

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

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

Collectis

Year ended December 31, 2015

**Statutory auditors' report
on the consolidated financial statements**

JMH CONSEIL
8, rue de la Michodière
75002 Paris
S.A.R.L. au capital de € 50.000

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

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92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Collectis

Year ended December 31, 2015

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Collectis;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

As indicated in note 3.1 "Use of estimates and judgments", management makes estimates and assumptions that affect the application of accounting methods and policies and the reported amounts of assets and liabilities, income and expense. In particular, accounts subject to significant accounting estimates include "Revenue" and "Share-based payments", for which accounting methods and policies are described in notes 3.15 and 3.13 to the consolidated financial statements, respectively.

Within the framework of our assessment of the accounting methods and policies followed by your company, we verified the appropriateness of the above-mentioned accounting methods and policies, the information provided in the notes to the consolidated financial statements, and we verified that they were correctly applied. In addition, we assessed the appropriateness of the data and assumptions used for the recognition of revenue for each of the contracts. We also assessed assumptions used for the fair value measurement of share-based payments.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Paris-La Défense, March 21, 2016

The statutory auditors
French original signed by

JMH CONSEIL

ERNST & YOUNG et Autres

Vincent Corrège

Franck Sebag

Collectis S.A.
STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AS OF DECEMBER 31
€ in thousands

		Year Ended December 31,	
	Notes	2014	2015
ASSETS			
Non-current assets			
Intangible assets	7	1,026	956
Property, plant, and equipment	8	2,610	5,043
Other non-current financial assets		1,977	845
Total non-current assets		5,613	6,844
Current assets			
Inventories and accumulated costs on orders in process	9	135	158
Trade receivables	10.1	5,881	6,035
Subsidies receivables	10.2	8,170	9,102
Other current assets	10.3	5,468	4,685
Cash and cash equivalents	11	112,347	314,238
Total current assets		132,001	334,218
TOTAL ASSETS		137,614	341,062
LIABILITIES			
Shareholders' equity			
Share capital	12.1	1,472	1,759
Premiums related to the share capital		192,842	420,682
Treasury share reserve	12.4	(251)	(184)
Currency translation adjustment		(762)	(1,631)
Retained earnings		(132,536)	(137,188)
Net income (loss)		20	(20,544)
Total shareholders' equity—Group Share		60,786	262,894
Non-controlling interests	12.3	(1,259)	725
Total shareholders' equity		59,527	263,619
Non-current liabilities			
Non-current financial debt	13	2,824	66
Non-current provisions	15	398	437
Total non-current liabilities		3,222	503
Current liabilities			
Current financial debt	13	862	1,921
Trade payables		9,802	6,611
Deferred revenues and deferred income	14	59,492	54,758
Current provisions		1,415	953
Other current liabilities	16	3,294	12,697
Total current liabilities		74,865	76,940
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		137,614	341,062

The accompanying notes form an integral part of these consolidated financial statements

Collectis S.A.
STATEMENTS OF CONSOLIDATED OPERATIONS
For the year ended December 31
€ in thousands, except per share amounts

	Notes	Year Ended December 31,		
		2013	2014	2015
Revenues and other income				
Revenues	18	5,362	21,627	50,346
Other income	18	7,362	4,826	6,039
Total revenues and other income		12,724	26,453	56,385
Operating expenses and other operating income (expenses)				
Royalty expenses		(542)	(3,035)	(2,475)
Research and development expenses	19	(17,844)	(14,407)	(52,410)
Selling, general and administrative expenses	19	(19,034)	(13,114)	(27,238)
Other operating income		478	—	812
Redundancy plan	15	(1,865)	(491)	249
Other operating expenses		(445)	(651)	(3,246)
Total operating expenses and other operating income (expenses)		(39,252)	(31,698)	(84,309)
Operating income (loss)		(26,528)	(5,245)	(27,924)
Financial revenues	21	468	7,622	9,240
Financial expenses	21	(780)	(527)	(1,690)
Financial gain (loss)		(312)	7,095	7,550
Income tax	22	—	—	—
Income (loss) from continuing operations		(26,839)	1,850	(20,373)
Loss from discontinued operations	23	(29,580)	(2,822)	—
Net income (loss)		(56,419)	(972)	(20,373)
Attributable to shareholders of Collectis.....		(55,402)	20	(20,544)
Attributable to non-controlling interests		(1,017)	(992)	171
Basic / Diluted earnings per share attributable to shareholders of Collectis	26	(2.68)	0.00	(0.60)
Basic earnings from continuing operations per share (€/share)		(1.25)	0.11	(0.60)
Basic earnings from discontinued operations per share (€/share).....		(1.43)	(0.11)	—
Diluted earnings from continuing operations per share (€/share)		(1.25)	0.11	(0.60)
Diluted earnings from discontinued operations per share (€/share) ..		(1.43)	(0.11)	—

The accompanying notes form an integral part of these consolidated financial statements

STATEMENTS OF CONSOLIDATED COMPREHENSIVE LOSS
For the year ended December 31
€ in thousands

	Year Ended December 31,		
	2013	2014	2015
Net income (loss)	(56,419)	(972)	(20,373)
Actuarial gains and losses	70	121	(14)
Other comprehensive income that will not be reclassified subsequently to income or loss	70	121	(14)
Currency translation adjustment	(621)	(1,653)	(921)
Other comprehensive loss that will be reclassified subsequently to income or loss	(621)	(1,653)	(921)
Total Comprehensive income (loss)	(56,970)	(2,504)	(21,308)
Attributable to shareholders of Collectis	(55,960)	(1,468)	(21,427)
Attributable to non-controlling interests	(1,010)	(1,036)	119

The accompanying notes form an integral part of these consolidated financial statements

Collectis S.A.
STATEMENTS OF CONSOLIDATED CASH FLOWS
For the year ended December 31
€ in thousands

	Notes	Year Ended December 31,		
		2013	2014	2015
Cash flows from operating activities				
Net loss for the period		(56,419)	(972)	(20,373)
Net loss for the period of discontinued operations		(29,580)	(2,822)	—
Net (loss) income for the period of continuing operations		(26,839)	1,850	(20,373)
Reconciliation of net loss and of the cash used for operating activities				
Adjustments for				
Amortization and depreciation		2,255	1,372	1,745
Movements in valuation allowances of working capital		(71)	—	—
Net loss on disposals		—	(24)	(10)
Net finance expenses (revenue)		312	(7,095)	(7,550)
Expenses related to share-based payments		461	548	30,103
Provisions		2,075	(959)	(251)
Other non-cash items		—	(303)	—
Interest (paid) / received		(13)	305	964
Operating cash flows before change in working capital		(21,820)	(4,306)	4,628
Decrease (increase) in inventories		291	97	(23)
Decrease (increase) in trade receivables and other current assets		2,963	(6,971)	1,143
Decrease (increase) in subsidies receivables		(47)	(2,317)	(612)
(Decrease) increase in trade payables and other current liabilities		(1,662)	1,643	2,669
(Decrease) increase in deferred income		1,131	54,326	(4,569)
Change in working capital		2,676	46,779	(1,392)
Net cash flows provided by (used in) operating activities of continuing operations		(19,144)	42,473	3,236
Net cash flows provided by (used in) operating activities of discontinued operations		291	(748)	—
Net cash flows provided by (used in) operating activities		(18,853)	41,725	3,236
Cash flows from investment activities				
Proceeds from disposal of property, plant and equipment		—	38	100
Sale (Acquisition) of subsidiaries net of cash disposed of		—	505	(2,850)
Acquisition of intangible assets	5	(63)	(7)	(87)
Acquisition of property, plant and equipment	5	(570)	(347)	(3,890)
Net change in non-current financial assets		174	(1,542)	(238)
Net cash flows provided by (used in) investing activities of continuing operations		(459)	(1,353)	(6,965)
Net cash flows provided by (used in) investing activities of discontinued operations		(79)	—	—
Net cash flows provided by (used in) investing activities		(538)	(1,353)	(6,965)
Cash flows from financing activities				
Increase in share capital net of transaction costs		5,818	58,775	199,299
Increase in borrowings		496	—	—
Decrease in borrowings		(880)	(1,032)	(564)
Treasury shares		(240)	161	67
Net cash flows provided by financing activities of continuing operations		5,194	57,904	198,802
Net cash flows provided by (used in) financing activities of discontinued operations		—	—	—
Net cash flows provided by financing activities		5,194	57,904	198,802
(Decrease) increase in cash		(14,197)	98,276	195,073
Cash and cash equivalents at the beginning of the year		21,808	7,559	112,347
Effect of exchange rate changes on cash		(52)	6,511	6,818
Cash from discontinued operations		1,290	—	—
Cash from continuing operations		6,269	112,347	314,238
Cash and cash equivalents at the end of the year	11	7,559	112,347	314,238

The accompanying notes form an integral part of these consolidated financial statements

CELLECTIS S.A.
NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015

Note 1. The Company

Collectis S.A. (hereinafter “Collectis” or “we”) is a limited liability company (“société anonyme”) registered and domiciled in Paris, France. We are a gene-editing company, employing our core proprietary technologies to develop products in the emerging field of immuno-oncology. Our product candidates, based on gene-edited T-cells that express chimeric antigen receptors, or CARs, seek to harness the power of the immune system to target and eradicate cancers. Our gene-editing technologies allow us to create allogeneic CAR T-cells, meaning they are derived from healthy donors rather than the patients themselves. In addition to our focus on immuno-oncology, we are exploring the use of our gene-editing technologies in other therapeutic applications, as well as to develop healthier food products for a growing population.

As at 31 December 2015, the Group includes Collectis S.A, Collectis Inc and Calyxt, Inc.

The Group completed the following internal reorganization which had no impact on the Consolidated Financial Statements.

- Ectycell was merged into, and absorbed by Collectis Bioresearch in August 2015 with retroactive effect as at 1 January 2015 for French tax purposes;
- Collectis Bioresearch was merged into, and absorbed by Collectis S.A in December 2015 with retroactive effect as at 1 January 2015 for French tax purposes;
- Collectis Bioresearch Inc. was merged into Collectis Inc. in September 2015.

Our 2014 annual Consolidated Financial Statements included the operations of Collectis S.A.; our two French subsidiaries, Collectis Bioresearch and Ectycell; our two U.S. subsidiaries, Calyxt (previously Collectis Plant Sciences Inc.) and Collectis Bioresearch Inc.; and our former Swedish subsidiary, Collectis AB.

Note 2. Basis of presentation

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, whose application is mandatory for the year ended December 31, 2014 and 2015. Comparative figures are presented for December 31, 2013.

The consolidated financial statements have been prepared using the historical cost measurement basis except for certain assets and liabilities that are measured at fair value in accordance with IFRS.

These Consolidated Financial Statements as of December 31, 2015 were approved by our Board of Directors on March 14, 2016.

IFRS include International Financial Reporting Standards (“IFRS”), International Accounting Standards (“the IAS”), as well as the interpretations issued by the Standards Interpretation Committee (“the SIC”), and the International Financial Reporting Interpretations Committee (“IFRIC”). The significant accounting methods used to prepare the Consolidated Financial Statements are described below.

2.1 Application of new or amended standards or new amendments

The following pronouncements and related amendments have been adopted by us from January 1, 2015 but had no significant impact on the Consolidated Financial Statements:

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions.
- The Annual Improvements to IFRSs for the 2010-2012 Cycle.
- The Annual Improvements to IFRSs for the 2011-2013 Cycle.

2.2 Standards, interpretations and amendments issued but not yet effective

The following pronouncements and related amendments are applicable for annual accounting periods beginning after January 1, 2016. We do not anticipate that the adoption of these pronouncements and amendments will have a material impact on our results of operations, financial position or cash flows.

- The Annual Improvements to IFRSs for the 2012-2014 Cycle.

- IFRS 9 *Financial Instruments*.

IFRS 15 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 *Revenue*. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. We are assessing the potential impact on our consolidated financial statements resulting from the application of IFRS 15.

In January 2016, the IASB issued IFRS 16 (Leases), which is effective for annual periods beginning on or after January 1, 2019. This new standard aligns the accounting treatment of operating leases with that already applied to finance leases (i.e. recognition in the balance sheet of future lease payments and the associated rights of use).

The accounting policies and measurement principles adopted for the financial statements as of and for the year ended December 31, 2015 are the same as those used as of and for the year ended December 31, 2014.

Note 3. Summary of significant accounting policies

3.1 Use of estimates and judgments

In preparing the financial statements, management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual amounts may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information on the main uncertainties regarding estimates, assumptions and judgments made when applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 3.15, Note 3.16, Note 3.17 and Note 18—Revenues and other income.
- Note 3.13 and Notes 19 and 20—Share-based payments.

3.2 Consolidation

We control all the legal entities included in the consolidation. An investor controls an investee when the investor is exposed to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. Control requires power, exposure to variability of returns and a linkage between the two.

To have power, the investor needs to have existing rights that give it the current ability to direct the relevant activities that significantly affect the investee's returns.

In order to ascertain control, potential voting rights which are substantial are taken into consideration.

Controlled entities are consolidated until the date that control ceases.

Non-controlling shareholders hold a 24.5% interest in Collectis Bioresearch, Collectis Bioresearch Inc. and Ectycell as of December 31, 2013 and 2014 (see Note 12.3). From May 18, 2015, Collectis SA hold 100% interest in Collectis Bioresearch.

Intercompany balances and transactions are eliminated when preparing the consolidated financial statements.

3.3 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies at the exchange rates effective at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency using the exchange rate effective at that date.

The resulting exchange gains or losses are recorded in the statements of consolidated operations in financial gain (loss).

Foreign currency translation

The assets and liabilities of foreign operations having a functional currency different from the euro are translated into euros at the closing exchange rate. The income and expenses of foreign operations are translated into euros at the exchange rates effective at the transaction dates or, in practice, using the average exchange rate for the reporting period unless this method cannot be applied due to significant exchange rate fluctuations.

Gains and losses arising from currency translation are recognized in other comprehensive loss. When a foreign operation is partly or fully divested, the associated share of gains and losses recognized in the currency translation reserve is transferred to the statement of consolidated operations.

3.4 Presentation currency

All financial information (unless indicated otherwise) is presented in thousands of euros (€).

3.5 Financial assets and liabilities

Receivables

Trade and other receivables are recorded at fair value, which is the nominal value of invoices unless payment terms require a material adjustment for the time value discounting effect at market interest rates. Trade receivables are subsequently measured at amortized cost. A valuation allowance for trade receivables is recognized if their recoverable amount is less than their carrying amount.

Receivables are classified as current assets, except for those with a maturity exceeding 12 months after the reporting date.

Financial debt

We initially recognize financial liabilities on the transaction date, which is the date that we become a party to the contractual provisions of the instrument.

We derecognize financial liabilities when our contractual obligations are discharged, canceled or expire.

Financial liabilities comprise of trade and other payables, finance leases and conditional advances.

Financial liabilities are valued at amortized cost. The amount of interest recognized in financial expenses is calculated by applying the financial liability's effective interest rate to its carrying amount. Any difference between the expense calculated using the effective interest rate and the actual interest payment impacts the value at which the financial liability is recognized.

3.6 Share capital

Share capital comprises ordinary shares and shares with double voting rights (see Note 12.1) classified in equity. Costs directly attributable to the issue of ordinary shares or share options are recognized as a reduction in equity. Repurchased own shares are classified as treasury shares and deducted from equity.

3.7 Property, plant and equipment

Property, plant and equipment are recognized at acquisition cost less accumulated depreciation and any impairment losses. Acquisition cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is expensed on a straight-line basis over the estimated useful lives of the assets. If components of property, plant and equipment have different useful lives, they are accounted for separately.

The estimated useful lives are as follows:

- | | |
|------------------------|------------|
| • Office furniture | 10 years |
| • Laboratory equipment | 3-10 years |
| • Leasehold equipment | 6 years |
| • Office equipment | 5 years |
| • IT equipment | 3 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Any gain or loss on disposal of an item of property, plants and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item. The net amount is recognized in the statement of consolidated operations under the line item "Other operating income" or "Other operating expenses."

3.8 Leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

If, according to the terms of a lease, it appears that substantially all the risks and rewards incidental to ownership are transferred from the lessor to the lessee, the associated leased assets are initially recognized as an asset at the lower of their fair value and the present value of the minimum lease payments and subsequently depreciated or impaired, as necessary. The associated financial obligations are reported in the line item "Non-current financial debt" and "Current financial debt."

3.9 Intangible assets

Capitalization of development expenses

In accordance with IAS 38 *Intangible Assets*, development expenses are recorded as intangible assets only if all the following criteria are met:

- technical feasibility necessary for the completion of the development project;
- intention on our part to complete the project and to utilize it;
- capacity to utilize the intangible asset;
- proof of the probability of future economic benefits associated with the asset;
- availability of the technical, financial, and other resources for completing the project; and
- reliable evaluation of the development expenses.

Since some of these criteria were not fulfilled, we did not capitalize any development costs.

Other intangible assets

The other intangible assets we acquired with definite useful lives are recognized at cost less accumulated amortization and impairment. All expenditures are expensed when incurred. Amortization expense is recorded on a straight-line basis over the estimated useful lives of the intangible assets. The estimated useful lives are as follows:

- Software: from 1 year to 3 years;
- Patents: amortized from acquisition on the period ending when legal protection expires, ranging from 10 years to 20 years.

3.10 Impairment of tangible assets, intangible assets and goodwill

Amortizable intangible assets and depreciable tangible assets are tested for impairment when there is an indicator of impairment. Goodwill is tested for impairment at least once per year. Impairment tests involve comparing the carrying amount of cash-generating units with their recoverable amount. The recoverable amount of an asset is the higher of (i) its fair value less costs to sell and (ii) its value in use. If the recoverable amount of any asset is below its carrying amount, an impairment loss is recognized to reduce the carrying amount to the recoverable amount.

3.11 Inventories

Consumables (representing pharmaceutical and chemical products) are measured at the lower of cost and net realizable value. Cost is determined using the weighted average cost method.

3.12 Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for the purpose of investment or for other purposes. They are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash, bank accounts, money market funds and fixed bank deposits that meet the definition of a cash equivalent. Cash equivalents are fair valued at the end of each reporting period.

3.13 Employee benefits

Provisions for retirement and other benefits

Our defined benefit obligations, and their cost, are determined using the projected unit credit method.

The method consists in measuring the obligation based on a projected end-of-career salary and vested rights at the measurement date, according to the provisions of the collective bargaining agreement, corporate agreements and applicable law.

Actuarial assumptions used to determine the benefit obligations are specific to each country and each benefit plan. The discount rate used is the yield at the reporting date on AA credit-rated bonds with maturity dates that approximate the expected payments for our obligations.

Actuarial gains or losses are recognized in the statement of comprehensive loss for the year in which they occur.

Other long-term employee benefits

Our net obligation for long-term employee benefits other than retirement plans is equal to the value of employees' future benefits vested in exchange for services rendered in the current and prior periods. The benefits are discounted and the fair value of any plan assets is deducted.

The obligation is measured using the projected unit credit method. The discount rate is the same as the one used for the provisions for retirement and other benefits. Actuarial gains or losses are recognized in profit or loss for the year in which they occur.

Termination benefits

Termination benefits are recognized as a liability and expense at the earlier of the following dates:

- When the entity can no longer withdraw the offer of those benefits; and
- When the entity recognizes costs for a restructuring that is within the scope of IAS 37 Provisions and involves the payment of termination benefits.

Short-term employee benefits

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if we have a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of share warrants, employee warrants, stock options and free shares granted to employees is recognized as a payroll expense with a corresponding increase in equity, over the vesting period. The amount recognized as an expense is adjusted to reflect the actual number of awards for which the related service conditions are expected to be met.

The fair values of share warrants, employee warrants and stock options granted to employees are measured using the Black-Scholes model. Measurement inputs include share price on the measurement date, the exercise price of the instrument, expected volatility, expected maturity of the instruments, expected dividends, and the risk-free interest rate (based on Government bonds). Service and performance conditions attached to the transactions are not taken into account in determining fair value.

3.14 Provisions

A provision is recognized if, as a result of a past event, we have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

3.15 Revenues

Collaboration agreements and licenses

We enter into research collaboration agreements that may consist of non-refundable upfront payments, payments for the sale of rights to technology, milestone payments, royalties and research and development cost reimbursements. In addition, we license our technology to third parties, which may be part of the research collaboration agreements.

Non-refundable upfront payments are deferred and recognized as revenue over the period of the collaboration agreement. Sales of technology pursuant to non-cancelable, non-refundable fixed-fee arrangements are recognized when such technology is delivered to the co-contracting party and our exclusive rights to access the technology have stopped.

Milestone payments represent amounts received from our collaborators, the receipt of which is dependent upon the achievement of certain scientific, regulatory, or commercial milestones. We recognize milestone payments when the triggering event has occurred, there are no further contingencies or services to be provided with respect to that event, and the co-contracting party has no right to require refund of payment. The triggering event may be scientific results achieved by us or another party to the arrangement, regulatory approvals, or the marketing of products developed under the arrangement.

Royalty revenues arise from our contractual entitlement to receive a percentage of product sales achieved by co-contracting parties. As we have no products approved for sale, we have not received any royalty revenue to date. Royalty revenues, if earned, will be recognized on an accrual basis in accordance with the terms of the collaboration agreement when sales can be determined reliably and there is reasonable assurance that the receivables from outstanding royalties will be collected.

Revenues from licenses are recognized ratably over the period of the license agreements.

Sales of products and services

Revenues on sales of products and services are recognized when significant risks and rewards of ownership have been transferred to the buyer. Accumulated costs on product orders in process are recorded in inventories. We also offer research services to customers, which are recognized as revenues when the services are rendered, either on a time and materials basis, or ratably over the contract period for fixed payment arrangements.

3.16 Research tax credit

The Research Tax Credit (*Crédit d'Impôt Recherche*, or "CIR") is granted to entities by the French tax authorities in order to encourage them to conduct technical and scientific research. Entities that demonstrate that their research expenditures meet the required CIR criteria receive a tax credit that may be used for the payment of their income tax due for the fiscal year in which the expenditures were incurred, as well as in the next three years. If taxes due are not sufficient to cover the full amount of tax credit at the end of the three-year period, the difference is repaid in cash to the entity by the authorities. If a company meets certain criteria in terms of sales, headcount or assets to be considered a small/middle size company, immediate payment of the Research Tax Credit can be requested. Collectis S.A. and its French subsidiaries meet such criteria.

We apply for CIR for research expenditures incurred in each fiscal year and recognize the amount claimed in the line item "Other income" in the same fiscal year. Research tax credit is subject to audit of tax authorities.

3.17 Other government grants

We receive government grants for advanced research programs we conduct alone or in connection with other unrelated entities. This government aid is provided for and managed by French state-owned entities, and specifically "Banque Publique d'Investissement" ("Bpifrance"), formerly named OSEO Innovation.

We, alone or with other unrelated entities, enter into multi-year contractual arrangements for the financing of a specific research program. This arrangement may consist of subsidies only, conditional advances only or both subsidies and conditional advances. Subsidies and conditional advances are paid in fixed installments at predetermined contractual dates, subject generally to milestones based on progress of the research and documentation.

Subsidies received are non-refundable. Conditional advances received are subject to nil or low interest rate depending on contractual provisions. If and when the research program has generated an amount of revenues equal to or higher than the amount set forth in the original contract, contractual repayment is required. In addition, if we decide to stop the research program, the conditional advance may be repayable.

Subsidies that relate to expenses we incur for those research programs are recognized in the line item "Other income" in the period in which the expenses subject to the subsidy have been incurred.

For conditional advances, and in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, the advantage resulting from nil or low interest rate as compared to a market interest rate is considered and accounted for as a government grant. A financial liability is recognized for proceeds received from the conditional advance less the grant, and interest expense is subsequently imputed at market interest rate.

Subsidies and the grant portion of conditional advances received in advance of expenses of the research program are accounted in the line item "Deferred income" in the statements of financial position, and then, as the research expenses are incurred, transferred to the line item "Other income" in the statement of consolidated operations.

3.18 Classification of operating expenses

Royalty expenses include costs from license agreements that we entered to obtain access to technology that we use in our product development efforts. Depending on the contractual provisions, expenses are based either on a percentage of revenue generated by using the patents or on fixed annual royalties.

Research and development expenses include employee-related costs, lab supplies and facility costs, as well as fees paid to non-employees and entities to conduct research and development activities on our behalf. They also include expenses associated with obtaining patents.

Selling, general and administrative expenses consist primarily of employee-related expenses for executive, business development, intellectual property, finance, legal and human resource functions. Administrative expenses also include facility-related costs and service fees, other professional services, recruiting fees and expenses associated with maintaining patents.

3.19 Income tax

Income tax (expense or income) comprises current tax expense (income) and deferred tax expense (income).

Deferred taxes are recognized for all the temporary differences arising from the difference between the tax basis and the accounting basis of assets and liabilities. Tax losses that can be carried forward or backward may also be recognized as deferred tax assets. Tax rates that have been enacted as of the closing date are utilized to determine deferred tax.

Deferred tax assets are recognized only to the extent that it is likely that future profits will be sufficient to recover them. We have not recorded net deferred tax assets in the statements of financial position.

3.20 Earnings per share

Basic earnings per share are calculated by dividing profit attributable to our ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted to take into account the impact of treasury shares.

Diluted earnings per share is calculated by adjusting profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all potentially dilutive ordinary shares (stock-options, free shares, share warrants, employee warrants).

3.21 Discontinued operations

In accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the assets and liabilities of entities held for sale are presented separately. From the date of classification as “assets held for sale”, depreciation on the relevant assets ceases. Net profit or loss from discontinued activities is presented as a separate line item in the statement of operations. Consequently, the notes to the Consolidated Financial Statements relating to the statement of operations refer solely to continuing operations. A discontinued operation is a component of a company with independent cash flows. It is a separate major line of business or geographical area of operations that has been disposed of or is held for sale.

3.22 Statements of cash flows

We present our consolidated statements of cash flows using the indirect method. The statements of consolidated cash flows have been prepared using flows of continuing operations. Net operating, investing and financing cash flows from discontinued operations are related to Collectis AB.

Note 4. Financial risks management

We have exposure to the following risks arising from financial instruments:

Foreign exchange risk

A portion of our revenue is generated in currencies other than euro. Although Collectis' strategy is to favor the euro as our transaction currency when signing contracts, some agreements have been signed in US dollars (primarily our agreement with Pfizer Inc. (“Pfizer”), and a part of the agreement with Servier). As of December 31, 2015, 17% of our cash and cash equivalents were denominated in euros.

Since we do not use hedging instruments, we are exposed to fluctuations in EUR/USD exchange rates.

Liquidity risk

Our financial debt consists of government conditional advances for our research projects and finance lease liabilities. For conditional advances, reimbursement of the principal is subject to the commercial success of the related research project.

We have incurred losses and cumulative negative cash flows from operations since our inception in 2000, and we anticipate that we will continue to incur losses for at least the next several years. As of December 31, 2015, we held €314.2 million in cash and cash equivalents.

Interest rate risk

To date, we are only liable for governmental conditional advances with either no interest or interest at a fixed, generally below market rate. Consequently, we are not significantly exposed to fluctuations in interest rates for our liabilities.

Our investment strategy is conservative and based exclusively on liquid and capital-guaranteed investments.

Credit risk

Credit risk is the risk of our financial loss if a customer or counterparty to a financial instrument defaults on its contract commitments. We are exposed to credit risk due to our trade receivables, subsidies receivables and cash equivalents.

Our policy is to manage our risk by dealing with third parties with good credit standards.

Note 5. Reportable segments

Reportable segments are identified as components of an enterprise that have discrete financial information available for evaluation by the Chief Operating Decision Maker ("CODM"), for purposes of performance assessment and resource allocation.

Collectis' CODM is composed of:

- The Chairman and Chief Executive Officer;
- The Executive Vice President and Chief Operating Officer;
- The Executive Vice President Corporate Development;
- The Chief Scientific Officer;
- The Chief Financial Officer;
- The Vice President Business Development;
- The General Counsel; and
- The Chief Executive Officer of Calyxt, Inc.

We view our operations and manage our business in two operating and reportable segments that are engaged in the following activities:

- *Therapeutics*: This segment is focused on the development of products in the field of immuno-oncology and of novel therapies outside immuno-oncology to treat other human diseases. This approach is based on our gene editing and Chimeric Antigen Receptors ("CARs") technologies. All these activities are supported by Collectis S.A. and Collectis Inc. Our holding activity is included in the Therapeutics segment which also comprises research and development, management and support functions. The Therapeutics segment also includes the amounts associated with our former Tools and Services segment.
- *Plants*: This segment is focused on applying our gene-editing technologies to develop new-generation plant products in the field of agricultural biotechnology through our own efforts or through alliances with other companies in the agricultural market. It corresponds to the activity of our U.S.-based subsidiary, Calyxt Inc., which is based in New Brighton, Minnesota.

Following the sale of Collectis AB in August 2014, the Tools and Services segment is managed as a discontinued activity, and the segment information has been retrospectively restated to present two operating and reporting segments: Therapeutics (which includes "Tools and Services" activities through the date of disposal of Collectis AB) and Plants.

The operations of Collectis S.A., the parent company, are presented entirely in the Therapeutics segment.

There are intersegment transactions between the two reportable segments, including allocation of corporate general and administrative expenses by Collectis S.A. to its subsidiaries and allocation of research and development expenses to the reportable segments.

These inter-segment transactions are generally priced based on provisions of service agreements signed between our legal entities, according to which services are to be allocated at cost plus a mark-up of between 4% and 10%, depending on the nature of the service. According to a cash pooling agreement signed with subsidiaries, interests are allocated/paid to segments at 12-month Euribor plus 5%.

Information related to each reportable segment is set out below. Segment Revenues and other income, Research and Development expenses, Selling General and Administrative expenses, and Royalties and Other Operating income and expenses, and Operating profit or loss (without non-cash stock-based expense) are used by the CODM to measure performance. The CODM does not review any asset or liability information by segment or by region. The operating profit or loss includes the impact of the operations between segments while the intra-segment operations are eliminated.

The Company has identified immaterial errors in revenue recognition related to license contracts signed in 2012 and 2013 in the Plants segment. Nonrefundable upfront payments received were fully recognized in revenues at the contract dates while they should have been recognized over the license periods. Adjustments to prior periods are immaterial and therefore have been recorded in the Statement of Consolidated Operations in the year ended December 31, 2015. The cumulative adjustment recorded on deferred revenue was €0.8 million at the end of 2015. Had corrections been recorded contemporaneously, Plant segment revenue and other income would have been €0.5 million in 2013, €1.1 million in 2014 and €1.1 million in 2015.

The table below shows segments results.

	2013			2014			2015		
	€ in thousands			€ in thousands			€ in thousands		
	Plants	Therapeutics	Total reportable segments	Plants	Therapeutics	Total reportable segments	Plants	Therapeutics	Total reportable segments
Segment revenues and other income	1,283	13,928	15,211	1,156	27,564	28,720	44	57,141	57,185
Inter-segment revenues	—	(599)	(599)	(91)	(1,171)	(1,262)	—	(800)	(800)
Revenues with Collectis AB (discontinued operations)	—	(1,888)	(1,888)	—	(1,005)	(1,005)	—	—	—
External revenues and other income	1,283	11,441	12,724	1,065	25,388	26,453	44	56,341	56,385
Research and development expenses	(1,426)	(16,418)	(17,844)	(922)	(13,485)	(14,407)	(3,200)	(49,210)	(52,410)
Selling, general and administrative expenses	(795)	(18,239)	(19,034)	(822)	(12,292)	(13,114)	(1,666)	(25,572)	(27,238)
Royalties and other operating income and expenses	(62)	(2,312)	(2,374)	(269)	(3,908)	(4,177)	(245)	(4,416)	(4,660)
Total operating expenses	(2,283)	(36,969)	(39,252)	(2,013)	(29,685)	(31,698)	(5,112)	(79,197)	(84,309)
Operating income (loss) before tax	(1,000)	(25,528)	(26,528)	(948)	(4,297)	(5,245)	(5,068)	(22,856)	(27,924)
Depreciation and amortization	(86)	(1,762)	(1,848)	(74)	(1,271)	(1,345)	(89)	(1,657)	(1,745)
Expenses related to share-based payments	—	(461)	(461)	—	(548)	(548)	(1,470)	(28,633)	(30,103)
Impairment losses on non-financial assets	—	(347)	(347)	—	(27)	(27)	—	—	—
Capital expenditure	134	499	633	134	221	354	474	3,502	3,977

Entity-wide disclosures:

Revenues from external customers by products and services and by country of origin for fiscal years 2013, 2014 and 2015 are given in Note 18.

In 2015, two clients represent more than 10% of the total revenue from continuing operations in 2015: Client A with 49% and Client B with 47%.

In 2014, three clients represent more than 10% of the total revenue from continuing operations in 2014: Client B with 42.7%, Client C with 19.4% and Client A with 14.2%.

No customer represented more than 10% of total revenue from continuing operations in 2013.

Note 6. Impairment tests

The cash-generating units ("CGUs") defined by the Company correspond to the operating/reportable segments: Therapeutics and Plants.

2013

The only CGU that included goodwill was Tools and Services (now merged into the Therapeutics segment) to which, at the end of 2013, 100% of the goodwill resulting from the acquisition of Collectis AB was allocated. This CGU has been tested for impairment for the period ending and December 31, 2013 as described in note 3.10.

In 2013, the recoverable value of Tools and Services CGU has been determined on the basis of its fair value less costs to sell because of the decision to sell Collectis AB and discontinue the activity in this segment. The fair value less costs to sell has been determined on the basis of the outcome from first negotiations related to the disposal of the segment Tools and Services.

The carrying value exceeded the fair value of Tools and Services CGU and resulted in impairment of goodwill of €26.8 million and property, plant and equipment of €0.3 million. The impact related to the impairment of the goodwill is classified in discontinued operations, on the basis of the relative fair value of the components of the segment Tools and Services, whereas the impairment of property, plant and equipment is included in the operating profit/loss of continuing operations since it corresponds to the tangible assets of Collectis Bioresearch and Ectycell.

The net book value of the intangible and tangible assets of the Tools and Services segment after impairment is as follows as of December 31, 2013:

	12/31/2013		
	Basis for impairment test	Impairment / Depreciation	Net value
		€ in thousands	
Goodwill	27,860	(26,764)	1,096
Intangible assets	2,373	—	2,373
Tangible assets	761	(347)	414
Total	30,994	(27,111)	3,883

2014

The remaining goodwill of Collectis AB was written off in 2014 based on its final sale price. We did not identify indicators that any intangible or tangible asset was impaired at the end of December 31, 2014.

2015

No indicator of impairment has been identified for any intangible or tangible assets in either of the CGUs at the end of December 31, 2015.

Note 7. Intangible assets

	Goodwill	Licences and Patents	Other intangibles	Total
	€ in thousands			
Net book value as at 01/01/2013	28,759	1,255	2,680	32,694
Change in scope	—	—	—	—
Additions to intangible assets	—	62	—	62
Disposal of intangible assets	—	—	—	—
Amortization expense.....	(26,764)	(163)	(224)	(27,151)
Translation adjustments	(899)	—	(79)	(978)
Net book value as at 12/31/2013	1,096	1,154	2,377	4,627
Gross value at end of period.....	27,860	1,917	2,852	32,629
Accumulated depreciation and impairment at end of period.....	(26,764)	(763)	(475)	(28,002)
Net book value as at 01/01/2014	1,096	1,154	2,377	4,627
Change in scope	(1,059)	—	(2,152)	(3,211)
Additions to intangible assets	—	11	—	11
Disposal of intangible assets	—	—	—	—
Amortization expense.....	—	(139)	(148)	(287)
Translation adjustments	(37)	—	(77)	(114)
Net book value as at 12/31/2014	—	1,026	—	1,026
Gross value at end of period.....	—	1,928	—	1,928
Accumulated depreciation and impairment at end of period.....	—	(902)	—	(902)
Net book value as at 01/01/2015	—	1,026	—	1,026
Change in scope	—	—	—	—
Additions to intangible assets	—	87	—	87
Disposal of intangible assets	—	—	—	—
Amortization expense.....	—	(157)	—	(157)
Translation adjustments	—	—	—	—
Net book value as at 12/31/2015	—	956	—	956
Gross value at end of period.....	—	2,015	—	2,015
Accumulated depreciation and impairment at end of period.....	—	(1,059)	—	(1,059)

The column 'Change in scope' corresponds to the removal of Collectis AB from the scope of consolidation following its sale in August 2014.

Note 8. Property, plant and equipment

	Buildings	Technical equipments	Fixtures, fittings and other equipments	Total
	€ in thousands			
Net book value as at 01/01/2013	1,782	3,643	59	5,484
Change in scope	—	—	—	—
Additions to tangible assets	169	356	46	571
Disposal of tangible assets	—	—	—	—
Depreciation expense	(388)	(1,711)	(43)	(2,142)
Translation adjustments	(44)	—	—	(44)
Net book value as at 12/31/2013	1,519	2,288	62	3,869
Gross value at end of period	2,381	9,741	411	12,533
Accumulated depreciation and impairment at end of period	(818)	(7,497)	(349)	(8,664)
Net book value as at 01/01/2014	1,563	2,244	62	3,869
Change in scope	—	(325)	—	(325)
Additions to tangible assets	—	337	7	344
Disposal of tangible assets	—	(6)	—	(6)
Depreciation expense	(397)	(879)	(28)	(1,304)
Translation adjustments	—	33	—	33
Net book value as at 12/31/2014	1,166	1,403	41	2,610
Gross value at end of period	2,381	8,552	418	11,351
Accumulated depreciation and impairment at end of period	(1,215)	(7,150)	(377)	(8,742)
Net book value as at 01/01/2015	1,166	1,403	41	2,610
Change in scope	—	—	—	—
Additions to tangible assets	1,331	2,224	483	4,038
Disposal of tangible assets	—	(106)	—	(106)
Depreciation expense	(614)	(922)	(52)	(1,587)
Reclassification	—	(17)	18	1
Translation adjustments	20	61	7	88
Net book value as at 12/31/2015	1,903	2,643	497	5,043
Gross value at end of period	3,734	10,716	953	15,403
Accumulated depreciation and impairment at end of period	(1,831)	(8,074)	(456)	(10,361)

The column 'Change in scope' corresponds to the removal of Collectis AB from the scope of consolidation following its sale in August 2014.

Increases are related to leasehold improvements in our new U.S. headquarters and in R&D equipment in both the United States and France.

No assets have been pledged as security for financial liabilities. There is no restriction on title of property, plant and equipment, except for assets recognized under finance lease agreements.

Finance lease

	As of December 31,	
	2014	2015
	€ in thousands	
Gross	5,247	5,377
Accumulated depreciation	(4,417)	(4,893)
Net	829	484

The finance leases relate mainly to laboratory equipment and IT equipment.

Note 9. Inventories and accumulated costs on orders in process

	As of December 31,	
	2014	2015
	€ in thousands	
Raw materials and consumables	135	158
Accumulated costs on orders in process	—	—
Inventories and accumulated costs on orders in process	135	158

Accumulated costs on orders in process corresponded to products developed by the Tools and Services segment. Since it was abandoned in 2014, there are no accumulated costs on orders in process as of December 31, 2014 and 2015.

Note 10. Trade receivables and other current assets

10.1 Trade receivables

	As of December 31,	
	2014	2015
	€ in thousands	
Trade receivables	5,932	6,266
Valuation allowance	(51)	(231)
Total net value of trade receivables	5,881	6,035

All trade receivables have payment terms of less than one year.

As of December 31, 2014, non-current trade receivables of € 1.4 million are classified in the line item “Other non-current financial assets.” which was not the case as at 31 December 2015 since this receivable will be paid off by June 2016.

10.2 Subsidies receivables

	As of December 31,	
	2014	2015
	€ in thousands	
Research tax credit	7,052	8,227
Other subsidies	2,224	1,981
Valuation allowance for other subsidies	(1,106)	(1,106)
Total	8,170	9,102

Government grants to Collectis related to research and development expenses for research programs are recognized as “Subsidies receivables” in the period in which the expenses subject to the subsidy have been incurred, provided there is a reasonable assurance that we will comply with conditions attached to the subsidy and that the subsidy will be received.

The valuation allowance for other subsidies corresponds to the CellMill grant. Due to the uncertainty related to the collection of this subsidy, it was fully reserved in 2014. Note that in 2011 and 2012, we entered into a subsidy agreement for a research program named “CellMill” for a total amount of €11.0 million with five different local, regional and national agencies. The received subsidies are non-refundable. However, for some of them, the contract stipulated that the funds would have to be repaid if we moved out of the location where the research activities on CellMill were performed (Evry, Essonne). For several reasons, including termination of the partnership by our research partner, we had to close this site in the beginning of 2014, and repaid the undue amount in 2015.

Research tax credit as at 31 December 2015 includes €3.1 million related to the 2014 research tax credits and €5.1 million related to the 2015 research tax credits.

10.3 Other current assets

	As of December 31,	
	2014	2015
	€ in thousands	
VAT receivables	2,101	461
Prepaid expenses and other prepayments	1,902	3,778
Other current assets	1,464	446
Total	5,468	4,685

Prepaid expenses and other prepayments include primarily advances to our sub-contractors on research and development activities.

Note 11. Cash and cash equivalents

	As of December 31,	
	2014	2015
	€ in thousands	
Cash and bank accounts	94,680	283,877
Money market funds	667	11,361
Fixed bank deposits	17,000	19,000
Total cash and cash equivalent as reported in statement of financial position	112,347	314,238

The revaluation of our cash accounts denominated in U.S. dollars at December 31, 2015 generated an unrealized foreign exchange gain of €6.1 million.

12. Capital

12.1 Share capital issued

Nature of the Transactions	Share Capital	Share premium € in thousands	Number of shares	Nominal value in €
Balance as of January 1, 2013	1,024	131,159	20,477,024	0.05
Capital increase by issuance of ordinary shares (BSA and BSPCE)	—	3	296	
Capital increase by issuance of ordinary shares (BSA Kepler)	30	2,285	605,000	
Share based compensation		461		
Balance as of December 31, 2013	1,054	133,908	21,082,320	0.05
Nature of the Transactions	Share Capital	Share premium € in thousands	Number of shares	Nominal value in €
Balance as of January 1, 2014	1,054	133,908	21,082,320	0.05
Capital increase by issuance of common shares	200	19,446	4,000,000	
Capital increase by issuance of ordinary shares (Pfizer)	139	25,640	2,786,924	
Capital increase by issuance of ordinary shares (BSA & Free shares)	79	13,301	1,577,477	
Share based compensation		548		
Balance as of December 31, 2014	1,472	192,842	29,446,721	0.05
Nature of the Transactions	Share Capital	Share premium € in thousands	Number of shares	Nominal value in €
Balance as of January 1, 2015	1,472	192,842	29,446,721	0.05
Capital increase by issuance of common shares (IPO Nasdaq)	275	194,382	5,500,000	
Capital increase by issuance of ordinary shares (BSA & Free shares)	12	4,066	231,893	
Share based compensation		29,392		
Balance as of December 31, 2015	1,759	420,682	35,178,614	0.05

Capital evolution in 2015

- On March 30, 2015, we issued 5,500,000 ordinary shares in the form of American Depositary Shares on the Nasdaq Global Market for gross proceeds of €211.5 million. In connection with this issuance, €16.9 million in fees were deducted from the share premium.
- During the twelve month period ended December 31, 2015, we issued 101,893 ordinary shares related to the conversion of warrants, 70,000 ordinary shares related to stock options's exercises and 60,000 ordinary shares corresponding to free shares granted in 2013.

Capital evolution in 2014

- On March 19, 2014, we entered into an agreement with Trout Capital LLC to act as placement agent to provide financial advisory services in connection with a private placement of our ordinary shares to "qualified institutional buyers" or "institutional accredited investors." On March 24, 2014, we issued 4,000,000 ordinary shares in the private placement for net proceeds of €20.5 million. Fees paid to Trout Capital LLC amounted to €965 thousand, including the fair value of €174 thousand of the 50,000 non-employee warrants issued on March 27, 2014 and €791 thousand in cash. Such fees were deducted from the share premium.
- On July 31, 2014, we issued 2,786,924 ordinary shares in the context of a share capital increase to the benefit of Pfizer OTC B.V. for a total subscription amount of €25.8 million.
- On September 29, 2014, the vesting period for 82,123 free shares expired and such shares were issued accordingly.
- On November 13, 2014, we issued 1,495,357 ordinary shares in connection with the exercise of non-employees warrants for a total subscription of €13.4 million.

Capital evolution in 2013

- April 29, 2013: capital increase of €38 by issuing 761 shares with a nominal value of 5 cents each, resulting from the exercise of share warrants ("BSA" or "Bon de Souscription d'Action").
- September 19, 2013: capital increase of €15 by issuing 293 shares with a nominal value of 5 cents each, resulting from the exercise of BSA.
- In December 2012, following a decision of the General Meeting of Shareholders held on June 22, 2012, we issued 2,000,000 BSA to Kepler Capital Markets and Kepler Corporate Finance ("Kepler"). Upon Collectis' request and at any time during years 2013, 2014 and 2015, Kepler must exercise the requested amount of warrants. Each warrant gives Kepler a right to purchase one share with a discount of 10% to the share market price at the date of exercise. Under this contract, four drawings have been made between July and October 2013 resulting in the issuance of 605,000 new shares for a net proceeds of €2.3 million.

BSA 2011:

On October 28, 2011, using the delegation of authority granted by the General Assembly held the same day, we issued 12,195,113 warrants (Bon de Souscription d'Actions or "BSA") to the existing shareholders with a ratio of one BSA for one share. October 28, 2014 was the closing date for the exercise of the "BSA 2011." Pursuant to the terms of the plan, we issued 1,470,836 ordinary shares for gross proceeds of €13.2 million.

Voting rights:

After a shareholder continuously holds ordinary shares for two years, each ordinary share held by such shareholder is entitled to two votes.

- At December 31, 2013, we had 21,082,320 ordinary shares outstanding of which 4,576,704 had a double voting right.
- At December 31, 2014, we had 29,446,721 ordinary shares outstanding of which 8,762,458 had a double voting right.
- At December 31, 2015, we had 35,178,614 ordinary shares outstanding of which 7,470,898 had a double voting right.

Otherwise, our ordinary shares are not entitled to any preferential voting right or restriction.

12.2 Share warrants and employee warrants

Share warrants and employee warrants consist of Bon de Souscription d'Action ("BSAs") which are granted to our board members and consultants.

Holders of vested stock options and warrants are entitled to subscribe to a capital increase of Collectis at predetermined exercise price.

Date	Type	Number of awards issued as of 12/31/2015	Number of awards voided/vested as of 12/31/2015	Number of awards outstanding as of 12/31/2015	Maximum of shares to be issued	Strike price per share in euros
07/20/2007	BSPCE C	228,767	95,775	132,992	138,125	13.75
02/28/2008	BSPCE D	1,867	0	1,867	1,939	6.16
07/27/2010	BSPCE E	59,108	39,406	19,702	20,464	7.97
09/18/2012	Free shares	102,099	99,123	2,976	2,976	
03/19/2013	Free shares	102,000	92,000	10,000	10,000	
03/24/2014	BSA	50,000	0	50,000	50,000	6.00
04/10/2014	Free shares	100,000	2,000	98,000	98,000	
01/08/2015	Free shares	50,000	0	50,000	50,000	
03/24/2015	Stock Options	1,907,297	91,967	1,815,330	1,815,330	38.45
03/27/2015	BSA	180,000	0	180,000	180,000	38.45
05/18/2015	BSA	50,000	0	50,000	50,000	29.58
05/18/2015	Free shares	450,400	300	450,100	450,100	
09/08/2015	BSA	274,200	0	274,200	274,200	28.01
09/08/2015	Stock Options	1,982,300	50,000	1,932,300	1,932,300	27.55
	Total	5,538,038	470,572	5,067,466	5,073,434	

- In September 2015, our subsidiary Calyxt Inc. granted options in Calyxt Inc. representing a 4.7% interest of that subsidiary if fully exercised to a small group of its employees, directors and executive officers. The compensation expense for 2015 amounted to €0.5 million (see Note 20.5).
- In December 2014, our subsidiary Calyxt Inc. granted options in Calyxt Inc. representing a 9.4% interest of that subsidiary if fully exercised to a small group of its employees and two of our directors and executive officers, and it reserved an additional 0.6% for further grants. Calyxt Inc. made these grants to provide incentives for these employees that are directly linked to the performance of Calyxt Inc., rather than Collectis as a whole. The compensation expense for 2015 amounted to €0.2 million (see Note 20.5).

12.3 Non-controlling interests

On December 19, 2013, Collectis S.A. contributed its 75% investment in Ectycell to Collectis Bioresearch, and Caisse des Dépôts et Consignations contributed €3.5 million to Collectis Bioresearch. As a result, Ectycell became a wholly-owned subsidiary of Collectis Bioresearch, of which, in turn, Collectis owns 75.5% and Caisse des Dépôts et Consignations owns 24.5%. This transaction was accounted for as an equity transaction between us and the non-controlling interest, resulting in the transfer of a 24.5% of the consolidated equity of Collectis Bioresearch to a non-controlling interest for an amount of €3.3 million.

On May 18, 2015, Collectis S.A. repurchased the Collectis Bioresearch shares held by Caisse des Dépôts et Consignations for €3.5 million. Thereafter, no non-controlling interest has been recorded.

The following table summarizes the information relating to each of our subsidiaries that reported non-controlling interest ("NCI"):

	ECTYCELL		CELLECTIS BIORESEARCH		CELLECTIS BIORESEARCH Inc.	
	2014	2015	2014	2015	2014	2015
	€ in thousands					
Revenue	33	—	1,093	327	416	(32)
Net Profit (Loss)	(2,771)	228	(1,547)	2,062	269	58
Net Profit (Loss) attributable to NCI	(679)	56	(379)	60	66	55
Other comprehensive income	17	—	61	1	(258)	(196)
Total comprehensive income	(2,754)	228	(1,486)	2,063	11	(138)
Total comprehensive income attributable to NCI	(675)	56	(364)	60	3	(10)
Current assets	(706)	—	3,015	—	(2,081)	—
Non-current assets	33	—	—	—	—	—
Current liabilities	(2,796)	—	(915)	—	2	—
Non-current liabilities	(941)	—	(750)	—	—	—
Net assets	(4,410)	—	1,349	—	(2,078)	—
Net assets attributable to NCI	(2,110)	—	1,360	—	(509)	—

12.4 Treasury shares

In 2008, Collectis executed a liquidity contract with Natixis Securities ("Natixis"). This contract entitles Natixis to transact on Euronext, on our behalf, in order to enhance the liquidity of transactions and regularity of quotation of our ordinary shares, in an independent way, without hindering the functioning of the market or misleading investors.

The initial advance payment made to Natixis Securities for the purpose of making transactions under this contract was €0.4 million. €0.2 million are classified in treasury shares and the balance is presented in the line item "Other non-current financial assets" in the statements of consolidated financial position.

Note 13. Financial liabilities

13.1 Non-current / Current financial debt

	Year Ended December 31,	
	2014	2015
	€ in thousands	
Conditional advances	2,768	—
Finance leases	48	64
Other	8	2
Total non-current financial debt	2,824	66
Conditional advances	596	1,839
Finance leases	266	82
Total current financial debt	862	1,921

13.2 Conditional advances

	OSEO A0609014Q	OSEO I1010002W	OSEO ACTIVE	OSEO I1107018W	OSEO I1010001W		TOTAL
	€ in thousands						
Opening Balance as of 1/1/2014	150	504	1,424	248	24	860	3,210
+ receipts	—	—	—	300	—	—	300
- repayments	—	(284)	—	—	—	—	(284)
Interest imputed	—	—	100	—	—	60	160
Interest adjustment	—	(220)	—	198	—	—	(22)
Balance as of 12/31/2014	150	—	1,524	746	24	920	3,364
Of which:							
Non-current portion	—	—	1,524	300	24	920	2,768
Current portion	150	—	—	446	—	—	596
Opening Balance as of 1/1/2015	150	—	1,524	746	24	920	3,364
+ receipts	—	—	—	—	—	—	—
- repayments	(150)	—	—	(746)	—	—	(896)
Interest imputed	—	—	—	—	—	—	—
Reallocation to other current liabilities	—	—	(528)	—	47	(148)	(629)
Balance as of 12/31/2015	—	—	996	—	71	772	1,839
Of which:							
Non-current portion	—	—	—	—	—	—	—
Current portion	—	—	996	—	71	772	1,839

Conditional advances are made to Collectis by Bpifrance (formerly named OSEO Innovation) to co-finance research programs including market opportunities. The nominal amount of the advance covering the entire program is contractually fixed at the date of grant, and paid up-front for a portion and in installments depending on achievement of milestones over periods that may cover several years. Interest at below market rates is generally provided in the contracts. Repayment of the advance and interest is contractually required in the event the research program is considered a commercial success. Commercial failure is determined based on the agreement between parties to formally conclude that the research activities will not result in the achievement of commercial success. In such cases, the liability is extinguished.

A financial liability is recognized for proceeds received upfront and when milestones are completed, however as described in Note 3.17 "Other Government Grants", the advantage resulting from the below market interest rate of the advance is considered as a subsidy, which reduces the amount of the liability and is recognized as a subsidy and accounted for as such. Interest expense is subsequently imputed at a market interest rate and added to the financial liability.

As of December 31, 2015, we have three remaining conditional advances, all of which bear interest.

Since remaining conditional advances could be reimbursed within 12 months, they have been reclassified in Current financial debt at the nominal value.

Events triggering "Adjustment" are discussed below for each advance.

OSEO A0609014Q

The research program is terminated. We repaid €200 thousand in 2013 and reimbursed the remaining balance (€150 thousand) in 2015.

OSEO I1010002W

The research program is CLOSED. We repaid €284 thousand in 2014.

OSEO ACTIVE

On December 10, 2008, we obtained from OSEO a conditional advance of a maximum €2,647 thousand to finance the development of applications in antivirals. We received €1,608 thousand before January 1, 2014, which was discounted due to the below-market interest rate.

In 2015, a portion of the conditional advance (including the discount adjustment) was reclassified to Other current liabilities and has been repaid in 2016.

OSEO I1107018W

On September 1, 2011, Collectis Bioresearch obtained from OSEO a conditional advance of a maximum €1,578 thousand to finance the development of new in-vitro testing for pharmaceutical development. We received €247 thousand before January 1, 2013, and €300 thousand in 2014.

In 2014, Collectis informed OSEO that the program will be stopped during 2015. Collectis believes that it is probable that the amounts received by Collectis for the portion of the advance received will have to be reimbursed to OSEO in the next two years. However, this is subject to further discussion with OSEO. In 2014, Collectis increased the discounted value of the advances received to its nominal value, resulting in an adjustment of €198 thousand.

We reimbursed the remaining balance of €746 thousands in 2015.

OSEO I1010001W

On September 1, 2011, we obtained from OSEO two conditional advances to finance the development of iPS-derived cell lines for pharmaceutical testing:

- We received €24 thousand and €1,225 thousand on these two advances before January 1, 2014, which were discounted due to the below-market interest rate.

In 2015, a portion of the conditional advance (including the discount adjustment) was reclassified to Other current liabilities and has been repaid in 2016.

13.3 Due dates of the financial liabilities

	Gross Amount	Less than One Year	One to Five Years	More than Five Years
Balance as of December 31, 2014	€ in thousands			
Conditional advances	3,364	596	968	1,800
Finance leases	314	266	48	—
Other	8	—	8	—
Total financial liabilities	3,686	862	1,024	1,800
Balance as of December 31, 2015	€ in thousands			
Conditional advances	1,839	1,839	—	—
Finance leases	146	82	64	—
Other	2	—	2	—
Total financial liabilities	1,986	1,921	66	—

Note 14. Deferred revenues and deferred income

	As of December 31,	
	2014	2015
	€ in thousands	
Deferred revenues	57,995	54,422
Lease incentive	632	336
Deferred income—subsidies	865	—
Total	59,492	54,758

Deferred revenues

Up-front payments received on research and license agreements are deferred until services are rendered. In 2013, up-front payments were obtained for new contracts in the Plants segment. For 2014 and 2015, most of the deferred revenues corresponds to upfront payments for the collaboration agreements with Servier and Pfizer.

Lease incentive

In November 2011, when we entered into an operating lease agreement for our headquarters in Paris (BioPark), we received a lease incentive of €1,100 thousand from the lessor, which is deferred and amortized over 6 years lease term. This amount is booked as a reduction in operating lease expenses.

Deferred income – Subsidies

Up-front payments received on subsidies are deferred until we perform related research activities. As of December 31, 2015, the deferred revenue has been recognized in revenue or reclassified to “other current liabilities” when programs stopped.

Note 15. Provisions

Year Ended December 31,						
	01/01/2013	Additions	Amounts used during the year	Reversals	Change in scope	12/31/2013
	€ in thousands					
Pension	513	9	—	(85)	—	437
Litigation	272	590	(272)	—	—	589
Redundancy plan	—	1,865	—	—	—	1,865
Total	785	2,464	(272)	(85)	—	2,891
Non-current provisions	785	9	(272)	(85)	—	437
Current provisions	—	2,454	—	—	—	2,454

Year Ended December 31,						
	01/01/2014	Additions	Amounts used during the year	Reversals	Change in scope	12/31/2014
	€ in thousands					
Pension	437	82	—	(121)	—	398
Litigation	589	483	(101)	(24)	(247)	700
Redundancy plan 2013	1,865	—	(1,133)	(210)	—	522
Redundancy plan 2014	—	491	(298)	—	—	193
Total	2,891	1,056	(1,532)	(355)	(247)	1,813
Non-current provisions	437	82	—	(121)	—	398
Current provisions	2,454	974	(1,532)	(234)	(247)	1,415

Year Ended December 31,						
	01/01/2015	Additions	Amounts used during the year	Reversals	Change in scope/Reclassification/CTA/OCI	12/31/2015
	€ in thousands					
Pension	398	54	—	—	(15)	437
Litigation	700	654	(391)	(41)	—	922
Redundancy plan 2013	522	8	(15)	(166)	(346)	4
Redundancy plan 2014	193	10	(9)	(104)	(63)	27
Total	1,813	726	(415)	(311)	(424)	1,390
Non-current provisions	398	54	—	—	(15)	437
Current provisions	1,415	672	(415)	(311)	(409)	953

In 2013, we implemented a redundancy plan at Collectis S.A., Collectis Bioresearch and Ectycell. The Works Council received a detailed document announcing the plan before December 31, 2013 and a provision of €1,865 thousand was recognized at December 31, 2013. The provision comprised termination benefit payments amounting to €1,256 thousand and other restructuring activities to which we are committed for an aggregate amount of €609 thousand. In 2014 we made payments of €1,133 thousand, of which €959 thousand related to termination benefits and €174 thousand related to other costs. In addition, we decreased the provision for the 2013 plan by €210 thousand as of December 31, 2014.

In 2014, we implemented a second redundancy plan at Collectis Bioresearch and Ectycell, for an amount of €491 thousand. The provision comprises termination benefit payments amounting to €183 thousand and other restructuring activities to which we are committed for an aggregate amount of €308 thousand. During 2014, we made payments of €298 thousand relating to termination benefits.

In 2015, we paid €24 thousand related to the redundancy plans implemented in 2013 and 2014 and reclassified €409 thousand of redundancy provision in "Other current liabilities".

In addition, as of December 31, 2015, litigation provisions are notably attributable to the termination of a supplier contract, litigation with employees and employee termination settlements.

Commitments for compensation payable to employees upon their retirement

France

In France, pension funds are generally financed by employer and employee contributions and are accounted for as defined contribution plans, with the employer contributions recognized as expense as incurred. There are no actuarial liabilities in connection with these plans. Expenses recorded in the years ended December 31, 2013, 2014 and 2015 amounted to €0.7 million, €0.6 million and €0.7 million, respectively.

French law also requires payment of a lump sum retirement indemnity to employees based on years of service and annual compensation at retirement. Benefits do not vest prior to retirement. We are paying this defined benefit plan. It is calculated as the present value of estimated future benefits to be paid, applying the projected unit credit method whereby each period of service is seen as giving rise to an additional unit of benefit entitlement, each unit being measured separately to build up the final.

As part of the estimation of the retirement indemnity to employee, the following assumptions were used for all categories of employees:

	2014	2015
% social security contributions	45%	45%
Salary increases	2%	2%
Discount rate	1.5%	2%
Terms of retirement	voluntary retirement	
Retirement age	65 years old	65 years old

The discount rates are based on the market yield at the end of the reporting period on high quality corporate bonds.

The following table shows reconciliation from the opening balances to the closing balances for net defined benefit liability and its components.

	€ in thousands
As of January 1, 2013	(513)
Current service cost	(64)
Past service cost	85
Interest cost	(15)
Actuarial gains and losses	70
As of December 31, 2013	(437)
Current service cost	(71)
Past service cost	—
Interest cost	(11)
Actuarial gains and losses	121
As of December 31, 2014	(398)
Current service cost	(49)
Past service cost	—
Interest cost	(6)
Actuarial gains and losses	(14)
Reclassification/CTA	29
As of December 31, 2015	(437)

Past service cost results from the redundancy plan we adopted in 2013.

Sweden

The employees of Collectis AB benefit from a special pension arrangement which is a salary for pension scheme.

The obligation of Collectis AB was recognized as a liability and the policy was recognized as an asset for the same amount. This asset and this liability amounted to €1,075 thousand as of December 31, 2013 and were offset in the balance sheets. This asset and obligation were transferred with the sale of Collectis AB, in 2014.

United States of America

There is no defined benefit plan for Collectis S.A.'s subsidiaries located in the United States.

Note 16. Other current liabilities

	2014	2015
	€ in thousands	
VAT Payables	294	6,314
Accruals for personnel related expenses	628	3,958
Other	2,372	2,425
Total	3,294	12,697

At December 31, 2015, VAT payables were mainly due to invoicing to Servier related collaboration programs. Accruals for personnel are related to annual bonuses, vacations accruals and social expenses on redundancy plans. Other is mainly explained by subsidies.

At December 31, 2014, €1,880 thousand in other current liabilities correspond to a provision for subsidies received from OSEO for the program CellMill. Following an agreement with local authorities, the reimbursement made in 2015 amounted to €0.99 million and €0.69 million was recognized in Other revenues.

Note 17. Financial instruments recognized in the statement of financial position and related effect on the income statement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

2014	Book value on the statement of financial position	Fair value through profit and loss	Loans and receivables	Receivables and Debts at amortized cost	Fair Value
			€ in thousands		
Financial assets	—	—	—	—	—
Long-term financial assets	1,977	—	1,977	—	1,977
Trade receivables and subsidies receivables	14,051	—	—	14,051	14,051
Cash and cash equivalents	112,347	112,347	—	—	112,347
Total financial assets	128,375	112,347	1,977	14,051	128,375
Financial liabilities	—	—	—	—	—
Non-current financial debt	2,824	—	—	2,824	2,824
Current borrowings	862	—	—	862	862
Trade payables , deferred revenues and deferred income, other current liabilities	72,588	—	—	72,588	72,588
Total financial liabilities	76,274	—	—	76,274	76,274

2015	Book value on the statement of financial position	Fair value through profit and loss	Loans	Receivables and Debts at amortized cost	Fair Value
			€ in thousands		
Financial assets	—	—	—	—	—
Long-term financial assets	844	—	844	—	844
Trade receivables and subsidies receivables	15,137	—	—	15,137	15,137
Cash and cash equivalents	314,238	314,238	—	—	314,238
Total financial assets	330,219	314,238	844	15,137	330,219
Financial liabilities	—	—	—	—	—
Non-current financial debt	66	—	—	66	66
Current borrowings	1,921	—	—	1,921	1,921
Trade payables , deferred revenues and deferred income, other current liabilities	74,065	—	—	74,065	74,065
Total financial liabilities	76,052	—	—	76,052	76,052

Note 18. Revenues and other income

Revenues by country of origin and other income

	Year ended December 31,		
	2013	2014	2015
	€ in thousands		
From France	2,958	20,146	50,303
From USA	2,404	1,481	44
Revenues	5,362	21,627	50,346
Research tax credit	3,755	3,330	5,039
Other subsidies	3,607	1,496	1,000
Other income	7,362	4,826	6,039
Total revenues and other income	12,724	26,453	56,385

Revenues from France come from Collectis S.A., Collectis Bioresearch S.A.S. and Ectycell, S.A.S.

Revenues from USA come from Calyxt, Inc. and Collectis Bioresearch, Inc.

Revenues by nature

Year ended December 31, 2013			
	Therapeutics	Plants	Total
	€ in thousands		
Products & services	1,435	—	1,435
R&D services	236	1,283	1,519
Licences	2,408	—	2,408
Total revenues	4,079	1,283	5,362

Year ended December 31, 2014			
	Therapeutics	Plants	Total
	€ in thousands		
Products & services	1,161	—	1,161
R&D services	254	1,065	1,319
Licences	7,268	—	7,268
Collaboration agreements	11,879	—	11,879
Total revenues	20,562	1,065	21,627

Year ended December 31, 2015			
	Therapeutics	Plants	Total
	€ in thousands		
Products & services	43	—	43
R&D services	—	44	44
Licences	1,972	—	1,972
Collaboration agreements	48,288	—	48,288
Total revenues	50,303	44	50,346

The increase in revenues of the Therapeutics segment is attributable to our entering into two major collaboration agreements signed with Pfizer and Servier during 2014. They generated revenues of €11.8 million in 2014 and €48.3 million in 2015 including the amendment signed with Servier on November 18, 2015, which generated revenues of €18.8 million.

Note 19. Operating expenses

Year ended December 31,			
	2013	2014	2015
	€ in thousands		
Research and development expenses			
Personnel expenses	(5,977)	(6,392)	(35,455)
Purchases and external expenses	(9,795)	(6,834)	(15,249)
Amortization of intangible assets	(277)	(143)	(157)
Other	(1,796)	(1,038)	(1,549)
Total research and development expenses	(17,844)	(14,407)	(52,410)

Year ended December 31,			
	2013	2014	2015
	€ in thousands		
Selling, general and administrative expenses			
Personnel expenses	(7,889)	(5,483)	(19,588)
Purchases and external expenses	(11,090)	(5,401)	(6,097)
Other	(55)	(2,229)	(1,552)
Total selling, general and administrative expenses	(19,034)	(13,114)	(27,238)

Personnel expenses

Personnel expenses are as follows:

	Year ended December 31,		
	2013	2014	2015
	€ in thousands		
Wages and salaries	(13,405)	(11,327)	(24,940)
Share-based payments	(461)	(548)	(30,103)
Total	(13,866)	(11,875)	(55,043)

Wages and salaries for 2015 include €12.2 million of social contribution taxes related to stock options and free share grants.

Note 20. Share-based payments

Share warrants and employee warrants consist of Bon de Souscription d'Action ("BSAs") and Bon de Souscription de Parts de Créateur d'Entreprise ("BSPCEs") which are granted to our employees.

Under these programs, holders of vested options are entitled to subscribe to a capital increase of Collectis at predetermined exercise price.

The following table provides the impact related to these programs in the statement of consolidated operations per fiscal year.

€ in thousands	BSPCE E	Free shares 2012	Free shares 2013	Free shares 2014	Free shares 2015	Stock Options 2015	BSA 2015	Stock option calyxt	Total
Share-based payment expense 2015	—	4	62	301	4,271	22,715	2,038	712	30,103
Share-based payment expense 2014	—	146	183	219	—	—	—	—	548
Share-based payment expense 2013	21	226	214	—	—	—	—	—	461

The key terms and conditions related to these BSAs and BSPCEs are provided in the Notes 20.1 to 20.5.

20.1 BSPCE E

Date of grant: July 27, 2010

The BSPCEs were vested before January 1, 2012 up to 19,702 BSPCEs and vested for post January 1, 2012 on the basis of the following vesting schedule:

- Up to 19,702 BSPCE on July 27, 2012
- Up to 19,704 BSPCE on July 27, 2013

Date of grant (Board of Directors)	07/27/2010	07/27/2010	07/27/2010
Vesting period (years)	1	2	3
Plan expiration date	07/27/2020	07/27/2020	07/27/2020
Number of BSPCE granted	19,702	19,702	19,704
Share entitlement per BSPCE	1	1	1
Exercise price	8.28	8.28	8.28
Valuation method used	Black and Scholes		
Grant date share fair value	8.28	8.28	8.28
Expected volatility	54%	54%	54%
Average life of BSPCE	5.5	6	6.5
Discount rate	3.14%	3.14%	3.14%
Expected dividends	0%	0%	0%
Performance conditions	NA	NA	NA
Fair value per BSPCE	5.52	5.52	5.52

20.2 Free shares

The free shares are subject to a two-year vesting period for French employees and four years for foreign citizens.

Details of Free shares

Date of grant (Board of Directors)	09/18/2012	03/19/2013	03/19/2014	01/08/2015	05/18/2015	05/18/2015
Vesting period (years)	2	2	2	2	2	4
Number of Free shares granted	102,099	102,000	100,000	50,000	426,300	24,100
Share entitlement per Free share	1	1	1	1	1	1
Grant date share fair value	5.37	6.86	6.16	19.1	28.17	28.17
Expected dividends	0%	0%	0%	0%	0%	0%
Performance conditions	n.a	n.a	n.a	n.a	n.a	n.a

20.3 Collectis Stock options

The stock options are subject to a two-year vesting period for French employees and four years for foreign citizens.

Details of Stock options

Date of grant (Board of Directors)	03/24/2015	09/08/2015
Vesting period	Graded	Graded
Plan expiration date	03/24/2025	09/08/2025
Number of options granted	1,892,300	1,982,300
Share entitlement per options	1	1
Exercise price	38.45	27.55
Valuation method used	Black-Scholes	Black-Scholes
Grant date share fair value	40.00	28.59
Expected volatility	59.8%	59.9%
Average life of options	6.11	6.11
Discount rate	0.16%	0.42%
Expected dividends	0%	0%
Performance conditions	n.a	n.a
Fair value per options	22.02	15.86

20.4 Collectis Warrants

Details of Warrants

Date of grant (Board of Directors)	03/27/2015	03/27/2015	05/18/2015	09/08/2015
Vesting period	Graded	Graded	Graded	Graded
Plan expiration date	03/27/2025	03/27/2025	05/18/2025	09/08/2025
Number of BSA granted	130,000	50,000	50,000	274,200
Share entitlement per warrant	1	1	1	1
Exercise price	38.45	38.45	29.58	28.01
Valuation method used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Grant date share fair value	32.15	28.17	28.17	28.59
Expected volatility	59%	59%	59%	60%
Average life of warrant	6.0	5.8	6.0	6.0
Discount rate	0.42%	0.94%	0.94%	0.43%
Expected dividends	0%	0%	0%	0%
Performance conditions	n.a	n.a	n.a	n.a
Fair value per warrant	13.95	11.10	13.51	14.24

20.5 Calyxt options

The key terms and conditions related to these options are provided in the table below.

<i>In US Dollars</i>	Employees (a)	Managers (b)	
Date of grant (Board of Directors)	12/03/2014	12/03/2014	09/08/2015 (c)
Vesting period	Graded	Graded	Graded
Plan expiration date	12/03/2024	12/03/2024	09/08/2025
Number of options granted	290	650	465
Share entitlement per options	1	1	1
Exercise price	910	910	5,349
Valuation method used	Black-Scholes	Black-Scholes	Black-Scholes
Grant date share fair value	910.00	910.00	5349.00
Expected volatility	48.0%	48.0%	54.3%
Average life of options	6.16	6.04	5.53
Discount rate	1.74%	1.74%	1.65%
Expected dividends	0%	0%	0%
Performance conditions	Trigger event*	Trigger event*	Trigger event*
Fair value per options	436	432	2,677

* These plans require an IPO or a triggering event either as a vesting condition or for exercisability. If the condition is expected to occur during the service period, then it is a non-market performance condition.

(a) the option shall vest as follows for employees

- 25% of the total number of shares on April 10, 2015;
- 6.25% of the total number of shares on the last day of each calendar quarter beginning from third quarter of 2015 (or 12.5% of the total number of shares on the last day of each calendar quarter beginning after a triggering event or initial public offering);
- 25% at the date of a triggering event or initial public offering.

(b) the option shall vest as follows for managers

- 20% of the total number of shares on January 3, 2015;
- 20% of the total number of shares on April 10, 2015;
- 5% of the total number of shares on the last day of each calendar quarter beginning from third quarter of 2015 (or 10% of the total number of shares on the last day of each calendar quarter beginning after a triggering event or initial public offering);
- 25% at the date of a triggering event or initial public offering.

(c) the options issued on September 8, 2015 shall vest as follows:

- 20% of the total Number of Shares on 8 September 2015;
- 20% of the total Number of Shares on 8 September 2016; and
- 5% of the Total Number of Shares on the last day of each calendar quarter beginning from the fourth quarter of 2016;
- 25% at the date of a triggering event or initial public offering.

The vested portion of such options shall only become exercisable in the event that a triggering event or initial public offering occurs prior to the expiration date, in which case, an additional 25% of the total number of shares shall immediately vest. The total of vested options cannot exceed 100% of the number of options initially granted. A triggering event is designed as any transaction that would result in Collectis losing control of Calyxt Inc..

Note 21. Financial revenues and expenses

	Year end December 31,		
	2013	2014	2015
	€ in thousands		
Financial revenues			
Interest income	316	316	986
Foreign exchange gain	152	7,143	8,196
Other financial revenues	—	163	59
Total financial revenues	468	7,622	9,240
Financial expenses			
Interest expenses	(198)	(113)	(1)
Interest expenses for finance lease	(96)	(48)	(20)
Foreign exchange loss	(454)	(113)	(1,664)
Other financial expenses	(32)	(253)	(6)
Total financial expenses	(780)	(527)	(1,690)
Total	(312)	7,095	7,550

Foreign exchange gain is primarily attributable to the effect of exchange rate fluctuations on our U.S. dollar denominated bank accounts.

Note 22. Income tax

22.1 Tax proof

	2013	2014	2015
	€ in thousands		
Income (loss) before taxes from continuing operations	(26,840)	1,850	(20,373)
Theoretical group tax rate	34.43%	34.43%	34.43%
Theoretical tax benefit (expense)	9,241	(637)	7,014
Increase/decrease in tax benefit arising from:			
Permanent differences	(1,263)	2,433	5,792
Research tax credit	1,293	1,146	1,736
Share-based compensation	(159)	(189)	(10,364)
Non recognition of deferred tax assets related to tax losses and temporary differences	(8,599)	(2,755)	(4,170)
Impairment of assets	(120)	(9)	—
Other differences	(394)	11	(8)
Effective tax expense	—	—	—
Effective tax rate	0%	0%	0%

22.2 Deferred tax assets and liabilities

	As of December 31,		
	2013	2014	2015
	€ in thousands		
Credits and net operating loss carryforwards	24,946	21,158	34,646
Pension commitments	76	56	150
Leases	(111)	(77)	(116)
Technology costs of Collectis AB	(522)	—	—
Conditional advances	(65)	(27)	—
Impairment of assets	67	71	15
Other	412	119	260
Valuation allowance on deferred tax assets	(24,803)	(21,300)	(34,956)
Total	—	—	—

As of December 31, 2015, we have tax loss carryforwards for our French entities totaling €77.5 million (€109.1 million as of December 31, 2014 and €113.1 million as of December, 2013). Such carryforwards can be offset against future taxable profit within a limit of €1.0 million per year, plus 50% of the profit exceeding this limit. Remaining unused losses will continue to be carried forward indefinitely.

The tax loss carry forwards for our U.S. entities totaled €19.9 million as of December 31, 2015 (€8.7 million as of December 31, 2014 and €6.9 million as of December 31, 2013).

Note 23. Discontinued operations

23.1 Total revenues and other income and loss from discontinued operations

The following data shows the revenues, the losses and the impairment of Collectis AB, which was sold in August 2014.

For 2014, the loss from the activities of discontinued operations combines the operating loss of Collectis AB and the result of its sale.

	Year Ended December 31,	
	2013	2014
	€ in thousands	
Total revenues and other income from discontinued operations	3,832	2,057
Loss from the activities of discontinued operations	(2,793)	(727)
Impairment of goodwill	(26,764)	—
Loss on the disposal of Collectis AB	—	(2,095)
Loss from discontinued operations	(29,580)	(2,822)

Included in loss on disposal of Collectis AB is €(1,096) thousand related to impairment of goodwill and €608 thousand relating to the recycling of the currency translation adjustment from the comprehensive income.

23.2 Statement of financial position of discontinued operations

	Year Ended December 31,
	2013
	€ in thousands
ASSETS	
Non-current assets	
Goodwill	1,096
Intangible assets	2,372
Property, plant, and equipment.....	414
Other non-current assets	—
Total non-current assets	3,882
Current assets	
Inventories and accumulated costs on orders in process	135
Trade receivables	235
VAT Receivables	283
Other current assets	231
Cash and cash equivalents.....	1,290
Total current assets	2,174
TOTAL ASSETS	6,056
LIABILITIES	
Current liabilities	
Trade payables	475
Other current liabilities	1,939
Total current liabilities	2,414
TOTAL LIABILITIES	2,414

Note 24. Commitments

Obligations under the terms of the operating leases

The amount of future rents under non-cancellable leases is as follows:

	12/31/2013	12/31/2014	12/31/2015
	€ in thousands		
Less than One Year	1,442	1,278	2,310
One to Five Years	3,368	1,598	3,554
More than Five Years	—	—	—
Total	4,810	2,876	5,863

Obligations under the terms of license agreements

We have entered into various license agreements with third parties that subject us to certain fixed license fees, as well as fees based on future events, such as research and sales milestones. Total fixed fees under these arrangements are €20.2 million as of December 31, 2015 (€19 million as of December 31, 2014).

Note 25. Related parties

Key management personnel remuneration

Key management personnel include members of the Board of Directors and the CODM as described in Note 5.

Short-term employee benefits paid to key management personnel totaled to €1.1 million in the fiscal year 2013, to €1.3 million in the fiscal year 2014 and to €2.0 million in the fiscal year 2015.

On September 4, 2014, the Board of Directors adopted a change of control plan which applies notably to the members of the CODM. This plan defines the conditions under which a severance package will be paid after a change of control of our company. Key management personnel employment agreements include a termination indemnity or additional post-employment compensation.

Key management personnel received an aggregate of 2,434,410 securities in share-based remuneration (free shares, warrants and stock options) over the year ended December 31, 2015. The associated non-cash stock-based compensation expense of €14.8 million was recognized for 2015.

Other transactions with related parties

Mr. Godard, a member of the Board of Directors, entered into two service agreements with us and provided consultancy services in the area of (i) global development strategy and (ii) specific development of agricultural biotechnology activities. Compensation paid for those services in the years ended December 31, 2013, 2014 and 2015 amounted to €32 thousand, €32 thousand and €35 thousand respectively. No balances were outstanding at the end of each fiscal year. As of December 31, 2015, Mr. Godard held 100,000 non-employee warrants that could be exercised to obtain 50,000 shares at a strike price of €38.45 for 50,000 warrants and €28.01 for the other half.

Institut Pasteur is a former shareholder of Collectis S.A and former observer of the Board of Directors. We paid license royalties of €255 thousand, €1.7 million and €1.1 million to Institut Pasteur in the years ended December 31, 2013, 2014 and 2015 respectively. Collectis Bioresearch sold products to Institut Pasteur in the year ended December 31, 2013 for an amount of €7 thousand. The outstanding receivables were €236 thousand as of December 31, 2013. As of December 31, 2014 and 2015, we had neither receivables nor payables with Institut Pasteur.

Pfizer acquired a 10% ownership in Collectis on July 31, 2014. The revenues booked for Pfizer in the years ended December 31, 2013, 2014 and 2015 amount to €250 thousand, €9.2 million and €23.8 million respectively. As of December 31, 2015, the outstanding receivables were €1.9 million and Pfizer had a 7.94% ownership in Collectis.

Bpifrance is a shareholder of Collectis S.A. and "Caisse des Dépôts et Consignations" ("CDC") was a shareholder of Collectis Bioresearch. OSEO, which is the former name of Bpifrance and is indirectly related to CDC, granted conditional advances and subsidies to us, as described in Note 13.2. On May 18, 2015, we signed with the "Caisse des Dépôts et Consignations" a contract for our repurchase of its participation in Collectis Bioresearch., which represented 25% of the total shares thereof for an amount of €3.5 million. At the time of the merger with Collectis S.A., Collectis S.A. was the sole stockholder of Collectis Bioresearch.

Note 26. Earnings per share

	2013	December 31, 2014	2015
Net profit (loss) attributable to shareholders of Collectis (€ in thousands)	(55,402)	20	(20,544)
Adjusted weighted average number of outstanding shares	20,653,912	26,071,709	34,149,908
Adjusted weighted average number of outstanding shares, net of effects of dilutive potential ordinary shares	20,653,912	26,192,652	34,522,910
Basic / Diluted earnings per share (€ / share)	(2.68)	0.00	(0.60)
Basic earnings from continuing operations per share (€/share)	(1.25)	0.11	(0.60)
Basic earnings from discontinued operations per share (€/share)	(1.43)	(0.11)	—
Diluted earnings from continuing operations per share (€/share)	(1.25)	0.11	(0.60)
Diluted earnings from discontinued operations per share (€/share)	(1.43)	(0.11)	—

Note 27. Subsequent event

Calyxt, Inc. announced on March 1, 2016 that it closed on the purchase of a 10-acre parcel in the St. Paul suburb of Roseville to build its new headquarters facility. The new facility, which should be operational around mid-2017, will consist of a 35,000 square-foot office and lab building, with greenhouses and outdoor research plots.

On March 16, 2016, Collectis S.A. announced jointly with MabQuest SA (a biotech company focused on the development of antibody-based therapeutic interventions) that the companies have entered into a research collaboration and license agreement pertaining to the development of a new class of monoclonal antibodies targeting PD-1. The action of these PD-1 antibodies is to promote the recovery of T-cells from exhaustion through a new mechanism of action, which does not block the PD-1-PD-L1 interaction. Collectis plans to use these PD-1 antagonist antibodies in combination therapy with its gene-edited UCART candidate products as well as a single-agent or in combination with other already approved immunotherapy drugs. The agreement includes a collaboration phase funded by Collectis whereby Collectis and MabQuest will jointly pursue preclinical research on several candidate antibodies; and a clinical development and commercialization phase of the best selected antibodies which will be led by Collectis. It also includes an exclusive option which, if exercised, would grant Collectis worldwide exclusive rights over the family of PD-1 antagonist antibodies developed under the collaboration for all fields, and further potential derivatives of these antibodies.