



**INTERIM FINANCIAL REPORT  
HALF-YEAR 2018**  
**Business report**  
**Financial statements at 30 June 2018**  
**Notes to the interim financial statements**  
**Statutory auditor's report**

**Quantum Genomics**  
*Société Anonyme* (public limited company)  
With a share capital of €4,989,026.26  
Registered office :Tour Maine Montparnasse  
33, avenue du Maine – 75015 Paris  
Paris Trade Registry no. 487 996 647

## **1. BUSINESS AND HIGHLIGHTS IN THE FIRST HALF OF 2018**

During the first half of 2018, Quantum Genomics (the "**Company**") sped up its research programs into high blood pressure and heart failure and developed its new "BAPAls Fast Growth" strategic plan, seeking to form a partnership or sign a licensing agreement with a pharmaceutical group in the next two years.

### **1.1 Economic and scientific progress**

In February 2018, the Company announced the appointment of Professor Frans Leenen, a noted heart failure expert, to its scientific and clinical advisory board.

On 5 March 2018, the Company secured an equity line of financing set up, structured and guaranteed by Kepler Cheuvreux for up to €24 million over three years. A first block of 2,197,000 shares is ready for issue. The remaining shares were approved for issue by the General Meeting of 14 June 2018.

This financing allows the Company to secure its development plan over the long term and increase its operational flexibility to entrench its position as a committed innovator in a market that has known a new dynamic over recent months.

In April 2018, the functions of Chairman of the Board of Directors and Chief Executive Officer (CEO) were separated in order to strengthen governance. Lionel Ségard, the Company's cofounder, will stay on as Chairman of the Board of Directors. He will continue to be involved in the Company's development to which he will bring his strategic vision and experience. The scientific and clinical advisory board will still report to him. Jean-Philippe Milon (pharmacy PhD, former chair of Bayer France and current member of the executive committee of Bayer Healthcare in charge of global business development, licensing and M&A) was appointed CEO.

Currently the Executive Committee comprises Jean-Philippe Milon (CEO), Marc Karako (Chief Financial Officer), Bruno Besse (Chief Medical Officer) and Fabrice Balavoine (Vice President R&D).

On 19 April 2018, the Company set out its three-year "BAPAls Fast Growth" strategic plan. Research programs have been accelerated. The NEW-HOPE Phase IIb trial on high blood pressure is nearing conclusion in 2018. Encouraging preliminary results from the QUID-HF Phase IIa trial on heart failure led the Company, with the consent of its scientific and clinical advisory board, to launch the Phase IIb trial ahead of time before waiting for the QUID-HF final results. The aim of this study, named QUORUM, is to assess the efficacy and tolerance of firibastat (QGC001) compared with Ramipril in patients with altered ejection fraction after a severe heart attack.

In June 2018, the World Health Organization (WHO) approved Firibastat as the International Nonproprietary Name (INN) for the active ingredient developed by the Company known until then as RB150 or QGC001. Firibastat is protected until November 2031.

## 1.2 Legal proceedings

Over the course of the year the Company's management bodies have made a number of decisions.

The following decisions were taken since 1 January 2018:

- On 28 February, the Board of Directors decided to use delegations of authority granted it by the General Meeting of 8 June 2017, notably in the 8th resolution, to increase the share capital as laid out in Section 1.1 of this report under the following main conditions:
  - The planned capital increase would be undertaken through a private placement (non-public offering) in accordance with article L. 411-2 II of the French Monetary and Financial Code and as such reserved for select investors as defined by article D.411-1 of said Code and/or a select group of investors as defined by paragraph II of article L. 411-2 and article D. 411-4 of said Code, bearing in mind that the select investors in question act on their own behalf and that the select group must comprise less than 150 investors (the "**Private Placement**"),
  - The capital increase would be undertaken without preemptive rights through a Private Placement as defined by article L. 411-2 II of the French Monetary and Financial Code via the issue of a first block of 2,197,000 warrants for new ordinary shares (the "**Warrants<sub>A</sub>**") whose terms and characteristics, notably their exercise conditions, are laid out below,
  - One Warrant<sub>A</sub> would entitle the holder to one new ordinary share,
  - The capital increase resulting from the exercise of all the Warrants<sub>A</sub> issued under a Private Placement would not require a prospectus to be sent to and approved by the *Autorité des marchés financiers* (AMF) (French financial markets regulator),
  - The 2,197,000 new shares resulting from the exercise of the 2,197,000 Warrants<sub>A</sub> issued under the Private Placement would make up less than 20% of the share capital for a period of one year from the date of this Board meeting, in accordance with article L. 225-136 3° of the French Commercial Code,
  - The overall cost of issuing the 2,197,000 Warrants<sub>A</sub> would be set at five hundred (500) euros,
  - The 2,197,000 new ordinary shares resulting from the exercise of the 2,197,000 Warrants<sub>A</sub> would be subscribed for at a minimum initial face value of €2.73, including the issue premium, subject to change according to the terms and conditions of the Warrants<sub>A</sub>;
- In accordance with the powers granted him by the Board of Directors at its meeting of 28 February 2018, the Chairman & CEO decided, in line with decisions made on 5 March, to issue the 2,197,000 Warrants<sub>A</sub> for purchase by Kepler Cheuvreux;
- In accordance with the powers granted him by the Board of Directors at its meeting of 28 February 2018, the Chairman & CEO noted, in line with decisions made on 21

March, that Kepler Cheuvreux had subscribed for all 2,197,000 Warrants<sup>A</sup>;

- On 8 March, the Board of Directors noted (i) the expiry of the holding period for the 214,963 bonus shares awarded by the Board on 8 July 2016, (ii) the vesting of said bonus shares to Company employees and managers, and (iii) the corresponding capital increase by incorporation of reserves via the deduction of an amount of €85,944.64 from the "Reserves Not Available for Distribution" account created for this purpose;
- On 28 March, the Board of Directors approved the financial statements for the year ended 31 December 2017 and took the necessary decisions to prepare for and convene the Ordinary Annual General Meeting called to approve the financial statements for that year. It also decided to ask the Ordinary AGM to grant the Board new delegations of authority;
- As mentioned in Section 1.1 of this report, on 6 April the Board of Directors:
  - Separated the offices of Chairman and of CEO, following which Lionel Ségard resigned from his position as the latter,
  - Appointed a new CEO,
  - Set the compensation of the new CEO,
  - Determined the social security package of the new CEO (including executive unemployment insurance, life & accident & disability insurance, reimbursement of medical expenses, and supplementary pension plan),
  - Suspended the employment contract of Jean-Philippe Milon for the duration of his tenure as CEO,
  - Awarded bonus shares to Company employees and/or managers using the delegation of authority granted it by the Ordinary and Extraordinary AGM of 8 June 2017,
  - Outlined the tasks and duties of the Chairman of the Board of Directors,
  - Set the compensation of the Chairman of the Board of Directors;
- On 4 May the Board of Directors:
  - Noted the resignation of Maurice Salama from his position as a director of the Company,
  - Suggested the overall amount of directors' fees to be set, allocated and paid,
  - Noted the actual capital increase of €3,998.17 resulting from the bonus shares awarded to Company employees and managers,
  - Discussed the correlative amendment of Article 6 of the Articles of Association;

- On 14 June the Ordinary and Extraordinary AGM:
  - Examined and approved the financial statements for the year ended 31 December 2017,
  - Deemed the Board of Directors to have discharged its duties,
  - Allocated the year's earnings,
  - Approved the agreements covered by articles L. 225-38 et seq. of the French Commercial Code,
  - Decided to replace the principal statutory auditor,
  - Decided to reappoint the alternate statutory auditor,
  - Appointed two new directors to the Board of Directors,
  - Set the amount of directors' fees,
  - Authorized the Board of Directors to trade in the Company's shares as permitted by article L. 225-209 of the French Commercial Code,
  - Granted a delegation of authority to the Board of Directors to increase the share capital through a public offering without preemptive rights,
  - Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to equity with preemptive rights and/or by issuing securities giving right to debt securities,
  - Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to equity without preemptive rights and/or by issuing securities giving right to debt securities through a non-public offering covered by article L. 411-2 II of the French Monetary and Financial Code to select investors or a select group of investors,
  - Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to equity and/or by issuing securities giving right to debt securities without preemptive rights in favour of a category of persons (strategic offering),
  - Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to equity and/or by issuing securities giving right to debt securities without preemptive rights in favour of a category of persons (investment offering),
  - Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities giving access to equity and/or by issuing securities giving right to debt securities without preemptive rights in favour of a

particular beneficiary, namely, Kepler Cheuvreux,

- Granted a delegation of authority to the Board of Directors to increase the share capital by incorporation of premiums and reserves, retention of earnings, or other such means,
  - Granted a delegation of competence to the Board of Directors to increase the number of shares to be issued under a capital increase with or without preemptive rights,
  - Granted a delegation of authority to the Board of Directors to increase the share capital by issuing shares or securities giving access to equity reserved for members of employee share savings plans without preemptive rights in favour of said members,
  - Granted a delegation of authority to the Board of Directors to award stock options,
  - Granted a delegation of authority to the Board of Directors to award existing or future bonus shares to salaried employees and corporate officers of the group or to some of them,
  - Authorized the Board of Directors to reduce the share capital by retiring repurchased shares;
- The CEO, in line with decisions made on 15 June 2018, noted the exercise of (i) four redeemable warrants<sub>2016</sub> issued by the Board of Directors on 14 March 2016, and of (ii) 270,000 Warrants<sub>A</sub> issued by the Board of Directors on 28 February 2018, thus increasing the share capital by €107,951.99 via the creation and issue of 270,002 new shares;
- The CEO, in line with decisions made on 27 June 2018, noted the exercise of (i) 37 redeemable warrants<sub>2016</sub> issued by the Board of Directors on 14 March 2016, and of (ii) 70,000 Warrants<sub>A</sub> issued by the Board of Directors on 28 February 2018, thus increasing the share capital by €27,993.75 via the creation and issue of 70,016 new shares.

As a result of the above, at 30 June 2018 the Company's share capital amounted to €4,619,660.47 divided into 11,554,373 shares.

### **1.3 Disputes**

At the date of this report the Company was not involved in any disputes.

## **2. EARNINGS AND FINANCIAL POSITION IN THE FIRST HALF OF 2018**

Copies of the interim financial statements at 30 June 2018 and the statutory auditor's report appear in the appendix to this report.

## **2.1 Operating income**

The Company recorded zero turnover in the first half of the year.

Operating income amounted to €65,824 compared with €8,359 in the first half of 2017, while operating expenses came to €6,875,943 against €4,509,353 in the first half of 2017, leading to an operating loss for the period of €6,810,118.

Wages and salaries amounted to €734,801 while social security charges came to €472,272 for a total of 13 salaried employees at 30 June 2018.

## **2.2 Financial income and EBIT**

Financial expenses came to €104,164 against €155,402 in the first half of 2017.

Financial income amounted to €104,021 compared with €21,669 in the first half of 2017.

EBIT amounted to a loss of €6,810,259.

## **2.3 Nonrecurring income**

Nonrecurring income in the first half of 2018 amounted to a loss of €60,856.

## **2.4 Profit (loss)**

After taking a research tax credit of €663,056 into account, the first half of 2018 resulted in a net loss of €6,208,060.

## **2.5 Change in equity and working capital**

At 30 June 2018 equity stood at €3,289,000, down by €5,583,000 from the end of 2017.

Taking the conditional advances from Bpifrance of €1,210,000 into account, working capital stood at €4,499,000.

## **2.6 Change in debt and cash flow**

At 30 June 2018 the Company had no debt.

Cash flow stood at €5,971,000 compared with €11,089,000 at the end of 2017.

## **2.7 Change in working capital requirement (WCR)**

WCR fell by €513,000 during the first half of 2018.

## **3. SUBSEQUENT EVENTS**

Since 30 June 2018, the following events have taken place:

- On 5 July 2018 the Board of Directors:
  - Noted the end of Maurice Salama's tenure on the Compensation & Appointments Committee following his resignation as a director of the Company,
  - Appointed new members to the Compensation & Appointments Committee,
  - Reviewed the business situation with the CEO,
  - Set the variable compensation of the CEO, Jean-Philippe Milon;
- During a break in the abovementioned Board of Directors meeting of 5 July 2018, the Compensation Committee set the variable compensation of the CEO, Jean-Philippe Milon;
- On 27 July 2018 the Board of Directors:
  - Authorized the CEO to sign a letter of appointment,
  - Amended the Board's rules of procedure;
- The CEO, in line with decisions made on 30 August 2018, noted the exercise of 445,000 Warrants<sub>A</sub> issued by the Board of Directors on 28 February 2018, thus increasing the share capital by €177,919.56 via the creation and issue of 445,000 new shares;
- The CEO, in line with decisions made on 1 October 2018, noted the exercise of (i) 112 Redeemable Warrants<sub>2016</sub> issued by the Board of Directors on 14 March 2016, and of (ii) 475,000 Warrants<sub>A</sub> issued by the Board on 28 February 2018, thus increasing the share capital by €189,936.52 via the creation and issue of 475,056 new shares;
- On 3 October 2018 the Board of Directors:
  - Examined and approved the 2018 interim financial statements, a copy of which appears in the appendix to this report;
  - Noted (i) the expiry of the holding period for the 3,776 bonus shares awarded by the Board of Directors on 22 August 2017, (ii) the vesting of said bonus shares to Company employees and managers, and (iii) the corresponding capital increase by incorporation of reserves via the deduction of an amount of €1,509.71 from the "Reserves Not Available for Distribution" account created for this purpose;
  - Finalized and approved the 2018 interim financial report.

As a result of the transactions and proceedings mentioned in Sections 1.2 and 3 of this report, at 30 September 2018 the Company's share capital amounted to €4,989,026.26 divided into 12.478.205 shares.

On 6 September 2018, the Company announced that it had finished recruiting patients for

its NEW-HOPE Phase IIb trial on high blood pressure, more than six months ahead of initial schedule, and will present its main findings at the American Heart Association (AHA) annual conference in Chicago on 10-12 November 2018.

#### **4. OUTLOOK**

Available cash of €6 million at 30 June 2018 and the equity line of financing set up by Kepler Cheuvreux on 5 March 2018 will enable the Company to pursue its research programs in 2019.



# Half-yearly financial statements 30 June 2018

Quantum Genomics

30/06/2018





# Interim Balance sheet Assets

## Quantum Genomics

Registered Number : 48799664700029

Assets		Period			Previous period	
		Gross Amount	Depr. or Allow.	Net amount	at : 31/12/2017	
Uncalled subscribed capital						
Fixed assets	Intangible fixed assets	Start up costs				
		Research and development costs				
		Franchises, patents and similar assets	134 283	47 608	86 674	90 945
		Goodwill				
		Other intangible fixed assets				
		Intangible assets in progress				
	Advance payments on intangible fixed assets					
	<b>TOTAL</b>	<b>134 283</b>	<b>47 608</b>	<b>86 674</b>	<b>90 945</b>	
	Tangible fixed assets	Land				
		Buildings				
Industrial fixtures and equipment		22 911	15 017	7 894	464	
Other tangible fixed assets		108 748	57 430	51 317	51 747	
Tangible fixed assets in progress						
Advance payments on tangible fixed assets						
<b>TOTAL</b>	<b>131 659</b>	<b>72 448</b>	<b>59 211</b>	<b>52 211</b>		
Financial fixed assets	Investments measured using the equity method					
	Other investments					
	Loans to group and related companies					
	Investments held in portfolio for the long term					
	Other investments	357 865	103 886	253 979	258 052	
	Loans					
Other financial assets	37 531		37 531	37 531		
<b>TOTAL</b>	<b>395 396</b>	<b>103 886</b>	<b>291 510</b>	<b>295 584</b>		
<b>Total fixed assets</b>		<b>661 339</b>	<b>223 942</b>	<b>437 396</b>	<b>438 741</b>	
Current assets	Inventories	Raw material and supplies	138 532		138 532	188 888
		Work in progress (goods)				
		Work in progress (services)				
		Finished goods and by-production				
		Merchandise				
	<b>TOTAL</b>	<b>138 532</b>		<b>138 532</b>	<b>188 888</b>	
	Advances to suppliers					
Receivables	Trade accounts receivable	2 387 246		2 387 246	1 613 976	
	Other receivables					
	Unpaid called capital					
<b>TOTAL</b>	<b>2 387 246</b>		<b>2 387 246</b>	<b>1 613 976</b>		
Other	Marketable securities (of which own shares : )	8 003		8 003	5 001 505	
	Cash instruments	5 962 711		5 962 711	6 087 727	
	Available funds					
<b>TOTAL</b>	<b>5 970 715</b>		<b>5 970 715</b>	<b>11 089 232</b>		
Prepaid expenses	740 216			583 437		
<b>Total current assets</b>		<b>9 236 709</b>		<b>9 236 709</b>	<b>13 475 535</b>	
Deferred charges						
Premiums on redemption of borrowings						
Exchange rate differences assets		276		276	2 853	
<b>Total assets</b>		<b>9 898 325</b>	<b>223 942</b>	<b>9 674 382</b>	<b>13 917 130</b>	

## Quantum Genomics

<b>Liabilities</b>		Period	Previous period
<b>Shareholder's funds</b>	Share capital (of which paid up : 4 619 654 )	4 619 654	4 393 771
	Share premiums (mergers, contributions)	31 275 570	30 790 466
	Revaluation variance		
	Equity reserve		
	Reserves		
	Legal reserve		
	Statutory reserves	97 449	182 904
	Tax regulated reserves		
	Other reserves		
	Profit and loss account brought forward	-26 495 642	-17 114 468
	Previous results not yet allotted		
	Result for the financial year (profit or loss)	-6 208 060	-9 381 174
<b>Net worth before allocation</b>	<b>3 288 970</b>	<b>8 871 499</b>	
Investment grants			
Special provision for tax purposes			
	<b>Total</b>	<b>3 288 970</b>	<b>8 871 499</b>
<b>Other funds</b>	Subordinated equity		
	Advances subject to covenants	1 210 000	1 257 500
	<b>Total</b>	<b>1 210 000</b>	<b>1 257 500</b>
<b>Provisions</b>	Provisions for risks	276	2 853
	Provisions for future costs	58 526	
	<b>Total</b>	<b>58 802</b>	<b>2 853</b>
<b>Liabilities</b>	<b>Financial liabilities</b>		
	Convertible debenture loans		
	Other debenture loans		
	Borrowing from credit institution	1 248	1 105
	Other borrowings		
	<b>Total</b>	<b>1 248</b>	<b>1 105</b>
	Advances received on orders		
	Trade accounts payable and related liabilities	4 547 996	3 313 429
	Taxes and social debts	506 778	444 509
	Liabilities related to fixed assets		
Other debts	59 833	19 156	
Cash instruments			
<b>Total</b>	<b>5 114 608</b>	<b>3 777 095</b>	
Income recorded in advance			
<b>Total liabilities and income recorded in advance</b>	<b>5 115 856</b>	<b>3 778 200</b>	
Exchange rate differences liabilities	752	7 076	
<b>TOTAL LIABILITIES</b>	<b>9 674 382</b>	<b>13 917 130</b>	
Leasing for buildings			
Leasing for other equipment			
Non expired discounted notes receivable			



# Interim Profit and loss account

## Quantum Genomics

Periods 01/01/2017 30/06/2017 Length 6 months  
01/01/2018 30/06/2018 6 months

		France	Export	Total	Previous period
Operating income	Sales of purchased goods				
	Sales of manufactured goods				
	Sales of services				
	Net sales				
	Changes in stock of manufactured goods and work in progress				
	Production of fixed assets capitalised				
	Partial profits on long term contracts				
	Trading incentive grants				
	Write back of depreciation, provisions and transferred charges			62 140	8 356
	Other income			3 684	2
	Total			<b>65 824</b>	<b>8 359</b>
Operating expenses	Goods Purchases				
	Change in inventory				
	Raw materials and other supplies Purchases			76 257	7 122
	Change in inventory			105 356	561 834
	Other purchases and expenses			5 337 970	2 608 648
	Taxes			9 216	17 192
	Wages and salaries			734 801	754 934
	Social security charges			472 272	521 484
	Depreciation and Provisions	• on fixed assets • on current assets: provisions • for risks and future costs: provisions	Depreciation Provisions	11 167	14 131
	Other expenses			58 526	
	Total			<b>70 375</b>	<b>24 005</b>
	Operating result A			<b>-6 810 118</b>	<b>-4 509 993</b>
Joint venture oper.	Profit attributed or loss transferred		B		
	Loss attributed or profit transferred		C		
Financial income	From shares in group companies				
	From other investments				
	Interests and similar incomes			10 519	17 887
	Write back of provisions and transferred charges			93 502	1 478
	Exchange gain				2 303
	Net profit on disposals of current financial investments				
	Total			<b>104 021</b>	<b>21 669</b>
Financial expenses	Increase of provisions against financial assets			104 162	154 101
	Interests payable and similar charges				
	Exchange loss				1 301
	Net losses on disposals of current financial investments				
	Total			<b>104 162</b>	<b>155 402</b>
	Net financial result D			<b>-140</b>	<b>-133 733</b>
RESULT OF ORDINARY OPERATIONS BEFORE CORPORATE TAX ON PROFIT (±A+B-C±D) E				<b>-6 810 259</b>	<b>-4 634 727</b>
Exceptional income	On operating items			33 193	
	On capital items				127 674
	Write back of provisions and transferred charges				
	Total			<b>33 193</b>	<b>127 674</b>
Exceptional expenses	On operating items			3 213	815
	On capital items			90 836	79 559
	Depreciation and provisions				75 000
	Total			<b>94 050</b>	<b>155 374</b>
	Net exceptional result F			<b>-60 856</b>	<b>-27 700</b>
Employees' profit sharing plan			G		
Corporate tax on profit			H	-663 056	-624 865
PROFIT AND LOSS (±E±F-G-H)				<b>-6 208 060</b>	<b>-4 037 562</b>

## QUANTUM GENOMICS

<b>Cash flow statement K€</b>	<b>S1 2018</b>	<b>2017</b>	<b>2016</b>
<b>Net income</b>	<b>-6 208</b>	<b>-9 381</b>	<b>-5 241</b>
Non-cash adjusting entries	25	173	28
<b>Net income non-cash entries corrected</b>	<b>-6 183</b>	<b>-9 208</b>	<b>-5 213</b>
Change in inventories	105	767	-997
Change in Account Receivables			
Change in Account Payables	1 235	1 101	801
Change in Tax and employee-related payables	62	-40	172
Change in Other Liabilities and Deferred Income	41	1	-60
Change in Other Receivables and Prepaid Expenses	-930	-598	-233
<b>Need for working capital variation</b>	<b>513</b>	<b>1 231</b>	<b>-318</b>
<b>CASH FLOW FROM OPERATIONS</b>	<b>-5 670</b>	<b>-7 977</b>	<b>-5 531</b>
Intangible assets acquisition		40	-42
Tangible assets acquisition	-14	-8	-25
Financial assets acquisition	-9	114	-142
<b>CASH FLOW FROM INVESTEMENT</b>	<b>-23</b>	<b>146</b>	<b>-208</b>
Capital increase (net of related costs)	623	7 733	7 744
New loans and contributions in current account			
Repayments of loans and current account		-10	
Various (including BPI France advance)	-48		540
<b>Cash from funding</b>	<b>575</b>	<b>7 723</b>	<b>8 284</b>
Cash - start of the period	11 089	11 198	8 652
<b>Cash - end of the period</b>	<b>5 971</b>	<b>11 089</b>	<b>11 197</b>
<b>Cash variation</b>	<b>-5 118</b>	<b>-108</b>	<b>2 545</b>



# SA Quantum Genomics

**Notes to the half-yearly financial statements established at 30 June 2018**

This report contains 25 pages

**Amounts expressed in EUR**

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## 1 Highlights

### 1.1 Main events of the period

On March 5, 2018, the Company obtained a line of equity financing, structured and guaranteed by Kepler Cheuvreux, up to a maximum of €24 million over 3 years. A first tranche of 2,197,000 shares may already be issued and the balance of the issue have been approved by the Board of Directors on June 14, 2018.

During the period, the exercised equity warrants generated a capital increase of 739.522€ (including issue premium) and the issuance of 340.019 new shares.

### 1.2 Events subsequent to the close

None.

### 1.3 Accounting policies

The annual financial statements were approved in accordance with the provisions of the French commercial code and ANC regulation 2014-03.

Generally accepted accounting principles have been applied in respect of the principle of prudence and in accordance with the fundamental accounting concepts:

- going concern,
- consistent accounting methods between reporting periods,
- independence of reporting periods, in accordance with the general guidelines for the preparation and presentation of annual financial statements.

The reference period of the financial statements is 6 months, covering the period from 1 January to 30 June 2018.

## 1.4 Going concern

Given its activity, the company must be able to finance its research work until the molecules are marketed or the rights to its work are assigned.

The available cash at 30 June 2018 (€6.0 million) and the line of equity financing, structured and guaranteed by Kepler Cheuvreux, allow the Company to continue its development programs beyond 2019.

## 2 Information concerning the balance sheet

### 1.1.1 Table of fixed assets

FIXED ASSETS (€)	Gross value at 31/12/2017	Acquisitions	Transfers between items	Disposals	Gross value at 30/06/2018
Preliminary and development expenses					
Other intangible fixed assets	134 283				134 283
<b>Intangible fixed assets</b>	<b>134 283</b>				<b>134 283</b>
Land					
Buildings					
General installations, fixtures, and other fittings	14 912	8 000			22 912
Other tangible fixed assets	102 852	5 896			108 748
Fixed assets in progress					
Advance payments on tangible fixed assets					
<b>Tangible fixed assets</b>	<b>117 764</b>	<b>13 896</b>			<b>131 660</b>
Shares in affiliates					
Other ownership interests					
Long-term securities	348 702	363 775		354 612	357 865
Loans and other long-term investments	37 531				37 531
<b>Long-term investments</b>	<b>386 233</b>	<b>363 775</b>		<b>354 612</b>	<b>395 396</b>
<b>Capital assets</b>	<b>638 280</b>	<b>377 671</b>		<b>354 612</b>	<b>661 339</b>

## 1.1.2 Amortisation, depreciation and provisions

AMORTISATION, DEPRECIATION, & PROVISIONS (€)	Cumulative at 31/12/2017	Allowances	Write-backs	Cumulative at 30/06/2018
Preliminary and development expenses				
Other intangible fixed assets	43 337	4 271		47 608
<b>Intangible fixed assets</b>	<b>43 337</b>	<b>4 271</b>		<b>47 608</b>
Land				
Buildings				
General installations, fixtures, and other fittings	14 447	570		15 017
Other tangible fixed assets	51 105	6 326		57 431
Fixed assets in progress				
Advance payments on tangible fixed assets				
<b>Tangible fixed assets</b>	<b>65 552</b>	<b>6 896</b>		<b>72 448</b>
Shares in affiliates				
Other ownership interests				
Long-term securities				
Loans and other long-term investments				
<b>Long-term investments</b>				
<b>Total</b>	<b>108 889</b>	<b>11 167</b>		<b>120 056</b>

## 1.1.3 Tangible fixed assets

Tangible fixed assets are valued at their acquisition cost, after deducting discounts and rebates, or at their production cost.

An impairment is recorded when the current value of an asset is less than the net book value.

### 1.1.3.1 Amortisation and Depreciation

Type of fixed asset	Method	Duration
Equipment and tools	Straight-line	3 years
General installations	Straight-line	10 years
Office equipment	Straight-line	3 to 5 years
Office furniture	Straight-line	10 years

## 1.1.4 Intangible fixed assets

Intangible fixed assets are valued at their acquisition cost, after deducting discounts and rebates, or at their production cost.

An impairment is recorded when the current value of an asset is less than the net book value.

### 1.1.4.1 Software

The company has several software applications for a purchase value of €6,283. They are fully amortised.

### 1.1.4.2 Licence

The license included in the assets for €128,000 pertains to an exclusive worldwide patent and know-how licence granted jointly by several French public institutions to the company, including €50,000 pertaining to the INSERM licence.

The short amortisation period runs until the end of the protection period of the process.

### 1.1.4.3 Research and development expenses

These costs may be recorded in assets if they relate to substantially individualised projects that have a serious chance of technical success and commercial profitability.

The following conditions must be satisfied simultaneously:

- technical feasibility necessary for completion of the intangible fixed asset with a view to its commissioning or sale;
- intention to complete the intangible fixed asset and use or sell it;
- ability to use or sell the intangible fixed asset;
- ability for the intangible fixed asset to generate probable future economic benefits. The entity must demonstrate, among other things, the existence of a market for the production resulting from the intangible fixed asset or for the intangible fixed asset itself or, if it must be used internally, its usefulness;
- availability of appropriate resources (technical, financial, and other) to complete the development and use or sell the intangible fixed asset; and
- ability to reliably assess the expenditures attributable to the intangible fixed asset during its development.

In the light of the aforementioned conditions, the research and development expenses incurred by Quantum Genomics are not recorded in assets, given the uncertainties about technical feasibility and the prospects of future economic benefits.

The overall amount recorded in expenses for clinical trial subcontracting over the period was €1,534 K.

## 1.1.5 Long-term investments

### 1.1.5.1 *Investments in subsidiaries and equity interests*

The company has no subsidiaries or equity interests.

### 1.1.5.2 *Other long-term securities*

A liquidity contract was established with Aurel BGC on 10 April 2014 and then transferred to Invest Securities on 13 April 2015.

Number of securities at 30/06/2018:	99 308 shares
Purchase price:	€289 790,20
Valuation of securities at 30/06/2018:	€185 904,58
Total cash at 30/06/2018:	€68 074,80

Given that the price at 30 June 2018 is lower than the purchase price, a provision for impairment was recorded for €103 886.

## 1.1.6 Receivables

Les créances sont valorisées à leur valeur nominale. Une dépréciation est pratiquée lorsque la valeur d'inventaire est inférieure à la valeur comptable.

### 1.1.6.1 Classification by due date

STATEMENT OF RECEIVABLES (€)		Gross value	≤ 1 year	> 1 year
Receivables related to equity interests				
Loans				
Other long-term investments		37 531		37 531
Social security and other welfare agencies		106 302	106 302	
State and other public authorities	Corporate income tax	1 831 462	1 831 462	
	VAT	430 284	430 284	
	Other taxes, levies, and similar payments			
	Miscellaneous	7 000	7 000	
Group and partners				
Miscellaneous receivables (including receivables related to repos)		12 198	12 198	
Prepaid expenses		740 216	740 216	
<b>TOTAL</b>		<b>3 164 994</b>	<b>3 127 463</b>	<b>37 531</b>

The « Corporate income tax » line corresponds to the research tax credits (CIR) receivable for the 1<sup>st</sup> half of 2018 and financial year 2017 as well as accrued income relating to the definitive CICE and for the 1<sup>st</sup> half of 2018.

## 1.1.7 Inventories

### 1.1.7.1 Inventory situation

Inventory category	Gross	Impairment	Net value
Raw materials	€138 532	0	€138 532
Finished products			
In progress			

This is the inventory of active ingredients used to conduct our preclinical and clinical trials.

### 1.1.7.2 Inventories of purchased products

Raw material inventories are valued according to the FIFO method.

The purchase cost is the purchase price plus transport expenses.

### 1.1.7.3 Write-down methods

A provision for write-down of inventories is recorded on a case-by-case basis where appropriate.

## 1.1.8 Accrual accounts

### 1.1.8.1 Prepaid expenses

Prepaid expenses are composed of only ordinary expenses whose impact on earnings is carried forward to a later period.

Half-year prepaid expenses are made up of:

Property rentals	44 161 €
Studies and products invoiced but not yet produced	410 432 €
Social contribution	38 222 €
Various	69 612 €
Fees	21 275 €
Non-delivered raw materials	120 750 €
Insurances	35 764 €
	740 216 €

### 1.1.8.2 Unrealised foreign exchange losses

Expenses and income in foreign currencies are recorded at their euro equivalent at the date of the transaction.

Payables and receivables in foreign currencies are reported on the balance sheet at their euro equivalent, using the exchange rate in effect at the end of the period.

The difference arising from the discounting of foreign currency payables and receivables at that rate is recognised on the balance sheet in “currency translation adjustment”.

A provision for risks is set aside for all unrealised foreign exchange losses not offset by gains.

Items	Amount in foreign currencies	Valuation on date of transaction	Valuation at the close	Unrealised foreign exchange losses	Unrealised foreign exchange gains	Provision for foreign exchange losses
Trade payables	84 170 USD	€72 484	€72 008	€276	€752	€276
				€276	€752	€276

### 1.1.8.3 Accrued income

The details at 30 June 2018 are provide below :

Libellés	Montant (€)
Credit note to receive	11 016
State	7 000
Social security	106 302
<b>TOTAL</b>	<b>124 318</b>

### 1.1.9 Cash assets and other

Financial investments consist of term deposits for €8,000 K.

There was no need to establish a provision for impairment at 30 June 2018.

## 2.2 Equity & Liabilities

### 2.2.1 Statement of changes in shareholders' equity

Items (€)	31/12/2017	+	-	30/06/2018
Capital	4 393 771	225 883		4 619 654
Premiums related to capital, reserves and equity warrants	30 973 370	610 104	210 455	31 373 019
Retained earnings	- 17 114 468		9 381 174	- 26 495 642
Result of period at 31/12/2017	- 9 381 174	9 381 174		0
Resultat of period at 30/06/2018			6 208 060	- 6 208 060
<b>Total</b>	<b>8 871 499</b>	<b>10 217 161</b>	<b>15 799 689</b>	<b>3 388 971</b>

#### *Changes during the period*

The capital was composed of 11,554,373 shares at 30 June 2018.



	Number of shares	Capital Increase in €	Issue premium in €	BSA (Equity warrants) in €	Number of remaining stock warrants to be exercised
<b>Position at the beginning of the financial year</b>	10 989 392	4 393 772	30 441 603	348 863	8 581 066
Versement BSAR 2016 constatés au 31/12/2017				31	
Board of Directors' meeting of 08/03/2018 – Capital increase – Bonus share allocation	214 963	85 945			
Report of CEO decisions of 21/03/2018 – Issuance of 2197000 BSAA				500	2 197 000
Board of Directors' meeting of 06/04/2018 – Bonus share allocation – unavailable shares			- 5 997		
Board of Directors' meeting of 04/05/2018 – Capital increase – Bonus share allocation	10 000	3 998			
Report of CEO decisions of 15/06/2018 – Capital increase by exercising BSAR <sub>A</sub> 2018	270 000	107 951	485 549		- 270 000
Report of CEO decisions of 15/06/2018 – Capital increase by exercising BSAR 2016	2	1	15		- 4
Report of CEO decisions of 27/06/2018 – Capital increase by exercising BSAR <sub>A</sub> 2018	70 000	27 987	118 013		- 70 000
Report of CEO decisions of 27/06/2018 – Capital increase by exercising BSAR 2016	16	6			
Cancellation of bonus share following departure of employee AGA 07/2016 2				1 510	
Allocation of issue costs			- 114 515		
Variation of the period	564 981	225 889	484 574	531	1 856 996
<b>End of period position before grouping</b>	<b>11 554 373</b>	<b>4 619 661</b>	<b>30 926 177</b>	<b>349 394</b>	<b>10 438 062</b>

### Warrants (BSAs)

Warrants (BSAs)	Number of warrants subscribed	Number of warrants exercised since subscription	Number of warrants remaining to be exercised	Number of new shares attached to the warrants remaining to be exercised	Period of validity
BSA <sub>2009</sub> Award	2 022 870	1 615 891	406 979	101 737	10 years
BSA <sub>06-10</sub> Award	5 766 967	2 584 000	3 182 967	176 832	10 years
BSA <sub>06-12</sub> Award	1 120 000	145 000	975 000	54 167	10 years
BSA <sub>11-13</sub> Award	97 551		97 551	97 551	10 years
BSA <sub>11-13-2</sub> Award	298 542		298 542	298 542	10 years
BSAR <sub>2016</sub> Award	1 429 973	1 648	1 428 325	714 162	30 months
BSA <sub>2017</sub> Award	2 191 698		2 191 698	1 643 773	
BSA <sub>2018</sub> Award	2 197 000	340 000	1 857 000	1 857 000	
	15 124 601	4 346 539	10 438 062	4 943 764	

All the warrants (BSAs) subscribed as at June 30, 2018 give the right to purchase 4,943,764 new shares.

- the BSA<sub>2009</sub> allow 0.25 new shares to be purchased at the price of 0.3996 euros per share,
- the BSA<sub>06-10</sub> allow 0.055 new shares to be purchased at the price of 1.44 euros per share,
- the BSA<sub>06-12</sub> allow 0.055 new shares to be purchased at the price of 3.24 euros per share,
- the BSA<sub>11-2013</sub> allow 1 new share to be purchased at the price of 6.12 euros per share,
- the BSA<sub>11-2013-2</sub> allow 1 new share to be purchased at the price of 6.30 euros per share,
- the BSAR<sub>2016</sub> allow 0.5 new shares to be purchased at the price of 7.75 euros per share,
- the BSAR<sub>2017</sub> allow 0,75 new shares to be purchased at the price of 3.75 euros per share,
- Les BSA<sub>2018</sub> allow 1 new share to be purchased at the price of 2.73 euros minimum.

The number of shares after potential dilution is therefore 16,498,137 as of June 30, 2018.

### *Bonus share allocation*

The shareholders' meeting of December 22, 2015 authorized the Board of Directors for a period of 38 months to proceed with the allocation of bonus shares up to a limit of 10% of the share capital on the day of the decision of the Board of Directors.

The board of directors' meetings of March 2, 2016 and July 8, 2016 adopt the bonus share allocation plan for the benefit of salaried employees and corporate officers of the group.

Bonus share allocation	Bonus share allocation number as at 06/30/2018	% capital	Unavailable reserve (€)	Duration of vesting period	Deadline
Bonus share allocation AGA 07/2016-2	211 184	1,83%	84 435	33 months	08/03/2019
Bonus share allocation AGA 05/2017-2	10 000	0,09%	3 998	24 months	04/05/2019
Bonus share allocation AGA 08/2017-1	3 776	0,03%	1 510	12 months	22/08/2018
Bonus share allocation AGA 08/2017-2	3 776	0,03%	1 510	24 months	22/08/2019
Bonus share allocation AGA 04/2018	15 000	0,13%	5 997	12 months	12/04/2019
	247 515	2,14%	97 449		

The shares awarded will be issued by the Company upon expiry of a vesting period.

In 2017, the boards of directors accordingly decided to deduct the sum of €14,034 from the "issue premium" account in order to allocate it to an account known as a "reserve account for the purpose of definitive allocation of bonus shares".

On March 8, 2018, the Board of Directors noted the final completion of the capital increase of €85,944 (Bonus share allocation AGA 07-2016-1) by incorporation of the reserves. A stock holding period of 21 months was decided by the Board of Directors on July 8, 2016, the shares concerned are therefore non-transferable until December 8, 2019.

On May 4, 2018, the Board of Directors noted the final completion of the capital increase of €3,998 (Bonus share allocation AGA 05-2017-1) by incorporation of the reserves. A stock holding period of 12 months was decided by the Board of Directors on May 4, 2017, the shares concerned are therefore non-transferable until May 4, 2019.

On April 6, 2018, the Board of Directors decided to deduct the sum of €5,997 (Bonus share allocation AGA 04-2018) from the "issue premium" account in order to allocate it to a so-called "reserve account for the definitive allocation of bonus shares".

Following the departure of an employee whose allocation of bonus shares had been granted for €1,510, this amount was reallocated to the "issue premium" account.

## 2.2.2 Conditional advances

The accounts show:

- A conditional advance granted by OSEO (Bpifrance) in 2008 and whose characteristics are as follows:
  - Subject: "Preclinical development of a treatment for arterial hypertension, by inhibition of aminopeptidase A"
  - Total amount of aid: €740,000

The company has already reimbursed a lump sum of €212,500 as at June 30, 2017 and, only in case of technical success, it will have to repay the remaining amount of €527,500.

€37,500 has been reimbursed on 2018 first semester, €50,000 initially planned on June 30, 2018 has been reimbursed on July 2018. Consequently, it will have to repay the remaining amount of €440,000 according the following schedule :

Échéance	Remboursement
30/09/2018	50 000 €
31/12/2018	50 000 €
31/03/2019	50 000 €
30/06/2019	72 500 €
30/09/2019	72 500 €
31/12/2019	72 500 €
31/03/2020	72 500 €
<b>Total</b>	<b>440 000 €</b>

In addition, the company is committed to ensuring that the maximum repayment annuity corresponds to 49.75% of the revenue generated by the project in the previous calendar year, and the additional amounts thus paid will be deducted first and foremost from the last due date for OSEO (Bpifrance) or if necessary on the second to last date.

- A conditional advance granted by Bpifrance in 2014 and whose characteristics are as follows:
  - Subject: "Innovation assistance for the development and testing of the clinical efficacy of several combinations of QGC001 products with hypertensive agents. "
  - Total amount of aid: €260,000
  - Terms of payment of the aid:
    - After signing the contract: €200,000 (September 2014)

- At the completion of the work: €60,000 (paid in April 2016)

- Repayment schedule:

If successful, the advance will be reimbursed up to € 260,000, by quarterly installments according to the following schedule:

Année	Remboursement
2017	15 000 €
2018	35 000 €
2019	70 000 €
2020	110 000 €
2021	30 000 €
<b>Total</b>	<b>260 000 €</b>

At December 31, 2017, two payments of €5,000 were drawn, in other words €10,000 versus €15,000 as anticipated according to the schedule. The remaining €5,000 was taken at the beginning of the 2018 financial year.

Concerning the €35,000 planned in 2018, only €5,000 has been reimbursed during 2018 first semester.

It will have to repay the remaining amount of €240,000.

In addition, the company has committed that the maximum repayment annuity will correspond to 30% of the revenue generated by the project in the previous calendar year and that the additional amounts thus paid will be deducted in priority from the last due date for Bpifrance or if necessary on the second to last date.

Whatever the outcome of the study, the lump sum reimbursement will be at least € 100,000 according to the same schedule that will end on Monday, September 30, 2019.

- A conditional advance granted by Bpifrance on 09/28/2016 and whose characteristics are as follows:
  - Subject: "Innovation assistance for the clinical development of QGC001 products for heart failure and phase IIa study"
  - Total amount of aid: €800,000
  - Terms of payment of the aid:
    - After signing the contract: €480,000 (September 2016)
    - At the completion of the work: €320,000

- Repayment schedule:

If successful, the advance will be reimbursed up to €800,000, by quarterly installments according to the following schedule:

Année	Remboursement
2019	160 000 €
2020	160 000 €
2021	160 000 €
2022	160 000 €
2023	160 000 €
<b>Total</b>	<b>800 000 €</b>

Whatever the outcome of the study, the lump sum reimbursement will be at least €400,000 according to the same schedule that will end on Wednesday, June 30, 2021.

### 2.2.3 Provisions for risks and charges

Nature of Provisions	Amount at the beginning of the year	Increase: Allowances for the year	Decrease: Resumption of the financial	Amount at the end of the financial year
Provisions for litigation				
Provisions for guarantees given to customers				
Provisions for losses on futures markets				
Provisions for fines and penalties				
Provisions for foreign exchange losses	2 853	276	2 856	276
Provisions for pensions and similar obligations				
Provisions for taxes				
Provisions for replacement of fixed assets				
Provisions for major work				
Provisions for social and tax charges on leave to be paid*				
Other provisions for charges		58 526		58 526
<b>TOTAL</b>	<b>2 853</b>	<b>58 802</b>	<b>2 853</b>	<b>58 802</b>



The other provision for charges of €58,526 refers to bonus share allocation's employer's contribution which holding period has not yet ended.

## 2.2.4 Debts

### 2.2.4.1 Classification by due date

STATEMENT OF DEBTS (€)		Gross amount	1 year at most	Between 1 and 5 years	More than 5 years
Other bond loans					
Loans and debts with credit institutions	1 year maximum originally	1 249	1 249		
	More than 1 year originally				
Loans and other financial debts					
Trade accounts payable		4 547 997	4 547 997		
Personnel and related accounts payable		242 340	242 340		
Social security and other social welfare bodies		222 776	222 776		
State and other public authorities	Corporate income tax				
	Value added tax	3 313	3 313		
	Guaranteed bonds				
	Other taxes, duties and similar	38 349	38 349		
Debts on fixed assets and related accounts					
Group and partners					
Other debts (including those relating to repurchase transactions)		59 834	59 834		
Debt representing securities borrowed or pledged as collateral					
Prepaid income					
<b>TOTAL</b>		<b>5 115 858</b>	<b>5 115 858</b>		

#### 2.2.4.2 *Financial debts*

None

#### 2.2.4.3 *Charges to pay*

Libellés	Montant (€)
<b>VACATION/LEAVE TO PAY</b>	
Provisional leave	67 805
Provisioned social charges	31 869
<b>ACCRUED INTEREST</b>	
Banks	1 225
<b>OTHER CHARGES</b>	
Premiums to pay	89 072
Social charges on premiums to be paid	41 864
Social charges for attendance fees	17 220
Factures à recevoir	1 389 065
Invoices to be received	42 000
Other tax charges	38 349
<b>TOTAL</b>	<b>1 718 469</b>

#### 2.2.5 **Accrual account**

##### 2.2.5.1 *Composition of prepaid income*

As of June 30, 2018, there is no prepaid income.

##### 2.2.5.2 *Exchange rate differences reported as liabilities*

The exchange rate differences reported as liabilities reflect the impact of the conversion of debts into foreign currencies (see 2.1.8.2)

## 2 formation on the income statement

### 3.1 Operating subsidies

Subsidies are recognized in the income statement according to the actual progress of the projects for which they are granted.

The actual progress of the projects is assessed taking into account, on the one hand, the time spent by the employees and on the other hand the subcontracting costs assigned to the projects and covered by the grant.

There is no new operating subsidy that has been perceived by the company during the period.

### 3.2 Income tax

#### 3.2.1 Research tax credit

The research tax credit generated during 2018 first semester is €663,056.

It has been calculated taking into account the following elements:

- Compensation and corresponding compulsory social security contributions allocated to employees assigned to research taking into account the time actually spent on research activities. For the employee with the status of “young doctor”, this remuneration has been retained according to the text,
- Depreciation related to the Inserm license, and the fixed assets used for the research,
- Operating costs, the amount of which is set at a flat rate of 50% of staff costs (200% for “young doctors”) plus 75% of depreciation expenses related to fixed assets allocated to research activities,
- Subcontracting expenses billed as of June 30, 2018 by the approved “Research Tax Credit” organizations. For public bodies, the amounts have been doubled,
- Patent expenses billed as of June 30, 2018,
- Subsidies paid have been deducted.

### 3.2.2 Employment and Competition Tax Credit (CICE)

The provision for the CICE (Employment and Competition Tax Credit) recognized in the accounts of our company as of June 30, 2018 amounts to €6,029.

In the income statement, our entity retained the recognition of the CICE as a reduction of personnel costs.

In the balance sheet, it was charged to the Corporation Tax position in social and tax debts.

This “income” corresponds to the tax credit that will be claimed on the occasion of the declaration of the balance of the corporation tax.

It reflects the right to the CICE acquired by the company and relating to the eligible remuneration recognized during the financial year.

The CICE on 2017 remuneration, amounting to €6,029, partially contributed to the improvement of working capital.

### 3.3 Relief of future tax debt

The company has, after taking into account the result as of June 30, 2018, loss carry forwards of €42,110,825.

### 3.4 Leasing contracts

There is no current lease contract.

### 3.5 Attendance fees

The expenditure as of June 30, 2018 related to attendance fees is €77,220, including related social and tax charges.

## 4 Other information

### 4.1 Commitments received

None

### 4.2 Commitments given

None

### 4.3 Transactions with related parties

No information is given in respect of transactions between related parties to the extent that such transactions were entered into under normal market conditions.

### 4.4 Workforce as at 30 June 2018

	Salaried personnel
Executives	12
Non-executives	1
<b>Total</b>	<b>13</b>

### 4.5 End-of-career benefits

Given the size of the company and its seniority, the end-of-career benefits were not evaluated because they were deemed to be insignificant.

### 4.6 Auditors' fees

Auditors' fees billed on 06/30/2018	Amount (€)
As part of the statutory audit mission	10 500
For guidance and services in connection with services other than certification of accounts	
<b>Total</b>	<b>10 500</b>

# **QUANTUM GENOMICS**

Société Anonyme

Tour Maine Montparnasse - 33, avenue du Maine  
75015 Paris

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## **Limited review auditor's report on the financial statements on June 30, 2018**

For the period from January 1, 2018 to June  
30, 2018

# **QUANTUM GENOMICS**

Société Anonyme

Tour Maine Montparnasse – 33, avenue du Maine  
75015 Paris

## **Limited review auditor's report on financial statements on June 30, 2018**

For the period from January 1, 2018 to June 30, 2018

*This is a free translation into English of the Limited review auditors' report issued in French and is provided solely for the convenience of English speaking users. The Limited review auditors' report includes information specifically required by French law in such reports, whether modified or not.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Chief Executive Officer,

In our capacity as Statutory Auditor of Quantum Genomics and in response to your request, we have conducted a limited review of Quantum Genomics' half-year financial statements for the period from January 1 to June 30, 2018 as attached to this report.

These half-year financial statements have been drawn up under the responsibility of the Board of Directors. It is our responsibility, on the basis of our limited review, to express our conclusion on these financial statements.

We conducted our review in accordance with professional standards applicable in France. A limited review consists primarily of interviewing members of the management in charge of accounting and financial matters and implementing analytical procedures. This work is less extensive than that required for an audit carried out in accordance with professional standards applicable in France. As a result, the assurance that the accounts, taken as a whole, do not contain any material misstatements in a limited review is a moderate assurance that is less than that obtained in the course of an audit.

On the basis of our review, we have not identified any significant anomalies, in light of French accounting rules and principles, the fact that the financial statements present fairly the company's assets and financial position as at June 30, 2018, and the results of its operations for the period.

This report is governed by French law. The French courts have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this attestation.

Paris-La-Défense, October 3, 2018

The statutory auditor

**Deloitte & Associés**

Pierre-François ALLIOUX