HALF-YEAR FINANCIAL REPORT
AS OF JUNE 30, 2021

OSE IMMUNOTHERAPEUTICS

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OSE IMMUNOTHERAPEUTICS

STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

Mr. Alexis Peyroles, Chief Executive Officer of OSE Immunotherapeutics

Sworn statement:

"I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair picture of the assets and liabilities, financial position and net income of the Company and of all the companies included in its scope of consolidation, and that the half-year activity report faithfully reflects the significant developments in the first six months of the fiscal year, their impact on the half-year financial statements and main related-party transactions as well as providing a description of the main risks and uncertainties for the remaining six months of the fiscal year."

Paris, September 21, 2021

Mr. Alexis Peyroles
Chief Executive Officer of OSE Immunotherapeutics

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS
JUNE 30, 2021

OSE IMMUNOTHERAPEUTICS

FINANCIAL STATEMENTS
In euros

OSE IMMUNOTHERAPEUTICS SA

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Period from 01/01/2021-06/30/2021

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amount in €K)

ASSETS	Note	06/30/2021	12/31/2020
NON-CURRENT ASSETS			
R&D expenses acquired	1.1	52,161	52,600
Other intangible assets		11	-
Property, plant and equipment		916	947
Rights of use	1.2	1,926	2,848
Financial assets		942	581
Deferred tax assets		163	165
TOTAL NON-CURRENT ASSETS		***56,118***	***57,141***
CURRENT ASSETS			
Trade receivables		734	1,074
Other current assets	2.1	14,098	9,390
Cash and cash equivalents		27,264	29,368
TOTAL CURRENT ASSETS		***42,096***	***39,832***
TOTAL ASSETS		**98,214**	**96,973**

EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	4.1	3,657	3,597
Share premium	4.1	65,645	65,449
Treasury stock	4.4	(146)	(93)
Reserves and retained earnings		(5,363)	8,966
Consolidated result		(11,488)	(16,555)
TOTAL SHAREHOLDERS' EQUITY		***52,306***	***61,364***
NON-CURRENT DEBTS			
Non-current financial liabilities	5	21,753	16,552
Lease non-current liabilities	5	1,426	2,318
Non-current deferred tax liabilities	10.2	1,802	2,080
Non-current provisions	7	578	531
TOTAL NON-CURRENT DEBTS		***25,560***	***21,481***
CURRENT DEBTS			
Current financial liabilities	5	202	50
Lease current liabilities	5	544	594
Trade payables		13,082	10,286
Tax due liabilities		4	2
Current tax liability		2,789	2,108
Other debts and accruals	6.1	3,728	1,088
TOTAL CURRENT DEBTS		***20,349***	***14,128***
TOTAL LIABILITIES		**98,214**	**96,973**

STATEMENT OF COMPREHENSIVE INCOME

In €K	Note	First half 2021	First half 2020
Revenue	8.1	8,975	5,849
Other operating income	8.1	0	0
TOTAL REVENUES		**8,975**	**5,849**
R&D expenses	8.2	(13,980)	(9,087)
Overhead expenses	8.3	(3,413)	(2,672)
Expenses related to share-based payments	8.4	(2,724)	(1,176)
Depreciation, amortization & provision expenses		(439)	
OPERATING PROFIT/LOSS - CURRENT		**(11,580)**	**(7,085)**
Other operating expenses		0	0
OPERATING PROFIT/LOSS		**(11,580)**	**(7,085)**
Financial income	9	9	28
Financial expenses	9	(190)	(150)
PROFIT/LOSS BEFORE TAX		**(11,761)**	**(7,208)**
INCOME TAX	10.3	**273**	**4,094**
NET PROFIT/LOSS		**(11,488)**	**(3,114)**
Of which consolidated net result attributable to shareholders of consolidated entities		***(11,488)***	***(3,114)***
Net earnings per share attributable to shareholders of consolidated entities			
Weighted average number of shares outstanding	12	18,006,502	15,087,010
- Basic earnings per share (€/share)		(0.64)	(0.21)
- Diluted earnings per share (€/share)		(0.64)	(0.21)

In €K	First half 2021	First half 2020
NET RESULT	**(11,488)**	**(3,114)**
Amounts to be recycled in the income statement:		
Unrealized gains on securities available for sale, net of tax		
Currency conversion difference	19	(16)
Amounts not to be recycled in the income statement:		
Actuarial gains and losses on post-employment benefits (net of tax)	17	1
Other comprehensive income in the period	**36**	**(15)**
GLOBAL PROFIT/LOSS	**(11,452)**	**(3,129)**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

In €K	Share capital	Share premium	Cumulative impacts of exchange rate fluctuations	Own shares	Reserves and consolidated profit/(loss)	Total consolidated equity
CONSOLIDATED EQUITY AS AT DECEMBER 31, 2019	**3,001**	**48,497**	**(100)**	**(148)**	**7,286**	**58,536**
Consolidated result					(16,555)	(16,555)
Actuarial difference (net of tax)					(3)	(3)
Currency translation transactions			(4)			(4)
Global consolidated result	**0**	**0**	**(4)**	**0**	**(16,558)**	**(16,561)**
Capital variation - free shares	92	(92)				0
Capital variation	504	18,127				18,630
Capital increase fees		(1,083)				(1,083)
Share based payments					1,787	1,787
Own shares transactions				55		55
CONSOLIDATED EQUITY AS AT DECEMBER 31, 2020	**3,597**	**65,449**	**(104)**	**(93)**	**(7,485)**	**61,364**
Consolidated result					(11,488)	(11,488)
Actuarial difference (net of tax)					17	17
Currency translation transactions			19			19
Global consolidated result	**0**	**0**	**19**	**0**	**(11,471)**	**(11,452)**
Capital variation - share subscription warrants	8	187				195
Capital variation - founders' warrants	2	59				
Capital variation - free shares	50	(50)				0
ID impact on OPI patent conversion difference			2			2
Share based payments					2,060	2,060
Own shares transactions				(53)	128	75
CONSOLIDATED EQUITY AS OF JUNE 30, 2021	**3,657**	**65,645**	**(83)**	**(146)**	**(16,767)**	**52,306**

STATEMENT OF CASH FLOWS

	In €K		Note	First half 2021	First half 2020
	Consolidated result			**-11,488**	**-3,114**
+/-	Depreciation, amortization & provision expenses		1.2	586	132
+/-	Provision for pensions and retirement		7	66	83
+/-	Amortization on "right-of-use"		1.3	258	210
+/-	Calculated revenues and expenses linked to stock options and similar	**(1)**	8.4	2,060	905
	Cash flow after net borrowing cost and taxes			**-8,581**	**-1,784**
+	Net borrowing costs		5	210	137
+/-	Income tax expenses (including deferred taxes)		10.3	-273	-4,094
	Cash flow from operations before net borrowing cost and taxes (A)			**-8,581**	**-5,742**
-	Tax paid			0	-50
+/-	Working capital variation	**(2)**		1,984	-3,442
	CASH FLOW FROM OPERATING ACTIVITIES (D)			**-6,597**	**-9,233**
-	Purchases of property, plant & equipment and intangible assets		1.2	-127	-117
+	Receipts related to the sale of rights of use			792	0
+/-	Change in UCITS classified as current financial assets		2.1	0	0
+/-	Financial assets variation			-361	-308
	CASH FLOW FROM INVESTING ACTIVITIES (E)			**304**	**-425**
+	Capital increase (including share premium)		4.1	257	0
+/-	Capital increase costs		4.1	0	0
+	Proceeds from new borrowings		5	5,232	6,960
-	Loan repayment		5	-37	-141
-	Lease debt repayment	**(3)**	5	-1,098	-220
-	Net interest paid		5	-165	137
	CASH FLOW FROM FINANCING ACTIVITIES (F)			**4,198**	**6,736**
+/-	Impact of changes in foreign exchange rates (G)			0	0
	CASH VARIATION H = (D + E + F + G)			**-2,104**	**-2,922**
	CASH OPENING BALANCE (I)		2.1	29,368	25,842
	CASH CLOSING BALANCE (J)	**(4)**	2.1	27,264	22,920

In €K	First half 2021	First half 2020
Cash and cash equivalents according to IAS 7	27,264	22,920
AVAILABLE CASH	**27,264**	**22,920**

(1) *€2,060 thousand in valuation costs for free shares and founders' warrants awarded as of June 30, 2021.*

(2) *The change in working capital requirement was primarily due to the following:*
- *decrease in trade receivables for €340 thousand*
- *increase in other current assets for €4,708 thousand*
- *increase in trade payables for €2,796 thousand*
- *increase in tax and employee-related payables amounting to €681 thousand*
- *increase in other debts for €2,640 thousand*

(3) *This line relates to the application of IFRS 16 and corresponds to the repayment of lease liabilities amounting to €278 thousand.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION ON THE COMPANY PRESENTING THE FINANCIAL STATEMENTS

OSE Immunotherapeutics (the "Group" or the "Company") is a biotechnology company focused on developing innovative immunotherapies acting on activator or suppressor cells to stimulate or inhibit the immune response for immuno-oncology and autoimmune diseases and transplantation. It has a portfolio of innovative clinical and preclinical products and agreements with international pharmaceutical groups. The registered office of OSE Immunotherapeutics is in Nantes. Teams are based in Nantes and Paris.

OPI, a wholly-owned subsidiary of OSE Immunotherapeutics, is a company governed by Swiss law, founded in February 2012, which owns the rights to Tedopi® (OSE-2101), which it acquired from Biotech Synergy (US) in April 2012. OPI grants OSE Immunotherapeutics the license to Tedopi® (OSE-2101).

OSE Immunotherapeutics Inc. is a company governed by US law, founded in April 2017, in order to serve as a point of support for international scientific collaboration.

2. HIGHLIGHTS

2.1. Release of €1.3 million after reaching milestone 5 of the EFFIMab program

Following the completion of Phase 1 trials of OSE-127 and the achievement of BPI France's requirements, the Company received a repayable advance of €1.3 million in January 2021.

2.2. Signature of a loan agreement with the EIB for €25 million

In February 2021, the Company signed a loan agreement with the EIB for €25 million, which will be available in three tranches according to the criteria defined in the contract. The first tranche for €10 million was paid in the beginning of July 2021.

This loan will carry a fixed interest rate of 5% per annum and paid annually over a five-year maturity (each drawdown is treated separately in terms of maturity). The repayment of each tranche will therefore be made at the end of a period of five years after the date of disbursement of said tranche.

The loan agreement also contains an agreement to issue share subscription warrants to EIB for the first two tranches of the financing, in particular the issue of 850,000 share subscription warrants with

respect to the drawdown of the first tranche. An additional 550,000 share subscription warrants could be issued if OSE Immunotherapeutics draws down the second tranche of €10 million.

2.3. Authorization to start a randomized Phase 2 clinical trial evaluating Tedopi® in combination with pembrolizumab in ovarian cancer

In March 2021, OSE Immunotherapeutics and ARCAGY-GINECO announced that the French National Agency for Medicines and Health Products Safety (ANSM) and the French Central Ethic Committee (CPP) approved the initiation of a new Phase 2 clinical trial evaluating Tedopi® in patients with recurrent ovarian cancer (the TEDOVA trial). Tedopi® will be evaluated as a single agent and in combination with Keytruda® (pembrolizumab), a Merck checkpoint inhibitor, as maintenance therapy after chemotherapy in patients with ovarian cancer.

2.4. Authorization to launch a Phase 1 clinical trial with CoVepiT, its multi-target and multi-variant COVID-19 vaccine in April 2021 and first patient in May 2021

In April 2021, the Company received authorization from the Federal Agency for Medicines and Health Products (FAMHP) and the Belgian Ethics Committee for its Phase 1 clinical study evaluating CoVepiT, its COVID-19 vaccine, which will be conducted on 48 healthy volunteers, the first of which were enrolled in May 2021.

2.5. Signature of a worldwide licensing agreement with Veloxis Pharmaceuticals for the development, manufacture and marketing of FR104, a CD28 antagonist, in the organ transplant market.

At the end of April 2021, the Company and Veloxis Pharmaceuticals Inc., a subsidiary of Asahi Kasei, announced a worldwide licensing agreement that grants Veloxis Pharmaceuticals Inc. the worldwide rights to develop, manufacture, register and market FR104, a CD28 antagonist monoclonal antibody fragment, in all transplant indications. At the same time, OSE Immunotherapeutics retains all rights to develop FR104 in autoimmune diseases. Through this agreement, Veloxis plans to develop FR104 to offer a new therapeutic option in the prophylaxis of organ rejection in patients who have received a solid organ transplant.

Under this agreement, the Company will receive from Veloxis up to €315 million in potential milestone payments including a payment of €7 million due at signing, milestone payments related to development, registration and marketing of the product as well as royalties on potential future sales. Veloxis will bear all production, development and marketing costs for FR104 in transplant indications.

2.6. Secured new public funding of €10.7 million for the next stages of development of CoVepiT, the multi-target and multi-variant COVID-19 vaccine in Phase 1 clinical trials

In May 2021, the Company announced that it had obtained public funding of €10.7 million as part of the “Capacity Building” call for expressions of interest, operated on behalf of the French government by Bpifrance as part of the Future Investments Program (PIA) and the *France Relance* (French Recovery)

plan to support the development program of CoVepiT, its multi-variant COVID-19 vaccine in Phase 1 clinical trials.

2.7. Start of a Phase 2 clinical trial evaluating Tedopi® in combination with Opdivo® (Nivolumab) in non-small cell lung cancer

In May 2021, the Company and FoRT (Fondazione Ricerca Traslazionale) announced that they had received authorization from the Italian Medicines Agency (Agenzia Italiana del Farmaco, AIFA) and the Ethics Committee to start a new Phase 2 clinical trial evaluating Tedopi® in combination with Opdivo® or with chemotherapy as a second-line treatment in patients with metastatic non-small cell lung cancer.

2.8. Agreement signed with Cenexi for the production of clinical batches of CoVepiT, its second-generation multi-target COVID-19 vaccine

In June 2021, the Company and Cenexi, a French development and manufacturing subcontractor (CDMO), announced the signature of a contract under which Cenexi will be responsible for the production of clinical batches of CoVepiT, the COVID-19 vaccine developed by OSE Immunotherapeutics in a Phase 1 clinical trial, which will be used in the product's development phases.

2.9. Capital increases related to equity instruments

On June 17, 2021, the Company carried out the following capital increases (and presented in the appendices below):

- capital increase for €50,000 through the issue of 250,000 new shares in connection with the vesting of free shares;
- capital increase for €8,400 through the issue of 42,000 new shares in connection with the subscription through share subscription warrants;
- capital increase for €2000 through the issue of 10,000 new shares in connection with the subscription through founders' warrants;

After these transactions, the share capital amounted to €3,657,007.60.

2.10. Allocaction and issuance

During the first half of the year, the Company awarded 80,000 founders' warrants (see paragraph 4-2 of the consolidated financial statements).

2.1. Signature of a new commercial lease (office)

On May 25, 2021, the Company signed a new commercial lease agreement for offices located in Paris (place de la Catalogne) with an effective date scheduled for September 1, 2021.

2.2. Termination of a commercial lease located in Paris

During the month of June, the company terminated a commercial lease agreement relating to the offices located in Paris (avenue de Suffren - lot 1) with an effective date scheduled for the end of January 2022.

3.1. Basis of preparation of the consolidated financial statements

The condensed consolidated half-year financial statements of OSE Immunotherapeutics, the consolidating entity, and its subsidiaries, OPI and OSE Immunotherapeutics Inc ("the Group"), approved by the Board of Directors on September 21, 2021, are presented in thousands of euro and were prepared in accordance with the International Financial Reporting Standards IAS 34 "Interim financial reporting" as adopted by the European Union (regulation 1606/2002 of July 19, 2002) as of June 30, 2021.

In terms of the condensed financial statements, the consolidated half-year financial statements do not include all of the financial information required for full annual financial statements and must be read in conjunction with the Group's financial statements for the fiscal year ending December 31, 2020, subject to the specific procedures for preparing interim financial statements, as described below.

The Board of Directors adopted the going concern assumption, in view of the following:

Available cash as of June 30, 2021, which totaled €27,264 thousand, will enable the Company to fund its development costs over the next 12 months, particularly the following clinical and pre-clinical trials:

- Tedopi®;
- COVEPIT;
- FR104;
- OSE-127 whose development is partially funded by Servier up to Phase 2 under the licensing and license option agreement, as well as by the EFFIMAB consortium;
- OSE-172, whose development is funded by Boehringer Ingelheim under a collaboration and licensing agreement, and by the consortium EFFI-CLIN, supporting several development stages and a clinical program planned up to Phase 2.

Lastly, as a listed company, and as authorized by the last General Shareholders' Meeting, the Company has the option, if needed, to use the financial instruments to which listed companies have access.

3.2. Reporting date

Consolidated entities' reporting date is December 31 which is the Group's reporting date.

3.3. Standards and interpretations applicable from January 1, 2021

The Group applied the following standards and interpretations adopted by the European Union:

- Amendments to IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16 – Benchmark interest rate reform;
- Amendments to IFRS 4 - Extension of the temporary exemption from the application of IFRS 9.

3.4. Standards, amendments and interpretations adopted by the European Union and applicable to annual periods beginning on or after January 1, 2022, and not adopted in advance by the Company

The Company did not adopt in advance other standards, amendments, revisions and interpretations of published standards effective for annual periods beginning on or after January 1, 2022.
Management does not expect these standards to have a material impact on the Company's financial statements.

3.5. Key accounting estimates and judgments

The preparation of financial statements in accordance with IFRS requires judgments, estimates and assumptions to be made which affect the amounts and disclosures that appear in the financial statements. Actual results may prove to be very different from these estimates depending on the various assumptions or conditions and, where applicable, a sensitivity analysis may be carried out if the difference is significant.

Estimates and assumptions

- **Valuation of free share allocation plans (AGA), share subscription warrant plans (BSA) and founders' warrant allocation plans (BSPCE).**

The fair value of the free share plans, share subscription warrants and founders' warrants allocated is measured on the basis of a valuation model that takes into consideration the probability of the plans' vesting requirements being met.

The fair value of the share subscription warrants and Company founders' warrants granted is measured on the basis of actuarial valuation models. These models require the Company to use certain calculation assumptions such as the expected volatility of the share price (see Note 4.3).

- **Recognition of corporate tax**

The Company is liable to pay income tax in France for its business activities.
Deferred tax assets mainly relate to tax loss carryforwards which are only recognized to the extent that it is probable that future taxable profits will be available. The Group must use its judgment to determine the probability of the existence of future taxable profits.

These deferred tax assets are recognized within the limit of tax liabilities recognized in the form of deferred tax liabilities, payment of which may be avoided by the Company, and the thresholds provided for by tax legislation. (see Note 10).

- **Revenue recognition**

Within the context of a sale or licensing agreement, the Company may defer recognition of a portion of revenue, irrespective of the payments received (see Note 8.1). Determining the duration of this deferral requires the use of estimates.

- **Intangible assets arising from the acquisition of Effimune**

The fair value of intangible assets associated with the FR104 and OSE-127 molecules was estimated on the basis of business plans reflecting management's best estimate (see Note 1.1).

- **Estimation and recognition of R&D expenses provisioned under trade payables**

R&D expenses are systematically recognized as expenses as the research programs progress. Based on the information supplied by service providers or by work schedules provided for in contracts, on the reporting date, Management determines the progress of each of the research services on a pro rata basis and, where necessary, settles the expenses for the fiscal year.

4. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: NON-CURRENT ASSETS

1.1 Intangible assets

In €K	12/31/2020	Increase	Decrease	Amortization	06/30/2021
R&D expenses acquired	52,600	-	-	-439	52,161
	52,600	**-**	**-**	**-439**	**52,161**

As of June 30, 2021, no indications of impairment were identified in respect of the molecules acquired, despite the context of COVID-19.

As explained in Note 2.5, the Company sold the worldwide rights to develop, manufacture, register and market the FR104 molecule for all transplant indications. In accordance with IAS.38.97 which specifies that an asset must begin to be amortized when it can be used in the manner intended by management, the transfer of rights results in the start of the amortization of this molecule.

The amortization period corresponds to the end of the period during which the product (product, process, administration methods, etc.) is protected by intellectual property rights, in particular patents. This protection is provided until December 2036, excluding any extensions linked to the obtaining of marketing authorizations.

As of June 30, 2021, the amortization recorded in the financial statements amounted to €439 thousand.

Rights of use

OSE Immunotherapeutics identified one new lease (covered by the standard) in the first half of 2021 with the following characteristics:

- A lease for real estate in France. The incremental borrowing rate used was 2%.

The termination of the commercial lease for the offices located in Paris (lot 1) constituted a modification of the contract and resulted in an adjustment of the right of use for €792 thousand.

Rights of use break down as follows:

In €K	12/31/2020	Increase	Decrease	06/30/2021
Gross values (non-current assets)				
Nantes Lot 1 Lease	537	0	0	537
Nantes Lot 2 Lease	208	0	0	208
Nantes Lot 3 Lease*	0	12è	0	127
Paris Suffren Lease 1	1,198	0	792	406
Paris Suffren Lease 2	1,332	0	0	1,332
Leasing Cytek Cytometre	281	0	0	281
	1,943	**127**	**792**	**2,892**
Amortization				
Nantes Lot 1 Lease	207	51	0	258
Nantes Lot 2 Lease	61	17	0	78
Nantes Lot 3 Lease*	0	15	0	15
Paris Suffren Lease 1	255	66	0	321
Paris Suffren Lease 2*	148	73	0	222
Leasing Cytek Cytometre**	**37**	35	0	72
	251	**258**	**0**	**966**
Net values				
Nantes Lot 1 Lease	331	(51)	0	279
Nantes Lot 2 Lease	147	(17)	0	130
Nantes Lot 3 Lease*	0	112	0	112
Paris Suffren 1 Lease	942	(66)	0	84
Paris Suffren 2 Lease	1,184	(73)	0	1,110
Leasing Cytek Cytometre	245	(35)	0	209
	2,848	**(130)**	**792**	**1,926**

* ***effective lease date January 4, 2020***

NOTE 2: CURRENT ASSETS

2.1 Other current assets

Other current assets break down as follows:

In €k	06/30/2021	12/31/2020
Value-Added Tax **(1)**	2,128	1,049
Trade debtors **(2)**	40	100
Prepaid expenses **(3)**	3,455	2,496
Prepaid income **(4)**	621	571
Government - tax receivable **(5)**	-	54
Research tax credit **(5)**	7,854	5,120
Total	**14,098**	**9,390**

(1) Value-added tax includes VAT refund claims of €463 thousand, for FNP VAT of €709 thousand and €935 thousand for deductible VAT on services.
(2) "Trade debtors" mainly comprises €33 thousand of trade discounts and rebates receivable.
(3) Prepaid expenses are mainly composed of R&D expenses, including €398 thousand on OSE127 progress,

€510 thousand on OSE279 progress, €470 thousand on OSE172 progress, €919 thousand on COV19 progress and €754 thousand on the TEDOPI Phase 2 progress.

(4) "Prepaid income" mainly comprises grants receivable amounting to €498 thousand.

(5) The Research Tax Credit is composed of the tax receivable relating to the CIR 2020 for €5,120 thousand and the provision for the CIR for the first half of 2021 for €2,734 thousand.

NOTE 3: FINANCIAL ASSETS AND LIABILITIES AND IMPACT ON INCOME

The Company's financial assets were measured as follows as at June 30, 2021:

	06/30/2021				
In €k	**Statement of Financial Position**	**JV**	**JV per income statement**	**Loans and receivables**	**Liabilities at amortized cost**
Non-current financial assets	942	942		942	
Rights of use	1,926	1,926		1,926	
Trade receivables	734	734		734	
Other current assets	10,643	10,643		10,643	
Current financial assets	-	-	-		
Cash and cash equivalents	27,264	27,264		27,264	
Total financial assets	**41,508**	**41,508**	**-**	**41,508**	**-**
Non-current financial liabilities	21,753	21,753			21,753
Non-current lease liabilities	1,426	1,426			1,426
Current financial liabilities	202	202			202
Current lease liabilities	544	544			544
Trade payables	13,082	13,082			13,082
Total financial liabilities	**37,007**	**37,007**	**-**	**-**	**37,007**

	Impacts on the income statement at June 30, 2021	
In €k	Interest	Change in fair value
Assets in JV through income statement	0	0
Loans and receivables		
Assets at amortized cost		
Cash and cash equivalents	6	
Total	**6**	**0**
Lease liabilities at amortized cost		1
JV liabilities through income statement	0	
Liabilities measured at amortized cost	69	96
Total	**69**	**98**

NOTE 4: CAPITAL

4.1 Issued capital

Date	Nature of transactions	Capital in €	Issue premium in €	Number of shares created	Number of shares making up the capital	Nominal value in €	Stated capital in €
At December 31, 2019		**3,001,144**	**48,497,370**	**4,956,783**	**15,005,724**	**0.20**	**3,001,144**
March	Capital increase - Free Shares (1)	28,360	(28,360)	141,800	15,147,524	0.20	3,029,504
June	Capital increase - Free Shares (2)	30,000	(30,000)	150,000	15,297,524	0.20	3,059,504
June	Capital increase - Free Shares (3)	29,060	(29,060)	145,300	15,442,824	0.20	3,088,564
November	Capital increase (4)	503,518	18,126,641	2,517,589	17,960,413	0.20	3,592,082
November	Capital increase expenses net of tax (4)	0	(1,083,114)	0	17,960,413	0.20	3,592,082
December	Capital increase – Free Shares (5)	4,525	(4,525)	22,625	17,983,038	0.20	3,596,607
At December 31, 2020		**3,596,607**	**65,448,952**	**7,934,097**	**17,983,038**	**0.20**	**3,596,607**
June	Capital increase - share subscription warrants (1)	400	8,900	2,000	17,985,038	0.20	3,597,007
June	Capital increase - share subscription warrants (2)	6,000	133,500	30,000	18,015,038	0.20	3,603,007
June	Capital increase - share subscription warrants (3)	1,000	22,250	5,000	18,020,038	0.20	3,604,007
June	Capital increase – Founders' warrants(4)	2,000	59,400	10,000	18,030,038	0.20	3,606,007
June	Capital increase – Free Shares (5)	30,000	(30,000)	150,000	18,180,038	0.20	*3,636,007*
June	Capital increase – Free Shares (6)	20,000	(20,000)	100,000	18,280,038	0.20	*3,656,007*
June	Capital increase - share subscription warrants (7)	1,000	22,250	5,000	18,285,038	0.20	*3,657,007*
At June 30, 2021		**3,657,007**	**65,645,252**	**8,236,097**	**18,285,038**	**0.20**	**3,657,007**

(1) Capital increase carried out by exercising 2,000 share subscription warrants (2017)
(2) Capital increase carried out by exercising 30,000 share subscription warrants (2017)
(3) Capital increase carried out by exercising 5,000 share subscription warrants (2017)
(4) Capital increase carried out per exercise of 10,000 founders' warrants (2020)
(5) Capital increase through the acquisition and issuance of 150,000 free shares
(6) Capital increase through the acquisition and issuance of 100,000 free shares
(7) Capital increase carried out by exercising 5,000 share subscription warrants (2017)

On June 30, 2021, the share capital stood at €3,657,007. It is divided into 18,285,038 fully subscribed and paid up common shares with a par value of €0.20.

4.2 Equity instruments authorized but not issued

The Combined General Shareholders' Meeting of June 14, 2017, gave the Board of Directors full authority to increase the capital, on one or more occasions, by a maximum of 500,000 new shares.

At December 31, 2019, the Board of Directors had not yet allocated 69,913 of the 500,000 equity instruments.

The Combined General Shareholders' Meeting of June 13, 2018, gave the Board of Directors full authority to increase the capital, on one or more occasions, by a maximum of 500,000 new shares:

At December 31, 2020, the Board of Directors had not yet allocated 28,637 of the 500,000 equity instruments.

The Combined General Shareholders' Meeting of June 26, 2019, gave the Board of Directors full authority to increase the capital, on one or more occasions, by a maximum of 500,000 new shares:

At December 31, 2020, the Board of Directors had not yet allocated 35,500 of the 500,000 equity instruments.

The Combined General Shareholders' Meeting of June 16, 2020, gave the Board of Directors full authority to increase the capital, on one or more occasions, by a maximum of 500,000 new shares:

At December 31, 2020, the Board of Directors had not yet allocated 500,000 of the 500,000 equity instruments.

- On June 24, 2021, the Board of Directors decided to:
    - issue 80,000 founders' warrants (2021) to non-salaried, non-executive directors (i.e. 10,000 founders' warrants per director) (under the authority granted on June 16, 2020).

As of June 30, 2021, there remain:

- 28,637 equity instruments under the authority of the Combined General Shareholders' Meeting on June 13, 2018;
- 35,500 equity instruments under the authority of the Combined General Shareholders' Meeting on June 26, 2019;
- 420,000 equity instruments under the authority of the Combined General Shareholders' Meeting of June 16, 2020.

4.3 Share subscription warrants, founders' warrants and free shares

4.3.1 - Share subscription warrants/founders' warrants (BSA / BSPCE)

The Company issued the following share subscription warrant and founders' warrant plans:

Type	*Creation date*	*Exercise price*	*Subscription period*	*Total created*	*Subscriptions during the fiscal year*							*Total subscribed and/or exercised at 06/30/2021*
					2015 and earlier	*2016*	*2017*	*2018*	*2019*	*2020*	*06/30/2021*	
Share subscription warrants and founders' share warrants												
Share subscription warrants 2012	11/29:2013	€1	11/29/2013-02/28/2014	40,000	40,000		-					40,000
Share subscription warrants 2014-1	06/02/2014	€8	06/02/2014-06/30/2014	118,649	118,649		-					118,649
Share subscription warrants 2014-2	07/01/2014	€8	07/01/2014-07/16/2014	33,333	33,333		-					33,333
Share subscription warrants 2014-3	03/27/2015	€8	03/27/2015-09/30/2016	120,000	100,000	10,000	--					110,000
Share subscription warrants 2014-4	03/27/2015	€8	Not determined	125,000	36,744	88,256	-					125,000
Share subscription warrants 2014-5	03/27/2015	€8	04/01/2016-10/01/2016	25,000	-	25,000	-					25,000
Share subscription warrants 2014-7	12/01/2015	€8	12/01/2015-09/30/2016	50,000	-	39,000	-					39,000
EFFIMUNE share subscription warrants 2010-2	10/29/2010	€5.8	12/08/2011-12/07/2016	23,620	23,620		-					23,62°
EFFIMUNE share subscription warrants 2014-2	07/01/2014	€7	07/01/2014-11/24/2019	30,700		30,700	-					30,7000
EFFIMUNE share subscription warrants 2014-1	11/25/2014	€7	11/25/2014-11/24/2019	3,500		3,500	--					3,500

Share subscription warrants 2015	03/27/2015	€10.8	03/27/2015-05/30/2015	136,222	136,222		-					136,222
Share subscription warrants 2017	07/18/2017	€4.65	07/18/2017-07/19/2021	52,000			30,000	12,000				42,000
Founders' share warrants 2018	06/13/2018	€4.17	06/13/2018-06/13/2023	25,900				25,900				25,900
Share subscription warrants 2018	06/13/2018	€4.17	06/13/2018-06/13/2023	42,850								-
Founders' share warrants 2019	06/26/2019	€3.58	06/26/2019-06/26/2024	60,000					60,000			60,000
Founders' share warrants 2020	06/17/2020	€6.14	06/17/2020-06/17/2025	70,000						70,000		70,000
Founders' share warrants 2021	06/24/2021	€11.05	06/24/2021-06/24/2026	80,000							80,000	80,000
Total share subscription warrants and founders' share warrants				1,036,774	488,568	196?456	30,000	37,900	60,000	70,000	80,000	962,924

The table below specifies the assumptions used for the valuation of the share subscription warrant and founders' warrant plans set up for previous years:

	Share subscription warrants 2017	Share subscription warrants 2018	Founders' share warrants 2018	Founders' share warrants 2019	Founders' share warrants 2020
Date of GM establishing plan	05/31/2016	06/14/2017	06/14/2017	06/13/2018	06/26/2019
Number of authorized shares	52,000	42,850	25,900	60,000	70,000
Subscription price	€0.60	€0.70	€0.00	€0.00	€0.00
Subscription date	07/18/2017	06/13/2018	06/13/2018	06/26/2019	06/17/2020
Vesting of share subscription warrants	On subscription	On subscription	On subscription	On subscription	On subscription
Exercise price	€4.65 /	€4.17	€4.65	€3.58	€6.14
Option type	US share	US share	US share	US share	US share
Spot rate	€4.05	€4.09	€4.09	€3.52	€6.16
Maturity	4 years	5 years	5 years	5 years	5 years
Volatility	46.98%	47.08%	47.08%	44.67%	50.05%
EUR interest rate	0.1494%	0.3812%	0.3812%	0.2062%	0.3107%
Dividend yield	0%	0%	0%	0%	0%
Estimated fair value per share subscription warrant	1.30	1.64	1.64	1.32	2.59
Number of options subscribed	42,000	0	25,900	60,000	70,000
Subscription price	0.60	0.70	0.00	0.00	0.00
Number of options exercised	-	-	-	-	-
Contractual expiration date	07/17/2021	06/13/2023	06/13/2023	06/26/2024	06/17/2025
Vesting period	none	none	none	none	none

During the first half of 2021, the Group implemented the plan described below:

- The Board of Directors decided to issue a total of 80,000 founders' warrants (2021), i.e. 10,000 founders' warrants for each non-salaried non-executive director in office on June 24, 2021.

	2021 subscription share warrants
Date of GM establishing plan	06/24/2021
Number of authorized shares	80,000
Subscription price	€0.00
Subscription date	06/24/2021
Vesting of share subscription warrants/founders' warrants	On subscription
Exercise price	€11.05/share
Option type	American share
Spot rate	€11.32
Maturity	5 years
Volatility	53.94%
EUR interest rate	-0.2509%
Dividend yield	0%
Estimated fair value per share subscription warrant/founders' share warrant	5.17
Number of options subscribed	80,000
Subscription price	0.00
Number of options exercised	
Contractual expiry date	06/24/2026
Vesting period	none

4.3.2 – FREE SHARES

The Company issued the following free share plans:

Allocation date	Exercise period	Total allocated	Exercised during S1 2021	Total non-exercised and expired
Free Share Allocation				
06/17/2020	06/17/2020-06/17/2021	150,000	150,000	
06/17/2020	06/17/2020-06/17/2021	100,000	100,000	
12/08/2020	12/08/2020-12/08/2021	11,363		
12/18/2020	12/18/2020-12/18/2021	244,500		
Total Free share allocation		**505,863**	**250,000**	

On June 17, 2020, the Board of Directors allocated free shares with the following characteristics:

Allocation to Nicolas Poirier:

- Number of shares allocated (existing or to be issued): 100,000,
- Value of the share on the allocation date (according to the market price): €6.16,
- Vesting period and employment requirement: 1 year,
- Lock-up period: 1 year.

This allocation was exercised on June 17, 2021 with a capital increase of €20,000 and the issue of 100,000 new shares.

Allocation to Alexis Peyroles:

- Number of shares allocated (existing or to be issued): 150,000,
- Value of the share on the allocation date (according to the market price): €6.16,
- Vesting period and employment requirement: 1 year,
- Lock-up period: 1 year.

This allocation was exercised on June 17, 2021 with a capital increase of €30,000 and the issue of 150,000 new shares.

On December 8, 2020, the Board of Directors allocated free shares with the following characteristics:

Allocation to Alexis Peyroles:

- Number of shares allocated (existing or to be issued): 11,363,
- Value of the share on the allocation date (according to the market price): €7.24,
- Vesting period and employment requirement: 1 year,
- Lock-up period: 1 year.

On December 18, 2020, the Board of Directors allocated free shares with the following characteristics:

Allocation to employees:

- Number of shares allocated (existing or to be issued): 244,500,
- Value of the share on the allocation date (according to the market price): €7.4,
- Vesting period and employment requirement: 1 year,
- Lock-up period: 1 year.

4.3.3 - Corporate officers, employees and consultants

The expense recognized on June 30, 2021, for share-based payments to corporate officers, employees and consultants stood at €2,060 thousand exclusively associated with the 2020 free share allocation plans and the 2021 founders' warrant plan.

The employer's contribution in relation to free shares stood at €664 thousand. Thus, expenses associated with share-based payments totaled €2,724 thousand.
All these benefits were granted to corporate officers, employees and consultants.
Share subscription warrants/founders' warrants measured at the fair value of the options determined using the Bjerksund & Stensland model.
Free share allocations were measured using a model that considers the probability of achieving related vesting conditions.

The valuation of the conditions of the plans was measured by an external service provider.

NOTE 5: FINANCIAL LIABILITIES

Financial liabilities are presented in the table below which distinguishes between non-current and current liabilities:

*This column includes the recurring and non-recurring breakdown as well as IFRS 9, IAS 20 and IFRS 16 restatements for the year.

In €k	12/31/2020	Increase	Decrease	Other transactions *	06/30/2021	Interest at 06/30/2021
BPI EFFIMAB advance	3,290	1,361			4,651	(35)
BPI EFFICLIN Advance	6,302	80			6,382	(80)
P2RI Loan						
BPI EFFIDEM Advance						
Loan guaranteed by the French State	6,960			(147)	6,813	
COVEPIT BPI Advance		908			908	
CAPACITY/COVEPIT 2 BPI Advance		3,000			3,000	
Non-current financial liabilities	**16,552**	**5,349**		**(147)**	**21,753**	**(115)**
Nantes Lot 1 Lease	228			(52)	176	
Nantes Lot 2 Lease	114			(18)	96	
Nantes Lot 3 Lease		99		(15)	84	
Paris Suffren Lease 1	793		(793)		(0)	
Paris Suffren Lease 2	1,015			(77)	938	
Leasing Cytometre	168			(35)	133	
Non-current lease liabilities	**2,318**	**99**	**(793)**	**(197)**	**1,426**	
BPI EFFIMAB Advance						
BPI EFFICLIN Advance						
P2RI Loan						
BPI EFFIDEM Advance	38		(20)	(1)	17	1
Loan guaranteed by the French State	11	44	(17)	147	185	(49)
COVEPIT BPI Advance						
CAPACITY/COVEPIT 2 BPI Advance						(1)
Bank overdrafts	1		(0)		0	
Current financial liabilities	**50**	**44**	**(38)**	**146**	**202**	**(50)**
Nantes Lot 1 Lease	117		(51)	52	118	(3)
Nantes Lot 2 Lease	40		(17)	18	41	(1)
Nantes Lot 3 Lease		29	(13)	15	31	(1)
Paris Suffren 1 Lease	176		(160)	69	84	(9)
Paris Suffren 2 Lease	182		(69)	77	190	(11)
Leasing Cytometre	78		(34)	35	79	(2)
Current lease liabilities	**594**	**29**	**(345)**	**266**	**544**	**(29)**
Total financial liabilities	**19,513**	**5,520**	**(1,175)**	**68**	**23,926**	**(194)**

The table below shows the schedule of financial liabilities:

In K€	Less than 1 year	June 2023	June 2024	June 2025	June 2026 and after	Total
BPI EFFIMAB advance					4,651	**4,651**
BPI EFFICLIN Advance			233	1,072	5,077	**6,382**
BPI EFFIDEM Advance						**17**
P2RI Loan						
BPI EFFIDEM Advance	17					**6,382**
Guarenteed loan	185	1,759	1,745	1,732	1,576	**17**
COVEPIT BPI Advance	-			166	742	**908**
CAPACITY/COVEPIT BPI Advance	-		740	981	1,279	**3,000**
Financial liabilities	**202**	**1,759**	**2,718**	**3,951**	**13,324**	**21,956**
Nantes Lot 1 Lease	118	103	73	-		**294**
Nantes Lot 2 Lease	41	35	35	26		**137**
Nantes Lot 3 Lease	31	30	31	22		**114**
Paris Suffren Lot 1 Lease	84					**84**
Paris Suffren Lot 2 Lease	190	152	149	146	490	**1,128**
Leasing Cytomètre	79	69	64	-	-	**212**
Lease liabilities	**544**	**390**	**352**	**195**	**490**	**1,970**
Total financial liabilities	**746**	**2,149**	**3,070**	**4,146**	**13,815**	**23,926**

Lease liabilities (see Note 1.2)

Repayable advances

The amount of repayable advances indicated corresponds to the amounts received by the Company. However, their repayment is subject to the success of the product developed in each of the funding programs.

French Government-guaranteed loan

To address the financial consequences of the COVID-19 pandemic, on May 5,2020 a French Government-guaranteed loan of €6,960,000 was granted, split between three banks (CIC, CM and BNP).

These loans meet the conditions of the Rectifying Finance Law for 2020, n°2020-289, of March 23, 2020, and the specifications defined in the decree dated March 23, 2020, providing the French

Government guarantee to credit and financial institutions under that law.

This funding is one-year cash loan immediately made available to the borrower for the full amount on the date that the funds are transferred into their current account. Capital will be repaid and interest and ancillary costs paid in a single installment on the annual repayment date, with the option for the borrower to apply to spread the outstanding amount due on the repayment date over a further four years. Management exercised the option allowing it to repay this loan with a 5-year maturity.

The optional amortization amendments to the Government- guaranteed loans for the exercise of the option to spread the repayment over 5 years were signed on March 29, 2021 (Crédit Mutuel), March 30, 2021 (BNP) and March 31, 2021 (CIC).

The funds received and conditions are as follows:

- Crédit Mutuel = €2,300,000 received on May 6, 2020. 48 monthly payments with a first due date on June 5, 2022 and a final payment date on May 5, 2026. (Fixed rate: 0.70% / APR: 1.39% per year).

- BNP = €2,300,000 received on May 6, 2020. 48 monthly payments with a first due date on June 5, 2022 and a final payment date on May 5, 2026. (Fixed rate: 0.70% / APR: 1.39% per year).

- CIC = €2,360,000 received on May 18, 2020. 48 monthly payments with a first due date on June 15, 2022 and a final payment date on May 15, 2026. (Fixed rate: 0.70% / APR: 1.39% per year).

NOTE 6: CURRENT DEBTS

6.1. Other current debts

In €K	06/30/2021	12/31/2020
Deferred income	3,730	1,087
Miscellaneous	-2	1
Total other debts and accruals	**3,728**	**1,088**

The €2.64 million increase in deferred income was mainly due to:

- The recognition of deferred income of €2,208 thousand under the new collaboration and licensing agreement signed with VELOXIS relating to vials of the active ingredient of FR104 which were delivered in July 2021.

- Deferred income of €341 thousand under the collaboration and licensing agreement signed with Boehringer Ingelheim (OSE 172), corresponding to the estimated costs still to be incurred by the Group in the second half of 2021.

NOTE 7: CURRENT AND NON-CURRENT PROVISIONS

Provisions break down as follows:

(1) of which the effect of actuarial gains and losses of €19 thousand.

In €K	12/31/2020	Increase	Decrease	06/30/2021
Provision for pension commitments (1)	531	47		578
	531	**47**	**-**	**578**

Provision for pension commitments

The provision for pension commitments was measured in accordance with the applicable collective agreement, i.e. the pharmaceutical industry collective agreement. The assumptions made were as follows:

- Mortality table: regulatory table TH (men)/TF (women) 00-02,
- Estimated retirement age: 65,
- Ratio of wage increases: 2%,
- Staff turnover: low turnover,
- Discount rate: 1.09%,
- Social security contribution rates: between 36% and 45% depending on the category.

On June 30, 2021, the average monthly headcount stood at 53 compared with 43 on December 31, 2020.

NOTE 8: OPERATING INCOME

8.1. Revenue from collaboration agreements

As of June 30, 2021, the breakdown of operating income is as follows:

In €k	First half 2021		First half 2020	
	Revenue	Deffered income	Revenue	Deffered income
BI Agreement				
Disposal of IP				
Re-invoicing of direct costs	1,931	341	1,917	1,124
Servier agreement				
Milestone			1,543	1,812
Re-invoicing of clinical batch production	412		1,876	
Veloxis contract				
Upfront	6,632	368		
Reagent sales		1,840		
CKD agreement				
Distribution license			500	
Créapharm				
Re-invoicing of expenses			13	
Total	**8,975**	**2,549**	**5,849**	**2,937**

Revenue stood at €8,975 thousand and comprised:

- €1,931 thousand for re-invoicing of expenses as provided in the agreement signed with Boehringer Ingelheim (BI).
- €412 thousand related to the re-invoicing of production costs for clinical batches and part of the intellectual property costs to Servier.
- €6,632 thousand corresponding to the revenue recognition of part of the amount of the upfront received on April 28, 2021 following the signature of the contract with Veloxis on April 24, 2021 for €7,000 thousand of which €368 thousand relating to the margin of 20% on the sale of reagents (for €1,840 thousand) and recognized in deferred income.

For deferred income, see Note 6.1. Other current debts.

8.2. Research and development expense

R&D expenses in €K	06/30/2021	06/30/2020
Subcontractor	10,512	8,459
Fees	1,364	952
Small equipement	564	331
Advertising and press relation	67	47
Charges	1,683	3
Payroll expenses	2,833	2,024
Depreciation and provisions	149	107
Taxes	34	22
Others	88	109
R&D expenses	**17,293**	**12,054**
CIR	(2,734)	(2,737)
Subsidy income	(580)	(231)
Total R&D expenses adjusted	**13,980**	**9,087**

Subcontracting expenses increased compared to 2020. They are mainly composed of the costs of Phase 2 clinical trials of OSE-127, the Phase 3 costs of Tedopi, and the general and Phase 1 costs of OSE-172, the CMC costs of Cov19 and the costs of OSE279.

The increase in fees is correlated with the increase in intellectual property fees, in line with the evolution of the patent portfolio, mainly on OSE127 and OSE279.

The increase in charges is exclusively due to the provision for the FR104 charge for €1,680 thousand.

The increase in employee benefits expenses is mainly due to the increase in the number of employees assigned to R&D.

The increase in provisions is mainly due to the new Cytometer lease (beginning on June 24, 2020) restated in accordance with IFRS 16 (see note 1.3).

After deduction of the CIR, the total amount of R&D expenses therefore increased by €4,893 thousand.

8.3. Overhead expenses

Overhead expenses in €K	06/30/2021	06/30/2020
Storage sub-contracting	3	0
Fees	1,609	810
Small equipment	10	63
Advertising and press relation	33	7
Payroll expenses	1,116	1,283
Depreciation and provisions	256	237
Charges	4	4
Taxes	47	37
Board fees	158	88
Others	178	142
Total overhead expenses	**3,413**	**2,672**

The fees consist of various expenses (legal, accounting, financial communication, listing, etc.) which have increased compared to 2020. This increase is due to a significant effort made by the Company on investor/shareholder communication, in addition to recruitment firm fees and lawyers' fees relating to the EIB application.

8.4. Employee benefits expense

Employee benefits expense charged to R&D expenses for an amount of €2,833 thousand and overheads for €1,116 thousand, as well as attendance fees of €158 thousand break down as follows:

In €K	06/30/2021	06/30/2020
Salary and wage benefits	3,882	3,225
Directors' fees	158	88
Pension commitments	66	82
	4,106	**3,395**
Expenses related to employee share-based payments	2,414	995
	2,414	**995**

On June 30, 2021, the average monthly headcount stood at 53 compared with 43 on December 31, 2020.

NOTE 9: NET FINANCIAL INCOME

In K€	H1 2021	H1 2020
Foreign exchange gain	2	19
Revenue on cash equivalents	6	8
Other financial income	0	0
Reversal of the foreign exchange loss	1	0
Change in fair value of marketable securities	0	0
Total financial income	**9**	**28**
Foreign exchange loss	7	9
Interest expense	181	110
Research Tax Credit prefinancing interest	1	29
Interest on lease liabilities	0	0
Provision for impairment of marketable securities	0	2
Total financial expenses	**190**	**150**
Total Financial income	**(181)**	**(121)**

The decrease in net financial income was mainly due to:

- The increase in interest expense to €181 thousand is mainly explained by the interest on the EFFIMAB and EFFICLIN repayable advances and on Government-guaranteed loan.

NOTE 10: CORPORATE TAX

10.1. Deferred tax assets

The Company recognized a deferred tax asset for OPI (Swiss subsidiary) valued at €1.16 million calculated on the basis of a 13.99% tax rate (Swiss rates under ordinary law applied since January 1, 2020).

At June 30, 2021, deferred tax assets stood at €163 thousand.

10.2. Net deferred tax liabilities

Given its level of development, the Company only recognizes deferred tax assets in the amount of its tax liabilities recognized as deferred tax liabilities, payment of which may be avoided by the Company, even in the absence of any profit forecast. As of June 30, 2021, tax loss carryforwards amounted to €69.12 million.

In 2016, the Company recognized a deferred tax liability for the FR104 and OSE-127 molecules, valued at €52.6 million. Consequently, the Company recognized its deferred tax assets at the level of its deferred tax liabilities. As at December 31, 2018, the net deferred tax liability amounted to €2,010 thousand.

Since January 1, 2019, under the 2019 finance act modifying the tax regime for income from the sale or licensing of patents, the Company applied a deferred tax rate of 10% when calculating deferred tax liabilities and assets generated in France.

In light of the administrative clarifications of April 22, 2020, profits eligible for the preferential regime may be offset against tax loss carryforwards as of December 31, 2019. As a result, deferred tax assets on tax loss carryforwards were recognized in the amount of deferred tax liabilities (with the application of the cap on the allocation of tax loss carryforwards). Deferred tax assets on tax loss carryforwards not recognized at June 30, 2021 amounted to €3,454 thousand.

As a result, as of June 30, 2021, the net deferred tax liability amounted to €1,802 thousand.

10.3. **Income tax expense**

At June 30, 2021, the Group generated income (net of tax) of €273.4 thousand which breaks down as follows:

- Deferred tax income of €274.5 thousand mainly relating to:
    - A decrease in the deferred tax liabilities of €278.8 thousand between December 31,

2020 and June 30, 2021 (including a €1.1 thousand increase in the deferred tax liability on cancellation of Euronext fees and €278 thousand of additional losses carried forward after taking into account the VELOXIS contract.

- A decrease in deferred tax liabilities of €4.3 thousand between December 31, 2020 and June 30, 2021 related to the OPI patents following a change in the tax rate under Swiss common law from January 1, 2020 (from 24.16% to 13.99%).

- Current tax expense for €1 thousand.

The tax proof breaks down as follows:

OSE IMMUNO CONSOLIDATED RESULT (IFRS) 06/30/2021	
Net income before tax	(11,762)
Tax rate	10%
Theoretical tax	1,176
Permanet differences	511
Swiss tax rate	(4)
Other tax or tax credit	(1)
Deffered tax on recognized deficit	(0)
Deffered tax on non-recognized deficit	(1,409)
Other	(1)
Income tax	273
Income tax accounted	(273)
Net effective tax rate	*2.32%*

NOTE 11: COMMITMENTS

11.1. Other off-statement of financial position commitments

As part of the initial transaction for the acquisition of Memopi® (including Tedopi®) assets from the pharmaceutical company Takeda, the Company agreed to pay an earn-out when its product was registered, then no more than single-digit royalties on future sales.
The following commitments were transferred to the Company through merger.

Collateral pledged

Interest-bearing bank account pledged to Crédit Mutuel as collateral, amounting to €10 thousand

Interest-bearing bank account pledged to CIC as collateral, amounting to €146 thousand

Interest-bearing bank account pledged to CIC as collateral, amounting to €161 thousand

Guarantees given

€18 thousand lease payment guarantee to CIC

Guarantees received

The Company received a guarantee from Bpifrance covering 70% of the original amount of its loans from BNP, Crédit Mutuel and CIC, for €375 thousand each. The outstanding principal at June 30, 2020, amounted to €70 thousand.

The Company does not have any other off-statement of financial position commitments.

NOTE 12: EARNINGS PER SHARE

Earnings per share are calculated by dividing consolidated net income by the weighted average number of shares outstanding in the fiscal year.

Result per share	H1 2021	H1 2020
Profit (loss) for the period (€K)	- 11,488	- 3,114
Weighted average number of shares outstanding	18,006,502	15,087,010
Basic earnings per share (€/share)	- **0.64**	- **0.21**

The weighted average number of shares at June 30, 2021 takes into account the capital increases during the fiscal year.

The allocations of share warrants, founders' warrants and free shares have no dilutive effect on earnings per share.

NOTE 13: FINANCIAL RISK MANAGEMENT

The Group's main financial instruments are in cash. These instruments are managed for the purpose of funding the Company's activities. The Group's policy is not to subscribe for financial instruments for speculative purposes. The Group does not use any financial derivatives.

The main risks to which the Company is exposed are liquidity risk, foreign exchange risk and interest rate and credit risk. No change was recorded between December 31, 2019 and June 30, 2021.

NOTE 14: RELATED PARTIES

14.1. Compensation of management and members of the Board of Directors

No post-employment benefits were granted to members of the Board of Directors.

Compensation paid to management and members of the Board of Directors breaks down as follows:

In K€	06/30/2021	06/30/2020
Salaries and other short-term advantages*	751	675
Directors' fees	158	88
Share base payment**	1,163	533
Fees	6	6
Total	**2,078**	**1,302**

** Excluding social charges*

*** Relating to the allocation of free shares and share subscription and founders' warrants*

Methods used to measure the benefit of share-based payments are shown in Note 4.3.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

15-1 The Company received a €10 million payment as the first tranche of the loan granted by the European Investment Bank.

In early July 2021, the Company announced the payment of €10 million under the first tranche of the loan (of €25 million) granted by the European Investment Bank (EIB) on February 12, 2021.

This type of financing, granted by the EIB, and benefiting from a guarantee from the European Commission under the European Fund for Strategic Investments (known as the "Juncker Plan"), aims to support developed research and innovation projects developed by companies with strong growth potential.

This first tranche bears fixed annual interest of 5%, paid annually, over a five-year maturity.

The first tranche is accompanied by the issue of share subscription warrants (BSA) to the EIB giving the right, in the event they are exercised, to subscribe to 850,000 shares of the Company (i.e. 4.44 % of the share capital on an undiluted basis). No application has been made for the warrants to be admitted to trading on any market.

The subscription price is €0.01 per share subscription warrant, i.e. €8,500.

To limit the dilutive impact over time, and except in the event of an early exercise (in particular a change of control, including the loss of a significant holding by the current executive shareholders, or other events of default, including the significant modification of the current governance not approved by the EIB) the warrants will only be exercisable from July 9, 2026, i.e. five years from the drawdown of the tranche in question and no later than after 12 years following their issue (i.e. July 9, 2033).

The subscription price of the new shares upon exercise of the warrants was set at €10.59 per share, i.e. a discount of 2.5% compared to the weighted average price of the last three trading sessions preceding the setting of the issue price.

15.2 Voluntary suspension of enrollments in the Phase 1 clinical trial of CoVepiT

In July 2021, the Company announced the temporary voluntary suspension of the enrollment and administration of CoVepiT, its prophylactic COVID-19 vaccine candidate, in the ongoing Phase 1 clinical trial.

The Company informed the Belgian health authorities that the Company is voluntarily suspending the ongoing clinical trial of CoVepiT conducted on healthy volunteers. This suspension was decided after a preliminary assessment by the Principal Investigator at the Vaccinology Center of the Ghent University Hospital. This assessment includes a limited number of grade 1 adverse events and one grade 2 adverse event, specifically persistent injection site nodules (subcutaneous, no pain, no inflammation, no fever, no impact on daily life and no systemic symptoms).

15.3 Termination of a commercial leases

The company will terminate the commercial lease for the offices located in Paris (lot2).

HALF-YEAR ACTIVITY REPORT

OSE IMMUNOTHERAPEUTICS

I. COMPANY ACTIVITY IN THE FIRST HALF OF 2020

1.1 Position and development of the Company's business over the fiscal year

1.1.1 Capital structure at June 30, 2021

As of June 30, 2021, the Company's share capital was €3,657,007.80, divided into 18,285,038 shares with a nominal value of €0.20, fully paid up.

As of June 30, 2021, the breakdown of the Company's share capital and voting rights was as follows:

Shareholders	06/30/2021		
	Number of shares	% of capital	% of voting rights
Dominique Costantini	2,007,163	11.0%	16.4%
Alexis Peyroles *	918,499	5.0%	6.2%
Maryvonne Hiance *	424,084	2.3%	3.4%
Nicolas Poirier	192,802	1.1%	0.9%
Corporate officers and other employees	499,829	2.7%	3.3%
Public	14,242,661	77.9%	69.7%
Total	**18,285,038**	**100,0%**	**100.0%**

(1) Directly and indirectly through the intermediary of his asset management company Aperana Consulting.
(2) Directly and indirectly through her asset management company HIANCE MD2A.

1.1.2 Development of the Company's business

Despite the COVID-19 health crisis, the Company continued its research and development work in the first half of 2021.

JANUARY 2021

Following the completion of Phase 1 trials of OSE-127 and the achievement of BPI France's requirements, the Company received a repayable advance of €1.3 million in January 2021. This new €1.3 million of financing was triggered by the completion of several key milestones for OSE-127/S95011, including the strengthening of preclinical and translational data for ulcerative colitis (UC), at the end of the Phase 1 clinical trial, the first regulatory authorization for a Phase 2 clinical trial for UC and specific steps in the manufacture of the product.

Signature of a new collaboration agreement with MAbSilico, an innovative TechBio company based in Tours, France and specializing in the use of artificial intelligence algorithms to discover and characterize therapeutic antibodies.

February 2021

- Signature of a €25 million loan contract with the EIB, which will be available in three tranches according to the criteria defined in the contract. The first tranche for €10 million was paid in the beginning of July 2021.
- Grant of a first European patent protecting OSE-127/S95011, an antagonist of the IL-7 receptor, and its therapeutic applications in autoimmune and inflammatory diseases until 2037.

March 2021

- Grant of a European patent for the use of Tedopi® in the treatment of brain metastases in non-small cell lung cancer.
- OSE Immunotherapeutics and the French cooperative group ARCAGY-GINECO have announced that the National Agency for the Safety of Medicines (ANSM) and the Committee for the Protection of People (CPP) gave their authorization to start a new Phase 2 clinical trial evaluating Tedopi® in patients with ovarian cancer relapse (TEDOVA trial). Tedopi® will be evaluated as a single agent and in combination with Keytruda® (pembrolizumab), a Merck checkpoint inhibitor, as maintenance therapy after chemotherapy in patients with ovarian cancer.

April 2021

- Presentation of preclinical data to the AACR in April 2021 on:
    - CLEC-1, a new checkpoint inhibitor for myeloid immune cells in cancer immunotherapy, limiting the phagocytosis of tumor cells and the cross-presentation of tumor antigens.
    - BiCKI®-IL-7, a bifunctional antibody platform technology targeting PD-1 and IL-7 to stimulate exhausted T cells while disarming the immunosuppressive functions of regulatory T cells.
    - OSE-230, an innovative monoclonal antibody agonist that triggers the resolution of chronic inflammation

- Authorization received from the Federal Agency for Medicines and Health Products (FAMHP) and the Belgian Ethics Committee for its Phase 1 clinical study evaluating CoVepiT, its COVID-19 vaccine, which will be conducted in 48 healthy volunteers including the first were included in May 2021.
- First scientific publication on OSE-230, an innovative therapy that triggers the resolution of chronic inflammation. The article, entitled: Agonist anti-ChemR23 mAb reduces tissue neutrophil accumulation and triggers chronic inflammation resolution" reports the discovery and preclinical data of OSE-230, or "chemerin chemokine-like receptor 1" (CMKLR1), a G protein-coupled receptor (GPCR) expressed on myeloid immune cells modulating inflammation.

- Signature of a worldwide licensing agreement with Veloxis Pharmaceuticals for the development, manufacture and marketing of FR104, a CD28 antagonist, in the organ transplant market.

May 2021

- Obtained public funding of €10.7 million as part of the "Capacity Building" call for expressions of interest, operated on behalf of the French government by Bpifrance as part of the Future Investments Program (PIA) and the *France Relance* (French Recovery) plan to support the development program of CoVepiT, its multi-variant COVID-19 vaccine in Phase 1 clinical trials.
- Presentation of the positive Phase 1 results of BI 765063, a first-in-class inhibitor of SIRPα, in solid tumors, at the ASCO 2021 conference.
- First administration of the COVEPIT vaccine, a second-generation multi-variant COVID-19 in a healthy volunteer in the Phase 1 clinical trial.
- Start of a Phase 2 clinical trial evaluating Tedopi® in combination with Opdivo® (Nivolumab) in non-small cell lung cancer.

June 2020

- Agreement signed with Cenexi for the production of clinical batches of CoVepiT, its second-generation multi-target COVID-19 vaccine

1.1.3 Issuance of share warrants (BSA), founders' warrants (BSPCE) and free shares (AGA)

In the first half of 2021, the following financial instruments were issued or allocated:

Issuance of 80,000 founders' share warrants

Under Article L.225-44 of the French Commercial Code, as amended by the PACTE law of May 22, 2019, it is now possible to compensate independent directors with founders' share warrants.

As such, on June 24, 2021, the Board of Directors, using the delegation granted by the Combined General Shareholders' Meeting of June 26, 2019, allocated 80,000 founders' share warrants, i.e. 10,000 founders' share warrants for the benefit of each non-salaried non-executive director in office on June 24, 2021, in accordance with article 163 bis G II of the French General Tax Code.
These free founders' share warrants may be exercised between June 24, 2021 and June 24, 2026 and give the right to subscribe to 80,000 new shares at a price of €11.05 per share.

1.2 Progress made and difficulties encountered

TEDOPI®
The IDMC (Independent Data Monitoring Committee) related to the trial's Steering Committee met on March 25, 2020. In light of the COVID-19 crisis and its impact on the integrity of the study's data, the impact of COVID-19 on cancer patients and, in particular, those with lung cancer and undergoing

chemotherapy (control arm of the Atalante-1 trial), the IDMC recommended the permanent suspension of inclusions in Phase 2 of the trial. The Company has reviewed the positive results of Phase 1 of the study, with the principal endpoint of the study in terms of the 12-month survival rate of patients treated in the Tedopi arm having been achieved.
The results of this Phase 1 have been presented at the ESMO conference in September 2020.
The Company is implementing a regulatory strategy in order to obtain recognition by the FDA and EMA agencies of these results as an indication even though nothing has been registered to date. To enable industrial partnerships, it wishes to rely on the entire population included and monitored. Results are expected in the autumn of 2021, a COVID-19 impact will also be analyzed over different periods of the trial. A consultation is underway with the FDA regulatory agencies and is planned with the EMA in the next six months. Following these interactions, decisions will be made on the further clinical development of Tedopi in lung cancer.

Tedopi's **TEDOPaM trial** as a treatment for pancreatic cancer as a monotherapy and in combination with BMS' nivolumab Opdivo® has been suspended due to COVID-19. The GERCOR indicated that the IDMC, after analyzing the data on the first 29 patients, recommended stopping treatment with Opdivo and proposed adding chemotherapy to Tedopi. The GERCOR made modifications to the protocol and the first patients were randomized with two arms in the trial of Tedopi plus FOLFIRI vs FOLFIRI. The main endpoint of the trial remains the one-year survival rate.

The Company has also launched new Phase 2 projects, in combination with a PD-1 checkpoint inhibitor:

- In ovarian cancer, led by Arcagy Gineco, the trial has been accepted by the ANSM and the first patient is expected in the autumn.
- In combination lung cancer, the Italian foundation, which sponsored the trial, obtained authorization from the Italian health authorities.

Clinical trial momentum on this product was created via the results of Atalante Phase 1 in lung cancer, with three additional Phase 2 trials ongoing.

OSE-172
Following significant preclinical results obtained in a number of cancer models, a full pharmacotoxicology report and production of GMP-compliant batches, the National Agency for the Safety of Health Products (ANSM) in France and the Federal Agency for Medicines and Health Products (AFMPS) in Belgium authorized the Phase 1 clinical trial of the OSE-172 checkpoint inhibitor, renamed BI 765063, a monoclonal antibody that selectively targets SIRPα.
The Phase 1 clinical trial is a dosage study of the monoclonal antibody targeting SIRPα, BI 765063, a myeloid checkpoint inhibitor administered as a single agent and in combination with Boehringer Ingelheim's monoclonal antibody PD-1 antagonist BI 754091, a T-lymphocyte checkpoint inhibitor.
This monotherapy trial was completed without limiting toxicity. The results of this monotherapy trial were presented at the ASCO 2021 conference.
The continuation of the trial is underway in France and Belgium and patients are now dosed as planned in combination with the anti-PD-1 from Boehringer Ingelheim.

OSE-127
Both OSE and our partner Servier were able to submit the request for authorization for a clinical study during the summer of 2020 to various health agencies in Europe and the United States, more specifically

for Servier.
OSE has begun enrollments in the Phase 2 trial of which it is a sponsor, in particular in Eastern European countries. The first patient was randomized during the summer 2021 in the study sponsored by Servier which triggered a €5 million milestone payment.

FR104
On November 2, 2018, the Company acquired all the worldwide rights to FR104 from Janssen Biotech Inc., effective December 31, 2018. Janssen Biotech's decision to return the FR104 program to OSE was motivated by an internal strategy review and prioritization of its own product portfolio.
The Company is exploring the positioning of FR104 and its future clinical progress, in particular to develop it for use in transplants or other autoimmune disease indications.
The Phase 1/2 trial in kidney transplants conducted by the Nantes hospital has been accepted by the ANSM and is ongoing.
Veloxis Pharmaceuticals acquired the rights to the product with the signature of a worldwide licensing agreement on April 26, 2021 in transplantation only (the Company retains it in the field of autoimmune diseases) with an upfront of €7 million, short term milestone of €5 million, for a total agreement of €315 million (upfront, development and regulatory milestones, commercial milestones) and then royalties based on the market standards.

CoVepiT:
The COVID-19 vaccine project was launched, using the same epitope selection/optimization technology used for the Memopi platform that resulted in Tedopi with a selection of epitopes relevant to these SARS-Cov virus infections. The first preclinical and ex-vivo results in the blood of recovering patients confirmed the value of the selected epitopes triggering a memory T response. Discussions with the BPI were finalized in order to obtain an initial funding of €5.2 million and a second funding of €10.7 million was also obtained for the production of clinical batches in the Phase 1 underway in Belgium and potentially a Phase 2. The Phase 1 clinical trial launched in Belgium in May was suspended in July 2021 at the Company's request. This suspension was decided after a preliminary assessment by the Principal Investigator at the Vaccinology Center of the Ghent University Hospital. This assessment includes a limited number of grade 1 adverse events and one grade 2 adverse event, specifically persistent injection site nodules (subcutaneous, no pain, no inflammation, no fever, no impact on daily life and no systemic symptoms).

Preclinical development:

BiCKI®:
The bi-specific BiCKI platform with an anti-PD-1 backbone is under development with a priority target identified.
This bi-specific platform should be a means of overcoming the current limitations of anti-PD-1/PD-L1 monoclonal antibodies in Immuno-Oncology.
The first pre-clinical work continued throughout the first half of 2021 on the BiCKI-IL-7 project and on the anti-PD-1 backbone antibody (OSE-279).

OSE-230:
Pre-clinical work continued on this product, an agonist antibody for the resolution of inflammation.

CLEC-1: Antagonist antibodies to this myeloid target have been identified and pre-clinical work is underway.

1.3 Foreseeable changes and future outlook

Progress of the portfolio is based on its current products:

Immuno-oncology

Tedopi®: as a single agent or in combination with a checkpoint inhibitor in immuno-oncology

The Phase 3 trial of Atalante 1 for **lung cancer**, aimed at evaluating the product's benefits for HLA-A2 positive patients in second- and third-line treatment after the failure of a checkpoint inhibitor for stage IIIB invasive or IV metastatic non-small cell lung cancer, compared with current therapeutic standards in this population of patients was halted. The primary endpoint for the first step was achieved with 46% of patients in this first step treated with Tedopi having survived for at least 12 months. This international trial was conducted in the United States, Europe and Israel.

The results of this Phase 1 have been presented at the ESMO conference in September 2020.
The Company is implementing a regulatory strategy in order to obtain recognition by the FDA and EMA agencies of these results as an indication even though nothing has been registered to date. To enable industrial partnerships, it wishes to rely on the entire population included and monitored. Results are expected in the autumn of 2021, a COVID-19 impact will also be analyzed over different periods of the trial. It is planned to consult the FDA and EMA regulatory agencies in the next six months. Following these interactions, decisions will be made on the further clinical development of Tedopi in lung cancer.

The class of immune checkpoint inhibitors is becoming the new standard treatment for advanced non-small cell lung cancer (NSCLC), showing greater efficacy than chemotherapy in first and second line treatment. The population of "post-checkpoint inhibitor" patients, a specific population experiencing immune escape in this kind of treatment, represents a specific population for which no approved treatment is currently available and for which there is a strong medical need.

The Company will also continue the previously presented Phase 2 clinical trials, namely:

- The Tedopam trial in pancreatic cancer;
- The trial conducted with Arcagy Gineco in ovarian cancer;
- The trial with ForT in lung cancer in combination.

OSE-172: currently in the clinical phase, the continuation of the trial is underway in France and Belgium and patients are now dosed as planned in combination with the anti-PD-1 from Boehringer Ingelheim. This product has been developed in collaboration with Boehringer Ingelheim, following the collaboration and license agreement signed in April 2018.

Autoimmune diseases
FR-104: The Company is continuing to explore the positioning of FR104 and its future clinical advances, in particular a possible partnership to develop it for rheumatoid arthritis, and possibly other autoimmune diseases. Following the worldwide licensing agreement signed in April 2021 with the company Veloxis, the Company will continue to support its partner for the development of FR104 in transplantation.

OSE-127: Phase 2 is currently ongoing in ulcerative colitis, an autoimmune bowel disease. Servier will sponsor a Phase 2 study for Sjögren's Syndrome.
Continued development after Phase 2 will be ensured by Servier, provided that this partner exercises the second part of the option under the agreement signed in December 2016.

R&D
The Company will continue to develop its BiCKI® platform as well as other checkpoint inhibitors or immunomodulators, which may also be selected and optimized for development based on the proofs of concept developed in R&D.

Partnerships - value creation:

The Company has in-depth knowledge of the development of immunology products with applications in oncology or for other autoimmune diseases. It benefits from additional expertise and complementary skills in terms of development and international registration. It is a specialist organization, headed by an experienced management team with a cutting-edge research team with expertise in clinical and pharmaceutical development for the development, industrialization of programs and product registration.

Three international strategic partnerships were signed in 2016, 2018 and 2021 and are in place with three pharmaceutical groups for three different products.
These objectives create value for Company shareholders in the short, medium and long term. By advancing its programs, the Company intends to benefit from medium/long term revenue which will go a long way to covering its cash requirements with royalties and milestone payments under partnership agreements.

- Under the 2-step license option agreement entered into with Servier In December 2016 relating to **OSE-127,** the development of the product will be continued by OSE until the completion of a planned Phase 2 clinical trial for ulcerative colitis, an autoimmune bowel disease and/or Sjögren's disease by the **Servier laboratories**. Continued development after this Phase 2 trial will be undertaken by Servier, as part of its licensing option.
- Under the collaboration and exclusive licensing agreement (signed in April 2018) with Boehringer Ingelheim to jointly develop **OSE-172, Boehringer Ingelheim** will fund the product candidate's development in various types of cancer, its registration and international marketing.
- Worldwide licensing agreement with **Veloxis**, for the development, manufacture and marketing of **FR104** in the organ transplant market (OSE Immunotherapeutics retains all rights to develop FR104 in autoimmune diseases).

An agreement restricted to a single country per agreement was signed for a fourth product: Tedopi®:
- In 2015, an agreement was signed for **Tedopi®** with **RAFA laboratories** and covers Israel only where there is extensive immunological knowledge and expertise.
- At the end of 2019 a second country-level agreement for **Tedopi®** was signed with CKD (Chong Kun Dang Pharmaceutical Corporation), one of the pharmaceutical leaders in Korea covering only Korea where medical demand accounts for about 1% of the global market.

1.4 Research and development activities

- See 1.2

1.5 Main risks and uncertainties to which the Company is exposed

The main risks and uncertainties to which OSE Immunotherapeutics may be exposed in the second half of 2021 are of the same nature as those described in paragraph 3 “Risk factors” of the Registration Document dated April 15, 2021, available to download on the Company’s website under the section “Investors/Documentation/Registration Document” and on the AMF website.

Regarding the COVID-19 health crisis, please refer to the highlights of the fiscal year described in the financial appendices.

1.6 Use of financial instruments by the Company

The Company used financial instruments in the reporting period (see Note 3 of the financial statements above).

1.7 Transactions with related parties

In the first half of 2021, the following transactions were recorded:

Mr. Alexis Peyroles

In the first half of 2021, Alexis Peyroles, Chief Executive Officer, received €293,208 gross from the Company in respect of his employment contract as Chief Operating Officer. The Board of Directors approved the combination of an employment contract with the position of Chief Executive Officer on March 28, 2018.

At the beginning of the 2021 fiscal year Alexis Peyroles was paid a bonus of €87,500 gross for the 2020 fiscal year.

Ms. Dominique Costantini

On March 28, 2018, the employment contract of Ms. Costantini, Chairman of the Board of Directors, was amended to clarify the realignment of her position to focus on early development with the same terms and conditions, particularly in terms of compensation. From January 1, 2020, her contract was extended to include all development. The Board of Directors approved the combination of an employment contract with the position of Chairman of the Board of Directors on March 28, 2018. In

the first half of 2021, she received €239,321 gross from the Company in respect of her employment contract.

At the beginning of the 2021 fiscal year, Dominique Costantini was paid a bonus of €75,625 gross for the 2020 fiscal year.

Ms. Maryvonne Hiance

In the first half of 2020, Maryvonne Hiance, Vice Chairman of OSE immunotherapeutics, received €107,006 gross from the Company in respect of her employment contract as Director of Strategy, signed with the Company on May 31, 2016.
At the beginning of the 2021 fiscal year, Maryvonne Hiance was paid a bonus of €30,000 gross for the 2020 fiscal year.

Mr. Nicolas Poirier

In the first half of 2021, Nicolas Poirier received €165,440 gross from the Company under his employment contract as Scientific Director of the Company.
At the beginning of the 2021 fiscal year, Nicolas Poirier was paid a bonus of €50,000 gross for the 2020 fiscal year.

Board of Directors

Members of the Board of Directors received a total of €106,000 net in directors' fees from the Company for the first half of 2021.

HALF-YEAR FINANCIAL STATEMENTS AS OF JUNE 30, 2021

2.1 Presentation of the Company's half-year consolidated financial statements

The consolidated financial statements of OSE Immunotherapeutics and its subsidiaries (the Group), are presented in euros and are drawn up in accordance with IFRS standards (International Financial Reporting Standard) as adopted by the European Union and those published by the IASB (International Accounting Standards Board) as of June 30, 2021.

2.2 Consolidated statement of financial position

The consolidated statement of financial position for the first half of 2021 stood at €99,006 thousand compared with €96,973 thousand as of December 31, 2020.

2.3 Consolidated income statement

As of June 30, 2021, the Group's revenue totaled €8,975 thousand compared with €5,849 thousand as

of June 30, 2020.

Operating expenses by function - €K	06/30/2021	06/30/2020	Change	% change
R&D expenses	13,980	9,087	4,893	53.8%
Overhead expenses	3,413	2,672	741	27.7%
Expenses related to share-based payments	2,724	1,176	1,548	131.6%
Depreciation and amortization (FR104)	439			
Total	20,556	12,935	7,182	55.52%

The breakdown of research and development expenses in the first half of 2021 is as follows:

- €11,876 thousand in subcontracting and fees, before recording the research tax credit of €2,734 thousand and subsidies received in the amount of €580 thousand;

- €2,833 thousand in employee benefits expense allocated to research and development;

- €149 thousand in additions to/reversals of depreciation, amortization and provisions allocated to research and development;

- €2,436 thousand: taxes and duties, miscellaneous expenses.

The breakdown of overhead expenses for the first half of 2021 is as follows:

- €1,612 thousand in fees and sub-contracting;

- €1,116 thousand in employee benefits expense allocated to the operational management team;

- €158 thousand in directors' fees;

- €256 thousand in additions to/reversals of depreciation, amortization and provisions;

- €272 thousand: cost of premises, conference expenses, travel expenses, banking fees, charges and other taxes.

Operating income for the first half of 2021 was -€11,580 thousand. Net income for the first half of 2021 was -€11,488 thousand.

2.4 Indebtedness (consolidated financial statements)

Financial liabilities totaled €23,926 thousand (including €1,970 thousand in lease liabilities related to the application of IFRS 16). These financial liabilities consist of repayable advances of €14,957 thousand, whose repayment depends on the success of the various programs under development.

The Group's cash totaled €27,264 thousand as of June 30, 2021.

Net financial debt thus totaled -€3,338 thousand as of June 30, 2021.

II. SUBSIDIARIES AND EQUITY INTERESTS – INVESTMENT SECURITIES

3.1 Subsidiary activities

The activity of the subsidiary OPI is limited to managing the industrial property of our Tedopi® technology.

The activity of the US subsidiary OSE Immunotherapeutics Inc. is limited to supporting international scientific collaborations, given the current and future developments of Tedopi® in the United States (recruitment, partnership, licensing, etc.).

3.2 Equity holdings or takeovers

The Company did not acquire any equity holdings in any other company in the first half of 2019.

3.3 Controlled companies

Since March 25, 2014, the Company has held all of the share capital and voting rights of OPI.

Since April 18, 2017, the Company has held all of the share capital and voting rights of OSE Immunotherapeutics Inc.

STATUTORY AUDITORS' REPORT ON THE CONDENSED HALF-YEAR FINANCIAL STATEMENTS

OSE IMMUNOTHERAPEUTICS

(in French, in appendices)