INVENTIVA S.A.

A French *société anonyme* with a share capital of 166,247.77 euros

Registered office: 50, rue de Dijon, 21121 Daix, France

Dijon Trade and Companies Register 537 530 255

REGISTRATION DOCUMENT INCLUDING THE ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS

Pursuant to its General Regulation and in particular to Article 212-13, the French Financial Markets Authority (*Autorité des marchés financiers*, AMF) registered the French version of this document on April 13, 2018 under number R.18-013 This document can only be used in support of a financial transaction if it is accompanied by a securities note (*note d'opération*) endorsed by the AMF.

It was prepared by the issuer and is binding on its signatories.

Pursuant to Article L. 621-8-1-I of the French Monetary and Financial Code (*Code monétaire et financier*), the registration number was assigned once the AMF had verified that the document was complete and clear and that the information it contained was consistent. This does not imply that the AMF approves the accounting and financial information presented herein.

Copies of this Registration Document are available free of charge from Inventiva's registered office at 50, rue de Dijon, 21121 Daix, France. An electronic version is also available on Inventiva's website (www.inventivapharma.com) and on the website of the *Autorité des marchés financiers* (www.amf-france.org).

This document is a free non- binding translation, for information purposes only, of the French language "Document de Référence 2017" as submitted to the AMF on April [•], 2018. In the event of any ambiguity or conflict between corresponding statements or items contained in this English translation and the original French version, the relevant statements or items of the French version shall prevail. The auditor's reports apply to the French version of the activity report and the financial statements.

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Definitions

In this document, and unless otherwise specified, the terms "Inventiva" or the "Company" are taken to mean the company Inventiva S.A. with its registered office at 50, rue de Dijon, 21121 Daix, France, and which is listed with the Dijon Trade and Companies Register under number 537 530 255.

Forward-looking information

This Registration Document contains information about the Company's objectives and development priorities. This information is sometimes identified by the usage of the future, the conditional or terms such as "consider", "anticipate", "think", "aim", "expect", "understand", "should", "seek", "estimate", "believe", "wish", "can" or, where applicable, the negative form of these same terms, or any other variants or similar terminology. The reader's attention is drawn to the fact that these objectives and development priorities are dependent on circumstances or facts that cannot be certain to occur or materialize. These objectives and development priorities are not historical data and should not be interpreted as a guarantee that the facts or data will occur, that the assumptions will be proven correct or that the objectives will be achieved. By their very nature, these objectives might not be achieved and any representations or information given in this Registration Document may prove to be incorrect. The Company has no obligation whatsoever to update this information, subject to the applicable regulations and, in particular, the General Regulation of the *Autorité des marchés financiers*.

Risk factors

Investors are encouraged to read carefully the risk factors described in section 2 of this Registration Document entitled "Risk factors and internal control" before making any investment decision. If all or some of these risks should materialize, this could have a material impact on the Company's business, situation, financial results or objectives. Moreover, other risks not yet identified or considered to be insignificant by the Company could also have the same adverse impact and investors could lose all or part of their investment.

Market and competitive position

This Registration Document also contains information about the Company's activities and the markets on which it operates. This information comes from studies or surveys carried out internally or externally. Other information contained in this Registration Document is available to the general public. The Company considers that all of this information is reliable but it has not been verified by an independent expert. The Company cannot guarantee that a third party using different methods to gather, analyze or calculate market data would obtain the same results.

Glossary

A glossary defining certain technical terms used in this Registration Document is given in section 8 "Glossary" of this Registration Document.

Rounding of figures

Certain figures (including data expressed in thousands or millions of euros or dollars) and the percentages presented in this Registration Document have been rounded up or down. Accordingly, totals given may vary slightly from those obtained by adding the exact (unrounded) values of those same figures.

Abbreviations

Certain figures are given in thousands or millions of euros and are indicated as € thousand or € million respectively.

Company profile

Inventiva is a biopharmaceutical company specialized in the development of drugs interacting with nuclear receptors, transcription factors and epigenetic modulators. Inventiva's research engine opens up novel breakthrough therapies against fibrotic diseases, cancers and orphan diseases with substantial unmet medical needs.

Lanifibranor (IVA337), its lead product, is an anti-fibrotic treatment acting on the three alpha, gamma and delta PPARs (peroxisome proliferator-activated receptors), which play key roles in controlling the fibrotic process. Its anti-fibrotic action targets two initial indications with substantial unmet medical need: non-alcoholic steatohepatitis, or NASH, a severe and increasingly prevalent liver disease already affecting over 30 million people in the United States, and systemic sclerosis, or SSc, a disease with a very high mortality rate and for which there is no approved treatment to date.

Inventiva is also developing a second clinical program with odiparcil (IVA 336) for the treatment of patients with mucopolysaccaridosis type VI (or Maroteaux-Lamy syndrome), a rare and severe gene disease affecting children. Odiparcil has also the potential to address other MPS types, characterized by the accumulation of chondroitin or dermatan sulfate (MPS I or Hurler/Sheie syndrome, MPS II or Hunter syndrome, MPS IVa or Morqio syndrome and MPS VII or Sly syndrome). Inventiva is also developing a portfolio of early research projects in the field of oncology.

Inventiva benefits from partnerships with world-leading research entities such as the Institut Curie in the field of oncology. Two strategic partnerships have also been established with AbbVie and Boehringer Ingelheim in the fields of autoimmune diseases (specifically in psoriasis) and fibrosis respectively. These partnerships provide milestone payments to Inventiva upon the achievement of pre-clinical, clinical, regulatory and commercial milestones, in addition to royalties on the products resulting from the partnerships.

Inventiva employs over 100 highly qualified employees and owns state-of-the-art Research and Development ("R&D") facilities near Dijon, acquired from the international pharmaceutical group Abbott, regrouping a proprietary chemical library of over 240,000 molecules as well as integrated biology, chemistry, ADME and pharmacology platforms.

Management team

Company organization: a strong and complementary management team

The Company has put together a strong and experienced management team with a proven R&D track record acquired in large pharmaceutical companies as well as in biotechs. The majority of the managers and employees have extensive international experience and, on average, have worked in the pharmaceutical sector for more than 15 years. In addition, in order to enlarge its expertise and accelerate its R&D projects, the Company has built a comprehensive network of collaborations and partnerships spanning from academic collaborations to sub-contracted product manufacturing and sub-contracted clinical operations.

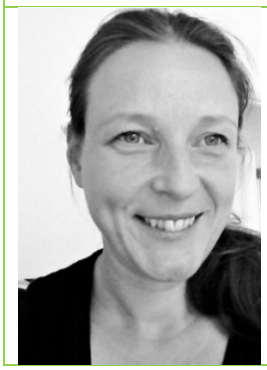
Executive Management Team

	Frédéric Cren, Chief Executive Officer and Co-Founder Frédéric Cren, an experienced pharmaceutical executive, is Chairman, CEO and Co-Founder of Inventiva. He has held several key positions in the pharmaceutical industry, the most recent being General Manager – Research, with Abbott Labs from 2010 to 2012. Mr. Cren has demonstrated his expertise in the areas of research, development, marketing, strategy and operations through his various roles as Vice-President of Strategic Marketing, Vice-President of US Operations and member of the Executive Committee of Fournier Laboratories from 2001 to 2005. During this period, he was in charge of Fournier's fenofibrate franchise and of the successful development and launch of TriCor® 145. He subsequently was promoted to Head of Business Strategy and Portfolio, Senior Vice-President of the Research Division and member of the Executive Committee of Solvay Pharmaceuticals following the acquisition of Fournier by Solvay in 2005. Prior to joining the pharmaceutical industry, Mr. Cren was a consultant for eight years with The Boston Consulting Group and a Manager in its health care practice. He holds an MBA from INSEAD, an MA from Johns Hopkins University and a Bachelor's Degree from Paris IX Dauphine.
	Pierre Broqua, Ph.D. Chief Scientific Officer and Co-Founder Dr. Broqua brings over 25 years of experience in drug discovery and innovative research to Inventiva. Before co-founding Inventiva, he successfully managed numerous research programs leading to the discovery of highly innovative clinical compounds, in particular during his tenure at Ferring Pharmaceuticals from 1997 to 2002 and Fournier Laboratories from 2002 to 2005, as Head of Neuroscience for Solvay Pharmaceuticals from 2007 to 2010 and finally as Head of Research for the Abbott Dijon R&D site. One of his most notable achievements was his co-discovery of lanifibranor and, while head of Pharmacology at Ferring Pharmaceuticals, of the GnRH antagonist degarelix (now marketed under the brand name Firmagon®). Dr. Broqua holds a Ph.D. in Pharmacology from Paris Descartes University and has a Master's Degree in Chemistry and Biochemistry from Pierre et Marie Curie University, Paris.

Jean Volatier, Chief Administrative and Financial Officer
Jean Volatier commenced his career with PricewaterhouseCoopers in the Paris and Philadelphia offices (1989 to 1996). From 1996 to 1999, he worked for URGO Soins & Santé Laboratories as Head of Controlling, before being promoted to Financial Director – International Operations of Laboratoires Fournier, a position he held until 2006. From 2007 to 2011, he held various positions as CFO with the Soufflet group and the NAOS group. Jean graduated from Paris IX Dauphine University in 1989 with a Magistère Sciences de Gestion and holds the D.E.S.C.F. In 2011, he was awarded a Master's Degree in Executive Management Global CSR from Mines ParisTech.

Dr. Jean-Louis Abitbol, Chief Medical Officer and Head of Development
Jean-Louis Abitbol brings over 30 years of experience in Research and Development to Inventiva. Before joining Inventiva, he was director of Research, Development and Global Medical Affairs at HRA Pharma, achieving the European OTC Switch of EllaOne®, the registration of Ketoconazole and mutual recognition of Metopirone in Cushing syndrome. From 2004 to 2012, Dr. Abitbol was CMO for Trophos (now Roche) and led the clinical development of Olesoxime in SMA, ALS, NASH, Neuropathic Pain and Cardiac Ischemia-Reperfusion Injury. Previously, he held positions of increasing responsibility in pharmaceutical companies in France and the USA (Pierre Fabre, Jouveinal/Parke-Davis/Pfizer and CERNEP-Synthélabo). Dr. Abitbol has an M.D. and an M.Sc. in biomathematics and physiology from Denis Diderot University, and did his clinical residency in Paris. He is a board-certified Hepato-Gastroenterologist with a qualification in Oncology.

Olivier Lacombe, Ph.D. Head of Pharmacokinetics
Dr. Lacombe has more than 13 years' experience in DMPK and has worked for Merck-Lipha, Servier, Laboratoires Fournier, Solvay Pharmaceuticals and Abbott Laboratories. He has in-depth technical and project management knowledge of *in vitro* and *in vivo* DMPK in drug discovery up to Phase II clinical development. Dr. Lacombe holds a Ph.D. in pharmacokinetics from Paul Sabatier University and a Master's Degree in drug metabolism from Henri Poincaré University and in Biochemistry from Claude Bernard University.



Irena Konstantinova, Ph.D. Head of Biology and Pharmacology
Irena joined Inventiva after working at Novartis UK, where she led a team responsible for the discovery and identification of NCE and NBE, chiefly in the field of idiopathic pulmonary fibrosis and pulmonary hypertension. She has in-depth technical knowledge of cell signaling mechanisms and pre-clinical models of several respiratory diseases, fibrosis and diabetes. Irena is also the author of many highly regarded publications, bearing notably on cellular development and nature. She holds a Ph.D. in molecular medicine at the Max Planck Institute for the development of science in Germany.

Christian Montalbetti, Ph.D. Head of Chemistry

Dr. Montalbetti joined Inventiva from the major drug discovery CRO Evotec, where he successfully led numerous medicinal chemistry projects in collaboration with pharmaceutical companies and biotechs, covering diverse therapeutic areas and target classes. He has in-depth knowledge of most modern medicinal chemistry concepts and their application to drug discovery problem solving. He is the author of more than 25 papers and patents. Dr. Montalbetti graduated and obtained his Ph.D. from the École Nationale Supérieure de Chimie de Paris. After completing his doctorate, he accepted a postdoctoral fellowship at Newcastle University, UK.

Key figures

The Company, which has no subsidiaries or equity investments, has voluntarily prepared financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (hereinafter "**IFRS**"), presented in section 4.6 of this Registration Document, in addition to its statutory annual financial statements prepared in accordance with French GAAP, which appear in section 7.1.2 of this Registration Document.

Selected balance sheet disclosures

ASSETS (in thousands of euros)	**Dec. 31, 2017**	**Dec. 31, 2016**
Non-current assets	7,147	7,611
o/w intangible assets	*1,806*	*2,073*
o/w other non-current assets	*5,341*	5,539
Current assets	67,220	41,248
o/w cash and cash equivalents	*59,051*	*24,868*
TOTAL ASSETS	74,367	48,860
EQUITY AND LIABILITIES (in thousands of euros)		
Shareholders' equity	64,009	35,723
Non-current liabilities	1,563	4,536
o/w deferred tax liabilities	-	*3,013*
Current liabilities	8,795	8,601
TOTAL EQUITY AND LIABILITIES	74,367	48,860

Selected income statement disclosures

(in thousands of euros)	2017	2016
Revenue	6,521	9,446
Other recurring operating income	5,161	4,906
Research and development costs	(26,733)	(22,145)
Marketing – business development	(353)	(492)
General and administrative expenses	(5,063)	(3,764)
Recurring operating income (loss)	(20,467)	(12,049)
Other non-recurring operating income	255	-
Other non-recurring operating expenses	(704)	(970)
Operating income (loss)	(20,916)	(13,019)
Financial income	278	460
Income tax	3,409	5,514
Net income (loss) for the period	(17,229)	(7,045)

Selected disclosures from the statement of cash flows

(in thousands of euros)	2017	2016
Net cash used in operating activities	(17,002)	(14,861)
o/w cash flow used in operations before tax and changes in working capital	*(23,232)*	*(15,295)*
o/w changes in operating working capital	*6,230*	*434*
Net cash from investing activities	6,171	17,203
Net cash from financing activities	45,015	(71)
Net increase (decrease) in cash and cash equivalents	34,183	2,272
Cash and cash equivalents at beginning of period	24,868	22,596
Cash and cash equivalents at end of period	59,051	24,868

The information contained in this section does not include the proceeds from the issue of 5,572,500 new shares at a price per share of €6.37 as part of the capital increase of €35,496,825 without pre-emptive subscription rights for a category of beneficiaries that the Company will receive following the settlement of the operation which is scheduled for April 17, 2018, it being specified that settlement is guaranteed on the proportion of the issue for investors residing outside of the United States.

History of the company

2011

The Company was founded in October 2011 by former executives of the French subsidiary of the US pharmaceutical group Abbott, including Frédéric Cren and Pierre Broqua, who held 60.3% of the Company's capital and 75.3% of its voting rights as at February 28, 2018.

2012

The Company bought from two Abbott subsidiaries – Laboratoires Fourniers S.A. and Fournier Industrie et Santé S.A.S. – an integrated research and development (R&D) platform, comprising 12,000 square meters of laboratories situated on the Daix site in Burgundy, equipment and a chemical library containing 240,000 molecules, as well as a portfolio of drug candidates.

A research partnership was set up with AbbVie in relation to the RORγ project for the treatment of certain auto-immune diseases and to a further project in the area of fibrosis.

Research terms were recruited and the Company started its operational activities on August 27, 2012.

The YAP/TEAD research program was launched for the prospective treatment of mesothelioma as well as severe forms of lung, colon, ovarian and gastric cancers.

Young Innovative Enterprise (*Jeune Entreprise Innovante*) status was achieved and Research Tax Credit (*Crédit Impôt Recherche*) approval was obtained.

2013

The Company focused on fibrotic diseases and oncology. Research began into epigenetic modulation. The Company's management team was strengthened with the appointment of the Head of the Biology and Pharmacology Department and the Head of the Chemistry Department.

2014

The Company's customers were given access to the integrated biological platform (FibrAssist) developed by the Company in the field of fibrosis. The lanifibranor clinical program was repositioned in the treatment of fibrotic diseases.

The EMA granted drug candidate lanifibranor orphan designation in the treatment of SSc and idiopathic pulmonary fibrosis.

The therapeutic potential of the drug candidate odiparcil in the treatment of MPS VI was proven following *in vitro* validation of the product's activity in cells of patients suffering from MPS VI.

A collaboration agreement was signed with the Institut Curie in relation to the Epicure project in immuno-oncology and a subsidy was obtained from the French National Research Agency (*Agence Nationale de la Recherche*, ANR) for this project.

A portfolio of molecules was developed in epigenetic modulation. The first stage of the RORγ project was undertaken in collaboration with AbbVie. FCPI (innovation fund) status was obtained from the French Public Investment Bank (BPI).

Biology research services were also offered to third parties, which, together with revenues from the AbbVie research project, generated revenues of €3.3 million for the year ended December 31, 2014.

2015

Agreement was reached with AbbVie for the use of the FibrAssist platform. The therapeutic approach for the YAP/TEAD pre-clinical program was approved.

A research consortium was formed with two other European companies which are leaders in the area of epigenetics for its NSD2 project and a European subsidy was obtained (Eurostars Program).

The FDA (United States) granted lanifibranor orphan drug designation in the treatment of SSc.

Authorization was obtained from the EMA to conduct carcinogenicity and toxicity studies in parallel with the Phase IIb clinical study among patients suffering from SSc.

A clinical development team was created with the recruitment of a development manager, a study manager and a clinical research assistant.

The FASST (For A Systemic Sclerosis Treatment) Phase IIb study was launched for the treatment of patients suffering from SSc with lanifibranor. A clinical trials committee was established for lanifibranor in the treatment of NASH.

Further proof of the therapeutic potential of the drug candidate odiparcil was obtained in MPS I, II and VI using *in vitro* and *in vivo* models. The European patent for odiparcil was granted in these indications.

A clinical trials committee was set up for odiparcil: a Phase I/II study was prepared for patients suffering from MPS VI.

The first patients suffering from SSs were included in the FASST Phase IIb study.

Biology research services were expanded, which, together with the AbbVie research project, generated revenues of €4.9 million as at December 31, 2015.

2016

Several pre-clinical candidates targeting the nuclear receptor RORγ were selected and entered ABBV-553 Phase I clinical development, the first drug candidate to come out of the partnership with AbbVie.

A partnership was signed with Boehringer-Ingelheim to develop new treatments for idiopathic pulmonary fibrosis and other fibrotic diseases (see section 1.1.8 of this Registration Document).

The NATIVE (NAsh TrIal to Validate Lanifibranor Efficacy) Phase IIb study was launched for patients suffering from NASH with lanifibranor (see section 1.1.4.2 of this Registration Document).

The European patent (regional phase) for odiparcil in the treatment of certain forms of MPS was granted.

Activity of odiparcil in a relevant model of MPS VI (see section 1.1.5.2 of this Registration Document) was demonstrated.

A French National Research Agency (ANR) grant of €800,000 was obtained as part of the YAP/TEAD project, €200,000 of which for the Company as part of the Hippocure project jointly led with the Institut Curie. The project was launched in October 2016 for a period of 30 months according to the terms and conditions already defined and agreed by the Institut Curie and the Company in the application filed with the ANR.

A research consortium was formed with two other European companies which are leaders in their area for the TheraYap project and a European grant (Eurostars Program) of €1.5 million was obtained, including €760,000 for the Company.

The legal form of the Company was transformed following the General Meeting of May 31, 2016 into a French *société anonyme* with a board of directors.

2017

The Company's shares were admitted to trading on the regulated market of Euronext Paris in February 2017. Conducted by way of a public offering and a global offering for European and US institutional investors, the IPO helped raise a gross amount of approximately €48.5 million by means of a capital increase.

The first patients in the NATIVE Phase IIb study for patients suffering from NASH with lanifibranor were randomized.

The Phase IIa iMProveS study was launched and the first patient recruited. The study aims to evaluate the drug candidate odiparcil for patients with MPS VI.

Funding in the amount of €2.3 million was obtained as part of the YAP/TAED research program.

The FDA in the United States and the EMA in Europe granted odiparcil orphan drug designation in the treatment of SSc.

Boehringer Ingelheim exercised its option to jointly develop new treatments against idiopathic pulmonary fibrosis with the Company as part of the partnership dating back to May 2016. Boehringer Ingelheim's exercise of this option triggered a milestone payment of €2.5 million.

The World Health Organization's INN (International Nonproprietary Name) department granted the name "lanifibranor" to the drug candidate IVA337 being developed for the treatment of NASH and SSc.

Recruitment for the FASST Phase IIb study dedicated to the evaluation of lanifibranor for the treatment of patients with SSc was completed, with 145 patients enrolled.

The first patient in the iMProveS (improve MPS treatment) Phase IIa study on odiparcil in patients with MPS VI was screened.

2018

The DSMB (Drug and Safety Monitoring Board) issued a positive recommendation on the FASST study in January 2018 after reviewing all safety data, including adverse events, and analyzing the conduct of the study, giving it the green light to continue without any changes to the protocol.

Inventiva announced the positive results of the biomarker study on intracellular GAGs in the leukocytes of patients with MPS VI.

Inventiva reported the preliminary results of the two-year carcinogenicity studies with the pan-PPAR agonist lanifibranor in rats.

Inventiva announced a U.S. Phase II investigator-initiated study with lanifibranor on non-alcoholic fatty liver disease in patients with type 2 diabetes.

Inventiva announced the launch of a capital increase of €35,496,825 through the issue of 5,572,500 new shares at a price per share of €6.37, without pre-emptive subscription rights for a category of beneficiaries, with settlement of the operation scheduled for April 17, 2018.

1 Activity and markets

1.1 Overview of activities

1.1.1 General overview of Inventiva

Inventiva is a biopharmaceutical company with several drug candidates at clinical and pre-clinical stages whose objective is to develop and provide patients with new therapies. The Company's R&D department has focused its efforts on three promising areas, namely i) fibrotic diseases (which cause 45% of deaths in the developed world), ii) the treatment of certain forms of lysosomal diseases, and iii) oncology, with a priority on the development of indications for orphan diseases – for which the unmet medical need and the regulations in force allow accelerated development programs.[1]

The Company was founded in October 2011 by former executives of the French subsidiary of the American pharmaceutical group Abbott (hereinafter "Abbott"), including Frédéric Cren and Pierre Broqua.[2] It started its operational activities in August 2012 after its acquisition of an integrated R&D platform and a portfolio of drug candidates from two subsidiaries of the Abbott group, Laboratoires Fournier S.A. and Fournier Industrie et Santé S.A.S. The platform includes laboratories with a surface area of 12,000 square meters located near Dijon (Burgundy, France), equipment and a molecule library of 240,000 compounds.

The Company has entered into partnership agreements with international pharmaceutical companies including AbbVie and Boehringer Ingelheim for the discovery of new targets and the development of new therapeutic molecules.

As of December 31, 2017, the Company's team included 107 employees, 90 of whom are directly involved in R&D activities. The Company's management has strong experience gained in large pharmaceutical groups and biotechnology companies. The Company also has first-class international independent scientific committees composed of recognized specialists in their respective fields.

The Company has developed a recognized expertise in the field of nuclear receptors, transcription factors and epigenetic modulation, which are sources of innovative therapeutic targets. This expertise, combined with its research platform which includes biology teams, screening equipment, chemistry, ADME and pharmacology resources, as well as its own library of 240,000 molecules, enables the Company to develop a regular flow of drug candidates. The product pipeline is rich and diversified, with two clinical-stage products (lanifibranor and odiparcil), the RORγ program in partnership with AbbVie in the treatment of autoimmune diseases, and several innovative projects in the pre-clinical research stage. The Company has also gained significant expertise in the areas of fibrosis, which has allowed it to establish a multi-year arrangement with Boehringer-Ingelheim (BI) in the field of idiopathic pulmonary fibrosis (IPF).

As part of its R&D programs, the Company has established academic partnerships with prestigious university centers and research institutes, in particular with the Institut Curie (Paris, France), Institut Necker (Paris, France), the Boston Children's Hospital (Boston, USA), University College London (London, UK) and Newcastle University (Newcastle, UK).

[1] Source: The Journal of Clinical Investigation; Common and unique mechanisms regulate fibrosis in various fibroproliferative diseases; March 2007

[2] Frédéric Cren and Pierre Broqua held 60.3% and 75.3% respectively of the share capital and voting rights of the Company at February 28, 2018.

1.1.1.1 Product pipeline

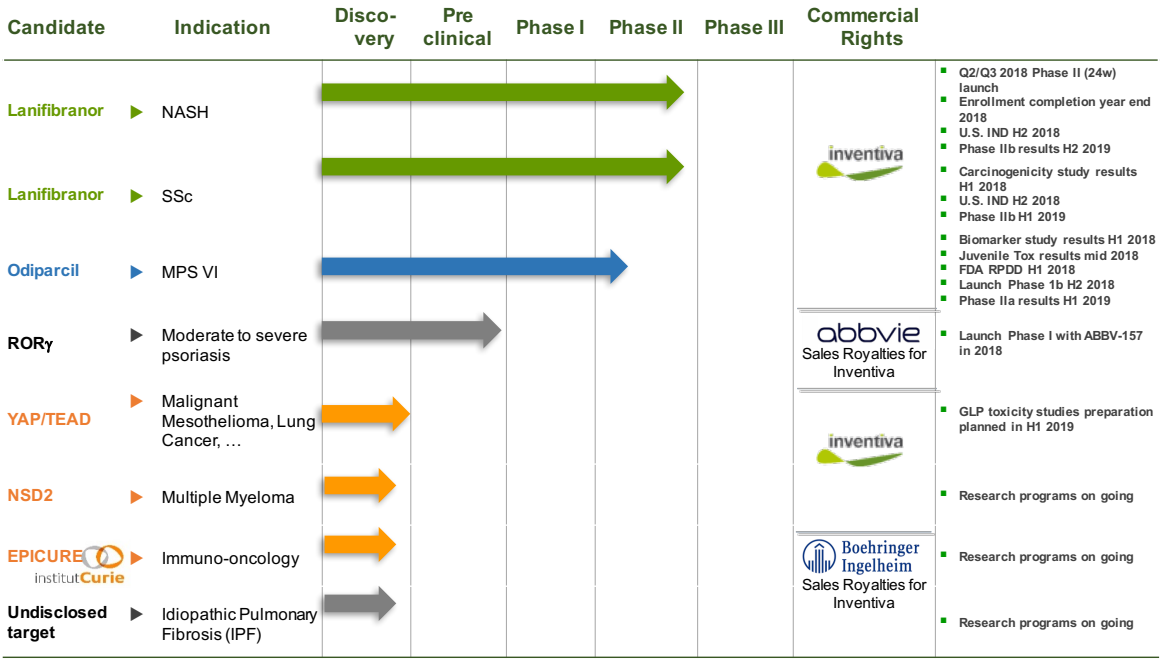
The clinical and pre-clinical programs of the Company are presented below. The inherent results of these programs may be presented in scientific publications available on the Company's website.

- lanifibranor, an anti-fibrotic drug candidate currently in Phase IIb for the treatment of SSc and NASH;
- odiparcil, a drug candidate developed for the treatment of certain forms of mucopolysaccharidosis (MPS I, MPS II, MPS IVa, MPS VI and MPS VII) in Phase IIa for the treatment of MPS VI;
- YAP/TEAD linked to interaction inhibitors of the transcription factors YAP and TEAD, currently in its research stage, for the treatment of rare cancers (malignant mesothelioma, uveal melanoma), as well as very frequent cancers (lung cancer,[3] triple negative breast cancer, hepatocellular carcinoma, hepatoblastoma);
- the Epicure project, linked to inhibitors of two epigenetic targets, currently in its research stage in collaboration with the Institut Curie, for a therapeutic development in the field of immuno-oncology;
- NSD2, linked to inhibitors of the epigenetic enzyme NSD2, currently in its research stage, for the treatment of multiple myeloma cancer.

The research and development partnerships signed by the Company are as follows:

- the RORγ project with AbbVie for the discovery of clinical candidates inhibiting the RORγ nuclear receptor, currently at pre-clinical stage, for the treatment of auto-immune diseases;
- the partnership with Boehringer Ingelheim, currently in its research stage, for the discovery of new treatments in IPF.

Figure 1 Pipeline of drug candidates under development



Source: Company data
(1) IND: Investigational New Drug
(2) RPDD: Rare Pediatric Disease Designation

[3] Journal of Thoracic Oncology, 2015; Translational Lung Cancer Research, 2014

The Company holds the intellectual property rights to all of its portfolio with the exception of the programs developed jointly with Abbvie and Boeringher Ingelheim for which the full rights are either owned by them or held jointly with the Company (refer to section 1.3 of this Registration Document).

1.1.1.2 Lanifibranor

Peroxisome proliferator-activated receptors (PPAR) are nuclear receptors involved in the regulation of cell metabolism and fibrosis that act through three subtypes, PPARα, δ and γ. Lanifibranor, a new chemical entity with the specific characteristic of acting on these three subtypes, is a next-generation pan-PPAR modulator.

Originally discovered by Laboratoires Fournier and developed by Solvay Pharmaceuticals for the treatment of patients with type 2 diabetes mellitus (T2DM), the lanifibranor clinical program was put on hold by Abbott for strategic reasons, despite positive Phase IIa results in terms of efficacy and safety. Following the purchase of the product from Abbott, the Company analyzed the potential of lanifibranor's mechanism of action in T2DM and in various fibrotic conditions. Considering the medical need, high competition in T2DM and lanifibranor's positive results in several relevant models of fibrosis, the Company decided to focus the development of lanifibranor on the treatment of fibrotic diseases such as Non-Alcoholic Steatohepatitis (NASH) and Systemic Sclerosis (SSc), which is a rare disease. Intellectual property for lanifibranor belongs entirely to the Company, as do the patents protecting the lanifibranor molecule and its use in the treatment of fibrosis, including the treatment of NASH and SSc.

As of the date of this Registration Document, and to the best of the Company's knowledge, lanifibranor is the first anti-fibrotic drug candidate capable of acting on several key stages of fibrosis by virtue of its pan-PPAR activity. Lanifibranor was designed to moderately and equipotently activate the three PPAR subtypes (PPARα, PPARδ, PPARγ) involved in the fibrotic process. As demonstrated by the pre-clinical studies conducted by the Company, the combined action of modulating the three PPAR isoforms should enable lanifibranor to slow, block and even reverse the progression of fibrosis. Lanifibranor has demonstrated antifibrotic properties in several tissues and organs including the liver, skin, lungs and kidneys. It therefore offers therapeutic prospects in NASH, a chronic liver disease which combines an accumulation of fat in the liver with an inflammation and degeneration of liver cells that may lead to cirrhosis or even liver cancer. It also offers therapeutic prospects for SSc, which is characterized by fibrosis and vascular obliteration in the skin, lungs, heart, digestive system and kidneys, leading to a failure of these vital organs.

In pre-clinical and clinical trials, lanifibranor demonstrated an excellent tolerability and safety profile, as well as a beneficial effect on several metabolic parameters demonstrating its therapeutic potential in the metabolic disorders associated with NASH:

- improved insulin resistance (IR);
- decreased TG (triglycerides, a category of lipids which, when found at high levels, is linked to lipid deposits in the organs, particularly the liver);
- increased adiponectin (an anti-inflammatory adipocytokine which plays a positive role in insulin sensitivity); and
- increased HDL (good cholesterol).

The Company believes that these positive metabolic effects, together with lanifibranor's action to inhibit fibrosis and fatty liver and its anti-inflammatory activity, make lanifibranor an ideal drug candidate for the treatment of patients with NASH, a disease with estimated market potential of USD 35 billion to USD 40 billion.[4]

Based on these studies, the Company initiated the NATIVE Phase IIb study in Europe in 2017 in order to demonstrate lanifibranor's efficacy in patients suffering from this disease. It expects results to be published in the second half of 2019. If positive results are obtained, this study, in a total of 225 patients, will be followed by a Phase III pivotal trial to be started in Europe and the United States in the first half of 2020 at the earliest.

[4] Deutsche Bank Market Research, July 14, 2014

Lanifibranor's anti-fibrotic effects, particularly on the skin, lungs and kidneys, also pave the way for the treatment of other fibrotic diseases. The Company has therefore decided to develop lanifibranor as the first treatment that can slow and even block the progression of SSc, a disease with significant sales potential (for example, the SSc market is estimated at over USD 1 billion in the United States) and for which lanifibranor has been given orphan drug designation in Europe and the United States.[5] In 2017, the Company completed the recruitment of 145 patients for the FASST (For A Systemic Sclerosis Treatment) Phase IIb study, whose protocol follows the recommendations of the European Medicines Agency (EMA). It expects to publish the results in the beginning of the first half of 2019. If positive results are obtained, the Company plans to start a single pivotal Phase III trial at the end of the second half of 2019 in Europe and the United States. The Company believes that this Phase III study, if its results are positive, will allow it to file for Marketing Approval Application (MAA) in these two geographical areas.

In parallel to the Phase IIb clinical trials, the Company is conducting the last regulatory safety studies to complete the MAA for lanifibranor in Europe and the United States, enabling the product to be marketed as soon as the pivotal Phase III trial is complete. In 2017, the Company published positive results from a 12-month study in monkeys, and continued carcinogenicity studies for which the first results were published in March 2018 and for which the peer-review phase for the two studies in rats and mice is expected to be finalized by the end of the second quarter of 2018.

In preparation for the Phase III study in NASH and SSc, the Company expects to make two IND (Investigational New Drug) applications with the FDA in the United States for lanifibranor in the two indications in the second half of 2018.

Moreover, if the FASST study yields positive results, the Company plans to file a request for conditional marketing approval for this indication for lanifibranor with the European regulatory authorities during the second half of 2019. This would allow the product to be marketed concurrently with the Phase III pivotal trial.

1.1.1.3 Odiparcil

Odiparcil is the Company's second most advanced drug candidate. It was discovered by Laboratoires Fournier and initially developed in collaboration with GSK up to Phase II for the treatment of postoperative thrombosis. The program was returned to Laboratoires Fournier following the interruption of its development. After the purchase of the product from Abbott and an analysis of its mechanism of action, the Company discovered and demonstrated its potential in the treatment of several forms of mucopolysaccharidosis ("MPS"), a condition characterized by the accumulation of chondroitin and dermatan sulfates. The data produced by the Company enabled it to obtain patents, which belong entirely to the Company and protect the use of odiparcil in the treatment of mucopolysaccharidosis.

MPS is a family of rare pediatric genetic degenerative diseases characterized by the abnormal functioning of one of the enzymes contained in the lysosome causing a harmful accumulation of glycosaminoglycans ("GAGs") or mucopolysaccharides in the cells, tissues and organs. This affects physical appearance and capability, the functioning of organs and, in some types of MPS, the mental development of children. In severe forms, the first symptoms appear between the ages of six months and two years and gradually worsen. These initial symptoms affect the bones and joints, the spinal cord, the eyes, the digestive system, the heart and the respiratory tracts. Life expectancy is drastically reduced and death generally occurs during adolescence or in early adulthood. Odiparcil has demonstrated that it can reduce intracellular accumulation of GAGs *in vitro*, in patient cells, and *in vivo* in murine models.

Based on the Company's estimates, odiparcil has strong sales potential – more than €0.5 billion in peak aggregate sales in the indications targeted (MPS I, II, IVa, VI and VII)[6] by 2030. Indeed, although the

[5] Source: Corbus Investor Presentation; Cytori Therapeutics Investor Presentation

[6] On the basis of estimated sales of odiparcil in MPS I, II, IVa, VI and VII calculated as part of a study by REMAP Consulting for the Company in February 2018

number of patients with these forms of MPS is only about 9,000 worldwide,[7] the high medical need implies reimbursement prices would be granted that would justify development.

During the earlier, now discontinued, development program in the prevention of postoperative thrombosis, odiparcil was studied in 648 healthy volunteers and 1,161 patients in three Phase II studies. The results from these clinical studies as well as from the pre-clinical safety and toxicology studies demonstrated the good tolerability and safety of the product.

In January 2018, the Company announced that the first patient for the Phase IIa "iMProveS" study had been recruited in Europe at the end of 2017. In conjunction with this trial, the Company plans to launch a Phase Ib study in children with MPS VI in Europe in the second half of 2018 and expects the results in the course of 2019. If the iMProveS study yields positive results, the Company could begin a pivotal Phase III study in 2020. Its protocol will be determined when the results of ongoing and future studies have been published.

In February 2018, the Company announced the positive outcomes of a biomarker study to evaluate intracellular glycosaminoglycans (GAGs) levels in leukocytes as a disease activity biomarker in MPS VI. The data recorded confirmed the identification of a very promising biomarker for MPS VI and the limited efficacy of enzyme replacement therapy (ERT) in reducing leucocyte GAGs.

The Company expects to release the juvenile toxicity study results during the first half of 2018.

1.1.1.4 Innovative research programs

Since its inception, the Company has developed a new portfolio of projects in the field of oncology, including:

- YAP/TEAD: an innovative transcription factor for the treatment of rare cancers (malignant mesothelioma, uveal melanoma), as well as very frequent cancers (lung cancer,[8] triple negative breast cancer, hepatocellular carcinoma, hepatoblastoma);
- Epicure project: a collaboration with the Institut Curie, focused on two new epigenetic targets in the field of immuno-oncology; and
- NSD2: an epigenetic target for treating multiple myeloma.

Since its inception, the Company has developed a new integrated biology platform (FibrAssist) including a large number of in vitro and in vivo models for validating new targets and discovering new therapeutic mechanisms in the field of renal, hepatic and pulmonary fibrosis for which there is a high medical need.

This development plan is in line with the information given in the press release for the 2017 annual results published on March 7, 2018.

1.1.2 Strategy

The Company's objective is to become a leading player in the discovery and development of innovative therapeutic compounds in indications with a high medical need in the fields of fibrosis, orphan diseases and oncology by capitalizing on its pipeline of products at clinical and pre-clinical stages and on its research platform. The strategy to meet these objectives follows three key axes:

1.1.2.1 Lanifibranor: ensure the rapid development and marketing of its drug candidate by entering into license agreements with pharmaceutical groups at the start of Phase III clinical trials at the latest

The Company's objective for lanifibranor is to rapidly complete the currently ongoing Phase IIb clinical trials in NASH (NATIVE, with results expected in the second half of 2019) and SSc (FASST, with

[7] Population estimated based on the prevalence of each form of MPS: MPS I (1/100,000), MPS II (1/166,000), MPS IVa (1/250,000), MPS VI (1/250,000), and MPS VII (<1/1,000,000)

[8] Journal of Thoracic Oncology, 2015; Translational Lung Cancer Research, 2014.

results expected in the beginning of the first half of 2019). In SSc, if efficacy and safety are confirmed, the Company may be in a position to file a conditional marketing approval application with the EMA in Europe in the second half of 2019. This would put the Company in a favorable position for negotiating and signing license agreements for the development, MA and marketing of lanifibranor in each of these indications.

These types of license agreements would enable the Company to find industrial partners with the necessary resources for the development of lanifibranor in the two indications targeted by the Company, in particular for NASH, which requires major investment to conduct the Phase III trial, as well as large and structured sales networks for marketing the product.

1.1.2.2 Odiparcil: accelerate the development of this drug candidate with a view to obtaining marketing approval

The Company's objective is to rapidly conduct the necessary clinical trials to obtain its own marketing approval for odiparcil in Europe and the United States for the treatment of MPS, a disease characterized by the accumulation of chondroitin and dermatan sulfates (MPS I, MPS II, MPS IVa, MPS VI and MPS VII).

In 2017, the FDA (United States) and the EMA in Europe granted odiparcil orphan drug designation in the treatment of MPS VI. The Company also expects to obtain rare pediatric disease designation, which could lead to the granting of a priority review voucher when the marketing approval application is filed.

In January 2018, the Company announced that the first patient for the Phase IIa "iMProveS" study had been recruited in Europe at the end of 2017. The iMProveS study will also pave the way to launch studies allowing authorization to be obtained in the other forms of MPS targeted.

The Company believes that it can develop odiparcil up to Phase III due to the limited number of patients, centers and specialized practitioners. In order to ensure the success of this strategy, the Company has set up a team of specialists in this disease and has already established relationships with MPS patient associations. The Company could, if it obtains marketing approval, market odiparcil either directly or through a partnership.

1.1.2.3 Maximize the value of its pre-clinical portfolio by putting in place research partnerships or license agreements

The Company has developed a portfolio of products, such as YAP/TEAD and NSD2, and those developed as part of the Epicure project in collaboration with the Institut Curie. The Company's objective is to maximize the value of these products by establishing research partnerships or licensing agreements with pharmaceutical companies that may later be in charge of their development and marketing. For each of its products, the Company will determine the most appropriate Phase of development for which it will seek a partner. The Company will take into account key factors such as the costs to be borne, the complexity of the clinical development plan and the marketing efforts necessary to sell the product in the relevant markets. This strategy will enable the Company to generate revenues when the relevant agreements are signed, share the risks of the project and speed up the development of the products thanks to the resources provided by the partner. The Company intends to keep part of the future value generated by the products through the collection of milestone payments linked to the progress of the product, the grant of marketing approvals, the achievement of predetermined sales levels and, where appropriate, royalties on sales.

1.1.3 Advantages and strengths

The Company believes it has the necessary strengths to become a leading player in the development of drug products targeting fibrotic diseases, orphan diseases and cancer. The ability to create innovative products makes the Company a valuable partner for establishing research partnerships or entering into license agreements with large international pharmaceutical companies in search of innovative and efficacious drug products.

1.1.3.1 Lanifibranor, favorably positioned for the treatment of NASH, a market with great sales potential

The first indication selected by the Company for its drug candidate lanifibranor is the treatment of patients with NASH, a severe and chronic form of hepatic fibrosis frequently associated with obesity, insulin resistance and T2DM, which may be considered a new pandemic in industrialized countries. NASH is expected to become the first cause of liver transplantation by 2020 and will increase five to ten fold the risk of mortality from a liver related illness.[9] This market has an estimated value ranging from USD 35 billion to USD 40 billion worldwide.[10] As of the date of this Registration Document and to the best of the Company's knowledge, there is no product on the market for the treatment of NASH and current therapeutic options are limited (change of lifestyle, weight loss and bariatric surgery). In pre-clinical studies, lanifibranor has been found to have protective and curative effects in hepatic fibrosis (see section 1.1.4.1 "Lanifibranor demonstrated anti-fibrotic activity in various organs" of this Registration Document). In addition, the clinical study conducted in patients with type 2 diabetes, who represent a large proportion of patients with NASH, demonstrated significant improvements in the metabolic parameters associated with NASH (see section 1.1.4.1 "Clinical data confirmed lanifibranor's safety and efficacy on key metabolic markers" of this Registration Document). The Company believes that lanifibranor has decisive competitive advantages over other products, in particular the fact that it combines anti-fibrotic activity with beneficial metabolic effects. These characteristics and strong demand from pharmaceutical companies for advanced products for the treatment of NASH ideally position the Company in its strategy for optimizing the value of lanifibranor.

1.1.3.2 Lanifibranor and odiparcil, innovative treatments for orphan diseases with a high unmet medical need: SSc and MPS

SSc is a serious orphan disease with no adequate treatment as none of the treatments currently prescribed are capable of slowing down the progression of fibrosis. Lanifibranor has demonstrated anti-fibrotic activity *in vitro* on cells of patients and has slowed the progression of fibrosis in *in vivo* models of dermal, renal and pulmonary fibrosis. In a pre-clinical model of dermal fibrosis, lanifibranor also demonstrated a curative effect. Among the molecules being developed for the treatment of SSc, lanifibranor is, to the best of the Company's knowledge, the only one that acts directly on the fibrotic process, and thus represents a breakthrough therapeutic approach by acting on the root causes of the disease.

MPS are a group of devastating orphan lysosomal storage diseases. Current treatments are confined mainly to enzyme replacement therapies, and the medical need remains unmet. Thanks to its unique and differentiating mechanism of action, odiparcil reduces lysomomal accumulation in patients' cells by eliminating excess GAGs outside the cells. In addition, unlike enzyme replacement therapy, odiparcil is optimally absorbed by organs and tissues, which should, according to the Company, improve the treatment of bone, joint and cornea lesions.

With lanifibranor for SSc and odiparcil for MPS, the Company therefore has two clinical programs for orphan diseases with excellent sales potential. Indeed, the high unmet medical need in these indications and the high prices obtained by symptomatic treatments in SSc (e.g., the price of Bosentan marketed by Actelion and prescribed to treat the symptoms of Raynaud's disease, a disease that can be caused by SSc,

[9] Epidemiology and natural history of non-alcoholic steatohepatitis Clinical Liver Disease. Nov. 2009;13(4):511-31
[10] Deutsche Bank market research, July 14, 2014

is estimated at approximately €51,000 per year in the United States and Japan and between €23,000 and €51,000 per year in the top five European countries[11]) or by enzyme replacement therapy in MPS (e.g., Naglazyme has obtained an annual reimbursement price of approximately USD 476,000[12] in MPS VI) lead the Company to believe that valuable prices can be obtained for its drug candidates as well. In addition, regulatory authorities in Europe and the United States have introduced subsidies and specific marketing approval and reimbursement procedures for drug products targeting orphan diseases in order to encourage development and innovation in these diseases, which affect a very limited number of patients. The Company obtained orphan drug designation for lanifibranor in SSc from the EMA in October 2014 in Europe and from the FDA in March 2015 in the United States, and announced in August 2017 that it had received orphan drug designation from the FDA in the United States and the EMA in Europe for odiparcil in the treatment of MPS VI.

1.1.3.3 A portfolio of promising pre-clinical products in oncology and a differentiating platform in fibrosis

The Company has developed a recognized expertise in the fields of transcription factors, epigenetic modulation and nuclear receptors.

Thanks to its expertise and its library of 240,000 molecules, the Company has managed to develop a portfolio of promising and diversified pre-clinical programs in the field of oncology:

- the YAP/TEAD program with molecules patented by the Company that have demonstrated strong antiproliferative activity against several types of cancer cells, in particular against mesothelioma, as well as tumor regression in xenograft models;
- the Epicure partnership in collaboration with the Institut Curie, aiming to validate two new epigenetic targets in the field of immuno-oncology.

In addition, the Company has developed a platform for validating new therapeutic targets and discovering new therapeutic mechanisms of action in the field of fibrosis. The Company believes this platform to be a major advantage in creating a pipeline of projects against fibrotic diseases and establishing partnerships with industrial companies. In particular, the platform serves as the basis of the research partnership entered into by the Company and Boehringer Ingelheim to validate an undisclosed transcription factor as an innovative approach for the treatment of IPF.

1.1.3.4 Partnership agreements with international pharmaceutical companies for the discovery of new targets and the development of new therapeutic molecules

Partnership with AbbVie

Inventiva and AbbVie, a leading international pharmaceutical company, established a five-year research partnership in August 2012, initially covering two projects (see section 1.3.2 of this Registration Document).

RORγ, the main project, targets the treatment of several autoimmune diseases, in particular psoriasis in its moderate to severe form. This collaboration was extended in September 2017, and the new lead molecule ABBV-157 (replacing the earlier ABBV-553) could enter clinical development Phase I during 2018. The purpose of the recent contract extension is to identify a further back-up clinical candidate to ABBV-157, which highlights the importance of this program and its success to AbbVie.

As part of this partnership, a multidisciplinary team from the Company and a team from AbbVie are working together in the pre-clinical phases (biology, screening, chemistry, ADME and pharmacology). In return, the Company receives payments according to the number of employees involved and will receive pre-clinical and clinical milestone payments as well as other payments if the candidate molecules receive regulatory approval in the US and Europe. In addition, the partnership contract provides that the Company will receive milestone payments when first commercial sales are booked in the US, Europe and

[11] Venture Valuation Report
[12] BioCentury "Making of MEPSEVII" Dec. 11, 2017

Japan, as well as a percentage of the sales revenue generated by the product. The full details of the contract cannot be disclosed here for reasons of confidentiality. The Company has already reached the first three milestones provided for in the contract, which confirms that the project is making good progress. Under the terms of this agreement, AbbVie will be the sole holder of the intellectual property rights arising from this partnership.

The AbbVie collaboration alone generated revenue of approximately €3 million per year between 2012 and 2017 (see section 4.2 "Earnings analysis" of this Registration Document).

Partnership with Boehringer Ingelheim

In May 2016, the Company entered into a license agreement and a multi-year research and development partnership with Boehringer Ingelheim. This agreement aims to apply Inventiva's technology in order to develop new treatments for IPF, a chronic fibrotic disease characterized by a progressive decline in lung function, and for other fibrotic diseases. Under this partnership, Inventiva will be responsible for validating an undisclosed, promising novel target with the objective of developing an innovative approach for the treatment of IPF. The drug candidate phases of the research program will be jointly led by the Inventiva and Boehringer Ingelheim teams. Boehringer Ingelheim will then be responsible for the candidate's clinical development and marketing phases. All intellectual property rights developed as part of the joint research program will be owned, in joint equal shares, by the Company and by Boehringer Ingelheim. Provided that certain targets set in accordance with the partnership are reached, the Company will have to grant licenses for limited and non-exclusive use of some of its patents (refer to section 1.2.3.2 "Licensing agreements" of this Registration Document).

The Company is eligible to receive research funding and milestone payments of up to €170 million based on the progress of the research and development program, and the achievement of the regulatory and commercial milestones. Inventiva will also be eligible to receive tiered royalties on sales of the products resulting from the partnership.

Boehringer Ingelheim exercised its option to jointly develop new treatments for IPF as part of this partnership in September 2017. The joint research team has validated a new target for the treatment of fibrosis, and the data generated in the program confirm its therapeutic potential in fibrotic conditions. IPF has been selected as the first indication to be investigated. Boehringer Ingelheim's exercise of this option triggered a milestone payment to Inventiva of €2.5 million.

1.1.4 Lanifibranor: A next generation pan-PPAR agonist for the safe treatment of NASH and SSc

1.1.4.1 Lanifibranor: a Phase IIb product with a strong safety and efficacy profile

Originally discovered by Laboratoires Fournier, lanifibranor was developed for the treatment of type 2 diabetes by Solvay Pharmaceuticals following its acquisition of Laboratoires Fournier. Solvay Pharmaceuticals conducted the Phase I trials as well as a positive Phase IIa study in T2DM patients which demonstrated the efficacy and safety of the compound. When Solvay Pharmaceuticals was acquired by Abbott, the program was put on hold for strategic reasons as Abbott had decided to exit the metabolic therapeutic sector. In 2013, the Company, which had acquired all the rights to lanifibranor, conducted an in-depth analysis of lanifibranor potential in several indications (T2DM, NASH, SSc, Idiopathic Pulmonary Fibrosis, etc.) taking into consideration (i) its mechanism of action, (ii) the clinical data, (iii) the medical need and (iv) competition in each of the targeted indications. Following this analysis, the Company decided to pursue the development of lanifibranor in NASH and SSc, two indications for which the Company has generated convincing pre-clinical data in relevant *in vitro* and *in vivo* models.
Lanifibranor is a next generation pan-PPAR modulator developed by the Company and is designed as a moderately potent and well balanced PPARα and δ agonist and partial PPARγ agonist. This unique profile was conceived in order to obtain an optimal therapeutic margin with strong efficacy and tolerance, as demonstrated in long-term toxicology studies.

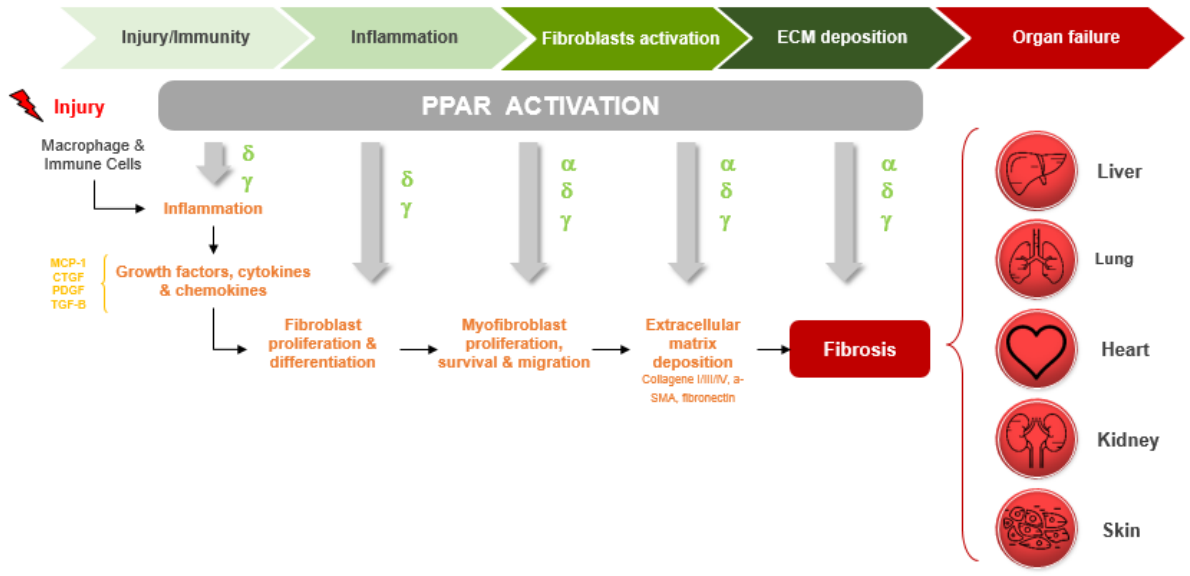
Table 1 Lanifibranor is the only compound to activate the three isoforms with similar concentrations to fenofibrate for the α isoform and to pioglitazone for the γ isoform

Compound	PPARα EC50 (nM)	PPARδ EC50 (nM)	PPARγ EC50 (nM)
Lanifibranor[1]	**1630**	**850**	**230**
Fenofibrate	2400	-	-
Pioglitazone	-	-	263
Rosiglitazone	-	-	13
Elafibranor[2]	10	100	-
Seladelpar[3]	-	2	-

EC50 is the concentration that generates half of the activity. The lower the value, the weaker the active concentration.
Source: (1) Company data (2) Hanf R., Diabetes and Vascular Disease Research, 2014 (3) Cimabay company presentation

PPARs are ligand-activated transcription factors belonging to the nuclear hormone receptor family that regulate a wide range of physiological activities including fibrosis. Lanifibranor has a very particular profile which is distinctive from those of other PPARs in that it acts on the three targeted PPAR isoforms with moderate potency. This differs from other PPAR compounds discontinued for safety reasons which, although more potent than lanifibranor, are only capable of activating one or two PPAR isoforms.
In addition, as shown below, each isoform modulates the fibrotic process. Therefore, by activating the three PPAR isoforms, lanifibranor is expected to provide superior anti-fibrotic activity compared to a single or dual PPARα and δ agonist.

Figure 2 PPAR activation inhibits the fibrotic cascade at multiple entry points



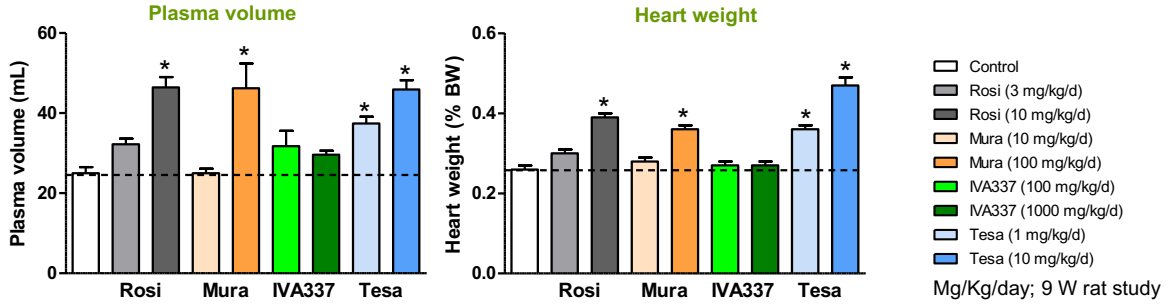
Source: Dantas AT, PPAR Research 2015; Wei J, Current Opinion in Rheumatology, 2010; Lakatos HF, PPAR Research, 2007.

Pre-clinical safety data demonstrate the benign and atypical profile of lanifibranor compared to other PPARs

Lanifibranor was selected by the Company among several pre-clinical candidates based on its favorable therapeutic margin and benign safety profile. The safety profile of the product was confirmed via *in vivo* toxicological studies (26 weeks) where none of the classical toxicological signs linked to PPARα, δ and γ activation were seen, even at the highest doses tested.

For example, lanifibranor does not produce cardiac toxicity or plasma volume expansion, two well-established undesirable side effects of PPARγ agonists. As shown in chart 1, after nine weeks of treatment, lanifibranor is the only PPAR agonist tested that does not increase heart weight or produce hemodilution at five to ten times the therapeutic dose in animals, contrary to Rosiglitazone (PPARγ), Muraglitazar and Tesaglitazar (dual PPARα/γ), which clearly increase plasma volume and heart weight at a high dose.

Chart 1 Comparison of the cardiac safety profiles of lanifibranor, Rosiglitazone (PPARγ, Muraglitazar and Tesaglitazar (dual PPARα/γ) agonists)



Source: Company data

As seen in table 2, lanifibranor is devoid of any PPAR undesirable side effects on the heart, skeletal muscles, kidney and urinary bladder, as demonstrated in a long-term 26 week *in vivo* toxicology study.

Table 2 Observation of the effects of PPAR vs. lanifibranor treatments

Organ	Molecule	Reported PPAR liabilities	IVA337 effects	No Observed Adverse Effect Level (NOAEL)
Heart	Glitazone	Fluid retention Cardiac hypertrophy	Not observed	1000 mg/kg in rodents and primates 26w study
Skeletal muscle	Fibrate	Myofiber degeneration	Not observed	
Kidney	Fibrate	>50% increases in creatinine, Degenerative changes in renal tubules	Not observed	
Urinary bladder	Glitazone	Proliferative changes in bladder epithelium	Not observed	

Source: Company data

A 52-week regulatory toxicity study in monkeys was initiated in 2015, and the administration of the product to animals ended in October 2016. The Company announced in May 2017 that no undesirable clinical events were observed during the treatment period in any of the doses tested and, similarly, that none of the typical side effects of PPARγ treatments were detected. The clinical, macroscopic and biological data recorded show a good general tolerance of the product at every dose and, in particular, no weight gain, no hemodilution, no heart weight increase or biological signals of cardiac distress.

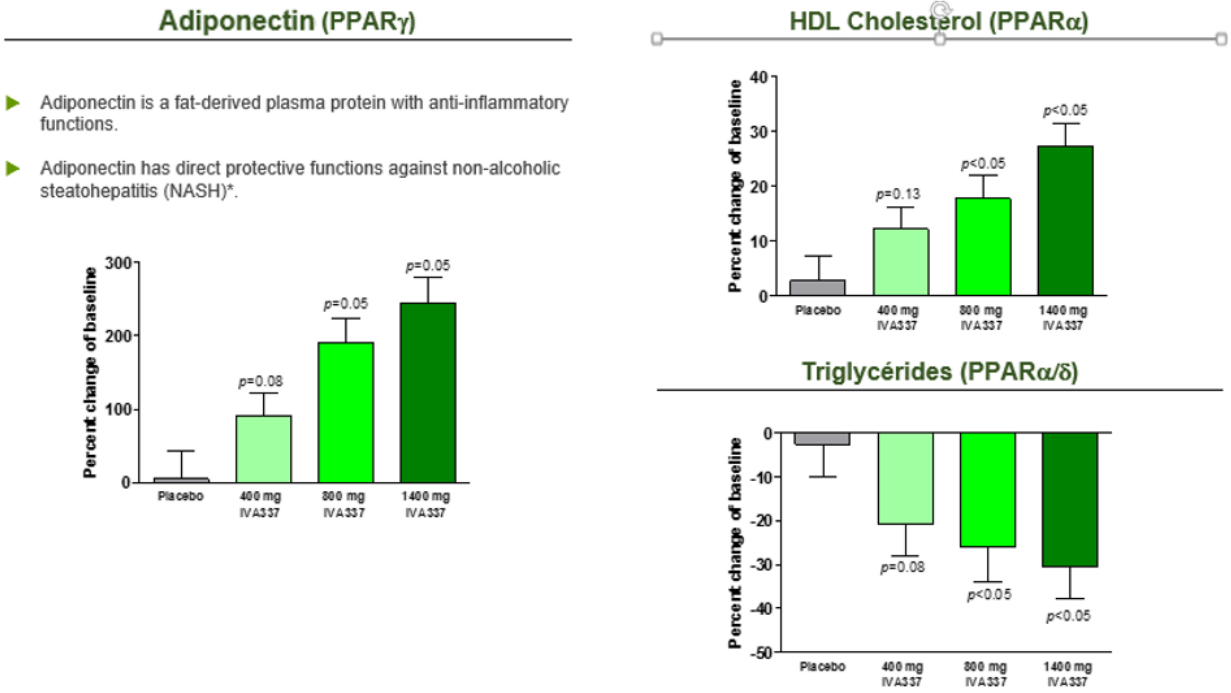
Lanifibranor's benign profile was recognized by the EMA's Scientific Advisory Working Party (SAWP). FDA and EMA regulations on the PPAR class of compounds provide that two-year carcinogenicity and one-year *in vivo* toxicity studies should be performed before entering into long-term (i.e., more than six months) human studies. Given lanifibranor's favorable safety profile, the Company requested authorization from the SAWP to carry out these regulatory safety studies in parallel to the one-year lanifibranor Phase IIb clinical study in SSc patients (FASST trial). The Committee for Medicinal Products ruled in favor of the Company and allowed it to perform the FASST clinical study in parallel to the 12-month *in vivo* study and the two-year carcinogenicity studies. To the best of the Company's knowledge, this is the first time that a PPAR drug has been granted such a waiver.

In January 2018, the Company announced that the DSMB review of the FASST study also confirmed lanifibranor's good tolerance profile. After reviewing all safety data, including adverse events, and analyzing the conduct of the FASST study, the DSMB recommended that the clinical trial could continue without any changes to the protocol.

Clinical data confirmed lanifibranor safety and efficacy on key metabolic markers

In Phase I and IIa clinical trials on 100 healthy volunteers and 56 subjects with T2DM, lanifibranor was safe and well tolerated (i.e., no increase of creatinine, LTSs or CPK, no change in blood pressure, no sign of fluid overload or hemodilution, no clinically relevant weight gain and no significant increase in B-Crosslaps were observed). The observed effects were consistent with the predicted pharmacodynamic activities of pan-PPAR activation, with improvements in insulin resistance markers (HOMA – IR) and dyslipidemia markers (increase in HDL cholesterol, reduction of triglycerides). These clinical findings, presented at the International Liver Congress of Barcelona (EASL) held in April 2016, are extremely valuable for the first indication targeted by the Company as the physiopathology of NASH is closely linked to obesity, IR and T2DM.

Chart 2 Lanifibranor improves NASH-relevant metabolic markers in diabetic patients

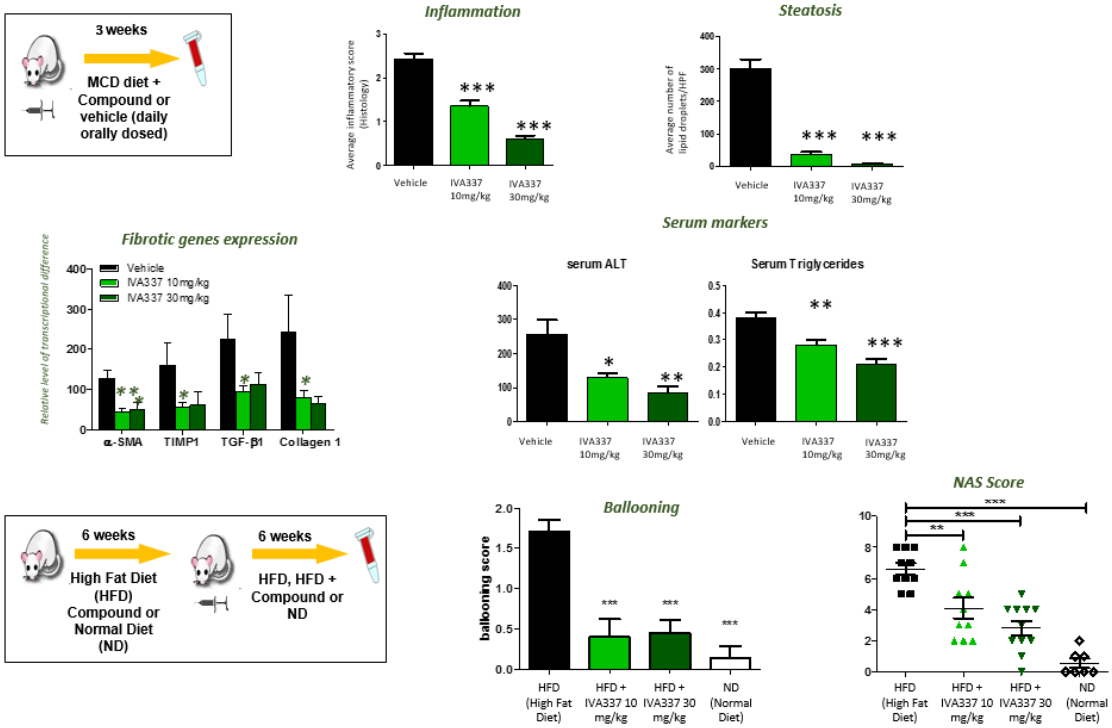


Source: Company data on lanifibranor Phase IIb clinical data in T2DM patients; Ohashi, Endocr Metab Immune Disord Drug Targets. 2015.

In addition, lanifibranor improved NASH-relevant metabolic markers and insulin sensitivity (body weight, adiposity index, non-fasting glucose and insulin) in a diet-induced obesity and insulin resistance model.

Lanifibranor also improved steatosis, inflammation and fibrosis in a model of steatohepatitis and reduced steatosis, ballooning of the liver and the NAS score by four points (i.e., the combined steatosis, hepatocellular inflammation, and hepatocellular ballooning scores) in a pre-clinical model of NASH. Lanifibranor was able to inhibit proliferation and activation of human hepatic stellate cells.

Chart 3 Effects of lanifibranor on major liver damage in NASH



Source: Company data

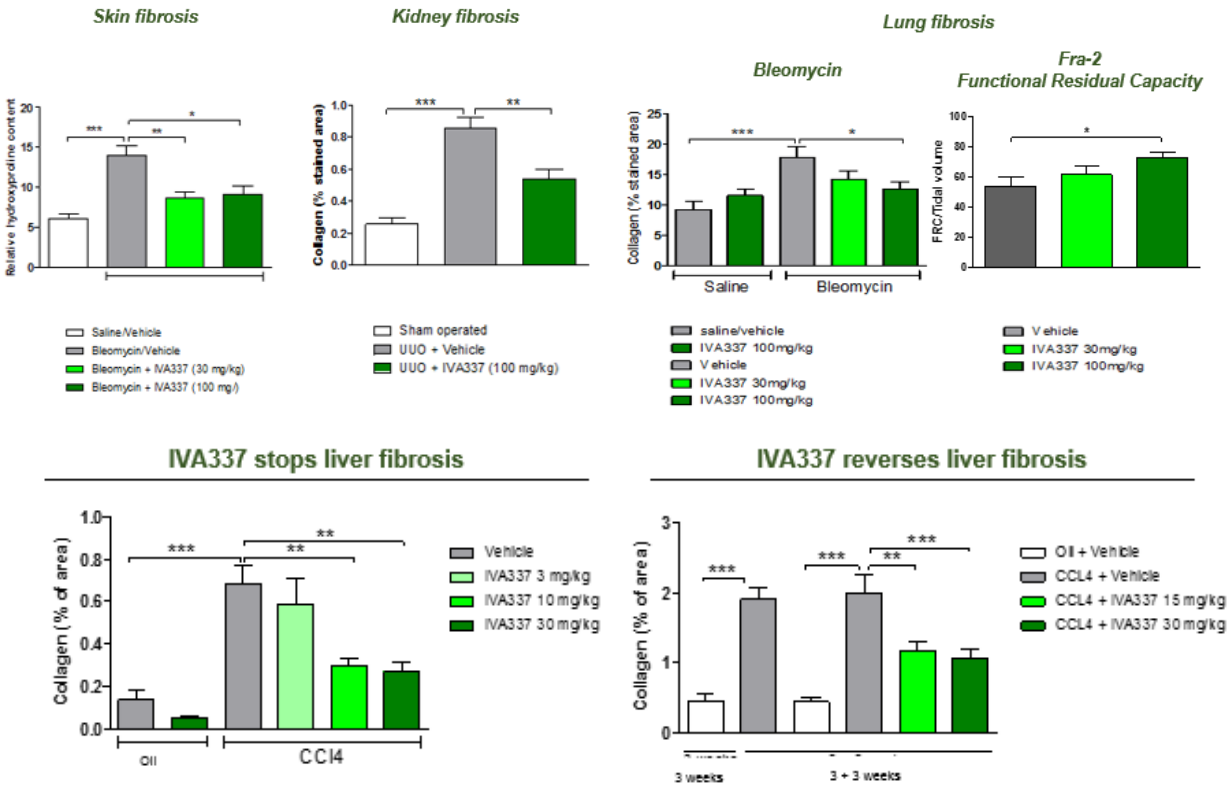
Clinical findings also illustrate lanifibranor's safety, with good overall tolerability and the absence of major safety issues, as demonstrated by the measurements of proven markers of liver, renal, heart, muscle and bone functions.

Lanifibranor demonstrated anti-fibrotic activity in various organs

The PPAR isoforms activated by lanifibranor are involved in the pathogenesis of fibrosis. More precisely, PPARα, δ and γ activation counteracts fibrosis in various models and PPARγ as well as PPARα genes expression are repressed in skin and lung biopsies from SSc patients. In addition, adiponectin levels, a marker of PPARγ activation, in skin and sera inversely correlate to disease activity in diffuse systemic sclerosis (dcSSc). Therefore, the Company believes that a drug capable of activating these three isoforms should provide a therapeutic solution in several fibrotic diseases and a superior solution to other PPAR agonists that are only able to activate one or two PPAR isoforms.

Lanifibranor anti-fibrotic efficacy was demonstrated in several *in vitro* and *in vivo* pre-clinical studies, where lanifibranor induced the regression of pre-existing fibrotic damage in the liver and in the skin and prevented further development of fibrosis. Lanifibranor also demonstrated anti-fibrotic activities in relevant models of lung (bleomycin and Fra-2) and kidney fibrosis as well as in the two main *in vitro* models of human lung and skin fibroblasts.

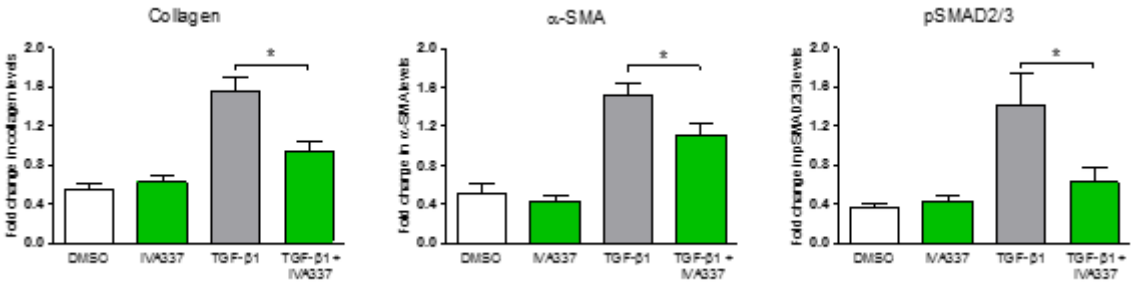
Chart 4 Lanifibranor's anti-fibrotic activity



Source: Company data

Lanifibranor also demonstrated its ability to inhibit the main fibrotic driver, TGF-b, in fibroblasts from SSc patients, fibroblast to myofibroblast differentiation being largely regulated by TGF-b through the SMAD2/3 pathway. Lanifibranor blocks (i) pSMAD2/3 accumulation in the nucleus, (ii) the differentiation of fibroblast into myofibroblasts (α-SMA) and (iii) the production of collagen from SSc fibroblasts.

Chart 5 Lanifibranor as a TGF-b Inhibitor



Source: Ruzehaji N. et al, Ann. Rheum. Dis. 2016

Taken together, these results demonstrated that lanifibranor displays a strong anti-fibrotic activity. Therefore, the Company believes it can confirm this anti-fibrotic activity in patients and has decided to target two organs where lanifibranor results have been promising with both prophylactic and curative efficacy, namely the liver and skin. More precisely, two indications have been selected because of their high unmet medical need: NASH and SSc.

1.1.4.2 Clinical development plan for lanifibranor in the treatment of NASH

NATIVE: a clinical Phase IIb study to prove lanifibranor's safety and efficacy in NASH patients

In the scientific community, NASH is increasingly viewed as the hepatic expression of the metabolic syndrome and insulin resistance, with inflammation and fibrosis being common features of the condition. Therefore, the Company believes that lanifibranor could be an interesting therapeutic approach to NASH treatment given its beneficial effects on metabolic parameters and its antifibrotic activity.

The potential of lanifibranor in the treatment of NASH is supported by *in vitro* and *in vivo* pre-clinical findings generated by the Company, the six-month trial sponsored by the University of Florida and the PIVENS trial on pioglitazone (PPARγ) with clinical results suggestive of long-term clinical benefits in NASH patients. These results showed that lanifibranor's mechanism of action whereby it activates PPARα, δ *et* γ allows it to address the main features of NASH, i.e., metabolic characteristics, steatosis and necro-inflammation, as well as fibrosis.

The Company launched the NATIVE trial in Europe in the first half of 2017. NATIVE is a 24-week multicenter clinical Phase IIb study (more than 70 sites in 13 countries in Europe, Canada, Australia and Mauritius) that is randomized, double-blind and placebo-controlled.

The study includes two active dose groups (800 mg and 1,200 mg once daily) and a comparative placebo group, namely a total of 225 patients with advanced NASH.

The objective of the study is to assess the efficacy of lanifibranor on the activity part of the SAF histological score (i.e., ballooning and inflammation score) after a 24-week treatment. The SAF score allows identification of more homogeneous patient groups in relation to the NAS score (i.e., the steatosis score, hepatocellular inflammatory score, and hepatocellular ballooning score). This trial will also evaluate the safety of lanifibranor treatment.

The main inclusion and assessment criteria of the study are based on the hepatic histology of each patient: (i) NASH histological diagnosis according to the NASH Clinical Research Network criteria (steatosis, lobular inflammation of any degree and liver cell ballooning of any amount) and (ii) SAF activity score of 3 or 4 (> 2), SAF Steatosis score >= 1 and SAF Fibrosis score < 4. The primary endpoint of the study is a decrease in relation to the baseline of >= 2 points of the SAF activity score combining hepatocellular inflammatory and ballooning.

In parallel to the Phase IIb trial, the Company is conducting the remaining regulatory safety studies to complete the Marketing Approval Application (MAA) for lanifibranor in Europe and the United States, enabling the product to be marketed as soon as the pivotal Phase III trial is complete.

In both models of mice treated in these studies, lanifibranor demonstrated positive effects on the signaling pathways that are altered during the development of NASH.

The results of these studies, which reinforce lanifibranor's potential in the treatment of NASH, were presented at the International Liver Congress in April 2017. The Company also published positive results of a 12-month toxicity study in primates in May 2017.

The Company is continuing as planned with the carcinogenicity studies for which it announced the preliminary results of the two-year carcinogenicity studies with the pan-PPAR agonist lanifibranor in rats in March 2018. Two carcinogenicity studies in rats and in mice were started in October 2015 after study protocol approval by the US Food and Drug Administration (FDA) and executed by Envigo (UK), a Contract Research Organization (CRO) with previous expertise in running similar studies, particularly with compounds from the PPAR class. These studies tested the effects of three doses of lanifibranor administered daily for a 104-week period, compared to control groups. This first in-life phase was conducted as planned and histopathology evaluation of the two studies is nearly complete. The peer-review phase of the two studies in rats and mice is expected to be finalized by the end of the second quarter of 2018.

The peer-review is ongoing and preliminary results of the study in rats are already available, indicating that there are no compound-related incidences of neoplastic lesions, and in particular no increased incidence of urinary bladder cancer, a finding that was reported for several single or dual PPAR compounds. Lanifibranor's moderate and balanced panPPAR profile and different chemical structure could explain the benign profile of the compound.

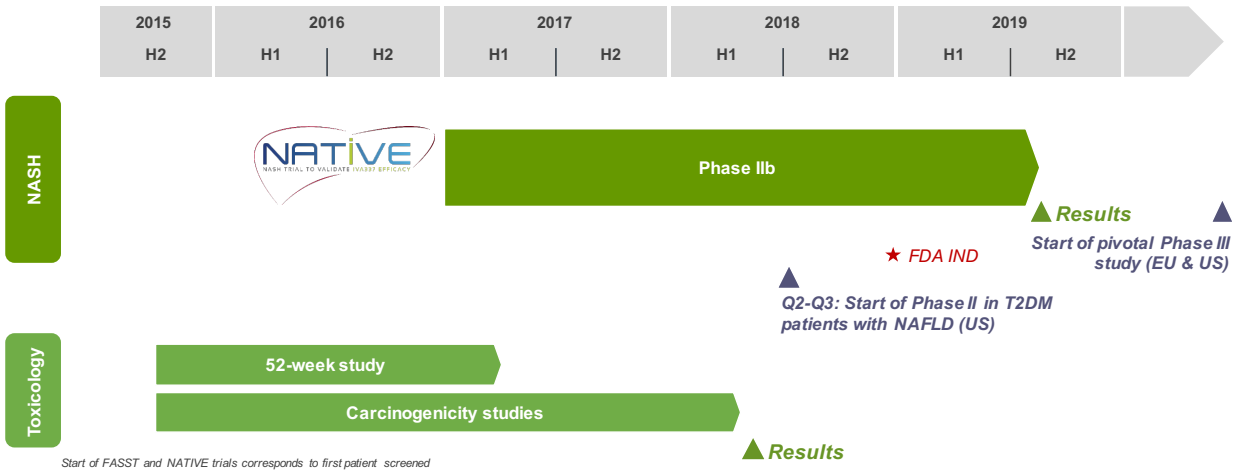
Following the completion of the Phase IIb study, the Company plans to launch a pivotal Phase III study during the first half of 2020 in Europe and the United States. Due to increasing competition in recruiting patients with NASH, the Company launched an additional program to increase the number of countries and sites participating in the study beginning in September 2017. At present, patients are being recruited on 42 sites. Sites have been opened in two new countries (Canada and Australia) and are in the process of being opened in an additional two. Inventiva's objective is to open more than 70 sites by the end of the second quarter of 2018. The opening of additional countries and sites will allow the patient recruitment process to be completed by the end of 2018. The main results are now expected in the second half of 2019, rather than in the early part of 2019 as the Company had previously announced.

This study will be carried out with the proposed commercial formula now under development. The proposed commercial formula was selected during a Phase I clinical pharmacokinetic trial aimed at assessing the exposure of lanifibranor generated by three types of formula. This Phase I study prepared with Eurofins had been completed at the date of this Registration Document; its inherent results were favorable.

In preparation for the Phase III study in NASH, the Company expects to make an IND (Investigational New Drug) application with the FDA in the United States for lanifibranor for the treatment of NASH in the second half of 2018.

Lanifibranor is supported by an international board of recognized key opinion leaders in the field of NASH. The scientific committee brings together a group of world-renowned experts in pathology and clinical studies in NASH, including Professors Sven Francque (Universitair Ziekenhuis Brussel) in Belgium, Quinten Anstee (Newcastle University) in the United Kingdom, Peter Bedossa (Beaujon Hospital) in France, Elisabetta Bugianesi (Ospedale San Giovanni Battista) in Italy and Vlad Ratziu (Pitié-Salpêtrière Hospital) in France.

Figure 3 Clinical development program for lanifibranor in NASH



Source: Company data

In April 2018, the company also announced that Dr. Kenneth Cusi, Chief of the Division of Endocrinology, Diabetes & Metabolism in the Department of Medicine at the University of Florida, Gainesville, has selected lanifibranor for a Phase II investigator-initiated clinical trial.

The trial's objective is to evaluate the efficacy and safety of lanifibranor on intrahepatic triglycerides and hepatic insulin sensitivity in type 2 diabetic patients with nonalcoholic fatty liver disease (NAFLD). A positive result would further reinforce lanifibranor as the ideal drug for NAFLD and NASH patients with type 2 diabetes (T2DM).

The trial conducted by Dr. Cusi is expected to enroll 64 patients treated for a 24-week period with a single daily dose of lanifibranor (800mg/day) and 10 subjects in a healthy, non-obese control group. The study's overall objective is to measure the metabolic effects of lanifibranor, and its potential efficacy on steatosis in T2DM patients with NAFLD. Additionally, this study will detect lanifibranor impact on fibrosis using the most recent imaging technology. The main endpoints are a decrease of liver steatosis assessed by state of the art imaging, including H-MRS (Proton Magnetic Resonance Spectroscopy), evidence of metabolic improvements in insulin resistance (glucose clamp, HBA1c), de novo lipogenesis, free fatty acids, lipids and safety. The trial should begin in Q2/Q3 2018 depending on FDA approval of lanifibranor IND filing.

1.1.4.3 Lanifibranor, a well-positioned drug candidate in a USD 35 billion to USD 40 billion NASH market

The NASH market and opportunities for lanifibranor

Chronic Liver Disease (CLD) causes a substantial public health and economic burden and it is estimated that in the United States alone almost two million deaths annually are attributable to CLD.[13]

The prevalence of non-alcoholic fatty liver disease (NAFLD) in developed countries is rapidly increasing and NASH has become a leading contributor to the need for liver transplantation.[14]

NAFLD is a condition defined by excessive fat accumulation in the form of triglycerides in the liver. NASH is a severe and chronic form of NAFLD, and occurs in a subgroup of patients with insulin resistance (IR) and/or a metabolic syndrome such as obesity. It is estimated that 40% of NAFLD patients will progress to NASH,[15] a disease defined as the presence of hepatic steatosis with hepatic inflammation and hepatocyte injury or ballooning, with or without fibrosis. NASH may progress to cirrhosis, liver failure and in some cases to hepatocellular carcinoma (HCC).

NASH is expected to become the leading cause of liver transplantation by 2020 and will increase five- to ten-fold the risk of liver-related mortality.[16] Today, it is estimated that 80 million adults in the US alone have NAFLD, of which more than 30 million have NASH. Of these NASH patients, it is estimated that more than 14 million are at a fibrotic stage of the disease.[17]

To the best of the Company's knowledge, there are no specific pharmaceutical treatments for NAFLD and/or NASH currently available on the market. Current treatment options for NASH are therefore limited to lifestyle change and weight loss and to physical therapy such as bariatric surgery.

It is estimated that the total market value will reach USD 35 billion to USD 40 billion in 2025,[18] with some analysts forecasting that leading drugs could deliver peak annual sales in the range of USD 6 billion to USD 10 billion.[19]

Venture Valuation estimates that lanifibranor's sales in the NASH market could exceed €3.7 billion per year worldwide.[20] The US market would account for 57% of total yearly sales (€2.1 billion) and the European top five countries (France, Germany, Italy, Spain and the UK) for 29% (€1.1 billion).

Even in the event that OCA (drug candidate developed by Intercept) and Elafibranor (drug candidate developed by Genfit) are both marketed, the Company believes that lanifibranor's market share[21] could still reach 10%.

Leading drug candidates in clinical development for the treatment of NASH and lanifibranor's anticipated benefits

[13] Udompap P, Kim D, Kim WR, Current and Future Burden of Chronic Nonmalignant Liver Disease. Clin Gastroenterol Hepatol. Aug. 17, 2015. pii: S1542-3565(15)01114-3.

[14] World Gastroenterology Organization 2012 guidelines (http://www.worldgastroenterology.org/guidelines/global-guidelines/nafld-nash/nafld-nash-english)

[15] Evidence of NAFLD progression from steatosis to fibrosing-steatohepatitis using paired biopsies: Implications for prognosis and clinical management; Journal of Hepatology 2015 vol. 62 j 1148–1155

[16] Epidemiology and natural history of non-alcoholic steatohepatitis Clinical Liver Disease. November 13, 2009(4)

[17] Intercept web site; Wree, A. et al. Nat. Rev. Gastroenterol. Hepatol. 10, 627–636 (2013); Angulo et al. Hepatology1999; 30(6): 1356-62; Minervini et al. J Hepatology 2009; 50:501–510

[18] Deutsche Bank Market Research, July 14, 2014

[19] Deutsche Bank Market Research, July 14, 2014, Reuters

[20] Venture Valuation Report

[21] Sales forecasts are based on an ex-factory price for lanifibranor equal to the cost of treatment, across all geographic areas, of patients with Victoza (Novo Nordisk), a similar drug to GLP-1 approved for the treatment of T2DM which has been the subject of a limited Phase II study with 52 NASH patients. Ex-factory prices of Victoza per year and per patient range from approximately €1,600 in Spain and Italy, €1,700 in the UK, €2,008 in France, €3,043 in the US, and €5,249 in Germany.

Among the products in development, the four drugs which appear to the Company as the most advanced are OCA from Intercept, Elafibranor from Genfit, Simtuzumab from Gilead and Cenicriviroc from Allergan.

Table 3 Main advanced clinical developments underway in NASH

Company	Drug	Mechanism of action	Delivery	Stage of development
Intercept	OCA	FXR agonist	Oral	Phase III
Genfit	GFT 505/Elafibranor	Dual PPAR α/δ agonist	Oral	Phase III
Gilead	Selonsertib	ASK1	Oral	Phase III
Allergan	Cenicriviroc	Dual CCR2/CCR5 antagonist	Oral	Phase III
Gilead	GS-9674	(FXR agonist)	Oral	Phase II
Gilead	GS-0976	(ACC inhibitor)		Phase II
Conatus	Emricasan	Caspase protease inhibitor	Oral	Phase II
Novo Nordisk	Semaglutide	GLP-1	Subcutaneous	Phase II
Phenex	PX-104	FXR agonist (non bile acid)	Oral	Phase I
Galectin	GR-MD-02	Galectin-3	IV and subcutaneous	Phase III
Madrigal	MGL-3196	THR β-selective agonist	Oral	Phase II

Source: Company analysis – January 2018

❖ Obeticholic acid (OCA): Intercept/Dainippon Sumitomo

OCA is a bile acid mimetic which is an agonist for the nuclear receptor farnesoid X receptor (FXR). Activation of FXR leads to the reduced expression of lipogenic enzymes and decreased inflammation and fibrosis. However, the FXR agonist mechanism is also associated with a potential increase in LDL cholesterol (LDLc), which raises cardiovascular (CV) safety concerns.

OCA has been studied in a Phase II trial in the NASH indication (FLINT study, 283 patients) and met its primary endpoint.[22] In May 2017, Intercept Pharmaceuticals announced the finalization of the recruitment of 750 patients for interim analyses of its Phase III study, REGENERATE. The REGENERATE Phase III trial will continue under blind conditions after the interim analysis and will continue to follow patients until the appearance of a pre-specified number of adverse liver-related clinical events, including progression to cirrhosis, in order to confirm the clinical benefits after commercialization.[23]

While the FLINT trial showed encouraging[24] results, the Company considers the product will have to overcome significant hurdles to achieve acceptance in real-world clinical practice and that lanifibranor may positively differentiate from OCA.

- Lanifibranor has never caused any pruritus in its clinical trial, whereas pruritus was seen in 23% of OCA treated patients vs. 6% of placebo patients in the FLINT trial.

- Lanifibranor offers beneficial effects on the lipid profile of patients, whereas increased total cholesterol (TC) and LDLc, as well as a decrease in HDLc, was seen in OCA treated patients. As NASH patients are already at high risk of CV events, even a sustained modest increase in LDLc may give rise to increased CV risk resulting in the need for chronic therapy.

- Lanifibranor is expected to induce a decrease in liver insulin resistance.

[22] Neuschwander-Tetri BA, Loomba R, Sanyal AJ, et al for the NASH CRN; Farnesoid X nuclear receptor ligand obeticholic acid for non-cirrhotic, non-alcoholic steatohepatitis (FLINT): a multicentre, randomized, placebo-controlled trial. Lancet. March 14, 2015; 385(9972): 956-65
[23] Intercept website
[24] Intercept website

❖ Elafibranor (GFT-505): Genfit

Elafibranor is an unbalanced dual PPARα,δ preferentially active on PPARα with no reported PPARγ. activity.

Following the publication of the results of its Phase IIb study in January 2016, Genfit has initiated a pivotal Phase III study to evaluate the effect of Elafibranor 120 mg in approximately 2,000 NASH patients (NAS>4) with F2 or F3 fibrosis.

While both Elafibranor and lanifibranor are PPAR agonists, there are some key differences in their profiles, which may, according to the Company, support lanifibranor as the better product:

1. Lanifibranor is a balanced pan-PPAR agonist, while Elafibranor is a preferentially active PPARα agonist. Therefore, the Company considers that, by activating the three PPAR isoforms, lanifibranor should provide superior therapeutic efficacy in NASH patients compared to a dual PPARα/δ.

2. The benefit of PPARγ activity has clearly been demonstrated by pioglitazone, a PPARγ agonist commercialized by Takeda Pharmaceuticals, in a six-month trial sponsored by the University of Florida[25] (55 NASH patients with IGT or type 2 diabetes; six months' treatment with hypocaloric diet + pioglitazone or hypocaloric diet + placebo), where statistically significant positive results on inflammation, ballooning and steatosis and a positive trend on fibrosis were observed. In addition, a significant effect on NASH reversal and a trend towards improving fibrosis was shown in the PIVENS study sponsored by the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK) (247 subjects with NASH and no type 2 diabetes treated for 96 weeks with either pioglitazone, vitamin E or placebo). These two studies demonstrate the advantage of PPARγ activity in NASH treatment.

3. As NASH is strongly associated with IR and metabolic syndrome, the effects of a PPARγ activity on glucose metabolism may allow lanifibranor to generate some additional differentiating claims, including:
   - reduced progression of IR to T2DM;
   - improved glycemic control in patients with concomitant T2DM; and
   - increase in adiponectin which has been reported as an anti-inflammatory liver-protective adipokine.

Accordingly, by combining PPARα, δ and γ activity lanifibranor could prove more efficacious than pioglitazone (PPARγ) and Elafibranor (PPARα/δ). In addition, lanifibranor could provide superior benefits on metabolic markers.

❖ Cenicriviroc: Allergan Pharmaceuticals

Cenicriviroc (CVC) is both a CCR2 and CCR5 receptor antagonist. Administered orally once per day, this drug candidate is intended to block two chemokine receptors, CCR2 and CCR5, which are involved in the inflammatory and fibrogenic pathways of NASH, and are the origin of liver damage that often leads to diseases such as cirrhosis, liver cancer or liver failure. This drug candidate is currently undergoing Phase III clinical development.

1.1.4.4 Lanifibranor, the first treatment that can change the course of systemic scleroderma

SSc: A rare and lethal disease with no approved treatment

[25] A Placebo-Controlled Trial of Pioglitazone in Subjects with Nonalcoholic Steatohepatitis; The New England Journal of Medicine, Nov. 2006

SSc is a rare complex multi-organ disease affecting the immune system, the microvascular system and the connective tissue. This disease particularly affects the skin but also the lung, heart, gastrointestinal tract and kidneys. Progressive organ failures make SSc a severe and lethal disease with a high mortality rate. The clinical visibility of skin affection led to its original name "scleroderma", from the Greek words skleros (hard or indurated) and derma (skin). The clinical recognition of two patterns of skin sclerosis provided the basis for the classification into two subtypes: limited cutaneous (lcSSc) and diffuse cutaneous SSc (dcSSc). These subtypes differ in their initial manifestations, their courses and their prognosis.

- The limited form typically affects the skin on the distal part of the elbows and knees. It begins with isolated Raynaud's phenomenon, is associated with anti-centromere antibodies (antibodies that occur in auto-immune diseases and frequently associated with lcSSc) and usually develops over years after Raynaud's onset. Organ involvement, mainly the gastro-intestinal tract and lung vessels, usually occurs after more than ten years of disease progression. LcSSc affects 60% of SSc patients.

- The diffuse form has wider skin involvement and may start with hand swelling and concomitant onset of Raynaud's phenomenon, arthritis and rapid skin thickening. It is associated with the early onset of organ involvement targeting primarily interstitial lung disease, the heart and the kidney. DcSSc affects 40% of SSc patients.[26]

If the prognosis differs between the two subsets in both situations, patients suffer from major disability, loss of quality of life and see their life expectancy reduced with an 11-year survival rate of 93% and 70%, respectively, for lcSSc and dcSSc patients.[27].

Disease manifestation usually starts at 40 to 50 years of age. Prevalence and incidence are fairly similar for Europe and the United States (154 per million and 10-20 per million per year).[28] Women are five times more prone to develop SSc than men and it is estimated that approximately 170,000 patients are diagnosed (102,000 in the US; 67,000 in the top five European countries and 4,800 in Japan).[29].

There is a high unmet medical need as well as an attractive commercial potential for a safe and effective therapy. As of the date of this document and to the Company's knowledge, there is no cure for SSc. Treatment is limited to addressing some of the disease symptoms, including: the development of digital ulcers, pulmonary hypertension, Raynaud's phenomenon as well as specific organ manifestations of the condition.

Current treatments for SSc include immunosuppression, hematopoietic stem cell transplantation, as well as therapies treating some specific complications of the disease such as endothelin-receptor antagonist (i.e., Bosentan commercialized by Actelion) to treat digital ulcers or ACE inhibitors to treat renal crisis.

Many of the currently used treatments are associated with the risk of severe side effects and none, to the Company's knowledge, is efficacious in treating the underlying causes of SSc, such as fibrosis, which plays a critical role.

[26] European Scleroderma Trials and Research Group
[27] Journal of Rheumatology, 2013
[28] Orphanet
[29] ACR/EULAR 2013 criteria; Epidemiology of systemic sclerosis. Best Practice & Research Clinical Rheumatology, 2010

A range of drugs is used to treat specific symptoms or organ systems, many of which carry the risk of significant side effects. Available therapies include:

- NSAIDs (prescribed to address arthritis but which may cause gastro-intestinal problems);
- corticosteroids (prescribed to treat overt myositis or mixed connective tissue disease but which may predispose to renal crisis and thus are used only if necessary);
- various immunosuppressants, including methotrexate, azathioprine, mycophenolate mofetil, and cyclophosphamide which may address pulmonary alveolitis but does not address the underlying cause of the disease; and
- nifedipine, which may help to address Raynaud's phenomenon but can sometimes worsen gastric reflux. Bosentan, sildenafil, tadalafil and vardenafil may also be used to address Raynaud's phenomenon but do not address the underlying cause of the disease.

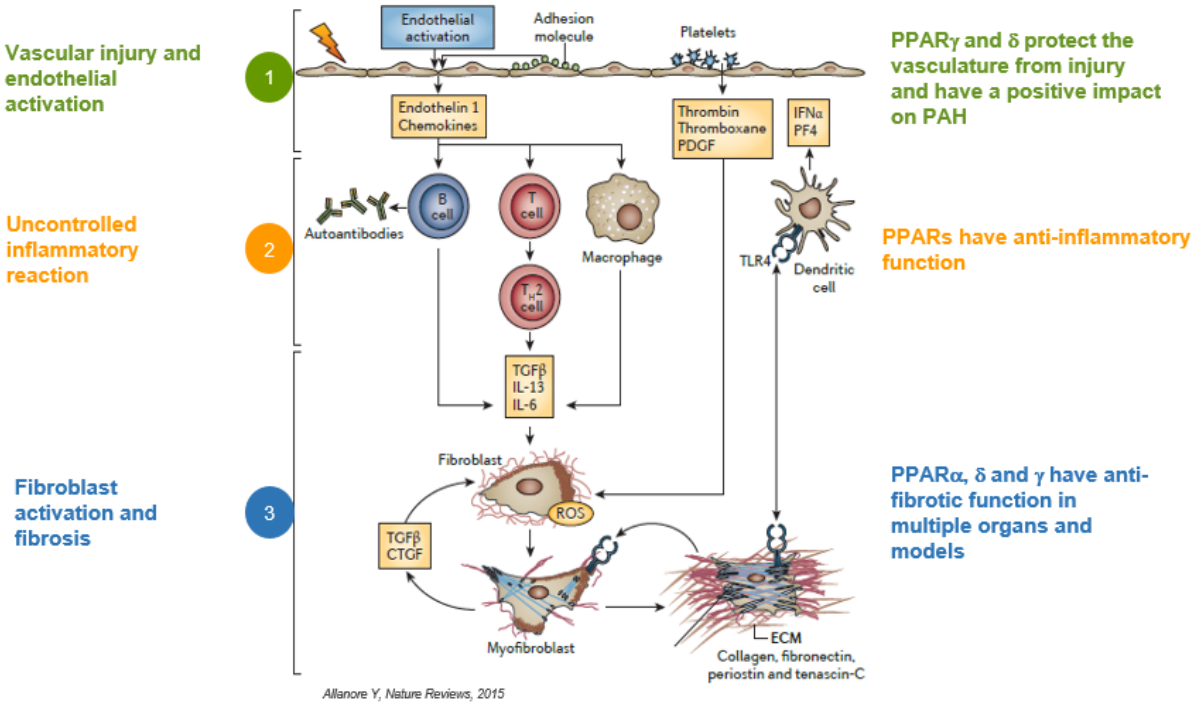
Lanifibranor, a drug candidate that addresses the main characteristics of SSc

Lanifibranor is a molecule that activates the three PPAR (peroxisome proliferator-activated receptor) isoforms. Lanifibranor's anti-fibrotic properties were reported in a series of pre-clinical studies *in vitro* and *in vivo*, in which it was shown that lanifibranor prevents the formation of fibrotic lesions in the liver, skin, and lungs, and induces regression of preexisting fibrotic lesions in the liver and the skin.

The promising results of these pre-clinical studies combined with the favorable safety profile shown in Phase I and Phase IIa studies helped result in new clinical developments to demonstrate lanifibranor's efficacy in patients with dcSSc as part of the FASST Phase IIb clinical trial.

In conclusion, the Company demonstrated in these studies that lanifibranor, in the treatment of SSc, had a favorable effect on inflammatory/immune changes and on cutaneous fibrosis, some of the main symptoms of the disease. These findings back up lanifibranor's status as a serious drug candidate for the treatment of SSc, as a pan-PPAR agonist, particularly in addressing skin, heart and lung complications.

Figure 4 Lanifibranor, the first disease modifying approach in SSc



Source: Allanore Y, Nature Reviews, 2015

FASST: a clinical Phase IIb study to prove lanifibranor's safety and efficacy in SSc patients

The Company has initiated the development of lanifibranor in SSc with a Phase IIb safety and efficacy study (48-week treatment + 4-week safety follow-up) in 145 early diagnosed (less than 3 years) patients with active dcSSc (FASST study), announcing the finalization of recruitment in October 2017. This is a double-blind, randomized study with two active dose groups (48 patients in each treatment group) and one placebo group. Two doses bid of lanifibranor (800 mg and 1,200 mg) will be tested.

The primary endpoint is the mean change in the Modified Rodnan Skin Score (MRSS) at 48 weeks, a clinical validated endpoint measuring the evolution of skin fibrosis which is correlated to organ fibrosis evolution. Patients included in the study will have an MRSS between 10 and 25 points. The study is being conducted in ten European countries (France, the United Kingdom, Germany, Italy, Switzerland, Spain, the Netherlands, Poland, Bulgaria and Slovenia), and 47 centers have been selected. The Company expects to publish the first headline results of the study in the beginning of the first half of 2019, in line with the original announcement.

In January 2018, the Company announced that the DSMB, after reviewing all safety data (including adverse events) and analyzing the conduct of the FASST study, had recommended that it continue without any changes to the protocol. Of the 145 randomized patients participating in the study, 102 have been treated for six months, including 72 patients who have completed a full year's treatment. On the basis of the report, the Company is continuing, in line with its expectations, lanifibranor's clinical development plan for this indication.

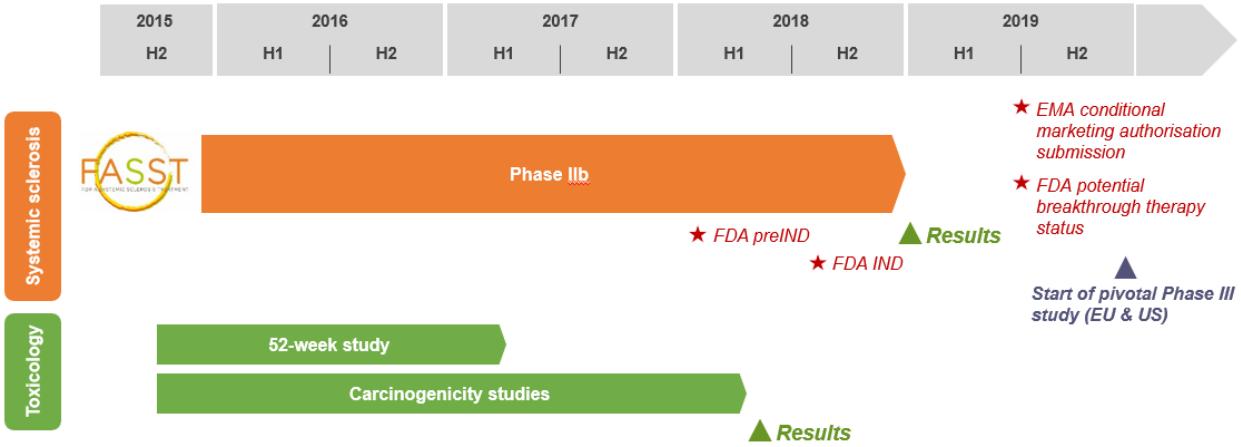
In parallel to this Phase IIb clinical trial, the Company expects to complete by the end of the second quarter of 2018 the two-year carcinogenicity studies that, together with toxicity studies, are needed to obtain the Marketing Approval Application (MAA) in both Europe and the US. The 52-week regulatory toxicity study in monkeys was initiated in 2015, and the administration of the product to animals ended in October 2016. The Company announced in May 2017 that no undesirable clinical events were observed during the treatment period in any of the doses tested and, similarly, that none of the typical side effects of PPARγ treatments were detected. The clinical, macroscopic and biological data recorded show good general tolerance to the product at every dose.

Following the FASST trial, the Company plans to launch at the end of the second half of 2019 a pivotal Phase III combined safety and efficacy study on patients with dcSSc and lcSSc in centers located in both Europe and the United States. In preparation for the Phase III study in SSc, the Company expects to make an IND (Investigational New Drug) application with the FDA in the United States for lanifibranor for the treatment of SSc in the second half of 2018.

Moreover, the Company plans to file a conditional marketing approval request with the EMA in Europe in the second half of 2019. The Company will also explore expeditious regulatory options in the United States, such as breakthrough therapy, fast track designation, accelerated approval procedure or priority review.

FASST is supported by an international board of recognized key opinion leaders in the field of SSc. The scientific committee that defined the FASST clinical trial protocol notably includes Professor Yannick Allanore (Paris Descartes University; principal investigator and president of the European League Against Rheumatism, Cochin Hospital), Professor Marco Matucci (University of Florence; president of the World Scleroderma Foundation), Professor Jörg Distler (University of Erlangen, Germany), Professor Oliver Distler (University of Zurich, Switzerland) and Professor Chris Denton (University College London) acting as co-principal investigator.

Figure 5 Clinical development program for lanifibranor in SSc



Source: Company data

Lanifibranor is well positioned as one of the most promising anti-fibrotic products

The development of safe and effective therapies for SSc remains a challenge. There have been no new approvals in the past ten years in this area and while there is some promising development activity, the Company believes that the majority of products are still in their pre-clinical or early clinical development stage.

The following table summarizes the current development pipeline for the treatment of SSc. This table shows that several immunosuppressive biologicals are currently under development for the treatment of SSc. Lanifibranor is one of the few orally active therapeutic agents and the only development candidate with a pan-PPAR anti-fibrotic mechanism of action.

Figure 6 Major clinical development programs currently underway in SSc

Developer	Drug	Mechanism of action	Delivery	Phase
Roche	Tocilizumab	IL-6R anti-body	subcutaneous	III
Corbus	Resunab	CB2R agonist	oral	III
BMS	Abatacept	CD28T modulator	subcutaneous	IIb
Bayer	Riociguat	Guanylate cyclase activator	oral	IIb
GSK	Belimumab	CD19b antibody	IV	IIa

Source: Company analysis

Product development strategies for the treatment of SSc largely include immunomodulatory products repositioned for this indication such as Tocilizumab from Roche, Belimumab from GSK, and the repurposed drug Riociguat from Bayer. None of these drugs rely on an extensive approach that targets the SSc triad (inflammation, vasculopathy, and fibrosis). Lanifibranor, in contrast to competitors, acts on modulators of the pathways involved in SSc and can be considered as a potential disease modifying drug that could stop disease progression and reverse existing fibrosis. This is where the Company expects lanifibranor to make a difference and provide better efficacy for patients. In addition, lanifibranor oral administration will provide a real benefit for patients, especially, compared to biologic drugs.

Lanifibranor also received orphan status designation (ODD) by the EMA in October 2014 and by the FDA in March 2015 for the treatment of SSc. These are important milestones as they confirm the potential clinical benefit lanifibranor could provide to patients in indications with a high unmet medical need. In addition, having the ODD status provides several regulatory advantages, including a commercialization exclusivity period of ten years in the EU and seven in the US.

Among the immunosuppressive biological products in development, the three most advanced are Tocilizumab, Abatacept and Belimumab.

- Tocilizumab: Roche

Tocilizumab, developed by Hoffmann – La Roche and Chugai and sold under the trade names Actemra and RoActemra, Tocilizumab is an immunosuppressive drug, primarily used in the treatment of rheumatoid arthritis and systemic juvenile idiopathic arthritis, a severe form of arthritis in children. It is a humanized monoclonal antibody against the interleukin-6 receptor. Interleukin 6 is a cytokine that plays an important role in immune response and is implicated in the pathogenesis of many diseases, such as autoimmune diseases, multiple myeloma and prostate cancer.[30] Hoffmann – La Roche is currently repositioning Tocilizumab in SSc and a Phase II clinical trial has recently been completed. The primary objective (improvement in skin thickening at 48 weeks) was not met. Hoffmann – This drug candidate is currently undergoing Phase III clinical development.

- Resunab: Corbus Pharmaceuticals

Corbus Pharmaceuticals is developing Resunab, a synthetic oral endocannabinoid-mimetic drug that binds to the CB2 receptor expressed on activated immune cells and fibroblasts. Corbus Pharmaceuticals has initiated a 16-week clinical study with a 12-month open label extension in SSc to evaluate the safety, tolerability, pharmacokinetics and efficacy of Resunab.31 The results published after 16 weeks' administration pointed to a certain measure of efficacy. This drug candidate entered Phase III clinical development in December 2017. The study is a multicenter, double-blind, randomized, placebo-controlled trial with approximately 350 patients. Treatment is expected to last 52 weeks.

- Abatacept: BMS

Abatacept, developed by BMS and marketed under the trade name Orencia, is an immunosuppressive drug primarily used in the treatment of moderate to severe active rheumatoid arthritis and moderate to severe systemic juvenile idiopathic arthritis, a form of arthritis in children. Abatacept is a protein that has been designed to suppress the activity of T cells from the immune system that, when activated, causes inflammation in rheumatoid and polyarticular juvenile idiopathic arthritis.[32] BMS is currently repositioning Abatacept in SSc and a Phase II clinical trial is currently ongoing.[33]

- Riociguat: Bayer

Developed by Bayer and marketed under the name Adempas, Riociguat is a drug prescribed for two forms of pulmonary hypertension: chronic thromboembolic pulmonary hypertension and pulmonary arterial hypertension. This drug is being repositioned in the treatment of SSc and a Phase III clinical trial began in January 2015.[34]

The Company considers that lanifibranor will be superior to Riociguat in terms of how easy it is to administer to patients and that doctors will favor a once-a-day drug such as lanifibranor versus a three-times-a-day drug that requires titration. In addition, the Company expects a reduced risk in terms of Drug-Drug Interaction.

[30] EMA website
[31] Corbus Pharmaceuticals website, press release, April 12, 2016
[32] EMA website
[33] clinicaltrials.gov
[34] clinicaltrails.gov: Efficacy and Safety of Riociguat in Patients With Systemic Sclerosis

- Belimumab: GSK

Belimumab, developed by GSK and marketed under the trade name Benlysta, is an immunosuppressive drug used as an add-on treatment for systemic lupus erythematosus in adults. Belimumab is a monoclonal anti-body that blocks a protein called BLyS leading to a reduced B-lymphocytes life-span.[35] GSK is currently repositioning Belimumab in SSc and a Phase IIa clinical trial is currently ongoing.[36]
The Company hopes to demonstrate superior anti-fibrotic efficacy and believes doctors will only consider Tocilizumab, Abatacept and Belimumab for their immune modulating properties and turn to lanifibranor when an anti-fibrotic drug is needed. The Company believes that lanifibranor could offer a superior safety profile. In addition, lanifibranor and these immunosuppressive biological agents have different yet complementary mechanisms of action that could benefit patients when combined.
Among the small molecule products in development, the two most advanced are Riociguat and Resunab.

Lanifibranor sales potential is estimated above €1.8 billion in SSc patients

Considering the high unmet medical need in SSc and, to the best of the Company's knowledge, the absence of approved drugs, the Company believes that SSc is a commercially attractive opportunity for lanifibranor. The Company has commissioned Venture Valuation to estimate lanifibranor SSc sales. The forecasts obtained indicate that, commercialized for SSc alone, peak sales for lanifibranor worldwide could reach €1.8 billion by 2030, with the US market accounting for 70% of total yearly sales (€1.28 billion) and the top five European countries (France, Germany, Italy, Spain and the United Kingdom) for 26% (€473 million).[37] Sales forecasts are based on the ex-factory price for Bosentan (Actelion Pharmaceuticals) that, per year and per patient, amounts to €22,968 in the UK, approximately €30,000 in France, Italy and Spain, €34,659 in Germany, and €51,227 in the US.

1.1.5 Odiparcil: The first oral treatment for patients experiencing an accumulation of dermatan and chondroitin sulfates

1.1.5.1 MPS: a group of rare and devastating diseases[38]

Mucopolysaccharidoses (MPS) are a group of rare genetic disorders characterized by a deficiency of lysosomal enzymes responsible for the normal degradation of glycosaminoglycans (GAGs) or mucopolysaccharides. The enzyme deficiency leads to progressive accumulation of GAGs in the lysosomes, leading to the development of various somatic and neurologic symptoms. MPS are categorized into seven types (I, II, III, IV, VI, VII and IX) based on the enzyme affected. The Company believes that the mechanism of action and the ability of odiparcil to produce two forms of soluble GAGs (dermatan sulfate – DS; chondroitin sulfate – CS) makes it particularly suited to becoming the first substrate reduction therapy treating MPS I, II, IVa, VI and VII patients, where these types of GAGs accumulate.

[35] EMA website
[36] clinicaltrials.gov
[37] Venture Valuation Report
[38] H. Noh, J. I. Lee; Current and potential therapeutic strategies for muvopolysaccharidoses; Journal of Clinical Pharmacy and Therapeutics, 2014, 39, 215-224

Table 4 Odiparcil could address several forms of MPS

Type (Incidence)[1]	Name	Severity	Dermatan Accumulation	Chondroitin Accumulation	Heparan Accumulation	Keratan Accumulation	Other
MPS I-H (1/100 000)	Hurler syndrome	Most severe form	☑		☑		
MPS I-S (1/100 000)	Scheie syndrome	Mildest	☑				
MPS-IH/S (1/100 000)	Hurler-Scheie syndrome	More severe than MPS I-S, but less severe than MPS I-H	☑		In some cases		
MPS II Types A & B 1/100 000 to 1/170 000	Hunter syndrome Only MPS inherited as an X-linked trait	Type A more severe than B	☑		☑		
MPS III Types A to D 1/70 000	Sanfilippo syndrome	Severe			☑		
MPS IV Type A 1/200 000 to 300 000[2]	Morquio syndrome	Quite severe 95% of Morquio patients		☑		☑	
MPS IV Type B 1/200 000 to 300 000[2]	Morquio syndrome	Quite severe Type A more severe than B				☑	
MPS VI 1/250 000 to 600 000	Maroteaux-Lamy syndrome	Mild to severe	☑	☑			
MPS VII (1/250 000)	Sly syndrome	Mild to severe	☑	☑	☑		
MPS IX (rare)	Natowicz syndrome	Severe					Hyaluronic acid

Source: raredisease.org; (1) MPS society; (2) for both type A and B

MPS I is caused by a deficiency of a-L-iduronidase (IDUA), an enzyme required for the breakdown of GAGs, mainly heparan sulfate and dermatan sulfate. Clinical presentations of MPS I include coarse faces, dysostosis multiplex, hepatosplenomegaly, cardiac disease and respiratory dysfunction.
MPS I is further divided into three clinical subtypes: Hurler syndrome (MPS IH, severe), Hurler-Scheie syndrome (MPS IH/S, intermediate) and Scheie syndrome (MPS IS, attenuated; formerly known as MPS V). In each phenotype, considerable heterogeneity and overlap can be found with respect to the symptoms and their severity. Early progressive neurological decline is the hallmark of Hurler syndrome. Premature death is common, if untreated, due to cardiac and respiratory failure. The life expectancy of MPS I patients, if untreated, is approximately ten years for patients with Hurler syndrome, approximately 20 years for patients with Hurler-Scheie syndrome and normal for patients with Scheie syndrome.[39]

MPS II (Hunter syndrome) is caused by a deficiency of iduronate-2-sulfatase (I2S), leading to the accumulation of heparan sulfate and dermatan sulfate within the lysosome. Unlike all the other MPS that show autosomal recessive inheritance (and appears only in individuals who have received two copies of an altered gene – one copy from each parent), MPS II is an X-linked condition. Therefore, it affects males almost exclusively, although a few female cases have been reported. The clinical features of MPS II are similar to those of MPS I, ranging from attenuated to severe forms. Almost half of patients suffer from profound neurological deficits such as mental impairment, developmental delay and seizure. The life expectancy of MPS II patients, if untreated, is approximately 10 to 15 years for patients with the severe forms of the disease and 20 to 60 years for patients with the less severe forms.

MPS IVa[40] (Morquio syndrome) is caused by a deficiency of the N-acetylgalactosamine-6-sulfatase enzyme. The disease often manifests itself in an infant's second year, after it has learned to walk. Skeletal deformities gradually become more pronounced as the child grows. Ligamentous laxity is accompanied by frequent dislocations (hips and knees). Besides the difficulties in walking and performing everyday gestures, as well as the attendant pain, skeletal damage stops growth at the age of eight, leaving the patient with a final height ranging from 1 meter to 1.50 meters depending on the severity of the disease. Possible neurological complications are secondary to skeletal abnormalities.

[39] Mucopolysaccharidoses, Rare Diseases Unit of the Finnish Association of People with Physical Disabilities, 2013
[40] Source: Orphanet

In MPS VI (Maroteaux-Lamy syndrome), the deficiency of N-acetylgalactosamine 4-sulfatase (arylsulfatase B; ASB) leads to the accumulation of dermatan sulfate and chondroitin sulfate. Patients have coarse faces, short stature, corneal clouding, hearing loss, dysostosis multiplex, hepatosplenomegaly, cardiac valve disease and reduced pulmonary function without intellectual deficit. As with other MPS, the time of onset, rate of progression and extent of the disease may vary between the affected individuals. The life expectancy of MPS VI patients, if untreated, is approximately 20 years for patients with the severe forms of the disease and more for patients with the less severe forms.

Lastly, MPS VII[41] (Sly's disease) is a very rare lysosomal storage disorder. It is linked to a deficiency in beta-D-glucuronidase, responsible for lysosomal accumulation of various glycosaminoglycans: dermatan sulfate (DS), heparan sulfate (HS) and chondroitin sulfates (CS). The symptoms are extremely heterogeneous: ante-natal forms, severe neonatal forms (with dysmorphia, hernias, hepatosplenomegaly, club feet, dysostosis, significant hypotonia and neurological disorders evolving to short stature and a profound intellectual deficit in case of survival) and very mild forms discovered in adolescence or even in adulthood.

There is no treatment for MPS I, II, IVa, VI or VII; existing therapeutic options aim to improve quality of life for patients, to slow disease progression and to minimize irreversible damage to tissues and organs.

1.1.5.2 Odiparcil: the first substrate reduction therapy approach to target patients experiencing accumulation of dermatan and chondroitin

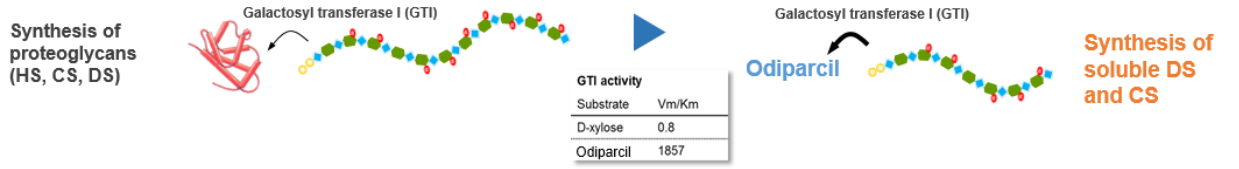
Odiparcil is a new, orally-administrated small molecule, initially discovered by Laboratoires Fournier and developed in collaboration with GSK for the treatment of post-operative thrombosis, as it can induce the production of circulating dermatan and chondroitin sulfate, two glycosaminoglycans inhibiting thrombus formation without causing bleeding.

The product has undergone Phase I and II clinical studies in post-operative deep-vein thrombosis and was found to be safe and well tolerated. 648 healthy volunteers received odiparcil in 29 completed Phase I clinical pharmacology and pharmacokinetics studies. In these studies, employing single doses and multiple doses administered for up to 14 days, odiparcil was safe with low toxicity observed and was well tolerated. Three Phase IIb trials in the prevention of thromboembolism after hip arthroplasty or knee surgery and in patients at risk of a stroke were conducted using multiple doses (250 to 1,000 mg/day) administered to 1,161 patients for up to 16 weeks and confirmed odiparcil safety and tolerability. The good safety profile of the product was also confirmed in *in vivo* toxicological studies (26 weeks and 36 weeks) with very low toxicity levels. Odiparcil development was discontinued when GSK decided to return all rights of the product to Laboratoires Fournier.

In 2012, the Company acquired all rights to the product and conducted an in-depth evaluation of odiparcil's mechanism of action and discovered that inducing circulating dermatan and chondroitin sulfate can lead to a new therapeutic approach for the treatment of mucopolysaccharidosis, where dermatan and chondroitin sulfate accumulate in the cells. Odiparcil's specific mechanism of action allows the synthesis of soluble GAGs. Therefore, odiparcil should decrease GAG lysosomal accumulation in MPS patients by diverting endogenous proteoglycans synthesis to soluble GAG synthesis.

[41] Source: Orphanet

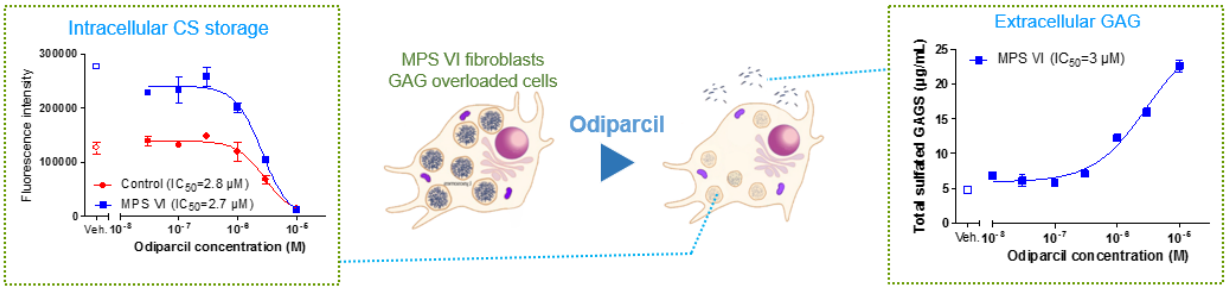
Figure 7 Odiparcil allows the synthesis of soluble GAGs



Source: Lanifibranor. Noh, J. I. Lee; Current and potential therapeutic strategies for muvopolysaccharidoses; Journal of Clinical Pharmacy

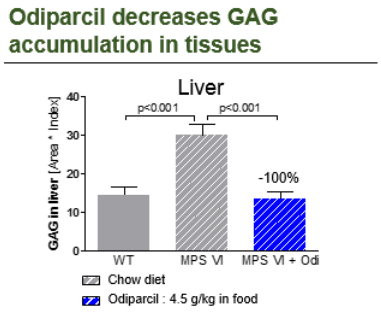
The potential therapeutic role for odiparcil in MPS VI was demonstrated *in vitro*, in fibroblast from healthy donors and from MPS VI patients, where odiparcil increased GAG secretion from the cells in culture and decreased the chondroitin sulfate (CS) intracellular content in a concentration-dependent manner while increasing the extra-cellular level of GAGs. In fact, at 10 µM, odiparcil allowed a decrease in intracellular CS content below the basal level observed in control fibroblasts from a healthy donor. In a PK/PD study performed in healthy volunteers, exposure to odiparcil triggered an increase in plasma GAG levels.

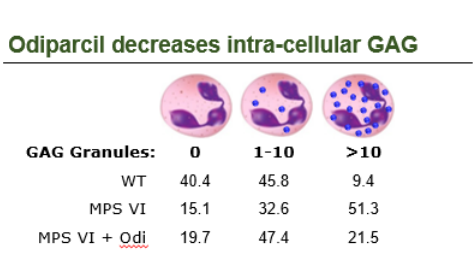
Figure 8 Odiparcil triggers the synthesis and excretion of soluble GAGs from MPS VI cells

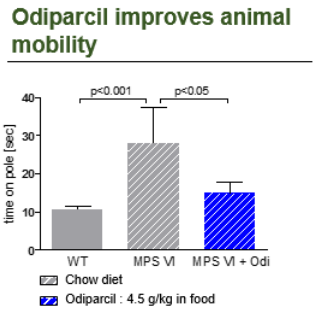


Source: Company data

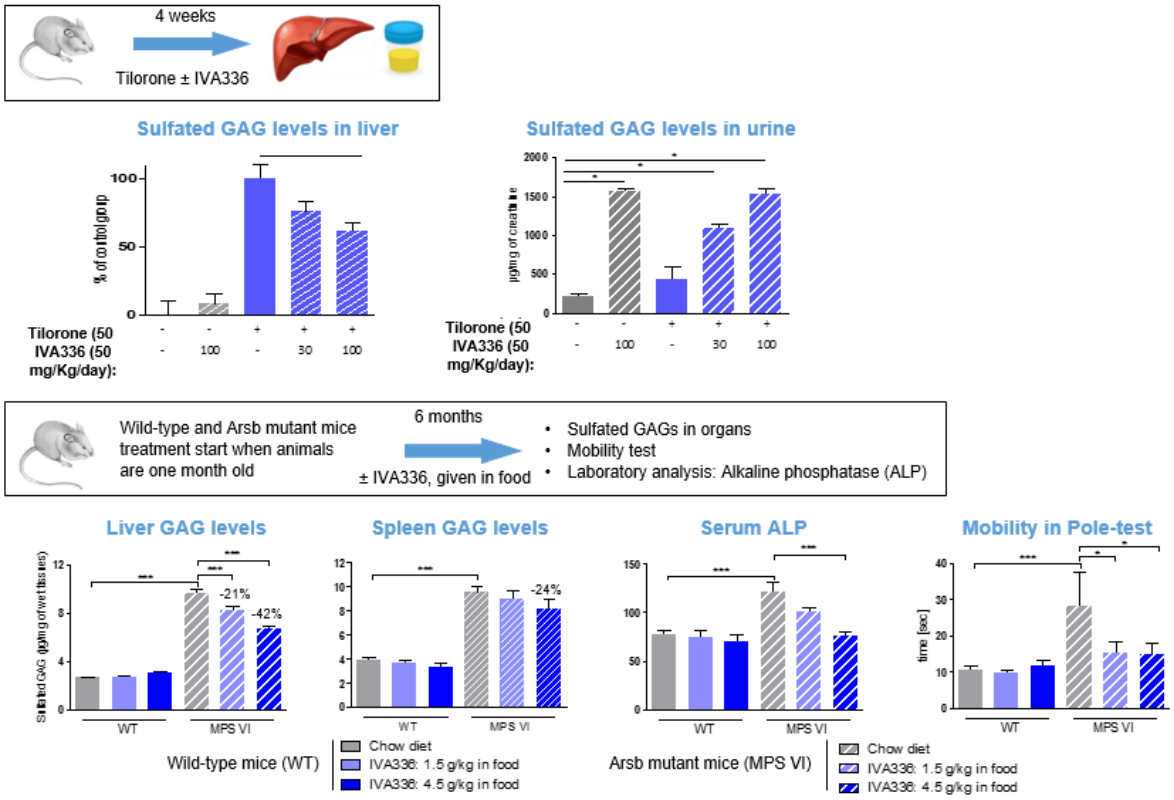
The Company has generated evidence that odiparcil can reduce GAG accumulation *in vivo* in a drug-induced model of MPS, where lysosomal degradation of GAGs is impaired, leading to GAG accumulation in various organs.[42] Furthermore, the Company has demonstrated that in an MPS VI model using a mouse that has been genetically modified to reflect the human pathology, odiparcil reduces GAG accumulation in the organs and tissue of sick animals, and improve their mobility.







[42] Source: Prookopek M., Biochemical Pharmacology, 42, 11, 2187-2191, 1991



Source: Company data

In this model, the Company demonstrated that odiparcil is active in organ tissues such as the eyes and cartilage, in which ERTs are known to have little or no efficacy. In mice with MPS VI the Company demonstrated that odiparcil has a statistically significant effect ($p<0.0001$) in terms of (i) recovering thickness in the corneal epithelium and in the layer of epithelial cells, (ii) reducing cartilage thickness in the trachea and knees, and (iii) significantly reducing GAG accumulation in the corneal stroma, with a score of 0.5 on a scale of 0 to 3 (0 representing no GAG accumulation and undetectable cell vacuolation).

Based on these results and mechanism of action, odiparcil constitutes a potential novel SRT in MPS types where lysosomal CS and DS GAGs accumulate. In contrast to currently approved enzyme replacement therapy (ERT), odiparcil has a good distribution (cornea, cartilage, bones and heart) suggesting a wider therapeutic benefit in multiple organs and tissues.

1.1.5.3 An ambitious clinical development plan to maximize the chances of obtaining marketing approval

While generating the additional pre-clinical *in vitro* and *in vivo* data, the Company is preparing the launch of a clinical program to validate the potential of odiparcil in MPS patients. The clinical program includes:

- a biomarker study in MPS VI patients;
- a Phase IIa clinical study in Europe to prove the safety and efficacy of odiparcil in MPS VI patients;
- a Phase I clinical study in children with MPS VI; and
- a pivotal Phase III clinical study to obtain marketing approval in the United States and Europe.

The first stage of this development plan is a non-interventional study in the United States in hospitals and research centers for children in Oakland. This study aims to develop a quantitative method for measuring the levels of accumulation of GAGs in the white blood cells (WBCs) and determining the level of accumulation of GAGs in the WBCs of 21 patients (six patients with MPS VI and six healthy volunteers whose age and sex match those of patients with MPS VI).

In February 2018, the Company announced the positive outcomes of the biomarker study to evaluate intracellular glycosaminoglycans (GAGs) levels in leukocytes as a disease activity biomarker in MPS VI.

This biomarker study has enabled the development of a new and robust quantification method of intracellular heparan sulfate (HS), chondroitin sulfate (CS) and dermatan sulfate (DS) in leukocytes (leukoGAG). These leukoGAGs may provide compelling surrogate markers to be used in clinical trials, and for patient monitoring. In addition, patients treated with galsulfase, the enzyme replacement therapy (ERT) approved for MPS VI patients, maintained a high level of leukoGAGs compared to age-matched healthy volunteers suggesting the possibility to further reduce this level with a new treatment such as odiparcil.

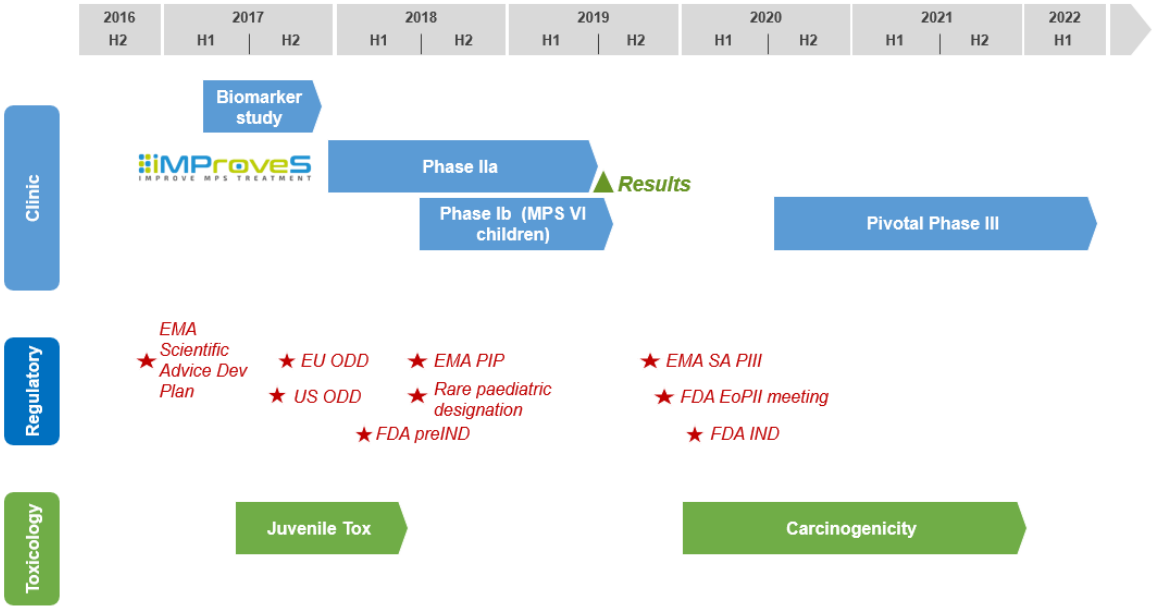
The study enrolled 12 subjects: six MPS VI patients, who have been treated with galsulfase for 10 ± 3.1 years (range 6-14 years), and six age-matched control subjects not affected with MPS. Urinary GAGs (uGAGs) and leukoGAGs were measured and the results show that all MPS VI patients receiving ERT have total uGAGs above the upper limit of normal (ULN) and leukoGAGs above control subjects′ values. In MPS VI patients receiving ERT, the most abundant GAG components are DS and CS in urine and CS in leukocytes. These two forms of GAGs are reduced in MPS VI patient cells treated with odiparcil. Finally, data on the arylsulfatase B activity (the deficient enzyme in MPS VI) in leukocytes, showed that one hour after completion of galsulfase infusion, enzyme activity is increased nearly eightfold but that the CS content in leukocytes remains more than 12-fold above basal level.

The second step is the clinical Phase IIa study entitled iMProveS (improve MPS treatment) currently underway to prove the safety, tolerability and efficacy of odiparcil in adult MPS VI patients. This study, whose first patient recruitment was announced by the Company in January 2018, has been designed with the aim, if it yields positive results, of starting pivotal Phase III trials in MPS I, II, IVa, VI and VII. The iMProveS study is a 26-week study with 24 patients diagnosed with MPS VI, male or female of at least 16 years of age, with the exception of persons with coagulation deficiency and pregnant women, with a follow-up period of 10 weeks. Patients will receive two doses of odiparcil (250 mg and 500 mg, bid) with ERT therapy versus a placebo. The study also includes an additional arm where six patients untreated by ERT will receive a 500 mg dose of odiparcil twice a day. The study is currently planned to run in two clinical centers located within the European Union and headline results are expected during the first half of 2019.

In parallel to the iMProveS study, a Phase Ib study in children will be launched in the second half of 2018 for which the Company expects to release the results in the course of 2019, mainly to determine the dose to be administered during the Phase III trial. Other stages include finalizing the toxicology package, developing an infant pediatric formulation and preparing clinical materials.

If it yields positive results, the iMProveS study will allow the launch of a pivotal Phase III study whose protocol will have to be discussed with regulatory authorities, but the Company believes that a one-year trial with 70 patients would be required to obtain a marketing approval. Depending on the nature of the results of the iMProveS study, a pivotal study could begin in 2020. The iMProveS study will also allow the launch of pivotal studies needed for authorization in the other forms of MPS targeted (MPS I, II, IVa and VII).

Figure 9 Clinical development program for odiparcil in MPS VI



Source: Company data

Odiparcil is supported by an international board of recognized key opinion leaders in the field of lysosomal disorders. The scientific committee that developed the protocol of the iMProveS clinical study includes Professors Derralynn Hughes (Royal Free Hospital, London, UK), Julia B. Hennermann (Villa Metabolica/University Medical Center Mainz, Mainz, Germany), Paul Harmatz (Children's Hospital, Oakland, USA) and Chris Hendriksz (Manchester, UK), who are among the world leaders in this condition and have been involved in the most recent trials in MPS, as well as Professor Fatih Ezgü (Pediatric Disorders, Ankara, Turkey). Furthermore, the Company interacts with patient associations, which actively support clinical trials for innovative treatments.

In parallel to implementing its clinical strategy, the Company is strengthening its regulatory strategy, having obtained orphan drug designation in Europe and the United States in 2017. The need for a Pediatric Investigational Plan (PIP) will also be examined and collaboration with authorities will allow for the identification of possible expeditious regulatory options for odiparcil, especially in the US. These options could also include the possibility for the Company to file for the "Rare Pediatric Disease Priority Review Voucher Incentive Program".

The Company believes that it can develop odiparcil up to Phase III due to the limited number of patients, centers and specialized practitioners. In order to ensure the success of this strategy, the Company has set up a team of specialists in this disease and has already established relationships with MPS patient associations. The Company could, if it obtains marketing approval, market odiparcil either directly or through a partnership.

1.1.5.4 Existing therapeutic options, marketing potential and competition[43]

There is no cure for MPS I, II, IVa, VI and VII, but there are several treatment options that aim to improve the quality of life for patients, to slow disease progression, and to minimize irreversible damage to tissues and organs. Treatment options include:

- supportive or symptom-based care;
- surgical intervention;
- hematopoietic stem cell transplant (HSCT); and
- enzyme replacement therapy (ERT).

[43] H. Noh, J. I. Lee; Current and potential therapeutic strategies for muvopolysaccharidoses; Journal of Clinical Pharmacy and Therapeutics, 2014, 39, 215-224

Supportive or symptom-based care uses a variety of approaches like physiotherapy and medication to alleviate the symptoms and complications of MPS I, II, IVa, VI and VII. Supportive care may be used in combination with surgery, ERT or HSCT as part of a holistic disease management approach.

For MPS patients in which prominent musculoskeletal involvement is seen, frequent orthopedic surgeries may be required to correct the deformities and increase the quality of life of patients. Tonsillectomy and adenoidectomy may help improve the patients' respiratory status, although many will eventually require oxygen treatment as the disease progresses. Other complications can be managed with myringotomy, heart-valve replacement and decompression of the cervical spinal cord, to name a few. Intubation of the trachea for general anesthesia must be performed with great caution, especially for severely affected patients, due to upper airway distortion and restrictive lung disease.

Although there are major hurdles to overcome, such as finding a compatible donor and reducing the rates of morbidity and mortality associated with the procedure, HSCT could provide a source of enzymes to reduce GAG storage in severe MPS I and MPS VI patients. Restoration of the enzymatic function and the subsequent attenuation of disease complications in the form of improved joint mobility, vision, hearing and cardiopulmonary function occur through the cross-correction of enzyme deficiency by the grafted donor cells. However, the observed benefit is more limited in bones and the cornea. In particular, HSCT has been shown to preserve cognition and increase survival in patients with MPS I if performed before the age of two years and before the onset of serious mental health disorders. Clinical experience with HSCT is very limited for other MPS. In MPS II, controversy still prevails as to the efficacy of HSCT in altering the course of neurological decline despite observed somatic improvements.

HSCT has been used in some patients to treat MPS VI and long-term follow-up in a small number of patients indicates that, while ARSB enzyme activity and uGAG improve, skeletal abnormalities and corneal clouding may not be prevented. The European Group for Bone Marrow Transplantation reported transplant-related mortality of 10% (HLA identical) to 20-25% (HLA mismatched) for 63 transplantations for lysosomal disorders.[44] Widespread use of HSCT in MPS VI has not been recommended as it is associated with substantial risk of morbidity and mortality and a lack of suitable donors.

ERTs have been used for a number of years, and the FDA has approved the following recombinant human enzymes to date: laronidase (Aldurazyme, marketed by Genzyme) for MPS I, idursulfase (Elaprase, marketed by Shire) for MPS II, elosulfase (Vimizim, marketed by BioMarin) for MPS IVa, galsulfase (Naglazyme, marketed by BioMarin) for MPS VI, and vestronidase (Mepsevii, marketed by Ultragenyx) for MPS VII. ERTs have enjoyed great commercial success, although they require a weekly infusion that can take up to 4 hours, with full-year 2016 sales of:

- USD 201 million worldwide for Aldurazyme;
- USD 589 million for Elaprase;
- USD 354 million for Vimizim;
- USD 296 million for Naglazyme.[45]

[44] Bone marrow transplantation for lysosomal disorders; Lancet 1995
[45] Annual company reports; no sales for Mepsevii in 2017 because the product was only approved in 2017

ERTs are effective in controlling somatic manifestations of MPSs, including organ enlargement, pulmonary insufficiency and decreased joint mobility. However, bone and heart valves tend to be resistant to ERT. ERTs have not been able to resolve the symptoms of MPS I, II, IVa, VI and VII occurring in certain regions such as the ophthalmological system or the joints due to poor vascularization preventing the penetration of the replacement enzyme.[46] The Company believes that the good distribution, as demonstrated in its studies, of odiparcil in the target organs poorly covered by ERT should provide patients with a substantial added benefit. Moreover, odiparcil oral dosing should provide greater convenience compared to ERT weekly infusions.

Emerging therapies are scarce and focused on three approaches: gene therapy, new generation ERTs, and substrate reduction therapies (SRT).

Gene therapy has the potential to provide a stable source of the enzyme with effective delivery to both the brain and the skeletal structures. *In vivo* gene therapy refers to inserting the corrected copy of the defective gene into a viral vector, which is then administered systemically or localized to a deposition site such as the liver or muscle for expression. In turn, the functional enzyme is expressed by the organs where it is needed, enabling the widespread correction of the lysosomal pathology. However, major limitations to such routes of administration include short duration of gene expression and the poor diffusion of vectors from injection sites. *Ex vivo* gene therapy refers to the transplantation to the patient of their own haematopoietic stem cells that have been genetically modified *ex vivo*. This method greatly reduces the risk of graft-versus-host disease and the problems in finding an HLA-matched donor.

SRT aims to decrease lysosomal storage of GAGs by inhibiting GAG synthesis, synthetizing soluble GAGs or diverting GAGs from lysosomal degradation using small molecules and thereby compensating for impaired enzyme activity. Unlike ERT, in which the efficacy is restricted mostly to some of the peripheral symptoms, the small molecules used in SRT are expected to penetrate organs poorly treated by ERT. Pre-clinical evidence demonstrates that inhibition of the substrate production can slow down or halt the progression of the disease and even reverse the symptoms.[47] As of the date of this Registration Document and to the best of the Company's knowledge, odiparcil is the first SRT to enter clinical development in MPS I, II IVa, VI and VII.

To the best of the Company's knowledge, MPS VI market players are very limited in number and the Company has only identified two potential competitors.

The first one is a gene therapy developed by the Italian MeuSIX consortium which uses adeno-associated viral (AAV) vectors (adeno-associated viruses are small viruses with a genome of single stranded DNA that is non-pathogenic and considered as a promising viral vector for gene transfer). The Company believes that, for safety reasons, a long delay between first clinical trial and following trials is likely to be required by authorities, making this program a potential long-term solution for MPS VI patients.[48]

The second one is a program initiated by Plexcera, a US-based biotech, to reposition pentosan polysulfate sodium, a product sold for the relief of various medical conditions including thrombi and interstitial cystitis in humans and osteoarthritis in dogs and horses, as a product to treat MPS VI. *In vivo* results with pentosan polysulfate sodium in rats with MPS VI led to improved therapeutic effects including a reduction in urine and tissue GAGs. This product is also being developed by Plexcera in MPS I. However, unlike odiparcil, the GAG modulation mechanism of action has not been demonstrated and the Company believes that its translation to humans is still uncertain.

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[46] Ohashi T. Enzyme replacement therapy for lysosomal storage diseases. Pediatr Endocrinol Rev, 2012; 10 (Suppl 1): 26–34; Sifuentes M, Doroshow R, Hoft R et al. A follow-up study of MPS I patients treated with laronidase enzyme replacement therapy for 6 years. Mol Genet Metab, 007; 90: 171–180;
Muenzer J, Wraith JE, Beck M et al. A Phase II/III clinical study of enzyme replacement therapy with idursulfase in mucopolysaccharidosis II (Hunter syndrome). Genet Med, 2006; 8:465–473;
Rohrbach M, Clarke JT. Treatment of lysosomal storage disorders: progress with enzyme replacement therapy. Drugs, 2007; 67: 2697–2716

[47] Substrate Reduction Therapies for Mucopolysaccharidoses; Current Pharmaceutical Biotechnology, 2011, *12*, 1860-1865

[48] Food and Drug Administration 2006

In MPS I, other than pentosan, new approaches include two gene therapy projects currently in Phase I/II developed respectively by Sangamo Therapeutics and RegenxBio. Other approaches include two ERT programs aiming to improve the currently marketed ERT (Aldurazyme): AGT-181 from Armagen in early clinical trials (Phase I/II) and an enzyme therapy approach from Amicus Therapeutics at pre-clinical stage.

These gene therapy approaches, if successful, might be considered as a threat to current ERT products, but the Company believes it should not impact the potential of odiparcil due to their different mechanism of action.

The MPS II competitor landscape is similar to MPS I and MPS VI with no SRT approaches identified by the Company and various ERT programs (AGT-182 from Armagen, Hunterase from Green Cross, MTf-I2S from biOasis and JR-032/JR-141 by JCR Pharmaceuticals) aimed at competing with the currently marketed ERT, Elaprase. The Company does not view these programs as a direct threat to odiparcil considering their different mechanism of action. Gene therapy approaches developed by Sangamo Therapeutics and RegenxBio are currently in Phase I/II. Another pre-clinical program is being developed by Esteve. The same regulatory hurdles present in MPS VI and I for these approaches apply to MPS II and make these programs potential long-term competitors.

There is no cure for MPS IV.[49] In 2014, Vimizin®, developed by BioMarin, was approved by the FDA for the treatment of MPS IVa. It is an ERT administered intravenously once a week.

There is no cure for MPS VII. In November 2017, the FDA approved MEPSEVII™ (Vestronidase alfa), an ERT developed by Ultragenyx. Other therapies such as hematopoietic stem cell transplantations (HSCT) are relatively limited in MPS VII because of the rarity of the disease.

1.1.5.5 Odiparcil aggregate sales potential could reach more than €0.5 billion in MPS I, II, IVa, VI and VII patients by 2030

While the patient population is very small (approximately 9,000 patients worldwide are affected by MPS I, II, IVa, VI and VII[50]), the yearly cost of treatment that ERT products have managed to secure makes the market for the various forms of MPS targeted by the Company very compelling.

Figure 10 Estimated sales in the major authorized alternative enzymatic therapies

Product	Indication	Prevalence	Company	Estimated yearly cost	2017 sales
Naglazyme	ERT in MPS VI	1/250,000 live births	BioMarin	USD 476 thousand	USD 332 million
Elaprase	ERT in MPS II	1/100,000 live births	Shire	USD 522 thousand	USD 616 million
Aldurazyme	ERT in MPS I	1/100,000 live births	Genzyme	USD 217 thousand	USD 207 million
Vimizim	ERT in MPS IVa	1/200,000 live births	BioMarin	USD 578 thousand	USD 413 million
Mepsevii	ERT in MPS VII	1/250,000 live births	Ultragenyx	USD 550 thousand	N/A

Source: Company annual reports 2017; WAC without discounts for a 25-kg patient – BioCentury "Making of MEPSEVII" Dec. 11, 2017; raredisease.org; MPS society

[49] Source: The National MPS Society

[50] Population estimated based on the prevalence of each form of MPS: MPS I (1/100,000), MPS II (1/166,000), MPS IVa (1/250,000), MPS VI ((1/250,000), MPS VII (<1/1,000,000)

Depending on the pricing assumptions, sales potential can vary significantly. Nevertheless, even with conservative approaches and a pricing of around USD 250,000 (close to the lowest Aldurazyme benchmark), according to the Company's estimates, the total potential sales of odiparcil could reach more than €0.5 billion in the five indications (MPS I, II, IVa, VI and VII) by 2030.[51]

1.1.6 Inventiva's internal drug discovery programs: innovative approaches with potential for future partnerships and out-licensing

1.1.6.1 An internal drug discovery platform delivering drug candidates

The Company's drug discovery platform acquired from Abbott and the expertise of its internal scientists have contributed to establishing an integrated set of technologies covering the whole research process. This enables the Company to regularly deliver innovative drug candidates. In-house technology includes target validation tools, biochemical, biophysical, cell-based and *in vivo* testing as well as medicinal, computational chemistry and ADME capabilities. The Company also owns what is viewed as an extremely valuable asset consisting of a collection of approximately 240,000 molecules of which more than 60% are not available in commercial libraries.[52] This library and the expertise of the Company's medicinal chemists allow the development of novel and patentable drug candidates on indications selected for their high unmet medical need, the strong probability of clinical proof of concept thanks to well identified target populations and the availability of biomarkers measuring the compound activity.

The Company focuses its drug discovery expertise on three main areas: small molecules modulating nuclear receptors, transcription factors and epigenetic enzymes.

1.1.6.2 Transcription factors: YAP/TEAD an innovative program in oncology

The Hippo signaling pathway controls cell differentiation and proliferation, tissue growth and organ size. Frequent alterations of the Hippo pathway have been reported in rare cancers (malignant mesothelioma, uveal melanoma), as well as very frequent cancers (lung cancer,[53] triple negative breast cancer, hepatocellular carcinoma, hepatoblastoma). It is therefore of increasing interest to pharmaceutical companies as a new and innovative pathway with the potential to treat several forms of cancers and potentially solve the problems of drug resistance and immune suppression.

The Company has been working on this signaling pathway since its inception with an innovative approach aiming at disrupting the interaction of two proteins, YAP and TEAD, which are believed to be key players in the oncogenic process.

The Company, by combining fragment-based drug discovery and a high throughput screen of a subset of its proprietary library, has identified patentable series of YAP/TEAD Protein-Protein Interactions (PPI) inhibitors. Several hit series have been examined and lead compounds have demonstrated anti-proliferative properties in several cancer cell lines. Of particular interest are the results generated by the Company in malignant mesothelioma (MM) cancer cells, where the Company's compounds have shown clear activity and for which an orphan medicinal product status as well as conditional or accelerated approval procedures can be granted. Furthermore, the Company has demonstrated, using small interfering RNA (SiRNA) which interferes with the expression of specific genes, that the Hippo signaling pathway is of primary importance in MM. For example, suppressing YAP or TEAD gene expression in MM cancer cells leads to a significant inhibition of their proliferation. These results led to the filing in 2015 of a patent covering the use of YAP/TEAD interaction inhibitors as a potential treatment of MM, an

[51] On the basis of estimated sales of odiparcil in MPS I, II, IVa, VI and VII calculated as part of a study by REMAP Consulting for the Company in February 2018.
[52] Comparison with ZINC Everything Library
[53] Journal of Thoracic Oncology, 2015; Translational Lung Cancer Research, 2014

aggressive human malignant tumor associated with asbestos exposure with a prevalence of 1-9/100,000 and between 900 and 3,000 new cases each year in France and the United States respectively. In fact, the real incidence is probably much higher since there are countries in which MM mortality is not reported, for example, in asbestos-producing countries such as Russia, India and China. MM mortality rates are expected to increase by 5-10% per year in most industrialized countries until 2020-2030. Despite treatment with chemotherapy, radiation therapy or surgery, the disease carries a poor prognosis. The median survival time of patients after diagnosis is only seven to 12 months.[54]

Lung cancer represents 40,000 and 225,000 new cases of cancer in France and the United States, respectively, with 85% of patients dying as a result of disease progression and metastasis.[55] While targeted therapies for lung cancer patients with Epidermal growth factor receptor (EGFR) gene mutations or lung cancer with an anaplastic lymphoma tyrosine kinase (ALK) rearrangement have been developed recently and have changed the course of the disease in 15% of non-small cell lung cancers (NSCLC), the average survival rate of between ten and 17 months is still low. Lung cancer is still a major health problem and is the leading cause of cancer-related deaths worldwide. It is also a social issue, since it is linked to smoking. A high nuclear expression of YAP has been established in cases of NSCLC, and the deactivation of either YAP or TAZ in cases of NSCLC is enough to stop proliferation, invasion and growth of the tumor in mice.[56]

Therefore, considering the scientific rationale and high medical need, a development in MM is being considered to provide clinical proof of concept and to prove the efficacy of its YAP/TEAD inhibitors in the treatment of cancer. Following the positive proof of concept in MM, the Company plans to develop the product in other indications with a high medical need, such as NSCLC and triple negative breast cancer.

In 2017, the Company's main oncology program, targeting YAP and TEAD transcription factors downstream of the Hippo signaling pathway, entered the lead optimization stage. The Hippo pathway is increasingly being seen as a major pathway in cancer, constituting a target potentially addressing drug resistance and immune suppression. Studies on Inventiva's patented compounds designed to prevent YAP/TEAD interaction have demonstrated that they are able to inhibit target gene expression and cell proliferation in cell lines sensitive to YAP, and to regress tumors in a relevant model of xenografts. A second patent is pending, with a view to extending the protection of the compounds developed by Inventiva. To the best of the Company's knowledge, Inventiva is the first company to patent molecules capable of preventing YAP/TEAD interaction. As a result, the compounds developed under this program could potentially be the first in their class. The program is expected to enter pre-clinical development in 2019 ahead of its first Phase I/II clinical trial.

This program was awarded two research grants in a total amount of approximately €2.3 million in July 2016. The first, in an amount of €1.8 million, was awarded under the European Union Eurostars program, which selected the TheraYAP consortium: "A tailored and rational approach for treating cancer patients with a YAP/TEAD inhibitor" comprising three European companies, which includes Inventiva. This consortium will enable Inventiva to start the implementation of biomarkers and access new relevant *in vivo* models of pathologies that may be dealt with by the YAP/TEAD program. The second, in the amount of €0.5 million, was from the French Government, which awarded an ANR grant to the Hippocure project: "Development of inhibitors of the YAP/TEAD interaction for the treatment of non-small cell lung cancer (NSCLC) and pleural malignant mesothelioma" implemented by Inventiva with two research groups from the Institut Curie. The specific objective of this project is to develop a YAP/TEAD program in mesothelioma and lung cancers.

The Company is contemplating either setting up a drug discovery partnership with a pharmaceutical company perhaps based on the same model adopted for the AbbVie partnership (but with Inventiva retaining all IP rights), or researching and developing the program itself and subsequently granting a

[54] Orphanet, 2015; National Comprehensive Cancer Network, 2012

[55] *Institut national du cancer* website and www.cancer.org; Chan B.A. *et al.* Targeted therapy for non-small cell lung cancer: current standards and the promise of the future. Trans. Lung. Cancer Res. 2015, 4: 36-54

[56] Lau A.N. *et al.* Tumor-propagating cells and Yap/Taz activity contribute to lung tumor progression and metastasis. EMBO J. 2014, 33: 468-81

license to exploit the program once proof of concept has been established in man. In both options, the Company seeks to receive an upfront payment/access fee, milestones and royalties on sales.

1.1.6.3 Epigenetic enzymes: two promising and recognized therapeutic strategies in cancer

The Company has focused its research on a specific epigenetic subset called Histone Lysine Methyl Transferases (HKMTs), where it has developed proprietary tools, tests and compounds. Two programs, one internal (NSD2) and one with a partner (Epicure collaboration with the Institut Curie), are targeting HKMTs. Both approaches are supported by research grants (Eurostars for NSD2 and ANR for the Epicure collaboration) confirming the high scientific interest and potential of these approaches.

Epicure: a novel immune-oncology approach co-developed with a leading oncology expert

The Company and the Institut Curie have entered into a collaboration agreement (see section 1.2.1 "Innovation policy" of this Registration Document) on two undisclosed HKMTs targets with the objective of validating these two targets in a human disease and identifying novel small molecules inhibiting these HKMTs. This approach could activate the antitumoral immune response. This collaboration combines the world-class know-how and expertise of the Institut Curie in the field of oncology, epigenetic targets and translational medicine with the drug discovery platform and capacity of the Company to provide drug candidates. The excellence of this collaboration was recognized by the French state by a five-year ANR grant awarded in late 2014. The amount granted covers a significant portion of the costs incurred by both parties.

The Company will seek to out-license the program to a pharmaceutical company in return for an upfront/access fee, milestone payments and sales royalties.

NSD2: a targeted approach for the treatment of multiple myeloma cancers

NSD2 is an HKMT which triggers the expression of oncogenes and the oncogenic programming of multiple myeloma tumors. Knockdown of NSD2 leads to regression of multiple myeloma tumors carrying a specific gene translocation in mice, suggesting that NSD2 can be a therapeutic target for patients carrying this particular translocation, which is thought to be present in 15 to 20% of multiple myeloma tumors.[57]

Multiple myeloma is a rare disease affecting 114,000 patients worldwide every year.[58] Estimates by the American Cancer Society suggest 30,770 new cases for 2018[59] (1.7% of all new cancer cases), 12,770 estimated deaths (2.1% of all cancer deaths) and a survival rate of just 51% after five years. Tumors presenting the specific gene translocation controlled by NSD2 have a particularly poor prognosis with frequent relapse.[60] The multiple myeloma market reached approximately USD 10 billion in 2015 and was estimated to represent approximately USD 11.5 billion over 2017.[61]

Using SiRNA technologies, the Company has validated the role of NSD2 in human multiple myeloma cancer cells displaying the gene translocation and confirmed its potential as a therapeutic target. Furthermore, the Company has established that NSD2 is a target that can be modulated by small molecules by identifying several compounds inhibiting NSD2 activity in its proprietary library. These compounds are actively profiled by the Company's chemistry teams in order to prepare *in vivo* proof of concept.

This program has received research grants from the European Community Eurostars program which has selected the EMTherapies consortium (Therapeutic use of Epigenetic Modulators in oncological and

[57] Cancer Research, Oct. 15, 2013;73(20):6277-88. doi: 10.1158/0008-5472.CAN-13-1000. Epub Aug. 26, 2013: NSD2 is recruited through its PHD domain to oncogenic gene loci to drive multiple myeloma
[58] International Agency for Research on Cancer, GLOBOCAN 2012 database. Available from: http://globocan.iarc.fr
[59] American Cancer Society, Cancer Facts & Figures 2018
[60] Haematology, 2004
[61] Market Realist/Vision Gain

neurodegenerative disease), comprising three European biotechs involved in epigenetic research including Inventiva with its NSD2 program.

1.1.6.4 Nurr1 program, a disease modifying approach for the treatment of Parkinson's Disease

The objective of the project was to identify patentable, orally available and selective Nurr1/RXR agonists for the treatment of Parkinson's Disease (PD).

The Company has discovered and patented several chemical series that selectively activate Nurr1-RXR which have proven active in *in vitro* and *in vivo* models of reference in PD.

As PD does not fall within the strategic focus of the Company, it has decided to rely on external collaboration. The most advanced compound, IV1583132, is currently being investigated in *in vivo* models of neuro-degeneration induced by α-synuclein under a collaborative agreement entered into with Pr Anders Bjorklund (Head of the Neurobiology Unit, Lund University, Sweden) and Pr Thomas Perlman (Department of Cell and Molecular Biology, Ludwig Institute for Cancer Research, Switzerland). The collaboration received a research grant from The Cure Parkinson's Trust in November 2015, proving the interest and high potential of this approach as a disease-modifying drug. The results of this collaboration indicated that IV1583132's profile is not distinctive enough from the benchmark product. Additional internal and external studies were necessary to either differentiate the compound's profile or develop another pre-clinical drug candidate. As a result, given that PD is not a strategic focus, the Company decided not to renew external collaboration on the Nurr1 program.

1.1.6.5 A target validation platform enabling new drug discovery partnerships and collaborations to be set up

The Company has an internal target validation platform enabling it to validate targets for internal programs as well as for external partners. This platform includes cutting-edge technologies (gene knock-out and knock-in, phenotypic screening) and access to patient cells to support the validation of innovative disease-modifying targets and to identify new therapeutic mechanisms of action. For external collaborations, the Company has specifically put in place a target validation platform in the field of fibrosis which covers a large set of disease-relevant assays *in vitro* including fibroblasts from primary human patients' cells and the *in vivo* fibrosis benchmark models.

The platform has allowed the Company to set up two collaborations. The first with AbbVie centered on target validation in various fibrotic diseases, and the second with Boehringer Ingelheim in IPF.

Inventiva's fibrosis platform covers a wide range of diversified and cutting-edge tools and assays.

1.1.7 Partnership with ABBVIE: A long-term strategic collaboration with important potential financial returns

RORγ program, a transformational approach for the treatment of moderate to severe psoriasis

The Company has identified with AbbVie new patents for orally available inverse agonists of the nuclear receptor RORγ, for the treatment of moderate to severe psoriasis. The program finished the pre-clinical phase of its development and a first product was selected.

Psoriasis is a common skin disease with an estimated prevalence ranging from 0.9 to 8% of the world's population, depending on the countries.[62] In moderate and severe cases, psoriatic lesions can be uncomfortable, itchy and disfiguring. Although the precise pathophysiology of psoriasis is unknown, an abnormal cutaneous immunologic/inflammatory response, associated with epidermal hyper proliferation and abnormal differentiation, seems to be involved.[63]

Treatment of psoriasis is directed toward the alteration of epidermal differentiation, reducing the inflammatory response and slowing the growth of involved skin cells. The extent and severity of the disease typically determine the therapeutic approach. However, treatment of psoriasis can provide skin clearance but not a cure. In mild psoriasis, the most commonly used therapy is topical with the addition of phototherapy in refractory cases. In moderate to severe psoriasis, phototherapy, systemic therapy, or a combination of the two is recommended. Systemic treatments include acitretin, cyclosporin and methotrexate, or biologic agents such as anti-TNFα (e.g., Humira®, Enbrel®).[64]

Recently, a new population of T-lymphocytes producing IL-17, accordingly named Th17, has been described and its involvement in autoimmunity demonstrated. The development and maintenance of Th17 cells is dependent on IL-23, a key initiating cytokine in the development of autoimmunity. The findings of elevated levels of IL-23 and Th17 related cytokines, i.e., IL-17A, IL-17F and IL-22, in cutaneous lesions and in the serum of psoriatic patients, the association of IL-23R gene variants with psoriasis, and the evidence for a functional role of Th17 cells in autoimmunity, provided the basis for a rising interest in the Th17 approaches in psoriasis.

Accordingly, a new class of biologic agents that block IL-23 or IL-17A has been shown to be effective in the treatment of psoriasis.

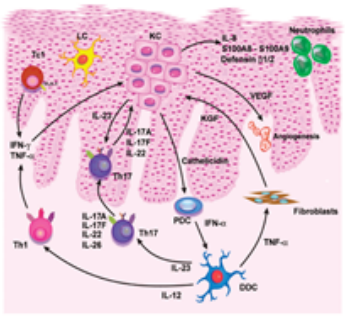
(i) Stelara® (ustekinumab, targeting IL-23 and IL-12) was approved by the FDA and European Commission in 2009 for the treatment of adults with moderate to severe psoriasis. Sales of Stelara® reached more than USD 4 billion in 2017;[65]

(ii) Cosentyx® (secukinumab, targeting IL-17A) was approved by the FDA and European Commission in 2015. In Europe, Cosentyx® is approved for first-line treatment of moderate to severe psoriasis patients. Sales of Cosentyx® reached USD 2.1 billion in 2017;[66]

Stelara showed superiority in terms of therapeutic efficacy over the anti-TNFα antibody etanercept,[67] whereas Cosentyx has now shown therapeutic superiority to both Stelara® and Enbrel® in two Phase III studies.[68] Other biological agents targeting IL-17 or IL-23 are currently in an advanced stage of clinical development.[69]

[62] Journal of Investigative Dermatology (2013)
[63] Annals of Rheumatoic Diseases 2005
[64] Datamonitor Psoriasis Forecast 2014
[65] Johnson & Johnson – Fourth Quarter 2017 Sales of Key Products/Franchises
[66] Novartis – Q4 and FY 2017 Results
[67] Nature Biotechnology, 2015
[68] New England Journal of Medicine, 2014; Journal of American Dermatology 2015
[69] Datamonitor Psoriasis Forecast 2014

IL-17 targeting drugs are expected to soon become standard of care in psoriasis



Product	Company	Target	Stage	Indication
Stelara	J&J	IL23	Market	Moderate to severe psoriasis
Cosentyx	Novartis	IL17A	Market	Moderate to severe psoriasis
Ixekizumab	Lilly	IL17A	Phase III Primary end points met	Moderate to severe psoriasis
Tildrakizumab	Merck	IL23p40	Phase III Ongoing	Moderate to severe psoriasis

Source: Company analysis

There remains a high unmet medical need in psoriasis for a safer, orally administered treatment and, as such, if novel therapies show the potential to meet this need, they could be key future players in the treatment of psoriasis.[70] Considering the remarkable efficacy of biologics targeting the IL-23/Th17 axis, identifying small orally available molecules that would block this inflammatory pathway has a strong therapeutic potential in psoriasis.

RORγ is the master regulator of Th17. This nuclear receptor controls the differentiation of naïve T-cells into Th17 cells, the up regulation of the IL-23 receptor and the production of Th17 pro-inflammatory cytokines. Pharmacological inhibition of RORγ by small molecules suppresses Th17 cell differentiation as well as IL-17 production, blocks cutaneous inflammation in animal models of psoriasis and inhibits Th17 signature gene expression by cells isolated from psoriatic patient samples.[71] Thus, RORγ is a validated drug target for the treatment of cutaneous inflammatory disorders such as psoriasis with key differentiating factors including greater convenience, greater efficacy and better safety/tolerability due to a shorter half-life than that of biological agents.

The Company, in partnership with AbbVie, has discovered several new, potent, selective and orally available RORγ, inverse agonists that are pre-clinical and clinical development candidates which suppress the production of inflammatory cytokines in human Th17 cells and which are orally active in several models of psoriasis.

As a differentiating factor, the molecules developed by the Company and AbbVie are orally active and may suppress a larger set of inflammatory cytokines than the current biologics. Therefore, the Company believes that these molecules should demonstrate superior efficacy.

As part of this partnership, the Company has a substantial team dedicated to the RORγ development project. AbbVie and Inventiva teams meet regularly every quarter, alternatively in the US and in France, in order to review and discuss new data and the overall project progress. In addition, regular updates are made to the JSC (Joint Steering Committee) which includes senior managers from both companies. This committee is in charge of all key decisions, including validating the achievement of key development milestones. The Company and AbbVie collaborate jointly for the selection of clinical candidates. Once the clinical candidates have been selected, AbbVie will be solely responsible for their clinical development and will be the owner of all intellectual property rights resulting from the partnership.

The collaborative project was extended in 2017 and could enter clinical development Phase I in the course of 2018 with ABBV-157, the second clinical candidate derived from the partnership after ABBV-553. The purpose of the extension is to identify a new clinical candidate backing up ABBV-157, which highlights AbbVie's involvement in the success of the project and its motivation.

[70] Datamonitor Psoriasis Forecast 2014
[71] Drug Discovery Today, 2014

1.1.8 Boehringer Ingelheim collaboration: a second partnership which validates the company expertise in fibrosis

In May 2016, the Company entered into a license agreement and a multi-year research and development partnership with Boehringer Ingelheim. This agreement aims to apply Inventiva's technology and expertise in developing new treatments for IPF, a chronic fibrotic disease characterized by the progressive decline in lung function and for other fibrosis diseases. Under the terms of the agreement, Inventiva will validate a newly selected target which potentially addresses the central hypothesis for the pathogenesis of IPF and presents a distinct mechanism of action from the approved therapeutics Nintedanib (commercialized by Boehringer Ingelheim) and Pirfenidone (commercialized by Roche).

Inventiva will use its fibrosis target-validation platform to study the mechanism of action of the target in several organs and provide data, particularly on IPF patient cells which the Company has available in-house. Inventiva also brings to the collaboration its expertise in research and a substantial collection of proprietary small molecule modulators of the target. The drug candidate phases of the research program will be jointly led by the Inventiva and Boehringer Ingelheim teams. Boehringer Ingelheim will then be responsible for the candidate's pre-clinical and clinical development and marketing phases.

Inventiva received an upfront payment on signing the collaboration and is also eligible to receive research funding and milestone payments of up to €170 million based on the progress of the research and development program, and the achievement of the regulatory and commercial milestones. Inventiva will also be eligible to receive tiered royalties on sales of the products resulting from the partnership.

Boehringer Ingelheim exercised its option as part of this partnership in September 2017. The joint research team has validated a new target for the treatment of fibrosis, and the data generated in the program confirm its therapeutic potential in fibrotic conditions. Idiopathic pulmonary fibrosis (IPF) has been selected as the first indication to be investigated. Boehringer Ingelheim's exercise of this option triggered a milestone payment to Inventiva of €2.5 million.

1.1.9 Organization of research and development activities

Research and development activities are organized into five departments covering the whole spectrum of the drug discovery and development process: i) Clinical Development and Regulatory Department; ii) Biology and Pharmacology (in charge of target validation and *in vivo* and *in vitro* tests);iii) Screening and Compound Management (in charge of the high throughput and high content screenings as well as the management of Inventiva's solid and liquid compound library); iv) Chemistry (in charge of medicinal and analytical chemistry as well as computer assisted drug design); and v) ADME/PK (in charge of measuring compounds' physical and pharmacokinetic properties). In addition, the organization can rely on skilled senior project managers and a coordinating planner to expedite internal programs.

Clinical Development and Regulatory Department
This department was recently created in order to conduct lanifibranor and odiparcil clinical trials. As of the date of this Registration Document, the department includes eight people: a Chief Medical Officer, a doctor, two senior directors of clinical operations, a clinical research associate, a senior director of the regulatory department and two project leaders. This department is in charge of designing the clinical development plans and conducting the Company's clinical trials. The Clinical Development and Regulatory Affairs Department selects and manages the CROs in charge of clinical trials in SSc, NASH and MPS, and interacts with regulatory authorities. This group includes two senior project leaders in charge of managing the lanifibranor and odiparcil project teams, who assemble all the expertise required to rapidly move the programs forward (CMC, toxicology, regulatory, clinical operations, ADME, etc.). In order to reinforce the department, a senior medic recently joined the organization. Dr. Jean-Louis Abitbol, who has significant clinical experience, is in charge of following the Company's clinical trials as well as building and strengthening the clinical development and regulatory department.

Biology and Pharmacology Department
This department includes 23 Ph.D. and graduate scientists in charge of target validation, assay development, cellular biology, enzymology and pharmacology studies. Several fibrosis models are routinely run in the Company's facilities. All of the experiments are carried out in the Company's state-of-the-art facilities, which are AAALAC accredited (Association for Assessment and Accreditation of Laboratory Animal Care International), which testifies to the excellence of the work performed by Inventiva's team.

Screening and Compound Management
This department includes nine Ph.D. and graduate scientists in charge of all internal and partnered screening activities using high content and high throughput screening. All the screenings are performed internally on one of the five robotic platforms. This team is also in charge of managing the Company's library. This library has great value as it contains more than 240,000 molecules designed over the years by medicinal chemists and modelers for drug discovery programs and high throughput screening. Overall diversity is excellent and the Company estimates that more than 60% of the library molecules are not available commercially.

Chemistry Department
This department includes 30 Ph.D. and graduate scientists in charge of designing the best patent-protected drug candidates. The team is highly competent in small molecule chemistry and has accumulated a large expertise in the field of nuclear receptors, transcription factors and epigenetic targets chemistry. This team is also in charge of synthetic organic chemistry, computational and medicinal chemistry, analytical services, library synthesis and scale-up synthesis.

ADME/PK Department
This department includes 11 Ph.D. and graduate scientists providing support to internal and partnered programs with a wide variety of *in vitro* assays covering compound characterization, early ADME, complete metabolism characterization and assessment of drug-drug interaction potential.

1.1.10 Facilities and equipment

The Company's headquarters are located in Dijon, the capital of the Burgundy region in France, which is less than two hours away from Paris, Basel and Lyon. The fully owned 12,000 square meter (129,000 sq. ft.) facility houses the Company's high throughput and high content screening activities, compound storage facilities and proprietary library, and is home to the biology, computational and medicinal chemistry, DMPK and pharmacology teams. The Company holds all the licenses and permits to conduct all pharmaceutical research activities, including for the use of radioactive elements, genetically modified organisms and human cells. Facilities are state-of-the-art and updated to the highest industry standards:

- new L2 biosafety certified biology labs built in 2009 (>800 m²; 8,600 ft²);
- organic synthesis facilities upgraded in 2010 (>850 m²; 9,150 ft²) with purification and analytical equipment;
- newly renovated state-of-the-art biology labs (>400 m²; 4,300 ft²);
- newly reinforced early ADME equipment with a second robotic platform and up-to-date mass spectrometers.

The site also has fully equipped, operational pharmacology facilities (>1,500 square meters; 16,000 square feet; AAALAC accredited) and compound management facilities.

1.1.11 A manufacturing process outsourced to specialist drug manufacturers

The Company outsources the production and packaging of its main drug candidates, lanifibranor and odiparcil.

The manufacture of lanifibranor is outsourced to three leading Contract Manufacturing Organizations (CMOs). Manufacturing of the active pharmaceutical ingredient is outsourced to Corden Pharma (France) with nine batches for a total of 490 kg of product already manufactured. The Company does not anticipate any technical challenges regarding the scaling-up of the process to 140 kg/batch. Lanifibranor is a stable chemical entity with a quality control retest period of a minimum of 24 months. Secondary manufacturing (capsules, tablets) of the drug is outsourced to Almac (UK) and Delpharm (France); the manufacturing process has been successfully performed at a batch size of 40 kg (approximately 60,000 capsules) in qualified GMP sites following US and EU health authority inspections. The product is stable with a shelf life of a minimum of two years.

For odiparcil, the Company has entered into an agreement with Dr. Reddy's Laboratories Ltd, a renowned CMO with expertise in the chemistry required to synthesize odiparcil, to manufacture the main active ingredient needed for the iMProveS clinical trial and for the planned Phase Ib trial in children. In addition to providing the API, Dr. Reddy's Laboratories Limited will also be in charge, under the Company's supervision, of preparing the Chemistry, Manufacturing and Controls section and the Investigational Medicinal Product Dossier. For the iMProveS study, the Company uses the current formulation that is suitable for an adult population. A new pediatric formulation will be developed for the Phase Ib study and the pivotal Phase III studies.

1.2 Patents and licenses

1.2.1 Innovation policy

Research and development ("R&D") activities are at the core of the Company's activities. Since its incorporation, most of the Company's resources have been dedicated to R&D activities enabling the Company to have a technological platform, research teams covering the whole of the research process for new drug candidates and development teams experienced in the conduct of clinical trials. The Company has also expanded its historical technological expertise in nuclear receptors to include transcription factors and epigenetic targets, both sources of numerous innovative therapeutic targets. Since its incorporation, the Company has focused its attention on two therapeutic areas where there is a significant medical need: fibrosis and oncology.

Therapeutic targets of research programs are chosen to treat pathologies where there is a significant medical need and a well identified patient population in which the selected target contributes to the pathology development. The Company has also identified, for its most advanced clinical projects, potential in orphan diseases where the unmet medical need and current regulations allow for rapid development.

Thanks to its platform, its teams and its targeted strategy, the Company has quickly built up a portfolio of clinical (lanifibranor and odiparcil) and preclinical (YAP/TEAD, NSD2 and Epicure) projects. It has also established two research partnerships, with AbbVie in relation to the RORγ nuclear receptor, and with Boehringer Ingelheim to develop new treatments for IPF and other fibrotic diseases.

In addition to its R&D teams, the Company has sought advice from scientific experts and put in place academic and industrial partnerships which provide additional skills required to push forward quickly

with its projects. In particular, it has entered into academic partnerships with renowned universities and research institutes such as Institut Curie and Institut Necker, both in Paris, France.

The Company regularly obtains non-dilutive funding thus confirming the scientific and commercial interest of its projects. In 2014 and 2015, two Company projects in the area of epigenetics received non-dilutive ANR (National Research Agency) funding from the French government for the Epicure project and Eurostars funding from the European Union for the NSD2 project. In 2016, the Hippocure project in collaboration with Institut Curie was awarded a subsidy from France's National Research Agency.

1.2.2 Patents and patent applications

Patents and other intellectual property rights are of critical importance in the pharmaceutical industry. Therefore, the Company regularly files patent applications in order to protect its innovations.

Within the Company, the management of the entire portfolio of patents, patent and trade mark applications and other matters related to intellectual property is entrusted to the General Counsel, who is advised by a renowned external law firm based in Paris.

In France, according to the French intellectual property Code, rights over employees' inventions are transferred automatically to their employer.

Employees working in research and development are employed by the Company under a contract which also contains a clause assigning the creations developed by employees to the Company.

1.2.2.1 Patents

The term of patents is 20 years as from the date of filing. In certain countries such as the United States and Japan as well as in the European Union, the term of a patent protecting a medicinal product can be extended to take into account the regulatory deadlines required to obtain marketing approval for that medicinal product.

At the date of this Registration Document, the Company holds 11 patent families in its own name, representing more than 200 patents and patent applications. Among these 11 families, seven come from the Laboratoires Fournier and four come directly from the Company's research.

The geographical coverage of the various patent families depends on the strategic relevance of the patent. For the most important patents and which were entered into the national phase in the countries mentioned in the PCT (Patent Cooperation Treaty) application, this coverage includes, as a minimum, the United States, Japan and certain European Union countries.

As far as the Company is aware and at the date of this registration document, no legal challenge or proceeding has been instigated against these patents by third parties and no opposition has currently been filed against them.

The Company's patent portfolio is described below.

1.2.2.1.1 Lanifibranor families

These patent families cover (i) the molecule lanifibranor itself (patent family “65”) and the use of this molecule for the treatment of fibroses (patent family “86”), including use in the treatment of NASH and SSc.

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	65	ALGERIA	080198	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	AUSTRALIA	2006286430	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	AUSTRIA	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	AZERBAIJAN	200800353/26	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	BELARUS	200800353/26	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	BELGIUM	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	BRAZIL	PI0615334-8	AUG/29/2006	AUG/29/2026	UNDER REVIEW
INVENTIVA	65	BULGARIA	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	CANADA	2,620,658	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	CHINA	200680031158.9	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	CROATIA	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	CYPRUS	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	CZECH REPUBLIC	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	DENMARK	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	ESTONIA	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	FINLAND	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	FRANCE	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	GERMANY	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	GREECE	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	HONG KONG	08111275.5	OCT/13 /2008	AUG/29/2026	ISSUED
INVENTIVA	65	HUNGARY	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	ICELAND	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	INDIA	1023/DELNP/2008	AUG/29/2006	AUG/29/2026	UNDER REVIEW

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	65	IRELAND	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	ISRAEL	189183	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	ITALY	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	JAPAN	2008-528560	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	KAZAKHSTAN	200800353/26	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	LATVIA	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	LITHUANIA	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	LUXEMBOURG	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	MALAYSIA	PI 20080428	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	MEXICO	MX/a/2008/002969	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	MONACO	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	NETHERLANDS	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	NORWAY	20080595	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	PHILIPPINES	1-2008-500322	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	POLAND	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	PORTUGAL	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	ROMANIA	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	RUSSIAN FEDERATION	200800353/26	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	SERBIA (formerly Serbia & Montenegro)	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	SLOVAKIA	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	SLOVENIA	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	SOUTH AFRICA	2008/01886	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	SOUTH KOREA	10-2008-7004317	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	SPAIN	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	SWEDEN	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	SWITZERLAND	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	TUNISIA	SN08090	AUG/29/2006	AUG/29/2026	UNDER REVIEW
INVENTIVA	65	TURKEY	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	65	UKRAINE	a200802601	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	UNITED KINGDOM	06 808 258.5	AUG/29/2006	AUG/29/2026	ISSUED
INVENTIVA	65	UNITED STATES	12/039 324	AUG/29/2006	DEC/28 /2026	ISSUED
INVENTIVA	65	UNITED STATES	12/795 148	AUG/29/2006	SEP/15/2027	ISSUED
INVENTIVA	65	VIETNAM	1-2008-00511	AUG/29/2006	AUG/29/2026	ISSUED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	86	ALGERIA	170016	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	AUSTRALIA	2015273454	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	BRAZIL	BR 11 2016 029129 8	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	CANADA	PCT/EP2015/063196	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	CHINA	201580043674.2	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	EGYPT	1954/2016	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	EURASIAN PROCEDURE	201692433	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	EUROPEAN PROCEDURE	15 728 018.1	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	HONG KONG	17110293.4	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	INDIA	201617041655	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	ISRAEL	249458	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	JAPAN	2016-572615	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	MALAYSIA	PI 2016704567	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	MEXICO	MX/a/2016/016534	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	MOROCCO	39528	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	PHILIPPINES	1-2016-502466	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	SOUTH AFRICA	2016/08281	JUN/12/2015	JUN/12/2035	UNDER REVIEW

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	86	SOUTH KOREA	10-2016-7034694	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	TUNISIA	TN2016/0535	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	UKRAINE	a 2016 12728	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	UNITED STATES	15/318.553	JUN/12/2015	JUN/12/2035	UNDER REVIEW
INVENTIVA	86	VIETNAM	1 -2016-04932	JUN/12/2015	JUN/12/2035	UNDER REVIEW

1.2.2.1.2 Pyrrolopyridine compounds/derivatives family

This patent family (patent family “66”) covers other molecules. Some of these molecules are the molecule lanifibranor “back-ups”, i.e., molecules that could be further developed in therapies for the prevention or treatment of pathologies involving PPAR type nuclear receptors.

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	66	ALGERIA	080207	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	AUSTRALIA	2006286348	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	AUSTRIA	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	BELGIUM	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	BRAZIL	PI0615335-6	AUG/31/2006	AUG/31/2026	UNDER REVIEW
INVENTIVA	66	BULGARIA	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	CANADA	2 620 662	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	CHINA	200680030042.3	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	CROATIA	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	CZECH REPUBLIC	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	DENMARK	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	ESTONIA	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	FINLAND	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	FRANCE	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	GERMANY	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	GREECE	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	66	HONG KONG	08111276.4	OCT/13 /2008	AUG/31/2026	ISSUED
INVENTIVA	66	HUNGARY	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	INDIA	1451/DELNP/2008	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	IRELAND	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	ISRAEL	189189	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	ITALY	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	JAPAN	2008-528564	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	KAZAKHSTAN	200800352/26	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	LATVIA	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	LITHUANIA	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	MALAYSIA	PI20080440	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	MEXICO	MX/a/2008/003038	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	NETHERLANDS	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	NORWAY	20080497	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	PHILIPPINES	1-2008-500321	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	POLAND	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	PORTUGAL	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	ROMANIA	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	RUSSIAN FEDERATION	200800352/26	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	SLOVAKIA	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	SLOVENIA	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	SOUTH AFRICA	2008/01885	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	SOUTH KOREA	10-2008-7003832	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	SPAIN	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	SWEDEN	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	SWITZERLAND	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	TUNISIA	SN08091	AUG/31/2006	AUG/31/2026	UNDER REVIEW
INVENTIVA	66	TURKEY	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	UKRAINE	a200802662	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	UNITED KINGDOM	06 808 267.6	AUG/31/2006	AUG/31/2026	ISSUED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	66	UNITED STATES	12/040,336	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	UNITED STATES	12/476,697	AUG/31/2006	AUG/31/2026	ISSUED
INVENTIVA	66	VIETNAM	1-2008-00735	AUG/31/2006	AUG/31/2026	ISSUED

1.2.2.1.3 "Thioxylopyranose" families

These patent families cover the use of the odiparcil molecule to treat mucopolysaccharidosis (patent family "79" and divisional patent family "79 div") along with an alternative molecule in itself (patent family "69"), the latter being the back-up for the odiparcil molecule.

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	79	ALGERIA	160197	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	AUSTRALIA	2014330977	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	AUSTRIA	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	AUSTRIA	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	BELGIUM	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	BELGIUM	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	BRAZIL	BR 11 2016 007306 1	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	BULGARIA	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	BULGARIA	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	CANADA	2925567	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	CHINA	201480053707.7	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	CROATIA	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	CROATIA	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	CYPRUS	14 187 588.0	OCT/03 /2014	OCT/03/2034	ISSUED
INVENTIVA	79	CYPRUS	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	CZECH REPUBLIC	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	CZECH REPUBLIC	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	DENMARK	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	79	DENMARK	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	EGYPT	515/2016	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	EURASIAN PROCEDURE	201690709/26	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	FINLAND	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	FINLAND	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	FRANCE	13 59657	OCT/03/2013	OCT/04/2034	ISSUED
INVENTIVA	79	FRANCE	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	FRANCE	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	GERMANY	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	GERMANY	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	GREECE	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	GREECE	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	HONG KONG	15109703.2	OCT/02/2015	OCT/03/2034	ISSUED
INVENTIVA	79	HONG KONG (DIVISION)	17100906.4	JAN/24/2017	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	HUNGARY	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	HUNGARY	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	ICELAND	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	ICELAND	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	IRELAND	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	IRELAND	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	ISRAEL	244829	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	ITALY	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	ITALY	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	JAPAN	PCT/FR2016/052507	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	LUXEMBOURG	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	LUXEMBOURG	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	79	MALAYSIA	PI 2016701175	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	MALTA	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	MALTA	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	MEXICO	PCT/FR2016/052507	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	MOROCCO	38931	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	NETHERLANDS	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	NETHERLANDS	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	NORWAY	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	NORWAY	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	PHILIPPINES	1-2016-500541	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	POLAND	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	POLAND	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	PORTUGAL	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	PORTUGAL	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SERBIA	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SERBIA	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SLOVAKIA	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SLOVAKIA	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SLOVENIA	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SLOVENIA	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SLOVENIA	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SLOVENIA	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SOUTH AFRICA	PCT/FR2016/052507	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	SOUTH KOREA	10-2016-7008265	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	SPAIN	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SPAIN	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	79	SWEDEN	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SWEDEN	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SWITZERLAND	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	SWITZERLAND	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	TUNISIA	TN2016/0111	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	TURKEY	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	TURKEY	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	UKRAINE	A 2016 03536	03/OCT/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	UNITED KINGDOM	14 187 588.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	UNITED KINGDOM	16 159 903.0	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	UNITED STATES	14/506239	OCT/03/2014	OCT/03/2034	ISSUED
INVENTIVA	79	UNITED STATES	15/420 135	OCT/03/2014	OCT/03/2034	UNDER REVIEW
INVENTIVA	79	VIETNAM	1-2016-01198	OCT/03/2014	OCT/03/2034	UNDER REVIEW

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	69	AUSTRALIA	2007274106	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	BELGIUM	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	CANADA	2,658,256	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	CHINA	200780025888.2	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	CHINA	201210021660.9	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	FRANCE	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	GERMANY	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	HONG KONG	09108227.9	SEP/08/2009	JUL/12/2027	ISSUED
INVENTIVA	69	IRELAND	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	ITALY	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	JAPAN	2009-518938	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	NETHERLANDS	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	POLAND	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	RUSSIA	200970120	JUL/12/2007	JUL/12/2027	ISSUED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	69	SPAIN	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	SWITZERLAND	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	TURKEY	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	UNITED KINGDOM	07 823 569.4	JUL/12/2007	JUL/12/2027	ISSUED
INVENTIVA	69	UNITED STATES	12/352 382	JUL/12/2007	JUL/12/2027	ISSUED

1.2.2.1.4 "NURR" families

These different patent families (patent families 75, 76 and 77) cover molecule candidates at an early stage of development, in themselves. These molecules are intended for the treatment of certain neurodegenerative diseases, in particular Parkinson's disease.

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	75	FRANCE	09 56259	SEP/11/2009	SEP/11/2029	ISSUED
INVENTIVA	75	FRANCE	10 50107	JAN/08/2010	JAN/08/2030	ISSUED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	76	FRANCE	11 704 261.4	JAN/07/2011	JAN/07/2031	ISSUED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	77	FRANCE	10 50098	JAN/08/2010	JAN/08/2030	ISSUED

1.2.2.1.5 "LXR" family

This patent family (family "44") covers the molecules IVA341 and IVA342 themselves. These molecules are intended for the development of treatments for diabetes and atherosclerosis.

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	44	ISRAEL	187413	MAY/29/2006	MAY/29/2026	ISSUED
INVENTIVA	44	MEXICO	MX/a/2007/015070	MAY/29/2006	MAY/29/2026	ISSUED
INVENTIVA	44	UNITED STATES	11/947,998	MAY/29/2006	MAY/29/2026	ISSUED

1.2.2.1.6 "YAP/TAZ-TEAD" family

This family covers molecules themselves, which are at an early stage of development. These molecules are intended for the treatment of certain forms of cancer, including the mesothelioma cancer.

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	88	CANADA	-	OCT/14/2016	OCT/14/2036	APPLICATION FILED
INVENTIVA	88	CHINA	-	OCT/14/2016	OCT/14/2036	APPLICATION FILED
INVENTIVA	88	EUROPEAN PROCEDURE	-	OCT/14/2016	OCT/14/2036	APPLICATION FILED
INVENTIVA	88	INTERNATIONAL PROCEDURE	PCT/FR2016/074760	OCT/14/2016	MAY/15/2018	UNDER REVIEW
INVENTIVA	88	JAPAN	-	OCT/14/2016	OCT/14/2036	APPLICATION FILED
INVENTIVA	88	SOUTH KOREA	-	OCT/14/2016	OCT/14/2036	APPLICATION FILED
INVENTIVA	88	UNITED STATES	-	OCT/14/2016	OCT/14/2036	APPLICATION FILED

Registered holder	Family	Country	Application no.	Date of filing	Expiry date	Status
INVENTIVA	89	EUROPEAN PROCEDURE	17 305 410.7	APR/06/2017	APR/06/2017	UNDER REVIEW
INVENTIVA	89	INTERNATIONAL PROCEDURE	-	-	-	APPLICATION FILED

1.2.2.2 Regulatory exclusivity

The molecule lanifibranor received orphan drug status for the treatment of SSc by the EMA in Europe on November 19, 2014 and by the FDA in the United States on March 31, 2015.

The FDA (United States) and the EMA (Europe) awarded odiparcil orphan drug status for the treatment of MPS VI, on August 3, 2017 and July 13, 2017, respectively.

The Company is also working on obtaining orphan drug status for odiparcil for the treatment of MPS I and II.

In accordance with Regulation (EC) No 141/2000, where a marketing approval (MA) is granted to an orphan drug, that product, subject to certain conditions, is given 10 years of market de facto exclusivity in Europe. During that period, no MA can be granted to a similar molecule (of similar structure) for the same therapeutic indication (as that authorized for the orphan drug). Such exclusivity is independent from that which may be granted by a patent. In the United States, this exclusivity period is seven years.

These provisions will apply to the lanifibranor molecule if a MA is granted to the molecule for the treatment of SSc and to the odiparcil molecule if a MA is granted to the molecule for the treatment of MPS VI.

1.2.3 Partnership and research agreements, licensing agreements

1.2.3.1 Partnership and research agreements

The main partnership and research agreements entered into by the Company are described below:

Research and development in partnership with Institut Curie and other public bodies

On June 5, 2014, Inventiva entered into its first partnership agreement with Institut Curie for the research project entitled, "Undisclosed targets inhibitors, as epigenetic modulators for immune therapies in asthma and cancer", which aims to develop in vitro and in vivo screening models for studying the role of two epigenetic targets in anti-tumor immunity.

Having obtained these screening models, the same parties, together with Inserm, CNRS and the University Pierre and Marie Curie then decided to carry out an additional project ("Epicure") concerning the development of inhibitors of two epigenetic targets for immunomodulation and the treatment of cancer. Together with the Company, these institutions responded to the generic call for projects launched in 2014 by the French National Research Agency (ANR).

At the end of this agreement, the inventions and patents covering jointly developed results will be held in joint ownership in the proportion of fifty per cent (50%) by Inventiva and fifty per cent (50%) by the other signatories. If the joint owner parties should decide, after consultation, to file a patent application for all or some of the new results, Inventiva would be responsible for completing the formalities for these patent applications at its expense and for and on behalf of Inventiva and the joint owner parties. The own results developed by one party alone will belong exclusively to that party.

If the results and patents arising from this project are exploited, Inventiva holds an option granted by the other contracting parties to obtain the exclusive worldwide exploitation rights over all own results and the proportion in joint ownership held by the contracting parties over the joint results, patented or otherwise, in all areas and for all uses. Moreover, the Company also holds the right to sub-license those exploitation rights to third parties.

In 2016, Inventiva and Institut Curie presented a partnership project entitled Hippocure to ANR: "Development of inhibitors of the YAP/TEAD interaction for the treatment of non-small cell lung cancer (NSCLC) and pleural malignant mesothelioma", the objective of which is to develop a YAP/TEAD interaction inhibitor for the treatment of non-small cell lung cancer and malignant pleural mesothelioma. In August 2016, the Hippocure project was selected by the ANR for a grant. In this respect, a new partnership agreement between the Company and Institut Curie was signed on January 16, 2018 for a 30-month term, with retroactive effect from October 1, 2016.

At the end of this agreement, the inventions and patents covering the jointly developed results will be held in joint ownership in the proportion of fifty per cent (50%) by Inventiva and fifty per cent (50%) by Institut Curie. If the joint owner parties were to decide, after consultation, to file a patent application for all or some of the new results,

Inventiva has an option granted by Institut Curie to obtain, at a specified fixed and final price, the exclusive worldwide exploitation rights over all Institut Curie's own results and its proportion in joint ownership over the joint results, patented or otherwise, in all areas and for all uses.

Consortium agreement with Atrys and Xentech

A funding application for the TheraYAP project was submitted to the European program Eurostars in 2016 and was approved in August of the same year.

The TheraYAP ("A tailored and rational approach for treating cancer patients with a YAP/TEAD inhibitor") consortium formed by Inventiva with two other European biotechnology companies which are leaders in their area of expertise (Atrys (Spain) and Xentech (France)) aims to develop a performing drug for the treatment of non-small cell lung cancer, malignant pleural mesothelioma, triple negative breast cancer, or pediatric cancer.

A consortium agreement was therefore signed on August 24, 2016 under which each of the parties agrees to share with the others a certain number of own results or knowledge resulting from their research programs. The term of the agreement is 33 months as from when it entered into force on October 1, 2016. According to the terms of the agreement, one party can withdraw from the project or a defaulting party can be excluded from the project, subject to the fulfillment of certain conditions, for example, the approval of the EUREKA Secretariat and the national authorities, where applicable.

At the end of this agreement, the Company shall retain full ownership of the intellectual property rights relating to the YAP/TEAD inhibitors, regardless of whether they are discovered by Inventiva alone or with other partners.

Consortium agreement with the companies Oryzon and 4SC

A funding application for the NSD2 project was submitted to the Eurostars program in March 2015 and was approved in July of the same year.

The EMTherapy ("Therapeutic use of Epigenetic Modulators in oncological and neurodegenerative disease") consortium formed by Inventiva with two other European biotechnology companies which are leaders in the area of epigenetics (Germany's 4SC AG and Spain's Oryzon Genomics SA) is seeking to identify and develop inhibitor compounds for epigenetic targets of therapeutic interest.

A consortium agreement was therefore signed on September 7, 2015 under which each of the parties agrees to share with the others a certain number of own results or knowledge resulting from their own

research programs into inhibitors for epigenetic targets, particularly within a collaborative database. The term of the agreement is 33 months as from when it entered into force on October 1, 2015.

Regarding the joint results that the parties to the agreement might decide to develop together, the rights will be shared between the relevant parties in proportion to their contribution towards the invention and may be subject to licenses.

1.2.3.2 Licensing agreements

The Company does not currently hold any licensing agreements granted by one or more third parties.

With the exception of the licenses granting limited and non-exclusive rights of use on the patents listed in section 1.2.2 above and the patent families "76", "75", "77" and "66" listed in section 1.2.2.1.2, "Pyrrolopyridine derivative families" and in section 1.2.2.1.4, "NURR families", which the Company may be required to grant to BI, subject to certain conditions and in accordance with the terms of the partnership agreement signed with BI, the Company has not granted any licensing agreement to a third party.

1.2.4 Other intellectual property elements

The Company has been the holder of the French word mark INVENTIVA no. 11/3871316 since November 3, 2011 (registered on February 24, 2012 in classes 5, 42 and 44) and of the semi-figurative mark no. 12/3886944 since January 6, 2012 (registered on April 27, 2012 in classes 5, 42 and 44):

The Company is also the holder of the following domain names:

- Inventiva-pharma.com (since 10/31/2011)
- Inventiva-pharma.fr (since 10/31/2011)
- Inventivapharma.fr (since 10/31/2011)
- Inventivapharma.com (since 10/31/2011)
- Inventiva-pharmaceuticals.com (since 10/31/2011)
- Inventiva-pharmaceuticals.fr (since 10/31/2011)
- Nuceptos.net (since 06/13/2013)
- Nuceptos.fr (since 06/13/2013)

1.3 Material agreements

The material agreements to which the Company is a party are as follows:

1.3.1 Asset purchase agreement with Abbott

On August 27, 2012, as part of its operational start-up, the Company and two Abbott group subsidiaries, Laboratoires Fournier SA and Fournier Industrie et Santé SAS (hereinafter "Abbott"), entered into an asset purchase agreement (the "APA").

Under this agreement, the Company agreed to purchase some of Abbott's assets, in particular the industrial site situated in Daix (France) for the sum of €3.5 million, a molecule chemical library and property, plant and equipment for the sum of €4.1 million and patents for €1.

In return, Abbott agreed to pay the Company (a) on the date on which the agreement was concluded, a one-off payment of €8.4 million to cover the cost of purchasing the above assets and (b) over a period of five years, additional quarterly payments in the total amount of €96 million, the final payment was made in April 2017. This second series of payments was granted to the Company on condition that (i) pharmaceutical activities and related research activities remain on the Daix site in accordance with the Company's business plan, (ii) the quarterly payments are used exclusively to fund pharmaceutical activities and related research activities in accordance with the Company's business plan and (iii) certain Abbott employees are retained for three years as from the date of conclusion of the APA.

On the date of this Registration Document, Abbott has paid an aggregate amount of €104.4 million under the terms of the APA, i.e., 100% of the initial one-off payment and additional quarterly payments described above.

1.3.2 Research partnership with ABBVIE

In August 2012, the Company entered into a master research service agreement with AbbVie in order to set out the conditions under which the Company would, throughout the duration of the agreement, provide services for AbbVie in accordance with ad hoc service requests concluded between the parties and setting out the research tasks to be performed by the Company.

In return for the services provided by the Company in accordance with the master agreement and with the various ad hoc service requests (together the "AbbVie Partnership"), AbbVie agreed to pay the Company basic fees of around €3 million per year for five years, adjustable annually for inflation, as well as any other additional amount that may be specified in each ad hoc service request.

On August 27, 2017, the agreement signed on August 27, 2012 expired. Pursuant to two amendments dated August 10, 2017, the agreement was extended for a further period of one year in order to allow the Company to carry out additional work on behalf of AbbVie, chiefly in relation to the RORγ project. Under these amendments extending the agreement, AbbVie may terminate the agreement before it expires on August 27, 2018, subject to one month's notice.

Under the terms of this agreement, AbbVie will be the sole holder of the intellectual property rights arising from this partnership.

Under this partnership, the Company and AbbVie have concluded various service requests in relation to two research programs: the RORγ project for the treatment of certain auto-immune diseases and a project in the area of fibrosis.

The statement of work related to the RORγ project and one of the amendments extending the agreement signed on August 10, 2017 specify that the Company may be entitled to additional payments in the form of milestone payments and royalties on sales. These additional payments must be made by AbbVie to the Company even if that service request is canceled or the AbbVie Partnership is terminated should AbbVie decide to continue the development of products arising from the RORγ project. A first milestone payment for €1 million was paid to the Company in December 2015, a second milestone payment for €2 million was paid to the Company in April 2016 and a third milestone payment of €2.5 million was paid to the Company in January 2017.

1.3.3 Research, discovery and licensing partnership with Boehringer Ingelheim

On May 31, 2016, the Company entered into a licensing agreement and a multi-year research and development partnership with Boehringer Ingelheim, taking effect on May 2, 2016. The aim of this agreement is to apply Inventiva's technology and know-how to the development of new treatments for IPF, a chronic fibrotic disease characterized by a gradual and irreversible decline in lung function, and other fibrotic diseases.

According to the terms of this partnership, Inventiva and Boehringer Ingelheim will conduct a research program that includes a first target validation phase, a second target modulation mechanism determination phase and a third drug discovery phase. The resources invested in the project are shared by both parties, Inventiva and Boehringer Ingelheim each allocating and funding a set number of researchers for this project. These research activities will be supervised by a joint steering committee between the Company and Boehringer Ingelheim, the latter being exclusively responsible for the pre-clinical and clinical development phase of the drug candidate or candidates as well as their marketing phases.

The initial duration of the research program is 72 months and may be extended unilaterally by Boehringer Ingelheim at its discretion for three additional periods of six months, subject to the withdrawal of one of the parties under the conditions specified in the agreement.

All intellectual property rights developed as part of the joint research program will be owned, in joint equal shares, by the Company and by Boehringer Ingelheim. Provided that certain targets set in accordance with the partnership are reached, the Company must grant licenses for limited and non-exclusive use of some of its patents (refer to section 1.2.3.2 “Licensing agreement” of this Registration Document).

In return for its involvement in the joint research program, Inventiva received an initial payment at the time of signing the partnership and a first milestone payment in September 2017; It may also receive research grants as well as additional milestone payments depending on the progress of the research and development program and the achievement of regulatory and commercial milestones, representing a total amount of up to €170 million. Inventiva could also receive variable-rate royalties on the sale of products arising from the partnership.

1.3.4 Scientific support and clinical and pre-clinical trials

1.3.4.1 Collaboration with the University of Florida

On April 4, 2018, the Company signed a collaboration agreement with the University of Florida, the aim of which is to evaluate the efficacy and safety of lanifibranor on intrahepatic triglycerides and hepatic insulin sensitivity in type 2 diabetic patients with nonalcoholic fatty liver disease (NAFLD).

Through this agreement, which will last for the same term as the clinical trial, the Company will provide funding for the University and supply the University with the quantities of lanifibranor needed for the trial at its own expense.

In exchange for this financial and material support, the results of the clinical trial will be provided to the Company which will be able to use the findings as additional supportive data for future filings with regulators.

1.3.4.2 Consortium agreement with Institut Curie

On September 25, 2015, the Company entered into a consortium agreement with Institut Curie and other public bodies concerning the development of inhibitors for two epigenetic targets in the area of immuno-oncology: refer to section 1.2.3.1 “Partnership and research agreements” of this registration document

In 2016, Inventiva and Institut Curie signed a funding agreement with ANR for a partnership project entitled Hippocure: “Development of inhibitors of the YAP-TEAD interaction for the treatment of non-small cell lung cancer (NSCLC) and pleural malignant mesothelioma”, the objective of which is to develop a YAP/TEAD interaction inhibitor for the treatment of non-small cell lung cancer and malignant pleural mesothelioma.

On January 16, 2018, the Company entered into a partnership agreement with Institut Curie defining the terms and conditions of the partnership and the ensuing rules regarding the transfer of intellectual property (see section 1.2.3.1 “Partnership and research agreements” of this Registration Document.

1.3.4.3 Consortium agreement with the companies Oryzon and 4SC

On September 7, 2015, the Company entered into a consortium agreement with two other European biotechnology companies which are leaders in the area of epigenetics (4SC in Germany and Oryzon in Spain): refer to section 1.2.3.1 “Partnership and research agreements” of this registration document.

A consortium agreement was therefore signed on September 7, 2015 under which each of the parties agrees to share with the others a certain number of own results or knowledge resulting from their own research programs into inhibitors for epigenetic targets, particularly within a collaborative database. The term of the agreement is 33 months as from when it enters into force on 1 October 2015, subject to the withdrawal of one of the parties under the conditions specified therein.

Under this agreement, each party will conduct epigenetic research which will lead to the creation of own results that belong to the respective parties and which the latter may disclose to the other parties. However, any such disclosure does not imply any obligation for the disclosing party to grant any license to exploit those results.

As regards to the joint results that the parties to the agreement might decide to develop together, the rights will be shared between the relevant parties in proportion to their contribution towards the invention and may be subject to licenses, the conditions for protecting these inventions and licenses will be negotiated later between the parties.

1.3.4.4 Consortium agreement with Atrys and Xentech

On August 24, 2016, the Company entered into a consortium agreement with two other European biotechnology companies which are leaders in their respective areas (Atrys in Spain and Xentech in France): refer to section 1.2.3.1 “Partnership and research agreements” of this registration document.

At the end of this agreement, the Company shall retain full ownership of the intellectual property rights relating to the YAP/TEAD inhibitors, regardless of whether they are discovered by Inventiva alone or with other partners.

1.3.5 Clinical research organization (CRO) agreements

1.3.5.1 Agreement with Pivotal SL and Clinmark SP ZOO

On May 1, 2015, the Company entered into a master clinical contract services agreement with Pivotal SL and have subsequently concluded several service requests under the terms of said master agreement. On February 10, 2017, the Company entered into a service agreement with Clinmark SP ZOO in order to set out the conditions under which Pivotal SL and Clinmark SP ZOO will carry out services relating to the clinical development of products on the Company's behalf.

More precisely, these agreements define the conditions under which the Company subcontracted responsibility for monitoring the Phase IIb clinical study for SSc to Pivotal SL and Clinmark SP ZOO, acting as CROs (contract research organizations) for the Company and each in charge of different countries. These agreements are entered into for the entire duration of this clinical study. The Company will be the sole owner of the results, products and other rights arising from the performance of these services.

1.3.5.2 Agreements with Keyrus Biopharma, Quintiles and Orion Santé

The Company entered into several agreements with three CROs: Keyrus Biopharma, Quintiles and Orion Santé, for the conduct of the NASH Phase IIb clinical study. These companies are responsible for the study in different regions: Quintiles will monitor the clinical study in Bulgaria, Orion Santé in Mauritius and Keyrus Biopharma in the rest of the world.

The Company entered into a service agreement on April 13, 2016 and a master agreement on July 13, 2017, and signed various amendments with Keyrus Biopharma. The Company also entered into a master services agreement with Quintiles Limited on March 13, 2018, and a work order was in the process of being signed at the date of this Registration Document. Lastly, the Company entered into a master services agreement with Orion Santé on September 12, 2017, with work orders signed on November 22, 2017 and December 5, 2017.

These agreements are entered into for the entire duration of this clinical study. The Company will be the sole owner of the results collected in the performance of these agreements during the clinical study.

1.3.5.3 Agreement with Eurofins Optimed

On March 20, 2017, the Company entered into a service agreement with Eurofins Optimed under which the latter will act as CRO for the Company for services linked to the conduct of a Phase I clinical trial for IVA lanifibranor, including finalization of the protocol, enrollment of patients, conduct of the study as a health company, and overall monitoring of the study. This agreement was entered into for the entire duration of the study until December 31, 2017 and was not renewed following the execution of all services. The Company will be the sole owner of the results collected during the clinical study.

1.3.5.4 Agreements with the GreenWood Genetic Center non-profit corporation, Soladis Clinical Studies and Eurofins Central Laboratories

The Company entered into a number of agreements with several different entities to conduct a biomarker study on MPS VI patients:

On March 25, 2016, the Company entered into a master clinical laboratory service agreement with the non-profit corporation GreenWood Genetic Center, effective on the same day for a three-year term. A first statement of work was signed on March 25, 2016 and expired in 2016, and a second statement of work was signed on May 17, 2017 and will expire on April 30, 2018. These statements of work set down the conditions under which GreenWood Genetic Center was to develop a test to measure lysosomal accumulation of GAGs in MPS VI patients. The Company is the sole owner of the results of the work performed within the scope of this agreement, and in particular the intellectual property rights to the customized test developed.

On November 8, 2016, the Company entered into a clinical services agreement with the CRO Eurofins Central Laboratory, under which the latter conducts the necessary clinical laboratory services for the biomarker study. This agreement is entered into for the entire duration of the services to be carried out by Eurofins Central Laboratory. The Company will be the sole owner of the results, products and other rights arising from the performance of these services.

On December 1, 2016, the Company entered into a clinical services agreement with the CRO Soladis Clinical Studies to define the terms and conditions under which Soladis was to provide data management services on behalf of the Company regarding the statistical analysis of the biomarker study. This agreement was entered into for the entire duration of the study and the results are expected in the first half of 2018. The Company will be the sole owner of all results, products and other rights arising from these services.

On July 31, 2015, the Company entered into a master non-clinical laboratory service agreement with Envigo (formerly Huntingdon) in order to set out the conditions under which Huntingdon will carry out laboratory services, in particular pre-clinical safety and efficacity assessments for the Company. This agreement was entered into for a period of three years. The Company will be the sole owner of all results arising from these assessments.

Under this agreement, the parties also concluded two work orders on July 31, 2015 under which the Company subcontracted responsibility to Envigo for carrying out two *in vivo* carcinogenicity studies on lanifibranor which are expected to be completed in June 2018.

1.3.5.5 Agreement with PPD Global Limited and Orion Santé

The Company entered into a consulting agreement with PPD Global Limited on November 7, 2017, and a master services agreement and work order with Orion on September 12, 2017 and December 5, 2017, respectively, under which PPD Global Limited and Orion Santé act as CROs on behalf of the Company to carry out feasibility, registration and regulatory monitoring services for the ImProve Phase IIb clinical study. Each company is responsible for different and complementary tasks in these agreements.

The Company will be the sole owner of the results, products and other rights arising from the performance of these services.

1.3.5.6 Agreement with Covance

On May 8, 2017, the Company entered into a master services agreement with Covance in order to set out the conditions under which Covance will carry out laboratory services, in particular preclinical safety and efficacity assessments for the Company. This agreement is entered into for a period of three years. The Company will be the sole owner of all results arising from these assessments.

Within the scope of this agreement, the parties entered into a work order on May 15, 2017 and two amendments to the latter dated October 16, 2017 and December 14, 2017, under which the Company subcontracted responsibility to Covance for carrying out an *in vivo* juvenile toxicity studies on odiparcil, which is expected to be completed in May 2018.

1.3.6 Manufacturing agreements and agreements with Central Labs

1.3.6.1 Agreement with Synkem SAS (now Corden Pharma Chenove SAS)

On November 24, 2014, the Company signed a research and development agreement with Synkem SAS (Corden Pharma Chenove SAS). Under this agreement, the Company subcontracted responsibility to Synkem SAS for carrying out research to optimize the synthesis process for lanifibranor, for manufacturing new samples or an experimental batch lanifibranor, which will be used during the pre-clinical and lanifibranor trials, and for carrying out a study on the compound's stability.

This agreement was entered into with retroactive effect at October 13, 2014 and expired on February 8, 2018 before submission of the 36-month stability report on lanifibranor, subject to the withdrawal of one of the parties under the conditions specified in the agreement.

It is specified in the agreement that the Company will be the sole owner of the data, results, products and other intellectual property rights generated by these services.

Subsequently, on June 13, 2016 and February 20, 2017, the Company and Synkem SAS (now Corden Pharma Chenove SAS) entered into two additional agreements to manufacture experimental batches of lanifibranor which will be used in lanifibranor clinical studies.

1.3.6.2 Agreement with Dr. Reddy's Laboratories Limited (“Dr. Reddy's”)

On September 10, 2015, the Company entered into a master non-clinical laboratory service agreement with Dr. Reddy's in order to set out the conditions under which Dr. Reddy's will carry out certain laboratory services for the Company. This agreement is entered into for a period of three years and under the terms thereof, the Company will be the sole owner of the components, products and other intellectual property rights arising from these services.

Under this agreement, several service requests have been concluded between the parties in order to subcontract responsibility to Dr. Reddy's for the synthesis and manufacture of batches of odiparcil.

1.3.6.3 Agreement with Almac Group Limited

On November 4, 2014, the Company entered into a master clinical laboratory service agreement with Almac Group Limited in order to determine the conditions under which Almac Group Limited's subsidiaries will carry out various pharmaceutical support services for the Company. This agreement is entered into for an initial term of three years and will remain in force at the end of this initial term unless it is terminated by one of the parties within 45 days.

The Company will be the sole owner of all results, products and other intellectual property rights generated in the provision of these services.

Under the agreement, various service requests were concluded in order to subcontract responsibility to Almac Group Limited's subsidiaries for, inter alia, the packaging and manufacturing process for IVA 337 and certain services relating to granulation and capsuling for IVA 337.

1.3.6.4 Agreement with United Laboratories Madrid, SAU ("Unilabs")

On July 1, 2015, the Company entered into a clinical laboratory service agreement with Unilabs under which Unilabs will carry out clinical laboratory services for the Company and, in particular, laboratory tests as part of the Phase IIb clinical study for SSc. This agreement is entered into for the entire duration of this clinical study. The Company will be the sole owner of the results, products and other rights arising from the performance of these services.

1.3.6.5 Agreement with Barc NV

On September 22, 2016, the Company entered into a master non-clinical laboratory service agreement with Barc NV and concluded a work order taking effect the same day in order to set out the conditions under which Barc NV will carry out laboratory services, in particular pre-clinical safety and efficacity assessments for the Company. This master agreement is entered into for a five-year term and the work order is entered into for the duration of the NASH trial. The Company will be the sole owner of all results arising from these assessments.

1.3.6.6 Agreement with Delpharm

On February 2, 2016, the Company entered into two service agreements with Delpharm group subsidiaries in order to determine the conditions under which these subsidiaries will carry out various research services and development activities, produce clinical batches and draft marketing approval applications. These agreements were entered into for a term of 3 years. The Company will be the sole owner of all results, products and other intellectual property rights generated in the provision of these services.

Within the scope of these agreements, various work orders were entered into in order to approve the feasibility of lanifibranor tablets and the manufacture of clinical batches that will be made available to the CROs as part of the FASST Phase IIb clinical study, the lanifibranor Phase I clinical study, the NASH Phase IIb clinical study, and the odiparcil Phase IIb clinical study.

1.3.7 Service agreement

The Company and Enyo Pharma entered into a master agreement on July 4, 2014, the aim of which is to govern the services provided by the Company. The agreement is signed for a term of three years. The patent right or any other intellectual or industrial property rights relating to the results of services provided by the Company shall remain the property of Enyo Pharma, with the exception of anything which concerns, contains or uses the Company's intellectual property rights. In all, 16 work orders governed by this master agreement have since been entered into by the Company, each of which has been executed and terminated at the date of this Registration Document, representing total revenue of €457 thousand (excluding taxes) over the past two years (2016 and 2017).

On July 27, 2016, the Company and Enyo Pharma entered into a service agreement subject to the master agreement, as well as two amendments to this agreement, dated June 21, 2017 and November 13, 2017, the aim of which is for Inventiva to implement virtual screening of a molecule chemical library (viral peptides, Enyo Pharma targets). In this respect, Inventiva is responsible for preparing the molecules for virtual screening, sending them to the physical screening centers and ensuring the storage and

preservation of chemical compounds. This agreement took effect on July 27, 2016 and will expire on December 31, 2018.

Within the scope of this agreement, the Company identified molecules for Enyo Pharma that had great potential for Enyo Pharma to become drugs. Enyo Pharma confirmed its decision to the Company to move on to the development phase, which will start on April 1, 2018 and will trigger payment by Enyo Pharma to the Company of a fixed fee of €1,430 thousand. The payment of this fee will be staggered throughout 2018 and early 2019. The Company is under no contractual obligation pertaining to the results.

2 Risk Factors and Internal control

2.1 Risk factors

When preparing this Registration Document, the Company conducted a review of the risks that could have a material adverse effect on the Company, its business, financial position, results or ability to achieve its objectives, and considers that there are no other material risks apart from those presented herein.

However, investors' attention is drawn to the fact that there may or could be other risks, which, at the date of this Registration Document, are either unknown or not considered as likely to have a material adverse effect on the Company, its business, prospects, financial position, results or growth.

2.1.1 Risks related to the Company's business

2.1.1.1 Risks related to the development of new drug candidates

The Company is currently developing the following clinical and preclinical programs:

- Lanifibranor, an anti-fibrotic drug candidate whose Phase IIb clinical trials are currently in progress for the treatment of NASH and SSc;
- Odiparcil, a drug candidate developed for the treatment of some forms of mucopolysaccharidoses, notably MPS I, MPS II and MPS IVa, MPS VI and MPS VII whose Phase IIa clinical trial for MPS VI started in late 2017; and
- YAP/TEAD and the Epicure project in collaboration with the Institut Curie, preclinical projects developed by the Company in the field of oncology.

The development process of drug candidates like those designed by the Company is a lengthy, complex and costly process, with an uncertain outcome. Generally, the development of drugs for human use takes a long time, with the lapse between the discovery of a compound (drug candidate) and the actual marketing of a drug product often greater than ten years.

The common stages in the development and marketing of a pharmaceutical product are as follows:

- research (in vitro and in vivo tests);
- preclinical development (regulatory pharmacology studies);
- pharmaceutical development (formulation, production and stability of the finished product);
- Phase I clinical trials: the compound is administered to healthy volunteers in order to assess its safety, to detect any potential side effects and to assess its tolerability at the doses administered, as well as its distribution and metabolism;
- Phase II clinical trials are conducted on a limited population of patients suffering from the disease in order to prove the efficacy of the medicinal product, determine its dosage and assess its tolerability at the effective doses;
- Phase III clinical trials are conducted on a larger population of patients suffering from the studied disease and aim to demonstrate the efficacy and tolerability of the product in comparison with products already available on the market or placebos, with a view to preparing an application with sufficient data to be submitted to the regulatory authorities;
- submission and granting of a Marketing Approval (MA);
- marketing;
- pharmacovigilance aimed at monitoring the effects and the safety of the approved products;
- post-MA Phase IV clinical trials are regularly conducted to check the effects and the safety of the approved products.

The Company cannot guarantee that the results of the tests, preclinical trials and clinical trials currently in progress or to be conducted during these various phases will demonstrate the tolerability, safety and efficacy of its drug candidates. In particular, the Company is conducting the safety studies (toxicology and carcinogenicity) on lanifibranor, its most advanced drug candidate, needed for its Marketing Approval Application in Europe and the United States. Any failures or ambiguous results emerging from these studies may delay the development of lanifibranor or even lead to the discontinuation of its development.

Other factors may have a significant adverse impact on the development of new drug candidates:

- the upstream selection of new products or new avenues for development may prove less relevant than expected or may not ultimately lead to the launch of new products;
- research and development teams may fail to develop products suitably aligned with the Company's objectives in terms of both winning over new markets and preserving current market opportunities;
- initiatives jointly developed with other partners may prove more difficult than expected and the corresponding product launches may be delayed or canceled;
- new regulatory requirements may delay or cause preclinical and/or clinical development of drug candidates to fail; and
- difficulties in procuring starting materials impacting the production of clinical batches may delay or disrupt a current or planned clinical trial.

Taking into account the preliminary stage of development of the Company's research programs and the risks outlined above, the Company cannot guarantee that the drug candidates on which it is working or will work in the future will not be delayed in any of the preclinical or clinical phases, production or marketing, or that their development will not be discontinued.

The materialization of any of these risks would have a substantial adverse effect on the Company, its business, prospects, financial position, results and growth.

2.1.1.2 Risks related to clinical trials

The Company is currently conducting two clinical programs: lanifibranor, whose clinical results for NASH and SSc patients are expected in 2019, and odiparcil, for which the results of the Phase IIa clinical trials begun at the end of 2017 are also expected in 2019.

In each phase of clinical development, the Company must request authorization from the competent authorities in each country involved depending on its development plan in order to conduct the clinical trials and then submit the results of its clinical trials to these authorities. The authorities may refuse to grant the necessary authorizations to conduct the clinical trials, or impose additional requirements concerning trial protocols, patient characteristics, the duration of treatment or post-treatment follow-up, due to differences in the interpretation of results between local regulatory bodies. They may also require supplementary studies. Any refusal or decision by the regulatory authorities to require additional studies or tests could result in a discontinuation or delay in the development of the products concerned.

When conducting these clinical trials, the Company had difficulties in recruiting and retaining patients, particularly on (i) lanifibranor in NASH, due to the significant number of patients required and competition from other ongoing trials in the same indications, and (ii) odiparcil in MPS, given the restricted number of patients able and willing to take part in a clinical trial. These persistent difficulties could noticeably extend the planned duration of the clinical trials. Once recruited, the patients taking part in these trials can suspend or discontinue their participation at any time. If too many patients were to end their participation in a clinical trial, the analysis of the results of this trial may not have any statistical value.

The results obtained in the preclinical phases are not systematically transposable to man. In addition, during Phase I, II or III clinical trials, the drug candidates developed by the Company could prove to be less effective than expected or cause unpredicted undesirable or toxic effects. The severity of the undesirable effects caused by a drug candidate or its lower efficacy compared to competing products may be sufficient to justify stopping its development.

Furthermore, disappointing results in the early phases of development are not always sufficient to decide whether to continue a project or not. The size of the samples, the duration of the trials and the parameters studied may not be sufficient to draw conclusions, thus requiring further investigations that could have a negative impact on the Company's results. Conversely, promising results in the early phases and even after the conduct of clinical trials at a more advanced stage are no guarantee of the success of a project.

If one or more of these risks were to materialize, it would have a material impact on the Company's business, results, prospects, financial position and growth.

2.1.1.3 Risks related to the search for and signing of collaboration or license agreements for the development and marketing of drug candidates

Significant resources are needed to develop biopharmaceutical products. The Company intends to enter into collaboration and/or license agreements with pharmaceutical companies before the start of the Phase III clinical trials for its drug candidate lanifibranor and potentially as early as the pre-clinical phase for products deriving from its pre-clinical portfolio in order to benefit from the resources (financial and logistical) and capabilities of a partner that will be in charge of the development, production and marketing of the Company's products.

The Company could have difficulties in finding partners for its drug candidate lanifibranor. The discontinuation of the development of some drugs belonging to the PPARγ sub-type, which is one of the isoformes activated by lanifibranor, or doubts as to the safety of a drug belonging to the PPARγ sub-type, could be negatively perceived or result in reluctance among potential partners that could jeopardize the signing of agreements for the development of drug candidates belonging to the PPAR class such as lanifibranor.

If the Company is unable to secure these agreements, it would have to obtain the necessary financial resources and develop, produce and market some of its products internally. Alternatively, it would have to abandon the development of some programs in order to refocus its business activities. The materialization of such a risk could delay or prevent the completion of the Phase III clinical trials for lanifibranor and delay or jeopardize the development of the products deriving from its pre-clinical portfolio and consequently have a material adverse effect on the Company, its business, prospects, financial position, results and growth.

Even if these agreements were secured, (i) the economic conditions may be less favorable than those expected by the Company, (ii) they may be terminated or may not be renewed by the partners, and (iii) they may not be fully respected by those partners. In addition, the Company would only have limited control over the resources and efforts provided by its partners for the development and marketing of its products. Any failings on the part of partners would have adverse consequences for the Company, its growth, results and prospects.

2.1.1.4 Risks related to the non-renewal of the partnership with AbbVie

In August 2012, the Company entered into a research partnership with AbbVie (the "**AbbVie Partnership**"), which provides for the payment to the Company of a basic fee of approximately €3 million per year over five years by AbbVie in return for services described in the ad hoc statements of work. The Company and AbbVie have entered into statements of work for two research programs: the RORγ project for the treatment of certain autoimmune diseases and a project in the field of fibrosis. Revenue generated by this AbbVie Partnership accounted for most of the Company's revenue for fiscal years 2012 to 2017. For example, the AbbVie Partnership represented 37.0% of the Company's revenue for the fiscal year ended December 31, 2017. In addition, pursuant to the agreement signed by the parties, the Company may receive additional payments in the form of milestone payments and royalties on sales for the RORγ project. Three milestone payments of €1 million, €2 million, and €2.5 million have already been paid to the Company, in December 2015, April 2016 and January 2017, respectively. An amendment to the partnership agreement with AbbVie dated August 27, 2017 extended the AbbVie Partnership for the development of the RORγ project until August 27, 2018.

If the AbbVie Partnership were to be terminated for any reason, if the development of the RORγ project were to be suspended or discontinued by AbbVie, or if the AbbVie Partnership were not renewed, this would have a material adverse effect on the Company's business, prospects, financial position, results and growth.

2.1.1.5 Risks related to the non-achievement of key objectives pursuant to the partnerships

The Company entered into several research and development partnerships for drug candidates, including the AbbVie Partnership and the partnership with Boehringer-Ingelheim (see section 1.3 "Material agreements" of this Registration Document). In accordance with these partnerships, the Company is entitled to receive research subsidies, milestone payments and/or royalties on sales of products where it achieves its pre-defined contractual objectives. For instance, under the partnership with Boehringer Ingelheim, the total amount of research subsidies and other milestone payments (excluding royalties on sales) could reach €170 million, assuming that all of the defined contractual objectives are achieved. Consequently, if the Company does not achieve these objectives, this could have a negative impact on its business, prospects, financial position, results or growth.

2.1.1.6 Risks of dependence on the most advanced development programs: lanifibranor and odiparcil

Lanifibranor, the drug candidate for the treatment of NASH and SSc, and odiparcil, the drug candidate for the treatment of some forms of MPS, are, at the date of this Registration Document, the only products of the Company to have reached the clinical development stage. The other products of its preclinical portfolio in oncology (YAP/TEAD and the Epicure project) are still at very early stages of development.

The development of lanifibranor and odiparcil has required and will continue to require significant investments in time and financial resources from the Company, as well as the mobilization of a significant number of the Company's qualified personnel. The allocation of human and financial resources to these projects may not lead to the development of viable drugs and diverts those resources away from potentially more promising programs.

The Company's future will depend largely on the results obtained (i) at the end of the Phase IIb clinical trials on lanifibranor expected in late 2019 in NASH and SSc, and (ii) following Phase II clinical trials on odiparcil, which are expected in the first half of 2019 and the beginning of 2019 respectively, and will allow the Company to envisage signing potential license agreements on lanifibranor and to carry out Phase III pivotal clinical trials on odiparcil.

If the Company does not manage to develop and then commercialize lanifibranor and/or odiparcil, directly or through its partners, its business, prospects, financial position, results and growth could be materially affected.

2.1.1.7 Risks related to the obtainment of a marketing approval (MA)

In Europe and the United States, as well as in many other countries, access to the drug market is controlled and products cannot be commercialized without prior approval from a regulatory body.

Granting of a MA to the Company or its future commercial partners in charge of the approval process and marketing of the Company's drug candidates is subject to compliance with stringent standards imposed by the regulatory authorities and requires a high level of reporting to the authorities about the new drug candidate as regards its toxicity, dosage, quality, efficacy and safety. The process for obtaining the MA is lengthy and costly and its result is uncertain. Additionally, granting of a MA in a given country or geographical area does not systematically or immediately lead to obtaining an MA in other countries.

In order to accelerate this process, the Company envisages requesting a conditional marketing approval from the European Medicines Agency (**EMA**) for its drug candidate lanifibranor for the treatment of SSc, and may also request that the competent regulatory authorities approve the fast-track marketing of its other drug candidates for the treatment of orphan diseases, particularly odiparcil for the treatment of some forms of MPS. There is no guarantee that the Company will obtain any such approvals and a failure to obtain or a withdrawal of approvals could have a material impact on development plans for the drug candidates concerned.

In the event that marketing approvals are not obtained, the drug candidates concerned cannot be manufactured or commercialized by the Company or its future partners. In addition, a drug candidate may fail to obtain a MA for a given geographical area, which could significantly limit its commercialization. Furthermore, even if properly obtained, a MA may be suspended, especially if manufacturing standards are not respected.

Finally, if, after a MA has been obtained by the Company or its partners or licensees, the Company's products are found to cause side effects that are unacceptable or unidentified during the clinical trials phase, this could jeopardize their commercialization and/or market prospects.

The occurrence of any of these events could have a material adverse effect on the Company's business, prospects, financial position, results and growth.

2.1.1.8 Risks related to the reimbursement and non-reimbursement of drugs and treatments

Following the regulatory approval phase and once marketing approval has been granted, the process for setting the sales price of the drugs and their reimbursement rates is initiated. The conditions under which the sales price and reimbursement rate are fixed are largely beyond the control of pharmaceutical companies. They are respectively determined by the competent committees and public bodies, as well as by social service organizations or private insurance companies. Today, strict controls on health spending and the current economic and financial crisis mean that pressure on sales prices and reimbursement rates is increasing, mainly due to the price controls imposed by many states and the fact that obtaining and maintaining satisfactory reimbursement rates for drug products is increasingly difficult.

In addition, the Company cannot guarantee that it will succeed in obtaining prices and reimbursement rates as high as those granted to other drugs prescribed in the treatment of SSc or the various forms of MPS, notably due to the fact that these drugs have a different therapeutic approach from those on which the Company's drug candidates are based.

The likelihood of the Company receiving royalties from its future industrial partners on the sale of its drug candidates, especially lanifibranor, and the Company's ability to make sufficient profits on the drug candidates that it intends to commercialize itself, in particular odiparcil, will depend on reimbursement conditions. If a delay in the price negotiating procedure leads to a significant delay in marketing, and if one of the Company's products does not obtain an appropriate reimbursement rate or the accepted price and reimbursement rate of the products commercialized by the Company are subsequently revised, the Company's profitability would be reduced.

The Company also cannot guarantee that it or its partners will manage to maintain the price of its products or the reimbursement rate accepted by the third-party payers over time. Under these conditions, its revenue, profitability and prospects could be materially affected.

2.1.1.9 The marketing of the Company's products may not be a success

At the date of this Registration Document, none of the Company's drug candidates have obtained a MA. If the Company and/or one or more of its commercial partners were to obtain a MA and maintain regulatory approvals to market its products, the Company cannot guarantee that its products will be commercially successful since:

- their acceptance by the medical community, health care prescribers and third-party payers could prove to be longer than anticipated;
- the Company may not obtain MAs for its products quickly enough to enable it to benefit from a competitive position on its target markets;
- health authorities may introduce usage restrictions limiting the therapeutic value and product potential on these target markets; and
- health authorities may require warnings to be added to the product's label or packaging and impose stricter advertising conditions.

The Company's growth and its ability to generate revenue will depend on the degree of acceptance of its drug candidates by the market, which depends on several factors, such as, in particular:

- their efficacy and the perception of their therapeutic benefits by prescribers and patients;
- the lack of potential side effects and undesirable interaction between drugs once the MA has been obtained;
- the ease of use of the drug candidates, which depends mainly on their methods of administration;
- the costs of treatment;
- the reimbursement policies adopted by governments and other third-party payers;
- the effective implementation of a scientific publication strategy;
- the support of opinion leaders in the indications targeted by the Company; and
- the development of one or more competing products for the same indications.

Even if the drug candidates developed by the Company are likely to provide a therapeutic response to a currently unmet need in the targeted indications, poor market penetration resulting from one or more of the factors described above could have an adverse effect on their marketing and the Company's ability to make a profit, either directly or through royalties paid pursuant to collaboration and/or license agreements signed with partners in the pharmaceutical industry. This situation would have a material adverse effect on the Company's business, prospects, results, financial position and growth.

Similarly, the Company cannot guarantee that the hypotheses made to determine the characteristics of the market targeted for each of its drug candidates will be confirmed, in particular, the prices, reimbursement rates, and the share of the market of lanifibranor and odiparcil in the indications targeted by the Company. If all or some of these hypotheses are not materialized, the size of the market evaluated by the Company could drop considerably, which would have a negative impact on the Company's business, prospects, results, financial position and growth.

2.1.1.10 Risks related to competition

Biotechnology and pharmaceutical industries are subject to strong competition and rapid and significant technological development. The Company has competitors in Europe, the United States and other countries, including large multinational pharmaceutical companies, established biotechnology companies, specialized pharmaceutical companies, universities and other research institutes.

The Company cannot guarantee that competitors will not develop alternative drugs that successfully compete with the Company's drug candidates in terms of efficacy, safety, ease of use, results, price or marketing, or are considered by the market as similar or higher in quality to the Company's drug candidates. To protect against competition risks, Company executives are bound by an exclusivity obligation which prohibits them from carrying out any other professional activity during the course of their employment contract.

In addition, the Company cannot guarantee that some competitors will not obtain a MA for their products before the Company is in a position to commercialize its own products because, even though at the date of this Registration Document and to the best of the Company's knowledge, no treatment has obtained a MA in the indications targeted by the Company except for enzyme replacement therapies in MPS I, II, IVa, VI and VII. Some of its competitors are at a more advanced clinical development stage and could obtain a MA for their drugs before the Company is in a position to commercialize its products, thus giving them a strong competitive advantage in the targeted markets.

Generally, all drugs designated as orphan medicinal products that obtain a MA benefit from market exclusivity for ten years in the European Union and seven years in the United States. During this period, the competent regulatory authorities do not accept any other MA application in the same therapeutic indication, grant a MA or accept an application for the extension of an existing MA for a similar drug. No other directly competing drug may therefore, in principle, be put on the market during this period. However, the competent regulatory authorities may, in certain cases, authorize similar drugs before the end of the period of exclusivity. If the orphan drug designation of lanifibranor for the treatment of SSc or of odiparcil for the treatment of MPS VI were to be withdrawn and, in particular, if prior to the granting of a MA the criteria for designation (i.e. incidence of the disease, absence of an authorized treatment for this disease or, if such treatment exists, the existence of a significant benefit for patients) were no longer satisfied, the product would no longer benefit from this period of exclusivity. Similarly, the drug candidate odiparcil may not obtain the orphan drug designation for the targeted indications in MPS other than MPS VI.

Furthermore, the Company cannot guarantee that its competitors will not deploy additional financial, industrial or commercial resources in order to reduce or limit the prospects of the Company or its products.

The Company's strategy is based on securing partnerships with other organizations or companies to develop and market products, and with research bodies and other laboratories to access innovative targets and technologies. However, the Company faces fierce competition from other industry players also looking to secure such partnerships.

The materialization of any of these risks could have a material impact on the Company's ability to make profits from its products and consequently have a material adverse effect on the Company.

2.1.1.11 Risks related to the hazardous nature of some of the Company's activities

In the course of its research and development activities for drug candidates, the Company's employees have to handle hazardous substances and are therefore exposed to chemical, biological and radiological risks. While handling them, the Company's researchers are, in particular, likely to:

- come into contact with radioelements, the purchase and handling of which are subject to either the approval of the French Nuclear Safety Authority (*Autorité de Sûreté Nucléaire*, ASN) or to a declaration pursuant to the regulations concerning facilities classified for environmental protection;
- handle genetically modified organisms (GMO). Safety for workers that handle these substances is controlled by the French Genetic Engineering Commission (*Commission de Génie Génétique*);
- conduct in vivo experiments, which requires approval from the French Department of Veterinary Services (*Direction des Services Vétérinaires*); and
- conduct research requiring the use of human samples. These research projects are subject to applications for authorization from the competent authorities to assess their interest, the quality of the patient information and the monitoring of the information collected when the samples were taken.

The Company is also required to invest in employee health and safety and in environmental protection in order to comply with applicable laws and regulations. If these laws and regulations were to change, the Company may have to purchase new equipment, adapt its laboratories, or incur other material expenditure. Failure to respect these laws and regulations could have serious consequences for the Company such as substantial financial penalties and the rejection, suspension or withdrawal of MAs for its drugs. The Company's business and, in the long term, its prospects, results, financial position and growth could be seriously affected.

In case of accidental contamination, injury or other damage, the Company could be held liable, which could be detrimental to its business even though the Company has insurances covering the risks inherent to its activities.

2.1.2 Risks related to the organization of the company

2.1.2.1 The Company could be exposed to a subcontractor or supplier default risk

2.1.2.1.1 The Company is dependent on its subcontractors for the manufacture of its drug candidates

At the date of this Registration Document, the Company does not manufacture the drug candidates tested during its clinical and preclinical trials and to a large extent must resort to CMOs (Contract Manufacturing Organizations) such as Synkem SAS (formerly Corden Pharma), Almac Group Limited and the Delpharm group for lanifibranor and Dr. Reddy's Laboratories Limited for odiparcil (see section 1.3 of this Registration Document) for the manufacture of its drug candidates, especially the synthesis of compounds and product packaging.

In case of default, bankruptcy or the operational shutdown of its subcontractors or disagreement with the latter, the Company may not be able to enter into new contracts with other suppliers in a timely manner and/or under commercially acceptable conditions and thus be able to continue developing its drug candidates, have them produced and then commercialize or have them commercialized in time and/or competitively.

In addition, the contracts entered into by the Company with these suppliers contain clauses that limit or exclude liability in their favor, which means that the Company may not obtain full compensation for any potential losses it may bear in case of default.

The use of suppliers for the manufacture of its drug candidates creates additional risks including:

- * failure by the CMOs to comply with the regulatory quality standards;
- * delays in the production and delivery of the active pharmaceutical ingredients;
- * difficulties in supplying the necessary clinical quantities;
- * failure by the CMOs to comply with laws and regulations; and
- * the termination or non-renewal of these CMOs for reasons beyond the Company's control.

Should the drug candidates manufactured by third-party suppliers fail to comply with regulatory standards, sanctions could be imposed on the Company. These sanctions could include fines, injunctions, damages, refusal by the regulatory authorities to allow clinical trials or to grant MAs for its products, delays, suspension or withdrawal of authorizations, termination of licenses, seizure or recall of its products, operating restrictions, its product liability being sought (see section 2.1.3.4 “Risks related to product liability” of this Registration Document) and criminal proceedings. All of these measures could have a material adverse effect on the Company’s image, business, prospects, results, financial position and growth.

If the Company were to change suppliers for its drug candidates, it may be required to revalidate the manufacturing process and procedures to ensure they comply with applicable standards. This revalidation could be costly, time-consuming and could require the involvement of the Company’s qualified personnel to the detriment of other activities. Should the revalidation be refused, the Company could be obliged to find another supplier, which could delay the production, development and marketing of the Company’s products and thus have a material adverse effect on its business, prospects, results, financial position and growth.

2.1.2.1.2 The Company is dependent on its subcontractors for preclinical and clinical trials.

The Company outsources some of its preclinical and clinical trials on lanifibranor to specialized scientific companies or Clinical Research Organizations (CROs) such as (i) Citoxlab and Envigo (formerly Huntingdon), respectively for the toxicology and carcinogenicity studies relating to lanifibranor, (ii) Pivotal S.L. and Clinmark SP.ZO.O for the monitoring of the Phase IIb clinical trial in SSc, (iii) Eurofins Optimed for the monitoring of the Phase I pharmacokinetic trial for lanifibranor, (iv) Keyrus Biopharma, Quintiles and Orion Santé for the monitoring of the Phase IIb clinical trial in NASH, and (v) Orion Santé for the monitoring of the Phase II clinical trial in MPS VI. The Company will also use subcontractors to conduct preclinical and clinical trials on odiparcil. Therefore, for these two programs, the Company depends and will depend on the good performance and respect of the contractual commitments taken by these CROs.

Any default or delay on the part of these CROs could have consequences on the schedule, or even the continuation of the preclinical and clinical trials on the drug candidates lanifibranor and odiparcil, as well as on the quality of the data which must conform to strict standards (in particular Good Clinical Practice, Good Manufacturing Practice or the ICH Harmonised Tripartite Guideline for Good Clinical Practice) imposed by the supervisory authorities, and thus delay the marketing of the products.

In case of default, bankruptcy or the operational shutdown of its subcontractors or disagreement with the latter, the Company may not be able to enter into new contracts with other suppliers in a timely manner and/or under commercially acceptable conditions and thus be able to continue with preclinical and clinical studies on its drug candidates lanifibranor and odiparcil.

Such events could have a material adverse effect on the Company's business, prospects, results, financial position and growth.

2.1.2.1.3 The supply of specific starting materials needed to conduct clinical and preclinical trials and to manufacture the Company's products is not guaranteed

The Company relies on third parties to supply several starting materials needed to manufacture the experimental batches required to conduct its clinical and preclinical trials (especially in the synthesis process of compounds). The Company is also dependent on suppliers to manufacture its products and in particular, on three suppliers which manufacture three starting materials required for the synthesis of the lanifibranor molecule. At the date of this Registration Document, the Company has not yet identified and secured an alternative source of supply. Any supplier default or delay could have consequences on the duration, cost, or even continuation of the clinical trials and consequently delay the marketing of the Company's products. This could have a material adverse effect on its business, prospects, results, financial position and growth.

2.1.2.2 Risks related to sales, marketing and distribution resources

The Company does not currently have the necessary infrastructure for the sale, marketing and distribution of its drug candidates, particularly for its most advanced programs lanifibranor and odiparcil. It plans to create a marketing and sales structure that will enable it to commercialize the drug candidate odiparcil itself and expects to seek partners in the pharmaceutical industry to market lanifibranor.

In the first instance, the Company will be obliged to set up its own sales, marketing, pharmacovigilance and price negotiation structure, which will entail adapting its organizational structure, recruiting qualified and dedicated teams and consequently incurring significant additional expenditure. Were the Company unable to set up such a structure or if delays were to occur in the organization of marketing and distribution capacities and in the recruitment of a qualified sales and marketing team, this could have an adverse effect on the marketing of its products and on its business, prospects, financial position, results and growth.

In the latter case, the Company would have to enter into license agreements with partners having the necessary marketing infrastructure and distribution network, but it is possible that:

- the Company does not succeed in entering into license agreements for the marketing of its products under economically reasonable conditions; or
- such agreements are challenged; or
- its partners have difficulty or do not succeed in implementing all the resources necessary to ensure the commercial success of the Company's products; or
- disputes arise between the Company and some of its partners. In particular, the Company cannot guarantee that none of its partners will design or try to implement a commercial activity using products competing with those of the Company. See section 2.1.1.3 "Risks related to the search for and signing of collaboration or license agreements for the development and marketing of drug candidates" of this Registration Document.

Such events could have a material adverse effect on the Company's business, prospects, results, financial position and growth.

2.1.2.3 Risks related to its ability to penetrate foreign markets

The Company's future profitability will depend, in part, on its capacity or the capacity of its future partners to commercialize its drug candidates on markets other than the French market, particularly in the United States and the rest of Europe. If the Company or its future partners commercialize the Company's candidate products on foreign markets, they will be subject to additional risks and uncertainties, in particular:

- economic or financial risks associated with an unstable political situation, inflation, customs duties, tariff barriers, import and export restrictions and other trade protection measures, the fluctuation of exchange rates and exchange controls;
- difficulties associated with the acceptance by the medical community, especially local health care professionals and opinion leaders and patients due to differences in medical practice and customs and the uncertainty or inadequacy of reimbursement systems implemented locally;
- difficulties associated with the complex and changing local regulatory environment, particularly in the legal, tax and accounting sectors as well as in employment and immigration laws, especially for the employees of the Company or its future partners, who would be required to live or travel abroad;
- risks associated with a reduced protection of intellectual property rights in certain countries and the resulting prevalence of alternative generic drugs;
- difficulties associated with the restrictions specific to some markets such as longer shipping times and in the collection of receivables, uncertainties concerning the workforce in countries where labor unrest is common, or language barriers for technical training.

The materialization of one or more of these risks could have a significant adverse effect on the Company's business, financial position, results and growth.

In particular, the Company's growth could require its implantation in the United States in order to obtain better access to some markets, notably the NASH market. In addition to the risks mentioned above, this could require major expenditure and the adaptation of its organizational structure. If the Company were to fail to obtain a return on these costs or to set up an appropriate structure, this could have an adverse effect on its growth, business, prospects, financial position and results.

2.1.2.4 The termination of some academic and scientific partnerships could have an impact on the Company's growth

The Company relies, and intends to continue to rely, on partnerships with university centers and public and private research institutes, such as the Institut Curie, to carry out some of its research and development activities. If one of these partners were to terminate or fail to respect its contract with the Company or fail to work effectively with the Company in any way, the research, development or marketing of the products included in the scope of these partnerships could be delayed or discontinued. If one of the partnerships established by the Company were to be terminated or if the Company were unable to renew those partnerships under acceptable conditions, this could have a negative impact on its business and prospects.

2.1.2.5 The Company could lose some key employees and not succeed in attracting new qualified personnel

The Company's success largely depends on the work and expertise of its managers, its qualified scientific personnel.

The temporary or permanent unavailability of these persons could result in a loss of know-how and impair some activities; even more so if they were to join competing companies, and could, in the long term, reduce the Company's ability to achieve its objectives.

To prevent this risk, the Company has taken out a so-called "key person" insurance policy (permanent disability/death insurance policy). However, the Company cannot guarantee that this will be adequate to cover the harm suffered.

As the Company progresses in its programs and broadens the field of its activities, it may have to recruit new employees with skills in fields such as clinical trials, regulatory issues, reimbursement procedures, sales and marketing. To retain and attract qualified personnel, the Company has implemented an employee incentive and loyalty policy. This takes the form of a profit-sharing agreement, an incentive agreement and several founder share warrant (*Bons de Souscription de Parts de Créateur d'Entreprise*, BSPCE or BSPCE share warrant) and bonus share plans. The Company will face strong competition from other companies operating in this sector, universities, public and private research institutes, as well as other organizations to recruit and retain qualified personnel. In such circumstances, the Company cannot guarantee its ability to recruit and/or retain its qualified employees under economically acceptable conditions.

The Company's inability to attract or retain key personnel could prevent it from meeting its overall objectives and could consequently have a negative impact on its business, results, financial position and growth.

2.1.2.6 Risks related to the use of information systems and risks of cyber attacks

In order to maintain the security of the information systems and protect their users, the Company has set up procedures governing their use (information technology charter and internal control procedures) that outline the main precautions and guidelines that all users must observe when using the Company's information systems.

Nevertheless, the Company cannot guarantee that the users respect these procedures and that these are sufficient to prevent the risks of cyber attacks, loss of sensitive data, discontinuity of operations and claims against the Company. Should these risks materialize, they could have an adverse effect on the Company's business, financial position, results, reputation or growth.

2.1.2.7 Risks related to industrial espionage

Given its highly technological and innovative activity, its advanced research and development projects that could give the Company a competitive advantage in its market, the Company is exposed to a risk of industrial espionage.

The disclosure or theft of its scientific research would deprive the Company of potential sources of income and affect its business.

Should such a situation occur, it is likely to have an adverse effect on the Company, its prospects, business, financial position, results or growth.

2.1.3 Legal and regulatory risks

2.1.3.1 Risks related to a strict and evolving legal and regulatory framework

One of the key challenges for a growth company, such as the Company, is to manage to develop, alone or with the assistance of partners, drug candidates that integrate its technologies in an increasingly strict regulatory environment. In fact, the pharmaceutical industry is faced with constant changes in its legal and regulatory environment and an increase in supervision by regulatory bodies, in particular, the National Agency for the Safety of Medicines and Heath Products in France (*Agence Nationale de Sécurité du Médicament et des Produits de Santé*, **ANSM**), the European Medicines Agency (**EMA**) in Europe, the Food and Drug Administration (**FDA**) in the United States, as well as other regulatory authorities in the rest of the world.

2.1.3.1.1 A strict legal and regulatory framework

Pharmaceutical businesses like the Company must comply with stringent rules and standards to obtain a MA or to preserve their existing MAs.

- During the MA application process, regulatory bodies supervise research and development, preclinical and clinical trials, regulations applicable to pharmaceutical companies and the manufacture and marketing of drugs. Legislative and regulatory supervision exists across the globe, even though requirements vary from one country to the next. In particular, the health authorities, especially, the ANSM, the EMA and the FDA, have imposed progressively stricter requirements in terms of the volume of data required to demonstrate the efficacy and safety of a product. These increased requirements have subsequently reduced the number of products approved compared with the number of applications filed. The MA process is long and costly and can last several years. There is no guarantee that the Company will obtain the approvals necessary for all of its products.
- Once awarded an approval, the Company must, as a pharmaceutical business, comply with additional legal and regulatory requirements concerning the manufacture and marketing of drugs.
- Commercialized products are also subject to regular reassessment of their risk/benefit ratio after their approval. The late discovery of problems not detected during the research and development stage may lead to marketing restrictions, the suspension or withdrawal of the product and a higher risk of lawsuits.

The materialization of one or more of these risks could have a significant adverse effect on the Company's business, prospects, financial position, results and growth.

2.1.3.1.2 An evolving legal and regulatory framework

Legal and regulatory requirements applicable to the Company are known but are subject to change. Should any new legal or regulatory provisions (i) lead to an increase in the cost of obtaining and maintaining the marketing approvals of products, (ii) limit the targeted indications of a product, or (iii) reduce the economic value of a new product for its inventor, the growth prospects of the pharmaceutical industry and of the Company could be reduced.

Furthermore, while it is increasingly difficult to bring innovative products to market for the reasons outlined above, government authorities endeavor to make it easier for generic drugs of products already commercialized to enter the market by introducing new regulations that amend patent and data exclusivity rights.

2.1.3.2 Specific risks related to the introduction of stricter regulatory requirements for preclinical and clinical trials to obtain the marketing approvals for the Company's drug candidates

At the date of this Registration Document, none of the drug candidates developed by the Company have received a marketing approval from any regulatory authority. The organization of preclinical trials and clinical trials on human patients is essential to obtaining such marketing approval.

The Company's programs are at different phases of development: its drug candidates lanifibranor and odiparcil are at the clinical phase and the other products of its portfolio are at the preclinical phase.

As part of its preclinical development activities, the Company must comply with many health, safety and environmental regulations.

As part of its clinical development activities, the Company must obtain the necessary authorizations from the competent regulatory authorities, in particular from the ethics committees, for the launch of each clinical trial. These regulatory authorities could discontinue clinical trials or development activities on one or more drug candidates developed by the Company, particularly lanifibranor and odiparcil, if it were found that the data presented had not been produced in compliance with applicable regulations or if they were to consider that the potential risks of the product outweighed its expected benefits. The Company could decide to suspend or terminate clinical trials, whether requested to do so by the regulatory authorities or not, were patients exposed to unexpected and/or serious risks. Some complications and other undesirable events could occur during the trials and could require the Company to delay or discontinue the development of lanifibranor and odiparcil in the targeted indications.

In addition, the data collected during the preclinical and clinical trials may give rise to different interpretations between medical experts, the competent regulatory authorities and the Company, which could delay the granting or narrow the scope of the regulatory authorization, or force the Company to repeat some trials so that they meet the requirements of the different regulatory bodies. The regulatory requirements and processes vary considerably from one country to another so that the Company or its potential partners may not be able to obtain authorization in due time in each country concerned. Changes in the regulations during the development of the Company's drug candidates and their regulatory reviews may lead to delays, a refusal or withdrawal of the authorizations.

The completion of the clinical and preclinical trials takes several years and proves to be very costly. If the results of these trials are not satisfactory or conclusive, the Company could have to choose between discontinuing its programs, which would entail losing the respective financial investment and the time spent during these trials or continuing them with no guarantee that the additional costs borne will lead to the desired results.

The Company's inability to successfully conduct and complete its preclinical trials on the products derived from its preclinical platform and its clinical trials on lanifibranor and odiparcil could have a material adverse effect on its business, prospects, financial position, results and growth.

2.1.3.3 Specific risks related to the protection of patents and other intellectual property rights

2.1.3.3.1 Specific risks related to the acquisition and protection of intellectual property rights

The Company's success will in part depend on its ability to protect, through intellectual property rights, those aspects of its business that ensure the exclusive right to use its technologies.
The standard employment contracts of science executives contain clauses about inventions and copyright. Executives are bound by an exclusivity obligation which prohibits them from carrying out any other professional activity during the course of their employment contract.

The Company has filed, and intends to continue to file, patent applications to cover various aspects of its business. However, due to the length of the patent application procedures, the date of the decision to grant or reject an application cannot be determined in advance. There is no certainty either that a given application will actually lead to a patent or, if a patent is granted, that it will actually give a competitive advantage to the Company or that it will not be challenged or circumvented.

In Europe and the United States, the opposition procedure conducted before the European Patent Office (EPO) or the United States Patent and Trademark Office (USPTO) allows any person to contest the validity of a European or American patent before the EPO or USPTO. This could lead to the revocation of a patent or a limitation of its scope. The validity of the patents granted by these offices may also be contested before the competent national courts.

The Company intends to continue its research and innovation protection policy. There is however no guarantee that the results of the research could be protected by intellectual property rights.

The Company also monitors technologies which could be of interest to its business with a view to signing collaboration or license agreements on these technologies. The result of this monitoring and any subsequent negotiations may not lead to the conclusion of agreements.

The protection of items of particular importance for the Company's growth, such as the trade name or product descriptions, is also subject to the filing or acquisition of trademarks. However, given prior third-party rights and the uncertainties associated with the regulations specific to each of the countries in which an application is filed, there is no certainty that a given application will actually lead to the registration of a trademark.

In addition, the Company's partnerships, service or subcontracting agreements with third parties expose it, where applicable, to a risk of these third parties claiming intellectual property rights over the inventions, technologies and results of the Company's research.

There is also a risk that the Company's employees may claim ownership rights for elements of intellectual property in the development of which they have taken part or payment of additional compensation as consideration for their contribution to an invention, despite the precautions, essentially contractual, taken by the Company. In case of joint ownership of intellectual property rights, the joint owners may refuse to grant a license to the Company under favorable conditions for the latter.

2.1.3.3.2 Specific risks related to the continuation of any registered intellectual property rights

Once intellectual property rights have been obtained, they must be kept in force to ensure that the Company's business is safe and durable.

The fees necessary to keep the patents in force and to renew protected trademarks must be paid regularly, otherwise the Company will lose its rights over these patents and trademarks.

2.1.3.3.3 Specific risks related to the infringement of intellectual property rights

For the success of its business, the Company must be able to freely use its products without infringing third-party patents or other intellectual property rights, and without third parties infringing the Company's intellectual property rights.

i. Risks of infringement by the Company of third-party intellectual property rights

The Company conducted, and continues to conduct, the preliminary studies that it considers necessary to assess the above-mentioned risks before investing in the commercialization of its various products. With the assistance of its industrial property legal counsel, it monitors the activity (particularly in terms of patent applications) of its competitors.

Nevertheless, the Company cannot guarantee with any certainty:

- that its products do not infringe or violate third-party patents or other intellectual property rights;
- that there are no prior patents, complex interpretations or other third-party intellectual property rights likely to cover some of the Company's products, processes, technologies, results or activities, even if the Company has obtained a license for these products, processes, technologies, results or activities, and that third parties will not take action against the Company in order to obtain the payment of damages and/or the discontinuation of its production and/or marketing of challenged products or processes;
- that there are no prior third-party trademark rights or other intellectual property rights that could lead to action for patent infringement against the Company or restrict or limit the use of these trademarks, trade name or Company name by the Company; and/or
- that the Company's domain names will not be subject to a Uniform Dispute Resolution Policy (UDRP) or similar procedure or infringement action taken by a third party having prior rights (e.g. trademark rights).

Any action taken against the Company, regardless of the outcome, could entail substantial costs and be detrimental to its reputation and financial position. If such proceedings were completed and had an unfavorable outcome for the Company, the Company could be required to:

- stop using the disputed intellectual property rights;
- discontinue (or suffer a penalty) or delay the research, development, manufacture or sale of products or processes affected by the disputed intellectual property rights;
- pay material damages to the complainant;
- stop selling or using one of its products to which the disputed intellectual property rights relate in a given geographical area, which could reduce its revenues;
- try and obtain a license from the owner of the intellectual property rights, a license that may not necessarily be granted or that could be granted at unfavorable conditions; and
- review the design of its products or, in the case of claims concerning registered trademarks, rename its products so as to avoid infringing third-party intellectual property rights, which could prove to be impossible or require a lengthy and costly procedure and consequently affect its marketing efforts.

Some competitors with greater financial resources than those of the Company could be in a better position to bear the costs of a complex procedure. Any such disputes could therefore affect the Company's ability to continue all or some of its activities:

ii. Risks related to third-party infringement of the Company's intellectual property rights

The Company cannot guarantee with certainty that it will be able to avoid the misappropriation and unauthorized use of its intellectual property rights, in particular those concerning its products and technology, especially in foreign countries where its rights will be less well protected due to the territorial scope of the intellectual property rights. Other companies could use or try to use parts of the Company's technology, whether protected by an intellectual property right or not, which would be detrimental to the Company. The Company could decide, if necessary, to take judicial or administrative actions to enforce the exclusivity conferred by its intellectual property rights (inter alia, its patents, trademarks or domain names), its trade secrets or its know-how.

Any dispute could entail substantial costs, have an adverse effect on the Company's results and financial position and may not necessarily lead to the desired protection or sanction.

iii. Risks related to confidentiality and Company know-how

The Company considers that non-patented and/or non-patentable technologies, processes, know-how, or other data related to the research, development, testing, manufacturing and marketing of its products, represent trade secrets. The Company may be obliged to supply, in various forms, non-patented and/or non-patentable confidential information about technologies, processes, know-how or other data to third parties which it works alongside (such as universities and other public or private entities, or its subcontractors). In such cases, the Company generally requires these third parties to sign confidentiality agreements.

However, the Company only has limited control on how its third parties protect this confidential information. Accordingly, these confidentiality agreements may not give the Company the protection it seeks or may be violated.

There is therefore no guarantee that the third parties concerned will not violate such agreements and, in particular (i) that they will maintain the confidentiality of the Company's know-how and non-patented innovations or enhancements, (ii) that they will not disclose the Company's trade secrets to its competitors or (iii) that they will not use these trade secrets to their advantage.

Consequently, the Company's rights over its trade secrets and know-how may not ensure the expected degree of protection against its competitors and the Company cannot guarantee with any certainty, in particular:

- that its know-how and trade secrets will not be infringed, circumvented, disclosed or used without its authorization;
- that the Company's competitors have not already developed a technology that infringes the Company's rights, or products or devices comparable or similar in nature or purpose to those of the Company; or
- that no contracting partner will claim ownership of the intellectual property rights over inventions, know-how or results that the Company holds alone or with others, or for which it could benefit from a license.

2.1.3.4 Risks related to product liability

The Company could incur liability, in particular product liability, as part of the testing, manufacturing and marketing of therapeutic products for human use. It may also incur liability for its clinical trials as part of the preparation of the tested therapeutic products and if unexpected side effects deriving from the administration of these products occur.

Civil or criminal proceedings could be initiated against the Company by patients, regulatory agencies, biopharmaceutical companies or any other third party that uses or commercializes its products. Such proceedings may include complaints resulting from action taken by its partners, licensees and subcontractors over which the Company has little or no control.

Where this is the case, if the Company, its partners or subcontractors are held liable, the continuation of the development and marketing of its drug candidate could be jeopardized and the Company's financial position could be affected.

To this date, no proceedings or claims have been made against the Company on these grounds and the Company has taken a liability insurance policy that includes compensation for any damage caused by defective products and, for each clinical trial, legal insurance policies covering any damage suffered by the patients and participants in a clinical trial.

In the event that the contractually capped indemnity undertakings agreed by its subcontractors are not sufficient to protect the Company against the proceedings that could be initiated against it, the latter could be the only solvent entity capable of indemnifying a loss. The Company cannot guarantee that its current insurance cover is sufficient to protect it against the proceedings that could be initiated against it. If it were to be held liable and if it were not able to obtain and maintain appropriate insurance coverage at an acceptable cost or to take precautions in any manner whatsoever against such product liability actions, this would seriously affect the marketing of these drug candidates and, more generally, harm the Company's business, results, financial position, growth and prospects.

2.1.3.5 Risks related to potential disputes that could affect the Company's relations with its potential licensees

A primary aim of the Company's strategy is to license some of its drug candidates, in particular lanifibranor, to pharmaceutical companies. Where this is the case, the conclusion and outcome of license agreements are therefore of fundamental importance for the Company.

Nonetheless, disputes may occur with the licensees during the performance of the contracts concluded with the Company, which are likely to affect their continuation and, consequently, the development, manufacture and marketing of the Company's drug candidates. Such disputes could concern the terms of the agreements or the proper performance, by either party, of its obligations pursuant to such agreements. Such disputes could materially affect the Company's business, financial position, results, development and prospects.

2.1.3.6 Risks related to the loss of the Young Innovative Enterprise regulatory status

The Company benefits from the Young Innovative Enterprise (*Jeune Entreprise Innovante*, YIE) tax status, which provides substantial support for young businesses operating in the research and development sector, by granting them a certain number of social security exemptions and tax breaks.

In this respect, the Company benefits, in particular, from a reduction in its social security charges and an option of early repayment of its research tax credit receivables (*Crédit d'Impôt Recherche*, CIR). The tax incentives obtained must not exceed the limits set down by regulation EU/1407/2013 on de minimis assistance, amounting to €200 thousand per period of three fiscal years. The Company will definitively lose this status from the year starting December 31, 2019.

Furthermore, if any of the eligibility conditions (for example, that at least 50% of the Company's share capital is owned continuously by eligible persons, i.e., physical persons in particular) are not met or if the Company is not in a position to comply with any other new conditions that could be imposed by the applicable regulations, the Company could definitively lose its status as a YIE for the year in which one or several conditions are not respected, which could have an adverse effect on its results.

Accordingly, if the eligibility conditions are not met at the close of 2018, the Company will no longer have YIE status for the year ended December 31, 2018. However, the Company may nonetheless be eligible for a 50% tax break on its taxable profit for the year provided it has not already benefited from the break when applying for YIE status.

2.1.4 Financial risks

2.1.4.1 Risks related to access to the research tax credit

In order to contribute to the financing of its activities, the Company currently makes use of the French research tax credit (CIR) which is a tax incentive to support the development of scientific and technical research conducted by businesses in France by granting a tax credit. Research expenses which are eligible for the CIR include, inter alia, the salaries and compensation paid to researchers and research technicians, the depreciation of fixed assets allocated to research activities, services subcontracted to accredited research organizations (both public and private) and costs incurred for filing and maintaining patents.

In 2016 and 2017, the Company was reimbursed for the CIR declared in respect of 2015 and 2016, representing €3,121 thousand and €4,172 thousand respectively. The Company recorded CIR expenses of €4,321 thousand for 2017.

At the request of the tax authorities, companies have to justify the amount of the CIR and the eligibility of works considered to benefit from this incentive. The tax authorities recommend that companies create a scientific dossier, including all supporting documents needed to justify the tax credit. There is also the possibility that the tax authorities will challenge the methods used by the Company to calculate research and development expenditure in order to determine the CIR amount. The risk of a dispute of these CIR can therefore not be ruled out, it being specified that any claw-back is only possible until the end of the third year following the year of filing of the special tax form used for the calculation of the CIR.

On July 29, 2017, the Company received a proposed tax adjustment from the tax authorities disputing the way in which certain CIR inputs were calculated. The Company submitted its response on September 29, 2017. On February 6, 2018, the French tax authorities responded to the Company's challenge of the tax deficiency notice maintaining the validity of all reassessments presented in that document. The Company used every means available to it to contest this position. For more information on the case in progress and the Company's recognition of a provision for €477 thousand at December 31, 2017, see Note 2.6.5 "Events after the reporting date" in section 4.6 "Financial statements prepared in accordance with IFRS".

If the CIR were to be called into question as a result of a change in the regulations or challenged directly by the tax authorities, this could have a material adverse effect on the Company's financial position and results.

2.1.4.2 Risks related to uncertain additional funding

Since its inception in October 2011, the Company has made major investments, financed in particular by (i) the exceptional subsidy of €96 million in the form of quarterly payments granted by Abbott in 2012 and which expired in 2017, (ii) the revenue generated by the AbbVie Partnership, and (iii) the reimbursement of CIR receivables.

Further major financial investments are needed and will be needed for the development of the Company's programs, in particular for its clinical programs (odiparcil and lanifibranor) and its preclinical programs portfolio (YAP/TEAD and the Epicure project). It is essential for the Company to be able to raise the funds to ensure the continued development of its drug candidates.

The Company may need additional funds in order to make new investments that are currently unknown or still difficult to evaluate since they relate to projects under development. It is difficult to accurately predict the total costs associated with the preclinical and clinical development of the Company's products while most of the Company's products are still at an early stage of development.

The Company may also need additional financing, particularly if:

- there were unexpected opportunities for the development of promising new drug candidates or for the acquisition of technologies or other activities;
- an opportunity to speed up in-house programs were to be identified, for example for its preclinical oncology portfolio;
- on-going developments proved to be longer and more expensive than currently estimated;
- the regulatory authorities were to ask the Company for additional studies or if negotiations with the authorities were to be delayed;
- significant costs for filing, maintaining and defending patents and other intellectual property rights were to be incurred by the Company; and
- the Company was unable to sign collaboration or licensing agreements within the expected time frame.

Should the Company be unable to secure the additional financing under acceptable conditions, this could affect its activity, organization, performance and development and, more specifically, it may be forced to:

- delay or even discontinue the development or marketing of some of its products;
- implement a plan for the reduction and management of its fixed costs;
- enter into new collaboration agreements which could be less favorable for the Company than those it might have obtained in a different context.

2.1.4.3 Liquidity risk

The Company does not consider itself exposed to a liquidity risk in the coming 12 months. Cash and cash equivalents amounted to €59 million at December 31, 2017 following the funds raised in its February 2017 initial public offering (approximately €48.5 million). These cash resources should enable the Company to finance all of its activities until mid-2019. See Note 2.3 "Liquidity risk" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS".

Subject to the settlement of the capital increase of €35,496,825 through the issue of 5,572,500 new shares at a price per share of €6.37, without pre-emptive subscription rights for a category of beneficiaries, which is scheduled for April 17, 2018, cash and cash equivalents at December 31, 2017 including the net proceeds from the capital increase should enable the Company to finance its activities until mid-2020, based on programs already underway.

Thereafter, the Company may be exposed to the risk of not being able to finance its own growth and may need to strengthen its equity or find additional financing for its development.

The implementation and terms and conditions of new financing which would depend on factors, particularly economic and market ones, over which the Company has no control. This new financing could take the form of bank or bond financing which would then affect the Company's financial structure, or a capital increase, with the ensuing share dilution.

2.1.4.4 Equity risk

At December 31, 2017, the Company had no holdings in listed companies and is therefore not exposed to equity risk.

2.1.4.5 Risk of dilution

Since its inception, the Company has issued and awarded share warrants, (*bons de souscription d'actions,* **BSA** or **BSA share warrants**), founder share warrants (*bons de souscription de parts de créateur d'entreprise,* **BSPCE** or **BSPCE share warrants**) and free shares (*actions gratuites* or **AGA**), as described in section 6.2 "Securities giving access to the share capital and call options" of this Registration Document.

At December 31, 2017, the exercise of all such outstanding and awarded securities giving access to the Company's capital represents the subscription of 551,400 new shares.

On January 26, 2018, after having noted the authorization given to the Board of Directors by the Annual General Meeting of September 30, 2016 in its 17th resolution, the Board of Directors decided to award 75,700 free shares to the Company's employees. The Board also approved the exercise of 1,803 BSPCE share warrants in January and the creation of 180,300 new shares by means of a share capital increase of €1,803, bringing the total share capital to €166,247.77.

On March 14, 2018, the Board also approved the exercise of 1,803 BSPCE share warrants between January 5 and 20, 2018 and the creation of 180,300 new shares by means of a share capital increase of €1,803, bringing the total share capital to €166,247.77.

Consequently, at the date of this Registration Document, outstanding and awarded securities giving access to the share capital allow for the subscription of 446,800 new shares. This would have a dilutive impact of 2.01% on existing share capital as recorded by the Chairman and Chief Executive Officer on March 14, 2018 and of 1.97% on existing fully diluted share capital.

On April 18, 2018, 60,000 shares will be automatically issued under the 2017-2 AGA share plan described in section 6.2.3 of this Registration Document.

Moreover, on January 26, 2019, 10,000 new shares will also be automatically issued providing that the beneficiary is still employed by the company on the date of the issue and in accordance with AGA 2018-1.

Thereafter, on April 26, 2019, 79,900 new shares will also be automatically issued providing that the beneficiaries are still employed by the company on the date of the issue and in accordance with AGA 2017-1.

Lastly, on January 26, 2020, 75,700 new shares will also be automatically issued providing that the beneficiaries are still employed by the company on the date of the issue and in accordance with AGA 2018-2.

As part of its policy to provide incentives to its managers and employees and in order to attract and retain qualified personnel, the Company could, in the future, issue or allot shares or new financial instruments giving access to the Company's share capital that may lead to further, potentially significant, dilution for the Company's shareholders.

2.1.4.6 Interest rate risk

The only exposure to interest rate risk on the Company's assets is linked to the investment of cash and cash equivalents in monetary term accounts and UCITS.

With regard to its indebtedness, the Company has subscribed to zero-rate and fixed-rate bank loans. The Company has no floating-rate debt. Its debt repayment flows are not subject to interest rate risk. At the date of this registration document, the Company estimates that it is not exposed to a material risk of interest rate variation.

2.1.4.7 Credit risk

Credit risk derives from the cash, cash equivalents and deposits held in banks and financial institutions.

Credit risk may also arise on trade receivables. The Company has introduced monitoring of its receivables and their settlement.

At the date of this Registration Document, the Company estimates that it is not exposed to a material credit risk.

2.1.4.8 Exchange rate risk

At the date of this Registration Document, the Company's exchange rate risk is limited to the purchase of products and the provision of services in foreign currencies. Consequently, the Company does not consider itself to be exposed to any significant exchange rate risk.

2.1.4.9 Risk of not being able to use future loss carry forwards

The Company generated its first tax loss in 2017 and calculated a carry-back receivable of €333 thousand in accordance with applicable tax rules (see Note 2.4.4 "Other non-current assets" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document). The Company expects to generate tax losses over the next two fiscal years.

In France, the set-off of such losses is capped at €1 million, plus up to 50% of the fraction of profits in excess of this cap. The unused balance of losses can be carried forward to subsequent years, and set-off under the same conditions without any time limits.

It cannot be ruled out that future tax changes could call into question these provisions by limiting or eliminating the possibilities of carrying forward any future tax losses the Company may incur, which could have an adverse effect on the Company's performance.

2.1.5 Insurance and risk coverage

The Company implemented policies to cover the main insurable risks with guarantee amounts that it considers compatible with the nature of its business.

However, the Company cannot guarantee that it will always be able to maintain and, where applicable, obtain similar insurance coverage at an acceptable cost, which may lead it to accept more expensive insurance policies and/or assume a higher level of risk. This will become all the more pertinent as it develops its activities.

Table summarizing the insurance cover taken out by the Company:

Risks covered	Insurers	Amounts insured	Excess	Maturity
	CHUBB			
Contractual indemnity limitations:			general €25,161	01.01
. Buildings or tenant's risks		€9,000,000		
. Equipment and goods		€9,000,000	water damage €3,019	
. Non indexable items			transport €1,000	
Damage to property:				
All damage to capital				
. Buildings or tenant's risks		€23,550,679		
. Equipment and goods		€19,850,607		
. Employees' personal property		€2,500		
. R&D assets including compounds of the sample collection of cells and plasmids		€9,057,953		
. Policyholder's liability as tenant/ Owner's liability towards the tenant/ claims of neighbours and third parties		€2,012,879		
. Costs and losses		€5,032,196		
Specific limits of warranty:				
. Electrical damage		€503,220	€3,019	
. Theft of equipment and goods		€100,644	€3,019	
. Glass breakage damage		€30,193	€3,019	
. Machine breakage damage		€402,576		
. Information and office technology damage		€201,288	€3,019	
. Additional IT expenses		€251,610		
. Media reconstruction expenses		€503,220		
. Transport		€20,000		
. Goods stored in controlled environments, including refrigerated goods		€150,000		
. Laboratory animals with a limit of €40 per animal/up to €150 per animal within the limit of 5% of the livestock for GMO animals only		€20,000		
. Natural events except natural disasters		€503,220		
Options:				
Revenue from Research and Development			€25,000	
. Revenue and R&D		€3,000,000		
. Indemnity period		12 months		
. Additional operating costs		€2,000,000		
. Further additional operating costs		€500,000		
. Financial losses following a change in the controlled environment		€250,000		
. Lack of electricity supply		€150,000		
	CHUBB			01.01
Operational liability				
All damage combined including physical injuries, of which:		€7,500,000 per claim	physical: N/A	
. Inexcusable fault/occupational illnesses not recognised by social security		€1,000,000 per victim and per year	€10,000(*)	
. All material and immaterial damage including:		€2,000,000 per claim	€3,000	
- Non-consequential immaterial damage		€300,000 per year	€3,000	
. Accidental harm to the environment (except for a site subject to authorisation)		€500,000 per year	€3,000	
Professional and product liability				
All damage combined (including "physical injuries" and "non-consequential immaterial damage")		€2,000,000 per year depletable	€10,000(**)	

(*) The "inexcusable fault" cover will be increased to €1,500,000 once the policyholder has carried out a CMR replacement study and has notified the Insurer of the results, The excess will then be lowered to €5,000.

(**) For claims arising in the US or Canada, the excess rises to €15,000. This applies to all damage including defence, inquiry, briefing, expert's report and lawyers' costs and fees, except for legal costs.

		CHUBB		01.01
Third-party liability for harm to the environment:				
Aggregate limit of indemnity, all cover combined		€2,250,000	€5,000 per claim	
Cover of third-party liability for harm to the environment (RCAE) All damage combined of which:		€2,000,000		
. Material and immaterial damage because of PROVISION OF SERVICES		€500,000		
. Emergency expenses		€250,000		
. Goods held in trust		€50,000		
. Employees' goods		€50,000		
Financial loss coverage				
All financial losses combined, of which:		€250,000		
. Environmental liability because of SITE OPERATION		€250,000		
. Costs of remediation of soil and water pollution because of the operation of fixed sites		€250,000		
. Costs of remediation of movable and immovable property pollution because of the operation of fixed sites		€250,000		
	ACE			01.01
Individual accident - all staff				
Personal assistance, repatriation, emergency medical expenses Crisis cover Cover for accident or death entailing a death or an accident Cover of luggage and personal effects Travel incident cover Cover for third-party liability in a non-professional context		€150,000		
	CHUBB			01.01
Directors' liability				
Maximum cover per year of insurance		€2,000,000	N/A	
	AVIVA			01.01
Car's insurance		Up to a maximum of €25,000 per accident. Third-party liability, fire, theft, all accidents' losses, criminal defence and proceedings		
Insurance of the vehicles owned by the Company's employees or their spouses as well as vehicles used, rented or leased by them Vehicles insured without designation On the basis of a total of 20,000 km travelled per year			€305	

Biomedical research sponsor's liability	CHUBB	NASH - ending on 28/02/2019	FASST - ending on 31/12/2018	United States ending on 31/12/17 Cover all damage €1,000,000
France				
Limit per patient		€1,000,000	€1,000,000	
Limit per protocol		€6,000,000	€6,000,000	
Germany				
Limit per patient		€500,000	€500,000	
Limit per protocol		€5,000,000	€5,000,000	
Italy				
Limit per patient		€1,000,000	€1,000,000	
Limit per protocol		€6,000,000	€6,000,000	
Spain				
Limit per patient		€250,000	€250,000	
Limit per protocol		€2,5000,000	€2,5000,000	
Switzerland				
Limit per patient		CHF 1,000,000	CHF 1,000,000	
Limit per protocol		CHF 10,000,000	CHF 10,000,000	
U.K.				
Limit per patient		GBP 5,000,000	GBP 5,000,000	
Limit per protocol		GBP 5,000,000	GBP 5,000,000	
Poland				
Limit per patient		€2,000,000	€500,000	
Limit per protocol		€2,000,000	€4,000,000	
Netherlands				
Limit per patient		€650,000	€650,000	
Limit per protocol		€5,000,000	€5,000,000	
Portugal				
Limit per patient		€100,000		
Limit per protocol		€1,000,000		
Austria				
Limit per patient		€500,000		
Limit per protocol		€3,000,000		
Czech Republic				
Limit per patient		€100,000		
Limit per protocol		€500,000		
United States				
All damage		€1,000,000		
Belgium				
Limit per patient		€650,000		
Limit per protocol		€3,500,000		
Slovenia				
Limit per patient		€1,000,000		
Limit per protocol		€1,000,000		
Bulgaria				
Limit per patient		€100,000		
Limit per protocol		€500,000		
Canada				
Limit per patient		CAD 500,000		
Limit per protocol		CAD 5,000,000		
Australia				
Limit per patient		AUD 20,000,000		
Mauritius				
Limit per patient		€1,000,000		
Key person	ACE			
Scope		24h/24h		
Accidental death		€1,000,000		
Absolute and definitive invalidity due to an accident		€1,000,000		
Beneficiary		Inventiva		
Insured persons		Mr. Cren Mr. Broqua Mr. Volatier		

2.1.6 Exceptional events and litigation

2.1.6.1 Tax audit

The Company is currently being audited by the tax authorities for the fiscal years ended December 31, 2013, December 31, 2014 and December 31, 2015, regarding the taxes described below:

- *Payroll taxes*

On December 15, 2016, the Company received a proposed payroll tax adjustment from the tax authorities in respect of the fiscal year ended December 31, 2013. The proposed adjustment relates to the classification of the subsidy granted (subject to conditions) in 2012 by Laboratoire Fournier SA ("LFSA") under the Asset Purchase Agreement (APA) as a one-off item, and the resulting impact on payroll taxes. The proposed adjustment amounts to €0.6 million, including penalties and late payment interest.

In a further proposed adjustment sent by the tax authorities on July 28, 2017, the scope was extended to include the fiscal years ended December 31, 2014 and December 31, 2015. As a result, the total amount of the proposed adjustment now stands at €1.8 million, excluding penalties and late payment interest. Since payroll taxes are deductible from corporate taxable income, if the adjustment is enforced it would give rise to a corresponding decrease in income tax payable, calculated based on the tax rates applicable to the Company for the fiscal years concerned by adjustment. The net tax impact of the adjustment would therefore amount to €1.2 million.

The Company is disputing the proposed adjustment. In addition, under the terms of the Additional Agreement appended to the Asset Purchase Agreement, LFSA agreed to indemnify the Company up to a maximum amount of €2 million in accordance with the conditions described therein, in case of any amount claimed by the French tax authorities in relation to the accounting treatment of the subsidy paid by LFSA and subject to specific conditions. This guarantee covers the entire five-year payment period (2012 to 2017). Since this guarantee covers the maximum risk as assessed by the Company, no provision has been set aside in the Company's balance sheet with regard to this dispute.

On February 6, 2018, the French tax authorities responded to the Company's challenge of the tax deficiency notice maintaining the validity of all reassessments presented in that document. The Company used every means available to it to contest this position.

- *Research tax credit*

On July 29, 2017, the Company received a proposed tax adjustment from the tax authorities disputing the way in which certain CIR inputs were calculated. The Company submitted its response on September 29, 2017. On February 6, 2018, the French tax authorities responded to the Company's challenge of the tax deficiency notice maintaining the validity of all reassessments presented in that document. The Company used every means available to it to contest this position. For more information on the proposed adjustment and on the Company's response, see the risk factors described in section 2.1.4.1 "Risks related to access to the research tax credit".

Provisions for litigation are presented in Note 2.4.11 "Provisions" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document. At December 31, 2017, provisions for litigation totaled €477,400 and concerned the research tax credit.

2.1.6.2 Legal and arbitration proceedings

Besides the tax audit described in section 2.1.6.1, there are no administrative, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have, or have had in the previous 12 months, significant effects on the Company's financial position or profitability.

2.2 Internal control and risk management system

2.2.1 Internal control and risk management

The Company's internal control and risk management system is consistent with its strategic orientations and development. It is based on the document "Risk Management and Internal Control Systems – Reference Framework – Implementation Guide for Small Caps and Midcaps", published by the French Financial Markets Authority (*Autorité des marchés financiers*, AMF) on July 22, 2010 (hereafter referred to as the "AMF Implementation Guide"), and also factors in the recommendations of the Working Group's report on the Audit Committee, published in July 2010. The AMF Implementation Guide is itself consistent with the US COSO I & II Frameworks (Committee Of Sponsoring Organizations of the Treadway Commission).

Consistent with the AMF Implementation Guide, Inventiva's internal control and risk management system is continually upgraded to keep pace with changes in its organization, businesses and economic and regulatory environment.

As part of the rollout of action plans on risk management and the development of internal control measures, the Company endeavors to identify priority internal control areas and processes.

2.2.2 General internal control and risk management principles

2.2.2.1 Definitions and objectives

Risk management:

The Company's risk management system has the following objectives:

- To fortify the pursuit of improvements in patients' health and quality of life through the provision of efficacious therapeutic solutions to non-covered medical needs.
- To create and safeguard the value, assets and reputation of the Company.
- To fortify decision-making and processes conducive to fulfilling objectives while making all due allowance for risk factors.
- To ensure the Company's actions are consistent with its values.
- To develop a sound workforce-wide vision of the main risks facing the Company, plus a clear appreciation of specific risks in each sector, across the whole of the Company's field of action.
- To protect employees and the environment.

Internal control:

The internal control system is defined and implemented by operational management and all employees to provide Executive Management and shareholders with reasonable assurance as to fulfillment of the following objectives:

- Compliance with laws and regulations.
- Application of instructions and orientations set by the Management Committee.
- Proper operation of internal processes, including those contributing to the safeguard of Company assets.
- Improvements in operational performance.
- Reliability of financial information and all information released.

The main components of Inventiva's internal control system, as detailed below in this Registration Document, are:

- Organization with clear definition of responsibilities, competent and adequate resources, and appropriate information systems, procedures, processes and tools.
- Reliable and relevant information management affording all employees the means for exercising their responsibilities.
- Risk management system.
- Control operations addressing risks and fortifying the pursuit of objectives.
- Steering and oversight of the internal control system.

2.2.2.1.1 Organization of internal control and risk management systems

Consistent with Company development and listing of its shares on the Euronext Paris regulated market, the Company initiated an action plan to strengthen its risk management and internal control systems and to extend its existing internal control environment.

In line with the targets set in 2016, the Company carried out the following priority actions in 2017:

- Risk mapping for all operational and support activities.
- A quality management system giving priority coverage to all clinical development activities, including production (and Chemistry Manufacturing and Controls (CMC) processes).

The Management Committee, meeting as the Risk Management Committee, reviewed the risk mapping and began to review the rollout of the quality management system on a monthly basis. Furthermore, the Company set up corporate procedures to govern the risk management process.

The progress of these projects was presented to the Audit Committee twice in 2017.

The priority actions relating to the 2018 risk management system are as follows:

- Continue to define and monitor the actions plans resulting from the risk mapping.
- Finish setting up and roll out the quality management system giving priority coverage to all clinical development activities.

This action plan is run by a specialized external company (Sunnikan) liaising with an internal quality manager who reports to the Chairman and Chief Executive Officer.

To avoid overlap between the risk management and internal control standards and the quality management standard, both action plans are managed jointly and closely coordinated.

The scope of risk management and internal control action plans is not limited to procedures for ensuring the reliability of accounting and financial information but extends to all activities contributing to Company performance and the fulfillment of its objectives.

The action plans are overseen by the Management Committee under the responsibility of the Chairman and Chief Executive Officer, and coordinated by the Administrative and Financial Department.

2.2.2.1.2 Scope of internal control and risk management systems

The internal control and risk management systems cover all Inventiva's activities. The Company does not have any subsidiaries and does not hold shares in other companies.

2.2.2.1.3 Limitations of internal control and risk management systems

All Company employees are involved in internal control and risk management. Internal control and risk management systems are permanently implemented by Executive Management, line management, grassroots management and operational teams.

As noted in section 2.2.2.1.1, the action plans run in compliance with the AMF Implementation Guide extend to all operational and support managers and are communicated to all employees, creating a cascade effect as implementation proceeds.

The internal control and risk management systems do not in themselves, however, offer an absolute guarantee that the Company will meet its objectives. The main limitations of these systems concern unexpected events and changes in the outside world and human error in judgment, decision-making and implementation.

2.2.2.2 Main players in the steering and operation of internal control and risk management

Executive Management

Executive Management defines, drives and oversees the implementation of internal control and risk management systems closely adapted to the Company's situation and business:

- It keeps informed on dysfunctions, shortcomings and application difficulties and excesses.
- It oversees application of the corrective actions needed.
- It informs the Board of Directors on major issues.

Via the Management Committee, Executive Management also takes responsibility for rollout and implementation of global risk management processes.

Board of Directors and Audit Committee

Executive Management reports to the Audit Committee and the Board of Directors on the main characteristics of the internal control system. The Audit Committee or the Board of Directors may use their powers to require any verifications they consider necessary or take any other initiative they consider appropriate with regard to internal control.

Management Committee

Executive Management fields a Management Committee that handles operational steering of the internal control and risk management systems.

The Management Committee comprises: Frédéric Cren (Chairman, Chief Executive Officer and co-founder), Pierre Broqua (Chief Scientific Officer and co-founder), Jean Volatier (Chief Administrative and Financial Officer) and Nathalie Harroy (Head of Human Resources). On research and development matters, this committee is extended to include: Nicolas Gueugnon (Head of Legal Affairs), Jean-Louis Abitbol (Chief Medical Officer and Head of Development) and Jean-Louis Junien (Senior Advisor). The Management Committee meets fortnightly to examine items on a precise agenda, and minutes are written up for each meeting. The Executive Committee meets as the Risk Management Committee at least twice per year and as often as necessary.

Operational and support departments

Under Management Committee coordination, operational and support departments implement risk management actions and internal control procedures relevant to their areas of responsibility.

Ethics

Ethics issues come under the responsibility of the Head of Legal Affairs, whose advice is sought in particular for all Company share transactions made by any person on the list of insiders or by any employee of the Company. Such advice is consultative by nature. These issues and the rules applicable to employees are described in the code of stock exchange trading ethics (see section 2.2.2.2.1 “Internal control and risk management systems” of this Registration Document).

Company personnel

Internal control also involves all employees individually, who hold knowledge and information involved in the establishment, operation and oversight of the internal control system with regard to the objectives assigned to them.

Inventiva does not currently have an internal audit department. In line with its action plans in this area, the Company will be examining the relevance of setting up alternative control methods to ensure the efficacy and quality of its risk management and internal control systems.

As regards their legal mission, the Statutory Auditors are not stakeholders in Inventiva’s internal control and risk management systems. By being informed on these systems, they develop a better appreciation of them and form an independent opinion as to their relevance. They may also express recommendations on how improvements might be made on internal control with regard to accounting and financial information.

2.2.2.2.1 Internal control and risk management systems

In addition to management by the main players outlined above, Inventiva's internal control and risk management systems also feature four other main components:

- The control environment, shaped primarily by the Company's principles and values.
- Risk assessment.
- Control activities, defined as rules and procedures implemented to process risks.
- Issue of information.

i. Control environment

Inventiva's control environment spans the following:

- Assertion of Inventiva values of close reach, high performance and responsibility. Inventiva takes an operational perspective on each of these values, encompassing cultural, environmental and social as well as economic and managerial aspects.

- Ethical business practice, the foundation to the approach taken by Inventiva, which considers that a company's economic performance is indissociable from ethical responsibility.

- Stock exchange trading ethics, as regards compliance with requirements on permanent information and management of privileged information, and implementation of appropriate measures with regard to regulations on market abuse. The Board of Directors adopted a code of stock exchange trading ethics (the code) at its meeting of April 18, 2017. A copy of the code is given to each insider when he or she is added to the list of insiders, which informs the person of their obligations regarding confidentiality, negative windows, periods during which they are unable to trade, and, where applicable, the requirements regarding the declaration of transactions of Inventiva shares. Insiders must expressly acknowledge in writing that they have taken note of the contents of the code. The code also outlines the duties of and includes the contact details for the Head of Legal Affairs.

- A human resources policy determined annually for each skill level, applying a common process focused on personnel and professional development of each employee and close consistency between human resources and the performance of operational and support departments.

ii. Risk assessment

The Company's main risk factors are set out in section 2 "Risk factors" of this Registration Document, such information being an integral part of this report.

As noted in paragraph 2 of section 2.2 of this Registration Document entitled "Internal control and risk management systems", the Company has initiated action plans to adapt its control environment (risk management and internal control systems) to the regulatory and operational requirements applying to companies listed on the stock exchange.

Initial work on this began in 2012 and has continued in recent years. The actions plans seek to improve and strengthen this initial work.

The Company does not currently carry out formal assessment of its risk management or internal control systems. However, setting up a risk management and control system using the AMF's reference framework as a guide has led to better awareness of risks within the Company, with more attention being

paid to such risks in all operational and support activities. The next stages of the rollout will necessarily entail audit plans being drawn up, particularly in quality management.

Moreover, the Company does not identify any significant financial risk arising from climate change in the short term. It does, however, plan medium- and long-term analysis under its policy on corporate responsibility.

iii. Control activities

For its operational activities, the Company has a documented set of procedures that is communicated to all employees; one of their responsibilities is to observe and apply these procedures. The procedures cover all research (drug discovery) and development (clinical development programs) activities. The action plan on quality management seeks to extend and improve all these procedures.

For information systems, all employees sign a charter of principles, rules and good practices. The Company's information systems department maintains a permanent watch on fraud risks, data protection and operational efficiency of the Company's information systems. Objectives and resources are reviewed at each budget phase to ensure optimum monitoring. The Company complies with French legislation on data privacy.

Details on the environment for the production of accounting and financial information appear in section 2.2.2.2.2 "Internal control processes on production and processing of financial and accounting information" of this Registration Document.

iv. Information issue

Wherever possible, all employees are notified of internal control information (permanent procedures accessible in shared folders, email reminders on procedures, information meeting, etc.). Ad hoc information campaigns may be run for certain procedures and standards.

2.2.2.2.2 Internal control processes on production and processing of financial and accounting information

Financial activity is managed internally by the Administrative and Financial Director assisted by an accounts/management control officer and an accounting officer. Financial and accounting production is based on an integrated ERP system ensuring accounting, legal and analytical monitoring. The Company undertakes to maintain separation between the various Company units that are involved in the process of production of accounting information and uses independent experts for the conversion of the financial statements into IFRS and for assessing complex accounting items (pension liability, valuation of BSAs/BSPCEs) and/or those which involve subjective assumptions.

Payroll is outsourced and tax review is assigned to a specialist expert.
The financial statements are prepared internally according to French standards, and then converted into IFRS externally on the basis of material provided by the Company, are audited by the Company's Statutory Auditor.

The Administrative and Financial Department reports directly to the Chairman and Chief Executive Officer (see organizational chart in section 5.1 of this Registration Document).

Historic and provisional financial information is obtained through a full, rigorous and documented financial planning process that includes:

- A medium-term strategic plan, updated yearly;

- An annual budget;
- Full quarterly analytical and accounting reporting (to French standards) converted to IFRS for the half-yearly and yearly financial statements;
- Monthly cash reporting; and
- Estimation of annual results and comparison with budget, on quarterly closures.

These documents are submitted to the Management Committee and then to the Board of Directors.

The accounting and financial control unit, which reports to the Company's Administrative and Financial Department, is responsible for the integrity and reliability of Inventiva's financial information released inside and outside the Company.

To prepare Company financial statements in accordance with French GAAP, it performs the following functions:

- Preparation, validation and analysis of annual financial statements.
- Listing and monitoring of off-balance-sheet liabilities.
- Preparation, release and verification of accounting procedures to ensure compliance with applicable accounting standards and proper representation of all significant operations into accounting terms.
- Steering of the financial information system.
- Scheduling and closure instructions for preparation of the annual financial statements.

From the outset, the Company's financial and accounting management system includes a strict process and procedures for managing expenditure. This includes:

- Delegation thresholds by level of responsibility.
- Process of review by the purchasing department.
- Specific authorization procedures ("recommendations") for significant investments.
- ERP validation circuit covering all expenditure.
- Authorization of contractual undertakings exclusively approved by corporate officers.

As well as undergoing initial verification through a purchase order procedure, expenditure items also require approval by the Administrative and Financial Department, after verification that the products or services in question have been accepted. Payment of incoming invoices for amounts above €25,000 also requires prior approval by the Chairman and Chief Executive Officer.

To determine the CIR research tax credit, a specific process was set up when the company was first formed, covering factors that include tracking of eligible time-spans and external studies commissioned.

The Statutory Auditors present their observations on the financial statements prepared in accordance with French GAAP and IFRS to the members of the Audit Committee, then to the Board of Directors. In the course of their work, the Statutory Auditors are also informed on the internal control environment and

may issue recommendations on improving internal control with regard to accounting and financial information.

As a company listed on the stock exchange, the Company is subject to AMF verification.

2.2.2.2.3 Key controls on the Company's main processes and activities

On top of the management and control environment outlined above, the Company also runs an annual progress assessment program.

This monitors and assesses, both overall and for key managers and employees, compliance with regard to the key objectives set for each function, and verifies that key controls are carried out.

Under this program, objectives are set on an annual basis during the budgetary process, and assessments are performed in the first quarter. For managers, performance percentages conditioning variable compensation are reviewed by the Management Committee.

3 Corporate governance report

By this report prepared in application of Article L. 225-37 of the French Commercial Code (*Code de commerce*), the Board of Directors reports on the composition of the Board, the application of the principle of balanced representation between men and women on the Board, the conditions for preparing and organizing the work of the Board, the limitations on the powers of the Chief Executive Officer as well as the elements of compensation and benefits of the executive corporate officers and directors.

This report was prepared with the support of the legal and human resources departments. It was presented to the Compensation and Appointments Committee prior to its approval by the Board of Directors at its meeting of March 6, 2018.

The Company abides by the Middlenext Corporate Governance Code, published in December 2009 and updated in September 2016 (the "**Middlenext Code**") as presented in section 3.4.1 of this Registration Document.

3.1 Presentation of Board of Directors

3.1.1 Biographies of the directors

<table>
<tr><td> 

Frédéric Cren, Chairman and Chief Executive Officer

Address:
286, boulevard Raspail
75014 Paris, France</td><td>Frédéric Cren, an experienced pharmaceutical executive, is the co-founder of Inventiva.
He has held several key positions in the pharmaceutical industry, the most recent being General Manager – Research, with Abbott Labs from 2010 to 2012. Mr. Cren has demonstrated his expertise in the areas of research, development, marketing, strategy and commercial operations through his various roles as Vice-President Strategic Marketing, Vice-President US Operations and member of the Executive Committee of Fournier Laboratories from 2001 to 2005.
During this period, he was in charge of Fournier's fenofibrate franchise and of the successful development and launch of TriCor®145. He was subsequently promoted to Head of Business Strategy and Portfolio, Senior Vice-President of the Research Division and member of the Executive Committee of Solvay Pharmaceuticals following the acquisition of Fournier by Solvay in 2005. Prior to joining the pharmaceutical industry, Mr. Cren was a consultant for eight years with The Boston Consulting Group and a Manager in their health care practice. He holds an MBA from INSEAD, an MA from Johns Hopkins University and a Bachelor's degree from Paris IX Dauphine.</td></tr>
<tr><td>Other positions currently held</td><td>Director – France Biotech</td></tr>
<tr><td>Positions held over the last five years but which have now ended</td><td>Manager – Cren Patrimoine SARL</td></tr>
</table>

Number of shares and options held	6,015,000 shares

 **Pierre Broqua, Deputy General Manager** Address: 7, rue Pernoud 92160 Antony, France	Pierre Broqua brings over 25 years of experience in drug discovery and innovative research to Inventiva. Before co-founding Inventiva, he successfully managed numerous research programs leading to the discovery of highly innovative pre-clinical and clinical compounds, in particular during his tenure at Ferring Pharmaceuticals from 1997 to 2002 and Fournier Laboratories from 2002 to 2005, as Head of Neuroscience for Solvay Pharmaceuticals from 2007 to 2010 and finally as Head of Research for the Abbott Dijon R&D site. One of his most notable achievements was his co-discovery, while Head of Pharmacology at Ferring Pharmaceuticals, of the GnRH antagonist Degarelix (now marketed under the brand name Firmagon®). Dr Broqua holds a PhD in Pharmacology from the University of Paris Descartes and has a Master's degree in Chemistry and Biochemistry from Pierre and Marie Curie University in Paris.
Other positions currently held	None
Positions held over the last five years but which have now ended	None
Number of shares and options held	4,007,500 shares

 **Jean-Louis Junien, Director** Address: 36, avenue Eiffel 92310 Sèvres, France	Jean-Louis Junien held various senior management positions in the pharmaceutical industry, firstly as Director of the Jouveinal Research Institute and General Manager of Jouveinal Laboratoires, then as President Research and Development at Jouveinal-Warnert Lambert, followed by positions as Director of the Ferring Research Institutes in Southampton (United Kingdom) and La Jolla (United States) and Global Chief Scientific Officer for Ferring Pharmaceuticals. From 2001 to 2007, he was Chief Scientific Officer of Laboratoires Fournier. He founded ISLS Consulting in 2007 and has been working with Inventiva since 2012.
Other positions currently held	Chairman – ISLS Consulting SAS
Positions held over the last five years but which have now ended	None
Number of shares and options held	75,000 BSAs and 111,000 shares (see section 6.1.2 for the information on the number of shares held by ISLS Consulting)

 **Philippe Goupit, Independent director** ***(resigned on May 7, 2017 and replaced by Nanna Lüneborg)*** Address: 2, rue des Châtaigniers 92190 Meudon, France	Philippe Goupit, 61, was Vice-President Corporate Licences at Sanofi until recently. He has more than 30 years' experience in the pharmaceutical industry and has spent over 20 years at Sanofi. His business development experience encompasses mergers and acquisitions, as he was Head of Mergers and Acquisitions at Sanofi, as well as in- and out-licensing activities. For several years, he was also Head of Investor Relations at Sanofi. He is a member of MedDay's Board of Directors. Philippe is a graduate of the Paris Faculty of Pharmacy.
Other positions currently held	Position held in a personal capacity: Director – MedDay Pharmaceuticals SA
Positions held over the last five years but which have now ended	Director – Fovéa Pharmaceuticals
Number of shares and options held	0

 **Chris Newton, Independent director** Address: 204 Ben Jonson House Barbican London EC2Y 8DL, United Kingdom	Chris Newton, 62, was a founding member and Chief Scientific Officer of Argenta Discovery in 2000. He joined BioFocus plc in 2005, where he was a director and Chief Scientific Officer. He was then appointed Senior Vice-President of Galapagos Services, managing Galapagos' services business from 2005 to 2013 after the acquisition of BioFocus by Galapagos. Chris previously held several senior R&D positions within Rhône-Poulenc/Aventis. He holds an MA from the University of Cambridge and an MSc and PhD from the University of Sheffield (United Kingdom). He is also a Chartered Chemist and Fellow of the Royal Society of Chemistry.
Other positions currently held	None
Positions held over the last five years but which have now ended	Director – BioFocus DPI (Holdings) Ltd Director – BioFocus DPI Ltd Director – Argenta Discovery 2009 Ltd Director – Inpharmatica Ltd Director – BioFocus DPI AG Director – BioFocus DPI GmbH Director – BioFocus Inc Director – Cangenix Ltd
Number of shares and options held	30,000 BSAs

 **Chris Buyse, Independent director and Representative of Pienter-Jan BVBA** Address: Baillet Latourlei 119A 2930 Brasschaat, Belgium	Chris Buyse, 53, has more than 30 years' expertise in international finance and financial management. He was CFO of Belgian company CropDesign and coordinated its acquisition by BASF. He then became CFO of ThromboGenics, a biotechnology company listed on Euronext Brussels. He has also held various positions at Spector Photo Group, Lyonnaise des Eaux (Suez) and Unilever. He is currently a director of several listed and privately-held companies and also Managing Partner of the Belgian investment company Fund+ which specializes in innovative life science companies. Chris holds a Master's degree in Applied Economic Sciences from the University of Antwerp and a Master of Business Administration (MBA) from the Vlerick School of Management in Ghent.
Other positions currently held	Position held as a permanent representative: of Pienter-Jan BVBA: Director – Bioxodes SA of Sofia BVBA: Director – Life Sciences Research Partners VZW Director – Keyware Technologies SA Position held in a personal capacity: Director – Bone Therapeutics SA Director – Celyad SA Director – Iteos SA Director – Fund+ SA Director – Immo David NV Director – Pinnacle Investments SA Director – Creabuild NV Director – Sofia BVBA Director – Pienter-Jan BVBA Director – Fondation Francqui
Positions held over the last five years but which have now ended	Position held as a permanent representative: of Pienter-Jan BVBA: Director – Celyad SA of Sofia BVBA: Director – AdThombogenics NV Position held in a personal capacity: Director – Orgenesis Inc Director – MaSTerCell SA Director – Q-Biologicals SA Director – Promethera Biosciences SA
Number of shares and options held	30,000 BSAs held by Pienter-Jan BVBA

 **Annick Schwebig, Independent director and Representative of CELL+** Address: 11 bis, rue Weber 75016 Paris, France	Annick Schwebig, 66, was the founder and CEO of Actelion Pharmaceuticals France, a pharmaceuticals company specializing in the development of drugs for orphan diseases. She has also held other senior positions in the pharmaceuticals industry, including Vice-President Medical Affairs France and Vice-President Research and Development Europe at Bristol-Myers Squibb. She has been a director of Cellectis since 2011. Annick is a graduate of the Paris Faculty of Medicine.
Positions currently held	Position held as a permanent representative of CELL+: None Position held in a personal capacity: Director – Cellectis SA Deputy Chairman of the Supervisory Board – Inserm Transfert SA Director – B Cell Design Member of the Selection Committee – BPI
Positions held over the last five years but which have now ended	Position held in a personal capacity: CEO – Actelion Pharmaceuticals France
Number of shares and options held	30,000 BSAs held by CELL+

 **Karen Aiach, Independent director** Address: 4, avenue Joséphine 92500 Rueil-Malmaison, France	Karen Aiach, 46, is the founder and CEO of Lysogene, a listed biotech company and pioneer in fundamental research and clinical development of gene therapy for central nervous system diseases. The recipient of numerous awards, Karen has extensive business experience, having begun her career with Arthur Andersen, where she worked for seven years in financial audit services and international transactions, before setting up and running her own financial services firm. She has also served as a patient representative and member of the Paediatric Committee of the European Medicines Agency (EMA). She is a founding and executive member of the International Rare Diseases Research Consortium (IRDiRC). Karen holds a postgraduate diploma from the University of Paris VIII and is a graduate of ESSEC Business School.
Other positions currently held	Position held in a personal capacity: CEO – Lysogene SA Chairman – Lysogene US Inc Chairman – KGA (SAS)

Positions held over the last five years but which have now ended	None
Number of shares and options held	30,000 BSAs

 **Nanna Lüneborg, Director (coopted on May 29, 2017 to replace Philippe Goupit after his resignation)** Address: Sommervej 17 2920 CharlottenLund, Denmark	Nanna Lüneborg is Investment Director at Novo Ventures, one of the main international investors in the life sciences sector, which participated in Inventiva's initial public offering in February 2017. Novo Ventures is part of Novo A/S, the holding company of the Novo Nordisk Foundation. Before joining Novo A/S, she was a member of the life sciences investment team at Apposite Capital, a risk capital fund based in London and specialized in the health sector. In 2012, she joined Novo A/S, becoming part of both the Novo Seeds and the Novo Ventures teams. After having acquired extensive experience on the boards of biotechnology companies at various stages of maturity, from start-ups to those in advanced stages of development, she has more recently served on the Board of Directors of ObsEva, which was listed on NASDAQ this year. In addition to her duties as an Inventiva director, Nanna Lüneborg also serves on the Boards of Orphazyme and Epsilon-3 Bio. A graduate of Oxford University, Nanna Lüneborg also holds a PhD in Neurosciences from University College London and an MBA from Cambridge University (United Kingdom).
Other positions currently held	Position held in a personal capacity: Director – Epsilon-3 Bio Ltd Director – Glionova AB
Positions held over the last five years but which have now ended	Position held in a personal capacity: Director – Orphazyme Aps Director – Inthera Bioscience AG Director – ObsEva SA Director – Pcovery Aps Chairman of the Board – Affinicon Aps Director – Minervax Aps Director – IO Biotech Aps Senior Manager – Avilex Pharma Aps
Number of shares and options held	0

3.1.2 Members of the Board of Directors

The table below provides information on the members of the Board of Directors:

Name/Position	Independent	Date of first appointment	Date of expiry of term of office	Term of office	Audit Committee	Compensation and Appointments Committee
Frédéric Cren Chairman and CEO	No	October 13, 2011	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	No	No
Pierre Broqua Deputy General Manager	No	October 13, 2011	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	No	No
Jean-Louis Junien	No	May 31, 2016	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	No	No
Chris Newton	Yes	September 30, 2016, taking up of office deferred until initial public offering on February 14, 2017	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	No	Yes Since May 29, 2017
Pienter-Jan BVBA, represented by Chris Buyse	Yes	September 30, 2016, taking up of office deferred until initial public offering on February 14, 2017	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	Yes Chairman	Yes

Name/Position	Independent	Date of first appointment	Date of expiry of term of office	Term of office	Audit Committee	Compensation and Appointments Committee
CELL+, represented by Annick Schwebig	Yes	September 30, 2016, taking up of office deferred until initial public offering on February 14, 2017	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	No	Yes, Chairman since May 29, 2017 to replace Philippe Goupit after his resignation
Karen Aiach	Yes	September 30, 2016, taking up of office deferred until initial public offering on February 14, 2017	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	Yes	No
Nanna Lüneborg	No	On May 25, 2017, provisional appointment by cooptation by the Board of Directors	Provisional appointment until the Annual General Meeting to be held on May 28, 2018	Provisional appointment until the Annual General Meeting to be held on May 28, 2018	No	No

3.1.3 Changes in the Board of Directors and gender balance

Changes in the Board of Directors in 2017

Philippe Goupit, Chris Newton, Pienter-Jan BVBA, CELL+ and Karen Aiach were appointed directors at the Annual General Meeting held on September 30, 2016 to vote on the Company's initial public offering on Euronext Paris, subject to the Board of Directors setting the offering price for the Company's shares. This condition was satisfied at the meeting of the Board of Directors of February 14, 2017 and the new directors duly took up office on the same day.

These additional appointments increased the number of directors to eight, five of whom are independent directors within the meaning of the Middlenext Code, thus ensuring a diversity of expertise within the Board of Directors as well as a gender balance that meets the legal requirements.

On May 7, 2017, Philippe Goupit, director and also member of the Company's audit committee (the "**Audit Committee**") and Chairman of the Company's compensation and appointments committee (the "**Compensation and Appointments Committee**") resigned from his position as member of the Board of Directors with immediate effect.

The Board of Directors acknowledged his resignation at its meeting of May 29, 2017. In accordance with the provisions Article 15.III of the Company's Articles of Association relating to a vacancy due to the resignation of one of the directors between two Annual General Meetings, the Board of Directors appointed Nanna Lüneborg on a provisional basis, subject to ratification by the next Annual General Meeting of May 28, 2018.

The cooptation of Nanna Lüneborg brought the Company into compliance with the legal provisions concerning diversity in the composition of Boards of Directors (Article L. 225-18-1 of the French Commercial Code), as the Board of Directors' eight members thereupon included three women. As

Nanna Lüneborg is not an independent director, the number of independent directors has therefore decreased to four since May 29, 2017.

Following Philippe Goupit's resignation, the Board of Directors decided (i) to appoint for the respective duration of their terms as directors, Chris Newton, director, as Philippe Goupit's replacement as a member of the Compensation and Appointments Committee, and CELL+, director, represented by Annick Schwebig, already member of said Committee, as Chairman of the Committee and (ii) not to appoint an additional member to the Audit Committee, with the result that this Committee is now composed only of its chairman, Pienter-Jan BVBA, represented by Chris Buyse, and Karen Aiach as the second member.

Independent directors

Four of the eight directors (50%) comprising the Board of Directors are independent directors. The independent directors comply with the independence criteria set out in the Middlenext Code as regards the absence of significant financial, contractual, family or other relations liable to compromise their independent judgment:

- Independent directors must not be employees or executive corporate officers of the Company, or have held any such position in the previous five years.
- They must not have any significant business relations with the Company (as customer, supplier, competitor, service provider, debtor, banker, etc.), or have had any such relations in the previous two years.
- They must not be reference shareholders in the Company or hold significant voting rights.
- They must not have close family ties with a corporate officer or reference shareholder of the Company.
- They must not have been Statutory Auditors of the Company in the previous six years.

Gender balance

At the date of this Registration Document, three of the eight members (37.5%) of the Board of Directors are women: Annick Schwebig (permanent representative of CELL+), Nanna Lüneborg and Karen Aiach.

As three of the eight members of the Board are women, the Company complies with Article L. 225-18-1 of the French Commercial Code.

3.2 Operation of the Board of Directors and its committees

3.2.1 Roles and responsibilities of the Board of Directors

Responsibilities of the Board of Directors

The internal regulations of the Board of Directors (the "**Internal Regulations**") stipulate that the Board of Directors fulfills the responsibilities and exercises the powers assigned to it by law, the Company's Articles of Association and the Internal Regulations.

The Board of Directors determines the Company's strategic vision and ensures its implementation. Its approval is required prior to the implementation of certain specific strategic decisions (as set out below). Subject to the powers specifically assigned to Annual General Meetings and within the limits of the corporate purpose, it examines all matters relevant to smooth operation of the Company and deliberates to settle all issues concerning the Company.

The Board also conducts any verifications that it considers necessary and may request access to any documents that it considers useful for fulfilling its responsibilities.

The Board oversees the proper governance of the Company in line with the corporate social responsibility principles and practices undertaken by the Company, its executives and its employees.

Frequency of Board of Directors meetings

As stipulated by its Internal Regulations, the Board of Directors meets at least four times a year, and whenever required in the interest of the Company.

The Board met 12 times in 2017, with an average attendance rate of its members of over 90%.

The Board of Directors has created an Audit Committee and a Compensation and Appointments Committee. The composition, powers and operating rules of both Committees are described below.

3.2.2 Roles and responsibilities of the Audit Committee

Composition

The Audit Committee includes at least two directors. Each member of the Audit Committee is appointed by the Board of Directors from among its members and may be replaced by the Board of Directors.

At least one member of the Audit Committee must have specific financial or accounting skills and be independent according to the criteria laid down and made public by the Board of Directors.

The following directors are currently members of the Audit Committee for a term concurrent with their term as director:

- Chris Buyse, as permanent representative of Pienter-Jan BVBA (Chairman of the Committee).
- Karen Aiach.

Operation

The Audit Committee meets as often as it considers necessary and at least twice a year.

The Audit Committee may only validly deliberate if at least one half of its members are present, represented or deemed present.

Decisions are taken by a majority of the members, with the Chairman of the Audit Committee having a casting vote in the event of a tie.

Members of the Audit Committee may only be represented by another member of that Committee.

Written minutes of each meeting are drawn up.

Responsibilities

The Audit Committee is responsible for (i) the financial reporting process, (ii) the effectiveness of internal control and risk management systems, (iii) the statutory audit of the financial statements and, where applicable, the consolidated financial statements by the Statutory Auditors, (iv) ensuring the Statutory Auditors' independence.

The Audit Committee's main role is to continuously assess the existence and effectiveness of the Company's financial control and risk control procedures.

In view of this, the Audit Committee is responsible for:

Financial statements and financial information:

Having regularly reviewed the Company's financial and cash flow situation and the commitments contained in its financial statements:

- Examining the Company's full-year and half-year financial statements.

- Confirming the relevance of the Company's accounting choices and policies.
- Checking the relevance of the financial information published by the Company.

Internal control:

- Ensuring that internal control procedures are being implemented.
- Checking that said internal control procedures are working correctly.
- Examining the works schedules for internal and external audits.

Risk management:

- Examining any matter that may have a significant financial and accounting impact.
- Examining the status of major legal disputes.
- Examining risks and off-balance-sheet commitments.
- Examining the relevance of risk monitoring procedures.
- Examining related-party agreements.

Statutory Auditors:

- Issuing a recommendation on the Statutory Auditors proposed for appointment by the Annual General Meeting and the amount of their fees and ensuring their independence.
- Checking that the Statutory Auditors carry out their duties correctly.
- Setting the rules for using the Statutory Auditors for services other than auditing the financial statements and checking that these services are performed correctly.

The Audit Committee reports regularly to the Board of Directors on its work and informs the Board promptly of any difficulty encountered.

Work of the Committee

In 2017, the Audit Committee met twice.

The first meeting took place on March 22, 2017. The Committee reviewed the financial statements for the year ended December 31, 2016 before their approval by the Board of Directors. It paid particular attention to the provision set aside for tax audits and to risk management and internal control procedures.

The Committee also met on September 25, 2017 to approve the half-year financial statements as well as on March 6, 2018 to review the financial statements for the year ended December 31, 2017 before their approval by the Board of Directors.

All members were present at each meeting and the Committee also reviewed the roll out of the Company's risk management and internal control system.

3.2.3 Role and responsibilities of the Compensation and Appointments Committee

Composition

The Compensation and Appointments Committee is appointed by the Board of Directors from among its members and can be replaced by the Board of Directors. It includes at least two members.

The composition of the Compensation and Appointments Committee was determined by decision of the Board of Directors prior to approval by the French financial markets regulator (*Autorité des marchés financiers* – AMF) of the prospectus for the Company's initial public offering on Euronext Paris.

The following directors are currently members of the Compensation and Appointments Committee for a term concurrent with their term as director:

- Annick Schwebig, as permanent representative of CELL+ (Chairman of the Compensation and Appointments Committee).
- Chris Buyse, as permanent representative of Pienter-Jan BVBA.
- Chris Newton.

Operation

The Compensation and Appointments Committee meets at least four times a year, without management, in order to assess the individual performance of directors and corporate officers and make recommendations to the Board of Directors as regards their compensation.

The Compensation and Appointments Committee may only validly deliberate if at least one half of its members are present, represented or deemed present.

Decisions are taken by a majority of the members, with the Chairman of the Compensation and Appointments Committee having a casting vote in the event of a tie.

Members of the Compensation and Appointments Committee may only be represented by another member of that Committee.

Written minutes of each meeting are drawn up.

Responsibilities

The Compensation and Appointments Committee's main role is to oversee matters related to compensation plans, policies and programs where they concern corporate officers and directors.

The Compensation and Appointments Committee has the following responsibilities:

- Making recommendations and proposals regarding (i) the various aspects of corporate officers' compensation and pension and welfare schemes, (ii) the procedures for determining the variable part of their compensation; and (iii) the Company's general incentive policy.
- Examining the amount of directors' fees and the system for distributing these fees between directors according to their attendance and the tasks accomplished within the Board of Directors.
- Advising and, where applicable, assisting the Board of Directors on the selection of executive managers and their compensation.
- Reviewing potential capital increases reserved for employees.
- Assisting the Board of Directors in the selection and recruitment of new directors.
- Ensuring that structures and procedures are in place to allow sound governance practices to be implemented within the Company.
- Preventing conflicts of interest within the Board of Directors.
- Implementing the Board of Directors assessment procedure.

Work of the Committee

The Compensation and Appointments Committee has met five times since its creation in February 2017: March 22, 2017, April 13, 2017, December 18, 2017, January 26, 2018 and March 6, 2018. All members were present.

3.2.4 Assessment of the operation of the Board of Directors and its committees

The Internal Regulations stipulate that the Chairman of the Board of Directors shall once a year invite the Board members to provide feedback on the operation of the Board of Directors and the preparation of its work. The Board of Directors may also use this exercise to analyze its composition, organization and operation in order to assess its capacity to meet shareholders' expectations.

A formal assessment is carried out at least every three years. It may be conducted by the lead director or another independent director, who may call in assistance from an outside consultant if necessary.

Under the same conditions and at the same frequency, the Board of Directors shall also assess the operation of its permanent committees and the work of the lead director, especially as regards corporate governance.

At the end of 2017, the Board members answered the first self-evaluation questionnaire on the operation of the Board of Directors, based on the questionnaire prepared by Middlenext and with regard to the Board of Directors' observed work practices during 2017.

The Compensation and Appointments Committee will analyze the answers provided and propose measures to improve the Board's practices, which will be discussed by the Board during the first half of 2018.

3.3 Executive Management

At the date of this Registration Document, the Company has chosen to appoint Frédéric Cren as both Chairman of the Board of Directors (the "**Chairman**") and Chief Executive Officer (the "**Chief Executive Officer**").

Pierre Broqua holds the position of Deputy General Manager (the "Deputy General Manager") and is also a director of the Company.

3.3.1 Chief Executive Officer and Deputy General Manager

Frédéric Cren fulfills the roles of Chairman of the Board of Directors and Chief Executive Officer. He holds the title of Chairman and Chief Executive Officer. He was appointed Chairman and Chief Executive Officer for a three-year term on May 31, 2016 by the meeting of the Board of Directors that took place after the General Meeting that decided that the Company would change from a simplified company limited by shares (*société par actions simplifiée*) to a French *société anonyme* with a Board of Directors. His term of office will expire in 2019, after the Annual Ordinary General Meeting called to approve the financial statements for the year ended December 31, 2018.

Pierre Broqua is the Deputy General Manager. He was appointed Deputy General Manager for a three-year term on May 31, 2016 by the meeting of the Board of Directors that took place after the General Meeting that decided that the Company would change from a simplified company limited by shares to a French *société anonyme* with a Board of Directors. His term of office will expire in 2019, after the Annual Ordinary General Meeting called to approve the financial statements for the year ended December 31, 2018.

The conditions (including compensation) under which the Chief Executive Officer and Deputy General Manager perform their duties, as set by the Board of Directors, are described below in section 3.5 "Compensation and benefits" of this Registration Document. A report on related-party agreements has

been issued and can be found in section 7.2 "Report on related-party agreements" of this Registration Document.

As recommended by the Middlenext Code, the Company intends to regularly examine the issue of management succession, which is key to efficient business continuity. In this regard, at its meeting on December 18, 2017, the Board of Directors was informed of the Company's management succession plan in the event of impediment.

3.3.2 Executive Management duties

The functions of Chairman and Chief Executive Officer were combined when the Company became a French *société anonyme* with a Board of Directors. For the Board of Directors, this arrangement is well-suited to the Company, especially in the light of its recent initial public offering and of the duties formerly performed by the current Chief Executive Officer in his capacity as Chairman of the previous simplified company limited by shares.

In accordance with the law, the Company's Articles of Association and the Internal Regulations, the Chairman and Chief Executive Officer chairs meetings of the Board of Directors, organizes and manages the Board's work, and oversees the smooth operation of the Company's management bodies, while ensuring that directors are capable of fulfilling their duties.

3.3.3 Limitation of powers

The Chairman and Chief Executive Officer has wide-reaching powers to act, under all circumstances, in the name of and on behalf of the Company, which he represents with regard to third parties.

He exercises these powers within the limit of the corporate purpose and subject to the powers expressly assigned to General Meetings and the Board of Directors. The Company is bound by the actions of the Chief Executive Officer even if they do not fall within the corporate purpose, unless it can prove that the third party knew that the action in question exceeded such purpose or could not have been unaware of that fact given the circumstances, on the understanding that the mere publication of the Articles of Association is not sufficient evidence of the foregoing. Decisions of the Board of Directors limiting the powers of the Chief Executive Officer are not invocable with regard to third parties. The Deputy General Manager has the same powers as the Chief Executive Officer with regard to third parties.

Under Article 2 of its Internal Regulations, the prior approval of the Board of Directors (decided by a straight majority vote of the members present or represented) is required for all transactions, events, acts or decisions concerning the Company and the following matters:

- The Company's annual budget (the "**Annual Budget**"), set by December 20 of each year.
- Any proposed investment or expenditure representing an amount greater than €400,000 and not provided for in the Annual Budget and any proposed bank or financial debt (excluding current operating debt) in an amount greater than €400,000 and not provided for in the Annual Budget.
- Any decision not provided for in the Annual Budget to transfer any substantial assets or substantial intellectual/industrial property belonging to the Company.
- Any decision not provided for in the Annual Budget to acquire strategic assets, in particular industrial property, for the Company's benefit.
- Any proposal not provided for in the Annual Budget to create subsidiaries or acquire companies or businesses, including any proposed investment in any entity, any proposed transfer, liquidation or winding-up of subsidiaries, any start-up of new activities or any takeover of all or part of a business under a management lease.

- Any proposal not provided for in the Annual Budget to grant licenses or to assign licenses or any intellectual property right held by the Company such as patents, know-how or trademarks, except in the normal course of business in view of the Company's activities.
- Any decision to commence legal proceedings or regarding the conduct of legal proceedings and the settlement of disputes, where the interests at stake represent more than €400,000.

3.4 Statements about corporate governance

3.4.1 Application of the Middlenext Code

Due to its growth and following its initial public offering on Euronext Paris, the Company has taken measures to improve its governance principles, including adopting the Middlenext Code as its reference code, insofar as the principles of the Code are compatible with the Company's organization, size, resources and ownership structure.

The Middlenext Code can be found on Middlenext's website (www.middlenext.com).

At its meeting on February 14, 2017, the Board of Directors reviewed the items listed in the Middlenext Code under "Points to be watched". The table below shows the Company's current thinking as regards the application of the principles laid down in the Middlenext Code:

- The Company believes that it is compliant with the recommendations of the Middlenext Code which appear in the table under the heading "Adopted".
- The Company is still considering the recommendations of the Middlenext Code with which it does not consider itself compliant and which appear in the table under the heading "Will be Adopted". The Company aims to apply the new recommendations by the end of 2018.

Middlenext Code Recommendations	Adopted	Will be Adopted
I. Sovereign power		
The Code does not contain any recommendations for shareholders	N/A	N/A
II. "Supervisory" power		
R 1: Board member ethics	X	
R 2: Conflicts of interest	X	
R 3: Composition of the Board – Presence of independent directors	X	
R 4: Board member information	X	
R 5: Organization of the Board of Directors and committee meetings	X	
R 6: Creation of committees	X	
R 7: Introduction of the Board of Directors' internal regulations	X	
R 8: Choice of each director	X	
R 9: Board members' term of office	X	
R 10: Directors' compensation	X	
R 11: Implementation of the Board assessment procedure	X	
R 12: Relations with "shareholders"	X	
III I. Executive power		
R 13: Definition and transparency of executive corporate officer compensation	X	
R 14: Management succession planning	X	
R 15: Concurrent holding of an employment contract and corporate office	X	
R 16: Severance pay(1)		X
R 17: Supplementary pension schemes(2)		X
R 18: Stock options and bonus shares(3)		X
R 19: Review of points to be watched		X

(1) No Company manager is currently receiving any severance payments. If such payments are made, recommendation R16 will be followed.

(2) No Company manager is currently receiving deferred benefits in the form of a supplementary pension plan. If such benefits are provided, recommendation R17 will be followed.

(3) No Company manager is currently receiving stock options or bonus share awards. If a Company manager receives such a benefit, recommendation R18 will be followed.

3.4.2 Conflicts of interest

As recommended by the Middlenext Code, the Board of Directors ensures that all the necessary procedures are implemented for identifying and resolving conflicts of interest at all levels throughout the organization.

Potential conflicts of interest in administrative bodies and Executive Management

Jean-Louis Junien is the principal shareholder of ISLS Consulting. On July 8, 2014, ISLS Consulting signed a consultancy agreement with the Company which has since been renewed several times, notably on June 20, 2017 when an amendment renewing the agreement until June 30, 2018 was signed. The agreement should be renewed in June 2018. Under this agreement, ISLS Consulting assists the Company's management and teams in the scientific conduct of its clinical and pre-clinical programs. ISLS Consulting charges for these services on a monthly basis according to the number of days worked during each month. Under this agreement, the Company paid ISLS Consulting €113,000 and €118,000 for the years 2016 and 2017 respectively. In addition, in May 2015 the Company awarded to ISLS Consulting 1,500 BSA share warrants that were exercised in 2017.

Other than the relations described above, to the best of the Company's knowledge, at the date of this Registration Document, there were no potential conflicts of interest between the Company and the members of the Board and of Executive Management.

Frédéric Cren and Pierre Broqua entered into a shareholders' agreement (see section 6.1.4 "Statement about control of the Company" of this Registration Document).

To the Company's knowledge, there are no other agreements or understandings with shareholders, customers, suppliers or others pursuant to which one of the Company's directors or executives was appointed.

With the exception of the agreements described in section 7.2.1.2 "Material related party agreements" of this Registration Document, there are no agreements between a corporate officer and the Company.

Additional information

There are no family ties between the directors. To the Company's best knowledge, none of these persons has, during the last five years:

- been convicted of any fraudulent offense;
- been associated in his capacity as executive or director in any bankruptcy, receivership or liquidation;
- been disqualified from managing;
- been charged with any official public incrimination or sanction by statutory or regulatory authorities (including designated professional bodies);
- been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer.

3.4.3 Shareholder participation in Annual General Meetings

Arrangements regarding shareholder participation in Annual General Meetings are set out in Articles 25 and 26 of the Articles of Association, a summary of which can be found in section 6.4.1.7.1 "Calling and holding of Annual General Meetings and agenda" of this Registration Document.

In line with its communications strategy and the recommendations of the Middlenext Code, the Company intends to develop regular dialog and organize meetings with significant shareholders outside of Annual General Meetings.

3.4.4 Information likely to have an impact in the event of a public offering

Information likely to have an impact in the event of a public offering, as set out in Article L. 225-37-5 of French Commercial Code, concern the factors listed below.

3.4.4.1 The Company's capital structure

On the date of this Registration Document, the Company is controlled, within the meaning of Article L. 233-3 of the French Commercial Code, by Frédéric Cren, Chairman and Chief Executive Officer of the Company, and Pierre Broqua, Deputy General Manager of the Company, who together hold 10,022,500 shares, representing 60.3% of the Company's capital and 75.2% of its voting rights.

Please also see sections 6.1.1 "Share Capital" and 6.1.2 "Principle shareholders" of this Registration Document.

3.4.4.2 Statutory restrictions on the exercise of voting rights and the transfer of shares or the clauses of agreements brought to the Company's attention in accordance with Article L. 233-11 of the French Commercial Code

There are neither any statutory restrictions on the exercise of voting rights and the transfer of shares nor any clauses of agreements brought to the Company's attention in accordance with Article L. 233-11 of the French Commercial Code, with the exception of the possibility for one or more shareholders holding at least 5% of the capital to request that voting rights be stripped from another shareholder for failure to declare a threshold crossing, in accordance with Article 11 of the Company's Articles of Association.

3.4.4.3 Direct and indirect holdings in the Company's capital of which the Company is aware in accordance with Articles L. 233-7 and L. 233-12 of the French Commercial Code

On the basis of the declaration made to the AMF on February 21, 2017, BVF Partners LP1, acting on behalf of the funds that it manages, declared that it had crossed the thresholds of 5%, 10%, 15% and 20% of the Company's capital and voting rights on February 14, 2017 and that it now held, on behalf of these funds, 3,529,410 Inventiva shares representing an equal number of voting rights, i.e., 22.51% of the Company's capital and voting rights (of which 1,176,470 shares are subject to the call option presented in section 6.2 "Securities giving access to capital and call options"). Please see section 6.1.2 "Principal shareholders" for the percentage of shares held at February 28, 2018.

The Company has no knowledge of any declaration made under Articles L. 233-7 and L. 233-12 of the French Commercial Code reporting direct or indirect holdings in the Company's capital likely to have an impact in the event of a public offering.

3.4.4.4 List of holders of shares with special control rights and description of said rights

At the date of this Registration Document, no shareholder had any special control rights.

A double voting right is however allotted to all fully paid-up shares for which proof is given that the shares have been registered in the name of the same shareholder for at least two years.

In addition, at the date of this Registration Document, the Company holds none of its own shares directly or via a third party other those held as part of its share buyback program and the liquidity agreement entered into on January 19, 2018 between the Company and Kepler Chevreux, replacing the agreement entered into with ODDO BHF (formerly Oddo & Cie). The decision to enter into a liquidity agreement with Kepler Chevreux was approved by the Board of Directors on December 18, 2017. The aggregate maximum amount that may be spent on shares was set at €5 million and the maximum purchase price per share at €17 (please see section 6.1.6 "Acquisition by the Company of its own shares" of this Registration Document).

3.4.4.5 Control mechanisms provided for in a future employee share ownership system, when control rights are not exercised by employees

No control mechanisms are provided for in a future employee share ownership system, when control rights are not exercised by employees.

3.4.4.6 Shareholders' agreements of which the Company is aware and that may lead to restrictions on the transfer of shares and the exercise of voting rights

As part of the admission to trading of the Company's shares on the regulated market of Euronext Paris, Frédéric Cren and Pierre Broqua, the Company's founders and principal shareholders, entered into a shareholders' agreement to set the conditions of their partnership within the Company.

Please see section 6.1.4 "Statement about control of the Company" of this Registration Document.

3.4.4.7 Rules applicable to the appointment and replacement of members of the Board of Directors, as well as those applicable to the amendment of the Company's Articles of Association

Rules applicable to the appointment and replacement of members of the Board of Directors are specified in Article 15 of the Company's Articles of Association.

3.4.4.8 Powers of the Board of Directors, particularly regarding share issues or buybacks

The Board of Directors is granted delegations of authority by the Annual General Meeting for the purpose of carrying out certain transactions related to public offering.

In addition, a liquidity agreement signed on January 19, 2018 between the Company and Kepler Chevreux as part of the share buyback program authorized by the Annual General Meeting of May 29, 2017.

Please see sections 3.6 "Delegations of authority", 6.1.6 "Acquisition by the Company of its own shares" and 6.3 "Main provisions of the Articles of Association" of this Registration Document.

3.4.4.9 Agreements entered into by the Company that may be amended or terminated in the event of a change of control of the Company, unless such disclosure (excluding legal disclosure obligations) could seriously damage the Company's interests

At the date of this Registration Document, and to the best of the Company's knowledge, there is no arrangement that may be terminated as a result of a change of control of the Company, with the exception

of two service agreements concluded with Delpharm Reims and Delpharm Bretigny respectively (please see section 1.3.6.7 of this Registration Document).

3.4.4.10 Agreements that provide for severance pay for members of the Board of Directors and employees if they resign or are dismissed without due cause, or if their employment is terminated due to a public tender or exchange offering

No Company manager is currently receiving any severance payments. If such payments are made, recommendation R16 of the Middlenext Code will be followed.

No agreement currently exists that provides for severance pay for employees if they resign or are dismissed without due cause, or if their employment is terminated due to a public offering. In the event that the beneficiaries are dismissed on personal grounds or resign during the vesting period of the bonus shares granted in 2017, they shall lose their rights to said bonus shares. In the event the beneficiaries are made redundant on economic grounds, they shall lose their rights to the bonus shares, unless the Board of Directors decides to override this policy.

3.5 Compensation and benefits

The information presented below was prepared with the assistance of the Compensation and Appointments Committee with reference to the Middlenext Code and AMF recommendations.

3.5.1 Compensation policy for executive corporate officers

In application of Article L. 225-37-2 of the French Commercial Code, the following paragraphs present the policy and criteria for determining, allocating and awarding the fixed, variable and exceptional components of compensation and benefits of all kinds payable to the Chairman and Chief Executive Officer and the Deputy General Manager.

Based on the information below, at the Annual General Meeting of May 28, 2018, the shareholders will be invited to vote on the executive corporate officers' compensation policy for 2018. For this purpose, two resolutions – the ninth and the tenth – will be submitted, one for the Chairman and Chief Executive Officer and one for the Deputy General Manager. The notice of the Meeting which contains the draft resolutions on compensation policy for executive corporate officers for financial year 2018 shall be published in the *Bulletin des Annonces Légales Obligatoires* (BALO) on April 23, 2018. It should be noted that resolutions of this nature are submitted at least once each year for the approval of the Annual General Meeting under the conditions laid down in the law.

If the Annual General Meeting of May 28, 2018 does not approve these resolutions, the amount of compensation due will be determined in accordance with the compensation awarded for the previous year.

It is specified that as from 2017, payment of the variable and exceptional components of compensation is subject to approval by the Annual General Meeting of the compensation components of the executive concerned.

Compensation is determined by the Board of Directors each year at the proposal of the Compensation and Appointments Committee, based on the level and complexity of responsibilities, the area of activity and sector practices.

At the beginning of the year, the Board of Directors sets executive corporate officers' annual targets in accordance with the agreed upon strategic and operational plan. Achievement of the targets is discussed by the Compensation and Appointments Committee and a performance assessment is proposed to the

Board. The performance assessment may range from 0% to 100% of target achievement, which will then determine the percentage of variable compensation awarded.

The Board of Directors may amend the performance assessment in the case of exceptional events, based on the opinion and recommendation of the Compensation and Appointments Committee.

For each executive corporate officer, the following information is provided below:

- The fixed, variable and exceptional components of their total compensation.
- The benefits of all kinds awarded in respect of their corporate office.
- The policy and criteria for determining, allocating and awarding the fixed, variable and exceptional components of their compensation and benefits of all kinds, which are the subject of a specific resolution submitted to the Ordinary General Meeting. It is specified that payment of the variable and exceptional components of compensation to each executive corporate officer is subject to approval by the Ordinary General Meeting called to approve the financial statements for the year ended December 31, 2018.

3.5.1.1 Compensation policy for executive corporate officers

Executive corporate officers receive fixed compensation, which may be supplemented by various benefits as well as annual variable compensation representing a percentage of their fixed compensation and based on the achievement of annual performance criteria. These criteria are defined in detail by the Board of Directors but are not made public for reasons of confidentiality.

Executive corporate officers are also eligible for the Company's incentive program.

They do not receive directors' fees.

Executive corporate officers are not entitled to severance pay (subject to the stipulations below on executive unemployment insurance under the heading "Benefits in kind") or to any supplementary pension plan (other than the retirement benefits that apply to all of the Company's employees).

Frédéric Cren and Pierre Broqua will neither receive nor are likely to be owed indemnities or benefits on leaving the Company or changing roles within the Company.

Frédéric Cren and Pierre Broqua are not bound by any non-compete clauses on leaving the Company.

3.5.1.2 Other benefits provided to executive corporate officers

Benefits in kind

Executive corporate officers receive the following benefits in kind:

- Frédéric Cren: executive unemployment insurance, rental of company accommodation in Dijon, and loan of a company vehicle.

- Pierre Broqua: executive unemployment insurance, rental of company accommodation in Dijon, and loan of a company vehicle.

Supplementary pension scheme

Frédéric Cren and Pierre Broqua are not entitled to any supplementary pension plan. They are entitled to retirement benefits under the Company's defined benefit pension scheme, pursuant to which the Company's liability is limited to the payment of contributions. For the years 2016 and 2017, the expenses recognized by the Company with respect to this pension scheme amounted to €14,622 and €20,676 for Frédéric Cren and €7,760 and €16,329 for Pierre Broqua.

The table below summarizes, for each executive corporate officer, the components of compensation and benefits of all kinds referred to in Articles L. 225-37-2 and R. 225-29-1 of the French Commercial Code.

3.5.1.3 Compensation principles for executive corporate officers

3.5.1.3.1 Compensation principles for the Chairman and Chief Executive Officer

Components of compensation for 2018	**Frédéric Cren** **Chairman and Chief Executive Officer**
Directors' fees	None.
Annual fixed compensation	€242,528, payable monthly in thirteen installments of a gross amount of €18,656. Half of the thirteenth installment will be paid with the June salary and the balance with the December salary.
Annual variable compensation	40% of annual fixed compensation for 2018 (excluding benefits) if 100% of the 2018 Targets are achieved, i.e., a maximum of €97,011.20. Variable compensation is determined each year according to the rate of achievement of the targets set at the beginning of the year by the Board of Directors, based on the recommendations of the Compensation and Appointments Committee. The performance criteria, which are qualitative in nature, are related to product development clinical studies results, regulatory approval for certain products as well as the marketing strategy and financial visibility. The expected level of performance for each qualitative criterion was set by the Board on March 6, 2018 but was not made public for reasons of confidentiality.
Multiannual variable compensation	N/A (however, see reference to the incentive plan under the heading "*Any other compensation due in respect of executive corporate office*" below)
Stock options	N/A
Bonus shares	N/A
Exceptional compensation	N/A

Components of compensation for 2018	**Frédéric Cren** **Chairman and Chief Executive Officer**
Compensation, benefits or other payments owed or likely to be owed upon taking up office	N/A
Compensation, benefits or other payments owed or likely to be owed upon or after termination or change of office, or defined benefit pension commitments	N/A (see executive unemployment insurance below under the heading "*Benefits in kind*")
Non-compete benefits after termination of office	N/A
Any other compensation due in respect of executive corporate office	Incentive program open to all employees and corporate officers of the Company for the period January 1, 2016 to December 31, 2018. The maximum amount payable in respect of 2018 is €1,000.
Benefits in kind	€23,352, corresponding to: - Executive unemployment insurance. - Company car. - Company accommodation.
Variable or exceptional compensation awarded in respect of the year just ended, payment of which is subject to approval at the Ordinary General Meeting in accordance with Articles L. 225-37-2 or L. 225-82-2 of the French Commercial Code	N/A

3.5.1.3.2 Compensation principles for the Deputy General Manager

Components of compensation for 2018	**Pierre Broqua** **Deputy General Manager**
Directors' fees	None.
Annual fixed compensation	€173,945, payable monthly in thirteen installments of a gross amount of €13,380. Half of the thirteenth installment will be paid with the June salary and the balance with the December salary.
Annual variable compensation	35% of annual fixed compensation for 2018 (excluding benefits) if 100% of the 2018 Targets are achieved, i.e., a maximum of €60,880. Variable compensation is determined each year according to the rate of achievement of the targets set at the beginning of the year by the Board of Directors, based on

Components of compensation for 2018	**Pierre Broqua** **Deputy General Manager**
	the recommendations of the Compensation and Appointments Committee. The performance criteria, which are qualitative in nature, are related to product development clinical studies results, regulatory approval for certain products as well as the marketing strategy and financial visibility. The expected level of performance for each qualitative criterion was set by the Board on March 6, 2018 but was not made public for reasons of confidentiality.
Multiannual variable compensation	N/A (however, see reference to the incentive plan under the heading "*Any other compensation due in respect of executive corporate office*" below)
Stock options	N/A
Bonus shares	N/A
Exceptional compensation	N/A
Compensation, benefits or other payments owed or likely to be owed upon taking up office	N/A
Compensation, benefits or other payments owed or likely to be owed upon or after termination or change of office, or defined benefit pension commitments	N/A (see executive unemployment insurance below under the heading "*Benefits in kind*")
Non-compete benefits after termination of office	N/A
Any other compensation due in respect of executive corporate office	Incentive program open to all employees and corporate officers of the Company for the period January 1, 2016 to December 31, 2018. The maximum amount payable in respect of 2018 is €1,000.
Benefits in kind	€18,266, corresponding to: - Executive unemployment insurance, as of April 1, 2017. - Company car. - Company accommodation.
Variable or exceptional compensation awarded in respect of the year just ended, payment of which is subject to approval at the Ordinary General Meeting in accordance with Articles L. 225-37-2 or L. 225-82-2 of the French Commercial Code	N/A

3.5.2 Compensation paid or awarded to executive corporate officers for 2017

In accordance with Article L. 225-100 of the French Commercial Code, the Annual General Meeting decides on the fixed, variable and exceptional components of the total compensation and the benefits of all kinds paid or awarded for the previous year by separate resolutions for the Chairman and Chief Executive Officer and the Deputy General Manager. The Annual General Meeting must explicitly approve the payment of variable or exceptional components of compensation.

The Annual General Meeting of May 28, 2018 will be invited to vote on the components of compensation paid or awarded for 2017 to the Chairman and Chief Executive Officer and the Deputy General Manager, as presented below. The notice of the Meeting which contains the draft resolutions on compensation paid or awarded to executive corporate officers for financial year 2017 shall be published in the *Bulletin des Annonces Légales Obligatoires* (BALO) on April 23, 2018.

3.5.2.1 Compensation awarded to the Chairman and Chief Executive Officer for 2017

Components of compensation for 2017	**Frédéric Cren** **Chairman and Chief Executive Officer**
Directors' fees	None.
Annual fixed compensation	€242,528
Annual variable compensation	€97,011, i.e., 40% of the annual fixed compensation following attainment of 100% of the 2017 Targets.
Multiannual variable compensation	N/A (however, see reference to the incentive plan under the heading "Any other compensation due in respect of executive corporate office" below)
Stock options	N/A
Bonus shares	N/A
Exceptional compensation	N/A
Compensation, benefits or other payments owed or likely to be owed upon taking up office	N/A
Compensation, benefits or other payments owed or likely to be owed upon or after termination or change of office, or defined benefit pension commitments	N/A (see executive unemployment insurance below under the heading "Benefits in kind")
Non-compete benefits after termination of office	N/A

Components of compensation for 2017	**Frédéric Cren** **Chairman and Chief Executive Officer**
Any other compensation due in respect of executive corporate office	Incentive program: the amount due for 2017 amounts to €1,000.
Benefits in kind	€23,352, corresponding to: - Executive unemployment insurance. - Company car. - Company accommodation.
Variable or exceptional compensation awarded in respect of the year just ended, payment of which is subject to approval at the Ordinary General Meeting in accordance with Articles L. 225-37-2 or L. 225-82-2 of the French Commercial Code	N/A

3.5.2.2 Compensation awarded to the Deputy General Manager for 2017

Components of compensation for 2017	**Pierre Broqua** **Deputy General Manager**
Directors' fees	None.
Annual fixed compensation	€158,132
Annual variable compensation	€52,184, i.e., 33% of the annual fixed compensation following attainment of 100% of the 2017 Targets.
Multiannual variable compensation	N/A (however, see reference to the incentive plan under the heading "Any other compensation due in respect of executive corporate office" below)
Stock options	N/A
Bonus shares	N/A
Exceptional compensation	N/A
Compensation, benefits or other payments owed or likely to be owed upon taking up office	N/A
Compensation, benefits or other payments owed or likely to be owed upon or after termination or change of office, or defined benefit pension commitments	N/A (see executive unemployment insurance below under the heading "Benefits in kind")
Non-compete benefits after	N/A

Components of compensation for 2017	Pierre Broqua Deputy General Manager
termination of office	
Any other compensation due in respect of executive corporate office	Incentive program: the amount due for 2017 amounts to €1,000.
Benefits in kind	€18,266, corresponding to: - Executive unemployment insurance, as of April 1, 2017. - Company car. - Company accommodation.
Variable or exceptional compensation awarded in respect of the year just ended, payment of which is subject to approval at the Ordinary General Meeting in accordance with Articles L. 225-37-2 or L. 225-82-2 of the French Commercial Code	N/A

3.5.3 Standardized tables of compensation for executives and corporate officers

In order to improve the clarity and comparability of the information on compensation, the tables of compensation and benefits for 2017 and prior years are presented below in accordance with the Middlenext Code and AMF Position – Recommendation no. 2014-14 of December 2, 2014, amended on April 13, 2015.

Table no. 1: Summary of the compensation awarded to each executive corporate officer

Summary of compensation (in euros)	2017	2016	2015
Frédéric Cren, Chairman and Chief Executive Officer			
Compensation owed for the year (detailed in table 2)	385,312	358,401	360,730
Value of multiannual variable compensation awarded during the year	None	None	None
Value of share options awarded during the year	None	None	None
Value of bonus shares awarded	None	None	None
TOTAL	**385,312**	**358,401**	**360,730**
Pierre Broqua, Deputy General Manager			
Compensation owed for the year (detailed in table 2)	237,978	198,331	198,531
Value of multiannual variable compensation awarded during the year	None	None	None
Value of share options awarded during the year	None	None	None
Value of bonus shares awarded	None	None	None
TOTAL	**237,978**	**198,331**	**198,531**

Table no. 2: Summary of the compensation of each executive corporate officer

The following tables show the compensation owed to the executive corporate officers for the financial years ended December 31, 2016 and 2017 and the compensation actually received by those individuals during those same financial years.

Summary of the compensation of each executive corporate officer						
Frédéric Cren, Chairman and Chief Executive Officer	2017		2016		2015	
	Amounts owed (in euros)	Amounts paid (in euros)	Amounts owed (in euros)	Amounts paid (in euros)	Amounts owed (in euros)	Amounts paid (in euros)
Fixed compensation	242,528	242,528	242,528	242,528	242,528	242,528
Annual variable compensation	97,011	88,379	88,379	88,379	88,379	88,379
Paid leave	7,961	7,961	6,188	6,188	11,916	11,916
Multiannual variable compensation	None	None	None	None	None	None
Exceptional compensation	None	None	None	None	None	None
Directors' fees	None	None	None	None	None	None
Incentive	1,000	2,200	2,200	2,400	2,400	1,650
Benefits in kind	23,352	23,352	25,294	25,294	25,243	25,243
Total	**371,852**	**364,420**	**364,589**	**364,789**	**370,466**	**369,716**

Pierre Broqua, Deputy General Manager	2017		2016		2015	
	Amounts owed (in euros)	Amounts paid (in euros)	Amounts owed (in euros)	Amounts paid (in euros)	Amounts owed (in euros)	Amounts paid (in euros)
Fixed compensation[(1)]	158,132	158,082	158,132	158,082	158,132	158,132
Annual variable compensation	52,184	23,719	23,719	23,719	23,719	23,719
Paid leave	2,095	2,095	2,210	2,210	3,537	3,537
Multiannual variable compensation	None	None	None	None	None	None
Exceptional compensation	None	None	None	None	None	None
Directors' fees	None	None	None	None	None	None

Incentive	1,000	2,200	2,200	2,400	2,400	1,650
Benefits in kind	18,266	18,266	14,280	14,280	14,280	14,280
Total	**231,677**	**204,361**	**200,541**	**200,690**	**202,068**	**201,318**
TOTAL EXECUTIVES	**603,529**	**568,782**	**565,130**	**565,480**	**572,533**	**571,033**

Table no. 3: Fees received by non-executive corporate officers

Non-executive corporate officers	Amounts paid in 2017	Amounts paid in 2016
Jean Louis Junien	30,000	0
Karen Aïach	35,000	0
Cell+	40,000	0
Pienter Jan BVBA	45,000	0
Chris Newton	35,000	0
Nanna Lüneborg	0	0
Philippe Goupit	0	0
Total	**185,000**	**0**

No other compensation was received by the non-executive directors apart from the directors' fees set out in the above table. They also received share warrants, as shown below in Table no. 4.

Table no. 4: Share warrants (BSAs) or company founder share warrants (BSPCEs) awarded to each non-executive corporate officer by the Company during the year ended December 31, 2017

BSAs awarded during the year to each corporate officer by the issuer	**Date of plan**	**Number of shares that may be issued on exercise of BSAs granted during the year**	**Value of shares**	**Vesting date**	**Availability date**	**Performance condition**
Jean-Louis Junien, Director	May 29, 2017	75,000	2.47	May 29, 2017	Tranche 1: May 29, 2018 Tranche 2: May 29, 2019 Tranche 3: May 29, 2020	N/A
Chris Newton, Director	May 29, 2017	30,000	2.47	May 29, 2017		
Pienter-Jan BVBA, Director	May 29, 2017	30,000	2.47	May 29, 2017		
Karen Aiach, Director	May 29, 2017	30,000	2.47	May 29, 2017		N/A
CELL+, Director	May 29, 2017	30,000	2.47	May 29, 2017		N/A
Nanna Lüneborg, Director	-	0	0	-	-	N/A
Philippe Goupit, Director	-	0	0	-	-	N/A

Table no. 5: BSAs or BSPCEs exercised by each executive corporate officer during the year ended December 31, 2017

None.

Table no. 6: Bonus shares awarded to each corporate officer during the year ended December 31, 2017

None.

Table no. 7: Bonus shares that became available for each corporate officer during the year ended December 31, 2017

None.

Table no. 8: BSA and BSPCE awards to executive and non-executive corporate officers

Information on BSA awards	
Plan	BSA 2017
Date of Annual General Meeting	May 29, 2017
Date of Board of Directors meeting	May 29, 2017
Total number that could be subscribed	195,000
Number awarded to each of the following corporate officers:	
Jean-Louis Junien	75,000
Chris Newton	30,000
Pienter-Jan BVBA, represented by Chris Buyse	30,000
Karen Aiach	30,000
CELL+, represented by Annick Schwebig	30,000
Nanna Lüneborg	0
Philippe Goupit	0
Starting of exercise period[(1)]	May 29, 2018
Expiry date	May 29, 2027
Subscription or purchase price of BSAs	0.534
Subscription or purchase price of shares in exercising BSAs	6.67
Methods of exercise (when the plan consists of several tranches)	The plan is divided into three tranches with one-, two- and three-year vesting periods.

(1) The BSAs are called "Bermuda" options that can be exercised after a period (one, two or three years) and during a limited period (9, 8 and 7 years respectively). See section 6.2.1 "Share warrants (BSAs)" for more information on these BSAs.

Table no. 9: BSAs and BSPCEs awarded to the top ten non-executive employees and BSPCEs and BSAs exercised by them

BSPCEs/BSAs granted to the top ten non-executive employees and options exercised by them	Total number of BSPCEs granted/shares subscribed or purchased	Weighted average price	BCE 2013-1 (2013)	BCE 2013-1 (2015)
Options granted during the year by the Company to the ten Company employees receiving the greatest number of options (general information)	None	None	None	None
Options exercised during the year by the ten Company employees exercising the greatest number of options (general information)	2,607	None	2,334	273

Table no. 10: History of bonus share awards (AGA) to executive and non-executive corporate officers

None.

See also section 6.2.3 “Bonus shares (AGA)” of this Registration Document for the plans offered to employees.

Table no. 11: Information about the compensation conditions and other benefits granted to executive corporate officers

Executive corporate officers	Employment contract		Supplementary pension scheme		Compensation or benefits owed or likely to be owed as a result of leaving the Company or changing roles within the Company		Compensation relating to a non-compete clause	
	yes	no	yes	no	yes	no	yes	no
Mr Frédéric Cren Chairman and CEO Start of term of office: Board of Directors' meeting of May 31, 2016 End of term of office: end of the Annual General Meeting called to approve the financial statements for the year ended December 31, 2018		**X**[(1)]	**X**[(3)]			**X**[(4)]		**X**
Pierre Broqua Deputy General Manager Start of term of office: Board of Directors' meeting of May 31, 2016 End of term of office: end of the Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	**X**[(2)]		**X**[(3)]			**X**[(4)]		**X**

[(1)] On August 25, 2012, the Company entered into an executive contract with Frédéric Cren, starting on August 27, 2012 and for an indefinite duration, in order to set out the conditions under which he will carry out his duties as executive within the Company. The conclusion of this contract was authorized by the Compensation Committee in its decision of August 25, 2012 and was submitted to the Annual General Meeting for approval on June 18, 2013.

[(2)] On July 18, 2012, the Company entered into an employment contract with Pierre Broqua, starting on August 27, 2012 and for an indefinite duration, in order to set out the conditions under which he will carry out his duties as CSO within the Company. The conclusion of this contract was ratified by the Compensation Committee in its decision of August 25, 2012 and was submitted to the Annual General Meeting for approval on June 18, 2013. Following his appointment as Deputy General Manager, Pierre Broqua's employment contract has been suspended since May 31, 2016 by decision of the Board of Directors.

[(3)] Frédéric Cren and Pierre Broqua are eligible for retirement benefits under the defined benefit pension scheme set up within the Company, pursuant to which the Company's liability is limited to the payment of contributions. For the years 2016 and 2017, the expenses recognized by the Company with respect to this pension scheme amounted to €14,622 and €20,676 for Frédéric Cren and €7,760 and €16,329 for Pierre Broqua.

[(4)] Frédéric Cren and Pierre Broqua will be covered by executive unemployment insurance for as long as they remain corporate officers.

3.6 Delegations of authority

The Annual General Meeting of May 29, 2017 approved the issuance resolutions which are summarized below:

The resolutions approved by the Annual General Meeting of May 29, 2017 are summarized below:	*Resolution*	*Term of validity from May 29, 2017*	*Maximum nominal amount*	*Combined maximum nominal amount*	*Method of calculating the issue price*	*Use of delegation*
Delegation of authority to the Board of Directors to carry out capital increases with pre-emptive subscription rights through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, in compliance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2, L.225-135 and L.225-136), and the provisions of Articles L.228-91 *et seq.* of the French Commercial Code	Eleventh resolution	26 months	Capital increase: €100,000 Debt securities granting access to capital to be issued: €80,000,000	Capital increase: €100,000 Debt securities granting access to capital to be issued: €80,000,000		None
Delegation of authority to the Board of Directors to carry out capital increases without pre-emptive subscription rights through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company during public offerings, in compliance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2, L.225-135 and L.225-136), and the provisions of Articles L.228-91 *et seq.* of the French Commercial Code	Twelfth resolution	26 months	Capital increase: €80,000 Debt securities granting access to capital to be issued: €80,000,000		Refer to (1) below	None

The resolutions approved by the Annual General Meeting of May 29, 2017 are summarized below:	*Resolution*	*Term of validity from May 29, 2017*	*Maximum nominal amount*	*Combined maximum nominal amount*	*Method of calculating the issue price*	*Use of delegation*
Delegation of authority to the Board of Directors to carry out capital increases without pre-emptive subscription rights through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, through private placements referred to in Article L.411-2 II of the French Monetary and Financial Code (*Code monétaire et financier*), in compliance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2, L.225-135 and L.225-136), and the provisions of Articles L.228-91 *et seq.* of the French Commercial Code	Thirteenth resolution	26 months	Capital increase: €80,000 and up to a limit of 20% of the share capital per year Debt securities granting access to capital to be issued: €80,000,000		Refer to (1) below	None
Authorization for the Board of Directors to set the issue price for issues without pre-emptive subscription rights through public offerings or private placements, in accordance with the terms and conditions set by the Annual General Meeting and up to a limit of 10% of the share capital, in compliance with the provisions of Article L.225-136 of the French Commercial Code	Fourteenth resolution	26 months	10% of share capital per 12-month period as from May 29, 2017		Refer to (2) below	None

The resolutions approved by the Annual General Meeting of May 29, 2017 are summarized below:	***Resolution***	***Term of validity from May 29, 2017***	***Maximum nominal amount***	***Combined maximum nominal amount***	***Method of calculating the issue price***	***Use of delegation***
Delegation of authority to the Board of Directors to decide to issue ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, with the cancellation of pre-emptive subscription rights in favor of specified categories of beneficiaries, in compliance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2, L.225-129-4, L.225-135, L.225-138, L.228-91 *et seq.* of the French Commercial Code	Fifteenth resolution	18 months	Capital increase: €80,000 Debt securities granting access to capital to be issued: €80,000,000		Refer to (3) below	**Board of Directors' meetings of April 12, 2018 and by decision of the Chairman and CEO on April 12, 2018** Subject to the settlement of the operation scheduled for April17, 2018: Capital increase in a gross amount, issue premium included, of €35,496,825 through the issue of 5,572,500 new shares with a price per share of €6.37.
Authorization for the Board of Directors to increase the number of securities issued in the case of a capital increase with or without pre-emptive subscription rights, in compliance with the provisions of Articles L.225-135-1 and R.225-118 of the French Commercial Code	Sixteenth resolution	26 months (except if the authorization is used in connection with the fifteenth resolution, in which case the authorization is for a term of 18 months)	15% of the original issue		Same price as the original issue price	None

The resolutions approved by the Annual General Meeting of May 29, 2017 are summarized below:	***Resolution***	***Term of validity from May 29, 2017***	***Maximum nominal amount***	***Combined maximum nominal amount***	***Method of calculating the issue price***	***Use of delegation***
Delegation of authority to the Board of Directors to carry out capital increases as part of a public exchange offering launched by the Company through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2 and L.225-148), and the provisions of Article L.228-91 of the French Commercial Code	Seventeenth resolution	26 months	Capital increase: €80,000 Debt securities granting access to capital to be issued: €80,000,000			None
Delegation of authority to the Board of Directors to carry out capital increases of up to a maximum of 10% of the share capital in compensation for contributions in kind, except in the case of a public exchange offering launched by the Company, through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, in compliance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2 and L.225-147), and the provisions of Articles L.228-91 *et seq.* of the French Commercial Code	Eighteenth resolution	26 months (except if the authorization is used in connection with the fifteenth resolution, in which case the authorization is for a term of 18 months)	Capital increase: 10% of share capital Debt securities granting access to capital to be issued: €30,000,000			None

The resolutions approved by the Annual General Meeting of May 29, 2017 are summarized below:	***Resolution***	***Term of validity from May 29, 2017***	***Maximum nominal amount***	***Combined maximum nominal amount***	***Method of calculating the issue price***	***Use of delegation***
Authorization for the Board of Directors to carry out capital increases by capitalizing reserves, profits or additional paid-in capital, in compliance with the provisions of Articles L.225-129-2 and L.225-130 of the French Commercial Code	Twentieth resolution	26 months	Capital increase: €20,000			None
Modification of the authorization for the Board of Directors to freely award shares to members of paid staff and/or certain corporate officers, in compliance with the provisions of Articles L.225-197-1 and L.225-197-2 of the French Commercial Code	Twenty-first resolution	38 months as from September 30, 2016	Capital increase: 5% of the share capital on the date the Board of Directors decides to award the shares	Capital increase: €100,000		**Board of Directors' meeting of January 26, 2018** Free allocation of 10,000 AGA 2018-1[72] shares and 65,700 AGA 2018-2[73] shares
Authorization for the Board of Directors to grant stock subscription and/or purchase options to corporate officers and employees of the Company or of Group companies, which entails the shareholders' waiver of their pre-emptive subscription rights to the shares issued when the options are exercised, in compliance with the provisions of Articles L.225-177 *et seq.* of the French Commercial Code	Twenty-second resolution	38 months	Capital increase: 5% of the share capital on the date the Board of Directors decides to award the shares		Refer to (4) below	None

[72] The free allocation of AGA 2018-1 shares will only be definitive at the end of a one-year vesting period, namely from January 26, 2019. See also section 6.2.3 "Bonus shares (AGA)" of this Registration Document for the plans offered to employees.

[73] The free allocation of AGA 2018-2 shares will only be definitive at the end of a two-year vesting period, namely from January 26, 2020. See also section 6.2.3 "Bonus shares (AGA)" of this Registration Document for the plans offered to employees.

The resolutions approved by the Annual General Meeting of May 29, 2017 are summarized below:	***Resolution***	***Term of validity from May 29, 2017***	***Maximum nominal amount***	***Combined maximum nominal amount***	***Method of calculating the issue price***	***Use of delegation***
Delegation of authority to the Board of Directors to decide to issue ordinary share warrants (BSAs), with the cancellation of pre-emptive subscription rights in favor of a specific category of persons, in compliance with the provisions of Articles L.225-138, L.225-129-2 and L.228-91 *et seq.* of the French Commercial Code	Twenty-third resolution	18 months	600,000 ordinary share warrants (BSAs) Capital increase: €6,000		Refer to (5) below	**Board of Directors' meeting of May 29, 2017** Allocation of 195,000 BSA shares with a subscription price of €0.534
Delegation of authority to the Board of Directors to decide to issue company founder share warrants (BSPCEs), with the cancellation of pre-emptive subscription rights in favor of employees or executives of the Company or of a company in which the Company holds at least 75% of the share capital or voting rights	Twenty-fourth resolution	18 months	600,000 company founder share warrants (BSPCEs) Capital increase: €6,000		Refer to (6) below	None

(1) The issue price will be determined as follows: (i) the issue price of the shares issued under this resolution shall be at least equal to the minimum price authorized by laws and regulations in force (to date, the weighted average price over the last three trading days on the regulated Euronext Paris market before the capital increase subscription price is set, with the possible application of a discount of up to 5%) and (ii) the issue price of the transferable securities other than shares issued under this resolution will be such that the amount immediately received by the Company plus any amount to be received by the Company at a later stage is, for each share issued as a result of the issue of these transferable securities, at least equal to the amount referred to in (i) above.

(2) The Annual General Meeting of May 29, 2016 delegated its power to set the issue price of securities to the Board of Directors in accordance with the following conditions: (a) the issue price may not be less than the volume-weighted average price over the last three trading days on the regulated Euronext Paris market before the issue price is set, with the possible application of a discount of up to 20% and (b) the issue price of the transferable securities other than the shares will be such that the amount immediately received by the Company plus any amount to be received by the Company at a later stage is, for each share issued as a result of the issue of these transferable securities, at least equal to the amount referred to in (a) above.

(3) (i) The issue price of ordinary shares issued under this resolution will be set by the Board of Directors, in accordance with the provisions of Articles L. 225-138-II and R. 225-114 of the French Commercial Code and may not be less than the volume-weighted average price over the last three trading days on the regulated Euronext Paris market before the issue price is set, with the possible application of a discount of up to 20% and (ii) the issue price of the transferable securities other than shares issued under this resolution will be such that the amount immediately received by the Company plus any amount to be received by the Company at a later stage is, for each share issued as a result of the issue of these transferable securities, at least equal to the amount referred to in (i) above.

(4) The exercise price of options granted under this resolution will be set by the Board of Directors in accordance with the following conditions: (i) the exercise price of ordinary share subscription options may not be lower than 80% of the average trading price of the Company's shares on the regulated Euronext Paris market over the 20 trading days prior to the day that the options are granted, and (ii) the exercise price of share purchase options may not be lower than 80% of the average purchase price of the shares held by the Company in accordance with Article L. 225-208 of the French Commercial Code, or, if applicable, the share buyback program authorized by the ninth resolution submitted to this

meeting under Article L. 225-209 of the French Commercial Code or any share buyback program applicable before or after.

(5) The issue price of the 2017 BSAs will be determined by the Board of Directors on the day that they are issued and in accordance with their characteristics. In any case, the issue price shall be at least equal to 8% of the market value of the Company's ordinary shares on the date the 2017 BSAs are awarded. This market value corresponds to the weighted average price over the last 20 trading days before the 2017 BSAs are awarded by the Board of Directors, provided that the Company's shares are admitted for trading on a regulated market or stock exchange.

(6) The subscription price is determined by the Board of Directors on the date that the 2017 BSPCEs are awarded and, provided that the Company's shares are admitted for trading on a regulated market, should be at least equal to the highest of the following values: (i) the average weighted price over the last 20 trading days before the 2017 BSPCEs are awarded by the Board of Directors; or (ii) if one or several capital increases were carried out in less than six months before the Board of Directors' decision to award the 2017 BSPCEs, the subscription price of an ordinary share under the most recent of these capital increases, as calculated on the date that each 2017 BSPCE is awarded. It is specified that, to determine the subscription price of each ordinary share on exercise of a 2017 BSPCE, the Board of Directors will not take into account any capital increases resulting from the exercise of BSPCEs, BSAs, share subscription options or bonus shares.

The resolutions on the financial authorizations that will be proposed to the Annual General Meeting of May 28, 2018 are presented in section 7.3 of this Registration Document.

4 Accounting and financial information

This section analyzes the Company's earnings and financial position for the years ended December 31, 2016 and December 31, 2017.

The comments on the financial statements are based on, and should be read in conjunction with, the IFRS financial statements set out in section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document.

4.1 Key factors affecting the Company's performance

4.1.1 Development of clinical and preclinical programs

Since the Company's founding, most of its resources have gone into research and development, particularly in order to develop:

- the lanifibranor clinical program, whose Phase IIb clinical trials are currently in progress for the treatment of NASH and SSc;
- the odiparcil clinical program, whose clinical Phase IIa for the treatment of MPS VI is currently in progress; and
- to a lesser extent, the Company's preclinical product portfolio.

These research and development activities are presented in further detail in section 1 "Business activities and markets" of this Registration Document.

Changes in research and development costs are detailed in section 4.2.4 "Operating expenses" of this Registration Document.

4.1.2 Agreement with Abbott

Description of the Asset Purchase Agreement (APA)

On August 27, 2012, the Company entered into an Asset Purchase Agreement with Abbott (the "**APA**") as part of its operational start-up (see Note 2.1.2 "Significant events" to the IFRS financial statements presented "in section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS", and section 1.3.1 "Asset Purchase Agreement with Abbott" of this Registration Document).

Initial accounting treatment of the APA

Under IFRS, the APA is analyzed as a business acquisition, with net assets representing a fair value of €8.4 million.

In exchange for complying with its obligations under the APA, the Company received payments from Abbott. In accordance with IFRS, these payments were deemed to be due to the Company as of the date on which the APA was finalized, notwithstanding their staggered payment over time. They therefore represent a "negative" payment of €96.0 million made by Abbott to the Company. The fair value of the receivable was estimated at €94.2 million to reflect the impact of discounting the financing over time, measured at €1.8 million of the total. A deferred tax liability was recognized and reduced as and when the payments were received.

Financial impacts of the APA on cash flow and the income statement

At December 31, 2017, Abbott paid a cumulative amount of €104,413 thousand pursuant to the APA, i.e., all of the initial one-off payment and additional quarterly payments provided for in the agreement. This amount includes:

- the payments made by Abbott at December 31, 2016 totaling €98,228 thousand; and
- two additional quarterly payments received in 2017 totaling €6,185 thousand.

The impact on 2017 income is €3,036 thousand, of which €3,027 thousand relates to the reduction in the deferred tax liability, which stood at zero as of December 31, 2017. The impact of the APA on 2016 income was €6,199 thousand, of which €6,072 thousand related to the reduction in the deferred tax liability on the negative goodwill recorded in 2012.

4.1.3 Partnerships with AbbVie and Boehringer Ingelheim

The Company has two strategic partnerships, which account for the bulk of its revenue.

In August 2012, the Company entered into a partnership agreement with AbbVie (the "AbbVie Partnership") that provides for the payment by AbbVie to the Company of a basic annual fee of €3 million over a five-year period, adjustable each year for inflation, in exchange for services provided by the Company on several research programs. The two main programs concerned are the RORγ project for the treatment of certain autoimmune diseases and another project in the field of fibrosis. In addition to the basic annual fee, the agreement also provides for progress payments when certain specific scientific milestones have been reached. These represent a significant portion of the total revenue generated under the agreement.

This partnership agreement AbbVie is described in section 1.3.2 "Research partnership with AbbVie" of this Registration Document.

The Company entered into another research, discovery and licensing partnership with Boehringer Ingelheim in May 2016 (the "BI Agreement"), which provides for quarterly payments to compensate researchers assigned to the program, based on the number of full-time equivalent staff. The agreement also provides for progress payments on achieving technical and commercial milestones, representing the most significant portion of potential future revenue under this agreement, along with specific payments in the event options are exercised to extend the partnership.

The BI agreement is described in section 1.3.3 "Research, discovery and licensing partnership with Boehringer Ingelheim" of this Registration Document.

The AbbVie and BI partnerships accounted for 87.7% and 90.3% of the Company's revenue in 2017 and 2016, and are analyzed in section 4.2.2 "Revenue and other income" of the Registration Document.

4.1.4 Research tax credit

Research tax credits (*Crédit d'Impôt Recherche*, CIR) are one of the Company's key sources of funding. They are granted by the tax authorities to encourage companies to undertake technical and scientific research. Companies that provide evidence of costs which meet the required criteria are eligible for tax credits that may be used for the payment of corporate income tax due during the period in which the cost is incurred or during the following three reporting periods or, where applicable, may be refunded to the extent of the excess costs.

Only research costs may be included when calculating research tax credits. Changes in the amount of research tax credits are due to changes in eligible expenditure (particularly payroll costs for research and studies that comply with the criteria laid down by the tax authorities) used as the basis of calculation described in section 4.2.4.1 "Research and development costs".

In late February 2017, the Company received an expert report prepared by the French Regional Research and Technology Authority (*Délégation régionale à la recherche et à la technologie*, DRRT) which sets out the findings of a review of the CIR research tax credit for the years ended December 31, 2013, December 31, 2014 and December 31, 2015 and disputes the manner in which certain CIR items were calculated.

The Company received a proposed tax adjustment on July 28, 2017 amounting to €1.8 million, excluding penalties and late payment interest. This chiefly concerned:

- The innovative nature of certain sub-contracting services;
- The exhaustivity of the technical documentation on certain eligible scientific projects;
- The eligibility of certain activities.

The Company challenged this tax deficiency notice in a reply sent to the French tax authorities on September 29, 2017. An additional provision of €131,086 was set aside in 2017, giving a total provision of €477,494 at December 31, 2017. On February 6, 2018, the French tax authorities responded to the Company's challenge of the tax deficiency notice maintaining the validity of all reassessments presented in that document. The Company used every means available to it to contest this position (see section 2.1.6.1 "Tax audit" of this Registration Document).

4.1.5 Description of income statement captions

4.1.5.1 Revenue

Revenue consists of payments received in respect of strategic research, discovery and/or licensing partnerships entered into by the Company with AbbVie and Boehringer Ingelheim.

To a lesser extent, revenue also includes other research services provided by the Company.

4.1.5.2 Other operating income

Other operating income over the periods presented consists mainly of research tax credits and, to a lesser extent, of subsidies related to research programs.

4.1.5.3 Operating expenses

Operating expenses consist of research, marketing and business development costs as well as general expenses.

Research and development costs

Research and development costs mainly comprise:

- expenditure by staff in charge of research work;
- studies, including all research service activities conducted externally by specialist research firms in accordance with the needs and development phases of the Company's programs;
- disposables, comprising all of the items and products needed for research activity, including bio-reagents, proteins, chemical reagents, plasmids, cells and laboratory disposables. consumption of these items and products varies based on staff numbers allocated to research activities as well as the nature and development phases of research programs;
- maintenance, covering general maintenance of buildings used for research activities and specific maintenance on installed research facilities;
- costs of filing and enforcing patents;
- amortization and depreciation expense taken on patents and research facilities; and
- expenses relating to IT systems, mainly consisting of scientific applications.

Marketing and business development costs

These include all business development costs incurred by the Company.

They mainly include two types of costs:

- the salaries of the Company's two (one as of April 2017) business development managers; and
- fees for marketing services.

General and administrative expenses

General and administrative expenses cover the Company's management and support function costs and mostly consist of personnel costs and consulting fees.

4.1.5.4 Other non-recurring operating income and expenses

"Other non-recurring operating income" and "Other non-recurring operating expenses" are only used to record the financial impact of major events over the period because presenting these impacts under another caption would distort the Company's operating performance. In 2017 and 2016, they related primarily to the costs of the Company's initial public offering and capital increase, as well as a gain on the sale of a real estate asset.

4.1.5.5 Net financial income

Net financial income mainly comprises:

- the impact of unwinding the discount on the APA receivable, as described in section 4.1.2 "Agreement with Abbott" and in Note 2.1.2 "Significant events" presented in section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document; and
- income and expenses arising on the Company's financing activities, mainly consisting of income from cash and cash equivalents, foreign exchange gains and losses, and debt management expenses.

4.1.5.6 Tax

Current and deferred tax

Income tax expense can be broken down as follows:

- current tax, corresponding to corporate income tax at the rate applicable on taxable income for the period, in accordance with French tax laws;
- deferred tax, corresponding to temporary differences recognized in accordance with IFRS between the tax base and carrying amount of assets and liabilities in the Company's IFRS financial statements. The treatment of the APA, as described in section 4.1.2 "Agreement with Abbott" and in Note 2.1.2 "Significant events" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document, is the main source of deferred taxes for the periods presented.

Effective tax rate

The Company is liable for French corporate income tax at the standard rate of 33.33%.[74]. However, effective tax rates over the periods presented differ considerably. Differences between the effective rate and the theoretical rate of 33.33% are mainly attributable to the impact of research tax credits. These are treated as operating income under IFRS and not as a "tax benefit". They are therefore booked in "Other operating income" and no tax is calculated on these amounts.

Consequently, because the Company posted a pre-tax loss for these periods, its actual "net tax benefit" is greater than its theoretical "net tax benefit", reflected in an effective tax rate that is greater than the theoretical rate.

[74] Article 11 of France's Amended Finance Act 2016-1917 of December 29, 2016 provides for a gradual reduction in the standard corporate income tax rate to 28% for all companies by 2020. The reduction in the tax rate was taken into account in calculating deferred taxes based on the date on which the deferred tax assets and liabilities are expected to be realized.

4.2 Earnings analysis

4.2.1 Comparisons between the income statements for 2017 and 2016

The following table analyzes the main income statement captions for the years ended December 31, 2017 and December 31, 2016:

(in thousands of euros)	2017	2016
Revenue	**6,521**	**9,446**
Other recurring operating income	5,161	4,906
Research and development costs	(26,733)	(22,145)
Marketing – business development	(353)	(492)
General and administrative expenses	(5,063)	(3,764)
Recurring operating income (loss)	**(20,467)**	**(12,049)**
Other non-recurring operating income	255	-
Other non-recurring operating expenses	(704)	(970)
Operating income (loss)	**(20,916)**	**(13,019)**
Financial income	317	523
Financial expenses	(39)	(63)
Net financial income	**278**	**460**
Income tax	3,409	5,514
Net income (loss) for the period	**(17,229)**	**(7,045)**

4.2.2 Revenue and other operating income

Total income (in thousands of euros)	2017	2016
Revenue	6,521	9,446
Total revenue	6,521	9,446
Subsidies	833	733
Research tax credit	4,321	4,155
Other tax credits	-	-
Other	8	18
Other operating income	5,161	4,906
Total operating income	11,682	14,352

Revenue for 2017 amounted to €6,521 thousand for 2017 compared with €9,446 thousand for 2016.

The majority of the Company's revenue is derived from its research partnerships with AbbVie and Boehringer Ingelheim. The €2,925 thousand (31%) year-on-year decrease in revenue in 2017 chiefly reflects:

- a decrease in revenue based on technical milestones: two milestones had been achieved in 2016 under the AbbVie partnership, generating €4,500 thousand in revenue. In 2017, no milestone payments were expected in respect of this agreement, which expired on August 27, 2017 but was renewed for another year on August 10, 2017. This decline in revenue was partly offset by the first milestone payment under the Boehringer Ingelheim partnership for having completed the validation phase of a new target for the treatment of fibrosis, representing €2,500 thousand in revenue in 2017; and
- a decrease in revenue generated by recurring partnership fees, representing €3,219 thousand in 2017 versus €4,025 thousand in 2016, i.e., a decline of €806 thousand.

4.2.3 Other operating income

Other operating income totaled €5,161 thousand for 2017 versus €4,906 thousand for 2016, a rise of €255 thousand (5.2%) year to year. This increase was mainly attributable to:

- a €166 thousand increase in research tax credits owing to the rise in eligible R&D costs; and
- a €100 thousand increase in subsidies compared to 2016. In 2017, income from subsidies represents €833 thousand and mainly corresponds to two subsidies for €655 thousand from Banque Publique d'Investissement for the "Eurostars" program and two subsidies for €178 thousand from France's national research agency (*Agence Nationale de la Recherche*, ANR), including one in respect of a project conducted jointly with Institut Curie. No new subsidies were applied for or awarded to Inventiva in 2017.

4.2.4 Operating expenses

Operating expenses (in thousands of euros)	**2017**	**2016**
Research and development costs	26,733	22,145
Marketing – business development	353	492
General and administrative expenses	5,062	3,764
Total operating expenses	32,148	26,400

4.2.4.1 Research and development costs

Research and development costs can be broken down as follows:

Research and development costs (in thousands of euros)	2017	2016
Disposables	2,088	2,511
Energy and liquids	513	523
Patents and scientific monitoring	403	497
Studies	13,308	8,755
Maintenance	1,003	1,043
Fees	97	24
IT systems	853	754
Personnel costs	7,040	6,522
Depreciation, amortization and provisions	1,009	1,238
Other research and development costs	419	278
Total research and development costs	**26,733**	**22,145**

Research and development costs for 2017 increased by €4,588 thousand (20.7%) year to year to €26,733 thousand (2016: €22,145 thousand), reflecting higher spending on studies for the lanifibranor and odiparcil projects in the development phase, as described below:

Lanifibranor

Study-related expenses for the lanifibranor project rose by €2,545 thousand (38.3%) to €9,193 thousand in 2017.

Lanifibranor is an anti-fibrotic drug candidate currently in Phase IIb for the treatment of SSc and NASH that Inventiva has been developing since 2013.

Costs relating to the lanifibranor project in 2017 break down into two main categories: activities relating to clinical studies and development activities including pharmaceutical development, preclinical pharmacology, pharmacokinetic and toxicology studies in animals.

Costs incurred on these studies have enabled progress during the period, mainly in:

Treatments for NASH:

- randomization and monitoring of the first patients in the NATIVE (NAsh TrIal to Validate Lanifibranor Efficacy) Phase IIb study of 225 patients suffering from NASH with two different doses of lanifibranor;
- continued deployment of the NATIVE clinical study in 14 European countries and in Canada and Australia (31 sites concerned), for which the first patient was recruited in February 2017;
- costs correspond to opening the first sites and equipping them with treatment units, as well as monitoring the first patients included in the study.

Treatments for SSc:

- continuation of the Phase IIb FASST study, which will concern 10 European countries and 47 clinical centers for 48 weeks;
- finalization of the recruitment of 145 patients for inclusion in the Phase IIb FASST study looking at lanifibranor to treat patients suffering from SSc;
- costs were mainly attributable to the clinical CRO, the centralized laboratory, the manufacturing and distribution of treatment units, and the submission of the study to additional countries.

During the first half of the year, a clinical batch of prototypes was produced for three new formulations of lanifibranor, the pharmacokinetics of which will be compared with that of volunteers in a Phase I clinical study that has been set up. A new batch of lanifibranor has been produced for these pharmaceutical development activities.

Preclinical toxicology studies continued: long-term studies in monkeys, carcinogenicity studies in rats and mice, and the start of a Phase III reprotoxicity study in rats.

In order to improve knowledge of the effects of lanifibranor and its mechanism of action, in vitro studies have been conducted on animals through collaborations with recognized experts in therapeutic indications. In addition, Inventiva collaborates with clinical, regulatory and statistical quality experts (scientific and clinical), which enable it to ensure that its ongoing studies meet the required quality standards.

Odiparcil

Study-related expenses for the Odiparcil project tripled to €2,912 thousand in 2017, a rise of €1,998 thousand compared to 2016.

Study-related expenses incurred in 2017 mainly relate to:

- the preparation of clinical trials (Phase IIa iMProveS study) that started in the second half of 2017. The preparation costs primarily concerned the preparation of batches used during the trials, as well as consulting fees relating to the preparation of regulatory documentation (in view of the Investigational Medicinal Product Dossier, **IMPD**); and
- a biomarker study begun in the United States in March 2017. Costs mainly related to fees paid to the CRO investigation center and the central laboratory. The study aims in particular to develop a method for measuring types of glycosaminoglycan in leucocytes. As part of the study, the Company also worked with consultants and experts to draft the legal documentation required to roll out the study in the United States; and
- the recruitment of the first patient for the Phase IIa iMProveS study.

YAP/TEAD

To a lesser extent, the rise in study-related expenses also stemmed from an increase in research and development costs for the YAP/TEAD project, which rose by €218 thousand (38.2%) year on year to €787 thousand in 2017.

Costs incurred in 2017 mainly relate to:

- the continuation of the "hit to lead" phase and the procurement of compounds with activity in the 100nM band in both transactivation and cell proliferation;
- the increase in the panel of dependent cell lines in mesothelioma, NSL cancer and other forms of cancer;
- the assessment of new compounds in xenograft models.

The increase in research and development costs was also due to the €518 thousand rise in personnel costs, mainly reflecting personnel recruited to strengthen the development hub and the impact of the new free share and share warrant plans.

The increase in study-related expenses and personnel costs was partly offset by a €423 thousand decrease in disposables (see Note 4.1.5.3 "Operating expenses" in section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS") owing to the decline in activities for NSD2 and SUV39H1, and in screening activities more generally.

4.2.4.2 Marketing and Business development costs

Marketing and business development costs can be broken down as follows:

Marketing – business development (in thousands of euros)	**2017**	**2016**
Fees	25	51
Personnel costs	306	340
Other operating expenses	22	101
Total marketing and business development costs	**353**	**492**

Marketing and business development costs for 2017 fell by €139 thousand (28.3%) year on year to €353 thousand (2016: €492 thousand). The decline mainly reflects a decrease in business development staff following the departure of one of the two managers in April 2017.

4.2.4.3 General and administrative expenses

General and administrative expenses are mainly composed of administrative personnel and support costs (primarily security and various leasing costs and taxes), non-scientific IT costs and fees. They can be broken down as follows:

General and administrative expenses (in thousands of euros)	**2017**	**2016**
Fees	1,111	580
IT systems	71	56
Support costs (including taxes)	549	543
Personnel costs	2,051	1,727
Depreciation, amortization and provisions	227	248
Other general and administrative expenses	1,054	611
Total general and administrative expenses	**5,062**	**3,764**

General and administrative expenses for 2017 increased by €1,298 thousand (34.5%) year on year, to €5,062 thousand (2016: €3,764 thousand). The increase in this caption was mainly driven by a rise in fees, up €531 thousand (91.5%) to €1,111 thousand in 2017 from €580 thousand in 2016. This primarily reflects new management costs incurred by the Company following its initial public offering in the first quarter of 2017 (consulting and audit fees, reporting and investor relations expenditure, etc.) as well as additional expenses incurred in connection with the tax audit in progress.

4.2.5 Non-recurring operating income and expenses

Non-recurring operating income and expenses break down as follows:

Non-recurring operating income and expenses (in thousands of euros)	**2017**	**2016**
Other non-recurring operating income	255	-
Other non-recurring operating expenses	(704)	(970)
Non-recurring operating income and expenses	**(449)**	**(970)**

The Company reported a non-recurring operating loss of €449 thousand in 2017 and of €970 thousand in 2016.

Other non-recurring operating expenses include costs associated with the Company's initial public offering and capital increase, which took place in the first quarter of 2017 but for which expenses were incurred in 2015 and 2016.

The costs incurred in 2017 and 2016 mostly comprised legal, consulting and audit fees with the following impacts on the 2017 financial statements:

- transaction costs directly attributable to the capital increase are shown as a deduction from additional paid-in capital in an amount of €3,884 thousand;
- other transaction costs not directly attributable to the capital increase (but attributable to the IPO) were transferred to non-recurring expenses in an amount of €668 thousand for 2017 compared to a figure of €970 thousand in 2016.

Other non-recurring operating income consists primarily of the capital gains on disposals, including €228 thousand on the sale of a real estate asset on May 5, 2017 (see Note 2.1.2 "Significant events" in section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document).

4.2.6 Net financial income

Net financial income (in thousands of euros)	**2017**	**2016**
Income from cash and cash equivalents	277	230
Foreign exchange gains	29	15
Other financial income	2	151
Discounting gains	9	127
Total financial income	**317**	**523**
Interest cost	(5)	(8)
Losses on cash and cash equivalents	(3)	(2)
Foreign exchange losses	(21)	(44)
Discounting losses	(9)	(9)
Other financial expenses	**(39)**	**(63)**
Net financial income	**278**	**460**
Net financial income excluding the impact of the APA[(a)]	**269**	**334**

(6) *See section 4.1.2 "Agreement with Abbott" of this Registration Document.*

Net financial income retreated by €182 thousand (39.6%) year on year to €278 thousand (2016: €460 thousand), mainly reflecting the decline in income from discounting the APA receivable, which fell by €118 thousand (92.9%) at December 31, 2017 to €9 thousand (2016: €127 thousand). At December 31, 2017, the balance of the receivable is equal to zero since the additional payments due by Abbot had been paid in full pursuant to the arrangement under the Asset Purchase Agreement described in Note 2.1.2 "Significant events" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document.

4.2.7 Income tax

Changes in the Company's effective tax rate between 2016 and 2017 are mainly attributable to changes in the amount of research tax credits.

These are considered as tax credits from a tax perspective but as other revenue under IFRS, thus generating permanent differences between the effective and theoretical tax rates.

Research tax credits totaled €4,321 thousand in 2017 and €4,155 thousand in 2016. Consequently, the impact on actual income tax, corresponding to the amount of research tax credits multiplied by the theoretical tax rate, was €1,488 thousand for 2017 and €1,431 thousand for 2016.

Income tax (in thousands of euros)	**2017**	**2016**
Net income (loss) for the period	(17,229)	(7,045)
Income tax	8,903	5,514
Loss before tax	(20,638)	(12,558)
Theoretical tax rate	33.33%	33.33%
Tax benefit at theoretical rate	**6,879**	**4,186**
Non-deductible interest	-	-
Tax credits (including research tax credits)	1,488	1,431
CVAE corporate value added tax	-	-
Permanent differences	1,246	(114)
Tax-rate related differences	(482)	23
Other differences	(228)	(13)
Actual income tax benefit	**8,903**	**5,514**
Of which: - current taxes	5,827	(580)
- deferred taxes	3,075	6,094
Effective tax rate	**43.14%**	**43.90%**

The effective tax rate for 2017 was 43.14% compared with 43.90% for 2016. The decrease reflects (i) the €3,884 thousand impact of start-up cost deductions recognized in 2017 as a permanent difference, and (ii) the €2,693 thousand rise in the theoretical tax credit owing to the increase in the net loss for 2017.

4.2.8 Net income (loss)

The Company reported a net loss of €17,229 thousand for the year ended December 31, 2017 and of €7,045 thousand for the year ended December 31, 2016.

4.3 Balance sheet analysis

The following table analyzes the main balance sheet captions at December 31, 2017 and December 31, 2016.

(in thousands of euros)	December 31, 2017	December 31, 2016
Intangible assets	1,806	2,073
Property, plant and equipment	4,516	4,958
Deferred tax assets	253	195
Available-for-sale assets	-	149
Other non-current assets	572	237
Non-current assets	**7,147**	**7,611**
Inventories	473	472
Trade receivables	64	771
Tax receivables	4,464	3,731
Other receivables	3,168	5,231
Other current assets	-	6,176
Cash and cash equivalents	59,051	24,868
Current assets	**67,220**	**41,248**
Total assets	**74,367**	**48,860**
Shareholders' equity	**64,009**	**35,723**
Long-term debt	220	482
Deferred tax liabilities	-	3,013
Long-term provisions	477	346
Provisions for retirement benefit obligations	866	695
Other non-current liabilities	-	-
Non-current liabilities	**1,563**	**4,536**
Short-term debt	262	146
Short-term provisions	-	-
Trade and other payables	5,382	4,364
Tax liabilities	-	-
Other payables	3,151	4,091
Current liabilities	**8,795**	**8,601**
Total equity and liabilities	**74,367**	**48,860**

4.3.1 Non-current assets

Non-current assets (in thousands of euros)	December 31, 2017	December 31, 2016
Intangible assets	1,806	2,073
Property, plant and equipment	4,516	4,958
Deferred tax assets	253	195
Available-for-sale assets	-	149
Other non-current assets	572	237
Non-current assets	**7,147**	**7,611**

Non-current assets mainly comprise property, plant and equipment acquired under the APA and intangible assets comprising patents, licenses, trademarks and software.

Non-current assets totaled €7,147 thousand at December 31, 2017 compared with €7,611 thousand at December 31, 2016, representing a decrease of €464 thousand, or 6.1%. This is mainly attributable to:

- the fall in the net carrying amount of property, plant and equipment and intangible assets owing to annual depreciation/amortization (see Notes 2.4.1 and 2.4.2 of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS");
- the increase in other non-current assets due mainly to the recognition of a €333 thousand tax receivable at end-2017 relating to tax loss carrybacks expected to be recovered after five years;
- the decrease in available-for-sale assets following the release of the pledge securing the €285 thousand loan agreed with Crédit Agricole in April 2015 for an amount of €149 thousand.

4.3.2 Current assets

(in thousands of euros)	December 31, 2017	December 31, 2016
Inventories	473	472
Trade receivables	64	771
Tax receivables	4,464	3,731
Other receivables	3,168	5,231
Other current assets	-	6,176
Cash and cash equivalents	59,051	24,868
Current assets	**67,220**	**41,248**

Cash and cash equivalents carried in current assets can be broken down as follows:

Net cash and cash equivalents (in thousands of euros)	December 31, 2017	December 31, 2016
UCITS and certificates of deposit	5,046	6,180
Other cash equivalents	36,277	14,989
Cash at bank and at hand	17,728	3,699
Cash and cash equivalents	**59,051**	**24,868**
Bank overdrafts	(3)	(3)
Net cash and cash equivalents	**59,048**	**24,864**

Current assets totaled €67,220 thousand at December 31, 2017, compared to €41,248 thousand at December 31, 2016, i.e., a year-on-year increase of €25,972 thousand, or 63.0%. This was mainly attributable to:

- a rise in cash and cash equivalents primarily due to the February 2017 initial public offering, as described in Note 2.4.7 "Cash and cash equivalents" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS";
- an increase in tax receivables, as described in Note 2.4.6 "Trade and other receivables" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS";

partly offset by:

- a decrease in other current assets following the receipt of the final payments on the business combination of August 27, 2012, as described in Note 2.1.2 "Significant events" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS").
- a decrease in other receivables owing to the progress payment schedule for the AbbVie and BI projects (see Note 2.1.2 "Significant events" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS").

4.3.3 Shareholders' equity

Shareholders' equity (in thousands of euros)	December 31, 2017	December 31, 2016
Share capital	164	100
Additional paid-in capital	44,992	-
Net income (loss) for the period	(17,229)	(7,045)
Reserves	36,082	42,667
Total shareholders' equity	**64,009**	**35,723**

Shareholders' equity stood at €64,009 thousand at December 31, 2017, compared with €35,723 thousand at December 31, 2016, representing a year-on-year increase of €28,286 thousand, or 79.2%. This rise chiefly reflects the increase in capital plus additional paid-in capital in 2017, as described in Note 2.4.8 "Shareholders' equity" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS".

4.3.4 Non-current liabilities

Non-current liabilities (in thousands of euros)	December 31, 2017	December 31, 2016
Long-term debt	220	482
Deferred tax liabilities	-	3,013
Long-term provisions	477	346
Provisions for retirement benefit obligations	866	695
Non-current liabilities	**1,563**	**4,536**

Non-current liabilities totaled €1,563 thousand at December 31, 2017, compared to €4,536 thousand at December 31, 2016, i.e., a year-on-year drop of €2,973 thousand, or 65.5%.

This decrease is mainly attributable to material changes in deferred taxes relating to the temporary difference arising on the IFRS treatment of the APA of August 27, 2012 (see Note 2.1.2 "Significant events" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS").

At December 31, 2017, the Company booked a provision of €477 thousand linked to the tax audit in progress (see section 4.1.4 "Research tax credit" of this Registration Document).

4.3.5 Current liabilities

Current liabilities (in thousands of euros)	December 31, 2017	December 31, 2016
Short-term debt	262	146
Trade and other payables	5,382	4,364
Tax liabilities	-	-
Other payables	3,151	4,091
Current liabilities	**8,795**	**8,601**

Current liabilities amounted to €8,795 thousand at December 31, 2017, compared to €8,601 thousand at December 31, 2016, i.e., a year-on-year increase of €194 thousand, or 2.3%. The increase in this caption is mainly attributable to the €919 thousand decrease in the receivable relating to the Master Research Services Agreement (**MRSA**) entered into with AbbVie.

4.4 Cash flow and equity

This section analyzes the Company's shareholders' equity, cash position and sources of funding for the years ended December 31, 2016 and December 31, 2017.

4.4.1 Cash and cash equivalents

Cash and cash equivalents amounted to €59,051 thousand at December 31, 2017, compared to €24,868 thousand at December 31, 2016. Subject to the settlement of the capital increase of €35,496,825 through the issue of 5,572,500 new shares at a price per share of €6.37, without pre-emptive subscription rights for a category of beneficiaries, which is scheduled for April 17, 2018, cash and cash equivalents at December 31, 2017 including the net proceeds from the capital increase should enable the Company to finance its activities until mid-2020, based on programs already underway.Cash at hand and marketable securities held by the Company are essentially invested in monetary UCITS (OPCVM) and deposit accounts that are readily convertible into known amounts of cash.

These funds are used to finance the Company's activities, especially its research and development costs.

After deducting debt, the Company has a net cash surplus. Borrowings are set out in section 4.4.3 below.

(in thousands of euros)	December 31, 2017	December 31, 2016
Cash and cash equivalents	**(59,051)**	**(24,868)**
Current financial liabilities	147	146
Current debt (A)	**147**	**146**
Non-current financial liabilities	335	482
Non-current debt (B)	**335**	**482**
Total debt (A) + (B)	**482**	**628**
Net debt	**(58,569)**	**(24,240)**

The increase in cash and cash equivalents is primarily due to the February 2017 initial public offering, as described in Note 2.4.7 "Cash and cash equivalents" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS".

With the exception of pledges given on deposit accounts recognized in non-current financial assets for an amount of €237 thousand, at December 31, 2017 there are no restrictions on the use of the Company's cash resources.

4.4.2 Capital increase

At December 31, 2017, share capital amounted to €164,445, up €64,145 on December 31, 2016. This increase reflects:

- the issue of 5,706,577 ordinary shares as part of the initial public offering on Euronext on March 16, 2017, for a nominal amount of €57,066;
- the exercise of BSPCE and BSA share warrants by ISLS Consulting between March 20, 2017 and March 27, 2017, resulting in the issue of 707,900 shares and an increase in capital of €7,079.

The capital increases carried out by the Company represented its main source of financing in 2017. The Company increased the total amount of the initial public offering to €48.5 million, including amounts raised following the exercise of the increase and over-allotment options. Expenses relating to these operations totaled €6.2 million, of which €3.9 million was deducted from additional paid-in capital and €2.3 million was included in non-recurring expenses (€0.7 million in 2017 and €1.6 million in previous periods).

The increase in capital further to the issuance of shares as part of the initial public offering and the exercise of BSPCE share warrants was placed on record by the Board of Directors on April 18, 2017.

The funds raised net of banking fees of €2.6 million were respectively received on February 16, 2017 and March 16, 2017 (over-allotment option).

Net of all issue costs[75] and including the amounts raised in respect of BSA and BSPCE share warrants, the Company received a net amount of €42.8 million in 2017. These operations had a €45.1 million impact on cash flow in 2017.

4.4.3 Financing from bank loans

Analysis of debt (in thousands of euros)	**Crédit Agricole 2015**	**CIC 2015**	**Société Générale 2015**	**Other***	**Total**
Debt at December 31, 2016	**192**	**123**	**192**	**121**	**628**
+ proceeds	-	-	-	-	-
- repayments	57	35	50	3	146
Debt at December 31, 2017	**135**	**88**	**141**	**118**	**482**

* In February 2016, the Company also received a repayable advance from Coface in an amount of €115 thousand under a prospecting insurance contract to fund its international expansion.

[75] Banking fees and other issue costs incurred in 2017 and in previous periods.

Total debt amounted to €482 thousand at December 31, 2017 and €628 thousand at December 31, 2016.

The Company has contracted three separate bank loans:

- a €285 thousand loan from Crédit Agricole, agreed on April 23, 2015 at a fixed annual interest rate of 1.32%, repayable in regular installments over a 60-month term. The loan proceeds have been invested in licenses for scientific applications, research equipment and chemical components added to the Company's compound library. In contracting this loan, the Company pledged financial securities (UCITS) as collateral, representing an amount of €150 thousand. This pledge on this loan was released in 2017;

- a €178 thousand loan from CIC-Lyonnaise de banque, agreed on May 11, 2015 at a fixed annual interest rate of 1.50%, repayable in regular installments over a 60-month term. As collateral for this loan, the Company pledged a deposit account with a balance of €135 thousand as of the pledge date, i.e., May 11, 2015. The loan proceeds have mainly been invested in licenses for scientific applications, research equipment and chemical components added to the Company's compound library;

- a €254 thousand loan from Société Générale, agreed on September 24, 2015 at a fixed annual interest rate of 0.90%, repayable in regular installments over a 60-month term. As collateral for this loan, the Company pledged a deposit account with a balance of €100 thousand as of the pledge date, i.e., July 7, 2015. The loan proceeds have mainly been invested in licenses for scientific applications, research equipment and chemical components added to the Company's compound library.

Apart from the pledges described above, these loans do not contain any financial commitments on the Company's part.

The debt maturity profile at December 31, 2017 is as follows:

At December 31, 2017 (in thousands of euros)	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
Bank borrowings	144	220	-	-
Other loans and similar borrowings	118	-	-	-
Accrued interest on borrowings	-	-	-	-
Total debt	**262**	**220**	**-**	**-**

At December 31, 2017, the Company had terminated all of its credit facilities with Société Générale and Crédit Agricole. The related pledges were released in 2017.

4.4.4 Financing from research tax credits

The impact of research tax credit financing on the Company's financial statements is disclosed in section 4.1.3 "Research tax credit" of this Registration Document.

Thanks to its young innovative enterprise *(Jeune Entreprise Innovante)* status, the Company receives payment for research tax credits granted in the previous period. Consequently, cash proceeds from research tax credits in a given period correspond to the amount of credits calculated on eligible expenditure for the previous period.

Research tax credit financing had the following impact in 2017 and 2016:

(in thousands of euros)	2017	2016
Income statement impact of research tax credits	4,321	4,155
Cash flow impact of research tax credits[(a)]	3,687	3,121

[(a)] *This table presents the gross cash impact from research tax credits. In practice, research tax credits receivable are offset against the Company's corporate income tax expense. Cash proceeds actually recognized correspond to the net amount of tax due less tax credits receivable.*

4.4.5 Other sources of financing

Under the APA, the Company received a one-off €8.4 million payment from Abbott at the acquisition date in 2012, contingent on meeting certain criteria. Once the payments have been made, they may no longer be challenged by Abbott.

The impacts of the APA on the Company's cash flow are disclosed in Note 2.1.2 "Significant events" in section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document and reproduced in the table below:

(in thousands of euros)	2012	2013	2014	2015	2016	2017
Cash flow impacts						
Proceeds received on business combination	14,511	-	-	-	-	-
Deferred proceeds	6,143	20,022	19,897	20,229	17,426	6,185
Statement of cash flows – total impacts*	**20,654**	**20,022**	**19,897**	**20,229**	**17,426**	**6,185**

** Proceeds from Abbott (totaling €104.4 million in 2017) before the disbursement of €8.4 million for the acquisition of the business on August 27, 2012.*

4.4.6 Cash flow analysis

The following table analyzes the Company's cash flow for 2017 and 2016:

CASH FLOW (in thousands of euros)	2017	2016
Net cash used in operating activities	(17,002)	(14,861)
Net cash from investing activities	6,171	17,203
Net cash from (used in) financing activities	45,014	(71)
Net increase in cash and cash equivalents	**34,183**	**2,271**

In 2016 and 2017, the Company mainly required funds to:

- finance its operating activities, including its working capital requirements: net cash used in operating activities amounted to €17.0 million in 2017 and €14.9 million in 2016. This is mainly attributable to research and development costs of €26.7 million in 2017 and €22.1 million in 2016;
- finance its investing activities: acquisitions of property, plant and equipment and intangible assets – mainly consisting of research equipment and, to a lesser extent, amounts spent on scientific applications and chemical components added to the Company's compound library – totaled €0.4 million in 2017 and €0.2 million in 2016;
- repay bank loans: cash flows relating to repayments of bank loans and bank overdraft facilities, net of amounts issued, totaled €146 thousand in 2017 and €71 thousand in 2016.

The Company's main sources of financing are:

- the capital increases with a cash impact of €45.1 million in 2017, mainly attributable to the initial public offering on Euronext in the first half of 2017, as described in Note 2.1.2 "Significant events" to the financial statements;
- the additional quarterly payments made under the APA, as described in Note 2.1.2 "Significant events" to the financial statements: these payments generated cash proceeds of €6.2 million for 2017 and €17.4 million for 2016;
- the reimbursement of research tax credits representing €3.7 million in 2017 and €3.1 million in 2016. For each period, the amount reimbursed corresponds to the amount of research tax credits recognized in income in the previous period.

4.4.6.1 Cash flow from operating activities

(in thousands of euros)	2017	2016
Net income (loss) for the period	**(17,229)**	**(7,045)**
Elimination of other non-cash, non-operating income and expenses:		
Depreciation, amortization and provisions	1,422	1,648
Deferred and current taxes	(7,872)	(9,808)
Losses on disposals of assets	(233)	(10)
Cost of net debt	6	7
Discounting effect on borrowings, net of the discount unwinding expense	-	-
Discounting effect on accrued receivables related to the business combination of August 27, 2012[(a)]	(9)	(127)
IFRS 2 expense	684	39
Cash flows used in operations before tax and changes in working capital	**(23,232)**	**(15,295)**
Changes in operating working capital:		
Receivables	1,823	(2,864)
Operating and other payables	1,186	925
Inventories	(1)	9
Tax paid	3,687	3,121
Interest paid	(5)	(7)
Other	(460)	(749)
Net cash used in operating activities	**(17,002)**	**(14,861)**

Cash used in operating activities in 2017 amounted to €17,002 thousand, compared to €14,861 thousand in 2016, i.e., a year-on-year increase of €2,141 thousand, or 14.4%.

The increase in this item mainly results from a combination of:

- the €7,937 thousand decrease in cash flows used in operations before tax and changes in working capital in 2017, reflecting the €4,588 thousand increase in research and development costs related to clinical development activities for lanifibranor and odiparcil, and the €2,925 thousand decrease in revenue over the year;
- the €4,687 thousand increase in operating and other receivables compared to 2016.

4.4.6.2 Cash flow from investing activities

The Company's cash flow from investing activities is mainly generated on the deferred proceeds from accrued receivables, corresponding to the additional quarterly payments made over a five-year period under the APA, as described in Note 2.1.2 "Significant events" in section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document.

The main items of cash flow from investing activities in 2017 and 2016 were as follows:

(in thousands of euros)	2017	2016
Purchases of property, plant and equipment and intangible assets	(428)	(228)
Disposals of property, plant and equipment and intangible assets	265	17
Changes in amounts payable on non-current assets	-	(10)
Proceeds from payments made under the APA	6,185	17,426
Increase in other non-current financial assets	148	(2)
Net cash from investing activities	**6,171**	**17,203**

2017

In 2017, net cash linked to investments amounted to €6,171 thousand and consisted essentially of:

- the additional quarterly payments made under the APA for €6,185 thousand and, to a lesser extent, the sale of a real estate asset resulting in a payment of €255 thousand;
- acquisitions of property, plant and equipment totaling €428 thousand (see "Investments made over the last three years" below).

2016

In 2016, net cash linked to investments amounted to €17,203 thousand and consisted essentially of:

- the additional quarterly payments received under the APA for €17,426 thousand;
- acquisitions of property, plant and equipment totaling €228 thousand (see "Investments made over the last three years" below).

Investments made over the last three years

Investments made over the last three years are as follows:

(in thousands of euros)	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
Intangible assets	108	26	413
Property, plant and equipment	320	202	556
TOTAL	**428**	**228**	**969**

Since all clinical research and development costs are expensed until the market authorizations are obtained, the main investments made over the last three years relate to the following acquisitions of property, plant and equipment and intangible assets:

- in 2017, acquisitions mainly concerned research equipment, scientific applications and chemical components added to the Company's compound library (€428 thousand), along with additional software licenses;
- in 2016, acquisitions mainly concerned research equipment (€139 thousand) and the replacement of 40 obsolete laptop computers (€75 thousand);
- in 2015, acquisitions mainly concerned research equipment (€381 thousand), along with additional software licenses (€358 thousand).

No material investments have been made since January 1, 2018 and the Company has not undertaken any firm commitments for future investments that are material.

4.4.6.3 Cash flow from financing activities

(in thousands of euros)	2017	2016
Capital increase	45,160	-
Issuance of debt		118
Repayment of debt	(146)	(188)
Other changes		-
Net cash from financing activities	**45,014**	**(70)**

2017

In 2017, net cash linked to financing activities amounted to €45,015 thousand. These cash funds primarily result from the initial public offering involving the issue of 5,706,577 ordinary shares, raising total funds of €48,506 thousand. Net of all issue costs and including the amounts raised in respect of BSA and BSPCE share warrants, the Company received an amount of €42.8 million. The cash impact of these operations in the statement of cash flows for the period represents €45,160 thousand (see Note 2.1.2 "Significant events" of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document).

2016

In 2016, net cash used in financing activities amounted to €71 thousand and mainly related to scheduled contractual repayments of bank loans. Outflows were partly offset by the repayable advance granted by Coface in February 2016 (see section 4.4.3 "Financing from bank loans" of this Registration Document).

4.4.6.4 Projected sources of finance

Cash and cash equivalents amounted to €59,051 thousand at December 31, 2017 and €59,048 thousand after deducting bank borrowings.

The Company has provisioned the following sources of cash and cash equivalents to fund its future operations:

- quarterly and milestone payments under the agreement with Boehringer Ingelheim (see section 1.3.3 of this Registration Document);
- the payment by AbbVie of basic fees in return for services rendered by the Company, the terms and conditions of which are to be specified in ad hoc service requests in accordance with the partnership with AbbVie which was extended to August 27, 2018 (see section 1.3.2 of this Registration Document);
- research tax credits;
- financing investments from bank loans for marginal amounts; and
- the agreements negotiated in 2015 and 2016 as described in Note 2.6.3 of section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS".

Net cash and cash equivalents at December 31, 2017, which is the primary source of financing for the Company, and these projected sources of cash and cash equivalents should allow the Company to finance its cash requirements until mid-2019.

Subject to the settlement of the capital increase of €35,496,825 through the issue of 5,572,500 new shares at a price per share of €6.37, without pre-emptive subscription rights for a category of beneficiaries, which is scheduled for April 17, 2018, cash and cash equivalents at December 31, 2017 including the net proceeds from the capital increase should enable the Company to finance its activities until mid-2020, based on programs already underway.

4.5 Recent events

On April 12, 2018, Inventiva announced the launch of a capital increase of €35,496,825 through the issue of 5,572,500 new shares at a price per share of €6.37, without pre-emptive subscription rights for a category of beneficiaries, with settlement of the operation scheduled for April 17, 2018.

See the significant events for 2018 in this Registration Document and Note 2.6.5 "Events after the reporting date" presented in section 4.6.2 "Company financial statements for 2017 prepared in accordance with IFRS" of this Registration Document.

4.6 Financial statements prepared in accordance with IFRS

4.6.1. Information incorporated by reference to the financial statements for 2016 and 2015 prepared in accordance with IFRS

In accordance with Article 28 of the Commission Regulation (EC) no. 809/2004 of April 29, 2004, the following information is incorporated by reference in the Registration Document:

- Company accounts for the years 2013, 2014 and 2015 prepared according to IFRS, as well as the Statutory Auditors' report as provided in sections 20.1.1 "Company accounts prepared in accordance with IFRS for 2013, 2014 and 2015" and 20.2 "Verification of historical annual financial information" of the Registration Document registered on July 8, 2016 by the AMF under number I.16-066.

- Company financial statements for 2016 prepared according to IFRS, as well as the Statutory Auditors' report as provided in sections 20.1.2 "Company financial statements prepared in accordance with IFRS for 2016" and 20.4 "Verification of historical annual financial information" of the Registration Document registered on April 26, 2017 by the AMF under number R.17-025.

4.6.2. Company financial statements for 2017 prepared in accordance with IFRS

1. Financial statements

1.1. Balance sheet

In euros	Note	December 31, 2017	December 31, 2016
Intangible assets	2.4.1	1,806,087	2,073,300
Property, plant and equipment	2.4.2	4,516,171	4,957,547
Deferred tax assets	2.4.10	252,683	194,604
Assets held for sale	2.4.3	-	149,001
Other non-current assets	2.4.4	571,954	236,823
Non-current assets		**7,146,895**	**7,611,276**
Inventories	2.4.5	473,129	471,879
Trade receivables	2.4.6	64,223	771,131
Tax receivables	2.4.6	4,463,539	3,730,753
Other receivables	2.4.6	3,167,992	5,231,385
Other current assets	2.4.6	-	6,175,777
Cash and cash equivalents	2.4.7	59,051,220	24,867,573
Current assets		**67,220,103**	**41,248,498**
Total assets		**74,366,998**	**48,859,774**
Shareholders' equity	2.4.8	**64,008,899**	**35,722,690**
Long-term debt	2.4.9	219,933	481,858
Deferred tax liabilities	2.4.10	-	3,012,580
Long-term provisions	2.4.11	477,494	346,408
Provisions for retirement benefit obligations	2.4.12	865,994	695,015
Other non-current liabilities		-	-
Non-current liabilities		**1,563,420**	**4,535,861**
Short-term debt	2.4.9	262,133	145,746
Short-term provisions		-	-
Trade and other payables	2.4.13	5,381,691	4,364,428
Tax liabilities		-	-
Other payables	2.4.14	3,150,855	4,091,049
Current liabilities		**8,794,679**	**8,601,223**
Total equity and liabilities		**74,366,998**	**48,859,774**

1.2. Income statement

In euros	Note	2017	2016
Revenue	2.5.1	**6,520,816**	**9,445,644**
Other recurring operating income	2.5.1	5,161,021	4,905,974
Research and development costs	2.5.2	(26,733,042)	(22,144,686)
Marketing – business development	2.5.2	(352,900)	(491,580)
General and administrative expenses	2.5.2	(5,062,411)	(3,764,219)
Recurring operating income (loss)		**(20,466,516)**	**(12,048,866)**
Other non-recurring operating income	2.1.2	255,000	-
Other non-recurring operating expenses	2.1.2	(704,463)	(970,039)
Operating income (loss)		**(20,915,979)**	**(13,018,905)**
Financial income	2.5.4	316,832	522,895
Financial expenses	2.5.4	(38,553)	(62,665)
Net financial income		**278,279**	**460,230**
Income tax	2.5.5	3,408,614	5,513,631
Net income (loss) for the period		**(17,229,085)**	**(7,045,045)**
Net earnings (loss) per share			
- basic	2.4.8	(1.11)	(0.70)
- diluted	2.4.8	(1.09)	(0.70)

1.3. Statement of comprehensive income

In euros	2017	2016
Net income (loss) for the period	**(17,229,085)**	**(7,045,045)**
Changes in fair value	1,209	3,603
Tax impact on items recycled to income	(339)	(1,201)
Actuarial gains and losses on retirement benefit obligations (IAS 19)	15,298	(60,148)
Tax impact on items not recycled to income	(4,283)	16,842
Total comprehensive income (loss)	**(17,217,200)**	**(7,085,950)**

1.4. Statement of changes in equity

In euros	Equity	Additional paid-in capital	Net income (loss) for the period	Reserves	Shareholders' equity
January 1, 2017	**100,300**	**-**	**(7,045,045)**	**42,667,436**	**35,722,690**
Issue of ordinary shares	57,066	48,448,839	-	-	48,505,905
Transaction costs	-	(3,884,458)	-	-	(3,884,458)
Capital increase and additional paid-in capital	-	-	-	-	-
Appropriation of 2015 net loss	-	-	7,045,045	(7,045,045)	-
Net loss for the period	-	-	(17,229,085)	-	(17,229,085)
Exercise of BSAs/BSPCEs	7,079	427,434	-	-	434,513
BSA share warrant subscription premium (2017 Plan)	-	-	-	104,130	104,130
Actuarial gains and losses net of deferred tax	-	-	-	11,015	11,015
IFRS 2 expense	-	-	-	683,606	683,606
Changes in fair value net of deferred tax	-	-	-	870	870
2016 net loss	-	-	-	(43,443)	(43,443)
Treasury shares				(296,845)	(296,845)
December 31, 2017	**164,445**	**44,991,815**	**(17,229,085)**	**36,081,725**	**64,008,899**

In euros	Equity	Additional paid-in capital	Net income (loss) for the period	Reserves	Shareholders' equity
January 1, 2016	**100,300**	**-**	**(8,823,324)**	**51,492,855**	**42,769,831**
Issue of ordinary shares	-	-	-	-	-
Capital increase and additional paid-in capital	-	-	-	-	-
Appropriation of 2015 net loss	-	-	8,823,324	(8,823,324)	-
Net loss for the period	-	-	(7,045,045)	-	(7,045,045)
Actuarial gains and losses net of deferred tax	-	-	-	(43,307)	(43,307)
IFRS 2 expense	-	-	-	38,809	38,809
Changes in fair value net of deferred tax	-	-	-	2,402	2,402
December 31, 2016	**100,300**	**-**	**(7,045,045)**	**42,667,436**	**35,722,690**

1.5. Statement of cash flows

In euros	2017	2016
Net income (loss) for the period	**(17,229,085)**	**(7,045,045)**
Elimination of other non-cash, non-operating income and expenses:		
Depreciation, amortization and provisions	1,422,268	1,648,224
Deferred and current taxes	(7,872,153)	9,807,597
Losses on disposals of assets	(233,386)	(9,894)
Cost of net debt	5,834	7,038
Loan discounting effect net of unwinding expense	-	458
Discounting effect on accrued receivables related to the business combination of August 27, 2012[(a)]	(9,423)	(126,609)
IFRS 2 expense	683,606	38,809
Cash flows used in operations before tax and changes in working capital	**(23,232,339)**	**(15,294,616)**
Changes in operating working capital:		
Receivables	1,823,166	(2,864,117)
Operating and other payables	1,186,199	924,631
Inventories	(1,250)	8,557
Tax paid	3,687,310	3,121,171
Interest paid	(5,316)	(7,038)
Other	(459,820)	(749,169)
Net cash used in operating activities	**(17,002,052)**	**(14,860,581)**
Purchases of property, plant and equipment and intangible assets	(428,029)	(227,937)
Disposals of property, plant and equipment and intangible assets	265,098	17,304
Changes in amounts payable on non-current assets		(10,250)
Deferred proceeds related to the business combination of August 27, 2012[(a)]	6,185,200	17,426,200
Net change in other non-current financial assets	148,291	(2,094)
Net cash from investing activities	**6,171,191**	**17,203,223**
Capital increase	45,160,090	-
Dividends paid	-	-
Issuance of debt	-	117,556
Repayment of debt	(145,583)	(188,416)
Other changes		-
Net cash from financing activities	**45,014,507**	**(70,860)**
Net increase in cash and cash equivalents	**34,183,647**	**2,271,782**
Cash and cash equivalents at beginning of period	24,867,573	22,595,791
Cash and cash equivalents at end of period	59,051,220	24,867,573
Net increase in cash and cash equivalents	**34,183,647**	**2,271,782**

[(a)] The impacts of the business combination on the statement of cash flows are presented in Note 2.1.2.

2. Notes to the financial statements

2.1. Company information

2.1.1. Company information

Inventiva is a biopharmaceutical company specialized in developing drugs that impact on nuclear receptors, transcription factors and epigenetic modulation. It is developing breakthrough therapies in areas with significant medical need such as fibrosis, oncology and rare diseases.

Inventiva's flagship drug candidate lanifibranor contains a unique mechanism that activates all three PPAR (peroxisome proliferator-activated receptor) isoforms: α, δ and γ that play a key role in controlling the fibrotic process. Its anti-fibrotic action makes it possible to target two urgent medical conditions: NASH, a severe and rapidly developing liver disease that already affects over 30 million people in the United States, and systemic sclerosis, a disease with very high mortality rates and no approved treatment at present.

At the same time, Inventiva is developing a second clinical program based around the drug candidate Odiparcil to treat three forms of mucopolysaccharidoses (MPS I or Hurler/Scheie syndrome, MPS II or Hunter syndrome and MPS VI or Maroteaux-Lamy syndrome) as well as a portfolio of projects in the oncology field.

Inventiva has forged links with renowned research institutes such as the Institut Curie and it has also developed two strategic partnerships with AbbVie and Boehringer Ingelheim.

Inventiva has cutting-edge R&D facilities located near Dijon, acquired from the international pharmaceutical group Abbott. They include a 240,000 molecule chemical library together with biology, chemistry, ADME and pharmacology platforms.

Inventiva has been granted Young Innovative Enterprise (*Jeune Entreprise Innovante*) status in France until 2018 and is eligible for the research tax credits (*Crédit d'Impôt Recherche*, CIR) approved by the French ministry for education, higher education and research (*Ministère de l'éducation nationale de l'enseignement supérieur et de la recherche*, MENESR).

Inventiva has been listed on the Euronext Paris regulated market since February 2017.

2.1.2. Significant events

Creation of the Company

The Company was founded on October 27, 2011 and following a period of organization, primarily to recruit its research teams, operations began on August 27, 2012.

As part of the launch of the Company's operations on the same date, a purchase agreement was also signed with the Abbott Company (the Asset Purchase Agreement or APA), mainly to acquire the following assets and related liabilities: a research site with a value of €3.5 million, a library of compounds and fixed assets with a value of €4.1 million and licenses for €1. The total acquisition cost of the assets amounted to €8.4 million and reflected the fair value of the purchased items.

Under the terms of the contract, the Company was granted an immediate payment of €8.4 million from Abbott to cover the acquisition of the assets described above.

Furthermore, the arrangement provided for additional quarterly payments to the Company under a reducing balance arrangement in an amount of €96 million over a five-year period. The receipt of this second series of payments is notably subject to the Company maintaining its research and development operations for five years and retaining certain employees for three years. The payments made may not be later reclaimed by Abbott.

In accordance with *IFRS 3 (revised) – Business Combinations*, the purchase agreement has been treated as a business acquisition. Accordingly, the payments obtained and described above form part of the calculation of the value transferred by the acquirer.

Therefore, under International Financial Reporting Standards (IFRS), the Company acquired a business whose net assets represent a fair value of €8.4 million corresponding to the purchased assets described above. In return, the Company will receive a series of staggered payments over a period of five years in a total amount of €96.0 million subject to contractual conditions that the Company could easily meet: (i) continuation of the research activity at Daix, under the terms set by the APA, (ii), use of funds compliant with the terms set by the APA and (iii) retention of certain employees during three years from the date of the conclusion of the APA.

As the payments are spread over time, the fair value of the consideration transferred and to be received was estimated at €94.2 million at the acquisition date.

Consequently, the transaction generated a negative goodwill of €102.5 million which was immediately recognized in net income at the acquisition date as follows:

Acquisition of a business with net assets representing a fair value of €8.4 million.

A "negative" payment received in return, with a fair value of €94.2 million.

A receivable was initially recorded in assets at its discounted value of €94.2 million. The discounting of the receivable to present value was then unwound (leading to its increase in value and the recognition of the related accounting impact in net income [loss]) and subsequently reduced over time with each quarterly payment received.

Negative goodwill of €102.5 million was recorded in the income statement for the period ended December 31, 2012 under non-recurring operating income. The unwinding of the receivable is recognized in financial income. The recognition of negative goodwill in 2012 also generated a difference with the tax base reflected in a deferred tax liability of €28.7 million recorded in 2012 and gradually written down over subsequent periods.

The main impacts on the income statement and the statement of cash flows of the business combination over time have been summarized in the tables below.

(In thousands of euros)	2012	2013	2014	2015	2016	2017
Income statement impacts						
Negative goodwill	102,535	-	-	-	-	-
Unwinding of accrued receivables	275	674	489	305	127	9
Deferred tax liabilities	(28,676)	6,514	6,451	6,619	6,072	3,027
Income statement – total impacts	**74,134**	**7,187**	**6,940**	**6,924**	**6,199**	**3,036**
Cash flow impacts						
Proceeds received on business combination	14,511	-	-	-		
Deferred proceeds	6,143	20,022	19,897	20,229	17,426	6,185
Statement of cash flows – total impacts	**20,654**	**20,022**	**19,897**	**20,229**	**17,426**	**6,185**

** The amounts detailed in this section only include proceeds from Abbott (totaling €104.4 million for the year ended December 31, 2017) before the disbursement of €8.4 million for the acquisition of the operation on August 27, 2012.*

IPO

In February 2017, Inventiva successfully completed its initial public offering (IPO) on Euronext Paris by way of an Open Price Offering (OPO) and a Global Placement. As part of the IPO, Inventiva offered a total of 5,706,577 ordinary shares, representing 36% of its share capital, enabling it to raise some €48.5 million by means of a capital increase after partial exercise (357,122 shares) of the increase option and partial exercise (55,357 shares) of the over-allotment option.

The funds, net of banking fees of €2.6 million, were received in parts on February 16, 2017 and March 16, 2017 (over-allotment option).

The final price of the OPO was set at €8.50 per share, bringing the Company's market capitalization to around €133.3 million.

Trading on Compartment C of Euronext Paris began on February 15, 2017.

As part of the IPO, during the year ended December 31, 2017 the Company incurred transaction costs of €3,995,528 related to both the IPO and the capital increase.

Prior to 2017, the Company started incurring transaction costs related to both the IPO and the capital increase, amounting to €2,162,407. A portion of these costs, €557,138, were deferred and reported in prepaid expenses under other receivables in the assets section of the balance sheet. They were deducted from shareholders' equity once the capital increase was completed.

These transaction costs had the following impacts on the financial statements for the year ended December 31, 2017:

- Transaction costs directly attributable to the capital increase have been accounted for as a deduction from the issue premium in an amount of €3,884,458.
- Other transaction costs not directly attributable to the capital increase (but attributable to the IPO) were transferred to non-recurring expenses in an amount of €668,209.

The above amounts include transaction costs relating to both the IPO and the capital increase, which have been allocated between the two based on a ratio corresponding to the number of shares issued as part of the capital increase divided by the number of shares existing before the transaction.

Master Research Services Agreement

In August 2012, the Company entered into master research service agreement (MRSA) with AbbVie specifying the conditions under which the Company will occasionally perform services throughout the term of the contract on behalf of AbbVie in accordance with ad hoc statements of work agreed upon between the parties and setting out the research work to be performed by the Company.

The Master Research Services Agreement (MRSA) and the APA were signed concurrently.

However:

- They are the subject of two separate agreements.
- They have been signed with two legally separate counterparties (Abbott and AbbVie).
- The MRSA has been entered into at arm's length.

As a result, the APA and the MRSA have not been considered as a single transaction, but have been accounted for separately.

In exchange for the provision of services by the Company under the MRSA and the different statements of work (together the "AbbVie Partnership"), AbbVie agreed to pay an annual base fee of around €3 million (adjustable for inflation) over a five-year period and any other additional amounts included in each statement of work.

The AbbVie Partnership was signed for a term of five years, which may later be extended by written agreement between the parties. AbbVie is entitled to terminate the AbbVie Partnership in case of serious non-fulfillment by the Company of one of its obligations. The termination will take effect following a 60-day notice period, unless the Company can remedy such non-fulfillment.

Under the terms of the agreement, AbbVie is the sole holder of the intellectual property rights arising from the partnership.

Under the partnership, the Company and AbbVie have signed several statements of work, mainly related to two research projects: the RORγ project for the treatment of certain autoimmune diseases and another project relating to fibrosis. The statement of work related to the RORγ project specifies that the Company may be entitled to additional payments in the form of milestone payments and royalties on sales. These additional payments will have to be paid by AbbVie to the Company even in the event of termination of

the said statement of work or of the AbbVie Partnership if AbbVie decides to proceed with the development of products arising from the RORγ project.

In 2016, the Company achieved two scientific targets defined under its partnership with AbbVie, triggering the release of two milestone payments for a total amount of €4,500,000. The first milestone payment of €2,000,000 was received in 2016 while the second for €2,500,000 was received on February 10, 2017. Both payments were recognized in revenue for the year ended December 31, 2016 because the obligating event – the achievement of precise, contractually defined, scientific results – occurred prior to December 31, 2016.

In September 2017, Inventiva and AbbVie announced that Abbv553, a powerful orally active selective antagonist of RORγ, which previously underwent a Phase I clinical trial as a treatment for moderate to severe psoriasis and had given rise to several milestone payments to Inventiva, had been halted. A new collaborative project to discover and develop new oral RORγ antagonists has been put in place. Through this project, Inventiva may receive fees of an undisclosed amount for research services and milestone payments were a new drug candidate to be identified. Inventiva will also be eligible for development and sales milestones as well as royalties on sales. The Company received payments of €421,000, corresponding to revenue related to the financing of the project's R&D expenditure.

In 2017, the proportion of revenue generated by the AbbVie Partnership declined compared to 2016 and the Company did not receive any scientific milestone payments. In 2017 and 2016, the AbbVie Partnership represented 37.0% and 79.7%, respectively, of the Company's revenue.

Research Collaboration and License Agreement

In May 2016, the Company signed a Research Collaboration and License Agreement (the "**BI Agreement**") with Boehringer Ingelheim International GmbH ("**BI**"). The aim of this agreement is to apply Inventiva's technology and know-how to the development of new treatments for Idiopathic Pulmonary Fibrosis (IPF), a chronic fibrotic disease characterized by a gradual and irreversible decline in lung function, and other fibrotic diseases.

Under the partnership, Inventiva will be responsible for validating an undisclosed, promising novel target with the objective of developing an innovative approach for the treatment of IPF. The drug candidate phases of the research program will be jointly led by the Inventiva and BI teams. BI will then be responsible for the preclinical and clinical development phases and the commercialization of the drug candidate.

In return for its research services, Inventiva will receive the following payments under the terms of the Agreement:

- An upfront €500,000 payment (received in May 2016).
- Quarterly payments corresponding to the compensation of the researchers assigned to the program, based on the number of full-time equivalents ("**FTEs**").
- Additional payments in the event that BI exercises the option to extend the Agreement beyond Phases I and II.
- Technical and commercial milestone payments, representing the most significant potential future revenue from the Agreement.

The revenue from the collaboration with BI recognized during 2016 in an amount of €1,000,008 corresponds to the following:

- Upfront payment: €333,333 of the total upfront payment of €500,000 was recognized in revenue during the period. The total upfront payment is intended to compensate Inventiva for the know-how, technologies, research teams and facilities, and library of biological compounds used throughout both Phases I and II of the research program. Therefore, only the portion of the upfront payment corresponding to the first eight months of research performed during the reporting period (May to December 2016) was recognized.
- Remuneration of FTEs: Revenue of €666,675 was recognized corresponding to compensation for FTEs assigned to the research program as from May 2, 2016.

In September 2017, Boehringer Ingelheim exercised its option to jointly develop new treatments for Idiopathic Pulmonary Fibrosis (IPF). The joint research team has validated a new target and data generated in the program support its therapeutic potential for fibrotic conditions. Idiopathic Pulmonary Fibrosis (IPF) has been selected as the first therapeutic indication to be investigated. Boehringer Ingelheim's exercise of this option triggered a milestone payment to Inventiva of €2,500,000. This milestone payment was recognized in revenue for 2017 because the obligating event occurred prior to December 31, 2017.

The revenue from the collaboration with BI recognized during 2017 in an amount of €3,308,325 corresponds to the following:

- Upfront payment: Revenue of €166,667 was recognized for research related to Phases I and II conducted between January and April 2017.
- Compensation for FTEs: Revenue of €641,658 was recognized corresponding to compensation for FTEs assigned to the research program for the year.
- Milestone payment: The collaboration option was exercised following the validation of a new fibrosis target, triggering a milestone payment of €2.5 million in the second half of the year.

In 2017 and 2016, the Research Collaboration and License Agreement with BI represented 50.7% and 10.6%, respectively, of the Company's revenue.

Revenue was mainly generated from the AbbVie and BI Partnerships and from other research service activities provided by the Company.

Tax audit

The Company is currently being audited by tax authorities with regard to the years ended December 31, 2013, December 31, 2014 and December 31, 2015. The audit of payroll taxes and the research tax credit CIR is currently in progress.

A description of the checks performed and their impact on the financial statements is provided in Note 2.4.11, “Provisions”.

Other significant events in 2017

Lanifibranor (formerly IVA337)

Lanifibranor secured as the international non-proprietary name (INN) for IVA337, the first next generation panPPAR α, δ and γ agonist to receive the fibranor suffix.

The World Health Organization (WHO) registered the international non-proprietary name of lanifibranor for IVA337, Inventiva's flagship drug candidate, currently in Phase IIb development trials as a treatment for systemic sclerosis (SSc) and non-alcoholic steatohepatitis (NASH). Lanifibranor is the first next-generation panPPAR α, δ and γ agonist to receive the fibranor suffix.

Positive results from the 12-month non-human primate toxicology study with lanifibranor: no undesirable clinical symptoms, including those usually associated with PPAR γ, were observed.

In May, Inventiva announced results of a 12-month non-human primate toxicology study with lanifibranor. No undesirable clinical symptoms, including those usually associated with PPAR γ, were observed during the treatment period, regardless of dosage. Inventiva is also currently running two 24-month carcinogenicity studies in rodents and announced the first results in rats in March 2018. Once these studies are completed in mid-2018, Inventiva will have the toxicological documentation required to begin Phase III studies and seek the necessary marketing approvals.

For the treatment of NASH (non-alcoholic steatohepatitis)

NATIVE Phase IIb study for the treatment of NASH currently in progress in Europe, Canada and Australia.

Launched in February 2017, Phase IIb of the NATIVE (NAsh TrIal to Validate IVA337 Efficacy) study is a randomized, double-blind, multicenter, placebo-controlled clinical trial on patients suffering from NASH. The study will investigate the safety and efficacy of two doses of lanifibranor (800 and 1200 mg/day) over a 24-week period. Enrollment in the study is progressing, but is running behind the original schedule due to increased competition for patients at clinical trial sites. To accelerate trial enrollment, Inventiva plans to open additional trial sites in countries and regions where trials are under way (Europe, Australia and Canada). The Company now expects the results of the trial to be ready in early 2019, rather than in mid-2018 as initially planned.

Data presented at the International Liver Congress, the European Association for the Study of the Liver's (EASL) annual conference, support the potential of lanifibranor as a treatment for NASH.

Preclinical work on lanifibranor was featured in a poster presentation at the International Liver Congress™, which took place in Amsterdam, in April. The findings demonstrated that lanifibranor inhibits the development of NASH through the normalization of different metabolic parameters such as insulin-resistance, activation of fatty acid β-oxidation and inhibition of the inflammasome known to be a trigger of liver inflammation and fibrosis. Lanifibranor also markedly reverses existing liver fibrosis thanks to its PPARγ component.

Preclinical data supporting the therapeutic potential of lanifibranor for the treatment of NASH were published in the June 19, 2017 edition of Hepatology Communications. Presentations on Inventiva's NASH program were also given at the Paris NASH Symposium in July 2017 and others were scheduled for NASH Summit Europe in Frankfurt in October 2017.

For the treatment of SSc (systemic sclerosis)

Enrollment is on schedule for Phase IIb of the FASST study of lanifibranor as a treatment for systemic sclerosis.

Phase IIb of the FASST (For a Systemic Sclerosis Treatment) study of lanifibranor as a treatment for systemic sclerosis (SSc) now has over 145 randomized patients, which is the number required to carry out the study. Patients were enrolled in 47 clinical centers in ten different countries and headline results are expected as scheduled in the first half of 2019. The 48-week FASST study is measuring changes from baseline in the Modified Rodnan Skin Score for two different doses of lanifibranor, compared to placebo.

The DSMB does not recommend that any changes should be made to the study and the key results are expected in early 2019.

Odiparcil (formerly IVA336)

Phase IIa of the iMProveS study of odiparcil on patients with MPS VI, to begin enrollment before year-end 2017.

The 26-week iMProveS clinical study is designed to demonstrate the safety, tolerability and efficacy of odiparcil in 24 adult MPS VI patients. It will be conducted at two European clinical sites. If the results of the study are positive, Inventiva plans to conduct a Phase III pivotal study of odiparcil on MPS VI.

Launch of the biomarkers study for odiparcil in the United States.

In support of the odiparcil clinical program, the Company is currently running a non-interventional study at the Children's Hospital and Research Center of Oakland (United States) under the supervision of Professor Paul Harmatz. The aim of the study is to determine whether assessment of GAG (glycosaminoglycans) storage in white blood cells is a potential efficacy biomarker. The study is expected to be completed in September, with results announced by the end of this year.

Strengthening odiparcil intellectual property rights in the United States.

In February 2017, the Company was granted a patent protecting the use in the United States of odiparcil in the treatment of MPS VI. With the patent also granted in 30 European countries, Inventiva's exclusive use of odiparcil in all of its key markets is now secured until October 2034. In addition, Inventiva has filed several divisional patent applications in Europe and the United States in order to protect odiparcil for use in treating other forms of mucopolysaccharidoses (MPS). The applications have been approved in Europe and are currently pending in the United States.

Enrollment of the first patient.

Inventiva has announced the enrollment of the first patient in Phase IIa of the iMProveS study of odiparcil in the treatment of MPS VI. The aim is to enroll 24 patients at two clinical centers. Results are expected during the first quarter of 2019.

YAP-TEAD

In 2017, the Company's main oncological program targeting YAP and TEAD transcription factors upstream from the Hippo signaling pathway, moved into the lead generation stage and a second patent was filed to boost the protection of the compounds developed by Inventiva. Preclinical development should begin in 2019 with a view to conducting the first Phase I/II clinical trial.

Liquidity agreement

On February 22, 2017, after Inventiva was admitted to trading on the Euronext market, the Company entered into a liquidity agreement with an investment services provider (ISP). The provisions of the agreement are in line with the March 21, 2011 decision of the AMF updating accepted market practices for liquidity agreements. Under the agreement, the ISP is authorized to buy and sell Inventiva treasury shares without interference from the Company in order to ensure the liquidity of the shares on the Euronext market for the next three years.

At December 31, 2017, treasury shares acquired by Inventiva through its ISP, as well as the gains or losses resulting from share purchase, sale, issue and cancellation transactions during the year 2017, were accounted for as a deduction from equity. Consequently, these transactions had no impact on the Company's results.

New BSA share warrant and bonus share award plans

On April 18, 2017, the Company's Board of Directors approved two bonus share award plans for certain Company employees:

- 82,300 bonus shares ("AGA 2017-1"), of which 2,400 have since been canceled.
- 60,000 bonus shares ("AGA 2017-2").

The plans have the following characteristics:

- A two-year vesting period for AGA 2017-1 shares.
- A one-year vesting period for AGA 2017-2 shares.
- A one-year lock-up period.
- A service condition.
- No performance conditions.

The fair value of Inventiva bonus shares corresponds to the Inventiva share price less a discount to reflect the lock-up period. At the award date, the fair value of each bonus share was estimated at €7.04.

On May 29, 2017, the Company's Board of Directors allotted 195,000 BSA share warrants ("BSA 2017") to Board members. BSA 2017 share warrants are share subscription options with no performance conditions attached. The plan is divided into three tranches with one-, two- and three-year vesting periods.

On May 29, 2017, the fair value of the BSA share warrants was estimated using the Black-Scholes model based on the following assumptions:

- Value of the underlying asset at May 29, 2017.
- Volatility observed in two samples of comparable listed companies.
- Economic life (middle of exercise period).

At the award date, the fair value of each BSA share warrant was estimated at €2.47.

BSA 2017 share warrants are exercisable until May 29, 2027, after which they will be forfeited. The exercise price of the BSA share warrants is fixed at €6.675. This price may not be changed during the plan's lifetime except in the event that adjustments are required as part of financial transactions having an impact on the Company's share capital.

Movements of awarded BSA share warrants and bonus shares as well as the accounting impact of share-based payments are described in Note 2.4.8, "Shareholders' equity".

Sale of a real estate asset

The Company sold a real estate asset in the first half of 2017. Control of the residential property, which was acquired by paying a life annuity, had been transferred to the Company as part of the Asset Purchase Agreement entered into on August 27, 2012 (as previously described). The sale of this asset to a third party on May 5, 2017 resulted in the recognition of a gain on the disposal of an asset of €228,447. The proceeds of the sale and the impact of the asset disposal were recorded in non-recurring income.

2.2. Accounting policies and methods

The principal accounting policies applied in the preparation of the financial statements are described below. Unless otherwise stated, the same policies have been consistently applied for all of the periods presented.

2.2.1. Basis of preparation

In addition to its financial statements prepared in accordance with French generally accepted accounting principles (GAAP), the Company, having neither subsidiaries nor equity investments, has voluntarily prepared financial statements in accordance with IFRS as adopted by the European Union.

Financial statements have been prepared in accordance with IFRS for every financial period since the Company was founded (i.e., the period ended December 31, 2012) in order to present accounting data which are comparable with the majority of the companies, particularly listed companies, in its business sector.

The Company financial statements prepared in accordance with IFRS and presented in this set of accounts cover the years ended December 31, 2016, and December 31, 2017. They were approved by the Company's Board of Directors on March 6, 2018.

They are presented in addition to the Company's statutory financial statements prepared in accordance with French GAAP.

Financial reporting guidelines are available on the European Commission's website at http://ec.europa.eu/finance/accounting/ias/index_en.htm. They include the standards approved by the International Accounting Standards Board (IASB), i.e., International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee interpretations (IFRIC).

Standards, amendments to existing standards and interpretations published by the International Accounting Standards Board (IASB) whose application has been mandatory since January 1, 2017

No new standards, interpretations or amendments to existing standards that came into force on January 1, 2017 have been identified that apply to the Company.

Standards, amendments to existing standards and interpretations published by the IASB whose application is mandatory after December 31, 2017 and that have been early adopted by the Company

No standards, amendments to existing standards or interpretations have been early adopted by the Company at December 31, 2017.

Standards, amendments to existing standards and interpretations published by the IASB whose application is not yet mandatory

- *IFRS 9 – Financial Instruments* replaces *IAS 39 – Financial Instruments: Recognition and Measurement*. IFRS 9 sets out three classification categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. Classification depends on the entity's business model and the financial asset's cash-flow characteristics. Accounting for financial liabilities under IFRS 9 remains very similar to IAS 39, but requires all changes in the credit risk of a liability measured at fair value through profit or loss to be recognized in other comprehensive income. IFRS 9 has not yet been adopted by the European Union but it should be effective for annual periods beginning on or after January 1, 2018. The Company has not analyzed the impacts of applying the standard but expects them to be marginal.

- *IFRS 15 – Revenue from Contracts with Customers*, which replaces *IAS 18 – Revenue* and *IAS 11 – Construction Contracts*, sets out the new requirements for recognizing revenue. IFRS 15 presents a five-step framework for recognizing revenue:
  - Identify the contract(s) with the customer.
  - Identify the performance obligations in the contract.
  - Determine the transaction price.
  - Allocate the transaction price to each performance obligation.
  - Recognize revenue when a performance obligation is satisfied.

  IFRS 15 is effective from January 1, 2018. The Company has performed a detailed analysis of its main contracts and how these are accounted for based on IFRS 15 revenue recognition criteria. IFRS 15 requires a different revenue recognition pattern for milestone payments received by the Company, when compared with the pattern used up to now in accordance with IAS 18. In accordance with IAS 18, milestone payments received in association with research agreements are recognized as revenue immediately upon receipt. Under IFRS 15, milestone payments are deemed to

be variable payments to be included in the transaction price as soon as their receipt is highly probable and recognized in income over the period of the agreement remaining. As a result, sales revenue generated by agreements and the related cash flow remain unchanged. Only the pattern of recognition of revenue over the agreement will change. Evaluation of the exact related impacts of the adoption of IFRS 15 is currently in progress and mainly concern the BI Agreement. As of the date of this report, the Company anticipates applying the modified retrospective transition method.

- *IFRS 16 – Leases* replaces *IAS 17 – Leases* and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e., the customer (lessee) and the supplier (lessor). IFRS 16 eliminates the requirement to classify leases as either operating leases or finance leases and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize (i) assets and liabilities for all leases with a term of more than 12 months, and (ii) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 is effective from January 1, 2019. As of December 31, 2017, the Company only leases the following assets: a tank, several photocopiers and two vehicles. An in-depth evaluation of the impacts of this new standard will be conducted in 2018 and further disclosures will be provided over the next 12 months.

2.2.2. Fair value measurement

In the table below, financial instruments are measured at fair value according to a hierarchy comprising three levels of valuation inputs:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The table below presents the financial assets and liabilities of the Company measured at fair value at December 31, 2017:

December 31, 2017 – in euros	**Level 1**	**Level 2**	**Level 3**
Assets			
Financial assets at fair value through profit or loss			
Monetary UCITS	5,045,522	-	-
Assets held for sale			
Monetary UCITS	-	-	-
Total assets	**5,045,522**	**-**	**-**
Liabilities	-	-	-
Total liabilities	**-**	**-**	**-**

The majority of the UCITS (presented above under "Financial assets at fair value through profit of loss") have been classified in cash and cash equivalents at December 31, 2017.

The table below presents the financial assets and liabilities of the Company measured at fair value at December 31, 2016:

December 31, 2016 – in euros	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit or loss			
Monetary UCITS	6,179,561	-	-
Assets held for sale			
Monetary UCITS	149,001	-	-
Total assets	**6,328,562**	-	-
Liabilities	-	-	-
Total liabilities	-	-	-

All the UCITS (presented above under "Financial assets at fair value through profit or loss") were classified in cash and cash equivalents at December 31, 2016, with the exception of those UCITS pledged as collateral for the loan contracted during 2015 and released in the second-half of 2017 (see Note 2.4.3, – "Assets held for sale"). These UCITS units were blocked and did not meet the criteria for classification in cash and cash equivalents. Consequently, they have been classified as assets held for sale.

2.2.3. Foreign currency transactions

Functional and presentation currency

The Company's financial statements are presented in euros, which is also the Company's functional currency. All amounts presented in these notes to the financial statements are denominated in euros unless otherwise stated.

Translation of foreign currency transactions

Only certain purchases are carried out in foreign currencies. These transactions are translated and recorded at their value in euros at the date of the transaction and recognized in operating income or expenses, as they relate to the Company's ordinary course of business.

2.2.4. Use of estimates and judgment

The preparation of financial statements in accordance with IFRS requires:

- Executive Management to make judgments when selecting appropriate assumptions for accounting estimates, which consequently involve a certain degree of uncertainty.
- Management to make estimates and apply assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as information presented for the period.

The estimates and judgments, which are updated on an ongoing basis, are based on past experience and other factors, in particular assumptions of future events, deemed reasonable in light of circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, often differ from actual reported values. Estimates and assumptions that could lead to a significant risk of a material adjustment in the carrying amount of assets and liabilities in the subsequent period are analyzed below.

Initial recognition of business combinations

The Company undertakes a review of the contracts it has entered into and particularly of its purchase agreements. The purchase agreement signed on August 27, 2012 and presented in Note 2.1.2, "Significant events", has been subject to a specific review in light of the measurement and recognition criteria set out in *IFRS 3 – Business Combinations*. Note 2.1.2 provides details of the judgments applied by the Company that led to the recognition of negative goodwill in the period ended December 31, 2012.

Measurement of retirement benefit obligations

The Company operates a defined benefit pension plan. Its defined benefit plan obligations are measured in accordance with actuarial calculations based on assumptions such as discount rates, the rate of future salary increases, employee turnover, mortality tables and expected increases in medical costs. The assumptions used are generally reviewed and updated annually. The main assumptions used and the methods chosen to determine them are set out in Note 2.4.12, "Provisions for retirement benefit obligations". The Company considers that the actuarial assumptions used are appropriate and justified in light of current circumstances. Nevertheless, retirement benefit obligations are likely to change in the event that actuarial assumptions are revised.

Provision for tax audit

The Company calculated the provision for the tax audit of the period from January 1, 2013 to December 31, 2015 based on an estimate of the related risk. The provision represents the best estimate of the amount required to settle any amounts owed to the French tax authorities at the end of the reporting period.

CIR research tax credit

Changes in the amount of the CIR research tax credit are based on the Company's internal and external expenditure in 2017. Only eligible research expenses may be included when calculating the CIR research tax credit.

Income tax

Estimates are made in order to determine income tax provisions. The provisions determined by the Company are reasonable to cover the possible consequences of investigations undertaken by the French tax authorities.

Valuation of share warrants and stock options

Fair value measurements of share warrants and stock options granted to employees are based on actuarial models which require the Company to factor certain assumptions into its calculations.

2.2.5. Intangible assets

In accordance with *IAS 38 – Intangible Assets*, research costs are recognized in the income statement in the period during which they are incurred.

An internally generated intangible asset arising from a research program is recognized if, and only if, the Company can demonstrate all of the following:

- The technical feasibility necessary to complete the research program.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the research program.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Given the risks and uncertainties involved in regulatory approval and in the process of research and development, the Company considers that the six criteria set out in IAS 38 are met only upon obtaining market authorization. Consequently, all research and development costs are charged directly to expenses.

Intangible assets comprise:

- The cost of acquiring software licenses. They are written down over a period of between one and five years based on their expected useful life.

- Chemical components, which are written down over a 13-year period corresponding to the estimated renewal rate of the library.

2.2.6. Property, plant and equipment

Property, plant and equipment are stated at acquisition cost, including transaction expenses.

Major renewals and improvements are capitalized while repairs, maintenance and other renovation costs are expensed as incurred.

Depreciation and amortization are calculated based on the estimated useful life of assets using the straight-line method. A complete review of the useful lives of acquired non-current assets is performed regularly. Any material adjustments are reflected prospectively in the depreciation schedule.

The main useful lives applied are as follows:

- Buildings: 20 to 25 years
- Fixtures and fittings: 10 years
- Technical facilities: 6 to 10 years
- Equipment and tooling: 6 to 10 years
- General facilities, miscellaneous fixtures and fittings: 10 years
- Office equipment: 5 years
- IT equipment: 5 years
- Furniture: 10 years

2.2.7. Assets held for sale

Assets held for sale comprise monetary UCITS pledged as collateral to creditors that granted loans to the Company.

These UCITS units are blocked in a pledged-asset account. Consequently, they do not qualify as cash equivalents within the meaning of *IAS 7 – Statement of Cash Flows* and are included in financial assets held for sale.

In accordance with IAS 39 – Financial Instruments: Recognition and Measurement, unrealized gains on UCITS units are recorded in other comprehensive income and expense. Unrealized losses are also recorded in other comprehensive income and expense unless there is a significant and prolonged decline in the fair value of the UCITS units below their historical acquisition cost, in which case the unrealized loss is recognized in net income (loss).

2.2.8. Other non-current assets

Other non-current assets were mainly made up of a long-term receivable related to the business combination of August 27, 2012 described in Note 2.1.2, “Significant events”. This was reclassified at December 31, 2016 under “Other current assets” and recovered in the first half of 2017.

These receivables were discounted to their present value and assessed for objective evidence of impairment. A financial asset is impaired when its carrying amount exceeds its recoverable amount as measured during impairment tests. The resulting impairment loss is recorded in net income (loss).

Other non-current assets also include deposit accounts that do not qualify as cash equivalents within the meaning of *IAS 7 – Statement of Cash Flows*.

2.2.9. Impairment of non-financial assets

In accordance with *IAS 36 – Impairment of Assets*, depreciated and amortized assets should be tested for impairment whenever specific events or circumstances indicate that their carrying amount may exceed their recoverable amount. The excess of the carrying amount of the asset over the recoverable amount is recognized as an impairment. The recoverable amount of an asset is the higher of its value in use and its fair value less costs to sell. Impaired non-financial assets are examined at each year-end or half-year closing date for a possible impairment reversal.

2.2.10. Inventories

In accordance with *IAS 2 – Inventories*, inventories are measured at the lower of cost (determined using the weighted average cost method) and net realizable value. In case of impairment, any write-down is recognized as an expense in recurring operating income (loss).

2.2.11. Trade and other receivables

Trade and other receivables are measured at nominal value, net of impairment where applicable.

2.2.12. Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash on hand and demand deposits, other short-term highly liquid investments with maturities of three months or less and subject to an insignificant risk of changes in value, as well as bank overdrafts that do not qualify as cash from financing activities.

Monetary UCITS may be recognized as cash equivalents when they:

- have an original maturity of three months or less;
- are readily convertible to a known cash amount;
- are subject to an insignificant risk of decrease in value.

Bank overdrafts are recorded in liabilities in the balance sheet under short-term debt.

2.2.13. Share capital

Ordinary shares are classified in shareholders' equity.

2.2.14. Share-based payments

At the Company's launch, the Company put in place a compensation plan settled in equity instruments in the form of share warrants awarded to employees (*Bons de souscription de parts de créateur d'entreprise*, BSPCE or BSPCE share warrants) and to a partner (*Bons de souscription d'actions*, BSA or BSA share warrants). In April 2017, two bonus share award plans were also set up. Details of these plans are provided in Note 2.4.8, "Shareholders' equity".

In accordance with *IFRS 2 – Share-based Payment*, the cost of transactions settled in equity instruments is recognized in expenses, offset by increases in equity, in the period in which the benefit is granted to the employee.

The value of the share has been determined by an independent expert using a combination of the following valuation methods:

- The market approach which indicates the value of a business by comparing it to companies whose market price is available and/or recent market transactions involving comparable companies or assets.
- The income approach which indicates the value of a business by discounting the expected future cash flows of the business to present value. This approach necessitates the use of the discounted cash flow method.

The measurement of the fair value of options incorporates the vesting conditions as described in Note 2.4.8, "Shareholders' equity – Share warrants".

In the event of sale or subsequent reissue of these equity instruments, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's shareholders.

2.2.15. Loans and borrowings

Bank loans are initially recognized at fair value, i.e., the issue proceeds (fair value of the consideration received) net of transaction costs incurred. Borrowings are subsequently measured at amortized cost, calculated using the effective interest rate method. Any difference between initial fair value and repayment value is recognized in the income statement over the life of the loan using the effective interest rate method.

The effective interest rate is the discount rate at which the present value of all future cash flows (including transaction costs) over the expected life of the loan, or where appropriate, over a shorter period of time, is equal to the loan's initial carrying amount.

2.2.16. Trade and other payables

Trade and other payables are initially recognized at nominal value, with the exception of suppliers with longer than normal settlement periods where the payable is initially recognized at fair value and subsequently measured at amortized cost, calculated using the effective interest rate method.

2.2.17. Current and deferred tax

Tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the French tax authorities, using tax rates and tax laws enacted or substantively enacted at the end of the reporting period.

The income tax charge for the period comprises current tax due and the deferred tax charge. The tax expense is recognized in the income statement unless it relates to items recorded in other comprehensive income and expense or directly in equity, in which case the tax is also recorded in other comprehensive income and expense or directly in equity.

Current taxes

The current tax expense is calculated based on taxable profit for the period, using tax rates enacted or substantively enacted at the balance sheet date. The Company regularly evaluates the policies it adopts where applicable tax laws for the preparation of its tax returns are open to interpretation. Provisions are made when appropriate on the basis of amounts expected to be payable to the French tax authorities.

The Company considers that the corporate value added tax (*cotisation sur la valeur ajoutée des entreprises*, CVAE) meets the definition of income tax as set out in *IAS 12 – Income Taxes*, and therefore records the CVAE in income tax expense. In accordance with IAS 12, the classification of CVAE as an income tax has resulted in the recognition of deferred taxes on income for all temporary differences at the end of the reporting period.

Deferred taxes

Deferred taxes are recognized when there are temporary differences between the carrying amount of assets and liabilities in the Company's financial statements and the corresponding tax base used to calculate taxable profit. Deferred taxes are not recognized if they arise from the initial recognition of an asset or liability in a transaction other than a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset when a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes concern the same entity and the same tax authority.

Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the deductible temporary difference can be utilized.

The recoverable amount of deferred tax assets is reviewed at the end of each reporting period and their carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized when it becomes probable that future taxable profit will be available to offset the temporary differences.

Deferred tax liabilities

Deferred tax liabilities are recognized for all taxable temporary differences, except when the Company is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.

2.2.18. Provisions for retirement benefit obligations

Retirement benefit obligations

The Company operates a defined benefit pension plan. Its obligations in respect of the plan are limited to the payment of contributions which are expensed in the period in which the employees provided the corresponding service.

The liability recorded in the balance sheet in respect of defined benefit pension plans and other post-retirement benefits is the present value of the defined benefit obligation net of plan assets at the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows, using the interest rate of high-quality corporate bonds of a currency and term consistent with the currency and term of the pension obligation concerned.

Actuarial gains and losses arise from the effect of changes in assumptions and experience adjustments (i.e., differences between the assumptions used and actual data). These actuarial gains and losses are recognized wholly and immediately in other comprehensive income and expense and are not subsequently reclassified.

The net expense in respect of defined benefit obligations recognized in the income statement for the period corresponds to:

- The service cost for the period (acquisition of additional rights).
- The interest cost.
- The past service cost.
- The impact of any plan settlements.

The effect of unwinding the obligation is recognized in net financial income and expenses.

Termination benefits

Termination benefits are payable when a company terminates an employee's employment contract before the normal retirement age or when an employee accepts compensation as part of a voluntary redundancy. In the case of termination benefits, the event that gives rise to an obligation is the termination of employment rather than employee service. In the case of an offer made to encourage voluntary redundancy, termination benefits are measured based on the number of employees expected to accept the offer.

Profit-sharing and bonus plans

The Company recognizes a liability and an expense for profit-sharing and bonus plans based on a formula that takes into account the Company's performance.

2.2.19. Other provisions

In accordance with *IAS 37 – Provisions, Contingent Liabilities and Contingent Assets*, a provision should be recognized when: (i) an entity has a present legal or constructive obligation as a result of a past event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (iii) a reliable estimate can be made of the amount of the obligation. Provisions for restructuring include termination benefits. No provisions are recognized for future operating losses.

Where there are a number of similar obligations, the probability that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Although the likelihood of outflow for any one item may be small, it may well be probable that some outflow of resources will be needed to settle the class of obligations as a whole. If that is the case, a provision is recognized.

The provision represents the best estimate of the amount required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision corresponds to the present value of the expected costs that the Company considers necessary to settle the obligation. The pre-tax discount rate used reflects current market assessments of the time value of money and specific risks related to the liability. The effect of unwinding discounts on provisions due to the time value of money is recognized in net financial income and expenses.

2.2.20. Revenue

In accordance with *IAS 18 – Revenue*, when the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction should be recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the entity.
- The stage of completion of the transaction at the end of the reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Collaboration agreements and licenses

At present, Inventiva's revenue is generated mainly by licensing agreements and R&D projects conducted in partnership with the AbbVie and Boehringer Ingelheim pharmaceutical companies (see the note on significant events). These contracts generally contain many different types of clauses covering such things as up-front fees payable when the agreements are signed and milestone payments corresponding to the achievement of certain pre-defined development milestones, lump-sum payments to finance R&D expenditure and royalties on future product sales.

Up-front fees payable when agreements are signed in exchange for access to technology are recognized immediately as revenue once the following two cumulative criteria are met: the amounts are non-refundable and the Company does not have any future development commitment. Otherwise, the amounts are initially recorded as deferred income and then recognized as revenue over the estimated period of Inventiva's involvement in future developments. This period is revised on a regular basis.

Milestone payments are amounts received from partners within the scope of collaboration programs and they are contingent on the achievement of certain scientific, regulatory or marketing objectives. Milestone payments are recognized as revenue once the obligating event has actually occurred and there are no outstanding conditions precedent. Obligating events may consist of scientific results obtained by the Company or the partner, or regulatory authorization, or marketing of products developed within the scope of the agreement.

Revenue related to the financing of R&D expenditure – essentially consisting of rebilled payroll expenditure – is recognized as and when this expenditure is incurred.

Revenue from royalties corresponds to Inventiva's contractual entitlement to a percentage of the product sales achieved by its counterparties. Royalties are recognized in revenue on an accrual basis in accordance with the terms of the agreement once sales can be determined in a reliable manner and the Company is reasonably sure that it will be able to recover the related receivables.

Sales of products and services

Amounts generated from sales of products and services are recognized as revenue once the risks and rewards of ownership have been transferred to the buyer. Amounts received in consideration for research services provided are also recognized as revenue once these services are charged based either on time spent or prorated over the term of the contract in the event of payment of a fixed amount.

Rebilling of rent and rental charges

Expenses incurred under leases contracted by Inventiva are rebilled on a monthly basis in line with the contractual payment dates.

2.2.21. Other recurring operating income

CIR research tax credit

CIR research tax credits are granted by the French government to encourage companies to undertake technical and scientific research. Companies which provide evidence of costs that meets the required criteria (research spending in France or, since January 1, 2005, in the European Union or in another member state of the European Economic Area that has signed a tax treaty with France containing an administrative assistance clause) are eligible for tax credits which may be used for the payment of income tax due during the period in which the cost is incurred or during the following three reporting periods. Alternatively, any excess may be refunded where applicable.

Inventiva has been eligible for the CIR research tax credit since its first financial period.

It should be noted that from 2011, only those companies meeting the EU definition of an SME are eligible for prepayment of their research tax credit. Inventiva has ensured that it meets the EU definition of an SME and therefore continues to be eligible for prepayment.

The tax credit used to finance research expenses is recognized in "Other recurring operating income" during the reporting period in which the eligible expenditure is incurred.

Disposals of non-current assets

Income from the disposal of non-current assets during the period is recognized in "Other operating income".

Subsidies

The Company receives subsidies from several public bodies. The subsidies are related to net income and granted to compensate for incurred expenses. They are therefore recognized in net income for the period in which it becomes reasonably certain that they will be received, in other operating income.

2.2.22. Net financial income

Financial income

Financial income includes:

- The "Income from cash and cash equivalents" line item, which includes income from short-term investments remeasured at fair value at the end of each reporting period.
- Gains from unwinding discounting.
- Other financial income.

Financial expenses

Financial expenses primarily include:

- Interest cost.
- Foreign exchange losses.
- Losses from unwinding discounting
- Other financial expenses.

2.2.23. Non-recurring operating income and expenses

Non-recurring operating income and expenses are disclosed separately on the face of the income statement. This line item is set aside for major events that may arise during the period whose presentation within other items (relating to ordinary activities) could be misleading for users of the financial statements in their understanding of the Company's performance. This item therefore includes income and expenses that are rare, unusual and infrequent, that represent material amounts and that the Company discloses separately on the face of the income statement to facilitate understanding of recurring operating performance.

Non-recurring operating income and expenses for the year ended December 31, 2017 solely reflected transaction costs related to the IPO that were recognized using the method described in Note 2.1.2, "Significant events", and the sale of a real estate asset in the first-half of 2017.

Items similar in nature but which do not have the characteristics noted above are recognized in recurring operating income (loss).

2.3. Financial risk management

2.3.1. Financial risk factors

The Company's activities expose it to various types of financial risk: foreign exchange risk, credit risk and liquidity risk.

Foreign exchange risk

The Company's activities expose it to foreign exchange risk on purchases made in foreign currencies. Foreign currency purchases are mainly made in US dollars, pounds sterling or Swiss francs.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as from client exposures.

The Company's exposure to credit risk chiefly relates to trade receivables. The Company has put in place a system to closely monitor its receivables and their payment and clearance.

Generally, the Company is not exposed to a concentration of credit risk.

Liquidity risk

Liquidity risk management aims to ensure that the Company readily disposes of enough liquidities and financial resources to be able to meet present and future obligations.

The Company prepares short-term cash forecasts and annual operating cash flow forecasts as part of its budget procedures.

Prudent liquidity risk management involves maintaining sufficient liquidities, having access to financial resources through appropriate credit facilities and being able to unwind market positions.

2.4. Notes to the balance sheet

2.4.1. Intangible assets

In euros	Jan. 1, 2017	Increases	Disposals	Reclassifications	Dec. 31, 2017
Development costs	-	-	-	-	-
Patents, licenses and trademarks	2,141,657	-	-		2,141,657
Software	1,290,329	107,521	-	-	1,397,850
Other intangible assets	-	-	-		
Intangible assets, gross	**3,431,986**	**107,521**	**-**	**-**	**3,593,507**
Amortization and impairment of capitalized development costs	-	-	-	-	-
Amortization and impairment of patents, licenses and trademarks	(663,152)	(164,721)	-	-	(827,872)
Amortization and impairment of software	(695,534)	(210,013)	-	-	(905,547)
Amortization and impairment of other intangible assets	-	-	-	-	-
Amortization and impairment	**(1,358,686)**	**(374,734)**	**-**	**-**	**(1,733,420)**
Intangible assets, net	**2,073,300**	**(267,213)**	**-**	**-**	**1,806,087**

In euros	Jan. 1, 2016	Increases	Disposals	Reclassifications	Dec. 31, 2016
Development costs	-	-	-	-	-
Patents, licenses and trademarks	2,132,089	9,568	-		2,141,657
Software	1,212,059	16,494	(74)	61,850	1,290,329
Other intangible assets	-	-	-		
Intangible assets, gross	**3,344,148**	**26,062**	**(74)**	**61,850**	**3,431,986**
Amortization and impairment of capitalized development costs	-	-	-	-	-
Amortization and impairment of patents, licenses and trademarks	(498,775)	(164,376)	-	-	(663,152)
Amortization and impairment of software	(470,310)	(225,298)	74	-	(695,534)
Amortization and impairment of other intangible assets	-	-	-	-	-
Amortization and impairment	**(969,086)**	**(389,674)**	**-**	**-**	**(1,358,686)**
Intangible assets, net	**2,375,063**	**(363,612)**	**-**	**61,850**	**2,073,300**

Changes during the period mainly correspond to amortization charges of €374,734 and acquisitions (chiefly related to software) in an amount of €107,521.

In the absence of any indication of a loss of value, no impairment tests have been performed on amortizable intangible assets.

2.4.2. Property, plant and equipment

In euros	Jan. 1, 2017	Increases	Disposals	Reclassifications	Dec. 31, 2017
Land	172,000	-	-	-	172,000
Buildings	3,457,045	-	(50,000)	-	3,407,045
Technical facilities, equipment and tooling	4,197,985	91,968	(22,461)	-	4,627,492
Other property, plant and equipment	875,081	161,570	(13,390)	-	1,023,261
Property, plant and equipment in progress	2,600	66,970	-	(2,600)	66,970
Property, plant and equipment, gross	**8,704,711**	**320,508**	**(85,851)**	**(2,600)**	**8,936,768**
Depreciation and impairment of buildings	(959,785)	(207,455)	23,447	-	(1,143,793)
Depreciation and impairment of technical facilities, equipment and tooling	(2,236,718)	(391,556)	19,900	-	(2,608,374)
Depreciation and impairment of other property, plant and equipment	(550,662)	(131,160)	13,392	-	(668,430)
Depreciation and impairment	**(3,747,164)**	**(730,171)**	**56,739**	**-**	**(4,420,596)**
Property, plant and equipment, net	**4,957,547**	**(409,663)**	**(29,112)**	**(2,600)**	**4,516,171**

In euros	Jan. 1, 2016	Increases	Disposals	Reclassifications	Dec. 31, 2016
Land	172,000	-	-	-	172,000
Buildings	3,462,930	-	(5,885)	-	3,457,045
Technical facilities, equipment and tooling	4,053,115	146,320	(1,451)	-	4,197,984
Other property, plant and equipment	795,091	52,956	-	27,034	875,081
Property, plant and equipment in progress	88,884	2,600	-	(88,884)	2,600
Property, plant and equipment, gross	**8,572,020**	**201,876**	**(7,336)**	**(61,850)**	**8,704,710**
Depreciation and impairment of buildings	(747,431)	(213,929)	1,575	-	(959,785)
Depreciation and impairment of technical facilities, equipment and tooling	(1,827,600)	(409,569)	452	-	(2,236,717)
Depreciation and impairment of other property, plant and equipment	(424,164)	(126,498)	-	-	(550,662)
Depreciation and impairment	**(2,999,194)**	**(749,996)**	**2,027**	**-**	**(3,747,163)**
Property, plant and equipment, net	**5,572,826**	**(548,120)**	**(5,309)**	**(61,850)**	**4,957,547**

Changes during the period mainly correspond to depreciation charges of €730,171 and acquisitions (chiefly related to other property, plant and equipment such as research equipment, scientific applications and components for the chemical library) in an amount of €320,508.

In the absence of any indication of a loss of value, no impairment tests have been performed on property, plant and equipment.

2.4.3. Assets held for sale

In euros	Dec. 31, 2017	Dec. 31, 2016
Financial instruments pledged as collateral	-	149,001
Assets held for sale	**-**	**149,001**

Changes during the period correspond to the release of a pledge given as collateral for a loan agreed with Crédit Agricole in April 2015 for €285,000.

2.4.4. Other non-current assets

In euros	Dec. 31, 2017	Dec. 31, 2016
Long-term deposit accounts	238,621	236,823
Tax loss carry back	333,333	-
Other non-current assets	**571,954**	**236,823**

Long-term deposit accounts correspond to:

- The pledge of a deposit account with a balance of €138,346 as collateral for the €178,300 loan from CIC-Lyonnaise de Banque agreed in May 2015.
- The pledge of a gradual rate deposit account with a balance of €100,274 as collateral for the €254,000 loan from Société Générale agreed in July 2015.
- A tax credit resulting from loss carry backs recognized during the period and recoverable over the next five years.

2.4.5. Inventories

In euros	Dec. 31, 2017	Dec. 31, 2016
Laboratory inventories	473,129	471,879
Total inventories	**473,129**	**471,879**

2.4.6. Trade and other receivables

Trade receivables

Trade receivables break down as follows:

In euros	Dec. 31, 2017	Dec. 31, 2016
3 months or less	64,223	771,131
Between 3 and 6 months	-	-
Between 6 and 12 months	-	-
More than 12 months	-	-
Trade receivables	**64,223**	**771,131**

The majority of trade receivables relate to research partnership and services revenues. The average payment period is 45 days. Changes during the period primarily correspond to receivables under the AbbVie Master Research Services Agreement (MRSA), the balance of which fluctuates depending on the billing schedule for projects in progress.

Other current assets and receivables

In euros	Dec. 31, 2017	Dec. 31, 2016
CIR research tax credit	4,320,920	4,172,163
CICE tax credit	140,766	134,691
Income tax	-	(576,101)
Other	1,853	-
Tax receivables	**4,463,539**	**3,730,753**
Prepaid expenses	836,001	1,587,766
Recoverable sales taxes	1,072,078	932,433
Other miscellaneous receivables	1,259,913	2,711,186
Other receivables	**3,167,992**	**5,231,385**
Other current assets	-	6,175,777
Other current assets and receivables	**7,631,531**	**15,137,915**

The majority of prepaid expenses correspond to disposables, IT maintenance costs, patent maintenance fees and insurance contributions paid in respect of first quarter 2018.

Recoverable sales taxes are composed of deductible VAT and claimed VAT refunds.

At December 31, 2016, other receivables included an accrued receivable of €2,500,000 in respect of a milestone payment as part of the Company's partnership with AbbVie, which was received on February 10, 2017.

The change in other current assets primarily reflects the reception of the final payments related to the business combination of August 27, 2012, as described in Note 2.1.2 of the financial statements for the year ended December 31, 2016.

2.4.7. Cash and cash equivalents

	Dec. 31, 2017	Dec. 31, 2016
UCITS and certificates of deposit	5,045,522	6,179,561
Other cash equivalents	36,277,248	14,988,979
Cash at bank and at hand	17,728,450	3,699,034
Cash and cash equivalents	**59,051,220**	**24,867,573**
Bank overdrafts	(3,111)	(3,122)
Net cash and cash equivalents	**59,048,109**	**24,864,451**

At December 31, 2017, the €34,183,658 year on year increase in cash and cash equivalents is mainly attributable to the initial public offering completed in February 2017 (see Note 2.1.2, "Significant events").

2.4.8. Shareholders' equity

Share capital

The share capital is set at €164,445, against €100,300 at December 31, 2016.

As of January 1, 2017, the share capital was divided into 10,030,000 fully paid-up shares with a par value of €0.01 each. Pursuant to the delegation granted by the Annual General Meeting of September 30, 2016 in its tenth resolution (concerning principally the issuance of new ordinary shares without pre-emptive subscription rights through public offerings in connection with the IPO), the Board of Directors decided on February 14, 2017 to issue 5,651,240 new shares with a par value of €0.01 each at an issue price of €8.50 per share (including an issue premium of €8.49 per share), for a nominal capital increase amount of €56,512.40 plus a total premium of €47,979,027.60 (before deduction of related costs).

Consequently, the share capital increased from €100,300 to €156,812.40 as of February 14, 2017. As the new shares are identical in every way to existing ordinary shares, the number of fully-paid up shares therefore stood at 15,681,240 at February 14, 2017.

Pursuant to the authorization granted by the Annual General Meeting of September 30, 2016 in its fourteenth resolution and in accordance with Article L. 225-135-1 of the French Commercial Code (*Code de commerce*), the Board of Directors decided on March 16, 2017 to increase the share capital in an amount of €470,364.50 by way of the issuance without pre-emptive subscription rights of 55,337 additional new shares with a par value of €0.01 each, corresponding to the exercise of 19.58% of the over-allotment option. In accordance with Article L. 225-135-1 of the French Commercial Code, the issue price of the 55,337 additional new shares was set at €8.50 (i.e., including an issue premium of €8.49 per ordinary share), representing a gross total subscription amount of €470,364.50 (of which

€469,811.13 corresponds to the total issue premium). Consequently, the share capital increased as of March 16, 2017 from €156,812.40 (comprised of 15,681,240 ordinary shares with a par value of €0.01 each) to €157,365.77 rounded in accordance with the rounding rules usually applied to euros (comprised on 15,736,577 ordinary shares with a par value of €0.01 each).

In the period between March 20 and March 27, 2017, Company employees were able to exercise a certain number of BSPCE share warrants resulting in the issue of 557,900 new shares. ISLS Consulting also exercised its 150,000 BSA share warrants over the period, resulting in the creation of 150,000 new shares. At the end of March 2017, the number of outstanding shares had increased by 707,900 units to a total of 16,444,477. The Board of Directors recognized this capital increase at its meeting of April 18, 2017.

At December 31, 2017, the Company's share capital comprised 16,444,477 shares.

Liquidity agreement

As disclosed in Note 2.1.2, "Significant events", on February 22, 2017, after being admitted to trading on the Euronext market, Inventiva entered into a three-year liquidity agreement authorizing the ISP to independently buy and sell Inventiva treasury shares.

Share warrants

Share warrants correspond to:

- BSPCE share warrants granted to the Company's employees.
- BSA share warrants granted to Company directors with a subscription price set at €0.534.

BSPCE plans

At December 31, 2017, 216,500 BSPCE share warrants were outstanding. Each BSPCE share warrant corresponds to one share. They are exercisable until December 31, 2023, after which date they will be forfeited.

The exercise price of the BSPCE share warrants is fixed at:

- €0.585, including a €0.575 share premium for BSPCE share warrants granted in 2013.
- €0.67, including a €0.66 share premium for BSPCE share warrants granted in 2015.

This price may not be changed during the plan's lifetime except in the event that adjustments are required as part of financial transactions having an impact on the Company's share capital.

The new shares will be assimilated into existing ordinary shares of the same category from the time of their issuance. If the shares are quoted on a regulated market, they will be recorded in the Company's share register and will not be convertible into bearer shares.

The share warrants will be forfeited if for any reason the beneficiary's salaried position within the Company is terminated.

BSA plans

At December 31, 2017, 195,000 BSA share warrants were outstanding. Each BSA share warrant corresponds to one share. They are exercisable until December 31, 2023, after which date they will be forfeited.

The exercise price of the BSA share warrants is fixed at:

- €0.67, including a €0.66 share premium for BSA share warrants granted in 2015.
- €0.53, including a €0.52 share premium for BSA share warrants granted in 2017.

This price may not be changed during the plan's lifetime except in the event that adjustments are required as part of financial transactions having an impact on the Company's share capital.

Movements in BSPCE and BSA share warrants

Year 2017

Type	Grant date	Exercise price (in euros)	Outstanding at Dec. 31, 2016	Issued	Exercised	Forfeited	Outstanding at Dec. 31, 2017	Number of shares under option
BSA – 2015 Plan	May 28, 2015	0.67	150,000	-	(150,000)	-	-	-
BSPCE – 2015 Plan	May 28, 2015	0.67	219,600	-	(89,900)	(70,700)	59,000	59,000
BSPCE – 2013 Plan	Dec. 25, 2013	0.59	835,500	-	(468,000)	(210,000)	157,500	157,500
BSA – 2017 Plan	May 29, 2017	0.53	-	195,000	-	-	195,000	195,000

Year ended December 31, 2016

Type	Grant date	Exercise price (in euros)	Outstanding at Dec. 31, 2015	Issued	Exercised	Forfeited	Outstanding at Dec. 31, 2016	Number of shares under option
BSA – 2015 Plan	May 28, 2015	0.67	150,000	-	-	-	150,000	150,000
BSPCE – 2015 Plan	May 28, 2015	0.67	219,600	-	-		219,600	219,600
BSPCE – 2013 Plan	Dec. 25, 2013	0.585	855,700	-	-	20,200	835,500	835,500

BSA share warrants exercised during the period correspond to the entire BSA – 2015 Plan, exercised by ISLS Consulting on March 20, 2017, whereupon this company became the owner of 150,000 new ordinary shares with a par value of €0.01 each.

The change in BSPCE share warrants over the period can be broken down as follows:

- Exercise of 5,579 BSPCE share warrants by Company employees between March 20 and March 27, 2017, whereupon 557,900 new shares were issued.
- Cancellation of a total of 2,455 BSPCE share warrants (2,031 relating to BSPCE – 2013-1, and 424 under the BSPCE – 2015 Plan), corresponding to a tranche of the plans that would only vest if the Company achieved revenue of €18 million. As this performance condition was not met, the warrants were canceled.
- Cancellation of 352 BSPCE share warrants (69 relating to the BSPCE – 2013 Plan, and 283 under the BSPCE – 2015 Plan) which were forfeited during the period.

Share-based payment expenses totaled €165,209 at December 31, 2017 (compared to €38,809 at December 31, 2016) and were recognized in personnel costs (see Note 2.5.3, "Personnel costs and headcount").

Bonus shares

Bonus share award plans

On April 18, 2017, the Company's Board of Directors approved two bonus share award plans for certain Company employees:

The plans have the following characteristics:
- A two-year vesting period for AGA 2017-1 shares.
- A one-year vesting period for AGA 2017-2 shares.
- A one-year lock-up period.
- A service condition.
- No performance conditions.

The fair value of Inventiva bonus shares corresponds to the Inventiva share price less a discount to reflect the lock-up period. At the award date, the fair value of each bonus share was estimated at €7.04.

Bonus share movements

Type	Grant date	Exercise price (in euros)	Outstanding at Dec. 31, 2016	Issued	Exercised	Forfeited	Outstanding at Dec. 31, 2017	Number of shares under option
AGA – 2017-1 Plan	April 18, 2017	7.35	-	82,300	-	(2,400)	79,900	79,900
AGA – 2017-2 Plan	April 18, 2017	7.35	-	60,000	-		60,000	60,000

At December 31, 2017, a total of 139,900 bonus shares were outstanding. AGA 2017-1 bonus shares are exercisable from April 18, 2019 to April 18, 2020, subject to continued employment. AGA 2017-2 bonus shares are exercisable from April 18, 2018 to April 18, 2021, subject to continued employment.

Share-based payment expenses totaled €492,554 at December 31, 2017 (compared to zero at December 31, 2016) and were recognized in personnel costs (see Note 2.5.3, "Personnel costs and headcount").

The new shares will be assimilated into existing ordinary shares of the same category from the time of their issuance. If the shares are quoted on a regulated market, they will be recorded in the Company's share register and will not be convertible into bearer shares.

Basic and diluted earnings per share

Basic earnings (loss) per share are calculated by dividing net income (loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

In euros	**Dec. 31, 2017**	**Dec. 31, 2016**
Net income (loss) for the period	(17,229,085)	(7,045,045)
Number of shares	15,516,344	10,030,000
Basic loss per share	**(1.11)**	**(0.70)**
Adjusted net income (loss) for the period	(17,229,085)	(7,045,045)
Dilutive effect of exercising share warrants	292,563	-
Diluted loss per share	**(1.09)**	**(0.70)**

Diluted earnings (loss) per share in first-half 2017 included the dilutive impact of share-based payment plans (BSAs, BSPCEs and AGAs) calculated using the share buyback method.

2.4.9. Debt

	Dec. 31, 2017	**Dec. 31, 2016**
Bank borrowings	364,301	510,048
Other loans and similar borrowings[(1)]	117,764	117,556
Accrued interest on borrowings	-	-
Total debt	**482,065**	**627,604**
Effect on interest calculations of using amortized cost	-	-
Effect of spreading debt issuance costs over time	-	-
Total repayment value of bank borrowings and debt	**482,065**	**627,604**

[(1)] *O/w current bank overdraft facilities – in 2016, these were included in bank borrowings.*

Changes during the period mainly correspond to repayment of borrowing in the amount of €142,636.

Other loans and similar borrowings, which correspond to a guarantee agreement signed with Coface, were repaid in full in the first quarter of 2018.

The breakdown between long-term and short-term debt is as follows:

December 31, 2017 (in euros)	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
Bank borrowings	144,369	219,933	-	-
Other loans and similar borrowings	117,764	-	-	-
Accrued interest on borrowings	-	-	-	-
Total debt	**262,133**	**219,933**	**-**	**-**

December 31, 2016 (in euros)	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
Bank borrowings	142,624	293,572	70,730	-
Other loans and similar borrowings	3,122	117,556	-	-
Accrued interest on borrowings	-	-	-	-
Total debt	**145,746**	**411,128**	**70,730**	**-**

The maturity of long-term debt and of short-term borrowings and debt is determined according to repayment estimates as at December 31, 2017.

2.4.10. Deferred taxes

Deferred tax assets and liabilities are offset when a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities concern income taxes levied by the same tax authority. Amounts are presented in the table below:

In euros	Dec. 31, 2017	Dec. 31, 2016
Deferred tax assets	252,683	194,604
Deferred tax liabilities	-	(3,012,580)
Net deferred tax liability	**252,683**	**(2,817,976)**

Gross changes in deferred taxes are set out below:

In euros	Dec. 31, 2017	Dec. 31, 2016
At beginning of period	**(2,817,975)**	**(8,927,758)**
Income (expense) in the income statement	3,075,281	6,094,142
Debit (credit) in other comprehensive income	4,622	15,641
At end of period	**261,928**	**(2,817,976)**

The change in deferred tax assets and liabilities during the period, excluding offsetting within the same tax jurisdiction, is broken down as follows:

Deferred tax assets (in euros)	Employee benefits	Provisions	Other	Total
January 1, 2016	**156,874**	**-**	**-**	**156,874**
Income (expense) in the income statement	20,889	-	-	20,889
Debit (credit) in other comprehensive income	16,842	-	-	16,842
December 31, 2016	**194,604**	**-**	**-**	**194,604**
January 1, 2017	**194,604**	**-**	**-**	**194,604**
Income (expense) in the income statement	53,796	-	-	53,796
Debit (credit) in other comprehensive income	4,283	-	-	4,283
December 31, 2017	**252,683**	**-**	**-**	**252,683**

The material changes in deferred taxes presented in the balance sheet for the two reporting periods mainly correspond to the reduction in the temporary difference related to the IFRS treatment of the business combination of August 27, 2012 (see Note 2.1.2, “Significant events”):

Deferred tax liabilities (in euros)	TOTAL
January 1, 2016	**(9,084,632)**
Income (expense) in the income statement	6,073,253
Debit (credit) in other comprehensive income	(1,201)
December 31, 2016	**(3,012,580)**
January 1, 2017	**(3,012,580)**
Income (expense) in the income statement	3,012,919
Debit (credit) in other comprehensive income	(339)
December 31, 2017	**-**

2.4.11. Provisions

A provision for tax contingencies for an amount of €477,494 was recognized in the financial statements for the year ended December 31, 2017 in respect of the CIR research tax credit for the years ended December 31, 2014, December 31, 2015 and December 31, 2016.

- **Payroll taxes**

On December 15, 2016, the Company received a payroll tax deficiency notice from the French tax authorities in respect of the year ended December 31, 2013. The proposed adjustment relates to the classification of the subsidy granted (subject to conditions) in 2012 by Laboratoire Fournier (LFSA) (Abbott Group) under the Asset Purchase Agreement (APA) as a one-off item, and the resulting impact on payroll taxes. The proposed adjustment amounts to €0.6 million, including penalties and late payment interest.

In a further deficiency notice sent on July 28, 2017, the French tax authorities extended the scope to include the years ended December 31, 2014 and December 31, 2015. As a result, the total amount of the proposed adjustment now stands at €1.8 million, excluding penalties and late payment interest. Since payroll taxes are deductible from corporate taxable income, if the adjustment is enforced it would give rise to a corresponding decrease in income tax payable, calculated based on the tax rates applicable to the Company for the fiscal years concerned by adjustment. In this event, the net impact of the adjustment would amount to €1.2 million.

The Company disputes this proposed tax reassessment. In addition, under the terms of the Additional Agreement attached to the Asset Purchase Agreement (APA), LFSA agreed to indemnify the Company up to a maximum amount of €2 million in accordance with the conditions described therein, in case of any amount claimed by the French tax authorities in relation to the accounting treatment of the subsidy paid by LFSA and subject to specific conditions. This guarantee covers the entire five-year payment period (2012 to 2017). Since the maximum risk as assessed by Management is covered in full by this guarantee, the Company has not set aside any provisions in the financial statements with regard to this dispute.

- **CIR research tax credit**

In February 2017, the Company received an expert report prepared by the French Regional Research and Technology Authority (*Délégation régionale à la recherche et à la technologie*, DRRT) which sets out the findings of a review of the CIR research tax credit for the years ended December 31, 2013, December 31, 2014 and December 31, 2015, and disputes the manner in which certain CIR items were calculated.

At the end of 2016, the Company deemed that there was a present obligation likely to result in an outflow of resources and therefore recognized a provision as at December 31, 2016 in the amount of €346,408.

The Company received a tax deficiency notice on July 28, 2017 amounting to €1.8 million, excluding penalties and late payment interest. This chiefly concerns:

- The innovative nature of certain sub-contracting services.
- The exhaustivity of the technical documentation on certain eligible scientific projects.
- The eligibility of certain activities.

The Company challenged this tax deficiency notice in a reply sent to the French tax authorities on September 29, 2017. An additional provision of €131,086 was set aside in 2017, giving a total provision of €477,494 at December 31, 2017. On February 6, 2018, the French tax authorities responded to the Company's challenge of the tax deficiency notice maintaining the validity of all reassessments presented in that document. The Company used every means available to it to contest this position (see section 2.1.6.1 "Tax audit" of this Registration Document).

2.4.12. Provisions for retirement benefit obligations

Retirement benefit obligations are determined based on the rights set forth in the national collective bargaining agreement for the French pharmaceutical industry (IDCC 176/Brochure 3104) and in accordance with *IAS 19 – Employee Benefits*. These rights depend on the employee's final salary and seniority within the Company at his/her retirement date.

Principal actuarial assumptions

The following assumptions were used to measure the obligation:

Variables	Dec. 31, 2017	Dec. 31, 2016
Retirement age	65 years	65 years
Payroll taxes	41.41%	41.41%
Salary growth rate	2%	2%
Discount rate	1.30%	1.36%
Mortality table	TGH/TGF 05	TGH/TGF 05

The discount rate corresponds to the rates of Eurozone AA-rated corporate bonds with maturities of over ten years.

Net provision

The provision recorded in respect of defined benefit schemes at the end of each reporting period is shown in the table below:

In euros	Dec. 31, 2017	Dec. 31, 2016
Retirement benefit obligations	865,994	695,015
Fair value of plan assets	-	-
Obligation	**865,994**	**695,015**

Given the absence of plan assets at December 31, 2017 and December 31, 2016, the total amount of the provision corresponds to the estimated obligation at those dates.

Change in net provision

The change in the provision recorded in respect of defined benefit schemes breaks down as follows:

In euros	Dec. 31, 2017	Dec. 31, 2016
Provision at beginning of period	**(695,015)**	**(470,622)**
Expense for the period	(194,276)	(164,245)
Actuarial gains or losses recognized in other comprehensive income	15,298	(60,148)
Benefits for the period	7,999	-
Provision at end of period	**(865,994)**	**(695,015)**

Breakdown of expense recognized for the period

The expense recognized in the income statement amounted to €194,276 in 2017 and €164,245 in 2016 and breaks down as follows:

In euros	Dec. 31, 2017	Dec. 31, 2016
Service cost for the period	176,825	155,162
Interest cost for the period	9,452	9,083
Past service cost (plan curtailments and modifications)	7,999	-
Interest income from plan assets	-	-
Impact of plan settlements and other	-	-
Acquisitions	-	-
Total	**194,276**	**164,245**

Breakdown of actuarial gains and losses recognized in equity

The actuarial gain of €15,298 in 2017 and loss of €60,148 in 2016 can be analyzed as follows:

In euros	Dec. 31, 2017	Dec. 31, 2016
Demographic changes	(23,077)	1,020
Changes in actuarial assumptions	7,779	59,128
Total	**(15,298)**	**60,148**

Demographic differences mainly relate to salary adjustments and staff movements.

Changes in actuarial assumptions relate to movements in the discount rate, which increased from 1.93% at year-end 2015 to 1.36% at year-end 2016 and subsequently decreased to 1.30% at December 31, 2017.

Sensitivity analysis

A 0.25% change in the discount rate would have had an impact of approximately 3.8% on the obligation amount in 2017 and around 4% in 2016.

December 31, 2017	In euros
Benefit obligation at December 31, 2017 at 1.05%	899,787
Benefit obligation at December 31, 2017 at 1.30%	865,994
Benefit obligation at December 31, 2017 at 1.61%	833,820

December 31, 2016	In euros
Benefit obligation at December 31, 2016 at 1.11%	723,747
Benefit obligation at December 31, 2016 at 1.36%	695,015
Benefit obligation at December 31, 2016 at 1.61%	667,701

2.4.13. Trade and other payables

In euros	Dec. 31, 2017	Dec. 31, 2016
Trade and other payables	5,381,691	4,364,428
Other payables	3,150,855	4,091,049
Total trade and other payables	**8,532,546**	**8,455,477**

Trade and other payables break down by payment date as follows:

In euros	Dec. 31, 2017	Dec. 31, 2016
Due in 30 days	5,159,364	4,223,279
Due in 30-60 days	22,327	141,148
Due in more than 60 days	-	-
Trade and other payables	**5,381,691**	**4,364,428**

No calculations have been made to discount trade and other payables to present value, as payment is always due within one year at the end of each reporting period.

2.4.14. Other current liabilities

In euros	Dec. 31, 2017	Dec. 31, 2016
Short-term debt	**266,133**	**145,746**
Tax liabilities	**-**	**-**
Employee-related payables	976,263	1,126,602
Accrued payroll and other employee-related taxes	937,166	880,771
Sales tax payables	433,909	191,937
Other accrued taxes and employee-related expenses	166,178	165,850
Amounts payable on non-current assets	-	-
Other miscellaneous payables	44,689	47,453
Deferred income	592,650	1,678,435
Other payables	**3,150,855**	**4,091,049**
Other current liabilities	**3,416,988**	**4,236,795**

No calculations have been made to discount other current liabilities to present value, as payment is always due within one year at the end of each reporting period.

Accrued payroll and other employee-related taxes mainly relate to payables to social security and employee-benefit organizations such as URSSAF, KLESIA and APGIS for last-quarter 2017.

Other accrued taxes and employee-related expenses concern provisions for payroll taxes, such as professional training charges, apprenticeship tax and the employer's contribution to construction investment in France.

At December 31, 2017, deferred income mainly related to the Company's Master Research Services Agreement with AbbVie for €592,500. At December 31, 2016, deferred income mainly related to the Company's Master Research Services Agreement with AbbVie for €1,511,618 (see Note 2.1.2, “Significant events”) and the agreement with Boehringer Ingelheim for €166,667.

2.4.15. Financial assets and liabilities

Balance sheet assets – In euros	December 31, 2017				
	Loans and receivables	Assets carried at fair value through profit or loss	Assets held for sale	Investments held to maturity	Total
Assets held for sale	-	-	-	-	-
Other non-current assets	238,621	-	-	-	238,621
Trade receivables	64,223	-	-	-	64,223
Other receivables	3,167,992	-	-	-	3,167,992
Other current assets	-	-	-	-	-
Cash and cash equivalents	54,005,698	5,045,522	-	-	59,051,220
Total	**57,476,533**	**5,045,522**	**-**	**-**	**62,522,055**

Balance sheet liabilities – In euros	Liabilities carried at fair value through profit or loss	Liabilities carried at amortized cost	Total
Long-term debt	-	219,933	219,933
Short-term debt	-	262,133	262,133
Trade and other payables	-	5,381,691	5,381,691
Other payables	-	42,289	42,289
Total	**-**	**5,906,046**	**5,906,046**

Balance sheet assets – In euros	December 31, 2016				
	Loans and receivables	Assets carried at fair value through profit or loss	Assets held for sale	Investments held to maturity	Total
Assets held for sale	-	-	149,001	-	149,001
Other non-current assets	236,823	-	-	-	236,823
Trade receivables	771,131	-	-	-	771,131
Other receivables	137,778	-	-	-	137,778
Other current assets	6,175,777	-	-	-	6,175,777
Cash and cash equivalents	18,688,013	6,179,561	-	-	24,867,573
Total	**26,009,522**	**6,179,561**	**149,001**	**-**	**32,338,084**

Balance sheet liabilities – In euros	Liabilities carried at fair value through profit or loss	Liabilities carried at amortized cost	Total
Long-term debt	-	481,858	481,858
Short-term debt	-	145,746	145,746
Trade and other payables	-	4,364,428	4,364,428
Other payables	-	47,453	47,453
Total	**-**	**5,039,485**	**5,039,485**

2.5. Notes to the income statement

2.5.1. Operating income

In euros	Dec. 31, 2017	Dec. 31, 2016
Sales	6,520,816	9,445,644
Revenue	**6,520,816**	**9,445,644**
Subsidies	832,558	732,626
CIR research tax credit	4,320,920	4,154,865
Other tax credits	-	-
Other	7,543	18,483
Other operating income	**5,161,021**	**4,905,974**
Total income	**11,681,837**	**14,351,618**

The majority of the Company's revenue is derived from its research partnerships with AbbVie and Boehringer Ingelheim, and a lesser part from the provision of services. The €2,924,828 (i.e., 31%) year-on-year drop in revenue is mainly attributable to:

- Lower milestone payments: two milestones were reached with AbbVie in 2016, triggering payments of €4,500,000. No milestones were achieved for this contract in 2017 and it expired on June 30, 2017. As AbbVie wished to prolong the agreement, it was extended in September 2017. The decline in revenue was partially offset by the achievement of a milestone with BI, triggering a payment of €2,500,000.
- Lower revenue generated from recurring partnership fees: €3,219,122 in 2017 versus €4,024,746 in 2016.
- Revenue from other services fell by €203,058 year to year.

In 2017, income from subsidies mainly corresponded to two subsidies from Bpifrance (*Banque Publique d'Investissement*) as part of the Eurostars program for €654,676, and two subsidies from France's national research agency (*Agence nationale de la recherche*, ANR) for €177,882 in respect of a project conducted jointly with the Institut Curie. No new subsidies were either requested or obtained in 2017.

In 2017, Inventiva received payment of the research tax credit due in respect of 2016 for an amount of €3,687,310 (after deduction of the related amount of income tax due). In the course of 2018, the Company will request payment of the research tax credit due in respect of 2017 for an amount of €4,238,811 under current EU guidelines on aid for SMEs.

Other tax credits do not include the CICE tax credit, which is recognized as a deduction from personnel costs in accordance with IFRS accounting principles.

2.5.2. Operating expenses

Dec. 31, 2017 (in euros)	Research and development costs	Marketing – business development	General and administrative expenses	Total
Disposables	2,087,913	-	-	2,087,913
Energy and liquids	513,061	-	-	513,061
Patents and scientific monitoring	402,947	-	-	402,947
Studies	13,308,142	-	-	13,308,142
Maintenance	1,003,329	-	-	1,003,329
Fees	96,655	25,292	1,110,563	1,232,510
IT systems	852,781	12,489	70,773	936,044
Support costs (including taxes)	-	-	549,018	549,018
Personnel costs	7,040,024	305,644	2,050,841	9,396,510
Depreciation, amortization and impairment	1,009,118	-	226,871	1,235,990
Other operating expenses	419,072	9,474	1,054,344	1,482,891
Total operating expenses	**26,733,042**	**352,900**	**5,062,411**	**32,148,353**

Dec. 31, 2016 (in euros)	Research and development costs	Marketing – business development	General and administrative expenses	Total
Disposables	2,511,352	-	-	2,511,352
Energy and liquids	522,704	-	-	522,704
Patents and scientific monitoring	496,785	-	-	496,785
Studies	8,754,675	-	-	8,754,675
Maintenance	1,043,168	-	-	1,043,168
Fees	23,682	50,557	580,253	654,492
IT systems	753,929	-	55,628	809,557
Support costs (including taxes)	-	-	542,906	542,906
Personnel costs	6,522,013	340,460	1,726,589	8,589,063
Depreciation, amortization and impairment	1,238,468	-	247,610	1,486,079
Other operating expenses	277,910	100,563	611,231	989,704
Total operating expenses	**22,144,686**	**491,580**	**3,764,219**	**26,400,485**

2.5.3. Personnel costs and headcount

Dec. 31, 2017 (in euros)	Research and development costs	Marketing – business development	General and administrative expenses	Total
Wages, salaries and similar costs	4,726,288	275,194	1,187,908	6,189,390
Payroll taxes	1,938,671	30,406	512,721	2,481,798
CICE tax credit	(116,844)		(23,922)	(140,766)
CIPC tax credit	-	-	-	-
Provisions for retirement benefit obligations	139,954	-	42,527	182,481
Share-based payment	351,955	44	331,607	683,606
Total personnel costs	**7,040,024**	**305,644**	**2,050,841**	**9,396,510**

Dec. 31, 2016 (in euros)	Research and development costs	Marketing – business development	General and administrative expenses	Total
Wages, salaries and similar costs	4,666,318	286,990	1,208,548	6,161,856
Payroll taxes	1,819,291	47,664	500,973	2,367,927
CICE tax credit	(114,369)		(20,322)	(134,691)
CIPC tax credit	-	-	-	-
Provisions for retirement benefit obligations	121,383	2,327	31,451	155,162
Share-based payment	29,391	3,479	5,939	38,809
Total personnel costs	**6,522,013**	**340,460**	**1,726,589**	**8,589,063**

The Company had 107 employees at December 31, 2017, as at December 31, 2016.

2.5.4. Financial income and expenses

In euros	Dec. 31, 2017	Dec. 31, 2016
Income from cash and cash equivalents	276,623	230,183
Foreign exchange gains	28,783	15,384
Other financial income	2,003	150,718
Discounting gains	9,423	126,609
Total financial income	**316,832**	**522,895**
Interest cost	(5,316)	(7,548)
Losses on cash and cash equivalents	(2,552)	(2,217)
Foreign exchange losses	(21,233)	(43,817)
Discounting losses	(9,452)	(9,083)
Total financial expenses	**(38,553)**	**(62,665)**
Net financial income	**278,279**	**460,230**

Discounting gains relate to the accrued receivable described in Note 2.1.2, "Significant events".

2.5.5. Income tax

The income tax rate applicable to the Company is the French corporate income tax rate of 33.33%.

In euros	Dec. 31, 2017	Dec. 31, 2016
Loss before tax	(20,637,699)	(12,558,675)
Theoretical tax rate	33.33%	33.33%
Tax benefit at theoretical rate	**6,879,233**	**4,186,225**
Non-deductible interest	-	-
Tax credits	1,487,846	1,431,322
CVAE corporate value added tax	-	-
Tax-rate related differences	(482,356)	23,470
Permanent differences	1,245,742	(114,451)
Other differences	(227,869)	(12,936)
Actual income tax benefit	**8,902,597**	**5,513,631**
Of which: - current taxes	*5,827,316*	(580,511)
- deferred taxes	*3,075,281*	6,094,142
Effective tax rate	**43.14%**	**43.90%**

Tax credits mainly include (i) the CIR research tax credit and (ii) the CICE tax credit, non-taxable income, classified respectively in other operating income (see Note 2.5.1) and as a deduction from personnel costs (see Note 2.5.3).

The effective tax rate presented above is higher than the theoretical rate. As the Company recorded a pre-tax loss, its actual income tax benefit was greater than the theoretical income tax benefit, mainly due to the effect of tax credits (particularly the CIR research tax credit) granted to the Company.

2.6. Other financial information

2.6.1. Segment information

The assessment of the entity's performance and the decisions about resources to be allocated are made by the chief operating decision maker, based on the management reporting system of the entity.

Only one operating segment arises from the management reporting system: service delivery and clinical stage research, notably into therapies in the areas of oncology, fibrosis and rare diseases. Thus, the entity's performance is assessed at the Company level.

All the Company's operations, assets, liabilities and losses are located in France.

2.6.2. Contingent assets and liabilities

None.

2.6.3. Off-balance sheet commitments

Commitments given

Financial instruments pledged as collateral

As collateral for three bank loans contracted in 2015 and two authorized overdraft facilities agreed in 2016, the Company had given five pledges on financial asset accounts.

At December 31, 2017, only two pledges concerning bank loans contracted in 2015 remain in effect:

- As collateral for the loan from CIC-Lyonnaise de Banque agreed on May 11, 2015 for €178,000 at a fixed annual rate of 1.50% repayable in regular installments over a 60-month term, a deposit account was pledged with a balance of €135,000 as of the pledge date, i.e., May 11, 2015.
- As collateral for the loan from Société Générale agreed on July 7, 2015 for €254,000 at a fixed annual rate of 0.90% repayable in regular installments over a 60-month term, a deposit account was pledged with a balance of €100,000 as of the pledge date, i.e., July 7, 2015.

The following three pledges were released during 2017:

- A pledge on financial assets corresponding to monetary UCITS for an amount of €150,000, as collateral for the loan from Crédit Agricole agreed on April 23, 2015 for €285,000 at a fixed annual rate of 1.32% repayable in regular installments over a 60-month term.
- Pledges provided as collateral for credit facilities negotiated with Société Générale and Crédit Agricole that were terminated in the course of 2017.

Commitments received

Authorized overdraft facilities

- ***Authorized overdraft facility no. 1 – terminated in 2017***

  The Company had an authorized overdraft facility of up to €500,000 at an interest rate of 1.282% with Crédit Agricole. None of this facility was drawn down during the year ended December 31, 2017. It was terminated in May 2017.

- ***Authorized overdraft facility no. 2 – terminated in 2017***

  In 2016, Inventiva negotiated a €1 million overdraft facility with Crédit Agricole at the three-month Euribor rate +50 basis points, in the form of a promissory note backed by 34,080 pledged monetary UCITS already held at December 31, 2015 with a carrying amount of €502,866.76. The pledge was released in 2017 and the facility was terminated in May 2017.

- ***Authorized overdraft facility no. 3 – terminated in 2017***

  In 2016, the Company negotiated a €2 million overdraft facility with Société Générale, backed by a pledged deposit account with a balance of €2 million. The pledge was released in 2017 and the facility was terminated in June 2017.

Agreements concerning the provision of facilities

- ***Agreement with Novolyze***

  On October 13, 2015, the Company signed a contract to make its premises and facilities available to the company Novolyze for a 36-month period beginning October 19, 2015, in return for monthly rental payments of €3,820 during the first year, €4,120 during the second year and €4,200 during the third year. The contract was amended on October 19, 2016 and the monthly rent was increased to €5,429. Therefore, at December 31, 2017, the total commitment received amounted to €60,313 and commitments relating to future payments amounted to €130,947.

- ***Agreement with Genoway***

  On November 4, 2015, the Company signed a contract to make its premises and facilities available to the company Genoway for a three-year period beginning December 1, 2015, in return for an annual rental payment of €93,830. On July 1, 2017, the contract was amended and extended through June 30, 2019 and the monthly rent was increased to €14,932. Therefore, at December 31, 2017, the total commitment received amounted to €136,768 and commitments relating to future payments amounted to €363,850.

- ***Agreement with Synthecob***

  On March 21, 2016, the Company signed a contract to make its research equipment and services available to the company Synthecob for a two-year period beginning April 1, 2016, in return for a rental payment of €16,956 for the first year and €17,292 for the second year. The contract was amended on January 1, 2017 and the monthly rent was increased to €2,436. Therefore, at December 31, 2017, the total commitment received amounted to €25,281 and commitments relating to future payments amounted to €58,756.

2.6.4. Related-party transactions

The table below sets out the compensation awarded to the members of the executive team that was recognized in expenses for the years ended December 31, 2017 and December 31, 2016.

In euros	Dec. 31, 2017	Dec. 31, 2016
Wages and salaries	522,763	560,731
Benefits in kind[(1)]	41,618	39,574
Pension plan expenses	37,005	22,382
Share-based payments	-	-
Net total	**601,386**	**622,687**

(1) In 2016, benefits in kind were also included in wages and salaries.

2.6.5. Events after the reporting date

New BSA share warrant and bonus share award plans

On January 26, 2018, the Company's Board of Directors approved two bonus share award plans for certain Company employees:

- 10,000 bonus shares ("AGA 2018-1");
- 65,700 bonus shares ("AGA 2018-2").

These plans have the same characteristics as those approved by the Company's Board of Directors on April 18, 2017.

4.7 Statutory Auditors' Report

Statutory Auditor's Report on the Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union

This is a free translation into English of the Statutory Auditor's Report on the Financial Statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This Statutory Auditor's report includes information required by European regulation and French law, such as information about the appointment of the statutory auditor or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

For the Financial Year Ended December 31, 2017

To the Chairman and Chief Executive Officer,

As Statutory Auditor of Inventiva S.A. and in compliance with the assignment entrusted to us, we hereby report to you, for the year ended December 31, 2017, on the audit of the accompanying financial statements of Inventiva S.A. prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

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

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 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 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 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 financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 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.

Paris La Défense, March 6, 2018

KPMG Audit
Division of KPMG SA

Jean Gatinaud
Partner

5 Corporate social responsibility

Inventiva, which operates in R&D in the life sciences and more broadly in the field of human health, is aware of the global challenges of CSR beyond the regulatory aspects.

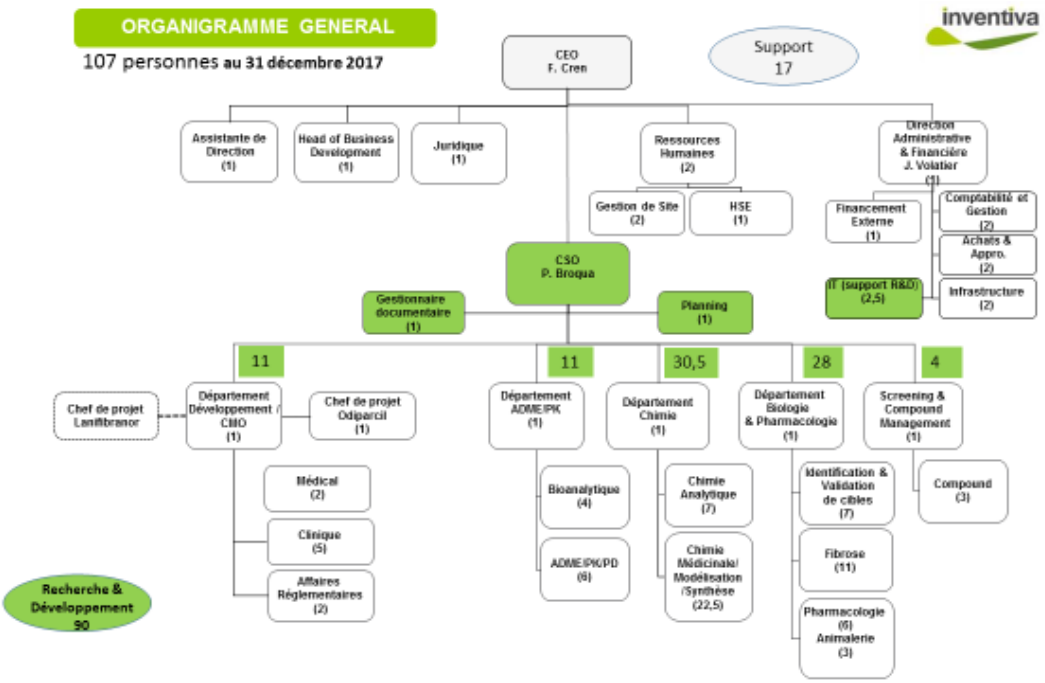
In 2017, the priorities for this first year as a listed company were focused on complying with the regulatory environment of listed companies, particularly with respect to the recommendations of the French Financial Markets Authority (*Autorité des marchés financiers*, AMF) concerning internal control and risk management mechanisms (see section 2.2 "Internal control and risk management system"), and on the organization and roll-out of the Quality Management System for clinical development activities.

The attention given to the management of non-financial data and information was maintained, and indeed increased (measurement of CO_2 emissions for employee transportation, wood sorting, and analysis of suppliers' CSR practices). Implementation of a CSR approach continued to be a subject of consideration.

5.1 Labor information

5.1.1 Headcount

Headcount breaks down as shown below in the functional organization chart.

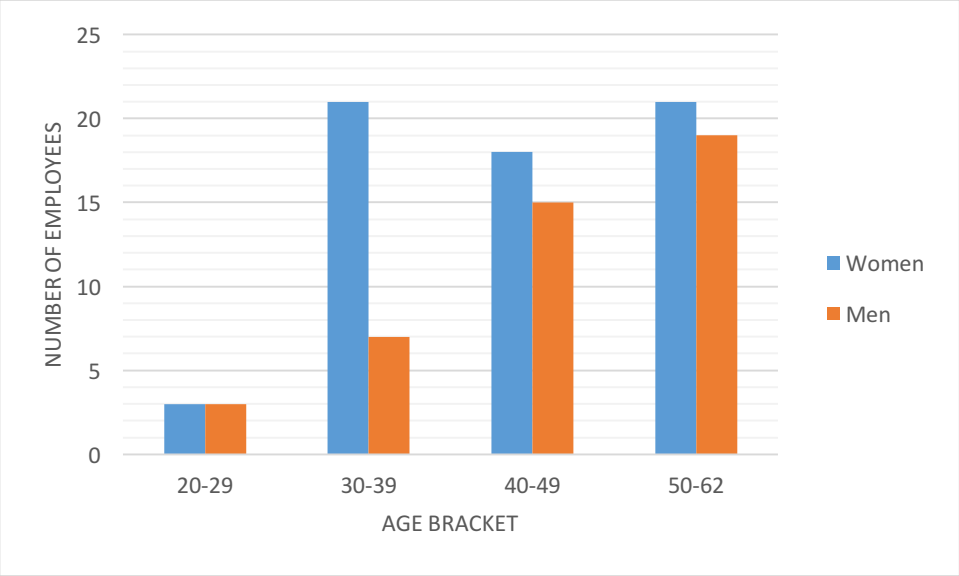


As of December 31, 2017, the Company had 107 employees, breaking down as follows:

	2016			2017		
Socio-professional category	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Workers/Employees	4	1	5	4	1	5
Technicians/Supervisors	14	38	52	13	37	50
Management	28	20	48	25	25	50
Executives	2		2	2		2
Total	48	59	107	44	63	107

Of the 107 employees, five are on fixed-term contracts.

The average age is 45, and the breakdown by age group is as follows:



Changes in the workforce

In 2017, the Company recruited 13 people, of which seven on indefinite-term contracts in the Clinical Development and Regulatory Affairs department, four on fixed-term contracts (two in the Biology department and two in the Chemistry department), one on a combined work-study contract in the Biology department and one on a fixed-term contract in support functions.

There were 13 departures, breaking down as four contractual terminations, four resignations, three end-of-trial periods, one retirement and one end of a fixed-term contract.

Remuneration

Remuneration totaling €5,900,495 was paid in 2017, €49,226 of which to employees on fixed-term contracts. This represented an increase of 1.71% on the total remuneration of €5,801,000 paid in 2016, €118,000 of which for fixed-term contracts.

The Company also has a bonus system for all managers. The bonus rates in relation to the annual remuneration are determined according to the levels of the positions concerned and the achievement of individual objectives. Objectives are set at the beginning of each year during an interview with the line manager.

Most employees hold company founder share warrants (*Bons de souscription de parts de createur d'entreprise*, BSPCE or BSPCE share warrants) or even AGA bonus shares which could give them a 4.6% holding in the capital (on a fully diluted basis) if the BSPCEs are fully exercised and AGAs are fully vested (see section 6.2 "Securities giving access to the share capital and stock options" of this Registration Document).

5.1.2 Organization of working time

Employees' employment contracts are subject to the collective agreement for the pharmaceutical industry.

An agreement on the organization of working time was signed on February 19, 2015 for an indefinite term and with retroactive effect from February 1, 2015. Since January 1, 2015, managers' working time has been determined on the basis of a number of days under this agreement. For a full year of work, the number of days is set at 217 days, including the national day of solidarity.

Employees may also have a reduced load and work fewer than 217 days during the year.

Personnel not subject to a contract setting a fixed number of days' work each year benefit from a variable schedule based on a theoretical weekly working week of 37 hours. In consideration for the fact that their actual weekly working hours exceed the statutory limit of 35 hours, such employees are awarded 12 additional days' leave spread over the calendar year. The Company may also enter into part-time employment contracts to meet its needs or at the request of certain employees for personal reasons.

Four people worked part-time in 2017:
- one manager (W);
- two technicians (W); and
- one office worker (W).

In 2016 six people worked part-time: three managers (2M/1W) and three technicians (3W).

This slight decrease between 2016 and 2017 was due to two male managers' change to full-time status.

Absenteeism

The absenteeism rate was below 1.5% in 2016 and increased to 2.33% in 2017, essentially due to two long-term illnesses.

5.1.3 Employee relations

The Company has a Works Council and staff representatives who meet as part of a staff representation committee (the *Délégation Unique du Personnel*, DUP) as well as a Health, Safety and Working Conditions Committee (HSC).

The DUP is now made up of only one representative, the **trade union delegate**, elected by the 3rd college "engineers, heads of department and similar administrative, sales or technical executives" in the absence of candidates for the other colleges. The results of the latest elections were announced on November 28, 2013, with terms of office starting on November 29, 2013 for a period of four years.

Following the adoption of order no. 2017-1386 of September 22, 2017 on the New Organization of Social and Economic Dialogue in Businesses and Favoring the Exercise and Promotion of Union Responsibilities, staff representatives were consulted and by common accord with management, the elections scheduled to take place in November 2017 were postponed for one year. Following these elections, the Company will comply with the reform of staff representative bodies and will set up an Economic and Social Committee to replace the Works Council, the DUP and the HSC.

Employee relations are conducted through a trade union delegate. Since the establishment of a single employee representative body, Works Council meetings have taken place on a monthly basis. Minutes are prepared and made available to all staff in a shared database. Such meetings are followed by a meeting of employee delegates with the single elected member. Minutes are prepared following each meeting and made available to all employees.

The Company's management believes that it has a good relationship with the staff representative bodies.

Review of collective agreements

Two agreements were signed with the trade union delegate in 2016. They covered:

- an incentive agreement entered into on May 30, 2016 for a term of three years, which may be renewed by agreement between the parties; and

- a profit-sharing agreement entered into on May 26, 2016 for an indefinite term and applicable for the first time to the Company's results for the year 2015.

In 2017, two Mandatory Annual Negotiations agreements were signed, on January 5, 2017 and December 8, 2017 respectively, with the agreement of January 5 corresponding to the negotiations for 2016.

The incentive agreement entered into on May 30, 2016 was modified by amendment on May 27, 2017, with retroactive effect from January 1, 2017, to specify the new incentive criteria for 2017.

Incentive agreement (*accord d'intéressement*)

An "*accord d'intéressement*" is an optional incentive mechanism which aims to enable the company to involve its employees, using a calculation formula, more closely and collectively in the growth of the company and, more specifically, in its results and performance by paying immediately available bonuses in accordance with Article L. 3312-1 of the French Labor Code (*Code du travail*). An incentive agreement had been signed on June 14, 2013 by the Company for the years 2013 to 2015. A new agreement was signed on May 30, 2016, modified by the amendment of May 27, 2017, for the years 2016 to 2018 within the Company. The primary aim of the incentive bonus agreement is to motivate and empower all employees on criteria that are aligned with the Company's objectives.

For the years 2016 to 2017, there was (i) a criterion concerning the level of progress of the various research programs and initiatives and (ii) a financial criterion based on the extent to which the result for the year exceeded the budget forecast.
The formula adopted to trigger payment of incentives is based on the achievement of targets in relation to research, innovation and expenditure containment.

For 2016, the optional profit share amounted to €241,072 and is payable in 2017. For 2018, the amount set aside is €105,470.

Profit-sharing agreement

A profit-sharing agreement was signed on May 26, 2016 within the Company with retrospective effect for the first time to the 2015 financial year. For 2017, as there was a net recurring pre-tax loss, no profit-sharing was distributed.

5.1.4 Health and safety

Occupational health and safety conditions

Health, safety and working conditions are part of the Company's broader policy.

The Company has established an organization responsible for occupational health, safety and environmental protection in order to ensure compliance with regulations in force.

It is made up of an **HSE Officer** working with correspondents in each research department.

Employee safety is a daily concern in the Company's business, especially in the various laboratories. Safety rules are set out in an information memorandum and by the HSE Officer at various departmental meetings.

The Company has had a three-member health, safety and working conditions committee (HSC) since January 2014. It meets once each quarter, and the minutes of each meeting are made available to all staff members. The current members of the HSC were appointed on March 2, 2016 for a period of two years. Due to elections being postponed for one year, the Works Council, which appoints the members of the HSC, decided to extend the term of current members until the upcoming elections in November 2018.

The staff tasked with ensuring the safety of employees and facilities benefit from all the necessary regulatory training.

In addition, each employee receives safety information and training from the HSE Officer after hiring as part of the induction process.

In accordance with regulations, a Single Occupational Risk Assessment Document has been drafted. It is updated annually and is available to all employees in a shared database.

Review of agreements signed with the trade union organizations or employee representatives in the field of occupational health and safety

No agreement was signed for 2017.

Workplace accidents, including their frequency and severity, and occupational illnesses

The HSE Officer is tasked with the follow-up of workplace accidents in partnership with the HSC and the Human Resources Department, with the aim of implementing corrective measures based on a continuous improvement approach.

In 2016, there were:
- one workplace accident with lost time;
- one workplace accident without lost time;
- no occupational illnesses.

In 2017, there were:
- no workplace accidents with lost time;
- no workplace accidents without lost time;
- no occupational illnesses.

The frequency rate was 5.58 and the severity rate 0.25 in 2016. The frequency rate was 0 and the severity rate 0 in 2017.

5.1.5 Training

Training policies implemented

Company employees are all highly trained, and the Company attaches great importance to the technical scientific and professional training required to master its business and developments so as to maintain and/or acquire knowledge and expertise specific to each job.

The Company has a training book for each department, and prioritizes technical training.

A total of 565.5 hours of training was performed in 2016, including regulatory training.

In 2017, a total of 320 hours of training was performed, which represented a decrease of 43.3%. This is due to major regulatory recycling, which takes place every two years.

5.1.6 Equal opportunities

Measures taken to promote gender equality

A collective agreement on professional equality between men and women was entered into on October 17, 2014 for a term of three years. Women accounted for 59% of the total workforce in 2017, compared to 55% in 2016. Discussions concerning a new agreement are underway.

The Company aims to implement an equal opportunity policy in the areas of recruitment, training and promotion.

Based on a report comparing the situation for men and women, monitoring indicators have been established as part of a gender equality action plan. They include the equality of access to professional promotion and the pay gap for identical positions between people with the same experience and the same type of degree.

Measures taken to promote the employment and integration of people with disabilities

The Company employs two people registered as disabled workers. In 2016, it also signed a contract for services to maintain its outdoor areas with a company that provides paid employment for people recognized as disabled.

Via its recruitments, the Company continued to list job openings with specialized websites in 2017.
Anti-discrimination policy

The Company aims to ensure the absence of discrimination in recruitment, training and promotion. In 2016, Inventiva promoted six men and six women. In 2017, ten women and seven men were promoted.

5.1.7 Promotion of and compliance with the provisions of the fundamental Conventions of the International Labour Organization (ILO)

The Company's compliance with provisions of fundamental ILO Conventions regarding:

- respect for freedom of association and the right to collective bargaining; and
- elimination of discrimination in respect of employment and occupation;

is detailed in section 5.1.3 "Employee relations" of this Registration Document.

The Company is based in France. It respects domestic labor law, which prohibits forced labor and child labor.

5.2 Environmental information

5.2.1 General policy on environmental matters

Even though there is no formalized environmental policy in its sector at this stage, Inventiva's management and employees are generally aware of the issues of environmental protection linked to its activities, and endeavor to comply scrupulously with laws bearing on the environment. The Company pays particular attention to the disposal of special and non-hazardous waste, which is the major environmental challenge inherent in its activity.

Operating on a site that has been dedicated to drug research since the early 1980s, with its roots in respected pharmaceutical laboratories that had implemented mechanisms to ensure compliance with HSE obligations (FournierPharma, Solvay and Abbott), the Company can rely on its own experience, as well as robust mechanisms and procedures for compliance with environmental regulations, both in organizational terms and in terms of obtaining authorizations to carry out its research activities, notably authorizations for the conservation of human cells, genetically-modified organisms (GMOs) and the handling of radioactive substances. The approval by France's Nuclear Safety Authority (*Autorité de sûreté nucléaire*, **ASN**) of our 2016 renewal application clears the Company to operate until 2021.

The Company has committed to sustainable development by seeking to preserve natural resources and by taking action to reduce the residual impact of emissions, effluents and waste from its research and administrative activities in order to preserve the natural environment.

Initiatives in terms of employee training and information in the field of environmental protection

All employees are made aware of HSE issues upon arrival. This serves to give them an understanding of how the site is run in environmental terms, notably in respect of waste sorting, energy consumption and HSE procedures.

Each employee is made aware of his or her role and personal responsibility in terms of environmental impact, whether through reducing energy consumption or sorting waste. Special waste (chemical, biological) is sorted at the source in the Company's laboratories.

At the same time, regulations are monitored to ensure that any changes are applied.

Environmental issues in connection with the Group's real estate properties

On August 27, 2012 the Company acquired a property development made up of a research site, located at 50 rue de Dijon, Daix with an area of 12,000 sq. m, including a complex of buildings used as laboratories, offices and outbuildings. The Company considers that its premises are suitable to meet the expected growth of the Company and of its workforce in both the short and medium term.

On account of its ownership of property, the Company is subject to various regulations and must comply with requirements in terms of the prevention of health risks, the safety of individuals and environmental protection. The main characteristics of these regulations are described below, it being specified that this is not designed to provide an exhaustive analysis of the regulations applicable to the Company.

Under French law, classified facilities for environmental protection (*installations classées pour la protection de l'environnement*, ICPE) are activities or facilities that are potentially hazardous or could adversely affect the interests protected by Article L. 511-1 of the French Environmental Code (*Code de l'Environnement*), such as neighborhood comfort, health, environmental protection or the rational use of energy. Depending on their level of danger with respect to these interests to be protected, the operation of an ICPE is subject to authorization, registration or simple declaration. In view of its activities, the Company is subject to the system of declaration (*déclaration*) with respect to its activities involving the preparation, manufacture, transformation and packaging of radioactive substances. It is also subject to the system of controlled declaration (*déclaration contrôlée*) with respect to its cooling facilities that use evaporative cooling by circulating water in a mechanically-forced or naturally-generated air stream.

Furthermore, the Company has obtained authorization from the ASN to use sealed radioactive substances which do not have any direct impact on the environment.

The Company considers that its premises are suitable to meet the expected growth of the Company and of its workforce in both the short and medium term.

Resources devoted to the prevention of environmental risks and pollution

The HSE Officer working with correspondents in each research department manages the aspects relating to the prevention of environmental risks and pollution.

The Company is subject to two headings of ICPE regulations: (i) heading no. 2921, requiring a controlled declaration for the air-cooling tower and (ii) heading no. 1715-2 requiring a declaration for radioactive substances.

The Company has implemented preventive measures on both counts:

For radioactive substances:
- an annual radiation protection check is performed by SGS Qualitest.

For the air cooling tower:
- a technical check is performed by Bureau Veritas every two years;
- a systematic risk analysis is performed by APAVE every two years; and
- periodic legionella checks are carried out.

The amount of provisions and guarantees for environmental risks

The Company is not subject to any litigation or environmental risk.

For the years ending December 31, 2016 and 2017, Inventiva did not record any provision for environmental risk.

5.2.2 Pollution

Measures to prevent, reduce or repair discharges into the air, water and soil that seriously affect the environment

The Company does not discharge any substances into the water or the ground. Quarterly monitoring of wastewater is carried out by Filab, an independent company, in order to verify compliance of discharges with the agreement on discharges entered into with the Company's supplier, Lyonnaise des Eaux.

In 2017, all discharges were below the threshold levels set by the discharges agreement.

Consideration of noise and other forms of pollution specific to an activity

The findings of the environmental noise measurement study carried out in 2014 show that the Company's environmental impact is low.

5.2.3 Circular economy

i) Waste prevention and management

Measures for prevention, recycling, reuse, other forms of recovery and disposal

The Company sorts non-hazardous waste at source in order to recover it. This measure covers paper and cardboard.

In 2017 the Company began sorting wood, essentially in connection with the recycling of pallets received with raw materials.

The Company eliminates 24 metric tons of non-hazardous waste (an 18% increase compared to 2016), including 0.94 metric tons of paper and 4.9 metric tons of cardboard.

As for special waste, the Company eliminates and recovers 41.594 metric tons, which represents a 12.5% increase over 2016, and breaks down as 20.97 metric tons of health-care waste, 20.6 metric tons of chemical waste and 2.4 metric tons of WEEE.

This waste is subject to the hazardous goods transportation regulations, audited annually by the Company's independent safety advisor.

The Company also eliminates radioactive waste, which is not taken into account in the 2016 reporting due to its small volume. The Company's very low-level radioactive waste is removed by the French National Agency of Radioactive Waste (*Agence Nationale des Déchets Radioactifs*, ANDRA), in line with periodic manipulations in laboratories. There was no removal of radioactive waste in 2017.

Initiatives to combat food waste

The Company's restaurant is managed by a service provider. The service contract does not include any special clauses for combating food waste.

ii) Sustainable use of resources

- Water consumption and water supply according to local constraints

The Company uses the mains water network for cleaning, sanitation, autoclaving and collective catering activities. 9,516 cu. m were consumed in 2017, a 47% rise compared to 2016. This sharp increase is due to an error made by the historical supplier in reading the new water meter on December 31, 2016, which had a volumetric and financial impact on the first quarter of 2017.

- Consumption of raw materials and measures taken to improve efficiency in their use

Scientific research requires the purchase, storage and use of scientific materials and consumables for project development. Since the Company's creation, an action plan has been implemented to improve flow management and storage, resulting in the reduction of intermediate storage areas in each laboratory and helping limit the risk of expiry of the various items. Moreover, trend analysis shows that the Company has at the same time been able to significantly reduce the unit cost and volume of consumables per researcher since 2013.

Among the most widely used raw materials are solvents, with purchases amounting to 8,300 liters in 2017 compared to 10,200 liters in 2016.

As a result of a change in the method of drawing off these solvents, Inventiva reduced its liquid nitrogen consumption in 2017 by 20%. Originally, Inventiva used the gas portion of the liquid nitrogen tank to draw off these solvents.

Energy consumption, measures taken to improve energy efficiency and use of renewable energies

An energy diagnosis was performed in 2013 to look for solutions allowing a reduction in energy consumption.

The following measures were adopted and implemented:

- installation of new-generation heaters; and
- modification of the management of the electric heating and the use of standby mode on air handling units during non-worked hours.

Natural gas consumption in 2017 was nearly 2.81 GWh, down 6% from 2016, and electricity consumption close to 5.43 GWh, up 4% from the previous year. This increase is due in part to the increase in leased spaces, about 300 sq.m. in 2017.

Land use

Due to its activity, the Company has little exposure to land use issues. Its current organization on a single site means that this issue is not material.

With regard to waste and water treatment, see the sections on waste prevention and management and water consumption.

5.2.4 Climate change

The Company's activity is not directly exposed to climate change, but an energy diagnosis performed in 2013 has made it possible to implement certain improvements, as described above.

The energy diagnosis found that energy consumption is one of the Company's biggest sources of CO_2 emissions.

In 2017, based on emission factors from the French Environment and Energy Management Agency (*Agence de l'Environnement et de la Maîtrise de l'Énergie*, ADEME), CO_2 emissions related to energy consumption broke down as follows:

- 352 metric ton CO_2 equivalent from power consumption; and
- 687 metric ton CO_2 equivalent from gas consumption.

Inventiva did not yet have data for any other significant sources of CO_2 emissions in 2016 (mainly travel).

In 2017 Inventiva began to consider the type of indicators to put in place in the short term.

Accordingly, it set up CO_2 emission indicators in relation to work-related air and train travel. The indicators are calculated using data from the Company's travel agency, Egencia Business Travel.

- CO_2 emissions are as follows: 81.40 metric tons for air travel, including 78.6 metric tons for Inventiva staff[76];
- 0.97 metric tons for train travel by Inventiva staff.

Adaptation to the consequences of climate change

The Company has implemented an action plan on this issue following an energy diagnosis, as described in the section on energy consumption.

5.2.5 Protection of biodiversity

The Company aims to examine the issue of biodiversity protection over the next two years.

[76] Source: Department for Environment, Food and Rural Affairs (DEFRA), updated on October 5, 2010, final version (1.2.1) produced by the Agricultural Engineers Association (AEA) for DEFRA.

5.3 Societal information

5.3.1 The regional, economic and social impact of the Company's activity

- **As regards employment and regional development:**

In view of the history of the site, the creation of the Company in 2012 – as an alternative to the full closure of the Daix site following Abbott's discontinuation of all research activities in Europe – made it possible to protect jobs in the Greater Dijon employment area (75 at the time of the start-up, 107 at the end of December 2017), while also preserving high-level scientific skills in the region by maintaining an industrial healthcare sector working alongside the academic world (teaching hospitals/universities, Georges François Leclerc Centre, etc.). The Company is also committed to devoting its apprenticeship tax to the training effort at schools in the Dijon area.

- **On neighboring and local populations:**

The Company strives to ensure active involvement with local stakeholders, as detailed in section 5.3.2, "*Relations with stakeholders*".

5.3.2 Relations with stakeholders

The Company has not at this stage mapped its main stakeholders, but nevertheless strives to develop harmonious relations, particularly in its host region:

- Regular meetings with public or private economic players (DIRRECT, DRRT, BPI, Banque de France, French tax administration, etc.);
- Inventiva is a member of BFCare, the professional body representing the industrial healthcare sector in the local region;
- Institut Necker in Paris (Prof Allanore): an in vivo study on mice to study the physiological effects induced by lanifibranor;
- Ezus Lyon/Claude Bernard University in Lyon: NMR analysis of proteins and protein-ligand and protein-fragment interactions;
- Institut Curie/Inserm U932 in Paris: development of in vitro and in vivo screening models to study the role of SUV39H1/2 in anti-tumor immunity;
- Institut Curie in Paris: development of inhibitors of YAP/TEAD interaction;
- Centre George François Leclerc in Dijon: evaluation of bone morphology and cardiac functions by micro-CT in a rat model of mucopolysaccharidosis;
- Collaboration, wherever possible, with local companies (e.g., Oncodesign, Corden Pharma, Teqnit, Novolyse, Filab, etc.);
- Collaboration with enterprises from the social and solidarity economy (external site maintenance, etc.).

Moreover, within the framework of clinical development programs, in particular lanifibranor and odiparcil, relations have been strengthened with patient associations, particularly:

- Swedish MSP Society: www.mpsforeningen.se;
- Association Sclerodermique de France: www.association-sclerodermie.fr;
- MSP Society UK: /www.mpssociety.org.uk/;
- Vaincre les Maladies Lysosomales: http://www.vml-asso.org/

The actions consist in providing expert information on the indications and the development advances of studies, logistical support for patients, financial aid for training programs for young doctors on rare diseases (Medics for Rare Diseases) and media publication of articles on these organizations that aid the patients concerned.

Partnership and sponsorship initiatives

The Company regularly pursues partnership and sponsorship initiatives with local charities (Quadrature Santé, Lions Club Mécenat, Association Odyssea, etc.) and local sporting associations.

5.3.3 Subcontracting and suppliers

Consideration of social and environmental issues in sourcing policy

Since its inception, the Company has sought to optimize its inventory management policy. As such, an approach has been adopted to allow inventories to be monitored through the existing ERP management tool, thereby allowing the depth of inventories to match the requirements of laboratories, and expiry dates to be tracked for all sensitive products, such as organic products. By adapting its needs, the Company is able to avoid product losses. All stocks are now placed in a single storage area.

In 2017 the Company consolidated inventory management in the ERP by setting up a mobile application that improves the internal traceability of flows (reducing data entry errors), from the receiving of products on site to the storing or delivery of the articles to the laboratory.

In addition, it is possible to configure the management of printing when necessary. This tool makes it possible to maximize the reutilization of supplier code bars in order to limit the printing of labels that need to be placed on each inventoried item. The application consolidates the current management of batches and expiration dates for sensitive items to ensure proper inventory rotation. Dumping inventory remains an exception. The Company intends to dematerialize inventory counts.

The Company is encouraging its suppliers to adopt a CSR approach. In 2017, this was requested of suppliers mainly in connection with maintenance and purchases of lab consumables or when renewing or setting up new contracts to ensure implementation of a CSR approach. Suppliers are asked to provide the CSR charter in force in their company.

Where possible, the Company calls on local service providers; laboratory glassware repairs, for instance, are entrusted to a local tradesperson.

The importance of subcontracting and consideration of their social and environmental responsibility in relations with suppliers and subcontractors

Prior to 2017, the maintenance of scientific equipment was outsourced to a service provider specialized in this area. Said provider managed the maintenance of a portion of the equipment directly and subcontracted the other portion to manufacturers. In early 2017, the Company began overseeing equipment maintenance in-house and accordingly ended its relations with subcontractors. The Company manages maintenance directly with manufacturers.

The Company's main suppliers are located in France and, as such, are subject to French regulations. Currently, all chemical reagents purchased in Europe or outside the European Union come with a safety data sheet in French, in accordance with the regulations in force.

External subcontracting also encompasses the most strategic area, i.e., clinical studies carried out by external parties, particularly clinical research organizations (CROs).

Contracts liable to present such risks include a clause on undeclared work.

In 2017, the Company asked most suppliers deemed to be at risk to include a clause on undeclared work or to provide a certificate appended to the contract.

5.3.4 Fair trade practices

Because of the sector in which it operates, Inventiva is subject to specific sector-based regulations including transparency laws (Law no. 2011-2012 of December 29, 2011, Decree no. 2013-414 of May 21, 2013, the decision of March 22, 2017 and the prospectus of May 29, 2017) to which it seeks to adhere.

As part of the implementation of its risk management and internal control system, in accordance with AMF recommendations, the Company is evaluating the risks in this area and reviewing all relevant legislation in order to establish best practices for all employees and potential external partners.

The Company is planning to set up a Business Ethics charter and its content is currently being evaluated internally and with regard to practices and regulatory changes in this area for companies in the biotechnology sector.

Measures taken to promote the health and safety of patients

As part of the organization and deployment of its Quality Management System, the Company is striving to provide the best possible protection for patients, in full compliance with the new MAR – 01 regulations. The aim is to ensure that the CROs with which the Company works adhere to best clinical practice. Inventiva is also continuing to work with Sunnikan, a quality assurance consulting firm, and also conducts audits to monitor the quality of ongoing activities.

Pharmacovigilance activities related to the development of its products are carried out by the relevant CROs. For its three ongoing clinical trials, Inventiva has also set up a Data and Safety Monitoring Board (DSMB) to detect possible side effects.

5.3.5 Other initiatives taken in favor of human rights

This issue is addressed under subcontracting at risk.

5.4 Methodology

As this is the Company's second CSR report, the data are now presented with comparable indicators for 2016.

As was the case for 2016, the topics subject to provisional or definitive exclusion are left in the body of the report, with the reason for their exclusion cited below under the heading "methodological clarifications".

Reporting scope and period for 2017

The reporting scope covers the Company's statutory scope (meaning that it is identical to that covered by the financial statements).

The 2017 financial year covers the period from January 1 to December 31, 2017.

The Company has no subsidiaries and a single research site.

Organization of reporting and data collection

This second CSR report was prepared by the CFO and the HR department, in coordination with the HSE Officer and the purchasing and procurement manager.

The indicators contained in this report are derived from a summary of non-accounting data, relying notably on the monitoring of HR indicators, employee data from the outsourced payroll provider and staff records. For environmental and societal data, the HSE Officer performs a monitoring process.

As mentioned in the introduction to this report, for this first year the Company focused on complying with the regulatory environment applicable to listed companies.

Methodological clarifications

The indicators are drawn from the 43 themes of the Decree of April 24, 2012 (detailing the application of Law no. 2010-788 of July 12, 2010) on the national commitment to the environment, known as "Grenelle II".

The information excluded for this second report is as follows:
Promotion of and compliance with the provisions of the fundamental Conventions of the International Labour Organization:

See section 5.3.1 "The regional, economic and social impact of the Company's activity" of this Registration Document.

Initiatives to combat food waste:

See section 5.2.3 “Circular economy” of this Registration Document.

Land use:

See section 5.2.3 “Circular economy” of this Registration Document.

Protection of biodiversity:

See section 5.2.1 “General policy on environmental matters” of this Registration Document.

Other initiatives taken in favor of human rights:

See section 5.1 “Labor information” of this Registration Document.

Difficulties and limits in 2017

There are no specific comments to make for this second year. Further consideration of CSR should lead to progress in future years with regard to the completeness of the information, the areas for improvement and the reporting of non-financial data.

Inspection and verification

Prior to independent verification work, data collection is supervised by the HR Manager in collaboration with the HSE Officer.

This labor, environmental and societal information has been verified by KPMG SA, acting as the independent third-party body accredited by the French Accreditation Committee (*Comité Français d’Accréditation*, COFRAC) under number 3-1049, the scope of which is available on its website: www.cofrac.fr.

5.5 Report by the independent third-party body

Report by the Statutory Auditor, appointed as independent third party, on the human resources, environmental and social information included in the management report

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 2017

To the Shareholders,

In our capacity as Statutory Auditor of Inventiva S.A, appointed as independent third party and certified by COFRAC under number 3-1049[77], we hereby report to you on human resources, environmental and social information for the year ended 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the procedures used by the Company (hereinafter the "Guidelines"), summarized in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of article L.822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information);

However, it is not our responsibility to express an opinion on the compliance with the other relevant legal provisions applicable if necessary, in particular those envisaged by article L. 225-102-4 of the French Commercial Code (Duty of care) and by the law n ° 2016-1691 of December 9, 2016 known as Sapin II (fight against corruption).

Our work involved four persons and was conducted between December 2017 and March 2018 during a two weeks period. We were assisted in our work by our CSR experts.

[77] The scope of the accreditation is available on http://www.cofrac.fr/en/home.

We performed our work in accordance with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with the professional guidance issued by the French Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000[78] concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programs arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of the Company.

Conclusion

Based on the work performed, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted a dozen of interviews with the persons responsible for preparing the CSR Information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important[79]:

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[78] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

[79] **Labor information**: total workforce as of December 31, 2017 and breakdown by status, gender, age, and socio-professional category; number of hires; number of departures including dismissals; total number of hours of training; frequency and severity rate of workplace accidents.

Environmental information: water consumption; natural gas consumption; electricity consumption; quantity of waste produced.

Qualitative information: review of collective bargaining agreements and their impact on the Company's economic performance and employees' working conditions; organization of the Company to take into account environmental issues and appropriate assessment procedures or environmental certification; partnership and sponsorship initiatives.

- at the Company's head office, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the Company's head office, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 100% of headcount considered as material data of social issues and 100% of environmental data considered as material data[80] of environmental issues.

For the remaining CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris La Défense, March 6, 2018

KPMG SA

Anne Garans
Partner
Sustainability Services

Jean Gatinaud
Partner

[80] See environmental information mentioned, footnote 80.

6 Additional information

6.1 Share capital and shareholders

6.1.1 Share capital

6.1.1.1 Share capital on the date of this Registration Document

On the date of this Registration Document, the Company's share capital amounts to €166,247.77, divided into 16,624,777 ordinary shares, each with a par value of €0.01, all being of the same category and fully paid up. Subject to the settlement of the capital increase of €35,496,825 through the issue of 5,572,500 new shares at a price per share of €6.37, without pre-emptive subscription rights for a category of beneficiaries, which is scheduled for April 17, 2018, the Company's share capital will be increased to €221,972.77 divided into 22,197,277 ordinary shares.

On the date of this registration document, there are no shares not representing capital.

To the best of the Company's knowledge, no pledges have been granted over its share capital.

6.1.1.2 History of share capital

The table below shows changes in the Company's share capital over the past three years and until the date of this Registration Document.

Date	Transaction	Par value *(euros)*	Total par value *(euros)*	Additional paid-in capital *(euros)*	Number of shares involved in the transaction	Total number of shares
1/01/2015	Share capital on incorporation	100,300.00	100,300.00	N/A	N/A	100,300
5/31/2016	Stock split	N/A	100,300.00	N/A	N/A	10,030,000
2/14/2017	New share issue(1)	56,512.40	156,812.40	47,979,027.60	5,651,240	15,681,240
3/16/2017	New share issue(2)	553.37	157,365.77	469,811.13	55,337	15,736,577
4/25/2017	Exercise of BSPCEs(3)	5,579.00	162,944.77	328,434	557,900	16,294,477
4/25/2017	Exercise of BSAs(3)	1,500.00	164,444.77	99,000	150,000	16,444,477
1/26/2018	Exercise of BSPCEs(4)	1,803.00	166,247.77	106,384	180,300	16,624,777
04/17/2018	Issue(5)	35,496,825	35,496,825	35,441,100	5,572,500	22,197,277

(1) Pursuant to the delegation granted by the Annual General Meeting of September 30, 2016 in its tenth resolution, the Board of Directors decided on February 14, 2017 to issue 5,651,240 new shares with a par value of €0.01 each at an issue price of €8.50 per share (including an issue premium of €8.49 per share), making a capital increase of €56,512.40 plus a total premium of €47,979,027.60 (before deduction of related costs).

(2) Pursuant to the authorization granted by the Annual General Meeting of September 30, 2016, in its fourteenth resolution and in accordance with Article L. 225-135-1 of the French Commercial Code, the Board of Directors decided on March 16, 2017 to increase the share capital in an amount of €470,364.50 by way of the issuance without pre-emptive subscription rights of 55,337 additional new shares with a par value of €0.01 each, corresponding to the exercise of 19.58% of the over-allotment option.

(3) On April 25, 2017, the Chairman and Chief Executive Officer placed on record a capital increase arising from the exercise of (i) 5,579 BCE 2013-1 founder share warrants (as defined below) in an amount of €5,579 by way of the issuance of 557,900 new ordinary shares with a par value of €0.01 each, and (ii) 1,500 BSA 2013-1 share warrants (as defined below) in an amount of €1,500 by way of the issuance of 150,000 new ordinary shares with a par value of €0.01 each.

(4) On March 14, 2018, the Chairman and Chief Executive Officer placed on record a capital increase arising from the exercise of BCE 2013-1 founder share warrants (as defined below) in an amount of €1,803 by way of the issuance of 180,300 new ordinary shares with a par value of €0.01 each. On that date, the number of shares outstanding was therefore increased to 16,624,777 and the share capital to €166,247.77.

(5) Subject to the settlement scheduled for April 17, 2018, the number of shares outstanding will be increased to 22,197,277 and the share capital to €221,972.77.

6.1.2 Principal shareholders

In accordance with the provisions of Article L. 223-13 of the French Commercial Code (*Code de commerce*), the table below shows the identity of shareholders owning more than 5% of the share capital and/or voting rights, based on the information available as of February 28, 2018.

	Position at February 28, 2018 on a non-diluted basis			Position at February 28, 2018 on a fully-diluted basis						
Shareholders	**Number of shares**	**% of share capital**	**% of voting rights**	**Number of shares that can result from the exercise of BSPCEs**	**Number of shares that can result from the exercise of BSAs**	**Number of shares that can result from the bonus share awards**	**Stock options**	**Total number of potential shares**	**% of share capital**	**% of voting rights**
Frédéric Cren[1]	6,015,000	36.2%	45.1%	-		-	(1,000,000)	5,015,000	29.4%	40.0%
Pierre Broqua[1]	4,007,500	24.1%	30.1%	-		-	(1,000,000)	3,007,500	17.6%	24.0%
Sub-total - Concert party	**10,022,500**	**60.3%**	**75.2%**	**-**		**-**	**(2,000,000)**	**8,022,500**	**47.0%**	**63.9%**
BVF Partners L.P.[2]	1,764,706	10.6%	6.6%	-		-	1,764,706	3,529,412	20.7%	14.1%
Novo A/S	1,176,470	7.1%	4.4%	-		-	-	1,176,470	6.9%	4.7%
Perceptive Advisors	470,588	2.8%	1.8%	-		-	235,294	705,882	4.1%	2.8%
ISLS Consulting	111,000	0.7%	0.4%	-	-	-	-	111,000	0.7%	0.4%
Directors (non-executive)[3]	0	0.0%	0.0%	-	195,000	-	-	195,000	1.1%	0.8%
Employees	532,607	3.2%	2.0%	36,200		215,600	-	784,407	4.6%	3.1%
Treasury shares (liquidity agreement)	13,994	0.1%	0.1%					13,994	0.1%	0.1%
Free float	2,532,912	15.2%	9.5%	0		0	0	2,532,912	14.8%	10.1%
Total	**16,624,777**	**100%**	**100%**	**36,200**	**195,000**	**215,600**	**0**	**17,071,577**	**100%**	**100%**

(1) Shareholders acting in concert pursuant to the terms of a shareholders' agreement entered into following the Company's initial public offering on Euronext Paris (see section 6.1.4 below).

(2) Based on the threshold disclosure filed with the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) on February 21, 2017 by BVF Partners L.P. (acting on behalf of funds managed by it) following their subscription to Inventiva's initial public offering.
(3) Of which 75,000 shares allotted to Jean-Louis Junien. The shares held indirectly by Jean-Louis Junien through his holding in ISLS Consulting are included in the number of shares held by ISLS Consulting.

To the best of the Company's knowledge, no other shareholder owns more than 5% of the share capital.

Subject to the settlement of the capital increase of €35,496,825 through the issue of 5,572,500 new shares at a price per share of €6.37, without pre-emptive subscription rights for a category of beneficiaries, which is scheduled for April 17, 2018, the Company's shareholders who own more than 5% of its capital and/or voting rights are as follows:

	Number of shares		
Shareholders >5% of share capital at the launch of the operation and having participated in the capital increase	**Before reserved offer**	**After reserved offer**	**Subscription**
BVF Partners L.P.	1,764,706(1)	3,334,564	1,569,858
Novo A/S	1,176,470	1,951,970	775,500
Other shareholders (*employees, directors, members of the Board of Directors*)	10,519,858	10,519,858	-
Sofinnova	-	1,569,858	1,569,858
Other	3,163,743	4,821,027	1,657,284
Total	**16,624,777**	**22,197,277**	**5,572,500**

(1) This amount does not include the 1,764,706 shares that can be exercised under the call options granted by Mr. Cren and Mr. Broqua.

Upon settlement of the operation linked to the capital increase mentioned above, certain shareholders may be obliged to declare that they have exceeded the applicable thresholds.

Major shareholders not represented within the Board of Directors

At the date of this Registration Document, BVF Partners L.P. and Sofinnova are major shareholders not represented on the Board of Directors. In addition, BVF Partners L.P. holds call options on 1,764,706 shares owned by Frédéric Cren and Pierre Broqua, which may be exercised at any time until February 16, 2019 at a price of €8.50 per share (see section 6.2.5 of this Registration Document).

Within the context of the aforementioned capital increase without pre-emptive subscription rights and subject to the operation's settlement date, Pierre Broqua and Frédéric Cren have agreed to recommend to the Board of Directors the appointment of a Director put forth by Sofinnova and to vote in favor of the candidate's appointment.

Shareholder holding commitments

At the date of this Registration Document, all shareholder holding commitments pursuant to the Company's initial public offering on Euronext Paris in February 2018 had expired.

With regard to the capital increase of €35,496,825 through the issue of 5,572,500 new shares at a price per share of €6.37, without pre-emptive subscription rights for a category of beneficiaries, which is scheduled for settlement on April 17, 2018, the Company's main corporate officers, directors and certain executives have committed, as of the date of the signing of a placement agreement between the Company

and Jefferies International Limited, Gilbert Dupont and Société Générale as placement agents (the **Placement Agents**), namely from April 12, 2018 and for a period of 90 calendar days following the settlement of new shares, not to proceed without the prior authorization of the Placement Agents, with the issue, offer or sale of, nor to consent to a promise to sell both directly or indirectly (and notably in the form of derivative operations with underlying shares), any shares or securities giving right by way of conversion, exchange, redemption, presentation of a warrant or otherwise, to the allotment of securities issued or to be issued representing a portion of the Company's share capital, or to enter into any other transaction having the same economic effect, barring certain standard exceptions.

6.1.3 Voting rights of major shareholders

The Company's Articles of Association provide for a double voting right to be lawfully granted to all fully paid-up shares for which proof is given that the shares have been registered for at least two years to the same shareholder, or to a person whose rights are transferred to that shareholder as a result of succession, liquidation of community property between spouses or gift *inter vivos* granted by a shareholder to his or her spouse or to a relative entitled to inherit or following a transfer resulting from a merger or demerger of a shareholder company.

In the event of a capital increase by incorporation of reserves, profits or issue or merger premiums, the double voting right is granted, as from their issue, to free registered shares allotted to a shareholder in respect of their existing shares for which he benefits from the said right.

The double voting right will be automatically withdrawn from any share that has been converted into bearer form or whose ownership has been transferred unless such transfer is the result of succession, liquidation of community property between spouses or gift inter vivos granted by a shareholder to his or her spouse or to a relative entitled to inherit or following a transfer resulting from a merger or demerger of a shareholder company.

6.1.4 Statement about control of the company

On the date of this Registration Document, the Company is controlled, within the meaning of Article L. 233-3 of the French Commercial Code, by Frédéric Cren, Chairman and Chief Executive Officer of the Company, and Pierre Broqua Deputy General Manager of the Company, who together hold 10,022,500 shares, representing 60.3% of the Company's capital and 75.2% of its voting rights. They have entered into a shareholders' agreement to set out the terms of their partnership within the Company.

The measures implemented to ensure that this control is not exercised in an abusive manner are the following:

- The Company complies with the recommendations of the Middlenext Code, in particular as regards independent directors.
- The Company has an Audit Committee and a Compensation and Appointments Committee.
- The internal regulations of the Board of Directors provide that the Board of Directors must approve various significant transactions prior to their implementation by the Company's General Management.

On the date of this Registration Document, and to the best of the Company's knowledge, there are no arrangements that may result in a change of control of the Company.

Shareholders' agreement

As part of the admission to trading of the Company's shares on the regulated market of Euronext Paris, Frédéric Cren and Pierre Broqua, the Company's founders and principal shareholders (the **Founders**),

entered into a shareholders' agreement to set the conditions of their partnership within the Company (the **Post-IPO Agreement**).

The main provisions of the Post-IPO Agreement are as follows:

(a) *Concert party*: The Founders represent to be acting in concert with each other vis-à-vis the Company, within the meaning of Article L. 233-10 of the French Commercial Code (the Concert Party).
The Concert will be automatically terminated if together the parties hold less than 50% of the Company's share capital and theoretical voting rights.

(b) *Board representation*: The Post-IPO Agreement provides that while each Founder holds at least 7% of the Company's share capital and voting rights, they are entitled to representation on the Company's Board of Directors.

(c) *Consultation between the Founders*: While the Founders are acting in Concert, they will consult each other (i) before all meetings of the Board of Directors or Annual General Meetings in order to reach a common position vis-à-vis the Company on certain matters which they consider to be strategic and (ii) before some sales of the Company's securities. In the absence of consultation or common position, each Founder will be able to terminate the Concert.

(d) *Sale of securities*: If one of the parties sells Company's securities, the other parties are entitled to receive prior information on the proposed sale and to a proportional tag-alone right, except in certain cases of freely transferable securities in favor of their spouse, descendants and/or a patrimonial company owned, if applicable, by a Founder. If the Company's securities are sold by a party to one or more identified third-parties, the proportional tag-alone right allows other parties to sell a number of securities proportional to the number of securities sold by the assignor, taking into consideration each of assignors' shares in the Company, to the third-parties, and under the same conditions than the assignor, in particular the price, and within the limit of the number or securities concerned by the proposed sale.

Entry into force - Term: the Post-IPO Agreement took effect on the February 15, 2017 for a period of five years renewable by tacit agreement for successive five-year periods.

On the date of this Registration Document, and to the best of the Company's knowledge, there are no arrangements that may result in a change of control of the Company.

6.1.5 Dividend policy

The Company has not made any dividend distributions since its formation.

The Annual General Meeting of May 29, 2017 resolved to transfer the whole of the net income for the year ended December 31, 2016 to the retained earnings account. The Annual General Meeting of May 28, 2018 will be asked to approve the transfer of the whole of the net loss for 2017 to the retained earnings account.

There are no plans to introduce a short-term dividend distribution policy given the Company's stage of development.

6.1.6 Acquisition by the Company of its own shares

In accordance with the provisions of Article 241-2 of the AMF's General Regulation, this section describes the purpose and the terms and conditions of the Company's share buyback program.

Report on the previous share buyback program

Under the ninth resolution passed by the Annual General Meeting of May 29, 2017, the Board of Directors was authorized, with the right to subdelegate, to purchase shares of the Company on one or more occasions and at such times as it shall determine, in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-5 of the AMF's General Regulation, the European regulation on market abuse and market practices accepted by the AMF. This authorization was given for a period of eighteen (18) months as of the Annual General Meeting held on May 29, 2017, and cancels and supersedes the delegation given by the Annual General Meeting of September 30, 2016 in its seventh resolution.

Purpose of the share buyback program

The share buyback program may be used for the following purposes, in accordance with the ninth resolution passed by the Annual General Meeting:

- To implement and meet obligations related to stock option plans or other share award plans for employees and company officers of the Company and, in particular, to award shares to the employees and company officers of the Company in respect of (i) the Company's compulsory profit-sharing agreement, or (ii) any stock option or bonus share award plan under the conditions provided for by law and, in particular, Articles L. 3331-1 *et seq.* of the French Labor Code (including any share sales as referred to in Article L. 3332-24 of the French Labor Code), and to enter into any transactions to hedge such plans.
- To buy or sell shares under a liquidity agreement with an investment firm, on the terms and conditions provided for by French market authorities.
- To allot shares upon the exercise of rights attached to securities giving rights to the share capital by way of redemption, conversion, exchange, presentation of a warrant or otherwise.
- To reduce the share capital of the Company by canceling all or some of the shares purchased.
- More generally, to carry out any transaction that might in the future be authorized by the law, or any market practice that might be accepted by the market authorities, insofar as, in such case, the Company shall inform its shareholders thereof by means of a media release.

Maximum number of shares: 10% of the total number of shares comprising the share capital at any given time or, as applicable, 5% of the total number of shares comprising the share capital in the case of shares purchased by the Company with a view to tendering them at a later stage as consideration in a merger, demerger or capital contribution transaction. Where the shares have been purchased with a view to making a market in and promoting the liquidity of the shares, the number of shares to be taken into account in calculating 10% of the share capital is the number of shares purchased less the number of shares sold during the authorization period.

These percentages apply to the number of shares adjusted, where applicable, for any transactions in the share capital after the Annual General Meeting.

The Company may under no circumstances purchase a number of shares that would cause it to hold more than 10% of the share capital at any given time.

Maximum authorized amount of the program: €5 million

Maximum price per share: €17

Shares purchased and sold under the share buyback program during 2017 were as follows:

Number of shares purchased	103,410
Average purchase price	€7.01
Number of shares sold	59,500
Average sale price	€7.19

Total amount of trading fees	0
Number of shares used in 2017	0
Number of shares registered in the Company's name and percentage of the share capital	43,910 (0.3% of the share capital)
Value of the shares at the average purchase price	€307,809
Total par value	€439.10

All shares purchases were made under the liquidity agreement entered into with Oddo BHF (formerly Oddo & Cie) on February 22, 2017. For the purposes of this agreement, the Company credited the liquidity account with €200,000. At December 31, 2017, the liquidity account with Oddo & Cie held €103,000 and 43,910 shares. On January 31, 2018, the liquidity agreement was terminated and a new agreement entered into with Kepler Cheuvreux on January 19, 2018, to which the Company allocated €400,000 and 34,063 shares.

Both liquidity agreements were drawn up in accordance with the requirements of European and French legal provisions governing liquidity agreements, in particular the AMF's General Regulation and the Ethics Charter issued by the French Financial Markets Association (*Association française des marchés financiers*, AMAFI) on March 8, 2011 and approved by the AMF by decision of March 21, 2011.

No shares were reallocated during 2017.

Description of the share buyback program to be submitted for approval at the Annual General Meeting of May 28, 2018

The Annual General Meeting of May 28, 2018 will be asked to renew the share buyback program adopted by the Annual General Meeting of May 29, 2017 for the same purpose and under the same terms and conditions as described below:

1) Purpose of the share buyback program

The purpose of the share buyback program, in accordance with the fourteenth resolution to be submitted for approval at the Annual General Meeting of May 28, 2018, is as follows:

- To implement and meet obligations related to stock option plans or other share award plans for employees and company officers of the Company and, in particular, to award shares to the employees and company officers of the Company in respect of (i) the Company's compulsory profit-sharing agreement, or (ii) any stock option or bonus share award plan under the conditions provided for by law and, in particular, Articles L. 3331-1 *et seq.* of the French Labor Code (including any share sales as referred to in Article L. 3332-24 of the French Labor Code), and to enter into any transactions to hedge such plans.

- To buy or sell shares under a liquidity agreement with an investment firm, on the terms and conditions provided for by French market authorities.

- To allot shares upon the exercise of rights attached to securities giving rights to the share capital by way of redemption, conversion, exchange, presentation of a warrant or otherwise.

- To reduce the share capital of the Company by canceling all or some of the shares purchased; and

- More generally, to carry out any transaction that might in the future be authorized by the law, or any market practice that might be accepted by the market authorities, insofar as, in such case, the Company shall inform its shareholders thereof by means of a media release.

2) Terms and conditions of the share buyback program

Maximum authorized amount of the program: up to 10% of the total number of shares comprising the share capital; this percentage applies to the number of shares adjusted, where applicable, for any transactions in the share capital after the Annual General Meeting of May 28, 2018 and, where shares have been purchased with a view to promoting the liquidity of the shares under the terms and conditions set out in the General Regulation of the AMF, the number of shares to be taken into account in calculating the above-mentioned 10% cap is the number of shares purchased less the number of shares sold during the authorization period.

Maximum purchase price: The maximum purchase price per share may not exceed, net of fees, seventeen euros (€17) (or the equivalent of such amount on the same date in any other currency).

Description of shares: Ordinary shares of the Company with a par value of €0.01 each.

Share buyback program period: 18 months, i.e., from May 28, 2018 until no later than November 28, 2019.

In accordance with the fourteenth resolution, the purchase, acquisition, sale or transfer of the shares may be carried out and paid for by any means permitted by law, either now or in the future, on a regulated market, on a multilateral trading system, via a systematic internaliser or by mutual agreement, including, in particular, by the purchase, acquisition or sale of blocks, by the use of options, other forward financial instruments, forward contracts or warrants, or, more generally, securities carrying rights to shares of the Company, at such times as the Board of Directors may think fit.

6.1.7 Trading in the Company's shares by directors and company officers

The table below shows transactions in the Company's shares disclosed to the AMF by persons discharging managerial responsibilities and persons closely associated with them during 2017.

Date of transaction	Person	Function	Instrument	Type of transaction	Number of shares	Price
3/20/2017	ISLS Consulting	Close associate of Jean-Louis Junien	Shares	Subscription	150,000	0.670
3/20/2017	Nicolas Gueugnon	General Counsel	Shares	Subscription	12,200	0.670
3/23/2017	Jean Volatier	Chief Administrative and Financial Officer	Shares	Subscription	50,700	0.599
3/23/2017	Nathalie Harroy	Head of Human Resources	Shares	Subscription	21,900	0.599
5/3/2017	Nicolas Gueugnon	General Counsel	Shares	Sale	2,200	7.000
11/14/2017	Jean Volatier	Chief Administrative and Financial Officer	Shares	Sale	2,800	6.500
11/14/2017	ISLS Consulting	Close associate of Jean-Louis Junien	Shares	Sale	39,000	6.500
11/14/2017	Nathalie Harroy	Head of Human Resources	Shares	Sale	8,500	6.500
11/14/2017	Nicolas Gueugnon	General Counsel	Shares	Sale	2,000	6.500

The disclosures made in 2018 up to the date of this Registration Document are summarized in the table below:

Date of transaction	Person	Function	Instrument	Type of transaction	Number of shares	Price
1/12/2018	Nicolas Gueugnon	General Counsel	Shares	Subscription	6,100	0.67
1/18/2018	Nathalie Harroy	Head of Human Resources	Shares	Subscription	7,300	0.59
1/23/2018	Jean Volatier	Chief Administrative and Financial Officer	Shares	Subscription	16,900	0.599

6.1.8 Share price

A total of 1,154,090 shares were traded during the period from February 14, 2017, the date of the Company's IPO on Euronext Paris, to December 31, 2017.

The shares were listed at a price of €8.50 and closed at €4.95 on December 29, 2017.

In 2017, the shares traded at a low of €4.85 on December 28, 2017 and a high of €8.93 on February 15, 2017.

Market capitalization at December 29, 2017 was €81,400,161.15.

A total of 324,550 shares were traded during the period from December 29, 2017 to February 28, 2018.

The share price at February 28, 2018 was €6.04.
Market capitalization at February 28, 2018 was approximately €100,413,653.

6.2 Securities giving access to capital and call options

6.2.1 Share warrants (BSAs)

On November 25, 2013, the Company's Extraordinary General Meeting delegated powers to the Chairman of the Company, for a period of 18 months, to issue BSAs to specific categories of beneficiaries including present or future consultants who regularly work in partnership with the Company (**BSA 2013-1**).

Thus, on May 25, 2015, the Chairman of the Company, using these delegated powers, decided to reserve for the company, ISLS Consulting, as a consultant regularly working in partnership with the Company, the right to subscribe for 1,500 BSA 2013-1 share warrants.

Following the share split decided by the Annual General Meeting of May 31, 2016, each BSA 2013-1 carried the right to subscribe for 100 new ordinary shares with a par value of €0.01, for a price of €67.

On March 20, 2017, ISLS Consulting exercised all BSA 2013-1 share warrants issued to it and in turn acquired ownership of 150,000 new ordinary shares issued with a par value of €0.01.

The Annual General Meeting of May 29, 2017 gave the Board of Directors an 18-month authorization to issue BSAs to specific categories of beneficiaries including the directors of the Company.

On the same day, the Board of Directors decided to issue and allot a total of 195,000 BSAs to five directors (**BSA 2017**), i.e., (i) 30,000 to CELL +, (ii) 30,000 to Pienter-Jan BVBA, (iii) 30,000 to Chris Newton, (iv) 30,000 to Karen Aiach and (v) 75,000 to Jean-Louis Junien.

All BSA 2017 share warrants were subscribed by the five beneficiaries in December 2017 in exchange for payment of a subscription price of €0.534 per warrant. The issue price of BSA 2017 share warrants was set at €6.675 per warrant by the Board of Directors in accordance with their characteristics and is equal to 8% of the market value of an ordinary share on the date of allotment of BSA 2017 share

warrants, the market value being based on the weighted average price over the last 20 trading days before the date on which BSA 2017 share warrants were allotted by the Board of Directors.

BSA 2017 share warrants will be exercised by full payment of the subscription price of the shares. The new shares issued upon exercise of BSA 2017 share warrants will be identical in all respects to the existing shares and subject to the provisions of the Articles of Association applicable to existing shares of the same class.

The warrants will accrue dividend rights from the first day of the financial year in which they are subscribed.

BSA 2017 share warrants will vest and will be exercisable in tranches of one third at the end of the following vesting periods: (i) one third as of May 29, 2018, (ii) one third as of May 29, 2019 and (iii) the balance as of May 29, 2020.

Notwithstanding the foregoing, should a public cash or exchange offer be made for the Company and accepted by the Board of Directors, all of BSA 2017 share warrants will vest immediately.

BSA 2017 share warrants that have vested may be exercised on one or more occasions up to and no later than May 29, 2027.

Directors who own warrants must comply with the provisions of the internal regulations of the Board of Directors[81] and, in particular, Article 3.6 (Directors' qualifying shares), Article 3.7 (Code of stock exchange trading ethics) and Article 3.8 (Disclosure of trading in the Company's shares), for as long as they remain in office. In this respect, they must instruct the Company's custodian (Société Générale as of the date of this Registration Document) to book their shares to a pure registered account held with the custodian.

6.2.2 Company founder share warrants (BSPCEs)

On November 25, 2013, the Company's Extraordinary General Meeting delegated powers to the Chairman of the Company, for a period of 18 months, to allot free BSPCEs to the Company's paid executives governed by the tax rules applicable to employees, and to the Company's employees themselves (**BCE 2013-1**). Thus, on December 13, 2013 and May 25, 2015, the Chairman of the Company, exercising these delegated powers, decided to award 9,027 and 2,196 BCE 2013-1 share warrants respectively to the beneficiaries, all of whom are Company employees. Of this total, 3,790 BCE 2013-1 share warrants were in fact not allotted.

Following the stock split decided by the Annual General Meeting of May 31, 2016, each BCE 2013-1 share warrant issued on December 13, 2013 now carries the right to subscribe for 100 new ordinary shares with a par value of €0.01, for a price of €58.50, and each BCE 2013-1 share warrant issued on May 25, 2015 carries the right to subscribe for 100 new ordinary shares with a par value of €0.01, for a price of €67.

In the period from March 20 to March 27, 2017, Company employees were able to exercise 5,579 BCE 2013-1 share warrants resulting in the issuance of 557,900 new shares.

In the period from January 5 to January 20, 2018, Company employees exercised 1,803 BCE 2013-1 share warrants resulting in the issuance of 180,300 new shares.

A number of employees have since left the company and 1,024 BCE 2013-1 share warrants have therefore lapsed.

[81] The internal regulations of the Board of Directors are available on Inventiva's website (www.inventivapharma.com).

Furthermore, the vesting of one tranche of the BCE 2013-1 share warrants was contingent on the Company achieving revenue of €18 million in 2017. As this performance condition was not met, 2,455 BCE 2013-1 share warrants were canceled in 2017. The other tranches are not subject to performance conditions.

On February 28, 2018, a total of 362 BSPCEs remained allotted and outstanding. Therefore, if on the date of this Registration Document all share warrants were exercised, 36,200 new ordinary shares would be issued with a par value of €0.01, representing a maximum dilution of 0.21% on a fully diluted basis.

6.2.3 Bonus shares (AGA)

The terms and conditions of the bonus share awards decided by the Board of Directors at its meetings of March 22, 2017, April 18, 2017 and January 26, 2018 are set out below. None of the beneficiaries hold more than 10% of the capital and no award may be made if it would result in a beneficiary holding more than 10% of the capital.

Meeting of the Board of Directors of April 18, 2017

92,300[82] bonus shares awarded (**AGA 2017-1**) to nine (9) employees who had never received BSPCEs

The AGA 2017-1 bonus shares will not vest until the end of a two-year Vesting Period, i.e., as of April 18, 2019, unless the Board of Directors decides otherwise due to a public offer that would result in a change of control of the Company. Notwithstanding the foregoing, in the event of the death of a beneficiary, their legal heirs have a period of six (6) months in which to request the award of said shares. In the event of the retirement or invalidity of a beneficiary, in any circumstances other than those referred to in Article L. 225-197-1-I paragraph 5 of the French Commercial Code, beneficiaries may request the award of these shares during the six (6) months following the incident.

In the event that the beneficiaries are dismissed on personal grounds or resign during the Vesting Period, their bonus shares will lapse. In the event the beneficiaries are made redundant on economic grounds, they shall lose their rights to the bonus shares, unless the Board of Directors decides to override this policy.

The bonus shares awarded cannot be sold before April 18, 2020, except by the legal heirs upon the beneficiary's death or unless the Board of Directors decides to waive the lock-in period as a result of a public offer that would result in a change of control of the Company.

The bonus shares shall be issued by way of a capital increase in an amount of €923, deducted from the unavailable reserve created for this purpose.

The issue price of ordinary bonus shares shall be €0.01 each.

All of the bonus shares awarded shall be ordinary shares.

70,000 bonus shares awarded[83] (**AGA 2017-2**) to six (6) employees

The AGA 2017-2 bonus shares will not vest until the end of a one-year Vesting Period, i.e., as of April 18, 2018, unless the Board of Directors decides otherwise due to a public offer that would result in a change of control of the Company. Notwithstanding the foregoing, in the event of the death of a beneficiary, their legal heirs have a period of six (6) months in which to request the award of said shares. In the event of the retirement or invalidity of a beneficiary, in any circumstances other than those referred to in Article L. 225-197-1-I paragraph 5 of the French Commercial Code, beneficiaries may request the award of these shares during the six (6) months following the incident.

[82] Including 10,000 AGA 2017-1 bonus shares that were not allotted and 2,400 that were canceled due to employee departures.
[83] Including 10,000 AGA 2017-2 bonus shares that were not allotted.

In the event that the beneficiaries are dismissed on personal grounds or resign during the Vesting Period, their bonus shares will lapse. In the event the beneficiaries are made redundant on economic grounds, they shall lose their rights to the bonus shares, unless the Board of Directors decides to override this policy.

The bonus shares awarded cannot be sold before April 18, 2019, except by the legal heirs upon the beneficiary's death or unless the Board of Directors decides to waive the lock-in period as a result of a public offer that would result in a change of control of the Company.

The bonus shares shall be issued by way of a capital increase in an amount of €700, deducted from the unavailable reserve created for this purpose.

The issue price of ordinary bonus shares shall be €0.01 each.

All of the bonus shares awarded shall be ordinary shares.

Meeting of the Board of Directors of January 26, 2018

10,000 bonus shares awarded (**AGA 2018-1**) to one (1) employee

The AGA 2018-1 bonus shares will not vest until the end of a one-year Vesting Period, i.e., as of January 26, 2019, unless the Board of Directors decides otherwise due to a public offer that would result in a change of control of the Company. Notwithstanding the foregoing, in the event of the death of a beneficiary, their legal heirs have a period of six (6) months in which to request the award of said shares. In the event of the retirement or invalidity of a beneficiary, in any circumstances other than those referred to in Article L. 225-197-1-I paragraph 5 of the French Commercial Code, beneficiaries may request the award of these shares during the six (6) months following the incident.

In the event that the beneficiaries are dismissed on personal grounds or resign during the vesting period, they shall lose their rights to the bonus shares. In the event the beneficiaries are made redundant on economic grounds, they shall lose their rights to the bonus shares, unless the Board of Directors decides to override this policy.

The bonus shares awarded cannot be sold before January 26, 2020, except by the legal heirs upon the beneficiary's death or unless the Board of Directors decides to waive the lock-in period as a result of a public offer that would result in a change of control of the Company.

The bonus shares will be issued by way of a capital increase in an amount of €100, deducted from the unavailable reserve created for this purpose.

The issue price of ordinary bonus shares shall be €0.01 each.

All of the bonus shares awarded shall be ordinary shares.

65,700 bonus shares awarded (**AGA 2018-2**) to six (6) employees

The AGA 2018-2 bonus shares will not vest until the end of a two-year Vesting Period, i.e., as of January 26, 2020, unless the Board of Directors decides otherwise due to a public offer that would result in a change of control of the Company. Notwithstanding the foregoing, in the event of the death of a beneficiary, their legal heirs have a period of six (6) months in which to request the award of said shares. In the event of the retirement or invalidity of a beneficiary, in any circumstances other than those referred to in Article L. 225-197-1-I paragraph 5 of the French Commercial Code, beneficiaries may request the award of these shares during the six (6) months following the incident.

In the event that the beneficiaries are dismissed on personal grounds or resign during the vesting period, they shall lose their rights to the bonus shares. In the event the beneficiaries are made redundant on

economic grounds, they shall lose their rights to the bonus shares, unless the Board of Directors decides to override this policy.

The bonus shares awarded cannot be sold before January 26, 2021, except by the legal heirs upon the beneficiary's death or unless the Board of Directors decides to waive the lock-in period as a result of a public offer that would result in a change of control of the Company.

The bonus shares will be issued by way of a capital increase in an amount of €657, deducted from the unavailable reserve created for this purpose.

The issue price of ordinary bonus shares shall be €0.01 each.

All of the bonus shares awarded shall be ordinary shares.

A number of employees have since left the company and 2,400 AGA 2017-1 are therefore non-exercisable as they have lapsed.

6.2.4 Summary of dilutive instruments held by executives, directors and employees

See section 3.5.2 of this Registration Document entitled "Compensation and benefits awarded in 2017" for further details about financial instruments carrying rights to the share capital (BSAs and BSPCEs) awarded to the directors and executives in 2017 (see in particular Table no. 6 "Bonus shares awarded to executives in 2017" and Table no. 8 "History of allotments of BSAs and BSPCEs to executive and non-executive directors").

For information about dilutive instruments, see also Note 2.4.8 "Shareholders' equity" to the annual financial statements for the year ended December 31, 2017, incorporated in section 4.6.2 of this Registration Document.

Type of securities	BCE 2013-1 (2013)	BCE 2013-1 (2015)	AGA 2017-1	AGA 2017-2	BSA 2017	AGA 2018-1	AGA 2018-2	TOTAL
Beneficiaries	Employees	Employees	Employees	Employees	Directors	Employees	Employees	
Date of Annual General Meeting	Nov. 25, 2013	Nov. 25, 2013	Sept. 30, 2016	Sept. 30, 2016	May 29, 2017	Sept. 30, 2016	Sept. 30, 2016	
Date of Chairman's and Board of Director's decisions as from May 31, 2016	Dec. 13, 2013	May 25, 2015	March 22 and April 18, 2017	March 22 and April 18, 2017	May 29, 2017	Jan. 26, 2018	Jan. 26, 2018	
Nature of the share to be subscribed	Ordinary share							
Total number of warrants or shares authorized	15,013[1]		162,300[2]		195,000	10,000	65,700	**448,013**
Total number awarded	**9,027**	**2,196**	**82,300**	**60,000**	**195,000**	**10,000**	**65,700**	**424,223**
Warrant exercise price	€58.50[3]	€67[3]	N/A	N/A	€0.53	N/A	N/A	
Exercise deadline/bonus share award date	Dec. 31, 2023	Dec. 31, 2023	April 18, 2019	April 18, 2018	May 29, 2027	Jan. 26, 2019	Jan. 26, 2020	
Parity (post division of the par value of the Company's shares)	1 x BCE 2013-1 for 100 shares	1 x BCE 2013-1 for 100 shares	1 x AGA 2017-1 for 1 share	1 x AGA 2017-2 for 1 share	1 x BSA 2017 for 1 share	1 x AGA 2018-1 for 1 share	1 x AGA 2018-1 for 1 share	
Number of "vested" warrants or shares on the date of this Registration Document	134[4]	0[4]	0	0	0	0	0	**134**
General exercise conditions	Note[5]	Note[5]	See 6.2.3	See 6.2.3	See 6.2.1	See 6.2.3	See 6.2.3	
Number of shares subscribed	616,400	121,800	0	0	0	0	0	**738,200**
Number of warrants or shares canceled or lapsed	2,729	750	2,400	0	0	0	0	**5,879**
Number of remaining warrants	**134**	**228**	N/A	N/A	195,000	N/A	N/A	**195,362**
Number of shares that could be subscribed	**13,400 (post division)**	**22,800 (post division)**	**79,900**	**60,000**	**195,000**	**10,000**	**65,700**	**446,800 (post division)**

(1) Including 3,790 BCE 2013-1 not allotted.
(2) Including 10,000 AGA 2017-1 and 10,000 AGA 2017-2 decided by the Board on April 18, 2017 that were not allotted.
(3) Amount of subscription for 100 new ordinary shares.
(4) Subject to cases of lapsing, the final awarding of BCE 2013-1 share warrants is subject to the following vesting conditions:

- calendar vesting of warrants: (i) for the BCE 2013-1 share warrants issued on December 13, 2013, a vesting by tranches of 18.8% over four years and for the first time on December 31, 2014, and (ii) for the BCE 2013-1 share warrants issued on May 25, 2015, a vesting by tranches of 22.9%, 18.8%, 18.8% and 14.6% over four years and for the first time on December 31, 2015;
- in addition to the calendar vesting described above, a conditional vesting for the balance of those BCE 2013-1 share warrants according to the turnover generated by the Company for the year ended December 31, 2017; and
- accelerated vesting of all BCE 2013-1 share warrants issued, at the discretion of the Company's Board of Directors, if it is informed that the Company's shareholders holding more than half of the Company's capital and voting rights have accepted an offer, from one or more shareholders or third parties, acting alone or jointly, for the whole of the securities issued by the Company.

(5) Subject to cases of lapsing, the vested BCE 2013-1 share warrants may be exercised at the initiative of each holder, once only, (i) if a memorandum of agreement is concluded by one or more shareholders resulting in the transfer of control of the Company within the meaning of Article L. 233-3-I of the French Commercial Code, following transfer of the Company's shares or merger by absorption of the Company, or (ii) if the Company's shares are listed for trading on a regulated or unregulated market in France or in the European Union, or on a foreign stock market, (a) within ten days of the end of a 30-calendar-day period beginning on the date on which the price of the Company's shares is set for the Company's IPO or (b) during a period commencing on January 5 and ending on January 20 (both dates inclusive) of each calendar year starting from or during the year in which the listing takes place. Notwithstanding the foregoing, if the Company notifies holders of BCE 2013-1 share warrants that Company shareholders holding more than half of the capital and voting rights have accepted a purchase offer from one or more shareholders or third parties, acting alone or jointly, for the whole of the securities issued by the Company, each holder may, under penalty of their lapsing, exercise the whole of his warrants.

Thus, on the date of this Registration Document, the total number of ordinary shares that can be created following the exercise of outstanding rights giving access to the Company's capital is 446,800, i.e., a maximum dilution of 2.62% on a fully diluted basis. Subject to the settlement of the capital increase of €35,496,825 through the issue of 5,572,500 new shares at a price per share of €6.37, without pre-emptive subscription rights for a category of beneficiaries, which is scheduled for April 17, 2018, the maximum dilution would be 0.75% on a non-diluted basis and 0.73% on a fully diluted basis.

6.2.5 Outstanding call options granted to BVF Partners L.P. and Perceptive Advisors by the Founding Shareholders, Frédéric Cren and Pierre Broqua

Under call option agreements (**Call Agreements**) entered into with BVF Partners L.P. and Perceptive Advisors (**Beneficiaries**), Frédéric Cren and Pierre Broqua (**Founding Shareholders**) agreed to grant a call option on existing shares (**Call Options**).

Terms of the Call Options

Under the terms of the Call Options, the Beneficiaries may, but are not obliged to, purchase shares from the Founding Shareholders. In such an event, the Founding Shareholders, jointly but not severally, are bound to sell to the Beneficiaries, in an equal amount, a maximum number of shares corresponding to (i) €15 million to BVF Partners L.P. and €2 million to Perceptive Advisors (for 2,000,000 shares) and (ii) on the basis of the IPO price of €8.50 (**Offer Price**). The Call Options are exercisable at the Offer Price, on one or more occasions, in full or in part, at any time during a period of two years following the settlement date of the IPO, i.e., February 16, 2017.

The Founding Shareholders have undertaken, jointly but not severally, to hold until the expiry of the Call Options a number of shares equal at least to the number of shares subject to the Call Options. The shares acquired by the Beneficiaries under the Call Options shall not be subject to a lock-up period. The Founding Shareholders have each agreed with BVF Partners L.P. that they will not grant any third parties that have entered into subscription commitments any call options similar to the Call Option for an amount greater than €2 million during the entire term of the Call Agreements. The shares subject to the Call Agreement entered into with BVF Partners L.P. have been placed in an escrow account opened with Société Générale Securities Services.

Reason for the Call Options

The Call Options have been granted by the Founding Shareholders to the Beneficiaries in return for (i) the essential help and support given by the Beneficiaries to the Company in the run up to and during the IPO by way of the early signature of subscription commitments, (ii) the support given by the Beneficiaries to the Company in its interactions with investors, and (iii) the sparking by the Beneficiaries of other investors' interest in the Company at the early stages of the IPO.

At the date of this Registration Document, none of these Call Options had been exercised.

6.3 Main provisions of the Articles of Association

The main stipulations described below are taken from the Company's Articles of Association, which the Company adopted when its shares were admitted to trading on the regulated Euronext Paris market.

6.3.1 Memorandum and Articles of Association

6.3.1.1 Main provisions

Legal and commercial name

The Company's legal name is "Inventiva".

Place of registration of the Company and its registration number

The Company is registered in the Dijon Trade and Companies Register under number 537 530 255.

The Company's shares have been listed on Compartment C of the regulated market of Euronext Paris since February 15, 2017.

Date of incorporation and length of life

The Company was registered at the Paris Commercial Court on October 27, 2011. Since the transfer of its registered office on August 27, 2012, the Company has been registered at the Dijon Commercial Court. The length of the Company's life is 99 years unless extended or wound up early.

Registered office, legal form and applicable legislation

The Company's registered office is situated at 50, rue de Dijon, 21121 Daix, France. The telephone number of its registered office is + 33 (0) 3 80 44 75 00.

The Company's legal form is that of a limited company with a Board of Directors (*société anonyme à conseil d'administration*), governed, *inter alia*, by the provisions of Book II of the French Commercial Code.

Until the Annual General Meeting held on May 31, 2016, during which it was decided to change the Company's form, with immediate effect, into a *société anonyme* with a Board of Directors, the Company was incorporated in the form of a simplified company limited by shares (*société par actions simplifiée*).

6.3.1.2 Corporate purpose (Article 3 of the Articles of Association)

The Company is engaged, both in France and elsewhere, in the following activities:

- research and development, production, distribution and marketing, at different stages of development, with respect to all products, principally pharmaceutical, cosmetic and chemical products, including in the area of animal health;
- provision of study, advisory or commercial services and, more generally, any ancillary services, similar or connected to the activities described above, including the leasing of laboratories or offices;
- participation of the Company, by any means, directly or indirectly, in any operations that may be related to its purpose through the creation of new companies, contribution, subscription or purchase of company securities or rights, merger or otherwise, creation, acquisition, leasing, management lease of any businesses or establishments;

and, more generally, any financial, commercial, industrial, civil, immovable or movable operations related directly or indirectly to the Company's purpose or any similar or related purpose which may facilitate its expansion or growth.

6.3.1.3 Membership of the Board of Directors (Article 15 to 18 of the Articles of Association)

Appointment/Dismissal of directors

The Company is governed by a Board of Directors made up of no fewer than three and no more than 18 members, subject to the exception provided for by law in the event of a merger.

Directors are appointed, renewed or dismissed by the Ordinary General Meeting. They are always eligible for re-election.

Directors are appointed for a term of three (3) years, which expires at the close of the Ordinary General Meeting called to approve the financial statements for the previous year and held in the year in which their term of office expires.

No more than one third of Board of Directors' members may be over seventy (70) years of age.

Directors need not be shareholders of the Company.

A Company employee can only be appointed as a director if his/her employment contract corresponds to an actual job. The number of directors working for the Company under an employment contract cannot exceed one third of the directors in office.

Legal person director

Directors may be natural or legal persons. In this latter case, a legal person is obliged, upon appointment, to designate a permanent representative who is subject to the same conditions and obligations and the same civil and criminal liabilities as if he/she were a director in his/her own name, without prejudice to the joint and several liability of the legal person that he/she represents. The permanent representative of a legal person director is subject to the same age requirements as those which apply to natural person directors.

The permanent representative designated by the legal person director has the same term of office as the legal person.

If the legal person terminates its permanent representative's mandate, it is required to notify the Company immediately, by registered letter, of this termination and to identify its new permanent representative. The same applies in the event of the permanent representative's death or resignation.
The designation of the permanent representative and the cessation of his/her mandate are subject to the same publicity requirements as if he/she were a director in his/her own name.

Vacancy, death, resignation

If one or more director posts become vacant following death or resignation, the Board of Directors may, where this occurs between two Annual General Meetings, make provisional appointments.
If the number of directors falls below the statutory minimum, the remaining directors must immediately call an Ordinary General Meeting to reinstate the required number of Board members.

The provisional appointments made by the Board of Directors require ratification at the next Ordinary General Meeting. If they are not ratified, any decisions taken and acts carried out previously by the Board of Directors will be no less lawful.

Organization of the Board of Directors

The Board of Directors elects from within its members a Chairman who must be a natural person, failing which, the appointment will be null and void. The Board of Directors determines the Chairman's compensation.

No person over the age of sixty-five (65) may be appointed as Chairman. If the Chairman reaches this age limit while in office, he/she is obliged to step down automatically.

The Chairman is elected for a term not exceeding that of his/her directorship. He/she is eligible for re-election. The Board of Directors may dismiss the Chairman at any time.

The Chairman organizes and directs the work of the Board of Directors and reports on his/her actions to the General Meeting. He/she ensures that the Company's bodies are operating efficiently and, in particular, that the directors are able to carry out their work.

The Board of Directors may also appoint, from among its natural person members, a Vice-Chairman, who chairs meetings of the Board of Directors in the Chairman's absence.

At the Chairman's proposal, the Board of Directors may appoint up to two observer(s), who may be natural or legal persons, chosen from among the shareholders or otherwise.

The Board of Directors sets the term of office of the observers, their powers and, where applicable, the terms of their compensation.

Observers are invited to all meetings of the Board of Directors and take part in the discussions but do so in an advisory capacity only.

Board discussions

The Board of Directors meets as often as the Company's interests so require, at the invitation of its Chairman. If the Board of Directors has not met for more than three months, at least one third of the directors may ask the Chairman to call a meeting of the Board of Directors to discuss a specific agenda, in which case the Chairman must allow that request. The Chief Executive Officer may also ask the Chairman to call a meeting of the Board of Directors to discuss a specific agenda.

Notices of meetings may be given by any means, including verbally.

Meetings take place either at the registered office or in any other place indicated in the notice of meeting.

Meetings are chaired by the Chairman of the Board of Directors or, failing that, by the Vice-Chairman or by any other director appointed by the Board of Directors.

The Board of Directors is only quorate if at least half of the directors are present.

Decisions are taken by a majority of the members present or represented. In the event of a tie, the Chairman of the meeting has a casting vote.

For the purposes of calculating quorum and majority, unless otherwise specified by law, directors are deemed to be present if they take part in the meeting of the Board of Directors by video conference or by telecommunication, the nature and terms of implementation of which are determined by current regulations.

A member of the Board of Directors may give a written proxy to another Board member to represent him/her at a meeting of the Board of Directors.

Each member of the Board of Directors can, for the same meeting, hold only one proxy received according to the previous paragraph.

The provisions of the two paragraphs above apply to the permanent representative of a legal person.

Where a Works Council has been set up, the representatives on that Council, appointed in accordance with the French Labor Code, must be invited to all meetings of the Board of Directors.

Powers of the Board of Directors

The Board of Directors determines the Company's business strategies and oversees their implementation. Subject to the powers expressly granted by law to shareholders and in accordance with the Company's purpose, all matters relating to the smooth running of the Company are submitted to the Board of Directors, which settles the Company's affairs by virtue of the decisions that it makes.

The Board of Directors carries out any controls and checks that it considers appropriate. Each director may ask to be sent any documents and information necessary to the performance of his/her tasks.

The Board of Directors may decide to set up study committees responsible for examining the matters referred to them by the Board of Directors or its Chairman.
The Board of Directors may, up to the total amount that it determines, authorize the Chief Executive Officer to furnish securities, endorsements or guarantees in the Company's name under the conditions laid down by laws and regulations.

The Board of Directors may also decide, with the right to delegate powers, to issue bonds under the conditions set out in Articles L. 228-40 *et seq.* of the French Commercial Code, as well as any transferable securities representing a financial claim as referred to in Article L. 228-36-A of the French Commercial Code and any transferable securities.

6.3.1.4 Executive Management (Article 19 of the Articles of Association)

Form of operation

The Company is managed by a natural person appointed by the Board of Directors, with the title of Chief Executive Officer. This natural person may be the Chairman of the Board of Directors.

The Board of Directors chooses between these two forms of operation applicable to Executive Management.

The Board of Directors' decision concerning the choice of form of operation is taken by a majority of the directors present or represented. This choice remains in force until otherwise decided by the Board of Directors under the same conditions.

Shareholders and third parties are informed of this choice under the conditions laid down by current regulations.

Executive Management

The Chief Executive Officer is a natural person chosen from among the directors or otherwise.

The Chief Executive Officer's term of office is determined by the Board of Directors at the time of appointment.

However, if the Chief Executive Officer is a director, his/her term of office cannot exceed that of his/her directorship.

No person over the age of sixty-five (65) may be appointed as Chief Executive Officer. When the Chief Executive Officer reaches this age limit, he/she is obliged to step down automatically.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. If the Chief Executive Officer does not also perform the role of Chairman of the Board of Directors, he/she may be entitled to damages if he/she is dismissed without just cause.

The Chief Executive Officer has the broadest powers to act in all circumstances in the Company's name. He/she exercises these powers in accordance with the Company's purpose and subject to the powers expressly granted by law to meetings of shareholders and to the Board of Directors.
He/she represents the Company in its dealings with third parties. The Company is bound by the actions of the Chief Executive Officer even if they do not fall within the Company's purpose, unless it can prove that the third party knew that the action in question went beyond the Company's purpose or could not have been unaware of that fact given the circumstances, on the understanding that the mere publication of the Articles of Association is not sufficient evidence of the foregoing.

The Board of Directors may limit the Chief Executive Officer's powers but these limitations are not binding on third parties.

Deputy General Managers

At the Chief Executive Officer's proposal, whether this role is performed by the Chairman of the Board of Directors or by another person, the Board of Directors may appoint, for a period that it will determine, one or more natural persons responsible for assisting the Chief Executive Officer, with the title of Deputy General Manager.

The Board of Directors may choose the Deputy General Managers from among the directors or otherwise and cannot appoint more than five (5).

The age limit is set at sixty-five (65). When a Deputy General Manager reaches this age limit, he/she is obliged to step down automatically.

Deputy General Managers may be dismissed at any time by the Board of Directors, on a proposal by the Chief Executive Officer. If it is decided that the Deputy General Manager was dismissed without just cause, he/she may be entitled to claim for damages.

If the Chief Executive Officer steps down from office or is unable to perform his/her duties, the Deputy General Managers will, unless otherwise decided by the Board of Directors, retain their duties and powers until the new Chief Executive Officer is appointed.

In agreement with the Chief Executive Officer, the Board of Directors determines the extent and duration of the powers granted to the Deputy General Managers. The Deputy General Managers hold the same powers at the Chief Executive Officer in their dealings with third parties.

6.3.1.5 Rights, preferences and restrictions attached to the shares (Articles 10 and 14 of the Articles of Association)

6.3.1.5.1 Form of the shares (extract from Article 10 of the Articles of Association)

Shares are in registered or bearer form, at the shareholder's option. They can only be in bearer form once they have been fully paid up.

6.3.1.5.2 Voting rights (extract from Articles 14 and 28 of the Articles of Association)

Unless otherwise specified by law or in the Articles of Association, each share carries the right to one vote at Annual General Meetings of shareholders.

However, a double voting right is lawfully granted to all fully paid-up shares for which proof is given that the shares have been registered for at least two years to the same shareholder, or to a person whose rights are transferred to that shareholder as a result of succession, liquidation of community property between spouses or gift *inter vivos* granted by a shareholder to his or her spouse or to a relative entitled to inherit or following a transfer resulting from a merger or demerger of a shareholder company.

6.3.1.5.3 Dividend and profit rights (extract from Article 14 of the Articles of Association)

Each share carries the right to a proportional share of the Company's profits and assets according to the proportion of the capital that it represents.
Shareholders are only liable for losses in the amount that they contributed to the Company.

6.3.1.5.4 Time limit after which entitlement to dividend lapses

Dividends not claimed within five years of the dividend payment date will revert to the French government (Article L. 1126-1 of the French General Code on the Property of Individuals [*Code général de la propriété des personnes publiques*]).

6.3.1.5.5 Pre-emption rights

All shares carry a pre-emption right in offers for subscription of capital increases (Article 7 of the Articles of Association).

6.3.1.5.6 Limitation of voting rights

6.3.1.6 Conditions for changing shareholders' rights

Shareholders' rights may be changed under the conditions laid down by laws and regulations. There is no particular stipulation governing the change of shareholders' rights which is more stringent than the law.

6.3.1.7 Annual General Meetings of shareholders

6.3.1.7.1 Calling and holding of Annual General Meetings and agenda (Articles 25 and 26 of the Articles of Association)

Calling (Article 25 of the Articles of Association)

Annual General Meetings are called either by the Board of Directors or by the Statutory Auditors, or by a representative appointed in court at the request either of one or more shareholders representing at least one twentieth of the capital or a group of shareholders meeting the conditions set out in Article L. 225-120 of the French Commercial Code or, in urgent circumstances, at the request of any interested party or the Works Council.

Where the Company's shares are admitted to trading on a regulated market or if not all shares are in registered form, the Company is obliged, at least thirty-five (35) days before any Meeting is held, to publish a notice of meeting in the *Bulletin des Annonces Légales Obligatoires* (BALO) containing the information provided for by current laws.

Annual General Meetings are called by publishing the notice in a journal authorized to receive legal notices in the *département* in which the registered office is situated and also in the BALO.

However, the publications mentioned in the previous paragraph may be replaced by a notification sent to each shareholder, at the Company's expense, by simple or registered letter. This notification may also be sent by an electronic means of telecommunication used in accordance with the appropriate regulations.

Holding (Article 25 of the Articles of Association)

Meetings are held at the registered office or in any other place indicated in the notice of meeting.

All shareholders may attend meetings, either personally or via a proxy, subject to proving their identity and ownership of shares, according to the manner laid down by current laws and regulations.

The Board of Directors may decide, at the time of calling the Meeting, that shareholders may attend and vote at any Meeting by videoconference or other method of telecommunication and data transmission (including Internet), in accordance with the terms and conditions laid down by the applicable laws and regulations at the time of its use. This decision is mentioned in the notices of meeting published in the Bulletin des Annonces Légales Obligatoires (BALO).

Proxy voting is carried out according to the terms and conditions laid down by laws and regulations. In particular, all shareholders may submit proxy voting forms either in hard copy or (at the Board of Directors' decision published in the notice of meeting) electronically before the meetings. Proxy forms may be submitted either in hard copy or electronically before the Meetings.

If the Board of Directors decides, at the time of calling the Meeting, to allow the electronic submission of voting or proxy forms, the electronic signature on those forms may come from a reliable process for identifying the shareholder and including a link to the remote form onto which his signature is affixed. Any votes thus cast before the Meeting by this electronic means, as well as the acknowledgment of receipt sent, will be regarded as irrevocable documents binding on everyone. The proxy can, however, be revoked according to the same manner required for the appointment of the proxy. In the event of a share ownership transfer taking place before the second working day preceding the Meeting at midnight, Paris time, the Company will, as applicable, invalidate or amend accordingly the proxy or the vote cast before the meeting by this electronic means.

Where a Works Council has been set up, two members of that Council, appointed in accordance with the French Labor Code, must be invited to all Annual General Meetings regardless of the nature of those Meetings and their agenda. In the case of resolutions that need to be carried unanimously, shareholders must be given the opportunity to speak at the Meeting if they so request.

Agenda (Article 26 of the Articles of Association)

The agenda for Meetings is drawn up by the person calling the Meeting.

One or more shareholders, representing at least the required proportion of share capital and acting according to the conditions and time periods laid down by law, have the right to request, by registered letter with acknowledgment of receipt or by electronic telecommunication, that items or motions be added to the agenda for the Meeting.

The Works Council may also request that motions be added to the agenda for the Meeting.

The Meeting can only discuss an item if it is included on the agenda, which cannot be amended at second call. It may, however, in all circumstances dismiss one or more members of the Board of Directors and replace them.

6.3.1.7.2 Powers of Annual General Meetings (extract from Article 24 of the Articles of Association)

Ordinary General Meetings are meetings at which shareholders are called to take decisions that do not amend the Articles of Association.

Extraordinary General Meetings are meetings at which shareholders are called to decide on or authorize direct or indirect amendments to the Articles of Association. Decisions taken at Annual General Meetings are binding on all shareholders, even those who are absent, dissenting or unable to act.

6.3.1.8 Reaching of thresholds (Article 11 of the Articles of Association)

Any person who, acting alone or jointly, holds or no longer holds, directly or indirectly via companies that he controls within the meaning of Article L. 233-3 of the French Commercial Code, a number of shares representing 2% of the Company's capital or voting rights (calculated in accordance with the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and in accordance with the AMF's General Regulation) is required, by no later than the close of trading on the fourth market day following the day on which the ownership threshold indicated above is reached, to notify the Company of this circumstance by registered letter with acknowledgment of receipt specifying the total number of shares and voting rights that he/she holds. The person required to notify the Company of this circumstance will specify the number of shares that he/she holds which give future access to the capital and the voting rights attached thereto as well as any other information required under the aforementioned laws and regulations.

This disclosure must be repeated under the same conditions described above whenever a new 2% fraction of the capital or voting rights is reached, whether upwards or downwards.

Unless they have been disclosed under the conditions described above, shares exceeding the fraction that should have been disclosed are stripped of voting rights in meetings of shareholders, if, at the time of a meeting, the failure to disclose has been observed and if one or more shareholders jointly holding at least 5% of the capital so request during that meeting. The stripping of voting rights will apply to all meetings of shareholders that are held until the expiry of a period of two years following the date on which the disclosure was actually made.

6.3.1.9 Identification of holders of transferable securities (extract from Article 10 of the Articles of Association)

Shares may be registered in the name of an intermediary under the conditions set out in Articles L. 228-1 *et seq*. of the French Commercial Code. The intermediary is required to declare his status as an intermediary holding securities for others, under the conditions laid down by laws and regulations.

The Company is authorized to ask, at any time, the central depository that looks after the issue account for its securities for the information prescribed by law in relation to the identification of securities conferring, immediately or in the future, the right to vote in meetings of shareholders.

6.3.1.10 Special conditions governing changes in the capital

There are no special conditions in the Company's Articles of Association governing changes in its capital, where such conditions are more stringent than is required by law.

6.3.2 Documents available to the public

Copies of this Registration Document are available free of charge at the Company's registered office located at 50 rue de Dijon, 21121 Daix, France.

This Registration Document may also be consulted on the Company's website (www.inventivapharma.com) and on the AMF's website (www.amf-france.org).

The Articles of Association, resolutions, minutes of Annual General Meetings and other Company documents, as well as historical financial information and any valuations or statements prepared by any expert at the Company's request to be made available to shareholders, in accordance with current legislation, may be consulted free of charge at the Company's registered office.

Regulated information within the meaning of the AMF's General Regulation is also available on the Company's website (www.inventivapharma.com).

This Registration Document does not constitute the annual report presented at the Company's Annual General Meeting.

The preparatory documents for the Company's Annual General Meeting that will be held on May 28, 2018 referred to in Article R. 225-83 and R. 225-73-1 of the French Commercial Code will be made available on the Company's website by no later than the 21st day before the Meeting along with the draft resolutions presented by the Board of Directors. In accordance with Article 221-1 of the General Regulation of the AMF, a press release will be issued to announce that the documents are available.

6.4 Persons responsible

Frédéric Cren

Chairman and Chief Executive Officer of Inventiva S.A.

6.4.1 Declaration by the person responsible for the Registration Document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and that no information has been omitted that would be likely to affect its import.

I hereby declare that, to the best of my knowledge, (i) the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and profit of the Company, and (ii) that the Management Report provides a true and fair view of the Company's business, financial position and earnings, as well as a description of the principal risks and uncertainties to which it is exposed.

I obtained a statement from the Statutory Auditors at the end of their assignment in which they confirm that they have verified the information relating to the Company's financial position and the financial statements contained herein, and that they have read the whole document.

April 9, 2018

Frédéric Cren

Chairman and Chief Executive Officer

6.4.2 Person responsible for financial information

Jean Volatier

Chief Administrative and Financial Officer

Address: 50, rue de Dijon, 21121 Daix, France

Telephone: +33 (0) 3 80 44 75 28

Email: Jean.volatier@inventivapharma.com

6.5 Statutory Auditors

KPMG SA

2, avenue Gambetta

CS 60055

92066 Paris La Défense Cedex, France

Represented by Jean Gatinaud

KPMG SA was appointed by the Company's Annual General Meeting of Shareholders held on August 23, 2012 for a term of six financial years expiring at the end of the Annual General Meeting called to approve the financial statements for the year ended December 31, 2017.

KPMG SA is a member of the Versailles Regional Association of Statutory Auditors.

KPMG AUDIT IS

2, avenue Gambetta

CS 60055

92066 Paris La Défense Cedex, France

Represented by Jay Nirsimloo

KPMG AUDIT IS was appointed by the Company's General Meeting of shareholders held on August 23, 2012 for a term of six financial years expiring at the end of the General Meeting called to approve the financial statements for the year ended December 31, 2017.

KPMG AUDIT is a member of the Versailles Regional Association of Statutory Auditors.

7 Annual General Meeting

7.1 Financial information – French GAAP

7.1.1 Presentation of the financial statements

The financial statements for the year ended December 31, 2017 that are submitted for shareholder approval were prepared in accordance with the rules for presenting financial statements and valuation methods set out in current regulations.

At December 31, 2017, net non-current assets of €6,879,799 were recorded in the balance sheet (€7,972,729 at December 31, 2016).

At December 31, 2017, shareholders' equity in an amount of €63,972,872 was recorded in the balance sheet (€29,460,421 at December 31, 2016).

The Company's net debt totaled €9,014,612 at December 31, 2017 (€12,545,609 at December 31, 2016).

For the year ended December 31, 2017, operating income totaled €7,411,833 (€10,242,346 at December 31, 2016).

For the year ended December 31, 2017, operating expenses totaled €31,622,321 (€26,566,143 for the year ended December 31, 2016).

Operating expenses break down as follows:

	2017	2016
Purchases of raw materials and other supplies	(40,166)	(34,130)
Other purchases and external charges	(20,990,580)	(16,033,348)
Taxes, duties and similar levies	(251,492)	(226,879)
Wages and salaries	(6,357,485)	(6,366,574)
Payroll taxes	(2,518,217)	(2,402,354)
Depreciation, amortization and provision expense	(1,235,990)	(1,486,079)
Other expenses	(228,391)	(6,780)
TOTAL	(31,622,321)	(26,556,143)

At December 31, 2017, the impact of recognizing retirement benefit obligations in Inventiva's annual financial statements was €170,979.

An operating loss of €24,210,488 was recorded for 2017 (versus an operating loss of €16,313,797 for the previous year).

Financial income for the year ended December 31, 2017 came in at €231,384 (€259,492 in the previous year).

Non-recurring income amounted to €9,864,343 in 2017 (€18,912,902 in the previous year) and mainly comprised an exceptional subsidy granted by AbbVie and the part of the investment subsidy taken to the income statement.

After taking into account a gross CIR research tax credit (in the amount of €4,277,477 in 2017 versus €4,154,865 in the previous year) and the CICE tax credit (in the amount of €140,766 in 2017 versus €134,691 in the previous year), amounting to a total of €4,418,243 in tax credits in 2017 (versus €4,289,556 in the previous year), the net loss for the year ended December 31, 2017 was €10,135,461 (versus net income of €5,595,737 in the previous year).

Analysis of changes in the Company's business, performance, financial position and debt

Sales amounted to €6,520,816 and the operating loss to €24,210,488 for the year ended December 31, 2017 (versus sales of €9,445,644 and an operating loss of €16,313,797 for the previous year). Sales result from two research partnerships entered into by the Company.

The first was signed with AbbVie when Inventiva was first set up. Revenue from this partnership in 2017 amounted to €2,410,797 (versus €7,524,738 in 2016). No milestone payment was received in 2017, unlike 2016 when two payments totaling €4,500,000 were received. 2017 revenue includes billing for full-time equivalents.

The second partnership was signed in 2016 with Boehringer Ingelheim. Revenue from this partnership in 2017 amounted to €3,308,325 (€1,000,000 in 2016). 2017 revenue included a milestone payment of €2,500,000 received in the second half of the year. The remainder of 2017 revenue comprises billing for full-time equivalents in an amount of €641,600 and the balance of the 2016 upfront payment for €166,666.

The Company also received €832,558 in operating subsidies in 2017 (ANR and Eurostars) versus €732,626 in 2016.

Non-recurring income came to €9,090,214 in 2017 (versus €17,936,587 in the previous year) and mainly comprised exceptional subsidies granted by AbbVie. Non-recurring expenses mainly related to the fund raising round that took place in 2017. Other non-recurring expenses were related to asset disposals.

The equipment subsidy received, in the amount of €8,366,818, upon the Company's incorporation continued to be amortized at the same rate as the subsidized asset (€512,178 in 2017 versus €554,492 in the previous year).

There was no income tax expense in 2017 (versus €3,713,455 in 2016). The CIR research tax credit totaled €4,277,477 (versus €4,154,865 in 2016).

The loss for the year was €10,135,461 in 2017 (versus income of €5,595,737 in the previous year).

For the year ended December 31, 2017, current assets totaled €67,451,172, which includes net cash and cash equivalents in the amount of €59,052,112 (€35,074,724 and €24,850,613, respectively, at the previous year-end). Net debt amounted to €9,014,612 at December 31, 2017 (€12,545,609 at the previous year-end).

7.1.2 Company financial statements prepared in accordance with French GAAP for the year ended December 31, 2017

1. Financial statements

1.1. Balance sheet

1.1.1. Assets

	December 31, 2017			December 31, 2016
In euros	**Gross**	**Depreciation, amortization and provisions**	**Net**	**Net**
Licenses, patents and similar concessions	2,141,657	827,872	1,313,785	1,478,506
Other intangible assets	1,397,849	905,547	492,302	1,151,933
Intangible assets	**3,539,507**	**1,733,420**	**1,806,087**	**2,630,438**
Land	172,000	-	172,000	172,000
Buildings	3,407,045	1,143,793	2,263,252	2,497,260
Technical facilities, equipment and tooling	4,267,492	2,608,373	1,659,118	1,961,267
Other property, plant and equipment	1,023,261	668,430	354,831	324,419
Property, plant and equipment in progress	66,970	-	66,970	2,600
Property, plant and equipment	**8,936,768**	**4,420,597**	**4,516,171**	**4,957,547**
Non-current financial assets	628,865	71,324	**557,542**	384,744
NON-CURRENT ASSETS	**13,105,140**	**6,225,340**	**6,879,799**	**7,972,729**
Inventories	**-**	**-**	**-**	**-**
Trade receivables	64,223	-	64,223	771,131
Supplier receivables	70,736	-	70,736	87,778
Employee-related receivables	4,000	-	4,000	7,408
Income tax receivables	4,796,872	-	4,796,872	4,306,854
Sales tax receivables	1,072,078	-	1,072,078	932,433
Other receivables	787,659	-	787,659	2,566,000
Advances and downpayments made on orders	294,363	-	294,363	50,000
Marketable securities	41,301,388	-	41,301,388	21,133,520
Cash and cash equivalents	17,750,724	-	17,750,724	3,717,093
Prepaid expenses	1,309,130	-	1,309,130	1,502,507
CURRENT ASSETS	**67,451,172**	**-**	**67,451,172**	**35,074,724**
Total assets	**80,556,312**	**6,225,340**	**74,330,972**	**43,047,453**

1.1.2. Equity and liabilities

In euros	December 31, 2017	December 31, 2016
Share capital or personal capital	164,445	100,300
Additional paid-in capital	45,095,946	1
Legal reserve	39,020	39,020
Retained earnings	24,604,174	19,008,437
NET INCOME/LOSS FOR THE YEAR	(10,135,461)	5,595,737
Investment subsidies	4,204,748	4,716,926
Shareholders' equity	**63,972,872**	**29,460,421**
Provisions for contingencies	477,494	346,408
Provisions for losses	865,994	695,015
Provisions for contingencies and losses	**1,343,488**	**1,041,423**
Borrowings	364,301	506,926
Bank overdrafts	3,111	3,122
Bank loans and borrowings	**367,412**	**510,048**
Miscellaneous loans and borrowings	**156,942**	143,345
Trade and other payables	**3,220,775**	**3,033,930**
Employee-related payables	976,263	1,126,602
Accrued payroll and other employee-related taxes	937,166	880,771
Income tax payables	-	576,101
Sales tax payables	410,045	191,937
Other accrued taxes and employee-related expenses	190,042	165,850
Accrued taxes and employee-related expenses	**2,513,516**	**2,941,261**
Amounts payable on non-current assets	-	243,640
Other payables	2,163,317	1,108,522
Deferred income	592,650	4,564,862
TOTAL LIABILITIES	**9,014,612**	**12,545,608**
Total equity and liabilities	**74,330,972**	**43,047,453**

1.2. Income statement

In euros	2017	2016
REVENUE		
Sales	6,520,816	9,445,644
Operating subsidies	832,558	732,626
Other revenue	58,459	64,077
Total	**7,411,833**	**10,242,346**
COST OF GOODS AND MATERIALS	-	-
Purchases of raw materials and other supplies	(40,166)	(34,130)
Other purchases and external charges	(20,990,580)	(16,033,348)
Total	**(21,030,746)**	**(16,067,479)**
GROSS PROFIT (LOSS)	**(13,618,913)**	**(5,825,132)**
EXPENSES	-	-
Taxes, duties and similar levies	(251,492)	(226,879)
Wages and salaries	(6,357,485)	(6,366,574)
Payroll taxes	(2,518,217)	(2,402,354)
Depreciation, amortization and provisions	(1,235,990)	(1,486,079)
Other expenses	(228,391)	(6,780)
Total	**(10,591,575)**	**(10,488,666)**
OPERATING INCOME (LOSS)	**(24,210,488)**	**(16,313,798)**
Financial income	341,260	381,848
Financial expenses	(109,877)	(122,355)
NET FINANCIAL INCOME	**231,384**	**259,492**
RECURRING INCOME (LOSS) BEFORE TAX	**(23,979,104)**	**(16,054,305)**
Non-recurring income	9,864,343	18,912,902
Non-recurring expenses	(774,129)	(976,315)
NET NON-RECURRING INCOME	**9,090,214**	**17,936,587**
Income tax	4,753,429	3,713,455
NET INCOME (LOSS) FOR THE YEAR	**(10,135,461)**	**5,595,737**

2. **Notes to the financial statements**
   2.1. Significant events

IPO

In February 2017, Inventiva successfully completed its initial public offering (IPO) on Euronext Paris by way of an Open Price Offering (OPO) and a Global Placement. As part of the IPO, Inventiva offered a total of 5,706,577 ordinary shares, representing 36% of its share capital, enabling it to raise some €48.5 million by means of a capital increase after partial exercise (357,122 shares) of the increase option and partial exercise (55,357 shares) of the over-allotment option.

The funds, net of banking fees of €2.6 million, were received in parts on February 16, 2017 and March 16, 2017 (over-allotment option).

The final price of the OPO was set at €8.50 per share, bringing the Company's market capitalization to around €133.3 million.

Trading on Compartment C of Euronext Paris began on February 15, 2017.

As part of the IPO, during the year ended December 31, 2017 the Company incurred transaction costs of €3.9 million related to both the IPO and the capital increase.

Prior to 2017, the Company started incurring transaction costs related to both the IPO and the capital increase, in an amount of €2.1 million. A portion of these costs, €557.1 thousand, were deferred and reported in prepaid expenses under other receivables in the assets section of the balance sheet. They were deducted from shareholders' equity once the capital increase was completed.

These transaction costs had the following impacts on the financial statements for the year ended December 31, 2017:

- Transaction costs directly attributable to the capital increase have been accounted for as a deduction from the issue premium in an amount of €3.8 million.
- Other transaction costs not directly attributable to the capital increase (but attributable to the IPO) were transferred to non-recurring expenses in an amount of €668.2 thousand.

The above amounts include transaction costs relating to both the IPO and the capital increase, which have been allocated between the two based on a ratio corresponding to the number of shares issued as part of the capital increase divided by the number of shares existing before the transaction.

Master Research Services Agreement with AbbVie

In August 2012, the Company entered into a five-year master research service agreement (MRSA) with AbbVie specifying the conditions under which the Company will occasionally perform services throughout the term of the contract on behalf of AbbVie in accordance with ad hoc statements of work agreed upon between the parties and setting out the research work to be performed by the Company.

In exchange for the provision of services by Inventiva under the MRSA and the different statements of work (together the "AbbVie Partnership"), AbbVie agreed to pay an annual base fee of around €3 million (adjustable for inflation) over a five-year period, and any other additional amounts included in each statement of work.

The AbbVie Partnership was signed for a term of five years. AbbVie has the right to terminate the AbbVie Partnership in case of material breach by Inventiva of its obligations. The termination will take effect following a 60-day notice period, unless the Company can remedy such non-fulfillment.

Under the terms of this agreement, AbbVie is the sole holder of the intellectual property rights arising from this partnership.

Under the partnership, the Company and AbbVie have signed several statements of work, mainly related to two research projects: the RORγ project for the treatment of certain autoimmune diseases and another project relating to fibrosis. The statement of work related to the RORγ project specifies that Inventiva may be entitled to additional payments in the form of milestone payments and royalties on sales. These additional payments will have to be paid by AbbVie to Inventiva even in the event of termination of the said statement of work or of the AbbVie Partnership if AbbVie decides to proceed with the development of products arising from the RORγ project.

During 2016, Inventiva achieved two scientific targets defined under its partnership with AbbVie, triggering the release of two milestone payments for a total amount of €4.5 million. The first milestone payment of €2 million was received in 2016 while the second for €2.5 million was received on February 10, 2017. Both payments were recognized in revenue for the year ended December 31, 2016 because the obligating event – the achievement of precise, contractually defined, scientific results – occurred prior to December 31, 2016.

In September 2017, Inventiva and AbbVie announced that Abbv-553, a powerful orally active selective antagonist of RORγ, which previously underwent a Phase I clinical trial as a treatment for moderate to severe psoriasis and had given rise to several milestone payments to Inventiva, had been halted. A new collaborative project to discover and develop new oral RORγ antagonists has been put in place. Under this program, Inventiva may receive undisclosed fees for research services and milestone payments were a new drug candidate to be identified. Inventiva will also be eligible for development and sales milestones as well as royalties on sales. Inventiva received payments of €421 thousand, corresponding to revenue related to the financing of the project's R&D expenditure.

The proportion of revenue generated by the AbbVie Partnership declined year to year and the Company did not receive any milestone payments.

Research, Collaboration and License Agreement with Boehringer Ingelheim

In May 2016, Inventiva signed a Research Collaboration and License Agreement (the "BI Agreement") with Boehringer Ingelheim International GmbH (BI). The aim of this agreement is to use Inventiva's technology and know-how to the development of new treatments for Idiopathic Pulmonary Fibrosis (IPF), a chronic fibrotic disease characterized by a gradual and irreversible decline in lung function, and other fibrotic diseases.

Under the partnership, Inventiva will be responsible for validating an undisclosed, promising novel target with the objective of developing an innovative approach for the treatment of IPF. The drug candidate phases of the research program will be jointly led by the Inventiva and BI teams. BI will then be responsible for the pre-clinical and clinical development phases and the commercialization of the drug candidate.

In return for its research services, Inventiva will receive the following payments under the terms of the Agreement:

- An upfront €500 thousand received in May 2016.
- Quarterly payments corresponding to the compensation of the researchers assigned to the program, based on the number of full-time equivalents (FTEs).
- Additional payments in the event that BI exercises the option to extend the Agreement beyond Phases I and II.
- Technical and commercial milestone payments, representing the most significant potential future revenue from this Agreement.

The revenue from the collaboration with BI recognized during 2016 in an amount of €1 million corresponds to the following:

- Upfront payment: €333.3 thousand of the total upfront payment of €500 thousand was recognized in revenue during the period. The total upfront payment is intended to compensate Inventiva for the know-how, technologies, research teams and facilities, and library of biological compounds used throughout both Phases I and II of the research program. Therefore, only the portion of the upfront payment corresponding to the first eight months of research performed during the reporting period (May to December 2016) has been recognized.
- Compensation of FTEs: Revenue of €666.6 thousand was recognized corresponding to compensation for FTEs assigned to the research program as from May 2, 2016.

In September 2017, BI exercised its option to jointly develop new treatments for IPF. The joint research team has validated a new target and data generated in the program supports its therapeutic potential in fibrotic conditions. IPF has been selected as the first indication to be investigated. BI's exercise of this option triggered a milestone payment to Inventiva of €2.5 million. This milestone payment was recognized in revenue for 2017 because the obligating event occurred prior to December 31, 2017.

The revenue from the collaboration with BI recognized during 2017 in an amount of €3.3 million corresponds to the following:

- Upfront payment: Revenue of €166.6 thousand was recognized for research related to Phases I and II conducted between January and April 2017.
- Compensation for FTEs: Revenue of €641.6 thousand was recognized corresponding to compensation for FTEs assigned to the research program for the year.
- Milestone payment: The collaboration option was exercised following the validation of a new fibrosis target, triggering a milestone payment of €2.5 million in the second half of the year.

In 2017 and 2016, the Research Collaboration and License Agreement with BI represented 50.7% and 10.6%, respectively, of the Company's revenue.

Revenue was mainly generated from the AbbVie and Boehringer Ingelheim Partnerships and from other research service activities provided by the Company. In 2017 and 2016, the AbbVie Partnership represented 37.0% and 79.7%, respectively, of the Company's revenue.

Tax audit

The Company is subject to a tax audit for the fiscal years beginning January 1, 2013 to December 31, 2015.

The audit of payroll taxes and the research tax credit (CIR) is currently in progress.

- **Payroll taxes**

On December 15, 2016, the Company received a payroll tax deficiency notice from the French tax authorities in respect of the year ended December 31, 2013. The proposed adjustment relates to the classification of the subsidy granted (subject to conditions) in 2012 by Laboratoires Fournier SA (LFSA) (Abbott Group) under the Asset Purchase Agreement (APA) as a non-recurring item, and the resulting impact on payroll taxes. The proposed adjustment amounts to €0.6 million, including penalties and late payment interest.

In a further deficiency notice sent on July 28, 2017, the French tax authorities extended the scope to include the years ended December 31, 2014 and December 31, 2015. As a result, the total amount of the proposed adjustment now stands at €1.8 million, excluding penalties and late payment interest. Since payroll taxes are deductible from corporate taxable income, in the event that the deficiency notice is enforced, it would give rise to a corresponding decrease in income tax payable, calculated based on the tax rates applicable to the Company for the fiscal years concerned by the audit. The net tax impact of the adjustment would therefore amount to €1.2 million.

The Company disputes this proposed tax reassessment. In addition, under the terms of the Additional Agreement attached to the Asset Purchase Agreement (APA), LFSA agreed to indemnify the Company up to a maximum amount of €2 million in accordance with the conditions described therein, in case of any amount claimed by the French tax authorities in relation to the accounting treatment of the subsidy paid by LFSA and subject to specific conditions. This guarantee covers the entire five-year payment period (2012 to 2017). Since the maximum risk as assessed by Management is covered in full by this guarantee, the Company has not set aside any provisions in the financial statements with regard to this dispute.

- **CIR research tax credit**

In late February 2017, the Company received an expert report prepared by the French Regional Research and Technology Authority (*Délégation régionale à la recherche et à la technologie*, DRRT) which sets out the findings of a review of the CIR research tax credit for the years ended December 31, 2013, December 31, 2014 and December 31, 2015 and disputes the manner in which certain CIR items were calculated.

At the end of 2016, the Company deemed that there was a present obligation likely to result in an outflow of resources, and therefore recognized a provision at December 31, 2016 in the amount of €346.4 thousand.

Inventiva received a proposed tax adjustment on July 28, 2017 amounting to €1.8 million, excluding penalties and late payment interest. This chiefly concerned:

- The innovative nature of certain sub-contracting services.
- The exhaustivity of the technical documentation on certain eligible scientific projects.
- The eligibility of certain activities.

The Company disputed the proposed adjustment in a response submitted to the French tax authorities on September 29, 2017. Following a new assessment of the risk, an additional provision of €131 thousand was set aside in 2017, giving a total provision of €477.4 thousand at December 31, 2017. Management considers that the amount currently set aside corresponds to the best estimate of the amount required to settle the obligation as of the date of issue of the financial statements. On February 6, 2018, the French tax authorities responded to the Company's challenge of the tax deficiency notice maintaining the validity of all reassessments presented in that document. The Company intends to continue to use the avenues available to it to defend its position in the dispute with the French tax authorities.

Other significant events

Lanifibranor (formerly IVA337)

Lanifibranor secured as the international non-proprietary name (INN) for IVA337, the first next-generation panPPAR α, δ and γ agonist to receive the fibranor suffix.

The World Health Organization (WHO) registered the international non-proprietary name of lanifibranor for IVA337, Inventiva's flagship drug candidate, currently in Phase IIb development trials as a treatment for systemic sclerosis (SSc) and non-alcoholic steatohepatitis (NASH). Lanifibranor is the first next-generation panPPAR α, δ and γ agonist to receive the fibranor suffix.

Positive results from the 12-month non-human primate toxicology study with lanifibranor: no undesirable clinical symptoms, including those usually associated with PPARγ, were observed.

In May, the Company announced the results of a 12-month non-human primate toxicology study with lanifibranor. No undesirable clinical symptoms, including those usually associated with PPARγ, were observed during the treatment period, regardless of dosage. Inventiva is also currently running two 24-month carcinogenicity studies in rodents, for which it announced the first results in rats in March 2018. Once these studies are completed, in mid-2018, the Company will have the toxicological documentation required to begin Phase III studies and seek the necessary marketing approvals.

For the treatment of NASH (non-alcoholic steatohepatitis)

NATIVE Phase IIb study for the treatment of NASH currently in progress in Europe, Canada and Australia.

Launched in February 2017, Phase IIb of the NATIVE (NAsh TrIal to Validate lanifibranor Efficacy) study is a randomized, double-blind, multicenter, placebo-controlled clinical trial on patients suffering from NASH. The study will investigate the safety and efficacy of two doses of lanifibranor (800 and 1,200 mg/day) over a 24-week period. Enrollment in the study is progressing, but is running behind the original schedule due to increased competition for patients at clinical trial sites. To accelerate trial enrollment, Inventiva plans to open additional trial sites both in countries and regions where trials are under way (Europe, Australia and Canada). The Company now expects the results of the trial to be ready in early 2019, rather than in mid-2018 as initially planned.

Data presented at the International Liver Congress, the European Association for the Study of the Liver's (EASL) annual conference, support the potential of lanifibranor as a treatment for NASH.

Preclinical work on lanifibranor was featured in a poster presentation at the International Liver Congress™, which took place in Amsterdam, in April. The findings demonstrated that lanifibranor inhibits the development of NASH through the normalization of different metabolic parameters such as insulin-resistance, activation of fatty acid β-oxidation and inhibition of the inflammasome known to be a trigger of liver inflammation and fibrosis. Lanifibranor also markedly reverses existing liver fibrosis thanks to its PPAR δ and γ.

Preclinical data supporting the therapeutic potential of lanifibranor for the treatment of NASH were published in the June 19, 2017 edition of Hepatology Communications. Presentations on Inventiva's NASH program were also given at the Paris NASH Symposium in July 2017 and others were scheduled for NASH Summit Europe in Frankfurt in October 2017.

For the treatment of SS (systemic sclerosis)

Enrollment is on schedule for Phase IIb of the FASST study of lanifibranor as a treatment for systemic sclerosis.

Phase IIb of the FASST (For a Systemic Sclerosis Treatment) study of lanifibranor as a treatment for systemic sclerosis (SSc) now has over 145 randomized patients, which is the number required to carry out the study. Patients were enrolled in 47 clinical centers in ten different countries and headline results are expected as scheduled in the first half of 2019. The 48-week FASST study is measuring changes from

baseline in the Modified Rodnan Skin Score for two different doses of lanifibranor, compared to placebo.

The DSMB does not recommend that any changes should be made to the study and the key results are expected in early 2019.

Odiparcil (formerly IVA336)

First patient recruitment for Phase IIa of the iMProveS study of odiparcil on patients with MPS VI.

The 26-week iMProveS clinical study is designed to demonstrate the safety, tolerability and efficacy of odiparcil in 24 adult MPS VI patients. It will be conducted in two European clinical centers. If the results of the study are positive, Inventiva plans to conduct a Phase III pivotal study of odiparcil on MPS VI.

Launch of the biomarkers study for odiparcil in the United States.

In support of the odiparcil clinical program, the Company is currently running a non-interventional study at the Children's Hospital and Research Center of Oakland (the United States) under the supervision of Professor Paul Harmatz. The aim of the study is to determine whether assessment of GAG (glycosaminoglycans) storage in white blood cells is a potential efficacy biomarker. The study is expected to be completed in September, with results announced by the end of this year.

Strengthening odiparcil intellectual property rights in the United States.

In February 2017, the Company was granted a patent protecting the use in the United States of odiparcil in the treatment of MPS VI. With the patent also granted in 30 European countries, Inventiva's exclusive use of odiparcil in all of its key markets is now secured until October 2034. In addition, Inventiva has filed several divisional patent applications in Europe and the United States in order to protect odiparcil for use in treating other forms of mucopolysaccharidoses (MPS). The applications have been approved in Europe and are currently pending in the United States.

Enrollment of the first patient.

The Company has announced the enrollment of the first patient in Phase IIa of the iMProveS study of odiparcil in the treatment of MPS. The aim is to enroll 24 patients at two clinical centers. Results are expected during the first quarter of 2019.

Liquidity agreement

On February 22, 2017, after Inventiva was admitted to trading on the Euronext market, the Company entered into a liquidity agreement with Oddo BVF. The provisions of the agreement are in line with the March 21, 2011 decision of the French Financial Markets Authority (*Autorité des marchés financiers*, AMF) updating accepted market practices for liquidity agreements. Under the agreement, Oddo BVF is authorized to buy and sell Inventiva treasury shares without interference from the Company in order to ensure the liquidity of the shares on the Euronext market for the next three years.

New BSA share warrant and bonus share award plans

On April 18, 2017, the Company's Board of Directors approved two bonus share award plans for certain Company employees:

- 82,300 bonus shares ("AGA 2017-1"), of which 2,400 have since been canceled;
- 60,000 bonus shares ("AGA 2017-2").

The plans have the following characteristics:

- A two-year vesting period for AGA 2017-1 shares.
- A one-year vesting period for AGA 2017-2 shares.
- A one-year lock-up period.
- A service condition.
- No performance conditions.

On May 29, 2017, the Company's Board of Directors allotted 195,000 BSA share warrants ("BSA 2017") to Board members. BSA 2017 share warrants are share subscription options with no performance conditions attached. The plan is divided into three tranches with one-, two- and three-year vesting periods.

On May 29, 2017, the fair value of the BSA share warrants was estimated using the Black-Scholes model based on the following assumptions:

- value of the underlying asset at May 29, 2017;
- volatility observed in two samples of comparable listed companies;
- economic life (middle of exercise period).

BSA 2017 share warrants are exercisable until May 29, 2027, after which they will be forfeited. The exercise price of the BSA share warrants is fixed at €6.675. This price may not be changed during the plan's lifetime except in the event that adjustments are required as part of financial transactions having an impact on the Company's share capital.

Sale of a real estate asset

The Company sold a real estate asset in the first half of 2017. Control of the residential property, which was acquired by paying a life annuity, had been transferred to the Company as part of the Asset Purchase Agreement (APA) entered into on August 27, 2012 (as previously described). The sale of this asset to a third party on May 5, 2017 resulted in the recognition of a gain on the disposal of an asset of €228.4 thousand.

2.2. Change in accounting policies

Following the change in accounting regulations applying to statutory annual financial statements from January 1, 2017 (ANC regulation no. 2015-05), given the absence of plan assets, foreign exchange adjustments are recognized in recurring operating income and no longer in financial income.

2.3. Significant accounting policies

These annual financial statements have been prepared in accordance with regulation 2014-03 issued by the French Accounting Standards Authority (*Autorité des normes comptables*, ANC) and approved by a ministerial decree dated September 8, 2014, relating to French generally accepted accounting principles.

They have been prepared in accordance with the principle of prudence, in line with the basic concepts of going concern, consistency of accounting methods from one period to the next and accrual-based accounting, and in accordance with the general rules for preparing and presenting financial statements set out in the French generally accepted accounting principles and French law.

Items recorded in the financial statements are measured based on the historical cost convention. The main accounting policies applied by the Company are described below.

2.3.1. Property, plant and equipment

Property, plant and equipment are stated at acquisition cost (purchase price including transaction expenses and net of acquisition fees) or at production cost.

Depreciation and amortization are calculated based on the estimated useful life of assets using the straight-line method. In 2012, a complete review was performed of the useful lives of acquired non-current assets.

- Buildings: 20 to 25 years
- Fixtures and fittings: 10 years
- Technical facilities: 6 to 10 years
- Equipment and tooling: 6 to 10 years
- General facilities, miscellaneous fixtures and fittings: 10 years
- Office equipment: 5 years
- IT equipment: 5 years
- Furniture: 10 years

2.3.2. Intangible assets

Research costs are recognized in operating expenses.

An intangible asset is recognized with respect to development costs if the Company can demonstrate all of the following:

- The technical feasibility necessary to complete the development project.
- Its intention to complete the intangible asset and use it.
- Its ability to sell the product.
- Its ability to generate future economic benefits from the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development project.
- A reliable measurement of the expenditure attributable to the development project.

Given the risks and uncertainties involved in regulatory approval and in the process of research and development, Inventiva considers that the six criteria above will be met only upon obtaining market authorization.

Intangible assets comprise:

- The cost of acquiring software licenses. They are written down over a period of between one and five years based on their expected useful life.

- Chemical components, which are written down over a 13-year period.

2.3.3. Non-current financial assets

Non-current financial assets correspond to securities account pledge agreements put in place with banks to guarantee loans granted during the period.

They take the form of interest-bearing or non-interest-bearing deposit accounts and amounted to €237 thousand at December 31, 2017.

2.3.4. Inventories

Purchases are not recorded in inventory but charged directly to expenses. Unused items at the balance sheet date are recognized in prepaid expenses. The Company carried out a physical inventory during the period.

2.3.5. Receivables

Receivables are measured at nominal value.

2.3.6. Cash and cash equivalents

Cash and cash equivalents comprise securities which are readily convertible into cash at their nominal value.

2.3.7. Marketable securities

Marketable securities are recorded at historical cost. Profit or loss on the sale of marketable securities is calculated using the "first-in, first-out" (FIFO) method.

In the event that the market value of the securities at the reporting date is less than their gross carrying amount, the difference is recognized as a provision.

2.3.8. Recognition and measurement of revenue

Collaboration agreements and licenses

At present, the Company's revenue is generated mainly by licensing agreements and R&D projects conducted in partnership with the AbbVie and Boehringer Ingelheim pharmaceutical groups (see Note 2.1.2 "Significant events"). These contracts generally contain many different types of clauses covering such things as up-front fees payable when the agreements are signed and milestone payments corresponding to the achievement of certain pre-defined development milestones, lump-sum payments to finance R&D expenditure and royalties on future product sales.

Up-front fees payable when agreements are signed in exchange for access to technology are recognized immediately as revenue once the following two cumulative criteria are met: the amounts are non-refundable and the Company does not have any future development commitment. Otherwise, the amounts are initially recorded as deferred income and then recognized as revenue over the estimated period of the Company's involvement in future developments. This period is revised on a regular basis.

Milestone payments are amounts received from partners under collaboration programs and they are contingent on the achievement of certain scientific, regulatory or marketing objectives. Milestone payments are recognized as revenue once the obligating event has actually occurred and there are no

outstanding conditions precedent. Obligating events may consist of scientific results obtained by the Company or the partner, or regulatory authorization, or marketing of products developed within the scope of the agreement.

Revenue related to the financing of R&D expenditure – essentially consisting of rebilled payroll expenditure – is recognized as and when this expenditure is incurred.

Revenue from royalties corresponds to the Company's contractual entitlement to a percentage of the product sales achieved by its counterparties. Royalties are recognized in revenue on an accruals basis in accordance with the terms of the agreement once sales can be determined in a reliable manner and the Company is reasonably sure that it will be able to recover the related receivables.

Sales of products and services

Amounts generated from sales of products and services are recognized as revenue once the risks and rewards of ownership have been transferred to the buyer. Amounts received in consideration for research services provided are also recognized as revenue once these services are charged based either on time spent or prorated over the term of the contract in the event of payment of a fixed amount.

Rebilling of rent and rental charges

Expenses incurred under leases contracted by Inventiva are rebilled on a monthly basis in line with the contractual payment dates.

2.3.9. Recognition and measurement of operating expenses

In accordance with Article 2-6 of CRC Regulation no. 2004-06, research costs are recognized in operating expenses in the period during which they are incurred, in line with the accounting treatment adopted by Inventiva prior to changes in the regulations. The Company subcontracts a significant portion of its R&D activities to external partners. The related costs are recognized to the extent of the work performed. The degree of progress is determined based on information provided by the external parties and corroborated by internal analyses.

2.3.10. Investment subsidies

Investment subsidies are recognized in income over several reporting periods. They were subject to tax in 2012. Investment subsidies are amortized at the same rate as the subsidized asset, in accordance with the French General Chart of Accounts (*Plan comptable général*, PCG).

2.3.11. Provisions for contingencies and losses

Retirement benefits:

Retirement benefit obligations are determined by independent actuaries based on the rights set forth in the national collective bargaining agreement for the French pharmaceutical industry and in accordance with the CNC (*Conseil national de la comptabilité*) recommendation of April 1, 2003. The method used is the projected unit credit method, which takes into account actuarial assumptions for an employee's expected length of service, expected future salaries, mortality rates and staff turnover. The commitment is recognized at its present value calculated using an appropriate discount rate.

Retirement benefits were recognized for the first time during the year ended December 31, 2015.

The main actuarial assumptions used in measuring the obligation are as follows:

- Estimations of future salaries based on current figures and incorporating an annual salary increase of 2%, including inflation.
- Discount rate: 1.30 %.
- Payroll taxes: 41.41%.
- Staff turnover rates by age group.
- Mortality tables used: TGH/TGF05.

2.4. Additional information

2.4.1. Opening the share capital to employees

The Company has put in place share warrant (BSPCE and BSA) and bonus share award plans to open its share capital to employees.

Movements in the plans during the year are described in the paragraphs below.

BSPCE plans

BSPCE – *Quantity*	**Grant date**	**Exercise price (in euros)**	**Outstanding at Dec. 31, 2016**	**Issued**	**Exercised**	**Forfeited**	**Outstanding at Dec. 31, 2017**	Number of shares under option
2013 Plan	Dec. 13, 2013	0.59	835,500	-	(468,000)	(210,000)	157,500	157,500
2015 Plan	May 25, 2015	0.67	219,600	-	(89,900)	(70,700)	59,000	59,000
TOTAL per year			1,055,100	-	(557,900)	(280,700)	216,500	216,500

At December 31, 2017, 216,500 BSPCE share warrants were outstanding. Each BSPCE share warrant corresponds to one share. They are exercisable until December 31, 2023, after which date they will be forfeited.

The exercise price of the BSPCE share warrants is fixed at:

- €0.59, including a €0.575 share premium for BSPCE share warrants granted in 2013.
- €0.67, including a €0.66 share premium for BSPCE share warrants granted in 2015.

This price may not be changed during the plan's lifetime except in the event that adjustments are required as part of financial transactions having an impact on the Company's share capital.

The new shares will be assimilated into existing ordinary shares of the same category from the time of their issuance. If the shares are quoted on a regulated market, they will be recorded in the Company's share register and will not be convertible into bearer shares.

The share warrants will be forfeited if for any reason the beneficiary's salaried position within the Company is terminated.

The change in BSPCE share warrants over the period can be broken down as follows:

- Exercise of 557,900 BSPCE share warrants by Company employees between March 20 and March 27, 2017, whereupon 557,900 new shares were issued.

- Cancellation of a total of 245,500 BSPCE 2013-1 share warrants, corresponding to a tranche of the plan that would only vest if the Company achieved revenue of €18 million. As this performance condition was not met, the warrants were canceled.

BSA plans

BSA – *Quantity*	**Grant date**	**Exercise price (in euros)**	**Outstanding at Dec. 31, 2016**	**Issued**	**Exercised**	**Forfeited**	**Outstanding at Dec. 31, 2017**	Number of shares under option
2015 Plan	May 29, 2015	0.67	150,000	-	(150,000)	-	-	-
2017 Plan	May 29, 2017	0.53	-	195,000	-	-	195,000	195,000
TOTAL per year			150,000	195,000	(150,000)	-	195,000	195,000

At December 31, 2017, 195,000 BSA share warrants were outstanding. Each BSA share warrant corresponds to one share. They are exercisable until December 31, 2023, after which date they will be forfeited.

The exercise price of the BSA share warrants is fixed at:

- €0.67, including a €0.66 share premium for BSA share warrants granted in 2015.

- €0.53, including a €0.52 share premium for BSA share warrants granted in 2017.

This price may not be changed during the plan's lifetime except in the event that adjustments are required as part of financial transactions having an impact on the Company's share capital.

BSA share warrants exercised during the period correspond to the entire BSA – 2015 Plan, exercised by ISLS Consulting on March 20, 2017, whereupon this company became the owner of 150,000 new ordinary shares with a par value of €0.01 each.

Bonus share award plans

AGA – *Quantity*	**Grant date**	**Exercise price (in euros)**	**Outstanding at Dec. 31, 2016**	**Issued**	**Exercised**	**Forfeited**	**Outstanding at Dec. 31, 2017**	Number of shares under option
2017-1 Plan	April 18, 2017	7.35	-	82,300	-	(2,400)	79,900	79,900
2017-2 Plan	April 18, 2017	7.35	-	60,000	-	-	60,000	60,000
TOTAL per year			-	142,300	-	(2,400)	139,900	139,900

On April 18, 2017, the Company's Board of Directors approved two bonus share award plans for certain Company employees:

- 82,300 bonus shares ("AGA 2017-1"), of which 2,400 have since been canceled.
- 60,000 bonus shares ("AGA 2017-2").

The plans have the following characteristics:

- A two-year vesting period for AGA 2017-1 shares.
- A one-year vesting period for AGA 2017-2 shares.
- A one-year lock-up period.
- A service condition.
- No performance conditions.

Accrued expenses with respect to the employer contribution due on the bonus shares were recognized in 2017 in an amount of €103.8 thousand.

At December 31, 2017, a total of 139,900 bonus shares were outstanding. AGA 2017-1 bonus shares are exercisable from April 18, 2019 to April 18, 2020, subject to a service condition. AGA 2017-2 bonus shares are exercisable from April 18, 2018 to April 18, 2021, subject to a service condition.

The new shares will be assimilated into existing ordinary shares of the same category from the time of their issuance. If the shares are quoted on a regulated market, they will be recorded in the Company's share register and will not be convertible into bearer shares.

Basic and diluted earnings per share

Basic earnings (loss) per share are calculated by dividing net income (loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

At December 31, 2017, certain equity instruments were considered dilutive. The impact of this dilution is not material.

2.4.2. Recognition of transaction costs related to the initial public offering and capital increase

Accounting treatment of IPO costs	2015	2016	2017 pre-IPO	2017 post-IPO	TOTAL
Intangible assets	137,240	419,898	3,327,320	(3,884,458)	-
Issue premium			-	3,884,458	3,884,458
Non-recurring expenses	635,230	970,039	677,910	-	2,283,179
Total	**772,470**	**1,389,937**	**4,005,230**	**-**	**6,167,637**

** See section 2.5.9 "Statement of changes in shareholders' equity".*

As part of its proposed IPO, since 2015 the Company has incurred transaction costs related to both the IPO and the capital increase completed in first-quarter 2017. The costs already incurred during the years ended December 31, 2015 and December 31, 2016 were recognized in the financial statements as follows:

- Marginal transaction costs directly attributable to the 2017 capital increase were deducted from shareholders' equity once the capital increase was completed.
- Other marginal transaction costs not directly attributable to the capital increase were recognized directly in non-recurring expenses.

2.4.3. CICE tax credit

The 2016 CICE tax credit promoting competitiveness and employment in France was used to finance research materials. The CICE tax credit for 2017 came to €140.7 thousand.

2.4.4. CIR research tax credit

CIR research tax credits are granted by the French government to encourage companies to undertake technical and scientific research. Companies which provide evidence of costs that meets the required criteria (research spending in France or, since January 1, 2005, in the European Union or in another member state of the European Economic Area that has signed a tax treaty with France containing an administrative assistance clause) are eligible for tax credits which may be used for the payment of income tax due during the period in which the cost is incurred or during the following three reporting periods. Alternatively, any excess may be refunded where applicable.

Changes in the amount of the CIR research tax credit are based on Inventiva's internal and external expenditure in 2017. Only eligible research expenses may be included when calculating the CIR research tax credit.

Inventiva has been eligible for the CIR research tax credit since its first financial period.

It should be noted that from 2011, only those companies meeting the EU definition of an SME are eligible for prepayment of their CIR research tax credit. Inventiva has ensured that it meets the EU definition of an SME and therefore continues to be eligible for prepayment.

In 2017, Inventiva received payment of the CIR research tax credit due in respect of 2016 for an amount of €3.68 million (after deduction of the related amount of income tax due). In the course of 2018, the

Company will request payment of the CIR research tax credit due in respect of 2017 for an amount of €4.23 million under current EU guidelines on aid for SMEs.

2.4.5. Tax loss carry backs

Inventiva generated a tax loss in 2017 for the first time since it was founded. Among the options presented in the French Tax Code (*Code Général des Impôts*), Inventiva has chosen a tax loss carry back. The tax loss carry back is capped at €1 million. At December 31, 2017, Inventiva was eligible to carry back tax losses and recognized €333.3 thousand as a "Carry-back receivable" which broke down as follows: €1 million * 33.33% (corporate income tax rate during the period that Inventiva realized a tax benefit).
At December 31, 2017, this receivable was included under assets section in the balance sheet. It may be used to pay corporate income tax due in the five years following 2017. If it is not used in the five years following 2017, Inventiva will be able to request the reimbursement of the receivable.

2.4.6. Off-balance sheet commitments

Commitments received

Authorized overdraft facility no. 1 – terminated in 2017

The Company had an authorized overdraft facility of up to €500,000 at an interest rate of 1.282% with Crédit Agricole. None of this facility was drawn down during the year ended December 31, 2017. It was terminated in May 2017.

Authorized overdraft facility no. 2 – terminated in 2017

In 2016, the Company negotiated a €1 million overdraft facility with Crédit Agricole at the three-month Euribor rate +50 basis points, in the form of a promissory note backed by 34,080 pledged monetary UCITS already held at December 31, 2015 with a carrying amount of €502.8 thousand. The pledge was released in 2017 and the facility was terminated in May 2017.

Authorized overdraft facility no. 3 – terminated in 2017

In 2016, the Company negotiated a €2 million overdraft facility with Société Générale, backed by a pledged deposit account with a balance of €2 million. The pledge was released in 2017 and the facility was terminated in June 2017.

Agreements to make premises and facilities available for use

In 2015, the Company signed contracts to make its premises and facilities available to two companies (Novolyze and Genoway) for a 36-month period beginning at the end of 2015. The contracts have been amended, in particular to extend the lease terms. The total future payment commitments received amounted to €494.7 thousand at December 31, 2017.

In 2016, Inventiva agreed to make its premises and facilities available to a third company (Synthecob) for a 24-month period beginning on April 1, 2016. The contract was amended in 2017. The total future payment commitments received amounted to €58.7 thousand at December 31, 2017.

Commitments given

None.

2.4.7. Events after the reporting date

New BSA share warrant and bonus share award plans

On January 26, 2018, the Company's Board of Directors approved two bonus share award plans for certain Company employees:

- 10,000 bonus shares ("AGA 2018-1");
- 65,700 bonus shares ("AGA 2018-2").

These plans have the same characteristics as those approved by the Company's Board of Directors on April 18, 2017.

2.4.8. Related-party transactions

The table below sets out the compensation awarded to the members of the executive team that was recognized in expenses for the years ended December 31, 2017 and December 31, 2016.

In euros	2017	2016
Wages and salaries	522,763	560,731
Benefits in kind	41,618	39,574
Pension plan expenses	37,005	22,382
Share-based payments	-	-
TOTAL	601,386	622,687

In 2016, benefits in kind were also included in wages and salaries.

2.5. Notes to the balance sheet

2.5.1. Non-current assets

In euros	January 1, 2017	Acquisitions	Disposals/Reclassifications	December 31, 2017
Start-up and development costs	-	-	-	-
Other intangible assets	3,989,124	107,521	557,138	3,539,507
Intangible assets, gross	**3,989,124**	**107,521**	**557,138**	**3,539,507**
Land	172,000	-	-	172,000
Buildings on owned land	3,289,706	-	50,000	3,239,706
Buildings on land owned by third parties	-	-	-	-
Buildings, general facilities, fixtures and fittings	167,339	-	-	167,339
Technical facilities, equipment and tooling	4,197,985	91,968	22,461	4,267,492
General facilities, fixtures and fittings	432,642	8,742	-	441,384
Office and IT equipment and furniture	442,439	152,828	13,390	581,877
Property, plant and equipment in progress	2,600	66,970	2,600	66,970
Property, plant and equipment, gross	**8,704,711**	**320,508**	**88,451**	**8,936,768**
Advances and downpayments	-		-	-
Equity-accounted investments	-		-	-
Other equity investments	-		-	-
Receivables from equity investments	-		-	-
Other investment securities	-		-	-
Loans	-		-	-
Other non-current financial assets	385,953	544,402	301,490	628,865
Non-current financial assets	**385,953**	**544,402**	**301,490**	**628,865**
TOTAL	**13,079,788**	**972,431**	**947,080**	**13,105,139**

2.5.2. Depreciation and amortization

In euros	January 1, 2017	Additions	Reversals	December 31, 2017
Start-up and development costs	-	-	-	-
Other intangible assets	(1,358,686)	(374,734)	-	(1,733,420)
Amortization and impairment of intangible assets	**(1,358,686)**	**(374,734)**	**-**	**(1,733,420)**
Land	-	-	-	-
Buildings on owned land	(915,488)	(197,132)	23,447	(1,089,173)
Buildings on land owned by third parties	-	-	-	-
Buildings, general facilities, fixtures and fittings	(44,297)	(10,323)	-	(54,620)
Technical facilities, equipment and tooling	(2,236,718)	(391,556)	19,900	(2,608,373)
General facilities, fixtures and fittings	(286,038)	(58,032)	-	(344,070)
Vehicles	-	-	-	-
Office and IT equipment and furniture	(264,624)	(73,128)	13,390	(324,362)
Recoverable packaging and other	-	-	-	-
Depreciation and impairment of property, plant and equipment	**(3,747,164)**	**(730,172)**	**56,737**	**(4,420,599)**
TOTAL	**(5,105,850)**	**(1,104,906)**	**56,737**	**(6,154,018)**

2.5.3. Non-current financial assets. Liquidity agreement

	2017	2016
Cash account	103,155	
Securities account	288,678	
Impairment of securities account	(71,324)	
Total	320,510	-

2.5.4. Receivables and payables

	December 31, 2017		
Schedule of receivables	**Gross amount**	**1 year or less**	**More than 1 year**
Receivables from equity investments	-	-	-
Loans	-	-	-
Other non-current financial assets	628,865		628,865
Doubtful or disputed receivables		-	-
Other trade receivables	64,223	64,223	-
Receivables on loaned securities	-	-	-
Employee-related receivables	4,000	-	4,000
Recoverable payroll and other employee-related taxes	-	-	-
Income tax receivables	4,796,872	4,463,539	333,333
VAT receivables	1,072,078	1,072,078	-
Taxes, duties and similar levies receivable	-	-	-
Miscellaneous tax receivables	-	-	-
Group and associated company receivables	-	-	-
Other receivables	787,659	239,235	548,424
Sundry debtors	294,363	244,363	50,000
Prepaid expenses	1,309,130	1,298,059	11,071
Receivables	**8,957,190**	**7,381,497**	**1,575,693**
Loans granted during the year	-	-	-
Repayments collected during the year	-	-	-
Loans and advances granted to associated companies	-	-	-

December 31, 2017

Schedule of payables	Gross amount	1 year or less	Between 1 and 5 years	More than 5 years
Convertible bonds	-	-	-	-
Other bonds	-	-	-	-
Loans and borrowings originally due in 1 year or less	-	-	-	-
Loans and borrowings originally due after 1 year	364,301	144,369	219,933	-
Miscellaneous loans and borrowings	156,942	114,653	42,289	-
Trade and other payables	3,220,775	3,220,775	-	-
Employee-related payables	976,263	976,263	-	-
Accrued payroll and other employee-related taxes	937,166	937,166	-	-
Income tax payables	-	-		-
VAT payables	410,045	410,045	-	-
Guaranteed bond payables (French State)	-	-	-	-
Taxes, duties and similar levies payable	190,042	190,042	-	-
Amounts payable on non-current assets	-	-	-	-
Group and associated company payables	-	-	-	-
Other payables	2,163,317	2,163,317	-	-
Payables on borrowed securities	-	-	-	-
Deferred income	592,650	592,650	-	-
Liabilities	**9,011,501**	**8,749,279**	**262,222**	**-**
Loans taken out during the year	-			
Loans repaid during the year	142,624			
Loans taken out with associated companies	-			

2.5.5. Marketable securities

Movements in marketable securities in 2017 break down as follows:

Banks	Date of signature	Type of product	Term	January 1, 2017	Increase	Decrease	December 31, 2017
SG	October 12, 2015	Deposit account	indefinite	5,000,000	-	-	5,000,000
CA	June 7, 2017	UCITS	indefinite	-	4,047,973	-	4,047,973
CA	June 7, 2017	UCITS	indefinite	-	996,852	-	996,852
CA	November 24, 2016	Deposit account	12 months	8,372,000		(8,372,000)	-
CA	June 2, 2017	Deposit account	24 months	-	5,000,000		5,000,000
CIC	December 23, 2016	Deposit account	18 months	1,600,000	-	(1,600,000)	-
CIC	May 31, 2017	Deposit account	12 months	-	7,750,000	-	7,750,000
CIC	May 31, 2017	Deposit account	18 months	-	8,756,563	-	8,756,563
CIC	May 31, 2017	Deposit account	24 months	-	9,750,000	-	9,750,000
Total				**14,972,000**	**36,301,388**	**(9,972,000)**	**41,301,388**

2.5.6. Accrued income

In euros	December 31, 2017	December 31, 2016
Trade receivables not yet invoiced	-	-
Trade receivables	**-**	**-**
Payroll taxes	2,272	786
Supplier credit notes not yet received	47,251	56,893
Other receivables	**49,523**	**57,680**
Miscellaneous accrued income	-	2,566,000
Accrued interest receivable	22,274	18,059
Banks and financial institutions	**22,274**	**18,059**
Accrued income	**71,797**	**2,641,739**

2.5.7. Accrued expenses

In euros	December 31, 2017	December 31, 2016
Supplier invoices not yet received	431,358	511,025
Trade and other payables	**431,358**	**511,025**
Fixed-asset supplier invoices not yet received	-	243,640
Amounts payable on non-current assets	**-**	**243,640**
Paid annual leave provision	450,349	459,212
Provision for monthly rest allowance	8,573	-
Bonus provision	411,871	337,738
Profit-sharing obligations	105,470	241,072
Employee salaries payable	-	88,580
Paid annual leave tax provision	191,984	197,094
Provision for tax on monthly rest allowance	3,655	-
Accrued tax on salaries payable	300,573	231,854
Accrued expenses (French State)	166,178	165,850
Accrued taxes and employee-related expenses	**1,638,653**	**1,721,400**
Miscellaneous accrued expenses	-	21,664
Accrued credit notes and discounts/allowances	2,400	-
Accrued expenses – FASST clinical trials	562,017	465,604
Accrued expenses – NATIVE clinical trials	204,672	-
Accrued expenses – scientific research programs	1,137,085	402,994
Accrued general and administrative expenses	251,142	218,260
Accrued expenses – FASST clinical trials		
Other payables	**2,157,316**	**1,108,522**
Accrued interest payable	3,111	3,122
Accrued interest on short-term debt	**3,111**	**3,122**
Accrued expenses	**4,230,437**	**3,587,709**

2.5.8. Prepaid expenses and income

In euros	December 31, 2017	December 31, 2016
Prepaid operating expenses	1,309,130	1,502,507
Prepaid expenses	**1,309,130**	**1,502,507**

In euros	December 31, 2017	December 31, 2016
Deferred operating income	592,650	1,678,435
Deferred operating income	**592,650**	**1,678,435**
Deferred non-recurring income	-	2,886,427
Deferred non-recurring income	**-**	**2,886,427**
DEFERRED INCOME	**592,650**	**4,564,862**

The exceptional subsidy received under the Asset Purchase Agreement (APA) with AbbVie expired on August 27, 2017. Consequently, no deferred income with respect to the subsidy was recognized in 2017.

2.5.9. Statement of changes in shareholders' equity

In euros	Jan. 1, 2017	Increase	Decrease	Dec. 31, 2017
Paid-up share capital	100,300	64,145	-	164,445
Additional paid-in capital	-	48,876,273	(3,884,458)	44,991,815
BSA share warrants	1	104,130		104,131
Net income (loss) for the period	5,595,737	(10,135,461)	(5,595,737)	(10,135,461)
Legal reserve	39,020	-	-	39,020
Retained earnings	19,008,437	5,595,737	-	24,604,174
Equipment subsidy received	8,366,818	-	-	8,366,818
Subsidy taken to income statement	(3,649,892)	(512,178)	-	(4,162,070)
Shareholders' equity	**29,460,421**	**43,992,645**	**(9,480,195)**	**63,972,871**

2.5.10. Breakdown of share capital

Category	Number of shares			Par value
	At Dec. 31, 2017	Issued during the year	Redeemed during the year	
Ordinary shares	10,030,000	6,414,477		€0.01

2.5.11. Provisions for contingencies and losses

In euros	January 1, 2017	Increase	Decrease	December 31, 2017
Retirement benefits	695,015	170,979	-	865,994
Provision for tax contingencies	346,408	131,086	-	477,494
Provisions for contingencies and losses	**1,041,423**	**302,065**	**-**	**1,343,488**

2.5.12. Borrowings

In 2015, the Company was granted three loans:

- A loan from Crédit Agricole agreed on April 23, 2015 for €285 thousand at a fixed annual rate of 1.32% repayable in regular installments over a 60-month term. This pledge on this loan was released in 2017.
- A loan from CIC-Lyonnaise de Banque agreed on May 11, 2015 for €178.3 thousand at a fixed annual rate of 1.50% repayable in regular installments over a 60-month term.
- A loan from Société Générale agreed on June 30, 2015 for €254 thousand at a fixed annual rate of 0.90% repayable in regular installments over a 60-month term.

			Payments due during the period			**Balance outstanding at Dec. 31, 2017**			
Borrowing	Balance outstanding at Jan. 1, 2017	Loans agreed during the period	Total	Principal	Interest	Total	1 year or less	Between 1 and 5 years	More than 5 years
CA – €285,000	192,081		58,933	56,740	2,193	135,341	57,494	77,847	
CIC – €178,300	123,278		37,036	35,430	1,606	87,848	35,965	51,883	
SG – €254,000	191,567		51,971	50,454	1,516	141,113	50,910	90,203	
Other	117,556		2,903	2,903	0	114,653	114,653	0	
TOTAL	**624,482**	**0**	**150,843**	**145,528**	**5,316**	**478,954**	**259,022**	**219,932**	**0**

No new loan facilities were negotiated in 2017.
The caption “Other”, which corresponds to a guarantee agreement signed with Coface, was repaid in full in the first quarter of 2018.

2.6. Notes to the income statement

2.6.1. Breakdown of net revenue from sales

Sales by geographic market	**2017**	**2016**
United States	2,410,797	7,537,738
European Union	3,308,325	1,079,524
France	801,694	828,382
Rest of the world	-	-
TOTAL	**6,520,816**	**9,445,644**

Sales by type	**2017**	**2016**
AbbVie	2,410,797	7,524,738
Boehringer Ingelheim (BI)	3,308,325	1,000,008

Other sales related to research	533,421	736,479
Other (including leases)	268,273	184,419
TOTAL	**6,520,816**	**9,445,644**

See the paragraph concerning other significant events for a complete analysis of this entry.

2.6.2. Non-recurring income and expenses

Type of expense	**December 31, 2017**
Financing project fees	677,910
Penalties and fines	900
Carrying amount of disposed assets	29,114
Liquidity agreement penalties	26,205
Other non-recurring expenses	40,000
TOTAL	**774,129**

Type of income	**December 31, 2017**
Exceptional subsidy	9,071,627
Part of equipment subsidy taken to income statement	512,178
Asset disposal	262,500
Liquidity agreement premiums	18,038
TOTAL	**9,864,343**

2.6.3. Expense reclassifications

Type of reclassification	**Amount**
Benefits in kind	43,160
Insurance repayment	
French training tax organization (OPCA) rebilling	3,968
French employment center (*Pôle emploi*) subsidies	5,000
Apprentice bonus	2,000
Apgis health and personal risk insurance repayment	4,760
Miscellaneous	473
TOTAL	**58,415**

2.6.4. Subsidies received

R&D program subsidy	2017	2016
ANR	177,882	159,683
Eurostars	654,676	572,943
Other	-	-
TOTAL	**832,558**	**732,626**

2.6.5. Other purchases and external charges

	2 017	2 016
Energy (water, heating, etc.)	628,632	637,830
Laboratory disposables and delivery costs	2,095,362	2,520,583
General and administrative expenses for subcontracting	72,403	85,656
Leasing costs	55,491	52,718
Maintenance costs	1,816,980	1,815,226
Insurance (o/w clinical)	277,419	200,327
Scientific subcontracting (o/w patents)	13,484,072	9,072,021
Documentation costs	139,494	157,440
Outside staff and services	1,665,669	914,798
Hospitality, communication and travel costs	755,057	576,751
TOTAL	**20,990,580**	**16,033,348**

The significant variation in this entry of the income statement is due to the costs associated with scientific subcontracting and outside staff (professional fees). The difference in amounts between 2017 and 2016 was €4.4 million and €750.8 thousand respectively.

The difference in scientific subcontracting costs primarily reflects higher spending on studies for the lanifibranor and odiparcil projects in the development phase (see section on significant events).

The difference in fees primarily reflects costs incurred by the Company following its initial public offering, primarily legal fees, as well as additional expenses incurred in connection with the tax audit.

2.6.6. Average headcount

	Headcount	Employees	Seconded employees
12/31/2017	Management	47.62	
	Senior executives	2.00	
	Administrative staff	2.80	4.30
	Operational staff	2.00	3.70
	Supervisors and technicians	49.66	
	TOTAL	**104.08**	**8.00**

	Headcount	Employees	Seconded employees
12/31/2016	Management	46.26	
	Senior executives	2.00	
	Administrative staff	2.69	4.30
	Operational staff	2.00	3.70
	Supervisors and technicians	55.94	
	TOTAL	**108.89**	**8.00**

2.6.7. Breakdown of income tax

Breakdown	Income (loss) before tax	Tax due	Net income (loss) after tax
Recurring income (loss)	(23,979,104)	4,753,429	(19,225,675)
Net non-recurring income	9,090,214	-	9,090,214
TOTAL	**(14,888,890)**	**4,753,429**	**(10,135,461)**

2.6.8. Breakdown of corporate income tax and tax credits

Income tax	2017	2016
Corporate income tax (o/w sponsorship tax credit)	1,853	(576,101)
CIR research tax credit	4,277,477	4,154,865
CICE research tax credit	140,766	134,691
Tax loss carry backs	333,333	-
TOTAL	4,753,429	3,713,455

2.6.9. Statutory Auditors' fees

	2017	%	2016	%
Audit services				
- Issuer	126,040	*46%*	132,000	*38%*
- Fully consolidated subsidiaries				
Subtotal	126,040	*46%*	132,000	*38%*
Non-audit services(1)				
- Issuer	77,210	*12%*	215,000	*62%*
- Fully consolidated subsidiaries				
Subtotal	77,210	*12%*	215,000	*62%*
Total	**203,250**	***59%***	**347,000**	***100%***

(1) The non-audit services provided by the Statutory Auditors to the Company include:
- Certification relating to environmental, labor and societal data.
- Certification relating to R&D expenditure.
- Audited annual financial statements prepared in accordance with IFRS.

7.1.3 Statutory Auditors' report on the Financial Statements

This is a free translation into English of the Statutory Auditor's Report on the Financial Statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This Statutory Auditor's report includes information required by European regulation and French law, such as information about the appointment of the statutory auditor or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

For the Year Ended December 31, 2017

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Inventiva S.A. for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014 or in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

Observation

Without calling into question the opinion given above, we draw your attention to the following matter described in Note 2.2 to the financial statements "Accounting policies and methods" concerning the new Accounting standards board (ANC) regulation N° 2015-05 of July 2, 2015 relating to unhedged foreign currency transactions, applicable as of January 1, 2017.

Justification of assessments - Key audit matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Tax Risks Relating to the Ongoing Tax Audit

Notes 2.1 and 2.5.11 to the financial statements.

Key Audit Matter

Inventiva is in dispute with the French tax authorities on the following matters:

- the classification of the subsidy granted in 2012 by Laboratoires Fournier S.A. "LFSA" (Abbott Group) under the Asset Purchase Agreement as a non-recurring item, and the resulting impact on payroll taxes for 2013-2015;
- their disagreement with certain items used to calculate the research tax credit for financial years 2013-2015.

With regard to the first matter, the net tax adjustment amounts to €1.8 million, excluding penalties and late payment interest. The Company has challenged this adjustment in full. Moreover, pursuant to the terms of an Additional Agreement appended to the Asset Purchase Agreement, LFSA has undertaken to reimburse the Company a maximum amount of €2 million (subject to the conditions set out in the agreement) for all claims by the French tax authorities relating to the accounting treatment of the subsidy granted by LFSA. This guarantee covers the entire five-year payment period (2012-2017). Consequently, no provision was recognized in the Company's balance sheet at December 31, 2017.

With regard to the second matter, the net tax adjustment amounts to €1.8 million, excluding penalties and late payment interest. The Company has challenged this adjustment in part, and recognized a provision of €346 thousand at December 31, 2016.

In 2017, an additional provision of €131 thousand was recognized following a new estimate by Management, resulting in the recognition of an aggregate provision of €477 thousand in the Company's balance sheet at December 31, 2017.

In view of the Company's exposure pursuant to the tax audit and the judgment exercised by Management in estimating risks and recorded amounts, we considered that the measurement of tax risks relating to the ongoing tax audit was a key audit matter.

Audit response

We assessed the reasonableness of the estimates made by Management to determine the amount of tax risk provisions in connection with the tax audit being conducted by the French tax authorities.

Our work consisted in:

- conducting interviews with Management to assess the current status of the investigations and adjustments notified by the French tax authorities;
- reviewing recent correspondence between the Company and the French tax authorities;
- reviewing the correspondence on this matter between the Company and its lawyers;
- analyzing the information on the ongoing proceedings and their probable financial consequences, provided to us by the Company's lawyers in response to our confirmation requests;
- reviewing Management's estimates and positions.

We also assessed the appropriateness of the disclosures made in Notes 2.1 and 2.5.11 to the financial statements.

Recognition of revenue from partnerships with AbbVie and Boehringer Ingelheim

Notes 2.1 and 2.3.8 to the financial statements

Key Audit Matter

As part of its Research & Development business, the Company has entered into two significant partnership agreements:

- In May 2016, Inventiva entered into a multi-year license and research and development partnership agreement with Boehringer Ingelheim ("BI"). The aim of this agreement is to use Inventiva's technology and expertise to develop new treatments for fibrotic diseases. In return for its research services, Inventiva will be eligible for milestone payments throughout the clinical development and marketing phases, as described in Note 2.1. In September 2017, BI exercised its option to jointly develop new treatments for idiopathic pulmonary fibrosis, triggering a milestone payment of €2.5 million, which was recognized as revenue in 2017 using the revenue recognition method described in Note 2.3.8;
- in September 2017, Inventiva and AbbVie signed a new partnership agreement to discover and develop new RORγ antagonists. In return for its research services, Inventiva will be eligible for milestone payments throughout the clinical development and marketing phases, as well as royalties on sales, as described in Note 2.1.

We considered that the recognition of revenue from these partnership agreements was a key audit matter due to their complexity and materiality in the Company's financial statements.

Audit response

Our audit procedures regarding revenue recognition for these two agreements consisted in:

- Reviewing the procedures implemented by the Company and testing the key controls identified, in particular those regarding the provision and billing of contractual research services;
- Analyzing contractual terms and conditions to corroborate the applicable accounting treatment;
- Assessing whether billed services were properly accounted for, based on their type;
- Assessing whether the accounting treatment used complies with French accounting rules and industry practices.

We also assessed the appropriateness of the disclosures made in Notes 2.1 and 2.3.8 to the annual financial statements.

Measurement of research tax credit income for financial year 2017

Note 2.4.4 to the annual financial statements

Key Audit Matter

The Company has been eligible for the French research tax credit since its first fiscal year. As the Company meets the EU definition of an SME, it is eligible for early payment of its research tax credit.

In 2017, as indicated in Note 2.4.4, the Company received €3.7 million (after deduction of the related income tax due) in research tax credit for R&D expenses incurred in 2016. In 2018, the Company will apply for early payment of a research tax credit of €4.2 million for R&D expenses incurred in 2017 in accordance with current EU guidelines on aid for SMEs.

In view of the materiality of research tax credits in the Company's financial resources, we considered the measurement of research tax credit income for 2017 to be a key audit matter.

Audit response

Our audit procedures regarding the measurement of research tax credit income for 2017 consisted in:

- reviewing the procedures implemented by the Company to measure the research tax credit amount and testing the key controls identified, in particular those concerning R&D project eligibility, compliance with the criteria for determining qualifying internal costs, and identification of regulatory approvals for research service providers;

- reviewing the reports obtained by the Company from its experts to ensure that its research tax credit complies with applicable tax rules;

- analyzing the criteria used by the Company to measure the amount of its research tax credit for 2017, in particular those concerning the eligibility of R&D projects and measurement of qualifying internal costs.

We also assessed the appropriateness of the disclosures made in Note 2.4.4 and 2.6.8 to the financial statements.

Verification of the Management Report and of the Other Documents Provided to Shareholders

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the Management Report and in the other documents addressed to the shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

Corporate governance report

We have verified that the Board of Directors' report on corporate governance contains the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to compensation and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Other disclosures

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditor of Inventiva S.A. by the annual general meeting held on August 23, 2012.

As at December 31, 2017, we were in the 6th year of total uninterrupted engagement, which is the first year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters. We describe these matters in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditor

Paris, La Défense, March 6, 2018
KPMG Audit
Division of KPMG S.A.

Jean Gatinaud
Partner

7.1.4 Performance and other related items over the previous five years

	2012	2013	2014	2015	2016	2017
I. Financial position at the year-end						
a) Share capital	101,300	101,300	101,300	101,300	101,300	164,445
b) Number of shares issued	100,300	0	0	0	0	5,706,577
c) Number of bonds convertible into shares	0	0	0	0	0	0
II. Comprehensive income from current operations						
a) Revenue before taxes	1,015,741	3,064,514	3,282,921	4,874,666	9,445,644	6,520,816
b) Earnings/profit before taxes, amortization and provisions	4,212,529	8,059,985	5,879,513	3,143,041	3,368,361	(13,652,900)
c) Income tax	2,985,890	(82,465)	(1,828,083)	(3,138,469)	(3,713,455)	(4,753,429)
d) Earnings/profit after taxes, amortization and provisions	780,392	6,958,132	6,501,852	5,144,194	5,595,737	(10,135,461)
e) Earnings/profit distributed	0	0	0	0	0	0
III. Per share data						
a) Earnings/profit after taxes, but before amortization and provisions	12	81	77	63	71	(2)
b) Earnings/profit after taxes, amortization and provisions	8	69	65	51	56	(2)
c) Dividend per share	0	0	0	0	0	0
IV. Employees						
a) Number of employees	82	92	104	106	108	109
b) Personnel costs	1,823,758	5,256,852	5,610,552	6,047,174	6,366,574	6,357,485
c) Employee benefits (social security, social welfare, etc.)	530,541	2,091,324	2,266,438	2,289,612	2,402,354	2,518,217

7.1.5 Information on customer and supplier payments

Breakdown of trade payables by due date:

	Item	Due	At 30 days	Between 30 and 60 days	More than 60 days	TOTAL
12/31/2017	Suppliers	304,125	2,553,368	222,327	-	2,471,570
	Supplier - Invoices not yet received	-	431,358	-	-	431,358
	TOTAL	304,125	2,984,726	222,327	-	3,511,178

			Not due			
	Item	Due	At 30 days	Between 30 and 60 days	More than 60 days	TOTAL
12/31/2017	Suppliers	262,649	2,038,222	141,148	-	2,442,019
	Supplier - Invoices not yet received	-	511,025	-	-	511,025
	TOTAL	262,649	2,549,247	141,148	-	2,953,044

The two tables below show a breakdown of unpaid incoming invoices as at December 31, 2017 that are past due:

Trade payables

	Unpaid incoming invoices that are past due on the date of closing					
	Number	Amount in euros, net of tax	30 days late	60 days late	90 days late	Over 90 days late
Invoice	1	7,875	0	7,875	0	0
Total purchasing for the year, net of tax		20,889,496	20,889,496	20,889,496	20,889,496	20,889,496
%	**1**	**0.04%**	**0.00%**	**0.04%**	**0.00%**	**0.00%**

The two tables below show a breakdown of unpaid outgoing invoices as at December 31, 2017 that are past due:

Trade receivables

	Unpaid incoming invoices that are past due on the date of closing					
	Number	Amount in euros, net of tax	30 days late	60 days late	over 60 days late	Over 90 days late
Invoice	1	36	36	0	0	0
Total revenue for the year, net of tax		6,520,816	6,520,816	6,520,816	6,520,816	6,520,816
%	**1**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

7.2 Report on related-party agreements

Statutory Auditors' Report on Related Party Agreements and Commitments

Annual General Meeting held to approve the financial statements for the year ended December 31, 2017.

This is a free translation into English of the Statutory Auditor's Report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

As Statutory Auditor of your Company, we hereby report to you on related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons why they benefit the Company. It is not our role to determine whether they are beneficial or appropriate, or to ascertain whether any other related party agreements exist. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the merit of these agreements with a view to approving them.

In addition, it is our responsibility to inform you, pursuant to Article R.225-31 of the French Commercial Code, of any agreements and commitments that continued to apply during the year, which were approved at previous Annual General Meetings.

We conducted the work we deemed necessary in accordance with the professional standards issued by the French institute of statutory auditors relating to this engagement. Our work involved verifying that the information provided to us was consistent with the source documents from which it was derived.

RELATED PARTY AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL AT THE ANNUAL GENERAL MEETING

Agreements and commitments authorized during the financial year

In accordance with Article L.225-38 of the French Commercial Code, we hereby inform you that we were not advised of any related party agreements and commitments authorized during the year that were submitted for approval at the Annual General Meeting.

RELATED PARTY AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED AT THE ANNUAL GENERAL MEETING

Agreements and commitments approved during previous financial years which continued to apply during the financial year

In accordance with Article R.225-30 of the French Commercial Code, we have been informed of the following related party agreements and commitments, which were approved at the Annual General Meeting in previous years and continued to apply in financial year 2017.

Executive unemployment insurance agreement:

- Person concerned: Mr Frédéric Cren, Chairman of the Board of Directors and Chief Executive Officer;
- Agreement authorized at the Annual General Meeting of June 18, 2013;
- Nature, purpose, terms and conditions: executive unemployment insurance agreement of July 27, 2012 with effect as of September 1, 2012. Agreement allowing the Chairman and Chief Executive Officer to receive an indemnity in the event of termination of his corporate office. This agreement may not be terminated before Mr Frédéric Cren's term of office as Chairman and CEO expires;
- The benefit for Inventiva S.A. is to ensure that the Chairman and CEO remains with the Company by guaranteeing him an indemnity in the event of termination of his corporate office.

Agreements and commitments approved and implemented during the financial year

In addition, we have been informed of the following agreements and commitments approved at the Annual General Meeting of May 29, 2017 based on the Statutory Auditor's Report on Related Party Agreements and Commitments of April 21, 2017, and implemented in financial year 2017.

- *Executive unemployment insurance agreement*

- Person concerned: Mr Pierre Broqua, Deputy General Manager and company director;
- Nature, purpose, terms and conditions: your Board of Directors, at their meeting on March 22, 2017, authorized the Chairman to take out an "Executive Unemployment Insurance" policy for the benefit of Mr Pierre Broqua, Deputy General Manager, in the event of termination of his corporate office;
- The benefit for Inventiva S.A. is to ensure that the Deputy General Manager remains with the Company by guaranteeing him an indemnity in the event of termination of his corporate office.

Paris, La Défense, March 6, 2018

KPMG Audit
Division of KPMG S.A.
Jean Gatinaud

Partner

7.3 Proposed resolutions on financial authorizations to be submitted for approval at the Annual General Meeting to be held on May 28, 2018

The resolutions to be submitted to the Annual General Meeting of May 28, 2018 are summarized below:

Resolutions submitted to the Annual General Meeting of May 28, 2018	*Resolution*	*Term of validity from May 28, 2018*	*Maximum nominal amount*	*Common maximum nominal amount*	*Method of calculating the issue price*
Delegation of authority to the Board of Directors to carry out the capital increase with pre-emptive subscription rights through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2, L.225-132 to L.225-134), and the provisions of Articles L.228-91 *et seq.* of the French Commercial Code	Sixteenth resolution	26 months	Capital increase: €130,000 Debt securities granting access to capital to be issued: €80,000,000	Capital increase: €130,000 Debt securities granting access to capital to be issued: €80,000,000	
Delegation of authority to the Board of Directors to carry out the capital increase without pre-emptive subscription rights through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company during public offerings, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2, L.225-135 and L.225-136), and the provisions of Articles L.228-91 *et seq.* of the French Commercial Code	Seventeenth resolution	26 months	Capital increase: €110,000 Debt securities granting access to capital to be issued: €80,000,000		Refer to (1) below

Resolutions submitted to the Annual General Meeting of May 28, 2018	***Resolution***	***Term of validity from May 28, 2018***	***Maximum nominal amount***	***Common maximum nominal amount***	***Method of calculating the issue price***
Delegation of authority to the Board of Directors to carry out the capital increase without pre-emptive subscription rights through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, through private placements referred to in Article L. 411-2-II of the French Monetary and Financial Code, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2, L.225-135 and L.225-136), and the provisions of Articles L.228-91 *et seq.* of the French Commercial Code	Eighteenth resolution	26 months	Capital increase: €110,000 and up to a limit of 20% of the share capital per year Debt securities granting access to capital to be issued: €80,000,000		Refer to (1) below
Authorization for the Board of Directors to set the issue price for issues without pre-emptive subscription rights through public offerings or private placements, in accordance with the terms and conditions set by the Annual General Meeting and up to a limit of 10% of the share capital in compliance with the provisions of Article L.225-136 of the French Commercial Code	Nineteenth resolution	26 months	10% of the share capital per 12-month period as from May 28, 2018		Refer to (2) below

Resolutions submitted to the Annual General Meeting of May 28, 2018	***Resolution***	***Term of validity from May 28, 2018***	***Maximum nominal amount***	***Common maximum nominal amount***	***Method of calculating the issue price***
Delegation of authority to the Board of Directors to decide to issue ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, with the cancellation of pre-emptive subscription rights in favor of specified categories of beneficiaries, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2, L.225-129-4, L.225-135 and L.225-138), and the provisions of Articles L.228-91 *et seq.* of the French Commercial Code	Twentieth resolution	18 months	Capital increase: €110,000 Debt securities granting access to capital to be issued: €80,000,000		Refer to (3) below
Authorization for the Board of Directors to increase the number of securities issued in the case of a capital increase with or without pre-emptive subscription rights, in compliance with the provisions of Articles L. 225-135-1 and R.225-118 of the French Commercial Code	Twenty-first resolution	26 months (unless the authorization is used in connection with the twentieth resolution, in which case it is valid for a period of 18 months)	15% of the original issue		Same price as the original issue price

Resolutions submitted to the Annual General Meeting of May 28, 2018	***Resolution***	***Term of validity from May 28, 2018***	***Maximum nominal amount***	***Common maximum nominal amount***	***Method of calculating the issue price***
Delegation of authority to the Board of Directors to carry out the capital increase as part of a public exchange offering launched by the Company through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2 and L.225-148), and the provisions of Articles L.228-91 *et seq.* of the French Commercial Code	Twenty-second resolution	26 months	Capital increase: €110,000 Debt securities granting access to capital to be issued: €80,000,000		
Delegation of authority to the Board of Directors to carry out capital increases of up to a maximum of 10% of the share capital in compensation for contributions in kind, except in the case of a public exchange offering launched by the Company, through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2 and L.225-147), and the provisions of Articles L.228-91 *et seq.* of the French Commercial Code	Twenty-third resolution	26 months (unless the authorization is used in connection with the twentieth resolution, in which case it is valid for a period of 18 months)	Capital increase: 10% of the share capital Debt securities granting access to capital to be issued: €30,000,000		

Resolutions submitted to the Annual General Meeting of May 28, 2018	***Resolution***	***Term of validity from May 28, 2018***	***Maximum nominal amount***	***Common maximum nominal amount***	***Method of calculating the issue price***
Authorization for the Board of Directors to carry out capital increases by issuing ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company reserved for members of a Company employee savings plan implemented by the Company in accordance with Articles L. 3332-18 *et seq.* of the French Labor Code, without pre-emptive subscription rights, in compliance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code (particularly Articles L.225-129-2, L.225-129-6 and L.225-138-1), and the provisions of Articles L.3332-18 *et seq.* of the French Labor Code	Twenty-fourth resolution	26 months	Capital increase: €3,000	Capital increase: €130,000	Refer to (4) below
Delegation of authority to the Board of Directors to carry out capital increases through the incorporation of reserves, profits or premiums, in compliance with the provisions of Articles L.225-129-2 and L.225-130 of the French Commercial Code	Twenty-fifth resolution	26 months	Capital increase: €20,000		
Authorization for the Board of Directors to award bonus shares to employees and/or certain corporate officers, in compliance with the provisions of Articles L.225-197-1 and L.225-197-2 of the French Commercial Code	Twenty-sixth resolution	38 months	Capital increase: 5% of the share capital on the date the Board of Directors decides to award the shares	Capital increase: €130,000	

Resolutions submitted to the Annual General Meeting of May 28, 2018	***Resolution***	***Term of validity from May 28, 2018***	***Maximum nominal amount***	***Common maximum nominal amount***	***Method of calculating the issue price***
Authorization for the Board of Directors to grant Company share subscription and/or purchase options to corporate officers and employees of the Company or the Company's group, which entails the shareholders' waiver of their pre-emptive subscription rights to shares issued when the options are exercised, in compliance with the provisions of Articles L.225-177 *et seq*. of the French Commercial Code	Twenty-seventh resolution	38 months	Capital increase: 5% of the share capital on the date the Board of Directors decides to award the shares		Refer to (4) below
Delegation of authority to the Board of Directors to decide to issue ordinary share warrants, with the cancellation of pre-emptive subscription rights in favor of a specific category of persons	Twenty-eighth resolution	18 months	600,000 ordinary share warrants Capital increase: €6,000		Refer to (5) below
Delegation of authority to the Board of Directors to decide to issue BSPCE share warrants, with the cancellation of pre-emptive subscription rights in favor of Company employees or executives or a company in which the Company holds at least 75% of the share capital or voting rights, in accordance with the provisions of Articles L.225-138, L.225-129-2, L.228-91 *et seq*. of the French Commercial Code	Twenty-ninth resolution	18 months	600,000 BSPCE share warrants Capital increase: €6,000		Refer to (6) below

(1) *The issue price will be determined as follows: (i) the issue price of the shares issued under this resolution shall be at least equal to the minimum price authorized by laws and regulations in force (to date, the weighted average price over the last three trading days on the regulated Euronext Paris market before the capital increase subscription price is set, with the possible application of a discount of up to 5%), and (ii) the issue price of the transferable securities other than shares issued under this resolution will be such that the amount immediately received by the Company plus any amount that may be received by the Company at a later stage is, for each share issued as a result of the issue of these transferable securities, at least equal to the amount referred to in (i) above.*

(2) *The Annual General Meeting of May 28, 2017 will be asked to delegate authority to the Board of Directors to set the issue price of the securities in accordance with the following conditions: (a) the issue price may not be less than the volume-weighted average share price over the last three trading days on the regulated Euronext Paris market before the issue price is set, with the possible application of a discount of up to 20%, and (b) the issue price of the transferable securities other than shares will be such that the amount immediately received by the Company plus any amount that may be*

received by the Company at a later stage is, for each share issued as a result of the issue of these transferable securities, at least equal to the amount referred to in (a) above.

(3) *(i) the issue price of ordinary shares issued under this resolution will be set by the Board of Directors, in accordance with the provisions of Articles L. 225-138-II and R. 225-114 of the French Commercial Code and may not be less than the volume-weighted average price during the three trading day on the regulated Euronext Paris market before the issue price is set, with the possible application of a discount of up to 20%, and (ii) the issue price of the transferable securities other than shares issued under this resolution will be such that the amount immediately received by the Company plus any amount that may be received by the Company at a later stage is, for each share issued as a result of the issue of these transferable securities, at least equal to the amount referred to in (i) above.*

(4) *The exercise price of options granted under this resolution will be set by the Board of Directors in accordance with the following conditions: (i) the exercise price of ordinary share subscription options may not be lower than 80% of the average trading price of the Company's shares on the regulated Euronext Paris market over the 20 trading days prior to the day the options are granted, and (ii) the exercise price of share purchase options may not be lower than 80% of the average purchase price of the shares held by the Company in accordance with Article L. 225-208 of the French Commercial Code, or, if applicable, the share redemption program authorized by the fourteenth resolution submitted to this meeting under Article L. 225-209 of the French Commercial Code or any share redemption program applicable before or after.*

(5) *The issue price of the BSPCE 2018 share warrants will be determined by the Board of Directors on the day they are issued and in accordance with their characteristics, and shall be, in any case, at least equal to 8% of the market value of the Company's ordinary shares on the date the BSPCE 2018 share warrants are awarded, market value being equal to the weighted average price over the last 20 trading days before the BSPCE 2018 share warrants are awarded by the Board of Directors, provided that the Company's shares are admitted for trading on a regulated market or stock exchange.*

(6) *The subscription price is determined by the Board of Directors on the date the BSPCE 2018 share warrants are awarded and, provided that the Company's shares are admitted for trading on a regulated market shall be at least equal to the highest of the following values: (i) the average weighted price over the last 20 trading days before the BSPCE 2018 share warrants are awarded by the Board of Directors, or (ii) if one or several capital increases were carried out in less than six months before the Board of Directors' decision to award the BSPCE 2018 share warrants, the subscription price of an ordinary share under the most recent of these capital increases, as calculated on the date each BSPCE 2018 share warrant is awarded. It is specified that, to determine the subscription price of each ordinary share on exercise of a BSPCE 2018 share warrant, the Board of Directors will not take into account any capital increases resulting from the exercise of BSPCE share warrants, share warrants, share subscription options or bonus shares.*

Glossary

Adenoidectomy: an adenoidectomy is the surgical removal of the adenoids.

Adipocyte: a cell that stores fat.

Adipokine: cytokines that are synthetized and secreted by fatty tissue; they can have pro-inflammatory or anti-inflammatory properties.

ADME: set of technologies that can measure absorption, distribution, metabolism and excretion of molecules.

Agonist: a synthetic molecule that mimics the effect of an endogenous ligand.

a-synuclein: a protein in the human brain which is involved in the pathophysiology of Parkinson's disease.

Antiproliferative: prevents or blocks the cell proliferation.

Bariatric surgery: a type of surgery that involves restricting the absorption of food thus decreasing daily calorie intake. It is a surgical treatment for obesity.

B-Crosslaps (CTX): a marker of bone remodeling, its increase indicates excessive bone destruction.

BLP: Best Laboratory Practices.

B lymphocytes (or B cells): a specific type of white blood cells forming part of lymphocytes. They are responsible for humoral immunity and produce immunoglobulins called antibodies.

CB2 receptors: act as antagonists of G protein receptors and seem to be responsible for the anti-inflammatory effect.

Chondroitin sulphate: a sulphated glycosaminoglycan (GAG) composed of a chain of alternating sugars (N-acetylgalactosamine and glucuronic acid). It is usually found attached to proteins as part of a proteoglycan. Chondroitin sulphate is an important structural component of cartilage and provides much of its resistance to compression.

Chromosomal translocation: chromosome abnormality caused by rearrangement of chromosome material between nonhomologous chromosomes.

CPK (creatine phosphokinase): an enzyme whose presence in the blood helps to diagnose muscle, cardiac or brain damage, essentially and independently from its etiology (cause) including myopathies, myocardial infarction, cerebrovascular accidents accompanied by destruction of brain tissue (brain necrosis).

Cytokine: a broad category of small proteins which are important in cell signaling.

Dermatan sulphate: a sulphated glycosaminoglycan (GAG) composed of a chain of alternating sugars (N-acetylgalactosamine and glucuronic acid). It is usually found attached to proteins as part of a proteoglycan, found mostly in skin, but also in blood vessels, heart valves, tendons and lungs.

Dyslipidemia: a qualitative or quantitative anomaly of one or more plasma lipid(s): total cholesterol (TC) and its fractions, HDL, LDL-cholesterol (LDL-c) and triglycerides (TG). Several of these anomalies are linked to cardiovascular risk.

Dysostosis: very rare serious congenital malformation of one or more bones.

Epigenetic modulation: a dynamic reversible process which creates normal cellular phenotypes but also contributes to the appearance of diseases. Epigenetic factors are involved in all cancer types, in

inflammatory or auto-immune diseases, and have been recognized over the years as being highly promising targets in the area of drug development.

Fibroblast: a type of cell responsible for making the extracellular matrix and collagen. Together, this extracellular matrix and collagen form the structural framework of tissues in animals and plays an important role in tissue repair.

Fibrosis: the formation of excess fibrous connective tissue in an organ or tissue, in a reparative or reactive process. This can be a reactive, benign or pathological state. Physiologically, fibrosis acts to deposit connective tissue, which can obliterate the architecture and function of the underlying organ or tissue.

GMP: Good Manufacturing Practice.

HDL or "good cholesterol": a high-density lipoprotein (substance formed of lipids and proteins). Insofar as it is involved in the elimination of cholesterol, it is also called "good cholesterol", because an increased presence is considered to be a factor in the protection against cardiovascular risk.

Hematopoietic stem cells: cells produced in the bone marrow and make different blood cells: red blood cells, white blood cells and platelets.

Hepatosplenomegaly: simultaneous enlargement of both the liver (hepatomegaly) and the spleen (splenomegaly).

HOMA: Homeostasic Model Assessment of insulin resistance is a method used to quantify insulin resistance.

Insulin resistance: generally considered to be a pathological state in which cells do not respond to the normal action of the hormone insulin. The body produces insulin. When the body produces insulin in insulin resistance conditions, the body's cells are resistant to insulin and incapable of using it effectively, which causes high blood sugar levels.

IPF: Interstitialpulmonary fibrosis.

IVA336: odiparcil.

IVA337: lanifibranor.

Ligand: a biological molecule that binds to a protein and activates it.

Lipogenic enzymes: hepatic enzymes responsible for the synthesis of triglycerides.

LTS or Leukotrienes: molecules that contribute to inflammation and insulin resistance.

Lysosomes: intracelleular spherical vesicles which contain hydrolytic enzymes that can break down virtually all kinds of biomolecules, including proteins, nucleic acids, carbohydrates, lipids and cellular debris.

MA: marketing approval.

Mucopolysaccharide or GAG: Glycosaminoglycans or mucopolysaccharides are long unbranched polysaccharides consisting of a repeating disaccharide unit. The repeating unit (except for keratan) consists of an amino sugar (N-acetylglucosamine or N-acetylgalactosamine) along with a uronic sugar (glucuronic acid or iduronic acid) or galactose. Glycosaminoglycans are highly polar and attract water. They are therefore useful to the body as a lubricant or as a shock absorber.

Myofibroblasts: fibroblasts with the feature that they express the actin α-SMA. They play an important role in cell plasticity, migration and motility within connective tissue. Fibroblasts become myofibroblasts as a result of changes in the surrounding tensions. These cells play a vital role in healing by allowing the wound to contract and producing a temporary extracellular matrix.

Myringotomy: a surgical procedure to make an opening to evacuate liquid.

NSD2: epigenetic enzyme that controls methylation of lysine 39 at histone 3.

Nuclear receptors: a class of proteins found within cells that are responsible for reading genes in response to external stimuli. These receptors work with other proteins to regulate the expression of specific genes, thereby controlling the homeostasis of the organism.

Oncogenesis: all of the factors and mechanisms behind cancers or malignant tumors.

panPPAR agoniste: peroxisome proliferator-activated receptors (PPARs) are a group of nuclear receptors that function as transcription factors regulating the expression of genes. A panPPAR agonist is a molecule that can activate the three sub-types of PPAR: PPARα, PPARδ and PPARγ.

PK/PD study: a clinical pharmacology study which studies the pharmacokinetic/pharmacodynamic (PK/PD) ratio of the drug so that the plasma concentration of the drug can be adjusted according to its efficacy and/or toxicity.

Proteoglycans: the combination of a protein and a GAG.

Raynaud's disease or Raynaud's phenomenon: excessively reduced blood flow in response to cold or emotional stress, causing discoloration of the fingers, toes, and occasionally other areas. When the disorder's cause is idiopathic, it is referred to as Raynaud's disease (also called primary Raynaud's); if the syndrome is secondary to another disease such as systemic sclerosis, Scleroderma, or other connective tissue disorders, it is correctly referred to as Raynaud's phenomenon (secondary Raynaud's).

RORγ: Nuclear receptor controlling the differentiation of Th17 cells and the secretion of the inflammatory cytokines IL17A, IL17F and IL22.

Systemic sclerosis (or scleroderma): an autoimmune disease of the connective tissue. It is characterized by thickening of the skin caused by accumulation of collagen, and by injuries to small arteries. There are two forms of the disease that overlap. Limited cutaneous scleroderma affects only the face, hands, and feet. Diffuse cutaneous scleroderma covers more of the skin and may progress to visceral organs, including the kidneys, heart, lungs, and gastrointestinal tract.

Transcription factors: a class of proteins found in the nucleus of cells which have the capacity to bind themselves directly to DNA and to regulate the expression of adjacent genes.

Transforming Growth factor-β: a family of multifunctional cytokines which regulate cell growth and differentiation.

T lymphocytes: a type of lymphocyte (type of white blood cell) that plays a central role in cellular mediated immunity.

YAP/TEAD: two transcription factors which are Hippo pathway effectors and which combine in the nucleus of the cell to regulate the genes responsible for cell proliferation and death.

8 Cross-reference tables

8.1 Registration Document cross-reference table

The table below cross-references the key headings set out in Appendix 1 of Commission Regulation (EC) no. 809/2004 of April 29, 2004 (the "Regulation") with the sections and, where applicable, the sub-sections of this Registration Document that contain the relevant information.

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8.2 Management Report cross-reference table presented to the Annual General Meeting

This Registration Document includes all of the items of the Management Report of the Company's Board of Directors, as required by Articles L. 225-100 *et seq.* and Article L. 232-1II of the French Commercial Code. The table indicates the sections in this Registration Document that correspond to the various parts of the Management Report, as published by the Company's Board of Directors.

This Registration Document also includes the Company's annual financial report. The cross-reference table below makes the Registration Document easier to read in that it identifies the information included in the annual financial report, which listed companies are required to publish in accordance with Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Article 222-3 of the General Regulation of the AMF.

Headings	Information in the AFR	Section
1. COMPANY FINANCIAL STATEMENTS – FRENCH GAAP	**AFR**	**7.1.2**
2. Statutory Auditor's report on the Company financial statements prepared in accordance with French GAAP	**AFR**	**7.1.3**
3. COMPANY FINANCIAL STATEMENTS – IFRS	**AFR**	**4**
4. Statutory Auditor's report on the Company financial statements prepared in accordance with IFRS	**AFR**	**4.7**
5. Statement of the persons responsible for the annual financial report	**AFR**	**6.4**
6. MANAGEMENT REPORT		
6.1. Information about the Company's activities		

Summary of the Company's activities (in particular, progress achieved and difficulties encountered) and performance, as well as the performance of the Company, each subsidiary and the Group *Art. L. 232-1, L. 233-6, R. 225-102 and/or L. 233-6, L. 233-26 of the French Commercial Code*		7.1.1
Analysis of changes in the business, performance, financial position and, in particular, debt, of the Company and the Group *Art. L. 233-26, L. 225-100-1, paragraph 1 of the French Commercial Code*	AFR	4.1 – 4.4
Forecast changes in the Company and/or the Group *Art. L. 232-1, R. 225-102 and/or L. 233-26, R. 225-102 of the French Commercial Code*		4.5
Key financial and non-financial performance indicators relating to the Company's specific business, such as information about environmental and personnel issues. *Art. L. 225-100-1 and L. 223-26 of the French Commercial Code*	AFR	5.1 – 5.2
Events after the reporting date in respect of the Company and the Group. *Art. L. 232-1 and/or L. 233-26 of the French Commercial Code*		4.5
Information about the use of financial instruments, including the financial, price, credit, liquidity and treasury risks to which the Company and Group are exposed. *Art. L. 225-100-1 and L. 223-26 of the French Commercial Code*	AFR	2.1.4
Main risks and uncertainties to which the Company and Group are exposed. Information about the financial risks related to the effects of climate change and description of the measures taken by the Company to mitigate such risks by implementing a low-carbon strategy in all components of its business. *Art. L. 225-100-1, paragraphs 3 and 4, of the French Commercial Code*	AFR	2.1
Information about the Company and the Group's R&D. *Art. L. 232-1 and/or L. 233-26 of the French Commercial Code*		1.1 and 1.2

Summary of the internal control and risk management procedures implemented by the Company regarding the preparation and processing of accounting and financial information. *Art. L. 225-100-1, paragraph 5, of the French Commercial Code*		2.2
6.2. Information about the Company's legal, financial and tax position		
Share ownership structure and changes in share ownership structure. *Art. L. 233-13 of the French Commercial Code*		6.1.2
Name of the controlled companies that own treasury shares of the Company and the percentage of capital owned. *Art. L. 233-13 of the French Commercial Code*		N/A
Significant equity interests in 2017 in companies whose registered office is located in France. *Art. L. 233-6, paragraph 1, of the French Commercial Code*		N/A
List of branches. *Art. L. 232-1-II of the French Commercial Code*		N/A
Statement of ownership of more than 10% of the share capital of another company; disposal of reciprocal shareholdings. *Art. L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code*		N/A
Purchase and sale by the Company of its own shares (share buyback). *Art. L. 225-211 of the French Commercial Code*	AFR	6.1.7
Employee share ownership. *Art. L. 225-102, paragraph 1 and L. 225-180, of the French Commercial Code*		6.1.2, 6.3.4
Note of potential adjustments:		
- for securities giving access to the capital and stock options in the event of a share buyback program		6.3.4
- for securities giving access to the capital in the event of financial transactions *Art. R. 228-90, R. 225-138 and R. 228-91 of the French Commercial Code*		N/A
Dividends distributed in respect of the three previous years. *Art. 243 bis of the French Tax Code*		6.1.5

Non-tax deductible expenses. *Art. 223, quater of the French Tax Code*		N/A
Payment and breakdown of trade and customer payables by due date. *Art. L. 441-6-1, D. 441-4 of the French Commercial Code*		7.2.5
Financial injunctions or penalties for anticompetitive practices. *Art. L. 464-2-I, paragraph 5, of the French Commercial Code*		N/A
6.3. CSR information		
Taking into account the social and environmental impacts of the Company's operations and its commitment to promoting sustainable development, fighting discrimination and fostering diversity.		5.1, 5.2, 5.3
Information on hazardous activities. *Art. L. 225-102-2 of the French Commercial Code*		N/A
State in a section on the "circular economy" *Art. R. 225-105-1 (amended) of the French Commercial Code*		5.2.3
- the Company's commitment to combating food waste;		5.2.3
- additional information on waste management and recycling;		5.2.3
- main sources of greenhouse gas emissions generated by the Company's operations, in particular through the use of the goods and services it produces.		5.2.4