FIRST HALF OF 2016 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The epicutaneous immunotherapy company

dbv technologies

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I – FIRST HALF OF 2016 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONDENSED STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(Amounts in thousands of euros)

	Note	6/30/2016	12/31/2015
ASSETS			
Non-Current assets			
Intangible assets		228	94
Property, plant, and equipment		10,305	5,581
Other non-current financial assets	**4**	2,732	2,711
Total non-current assets		**13,265**	**8,387**
Current assets			
Customer accounts receivable and related receivables	**5**	10,017	-
Other current assets	**6**	16,020	11,512
Cash and cash equivalents	**7**	288,761	323,381
Total Current Assets		**314,798**	**334,893**
TOTAL ASSETS		**328,062**	**343,280**

	Note	6/30/2016	12/31/2015
LIABILITIES			
Shareholders' equity			
Share Capital	**8**	2,457	2,421
Premiums related to the Share Capital		404,873	403,910
Reserves		(67,398)	(39,580)
Net Profit (loss)		(49,443)	(44,674)
Total Shareholders' equity		**290,488**	**322,076**
Non-Current Liabilities			
Long-term financial debt	**9.1**	4,373	4,693
Non-current provisions		708	490
Other non-current liabilities	**9.2**	7,969	-
Total non-current Liabilities		**13,050**	**5,183**
Current Liabilities			
Short-term financial debt	**9.1**	448	149
Supplier Accounts Payable and Related Payables	**10.1**	12,514	10,034
Other current liabilities	**10.2**	11,562	5,838
Total Current Liabilities		**24,524**	**16,021**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**328,062**	**343,280**

STATEMENT OF CONDENSED CONSOLIDATED INCOME (LOSS)
(Amounts in thousands of euros)

	Note	At June 30 2016	2015
Operating income			
Revenues		-	108
Other income		4,750	3,063
Total income	**11**	**4,750**	**3,170**
Operating expenses			
Cost of goods sold		-	(92)
Research & Development	**12**	(32,892)	(12,500)
Sales & Operations	**12**	(5,450)	-
General & Administrative	**12**	(15,783)	(5,495)
Total Expenses		**(54,126)**	**(18,087)**
Operating Profit (Loss)		**(49,376)**	**(14,917)**
Financial revenues		470	523
Financial expenses		(38)	(84)
Financial profit (loss)	**14**	**432**	**439**
Income tax	**15**	(500)	-
Net Profit (Loss)		**(49,443)**	**(14,478)**
Basic/diluted earnings per share (€/share)		**(2.03)**	**(0.74)**

STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (LOSS)
(Amounts in thousands of euros)

	At June 30	
	2016	**2015**
Net Profit (Loss)	**(49,443)**	**(14,478)**
Other comprehensive income :		
Actuarial gains and losses on employee benefits, net of corporate tax	(154)	(72)
Profit (loss) directly recognised in shareholders' equity	**(154)**	**(72)**
Other items in the total profit (loss) to be recycled subsequently to the net profit (loss)	40	(28)
Total comprehensive income (loss)	**(49,557)**	**(14,578)**

In accordance with IAS 1 *Presentation of Financial Statements* (2007) (IAS 1), the Group, as defined in Note 1, presents a combined statement of other elements of comprehensive income or loss.

The Group does not hold any financial assets available for sale and non-current financial assets are measured at historical cost; therefore, no change in fair value is reflected in the statement of consolidated comprehensive income (loss).

STATEMENT OF CONDENSED CONSOLIDATED CASH FLOW
(Amounts in thousands of euros)

	Note	6/30/2016	6/30/2015
Cash flows from operating activities			
Net profit (loss) for the period		(49,443)	(14,478)
Reconciliation of the net profit (or loss) and the cash used for the operating activities:			
Amortization and provision		623	740
Retirement pension obligations		65	64
Expenses related to share-based payments		17,074	1,920
Other elements		(100)	187
Operating cash flows before change in working capital		**(31,781)**	**(11,568)**
Inventories and work in progress		-	(14)
Customer accounts receivable		(10,017)	136
Other current assets		(4,525)	(3,055)
Supplier accounts payable		2,501	2,597
Other current and non current liabilities		13,699	(537)
Change in working capital requirement		**1,658**	**(873)**
Net cash flow from operating activities		**(30,123)**	**(12,441)**
Cash flows from investment activities			
Acquisitions of property, plant, and equipment		(5,256)	(620)
Acquisitions of intangible assets		(222)	(49)
Acquisitions of non-current financial assets		(129)	(135)
Net cash flows from investment activities		**(5,607)**	**(804)**
Cash flows from financing activities:			
Increase in conditional advances		-	865
(Decrease) in conditional advances		(64)	(128)
Treasury shares		153	132
Capital increases, net of transaction costs		999	2,586
Other cash flows related to financing activities		(10)	(276)
Net cash flows from financing activities:		**1,078**	**3,178**
(Decrease) / Increase in cash		**(34,653)**	**(10,067)**
Net Cash and cash equivalents at the beginning of the period		323,381	114,555
Impact of exchange rate fluctuations		33	47
Net Cash and cash equivalents at the close of the period	**7**	288,761	104,535

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY
(Amounts in thousands of euros)

	Share capital Shares of Common Stock					
	Number of Shares (Note 8)	**Amount**	**Premiums related to the Share Capital**	**Reserve**	**Profit (loss)**	**Total Share-holders' Equity**
At January 1, 2015	**19,160,661**	**1,916**	**163,877**	**(26,336)**	**(24,012)**	**115,445**
Net Profit (loss)	-	-	-	-	(14,478)	(14,478)
Foreign exchange translation	-	-	-	(28)	-	(28)
Profit (loss) directly recognized in shareholders' equity	-	-	-	(72)	-	(72)
Total Profit (loss) directly recognized in shareholders' equity	-	**-**	**-**	**(100)**	**(14,478)**	**(14,578)**
Allocation of prior Income (Loss)	-	-	-	(24,012)	24,012	-
Increase in capital	501,000	50	2,536	-	-	2,586
Treasury shares	-	-	-	266	-	266
Issue of share warrants	-	-	-	-	-	-
Share-based payments	-	-	-	1,920	-	1,920
At June 30, 2015	**19,661,661**	**1,966**	**166,413**	**(48,263)**	**(14,478)**	**105,638**
At January 1, 2016	**24,205,129**	**2,421**	**403,910**	**(39,580)**	**(44,674)**	**322,076**
Net Profit (loss)	-	-	-	-	(49,443)	(49,443)
Foreign exchange translation	-	-	-	40	-	40
Profit (loss) directly recognized in shareholders' equity	-	-	-	(154)	-	(154)
Total Profit (loss) directly recognized in shareholders' equity	-	**-**	**-**	**(114)**	**(49,443)**	**(49,557)**
Allocation of prior Income (Loss)	-	-	-	(44,674)	44,674	-
Increase in capital	360,699	36	492	-	-	528
Treasury shares	-	-	-	(104)	-	(104)
Issue of share warrants	-	-	471	-	-	471
Share-based payments	-	-	-	17,074	-	17,074
At June 30, 2016	**24,565,828**	**2,457**	**404,873**	**(67,398)**	**(49,443)**	**290,488**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Note 1: The Company

Incorporated in 2002 under the laws of France, DBV Technologies S.A. ("DBV Technologies," or the "Company") is a clinical-stage specialty biopharmaceutical company focused on changing the field of immunotherapy, specifically in young children.

The Company historically marketed a ready-to-use diagnostic product to detect t cow's milk protein allergy ("CMPA") in children called Diallertest® Milk, which was launched in France in 2004. This product was distributed in France only, by a commercial partner, under a temporary exception status from French regulatory authorities which, without such temporary exception, marketing of the product would not be allowed. During the second half of 2015, the Company discontinued its commercial partnership with respect to the product and ceased selling Diallertest Milk. The Company does not expect to derive any revenues in 2016 from the sale of Diallertest Milk.

DBV Technologies is also developing a novel technology platform called Viaskin®. The Company's therapeutic approach is based on epicutaneous immunotherapy, or EPIT, a proprietary method of delivering biologically active compounds to the immune system through intact skin using Viaskin.

Viaskin® Peanut is the first specific immunotherapy product developed by DBV Technologies. Solid preclinical data have already been published. Pharmacological development was achieved through a vast network of collaborative efforts in the United States and in Europe. A tolerance study (Phase Ib) conducted in the United States demonstrated the safety and high level of tolerance of Viaskin® Peanut in patients with peanut allergies, and the FDA granted a Fast Track designation to the product. In France, the French Health Product Safety Agency (Agence française de sécurité sanitaire des produits de santé, AFSSAPS) authorized an efficacy study sponsored by the Paris Region Public Hospitals (Assistance Publique – Hôpitaux de Paris, AP/HP). In 2012, an efficacy study (Phase IIb) was launched in the United States and Europe. The topline results for the studies were published during the second 2014 semester. A Phase III clinical study began during the last 2015 quarter and the Company has reached its patient recruitment objective for the clinical study at the end of the first half 2016.

Viaskin® Milk is the second product developed in specific immunotherapy. In 2014, a clinical efficacy study using Viaskin® Milk was launched. In June 2015, the Company has completed the Part A of the Viaskin® Milk Efficacy and Safety Phase I/II study. No safety concerns has been observed during this Part A of the Study and the Company has begun enrolling cow's milk-allergic subjects in the Part B (Phase II) of the study to evaluate the safety and efficacy of three doses of Viaskin® Milk in children ages 2-17.

In November 2015, in partnership with the Company, the Children's Hospital of Philadelphia initiated an investigator-sponsored multi-center, double-blind, placebo-controlled, randomized trial to study safety and efficacy of Viaskin Milk in pediatric patient populations with milk-induced EoE.

The Company is also developing a third product candidate, Viaskin Egg, for the treatment of hen's egg allergy. In the first half of 2015, the Company began pre-clinical work for this product candidate with the goal of initiating a clinical program if these studies are successful.

Major events during the first half of 2016

1. PARTNERSHIPS

On May 31, 2016, the Company announced that it has entered into an exclusive global collaboration with Nestlé Health Science for the development and, if approved, commercialization of MAG1C, an innovative, ready-to-use and standardized atopy patch-test for the diagnosis of Cow's Milk allergy (CMPA) in infants and toddlers.
Under the terms of the agreement, DBV will be eligible to receive up to €100 million in development, registration and commercial milestones, including an upfront payment of €10 million. DBV will be responsible for performing development activities up through a pivotal Phase III clinical program, following which Nestlé Health Science has the exclusive right to commercialize the product globally, if approved. On June 30, 2016, the Company recorded a deferred Revenue of 10 million of euros that will be deferred until the service obligation is met.

On June 27, 2016, the Company announced completion of recruitment in global Phase III Study of Viaskin Peanut for the Treatment of Peanut Allergic Children. Recruitment in PEPITES exceeded initial expectations, with a total of 500 patients screened. As a result, the company increased its initial randomization target of 330 patients to at least 350 patients. Viaskin Peanut is the company's lead product candidate, which is based on epicutaneous immunotherapy (EPIT), a proprietary technology platform that can deliver biologically active compounds to the immune system through the skin. Topline results from PEPITES are expected in the second half of 2017.

2. CHANGE IN THE GROUP'S EXECUTIVE COMMITTEE MEMBERSHIP AND BOARD MEMBERS

The Company announced the appointment of Lucia Septién, M.D., as Chief Medical Officer. Dr Septién will provide strategic input and oversight into the company's clinical development programs and medical affairs. In partnership with Dr Hugh Sampson and Laurent Martin, DBV's Chief Scientific Officer and Chief Development Officer, respectively, Dr Septién will be instrumental in the advancement of the company's lead product candidate, Viaskin® Peanut, through its Phase III trial to appropriate regulatory submissions. Dr Septién will also have a key role in accelerating the development of other Viaskin® product candidates in and beyond food allergies. Lucia is a new member of the executive committee of the Company.

On June 21, 2016, the Company announced the appointment of Claire Giraut and Maïlys Ferrere to its Board of Directors, effective immediately pursuant to their election at the Company's Annual General Meeting in Montrouge, France. Claire Giraut will serve on the Board's Audit Committee. With these additions, DBV's Board now comprises seven directors.

Note 2: General principles and statement of compliance

Preliminary remarks:

The company DBV Technologies Inc. was established on April 7, 2014.The share capital of this US subsidiary is 100% owned by DBV Technologies SA.

The consolidation scope includes 2 entities, a parent company DBV Technologies located in Montrouge, France on June 30, 2016 and a subsidiary DBV Technologies Inc., located in New York, fully consolidated (100 %) as the parent exercises control.

General principles

The interim consolidated condensed financial statements (the "Financial Statements") present the operations of DBV Technologies SA and its subsidiary (the "Group") as of June 30, 2016. DBV Technologies is a Corporate French venture under French law (*société anonyme*) and has its registered offices located at 177/181 avenue Pierre Brossolette, 92120 Montrouge (France).

The interim condensed consolidated financial statements at June 30, 2016 have been prepared under the responsibility of the management of DBV Technologies. These interim condensed financial statements were approved by the Board of Directors of the company on July 27, 2016.

The consolidated financial statements of the Group are expressed in thousands of euros unless stated otherwise.

For consolidation purposes, both DBV Technologies and its subsidiary DBV Technologies Inc. have prepared individual financial statements for the period ended June 30, 2016.

Statement of compliance

International accounting standards include International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), as well as the interpretations issued by the Standing Interpretations Committee (SIC), and the International Financial Reporting Interpretations Committee (IFRIC).

The IFRS as adopted by the European Union differ in certain aspects with the IFRS published by the IASB. Nevertheless, the Group ensured that the financial information for the periods presented would not have been substantially different if it had applied IFRS as published by the IASB.

All the texts adopted by the European Union are available on the European Commission's website: http://ec.europa.eu/internal_market/accounting/ias/index_fr.ht

The interim consolidated condensed financial statements at June 30,2016 were prepared in accordance with IAS 34 -Interim Financial Reporting, as endorsed by the European Union, which requires the disclosure of selected explanatory notes only.

The condensed financial statements do not include all disclosures required for annual financial statements and should therefore be read in conjunction with the consolidated financial statements for year ended 31 December 2015.

The Group is not subject to significant seasonal effects in sales.

Note 3: Accounting principles and methods used at June 30, 2016

These condensed consolidated financial statements are prepared using the same accounting policies and methods as those applied by DBV Technologies at December 31, 2015, except for the following specific accounting principles that are of mandatory application from June 30, 2016:

- Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions
- Amendments to IAS 16 / IAS 38 – clarification of acceptable methods of depreciation and amortization
- Amendments to IAS 1 – Disclosure initiative
- Amendments to IFRS11 - Acquisition of an interest in a joint operation
- Amendments to IAS 16 / IAS 41 - bearer plants
- Amendments to IAS 27 - Equity method in separate financial statements
- Annual Improvements to IFRSs – 2010–2012 Cycle
- Annual Improvements to IFRSs – 2012–2014 Cycle

These amendments have had no impact on the condensed consolidated financial statements as of June 30, 2016.

New and revised standards and amendments that may be relevant to the Company’s operations but are not yet effective:

- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers

- IFRS 16 – Leases
- Amendment to IAS 7 – Statement of Cash flows
- Amendments to IAS 12 – Recognition of deferred tax assets for unrealised losses

Management is in the process of evaluating the impact of these standards and amendments and is therefore, not currently able to estimate reliably the impact of their adoption on the Company's results on financial position or cash flows.

Note 4: Non-current Financial Assets

(Amounts in thousands of euros)

	6/30/2016	12/31/2015
Deposits	1,451	1,328
Liquidity contract	1,280	1,384
Other non-current financial assets	1	-
Total non-current financial assets	**2,732**	**2,711**

The non-current financial assets are composed of security deposits paid to the lessor and of the liquidity contract. Under the liquidity agreement, 3,683 treasury shares were allocated for the reduction of shareholders' equity as of June 30, 2016 (3,898 treasury shares as of December 31, 2015) with the cash balance being maintained in financial assets.

Note 5: Customer accounts receivable and related receivables

As of June 30, 2016, customer accounts receivables mainly include the upfront fee receivable according to the collaboration agreement signed in May 2016 between the Company and Nestlé.

Note 6: Other current assets

Other current assets are broken down as follows:

(Amounts in thousands of euros)

	6/30/2016	12/31/2015
Research tax credit	9,984	5,702
Other tax claims	2,715	2,550
Other receivables	2,126	1,409
Prepaid expenses	1,194	1,850
Total	**16,020**	**11,512**

The other tax claims are primarily related to deductible VAT as well as the reimbursement of VAT that has been requested.

Prepaid expenses are comprised primarily of rentals and insurance expenses, as well as legal and scientific consulting fees.

Research Tax Credit

The company benefits from the provisions in Articles 244 *quater* B and 49 *septies* F of the French Tax Code related to the Research Tax Credit (*Crédit d'Impôt Recherche*, "CIR"). In compliance with the principles described in Note 3.12 to the financial statements for the year ended December 31, 2015, the Research Tax Credit is recorded as "other income" during the year in which the eligible research expenses are incurred.

Research Tax Credit recorded over the last three fiscal years are presented as follows:

- 2014: €4.3 million (for 12 months), paid in 2015,
- 2015: €5.7 million (for 12 months), to be paid in 2016.
- 2016: €4.3 million (for 6 months), to be paid in 2017

The Company recognized in Other income a Research Tax Credit in the amount of €4.3 million at June 30, 2016 and €2.9 million at June 30, 2015.

Note 7: Cash and cash equivalents

The cash and cash equivalents items are broken down as follows:

(Amounts in thousands of euros)

	6/30/2016	12/31/2015
Cash	121,972	178,895
Cash equivalent term deposits	166,789	144,486
Total cash and cash equivalent as reported in statement of financial position	**288,761**	**323,381**
Bank overdrafts	-	-
Total net cash and cash equivalents as reported in the statement of cash flow	**288,761**	**323,381**

Term deposits are immediately convertible into cash at no cost.

Note 8: Capital

The share capital as of June 30, 2016 is set at the sum of €2,456,582.80 It is divided into 24,565,828 fully authorized, subscribed and paid-up shares with a par value of €0.10.

This number does not include share warrants (*Bons de Souscription d'Actions*, "BSAs"), founders' share warrants (*Bons de Souscription de Parts de Créateur d'Entreprise*, "BSPCEs"), stock options ("SO") and performance shares ("AGA") granted to certain investors and to certain natural persons, both employees and non-employees of the Company.

Over the 6 months ended June 30, 2016, the capital increase of € 36,069.90 is linked to the following:

- Pursuant to the exercise of employee warrants and non-employee warrants, the Company issued 102,870 shares in aggregate;
- 257,829 free shares were definitively acquired by the beneficiaries and issued.

All the shares give their owners the right to a proportional share of the net income and net assets of the Company.

The impact of share-based payments on net income (or loss) is presented in Note 13.

Note 9: Financial Liabilities and other non-current liabilities

9.1 Financial liabilities

The conditional advances from public institutions are subject to contracts with OSEO and COFACE.

As of June 30, 2016, the Company had two advance agreements with OSEO and a contract with COFACE, which do not bear interests and are repayable at 100% in the event of technical and / or commercial success. The Company also benefited from a third grant from BpiFrance Financement in 2014.

The portion of the conditional advances for terms over one year is classified as non-current liabilities, while the portion for terms of less than one year is classified as current liabilities.

The table below presents the details of the debts by type of conditional advance (Amounts in thousands of euros):

	3rd OSEO contract	4th OSEO contract	BPI advance	COFACE	Total
Balance sheet debt at start of period 01/01/2015	**507**	**805**	**2,584**	**151**	**4,047**
+ receipts	-	865	-	-	865
- repayments	(128)	-	-	-	(128)
+/- other transactions	2	(1)	41	3	44
Balance sheet debt as at 06/30/2015	**380**	**1,669**	**2,624**	**154**	**4,827**
Of which - Non-current portion					4,699
Of which - Current portion					128
Balance sheet debt at start of period 01/01/2016	**318**	**1,669**	**2,666**	**156**	**4,809**
+ receipts	-	-	-	-	-
- repayments	(64)	-	-	-	(64)
+/- other transactions	1	8	42	3	54
Balance sheet debt as at 06/30/2016	**255**	**1,676**	**2,708**	**159**	**4,798**
Of which - Non-current portion					4,373
Of which - Current portion					425
Interest rate	**None**	**2,05%**	**None**	**None**	
Discount rate	**0.4%-1.9%**	**1.5%-1.8%**	**3.2%**	**4.25%**	
Maturity	**0-3**	**7-9**	**2-7**	**-**	

9.2 Other non-current liabilities

Other non-current liabilities include the non-current part of deferred revenue from the collaboration agreement with Nestlé, deferred until the service obligation is met.

Note 10: Supplier accounts payable and other current liabilities

10.1 Supplier accounts payable and related payables

Supplier accounts payable and related payables are not discounted as amounts did not present payment terms longer than 1 year at the end of each fiscal year or period presented.

10.2 Other current liabilities

(Amounts in thousands of euros)

	6/30/2016	12/31/2015
Social security	7,115	4,464
Tax liabilities	1,012	388
Other debts	110	195
Deferred revenues from subsidies	3,324	791
Total	**11,562**	**5,838**

The other liabilities include the short-term debts to employees and social welfare and tax agencies. Deferred revenues include subsidies, conditional advances and the current part of deferred revenue from the collaboration agreement with Nestle deferred until the service obligation is met.

Note 11: Operating Income

The operating income is broken down as follows:

(Amounts in thousands of euros)

	6/30/2016	6/30/2015
Revenues	-	108
Research tax credit	4,282	2,922
Subsidies	155	141
Other operating income	313	-
Total	**4,750**	**3,170**

As of June 30, 2015, revenues of the Company were composed of the sales of Diallertest® products. During the second half of 2015, the Company discontinued its commercial partnership with respect to the product and ceased selling Diallertest Milk.

As of June 30, 2016, the Company also recorded as other income a portion of the upfront fee under the agreement with Nestlé which is deferred over the performance obligation.

Note 12: Operating expenses

Research & Development expenses are broken down as follows:

(Amounts in thousands of euros)

	6/30/2016	6/30/2015
R&D expenses		
Personnel expenses	15,848	3,833
Sub-contracting, Collaboration, and Consultants	11,195	6,459
Research Supplies	615	489
Rental	958	253
Conferences and travel expenses	1,304	775
Depreciation and amortization	576	439
Maintenance and service costs	775	89
Small equipments and other supplies	1,359	117
Others	262	46
Total R&D expenses	**32,892**	**12,500**

The breakdown of Sales & Marketing expenses is as follows:

(Amounts in thousands of euros)

S&M expenses	6/30/2016	6/30/2015
Personnel expenses	2,324	-
Fees	2,266	-
Communication and travel expenses	709	-
Others	152	-
Total S&M expenses	**5,450**	**-**

The breakdown of General & Administrative expenses is as follows:

(Amounts in thousands of euros)

G&A expenses	6/30/2016	6/30/2015
Personnel expenses	10,032	2,234
Fees	3,330	1,735
Rental	233	207
Insurance policies	1,043	342
Communication and travel expenses	434	314
Depreciation and amortization	43	300
Others	668	361
Total G&A expenses	**15,783**	**5,495**

Personnel expenses

As of June 30, 2016, the headcount of the Group was 113 employees on average, compared with 63 as of June 30, 2015.

Personnel expenses are broken down as follows:
(Amounts in thousands of euros)

	6/30/2016	6/30/2015
Wages and salaries	6,384	2,782
Social security contributions	2,532	1,306
Expenses for pension commitments	60	60
Employers' contribution to bonus shares	2,154	-
Share-based payments	17,074	1,920
Total	**28,204**	**6,067**

Note 13: Share-based payments

The payments in shares of stock involve all the warrants (BSAs/BSPCEs), stock options and bonus shares granted to employees, non-employee members of the Board of Directors, scientific consultants, or service providers.

The warrants granted may 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 recorded in the financial statements using the straight-line method as a personnel expense over the vesting period. The acquisition of bonus shares and exercise of stock options depend on the existence of an employment contract or holding a corporate office between the recipient and the Company. Similarly, the exercise of the equity warrants depends on the existence of a directorship or consultant contract between the beneficiary and the Company.

For the six months ended June 30, 2016:

- 20,000 equity warrants were granted to an independent director and member of the Scientific Advisory Board, at a unit subscription price of €5.30 and an exercise price of €52.97. These warrants may be exercised immediately.

- 240,000 stock options were granted to US employees with the following exercise prices: €65.68; €62.82; €59.04; €53.96. These stock options can be vested over a four years vesting period, on the basis of 25% per year. After the first year, the releases will be made on a proportional basis every six months; the options will be forfeited 10 years after their grant;

- 2 free shares plan were granted to French new employees and executive committee members for a total of 255,500 shares. The acquisition of free shares is contingent for the employees, including Dr. Benhamou and mister Schilansky, upon the achievement of the three performance criteria below:

    - One third of the shares will only be acquired from the later of the following two dates : (i) the end of the 2 years vesting period and (ii) achievement of the primary efficacy endpoint of the Phase III 'Pepites' trial for Viaskin Peanut.

- One third of the shares will only be acquired from the later of the following two dates : (i) the end of the 2 years vesting period and (ii) achievement of the primary efficacy endpoint of the Phase II 'Miles'trial for Viaskin Milk.

- One third of the shares will only be acquired from until the later of the following two dates: (i) the end of the 2 years vesting period and (ii) the beginning of clinical testing of another product candidate from the Viaskin platform.

These free shares are not subject to a retention period.

The IFRS 2 expense recorded for the six months ended June 30, 2016 amounts to €17.1 million compared to €1.9 million for the six months ended June 30, 2015.

As of June 30, 2016, the total number of ordinary shares that can be created through a full exercise or definitive acquisition, depending on the case, of all of securities giving access to the capital and instruments issued to date amounts to 2,541,525 at a weighted average exercise price of €29.86 (this weighted average exercise price does not include the 1,003,000of potential shares resulting from the definitive acquisition of performance shares).

Note 14 : Financial Revenue and expenses

The financial revenue and expenses are broken down as follows:

(Amounts in thousands of euros)

	6/30/2016	6/30/2015
Financial revenues	470	523
Financial expenses	(38)	(84)
Total	**432**	**439**

The financial income is primarily composed of capital gains on the disposal of investment securities. Financial expenses mainly include foreign exchange losses and expenses which relate to the accretion of the OSEO, BpiFrance and COFACE advances.

Note 15: Income Tax

As of June 30, 2016, the income tax expenses is composed by the withholding tax related to the upfront fee received from Nestlé according to the collaboration agreement.

Note 16: Contingent liabilities

No significant changes occurred in contingent liabilities between December 31, 2015 and June 30, 2016.

Note 17: Related parties transactions

The compensating amounts for six months ended June 30, 2016 presented below, which were awarded to the members of the Board of Directors and the Executive Committee of the Company totals €7.7 million euros.
Following the reorganization of the Company in 2015, the Company included Executive Committee members in the related parties disclosure.

(Amounts in thousands of euros)

	06/30/2016	06/30/2015
Members of the Executive committee and board of directors	1,196	722
Directors' fees	110	110
Share-based payments to members of the Board of Directors and Executive committee	6,384	1,164
Total	7,690	1,996

The valuation method for the estimate of the benefit of share-based payments is described in Note 13.

Statement of the debts towards to related parties as of June 30, 2016:

(Amounts in thousands of euros)

	06/30/2016	06/30/2015
Compensation	474	228
Directors' fees	110	110
Pension obligations	18	13
Total	**602**	**351**

Note 18: Subsequent events

Following a tax inspection led by the French tax authorities on fiscal years 2012, 2013 and 2014, the ompany received on July 4, 2016 a proposition of adjustments primarily affecting the Research Tax credit. The proposed adjustment amounts to €0,9 million.

The Company, advised by its counsels, has sent a response to dispute the proposed reassessment. No provision has been recorded in the consolidated financial statement as of June 30, 2016.

To the Group's knowledge, no other event has occurred since the reporting date that is likely to have a material impact on the consolidated financial statements or requires a specific disclosure in the notes.

II - MANAGEMENT DISCUSSION & ANALYSES

ANALYSIS OF PROFIT & LOSS STATEMENT

The Company's **total operating revenue** amounted to €3.2 million and €4.8 million for the first half of 2015 and 2016 respectively. These **operating revenue** were primarily generated by Research Tax Credit.
During the first half of 2015, to a lesser extent, operating revenue also included the sales of *Diallertest®*, product for an amount of €108 thousands. The Company discontinued its commercial partnership with respect to the product and ceased selling Diallertest Milk during the second half of 2015.

in thousands of euros	**June 30**	
	2016	**2015**
Sales	-	108
Other income	4,750	3,063
of which research tax credit	*4,282*	*2,922*
of which subsidies	*155*	*141*
of which other operating income	*313*	-
Total operating revenue	**4,750**	**3,170**

As R&D expenses are not capitalized until a marketing authorization is obtained, the research tax credit related to such R&D programs is recorded as operating income. Grants received by the Company during the periods were deducted from the calculation of the research tax credit.

For the six months ended as of June 30, 2016, the Company recorded a research tax credit for €4.3 million. For the six months ended as of June 30, 2015, the Company recorded a research tax credit for €2.9 million. The Company has requested the reimbursement of the 2015 research tax credit (i.e. €5.7 million) in compliance with the E.C. tax treatment for small and medium companies. At the date of release of the Interim Financial Information as of June 30, 2016, the reimbursement had not been received.

The increase in research tax credit between June 30, 2015 and June 30, 2016 reflects the intensification of R&D activities, mainly due to simultaneously clinical trials on both *Viaskin® Peanut* and *Viaskin® Milk*.

As of June 30, 2016, the Company also recorded a portion of the upfront fee under the agreement with Nestlé which is deferred over the performance obligation.

Research & Development expenses increased in the first half 2016 by 163%, to reach € 32.9 million compared with € 12.5 million a year earlier. This variation reflects an intense R&D activity on both pre-clinical research and clinical development, and the reinforcement of teams dedicated to R&D, in an effort to drive all on-going programs.

Research and Development expenses break down as follows:

in thousands of euros	June 30	
	2016	**2015**
Personnel costs	15,848	3,833
Sub-contracting, Collaborations and Consultants	11,195	6,459
Research Supplies	615	489
Real Estate Rentals	958	253
Conferences, Travel expenses	1,304	775
Provision & Amortization	576	439
Maintenance and service costs	775	89
Small equipments and other supplies	1,359	117
Other expenses	262	46
Total R&D expenses	**32,892**	**12,500**

Main changes between the six months ended June 30, 2015 and the six months ended June 30, 2016 are:

- an increase of 314% in total payroll associated with research and development resulting from both an increase in average staff from 50 employees at the end of June 2015 to 86 employees at the end of June 2016, and from an increase in share-based compensation expense following free shares' and Stock Options' Plan granted during the second half 2015 and the first half 2016. Excluding share-based expenses, the increase of the R&D staff cost is 79%.

- An increase of 73% in "Sub-contracting, Collaborations and Consultants", which includes in particular, the costs of service providers on behalf of DBV Technologies within the framework of:

  - the Phase III trial PEPITES for Viaskin® Peanut, which patient recruitment objective have been reached at the end of the six months ended June 30, 2016.
  - the initialization of SMILEE study (Phase IIa clinical trial for the safety and efficacy of Viaskin Milk in pediatric patient populations with milk-induced EoE).
  - the follow-up trail of the Phase I/II trial MILES for Viaskin® Milk.;

- An increase of 68 % in "Conferences, Travel expenses" due to intensification of research and development activities for Peanut and milk studies.

- An increase of €0.8 million in Real Estate Rental due to the new lease for our new headquarters in Montrouge (France)

In the first half of 2016, **Sales & Marketing expenses** amount €5.5 million and mainly include payroll for the US staff and fees to prepare the launch and commercialization of Viaskin Peanut in North America, if approved.

in thousands of euros	June 30	
	2016	**2015**
Personnel costs	2,324	-
Fees	2,266	-
Communication, Entertainment and Travel expenses	709	-
Others	152	-
Total S&M	**5,450**	**-**

General & Administration expenses include mainly administrative and management personnel costs, building costs related to headquarters, and certain fees (such as audit, legal, and consultants' fees). In the first half of 2016, general & administration expenses reached €15.8 million compared with €5.5 million a year earlier.

G&A expenses break down as follows:

in thousands of euros	**June 30**	
	2016	**2015**
Personnel costs	10,032	2,234
Fees	3,330	1,735
Real Estate Rentals	233	207
Insurance Policies	1,043	342
Communication, Entertainment and Travel expenses	434	314
Provision & Amortization	43	300
Others	668	361
Total G&A	**15,783**	**5,495**

Main changes between the six months ended June 30, 2015 and the six months ended June 30, 2016 are:

- an increase of 349% in total payroll associated with administration resulting from both an increase in average staff from 12 employees at the end of June 2015 to 20 employees at the end of June 2016, and from an increase in share-based compensation expense following free shares' and Stock Options' Plan granted during the second half 2015 and the first half 2016. Excluding the share-based expenses, the increase of the G&A staff cost is 84%.
- An increase of €1.6 million in fees due to the listing on the Nasdaq and to consultant and lawyer fees to support the growth and the transformation of the Company.
- an increase of 205% in insurance due to an additional Directors and Officers ("D&O") insurance policy following the July 2015 Public Offering.

The **financial profit (loss)** reached €0.4 million in the first half of 2015 and 2016. This item includes the financial revenues on the Company's financial assets, foreign exchange losses and undiscounting expenses in connection with the OSEO, BpiFrance and COFACE advances.

The **Income tax,** at the end of June 2016, is composed by the withholding tax related to the upfront fee received from Nestlé according the collaboration agreement.

The **net loss** at the end of June 2016 amounted to €(49.4) million compared with €(14.5) million at the end of June 30, 2015. The loss per share (based on the weighted average number of shares outstanding over the period) amounted to €(2.03) and €(0.74) for the first half of 2016 and 2015 respectively.

ANALYSIS OF THE BALANCE SHEET

Non-current assets include property, plant, and equipment, long-term intangible assets, and long-term financial assets. Non-current assets amounted to €13.3 million and €8.4 million on June 30, 2016 and December 31, 2015 respectively. This increase results primarily from for the layout of our corporate headquarters in Montrouge (France) as well as the purchase of tools and equipment for the design, the development and manufacturing of industrial prototypes (Gen4.0 and Cut Pack for example).

Net current assets amounted to €314.8 million and €334.9 million on June 30, 2016 and on December 31, 2015 respectively. This negative variation is explained by the increase of the cash burn from operating activities.

As a result, as of June 30, 2016 the Company's net **cash position** stood at €288.8 million vs. €323.4 million as of 31 December 2015.

The net change in the **shareholder's equity** of the Company resulted mainly from the net loss over the period. Therefore, Shareholders' equity reached €290.5 million as of June 30, 2016 compared with €322.1 million as of December 31, 2015.

ANALYSIS OF CASH FLOW STATEMENT

in thousands of euros	June 30	
	2016	**2015**
Net cash flow used in operating activities	(30,123)	(12,441)
Net cash flow used in investment activities	(5,607)	(804)
Net cash flow from financing activities	1,078	3,178

Net cash flow used in operating activities for the first half 2016 and 2015 stood respectively at €(30.1) million and €(12.4) million, primarily linked to the increasing efforts in R&D.

Net cash flow used in investment activities increased from €(0.8) million for the first half 2015 to €(5.6) million for the first half 2016, due to the layout of our corporate headquarters in Montrouge and purchase of tools and equipment for the design, the development and manufacturing of industrial prototypes.

Net cash flow from financing activities reached €1.1 million at the end of June 2016 vs. €3.2 million a year earlier, primarily due the exercise of equity instruments.

III – INFORMATION REGARDING RELATIONSHIPS WITH RELATED PARTIES

The compensation amounts for the first half of 2016 presented below, which were awarded to the members of the Board of Directors and the Executive Committee of the Company totals 7.7 million euros.

Following the reorganization of the Company in 2015, the Company included Executive Committee members in the related parties disclosure.

(Amounts in thousands of euros)

	06/30/2016	06/30/2015
Members of the Executive committee and board of directors	1,196	722
Directors' fees	110	110
Share-based payments to members of the Board of Directors and Executive committee	6,384	1,164
Total	**7,690**	**1,996**

The valuation method for the estimate of the benefit of share-based payments is described in Note 17 to the consolidated financial statements for the year ended December 31, 2015.

Statement of the debts towards related parties as of June 30, 2016:

(Amounts in thousands of euros)

	06/30/2016	06/30/2015
Compensation	474	228
Directors' fees	110	110
Pension obligations	18	13
Total	**602**	**351**

IV – RISK FACTORS

The Company operates in an environment which is undergoing rapid change and exposes its operations to a number of risks, some of which are outside its control. The risks and uncertainties set out below are not exhaustive and the reader is advised to refer to the Company's *Form 20-F* available on its website www.dbv-technologies.com.

- The Company is conducting preclinical and clinical programs intended to lead to the eventual commercialization of therapeutic solutions to treat allergies, in particular food allergies and in young children. 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.

  The company may encounter delays or product candidate rejections based on new governmental regulations, future legislative or administrative actions, or changes in FDA or other similar foreign regulatory agency policy or interpretation during the period of product development. If we obtain required regulatory approvals, such approvals may later be withdrawn. Delays or failures in obtaining regulatory approvals may result in Increased Development Costs and diminishment of any competitive advantages that such product candidates may have or attain;

  Likewise during clinical trials, the timing of patient recruitment can be uncertain, even if the choice of centers and partners is always selected depending recruitment opportunities. In addition, some requests from regulatory authorities could impact the lead time of patient recruitment.

  Moreover, 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 or ethics committees 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.

  Also 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 its products 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.

- The Company have obtained “breakthrough therapy” designation for Viaskin Peanut in children, 6 to 11 years of age. the receipt of a breakthrough therapy designation for a product candidate may not result in a faster development process, review or approval compared to products considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify as breakthrough therapies, the FDA may later decide that the products no longer meet the conditions for qualification.

- The Company is dependent on third parties for the supply of various materials, chemical or biological products (including extract proteins) that are necessary to produce patches for the achievement of its clinical trials or patches diagnosis and, ultimately, its future therapeutic patches.

  The supply of the Company in any of these materials and products could be reduced or interrupted. In such a case, the Company may not be able to find other suppliers of materials or chemical or biological products of acceptable quality, in appropriate quantities and at an acceptable cost. If key suppliers or manufacturers were lacking or if the supply of products and materials is reduced or discontinued, the Company may not be able to continue to develop, manufacture and market its products in a timely and competitive manner. In addition, these materials and products are subject to stringent manufacturing requirements and rigorous testing. Delays in the completion and validation of facilities and manufacturing processes of these materials and products in the Company's suppliers could affect its ability to complete clinical trials and to commercialize its products cost-effectively and in a timely manner.

  To prevent such situations, the Company intends to diversify its supply sources by identifying a minimum a second source of supply for critical raw materials and materials (natural protein and polymer film with a titanium coating).

  If the Company encounters difficulties in the supply of these materials, chemical or biological products, if it was not able to maintain its supply agreements or to establish new agreements to develop and manufacture its products in the future, its business, prospects, financial condition, results and development could be significantly affected.

- Within the framework of its development, the company relies on sub-contractors both for the manufacturing of the patches and for the conduct of the clinical trials. Although the Company has taken into account the risks of default on the part of its sub-contractors or risks of termination of the contractual relationships, and has taken measures intended to provide for these risks, any default on their part could have consequences for the length of, or even the continuation of, the clinical studies, and the quality of the data, which must meet strict standards (Good Clinical Practices, Good Manufacturing Practices) imposed by the supervisory authorities, and therefore delay the marketing of the products.

  Such events could have a material adverse effect on the business activity, the prospects, the financial position, the earnings, and the development of the Company.

- As a U.S. public company, we have incurred and will continue to incur significant legal, accounting, and other expenses that we did not previously incur. We are subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Nasdaq listing requirements and other applicable securities rules and regulations. Compliance with these rules and regulations will continue to increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we no longer qualify as a foreign private issuer. As a result of

being a U.S. public company, management's attention may be diverted from other business concerns, which could adversely affect our business and results of operations.

Further, being a U.S. public company and a French public company has an impact on disclosure of information and compliance with two sets of applicable rules. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

As a result of disclosure of information in filings required of a U.S. public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and results of operations.

- 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.

- Since it was formed, the Company has financed its growth by reinforcing its shareholders' equity through a succession of increases in the share capital, obtaining public assistance in support of innovation, and reimbursements of Research Tax Credit claims, but has never utilized bank loans. Therefore, the Company is not exposed to a liquidity risk resulting from the implementation of any early repayment clauses in loan agreements for such borrowings.

  The Company will continue to have significant financing requirements in the future for the development of its technology, the continuation of its clinical development program, and the equipment for its own

pharmaceutical laboratory, as well as for the production and marketing of its products in the future. It is possible that the company will find itself unable to self-finance its growth, which would compel it to seek other sources of financing, particularly through new increases in share capital.

It is possible that the Company will be unable to obtain additional capital when it needs it, or that such capital may not be available on financial terms that are acceptable to the Company. If the necessary funds are not available, the Company could have to:

- delay, reduce, or eliminate the number or the scope of its pre-clinical and clinical trials;
- grant licenses to its technologies to partners or third parties; or
- conclude new collaboration agreements on terms less favorable to it than those that it could have obtained in a different context.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our shareholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our ADSs or ordinary shares to decline.

In addition, to the extent that the Company raises capital by issuing new shares, the investment of its shareholders could be diluted. Furthermore, financing by debt, to the extent that it is available, could also include restrictive conditions for the Company and its shareholders.

The occurrence of one or more of these risks could have a material adverse effect on the Company, its business, its financial position, its earnings, its development, and its prospects.

- In order to finance its activities, the Company has also opted for the Research Tax Credit (CIR - Crédit Impôt Recherche), which consists of the Government offering a tax credit to companies that make significant investments in research and development. The research expenditures that are eligible for the CIR include, in particular, wages and salaries, the depreciation of research equipment, provisions of services sub-contracted to approved research agencies (public or private), and the expenses associated with intellectual property. The Company has received a research tax credit that has been reimbursed by the tax authorities for the years 2008 and 2014. Following a tax inspection led by the French tax authorities on fiscal years 2012, 2013 and 2014, the Company received on July 4, 2016 a proposition of adjustments primarily affecting the Research Tax credit and disputed by the Company. The proposed adjustment amounts to €0,9 million.

  For the coming years, it cannot be ruled out that the tax authorities may challenge the methods used by the Company to calculate the research and development expenditures or that the CIR might be called into question by a change in the regulations or by a challenge by the tax authorities even if the Company complies with the requirements for documentation and eligibility of the expenditures. If such a situation were to occur, that could have an adverse effect on the earnings, the financial position, and the prospects of the Company.

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