens and a fourth that is almost a major allergen.

- **IgE dependent (or IgE mediated) Allergy:** An IgE dependent allergy is characterized by the presence, in the body of the patient, of IgE-type antibodies, which are molecules that have the role of recognizing an allergy. An encounter between these IgEs and the allergen provokes a more or less significant release of histamine, a substance that acts on the bloodstream. This discharge can trigger cutaneous, respiratory, and other symptoms. In the most serious cases, the dilation of the blood vessels is such that the heart can be affected, if not stopped (anaphylactic shock).
  The IgE level in a patient can be measured and constitutes a component in the diagnosis of an allergy.

- **Marketing authorization [*Autorisation de mise sur le marché*]:** Administrative authorization which must be obtained as a pre-requisite to the sale of medicines, both human and veterinary medicines. It is granted, within the European Union, by the EMA (European Medicines Agency), and in the United States, by the Food and Drug Administration (FDA).

- **Antigen:** Natural or synthetic macromolecule recognized by antibodies or by cells in the immune system that are capable of causing an immune system response. The antigens are generally proteins, polysaccharides and derivatives thereof (lipids). Antigen fragments called haptens can also induce an allergy.

- **Non-sedative antihistamines**: H1 receptor antagonist of the histamine used on broncopneumatic patients.

- **Dendritic cells:** Cells in the immune system that are part of the reticulohistiocytic system and present, under certain conditions, as their name indicates, dendrites (cytoplasmic outgrowths). These are phagocytes, denoting a large sample of proteins that allow the presence of pathogens to the detected and are part of the cells that present antigens.

- **Anaphylactic shock:** An exacerbated allergic reaction that entails, in most cases, serious consequences and may cause a life-threatening situation. It is a manifestation of immediate hypersensitivity due to the release of vasoactive mediators in a subject that has been sensitized in advance.
  Anaphylactic shock may cause a drop in blood pressure, or an accelerated heart rhythm (tachycardia). Respiratory difficulties and digestive disturbances (nausea, vomiting, dysphaghia, and diarrhea) are associated with it. Death may occur by a circulatory failure that causes the heart to stop, or by a major spasm in the bronchi, causing asphyxia, or by pulmonary edema.

- **CMOs (Contract Manufacturing Organizations):** Research companies under contract to which the pharmaceutical/cosmetics industry may sub-contract the planning, the conduct, and the monitoring of preclinical research studies and/or clinical trials, as well as the large-scale production of medicines;

- **CROs (Contract Research Organizations)**: Research companies under contract to which the pharmaceutical/cosmetics industry may sub-contract the planning, the conduct, and the monitoring of preclinical research studies and/or clinical trials.

- **Desensitization:** The sole basic treatment of allergies. It consists of administering repeatedly small quantities of an allergen in order to reduce the reactivity of the allergic patients.

- **FDA – Federal Drug Administration:** The American authority with the competent jurisdiction over, in particular, the validation of clinical trials and the issuance of authorizations to market medicines and medical devices in American territory.

- **Lymph nodes**: A small organ belonging to the lymphatic system, which plays an important role in the functioning of the immune system. It is inside lymph nodes that the immune response gets prepared : when an agent from the immune comes across an antigen (the outer coating of a bacterium for example) it passes through the lymphatic ducts into the node where the information travels inside other lymphocytes.

- **Immunogenicity**: This is the potential of an antigen to induce the immune response. It depends:
  - on the animal species (genome, physiological state, immunological history);
  - on the structural similarity between the antigen and the molecules in the host;
  - on the physico-chemical characteristics of the antigen:
  - on the dose of the antigen injected.

- **Specific immunotherapy:** A method of treatment consisting of administrating small doses of the allergen to patients.

- **Epicutaneous specific immunotherapy [*immunothérapie spécifique épicutanée*, "EPIT"]:** Administration of minimal quantities of allergen through intact skin with the assistance of an original epicutaneous device (*VIASKIN*®).

- **Compliance:** Capacity of a person to take a treatment in accordance with a given prescription. Several components contribute to therapeutic compliance and to its maintenance: cognitive, emotional, behavioral, and social. There may be interaction among these in a positive or negative manner.

- **PCT – Patent Cooperation Treaty:** The "Patent Cooperation Treaty" is an international treaty concerning patents, concluded in 1970. It provides a unified process for classifying (filing) patent applications to protect inventions in each of the stages of conclusion of a contract.

- **Perspiration:** Unfelt evaporation, respiratory exchange on the surface of the skin or of a serous membrane;

  Prevalence: Number of persons stricken with a given illness at a given time in a given population.

- **Protein:** Biological molecules with activities that can be very different. They can perform very diverse functions within the breast or in the cells of an organism. Thus, they may have:
  a structural role (like actin or tubulin, which are part of the architecture of the cell, or keratin , which constitutes hair);
  an enzymatic role (like DNA, polymerase, which copies DNA);
  a hormonal role (like insulin, which regulates glycemia) ;
  a motor role (like myosin, which transports molecules within a cell), etc.

- **Immunological reactions:** Reactions that cause the immune system to intervene to destroy what is recognized as foreign to the organism, like pathogens: viruses, bacteria, some "foreign" particles or molecules (including some poisons).

- **Immune response:** The activation of the mechanisms of the immune system in response to recognition of "non-self," whether aggressive or not, in response to an attack on or a malfunction of the organism. All these systems (including in human beings during vaccination) allow for resilience of the immune system: a notion that covers all the effective defense mechanisms of an organism vis-à-vis a pathogen;

- **Learned society:** Association of experts who, through their work and their reflection, cause the advance of knowledge in their field.

- **Stratum Corneum** (or horny layer): The furthest layer of the epidermis, which includes the surface of the skin

- **Immune system:** Complex defense system of an organism against disease; one of the properties of the immune system is its ability to recognize substances that are foreign to the body and to trigger defense measures, such as the synthesis of antibodies.

- **Tolerance:** Capacity of the organism to bear, without adverse effects, the administration of chemical substances, including medicines, or treatments by physical agents.

- **DBPCFC:** double-blind, placebo-controlled food challenge.