

**GROUPE FIDORG PARIS**  
*Merger Auditor*  
62, rue de la Chaussée d'Antin  
75009 PARIS

**Laurent NADJAR**  
*Merger Auditor*  
118, rue de Tocqueville  
75017 PARIS

---

Merger by absorption of the company PHYS PARTICIPATIONS by the  
company DBV TECHNOLOGIES

---

**Report of the Merger Auditors on the remuneration of contributions**

Merger by absorption of the company PHYS PARTICIPATIONS by the company DBV TECHNOLOGIES

---

Report of the Merger Auditors on the remuneration of contributions

To the Shareholders,

In the performance of the assignment entrusted to us on April 8, 2015 by the President of the Nanterre Commercial Court concerning the merger by absorption of the company PHYS PARTICIPATIONS by the company DBV TECHNOLOGIES, we have prepared this report on the remuneration of the contributions specified in Article L. 225-147 of the French Commercial Code, it being noted that our assessment of the value of the contributions forms a separate report.

The contributed net assets were approved in the draft merger agreement signed by the representatives of the companies concerned on May 11, 2015. It is our responsibility to express our opinion that the amount of the contributions is not overvalued.

To this end, we have performed our due diligence in accordance with the professional guidelines of the national auditing body, Compagnie nationale des commissaires aux comptes, applicable to this assignment. These professional guidelines require investigations to assess the value of the contributions, to verify that they are not overvalued, and to verify that they correspond to at least the nominal value of the shares to be issued by the transferring company augmented by the merger premium.

As our assignment is completed by the lodging of the report, we have no need to update this report to take into account facts and circumstances subsequent to the date of its signing.

At no time have we found ourselves placed in a position of legal incompatibility, prohibition, or disqualification.

Please therefore find, below, our findings and conclusions presented in the following order:

1. Presentation of the transaction and description of the contributions
2. Work performed and assessment of the value of the contributions
3. Summary – Key points
4. Conclusion

## **1. Presentation of the transaction and description of the contributions**

The transaction submitted for your approval consists of the merger by absorption of the company PHYS PARTICIPATIONS by the company DBV TECHNOLOGIES.

It should be noted that a merger by absorption of the company DBCS PARTICIPATIONS by the company DBV TECHNOLOGIES is also envisaged.

### **1.1 Background of the transaction**

---

DBV TECHNOLOGIES is a biopharmaceutical company whose shares are listed on the NYSE Euronext regulated market in Paris and on Nasdaq in New York.

The company is developing a product ("Viaskin Peanut") to fight peanut allergies. The goal is to market this product once the therapeutic testing is completed and the health agreements/authorizations are obtained.

DBCS PARTICIPATIONS and PHYS PARTICIPATIONS are holding companies formed by certain founders of DBV TECHNOLOGIES whose main purpose is holding all equity interests in DBV TECHNOLOGIES. The absorbed companies are currently non-controlling shareholders of DBV TECHNOLOGIES.

The purpose of the envisaged merger transaction is to improve liquidity and access to capital and to rationalize the holding structure of DBV TECHNOLOGIES by its founders and historical shareholders while ensuring the stability of shareholding. As the result of the merger operations, the partners of DBCS PARTICIPATIONS and PHYS PARTICIPATIONS will become direct shareholders in DBV TECHNOLOGIES.

## 1.2 Presentation of the companies participating in the transaction.

---

### 1.2.1 Absorbing company: DBV TECHNOLOGIES

DBV TECHNOLOGIES is a limited company whose shares are listed on the NYSE Euronext regulated market in Paris and on Nasdaq in New York.

Its corporate purpose in France and in all countries:

- 1° The development of any innovative medical products, in particular any drug, diagnostic product or treatment;
- 2° The study, research and development, industrial fabrication and marketing of those products;
- 3° The exploitation and development of any patents or licenses relating to those products, and, in general, all commercial, real estate or non real estate, financial or other transactions relating directly or indirectly, in whole or in part, to the corporate purpose or to any other similar or connected purpose, that may facilitate the exploitation and commercial development.

The term of the company is set as 29/03/2092.

The share capital of DBV TECHNOLOGIES is €1,937,248.60, divided into 19,372,486 shares with a nominal value of €0.10 each, fully paid up.

### 1.2.2 Absorbed company: PHYS PARTICIPATIONS

PHYS PARTICIPATIONS is a simplified joint stock company whose corporate purpose is as follows:

"To hold all equity interests in DBV TECHNOLOGIES through contribution, subscription and/or increase of capital."

The term of the company is set as May 21, 2102.

The share capital of PHYS PARTICIPATIONS is €627,560, divided into 62,756 shares with a nominal value of €10 each, fully paid up. These 62,756 shares are distributed as follows:

Partners	Number of shares	Percentage holding
Pierre-Henri Benhamou	23,101	36.81%
SC MORTON	5,006	7.98%
Indivision Stéphane Benhamou	11,549	18.40%
Pierre-Yves Vannerom	23,100	36.81%
<b>Total</b>	<b>62,756</b>	<b>100%</b>

### 1.2.3 Link between the companies concerned

PHYS PARTICIPATIONS holds 301,250 shares (1.55% of the capital) of DBV TECHNOLOGIES.

Pierre-Henri Benhamou is Chairman of the Board of Directors of DBV TECHNOLOGIES and President of PHYS PARTICIPATIONS.

### 1.3 Description of the transaction

#### 1.3.1 Essential characteristics of the contribution

The Parties agreed, in the draft merger agreement signed on May 11, 2015, that, subject to the fulfillment of the conditions precedent specified in section 1.3.2, PHYS PARTICIPATIONS will contribute all its assets and liabilities, entitlements, values and obligations, without exception and unreservedly, to the recipient company DBV TECHNOLOGIES.

The essential characteristics of the merger transaction are as follows:

- From an accounting and fiscal point of view, the transaction will take effect on January 1, 2015;
- In terms of corporation tax, the merger transaction comes under the preferential treatment in Articles 210 A et seq. of the French General Tax Code;
- In terms of registration fees, the transaction is subject to the fixed fee of €500 in accordance with Article 816 I of the French General Tax Code.

### **1.3.2 Conditions precedent**

These contributions made as part of the merger, as subject to the following conditions precedent:

- Approval by the General Meeting of shareholders of PHYS PARTICIPATIONS of the transaction and the draft merger agreement;
- Approval by the General Meeting of shareholders of DBV TECHNOLOGIES of the transaction, the draft merger agreement and the envisaged capital reduction;
- Approval of the financial statements for the fiscal year ended December 31, 2014 by the DBV TECHNOLOGIES General Meeting.

All of which under the conditions set out in applicable laws and regulations.

The fulfillment of those conditions precedent will be adequately established, in all matters, by the submission of a certified accurate copy or extract of the minutes of the deliberations of the General Meetings of DBV TECHNOLOGIES and PHYS PARTICIPATIONS.

Material proof of the final completion of the merger may be established by any other means.

These conditions precedent must be fulfilled no later than December 31, 2015. Failure to do so, unless that deadline is extended, will automatically render this agreement null and void.

### 1.3.3 Remuneration of the contribution

#### *Valuation method and calculation of the exchange ratio*

Under the terms of the merger agreement, the parties have adopted, for the determination of the exchange ratio of ownership interests, the actual value of the absorbed and absorbing companies on the transaction completion date.

Under CRC rule 2004-01, for companies under separate control and with the merger transaction in the natural direction, the assets transferred and the liabilities assumed must be valued at their actual value.

Under the terms of the merger agreement, the actual value of DBV TECHNOLOGIES SA securities has been calculated by adopting a valuation per share equal to the average of its share price on Compartment B of Euronext Paris over last 30 days weighted by the trading volume, on the signing date of the merger agreement, in this case €45.87.

The actual value of PHYS PARTICIPATIONS was determined by adopting the revalued net asset method, it being noted that the company's assets essentially consist of the DBV TECHNOLOGIES securities held. The DBV TECHNOLOGIES securities thus held have been valued by adopting the same valuation method as was used to determine the actual value of DBV TECHNOLOGIES.

Based on the values calculated in this way, the exchange ratio has been set at 4.8090 DBV TECHNOLOGIES shares for 1 PHYS PARTICIPATIONS share.

It should be noted that the partners of PHYS PARTICIPATIONS have expressed their intention to individually waive their rights to any fractional shares.

#### *Capital increase*

The result of the exchange ratio calculated above is that PHYS PARTICIPATIONS shareholders should receive in exchange for the 62,756 shares comprising the share capital of PHYS PARTICIPATIONS, 301,788 DBV TECHNOLOGIES shares to be created by the latter through a capital increase.

The share capital of DBV TECHNOLOGIES will thus be increased by €30,178.80.

To the extent that, after the merger, DBV TECHNOLOGIES will hold 301,250 treasury shares, the merger will be followed by a capital reduction by the cancellation of those treasury shares. Share capital will thus be reduced by €30,125.

The new shares referred to above will be subject to all DBV TECHNOLOGIES bylaws and will carry all entitlements from the date of their creation, regardless of the final completion date of the merger.

### *Merger premium*

The difference between:

- the net value of the net assets transferred by PHYS PARTICIPATIONS, i.e. €13,843,144,
- and the nominal value of the shares actually created as part of the capital increase by PHYS TECHNOLOGIES SAS, i.e. €30,178.80,

will constitute the projected merger premium, i.e. €13,812,964.70, posted on the liabilities side of the balance sheet of DBV TECHNOLOGIES and to which the rights of the old and new company shareholders refer.

The capital reduction by cancellation of the treasury shares received involves the reduction of the merger premium to €13,788,213.

#### 1.4 Presentation of the contributions

---

##### 1.4.1 Description of the contributions

All asset and liability items are contributed on the basis of their actual value. It should be noted that certain items were contributed at their net book value as of December 31, 2014 insofar as their real value was considered to correspond to their net book value.

The valuations described below are based on the financial statements of the absorbed company as of December 31, 2014, revalued in light of the information communicated on May 4, 2015.

##### Transferred Net Assets

As the contributed assets amount to €13,909,847 and the liabilities assumed amount to €66,703, the transferred net assets amount to €13,843,144, broken down as follows:

	Amount (in Euros)
Transferred Assets	
Financial assets (301,250 DBV ordinary shares)	13,818,338
Tradable securities	69,999
Cash & equivalents	21,510
Total transferred assets	13,909,847
Liabilities assumed	
Borrowing and other financial liabilities	30,000
Trade payables and related liabilities	2,520
Other liabilities	1,683
Provisions for expenses (excl. tax)	32,500
Total liabilities assumed	66,703
<b>Transferred Net Assets</b>	<b>13,843,144</b>

## 2. Work performed and assessment of the value of the contributions

### 2.1 Work done by the Merger Auditors

Our assignment comes under the other interventions defined by law and provided by the conceptual framework of our professional guidelines.

Its purpose is to enlighten the shareholders of DBV TECHNOLOGIES regarding the value of the contributions made by PHYS PARTICIPATIONS. Consequently, it is not strictly speaking an audit assignment or a limited audit assignment. Nor does it involve the validation of the tax regime applicable to the transactions.

It is not similar to a "*due diligence*" assignment carried out for a lender or an acquirer and does not include the full work necessary for that type of intervention. Our report cannot therefore be used in that context.

Our opinion is expressed as of the date of this report which constitutes the completion of our mission.

We have carried out the work that we considered necessary in accordance with the guidelines of the national auditing body, Compagnie nationale des commissaires aux comptes, applicable to this type of assignment.

- We spoke with the managers in charge of the envisaged transaction to understand the proposed transaction and its context, and to analyze the economic, accounting, legal and tax terms and conditions.
- We took note of various documents relating to the envisaged transaction, primarily the merger agreement signed by the parties;
- We verified the reality of the contributions and assessed the potential impact of factors likely to affect their ownership;
- We reviewed the working file of the independent auditor of the December 31, 2014 financial statements of PHYS PARTICIPATIONS.

- We also obtained recent information on the activities of PHYS PARTICIPATIONS in order to check the consistency of the revaluation of the net assets of December 31, 2014;
  - o As the assets of PHYS PARTICIPATIONS are essentially comprised of equity securities in DBV TECHNOLOGIES, we verified the valuation method adopted and took note of the company's business plan.
  - o In particular, we reviewed the valuation adopted for the companies involved in this transaction and we satisfied ourselves of the proper implementation of the methods used and the resulting valuation calculations. Lastly, we reviewed the valuation approaches and financial parameters used;
  - o To satisfy ourselves of the reliability of the financial statements and of the accounting information communicated to us, we checked that the Statutory Auditors of DBV TECHNOLOGIES had unreservedly certified the December 31, 2014 financial statements.
  - o The valuation of a DBV TECHNOLOGIES share, equal to its average share price on Compartment B of Euronext Paris over the last 30 days weighted by the trading volume, was considered to be the most pertinent method for determining the real value.
  - o We reviewed recent reports by financial analysts in order to confirm the average share price adopted. This review permitted us to confirm the valuation adopted.
  - o Similarly, we reviewed DBV TECHNOLOGIES' business plan to check that it did not call into question the valuation adopted.
  - o We also took note of the recent stance by the U.S. health authority, the Food and Drug Administration (FDA), which has granted the allergy treatment "Viaskin Peanut" the status of therapeutic breakthrough on the basis of the initial satisfying results from the trials conducted. This FDA decision signals the recognition of the need for a peanut allergy treatment, as well as the good results from the Phase II trials of VIPES in children.
  - o As of the date of our report, no factor, information or studies call into question the viability of the project.

- o The value of PHYS PARTICIPATIONS is directly linked to future decision to authorize the marketing and effective sale of the product developed by DBV TECHNOLOGIES. Should the necessary authorizations not be obtained and the product not marketed, the DBV TECHNOLOGIES valuation adopted for this contribution could be called into question.
- Lastly, we obtained a letter from the directors of PHYS PARTICIPATIONS and DBV TECHNOLOGIES confirming the significant factors used in our assignment and, in particular, the absence of significant events likely to call into question the value of the contribution.

## 2.2 Assessment of the method for valuing the contributions and its compliance with accounting rules.

As stated earlier, the envisaged merger transaction involves companies under separate control. Furthermore, the merger transaction is in the natural direction.

As a result of the checks made and the information collected, we consider that the contribution valuation principle used by PHYS PARTICIPATIONS for the company's actual value is appropriate for this transaction and is in accordance with CRC rule 2004-01 of May 4, 2004 relating to the accounting treatment of mergers and similar transactions, as it is a transaction involving companies under separate control.

## 2.3 Reality of the contributions

We satisfied ourselves of the reality of the contributions, in particular by verifying the existence of the liabilities and assets contributed when reviewing the working file of the independent auditor of the December 31, 2014 financial statements of PHYS PARTICIPATIONS.

We also verified the full and complete ownership of the PHYS PARTICIPATIONS and DBV TECHNOLOGIES that will be contributed in the envisaged merger.

We checked that the assets contributed and in particular the DBV TECHNOLOGIES securities were unencumbered by any pledges, and that the transferor had full ownership, providing to us written confirmation of the absence of any restrictions on ownership.

#### 2.4 Value of the contributions

Taking the above factors into account, as at the date of our report, we are able to conclude that the total value of the contributions amounting to €13,843,144 does not seem overvalued.

### 3. Summary – Key points

In accordance with regulations, the parties rightfully decided to adopt their actual value as the contribution value of the transferred assets and liabilities, it being understood that certain assets and liabilities had been valued at their net book value as indicated in the financial statements of the absorbed company at December 31, 2014, the closing date of its last fiscal year. The valuation principle thus adopted by the parties call for no comments on our part.

The actual value of the contributions of PHYS PARTICIPATIONS is primarily linked to the revaluation of DBV TECHNOLOGIES equity securities by adopting a valuation per share equal to its average share price on Compartment B of Euronext Paris over the last 30 days weighted by the trading volume. No other valuation method has been used (comparables, discounted cash flow, etc.) taking into account the specifics of DBV TECHNOLOGIES.

We draw your attention to the fact that this valuation relies mainly on the ability of DBV TECHNOLOGIES to actually achieve its business plan. This ability is directly impacted by the limits imposed by the risks and uncertainties of regulatory authorizations and the research and development process to obtain the marketing authorization for the products developed by DBV TECHNOLOGIES.

As of the issue date of our report, no factor, information or studies call into question the viability of the project.

Our work relating to the assessment of the value of the contributions does not call into question the value of the contributions.

#### 4. Conclusion

In our opinion, based on our work and at the date of this report, taking previous observations into account, the contribution value adopted amounting to €13,843,144 is not overvalued and, consequently, the contributed net asset is at least equal to the amount of the capital increase of the absorbing company, plus the merger premium.

Paris, May 18, 2015

The Merger Auditors

GROUPE FIDORG PARIS  
*représenté par*  
Christophe CHARETON



Laurent NADJAR

