**INVENTIVA S.A.**
A joint-stock company company (société anonyme)
with a share capital 164,444.77 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

*Translation from French for convenience purpose only*

AUTORITÉ DES MARCHÉS FINANCIERS

Pursuant to its General Regulation and notably to Article 212-13, the French Financial Markets Authority (Autorité des marchés financiers, AMF) registered the French version of this document on April 26, 2017 under number R.17-025. 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 AMF (www.amf-france.org).

## GENERAL REMARKS

### *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 AMF.

### *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 26.4 "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.

# 1. PERSONS RESPONSIBLE

## 1.1 FOR THE REGISTRATION DOCUMENT

Mr. Frédéric Cren
CEO of Inventiva S.A.

## 1.2 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 further 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 information given in the management report provides a true and fair view of the Company's business, financial position and earnings, as well as a description of 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 Registration Document.*

April 26, 2017

Mr. Frédéric Cren
CEO of Inventiva S.A.

## 1.3 PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Mr. Jean Volatier
Chief Administrative and Financial Officer
Address: 50, rue de Dijon, 21121 Daix, France
Telephone: +33 (0) 3 8044 75 28
Email: Jean.volatier@inventivapharma.com

## 2. STATUTORY AUDITORS

### 2.1 PRINCIPAL STATUTORY AUDITORS

**KPMG SA**
2, avenue Gambetta
CS 60055
92066 Paris La Défense Cedex

Represented by Mr. Jean Gatinaud

KPMG SA 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 SA is a member of the Versailles Regional Association of Statutory Auditors.

### 2.2 ALTERNATE STATUTORY AUDITORS

**KPMG AUDIT IS**
2, avenue Gambetta
CS 60055
92066 Paris La Défense Cedex

Represented by Mr. 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 is a member of the Versailles Regional Association of Statutory Auditors.

### 2.3 STATUTORY AUDITORS WHO HAVE RESIGNED, BEEN REMOVED OR NOT BEEN RE-APPOINTED

None.

## 3. SELECTED FINANCIAL INFORMATION

The Company had no subsidiaries or equity investments at December 31, 2016. In addition to financial statements prepared in accordance with French GAAP, it has also voluntarily prepared financial statements in compliance with the International Financial Reporting Standards (IFRS) adopted by the European Union since December 31, 2012, namely the financial period in which it was created.

The financial information selected and presented below is taken from section 20.1.2 "Company financial statements prepared in accordance with IRFS for 2015 and 2016" of this Registration Document and has been audited by KPMG SA.

This financial information should be read in conjunction with the information given in Chapter 9 "Analysis of the Company's financial position and earnings", Chapter 10 "Cash flow and equity", and Chapter 20 "Disclosures concerning the issuer's assets, financial position and earnings" of this Registration Document.

The financial statements prepared in accordance with French GAAP for the periods ended December 31, 2016 and December 31, 2015 are given in section 26.3.2 "Company financial statements audited by the Company and prepared in accordance with French GAAP for the year ended December 31, 2016" of this Registration Document. Differences between the financial statements prepared in accordance with French GAAP and those prepared under IFRS mainly relate to the accounting treatment of the August 2012 agreement with two subsidiaries of the Abbott group, Laboratoires Fournier S.A. and Fournier Industrie et Santé S.A.S. (hereinafter "**Abbott**"), as described in section 20.1.2 of the notes to the IFRS financial statements "Company financial statements prepared in accordance with IFRS for the year ended December 31, 2016".

Selected balance sheet disclosures

| **ASSETS (in thousands of euros)** | **December 31, 2016** | **December 31, 2015** |
|---|---|---|
| **Non-current assets** | **7,611** | **31,960** |
| *o/w intangible assets* | *2,073* | *2,375* |
| *o/w other non-current assets* | *5,539* | *29,585* |
| **Current assets** | **41,248** | **28,615** |
| *o/w cash and cash equivalents* | *24,868* | *22,596* |
| **TOTAL ASSETS** | **48,860** | **60,575** |

| **EQUITY AND LIABILITIES (in thousands of euros)** | **December 31, 2016** | **December 31, 2015** |
|---|---|---|
| **Shareholders' equity** | **35,723** | **42,770** |
| **Non-current liabilities** | **4,536** | **10,059** |
| *o/w deferred tax liabilities* | *3,013* | *9,085* |
| **Current liabilities** | **8,601** | **7,746** |
| **TOTAL EQUITY AND LIABILITIES** | **48,860** | **60,575** |

Selected income statement disclosures

| **(in thousands of euros)** | **2016** | **2015** |
|---|---|---|
| **Revenue** | **9,446** | **4,875** |
| Other recurring operating income | 4,906 | 3,789 |
| Research and development costs | (22,145) | (19,640) |
| Marketing – business development | (492) | (580) |
| General and administrative expenses | (3,764) | (3,318) |
| **Recurring operating income (loss)** | **(12,049)** | **(14,875)** |
| Other non-recurring operating expenses | (970) | (635) |
| **Operating income (loss)** | **(13,019)** | **(15,510)** |
| Financial income | 460 | 486 |
| Income tax | 5,514 | 6,200 |
| **Net income (loss) for the period** | **(7,045)** | **(8,823)** |

Selected disclosures from the statement of cash flows

| (in thousands of euros) | 2016 | 2015 |
|---|---|---|
| **Net cash used in operating activities** | **(14,861)** | **(13,983)** |
| o/w cash flow used in operations before tax and changes in working capital | (15,295) | (17,567) |
| o/w changes in operating working capital | 434 | 3,584 |
| **Net cash from investing activities** | **17,203** | **18,849** |
| **Net cash from financing activities** | **(71)** | **592** |
| **Net increase (decrease) in cash and cash equivalents** | **2,272** | **5,458** |
| Cash and cash equivalents at beginning of period | 22,596 | 17,138 |
| Cash and cash equivalents at end of period | 24,868 | 22,596 |

# 4. RISK FACTORS

*Investors are invited to consider all the information contained in this Registration Document, including the risk factors described in this chapter. 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.*

***This section is an integral part of section 26.1 "Report by the Chairman of the Board of Directors on corporate governance and internal control and risk management procedures"***

## 4.1 RISKS RELATED TO THE COMPANY'S BUSINESS

### 4.1.1 Risks related to the development of new drug candidates

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

- IVA337, an anti-fibrotic drug candidate whose phase IIb clinical trials are currently in progress for the treatment of NASH and SSc;
- IVA336, a drug candidate developed for the treatment of some forms of mucopolysaccharidoses (MPS), notably MPS I, MPS II and MPS VI, whose phase I/II clinical trial for MPS VI should start from the second quarter of 2017; and
- YAP/TEAD, NSD2 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 IVA337, 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 IVA337 or even lead to the discontinuation of its development.

Additionally, taking into account the preliminary stage of development of the Company's research programs and the risks inherent to the discovery and development of new drugs as well as the strict regulatory and legislative provisions that apply to its activities, 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.

### 4.1.2 Risks related to clinical trials

The Company is currently conducting two clinical programs: IVA337, whose clinical results for NASH and SSc are expected in 2018, and IVA336, which is expected to enter phase I/II during the second quarter of 2017.

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 health authorities to require additional studies or tests could result in a discontinuation or delay in the development of the products concerned.

In addition, when conducting these clinical trials, the Company may find it difficult to recruit and retain patients, particularly on IVA337 in NASH and in SSc, due to the significant number of patients required and competition from other ongoing clinical trials in the same indications. These difficulties could noticeably extend the planned duration of the clinical trials. Once recruited, the patients taking part in these trials could, at any time and without having to give any justification, suspend or discontinue their participation. 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 substantial effect on the Company's business, results, prospects, financial position and growth.

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

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 IVA337 and potentially as early as the preclinical phase for products deriving from its preclinical 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 IVA337. The discontinuation of the development of some drugs belonging to the PPARγ subtype, which is one of the isoforms activated by IVA337, or doubts as to the safety of a drug belonging to the PPARγ, subtype could be negatively perceived or result in a reluctance amongst potential partners that could jeopardize the signing of agreements relating to the development of drug candidates belonging to the PPARγ class such as IVA337.

Were the Company 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 IVA337 and delay or jeopardize the development of the products deriving from its preclinical portfolio and consequently have a material adverse effect on the Company, its business, prospects, financial position, results and growth.

Furthermore, even if the Company were to obtain such agreements, the economic conditions could be less favorable than those expected by the Company.

They could also be terminated or not be renewed by partners, or not be fully respected by them. 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.

### 4.1.4 Risks related to the maintenance and/or performance of the partnership entered into 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. Revenues generated by this AbbVie Partnership represent most of the Company's revenue (79.7% of the Company's revenue for the fiscal year ended December 31, 2016). 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. Consequently, if the AbbVie Partnership were to be terminated for any reason, if the development of one of the research projects, particularly the RORγ project, were to be suspended or discontinued by AbbVie, or if the AbbVie Partnership was not renewed, this would have a material adverse effect on the Company's business, prospects, financial position, results and growth.

### 4.1.5 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 (hereinafter "**BI**") (see Chapter 22 "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 BI, 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.

### 4.1.6 Risks of dependence on the most advanced development programs: IVA337 and IVA336

IVA337, the drug candidate for the treatment of NASH and SSc, and IVA336, 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, NSD2 and the Epicure project) are still at very early stages of development.

The development of IVA337 and IVA336 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 Company's future will depend largely on the results obtained at the end of the phase IIb clinical trials on IVA337 planned in 2018 in NASH and SSc patients and phase I/II clinical trials on IVA336. The results are expected in the second quarter of 2018, which will allow the Company to envisage the signing of potential license agreements on IVA337 and to carry out phase III pivotal clinical trials on IVA336. If the Company does not manage to develop and then commercialize IVA337 and/or IVA336, directly or with the assistance of partners, its business, prospects, financial position, results and growth could be materially affected.

### 4.1.7 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 candidate drug IVA337 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 IVA336 for the treatment of some forms of MPS. The granting of approvals is not at all guaranteed and their refusal or withdrawal 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.

### 4.1.8 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 IVA337, and the Company's ability to make sufficient profits on the drug candidates that it intends to commercialize itself, in particular IVA336, 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.

### 4.1.9 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 allowing them to commercialize the drug candidates developed by the Company, its acceptance by the medical community, health care prescribers and third-party payers could prove to be longer than anticipated.

The Company's growth and its ability to generate income 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, both 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 candidate drugs will be confirmed, in particular, the prices, reimbursement rates, and the share of the market of IVA337 and IVA336 in the indications targeted by the Company. If all or some of these hypotheses are not confirmed, 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.

### 4.1.10 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, ease of use, results, price or marketing, or being considered by the market as similar or higher in quality to the Company's drug candidates.
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 and VI. 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 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 IVA337 for the treatment of SSc were to be withdrawn and, in particular, if prior to the granting of a marketing authorization 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 IVA336 may not obtain the orphan drug designation for the targeted indications in MPS.

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 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.

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

### 4.1.11 Risks associated with the hazardous nature of some of the Company's activities

In the course of its research and development activities for drug candidates, the Company has to handle hazardous substances. Some of the Company's employees 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.

If the Company fails to respect the laws and regulations in force, it could be subject to fines or even forced to temporarily or indefinitely suspend the activities concerned. 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.

Failure to respect these regulations could have serious consequences for the Company such as substantial financial penalties and the rejection, suspension or withdrawal of the MAs for its drugs. The Company's business and, in the long term, its prospects, results, financial position and growth could be seriously affected.

## 4.2 RISKS RELATED TO THE ORGANIZATION OF THE COMPANY

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

#### 4.2.1.1 The Company outsources the manufacture of its drug candidates to subcontractors

At the date of this Registration Document, the Company does not manufacture the drug candidates tested during its clinical and preclinical trials and must resort, to a large extent, to Contract Manufacturing Organizations (CMOs) such as Synkem SAS (CordenPharma), Almac Group Limited and the Delpharm group for IVA337, and Dr. Reddy's Laboratories Limited for IVA336 (see Chapter 22 of this Registration Document) for the manufacture of its candidate drugs, especially the synthesis of compounds and the packaging of 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 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.

In addition, the use of suppliers for the manufacture of its drug candidates creates additional risks that the Company would not encounter if it manufactured its drug candidates itself, that is:

– failure to respect the regulatory quality standards by the CMOs;
– delays in the production and delivery of the active pharmaceutical ingredients;
– difficulties in supplying the necessary clinical quantities;
– failure to respect laws and regulations by the CMOs; 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 4.3.4 "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.

#### 4.2.1.2 The Company outsources its preclinical and clinical trials to subcontractors

The Company outsources some of its preclinical and clinical trials on IVA337 to specialized scientific companies or Clinical Research Organizations (CROs), such as Citoxlab and Envigo (formerly Huntingdon) for the toxicology and carcinogenicity studies relating to IVA337, Pivotal S.L. and Clinmark SP.ZO.O for the monitoring of the phase IIb clinical trial in SSc, Eurofins Optimed for the monitoring of the phase I clinical pharmacokinetic trial for IVA337, and Keyrus Biopharma for the monitoring of the phase IIb clinical trial in NASH. In addition, the Company will also use subcontractors to conduct preclinical and clinical trials on IVA336. 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 IVA337 and IVA336, as well as on the quality of the data which must conform to strict standards (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.

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

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

The Company relies on third parties for the supply of several starting materials needed to manufacture the experimental batches required to conduct its clinical and preclinical trials (especially in the synthesis process of compounds). More specifically, the Company relies on three suppliers which manufacture three starting materials required for the synthesis of the IVA337 compound and has not, at the date of this Registration Document, yet identified and secured an alternative source of supply. Any default or delay on their part could have consequences on the duration, cost, or even the continuation of the clinical trials and consequently delay the marketing of the Company's products and thus have a material adverse effect on its business, prospects, results, financial position and growth.

### 4.2.2 Risks related to sales, marketing and distribution resources

#### 4.2.2.1 The Company has limited experience in sales, marketing and distribution activities

The Company does not currently have the infrastructure necessary for the sale, marketing and distribution of its drug candidates, particularly for its most advanced programs IVA337 and IVA336. It plans to create a marketing and sales structure that will enable it to commercialize the drug candidate IVA336 itself and expects to seek partners in the pharmaceutical industry for the commercialization of IVA337.
In the first instance, the Company will be obliged to set up its own sales, marketing, pharmacovigilance and price negotiation infrastructure, which will entail adapting its organizational structure, recruiting qualified and dedicated teams and consequently incur significant additional expenditure. Were the Company not able to set up such a structure or if delays occurred 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 Company's 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.

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

### 4.2.3 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 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.

### 4.2.4 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 the Company was not able to renew them under acceptable conditions, this could have a negative impact on its business and prospects.

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

The Company's success depends largely on the work and expertise of its managers, its qualified scientific personnel, in particular Frédéric Cren and Pierre Broqua, two of the Company's founders and Jean Volatier, Chief Administrative and Financial Officer. In this respect, the Company has taken out a so-called key person insurance policy (permanent disability/death insurance policy).

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.

The Company has notably implemented an employee incentive and loyalty scheme in the form of an incentive agreement and a share warrant plan (Bons de Souscription de Parts de Créateur d'Entreprise, BSPCE).

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. 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 reaching its overall objectives and consequently have a negative impact on its business, results, financial position and growth.

### 4.2.6 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, the 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.

### 4.2.7 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.

## 4.3 LEGAL AND REGULATORY RISKS

### 4.3.1 Risks related to a strict and evolving 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 the competent authorities, in particular, the National Agency for Medecines in France (Agence Nationale de Sécurité du Médicament, **ANSM**), the European Medicines Agency (**EMA**) in Europe and the Food and Drug Administration (**FDA**) in the United States or other regulatory authorities in the rest of the world. At the same time, the public demands greater guarantees in terms of the safety and efficacy of drugs.

The health authorities supervise, among others, research and development activities, preclinical trials, clinical trials, the regulation of pharmaceutical companies, as well as the manufacture and marketing of drug products. This strengthening of the legislative and regulatory framework is a global trend, even if requirements vary from one country to another. 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.

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.

Therefore, the approval process, being lengthy and costly, may take several years with no guarantee of success.

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.

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.

### 4.3.2 Risks related to the preclinical trials and clinical trials necessary 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 is essential to obtain such marketing approval.

The Company's programs are in different phases of development: at the clinical phase for its drug candidates IVA337 and IVA336 and at the preclinical phase for the other products of its portfolio.

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. The full set of clinical development data collected on IVA337 and IVA336 by the Company is reviewed by the competent regulatory authorities when an application for an authorization of clinical trials is submitted. These regulatory authorities could impose a discontinuation of the trials or clinical development activities, on one or more drug candidates developed by the Company, if it were to be found that the data presented have not been produced in compliance with the applicable regulations or if they consider that the ratio between the expected benefits of the product and its risks is not sufficient to justify the trial. 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 IVA337 and IVA336 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, and 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 IVA337 and IVA336 could have a material adverse effect on its business, prospects, financial position, results and growth.

### 4.3.3 Risks associated with the protection of patents and other intellectual property rights

#### 4.3.3.1 Specific risks associated with 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 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.

In addition, the granting, maintenance and protection of the patents could prove to be costly.

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.

#### 4.3.3.2 Specific risks associated with 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.

#### 4.3.3.3 Specific risks associated with 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.

1. 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. Indeed, if such proceedings were to be taken against the Company, the Company could be forced to stop using the intellectual property rights targeted and to discontinue (under threat of a daily fine) or delay the research, development, production and commercialization of the products and processes targeted by such proceedings, which would have a material effect on its business and results.

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 dispute of this type could therefore affect the Company's ability to continue all or some of its activities in the sense that the Company could be obliged to:

- 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.

2. Risks associated with 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.

3. Limits to the protection of the Company's trade secrets and know-how

It is also important for the Company to protect itself against the unauthorized use and disclosure of its confidential information and trade secrets. The Company may however be obliged to supply, in various forms, non-patented and/or non-patentable information, technologies, processes, know-how or other data to third parties with whom it collaborates (such as universities and other public or private organizations, or subcontractors) linked to its research, development and testing, and to the production and marketing of its products. In such cases, the Company generally requires that confidentiality agreements be signed by these third parties. Its non-patented and/or non-patentable technologies, processes, know-how and data are considered trade secrets that the Company attempts to protect in part through such confidentiality agreements.

Nevertheless, these measures ensure limited protection only and may not prevent the disclosure or unauthorized use of the Company's secrets and know-how by third parties.

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.

### 4.3.4 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.

In this context, 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.

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

The Company's strategy, among others, aims to license some of its drug candidates, in particular IVA337, to pharmaceutical companies. In this context, 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, production 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.

### 4.3.6 Risks associated with 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 and tax exemptions.

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. 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 for the year ending December 31, 2018 included.

If any of the eligibility conditions (for example, that at least 50% of the Company's share capital is owned continuously by eligible persons, such as 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 lose its status as a YIE, which could have an adverse effect on the Company's results.

## 4.4 FINANCIAL RISKS

### 4.4.1 Risks associated with 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 (Crédit d'Impôt Recherche, **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 and development costs 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, the Company received the reimbursement of €3,121,171 for the CIR declared for 2015 and recorded a CIR receivable of €4,172,163 for expenditures incurred in 2016.

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.

In February 2017, the Company received an expert report prepared by the French tax authority which contests the way in which some CIRs were calculated. For more information concerning the expert report and the Company's recognition of a €346 thousand provision for the 2016 financial year, see note 2.6.5 "Events after the reporting date".

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.

### 4.4.2 Risk of dependence on the subsidies paid by Abbott

As part of the Company's acquisition of Abbott's research and development platform in August 2012, the Company has benefited from an exceptional subsidy in the form of quarterly payments amounting to a total of €96 million over a period of five years, which is currently financing most of the Company's operating expenses. The continuation of the payments by Abbott is subject to (i) the maintaining at the Daix site of the pharmaceutical and related research activities which is consistent with the Company's business plan, and (ii) compliance with the use of proceeds solely intended for funding the pharmaceutical and related research activities which is also consistent with the Company's business plan. Non-compliance with these conditions by the Company or the non-payment or termination of the APA by Abbott for any other reason whatsoever would have a material adverse effect on the Company's activity, financial position, performance, development and prospects.

### 4.4.3 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 to be paid over a period of five years, (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 (IVA336 and IVA337) and its preclinical programs portfolio (YAP/TEAD, NSD2 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. The clinical development of the Company's drug candidates is becoming increasingly expensive and is subject to strict regulations. It is therefore difficult to accurately predict the total costs associated with preclinical and clinical developments while most of the Company's products are still at an early stage.

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 had to be borne by the Company;
- Abbott's subsidies were to be challenged in the event that the Company does not comply with the conditions provided for in the contract;
- 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.

### 4.4.4 Liquidity risk

The Company considers that it is not exposed to any liquidity risk given the cash and cash equivalents available as at December 31, 2016 of €24.9 million, and the funds raised in its initial public offering of about €48.5 million by means of capital increase, after partial exercise of the increase option of 6.7% and the over-allotment option of €0.5 million. These funds should enable the Company to finance its activities until mid-2019.

However, these funds may not be sufficient to cover additional financing needs, which would then require new financing, the implementation and terms and conditions of 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.

### 4.4.5 Equity risks

At December 31, 2016, the Company had no holdings in listed companies and is therefore not exposed to equity risk.

### 4.4.6 Risk of dilution

Since its inception, the Company has issued and allotted BSA share warrants and BSPCE founder share warrants. At December 31, 2016, the full exercise of all instruments giving access to the share capital that have been allotted and outstanding would allow for the subscription of 1,225,300 new shares (post division of the nominal value by 100 as decided by the Combined General Meeting of May 31, 2016), thus generating a dilution of 12.2% on the basis of the current share capital at December 31, 2016 and 10.9% on the basis of the fully diluted share capital (see section 21.1.4 "Other securities giving access to the share capital" of this Registration Document).

Since December 31, 2016, a number of employees have left the company and 221 BSPCE warrants have now lapsed. At the end of March 2017, the number of outstanding instruments entitling access to the Company's capital was therefore reduced to a total of 1,203,200.

In the period between March 20 and March 27, 2017, Company employees were able to exercise 5,579 BSPCE warrants resulting in the issue of 557,900 new shares. ISLS Consulting also exercised its 1,500 BSA 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 to a total of 16,444,477, taking the number of outstanding instruments entitling access to the Company's capital to a total of 495,300.

On April 18, 2017, the Board of Directors, acting on the authorization granted by the Combined General Meeting of September 30, 2016 (17th resolution), decided to freely allocate a maximum of 162,300 shares to employees of the Company (152,300 of which have already been allotted and 10,000 of which are likely to be assigned by the Chairman and CEO), taking the number of outstanding instruments entitling access to the Company's capital to 657,600 and generating a dilution of 4% on the basis of the current share capital at April 18, 2017 and 3.85% on the basis of the fully diluted share capital (see section 21.1.4 "Other securities giving access to the share capital" of this Registration Document).

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.

### 4.4.7 Interest rate risks

The only exposure to interest rate risk on the Company's assets is linked to the investment of cash and cash equivalents comprised exclusively of monetary 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.

### 4.4.8 Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as from counterparty exposures.

The Company's credit risk is also due to its 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.

### 4.4.9 Exchange rate risks

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.

Nevertheless, the Company's exposure to this exchange rate risk will depend essentially on the currency in which it will collect its income and pay all or some of its expenses. The importance of this risk will depend on the countries in which the Company carries out the development of its drug candidates and the marketing of its products, and on the currency in which it is obliged to pay its operating expenses. If the Company is able to develop its industrial and commercial activities in countries outside the euro zone, it is likely that it will generate turnover and bear expenses in other currencies. The Company will then envisage the most appropriate method to monitor and manage its exchange risk. If it does not take effective measures in the future to cover the fluctuation in exchange rates, its profitability could be affected.

### 4.4.10 Risk of not being able to use future loss carry forwards

At the date of this Registration Document and since its inception, the Company has not generated any tax losses and therefore does not have any tax loss carryforwards. Nevertheless, the Company anticipates that it may generate its first tax loss as early as 2017.

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.

## 4.5 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 | |
| Cover of third-party liability for harm to the | | | per claim | |
| environment (RCAE) All damage combined | | €2,000,000 | | |
| of which: | | | | |
| . Material and immaterial damage because of | | €500,000 | | |
| PROVISION OF SERVICES | | | | |
| . 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 | | €250,000 | | |
| because of the operation of fixed sites | | | | |
| . Costs of remediation of movable and immovable | | €250,000 | | |
| property pollution because of the operation of | | | | |
| fixed sites | | | | |
| | ACE | | | 01.01 |
| **Individual accident - all staff** | | | | |
| Personal assistance, repatriation, emergency medical expenses | | | | |
| Crisis cover | | | | |
| Cover for death or accident entailing death | | €150,000 | | |
| Cover of luggage and personal effects | | | | |
| Travel incident cover | | | | |
| Cover for third-party liability in a non-professional context | | | | |
| | AVIVA | | | 01.01 |
| **Non-occupant owner** | | | | |
| House - 52 rue de Dijon at DAIX 21 121 | | | | |
| Fire, electrical damage on the building | | | N/A | |
| Storm, hail, snow, natural disasters, | | | | |
| water damage, glass breakage | | | | |
| Property owners' liability | | | | |
| Deterioration following theft or vandalism | | | | |
| Theft | | | | |
| Legal protection on insured damage | | | | |
| | CHUBB | | | 01.01 |
| **Directors' liability** | | | | |
| Maximum cover per year of insurance | | €5,000,000 | N/A | |
| | AVIVA | | | 01.01 |
| **Car insurance** | | Up to a maximum of €25,000 | | |
| Insurance of the vehicles owned by the | | per accident. Third-party | | |
| Company's employees or their spouses as well | | liability, fire, theft, all | | |
| as vehicles used, rented or leased by them | | accidents, losses, | €305 | |
| | | criminal defence | | |
| Vehicles insured without designation | | and proceedings | | |
| On the basis of a total of 20,000 km travelled | | | | |
| per year | | | | |

| **Biomedical research sponsor's liability** | CHUBB | NASH - ending on 30/03/2018 | 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 | | €5,000,000 | €5,000,000 | | |
| Spain | | | | | |
| Limit per patient | | €250,000 | €250,000 | | |
| Limit per protocol | | €2,500,000 | €2,500,000 | | |
| 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 | | £5,000,000 | £5,000,000 | | |
| Limit per protocol | | £5,000,000 | £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 | €100,000 | | |
| Limit per protocol | | €500,000 | €1,000,000 | | |
| Etats-Unis | | | | | |
| 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 | | |
| **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<br>Mr. Broqua<br>Mr. Volatier | | | |

## 4.6 EXCEPTIONAL EVENTS AND LITIGATION

The Company is currently being audited by the tax authorities with regard to the years ended December 31, 2013, December 31, 2014 and December 31, 2015. The tax audit is ongoing. On December 15, 2016, the Company received a proposed payroll tax adjustment from the 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 Abbott under the Asset Purchase Agreement (APA) (as described in note 2.1.2 to the financial statements prepared in accordance with IFRS, section 20.1.1 "Company financial statements prepared in accordance with IFRS for 2013, 2014 and 2015" of the Registration Document registered on July 8, 2016 by the AMF under number I.16-066) as a non-recurring item, and the resulting impact on payroll taxes. The tax reassessment amounts to €611 thousand (penalties and interests for late payment included).

The Company disputes this proposed tax reassessment. In addition, under the terms of the Additional Agreement attached to the Asset Purchase Agreement, Abbott 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 authority in relation to the accounting treatment of the subsidy paid by Abbott and subject to specific conditions.

Provisions for litigation are presented in note 2.4.11 "Provisions" or section 20.1.2 "Company financial statements prepared in accordance with IFRS for the year ended December 31, 2016" of this Registration Document. In 2016, they amounted to €346 thousand and concern the CIR as presented in section 4.4.1 "Risks associated with access to the research tax credit" of this Registration Document.

# 5. INFORMATION ABOUT THE ISSUER

## 5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

### 5.1.1 Legal and commercial name

The Company's legal name is "Inventiva".

### 5.1.2 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.

### 5.1.3 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.

### 5.1.4 Domicile, 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 joint-stock 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 Combined General Meeting held on May 31, 2016, during which it was decided to change the Company's form, with immediate effect, into a joint-stock company with a Board of Directors, the Company was incorporated in the form of a simplified company limited by shares (société par actions simplifiée).

### 5.1.5 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 hold 59.9% and 39.9% respectively of the Company's capital and voting rights.

**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 linked 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 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 fibrosis platform (FibrAssist) developed by the Company.

The IVA337 clinical program was repositioned to the treatment of fibrotic diseases.

The EMA granted orphan status to the drug candidate IVA337 in the treatment of systemic sclerosis and idiopathic pulmonary fibrosis.

The therapeutic potential of the drug candidate IVA336 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 offered, which, together with 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 preclinical 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 orphan status to the drug candidate IVA337 in the treatment of systemic sclerosis.

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

A clinical 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 patients suffering from systemic sclerosis with IVA337.

A clinical study committee was set up for IVA337 in the treatment of NASH.

Further proof was obtained of the therapeutic potential of the drug candidate IVA336 in MPS I, II and VI in vitro and in vivo models. The European patent for IVA336 was approved according to these indications.

A clinical study committee was set up for IVA336: a phase I/II study was prepared for patients suffering from MPS VI.

The first patients suffering from systemic sclerosis 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 preclinical 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. The Company received an upfront payment on signing the partnership agreement and is also eligible to receive research funding and milestone payments of up to €170 million based on the progress of research and development, and the achievement of the regulatory and commercial milestones. Inventiva could also receive variable-rate royalties on the sale of products arising from the partnership.

The NATIVE (NASH Trial to Validate IVA337 Efficacy) phase IIb study was launched for patients suffering from NASH with IVA337. The 24-week study aims to prove the safety and efficacy of two doses of IVA337 (800 and 1,200 mg/day) and will include up to 225 patients in 12 European countries. Principal assessment criteria include improvement in histological component inflammation and ballooning without worsening of fibrosis. Recruitment of patients is set to finish at the end of the year for results in mid-2018.

The European patent (regional phase) for IVA336 for the treatment of certain forms of MPS was granted.

Demonstration of the performance of IVA336 in a relevant model of MPS VI. After demonstrating that IVA336 can reduce the intercellular accumulation of GAGs in vitro in patient cells and in vivo in an induced MPS model, newly obtained results in a MPS VI model of mice genetically modified to be representative of human pathology demonstrated that IVA336 reduces intercellular accumulation of GAGs in multiple organs and tissues, without enzyme replacement therapy, and improves the animals' mobility.

- An 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 partnership agreement, between the Company and the Institut Curie shall be entered into over the next months, the aim of which will be to specify the results devolution and intellectual property rights details;

• 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 thousand for the Company.

**2017**

In February 2017, the Company's shares were admitted to trading on the regulated market of Euronext Paris by way of an initial public offering and a global offering for European and American institutional investors. The Company's IPO raised around €48.5 million by mean of capital increase, after partial exercise of the increase option of 6.7% and partial exercise of the over-allotment option. The funds raised, minus banking fees of €2.6 million, were received at February 16, 2017 and March 16, 2017 (over-allotment option) for a net amount of €45.9 million. With an initial price of €8.5, Inventiva's market capitalization came to about €133.3 million. These funds should enable the Company to finance its activities until mid-2019.

The first patients in the NATIVE (Nash Trial to Validate IVA337 Efficacy) phase IIb study for patients suffering from NASH with IVA337 were randomized.

In February 2017, Inventiva was issued a patent in the United States covering the use of IVA336 for the treatment of MPS VI patients. Having already been granted a patent for 30 European countries, this new US patent guarantees Inventiva exclusive exploitation rights of IVA336 on all key markets until October 2034. Similar requests are under review in approximately 20 other countries. In certain countries such as the United States and Japan, as well as in Europe, the term of the patents may be extended for up to a maximum of five years to compensate for any time required to complete clinical trials and obtain market authorization for IVA336. In addition, Inventiva has filed other patent applications in Europe and the United States in order to protect IVA336 for use in treating other forms of mucopolysaccharidoses (MPS). These requests are also currently under review.

The 100th patient was recruited for the Phase IIb FASST study. Initiated in December 2015, recruitment has now reached 75% of the total number of patients required and is firmly on track to be finalized in the second half of 2017.

## 5.2 INVESTMENTS

### 5.2.1 Principal investments made over the last three years

The amounts of the investments made over the last three years are as follows (see also paragraph 10.2.2 of this Registration Document):

| (in thousands of euros) | Year ended December 31, 2016 | Year ended December 31, 2015 | Year ended December 31, 2014 |
|---|---|---|---|
| Intangible assets | **26** | **413** | **214** |
| Property, plant and equipment | **202** | **556** | **1,078** |
| **TOTAL** | **228** | **969** | **1,292** |

Since all clinical research and development costs are entered as charges until the market authorizations are obtained, the principal investments made over the last three years are as follows:

- During the year 2016, investments in property, plant and equipment essentially concern the purchase of research equipment (€146 thousand) and investments in intangible assets essentially concern the acquisition of additional software licenses (see note 2.4.2 of the notes to the IFRS financial statements presented in section 20.1.2 "Company financial statements prepared in accordance with IFRS for the year ended December 31, 2016" of this Registration Document).

- During the year 2015, investments in property, plant and equipment essentially concern the purchase of research equipment (€381 thousand) and investments in intangible assets essentially concern the acquisition of additional software licenses (€358 thousand) (see note 2.4 of the notes to the IFRS financial statements presented in section 20.1 "Company financial statements prepared in accordance with IRFS for 2013, 2014 and 2015" of this Registration Document registered with the AMF on July 8, 2016 under number I.16-066).

- For financial year 2014, investments in property, plant and equipment essentially concern the purchase of research equipment (€311 thousand) and the carrying out of fixtures and fittings works (€291 thousand) and investments in intangible assets essentially concern the acquisition of software and software packages (€214 thousand) (see note 2.4 of the notes to the IFRS financial statements presented in section 20.1 of this Registration Document entitled "Company financial statements prepared in accordance with IFRS for 2013, 2014 and 2015" of this Registration Document registered with the AMF on July 8, 2016 under number I.16-066).

### 5.2.2 Principal investments in progress and method of financing

No significant investments have been made since January 1, 2017.

### 5.2.3 Principal future investments

At the date of this Registration Document, the Company is not planning to make significant investments over future years and on which the Company's management bodies have made firm commitments.

# 6. BUSINESS OVERVIEW

## 6.1 OVERVIEW OF INVENTIVA

Inventiva is a biopharmaceutical company with several drug candidates at clinical and preclinical stages whose objective is to develop and provide patients with new therapies. The focus of the Company's Research and Development (**R&D**) department targets three promising areas, namely fibrotic diseases (which cause 45% of deaths in the developed world), the treatment of certain forms of lysosomal diseases and oncology with a priority for the development of indications for orphan diseases for which the unmet medical need and the regulations in force allow an accelerated development[1].

The Company was founded in October 2011 by former executives of the French subsidiary of the American pharmaceutical group Abbott, including Frédéric Cren and Pierre Broqua[2]. The Company 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., purchased by the Solvay Group in 2005 and then bought by Abbott in 2010 (hereinafter "**Abbott**"). The platform includes laboratories with a surface area of 12,000 square meters located near Dijon (Burgundy, France), equipment and a library of 240,000 compounds. In addition, the Company receives an exceptional subsidy in the form of quarterly payments made by Abbott until April 10, 2017 for a total amount of €96 million over a period of five years, which to date covers most of its operating costs (see Chapter 9 of this Registration Document).

As a result of this purchase, the Company carries out its activities according to the same standards of quality as leaders in the pharmaceutical industry, whilst maintaining a structure whose limited size together with its management flexibility allows it to react and adapt rapidly for the development of innovative therapeutic compounds.

As of the date of this Registration Document, the Company's workforce comprises 105 employees, 86 of whom are directly involved in R&D activities and have an average of 15 years of experience in the pharmaceutical sector. The Company's management can rely on its strong experience gained in large pharmaceutical groups and biotechnology companies. The Company also has first-class international scientific committees composed of recognized specialists in their respective fields (see sections 6.4.2.4, 6.4.3.4 and 6.5.5 of this Registration Document).

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 the research platform, including biology teams, screening equipment, chemistry, ADME and pharmacology resources, as well as its own library of 240,000 compounds, enables the Company to develop a regular flow of drug candidates. The product pipeline is rich and diversified with two products (IVA337 and IVA336) at clinical stage, a promising research partnership with AbbVie on RORγ focusing on the treatment of several autoimmune diseases. It began a phase I clinical study in December 2016, and has several innovative projects at preclinical stage. The Company has also developed significant expertise in the areas of fibrosis, which has allowed it to set up two multi-year arrangements, one with AbbVie in the field of liver fibrosis and a second with Boehringer-Ingelheim (BI) in the field of idiopathic pulmonary fibrosis (IPF).

Within the framework 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 hold 59.9% and 39.9% respectively of the share capital and voting rights of the Company.

### 6.1.1 Company pipeline

The clinical and preclinical programs of the Company are as follows:

- IVA337, an anti-fibrotic drug candidate, currently in phase IIb clinical stage, for the treatment of SSc and NASH;

- IVA336, a drug candidate developed for the treatment of certain forms of mucopolysaccharidosis, in particular MPS I, MPS II and MPS VI whose clinical phase I/II for the MPS VI is planned to start during the second quarter of 2017;

- YAP/TEAD linked to interaction inhibitors of the transcription factors YAP and TEAD, currently in its research stage, for the treatment of mesothelioma and severe forms of lung, colon, ovarian and gastric cancers;

- NSD2 linked to inhibitors of the epigenetic enzyme NSD2, currently in its research stage, for the treatment of multiple myeloma cancer; and

- 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.

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 for the treatment of auto-immune diseases, whose first clinical candidate is entering phase I;
- the project in the field of fibrosis with AbbVie, currently in its research stage, for the validation of new therapeutic targets in the field of hepatic fibrosis; and
- the partnership with Boehringer-Ingelheim, currently in its research stage, for the discovery of new treatments in IPF.

| Program | Indication | Program Stage | Commercial Rights |
|---|---|---|---|
| **Clinical programs** | | | |
| IVA337 | Non-Alcoholic Steatohepatitis (NASH) | Phase IIb | |
| IVA337 | Systemic Sclerosis (SSc) | Phase IIb | |
| IVA336 | Mucopolysaccharidoses type VI (MPS VI) | Phase I/II (in preparation) | |
| **Preclinical oncology programs** | | | |
| YAP/TEAD | Malignant mesothelioma and lung cancer | Discovery | |
| NSD2 | Multiple Myeloma | Discovery | |
| EPICURE | Immuno-oncology | Research | |
| **Partnership programs** | | | |
| ABBV-553 | Moderate to severe psoriasis | Phase I | abbvie |
| Undisclosed target | Idiopathic pulmonary fibrosis (IPF) | Research | Boehringer Ingelheim |

#### 6.1.1.1 IVA337

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. IVA337, 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), IVA337 clinical program was put on hold, by Abbott, due to strategic reasons. This was decided 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 the IVA337 mechanism of action in T2DM and in various fibrotic conditions. Considering the medical need, high competition in T2DM and IVA337 positive results in several relevant models of fibrosis, the Company decided to focus the development of IVA337 on the treatment of fibrotic diseases such as Non-Alcoholic Steatohepatitis (NASH) and Systemic Sclerosis (SSc). Intellectual property for IVA337 belongs entirely to the company as do the patents protecting the IVA337 molecule and its use in the treatment of fibrosis and in the treatment of NASH and SSc.

As of the date of this Registration Document and to the best of the Company's knowledge, IVA337 is the first anti-fibrotic drug candidate capable of acting on several key stages of fibrosis through its pan-PPAR activity. IVA337 was designed to moderately and equipotently activate the three PPAR subtypes (PPARα, PPARδ, PPARγ) involved in the fibrotic process. As demonstrated by the preclinical studies conducted by the Company, the combined action of modulating the three PPAR isoforms should enable IVA337 to slow down, block and even reverse the progression of fibrosis. IVA337 has demonstrated antifibrotic properties in several tissues and organs including the liver, skin, lungs and kidneys. Therefore, it offers therapeutic prospects in NASH, a chronic liver disease, which combines an accumulation of fat in the liver, 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 preclinical and clinical trials, IVA337 has shown 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:

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

The Company believes that these positive metabolic effects together with the anti-fibrotic activity of the product on the liver make IVA337 an ideal drug candidate for the treatment of patients with NASH, a disease with an estimated market potential of $35 billion to $40 billion[3].

Based on these studies, the Company has initiated the phase IIb study NATIVE (NAsh Trial to Validate IVA337 Efficacy) in Europe in order to demonstrate the efficacy of IVA337 in patients suffering from this disease. If positive results are obtained, this study will be followed by a phase III pivotal trial to be started in Europe and the United States in the first half of 2019 at the earliest.

IVA337'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 IVA337 as the first treatment that can slow down and even block the progression of SSc, a disease with significant sales potential (for example, the SSc market is estimated at over $1 billion in the United States) and for which

[3] Deutsche Bank Market Research, July 14, 2014.

IVA337 has been given orphan status in Europe and the United States[4]. A phase IIb trial (FASST: For A Systemic Sclerosis Treatment) with a protocol following the recommendation of the European Medicines Agency (EMA) is currently recruiting patients. If positive results are obtained, the Company plans to start a single phase III pivotal trial in the first half of 2019 in Europe and the United States. The Company believes that this phase III study, if 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 application for IVA337 in Europe and the United States, enabling the product to be marketed as soon as the phase III pivotal trial is complete.

If positive results are obtained from the FASST study, the Company intends to discuss the possibility of a conditional marketing approval for IVA337 in the second half of 2019 in Europe with the European regulatory authorities, based on the existence of an unmet medical need for the treatment of patients with SSc. This would allow the product to be marketed at the same time as the phase III pivotal trial.

#### 6.1.1.2 IVA336

IVA336 is the Company's second most advanced drug candidate. IVA336 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 IVA336 potential in the treatment of several forms of mucopolysaccharidosis (MPS), in particular MPS I (Hurler-Scheie syndrome), MPS II (Sly syndrome) and MPS VI (Maroteaux-Lamy syndrome). The data produced by the Company enabled it to obtain the patents which belong entirely to the Company and protect the use of IVA336 in the treatment of mucopolysaccharidosis.

MPS are pediatric genetic degenerative diseases characterized by the abnormal functioning of one of the enzymes contained in the lysosome causing a harmful accumulation of glycosaminoglycans (GAG) 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. IVA336 has demonstrated that it can reduce intracellular accumulation of GAGs in vitro, in patient cells, and in vivo in murine models.

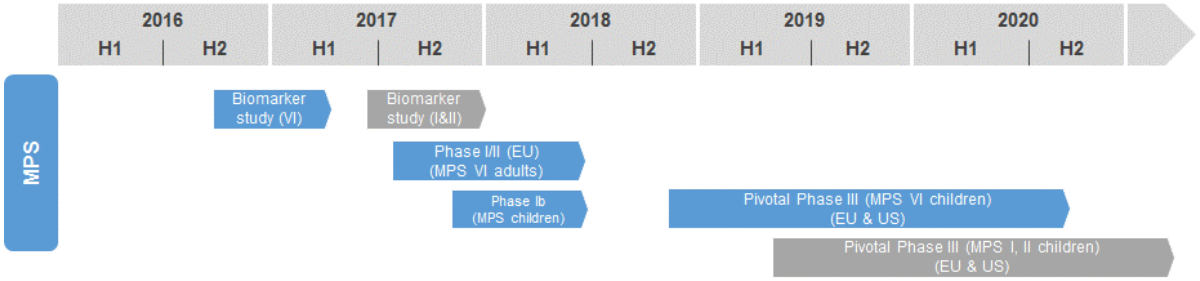
Based on the estimations of the Company, IVA336 has a great sales potential – close to €900 million at peak sales in the three indications targeted (MPS I, II and VI)[5]. Indeed, although the number of patients with MPS I, II and VI is only about 5,000 worldwide[6], the high medical need implies high reimbursement prices.
During the initial development program in the prevention of postoperative thrombosis, IVA336 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 preclinical safety and toxicology studies demonstrated the good tolerability and safety of the product.

[4] Source: Corbus Investor Presentation; Cytori Therapeutics Investor Presentation.

[5] On the basis of (i) estimated sales of IVA336 in MPS VI calculated by Venture Valuation with a sales price equal to 50% of the price of Naglazyme and (ii) an extrapolation to MSP I and II based on the prevalence of these two diseases.

[6] The National MPS society; Health Advances; Valayannopoulos V, Nicely H, Harmatz P, Turbeville S; Mucopolysaccharidosis VI. *Orphanet J Rare Dis. April 12, 2010; 5:5.*

The Company estimates therefore that it can quickly conduct the clinical phase I/II and phase III studies necessary for the MAA application of IVA336 for MPS I, II and VI in Europe and the United States. The Company thus plans to start a phase I/II trial with a duration of 26 weeks on 24 MPS VI patients (iMProveS study) in Europe in the third quarter of 2017. If positive results are obtained, the Company plans to start phase III pivotal studies in MPS I, II and VI patients in the second half of 2018 at the earliest, on the basis of clinical criteria to be refined according to the results of the iMProveS study.




### 6.1.1.3 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 approach for the treatment of mesothelioma and severe forms of lung, colon, ovarian and gastric cancers;
- NSD2: an epigenetic target for treating multiple myeloma; and
- Epicure project: a collaboration with the Institut Curie, which focuses on two new epigenetic targets in the field of immuno-oncology.

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.

### 6.1.1.4 Partnership with AbbVie

Separately from the purchase agreement signed with Abbott described above, Inventiva and AbbVie (the 12th largest pharmaceutical company in the world by sales with a turnover of $25.6 billion in 2016) formed a five-year research partnership on two projects in August 2012[7].

The first project targets the nuclear receptor RORγ, a project originating from the Company's research platform, whose first drug candidate, ABBV-553, began a phase I clinical study in December 2016 and aiming to treat several autoimmune diseases, in particular psoriasis. Within the framework of this partnership, a multidisciplinary team from the Company and AbbVie works together in the preclinical phases (biology, screening, chemistry, ADME and pharmacology). In return, the Company receives payments according to the number of employees involved and could receive preclinical and clinical milestone payments as well as payments on obtaining 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 Japan and a percentage of the sales revenue generated by the product. 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 second project focuses on the validation by the Company of several targets identified by AbbVie in the field of fibrosis. The AbbVie collaboration alone has generated an income of approximately €3 million per year since 2012 (see Chapter 9 "Analysis of the Company's financial position and earnings" of this Registration Document).

[7] AbbVie Full-Year and Fourth-Quarter 2016 Financial Results; Forbes The World's Largest Drug And Biotech Companies.

#### 6.1.1.5 Partnership with BI

In May 2016, the Company entered into a license agreement and a multi-year research and development partnership with BI. 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 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. All intellectual property rights developed as part of the joint research program will be owned, in joint equal shares, by the Company and by BI. Provided that certain targets set in accordance with the partnership are reached, the Company must grant licenses for the limited and non-exclusive use of some of its patents (see section 11.3.2 "Licensing agreement" of this Registration Document).

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.

## 6.2 COMPANY STRATEGY

The Company's objective is to become a leading player in the discovery and development of innovative therapies 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 preclinical stages and on its research platform. Its strategy follows three key axes.

### 6.2.1 IVA337: ensure the rapid development and marketing of its drug candidate by entering into license agreements with pharmaceutical groups at the latest at the start of phase III clinical trials

The Company's objective for IVA337 is to rapidly complete the currently ongoing phase IIb clinical trials in NASH (Nash Trial to Validate IVA337 Efficacy - NATIVE - with results expected in mid-2018) and SSc (For A Systemic Sclerosis Treatment - FASST - with results expected in the second half of 2018). In SSc, if IVA337 efficacy and safety are confirmed, the Company may be in a position to obtain a conditional marketing approval from the EMA in the second half of 2019 in Europe. Therefore, the Company would be in a favorable position for negotiating and signing license agreements for the development, MA and commercialization of IVA337 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 IVA337 in the two indications contemplated by the Company, in particular for the NASH one, which requires major investment to conduct the phase III trial, as well as a large and structured sales networks for marketing the product.

### 6.2.2 IVA336: accelerate the development of this drug candidate with a view to marketing the product directly

The Company's objective is to rapidly conduct the necessary clinical trials to obtain marketing approvals for IVA336 in Europe and the United States for the treatment of MPS I, MPS II and MPS VI. The Company plans to start the phase I/II study, iMProveS, in the treatment of MPS VI during the third quarter of 2017. The results of this study will serve as the basis for launching the phase III pivotal clinical trials planned for the second half of 2018 and necessary for obtaining marketing approval in Europe and the United States in these three indications. The Company believes that it can market IVA336 itself 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.

### 6.2.3 Maximize the value of its preclinical 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.

## 6.3 INVENTIVA'S 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 or cancer. The ability to create innovative products makes the Company a valuable partner for establishing research partnerships or entering into license agreements with large pharmaceutical companies in search of innovative and efficacious drug products.

### 6.3.1 IVA337, favorably positioned in the treatment of NASH, a market with great sales potential

The first indication selected by the Company for its drug candidate IVA337 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 as a new pandemic of 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[8]. This market has an estimated value ranging from $35 billion to $40 billion worldwide[9]. 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 extremely limited (change of lifestyle, weight loss and bariatric surgery). In preclinical studies, IVA337 has been found to have protective and curative effects in hepatic fibrosis (see section 6.4.1.3 "IVA337 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 part of the patients with NASH, demonstrated significant improvements in the metabolic parameters associated with NASH (see section 6.4.1.2 "Clinical data confirmed IVA337 safety and efficacy on key metabolic markers" of this Registration Document). The Company believes that IVA337 has decisive competitive advantages over other products, in particular, the fact that it combines anti-fibrotic activity with beneficial metabolic effects. These characteristics and the 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 IVA337.

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

### 6.3.2 IVA337 and IVA336, 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. IVA337 has demonstrated anti-fibrotic activity in vitro on cells of patients and has slowed down the progression of fibrosis in in vivo models of dermal, renal and pulmonary fibrosis. In a preclinical model of dermal fibrosis, IVA337 also demonstrated a curative effect. Among the compounds being developed for the treatment of SSc, IVA337 is, to the best of the Company's knowledge, the only compound 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 orphan and devastating lysosomal storage diseases. Current treatments are limited to enzyme replacement therapies and the medical need remains unmet. Thanks to its unique and, differentiating mechanism of action, IVA336 reduces lysomomal accumulation in patients' cells by excreting excess GAGs outside the cells. In addition, unlike enzyme replacement therapy, IVA336 is optimally absorbed by organs and tissues, which will, according to the Company, improve the treatment of bone, joint and cornea lesions.

With IVA337 for SSc and IVA336 for MPS, the Company therefore has two clinical programs for orphan diseases with great sales potentials. 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, 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) or by enzyme replacement therapy in MPS (e.g., Naglazyme has obtained an annual reimbursement price of approximately $485,000 in MPS VI) lead the Company to believe that high prices can be obtained for its drug candidates as well.[10][11] 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 limited number of patients. The Company obtained orphan status for IVA337 in SSc from the EMA in October 2014 in Europe and from the FDA in March 2015 in the United States and hopes to also obtain orphan status for IVA336 in MPS VI in 2017.

### 6.3.3 A portfolio of promising preclinical 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.

In just three years of activity, thanks to its expertise and its library of 240,000 compounds, the Company has managed to develop a portfolio of three promising and diversified preclinical programs in the field of oncology:

- The YAP/TEAD program with compounds patented by the Company that disrupt the YAP/TEAD interaction and have demonstrated strong antiproliferative activity against several types of cancer cells, in particular against mesothelioma;
- The program on the epigenetic target NSD2 which is responsible for oncogenesis in an aggressive form of multiple myeloma present in 15 to 20% of patients suffering from this type of cancer[12]; and
- The Epicure partnership in collaboration with the Institut Curie, aiming to validate two new epigenetic targets in the field of immuno-oncology.

[10] Venture Valuation Report.

[11] LifeSci Capital equity research, Analysis of Orphan Drug Market, February 4, 2016 page 7.

[12] Cancer Research 2013 Oct 15; 73(20):6277-88. doi 10.1158/0008-5472.CAN-13-1000. Epub 2013 Aug 26: NSD2 is recruited through its PHD domain to oncogenic gene loci to drive multiple myeloma. "

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. This platform serves as the basis of the research partnerships signed with AbbVie: to validate the antifibrotic potential of a number of therapeutic targets as well as for the collaboration with BI to validate an undisclosed transcription factor as an innovative approach for the treatment of IPF.

### 6.3.4 Recognized expertise in R&D

With a management team that has worked for large pharmaceutical groups and a team with an average of more than 15 years of experience in R&D, the Company is well structured to successfully implement its growth strategy. The Company's process for discovering new drug products is supported by significant in-house know-how in chemistry and biology and expertise in fibrosis and oncology. The targets are selected in areas where the Company has recognized expertise (nuclear receptors, transcription factors and epigenetic modulation) and according to their proven involvement in specific diseases, which allows the implementation of a rapid clinical validation strategy. Clinical development is supported by an experienced team. This expertise and the purchase from Abbott of an up to date integrated pharmaceutical platform meeting the demanding standards of the pharmaceutical industry enables the Company to maintain a regular flow of innovative drug candidates.

### 6.3.5 A sound financial position to ensure the development of its main research programs

The Company benefits from a sound financial position due to a positive net cash position of €24.9 million at December 31, 2016 and the additional €48.5 million (before the subtraction of financial advisory fees) raised in February 2017 in its initial public offering. The Company also benefits from the French research tax credit which amounted to €4.2 million in 2016. It therefore has a sound financial position to ensure the development of its main programs.

## 6.4 IVA337: A NEXT GENERATION PANPPAR AGONIST FOR THE SAFE TREATMENT OFNASH AND SSC

### 6.4.1 IVA337: a phase IIb product with a strong safety and efficacy profile

Originally discovered by Laboratoires Fournier, a French pharmaceutical company, IVA337 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 IVA337, conducted an in-depth analysis of IVA337 potential in several indications (TD2M, 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 IVA337 in NASH and SSc, two indications for which the Company has generated convincing preclinical data in relevant in vitro and in vivo models.
IVA337 is a next generation panPPAR 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.

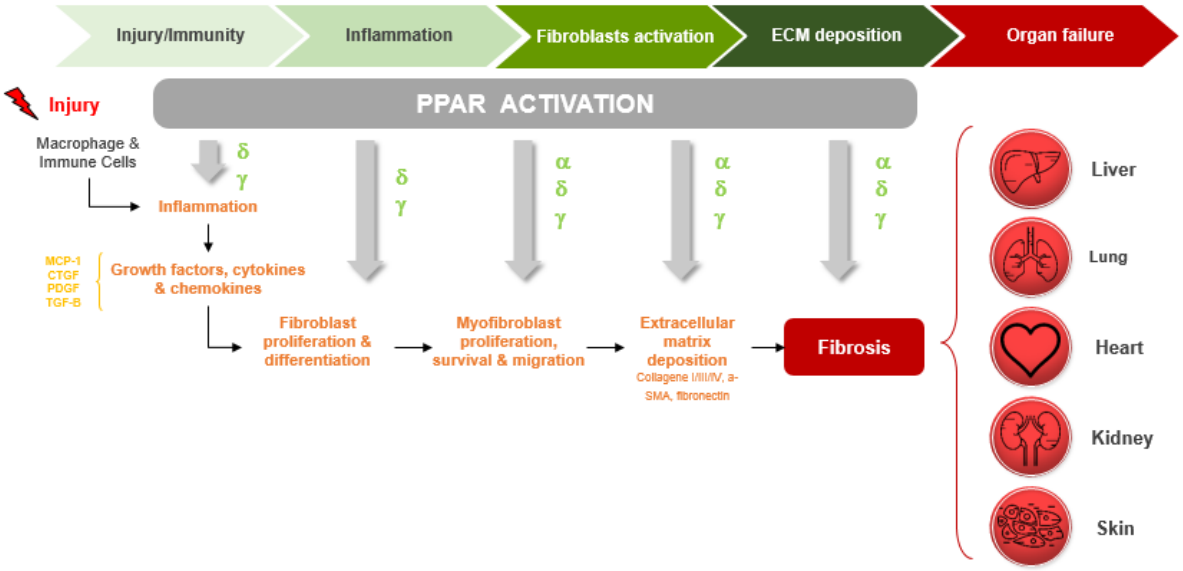
**IVA337 is the only compound to activate the three isoforms with similar concentrations to fenofibrate for the α isoform and to pioglitazone for the γ isoform.**

| Company | Compound | PPARα EC50 (nM) | PPARδ EC50 (nM) | PPARγ EC50 (nM) |
|---|---|---|---|---|
| inventiva | ▶ IVA337[1] | 1,630 | 850 | 230 |
| FOURNIER PHARMA | ▶ Fenofibrate | 2,400 | - | - |
| Takeda | ▶ Pioglitazone | - | - | - |
| GENFIT | ▶ Elafibranor[2] | 10 | 100 | - |

*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.*

PPARs are ligand-activated transcription factors belonging to the nuclear hormone receptor family that regulate a wide range of physiological activities including fibrosis. IVA337 has a very particular profile and distinctive from those of other PPARs by acting on the three targeted PPAR isoforms with moderate potency. This differs from other PPAR compounds discontinued for safety reasons which were more potent than IVA337 and only capable of activating one or two PPAR isoforms.
In addition, as shown below, each isoform intervenes in the fibrotic process. Therefore, by activating the three PPAR isoforms, IVA337 is expected to provide superior anti-fibrotic activity compared to a dual PPARα and δ.

**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.*

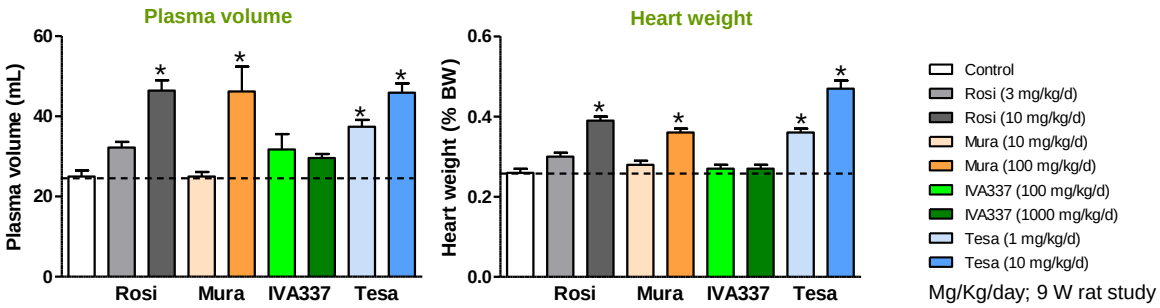
### 6.4.1.1 Preclinical safety data demonstrate the benign and atypical profile of IVA337 compared to other PPARs

IVA337 was selected by the Company among several preclinical candidates based on its favorable therapeutic margin and benign safety profile. The very good safety profile of the product was confirmed in in vivo toxicological studies (26 weeks) where none of the classical toxicological signs linked to PPARα, δ and γ activation were seen up to the highest doses tested.

For example, IVA337 does not produce cardiac toxicity or plasma volume expansion, two well-established undesirable side effects of PPARγ agonists. As shown in the table below, after nine weeks of treatment, IVA337 is the only PPAR agonist tested that does not increase heart weight and produce hemodilution at five to ten times the animal therapeutic dose, contrary to Rosiglitazone (PPARγ),

Muraglitazar and Tesaglitazar (dual PPAR α/γ) that clearly increased plasma volume and heart weight at a high dose.

**Comparison of IVA337, Rosiglitazone (PPARγ) Muraglitazar and Tesaglitazar (dual PPARα/γ agonists) on cardiac safety profile.**




*Source: Company data.*

As seen on the table below, IVA337 is devoid of any PPAR undesirable side effects on the heart, skeletal muscle, kidney and urinary bladder, as demonstrated in a long-term 26 week in vivo toxicology study.

| Organ | Molecule | Reported PPAR liabilities | IVA337 effects | No Observed Adverse Effect Level (NOAEL) |
|---|---|---|---|---|
| Heart | Glitazone | Fluid retention<br>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 | |

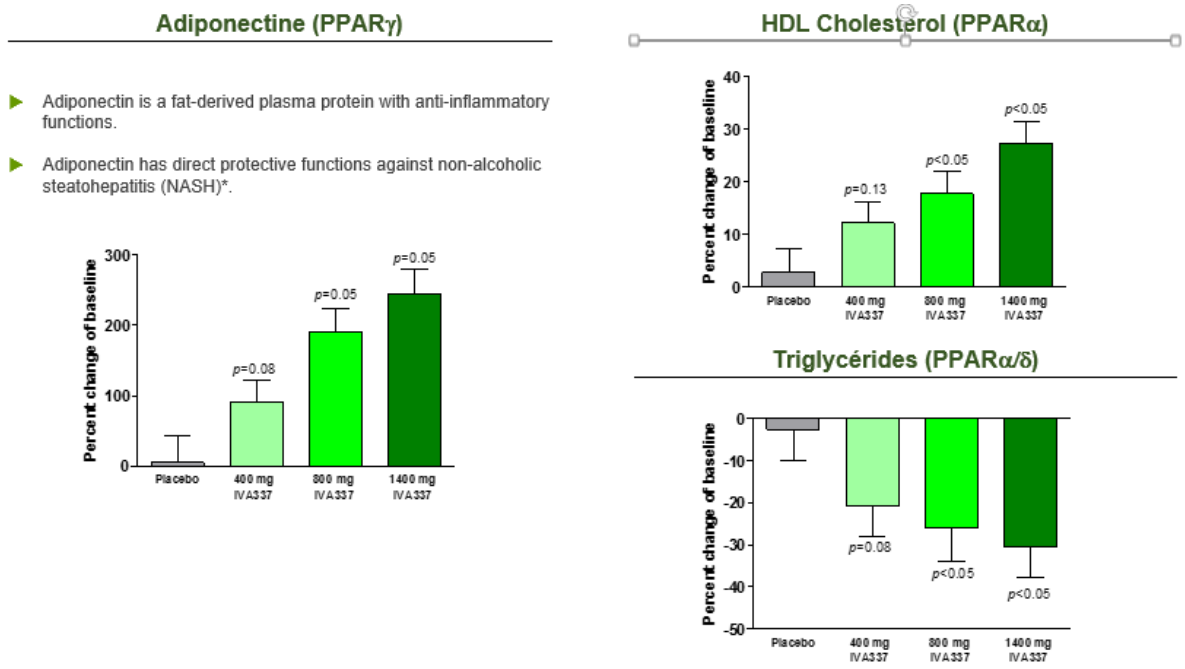
A 52-week regulatory study in monkeys was initiated in 2015 and the administration of the product to animals ended in October 2016. The final report is expected in 2017. The clinical, macroscopic and biological data recorded to this date show a good general tolerance of the product at every dose, and in particular, no weight gain, no hemodilution, no heart weight increase, or biological signals of cardiac distress. IVA337'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 IVA337's excellent safety profile, the Company requested authorization from the SAWP to carry out these regulatory safety studies in parallel to the one-year IVA337 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.

### 6.4.1.2 Clinical data confirmed IVA337 safety and efficacy on key metabolic markers

In phase I and IIa clinical trials on 100 healthy volunteers and 56 subjects with T2DM, IVA337 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 panPPAR activation, with improvements in insulin resistance markers (HOMA - IR) and dyslipidemia markers (increase in HDL cholesterol, reduction of triglycerides). These clinical findings,

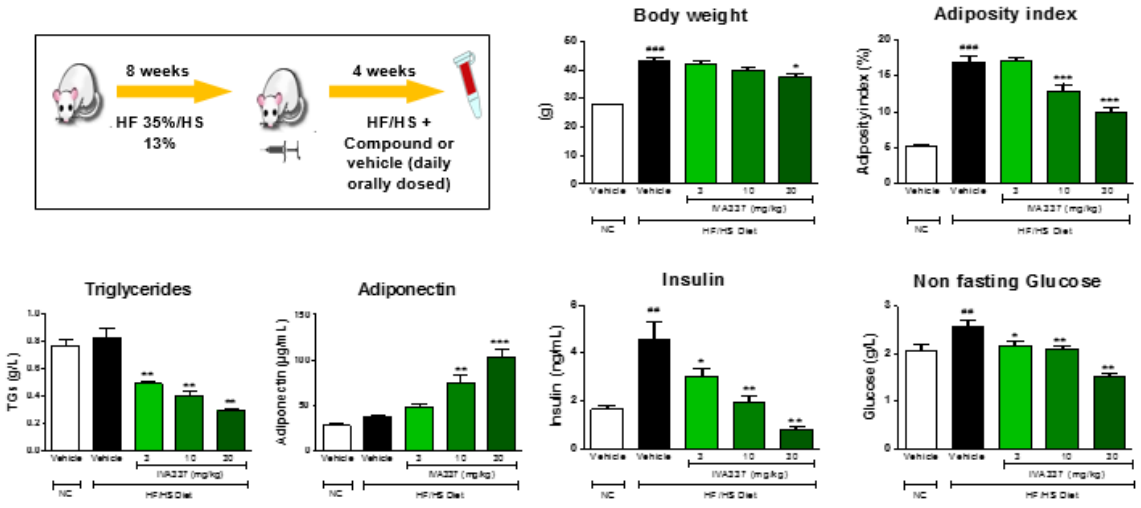
presented at the International Liver Congress of Barcelona (EASL) held in April 2016, are extremely valuable for the first indication targeted by the Company as the physiopathology of NASH is closely linked to obesity, IR and T2DM.

**IVA337 improves NASH-relevant metabolic markers in diabetic patients**



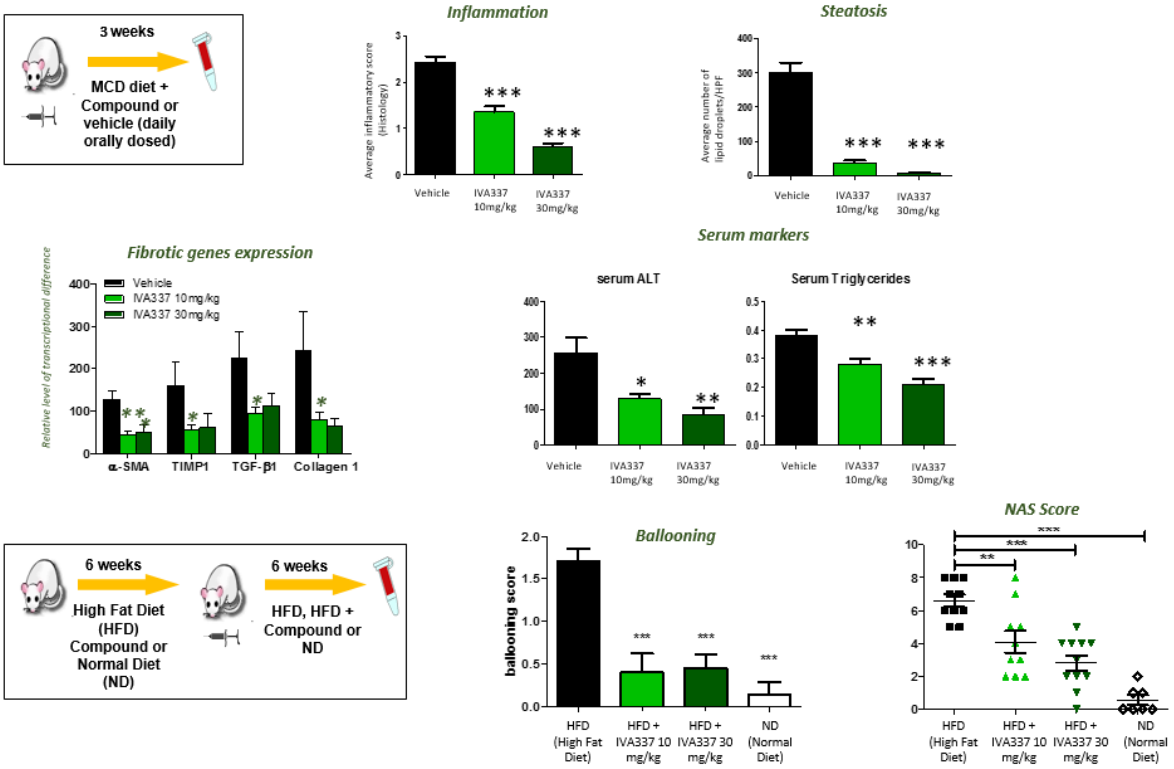

*Source: IVA337 Phase IIb clinical data in TD2M patients; Ohashi, Endocr Metab Immune Disord Drug Targets. 2015.*

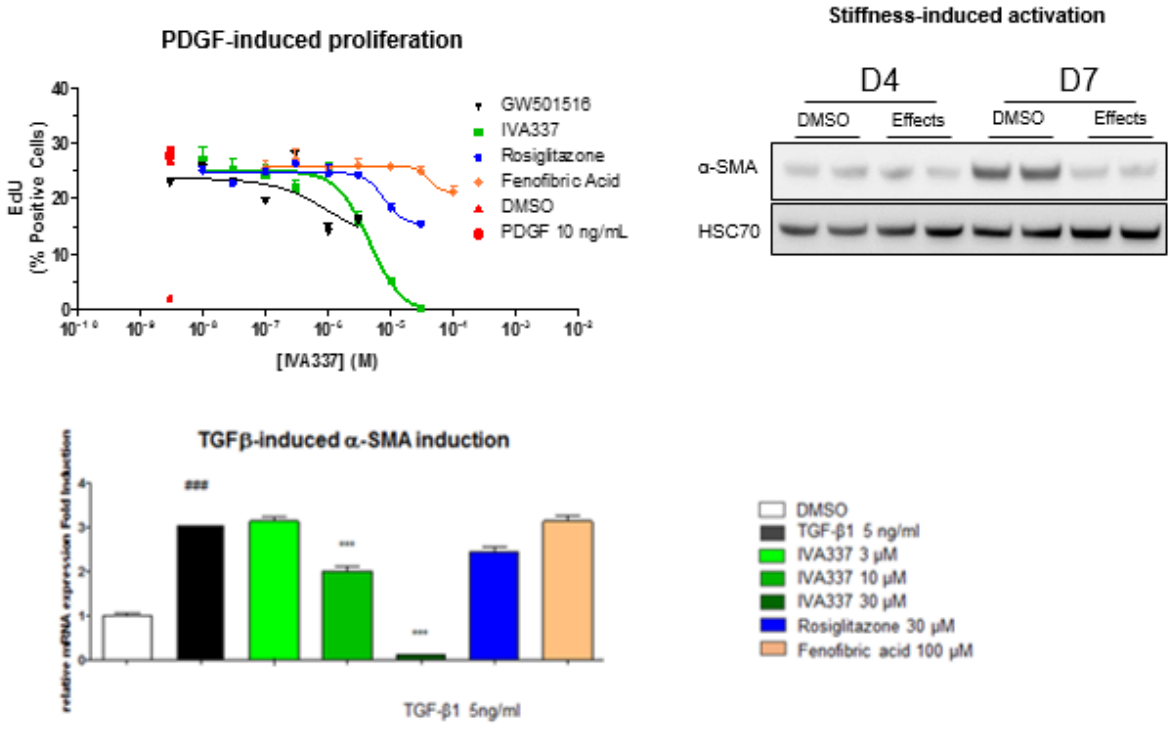
In addition, IVA337 improved NASH-relevant metabolic markers and insulin-sensitivity (body weight, adiposity index, non-fasting glucose and insulin) in a diet-induced obesity and insulinresistance model.




*Source: Company data.*

IVA337 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 preclinical model of NASH. IVA337 was able to inhibit proliferation and activation of human hepatic stellate cells.



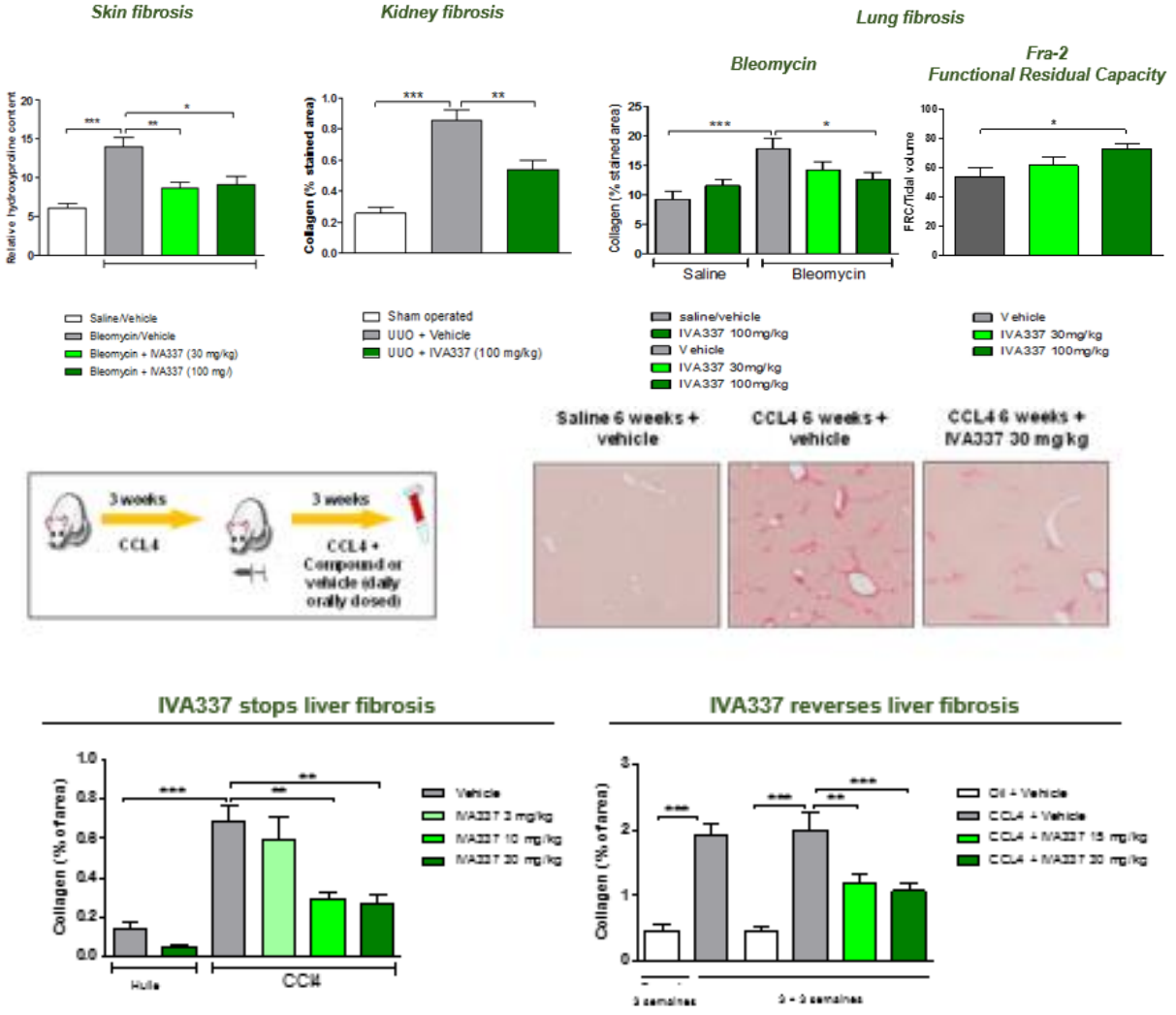

*Source: Company data.*

Clinical findings also illustrate the excellent safety of IVA337 with good overall tolerance and no major safety findings as demonstrated by the measurements of proven markers of liver, renal, heart, muscle and bone functions.

### 6.4.1.3 IVA337 demonstrated anti-fibrotic activity in various organs

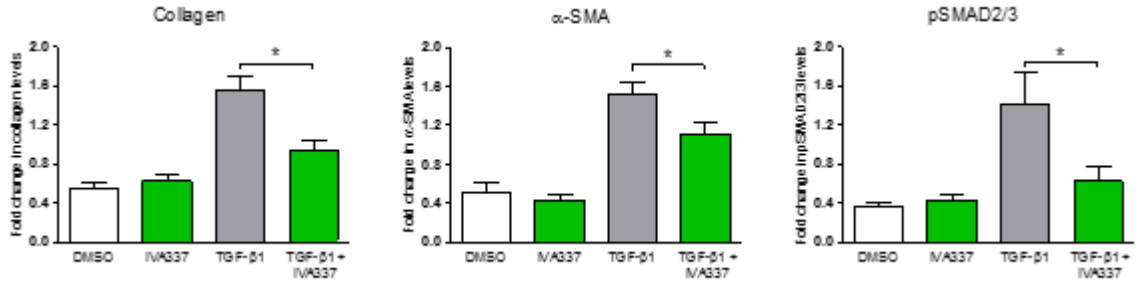
The PPAR isoforms activated by IVA337 are involved in the pathogenesis of fibrosis. More precisely, PPARα, δ and γ activation counteracts fibrosis in various models and PPARγ as well as PPARα genes expression are repressed in skin and lung biopsies from SSc patients. In addition, adiponectin levels, 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.

IVA337 anti-fibrotic efficacy was demonstrated in several in vitro and in vivo preclinical studies, where IVA337 induced the regression of pre-existing fibrotic damage in the liver and in the skin and prevented further development of fibrosis. IVA337 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.




*Source: Company data.*

IVA337 also demonstrated its ability to inhibit the main fibrotic driver, TGFb, in fibroblasts from SSc patients, fibroblast to myofibroblast differentiation being largely regulated by TGFb through the SMAD2/3 pathway. IVA337 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.




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

Taken together, these results demonstrated that IVA337 displays a strong anti-fibrotic activity. Therefore, the Company believes it can confirm in patients this anti-fibrotic activity and has decided to target two organs where IVA337 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.

### 6.4.2 IVA337, a well-positioned drug candidate in a $35 billion to $40 billion NASH market

#### 6.4.2.1 Description and market size of NASH - the next pandemy

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

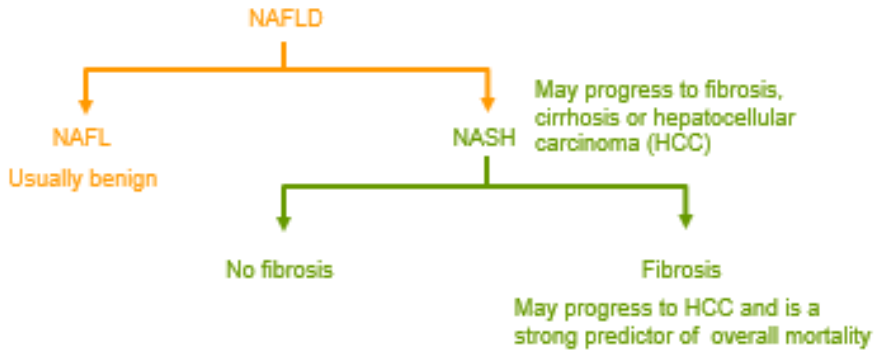
The prevalence of non-alcoholic fatty liver disease (NAFLD) in developed countries is rapidly increasing and NASH has become a leading contributor to the need for liver transplantation[14].

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 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).

[13] Udompap P, Kim D, Kim WR, Current and Future Burden of Chronic Nonmalignant Liver Disease. Clin Gastroenterol Hepatol. 2015 Aug 17. 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.




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 with NASH. Out of the 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 in the market. Current treatment options for NASH are therefore limited to lifestyle change and weight loss and to physical therapy such as bariatric surgery.
The high level of unmet need, growing patient population and commercial potential of the NASH market makes it an attractive opportunity for new drug development. There have been a number of forecasts of the potential growth in the NASH market; with estimates of a total market value of $35 billion to $40 billion in 2025[18] and with some analysts forecasting that leading drugs could reach peak annual sales in the range of $6 billion to $10 billion[19].

#### 6.4.2.2 Competing products and expected benefits of IVA337

The following table summarizes the current development pipeline for the treatment of NASH. This table shows that IVA337 is the only development candidate with a panPPAR action mechanism.

| Company | Drug | Mechanism of action | Delivery | Phase |
|---|---|---|---|---|
| Intercept | OCA | FXR agonist | oral | III |
| Genfit | GFT 505/Elafibranor | Dual PPAR α/δ agonist | oral | III |
| Gilead[20] | Selonsertib | ASK1 | IV and subcutaneous | II |
| Galmed | Aramchol | Synthetic fatty acid/bile acid conjugate | oral | IIB |
| Conatus | Emricasan | Caspase protease inhibitor | oral | II |
| Novo Nordisk | Liraglutide | GLP-1 | subcutaneous | II |
| Takeda | Roflumilast | PDE-4 | oral | II |

[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] Source: Abzena plc press release dated November 2, 2016.

| | | | | |
|---|---|---|---|---|
| Allergan | Cenicriviroc | Dual CCR2/CCR5 antagonist | oral | I |
| Phenex[21] | PX-104 | FXR agonist (non bile acid) | oral | I |
| Galectin | GR-MD-02 | Galectin-3 | IV and subcutaneous | I |
| Pharmaxis[22] | PXS4728A | SSAO/VAP-1[23] | oral | I |
| Nimbus[24] | NDI-010976 | Acetyl-CoA Carboxylase (ACC) | oral | I |
| La Jolla | GCS-100 | Galectin-3 | IV | pre-IND |

*Source: Deutsche Bank market research, July 14, 2014; Company analysis.*

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 Aramchol from Galmed.

1. 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[25]. It should be noted that, using the same primary endpoint as for the FLINT study, a second phase IIb study concerning OCA in Japanese NASH patients was not conclusive. Phase III recruitment started in the third quarter of 2015. The REGENERATE phase III trial will include a pre-planned interim histology analysis after 72 weeks of treatment in approximately 1,400 patients which is intended to serve as the basis for US and international marketing approvals for OCA in the treatment of NASH patients with liver fibrosis. 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[26].

While the FLINT trial showed encouraging[27] results, the Company considers the product will have to overcome significant hurdles to acceptance in real-world clinical practice and that IVA337 may positively differentiate from OCA.

[21] Both programs (PX-104 and NDI-010976) have been acquired by Gilead.
[22] PXS4728A has been acquired by Boehringer-Ingelheim.
[23] Semicarbazide-Sensitive Amine Oxidase/Vascular Adhesion Protein-1.
[24] Both programs (PX-104 and NDI-010976) have been acquired by Gilead.
[25] 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.
[26] Intercept website.
[27] Intercept website.

- IVA337 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.

- IVA337 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.

- IVA337 is expected to induce a decrease in liver insulin resistance.

2. Elafibranor (GFT-505): Genfit

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

In January 2016, Genfit published results from the one-year phase IIb GOLDEN-505 trial in NASH. The study compared 2 doses of Elafibranor (80 mg and 120 mg once daily) to a placebo in 274 NASH patients with a broad range of nonalcoholic fatty liver disease activity scores (NAS) (three out of eight) (histological composite score measuring steatosis, inflammation and ballooning; definite NASH is established with a NAS score superior to four). The primary predefined endpoint, namely the reversal of NASH without the worsening of fibrosis according to the protocol definition, was not achieved in the targeted treatment population. However, a post-hoc analysis of data indicated that Elafibranor 120 mg resolved NASH without worsening of fibrosis based on a modified definition in the treatment analysis and in patients with moderate or severe NASH[28]. PPARα/δ activation by Elafibranor led to the improvement of ballooning and inflammation as well as metabolic markers in NASH patients within 12 months. Genfit has initiated a pivotal phase III study to evaluate the effect of Elafibranor 120 mg in approximately 1,800 NASH patients (NAS>4) with F2 or F3 fibrosis. An interim analysis to seek initial market approval will be performed after 72 weeks in order to evaluate the effect of Elafibranor on the liver histology of the first 900 patients. To support full approval, the trial will continue in order to demonstrate the impact of Elafibranor on the prevention of cirrhosis and other liver related outcomes on the full study population.

While both Elafibranor and IVA337 are PPAR agonists, there are some key differences in their profiles, which may, according to the Company, support IVA337 as a better product:

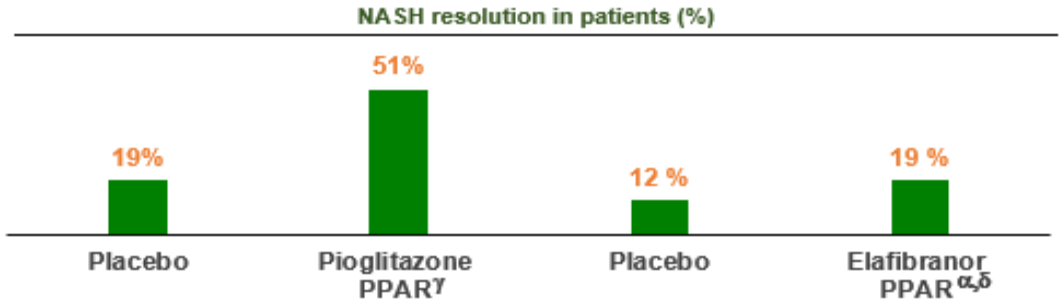
1. IVA337 is a balanced panPPAR agonist, while Elafibranor is a preferentially active PPARα agonist. Therefore, the Company considers that, by activating the three PPAR isoforms, IVA337 should provide superior therapeutic efficacy in NASH patients compared to a dual PPARα/δ.

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[29] (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.

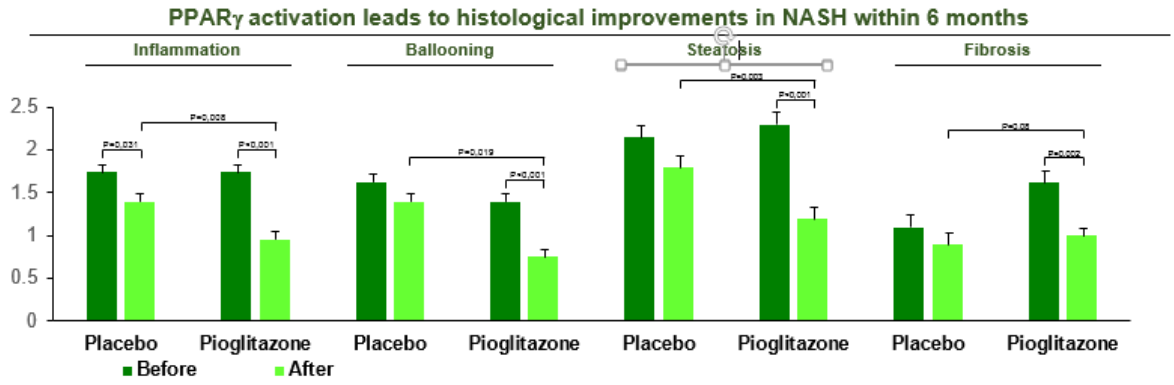
[28] Ratziu V. et al, Gastroenterology, 2016.
[29] A Placebo-Controlled Trial of Pioglitazone in Subjects with Nonalcoholic Steatohepatitis; The New England Journal of Medicine, Nov. 2006

3. As NASH is strongly associated with IR and metabolic syndrome, the effects of a PPARγ activity on glucose metabolism may allow IVA337 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, IVA337 could prove more efficacious than pioglitazone (PPARγ) and Elafibranor (PPARα/δ). In addition, IVA337 could provide superior benefits on metabolic markers.




*Source: Cusi K et al, Annals of Internal Medicine, 2016; Ratziu V et al, Gastroenterology, 2016.*




*Source: Belfort R et al, NEJM, 2006.*

3. <u>Aramchol Galmed Pharmaceuticals</u>

Aramchol is a synthetic Fatty-Acid/Bile-Acid Conjugate (FABAC) of cholic acid and arachidic acid.

Aramchol reduces the synthesis of fatty acids resulting in a reduced liver fat content in NAFLD patients. The Company believes that Aramchol treatment mostly targets steatosis. Therefore, the Company considers that IVA337 should provide superior therapeutic efficacy in NASH patients by treating the causes of NASH as well as fibrosis.

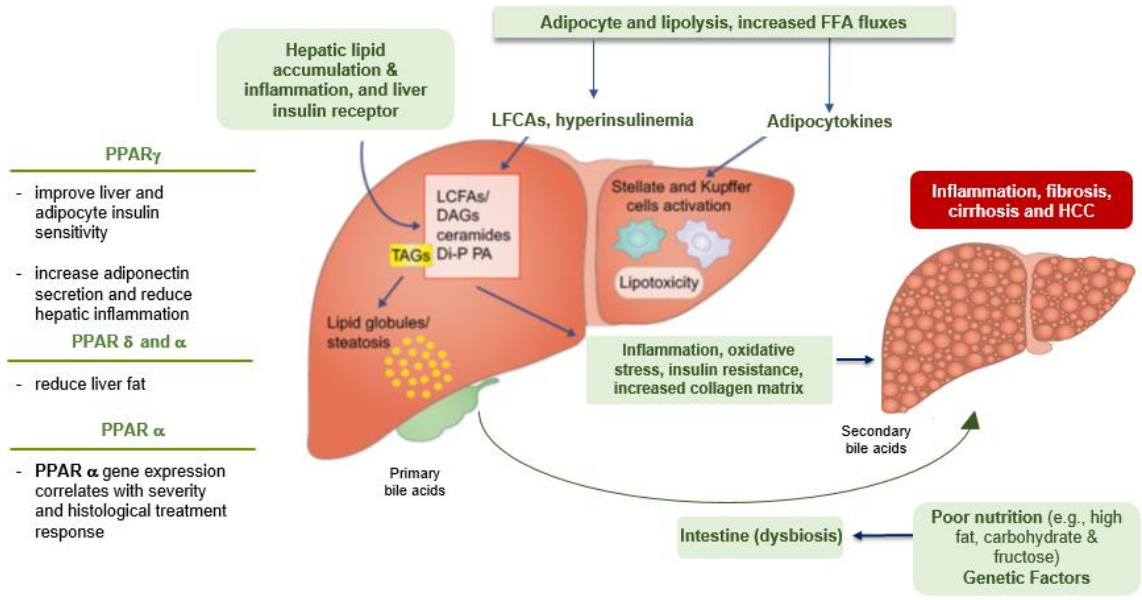
### 6.4.2.3 IVA337 sales potential is estimated at above €3.7 billion in NASH patients

The global NASH market is expected to reach $35 billion to $40 billion in 2025 and leading drugs could reach peak annual sales of more than $6 billion[30]. Venture Valuation estimates that IVA337 sales in NASH could be superior to €3.7 billion per year worldwide[31]. 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 UK) for 29% (€1.1 billion). Assuming that both OCA and Elafibranor reach the market, the Company estimates a market share of 10% for IVA337. Sales forecasts are based on an ex-factory price for IVA337 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[32]. 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.

### 6.4.2.4 NATIVE: a clinical study to prove IVA337 safety and efficacy in NASH patients

NASH is increasingly viewed as the hepatic expression of the metabolic syndrome, IR, with inflammation and fibrosis being common features of the condition. Therefore, the Company believes that IVA337 could be an interesting therapeutic approach to NASH treatment given its beneficial effects on metabolic parameters and its antifibrotic activity. The potential of IVA337 in the treatment of NASH is supported by in vitro and in vivo preclinical findings generated by the Company, the six-month trial sponsored by the University of Florida and the PIVENS trial referred above on pioglitazone (PPARγ) with clinical results suggestive of long-term clinical benefits in NASH patients.

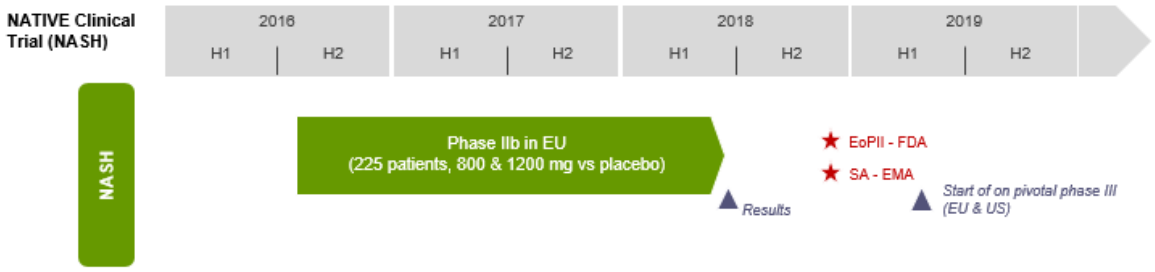
1. <u>The Pan-PPAR profile of IVA337 offers a unique therapeutic opportunity in NASH</u>




The Company has initiated the NATIVE trial (NAsh Trial to Validate IVA337 Efficacy), a 24 week multicenter phase IIb clinical study 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 IVA337 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

[30] Deutsche Bank Market Research, July 14, 2014.
[31] Venture Valuation Report.
[32] Source: Liraglutide Efficacy and Action in Non-Alcoholic Steatohepatitis (LEAN), https://clinicaltrials.gov/ct2/show/NCT01237119?term=liraglutide+NASH&rank=2.

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 IVA337 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 three or four (>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.




Following the completion of this study, the Company plans to launch a pivotal phase III study during the first half of 2019 in Europe and in the United States. This study will be carried out with the commercial formula currently under development. The commercial formula will be selected during a phase I clinical pharmacokinetic trial which will assess the exposure of IVA337 generated by three types of formula. This phase I trial is in the preparation stages with Eurofins.

IVA337 is supported by an international board of recognized key opinion leaders in the field of NASH. The advisory board brings together a group of world-renowned experts in the pathology and in NASH clinical trials.

2. INVENTIVA Advisory Board for NATIVE clinical trials

| Name | Organization Name | Country |
|---|---|---|
| Pr Sven Francque | Universitair Ziekenhuis, Antwerpen | Belgium |
| Pr Quinten Anstee | Institute of Cellular Medicine, Newcastle University | UK |
| Pr Pierre Bedossa | Hôpital Beaujon, Paris | France |
| Pr Elisabetta Bugianesi | University of Turin, San Giovanni Battista Hospital | Italy |
| Pr Vlad Ratziu | Hôpital Pitié-Salpêtrière, Paris | France |

### 6.4.3 IVA337: the first disease modifying treatment in SSc

#### 6.4.3.1 SSc: A lethal disease with no approved treatment

SSc is a 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 has 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 gastro-intestinal tract and lung vessels, usually occurs after more than 10 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[33].

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 years survival rate of 93% and 70%, respectively, for lcSSc and dcSSc patients[34].

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)[35]. 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)[36].

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.
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 possibly worsen gastric reflux. Bosentan, sildenafil, tadalafil, and vardenafil also may be used to address Raynaud's phenomenon but do not address the underlying cause of the disease.

[33] European Scleroderma Trials and Research Group
[34] Journal of Rheumatology, 2013
[35] Orphanet
[36] *ACR/EULAR 2013 criteria; Epidemiology of systemic sclerosis. Best Practice & Research Clinical Rheumatology, 2010*

#### 6.4.3.2 IVA337 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 preclinical or early clinical development stage.

The following table summaries 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. IVA337 is one of the few orally active therapeutic agents and the only development candidate with a panPPAR anti-fibrotic mechanism of action.

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

*Source: Company analysis*

Product development strategies for the treatment of SSc largely include immunomodulatory products repositioned in this indication such as Tocilizumab from Roche or Belimumab from GSK. Other repurposed drugs include Riociguat from Bayer. None of these drugs rely on an extensive approach that targets the SSc triad (inflammation, vasculopathy, and fibrosis). IVA337, 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 IVA337 to make a difference and provide better efficacy for patients. In addition, IVA337 oral administration will provide a real benefit for patients, especially, compared to biologic drugs. IVA337 also received orphan status designation (OSD) 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 IVA337 could provide to patients in indications with a high unmet medical need. In addition, being assigned OSD status has several regulatory advantages including exclusive commercialization rights for a period of ten years in the EU and seven years in the US.
Among the immunosuppressive biological products in development, the three most advanced are Tocilizumab, Abatacept and Belimumab.

1. 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[37]. Hoffmann - La Roche is currently repositioning Tocilizumab in SSc and a phase II clinical trial has been recently completed. The primary objective (improvement in skin thickening at 48 weeks) was not met. Hoffmann - La Roche is initiating a phase III clinical trial[38].

2. 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[39]. BMS is currently repositioning Abatacept in SSc and a phase II clinical trial is currently ongoing[40].

3. 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[41]. GSK is currently repositioning Belimumab in SSc and a phase IIa clinical trial is currently ongoing[42].
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 IVA337 when an anti-fibrotic drug is needed. The Company IVA337 could offer a superior safety profile. In addition, IVA337 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.

4. 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 II clinical trial began in January 2015[43].
The Company considers that IVA337 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 IVA337 versus a three-times-a-day drug that requires titration. In addition, the Company expects a reduced risk in terms of Drug-Drug Interaction.

[37] EMA website.
[38] clinicaltrials.gov
[39] EMA website
[40] clinicaltrials.gov
[41] EMA website
[42] clinicaltrials.gov
[43] Clinicaltrials.gov: Efficacy and Safety of Riociguat in Patients With Systemic Sclerosis

5. 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[44]. Results published after administering Resunab for 16 weeks indicate some level of efficacy and Corubs hopes, in light of these results, to discuss launching a phase III study with the FDA.

#### 6.4.3.3 IVA337 sales potential is estimated above €1.8 billion in SSc patients

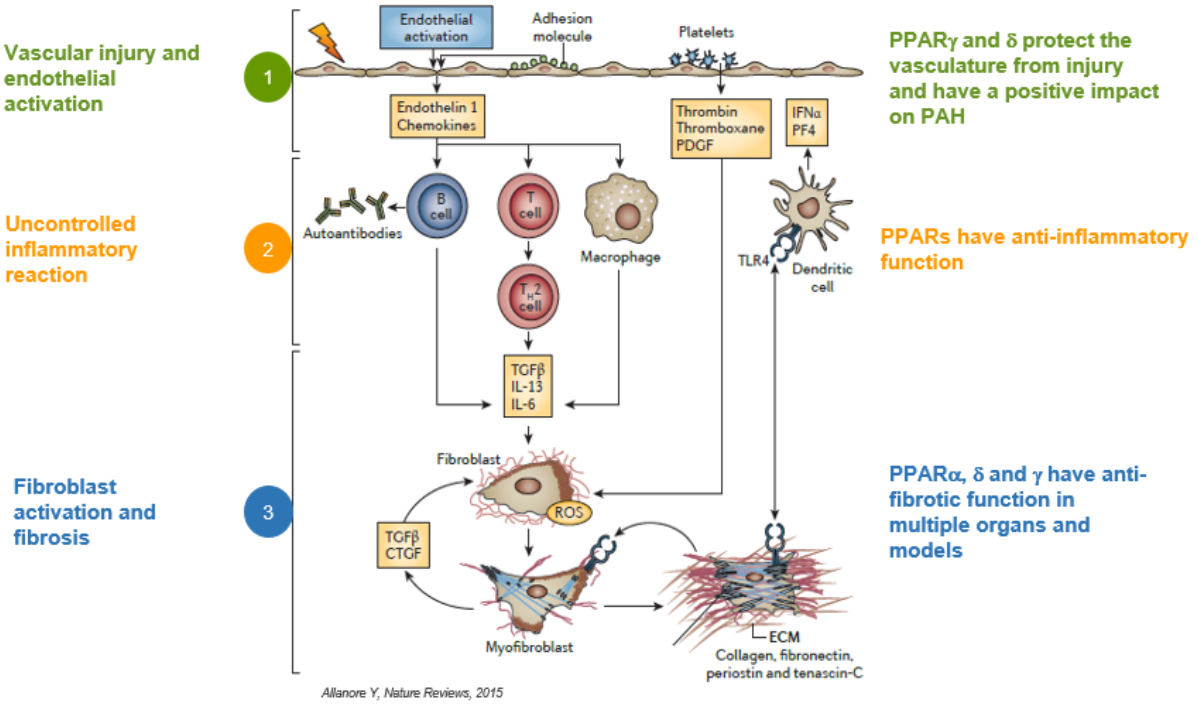
Considering the high unmet medical need in SSc and, to the best of the Company's knowledge, the absence of approved drugs, the Company believes that SSc is a commercially attractive opportunity for IVA337. The Company has commissioned Venture Valuation to estimate IVA337 SSc sales. The forecasts obtained indicate that, commercialized for SSc alone, peak sales for IVA337 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 United Kingdom) for 26% (€473 million)[45]. 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.

#### 6.4.3.4 FASST: an EMA approved trial aiming to prove safety and efficacy in the treatment of dcSSc

Building on positive phase I and IIa pharmacology and safety data obtained in previous clinical studies, the Company has initiated IVA337 development in systemic sclerosis, with a phase IIb safety and efficacy study (48-week treatment + 12-week safety follow-up) in 132 early diagnosed (less than three years) patients with active dcSSc (FASST study). This is a double-blind, randomized study with two active dose groups (45 patients in each treatment group) and one placebo group. Two doses BID of IVA337 (800 and 1,200 mg) will be tested. The primary endpoint will be 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 a MRSS between 10 and 25. The study is running in eight European countries (France, United Kingdom, Germany, Italy, Switzerland, Spain, the Netherlands and Poland) and more than 50 centers have been selected. With the recruitment of patients underway and the schedule announced, the Company hopes to publish its first results in the second half of 2018.

[44] Corbus Pharmaceuticals website, Press release, April 12, 2016.
[45] Venture Valuation Report.

1. IVA337: the first disease modifying approach in SSc

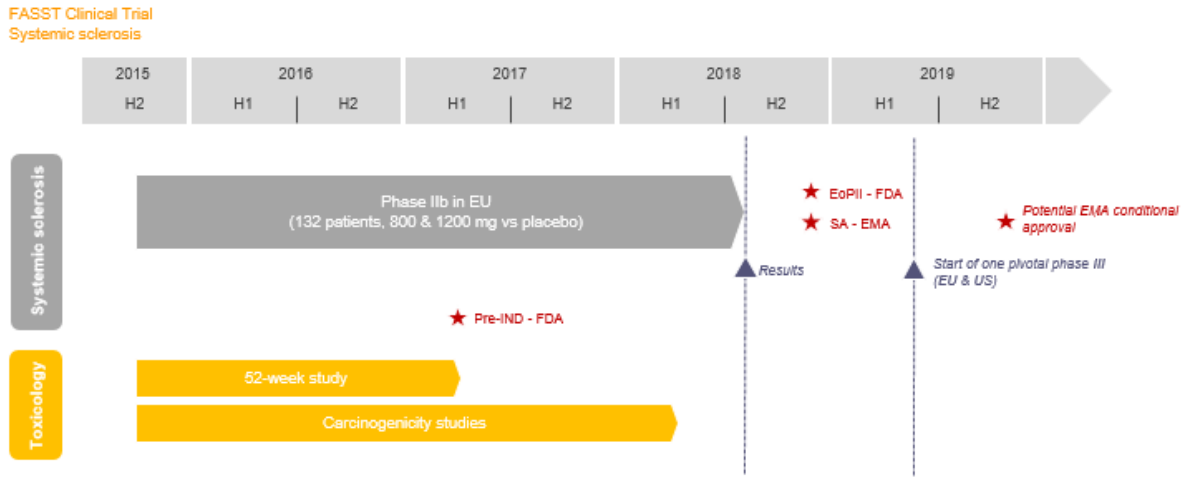



In parallel to this phase IIb clinical trial, the Company has started, and should complete by mid-2018, all the preclinical safety studies (including a one-year toxicological study and two-year carcinogenicity studies) needed to obtain the MA both in Europe and in the US.

Following the FASST trial, the Company plans to initiate a combined safety/efficacy phase III pivotal trial with dcSSC and lcSSc patients during the first half of 2019. The trial will be conducted with study centers in both Europe and the US, where an Investigational New Drug (IND) will be opened before the phase III study.

Additionally, the Company plans to discuss the possibility of a conditional marketing approval from the second half of 2019 in Europe with the EMA. 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.

The Company expects to publish the first headline results of the FASST study in the middle of the second half of 2018. The beginning of the phase III pivotal study is scheduled for the end of the first half of 2019 as indicated in the timetable below.




FASST is supported by an international board of recognized key opinion leaders in the field of SSc. The Advisory board (see below) which defined the FASST clinical trial protocol notably includes Professor Yannick Allanore (Université Paris Descartes; principal investigator and president of the European League Against Rheumatism), Professor Marco Matucci (University of Florence; president of the World Scleroderma Foundation) and Professor Chris Denton (Royal Free Hospital, London) acting as co-principal investigator.

2. <u>INVENTIVA Advisory Board for FASST clinical trials</u>

| Name | Organization Name | Country |
|---|---|---|
| Pr Yannick Allanore | UPD and chairman of European Scleroderma Trials And Research (EUSTAR) | France |
| Pr Marco Matucci Cerinic | UNIFI and chairman of World Scleroderma Foundation (WSF) | Italy |
| Pr Jörg Distler | University of Erlangen | Germany |
| Pr Oliver Distler | University of Zurich | Switzerland |
| Pr Christopher Denton | Royal Free Hospital | UK |

### 6.4.4 Inventiva's preclinical, safety and clinical data will maximize partnering opportunities

NASH and SSc are extremely attractive indications for potential partners. The high medical needs and, to the best of the Company's knowledge, the absence of approved drugs, open the way for highly profitable licensing agreements. Recent deals clearly indicate the appetite of leading pharmaceutical companies for drugs in these indications, which translates either in M&A transactions or in deals worth several hundred millions.

For example, in January 2015, Gilead, a company listed on Nasdaq, announced the acquisition from Phenex, a German company, of a Farnesoid X Receptor (FXR) program comprising small molecule FXR agonists for the treatment of liver diseases including NASH. Under the terms of the agreement, Gilead will pay Phenex an upfront payment plus additional payments based upon the achievement of certain development milestones that may potentially be worth up to $470 million[46].

[46] Gilead Sciences, Inc. and Phenex Pharmaceuticals AG, Press release, January 6, 2015.

In May 2015, Boehringer Ingelheim, a German company, acquired a phase I anti-inflammatory drug candidate that has shown preclinical activity in NASH from Pharmaxis, a company listed on the Australian Securities Exchange. The total potential value of this deal for Pharmaxis is in excess of $750 million, said amount comprising the upfront payment and the potential milestones and royalties[47].

In April 2016, Gilead announced a new deal in this field with the acquisition of a Nimbus Therapeutics subsidiary named Nimbus Apollo which includes the drug NDI-010976 (a Acetyl-CoA Carboxylase - ACC- inhibitor program) in phase I development in NASH. Gilead agreed to pay a $400 million upfront payment as well as $800 million in potential milestones[48].

The Company's strategy endeavors to out-license IVA337 to a leading pharmaceutical company with all the expertise and resources to conduct the remaining pivotal phase III clinical trials, obtain marketing authorization in NASH and/or SSc and commercialize the products. In return, the Company expects to receive upfront payments, milestones and royalties.

## 6.5 IVA336: THE FIRST ORAL TREATMENT FOR MPS I, II AND VI

### 6.5.1 MPS: a group of devastating diseases[49]

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 IVA336 to produce two forms of soluble GAGs (dermatan sulfates - DS; chondroitin sulfates -CS) makes it particularly suited to becoming the first substrate reduction therapy treating MPS I, II and VI patients, where these types of GAGs accumulate.

| MPS type | Deficient enzyme | Accumulated GAGs |
|---|---|---|
| MPS I | a-L-iduronidase (IDUA) | Dermatan sulfate (DS)<br>Heparan sulfate (HS) |
| MPS II | Iduronate-2-sulphatase (I2S) | Dermatan sulfate (DS)<br>Heparan sulfate (HS) |
| MPS VI | arylsulphatase B (ASB) | Dermatan sulfate (DS)<br>Chondroitin sulfate (HS) |

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

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 facies, 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

[47] Boehringer-Ingelheim and Pharmaxis, Press release, May 18, 2015.
[48] Gilead Sciences, Inc. et Nimbus Therapeutics, LLC, Press release, April 4, 2016.
[49] H. Noh, J. I. Lee; Current and potential therapeutic strategies for muvopolysaccharidoses; Journal of Clinical Pharmacy and Therapeutics, 2014, 39, 215-224.

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[50].

MPS II (Hunter syndrome) is caused by a deficiency of iduronate-2-sulphatase (I2S), leading to the accumulation of heparan sulfate and dermatan sulphate within the lysosome. Unlike all the other MPS that show autosomal recessive inheritance and appear 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 neurologic 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.

In MPS VI (Maroteaux-Lamy syndrome), the deficiency of N-acetylgalactosamine 4-sulphatase (arylsulphatase 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 severe forms of the disease and more for patients with less severe forms.

### 6.5.2 Existing treatment options, market potential and competition on the MPS I, II and VI[51]

There is no cure for MPS I, II and VI, 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).

Supportive or symptom-based care uses a variety of approaches like physiotherapy and medication to alleviate the symptoms and complications of MPS I, II and VI. 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

[50] Mucopolysaccharidoses, Rare Diseases Unit of the Finnish Association of People with Physical Disabilities, 2013.
[51] H. Noh, J. I. Lee; Current and potential therapeutic strategies for muvopolysaccharidoses; Journal of Clinical Pharmacy and Therapeutics, 2014, 39, 215-224.

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[52]. 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.

ERT treatments have been used for a number of years and to date the FDA has approved three recombinant human enzymes: laronidase (Aldurazyme, commercialized by Genzyme) for MPS I, idursulfase (Elaprase, commercialized by Shire) for MPS II and galsulfase (Naglazyme, commercialized by Biomarin) for MPS VI. In commercial terms, ERTs have been very successful, despite the need for weekly infusion than can last up to four hours, with 2014 yearly sales of $192 million worldwide for Aldurazyme, of $593 million for Elaprase and $334 million for Naglazyme[53].

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 and VI occurring in certain regions such as the ophthalmological system or the joints due to poor vascularization preventing the penetration of the enzyme[54]. The Company believes that the good distribution, as demonstrated in its studies, of IVA336 in the target organs poorly covered by ERT should provide patients with a substantial added benefit. Moreover, IVA336 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 hematopoietic 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.

Nevertheless, researchers are still left with many challenges and the use of gene therapy remains largely experimental. Furthermore, 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 gene therapy a potential long-term solution for MPS patients[55].

[52] Bone marrow transplantation for lysosomal disorders; Lancet 1995.
[53] Companies financial reports.
[54] 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.
[55] Food and Drug Administration, 2006.

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. Preclinical evidence demonstrates that inhibition of the substrate production can slow down or halt the progression of the disease and even reverse the symptoms[56]. As of the date of this Registration Document and to the best of the Company's knowledge, IVA336 is the first SRT to enter clinical development in MPS I, II and VI.

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). Clinical development of the therapy has yet to begin, so the Company considers that the overall probability of success for the program remains uncertain. Furthermore, 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[57].

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 IVA336, the GAG modulation mechanism of action has not been demonstrated and the Company believes that its translation to humans is still uncertain.

In MPS I, besides pentosan, new approaches include two gene therapy projects in their preclinical stages developed by Sangamo and RegenxBio, both of which are scheduled to begin their clinical stages in 2017. As with the MeuSix approach, the Company believes that the early stage of these projects and regulatory hurdles make them long-term options. 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 preclinical stage.

These gene therapies approaches, if successful, might be considered as a threat to current ERT products, but the Company believes it should not impact the potential of IVA336 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 IVA336 considering their different mechanism of action. Gene therapy approaches in MPS II at preclinical stages are also explored by Sangamo, RegenxBio and 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.

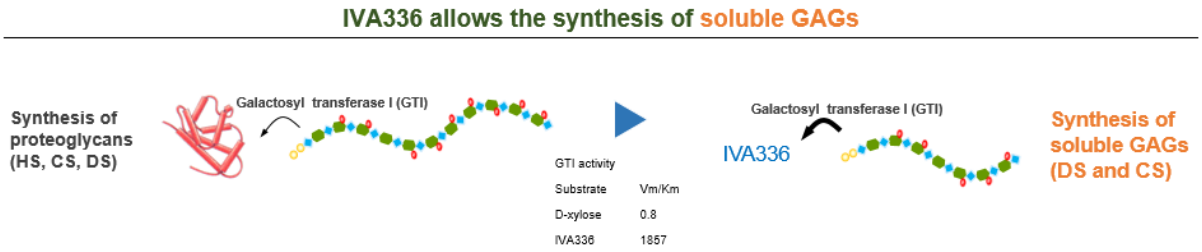
[56] Substrate Reduction Therapies for Mucopolysaccharidoses; *Current Pharmaceutical Biotechnology,* 2011, *12,* 1860-1865.
[57] Food and Drug Administration 2006.

### 6.5.3 IVA336: the first substrate reduction therapy approach to target MPS I, II and VI patients

IVA336 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 IVA336 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 IVA336 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, IVA336 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 IVA336 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. IVA336 development was discontinued when GSK decided to return all rights of the product to Laboratoires Fournier.

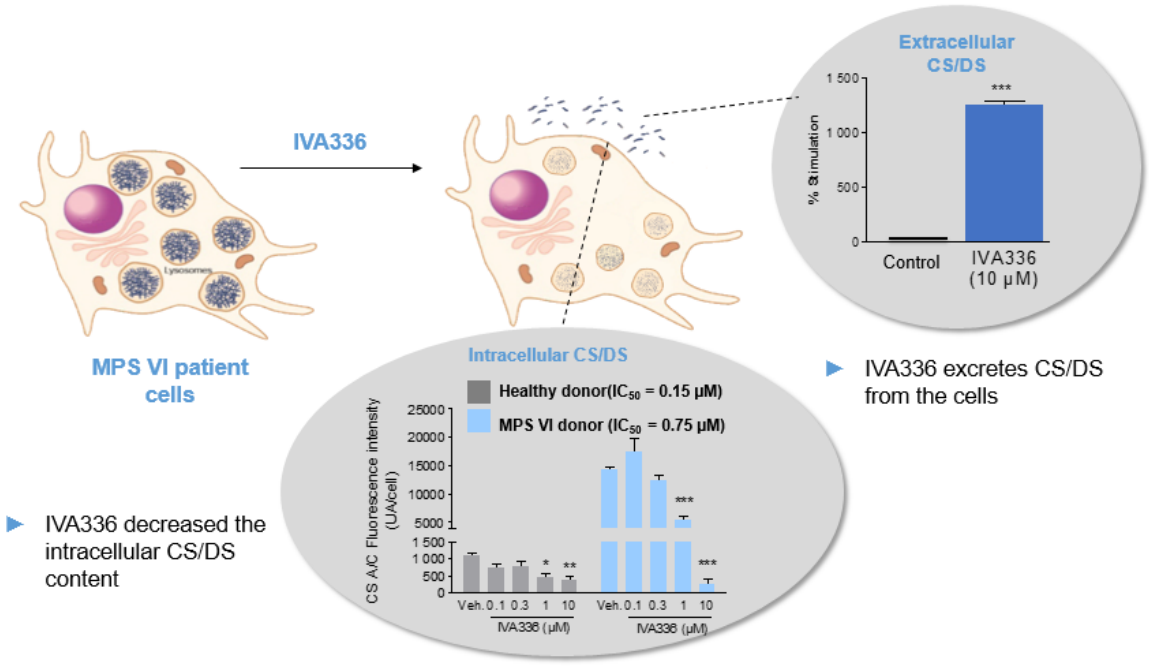
In 2012, the Company acquired all rights to the product and conducted an in depth evaluation of IVA336's mechanism of action and discovered that inducing circulating dermatan and chondroitin sulfate can lead to a new therapeutic approach for the treatment of mucopolysaccharidosis, where dermatan and chondroitin sulfate accumulate in the cells. IVA336's specific mechanism of action allows the synthesis of soluble GAGs. Therefore,IVA336 should decrease GAG lysosomal accumulation in MPS patients by diverting endogenous proteoglycans synthesis to soluble GAGs synthesis.



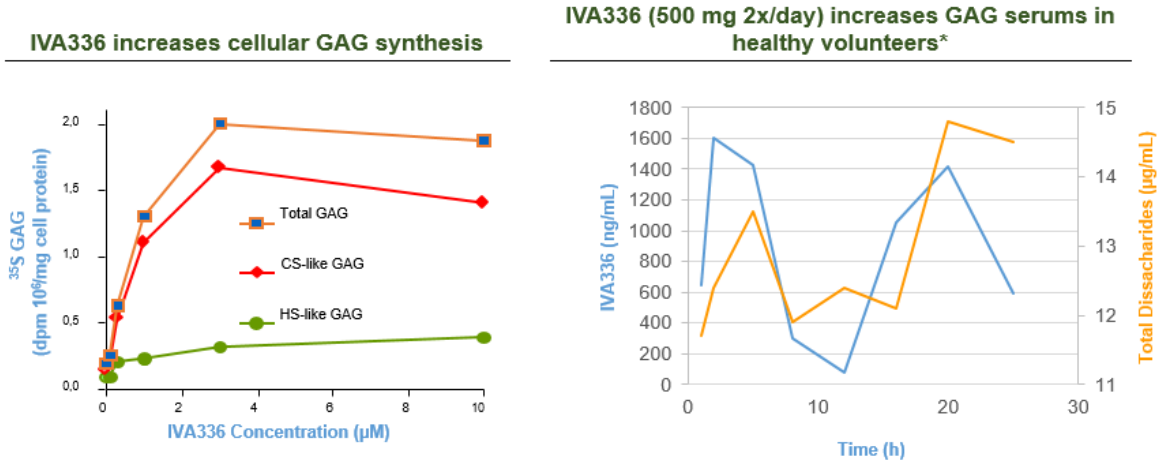

*Source: H. Noh, J. I. Lee; Current and potential therapeutic strategies for muvopolysaccharidoses; Journal of Clinical Pharmacy*

The potential therapeutic role for IVA336 in MPS VI was demonstrated in vitro, in fibroblast from healthy donors and from MPS VI patients, where IVA336 increased GAG secretion from the cells in culture and decreased in a concentration-dependent manner the chondroitin sulfate (CS) intracellular content while increasing GAGs extra-cellular level. In fact, at 10µM, IVA336 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 IVA336 triggered an increase in plasma GAG levels.

### 6.5.3.1 IVA336 triggers the synthesis and excretion of soluble GAGs from MPS VI cells



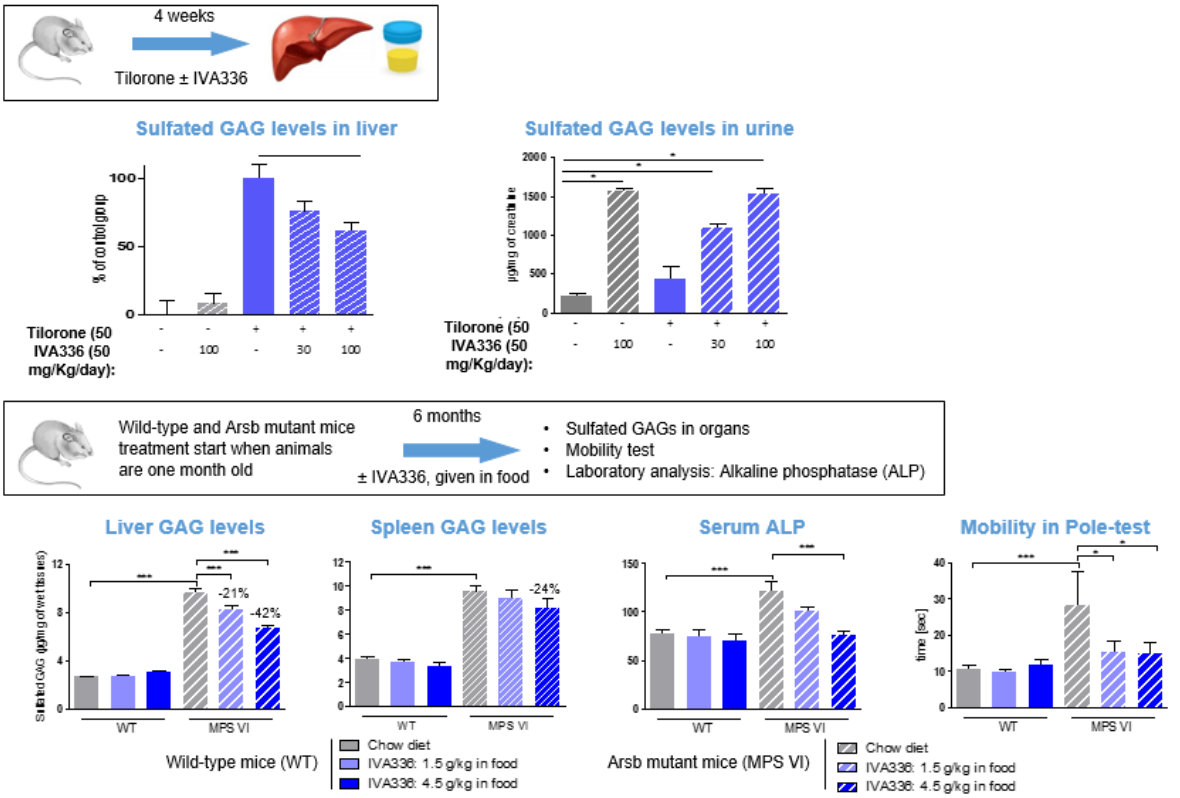

*Source: Company data*




*Source: Company data and * Myers A.L. et al. J. Clinical Pharmacol., 2008*

Furthermore, the Company has generated evidence that IVA336 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[58]. As can be seen in the graph below, oral administration of IVA336 at 50 mg/kg/day for 28 days significantly reduced the amount of GAG accumulated in the liver. Furthermore, the Company has demonstrated that in a MPS VI model of a mouse that has been genetically modified to reflect human pathology, IVA336 reduces GAG accumulation in the organs and tissue of sick animals.

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




Based on these results and mechanism of action, IVA336 constitutes a potential novel SRT in MPS I, II and VI where lysosomal GAGs CS and DS accumulate. In contrast to currently approved enzyme replacement therapy (ERT), IVA336 has a good distribution (cornea, cartilage, bones and heart) suggesting a wider therapeutic benefit in multiple organs and tissues.

Tissue distribution of IVA336 following oral administration of a dose of 25 mg/kg, three times a day during five days, in in vivo studies:

### 6.5.3.2 IVA336 oral administration allows fast and wide distribution to tissue that is poorly treated by ERT


*Source: Company data*

### 6.5.4 IVA336 sales potential could reach €0.9 billion in MPS I, II and VI patients

While patient population is very small (approximately 5,000 patients worldwide are affected by MPS I, II and VI[59]), the yearly cost of treatment that ERT products have managed to secure makes MPS I, II and VI commercially very attractive.

| Product | Indication | Prevalence | Company | Estimated yearly cost | 2014 sales |
|---|---|---|---|---|---|
| Naglazyme | ERT in MPS VI | 1/225,000 live births | Biomarin | $485 thousand | $334 million |
| Elaprase | ERT in MPS II | 1/100,000 live births | Shire | $522 thousand | $593 million |
| Aldurazyme | ERT in MPS I | 1/100,000 live births | Genzyme | $298 thousand | $192 million |

*Source: LifeSci Capital equity research, Analysis of Orphan Drug Market, February 4, 2016, Press, Company web sites; $ exchange rate: €1.12*

Depending on the pricing assumptions, sales potential can vary significantly. Nevertheless, even with conservative approaches and a pricing of $250,000 (close to the lowest Aldurazyme benchmark), according to the Company's estimates, the total potential sales of IVA336 could reach close to €900 million in the three indications (MPS I, II and VI)[60].

### 6.5.5 Fast and limited development required to obtain market approval

While generating the additional preclinical in vitro and in vivo data, the Company is preparing the launch of a clinical program to validate the potential of IVA336 in MPS patients. The clinical program includes:

- a biomarker study in MPS VI patients;
- a phase I/II clinical study in Europe to prove the safety and efficacy of IVA336 in MPS VI patients;
- a biomarker study in MPS I and II patients;
- a phase I clinical study in children with MPS I, II and VI; and
- one pivotal phase III clinical study to obtain marketing approval for MPS I, II and VI in the United States and Europe.

The first step is a non-interventional study currently underway to develop a quantitative method to measure glycosaminoglycan (GAG) storage levels in White Blood Cells (WBC) and determine GAG storage level in WBC from six patients with MPS VI with or without ERT (three patients receiving ERT and three treatment naive patients) and six healthy volunteers age/gender matched with MPS VI patients). The results of this study will determine whether assessment of GAG storage in WBC is a potential efficacy biomarker to be further evaluated in the interventional clinical trials with IVA336. The implementation of the study is currently ongoing in one clinical center in the United States and headline results are expected during the second half of 2017.

The second step is the iMProveS (Improve MPS treatment) clinical study currently in preparation to prove the safety, tolerability and efficacy of IVA336 in adult MPS VI patients. This study has been designed with the objective, if positive, to immediately start pivotal phase III trials in MPS I, II and VI. 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. Patients will receive two doses of IVA336 (250 mg and 500 mg, bid) with ERT therapy versus a placebo. The study will also include an additional arm where six patients untreated by ERT will receive a 500 mg

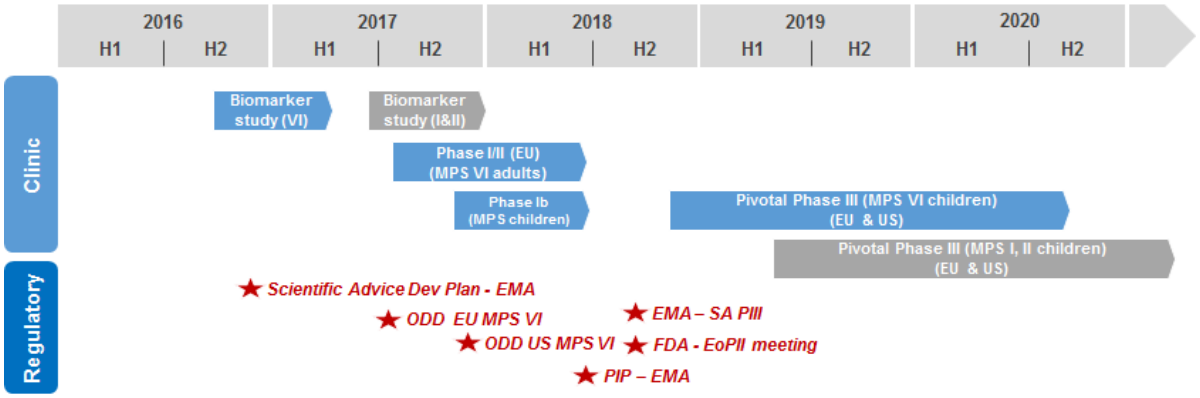
[59] The National MPS society; Health Advances; Valayannopoulos V., Nicely H., Harmatz P., Turbeville S.; Mucopolysaccharidosis VI. Orphanet J Rare Dis. April 12, 2010;5:5.

[60] On the basis of (i) estimated sales of IVA336 in MPS VI calculated by Venture Valuation with a sales price equal to 50% of the price of Naglazyme and (ii) an extrapolation to MSP I and II based on the prevalence of these two diseases.

dose of IVA336 two times a day. The study is currently planned to run in a maximum of three clinical centers in the European Union from the third quarter of 2017 and headline results are expected mid-2018.

In parallel to the iMProveS study, a short phase I study in children will be conducted mainly to determine the dose to be administered during the phase III. Other stages include finalizing the toxicology package, developing an infant pediatric formulation and preparing clinical materials.

If positive, the iMProveS study will allow a pivotal phase III trial in MPS I, II and VI to be entered into. The design of the pivotal trial will have to be discussed with regulatory authorities, but the Company believes that a one year trial with 70 patients would be required to enable registration in MPS I, II and VI. The pivotal trial could start in the second half of 2018 with results expected in 2020.




IVA336 is supported by an international board of recognized key opinion leaders in the field of lysosomal disorders. The Advisory board (see below), which devised the iMProveS clinical trial protocol, notably includes Professor Paul Harmatz and Professor Chris Hendriksz, who are among the world leaders in the pathology and have been involved in the most recent MPS trials. Furthermore, the Company interacts with patient associations, which actively support clinical trials for innovative treatments.

***INVENTIVA Advisory board for iMProveS clinical trial***

| Name | Organization Name | Country |
|---|---|---|
| Pr Paul Harmatz | Children's Hospital & Research Center of Oakland, Oakland, CA | USA |
| Pr Chris Hendriksz | Manchester Academic Health Science Centre, Manchester | UK |
| Pr Fatih Ezgü | Department of Pediatric Disorders, Gazi Hospital, Ankara | Turkey |

In parallel to implementing its clinical strategy, the Company hopes to obtain the orphan drug designation in 2017 both in Europe and the US. 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 IVA336, 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".

### 6.5.6 Inventiva will retain the full value of IVA336 by commercializing the product directly

MPS indications are very attractive as they combine a high medical need with a clearly identified and easily reachable patient population (see below) in well-defined specialized hospital centers and followed by a limited number of MPS specialists.

| Centers of Expertise | France | Italy | Germany(1) | Spain | UK |
|---|---|---|---|---|---|
| MPS I | 9 | ~30 | ~60 | 7 | 9 |
| MPS II | 11 | ~30 | ~60 | 7 | 9 |
| MPS VI | 7 | ~15 | ~35 | 7 | 9 |

*Source: Orphanet;*

(1) Includes all centers referenced as expert in medical management

As such, the Company currently plans to commercialize the product directly. Considering the limited number of patients and hospitals to visit, the commercial infrastructure investment would be limited and accessible to the Company. In addition, the Company plans to build a limited internal infrastructure to cover pharmaco-vigilance and market access.

## 6.6 INVENTIVA'S INTERNAL DRUG DISCOVERY PROGRAMS: INNOVATIVE APPROACHES WITH POTENTIAL FOR FUTURE PARTNERSHIPS AND LICENSING AGREEMENTS

### 6.6.1 An internal drug discovery platform delivering drug candidates

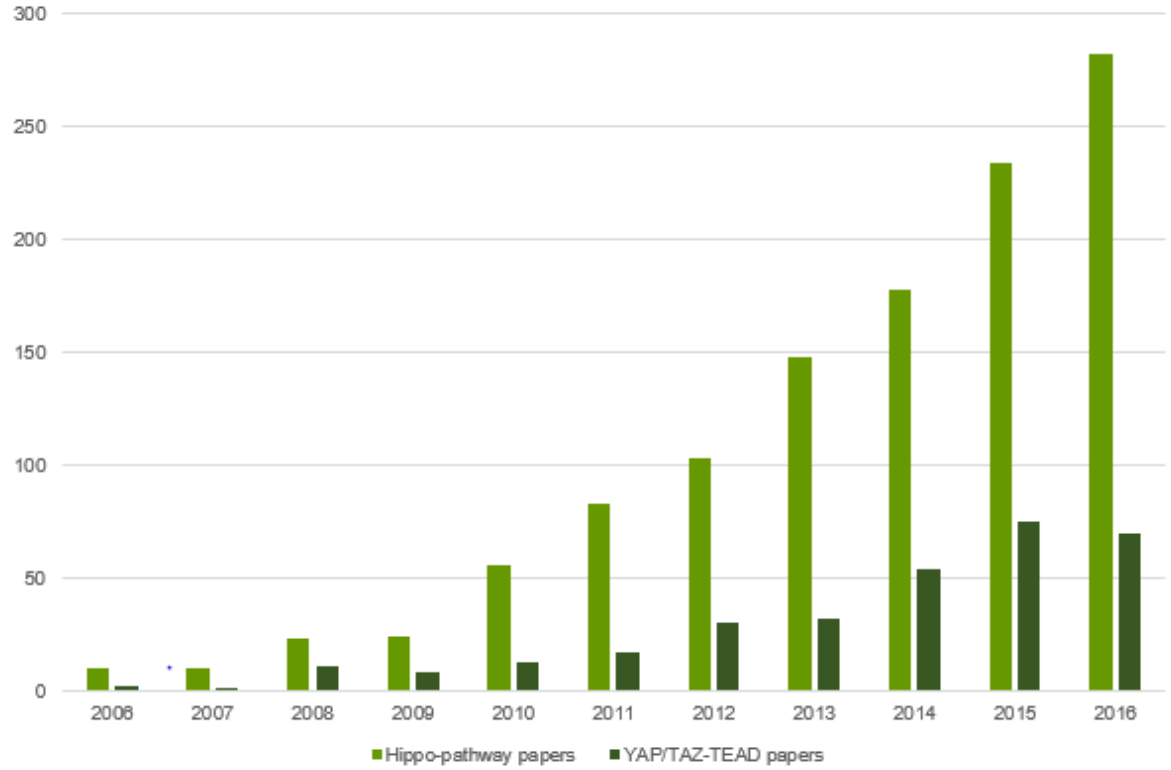
The Company's drug discovery platform acquired from Abbott and the expertise of its internal scientists have contributed to establishing an integrated set of technologies covering the whole research process. This enables the Company to regularly deliver innovative drug candidates. In-house technology 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 compounds of which more than 60% are not available in commercial libraries[61]. 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.

### 6.6.2 Transcription factors: YAP/TEAD an innovative program in oncology

The Hippo signaling pathway controls cell differentiation, proliferation, tissue growth and organ size. Frequent alterations of the Hippo pathway have been reported in malignant mesothelioma cancer and lung cancer[62]. It is therefore, as shown in the graph below, of increasing interest to pharmaceutical companies as a new and innovative pathway with the potential to treat several forms of cancers (gastric, pulmonary, ovarian, etc.).

[61] Comparison with ZINC Everything Library.
[62] Journal of Thoracic Oncology, 2015; Translational Lung cancer Research, 2014.

***The evolution of the number of publications referenced on Pubmed on the Hippo signaling pathway and the YAP/TEAD approach confirms the increasing interest in this new cancer signaling pathway***




*Source: Company analysis of Pubmed*

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 base 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 series have been optimized and several 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 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[63].

[63] Orphanet, 2015; National Comprehensive Cancer Network, 2012.

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[64]. While targeted therapies for lung cancer patients with EGFR gene mutations or lung cancer with an 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 10 and 17 months is still low. Lung cancer is still a major health problem and is the leading cause of cancer-related deaths worldwide and 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[65].

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, pancreatic cancer and ovarian cancer. The program is progressing rapidly and the Company expects to demonstrate the activity of its YAP/TEAD inhibitors in relevant in vivo models at the end of 2016 and to have a compound that has successfully met all the criteria for preclinical candidate nomination and is ready to enter GLP tox-enabling studies at the end of 2019.

This program was awarded two research grants in July 2016. The first grant 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 grant 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 based on the same model adopted for the AbbVie partnership, or researching and developing the program itself and subsequently granting a 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.

### 6.6.3 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.

[64] 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.

[65] 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.

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

NSD2 is a 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% multiple myeloma tumors[66].
Multiple Myeloma is a rare disease affecting 114,000 patients worldwide every year[67]. US statistics report 26,850 new cases in 2015 (1.4% of all new cancer cases), 11,240 estimated deaths (1.9% of all cancer deaths) and a survival rate of just 44.9% after five years[68]. Tumors presenting the specific gene translocation controlled by NSD2 have a particularly poor prognosis with frequent relapse[69]. The multiple myeloma market reached approximately $10 billion in 2015 and is expected to reach approximately $11.5 billion by 2017[70].

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 neurodegenerative disease), constituted by three European biotechs involved in epigenetic research including Inventiva with its NSD2 program. The Company expects to demonstrate in vivo activity by the first semester of 2017 and to deliver a preclinical candidate by the second half of 2019.

The Company is contemplating either to set up a drug discovery partnership with a pharmaceutical company or out-license the program once proof of concept has been established in humans.

#### 6.6.3.2 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 Chapter 11 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 government 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.

[66] Cancer Research, October 15, 2013; 73(20): 6277-88. doi: 10.1158/0008-5472.CAN-13-1000. Epub August 26, 2013: NSD2 is recruited through its PHD domain to oncogenic gene loci to drive multiple myeloma.
[67] International Agency for Research on Cancer, GLOBOCAN 2012 database. Available from: http://globocan.iarc.fr.
[68] American Cancer Society.
[69] Haematology, 2004.
[70] Market Realist/Vision Gain.

### 6.6.4 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. Currently, the most advanced compound IV1583132 is being investigated in in vivo models of neuro-degeneration induced by -synuclein under a collaborative agreement entered into with Professor Anders Bjorklund (Head of the Neurobiology Unit, Lund University, Sweden) and Professor 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 preclinical 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.

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

The Company has an internal target validation platform enabling to 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 patient's cells and the in vivo fibrosis models of reference.

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 the field of idiopathic pulmonary fibrosis.

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

## 6.7 PARTNERSHIP WITH ABBVIE: A LONG-TERM STRATEGIC COLLABORATION WITH IMPORTANT POTENTIAL FINANCIAL RETURNS

### 6.7.1 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 preclinical 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[71]. 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[72].

[71] Journal of Investigative Dermatology (2013).
[72] Annals of Rheumatoic Diseases 2005.

Treatment of psoriasis is directed toward 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 alone, combined with systemic therapy or systemic therapy alone is recommended. Systemic treatments include acitretin, cyclosporine and methotrexate, or biologic agents such as anti-TNFα (e.g., Humira®, Enbrel®)[73].

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.

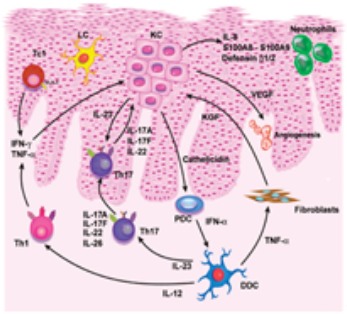
Accordingly, a new class of biologic agents that block IL-23 or IL-17A has been shown to be effective in the treatment of psoriasis.

(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. Stelara® is forecast to reach sales of $1.3 billion in 2017[74];

(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. Cosentyx® is forecast to reach sales of $450 million in 2022[75].

Stelara showed superiority in terms of therapeutic efficacy over the anti-TNFα antibody etanercept[76], whereas Cosentyx has now shown therapeutic superiority to both Stelara® and Enbrel® in two phase III studies[77]. Other biological agents targeting IL-17 or IL-23 are currently in an advanced stage of clinical development[78].

**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 |

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[79]. 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.

[73] Datamonitor Psoriasis Forecast 2014.
[74] Datamonitor Psoriasis Forecast 2014.
[75] Datamonitor Psoriasis Forecast 2014.
[76] Nature Biotechnology, 2015.
[77] New England Journal of Medicine, 2014; Journal of American Dermatology 2015.
[78] Datamonitor Psoriasis Forecast 2014.
[79] Datamonitor Psoriasis Forecast 2014.

RORγ is the master regulator of Th17. This nuclear receptor controls the differentiation of nave T-cells into Th17 cells, the up regulation of the IL-23 receptor and the production of the 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[80]. 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 shorter half-life than biological agents.

The Company, in partnership with AbbVie, has discovered several new, potent, selective and orally available RORγ, inverse agonists that are preclinical and clinical development candidates and 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.

### 6.7.2 A well-structured and successful partnership with major potential financial returns

The Company has a substantial team dedicated to the RORγ. partnership. 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.

This joint program is progressing rapidly and phase I started in 2016 with the aim of obtaining the results of phase I in 2017 In exchange for the resources allocated to this partnership and throughout the duration of the five-year partnership, the Company shall receive an annual research fee of approximately €2.4 million per year, paid in quarterly installments. The Company is also eligible for milestone payments, depending on the preclinical, clinical, regulatory and commercial objectives reached, and royalties on net sales of products resulting from the partnership. The first milestone payment of €1 million has already been paid to the Company, in December 2015, and the second milestone payment of €2 million was confirmed by the Company in April 2016. A third milestone payment of €2.5 million was received by the Company in January 2017 for the beginning of the phase I, demonstrating the significant progress achieved by the project as well as AbbVie's commitment to continue investing in the development of the RORγ program.

## 6.8 COLLABORATION WITH BOEHRINGER-INGELHEIM: 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 BI. 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 BI) 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

[80] Drug Discovery Today, 2014.

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 BI teams. BI will then be responsible for the preclinical and clinical development phases and the commercialization of the drug candidate.

Inventiva received an upfront payment upon signing of the collaboration and may also 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 regulatory and commercial milestones. Inventiva could also receive variable-rate royalties on the sale of products arising from the partnership.

## 6.9 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 product manufacturing and clinical operations.

**Executive Management Team**

| | |
|---|---|
|  | Frédéric Cren, CEO and Co-Founder<br>Frédéric Cren, an experienced pharmaceutical executive, is 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 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 subsequently moved up 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 8 years with The Boston Consulting Group and a Manager in their health care practice. He holds an MBA from INSEAD, a MA from Johns Hopkins University and a Bachelor's Degree from Paris IX Dauphine. |
|  | Pierre Broqua, Ph.D. CSO and Co-Founder<br>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 IVA337 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 the University of Paris Descartes and has a Master's Degree in Chemistry and Biochemistry from Université Pierre et Marie Curie, Paris. |

Jean Volatier, CFO
Jean Volatier started 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 moving up to Financial Director - International Operations of Laboratoires Fournier, a position he held until 2006. During 2007-2011, 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.

Jean-Louis Abitbol M.D., M.Sc. Chief Medical Officer and Head of Development
Jean-Louis Abitbol brings over 30 year 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(R), 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).
Jean-Louis Abitbol has an M.D. & M.Sc. in biomathematics and physiology from the Denis Diderot University and did his 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 Université Henri Poincaré and in Biochemistry from Université Claude Bernard.

Claudia Fromond, Ph.D. Head of Biology and Pharmacology
Dr. Claudia Zuany-Amorim Fromond is a pharmacologist by training with a strong background in the field of cancer, inflammation, immunology and respiratory diseases. After completing her postdoctoral fellowship at the Pasteur Institute, she worked for Novartis, Pfizer, Sanofi, Thrombogenics in various senior positions and contributed to the discovery of both NCE and NBE. Claudia has also published widely in highly rated journals including Science, Nature Medicine, Nature Reviews, Clinical Cancer Research, the Journal of Clinical Investigation, and the Journal of Immunology.

Christian Montalbetti, Ph.D. Head of Chemistry
Dr. Montalbetti joined Inventiva from 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 PhD from the Ecole Nationale Supérieure de Chimie de Paris. After completing his doctorate, he was offered a postdoctoral fellowship at the University of Newcastle upon Tyne.

In total, the Company has 105 employees, one on a temporary contract. 86 employees are dedicated to R&D activities while 19 are in support functions (Finance, Business Development, HR, Legal, IT, Site Management, etc.). The Company is expert in establishing license agreements and setting up collaborative deals. The Company interacts with potential partners and has regular contact with large pharmaceutical groups as well as biotechs which it meets either during scientific or business conferences or for ad-hoc meetings.

Research activities are organized into 4 departments covering the whole spectrum of the drug discovery process: Biology and Pharmacology (in charge of target validation and in vivo and in vitro tests), Screening and Compound Management (in charge of the high throughput and high content screenings as well as of the management of Inventiva's solid and liquid library), Chemistry (in charge of medicinal and analytical chemistry as well as computer assisted drug design) and ADME/PK (in charge of measuring compound's physical properties). In addition, the organization can rely on skilled senior project managers and a planner to expedite internal programs. In order to reinforce the Clinical and Regulatory department, a senior medic recently joined the organization. Dr.Jean-Louis Abitbol, who boasts a large and successful clinical expertise, will be in charge of following the Company's clinical trials as well as building and strengthening the clinical development and regulatory department.

**Clinical Development and Regulatory Department**

This department has been recently created in order to conduct IVA337 and IVA336 clinical trials. As of the date of the present Registration Document, the department includes 8 people with 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 Operations Department selects and manages the CROs in charge of the SSc, NASH and MPS clinical trials and interacts with the regulatory authorities. This group includes two senior project leader in charge of managing IVA337 and IVA336 project teams which assembles all the expertise required to rapidly move the programs forward (CMC, toxicology, regulatory, clinical operations, ADME, etc.). The Company plans to reinforce this department, especially in terms of medical expertise.

**Biology and Pharmacology Department**

This department includes 23 PhD 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 PhD 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 compounds 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 compounds are not available commercially.

**Chemistry Department**

This department includes 30.5 PhD 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 PhD and graduate scientists providing support to internal and partnered programs with a wide variety of in vitro assays covering early ADME, complete metabolism characterization and assessment of drug-drug interaction potential.

## 6.10 PLANT AND EQUIPMENT UNIT

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 square meters; 8,600 square feet);
- Organic synthesis facilities upgraded in 2010 (>850 square meters; 9,150 square feet) with purification and analytical equipment;
- Newly renovated state-of-the-art biology labs (>400 square meters; 4,300 square feet);
- 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.

## 6.11 A MANUFACTURING PROCESS OUTSOURCED TO SPECIALIST DRUG MANUFACTURERS

The Company outsources the production and packaging of its main drug candidates IVA337 and IVA336.

IVA337 manufacturing is outsourced to two leading CMOs. Primary manufacturing of the active pharmaceutical ingredient is outsourced to Corden Pharma (France) with already eight batches for a total of 350 kg of product manufactured. The Company does not anticipate any technical challenge to scale up the process up to 120 kg/batch. IVA337 is a stable chemical entity with a quality control retest period of 24 months. Secondary manufacturing of the drug product has been outsourced to Almac (UK) and the manufacturing process has been successfully scaled up to 40 kg batch size (approximately

60,000 capsules) in qualified GMP sites following US and EU health authority inspections. The product is stable with a shelf life of two years. Back-up option for secondary manufacturing is in place.

With respect to IVA336, the Company has entered into an agreement with Dr. Reddy's Laboratories Limited, a well-renowned CMO with expertise in the chemistry required to synthesize IVA336, to manufacture the active principal ingredient needed for the iMProveS clinical trial. In addition to providing the API, Dr. Reddy's Laboratories Limited will also be in charge under the Company's supervision to prepare the Chemistry, Manufacturing and Controls section and the Investigational Medicinal Product Dossier. For the iMProveS study, the Company will use the current formulation that is suited for an adult population. A new pediatric formulation will be developed for the phase III pivotal trials.

# 7. ORGANIZATIONAL STRUCTURE

## 7.1 SIMPLIFIED ORGANIZATIONAL STRUCTURE OF THE COMPANY

N/A. The Company does not have any subsidiaries or equity investments.

## 7.2 SUBSIDIARIES AND EQUITY INVESTMENTS

The Company does not have any subsidiaries or equity investments.

# 8. PROPERTY, PLANT AND EQUIPMENT

## 8.1 EXISTING OR PLANNED MATERIAL PROPERTY, PLANT AND EQUIPMENT

### 8.1.1 Property

On August 27, 2012, the Company purchased a property complex comprising:

- a research site, located at 50 rue de Dijon, Daix, occupying an area of 12,000 sq.m and made up of a complex of buildings used as laboratories, offices and outbuildings; and
- a house, located at 52 rue de Dijon, Daix (21), purchased by paying a life annuity, the full ownership of which was acquired by the Company in November 2014.

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.

### 8.1.2 Other property, plant and equipment

The main property, plant and equipment held by the Company are presented in note 2.4.2 of the notes to the financial statements prepared in accordance with IFRS included in section 20.1.2 "Company financial statements prepared in accordance with IFRS for 2015 and 2016" of this Registration Document.

## 8.2 ENVIRONMENTAL ISSUES

On account of its ownership of property, the Company is subject to various regulations and must comply with various 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.

For further information on environmental issues, see section 26.2 "Corporate Social Responsibility" of this Registration Document.

*Classified facilities*

The Company's research site is bound by and complies with the environmental regulations applicable to classified facilities for environmental protection.

Under French law, classified facilities for environmental protection ("installations classées pour la protection de l'environnement" or 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, 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 must declare activities involving the preparation, manufacture, transformation and packaging of radioactive

substances. It must also declare 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.

*Asbestos*

In accordance with Articles R. 1334-14 *et seq.* of the French Public Health Code, owners of non-residential buildings are required to have their building inspected for asbestos-containing materials and products. Depending on the outcome of the state of preservation assessment, the asbestos report will either recommend periodic assessment of the state of preservation of asbestos-containing materials and products or measurement of the level of dust accumulation in the air or asbestos containment or removal works.

Owners of these buildings must also create and keep an "asbestos file" (dossier technique de l'amiante, DTA). The DTA must be updated by the owner and include information about asbestos-containing materials and products detected during maintenance works or operations.

The Company's premises located at 50 rue de Dijon, Daix were inspected for asbestos-containing materials between April 23-25, 2012. The asbestos report enabled a DTA to be prepared in accordance with Article R. 1334-29-5 of the French Public Health Code.

The asbestos report and the DTA revealed that the only part of the building that was contaminated was building 4's roof and recommended that non-compulsory replacement or containment works be carried out. According to this report and the DTA, other asbestos-containing material were in good condition and did not require replacement or containment works to be carried out.

*Explosive atmospheres*

The Company is also subject to and complies with the regulations applicable to explosive atmospheres (Directive 1999/92/EC on the minimum requirements for improving the safety and health protection of workers potentially at risk to explosive atmospheres ("ATEX Directive"), implemented principally by Article R. 4227-42 *et seq.* of the French Labor Code, as well as by the Ministerial Order of July 8, 2003 on the protection of workers potentially at risk to explosive atmospheres (NOR: SOCT0310971A) for operating its research site in Daix.

## 9. ANALYSIS OF THE COMPANY'S FINANCIAL POSITION AND EARNINGS

This section analyses the Company's earnings and financial position for the periods ended December 31, 2015 and December 31, 2016.

The comments on the financial statements presented in Chapter 9 of this Registration Document are based solely on the financial statements prepared in accordance with IFRS set out in Chapter 20 "Disclosures concerning the Company's assets, financial position and earnings" of this Registration Document.

The following disclosures concerning the Company's earnings should be read in conjunction with this Registration Document as a whole and notably the financial statements prepared in accordance with IFRS for the period ended December 31, 2016, set out in Chapter 20 "Disclosures concerning the Company's assets, financial position and earnings" of this Registration Document.

## 9.1 Presentation of the Company

Inventiva is a biopharmaceutical company with a number of drug candidates in the clinical and pre-clinical stage that is aiming to develop and market new compound therapies for patients.

The Company deploys its research and development strategy ("**R&D**") in three highly promising areas: (i) fibrotic diseases, responsible for 45% of deaths worldwide[81]; (ii) the treatment of certain forms of lysosomal disease; and (iii) oncology, with a specific focus on developing indicators of orphan diseases for which unsatisfied medical needs and existing legislation are conducive to rapid development.

The Company was founded in October 2011 by former senior executives of the French subsidiary of the US pharmaceutical group Abbott – including Frédéric Cren and Pierre Broqua – but only commenced its operating activities in August 2012 following the acquisition of an integrated R&D platform and a portfolio of drug candidates formerly belonging to Abbott (they previously belonged to the Fournier group which was acquired in 2005 by the Solvay group before being acquired by Abbott in 2010). This platform comprises 12,000 square meters of laboratory premises located in Daix (Burgundy), facilities and a library of 240,000 compounds.

The Company has a broad and diversified portfolio of drug candidates that includes two drugs in the clinical trial phase (IVA337 for which clinical trials of phase IIb on NASH patients and clinical trials of phase IIb on SSc patients are currently in progress; and IVA336 for which clinical trials of phase I/II should start in the second-half of 2017 on MPS patients), a highly promising research partnership with AbbVie that includes the RORγ project into the treatment of auto-immune diseases that is close to the start of phase I development, and a number of innovative projects in the pre-clinical stage (YAP/TEAD, NSD2 and the Epicure project).

The Company's drug candidate strategy has three focuses:

- rapidly developing and obtaining market authorization for the IVA337 drug candidate for treating NASH and SSc by negotiating licenses with major pharmaceutical groups once phase IIb clinical trials have been completed;
- accelerating development of the IVA336 drug candidate for treating different forms of MPS with a view to marketing it directly; and
- maximizing the value of its current portfolio of pre-clinical products (YAP/TEAD, NSD2 and the Epicure project) by negotiating agreements and licenses.

The Company also makes its R&D platform available to its customers (biotechnology and pharmaceutical mid caps and international groups) and provides a number of services that include target identification, screening libraries of compounds or setting up in vivo or in vitro models.

## 9.2 Key factors affecting the Company's performance

### 9.2.1 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 financial statements prepared in accordance with IFRS presented in section 20.1.2 "Company financial statements prepared in accordance with IFRS for the year ended December 31, 2016" of this Registration Document). In particular, the APA covered the acquisition of a research site with a value of €3.5 million, a chemical library of compounds and fixed assets with a value of €4.1 million and patents for €1. The total acquisition value of these assets was €8.4 million.

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

Pursuant to the APA, the Company received:

- a one-off €8.4 million payment from Abbott covering the cost of acquiring the aforementioned assets; and

- further additional quarterly payments from Abbott over a five-year period totaling €96 million, with the last such payment scheduled for April 2017. In return for this second series of payments, the Company has agreed to (i) maintain pharmaceutical and related research activities consistent with the Company's business plan, at the Daix site until the final payment, (ii) comply with the use of proceeds solely intended for funding pharmaceutical and related research activities consistent with the Company's business plan, and (iii) retain certain employees for a period of three years from the date on which the APA was finalized. Once the payments are made, they may no longer be challenged by Abbott.

As of the date of this Registration Document, Abbott has paid a cumulative amount of €104,414 thousand pursuant to the APA i.e., 100.0% of the initial one-off payment and additional quarterly payments detailed above. This amount includes:
- the payments made by Abbott as of December 31, 2016 (see section 10.1.4 "Other sources of finance" of this Registration Document), the amount of which is €98,228 thousand; and
- two additional quarterly payments received between January 1, 2017 and the date of this Registration Document, the amount of which is €6,185 thousand.

*Accounting treatment of the APA*

Under IFRS, the APA is analyzed as a business combination and the payments obtained and described above form part of the calculation of the acquisition price paid by the Company.

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 exchange for complying with its obligations under the APA, the Company is entitled to receive the additional quarterly payments described above. Under IFRS, these payments are deemed to be due to the Company on the date on which the APA was finalized, notwithstanding the staggered payment over time. They therefore represent a "negative" payment of €96.0 million to be paid 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.

*Financial impacts of the APA on the income statement and cash flow*

This operation generated a negative goodwill of €102.5 million which was booked in non-recurring income at the time of the acquisition in 2012 and may be analyzed as follows:
- acquisition of a business with net assets representing a fair value of €8.4 million,
- a "negative" partially deferred 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. Discounting reflects the impact on fair value of the staggered payment schedule. 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 financial income without any impact on cash) and subsequently reduced over time based on the contractually agreed payments.

Because the impacts of unwinding the effect of discounting are based on future proceeds receivable over time, the related accounting impacts gradually diminish as time goes on.

Moreover, the recognition of a negative goodwill in 2012 generated a temporary tax difference, reflected in deferred tax of €28.7 million in 2012. This deferred tax liability was booked in 2012 and gradually reduced over the financial periods presented.

The impacts of this transaction on the income statement and the statement of cash flows over the years ended December 31, 2012, 2013, 2014, 2015 and 2016 have been summarized in the following table:

| In thousands of euros | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **Income statement impacts** | | | | | |
| Negative goodwill | 102,535 | - | - | - | - |
| Unwinding of accrued receivables | 275 | 674 | 489 | 305 | 127 |
| Deferred tax liabilities | (28,676) | 6,514 | 6,451 | 6,619 | 6,072 |
| **Total income statement impacts** | **74,134** | **7,187** | **6,940** | **6,924** | **6,199** |
| | | | | | |
| **Cash flow impacts** | | | | | |
| Proceeds of August 27, 2012 | 14,511 | - | - | - | - |
| Deferred proceeds | 6,143 | 20,022 | 19,897 | 20,229 | 17,426 |
| **Total cash flow impacts** | **20,654** | **20,022** | **19,897** | **20,229** | **17,426** |

** The amounts detailed in this section only include proceeds from Abbott (totaling €98.2 million for the year ended December 31, 2016) before the disbursement of €8.4 million for the acquisition of the operation on August 27, 2012.*

### 9.2.2 Development of clinical and pre-clinical programs

Since the Company's foundation, most of its resources have gone into research and development, mainly to develop the IVA337 clinical program for which clinical trials of phase IIb on NASH patients and clinical trials of phase IIb on SSc patients are currently in progress, and to a lesser extent to develop the IVA336 clinical program for which clinical trials of phase I/II should start in the second-half of 2017 on MPS patients, as well as to develop the Company's portfolio of pre-clinical products (see Chapter 6 "Business Overview" of this Registration Document).

These costs are analyzed in section 9.4.2 "Operating expenses" of this Registration Document.

### 9.2.3 Research tax credit

Research tax credits (Crédit d'Impôt Recherche) 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 which provide evidence of costs that meet the required criteria (research spending in France or, since January 1, 2005, in the European Community 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.

Only research and development costs may be included when calculating research tax credits. Changes in 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 9.4.2.1 "Research and development costs" of this Registration Document.

Further to the report issued by France's Regional Delegation for Research and Technology (Délégation régionale à la recherche et à la technologie, DRRT) on research tax credits, a provision was set aside in an amount of €346 thousand, corresponding to the Company's best estimate of the expenditure required by management to extinguish the obligation. Further information is provided in note 2.6.5 "Events after the reporting date" to the financial statements prepared in accordance with IFRS for the period ended December 31, 2016, set out in Chapter 20 "Disclosures concerning the Company's assets, financial position and earnings" of this Registration Document.

### 9.2.4 Research partnership with AbbVie

The Company's research partnership with AbbVie is described in section 9.3.1 "Revenue" of this Registration Document.

### 9.2.5 Other information on factors that could have a material impact on the Company's operations

Other factors that could have a material impact on the Company's operations are described in Chapter 4 "Risk factors" of this Registration Document.

## 9.3 Description of income statement captions

### 9.3.1 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 fees based on an annual amount of €3 million over a five-year period, adjustable for inflation, in exchange for services provided by the Company on two projects (the RORγ project and another project relating to fibrosis).

Revenue was generated mainly by the AbbVie Partnership, which represented 82.5% and 79.7% of the Company's overall revenue for 2015 and 2016, respectively.

In 2016, the Company entered into a research, discovery and licensing partnership with Boehringer Ingelheim ("**BI**"), representing revenue of €1,000 thousand (see section 22.3 "Research, discovery and licensing partnership with Boehringer Ingelheim" ("**BI**") of this Registration Document).

To a lesser extent, revenue also includes other research services provided by the Company.

### 9.3.2 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.

### 9.3.3 Operating expenses

Operating expenses consist of research, marketing and business development costs as well as general and administrative 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 out of house by specialist research firms in accordance with the needs and development phases of the Company's programs;
- disposables, comprising all of the articles and products needed for research activity, including bio-reagents, proteins, chemical reagents, plasmids, cells and laboratory disposables. Consumption of these articles 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 charges taken on patents and research facilities; and

- charges relating to IT systems, mainly consisting of scientific applications.

*Marketing and business development costs:*

These include all business prospection costs incurred by the Company.

They mainly include two types of cost:
- the salaries of the Company's 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.

### 9.3.4 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.

The Company reported a non-recurring loss of €635 thousand and €970 thousand in 2015 and 2016, respectively, reflecting the 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 2016 mostly comprised legal, consulting and audit fees and were accounted for in the financial statements as follows:

- marginal transaction costs directly attributable to the 2017 capital increase have been recognized as prepaid expenses and recorded as an asset in the balance sheet in other receivables. They will be deducted from shareholders' equity once the capital increase has been completed. These deferred costs amount to €420 thousand;

- other marginal transaction costs that are not directly attributable to the 2017 capital increase were recognized directly in non-recurring operating expenses in 2016 for a total amount of €970 thousand.

### 9.3.5 Net financial income

Net financial income mainly comprises:
- the impact of unwinding the effect of discounting on the receivable relating to the APA as described in section 9.2.1 "Agreement with Abbott" of this Registration Document. Because the impact of discounting the receivable to present value is calculated based on the payment schedule, the same basis is used to determine the impact of unwinding the effect of discounting on the different periods presented; 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.

### 9.3.6 Tax

*Current and deferred tax*

Income tax expense may 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 between the tax base and carrying amount of assets and liabilities in the Company's financial statements prepared in accordance with IFRS. The APA described in section 9.2.1 "Agreement with Abbott" 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%[82], 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 (CIR). 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.

## 9.4 Comparisons between the financial statements for 2015 and 2016

The following table analyzes the main income statement captions for the years ended December 31, 2015 and December 31, 2016:

| In thousands of euros | 2016 | 2015 |
|---|---|---|
| **Revenue** | **9,446** | **4,875** |
| Other recurring operating income | 4,906 | 3,789 |
| Research and development costs | (22,145) | (19,640) |
| Marketing – business development | (492) | (580) |
| General and administrative expenses | (3,764) | (3,318) |
| **Recurring operating income (loss)** | **(12,049)** | **(14,875)** |
| Other non-recurring operating income | - | - |
| Other non-recurring operating expenses | (970) | (635) |
| **Operating income (loss)** | **(13,019)** | **(15,510)** |
| Financial income | 523 | 617 |
| Financial expenses | (63) | (131) |
| **Net financial income** | **460** | **486** |
| Income tax | 5,514 | 6,200 |
| **Net income (loss) for the period** | **(7,045)** | **(8,823)** |

[82] Article 11 of France's Amended Finance Act for 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.

### 9.4.1 Revenue and other operating income

| Total income (in thousands of euros) | 2016 | 2015 |
|---|---|---|
| Revenue | 9,446 | 4,875 |
| **Total revenue** | **9,446** | **4,875** |
| Subsidies | 733 | 303 |
| Research tax credit | 4,155 | 3,483 |
| Other tax credits | - | - |
| Other | 18 | 3 |
| **Other operating income** | **4,906** | **3,789** |
| **Total Recurring operating income** | **14,352** | **8,663** |

#### 9.4.1.1 Revenue

Revenue for 2016 grew by €4,571 thousand (or 93.8%) year on year to €9,446 thousand (2015: €4,875 thousand). The increase was mainly attributable to:

- the achievement of two scientific milestones as part of the drug-discovery partnership with AbbVie. This led to the recognition of revenue of €4,500 thousand (of which €2,000 thousand was received in 2016 and €2,500 thousand on February 10, 2017), compared with €1,000 thousand in 2015;
- revenue of €1,000 thousand following the signature of a research, discovery and licensing partnership with Boehringer Ingelheim ("**BI**") in 2016, described in section 22.3 "Research, discovery and licensing partnership with Boehringer Ingelheim" ("**BI**")" of the Registration Document;
- to a lesser extent, an increase in research services provided by the Company, in particular as a result of the contract signed with Enyo in July 2016 to identify and optimize molecules as part of an anti-viral drug research program.

#### 9.4.1.2 Other operating income

Other operating income for 2016 grew by €1,117 thousand (or 29.5%) year on year to €4,906 thousand (2015: €3,789 thousand), mainly due to:

- a €672 thousand (19.3%) increase in research tax credits, mainly attributable to the increase in the basis of calculation used in line with higher expenditure on external studies; and
- a €430 thousand increase in subsidies, mainly relating to the "Eurostar" subsidy granted via France's Banque Publique d'Investissement in 2016 and an ANR subsidy for a YAP-TEAD research project on the treatment of lung cancer and mesothelioma.

### 9.4.2 Operating expenses

| Operating expenses (in thousands of euros) | 2016 | 2015 |
|---|---|---|
| Research and development costs | 22,145 | 19,640 |
| Marketing – business development | 492 | 580 |
| General and administrative expenses | 3,764 | 3,318 |
| **Total operating expenses** | **26,400** | **23,538** |

#### 9.4.2.1 Research and development costs

Research and development costs may be broken down as follows:

| Research and development costs (in thousands of euros) | 2016 | 2015 |
|---|---|---|
| Disposables | 2,511 | 2,448 |
| Energy and liquids | 523 | 603 |
| Patents and scientific monitoring | 497 | 276 |
| Studies | 8,755 | 6,768 |
| Maintenance | 1,043 | 1,405 |
| Fees | 24 | 26 |
| IT systems | 754 | 543 |
| Personnel costs | 6,522 | 6,310 |
| Depreciation, amortization and provisions | 1,238 | 887 |
| Other research and development costs | 278 | 374 |
| **Total research and development costs** | **22,145** | **19,640** |

Research and development costs for 2016 increased by €2,505 thousand (or 12.8%) year on year to €22,145 thousand (2015: €19,640 thousand), reflecting a €1,431 thousand (or 27.1%) increase in spending on studies for the IVA337 project in order to conduct:

*Treatments for SSc:*

- roll-out of FASST Phase IIb clinical trials with the enrollment of several patients during the year, with the maximum 100 patient limit being reached in April 2017;
- continued pharmaceutical development (production costs for clinical batches and packaging); and
- other pre-clinical pharmacology studies through new collaborative academic partnerships, mainly with the Institut Necker, the Royal Free Hospital and the TransMIT GmbH and 4D Science GmbH laboratories. These partnerships aim to demonstrate the anti-fibrotic action of the IVA337 molecule.

*Treatments for NASH:*

- launch of the NATIVE clinical study;
- continued pharmaceutical development (production costs for drug substances and clinical batches);
- continued non-clinical development, including carcinogenicity and pharmacokinetic studies, and 12-month toxicology studies.

Pharmacokinetic studies were also conducted in 2016, generating the in vitro data required to measure, in accordance with regulatory guidelines, IVA337's potential for interaction with metabolic pathways involving cytochrome enzymes and the main liver and renal transporters. Animal carcinogenicity studies were also carried out in 2016.

The increase compared to the same prior-year period was also driven, to a lesser extent, by higher research and development costs for the IVA336 project, which increased by €615 thousand or 203.6% over the period. Costs incurred on these studies have enabled progress in terms of:

- pharmaceutical development: synthesis of a first batch of raw material (active pharmaceutical ingredient – API) and startup of clinical batch production; and
- various studies within the scope of the clinical development plan: histological, pharmacokinetic, analytical and bioanalytical, and biomarker studies.

The increase in research and development costs was also due to the rise in personnel costs of €212 thousand, mainly reflecting the recruitment of a head of development, a program manager and a clinical research assistant following the creation of a clinical development hub at the end of 2015.

Depreciation, amortization and provisions rose sharply compared with 2016, mainly due to a €346 thousand provision recorded in the 2016 financial statements in respect of a tax-related risk concerning research tax credits for the years ended December 31, 2013, 2014 and 2015, as described in greater detail in note 2.6.5 "Events after the reporting date" to the financial statements set out in Chapter 20 "Disclosures concerning the Company's assets, financial position and earnings" of this Registration Document.

The increase in study-related expenses and personnel costs were partially offset by a €362 thousand decrease in maintenance costs following the renegotiation of equipment maintenance agreements with the aim of reducing expenses in this area.

#### 9.4.2.2 Marketing and business development costs

Marketing and business development costs may be broken down as follows:

| **Marketing and business development (in thousands of euros)** | **2016** | **2015** |
|---|---|---|
| Fees | 51 | 113 |
| Personnel costs | 340 | 364 |
| Other operating expenses | 101 | 103 |
| **Total marketing and business development costs** | **492** | **580** |

Marketing and business development costs fell by €88 thousand (or 15.2%) year on year to €492 thousand (2015: €580 thousand). This was mainly driven by a decline in fees, which contracted by €62 thousand or 55.1% from €113 thousand in 2015 to €51 thousand in 2016. The decrease mainly corresponded to fees for two consultants, which the Company called on less in 2016.

#### 9.4.2.3 General and administrative expenses

General and administrative expenses are mainly composed of administrative personnel and support costs (mainly security, taxes and various leasing expenditure), non-scientific IT costs and fees. They may be broken down as follows:

| **General and administrative expenses (in thousands of euros)** | **2016** | **2015** |
|---|---|---|
| Fees | 580 | 372 |
| IT systems | 56 | 263 |
| Support costs (including taxes) | 543 | 601 |
| Personnel costs | 1,727 | 1,510 |
| Depreciation, amortization and provisions | 248 | 250 |
| Other general and administrative expenses | 611 | 321 |
| **Total general and administrative expenses** | **3,764** | **3,318** |

General and administrative expenses for 2016 increased by €446 thousand (or 13.4%) year on year to €3,764 thousand (2015: €3,318 thousand). This increase was mainly attributable to personnel costs, which grew by €217 thousand (or 14.4%) in 2016 to €1,727 thousand (2015: €1,510 thousand) The rise in personnel costs mainly reflects a one-time increase in compensation in relation to the initial public offering, as well as costs relating to strategic research into alternative solutions in the event of an unsuccessful initial public offering.

### 9.4.3 Non-recurring operating income and expenses

Non-recurring operating income and expenses breaks down as follows:

| **Non-recurring operating income and expenses (in thousands of euros)** | **2016** | **2015** |
|---|---|---|
| Other non-recurring operating income | - | - |
| Other non-recurring operating expenses | (970) | (635) |
| **Non-recurring operating income and expenses** | **(970)** | **(635)** |

The amount for 2016 concerns the recognition of costs linked to the initial public offering. The accounting treatment is described in section 9.3.4 "Other non-recurring operating income and expenses" of this Registration Document.

### 9.4.4 Net financial income

Movements in net financial income over the periods presented are mainly attributable to income generated from discounting the receivable relating to the APA to present value, as described in section 9.2.1 "Agreement with Abbott" of this Registration Document.

| **Net financial income (in thousands of euros)** | **2016** | **2015** |
|---|---|---|
| Income from cash and cash equivalents | 230 | 228 |
| Foreign exchange gains | 15 | 80 |
| Other financial income | 151 | 4 |
| Discounting gains | 127 | 305 |
| **Total financial income** | **523** | **617** |
| Interest cost | (8) | (6) |
| Losses on cash and cash equivalents | (2) | (41) |
| Foreign exchange losses | (44) | (78) |
| Other financial expenses | - | - |
| Discounting losses | (9) | (5) |
| **Other financial expenses** | **(63)** | **(131)** |
| **Net financial income** | **460** | **486** |
| | | |
| **Net financial income excluding the impact of the APA[(a)]** | **334** | **181** |

[(a)] See section 9.2.1 "Agreement with Abbott" of this Registration Document.

Net financial income retreated by €26 thousand (or 5.3%) year on year to €460 thousand (2015: €486 thousand), mainly as a result of a decline in income from present value discounting, which fell by €178 thousand (or 58.5%) in 2016 to €127 thousand (2015: €305 thousand). The decrease was partly offset by the increase in other financial income, which was mainly attributable to the year-end remeasurement of the UCITS shares held by the Company.

### 9.4.5 Income tax

Changes in the Company's effective tax rate over the periods presented 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 €3,483 thousand and €4,155 thousand in 2015 and 2016, respectively. Consequently, the impact on actual income tax, corresponding to the amount of research tax credits multiplied by the theoretical tax rate, amounted to €1,161 thousand and €1,385 thousand for the two periods.

| **Income tax (in thousands of euros)** | **2016** | **2015** |
|---|---|---|
| Net income (loss) for the period | (7,045) | (8,823) |
| Income tax | 5,514 | 6,200 |
| Loss before tax | (12,558) | (15,024) |
| Theoretical tax rate | 33.33% | 33.33% |
| **Tax benefit at theoretical rate** | **4,186** | **5,007** |
| Non-deductible interest | - | - |
| Tax credits (including research tax credits) | 1,431 | 1,208 |
| CVAE corporate value added tax | - | 9 |
| Permanent differences | (114) | (2) |
| Tax-rate related differences | 23 | - |
| Other differences | (13) | (22) |
| **Actual income tax benefit** | **5,514** | **6,200** |
| *Of which: - current taxes* | (580) | *(473)* |
| *- deferred taxes* | 6,094 | *6,674* |
| **Effective tax rate** | **43.90%** | **41.27%** |

The effective tax rate for 2016 was 43.90%, compared with 41.27% for 2015. This difference is mainly attributable to the year-on-year increase in research tax credits from €3,483 thousand to €4,155 thousand, i.e., an increase of €672 thousand or 19.3%, which increased the amount of the Company's tax credits by €224 thousand. This higher amount of research tax credits mainly reflected the increase in the basis of calculation used in line with higher expenditure on external studies.

### 9.4.6 Net income (loss) for the period

The Company reported a net loss of €8,823 thousand and €7,045 thousand, respectively, for the years ended December 31, 2015 and December 31, 2016.

### 9.5 Balance sheet analysis

The following table analyzes the main balance sheet captions for the years ended December 31, 2015 and December 31, 2016.

| In thousands of euros | December 31, 2016 | December 31, 2015 |
|---|---|---|
| Intangible assets | 2,073 | 2,375 |
| Property, plant and equipment | 4,958 | 5,573 |
| Deferred tax assets | 195 | 157 |
| Available-for-sale assets | 149 | 145 |
| Other non-current assets | 237 | 23,710 |
| **Non-current assets** | **7,611** | **31,960** |
| Inventories | 472 | 480 |
| Trade receivables | 771 | 909 |
| Tax receivables | 3,731 | 3,138 |
| Other receivables | 5,231 | 1,491 |
| Other current assets | 6,176 | - |
| Cash and cash equivalents | 24,868 | 22,596 |
| **Current assets** | **41,248** | **28,615** |
| **Total assets** | **48,860** | **60,575** |

| In thousands of euros | December 31, 2016 | December 31, 2015 |
|---|---|---|
| **Shareholders' equity** | **35,723** | **42,770** |
| Long-term debt | 482 | 504 |
| Deferred tax liabilities | 3,013 | 9,085 |
| Long-term provisions | 346 | - |
| Provisions for retirement benefit obligations | 695 | 471 |
| **Non-current liabilities** | **4,536** | **10,059** |
| Short-term debt | 146 | 194 |
| Trade and other payables | 4,364 | 3,610 |
| Tax liabilities | - | - |
| Other payables | 4,091 | 3,942 |
| **Current liabilities** | **8,601** | **7,746** |
| **Total equity and liabilities** | **48,860** | **60,575** |

#### 9.5.1 Non-current assets

Non-current assets totaled €31,960 thousand and €7,611 thousand, respectively, at December 31, 2015 and December 31, 2016.

| Non-current assets (in thousands of euros) | December 31, 2016 | December 31, 2015 |
|---|---|---|
| Intangible assets | 2,073 | 2,375 |
| Property, plant and equipment | 4,958 | 5,573 |
| Deferred tax assets | 195 | 157 |
| Available-for-sale assets | 149 | 145 |
| Other non-current assets | 237 | 23,710 |
| **Non-current assets** | **7,611** | **31,960** |

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 €7,611 thousand at December 31, 2016 compared with €31,960 thousand at December 31, 2015, representing a decrease of €24,349 thousand or 76.2%. This decline was mainly attributable to the €17,299 thousand or 73.7% decrease in the value of the receivable relating to the APA, due to additional quarterly payments of €17,426 thousand that reduced the receivable by an equivalent amount, partially offset by the impact of unwinding the effect of discounting the receivable for an amount of €127 thousand. The outstanding accrued receivable for an amount of €6,176 thousand was reclassified at December 31, 2016 under "Other current assets" as it falls due in first half 2017.

### 9.5.2 Current assets

Current assets stood at €28,615 thousand and €41,248 thousand, respectively at December 31, 2015 and December 31, 2016.

| In thousands of euros | December 31, 2016 | December 31, 2015 |
|---|---|---|
| Inventories | 472 | 480 |
| Trade receivables | 771 | 909 |
| Tax receivables | 3,731 | 3,138 |
| Other receivables | 5,231 | 1,491 |
| Other current assets | 6,176 | - |
| Cash and cash equivalents | 24,868 | 22,596 |
| **Current assets** | **41,248** | **28,615** |

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, 2016 | December 31, 2015 |
|---|---|---|
| UCITS and certificates of deposit | 6,180 | 6,032 |
| Other cash equivalents | 14,989 | 14,962 |
| Cash at bank and at hand | 3,699 | 1,602 |
| **Cash and cash equivalents** | **24,868** | **22,596** |
| Bank overdrafts | (3) | (3) |
| **Net cash and cash equivalents** | **24,864** | **22,592** |

Current assets totaled €41,248 thousand at December 31, 2016, compared to €28,615 thousand at December 31, 2015, i.e., an increase of €12,633 thousand or 44.1%. This was mainly attributable to:

- the reclassification of the remaining accrued receivable relating to the APA, representing an amount of €6,176 thousand, to other current assets at December 31, 2016, as mentioned above;
- the increase in other receivables, attributable to accrued receivables of €2,566 thousand, of which €2,500 thousand relates to the milestone achieved in the AbbVie partnership and will be paid in 2017;
- the €2,272 thousand increase in cash and cash equivalents, mainly reflecting the €2,097 thousand rise in cash at bank and at hand; and
- to a lesser extent, the increase in tax receivables related to changes in research tax credits in 2016, as described in section 9.2.3 "Research tax credit" of this Registration Document.

### 9.5.3 Shareholders' equity

Shareholders' equity stood at €42,770 thousand and €35,723 thousand, respectively, at December 31, 2015 and December 31, 2016.

| Shareholders' equity (in thousands of euros) | December 31, 2016 | December 31, 2015 |
|---|---|---|
| Share capital | 100 | 100 |
| Additional paid-in capital | - | - |
| Net income (loss) for the period | (7,045) | (8,823) |
| Reserves | 42,667 | 51,493 |
| **Total shareholders' equity** | **35,723** | **42,770** |

Shareholders' equity stood at €35,723 thousand at December 31, 2016 compared with €42,770 thousand at December 31, 2015, representing a decrease of €7,047 thousand or 16.5%, mainly due to the 2016 net loss of €7,045 thousand.

### 9.5.4 Non-current liabilities

Non-current liabilities amounted to €10,059 thousand and €4,536 thousand, respectively, at December 31, 2015 and December 31, 2016.

| Non-current liabilities (in thousands of euros) | December 31, 2016 | December 31, 2015 |
|---|---|---|
| Long-term debt | 482 | 504 |
| Deferred tax liabilities | 3,013 | 9,085 |
| Long-term provisions | 346 | - |
| Provisions for retirement benefit obligations | 695 | 471 |
| **Non-current liabilities** | **4,536** | **10,059** |

Non-current liabilities totaled €4,536 thousand at December 31, 2016, compared to €10,059 thousand at December 31, 2015, i.e., a drop of €5,523 thousand or 54.9%.

This lower amount is attributable to a €6,072 thousand decrease in deferred tax liabilities related to the decrease in temporary differences between the carrying amount and tax base of the accrued receivables related to the business combination of August 27, 2012, described in section 9.2.1 "Agreement with Abbott" of this Registration Document.

The decrease was partly offset by (i) a €346 thousand provision recorded in 2016 in respect of a tax-related risk concerning research tax credits for the years ended December 31, 2013, 2014 and 2015, as described in greater detail in note 2.6.5 "Events after the reporting date" to the financial statements set out in Chapter 20 "Disclosures concerning the Company's assets, financial position and earnings" of this Registration Document, and (ii) a €224 thousand increase in provisions for retirement benefit obligations.

### 9.5.5 Current liabilities

Current liabilities amounted to €7,746 thousand and €8,601 thousand, respectively, at December 31, 2015 and December 31, 2016.

| Current liabilities (in thousands of euros) | December 31, 2016 | December 31, 2015 |
|---|---|---|
| Short-term debt | 146 | 194 |
| Trade and other payables | 4,364 | 3,610 |
| Tax liabilities | - | - |
| Other payables | 4,091 | 3,942 |
| **Current liabilities** | **8,601** | **7,746** |

The Company's current liabilities mainly consist of trade payables and deferred income.

Current liabilities amounted to €8,601 thousand at December 31, 2016, compared to €7,746 thousand at December 31, 2015, i.e., an increase of €855 thousand or 11.0%. This higher amount was mainly attributable to a €754 thousand (or 20.9%) increase in trade payables reflecting big increases in research and development costs and smaller increases in general expenses.

## 10. CASH FLOW AND EQUITY

This section analyses the Company's shareholders' equity, cash position and sources of funding for the periods ended December 31, 2015 and December 31, 2016.

The comments on the financial statements presented in Chapter 10 of this Registration Document are based solely on the financial statements prepared in accordance with IFRS set out in Chapter 20 "Disclosures concerning the Company's assets, financial position and earnings" of this Registration Document.

In 2015 and 2016, the Company mainly required funds to:

- finance its operating activities, including its working capital requirements: net cash used in operating activities in 2015 and 2016, respectively, amounted to €14.0 million and €14.9 million. These amounts were mainly needed to cover research and development costs which totaled €19.6 million and €22.1 million in 2015 and 2016, respectively.
- finance its investing activities: acquisitions of property, plant and equipment and intangible assets – mainly consisting of research materials and, to a lesser extent, amounts spent on scientific applications and chemical components added to the Company's compound library – totaled €1.0 million and €0.2 million in 2015 and 2016, respectively.

The Company's main sources of finance are:

- the additional quarterly payments made under the APA, as described in section 9.2.1 "Agreement with Abbott" of this Registration Document: these payments generated cash proceeds of €20.2 million and €17.4 million for 2015 and 2016, respectively.
- the reimbursement of research tax credits which generated cash proceeds of €2.9 million and €3.1 million in 2015 and 2016, respectively. As explained in section 10.1.3 "Financing from research tax credits" of this Registration Document, these cash proceeds are based on the amount of research tax credits recognized in recurring operating income in the previous period.
- bank loans: cash proceeds from bank loans and bank overdraft facilities, net of amounts repaid, totaled €0.6 million in 2015, compared with a negative €0.1 million in 2016.

### 10.1 Disclosures concerning the Company's equity, cash position and sources of funding

Cash and cash equivalents amounted to €24,868 thousand at December 31, 2016, compared to €22,596 thousand at December 31, 2015.

Cash and cash equivalents consist of cash at hand and short-term financial instruments. At December 31, 2016, as well as at December 31, 2015, cash at hand and marketable securities held by the Company were essentially invested in monetary UCITS 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.

| Analysis of debt (in thousands of euros) | December 31, 2016 | December 31, 2015 |
|---|---|---|
| **Cash and cash equivalents** | **24,868** | **22,596** |
| Current financial liabilities | 146 | 194 |
| **Current debt (A)** | **146** | **194** |
| Non-current financial liabilities | 482 | 504 |
| **Non-current debt (B)** | **482** | **504** |
| **Total debt (A) + (B)** | **628** | **698** |
| **Net debt** | **(24,240)** | **(21,898)** |

#### 10.1.1 Equity financing

At December 31, 2016, share capital amounted to €100,300, corresponding to:

- an amount of €300 fully paid up when the Company was created, and the paid-up portion of subscriptions to the capital increase of August 23, 2012;
- an amount of €100,000 in respect of the remaining portion of capital subscribed during the capital increase of August 23, 2012, which was called up in 2013.

#### 10.1.2 Financing from bank loans

| Analysis of debt (in thousands of euros) | Crédit Agricole 2013 | Crédit Agricole 2015 | CIC 2015 | Société Générale 2015 | Other* | Total |
|---|---|---|---|---|---|---|
| **Debt carried on the balance sheet at December 31, 2015** | **47** | **248** | **158** | **242** | **3** | **698** |
| + proceeds | - | - | - | - | 118 | 118 |
| - repayments | (47) | (56) | (35) | (50) | (0) | (188) |
| Other | 0 | | | | | 0 |
| **Debt carried on the balance sheet at December 31, 2016** | **-** | **192** | **123** | **192** | **121** | **628** |

**At December 31, 2016, other proceeds included a repayable advance from Coface.*

Total debt amounted to €698 thousand and €628 thousand, respectively, at December 31, 2015 and December 31, 2016.

The Company has contracted four separate bank loans:

- a €170 thousand interest-free loan from Crédit Agricole, agreed on October 21, 2013, repayable in regular installments over a 36-month term. The loan proceeds have been invested in scientific research equipment. This loan was repaid in full in 2016;

- a €285 thousand loan from Crédit Agricole, agreed on April 23, 2015, at a fixed annual rate of 1.32% repayable in regular installments over a 60-month term. The Company has pledged financial assets as collateral to guarantee this loan in the form of monetary UCITS with a value of €150 thousand at the pledge date. The loan proceeds have been invested in licenses for scientific applications, research equipment and chemical components added to the Company's compound library;

- a €178 thousand loan from CIC-Lyonnaise de banque, agreed on May 11, 2015, at a fixed annual rate of 1.50% repayable in regular installments over a 60-month term. As collateral for this loan, the Company has given a pledge of 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 CIC-Lyonnaise de banque, agreed on July 7, 2015, at a fixed annual 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.

In February 2016, the Company also received a repayable advance from Coface in an amount of €118 thousand under a prospecting insurance contract to fund its international expansion. The advance does not bear interest and is repayable in full in the event of commercial success.

The debt maturity profile at December 31, 2016 is as follows:

| At December 31, 2016 (in thousands of euros) | Less than 1 year | Between 1 and 3 years | Between 3 and 5 years | More than 5 years |
|---|---|---|---|---|
| Bank borrowings | 143 | 294 | 71 | - |
| Other loans and similar borrowings | 3 | 118 | - | - |
| Accrued interest on borrowings | - | - | - | - |
| **Total financial debt** | **146** | **411** | **71** | **-** |

The Company also has:

- an authorized €1,000 thousand overdraft facility with Crédit Agricole at the variable 3-month Euribor rate + 50 basis points. None of this facility was drawn down during the year ended December 31, 2016. As collateral for this negotiated facility, the Company gave a pledge of monetary UCITS in an amount of €500 thousand as of the pledge date, i.e., March 4, 2016;

- an authorized €2,000 thousand overdraft facility with Société Générale at the variable 3-month Euribor rate + 50 basis points. None of this facility was drawn down during the year ended December 31, 2016. As collateral for this negotiated facility, the Company pledged a deposit account with a balance of €2,000 thousand as of the pledge date, i.e., February 24, 2016;

- an authorized overdraft facility of up to €500,000 at an interest rate of 1.2820% with Crédit Agricole. None of this facility was drawn down during the year ended December 31, 2016.

### 10.1.3 Financing from research tax credits

The impact of research tax credit financing on the Company's financial statements is disclosed in section 9.2.3 "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 2015 and 2016:

| (in thousands of euros) | 2016 | 2015 |
|---|---|---|
| Income statement impact of research tax credits | 4,155 | 3,483 |
| Cash flow impact of research tax credits[(a)] | 3,121 | 2,873 |

[(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.

### 10.1.4 Other sources of finance

Under the APA, the Company received a one-off €8.4 million payment from Abbott at the acquisition date, provided it had complied with certain criteria described in section 9.2.1 "Agreement with Abbott" of this Registration Document. Once the payments are made, they may no longer be challenged by Abbott.

The impacts of the APA on the Company's cash flow are disclosed in the notes to the financial statements prepared in accordance with IFRS for the year ended December 31, 2016 (note 2.1.2 "Significant events") presented in Chapter 20 "Disclosures concerning the Company's assets, financial position and earnings" of this Registration Document and reproduced in the table below and in section 9.2.1 "Agreement with Abbott" of this Registration Document.

| In thousands of euros | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **Cash flow impacts** | | | | | |
| Proceeds received on business combination | 14,511 | - | - | - | |
| Deferred proceeds | 6,143 | 20,022 | 19,897 | 20,229 | 17,426 |
| **Total cash flow impacts** | **20,654** | **20,022** | **19,897** | **20,229** | **17,426** |

** The amounts detailed in this section only include proceeds from Abbott (totaling €98.2 million for the year ended December 31, 2016) before the disbursement of €8.4 million for the acquisition of the operation on August 27, 2012.*

### 10.1.5 Off-balance sheet commitments

The Company's main off-balance sheet commitments are as follows:

**Commitments given**

As collateral for three new bank loans contracted in 2015 and the authorized overdraft facilities concluded in 2016, the Company has given five pledges on financial asset accounts as explained in section 10.1.2 "Financing from bank loans" of this Registration Document.

**Commitments received**

*Authorized overdraft facility no. 1*

The Company has an authorized overdraft facility of up to €500,000 at an interest rate of 1.2820% with Crédit Agricole. None of this facility was drawn down during the year ended December 31, 2016.

*Authorized overdraft facility no. 2*

The Company has an authorized €1,000 thousand overdraft facility with Crédit Agricole in the form of a promissory note at the variable 3-month Euribor rate + 50 basis points. None of this facility was drawn down during the year ended December 31, 2016.

*Authorized overdraft facility no. 3*

The Company has an authorized €2,000 thousand overdraft facility with Crédit Agricole at the variable 3-month Euribor rate + 50 basis points. None of this facility was drawn down during the year ended December 31, 2016.

*Agreement with Novolyze*

On October 13, 2015, the Company signed a contract to make its premises and facilities available to Novolyze for a 36-month period beginning October 19, 2015, in return for monthly rental payments of €4 thousand during the first three years. The total commitment received amounted to €99 thousand as of December 31, 2016.

*Agreement with Genoway*

On November 4, 2015, the Company signed a contract to make its premises and facilities available to Genoway for a three-year period beginning December 1, 2015, in return for an annual rental payment of €94 thousand. The total commitment received amounted to €188 thousand as of December 31, 2016.

*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 €17 thousand for the first year and €17 thousand for the second year. The total commitment received amounted to €22 thousand as of December 31, 2016.

### 10.2 Cash flow

The following table analyzes the Company's cash flow for 2015 and 2016:

| **CASH FLOW**<br>**(in thousands of euros)** | **2016** | **2015** |
|---|---|---|
| Net cash used in operating activities | (14,861) | (13,983) |
| Net cash from investing activities | 17,203 | 18,849 |
| Net cash from (used in) financing activities | (71) | 592 |
| **Net increase in cash and cash equivalents** | **2,272** | **5,458** |

#### 10.2.1 Cash flow from operating activities

| **(in thousands of euros)** | **2016** | **2015** |
|---|---|---|
| **Net income (loss) for the period** | **(7,045)** | **(8,823)** |
| **Elimination of non-cash and non-operating income and expenses:** | | |
| Depreciation, amortization and provisions | 1,648 | 1,301 |
| Deferred and current taxes | (9,808) | (9,812) |
| Losses on disposals of assets | (10) | (1) |
| Cost of net debt | 7 | 4 |
| Loan discounting effect net of unwinding expense | 0 | 2 |
| Discounting effect on accrued receivables related to the business combination of August 27, 2012 | (127) | (305) |
| Charges related to share-based payments | 39 | 67 |
| **Cash flows used in operations before tax and changes in working capital** | **(15,295)** | **(17,567)** |
| **Changes in operating working capital:** | | |
| Receivables | (2,864) | (169) |
| Operating and other payables | 924 | 1,931 |
| Inventories | 9 | (3) |
| Tax benefit (payment) | 3,121 | 1,828 |
| Interest paid | (7) | (4) |
| Other | (749) | 2 |
| **Net cash used in operating activities** | **(14,861)** | **(13,983)** |

Cash used in operating activities in 2016 amounted to €14,861 thousand, compared to €13,983 thousand in 2015, an increase of €878 thousand or 6.3%.

The increase in cash used in operating activities mainly results from the prior-year basis – a €1,931 thousand increase in operating payables – mainly corresponding to trade payables that helped reduce cash used in operating activities in the previous year.

The increase was partly offset by the rise in tax received in 2016 of €1,293 thousand (or 67.0%), primarily reflecting the year-on-year increase in research tax credits received.

Cash flows used in operations before tax and changes in working capital, which improved by €2,272 thousand (or 12.9%), mainly attributable to revenue growth, was for the most part offset by an increase in receivables. This corresponded mainly to the receivable to be paid by AbbVie in 2017 in respect of one of the two milestones recognized in revenue in 2016, as described in section 6.2.3 "Maximize the value of its pre-clinical portfolio by putting in place research partnerships or license agreements" of this Registration Document.

### 10.2.2 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 section 9.2.1 "Agreement with Abbott" of this Registration Document.

Cash flow from investing activities for 2015 and 2016 were as follows:

| In thousands of euros | 2016 | 2015 |
|---|---|---|
| Purchases of property, plant and equipment and intangible assets | (228) | (969) |
| Disposals of property, plant and equipment and intangible assets | 17 | 4 |
| Changes in amounts payable on non-current assets | (10) | (30) |
| Proceeds from payments made under the APA | 17,426 | 20,229 |
| Increase in other non-current financial assets | (2) | (385) |
| **Net cash from investing activities** | **17,203** | **18,849** |

*2016*

In 2016, net cash from investing activities amounted to €17,203 thousand and was mainly generated from:

- the additional quarterly payments received under the APA for an amount of €17,426 thousand;

- offset by acquisitions of fixed assets for an amount of €229 thousand, mainly comprising:
    - research equipment in an amount of €139 thousand, corresponding to the replacement of a device used to purify synthetic products prior to in vitro/in vivo testing, the purchase of a research device used for granulation in the manufacture of clinical tablets, and the purchase of a system to measure the concentration of cytokines and chemokines in plasma and tissue (of the liver, kidney, lungs, etc.);
    - IT equipment in an amount of €75 thousand, including the replacement of 40 obsolete laptop computers.

*2015*

In 2015, net cash from investing activities amounted to €18,849 thousand and was mainly generated from:

- the additional quarterly payments made under the APA for an amount of €20,229 thousand;
- offset by acquisitions of fixed assets for an amount of €969 thousand, mainly comprising:
    - software totaling €358 thousand, corresponding to the renewal of a number of licenses for database management systems; and
    - research equipment in an amount of €381 thousand, mainly comprising a calcium signal detector and a magnetic console for piloting an NMR system;
- the acquisition of monetary UCITS and the subscription of new deposit accounts pledged as collateral in an amount of €385 thousand for three new bank loans negotiated in 2015 and described in section 10.1.2 "Financing from bank loans" of this Registration Document.

### 10.2.3 Cash flow from financing activities

| (in thousands of euros) | 2016 | 2015 |
|---|---|---|
| Capital increase | - | - |
| Issuance of debt | 118 | 717 |
| Repayment of debt | (188) | (125) |
| Other changes | - | - |
| **Net cash from (used in) financing activities** | **(71)** | **592** |

*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 10.1.2 "Financing from bank loans" of this Registration Document).

*2015*

In 2015, net cash from financing activities amounted to €592 thousand and was mainly generated from drawdowns on the three new bank loans negotiated in 2015 (described in section 10.1.2 "Financing from bank loans" of this Registration Document), partially offset by scheduled contractual repayments for these same loans.

## 10.3 Borrowing conditions and financing structure

As described in section 10.1 of this Registration Document, in 2016 the main sources of financing were as follows:

- amounts received in respect of research tax credits receivable (see section 10.1.3 "Financing from research tax credit" of this Registration Document);
- additional quarterly payments made under the APA (see section 10.1.4 "Other sources of finance" of this Registration Document).

## 10.4 Restrictions on the use of the Company's capital

With the exception of pledges given on UCITS units and on deposit accounts recognized in non-current financial assets for an amount of €385 thousand, and in cash and cash equivalents for an amount of €2,523 thousand, respectively, at December 31, 2016, there are no restrictions on the use of the Company's capital.

## 10.5 Projected sources of finance

Although the Company is still in the research and development phase, it generated revenue of €9,446 thousand in 2016, up from €4,875 thousand in 2015.
The Company generated a net loss of €8,823 thousand in 2015 and €7,045 thousand in 2016.

Net cash and cash equivalents stood at €22,592 thousand and €24,864 thousand at December 31, 2015 and December 31, 2016, respectively, mainly attributable to cash flow generated from investing activities described in the paragraphs above.

The Company will use the following sources of finance to fund its future operations:

The Company's initial public offering on Euronext Paris in the first half of 2017 enabled it to raise approximately €48.5 million through a capital increase (after partial exercise of the increase option of 6.7%). This amount was increased to €49 million on full exercise of the over-allotment option. The net funds raised, minus banking fees of €2.6 million, were received at February 16, 2017 and March 16, 2017 (over-allotment option) for a net amount of €45.9 million. These funds should enable the Company to finance its activities until mid-2019.

- Additional revenue generated within the scope of the AbbVie Partnership and the partnership with BI (see Chapter 22 "Material agreements" of this Registration Document);

- payment of research tax credit;

- financing investments from bank loans for marginal amounts;

- developing revenue from service activities;

- agreements to make premises and facilities available for use negotiated in 2015 and 2016, described in section 10.1.5 "Off-balance sheet commitments" of this Registration Document; and

- subsidies for financing scientific research programs, particularly from Bpifrance ("**ANR**" and "**Eurostars**" program funding).

## 11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

### 11.1 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 projects (IVA337 and IVA336), pre-clinical projects (YAP/TEAD, NSD2 and Epicure project) and established two research partnerships, the first with AbbVie in relation to the RORγ nuclear receptor and the second one, with BI 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 the Institut Curie (Paris, France), the Institut Necker (Paris, France), the University of Lund (Lund, Sweden) and the Ludwig Institute for Cancer Research (Zurich, Switzerland).

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 funding: ANR by the French government for the Epicure project and Eurostars by the European Union for the NSD2 project.

### 11.2 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.

### 11.2.1 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 authorization for that medicinal product.

At the date of this Registration Document, the Company holds 12 patent families in its own name, representing more than 200 patents and patent applications. Among these 12 families, eight 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.

### 11.2.1.1 IVA337 families

These patent families cover (i) the molecule IVA337 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 | SOUTH AFRICA | 2008/01886 | AUG/29/2006 | AUG/29/2026 | ISSUED |
| INVENTIVA | 65 | ALGERIA | 080198 | AUG/29/2006 | AUG/29/2026 | ISSUED |
| INVENTIVA | 65 | GERMANY | 06 808 258.5 | 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 | BELGIUM | 06 808 258.5 | AUG/29/2006 | AUG/29/2026 | ISSUED |
| INVENTIVA | 65 | BELARUS | 200800353/26 | 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 | CYPRUS | 06 808 258.5 | AUG/29/2006 | AUG/29/2026 | ISSUED |
| INVENTIVA | 65 | SOUTH KOREA | 10-2008-7004317 | AUG/29/2006 | AUG/29/2026 | ISSUED |
| INVENTIVA | 65 | CROATIA | 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 | SPAIN | 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 | 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 | 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 | 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 | INDIA | 1023/DELNP/2008 | AUG/29/2006 | AUG/29/2026 | UNDER REVIEW |
| INVENTIVA | 65 | IRELAND | 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 | 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 |

| Registered holder | Family | Country | Application no. | Date of filing | Expiry date | Status |
|---|---|---|---|---|---|---|
| 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 | UNDER REVIEW |
| 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 | NORWAY | 20080595 | AUG/29/2006 | AUG/29/2026 | UNDER REVIEW |
| INVENTIVA | 65 | NETHERLANDS | 06 808 258.5 | 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 | CZECH REPUBLIC | 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 | UNITED KINGDOM | 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 | 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 |
| INVENTIVA | 65 | UKRAINE | a200802601 | AUG/29/2006 | AUG/29/2026 | 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 | MEXICO | MX/a/2016/016534 | 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 | Not available, pending registration | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | ALGERIA | 170016 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | EURASIAN PROCEDURE | 201692433 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | EGYPT | 1954/2016 | 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 | ISRAEL | 249458 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | INDIA | 201617041655 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | JAPAN | Not available, pending registration | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | PHILIPPINES | 1-2016-502466 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | MOROCCO | 39528 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | MALAYSIA | PI 2016704567 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | SOUTH AFRICA | 2016/08281 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | UKRAINE | a 2016 12728 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | PHILIPPINES | 1-2016-502466 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | MOROCCO | 39528 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | MALAYSIA | PI 2016704567 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |
| INVENTIVA | 86 | SOUTH AFRICA | 2016/08281 | 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 |
| INVENTIVA | 86 | TUNISIA | TN2016/0535 | JUN/12/2015 | JUN/12/2035 | UNDER REVIEW |

#### 11.2.1.2 Pyrrolopyridine compounds/derivatives family

This patent family (patent family "66") covers other molecules. Some of these molecules are the molecule IVA337 "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 | SOUTH AFRICA | 2008/01885 | AUG/31/2006 | AUG/31/2026 | ISSUED |
| INVENTIVA | 66 | ALGERIA | 080207 | AUG/31/2006 | AUG/31/2026 | ISSUED |
| INVENTIVA | 66 | GERMANY | 06 808 267.6 | 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 | SOUTH KOREA | 10-2008-7003832 | AUG/31/2006 | AUG/31/2026 | ISSUED |
| INVENTIVA | 66 | CROATIA | 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 | SPAIN | 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 | 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 | 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 | GREECE | 06 808 267.6 | AUG/31/2006 | AUG/31/2026 | ISSUED |
| 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 | UNDER REVIEW |
| 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 |

| Registered holder | Family | Country | Application no. | Date of filing | Expiry date | Status |
|---|---|---|---|---|---|---|
| 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 | NORWAY | 20080497 | AUG/31/2006 | AUG/31/2026 | UNDER REVIEW |
| INVENTIVA | 66 | NETHERLANDS | 06 808 267.6 | 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 | CZECH REPUBLIC | 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 | UNITED KINGDOM | 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 | 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 | VIETNAM | 1-2008-00735 | AUG/31/2006 | AUG/31/2026 | ISSUED |

**11.2.1.3**

### 11.2.1.4 "Thioxylopyranose" families

These patent families cover the use of the molecule IVA336 for the treatment of mucopolysaccharidosis (patent family "79") as well as an alternative molecule in itself (patent family "69"), the latter being the molecule IVA336 "back-up".

| Registered holder | Family | Country | Application no. | Date of filing | Expiry date | Status |
|---|---|---|---|---|---|---|
| INVENTIVA | 79 | SOUTH AFRICA | PCT/FR2014/052507 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| 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 | BRAZIL | BR 11 2016 007306 1 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| 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 | SOUTH KOREA | 10-2016-7008265 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | EGYPT | 515/2016 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |

| Registered holder | Family | Country | Application no. | Date of filing | Expiry date | Status |
|---|---|---|---|---|---|---|
| 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 | ISRAEL | 244829 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | JAPAN | PCT/FR2014/052507 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | MALAYSIA | PI 2016701175 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | MOROCCO | 38931 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | MEXICO | PCT/FR2014/052507 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | PHILIPPINES | 1-2016-500541 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | EURASIAN PROCEDURE | 201690709/26 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | EUROPEAN PROCEDURE (DIVISION) | 16159903.0 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | TUNISIA | TN2016/0111 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | UKRAINE | A 2016 03536 | 03/OCT. /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | VIETNAM | 1-2016-01198 | OCT/03 /2014 | OCT/03/2034 | UNDER REVIEW |
| INVENTIVA | 79 | GERMANY | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | AUSTRIA | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | BELGIUM | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | BULGARIA | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | CYPRUS | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | CROATIA | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | DENMARK | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | SPAIN | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | FINLAND | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | FRANCE | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | GREECE | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | HONG KONG (DIVISION) | 17100906.4 | OCT/02/2015 | OCT/03/2034 | UNDER REVIEW |
| 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 | IRELAND | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | ICELAND | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | ITALY | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | LUXEMBOURG | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | MALTA | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | NORWAY | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | NETHERLANDS | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | POLAND | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | PORTUGAL | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | CZECH REPUBLIC | 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 | ROMANIA | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | UNITED KINGDOM | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | SERBIA | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | SLOVAKIA | 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 | SWEDEN | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | SWITZERLAND | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |
| INVENTIVA | 79 | TURKEY | 14 187 588.0 | OCT/03 /2014 | OCT/03/2034 | ISSUED |

| Registered holder | Family | Country | Application no. | Date of filing | Expiry date | Status |
|---|---|---|---|---|---|---|
| INVENTIVA | 69 | GERMANY | 07 823 569.4 | JUL/12/2007 | JUL/12/2027 | ISSUED |
| 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 | SPAIN | 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 |
| INVENTIVA | 69 | FRANCE | 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 | UNITED KINGDOM | 07 823 569.4 | JUL/12/2007 | JUL/12/2027 | ISSUED |
| INVENTIVA | 69 | RUSSIA | 200970120 | 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 |

### 11.2.1.5 "NURR" families

These different patent families (patent families "73, 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 | 73 | SOUTH AFRICA | 2011/00041 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | GERMANY | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | SAUDI ARABIA | 109 30 0453 | JUL/08/2009 | JUL/08/2029 | ISSUED |
| INVENTIVA | 73 | ARGENTINA | P09 01 02577 | JUL/08/2009 | JUL/08/2029 | UNDER REVIEW |
| INVENTIVA | 73 | AUSTRALIA | 2009269842 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | AUSTRIA | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | BELGIUM | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | BRAZIL | PI0915627-5 | JUL/09/2009 | JUL/09/2029 | UNDER REVIEW |
| INVENTIVA | 73 | BULGARIA | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | CANADA | 2,730,302 | JUL/09/2009 | JUL/09/2029 | UNDER REVIEW |
| INVENTIVA | 73 | CHINA | 200980126927.7 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | CYPRUS | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | SOUTH KOREA | 10-2011-7000129 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | CROATIA | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | DENMARK | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | SPAIN | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | UNITED STATES | 13/003 554 | JUL/09/2009 | JAN/12/2030 | ISSUED |
| INVENTIVA | 73 | FINLAND | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | FRANCE | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | GREECE | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | HONG KONG | 11 109 072.9 | AUG/29/2011 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | HUNGARY | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | INDIA | 176/DELNP/2011 | JUL/09/2009 | JUL/09/2029 | UNDER REVIEW |
| INVENTIVA | 73 | IRELAND | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | ICELAND | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | ISRAEL | 210386 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | ITALY | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | JAPAN | 2011-517215 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | KUWAIT | PA 87/2009 | JUL/08/2009 | JUL/08/2029 | UNDER REVIEW |
| INVENTIVA | 73 | LUXEMBOURG | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |

| Registered holder | Family | Country | Application no. | Date of filing | Expiry date | Status |
|---|---|---|---|---|---|---|
| INVENTIVA | 73 | MALAYSIA | PI 2011000084 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | MALTA | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | MEXICO | MX/a/2011/000353 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | MONACO | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | NORWAY | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | NETHERLANDS | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | PHILIPPINES | 1-2011-500053 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | POLAND | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | PORTUGAL | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | CZECH REPUBLIC | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | ROMANIA | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | UNITED KINGDOM | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | RUSSIAN FEDERATION | 201170150 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | SLOVAKIA | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | SLOVENIA | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | SWEDEN | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | SWITZERLAND | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | TAIWAN | 098123503 | JUL/10/2009 | JUL/10/2029 | ISSUED |
| INVENTIVA | 73 | TURKEY | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |
| INVENTIVA | 73 | VIETNAM | 1-2011-00358 | JUL/09/2009 | JUL/09/2029 | UNDER REVIEW |
| INVENTIVA | 73 | EGYPT | 32/2011 | JUL/09/2009 | JAN/05/2031 | UNDER REVIEW |
| INVENTIVA | 73 | SAN MARINO | 09 784 501.0 | JUL/09/2009 | JUL/09/2029 | ISSUED |

| 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** |

### 11.2.1.6 "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.

| Product | Registered holder | Family | Country | Application no. | Date of filing | Expiry date | Status |
|---|---|---|---|---|---|---|---|
| IVA 341 + IVA 342 | INVENTIVA | 44 | UNITED STATES | 11/947,998 | MAY/29/2006 | MAY/29/2026 | ISSUED |
| | 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 |

### 11.2.1.7 "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 | EUROPEAN PROCEDURE | 15 306 651.9 | OCT/15/2015 | OCT/15/2035 | UNDER REVIEW |
| INVENTIVA | 88 | INTERNATIONAL PROCEDURE | PCT/FR2016/074760 | OCT/14/2016 | MAY/15/2018 | UNDER REVIEW |

| Registered holder | Family | Country | Application no. | Date of filing | Expiry date | Status |
|---|---|---|---|---|---|---|
| INVENTIVA | 89 | EUROPEAN PROCEDURE | | 6/APR/2017 | 6/APR/2037 | UNDER REVIEW |

### 11.2.2 Regulatory exclusivity

The molecule IVA337 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 Company is also working on obtaining orphan drug status for IVA336 in the treatment of MPS I, II and VI.

In accordance with Regulation (EC) No 141/2000, where a marketing authorization (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 molecule IVA337 if a MA is granted to that molecule for the treatment of SSc.

## 11.3 PARTNERSHIP AND RESEARCH AGREEMENTS, LICENSING AGREEMENTS

### 11.3.1 Partnership and research agreements

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

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

On June 5, 2014, Inventiva entered into its first partnership agreement with the 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 the additional "Epicure" project concerning the development of inhibitors of two epigenetic targets for immunomodulation and treatment of cancer and responded to the generic call for projects launched in 2014 by the ANR.

Since the project was selected and funded by the ANR, these parties then signed a consortium agreement on September 25, 2015. This partnership officially started on October 1, 2014 and will last for four years. The term of the agreement may be extended in an amendment signed by all parties. The consortium agreement may be automatically terminated by one of the parties if the other party fails to perform one or more of its obligations. Termination will take effect at the end of a three-month notice period unless, within that period, the defaulting party has fulfilled its obligations or has furnished evidence of force majeure. Moreover, the terms of the agreement provide that, subject to certain conditions, a party may withdraw from the project or be excluded from the project.

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.

If Inventiva exercises that option, the parties will make their best endeavors to draw up an exploitation agreement. This agreement will, in particular, provide that Inventiva is granted exclusive rights to exploit the results in question commercially, in return for which Inventiva will grant a defined level of compensation. This compensation will be a variable percentage (according to how advanced the product is at the time of granting the license) of the revenues that Inventiva will actually receive from the sale of the licensed products and which the Company will charge in the licensing or partnership agreements signed with its partner or partners and sub-licensees.

In 2016, Inventiva and the 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 the Institut Curie will be signed over the next months and will last 30 months. This agreement will include provisions on sharing the results and specific rules on the transfer of IP rights arising from the partnership.

***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 (4SC AG (Germany) and Oryzon Genomics SA (Spain)) 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. 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.

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.

### 11.3.2 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 11.2.1.2 above and the patents identified in the families "76", "75", "77" and "66" in section 11.2.1.4 above, which the Company might have 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.

## 11.4 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)

## 12. TREND INFORMATION

### 12.1 MOST SIGNIFICANT TRENDS SINCE THE END OF THE LAST FINANCIAL YEAR

See section 20.6 "Interim financial information" and section 20.99 "Significant change in the financial or trading position".

### 12.2 EXISTENCE OF ANY KNOWN TRENDS, UNCERTAINTY, DEMANDS, COMMITMENTS OR EVENTS THAT ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON THE COMPANY'S PROSPECTS

Refer to paragraphs 6.4.2 "IVA337, a well-positioned drug candidate in a $35 to $40 billion NASH market", 6.4.3 "IVA337, the first disease-modifying treatment in SSc" and 6.5 "IVA336, the first orally available treatment for MPS I, II and VI" of this Registration Document.

## 13. PROFIT FORECASTS OR ESTIMATES

The Company does not intend to make any profit forecasts or estimates.

## 14. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND EXECUTIVE MANAGEMENT

Until May 31, 2016, the Company was incorporated in the form of a simplified company limited by shares. At the Combined General Meeting of May 31, 2016, it was decided to change the Company's form, with immediate effect, into a joint-stock company with a Board of Directors and the Company adopted new corporate governance rules applicable to said companies.

A brief description of the main provisions of the Company’s articles of association and the main provisions of the internal regulations of the Board of Directors and its special Committees is provided in sections 21.2 "Memorandum and Articles of Association", 16.3 "Committees" and 16.4.2 "Internal Regulations" of this Registration Document.

## 14.1 COMPOSITION OF THE COMPANY'S ADMINISTRATIVE AND MANAGEMENT BODIES

### 14.1.1 Members of the Board of Directors

***This section is an integral part of section 26.1 of this Registration Document entitled "Report of the Chairman of the Board of Directors on corporate governance and internal control and risk management procedures".***

The table below provides information on the members of the Board of Directors:

| Name / company name | Independent director | Date of appointment | Date of expiry of term of office | Term of office | Audit Committee | Compensation and Appointments Committee |
|---|---|---|---|---|---|---|
| **Frédéric Cren**, residing at 286 Boulevard Raspail, 75014 Paris, France<br><br>Chairman and CEO | No | 1st appointment when the company's legal form was a SAS (Chairman):<br>Articles of association dated October 13, 2011<br>1st appointment when the company's legal form was a SA (as director):<br>General Meeting of May 31, 2016<br>1st appointment when the company's legal form was a SA (as Chairman and CEO):<br>Board of Directors' meeting of May 31, 2016 | General Meeting convened to approve the financial statements for the year ended December 31, 2018. | 3 years | No | No |

| Name / company name | Independent director | Date of appointment | Date of expiry of term of office | Term of office | Audit Committee | Compensation and Appointments Committee |
|---|---|---|---|---|---|---|
| **Pierre Broqua**, residing at 7 rue Pernoud 92160 Antony, France<br><br>Director and Deputy General Manager | No | 1st appointment when the company's legal form was a SAS (General Manager):<br>Articles of association dated October 13, 2011<br>1st appointment when the company's legal form was a SA (as director):<br>General Meeting of May 31, 2016<br>1st appointment when the company's legal form was a SA (as Deputy CEO):<br>Board of Directors' meeting of May 31, 2016 | General Meeting convened to approve the financial statements for the year ended December 31, 2018. | 3 years | No | No |
| **Jean-Louis Junien**, residing at 36 avenue Eiffel 92310 Sèvres, France<br><br>Director | No | General Meeting of May 31, 2016 | General Meeting convened to approve the financial statements for the year ended December 31, 2018. | 3 years | No | No |
| **Philippe Goupit,** residing at 2 rue des Châtaigniers 92190 Meudon, France<br><br>Independent director | Yes | General Meeting of September 30, 2016 convened to vote on the initial public offering, effective date deferred to February 14, 2017 | General Meeting convened to approve the financial statements for the year ended December 31, 2018. | 3 years | Yes | Yes |
| **Chris Newton,** residing at 204 Ben Jonson House Barbican London EC2Y 8DL United Kingdom<br><br>Independent director | Yes | General Meeting of September 30, 2016 convened to vote on the initial public offering, effective date deferred to February 14, 2017 | General Meeting convened to approve the financial statements for the year ended December 31, 2018. | 3 years | Yes | No |

| Name / company name | Independent director | Date of appointment | Date of expiry of term of office | Term of office | Audit Committee | Compensation and Appointments Committee |
|---|---|---|---|---|---|---|
| **Pienter-Jan BVBA**, residing at Baillet Latourlei 119A, 2930 Brasschaat, Belgium, represented by Chris Buyse<br><br>Independent director | Yes | General Meeting of September 30, 2016 convened to vote on the initial public offering, effective date deferred to February 14, 2017 | General Meeting convened to approve the financial statements for the year ended December 31, 2018. | 3 years | No | Yes |
| **CELL +**, registered address at 11 bis rue Weber, 75016 Paris, France, represented by Annick Schwebig<br><br>Independent director | Yes | General Meeting of September 30, 2016 convened to vote on the initial public offering, effective date deferred to February 14, 2017 | General Meeting convened to approve the financial statements for the year ended December 31, 2018. | 3 years | No | Yes |
| **Karen Aiach,** residing at 4, avenue Joséphine, 92500 Rueil-Malmaison, France<br><br>Independent director | Yes | General Meeting of September 30, 2016 convened to vote on the initial public offering, effective date deferred to February 14, 2017 | General Meeting convened to approve the financial statements for the year ended December 31, 2018. | 3 years | Yes | No |

Philippe Goupit, Chris Newton, Pienter-Jan BVBA, Cell + and Karen Aiach were elected at the General Meeting held on 30 September 2016 to vote on the Company's initial public offering on Euronext Paris, subject to the Board of Directors setting an offering price for the Company's shares. This condition was satisfied at the Board meeting held on February 14, 2017 and the new directors duly took up office on the same day.

They have gained the requisite management experience and expertise in the various jobs and managerial positions they have previously held (see section 14.1.3 of this Registration Document entitled "Biographies of the members of the Board of Directors").

In order to comply with the rules on gender equality set forth in Article L. 225-18-1 of the French Commercial Code, the Company is in the process of recruiting two independent female directors.

There is no family relationship between the persons listed above.
To the Company's best knowledge, none of these persons has, during the last 5 years:

- been given any conviction in relation to fraudulent offenses;
- been associated in his as executive or director in any bankruptcy, receivership or liquidation;
- been disqualified from managing;
- been charged with any official public incrimination or sanction imposed 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.

### 14.1.2 Other corporate positions

Other positions currently held by directors

| Name | Nature of the office | Company |
|---|---|---|
| **Mr Frédéric Cren** | None. | None. |
| **Pierre Broqua** | None. | None. |
| **Jean-Louis Junien** | None. | None. |
| **Philippe Goupit** | Director | MedDay Pharmaceuticals SA |
| **Chris Newton** | None. | None. |
| **Chris Buyse** as permanent representative of **Pienter-Jan BVBA** | Director | Bioxodes SA |
| **Chris Buyse** as permanent representative of **Sofia BVBA** | Director | Keyware Technologies SA |
| | Director | Life Sciences Research Partners VZW |
| **Chris Buyse** 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 |
| **Annick Schwebig** as permanent representative of **Cell +** | None. | None. |
| **Annick Schwebig** in a personal capacity | Director | Cellectis SA |
| | Deputy Chairman of the Supervisory Board | Inserm Transfert SA |
| **Karen Aiach** | General Manager | Lysogene SA |
| | Chairman | Lysogene US Inc. |
| | Chairman | Vestingene SAS |
| | Chairman | KGA (SAS) |

Positions held by directors over the last five years but which have now ended

| Name | Nature of the office | Company |
|---|---|---|
| **Mr Frédéric Cren** | Manager | Cren Patrimoine SARL |
| **Pierre Broqua** | None. | None. |
| **Jean-Louis Junien** | None. | None. |
| **Philippe Goupit** | Director | Fovéa Pharmaceuticals |
| **Chris Newton** | 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 |
| **Chris Buyse** as permanent representative of **Pienter-Jan BVBA** | Director | Celyad SA |
| **Chris Buyse** as permanent representative of **Sofia BVBA** | Director | Thombogenics NV |
| **Chris Buyse** in a personal capacity | Director | Orgenesis Inc |
| | Director | MaSTerCell SA |
| | Director | Q-Biologicals SA |
| | Director | Promethera Biosciences SA |
| **Annick Schwebig** in a personal capacity | CEO | Actelion Pharmaceuticals France |
| **Karen Aiach** | None. | None. |

### 14.1.3 Biographies of the members of the Board of Directors

**Frédéric Cren, CEO**

Frédéric Cren, an experienced pharmaceutical executive, is 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 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(R) 145. He subsequently moved up 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 8 years with The Boston Consulting Group and a Manager in their health care practice. He holds an MBA from INSEAD, a MA from Johns Hopkins University and a Bachelor's Degree from Paris IX Dauphine.

**Pierre Broqua, Deputy General Manager**

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, while head of Pharmacology at Ferring Pharmaceuticals, of the GnRH antagonist Degarelix (now marketed under the brand name Firmagon(R)). Dr Broqua holds a Ph.D in Pharmacology from the University of Paris Descartes and has a master's degree in Chemistry and Biochemistry from Université Pierre et Marie Curie, Paris.

**Jean-Louis Junien, Director**

Jean-Louis Junien held various senior management positions in the pharmaceutical industry, firstly as Director of Jouveinal Research Institute and General Manager of Jouveinal Laboratoires, then as Vice President Research and Development Jouveinal-Warnert Lambert, followed by positions as Director of the Ferring Research Institutes in Southampton (United Kingdom) and La Jolla (United States) and Global CSO for Ferring Pharmaceuticals. From 2001 to 2007, he was CSO of Laboratoires Fournier. He founded ISLS Consulting in 2007 and has been working with Inventiva since 2012.

**Philippe Goupit, Independent Director**

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.

**Chris Newton, Independent Director**

Chris Newton, 62, was a founding member and Chief Scientific Officer of Argenta Discovery in 2000. He joined BioFocus plc in 2015, where he was a director and Chief Scientific Officer. He was then appointed Senior Vice-President of Galapagos Services, managing the services business of Galapagos after its acquisition of BioFocus. Chris previously held several senior R&D positions within Rhône-Poulenc/Aventis. He holds an MA degree from the University of Cambridge and MSc and PhD degrees from the University of Sheffield. He is also a Chartered Chemist and Fellow of the Royal Society of Chemistry.

**Chris Buyse, Independent Director and Representative of Pienter-Jean BVBA**

Chris Buyse, 52, 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 the New York Stock Exchange and Euronext Brussels. He has also held various positions at Spector Photo Group, Lyonnaise des Eaux (Suez) and Unilever. He currently holds a Director position of several private 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.

**Annick Schwebig, Independent Director and Representative of CELL +**

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 University of Paris medical school.

**Karen Aiach, Independent Director**

Karen Aiach, 45, 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. Karen has extensive business experience, having begun her career with Arthur Andersen, where she worked for seven years in 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 University of Paris VIII and is a graduate of ESSEC Business School.

### 14.1.4 Balance in the members of the Board of Directors

Pursuant to the Company's initial public offering on Euronext Paris, five new directors were elected and took up office on 14 February 2017, bringing the total number of directors up to eight.

These additional appointments ensure diversity of expertise within the Board of Directors as well as a gender balance that complies with the legal requirements.

In addition, as of February 14, 2017, there are now five independent directors, as defined in the Middlenext Corporate Governance Code published in December 2009 and amended in September 2016.

### 14.1.5 General Manager and Deputy General Manager of the Company

On the date of this Registration Document, the Company has chosen to appoint Frédéric Cren as both Chairman of the Board of Directors and Chief Executive Officer.
Pierre Broqua holds the position of Deputy General Manager and is also a director of the Company.

## 14.2 ADMINISTRATIVE BODIES' AND EXECUTIVE MANAGEMENT CONFLICTS OF INTEREST

### 14.2.1 Potential conflicts of interest

Jean-Louis Junien is the principal shareholder of the company ISLS Consulting. On July 8, 2014, ISLS Consulting signed a consultancy agreement with the Company under which it 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 €93,000 and €94,100 for the years 2014 and 2015 respectively. In an amendment dated June 8, 2016, the Company and ISLS Consulting extended the term of this agreement until 30 June 2017. ISLS Consulting is also a holder of the share warrants (BSAs) issued by the Company.

Other than the relations described above, to the best of the Company's knowledge, on the date of this Registration Document, there were no potential conflicts of interest between the directors' and executive managers' duties to the Company and their private interests.
The shareholders' agreement signed on August 24, 2012 by Frédéric Cren and Pierre Broqua (the "**Pre-IPO Agreement**") as well as the shareholders' agreement signed on May 25, 2015 by Frédéric Cren, Pierre Broqua and ISLS Consulting, the Company's scientific and strategic consultant and holder of 1,500 Company share warrants (the "**BSA Agreement**"), were automatically terminated on the day the Company's shares were admitted to trading on Euronext Paris.

Frédéric Cren and Pierre Broqua have entered into a shareholders' agreement intended to govern their relations after admission of the Company's shares to trading on Euronext Paris (the "**Post-IPO Agreement**") (see section 18.5 of this Registration Document entitled "Shareholders' Agreements").

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.

# 15. COMPENSATION AND BENEFITS

## 15.1 COMPENSATION AND BENEFITS IN KIND FOR DIRECTORS AND EXECUTIVES

The information given below is prepared by reference to the Corporate Governance Code for Small and Midcaps published by Middlenext in December 2009 and amended in September 2016, and approved as a reference code by the AMF.

The compensation tables for 2016 and prior years are set forth in section 15.1.1 in accordance with the Middlenext Code and the "AMF Position / Recommendation no. 2014-14" of December 2, 2014.

Section 15.1.2 describes the report introduced by the Sapin II law on the policy and criteria for determining, allocating and awarding compensation to executive corporate officers and subject to shareholder approval at the next General Meeting (see the draft resolutions submitted to the General meeting of May 29, 2017 in section 26.5 of this Registration Document).

### 15.1.1 Tables on compensation and benefits paid in 2016 and prior years

**Table no. 1: Summary of the compensation, share warrants (BSAs) and company founder share warrants (BSPCEs) awarded to each executive corporate officer**

| **Summary of the compensation and options and shares awarded to each executive corporate officer[83]** | | | |
|---|---|---|---|
| **(In euros)** | **2016** | **2015** | **2014** |
| **Frédéric Cren, CEO** | | | |
| Compensation owed for the year (detailed in table 2) | 358,401 | 360,730 | 353,725 |
| 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** | **358,401** | **360,730** | **353,725** |
| **Pierre Broqua, Deputy General Manager** | | | |
| Compensation owed for the year (detailed in table 2) | 198,331 | 198,531 | 197,781 |
| 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** | **198,331** | **198,531** | **197,781** |

[83] In 2015, the Company was incorporated in the form of a simplified company limited by shares.

**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, 2015 and 2016 and the compensation actually received by those individuals during those same financial years.

| **Summary of the compensation of each executive corporate officer[84]** | | | | | | |
|---|---|---|---|---|---|---|
| | 2016 | | 2015 | | 2014 | |
| | Amounts owed (in euros) | Amounts paid (in euros) | Amounts owed (in euros) | Amounts paid (in euros) | Amounts owed (in euros) | Amounts paid (in euros) |
| **Frédéric Cren, CEO** | | | | | | |
| Fixed compensation[85] | 242,528 | 248,716 | 242,528 | 254,444 | 242,528 | 248,892 |
| Annual variable compensation[86] | 88,379 | 88,379 | 88,379 | 88,379 | 88,379 | 87,547 |
| Multiannual variable compensation | None. | None. | None. | None. | None. | None. |
| Exceptional compensation | None. | None. | None. | None. | None. | 4,259 |
| Directors' fees | None. | None. | None. | None. | None. | None. |
| Incentive | 2,200 | 2,400 | 2,400 | 1,650 | 1,650 | 2,300 |
| Benefits in kind[87] | 25,294 | 25,294 | 27,423 | 27,423 | 21,168 | 21,168 |
| **Total** | **358,401** | **364,789** | **360,730** | **371,896** | **353,725** | **364,166** |

[84] In 2015, the Company was incorporated in the form of a simplified company limited by shares.
[85] Based on 13 months.
[86] Variable compensation has been set each year by the Compensation and Appointments Committee according to specific performance targets capped at €36,379, result targets capped at €52,000 and targets triggering the payment of incentives or profit-sharing that the corporate officer would have received had he been an employee.
[87] Benefits in kind correspond to unemployment insurance for company managers and executives, rental of company accommodation in Dijon and loan of a company vehicle.

| | 2016 | | 2015 | | 2014 | |
|---|---|---|---|---|---|---|
| | Amounts owed (in euros) | Amounts paid (in euros) | Amounts owed (in euros) | Amounts paid (in euros) | Amounts owed (in euros) | Amounts paid (in euros) |
| **Pierre Broqua, Deputy General Manager** | | | | | | |
| Fixed compensation[88] | 158,132 | 160,342 | 158,132 | 161,668 | 158,132 | 159,772 |
| Annual variable compensation[89] | 23,719 | 23,719 | 23,719 | 23,719 | 23,719 | 23,089 |
| Multiannual variable compensation | None. | None. | None. | None. | None. | None. |
| Exceptional compensation | None. | None. | None. | None. | None. | 2,660[90] |
| Directors' fees | None. | None. | None. | None. | None. | None. |
| Incentive | 2,200 | 2,400 | 2,400 | 1,650 | 1,650 | 2,300 |
| Benefits in kind[91] | 14,280 | 14,280 | 14,280 | 14,280 | 14,280 | 14,280 |
| **Total** | 198,331 | 200,741 | 198,531 | 201,318 | 197,781 | 202,101 |
| **TOTAL EXECUTIVES** | 556,732 | 565,530 | 559,261 | 573,214 | 551,506 | 566,267 |

**Table no. 3: Table on fees and other compensation received by non-executive corporate officers**

On the recommendation of the Compensation and Appointments Committee, at its meeting of March 22, 2017 the Board of Directors decided to allocate the directors' fees of €220 thousand approved for 2016 by the Combined General Meeting of September 30, 2016, as follows:

- €30 thousand per director other than Frédéric Cren and Pierre Broqua, who do not receive directors' fees; and
- €10 thousand per director who is also chair of a Board Committee; and
- €5 thousand per director who is also a member of a Board Committee.

On April 18, 2017, the Board of Directors decided to increase the total amount of directors' fees to €280,000 to take into account the future appointment of new directors.

The amount of directors' fees payable is subject to the approval of the General Meeting of Shareholders (see the resolutions submitted to the General Meeting of May 29, 2017 in section 26.5 of this Registration Document).

Directors' fees will be paid twice a year and for the first time in June 2017.

[88] Based on 13 months.

[89] Variable compensation has been set each year by the Compensation and Appointments Committee according to specific individual performance targets and, where applicable, company targets. The amount of this variable compensation, if 100% of the targets are reached, is set at 15% of gross compensation received during the relevant calendar year and according to the rules defined in the Company's bonus plan.

[90] Exceptional compensation paid to all employees and executives (bonus of 1.5% of annual compensation) owed for the financial year 2013.

[91] Benefits in kind correspond to the hire of company accommodation in Dijon and the loan of a company vehicle. Pierre Broqua has been covered by unemployment insurance for company managers and executives since April 2017.

**Table no.°4: Share warrants (BSAs) or company founder share warrants (BSPCEs) awarded to each executive corporate officer by the Company during the financial year ended December 31, 2016**

None.

**Table no. 5: Transferable securities (BSAs/BSPCEs) exercised by each executive corporate officer during the financial year ended December 31, 2016**

None.

**Table no. 6: Bonus shares awarded to each corporate officer during the financial year ended December 31, 2016**

None.

**Table no. 7: Bonus shares that have become available for each corporate officer during the financial year ended December 31, 2016**

None.

**Table no. 8: History of share or stock option awards (executive and non-executive corporate officers)**

None.

**Table no. 9: BSPCEs and BSAs awarded to the top 10 non-executive employees and BSPCEs and BSAs exercised by them**

None.

**Table no. 10: History of bonus share awards to executive and non-executive corporate officers**

None.

See section 21.1.4 of this Registration Document entitled "Other securities giving access to the share capital" for further details about BSPCEs, BSAs and bonus share awards as at December 31, 2016.

**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 jobs | | Compensation relating to a non-compete clause | |
|---|---|---|---|---|---|---|---|---|
| | yes | no | yes | no | yes | no | yes | no |
| **Mr Frédéric Cren**<br>CEO<br>Start of term of office: Board of Directors' meeting of May 31, 2016<br>End of term of office: end of the General Meeting convened to approve the financial statements for the financial year ended December 31, 2018. | | **X** | **X**[(2)] | | | **X** | | **X** |
| **Pierre Broqua**<br>Deputy General Manager<br>Start of term of office: Board of Directors' meeting of May 31, 2016<br>End of term of office: end of the General Meeting convened to approve the financial statements for the financial year ended December 31, 2018. | **X**[(1)] | | **X**[(2)] | | | **X**[(3)] | | **X** |

(1) Pierre Broqua's employment contract has been suspended since May 31, 2016 by decision of the Board of Directors.

(2) Messrs Frédéric Cren and Pierre Broqua enjoy the defined benefit pension scheme set up within the Company, under which the Company's liability is limited to the payment of contributions. For the years 2016 and 2015, the expense recognized amounted to €49,637 and €35,015 respectively for Frédéric Cren and €27,988 and €20,228 respectively for Pierre Broqua.

(3) As of April 2017, Pierre Broqua will be covered by unemployment insurance for company executives for as long as he remains Deputy General Manager.

### 15.1.2 Report on the overall compensation and benefits payable to the Chairman and Chief Executive Officer and to the Deputy General Manager with respect to their terms of office in accordance with Articles L. 225-37-2 and R. 225, -29 and -1 of the French Commercial Code

In accordance with Articles L. 225-37-2 and R. 225-29-1 of the French Commercial Code, please find below our report on the overall compensation and benefits payable to the Chairman and Chief Executive Officer and the Deputy General Manager with respect to 2017. This reported is included as an appendix to the Management Report for the year ended December 31, 2016.

This report sets forth for the Chairman and Chief Executive Officer and Deputy General Manager:

- fixed, variable and exceptional components of total compensation;
- benefits of all kinds awarded in respect of their corporate office;

policy and criteria for determining, allocating and awarding fixed, variable and exceptional compensation and benefits of all kinds subject to a specific resolution to be put to the shareholders at the annual ordinary General Meeting; the payment of variable and exceptional components of compensation to the relevant executive corporate officers is subject to approval at the annual ordinary General Meeting held to vote on the financial statements for the year ending December 31, 2017.

Compensation policy for executive corporate officers

The executive corporate officers receive a basic salary, which may be supplemented by various benefits as well as annual variable compensation representing a percentage of basic salary and based on the achievement of annual performance criteria.

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, area of activity and sector practices.

At the beginning of the year, the Board sets the annual targets for the executive corporate officers in accordance with the strategic and operational plan drawn up by the Board. Achievement of the targets is discussed by the Compensation and Appointments Committee and a performance assessment proposed to the Board. The performance assessment may range from 0 to 100% target achievement, which will then determine the percentage of variable compensation to be awarded. The executive corporate officers are also eligible for the Company's incentive program.

The Board of Directors may agree to discuss a change of performance assessment due to the occurrence of exceptional events, based on the opinion and recommendation of the Compensation and Appointments Committee.

Executive corporate officers do not receive directors' fees.

They are not entitled to severance pay (subject to the stipulations below on executive unemployment insurance under the heading "Benefits in kind") or to any supplemental pension plan.

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.

| **Components of compensation for 2017** | **Frédéric Cren<br>Chairman and Chief Executive Officer** |
|---|---|
| **Directors' fees** | None. |
| **Basic salary** | €242,528, payable monthly in thirteen installments equal to a gross monthly amount of €18,656.<br><br>Half of the thirteenth installment will be paid with the June salary and the balance with the December salary. |
| **Variable compensation** | 40% of basic salary for 2017 (excluding benefits) for 100% achievement of the 2017 Targets, i.e., €97,011.20 maximum.<br><br>The Targets and their weightings are as follows:<br><br>1. <u>Financing and financial strategy</u><br><br>Complete the initial public offering on Euronext Paris<br><br>Weighting: 15%<br><br>Propose the future financing strategy and have it approved by the Board of Directors<br><br>Weighting: 15%<br><br>2. <u>Investor and shareholder relations</u><br><br>Organize and structure investor relations and draw up a communications strategy for investors and shareholders<br><br>Weighting: 25%<br><br>3. <u>Organization</u><br><br>Implement a corporate organization and governance structure in line with the status of Euronext-listed company.<br><br>Weighting: 10%<br><br>4. <u>Collaboration</u><br><br>Pursue the company’s external collaboration strategy<br><br>Weighting: 35% |

| Components of compensation for 2017 | Frédéric Cren<br>Chairman and Chief Executive Officer |
|---|---|
| **Multiannual variable compensation** | N/A<br><br>(however, see reference to the incentive plan under the heading "Any other compensation due in respect of 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<br><br>(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 corporate office** | Incentive program open to all employees and corporate officers of the Company for the period January 1, 2015 to December 31, 2017. The maximum amount payable in respect of 2017 is €3,000.<br><br>The criteria for 2017 are:<br><br>PPE 1 criterion: Progress in the various research programs and initiatives measured in terms of target achievement (Milestones) (criteria and weighting described in the Appendix to this report). The maximum amount payable in respect of this criterion is €2,500.<br><br>PPE 2 criterion: Improvement in the year's budgeted results (criteria and weighting described in the Appendix to this report). The maximum amount payable in respect of this criterion is €500. |
| **Benefits in kind** | €25,294 corresponding to:<br>- Executive unemployment insurance;<br>- Company car;<br>- Company accommodation. |
| **Variable or exceptional compensation awarded in respect of the year just ended, payment of which is subject to approval at the annual ordinary General Meeting as required by the provisions of Articles L. 225-37-2 or L. 225-82-2 of the French Commercial Code** | N/A |

| Components of compensation for 2017 | Pierre Broqua<br>Deputy General Manager |
|---|---|
| **Directors' fees** | None. |
| **Basic salary** | €158,132, payable monthly in thirteen installments equal to a gross monthly amount of €12,164.<br><br>Half of the thirteenth installment will be paid with the June salary and the balance with the December salary. |
| **Annual variable compensation** | 35% of basic salary for 2017 (excluding benefits) for 100% achievement of the 2017 Targets, i.e., €55,346.20 maximum.<br><br>The Targets and their weightings are as follows:<br><br>1. <u>Organization and Governance</u><br><br>Adapt the organization of the Research and Development activity to the Company's strategy<br><br>Weighting: 15%<br><br>2. <u>IVA337</u><br><br>Pursue development in two Indications "Systemic Sclerosis" and "NASH"<br><br>Weighting: 30%<br><br>3. <u>IVA336</u><br><br>Pursue development in MPS VI indication while exploring the possibility of development for other mucopolysaccharidoses<br><br>Weighting: 15%<br><br>4. <u>YAP/TEAD</u><br><br>Set up an oncology scientific council Complete the in vivo animal POC<br><br>Weighting: 5%<br><br>5. <u>Investor and shareholder relations</u><br><br>Work with the Chairman and Chief Executive Officer in overseeing the IPO on Euronext Oaris and communications with investors and shareholders<br><br>Weighting: 20%<br><br>6. <u>Collaboration</u><br><br>Pursue the company's external collaboration strategy |

| Components of compensation for 2017 | Pierre Broqua<br>Deputy General Manager |
|---|---|
| | Weighting: 15% |
| **Multiannual variable compensation** | N/A<br><br>(however, see reference to the incentive plan under the heading "Any other compensation due in respect of 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, and defined benefit pension commitments** | N/A<br><br>(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 corporate office** | Incentive program open to all employees and corporate officers of the Company for the period January 1, 2015 to December 31, 2017. The maximum amount payable in respect of 2017 is €3,000.<br><br>The criteria for 2017 are:<br><br>PPE 1 criterion: Progress in the various research programs and initiatives measured in terms of target achievement (Milestones) (criteria and weighting described in the Appendix to this report). The maximum amount payable in respect of this criterion is €2,500.<br><br>PPE 2 criterion: Improvement in the year's budgeted results (criteria and weighting described in the Appendix to this report). The maximum amount payable in respect of this criterion is €500. |
| **Benefits in kind** | €19,560, corresponding to:<br>- Executive unemployment insurance, as of April 1, 2017;<br>- Company car;<br>- Company accommodation. |
| **Variable or exceptional compensation awarded in respect of the year just ended, payment of which is subject to approval at the annual ordinary General Meeting as required by the provisions of Articles L. 225-37-2 or L. 225-82-2 of the French Commercial Code** | N/A |

**Appendix to the report on compensation and benefits awarded to the Chairman and Chief Executive Officer and Deputy General Manager in respect of their corporate office, pursuant to the provisions of Articles L. 225-37-2 and R. 225-29-1 of the French Commercial Code**

Method of determining the amounts due to employees and executive corporate officers in 2017 under the incentive program

**PPE 1 criterion: progress in the various research programs and initiatives, measured in terms of target achievement (Milestones).**

| 2017 RESEARCH PROGRAMS AND INITIATIVES | PROGRESS EXPECTED AT DECEMBER 31, 2017 FOR 1 MILESTONE |
|---|---|
| **Native 337 program (Nash)** | **125 randomized patients enrolled and PK (HVPK) study finalized** |
| **336 program** | **First randomized patient enrolled in the iMProveS study** |
| **336 program: regulatory** | **336 ODD obtained in Europe and United States** |
| **Oncology (YAP)** | **Scientific committee in place and first YAP POC meeting approved by the Management Committee** |
| **Collaboration** | **Nurr77 target signed off and project selected to enter DD** |

Formula for PPE criterion 1: **Number of Milestones achieved**

| 2017 PPE 1 CRITERION | PPE 1 in euros |
|---|---|
| **Number of Milestones achieved = 1** | **€0 x FTE** |
| **Number of Milestones achieved = 2** | **€500 x FTE** |
| **Number of Milestones achieved = 3** | **€1,000 x FTE** |
| **Number of Milestones achieved = 4** | **€1,500 x FTE** |
| **Number of Milestones achieved = 5** | **€2,500 x FTE** |

**PPE 2 criterion: Improvement of final 2017 results compared with 2017 budget**

Formula for PPE criterion 2: Inventiva's financial performance compared with budget. French GAAP results before incentive program and tax compared with the 2017 budget of -€17,545,861 (before incentive program and tax). An incentive payment will be made if the actual result is better than budget, based on the scale below.

| 2017 PPE 2 CRITERION | PPE 2 in euros |
|---|---|
| **Result < -17,545,860** | **€0 x FTE** |
| **-17,545,860 ≤ result< -16,500,000** | **€200 x FTE** |
| **-16,500,000 ≤ result < -15,500,000** | **€300 x FTE** |
| **-15,500,000 ≤ result < -14,500,000** | **€400 x FTE** |
| **Result > -14,500,000** | **€500 x FTE** |

"FTE " means an employee or executive corporate officer

### 15.2 AMOUNTS SET ASIDE OR ACCRUED BY THE COMPANY TO PROVIDE PENSION, RETIREMENT OR OTHER BENEFITS FOR EXECUTIVES AND DIRECTORS

With the exception of the retirement reserves detailed in note 2.4.11 of the notes to the company financial statements prepared in accordance with IFRS and contained in section 20.1.2, "Company financial statements for the year ended December 31, 2016 prepared in accordance with IFRS", no amount has been aside or accrued by the Company to provide pension, retirement or benefits to the Company's officers.

## 16. BOARD PRACTICES

### 16.1 MANAGEMENT OF THE COMPANY

By decision of the Combined General Meeting held on May 31, 2016, the Company established as a simplified company limited by shares has been converted into a joint-stock company. A detailed composition of the Board of Directors is contained in section 14.1.1 of this Registration Document entitled "Members of the Board of Directors".

In its decision of May 31, 2016, the Board of Directors chose to appoint Mr Frédéric Cren as both Chairman of the Board of Directors and Chief Executive Officer.

### 16.2 BOARD MEMBER AND EXECUTIVE MANAGEMENT SERVICE CONTRACTS WITH THE COMPANY

With the exception of the contracts described in section 19.2 of this Registration Document entitled "Material related party agreements", there are no contracts between a company officer and the Company.

### 16.3 COMMITTEES

***This section is an integral part of section 26.1 of this Registration Document entitled "Report of the Chairman of the Board of Directors on corporate governance and internal control and risk management procedures".***

The Company's Board of Directors has created an Audit Committee and a Compensation and Appointments Committee. The composition, powers, practices and procedures of both Committees are described below.

Having obtained a favorable opinion from the Compensation and Appointments Committee, the Board of Directors decided upon the following composition of the Board Committees:

The following directors are members of the Audit Committee for a term concurrent with their term as director:
- Chris Buyse as permanent representative of Pienter-Jan BVBA (Chair of the Committee);
- Karen Aiach;
- Philippe Goupit.

The following directors are members of the Compensation and Appointments Committee for a term concurrent with their term as director:
- Philippe Goupit (Chair of the Committee);
- Annick Schwebig as permanent representative of Cell +;
- Chris Buyse as permanent representative of Pienter-Jan BVBA.

### 16.3.1 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 can be replaced by the Board of Directors.

At least one member of the Audit Committee must have specific financial or accounting skills and must be independent according to the criteria laid down and made public by the Board of Directors.

The composition of the Audit Committee was determined by decision of the Board of Directors on February 14, 2017, prior to the AMF's clearance of the prospectus for the Company's initial public offering on Euronext Paris.

*Operation*

The Audit Committee meets as often as it considers necessary and at least four times a year.

The proceeding of the Audit Committee is will be valid only 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.

*Tasks*

The Audit Committee is responsible for (i) the financial reporting process, (ii) the effectiveness of internal control and risk management systems, (iii) the statutory auditing of annual financial statements and, where applicable, consolidated financial statements by the statutory auditors, (iv) ensuring the statutory auditors independence .

The Audit Committee's main task 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:

*Company financial statements & financial information:*
Having regularly reviewed the Company's financial situation, cash flow situation and commitments contained in the annual financial statements:

- Examines the Company's annual financial statements and half-yearly financial statements;
- Confirms the relevance of the Company's choices and accounting policies; and
- Checks the relevance of the financial information published by the Company.

*Internal control:*

- Ensures that internal control procedures are being implemented;
- Checks that internal control is working correctly; and
- Examines the works schedule for internal and external audits.

*Risk management:*

- Examines any matter that may have a significant financial and accounting impact;
- Examines the status of major legal disputes;
- Examines risks and off-balance-sheet commitments;

- Examines the relevance of risk monitoring procedures;
- Examines the regulated agreements.

Statutory auditors:
- Issues a recommendation on the statutory auditors proposed for appointment by the General Meeting of shareholders, the amount of their fees and ensures that they are independent;
- Checks that the statutory auditors carry out their duties correctly;
- Sets the rules for using the statutory auditors for tasks other than auditing the financial statements and checks that these tasks are performed correctly.

The Audit Committee reports regularly to the Board of Directors on the performance of its tasks and informs the Board promptly of any difficulty encountered.

*Committee's activity*

The Audit Committee met for the first time on March 22, 2017. All members were present. The Committee reviewed the financial statements for the year ended December 31, 2016. It paid particular attention to the provision set aside for tax audits and to risk management and internal control procedures.

### 16.3.2 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 the AMF's clearance of the prospectus for the Company's initial public offering on Euronext Paris.

*Operation*

The Compensation and Appointments Committee meets at least four times a year, without management, in order to evaluate their individual performance and makes recommendations to the Board of Directors as regards to the compensation payable to directors and company officers.

The proceeding of Compensation and Appointments Committee will be valid only if at least one half of its members are present, represented or deemed present.

Decisions are taken by a majority of the members, 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.

*Tasks*

The Compensation and Appointments Committee's main task is to oversee problems related to compensation plans, policies and programs where they concern company officers and directors.

The Compensation and Appointments Committee carries out the following tasks:

- makes recommendations and proposals about (i) the various aspects of the compensation, pension and welfare schemes for company officers, (ii) the procedures for determining the variable part of their compensation; (iii) the Company's general incentive and profit-sharing policy;
- examines 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;
- advises and, where applicable, assists the Board of Directors on the selection of executive managers and their compensation;
- evaluates potential capital increases reserved for employees;
- assists the Board of Directors in the selection and recruitment of new directors;
- ensures that structures and procedures are in place to allow sound governance practices to be implemented within the Company;
- prevents conflicts of interest within the Board of Directors;
- implements the Board of Directors appraisal procedure.

*Committee's activity*

The Compensation and Appointments Committee met for the first time on March 22, 2017. All members were present.

## 16.4 STATEMENT ABOUT CORPORATE GOVERNANCE

### 16.4.1 Corporate governance

***This section is an integral part of section 26.1 of this Registration Document entitled "Report of the Chairman of the Board of Directors on corporate governance and internal control and risk management procedures".***

Due to its growth and following the initial public offering on Euronext Paris, the Company has taken measures to improve its governance principles, including adopting the Middlenext Corporate Governance Code for listed companies published in December 2016 and amended in September 2016 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 reviewed the items listed in the Middlenext Code as "Points to be watched".

The table below shows the Company's current thinking as regards 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 which are not met according to the Company and which appear in the table under the heading "Will Be Adopted". These are new recommendations resulting from the September 2016 amendment to the code. The Company aims to apply the new recommendations by the end of 2017.

| Middlenext Code Recommendations | Adopted | Will Be Adopted |
|---|---|---|
| | | |
| **I. Executive 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 - Independent directors | X | |
| R 4: Board member information | X | |
| R 5: Board and committee meetings | X | |
| R 6: Creation of committees | X | |
| R 7: Introduction of Board's internal regulations | X | |
| R 8: Choice of directors | X | |
| R 9: Board members' term of office | X | |
| R 10: Directors' compensation | X | |
| R 11: Introduction of Board evaluation | X | |
| R 12: Relations with "shareholders" | | X |
| | | |
| **III 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 payments[(1)] | | X |
| R 17: Supplementary pension schemes | X | |
| R 18: Stock options and bonus shares[(2)] | X | |
| R 19: Review of points to be watched | | X |

[(1)]No Company executive is currently receiving any severance payment. If such payment is made, recommendation R16 will be followed.

[(2)]See section 21.1.4 of this Registration Document entitled "Other securities giving access to the share capital" for further details about the conditions for awarding BSAs and BSPCEs.

### 16.4.2 Internal regulations

Inventiva (the "**Company**") is a joint-stock company with a Board of Directors.

At its meeting of February 14, 2017 prior to the Company's initial public offering on Euronext Paris, the Board of Directors confirmed that the condition precedent to adopting new internal regulations had been satisfied. The new internal regulations setting out how the Board is organized and operates, in addition to the provisions of the law and the Company's articles of association, therefore came into effect on February 14, 2017.

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 objects, all matters relating to the smooth running of the Company are submitted to the Board, 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.

The Board of Directors carries out the controls and checks that it deems appropriate and may ask to be sent any documents that it considers useful or necessary to the performance of its tasks.

The internal regulations, which comply with the recommendations set out in the Middlenext and AMF codes, are purely internal and are not enforceable against the shareholders or third parties. All directors, permanent representatives of corporate directors, Board observers and, more generally, anyone taking part in or attending Board meetings whether on an occasional or permanent basis, are personally required to comply with the internal regulations.

The internal regulations set out the practices and procedures of the Board and the various Board Committees, in addition to the provisions of the law and the Company's articles of association. They may be amended at any time by resolution of the Board of Directors.

**Members of the Board of Directors**

The Board of Directors has at least three and no more than eighteen members.

It elects a Chairman from among its members, who must be a natural person. The Chairman is responsible for organizing and running the Board's work.

The directors are selected for their skills and experience, a resume of which is provided to the shareholders at the annual General Meeting along with a list of their other directorships and executive offices. The Board must have at least two independent directors.

Directors are considered to be independent when they have no financial, contractual, family or other material close relationship with the Company, its subsidiaries or its management that might affect their ability to exercise impartial judgment.

The Board of Directors reviews the independence of its members regularly and at least once a year.

The criteria used by the Board to assess a director's independence are as follows:

- Must not be or have been at any time in the last five years an employee or executive corporate officer of the Company or one of its subsidiaries;
- Must not be or have been in the last five years a customer, supplier, investment banker or commercial banker:
  - that is material for the Company or one of its subsidiaries,
  - for which the Company or one of its subsidiaries represents a significant part of the entity's activity;
- Must not be a major shareholder of the Company or hold a significant percentage of the voting rights;
- Must not have close family or other ties with an executive officer or a major shareholder;
- Must not have been an auditor of the Company in the last six years.

**Role 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 objects, all matters relating to the smooth running of the Company are submitted to the Board, which settles the Company's affairs by virtue of the decisions that it makes.

In this regard, and without prejudice to its legal rights, the Board of Directors approves the following Company operations prior to their implementation:

- the Company's Annual Budget by no later than December 20 of each year;
- any proposed investment or expenditure representing an amount greater than €400 thousand 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 thousand 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 proposal to invest in any entity, any proposed transfer, liquidation or winding-up of subsidiaries, start-up of new activities or 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 assign licenses or any intellectual property right held by the Company such as, for example, patents, know-how or trade marks, except in the normal course of business in relation to the Company's activities;
- any decision to commence legal proceedings or conduct proceedings and any decision regarding the settlement of disputes, where the interests at stake exceed the sum of €400 thousand.

The Board of Directors carries out the controls and checks that it deems appropriate and may ask to be sent any documents that it considers useful or necessary to the performance of its tasks.

The Board of Directors is required to attend shareholders' meetings.

## RULES APPLICABLE TO DIRECTORS

### General duties

The directors represent all shareholders and must act loyally and in the Company's interest at all times and in all circumstances.

Upon their election, directors are required to familiarize themselves with the laws and regulations governing their function, as well as the stock market regulations on insider trading and the specific provisions applicable to the Company pursuant to its articles of association and the Board of Directors' internal regulations.

Directors are expected to devote the time and attention required to perform their duties properly. They undertake to attend all Board meetings and meetings of any Committees on which they sit, in accordance with the scheduled timetable.

### Board of Directors' and directors' right to information

The directors are entitled to receive all the information they need to perform their duties and may, prior to a meeting, ask for sight of any documents they consider useful.

### Duty of discretion and confidentiality

Directors owe an absolute duty of confidentiality and discretion, even when no longer in office, as regards the discussions and deliberations of the Board of Directors and any non-public information they obtain through reports or documents provided to them during Board meetings or upon their request for further information, except where disclosure of such information is required or permitted by the provisions of the applicable law and regulations or is in the public interest.

Non-public information obtained by directors in the course of their duties is provided to them on a personal basis. They must keep such information strictly confidential at all times and may not disclose it except as permitted by law. This requirement also applies to permanent representatives of corporate directors.

Directors may not trade in the shares of companies (or their subsidiaries) about which they have precise, non-public information which, if it were made public, could have a significant effect on the Company's share price. Directors undertake to comply with all applicable laws and regulations on the use or disclosure of inside information within the meaning of Article 7 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 ("MAR"). Information is considered to be public when it has been announced in a media release issued by the Company.

Directors are required to keep the content of their deliberations confidential. The Board of Directors may, as a collective body, publish information outside the Company in media releases intended to inform the markets in accordance with the applicable French laws and regulations.

Apart from the Chairman and the Chief Executive Officer, the directors may not speak on the Board of Directors' behalf unless expressly asked or authorized to do so by the Chairman.

More generally, the directors owe a duty of secrecy as regards any confidential information or documents they obtain in the course of their duties. The directors may not, therefore, use any confidential information or documents they may have obtained for their own personal gain or for anyone else's gain.

The requirements described in this section also apply to the Company's Board observers.

**Duty of loyalty and respect for the laws and the Company's articles of association**

Directors, Board observers and any other person attending a Board meeting may not take any initiative that could be harmful to the Company's interest and they must act in good faith at all times and in all circumstances.

The directors undertake to abide by the decisions taken by the Board of Directors in accordance with the provisions of the law and the Company's articles of association.

Executive directors may not hold more than two other "offices" in listed companies. Directors shall inform the Chairman of the Board of Directors of any other directorship or executive office they hold or may come to hold in a French or foreign listed company.

Directors shall consider themselves to be representatives of all shareholders, including any minority shareholders. They undertake to make sure that the Company's decisions do not favor some shareholders or a particular class of shareholder over others.

**Conflicts of interest**

Directors shall notify the Board of any existing, potential or future conflict of interest they may have with the Company or one of its subsidiaries. They shall abstain from the corresponding discussions, vote and deliberations.
Any agreement entered into directly or indirectly by the Company and a director shall first be authorized by the Board of Directors, except for ordinary business agreements entered into on an arm's length basis within the meaning of Article L. 225-39 of the French Commercial Code.

The director in question shall abstain from the Board's deliberations and vote on authorization of the agreement.

More generally, the Board of Directors is required to authorize all agreements governed by the provisions of Article L. 225-38 of the French Commercial Code provided that they fall within the scope of Article L. 225-39 of the Code.

The Board of Directors is required to give reasons for its authorization and justify why the agreement is in the Company's interest, in particular as regards its financial terms.

**Directors' qualifying shares**

In accordance with the Middlenext Code, it is recommended that each director hold at least one share of the Company.

All shares owned by directors must be held in direct or indirect registered form throughout their term of office.

**Stock market code of conduct**

Directors may not trade in the Company's shares if they have obtained information during the course of their duties that has not yet been made public.

More particularly, directors who obtain precise, confidential information that might, if it were made public, have a significant effect on the share price of the Company, a subsidiary or affiliate, shall not disclose the information to a third party until such time as it has been made public in accordance with the provisions of the French Monetary and Financial Code and the MAR regulation on insider trading.

Directors may not buy or sell shares of the Company or derivative instruments on the market or by means of off-market block trades, either on their own behalf or on behalf of someone else, either directly or through their spouse or any other direct family member, during any of the following periods:

- during the thirty (30) calendar days preceding the date on which a press release announcing the annual or half-yearly results is due to be published;

- during a period of fifteen (15) calendar days preceding the date on which quarterly or other interim financial information is due to be published.

Persons subject to these closed periods are not authorized to trade in the Company's shares until the day after the relevant information has been published.

In any event, the Board may, as necessary, in the event of a material event that might have an effect on the price of the Company's shares, set a period during which executive officers and directors may not trade in shares of the Company or derivative instruments either on the market or by means of off-market block trades, either directly or through their spouse or any other direct family member.

**Disclosure of trading in the Company's shares**

Executive officers, directors and any other person referred to in Articles L.621-18-2 and R.621-43-1 of the French Monetary and Financial Code shall, no later than three days after the transaction date, disclose to the AMF, with a copy to the Company, all buy or sell, subscription or exchange transactions they have made in the shares or any related financial instruments, either directly or through a close associate within the meaning of the Articles referred to above, if the aggregate amount of such transactions made during a calendar year, either on their own behalf or on behalf of close associates, is more than €20 thousand.

**MEETINGS – DELIBERATIONS**

The Board of Directors meets at least four times a year and as often as required in the Company's interests, at the invitation of its Chairman.

The Board of Directors meets either at the Company's head office or at any other place indicated in the notice of meeting, at the invitation of its Chairman or another director acting on his behalf.

Furthermore, if the Board of Directors has not met for a period of more than three months, directors representing at least one third of all Board members may require the Chairman to call a Board meeting to discuss a specific agenda.

The Chief Executive Officer, if he is not also the Chairman of the Board of Directors, may also require the Chairman to call a Board meeting to discuss a specific agenda.

The Chairman must call a meeting if asked to do so pursuant to the preceding two paragraphs no later than 10 business days after the request. Notices of meetings may be sent out by any means.

Board meetings are chaired by the Chairman of the Board of Directors or by a director appointed to act on his behalf, or in their absence, by the oldest director attending the meeting or by a director elected by the Board at the start of the meeting.

Directors may appoint another director as proxy for voting purposes at a specific Board meeting in accordance with the provisions of the law. Directors may not hold more than one proxy vote for each meeting.

However, the Board meeting is not duly constituted unless at least one half of its members are present or deemed present.

Unless a higher majority is provided for elsewhere, decisions are taken by simple majority of the members present in person or by proxy or deemed present; in the event of a tie, the Chairman shall have the casting vote.

An attendance register is held at the head office and signed by all directors attending each Board meeting. The names of directors attending a Board meeting by remote means are added to the register by the chairman of the meeting.

Insofar as possible, an indicative timetable for Board meetings will be drawn up at the beginning of the calendar year. Failing that, the Board of Directors will endeavor to set the date of its next meeting at the end of the Board meeting.

Once a year, the Chairman of the Board of Directors will invite the directors to express an opinion on Board practices, procedures and the preparation of its work.

Observers are also invited to all Board meetings and take part in the discussions but do so in an advisory capacity only.

**VIDEO AND TELEPHONE CONFERENCING**

The Board of Directors may hold its meetings by means of video conferencing, i.e., transmission of both voice and image of each participant, or by telephone conference call, i.e., transmission of voice only.

However, video and telephone conferencing may not be used for meetings called for the following purposes:

- signing off the annual and consolidated financial statements;
- drawing up the Company's or Group's management report;
- removing the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy General Manager, where applicable.

Directors attending by remote means of communication are deemed to be present for the purpose of calculating the quorum and majority provided that the means used are capable of transmitting both voice and image, or at least the voice, of all participants, simultaneously and continuously.

A director attending a meeting by video or telephone conferencing may represent another director provided that, on the day of the meeting, the Chairman holds a valid proxy from the director so represented.

Any technical incident occurring during the meeting that interrupts the proceedings will be minuted.

If the video or telephone conferencing equipment is not functioning properly, as duly observed by the Chairman, the Board may continue to transact business among those directors present in person or whose voice and/or image continues to be transmitted simultaneously and continuously, provided that the quorum requirements are met.

A director attending a Board meeting by remote means of communication and who is no longer deemed present due to a technical malfunction, may then give a proxy to another director present at the meeting in person, in accordance with the provisions of Articles 1316 to 1316-4 of the Civil Code (i.e., in writing, by email, fax, etc.), provided that the Chairman is informed. A proxy may also be given in advance stipulating that it will only be effective in the event of a technical malfunction preventing the director from being deemed present.

**MINUTES**-

The deliberations of the Board of Directors (including by means of video or telephone conferencing) are recorded in minutes kept on a special register or a numbered loose-leaf binder under the conditions stipulated by law. The minutes are signed by the Chairman of the meeting and at least one other director. If the Chairman of the meeting is unable to sign, the minutes shall be signed by at least two directors.

If any directors have attended the meeting by video or telephone conferencing, the minutes of the meeting shall indicate the following:

- the names of the directors present in person;
- the names of directors attending by means of video or telephone conferencing deemed present within the meaning of Article L. 225-37 of the French Commercial Code;
- the names of directors who are absent or have sent apologies;
- the names of other people present at the meeting;
- the presence or absence of any person invited to attend pursuant to a provision of the law or regulations;
- the occurrence of any technical incident affecting the videoconferencing or other electronic communication equipment, if the incident has interrupted the proceedings.

Any discussions regarding the Board's assessment of its work shall be recorded in the minutes of the relevant meeting.

Copies or excerpts of the minutes shall be certified as true and correct either by the Chairman of the Board of Directors or by the director temporarily acting on behalf of the Chairman, or by another person duly empowered for the purpose.

The production of a copy or excerpt of the minutes is sufficient proof of the number of directors in office and their presence.

**COMPENSATION**

The shareholders of the Company have full discretion, at the annual general meeting, to set the maximum amount of directors' fees to be allocated by the Board of Directors among its members.

The Board of Directors may allocate the amount voted by the shareholders at the proposal of the Compensation Committee.

It may set criteria for the issue of attendance fees on the basis of members' attendance rates and the time spent on their duties.

The Board of Directors sets the fees payable to the Board observers.

## DIRECTORS AND OFFICERS LIABILITY

The Board of Directors has taken out directors and officers liability insurance.

### 16.4.3 Internal control

For further details of the Company's internal control and risk management procedures, see section 26.1.2 of this Registration Document entitled "Internal control and risk management", which forms part of the Chairman's report required pursuant to Article L. 225-37 of the French Commercial Code.

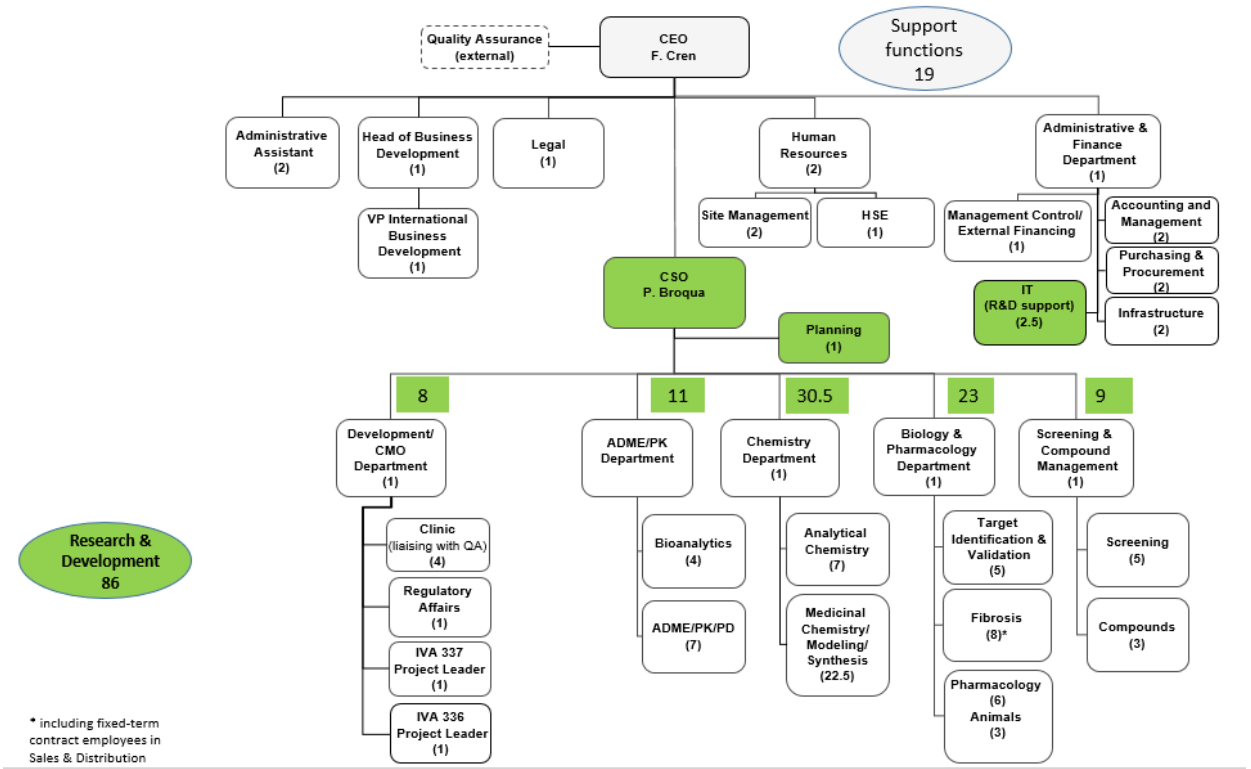
# 17. EMPLOYEES

## 17.1 HUMAN RESOURCES

### 17.1.1 Functional organizational chart

The Company's management can rely on its strong experience gained in large pharmaceutical groups and biotechnology companies. Their experience is summarized in paragraph 6.10 of this Registration Document.

The Company has 19 employees in its support functions and 86 employees in research and development. The Company's functional organization structure is as follows:



### 17.1.2 Number and breakdown of employees

On the date of this Registration Document, the Company had 105 employees. For further information about employees, see section 26.2.1.2 of this Registration Document entitled "Labor information".

### 17.1.3 Human Resources policy

The Company applies the National Collective Bargaining Agreement for the Pharmaceutical Industry.

Furthermore, the Company has concluded the following collective agreements:

- Collective agreement on working time concluded on 19 February 2015 for an indefinite term;
- Collective agreement on professional equality between men and women concluded on 17 October 2014 for a term of 3 years;
- Incentive agreement concluded on May 30, 2016 for a term of three years, which can be renewed by agreement between the parties (see section 17.4 of this Registration Document entitled "Employee profit-sharing agreements"); and
- Profit-sharing agreement concluded on 26 May 2016 for an indefinite term and applicable for the first time to the Company's results for the year 2015 (see section 17.4 of this Registration Document entitled "Employee profit-sharing agreements").

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.

As regards the compensation policy, certain employees with an open-ended contract receive fixed and variable compensation based on individual targets set during annual performance and development interviews. Furthermore, BSPCEs have been awarded to certain employees.

### 17.1.4 Staff representation and social dialogue

The Company has a Works Council and staff representatives who meet as part of a staff representation committee (Délégation Unique du personnel) as well as a Health, Safety and Working Conditions Committee.

The staff representation committee is now made up only of one representative 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 4 years.
The Health, Safety and Working Conditions Committee is made up of three members appointed on March 2, 2016 for a period of two years.

The Company's management believes that it has a good relationship with the staff representative bodies.

## 17.2 SHAREHOLDINGS AND STOCK OPTIONS FOR COMPANY OFFICERS

See section 15 "Compensation and benefits", section 18.1 "Ownership structure and voting rights" and section 21.1.4 "Other securities giving access to the share capital" of this Registration Document.

## 17.3 EMPLOYEE INVOLVEMENT IN THE COMPANY'S CAPITAL

Some employees hold BSPCEs which could give them a 2.9% holding in the capital (on a fully diluted basis) if the BSPCEs are fully exercised (see section 21.1.4 of this Registration Document entitled "Other securities giving access to the share capital"). See section 21.1.4.2. of this Registration Document for further information about BSPCEs.

## 17.4 EMPLOYEE PROFIT-SHARING AGREEMENTS

### 17.4.1 Incentive agreement

An incentive agreement 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. 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 for the years 2016 to 2018 within the Company.

The formula adopted to trigger payment of incentives is based on the achievement of targets in relation to research, innovation and expenditure containment.

For the years 2014 and 2015, incentive payments amounted to €171,406 and €257,111 respectively. For 2016, the optional profit share amounted to €241,072 and is payable in 2017.

### 17.4.2 Profit-sharing agreement

Profit-sharing agreements are mandatory in all companies with at least 50 employees. New companies have a period of 3 years following their creation in which to comply with this obligation. That period having ended, 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. A profit-sharing reserve is distributed when the entity's taxable profit is greater than the 5% return on shareholders' equity in accordance with Articles L. 3322-2 and L. 3324-1 of the French Labor Code. The amount of the profit-sharing reserve cannot exceed half of the net taxable profit for the year concerned.

## 18. PRINCIPAL SHAREHOLDERS

## 18.1 OWNERSHIP STRUCTURE AND VOTING RIGHTS

**Pre-IPO**

On the date of the approval of the securities note, the Company's share capital was €100,300 divided into 10,030,000 fully paid ordinary shares all of the same class, each with a par value of €0.01, held as follows taking into account all securities giving access to the share capital:

| | Position at February 1, 2017 on a non-diluted basis | | Position at February 1, 2017 on a fully-diluted basis | | | | |
|---|---|---|---|---|---|---|---|
| **Shareholders** | **Number of shares** | **% of capital and voting rights** | **Number of shares that can result from the exercise of BSAs** | **Number of shares that can result from the exercise of BSPCEs** | **Number of shares following exercise of BSAs and BSPCEs** | **% of share capital** | **% of voting rights** |
| Frédéric Cren[1] | 6,015,000 | 59.97% | - | - | 6,015,000 | 53.46% | 56.53% |
| Pierre Broqua[1] | 4,007,500 | 39.96% | - | - | 4,007,500 | 35.62% | 37.66% |
| Jean-Luc Paquet[2] | 7,500 | 0.07% | - | - | 7,500 | 0.07% | 0.07% |
| ISLS Consulting | - | - | 150,000 | - | 150,000 | 1.33% | 0.70% |
| Holders of BSPCEs | - | - | - | 1,071,000 | 1,071,000 | 9.52% | 5.04% |
| **Total** | 10,030,000 | 100% | 150,000 | 1,071,000 | 11,251,000 | 100% | 100% |

[1] Shareholders acting in concert pursuant to the terms of a shareholders' agreement effective as of the date on which the IPO price was set.
[2]Represented by his successors in title.

**Position at April 18, 2017**

The table below shows the ownership of the Company's share capital and voting rights after the BSPCE exercise period (March 27, 2017) and taking into account bonus share awards made on April 18, 2017.

| Shareholders | Position at April 18, 2017 on a non-diluted basis | | | Position at April 18, 2017 on a fully-diluted basis | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 bonus share awards | Stock options (21.1.6) | Total number of potential shares | % of share capital | % of voting rights |
| Frédéric Cren[(1)] | 6,015,000 | 36.58% | 45.44% | - | - | (1,000,000) | 5,015,000 | 29.32% | 39.91% |
| Pierre Broqua[(1)] | 4,007,500 | 24.37% | 30.27% | - | - | (1,000,000) | 3,007,500 | 17.59% | 23.93% |
| **Sub-total - Concert party** | **10,022,500** | **60.95%** | **75.71%** | **-** | **-** | **(2,000,000)** | **8,022,500** | **46.91%** | **63.84%** |
| BVF Partners L.P. [(2)] | 1,764,706 | 10.73% | 6.67% | - | - | 1,764,706 | 3,529,412 | 20.64% | 14.04% |
| Novo A/S | 1,176,470 | 7.15% | 4.44% | - | - | - | 1,176,470 | 6.88% | 4.68% |
| Perceptive Advisors | 470,588 | 2.86% | 1.78% | - | - | 235,294 | 705,882 | 4.13% | 2.81% |
| Employees | 557,900 | 3.39% | 2.11% | - | - | - | 557,900 | 3.26% | 2.22% |
| Holders of BSPCEs[(3)] | - | 0.00% | 0.00% | 495,300 | - | - | 495,300 | 2.90% | 1.97% |
| Holders of bonus share awards[(3)] | - | 0.00% | 0.00% | - | 162,300 | - | 162,300 | 0.95% | 0.65% |
| ISLS Consulting | 150,000 | 0.91% | 0.57% | - | - | - | 150,000 | 0.88% | 0.60% |
| Jean-Luc Paquet (successors in title) | 7,500 | 0.05% | 0.06% | - | - | - | 7,500 | 0.04% | 0.06% |
| Free float | 2,294,813 | 13.95% | 8.67% | 0 | 0 | 0 | 2,294,813 | 13.42% | 9.13% |
| **Total** | **16,444,477** | **100%** | **100%** | **495,300** | **162,300** | **0** | **17,102,077** | **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 18.5 below).
(2) Based on the threshold disclosure filed by BVF Partners LP (acting on behalf of the fund managed by it) with the AMF on February 21, 2017.
(3) The holders of BSPCEs and bonus share awards are Inventiva employees.

BVF Partners L.P. and Perceptive Advisors both hold a call option as described in section 21.1.6.

### 18.1.1 Holding commitments made by directors and members of the executive management

The founding shareholders of the Company, Frédéric Cren and Pierre Broqua (who together owned 99% of the Company's share capital before the IPO), have undertaken to the Lead Managers and Bookrunners of the IPO not to do any of the following without their prior consent for a period of one year as of 16 February 2017:

(i) offer, sell, promise to sell, sell short, and where applicable, issue or otherwise transfer (whether on the market, by private placement or private agreement and including the use of any financial instruments or option-based products) any shares of the Company or other securities giving an immediate or deferred right to the allotment of securities representing a portion of the Company's share capital (the "Equity Instruments") by means of conversion, exchange, redemption, presentation of a warrant or otherwise, or enter into any other transaction having the same economic effect; or

(ii) grant any charge, right, pledge, lien or other security interest of any kind over the Equity Instruments; or

(iii) publicly announce an intention to carry out any of the transactions described in (i) and (ii) above; or undertake to carry out any of the transactions described in (i) to (iii) above.

The following transactions are excluded from the scope of the holding commitment: (1) the sale of any equity instruments purchased pursuant to the IPO or purchased on the regulated market after the IPO; (2) transfers to a spouse, children or grandchildren, transfers in connection with an inheritance or division of community property between spouses; (3) transfers to any entity directly or indirectly controlled by the shareholder within the meaning of Article L.233-3-I of the French Commercial Code, provided that the relevant entity assumes all of the holding commitments made by the shareholder; (4) tendering of equity instruments to a public cash offer, exchange offer, alternative or combined offer for the shares of the Company; (5) the sale of shares of the Company to BVF Partners L.P. pursuant to its exercise of a call option granted to it under the call option agreement dated 11 January 2017; and (6) the sale of shares of the Company to Perceptive Advisors pursuant to its exercise of the call option granted to it under the terms of a call option agreement dated 23 January 2017.

### 18.1.2 Holding commitments made by some BSPCE holders and by ISLS Consulting

Some BSPCE holders as well as ISLS Consulting made a commitment to the Lead Managers and Bookrunners of the IPO not to do any of the following without their prior consent for a period of 180 calendar days as of 16 February 2017:

(i) offer, sell, promise to sell, sell short, and where applicable, issue or otherwise transfer any shares of the Company or other securities giving an immediate or deferred right to the allotment of securities representing a portion of the Company's share capital, including the BSPCEs and BSAs (the "Equity Instruments") by means of conversion, exchange, redemption, presentation of a warrant or otherwise, or enter into any other transaction having the same economic effect; or

(ii) grant any charge, right, pledge, lien or other security interest of any kind over the Equity Instruments; or

(iii) publicly announce any intention to carry out any of the transactions described in (i) and (ii) above; or

(iv) undertake to carry out any of the transactions described in (i) to (iii) above.

The following transactions are excluded from the scope of the commitment: (1) the sale of any shares of the Company purchased pursuant to the IPO or purchased on the regulated market after the IPO; (2) (applicable only to holders of BSPCEs) transfers to a spouse, children or grandchildren, and transfers in connection with an inheritance or division of community property between spouses; (2b) (applicable only to ISLS Consulting) transfers to any entity controlled by Jean-Louis Junien and Vincent Junien, directly or indirectly within the meaning of Article L.233-3-I of the French Commercial Code, provided that the transferee entity or entities assume all of the holding commitments made by ISLS Consulting; (3) transfers to any entity directly or indirectly controlled through one or more entities provided that the transferee entity or entities assume all of the holding commitments made; or (4) tendering of the shares to a public cash offer, exchange offer, alternative or combined offer for the Equity Instruments issued by the Company.

## 18.2 MAJOR SHAREHOLDERS NOT REPRESENTED WITHIN THE BOARD OF DIRECTORS

Major shareholders not represented on the Board of Directors are BVF Partners L.P. (10.73% of the shares and 6.67% of the voting rights) and Novo A/S (7.15% of the shares and 4.44% of the voting rights). BVF Partners L.P. also holds stock options as described in section 21.1.6 of the Registration Document, which, if fully exercised, would increase its holding to 20.64% of the share capital and 14.04% of the voting rights on a fully-diluted basis.

## 18.3 VOTING RIGHTS OF MAJOR SHAREHOLDERS

On the date of this Registration Document, no shareholder had any special voting rights. Each Company share carries a voting right. 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, the Company does not own, directly or indirectly, any of its own shares.

The Company's articles of association, as amended following the Company's initial public offering on Euronext Paris, will not make use of the option to derogate from the grant of double voting rights as provided for in Article L. 225-123 of the French Commercial Code. 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.

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.

## 18.4 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, CEO of the Company, and Pierre Broqua Deputy General Manager of the Company, who together hold 10,022,500 shares, representing 60.95% of the Company's capital and 75.71% of its voting rights.

The planned measures to ensure that this control is not exercised in an abusive manner are the following:

- in accordance with the Middlenext Corporate Governance Code, two independent directors were appointed as of the date on which the IPO price was set;
- an audit committee and a compensation and appointments committee were created as of the date on which the IPO price was set;
- the internal regulations of the Board of Directors, which became effective on February 14, 2017, provide that the Board of Directors must approve various significant transactions prior to their implementation by the Company's General Management (see section 16.4.2 of this Registration Document entitled "Internal Regulations").

## 18.5 SHAREHOLDERS' AGREEMENTS

The Pre-IPO agreement and the "BSA" agreement were automatically terminated as of the date of admission of the Company's shares to trading on Euronext Paris.

As part of the admission to trading of the Company's shares on the regulated market of Euronext Paris and subject to the condition that the admission is carried out, 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 Party 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 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.

(e) *Entry into force - Term*: the Post-IPO Agreement will automatically take effect on the date of the admission to trading in the Company's shares on the regulated market of Euronext Paris and is concluded for a period of five years which is tacitly renewable for successive five-year periods.

## 18.6 ARRANGEMENTS THAT MAY RESULT IN A CHANGE OF CONTROL

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.

# 19. RELATED-PARTY TRANSACTIONS

Information on related parties as defined in IAS 24 is disclosed in note 2.6.4 "Related parties" of section 20.1.2 "Company financial statements prepared in accordance with IFRS for the year ended December 31, 2016" of this Registration Document.

## 19.1 INTRA-GROUP AGREEMENT

The Company did not have any subsidiaries on the date of this Registration Document.

## 19.1 MATERIAL RELATED PARTY AGREEMENTS

### 19.1.1 Executive contract entered into with Frédéric Cren

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 referred to the Company's General Meeting for approval on June 18, 2013 (see also note 2.6.4 "Related party transactions" of the notes to the IFRS financial statements contained in section 20.1.2 of this Registration Document entitled "Company financial statements for the year ended December 31, 2016 prepared in accordance with IFRS").

### 19.1.2 Employment contract concluded with Pierre Broqua

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 referred to the Company's General Meeting for approval on June 18, 2013 (see also note 2.6.4 "Related party transactions" of the notes to the IFRS financial statements contained in section 20.1.2 of this Registration Document entitled "Company financial statements for the year ended December 31, 2016 prepared in accordance with IFRS").

Pierre Broqua’s employment contract has been suspended since May 31, 2016 by decision of the Board of Directors.

## 19.2 SPECIAL REPORT BY THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

### Statutory Auditors' special report on related-party agreements and commitments

*This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments 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 auditing standards applicable in France.*

**Inventiva S.A.**
50, rue de Dijon
21121 Daix

General Meeting convened to approve the financial statements for the year ended December 31, 2016.

To the Shareholders,

In our capacity as Statutory Auditor to your company, we hereby present our report on related-party agreements and commitments.

We are required to report to you, based on the information provided to us, on the main terms and conditions and benefits to the Company of agreements and commitments that have been disclosed to us or of which we have come aware during the performance of our audit, without commenting on their relevance or substance or inquiring about the existence of other agreements or commitments. Under the provisions of Article R. 225-31 of the French Commercial Code, it is your responsibility to determine whether such agreements and commitments are appropriate and should be approved.

We are also required, where applicable, to report to you pursuant to Article R. 225-31 of the French Commercial Code on the performance, during the year just ended, of any agreements and commitments already approved by you.

We performed our work in accordance with the professional guidelines issued by the French National Association of Auditors (Compagnie nationale des commissaires aux comptes) for this type of engagement. Our work consisted in verifying that the information provided to us is consistent with the underlying source documents.

#### AGREEMENTS AND COMMITMENTS SUBJECT TO APPROVAL BY THE GENERAL MEETING

**Agreements and commitments authorized during the year just ended**

We have not been advised of any agreement or commitment authorized during the year just ended that would require approval pursuant to Article L. 225-38 of the French Commercial Code.

**Agreements and commitments authorized since the year end**

We have been advised of the following agreements and commitments which have received prior authorization from the Board of Directors since the year end.

- *Executive unemployment insurance*

- Person concerned: Pierre Broqua, Director and Deputy General Manager

- Nature, purpose and key terms: At its meeting of March 22, 2017, the Board of Directors authorized its Chairman to purchase an "executive unemployment insurance" policy covering Pierre Broqua in the event of his loss of office.

- The benefit of the agreement to Inventiva S.A. is to ensure the continued presence of the Deputy General Manager in the Company by providing him with benefits in the event of his removal from office;

## AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS

**Agreements and commitments approved in prior years, which remained in effect during the year just ended**

Pursuant to Article R. 225-30 of the French Commercial Code, we have been advised that the following agreements and commitments, already approved by the shareholders in prior years, remained in effect during the year just ended.

- *Management agreement with Frédéric Cren*

- Person concerned: Frédéric Cren, Chairman of the Board of Directors and Chief Executive Officer

- Management agreement, valid for an indefinite term, entered into on August 25, 2012 (effective August 27, 2012) and approved at the annual ordinary General Meeting held on June 18, 2013.

- Nature, purpose and key terms: agreement setting out the terms governing Frédéric Cren's office as Chairman of the Company in its former legal form of SAS. Under the agreement, in addition to his salary and variable compensation, Frédéric Cren is entitled to a company car, company accommodation, executive unemployment insurance (see below), directors' liability insurance and payment of social security charges.

- The benefit of the agreement to Inventiva S.A. is to set out the contractual terms governing Frédéric Cren's executive corporate office.

- The agreement was effective without interruption until May 31, 2016, and was then terminated by tacit agreement when the Company became a joint-stock company and the office of Chairman of the S.A.S. therefore no longer existed.

- The total amount paid in the year just ended until May 31, 2016 was €181,659.

- *Executive unemployment insurance*

- Person concerned: Frédéric Cren, Chairman of the Board of Directors and Chief Executive Officer

- Agreement authorized at the annual ordinary General Meeting held on June 18, 2013 (at the same time as the management agreement referred to above).

- Nature, purpose and key terms: executive unemployment insurance agreement dated July 27, 2012 effective September 1, 2012. Agreement entitling the Chairman of the Board of Directors and Chief Executive Officer to benefits in the event of his loss of office as Chairman and Chief Executive Officer. This agreement cannot be terminated for as long as the Chairman and Chief Executive Officer remains in office.

- The benefit of the agreement to Inventiva S.A. is to ensure the continued presence of the Chairman and Chief Executive Officer by providing him with benefits in the event of his removal from office.

- *Employment contract with Pierre Broqua*

- Person concerned: Pierre Broqua, Director and Deputy General Manager

- Agreement approved at the annual ordinary General Meeting held on June 18, 2013;

- Nature, purpose and key terms: Open-ended employment contract as Scientific Officer entered into on July 18, 2012 (effective August 27, 2012). Under the contract, in addition to his salary and variable compensation, Pierre Broqua is entitled to a company car and company accommodation.

- The benefit of the contract to Inventiva S.A. is to benefit from Pierre Broqua's expertise and experience.

- The contract was effective without interruption until May 31, 2016, and then suspended for the term of Pierre Broqua's term of office as Deputy General Manager.

- The total amount paid in the year just ended until May 31, 2016 was €84,539.

Paris La Défense, April 21, 2017

KPMG Audit

Department of KPMG SA

Jean Gatinaud

Partner

## 20. DISCLOSURES CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

### 20.1 HISTORICAL FINANCIAL INFORMATION (IFRS)

#### 20.1.1 Incorporated by reference

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 financial statements for the years 2013, 2014 and 2015 prepared according to IFRS, as well as the Statutory Auditors' reports as provided in sections 20.1.1 "Company financial statements prepared in accordance with IRFS 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.

### 20.1.2 Company financial statements for 2016 prepared in accordance with IFRS

1. Financial statements

1.1. Balance sheet

| In euros | Note | December 31, 2016 | December 31, 2015 |
|---|---|---|---|
| Intangible assets | 2.4.1 | 2,073,300 | 2,375,064 |
| Property, plant and equipment | 2.4.2 | 4,957,547 | 5,572,826 |
| Deferred tax assets | 2.4.10 | 194,604 | 156,874 |
| Available-for-sale assets | 2.4.3 | 149,001 | 145,398 |
| Other non-current assets | 2.4.4 | 236,823 | 23,710,098 |
| **Non-current assets** | | **7,611,276** | **31,960,260** |
| Inventories | 2.4.5 | 471,879 | 480,436 |
| Trade receivables | 2.4.6 | 771,131 | 908,708 |
| Tax receivables | 2.4.6 | 3,730,753 | 3,138,469 |
| Other receivables | 2.4.6 | 5,231,385 | 1,491,480 |
| Other current assets | 2.4.6 | 6,175,777 | - |
| Cash and cash equivalents | 2.4.7 | 24,867,573 | 22,595,791 |
| **Current assets** | | **41,248,498** | **28,614,883** |
| **Total assets** | | **48,859,774** | **60,575,144** |
| | | | |
| **Shareholders' equity** | 2.4.8 | **35,722,690** | **42,769,831** |
| Long-term debt | 2.4.9 | 481,858 | 503,993 |
| Deferred tax liabilities | 2.4.10 | 3,012,580 | 9,084,632 |
| Long-term provisions | 2.4.11 | 346,408 | - |
| Provisions for retirement benefit obligations | 2.4.12 | 695,015 | 470,622 |
| Other non-current liabilities | | - | - |
| **Non-current liabilities** | | **4,535,861** | **10,059,248** |
| Short-term debt | 2.4.9 | 145,746 | 194,012 |
| Short-term provisions | | - | |
| Trade and other payables | 2.4.13 | 4,364,428 | 3,610,472 |
| Tax liabilities | | - | - |
| Other payables | 2.4.14 | 4,091,049 | 3,941,580 |
| **Current liabilities** | | **8,601,223** | **7,746,064** |
| **Total equity and liabilities** | | **48,859,774** | **60,575,144** |

1.2. Income statement

| In euros | Note | December 31, 2016 | December 31, 2015 |
|---|---|---|---|
| **Revenue** | 2.5.1 | **9,445,644** | **4,874,666** |
| Other recurring operating income | 2.5.1 | 4,905,974 | 3,788,543 |
| Research and development costs | 2.5.2 | (22,144,686) | (19,639,649) |
| Marketing – business development | 2.5.2 | (491,580) | (579,920) |
| General and administrative expenses | 2.5.2 | (3,764,219) | (3,318,315) |
| **Recurring operating income (loss)** | | **(12,048,866)** | **(14,874,674)** |
| Other non-recurring operating income | 2.1.2 | - | - |
| Other non-recurring operating expenses | 2.1.2 | (970,039) | (635,230) |
| **Operating income (loss)** | | **(13,018,905)** | **(15,509,904)** |
| Financial income | 2.5.4 | 522,895 | 617,162 |
| Financial expenses | 2.5.4 | (62,665) | (131,026) |
| **Net financial income** | | **460,230** | **486,136** |
| Income tax | 2.5.5 | 5,513,631 | 6,200,444 |
| **Net income (loss) for the period** | | **(7,045,045)** | **(8,823,324)** |
| | | | |
| **Net earnings (loss) per share** | | | |
| - basic | 2.4.8 | (0.70) | (0.88) |
| - diluted | 2.4.8 | (0.70) | (0.88) |

1.3. Statement of comprehensive income

| In euros | December 31, 2016 | December 31, 2015 |
|---|---|---|
| **Net income (loss) for the period** | **(7,045,045)** | **(8,823,324)** |
| Changes in fair value | 3,603 | (4,819) |
| Tax impact on items recycled to income | (1,201) | 1,603 |
| Actuarial gains and losses on retirement benefit obligations (IAS 19) | (60,148) | 32,485 |
| Tax impact on items not recycled to income | 16,842 | (10,828) |
| **Total comprehensive income (loss)** | **(7,085,950)** | **(8,804,883)** |

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, 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** |

| In euros | Equity | Additional paid-in capital | Net income (loss) for the period | Reserves | Shareholders ' equity |
|---|---|---|---|---|---|
| **January 1, 2015** | **100,300** | **-** | **(7,493,635)** | **58,900,588** | **51,507,253** |
| Issue of ordinary shares | - | - | - | - | - |
| Capital increase and additional paid-in capital | - | - | - | - | - |
| Appropriation of 2014 net loss | - | - | 7,493,635 | (7,493,635) | - |
| Net loss for the period | - | - | (8,823,324) | - | (8,823,324) |
| Actuarial gains and losses net of deferred tax | - | - | - | 21,657 | 21,657 |
| IFRS 2 expense | - | - | - | 67,460 | 67,460 |
| Changes in fair value net of deferred tax | - | - | - | (3,215) | (3,215) |
| **December 31, 2015** | **100,300** | **-** | **(8,823,324)** | **51,492,855** | **42,769,831** |

1.5. Statement of cash flows

| In euros | Year ended Dec. 31, 2016 | Year ended Dec. 31, 2015 |
|---|---|---|
| **Net income (loss) for the period** | **(7,045,045)** | **(8,823,324)** |
| **Elimination of other non-cash, non-operating income and expenses:** | | |
| Depreciation, amortization and provisions | 1,648,224 | 1,301,194 |
| Deferred and current taxes | (9,807,597) | (9,812,118) |
| Losses on disposals of assets | (9,894) | (1,222) |
| Cost of net debt | 7,038 | 4,351 |
| Loan discounting effect net of unwinding expense | 458 | 1,702 |
| Discounting effect on accrued receivables related to the business combination of August 27, 2012[(a)] | (126,609) | (304,579) |
| IFRS 2 expense | 38,809 | 67,460 |
| **Cash flows used in operations before tax and changes in working capital** | **(15,294,616)** | **(17,566,536)** |
| **Changes in operating working capital:** | | |
| Receivables | (2,864,117) | (169,269) |
| Operating and other payables | 924,631 | 1,930,691 |
| Inventories | 8,557 | (3,422) |
| Tax paid | 3,121,171 | 1,828,082 |
| Interest paid | (7,038) | (4,351) |
| Other | (749,169) | 2,016 |
| **Net cash used in operating activities** | **(14,860,581)** | **(13,983,149)** |
| Purchases of property, plant and equipment and intangible assets | (227,937) | (968,990) |
| Disposals of property, plant and equipment and intangible assets | 17,304 | 3,985 |
| Changes in amounts payable on non-current assets | (10,250) | (29,750) |
| Deferred proceeds related to the business combination of August 27, 2012[(a)] | 17,426,200 | 20,229,000 |
| Net change in other non-current financial assets | (2,094) | (385,210) |
| **Net cash from investing activities** | **17,203,223** | **18,849,035** |
| Capital increase | - | - |
| Dividends paid | - | - |
| Issuance of debt | 117,556 | 717,300 |
| Repayment of debt | (188,416) | (125,458) |
| Other changes | - | - |
| **Net cash from (used in) financing activities** | **(70,860)** | **591,842** |
| **Net increase in cash and cash equivalents** | **2,271,782** | **5,457,728** |
| Cash and cash equivalents at beginning of period | 22,595,791 | 17,138,063 |
| Cash and cash equivalents at end of period | 24,867,573 | 22,595,791 |
| **Net increase in cash and cash equivalents** | **2,271,782** | **5,457,728** |

[(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 (the Company) is a clinical stage biotechnology research company delivering breakthrough therapies in the areas of oncology, fibrosis and rare diseases. The most advanced clinical programs (IVA337 for systemic sclerosis in Non-Alcoholic Steato-Hepatitis (NASH) and IVA336 for Maroteaux-Lamy syndrome – MPS VI) have demonstrated efficacy in relevant in vivo and in vitro models as well as safety in phase I and phase II clinical trials.
Using its in-house drug discovery platform, which covers target validation, screening, chemistry, ADME and pharmacology, Inventiva is developing an innovative internal oncology and fibrosis discovery pipeline with approaches centered on transcription factors, epigenetics targets and nuclear receptors. The Company also uses its expertise to develop research service activities in partnership with pharmaceutical industry operators, and has already signed two research partnerships, with AbbVie and Boehringer Ingelheim, one of which has reached the clinical trials phase.
Inventiva has been granted Young Innovative Enterprise (Jeune Entreprise Innovante) status in France until 2018 and is eligible for the research tax credit (Crédit d'Impôt Recherche) approved by the French Ministry for Education, Higher Education and Research.

#### 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 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 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 | Year ended Dec. 31, 2012 | Year ended Dec. 31, 2013 | Year ended Dec. 31, 2014 | Year ended Dec. 31, 2015 | Year ended Dec. 31, 2016 |
|---|---|---|---|---|---|
| **Income statement impacts** | | | | | |
| Negative goodwill | 102,535 | - | - | - | |
| Unwinding of accrued receivables | 275 | 674 | 489 | 305 | 127 |
| Deferred tax liabilities | (28,676) | 6,514 | 6,451 | 6,619 | 6,072 |
| **Income statement – total impacts** | **74,134** | **7,187** | **6,940** | **6,924** | **6,199** |
| | | | | | |
| **Cash flow impacts** | | | | | |
| Proceeds received on business combination | 14,511 | - | - | - | |
| Deferred proceeds | 6,143 | 20,022 | 19,897 | 20,229 | 17,426 |
| **Statement of cash flows – total impacts** | **20,654** | **20,022** | **19,897** | **20,229** | **17,426** |

** The amounts detailed in this section only include proceeds from Abbott (totaling €98.2 million for the year ended December 31, 2016) before the disbursement of €8.4 million for the acquisition of the operation on August 27, 2012.*

## Master Research Services Agreement

In August 2012, the Company entered into a partnership agreement with AbbVie that specifies the conditions in which the Company will occasionally perform services throughout the term of the contract on behalf of AbbVie, according to the statement of work agreed upon between the parties.

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 fees based on an annual amount 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 has the right to terminate the AbbVie Partnership in case of material breach by the Company 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 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.

Revenue was mainly generated from the AbbVie Partnership and from other research service activities provided by the Company. In 2015 and 2016, the AbbVie Partnership represented 82.5% and 79.7%, respectively, of the Company's revenue.

During 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 during the reporting period 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 the year-end.

The proportion of revenue generated by the AbbVie partnership in 2016 declined compared with 2015, as the Company continued to develop a number of services that are independent of purely research activities.

## 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 use Inventiva's technology and expertise to develop new treatments for IPF, a chronic fibrotic disease which is characterized by a progressive decline in pulmonary 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 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 this 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) has been recognized.

- Compensation for FTEs: Revenue of €666,675 was recognized corresponding to compensation for FTEs assigned to the research program as from May 2, 2016.

## Change in the Company's form and division of share capital

At the General Meeting of May 31, 2016, it was decided to change the Company's form into a joint-stock company with a Board of Directors, with immediate effect. The Company's legal personality remains the same and the change has no effect on Inventiva's assets, liabilities or year-end date. However, new Articles of Association were approved by the General Meeting as a result of the change in the Company's form.

It was also decided at the same meeting to divide the par value of the Company's shares by 100 and therefore multiply the number of shares by the same amount. Consequently, each shareholder was granted 100 shares with a par value of €0.01, for each share with a par value of €1 previously held. The amount of the Company's share capital remains unchanged.
Following the division of the shares' par value, each BSPCE and BSA warrant holder was granted the right to subscribe to 100 ordinary shares with a par value of €0.01, for each share with a par value of €1 to which their BSPCE and BSA entitled them to subscribe prior to the General Meeting's decision.

### Initial public offering – transaction costs incurred in 2016

As part of its initial public offering (IPO) that was successfully completed in first-quarter 2017 (see note 2.6.5. "Events after the reporting date"), the Company incurred transaction costs of €1,389,937 related to the IPO and the capital increase planned in 2016. The recognition and measurement of these costs for the year ended December 31, 2016 is described in note 2.2.24. "Recognition of transaction costs related to the initial public offering and capital increase".
These transaction costs have resulted in the recognition of a non-recurring operating expense in an amount of €970,039 and a prepaid expense of €419,898 recorded as an asset in Other receivables.

### Tax audit

The Company is currently being audited by the tax authorities with regard to the years ended December 31, 2013, December 31, 2014 and December 31, 2015.
On December 15, 2016, the Company received a proposed payroll tax adjustment from the 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 Abbott under the APA (Asset Purchase Agreement, described in note 2.1.2 to the financial statements prepared in accordance with IFRS presented in section 20.1.1 "Company financial statements prepared in accordance with IFRS for 2013, 2014 and 2015" of the Registration Document) as a non-recurring item, and the resulting impact on payroll taxes. The tax reassessment amounts to €611 thousand (penalties and interests for late payment included).

On February 14, 2017, the Company disputed the proposal by letter to the tax authorities and is currently awaiting their reply. The letter sets out the factual and legal grounds for the Company's dispute of the reasoning behind the reassessment and requests that the tax authorities abandon the adjustment procedure.

Moreover, under the terms and conditions of an Additional Agreement appended to the APA, Abbott has undertaken to reimburse the Company (subject to the conditions set out in the agreement), for any amount demanded by the tax authorities in relation to Inventiva's accounting treatment of the subsidy granted by Abbott, up to a maximum of €2 million and provided that the Company complies with the aforementioned conditions. Consequently, no provision has been recognized in the financial statements for the year ended December 31, 2016 in respect of this proposed tax adjustment.

However, additional disclosures regarding the impact on these financial statements of the expert report on the CIR research tax credit issued by the regional research and technology authority (Délégation régionale à la recherche et à la technologie, DRRT) are provided in note 2.6.5. "Events after the reporting date".

### Other significant events

Other significant events during the period were as follows:

- Phase IIb of the NATIVE (Nash Trial to Validate IVA337 Efficacy) study on the effects of IVA337 on patients afflicted with Non-Alcoholic Steato-Hepatitis (NASH) was prepared during the first half of 2016 and launched at the beginning of the second half of 2016. Consequently, operating expenses and the costs of studies in particular, increased during the period.
- Phase IIb of the FASST (For A Systemic Sclerosis Treatment) trial of IVA337 in the treatment of systemic sclerosis (SSc), launched in October 2015, was stepped up in 2016 particularly with the recruitment of patients, resulting in an increase in costs of studies during the period.

- Proof-of-concept for phase I/II of the iMProveS (Improve MPS treatment) study on the effects of IVA336 on patients afflicted with MPS (mucopolysaccharidosis) VI is at the preparation stage, with a non-interventional trial underway in the United States. Consequently, operating expenses and the costs of studies in particular, increased during the period.

## 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 financial statements cover the years ended December 31, 2015, and December 31, 2016. They were approved by the Board of Directors of the Company on March 22, 2017.

They are presented in addition to the Company's historical 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, 2016

Standards, amendments to existing standards and interpretations applicable to the Company and whose application has been mandatory since January 1, 2016 are as follows:

- Amendment to IAS 1 – Presentation of Financial Statements, concerning presentation and disclosure requirements based on materiality and the aggregation or separate reporting of items, information to be disclosed in the balance sheet, in net income in the income statement and in the statement of comprehensive income, the presentation of the notes to the financial statements, and information on accounting policies used.

Other standards, amendments to existing standards and interpretations whose application has been mandatory since January 1, 2016 but which do not apply to the Company, are as follows:

- Amendments to IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (revised).
- Amendments to IFRS 11 – Joint Arrangements, concerning the accounting for acquisitions of interests in joint operations.
- Amendments to IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture, concerning productive biological assets.
- Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets, clarifying acceptable methods of depreciation and amortization.
- Amendments to IAS 19 – Employee Benefits, concerning defined benefit plans and employee contributions.
- Annual Improvements to IFRS (2010-2012 Cycle) concerning the following standards: IFRS 2 – Share-based Payment, IFRS 3 – Business Combinations, IFRS 8 – Operating Segments, IFRS 13 – Fair Value Measurement, IAS 16 – Property, Plant and Equipment, IAS 24 – Related Party Disclosures and IAS 38 – Intangible Assets.
- Annual Improvements to IFRS (2012-2014 Cycle) concerning the following standards: IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 – Financial Instruments: Disclosures, IAS 19 – Employee Benefits and IAS 34 – Interim Financial Reporting.

### Standards, amendments to existing standards and interpretations published by the IASB whose application is mandatory after December 31, 2016 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, 2016.

### 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 is 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 is currently assessing the impact of the application of IFRS 15 on the financial statements. Management considers that it could have an effect on the methods used for revenue recognition, particularly in respect of upfront payments, milestone payments and income from partnership license agreements. The Company is not yet able to quantify the impact that IFRS 15 will have on the financial statements, but will make further disclosures over the next 12 months.

- *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. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15.

The Company has not yet assessed the impact that the application of IFRS 16 will have on the financial statements. However, given that the Company owns its property and research assets, it expects any impact to be immaterial.

2.2.2.Fair value measurement

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, 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 | - | - |
| ***Available-for-sale assets*** | | | |
| Monetary UCITS | 149,001 | - | - |
| **Total assets** | **6,328,562** | - | - |
| | | | |
| **Liabilities** | - | - | - |
| **Total liabilities** | - | - | - |

The majority of the UCITS (presented above under Financial assets at fair value through profit or loss) have been classified in cash and cash equivalents, with the exception of those UCITS pledged as collateral for the loan contracted during 2015 (see note 2.4.3.). These UCITS units are blocked and do not meet the criteria for classification in cash and cash equivalents. Consequently, they have been classified as available-for-sale assets.

The table below presents the financial assets and liabilities of the Company measured at fair value at December 31, 2015:

| December 31, 2015 – in euros | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Assets** | | | |
| **Financial assets at fair value through profit or loss** | | | |
| Monetary UCITS | 6,032,288 | - | - |
| **Available-for-sale assets** | | | |
| Monetary UCITS | 145,398 | | |
| **Total assets** | **6,177,686** | - | - |
| | | | |
| **Liabilities** | - | - | - |
| **Total liabilities** | - | - | - |

The monetary UCITS have been classified in cash and cash equivalents in accordance with the principles set out in note 2.2.12. They are measured at fair value and changes in fair value are recognized through the income statement.

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 2.4.9. "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.

### 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 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.

### Recognition of transaction costs related to the initial public offering and capital increase

As part of its proposed initial public offering, the Company has incurred transaction costs related to both the initial public offering and the capital increase planned in 2016. These costs have been rationally allocated between marginal transaction costs directly attributable to the capital increase, other marginal transaction costs that are not directly attributable to the capital increase and marginal transaction costs relating to both the initial public offering and the capital increase. The Company deems that the formula used to allocate transaction costs between the initial public offering and the capital increase, described in note 2.2.24, is reasonable and appropriate.

#### 2.2.5.Intangible assets

In accordance with IAS 38 – Intangible Assets, research and development costs are recognized in the income statement in the period during which they are incurred.
An internally generated intangible asset arising from a development project is recognized if, and only if, the Company can demonstrate all of the following:

- The technical feasibility necessary to complete the development project, i.e., the intangible asset, so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the asset.
- How the intangible asset will generate probable future economic benefits.

- The availability of adequate technical, financial and other resources to complete the development project and to use or sell the intangible asset.
- Its 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.
Chemical components added to the Company's compound library are recognized as assets in the balance sheet at their acquisition cost and depreciated over a period of 13 years, corresponding to the library's estimated replacement rate.

#### 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 available-for-sale financial assets.
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 as the outstanding accrued receivable falls due in first-half 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 (company founder share warrants, BSPCE) and to a partner (share warrants, BSA).

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 stock 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 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 tax authorities.

The Company considers that the CVAE corporate value added tax (Cotisation sur la Valeur Ajoutée des Entreprises) 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.

### 2.2.21. Other recurring operating income

#### Research tax credit (Crédit d'Impôt Recherche)

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 Community 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.

The tax credit used to finance research and development costs is recognized in Other 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

Until 2016, the Company benefited from an interest-free loan granted by Crédit Agricole. The resulting saving from not paying interest on the loan was treated as a subsidy and was calculated by applying a discount rate equal to the interest rate of ten-year French government bonds.
The Company also 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 recurring 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, 2016 solely reflected transaction costs related to the IPO that were recognized using the method described in note 2.2.24. "Recognition of transaction costs related to the initial public offering and capital increase".

Items similar in nature but which do not have the characteristics noted above are recognized in recurring operating income (loss).

### *2.2.24.* Recognition of transaction costs related to the initial public offering and capital increase

As part of its proposed initial public offering, in 2016 the Company incurred transaction costs related to the IPO and the capital increase completed in first-quarter 2017. Those costs already incurred during the years ended December 31, 2015 and December 31, 2016 have been recognized in the financial statements as follows:

- Marginal transaction costs directly attributable to the 2017 capital increase have been recognized as prepaid expenses and recorded as an asset in the balance sheet in other receivables. They will be deducted from shareholders' equity once the capital increase has been completed.
- Other marginal transaction costs that are not directly attributable to the capital increase have been recognized directly in non-recurring expenses.
- Marginal transaction costs relating to both the initial public offering and the 2017 capital increase have been allocated between the two based on a ratio corresponding to the estimated number of new shares to be issued divided by the number of existing shares.

## 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 counterparty 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, 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** |

| In euros | Jan. 1, 2015 | Increases | Disposals | Reclassifications | Dec. 31, 2015 |
|---|---|---|---|---|---|
| Development costs | - | - | - | - | - |
| Patents, licenses and trademarks | 2,037,167 | 54,922 | - | 40,000 | 2,132,089 |
| Software | 808,826 | 358,233 | - | 45,000 | 1,212,059 |
| Other intangible assets | - | - | - | - | - |
| **Intangible assets, gross** | **2,845,993** | **413,155** | **-** | **85,000** | **3,344,148** |
| Amortization and impairment of capitalized development costs | - | - | - | - | - |
| Amortization and impairment of patents, licenses and trademarks | (337,119) | (161,655) | - | - | (498,775) |
| Amortization and impairment of software | (302,314) | (167,996) | - | - | (470,310) |
| Amortization and impairment of other intangible assets | - | - | - | - | - |
| **Amortization and impairment** | **(639,433)** | **(329,651)** | **-** | **-** | **(969,085)** |
| **Intangible assets, net** | **2,206,560** | **83,504** | **-** | **85,000** | **2,375,064** |

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, 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** |

| In euros | Jan. 1, 2015 | Increases | Disposals | Reclassifications | Dec. 31, 2015 |
|---|---|---|---|---|---|
| Land | 172,000 | - | - | - | 172,000 |
| Buildings | 3,389,696 | 32,227 | - | 41,007 | 3,462,930 |
| Technical facilities, equipment and tooling | 3,357,076 | 381,227 | (2,763) | 317,575 | 4,053,115 |
| Other property, plant and equipment | 782,601 | 12,490 | - | - | 795,091 |
| Property, plant and equipment in progress | 402,576 | 129,890 | - | (443,582) | 88,884 |
| **Property, plant and equipment, gross** | **8,103,949** | **555,834** | **(2,763)** | **(85,000)** | **8,572,020** |
| Depreciation and impairment of buildings | (526,640) | (220,790) | - | - | (747,431) |
| Depreciation and impairment of technical facilities, equipment and tooling | (1,364,620) | (465,096) | 2,115 | - | (1,827,600) |
| Depreciation and impairment of other property, plant and equipment | (302,386) | (121,778) | - | - | (424,164) |
| **Depreciation and impairment** | **(2,193,647)** | **(807,663)** | **2,115** | **-** | **(2,999,194)** |
| **Property, plant and equipment, net** | **5,910,303** | **(251,829)** | **(648)** | **(85,000)** | **5,572,826** |

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.Available-for-sale assets

| In euros | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| Financial instruments pledged as collateral | 149,001 | 145,398 |
| **Assets held for sale** | **149,001** | **145,398** |

These financial assets correspond to monetary UCITS pledged as collateral for a loan agreed with Crédit Agricole in April 2015 for €285,000. At December 31, 2016, these financial assets were valued at €149,001.

2.4.4.Other non-current assets

| In euros | Dec. 31, 2016 | Dec 31, 2015 |
|---|---|---|
| Accrued receivables | - | 23,475,098 |
| Long-term deposit accounts | 236,823 | 235,000 |
| **Other non-current assets** | **236,823** | **23,710,098** |

### Accrued receivables

Changes between December 31, 2016 and December 31, 2015 correspond to the settlement of part of the accrued receivable related to the business combination of August 27, 2012 (described in note 2.2.8. "Other non-current assets") for €17,426,200, slightly offset by the impact of unwinding the effect of discounting to present value (€126,609). The outstanding accrued receivable for an amount of €6,175,777 was reclassified at December 31, 2016 under Other current assets as it falls due in first-half 2017.

### Long-term deposit accounts

Long-term deposit accounts correspond to:

- The pledge of a deposit account with a balance of €136,659 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 €100,164 as collateral for the €254,000 loan from Société Générale agreed in July 2015.

2.4.5.Inventories

| In euros | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| Laboratory inventories | 471,879 | 480,436 |
| **Total inventories** | **471,879** | **480,436** |

2.4.6.Trade and other receivables

### Trade receivables

Trade receivables break down as follows:

| In euros | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| 3 months or less | 771,131 | 908,708 |
| Between 3 and 6 months | - | - |
| Between 6 and 12 months | - | - |
| More than 12 months | - | - |
| **Trade receivables** | **771,131** | **908,708** |

The majority of trade receivables relate to research partnership revenue. The average payment period is 45 days. Receivables past due but not impaired amounted to €45 at December 31, 2016.

### Other current assets

| In euros | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| CIR research tax credit | 4,172,163 | 3,482,565 |
| CICE tax credit | 134,691 | 138,274 |
| Income tax | (576,101) | (486,540) |
| Other | - | 4,170 |
| **Tax receivables** | **3,730,753** | **3,138,469** |
| Prepaid expenses | 1,587,766 | 849,555 |
| Recoverable sales taxes | 932,433 | 563,911 |
| Other miscellaneous receivables | 2,711,186 | 78,014 |
| **Other receivables** | **5,231,385** | **1,491,480** |
| Other current assets | 6,175,777 | - |
| **Other current assets** | **15,137,915** | **4,629,949** |

Recoverable sales taxes are composed of deductible VAT and claimed VAT refunds.

Other miscellaneous receivables mainly include (i) an accrued receivable of €2,500,000 in respect of a milestone payment received on February 10, 2017 as part of the Company's partnership with AbbVie (see note 2.1.2.), and (ii) advances paid to suppliers for €109,492 at December 31, 2016, compared with €37,360 at December 31, 2015.

The majority of prepaid expenses correspond to IT maintenance costs and patent maintenance fees paid in respect of the following year as well as insurance contributions. They also include marginal transaction costs directly attributable to the capital increase completed in first-quarter 2017 (see note 2.1.2. "Significant events".)

Other current assets correspond to the outstanding accrued receivable for an amount of €6,175,777 in respect of the APA, explained in note 2.4.4. "Other non-current assets".

### 2.4.7.Cash and cash equivalents

| | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| UCITS and certificates of deposit | 6,179,561 | 6,032,288 |
| Other cash equivalents | 14,988,979 | 14,961,800 |
| Cash at bank and at hand | 3,699,034 | 1,601,703 |
| **Cash and cash equivalents** | **24,867,573** | **22,595,791** |
| Bank overdrafts | (3,122) | (3,414) |
| **Net cash and cash equivalents** | **24,864,451** | **22,592,377** |

2.4.8.Shareholders' equity

## Share capital

The share capital is set at €100,300.
As of January 1, 2016, the share capital was divided into 100,300 fully paid-up shares with a par value of €1 each. Following the decision of the General Meeting of May 31, 2016, the number of shares was multiplied by 100. As of December 31, 2016, the share capital was divided into 10,030,000 fully paid-up shares with a par value of €0.01 each (as described in note 2.1.2. *"Significant events"),*
excluding company founder share warrants (BSPCE).
There were no movements in the Company's share capital between the year ended December 31, 2015 and the year ended December 31, 2016.

## share warrants

Share-based payments correspond to:

- BSPCE share warrants granted to the Company's employees.
- BSA share warrants granted to a Company service provider with a subscription price set at €0.01.

Changes in share warrant plans during the years ended December 31, 2015 and December 31, 2016 are analyzed below:
*Year ended December 31, 2016*
In the table below, the number of BSA and BSPCE share warrants takes into account the multiplication of the number of shares by 100 following the decision of the General Meeting (see note 2.1.2. "Significant events").

| 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 |

*Year ended December 31, 2015*

| Type | Grant date | Exercise price (in euros) | Outstanding at Dec. 31, 2014 | Issued | Exercised | Forfeited | Outstanding at Dec. 31, 2015 | Number of shares under option |
|---|---|---|---|---|---|---|---|---|
| BSA – 2015 Plan | May 25, 2015 | 67.00 | - | 1,500 | - | - | 1,500 | 1,500 |
| BSPCE – 2015 Plan | May 25, 2015 | 67.00 | - | 2,196 | - | - | 2,196 | 2,196 |
| BSPCE – 2013 Plan | Dec. 25, 2013 | 58.50 | 9,027 | - | - | 470 | 8,557 | 8,557 |

Share-based payment expenses amounted to €38,809 in 2016 and €67,460 in 2015.

***BSPCE plans***

At December 31, 2016, 1,055,100 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, 2016, 150,000 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.

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.

## 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** | **Year ended Dec. 31, 2016** | **Year ended Dec. 31, 2015** |
|---|---|---|
| Net income (loss) for the period | (7,045,045) | (8,823,324) |
| Number of shares | 10,030,000 | 10,030,000 |
| **Basic loss per share** | **(0.70)** | **(0.88)** |
| Adjusted net income (loss) for the period | (7,045,045) | (8,823,324) |
| Dilutive effect of exercising share warrants | - | - |
| **Diluted loss per share** | **(0.70)** | **(0.88)** |

In accordance with IAS 33, the weighted average number of ordinary shares outstanding at December 31, 2015 has been adjusted retrospectively to reflect the division of share capital completed in first-half 2016 and described in note 2.1.2. *"Significant events".*

At December 31, 2016, the BSPCE and BSA share warrants were not considered dilutive. Basic loss per share and dilutive loss per share were therefore identical.

2.4.9.Debt

| | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| Bank borrowings | 510,048 | 694,592 |
| Other loans and similar borrowings | 117,556 | 3,414 |
| Accrued interest on borrowings | - | - |
| **Total debt** | **627,604** | **698,006** |
| Effect on interest calculations of using amortized cost | - | - |
| Effect of spreading debt issuance costs over time | - | - |
| **Total repayment value of bank borrowings and debt** | **627,604** | **698,006** |

Changes during the period mainly correspond to the allocation of repayable advances in an amount of €117,556 following the signature of a contract with Coface, and the repayment of borrowings for a total amount of €188,124.
The breakdown between long-term and short-term debt is as follows:

| 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** | **-** |

| December 31, 2015 (in euros) | Less than 1 year | Between 1 and 3 years | Between 3 and 5 years | More than 5 years |
|---|---|---|---|---|
| Bank borrowings | 190,598 | 287,082 | 216,911 | - |
| Other loans and similar borrowings | 3,414 | - | - | - |
| Accrued interest on borrowings | - | - | - | - |
| **Total debt** | **194,012** | **287,082** | **216,911** | **-** |

The maturity of long-term debt and of short-term borrowings and debt related to the interest-free loan is determined according to repayment estimates as at December 31, 2016.

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, 2016 | Dec. 31, 2015 |
|---|---|---|
| Deferred tax assets | 194,604 | 156,874 |
| Deferred tax liabilities | (3,012,580) | (9,084,632) |
| **Net deferred tax liability** | **(2,817,976)** | **(8,927,758)** |

Changes in deferred taxes are set out below:

| In euros | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| **At beginning of period** | **(8,927,758)** | **(15,592,182)** |
| Income (expense) in the income statement | 6,094,142 | 6,673,649 |
| Debit (credit) in other comprehensive income | 15,641 | (9,225) |
| **At end of period** | **(2,817,976)** | **(8,927,758)** |

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, 2015** | **112,370** | **-** | **-** | **112,370** |
| Income (expense) in the income statement | 55,332 | - | - | 55,332 |
| Debit (credit) in other comprehensive income | (10,828) | - | - | (10,828) |
| **December 31, 2015** | **156,874** | **-** | **-** | **156,874** |
| **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** |

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, 2015** | **(15,704,552)** |
| Income (expense) in the income statement | 6,618,317 |
| Debit (credit) in other comprehensive income | 1,603 |
| **December 31, 2015** | **(9,084,632)** |
| **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)** |

2.4.11. Provisions

A provision for tax contingencies for an amount of €346,408 was recognized in the financial statements for the year ended December 31, 2016 in respect of the CIR research tax credit for the years ended December 31, 2013, December 31, 2014 and December 31, 2015 (see note 2.6.5, "Events after the reporting date").

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, 2016 | Dec. 31, 2015 |
|---|---|---|
| Retirement age | 65 years | 65 years |
| Payroll taxes | 41.41% | 41.41% |
| Salary growth rate | 2% | 2% |
| Discount rate | 1.36% | 1.93% |
| 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 10 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, 2016 | Dec. 31, 2015 |
|---|---|---|
| Retirement benefit obligations | 695,015 | 470,622 |
| Fair value of plan assets | - | - |
| **Obligation** | **695,015** | **470,622** |

Given the absence of plan assets at December 31, 2016 and December 31, 2015, 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, 2016 | Dec. 31, 2015 |
|---|---|---|
| **Provision at beginning of period** | **(470,622)** | **(337,113)** |
| Expense for the period | (164,245) | (165,994) |
| Actuarial gains or losses recognized in other comprehensive income | (60,148) | 32,485 |
| Benefits for the period | - | - |
| **Provision at end of period** | **(695,015)** | **(470,622)** |

### Breakdown of expense recognized for the period

The expense recognized in the income statement amounted to €164,245 in 2016 and €165,994 in 2015 and breaks down as follows:

| In euros | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| Service cost for the period | 155,162 | 160,926 |
| Interest cost for the period | 9,083 | 5,068 |
| Past service cost (plan curtailments and modifications) | - | - |
| Interest income from plan assets | - | - |
| Impact of plan settlements and other | - | - |
| Acquisitions | - | - |
| **Total** | **164,245** | **165,994** |

### Breakdown of actuarial gains and losses recognized in equity

| The actuarial loss of €60,148 in 2016 and gain of €32,485 in 2015 can be analyzed as follows (in euros) | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| Demographic changes | 1,020 | 3,015 |
| Changes in actuarial assumptions | 59,128 | (35,500) |
| **Total** | **60,148** | **(32,485)** |

Demographic differences mainly relate to salary adjustments and staff movements.

Changes in actuarial assumptions relate to movements in the discount rate, which increased from 1.49% at year-end 2014 to 1.93% at year-end 2015 and subsequently decreased to 1.36% at December 31, 2016.

### Sensitivity analysis

A 0.25% change in the discount rate would have had an impact of approximately 4% on the obligation amount in 2016 and around 4.2% in 2015.

| 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 |

| December 31, 2015 | In euros |
|---|---|
| Benefit obligation at December 31, 2015 at 1.68% | 490,877 |
| Benefit obligation at December 31, 2015 at 1.93% | 470,622 |
| Benefit obligation at December 31, 2015 at 2.18% | 451,381 |

2.4.13. Trade and other payables

| In euros | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| Trade and other payables | 4,364,428 | 3,610,472 |
| Other payables | 4,091,049 | 3,941,580 |
| **Total trade and other payables** | **8,455,477** | **7,552,052** |

Trade and other payables break down by payment date as follows:

| In euros | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| Due in 30 days | 4,223,279 | 3,260,827 |
| Due in 30-60 days | 141,148 | 349,645 |
| Due in more than 60 days | - | - |
| **Trade and other payables** | **4,364,428** | **3,610,472** |

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, 2016 | Dec. 31, 2015 |
|---|---|---|
| **Short-term debt** | **145,746** | **194,012** |
| **Tax liabilities** | **-** | **-** |
| Employee-related payables | 1,126,602 | 1,070,639 |
| Accrued payroll and other employee-related taxes | 880,771 | 948,852 |
| Sales tax payables | 191,937 | 17,729 |
| Other accrued taxes and employee-related expenses | 165,850 | 159,758 |
| Amounts payable on non-current assets | - | 10,250 |
| Other miscellaneous payables | 47,453 | 23,296 |
| Deferred income | 1,678,435 | 1,711,056 |
| **Other payables** | **4,091,049** | **3,941,580** |
| **Other current liabilities** | **4,236,795** | **4,135,592** |

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 2016.

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, 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. At December 31, 2015, deferred income mainly related to the Company's Master Research Services Agreement with AbbVie (€1,504,104 during 2015) and the portion of the funding received under the Eurostars program (€192,903) before the year end, but for which the corresponding costs were not incurred during the period.

2.4.15. Financial assets and liabilities

| | December 31, 2016 | | | | |
|---|---|---|---|---|---|
| **Balance sheet assets – In euros** | **Loans and receivables** | **Assets carried at fair value through profit or loss** | **Available-for-sale assets** | **Investments held to maturity** | **Total** |
| Available-for-sale assets | - | - | 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** |

| | December 31, 2015 | | | | |
|---|---|---|---|---|---|
| **Balance sheet assets – In euros** | **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 | - | - | 145,398 | - | 145,398 |
| Other non-current assets | 23,710,098 | - | - | - | 23,710,098 |
| Trade receivables | 908,708 | - | - | - | 908,708 |
| Other receivables | 46,360 | - | - | - | 46,360 |
| Cash and cash equivalents | 16,563,503 | 6,032,288 | - | - | 22,595,791 |
| **Total** | **41,228,668** | **6,032,288** | **145,398** | **-** | **47,406,354** |

| | At December 31, 2015 | | |
|---|---|---|---|
| **Balance sheet liabilities – In euros** | **Liabilities carried at fair value through profit or loss** | **Liabilities carried at amortized cost** | **Total** |
| Long-term debt | - | 503,933 | 503,933 |
| Short-term debt | - | 194,012 | 194,012 |
| Trade and other payables | - | 3,610,472 | 3,610,472 |
| Other payables | - | 33,546 | 33,546 |
| **Total** | **-** | **4,341,963** | **4,341,963** |

2.5. Notes to the income statement

2.5.1.Operating income

| **In euros** | **Year ended Dec. 31, 2016** | **Year ended Dec. 31, 2015** |
|---|---|---|
| Revenue | 9,445,644 | 4,874,666 |
| **Revenue** | **9,445,644** | **4,874,666** |
| Subsidies | 732,626 | 302,920 |
| Research tax credit | 4,154,865 | 3,482,565 |
| Other tax credits | - | - |
| Other | 18,483 | 3,058 |
| **Other operating income** | **4,905,974** | **3,788,543** |
| **Total income** | **14,351,618** | **8,663,209** |

The majority of the Company's revenue is derived from its research partnership with AbbVie and the provision of services. The year-on-year increase in revenue in 2016 mainly reflects:

- Two milestone payments triggered under its partnership with AbbVie for a total amount of €4,500,000, described in note 2.1.2. "Significant events".
- Recurring MRSA fees received in the amount of €3,024,738.
- €1,000,008 in revenue from the collaboration with BI during 2016, described in note 2.1.2. "Significant events".
- €396,934 in revenue mainly generated as a result of the contract signed with Enyo in July 2016 to identify and optimize molecules as part of an anti-viral drug research program. The amount recognized in income corresponds to the work completed during 2016 on the first phase of the contract to compile a chemical compound library.

In 2016, income from subsidies mainly corresponded to funding from Bpifrance (Banque Publique d'Investissement) as part of the Eurostars program for €572,943, and from France's national research agency (Agence Nationale de la Recherche, ANR) for €159,683 in respect of a project conducted jointly with the Institut Curie. The year-on-year increase mainly reflects the Eurostars subsidy approved in 2016 and an ANR subsidy for a YAP-TEAD research project on the treatment of lung cancer and mesothelioma.

Other tax credits do not include the CICE tax credit (Crédit d'Impôt Compétitivité Emploi) which is recognized as a deduction from personnel costs in accordance with IFRS accounting principles.

2.5.2.Operating expenses

| **Year ended 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 provisions | 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** |

| Year ended Dec. 31, 2015 (in euros) | Research and development costs | Marketing – business development | General and administrative expenses | Total |
|---|---|---|---|---|
| Disposables | 2,447,618 | - | - | 2,447,618 |
| Energy and utilities | 603,351 | - | - | 603,351 |
| Patents and scientific monitoring | 276,440 | - | - | 276,440 |
| Studies | 6,767,764 | - | - | 6,767,764 |
| Maintenance | 1,404,884 | - | - | 1,404,884 |
| Fees | 26,403 | 112,699 | 372,386 | 511,488 |
| IT systems | 542,838 | - | 262,624 | 805,462 |
| Support costs (including taxes) | - | - | 601,235 | 601,235 |
| Personnel costs | 6,309,547 | 364,175 | 1,510,453 | 8,184,175 |
| Depreciation, amortization and provisions | 887,024 | - | 250,292 | 1,137,316 |
| Other operating expenses | 373,779 | 103,046 | 321,325 | 798,150 |
| **Total operating expenses** | **19,639,649** | **579,920** | **3,318,315** | **23,537,883** |

2.5.3.Personnel costs and headcount

| Year ended 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** |

| Year ended Dec. 31, 2015 (in euros) | Research and development costs | Marketing – business development | General and administrative expenses | Total |
|---|---|---|---|---|
| Wages, salaries and similar costs | 4,493,822 | 292,995 | 1,051,442 | 5,838,259 |
| Payroll taxes | 1,751,109 | 65,923 | 438,772 | 2,255,804 |
| CICE tax credit | (116,743) | (2,534) | (18,997) | (138,274) |
| CIPC tax credit | - | - | - | - |
| Provisions for retirement benefit obligations | 127,891 | 4,223 | 28,812 | 160,926 |
| Share-based payment | 53,468 | 3,568 | 10,424 | 67,460 |
| **Total personnel costs** | **6,309,547** | **364,175** | **1,510,453** | **8,184,175** |

The Company had 107 employees at December 31, 2016, compared with 109 at December 31, 2015.

2.5.4.Financial income and expenses

| In euros | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| Income from cash and cash equivalents | 230,183 | 227,634 |
| Foreign exchange gains | 15,384 | 80,204 |
| Other financial income | 150,718 | 4,495 |
| Discounting gains | 126,609 | 304,830 |
| **Total financial income** | **522,895** | **617,162** |
| Interest cost | (7,548) | (6,061) |
| Losses on cash and cash equivalents | (2,217) | (41,406) |
| Foreign exchange losses | (43,817) | (78,491) |
| Other financial expenses | - | - |
| Discounting losses | (9,083) | (5,068) |
| **Total financial expenses** | **(62,665)** | **(131,026)** |
| **Net financial income** | **460,230** | **486,136** |

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, 2016 | Dec. 31, 2015 |
|---|---|---|
| Loss before tax | (12,558,675) | (15,023,768) |
| Theoretical tax rate | 33.33% | 33.33% |
| **Tax benefit at theoretical rate** | **4,186,225** | **5,007,422** |
| Non-deductible interest | - | - |
| Tax credits | 1,431,322 | 1,208,336 |
| CVAE corporate value added tax | - | 8,889 |
| Tax-rate related differences | 23,470 | - |
| Permanent differences | (114,451) | (2,219) |
| Other differences | (12,936) | (21,988) |
| **Actual income tax benefit** | **5,513,631** | **6,200,441** |
| *Of which: - current taxes* | (580,511) | *(473,209)* |
| *- deferred taxes* | 6,094,142 | *6,673,649* |
| **Effective tax rate** | **43.90%** | **41.27%** |

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 of the Company's 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 has given five pledges on financial asset accounts.

*Bank borrowings*

- As collateral for the 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, in the form of monetary UCITS with a value of €150 thousand at the pledge date.

- As collateral for the loan from CIC-Lyonnaise de Banque agreed on May 11, 2015 for €178 thousand 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 thousand 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 thousand 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 thousand as of the pledge date, i.e., July 7, 2015.

*Credit facilities*

- The Company has an authorized €1,000 thousand overdraft facility with Crédit Agricole at the variable three-month Euribor rate +50 basis points. As collateral for this renegotiated facility, the Company pledged a deposit account with a balance of €500 thousand as of the pledge date, i.e., March 4, 2016; and

- the Company has an authorized €2,000 thousand overdraft facility with Société Générale at the variable 3-month Euribor rate +50 basis points. As collateral for this negotiated facility, the Company pledged a deposit account with a balance of €2,000 thousand as of the pledge date, i.e., February 24, 2016.

## Commitments received

***Authorized overdraft facility no. 1***
The Company has 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, 2016.

***Authorized overdraft facility no. 2***
Following renegotiation of the authorized overdraft facility provided by Crédit Agricole in March 2016 (see section 10.1.2 of the Registration Document), the Company now has an authorized €1,000,000 overdraft facility in the form of a promissory note at the variable three-month Euribor rate +50 basis points.

***Authorized overdraft facility no. 3***
In February 2016, the Company negotiated an authorized €2,000,000 overdraft facility with Société Générale at the variable three-month Euribor rate +50 basis points.

***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 total commitment received amounted to €98,940 as at December 31, 2016.

***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. The total commitment received amounted to €187,660 as at December 31, 2016.

***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 total commitment received amounted to €21,531 as at December 31, 2016.

### 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, 2016 and December 31, 2015.

| In euros | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| Wages and salaries | 560,731 | 528,212 |
| Benefits in kind | 39,574 | 41,702 |
| Pension plan expenses | 22,382 | 16,812 |
| Share-based payments | - | - |
| **Net total** | **622,687** | **586,726** |

### 2.6.5.Events after the reporting date

#### Initial public offering

The Company's initial public offering on Euronext Paris in first-quarter 2017 by way of an Open Price Offering (OPO) and a Global Placement, enabled it to raise €48 million by means of a capital increase (after partial exercise of the increase option of 6.7%). This amount may be increased to €50.4 million if the over-allotment option is exercised in full.

Trading on Compartment C of Euronext Paris began on February 15, 2017.

#### Tax audit – CIR research tax credit

As part of the tax audit mentioned in note 2.1.2. "Significant events", in February 2017, the Company received an expert report prepared by the regional research and technology authority (Délégation Régionale à la Recherche et à la Technologie, DRRT) that set 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. The report does not represent an adjustment proposed by the tax authorities and therefore does not propose a potential tax reassessment. The summary of the report does however throw into doubt the eligibility of certain types of sub-contracting expenditure. The Company is preparing a response to the DRRT but considers nevertheless that a present obligation existed as at December 31, 2016 and that an outflow of resources is likely. It therefore recognized a provision for tax contingencies as at December 31, 2016 for €346,408,
corresponding to the best estimate of the amount required to settle the present obligation at the time of Management's approval of the financial statements.

#### Issue of a US patent covering IVA336 use

In February 2017, Inventiva was issued a patent in the United States covering the use of IVA336 for the treatment of MPS VI patients. The same therapeutic indication is already patent protected in Europe and similar requests are under review in approximately 20 other countries. All these patents are valid until October 2034. In certain countries such as the United States and Japan, as well as in Europe, the term of the patents may be extended for up to a maximum of five years to compensate for any time required to complete clinical trials and obtain market authorization for IVA336.

## 20.2 PRO FORMA FINANCIAL INFORMATION

The Company has not prepared *pro forma* financial information for previous years presented or incorporated by reference in this Registration Document.

## 20.3 FINANCIAL STATEMENTS – FRENCH GAAP

Company financial statements for 2016 prepared in accordance with French GAAP are presented with the corresponding Statutory Auditors' report in section 26.3 "Financial information –French GAAP" of this Registration Document.

## 20.4 VERIFICATION OF HISTORICAL ANNUAL FINANCIAL INFORMATION

**Statutory Auditors' report on the 2016 company financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.*

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

**Inventiva S.A.**
50, rue de Dijon
21121 Daix

To the Shareholders,

In our capacity as Statutory Auditors for Inventiva SA and in response to your request, we conducted our audit of Inventiva SA's 2016 annual financial statements prepared in accordance with IFRS standards as adopted by the European Union and as they appear in this Registration Document.

The Company's annual financial statements have been prepared 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 and with the professional standards of the French National Association of Auditors governing this type of engagement. Those standards require that we plan and perform the audit to obtain reasonable assurance as to 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 are presented truthfully in all material aspects and in accordance with IFRS as adopted by the European Union, the Company's assets and financial position at December 31, 2016, as well as the results of its operations for the year then ended.

Paris La Défense, April 21, 2017

KPMG Audit
*Department of KPMG SA*

Jean Gatinaud
*Partner*

## 20.5 DATE OF LATEST FINANCIAL INFORMATION

The date of the latest financial information is December 31, 2016.

## 20.6 INTERIM AND OTHER FINANCIAL INFORMATION

The Company's revenue for the first three months of 2017 totaled €1.5 million, versus a figure of €1.0 million reported on March 31, 2016. This 50% increase can be attributed mainly to income from the partnership with Boehringer-Ingelheim, signed in May 2016, and income from other services provided.

At March 31, 2017, the Company's cash and cash equivalents totaled €68 million versus €24.8 million at December 31, 2016. Cash and cash equivalents have grown substantially due to funds in the amount of €48.5 million raised during the Company's IPO on Euronext Paris on February 15, 2017.

Cash expenditure totaled €2.6 million for the quarter versus €1.6 million for the quarter versus €5.7 million for the first quarter of 2016. This €3.1 million difference is notably due to the increase in proceeds, in particular the third milestone payment received from AbbVie, as well as the contribution from the partnership with Boehringer Ingelheim and strict cash management.

During the first quarter, Inventiva was issued a patent in the United States covering the use of IVA336 for the treatment of MPS VI patients. The issue of this patent in 30 European countries will guarantee Inventiva exclusive exploitation rights of IVA336 on all key markets until October 2034. In addition, Inventiva has just announced an important milestone in the development of IV337 for treatment of systemic sclerosis, which is the recruitment of its 100th patient for the FASST phase IIb clinical study.

For 2017, Inventiva’s roadmap remains focused primarily on the clinical development of its drug candidates. IVA 337, for the treatment of NASH and systemic sclerosis, is currently in phase IIb of clinical study, and phase I/II for IVA336 for the treatment of MPS VI is currently under preparation. The Company is also continuing with the development of its pre-clinical portfolio, in particular the YAP/TEAD program.

## 20.7 DIVIDEND POLICY

The Company has not made any dividend distributions since its formation.

There are no plans to introduce a short-term dividend distribution policy given the Company's stage of development. Furthermore, the Company's commitments under the APA limit, subject to certain exceptions, its capacity to distribute dividends, and this will remain the case until the end of the additional quarterly payments to be made by Abbott in April 2017.

## 20.8 LEGAL AND ARBITRATION PROCEEDINGS

Other than the items listed in section 4.6 "Exceptional events and litigation", on the date of this Registration Document, 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.

## 20.9 SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION

See note 2.6.5 "Events after the reporting date" in section 20.1.2 "Company financial statements prepared in accordance with IFRS for the year ended December 31, 2016" of this Registration Document.

# 21. ADDITIONAL INFORMATION

## 21.1 SHARE CAPITAL

### 21.1.1 Issued capital and authorized but unissued capital

On the date of this Registration Document, the Company's share capital amounts to €16,444,477 divided into 16,444,477 ordinary shares, each with a par value of €0.01, all being of the same category and fully paid up taking into account the division by 100 of the par value decided by the Combined General Meeting on May 31, 2016.

Under the terms of the Collateral Agreement entered into at the time of its IPO, the Company gave an undertaking to the Lead Managers and Book Runners that, for a period expiring 180 calendar days after February 16, 2017, it would not do any of the following, without the prior written consent of the Lead Managers and Book Runners:
(a) (i) carry out or undertake to carry out any issue, offering, loan, lien, pledge, sale agreement or sale, direct or indirect, of shares or other securities of the Company or financial instruments giving direct or indirect access, either immediately or in the future, in any way whatsoever, to the Company's share capital ("Capital Securities"); (ii) enter into any transaction having an equivalent economic effect; and (iii) make an announcement with respect to either of the transactions referred to in (i) and (ii) above,
it being specified that the following are excluded from the scope of this restriction: (1) shares offered as part of the IPO; (2) shares sold under a liquidity agreement; (3) shares likely to be issued, offered or sold to employees or executives of the Company in connection with share subscription or purchase plans, BSPCE plans, bonus share plans and any other equity incentive plans or that may be granted to employees or executives of the Company on the basis of authorizations adopted by the General Meeting of shareholders of September 30, 2016; (4) the issue of new shares following the exercise of BASs by ISLS Consulting and/or BSPCEs; and (5) the issuance of financial instruments giving access to the share capital and resulting in the issuance of new shares representing up to a maximum of 3% of the Company's share capital at the date of the signing of the Collateral Agreement;
(b) enter into or undertake to enter into any swap agreement or other financial instrument transferring to a third party, in whole or in part, the economic effects of the ownership of Capital Securities, whether these transactions are settled in Capital Securities or other securities or in cash or otherwise;
(c) make a public statement of intention to carry out one or several of the above-mentioned transactions (except from those excluded from the scope of (a) above).

### 21.1.2 Shares not representing capital

On the date of this Registration Document, there are no shares not representing capital.

### 21.1.3 Acquisition by the Company of its own shares

Under the seventh resolution of the Combined General Meeting of September 30, 2016, the Board of Directors was authorized, with the right to subdelegate, to purchase, on one or more occasions, at such times as it shall determine, Company shares, subject to the IPO price setting condition, in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code and Articles 241-1 to 241-5 of the General Regulation of the AMF, European Union regulations on market abuse and market practices accepted by the AMF.

On the date of this Registration Document, the Company holds none of its shares personally or via a third party outside of the liquidity agreement described below.

On March 16, 2017, the Company and the duly authorized banking establishment Odd & Cie signed a liquidity agreement, which took effect on the same date for a three-month period and shall, unless either party gives notice of a decision to the contrary, be tacitly renewed for successive periods of 12 months. The objective of the agreement is to define the conditions under which, without hampering the proper functioning of the market or misleading anyone, the Company will instruct Oddo & Cie to trade on its behalf on the market with a view to promoting the liquidity of Inventiva shares and stabilizing their listed

price as well as avoiding price changes that are not justified by market trends. In order to enable Oddo & Cie to fulfill its duties under said agreement, the Company credited the liquidity account with €400 thousand.

By a decision of March 22, 2017, the Board of Directors set the aggregate maximum amount that may be spent on shares at €5 million and the maximum purchase price per share at €17.

The agreement was drawn up in accordance with the requirements of European and French legal provisions governing liquidity agreements as well as with the provisions of the General Regulation of the AMF 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.

### 21.1.4 Other securities giving access to the share capital

On the date of this Registration Document, the securities giving access to the share capital are as follows:

#### 21.1.4.1 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.

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 division of the par value of the Company's shares decided by the Combined General Meeting of May 31, 2016, each BSA 2013-1 warrant carries 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 warrants issued to it and in turn acquired ownership of 150,000 new ordinary shares issued with a par value of €0.01.

The holding commitments made by ISLS Consulting are set out in section 18.2.

#### 21.1.4.2 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 issue free BSPCEs to the Company's paid executives governed by the tax rules applicable to employees, and to the Company's employees themselves. 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 warrants respectively to the beneficiaries, all of whom are Company employees.

Following the division of the par value of the Company's shares decided by the Combined General Meeting of May 31, 2016, each BCE 2013-1 warrant issued on December 13, 2013 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 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.

Since December 31, 2016, a number of employees have left the company and 221 BSPCE warrants have now lapsed. On March 27, 2017, the number of outstanding instruments entitling access to the Company's capital was therefore reduced by 221 units (representing 22,100 shares) to a total of 1,203,200.

In the period between March 20 and March 27, 2017, Company employees were able to exercise 5,579 BSPCE warrants resulting in the issue of 557,900 new shares. ISLS Consulting also exercised 1,500 BSA share warrants and 150,000 new shares were issued as a result. On March 27, 2017, the number

of outstanding instruments entitling access to the Company's capital was reduced to a total of 495,300 units. Therefore, if on the date of this Registration Document all share warrants were exercised, 495,300 new ordinary shares would be issued with a par value of €0.01, representing a maximum dilution of 2.92% on a fully diluted basis.

The holding commitments made by certain holders of BSPCEs are set out in section 18.2.

#### 21.1.4.3 Bonus shares

The conditions under which bonus shares are awarded were decided by the Board of Directors at its meetings of March 22 and April 18, 2017 and are set out below, it being specified that none of the beneficiaries holds more than 10% of the capital and that no award shall result in a beneficiary holding more than 10% of the capital:

1. 92,300 bonus shares awarded (AGA 2017-1) to nine (9) employees who have never received BSPCEs

The award of these bonus shares (AGA 2017-1) shall only become final after a two-year "**Vesting Period**", i.e., as of April 18, 2019, unless the Board of Directors decides to waive the vesting period as a result of an IPO 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 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 an IPO 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.

2. 70,000 bonus shares awarded (AGA 2017-2) to six (6) employees

The award of these bonus shares (AGA 2017-2) shall only become final after a one-year vesting period, i.e., as of April 18, 2018, unless the Board of Directors decides to waive the vesting period as a result of an IPO 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 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 an IPO 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.

### 21.1.4.4 Summary of dilutive instruments

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 657,600, i.e., a maximum dilution of 3.85% on a fully diluted basis.

| **Type of securities** | **BCE 2013-1 (2013)** | **BCE 2013-1 (2015)** | **BSA 2013-1 (2015)** | **AGA 2017-1 (2017)** | **AGA 2017-2 (2017)** | **TOTAL** |
|---|---|---|---|---|---|---|
| Beneficiaries | Employees | Employees | ISLS Consulting | Employees | Employees | |
| Date of General Meeting | November 25, 2013 | November 25, 2013 | November 25, 2013 | September 30, 2016 | September 30, 2016 | |
| Date of Chairman's decision and Board of Director's decision as from May 31, 2016 | December 13, 2013 | May 25, 2015 | May 25, 2015 | March 22 and April 18 2017 | March 22 and April 18 2017 | |
| Nature of the share to be subscribed | Ordinary share | | | | | |
| Total number of warrants or shares authorized | 15,013 | | | 162,300 | | **177,313** |
| **Total number awarded** | **9,027** | **2,196** | **1,500** | **92,300** | **70,000** | **175,023** |
| Warrant exercise price | €58.50 | €67 | €67 | N/A | N/A | |
| Exercise deadline/bonus share issue date | December 31, 2023 | December 31, 2023 | December 31, 2023 | April 18, 2019 | April 18, 2018 | |
| 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 BSA 2013-1 for 100 shares | 1 x AGA 2017-1 for 1 share | 1 x AGA 2017-2 for 1 share | |
| Number of "vested" warrants or shares on the date of this Registration Document | 52.5% of BCE 2013-1 warrants issued on December 13, 2013 have been vested since December 31, 2016, i.e., 4,756(1) | 40.90% of BCE 2013-1 warrants issued on May 25, 2015 have been vested since December 31, 2016, i.e., 899(1) | All | 0 | 0 | **5,579** |
| General exercise conditions | Note(2) | Note(2) | Note(3) | Note(4) | Note(4) | |
| Number of shares subscribed | 468,000 | 89,900 | 150,000 | 0 | 0 | **707,900** |
| Number of warrants or shares canceled or lapsed | 648 | 43 | 0 | 0 | 0 | **691** |
| **Number of remaining warrants** | **3,699** | **1,254** | 0 | N/A | N/A | **4,953** |
| **Number of shares that could be subscribed** | **369,900 (post division)** | **125,400 (post division)** | **0** | **92,300** | **70,000** | **657,600 (post division)** |

(1) Subject to cases of lapsing, the final awarding of BCE 2013-1 warrants is subject to the following vesting conditions:

- calendar vesting of warrants: (i) for the BCE 2013-1 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 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 warrants according to the turnover generated by the Company for the year ended December 31, 2017; and

- accelerated vesting of all BCE 2013-1 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.

(2) Subject to cases of lapsing, the "vested" BCE 2013-1 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; (ii) 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 the admission to trading of the Company's shares on a regulated or unregulated market in France or in the European Union, or on a foreign stock market; or (iii) 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, 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 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.

(3) Subject to cases of lapsing, the BSA 2013-1 warrants may be exercised at the initiative of the holders (i) only once, 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; (ii) 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 the admission to trading of the Company's shares on a regulated or unregulated market in France or in the European Union, or on a foreign stock market; or (iii) once or several times, 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, 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 the holder of BSA 2013-1 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, the holder may, under penalty of their lapsing, exercise the whole of his warrants.

(4) Details on bonus shares are given in section 21.1.4.3 "Bonus shares" of this Registration Document.

### 21.1.4.5 Terms of any acquisition rights and/or obligations over authorized but unissued capital

None.

### 21.1.5 Authorized capital

The Combined General Meeting of September 30, 2016 approved the resolutions on the issuance of capital (subject to the completion of the IPO except for the tenth and fourteenth resolutions), which are summarized below:

| ***The resolutions approved by the Combined General Meeting of September 30, 2016 are summarized below:*** | ***Resolution*** | ***Term of validity from September 30, 2016*** | ***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 and subject to the IPO price setting condition | Ninth resolution | 26 months | Capital increase: €150,000<br>Debt securities granting access to capital to be issued: €80,000,000 | Capital increase: €150,000<br>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 offers | Tenth resolution | 26 months | Capital increase: €150,000<br>Debt securities granting access to capital to be issued: €80,000,000 | | Refer to (1) & (1)*bis* below |
| 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, and subject to the IPO price setting condition | Eleventh resolution | 26 months | Capital increase: €100,000 and up to a limit of 20% of the share capital per year<br>Debt securities granting access to capital to be issued: €80,000,000 | | Refer to (1)*bis* below |
| Authorization for the Board of Directors to set the issue | Twelfth resolution | 26 months | | | Refer to (2) below |

| *The resolutions approved by the Combined General Meeting of September 30, 2016 are summarized below:* | *Resolution* | *Term of validity from September 30, 2016* | *Maximum nominal amount* | *Common maximum nominal amount* | *Method of calculating the issue price* |
|---|---|---|---|---|---|
| price for issues without pre-emptive subscription rights through public offers or private placements, in accordance with the terms and conditions set by the General Meeting and up to a limit of 10% of the share capital and subject to the IPO pricing setting condition | | | | | |
| 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, and subject to the IPO price setting condition[92] | Thirteenth resolution | 18 months | Capital increase: €100,000<br>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 | Fourteenth resolution | 26 months | 15% of the original issue | | Same price as the original issue price |
| Delegation of authority to the Board of Directors to carry out the capital increase as part of a public exchange offer launched by the Company through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary | Fifteenth resolution | 26 months | Capital increase: €100,000<br>Debt securities granting access to capital to be issued: €80,000,000 | | |

[92] The class of person includes: (i) natural or legal persons (including industrial and commercial companies), trusts or investments funds, established under French or foreign law, which regularly invest in the pharmaceutical sector, the biotechnology sector and the medical technology sector; or (ii) French or foreign investment service providers or any foreign institution with a status equivalent, likely to ensure the realization of this operation, and, in that context, to subscribe to the shares issued; or (iii) companies, organizations, institutions or entities, whatever their form, French or foreign, working in the pharmaceutical sector, the cosmetic or chemical sector or for research in these sectors. As stated in a deliberation of the Board of Directors dated January 11, 2017, this resolution will only be used in the context of an offer intended to be placed with one or more persons as mentioned in categories (i) and (iii) above, and regarding the person described in category (iii) above, this category shall mean entities which regularly work within the stated sectors.

| ***The resolutions approved by the Combined General Meeting of September 30, 2016 are summarized below:*** | ***Resolution*** | ***Term of validity from September 30, 2016*** | ***Maximum nominal amount*** | ***Common maximum nominal amount*** | ***Method of calculating the issue price*** |
|---|---|---|---|---|---|
| shares issued by the Company and subject to the IPO price setting condition | | | | | |
| 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 offer 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 and subject to the IPO price setting condition | Sixteenth resolution | 26 months | Capital increase: €30,000 and 10% of the share capital<br>Debt securities granting access to capital to be issued: €30,000,000 | | |
| Authorization for the Board of Directors to freely award shares to members of paid staff and/or executives, and subject to the IPO price setting condition | Seventeenth resolution | 38 months | Capital increase: 5% of the share capital on the date the Board of Directors decides to award the shares | | |
| Authorization for the Board of Directors to grant Company share subscription and/or purchase options to executives 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, and subject to the IPO price setting condition | Eighteenth resolution | 38 months | Capital increase: 5% of the share capital on the date the Board of Directors decides to award the shares | Capital increase: €150,000 | 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 | Nineteenth resolution | 18 months | 300,000 ordinary share warrants<br>Capital increase: €3,000 | | Refer to (5) below |

| ***The resolutions approved by the Combined General Meeting of September 30, 2016 are summarized below:*** | ***Resolution*** | ***Term of validity from September 30, 2016*** | ***Maximum nominal amount*** | ***Common maximum nominal amount*** | ***Method of calculating the issue price*** |
|---|---|---|---|---|---|
| persons, and subject to the IPO price setting condition | | | | | |
| Delegation of authority to the Board of Directors to decide to issue company founder 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, and subject to the IPO price setting condition | Twentieth resolution | 18 months | 300,000 company founder share warrants Capital increase: €3,000 | | Refer to (6) below |
| Delegation of authority to the Board of Directors to carry out the capital increase through the incorporation of reserves, profits or premiums, and subject to the IPO price setting condition | Twenty-second resolution | 26 months | Capital increase: €20,000 | Capital increase: €150,000 | |

*(1)* *In the event of a capital increase in connection with the first listing of the Company on the regulated Euronext Paris market, the issue price of the shares to be issued under this resolution will be equal to the issue price as determined by the Board of Directors pursuant to normal market practices for a global offering and reflecting the difference between the number of shares offered and the demand for such shares by investors as part of a book building process, in line with market practices.*

*(1)bis For any issuance decided after the first listing of the Company on the regulated Euronext Paris market, 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 was 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 AGM of September 30, 2016 delegated its power to set the issue price of securities to the Board of Directors, provided that the issue price is not lower, as determined by the Board of Directors, than (a) the volume-weighted average price on the last trading day on the regulated Euronext Paris market before the issue price is set or (b) the volume-weighted average price on the trading day on the regulated Euronext Paris market that the issue price is set, in both cases, with the possible application of a discount of up to 20%.*

*(3)* *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 should be at least equal to (a) the volume-weighted average price on the last trading day on the regulated Euronext Paris market before the issue price is set or (b) the volume-weighted average price on the trading day on the regulated Euronext Paris market that the issue price is set, in both cases, with the possible application of a discount of up to 20%. 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 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 seventh 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 2016 BSAs 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 2016 BSAs are awarded, based on the weighted average price over the last 20 trading days before the 2016 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 the 2016 BSPCEs are awarded and, provided that the Company's shares are admitted for trading on a regulated market or an organized multilateral trading system in the European Union, 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 2016 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 2016 BSPCEs, the subscription price of an ordinary share under the most recent of these capital increases, as calculated on the date each 2016 BSPCE is awarded. It is specified that, to determine the subscription price of each ordinary share on exercise of a 2016 BSPCE, the Board of Directors will not take into account any capital increases resulting from the exercise of company founder share warrants, share warrants, share subscription options or bonus shares.*

The resolutions submitted to the General Meeting of May 29, 2017, are given in section 26.5 of this Registration Document.

### 21.1.6 Outstanding call options granted to BVF Partners LP and Perceptive Advisors by the Founding Shareholders, Frédéric Cren and Pierre Broqua

Under call option agreements ("**Call Agreements**") entered into with BVF Partners LP and Perceptive Advisors (the "**Beneficiaries**"), the Founding Shareholders, Frédéric Cren and Pierre Broqua, 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 LP and €2 million to Perceptive Advisors (ii) on the basis of the IPO price of €8.50 (the "**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 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 LP 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.

On the date of publication of this Registration Document, none of these options had been exercised.

### 21.1.7 History of share capital

#### 21.1.7.1 Change in the Company's share capital over the last three years

The amount of the Company's share capital (€100,300) did not change over the years ended December 31, 2014, December 31, 2015 and December 31, 2016.

Pursuant to the delegation granted by the Combined 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 €5,512.40 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 Combined 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. In accordance with Article L. 225-135-1 of the French Commercial Code, the issue price of the 55,337 additional new shares with a par value of €0.01 each 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 of 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 warrants resulting in the issue of 557,900 new shares. ISLS Consulting also exercised its 150,000 BSA 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.

#### 21.1.7.2 Breakdown of the Company's capital and voting rights

See the table in section 18.1 "Ownership structure and voting rights" of this Registration Document.

### 21.1.8 Securities, guarantees and sureties

None.

## 21.2 MEMORANDUM AND 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.

### 21.2.1 Company objects (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 objects 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 its company objects or any similar or related objects which may facilitate its expansion or growth.

### 21.2.2 Provisions of the Company's articles of association with respect to the members of the Board of Directors and the executive management (Articles 15, 16, 17, 18 and 19 of the articles of association)

***This section is an integral part of section 26.1 "Report by the Chairman of the Board of Directors on corporate governance and internal control and risk management procedures".***

#### 21.2.2.1 Board of Directors

*Appointment/Dismissal of directors*

The Company is governed by a Board of Directors made up of no fewer than three and no more than eighteen 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 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 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 were a director in his own name, without prejudice to the joint and several liability of the legal person that he 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 itself.

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 mandate are subject to the same publicity requirements as if he were a director in his 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 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 require ratification at the next Ordinary General Meeting. If they are not ratified, any decisions taken and acts carried out previously by the Board will be no less lawful.

*Organization of the Board*

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 determines his compensation.

No person over the age of sixty-five (65) may be appointed as Chairman. If the Chairman goes beyond that age while in office, he is obliged to step down automatically.

The Chairman is elected for a term not exceeding that of his directorship. He 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 actions to the General Meeting. He ensures that the Company's bodies are operating efficiently and, in particular, that the directors are able to carry out their work.

The Company may also appoint, from among its natural person members, a Vice Chairman, who chairs Board meetings in the Chairman's absence.

At the Chairman's proposal, the Board may appoint, up to a maximum of two, one or more 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 Board meetings 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 has not met for more than three months, at least one third of the directors may ask the Chairman to call a Board meeting 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 Board meeting to discuss a specific agenda.

Notices of meetings may be given by any means, including verbally.

The meeting takes 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.

The Board 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 Board meeting 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 at a Board meeting.

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 Board meetings.

*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 objects, all matters relating to the smooth running of the Company are submitted to the Board, 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 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.

### 21.2.2.2 Executive management (Article 19 of the articles of association)

*Form of operation*

The Company is managed by a natural person appointed by the Board, 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's 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 at the time of appointment.

However, if the Chief Executive Officer is a director, his term of office cannot exceed that of his 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 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 may be entitled to damages if he is dismissed without just cause.

The Chief Executive Officer has the broadest powers to act in all circumstances in the Company's name. He exercises these powers in accordance with the Company's objects and subject to the powers expressly granted by law to meetings of shareholders and to the Board of Directors.

He 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 objects 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 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 reason, he may be entitled to claim for damages.

If the Chief Executive Officer steps down from office or is unable to perform his duties, the Deputy General Managers will, unless otherwise decided by the Board, 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.

### 21.2.3 Rights, preferences and restrictions attached to the shares (Articles 10 and 14 of the articles of association)

#### 21.2.3.1 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.

#### 21.2.3.2 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 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.

#### 21.2.3.3 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.

#### 21.2.3.4 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)

#### 21.2.3.5 Pre-emption rights

All shares carry a pre-emption right in offers for subscription of capital increases.

#### 21.2.3.6 Limitation of voting rights

None.

### 21.2.4 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.

### 21.2.5 General Meetings of shareholders

#### 21.2.5.1 Calling and holding of General Meetings and agenda (Articles 25 and 26 of the articles of association)

***This section is an integral part of section 26.1 "Report by the Chairman of the Board of Directors on corporate governance and internal control and risk management procedures".***

*Calling (Article 25 of the articles of association)*

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.

General Meetings are called by publishing the notice in a journal authorized to receive legal notices in the regional department in which the registered office is situated and also in the Bulletin des Annonces Légales Obligatoires (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 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.

### 21.2.5.2 Powers of 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 General Meetings are binding on all shareholders, even those who are absent, dissenting or unable to act.

### 21.2.6 Provisions that would have an effect of delaying, deferring or preventing a change in control

The Company's articles of association do not contain provisions that delay, defer or prevent a change in control.

### 21.2.7 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 General Regulation of the AMF 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 holds. The person required to notify the Company of this circumstance will specify the number of shares that he 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.

### 21.2.8 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.

### 21.2.9 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.

## 22. MATERIAL AGREEMENTS

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

### 22.1 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 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, an 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 €96 million under the terms of the APA, i.e., 100% of the initial one-off payment and additional quarterly payments described above.

## 22.2 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.

The AbbVie Partnership was signed for a term of five years, which may later be extended by written agreement between the parties. AbbVie has the right to terminate the AbbVie Partnership in case of material breach by the Company of its obligations. Termination will take effect at the end of a 60-day notice period unless the Company has been able to remedy its breach. AbbVie is further entitled to cancel each ad hoc service request or to reduce the scope thereof, without giving any reason, subject to giving 30 days' notice. The cancellation of an ad hoc service request cannot result in the end of another ad hoc service request or the AbbVie Partnership, both of which will remain in full force and effect.

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. It is specifically stated in the service request concerning the RORγ project that the Company may also receive 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.

## 22.3 RESEARCH, DISCOVERY AND LICENSING PARTNERSHIP WITH BOEHRINGER INGELHEIM ("BI")

On May 31, 2016, the Company entered into a licensing agreement and a multi-year research and development partnership with BI, taking effect on May 2, 2016. The aim of this agreement is to use Inventiva's technology and expertise to develop new treatments for IPF, a chronic fibrotic disease which is characterized by a progressive decline in pulmonary function, and other fibrotic diseases.

According to the terms of this partnership, Inventiva and BI 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 BI each allocating and funding a set number of researchers to this project. These research activities will be supervised by a joint steering committee between the Company and BI, 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 BI at its discretion for three additional periods of six months. The partnership may be terminated by each of the parties if the other party breaches one or more of its obligations subject to giving 60 days' notice and unless the defaulting party has remedied the breach in a satisfactory manner.

All intellectual property rights developed as part of the joint research program will be owned, in joint equal shares, by the Company and by BI. Provided that certain targets set in accordance with the partnership are

reached, the Company must grant licenses for the limited and non-exclusive use of some of its patents (see section 11.3.2 "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 could also receive research grants as well as milestone payments depending on the progress achieved with the research and development program and the reaching of regulatory and commercial milestones in a total amount of up to €170 million. Inventiva could also receive royalties at a variable rate on the sales of products arising from the partnership.

## 22.4 SCIENTIFIC SUPPORT AND CLINICAL AND PRE-CLINICAL TRIALS

### 22.4.1 Consortium agreement with the Institut Curie

On September 25, 2015, the Company entered into a consortium agreement with the Institut Curie and other public bodies concerning the development of inhibitors for two epigenetic targets in the area of immuno-oncology: refer to section 11.3.1 "Partnership and research agreements" of this Registration Document

In 2016, Inventiva and the 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.

The Parties are currently working on drawing up a partnership agreement between the Company and the Institut Curie, which will be signed over the next months and will last 30 months. This agreement will include provisions on sharing the results and specific rules on the transfer of IP rights arising from the partnership. As agreed for the contracts previously entered into with the Institut Curie, all inventions and patents covering jointly-developed results will jointly-owned by Inventiva and the other signatories. 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 also wishes to hold 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.

### 22.4.2 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 11.3.1 "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 October 1, 2015. According to the terms of the consortium, one party can withdraw from the project or a defaulting party can be excluded from the project, subject to the fulfillment of certain conditions, including approval from the Eureka Secretariat and from the national authorities, where applicable.

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 parties concerned 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.

### 22.4.3 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 11.3.1 "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.

All intellectual property rights developed as part of the joint research program will be owned, in joint equal shares, by the Company and by BI. Provided that certain targets set in accordance with the partnership are reached, the Company must grant licenses for the limited and non-exclusive use of some of its patents (see section 11.3.2 "Licensing agreement" of this Registration Document).

## 22.5 CRO AGREEMENTS AND CENRAL LABS

### 22.5.1 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. The agreements are entered into for the entire duration of the study until December 31, 2018 and can be extended by means of an amendment drawn up between the parties. The agreements or any service request may be terminated or canceled by each of the parties if the other party breaches one or more of its obligations under the agreement or the service request subject to giving 30 days' notice and if that breach is not remedied. Furthermore, the Company may terminate the agreement or cancel any service request subject to giving 90 days' notice. The Company will be the sole owner of the results, products and other rights arising from the performance of these services.

### 22.5.2 Agreement with Keyrus Biopharma

On April 18, 2016, the Company entered into a service agreement with Keyrus Biopharma under which the latter acts as CRO for the Company in order to carry out feasibility and monitoring studies in relation to the NASH phase IIb clinical study. This agreement is entered into for the entire duration of the study until December 31, 2018 and can be extended by means of an amendment drawn up between the parties. If one of the parties breaches its obligations, the other party may terminate the agreement by sending notification if the defaulting party has not remedied that breach within 15 working days of the notification. Furthermore, the Company may terminate the agreement without giving reason subject to giving 3 months' notice or without giving notice in certain situations set out in the agreement. In the event of delay or suspension of the execution of the services through the fault of Inventiva or if the parties disagree on the conditions of suspension or resumption for any suspension lasting more than three months, Keyrus

Biopharma will be entitled to terminate the agreement. The Company will be the sole owner of the results collected during the clinical study.

### 22.5.3 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 in for services linked to the conduct of a phase I clinical trial for IVA337, including finalization of the protocol , enrollment of patients, conduct of the study as a health company, and overall monitoring of the study. This agreement is entered into for the entire duration of the study until December 31, 2017 and can be extended by means of an amendment drawn up between the parties. The Company will be the sole owner of the results collected during the clinical study.

### 22.5.4 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 the services to be carried out by Unilabs. Each of the parties may terminate the agreement with immediate effect if the other party breaches an essential obligation of the agreement, and subject to giving 30 days' notice and if the breach of any other obligation of the agreement is not remedied. The Company will be the sole owner of the results, products and other rights arising from the performance of these services.

### 22.5.5 Agreement with Huntingdon

On July 31, 2015, the Company entered into a master non-clinical laboratory service agreement with Huntingdon (now Envigo) 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 is entered into for a period of three years and may be renewed with the parties' written consent. Each of the parties may terminate the agreement or any service request concluded under the agreement with immediate effect if the other party breaches an essential obligation of the agreement or the service request concerned, and subject to giving 15 days' notice and if the other party's breach of any other obligation of the agreement or the service request concerned is not remedied. Furthermore, the Company may terminate the agreement or cancel any service request, without giving reason, by sending a notification to Huntingdon. The Company will be the sole owner of all results arising from these assessments.

Under the agreement, the parties also concluded two service requests on July 31, 2015 under which the Company subcontracted responsibility to Huntingdon for carrying out two *in vivo* carcinogenicity studies on IVA337, which are expected to be completed in June 2018.

### 22.5.6 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 period of five years and may be renewed with the parties' written consent, and the work order is concluded for the duration of the NASH trial. Each of the parties may terminate the agreement or any work order concluded under the agreement with immediate effect if the other party breaches an essential obligation of the agreement or the work order concerned, and subject to giving 30 days' notice and if the other party's breach of any other obligation of the agreement or the work order concerned is not remedied. The Company will be the sole owner of all results arising from these assessments.

## 22.6 MANUFACTURING AGREEMENTS

### 22.6.1 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 term of three years and may be extended with the parties' written consent. Each of the parties may terminate the agreement or any service request concluded under the agreement with immediate effect if the other party breaches an essential obligation of the agreement or the service request concerned, and subject to giving 15 days' notice and if the other party's breach of any other obligation of the agreement or the service request concerned is not remedied. Furthermore, the Company may terminate the agreement or cancel any service request without reason subject to giving 30 days' notice. In accordance with the agreement, the Company will be the sole owner of the compounds, products and other intellectual property rights generated by 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 the molecule IVA336.

### 22.6.2 Agreement with Synkem SAS (now Corden Pharma Chenove SAS)

On November 12, 2014, the Company signed a research and development agreement with Synkem SAS (CordenPharma). Under this agreement, the Company subcontracted responsibility to Synkem SAS for carrying out research to optimize the synthesis process for IVA337, for manufacturing new samples or an experimental batch of IVA337, which will be used during the pre-clinical and clinical trials on IVA337, and for carrying out a study on the compound's stability.

This agreement was entered into with retrospective effect to October 13, 2014 and will remain in force until the services have been completed, expected to be December 31, 2017. Each of the parties may terminate the agreement if the other party breaches one or more of its obligations subject to giving 15 days' notice and if that breach is not or those breaches are not remedied by the defaulting party. The Company may terminate the agreement without notice if Synkem SAS breaches certain provisions of the agreement concerning intellectual property and confidentiality. Furthermore, the Company may also terminate the agreement at any time subject to giving 30 days' notice and provided that the Company reimburses Synkem SAS for all costs and expenses incurred by the latter in the performance of the agreement and which cannot be canceled or recovered.

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.

On June 13, 2016 and January 20, 2017, the Company and Synkem SAS (now Corden Pharma Chenove SAS) entered into two additional agreements for the purpose of manufacturing experimental batches of IVA337 which will be used in IVA337 clinical studies.

### 22.6.3 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 and subject to giving three months' notice. Each of the parties may terminate the agreement with immediate effect if the other party breaches an essential obligation of the agreement, and subject to giving 30 days' notice and if the breach of any other obligation of the agreement is not remedied. The Company may cancel without reason any service request concluded under this agreement subject to giving 45 days' notice. Furthermore, if it becomes clear to each of the parties that it

will not be possible to carry out the services expected under a service request for scientific or technical reasons and subject to giving 30 days' notice during which the parties must in good faith try to find a solution to the problem, each of the parties will be entitled to cancel the service request concerned.
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 IVA337 and certain services relating to granulation and capsuling for IVA337.

### 22.6.4 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 authorization applications. These agreements came into effect on February 4, 2016 and were entered into for a term of three years. Each of the parties may terminate the agreement if the other party breaches one or more of its obligations subject to giving 30 days' notice and if that breach is not or those breaches are not fully remedied by the defaulting party. Furthermore, the Company is entitled to terminate the agreement unilaterally without notice if the other party breaches the provisions of the agreement on confidentiality or intellectual property. If one of the Delpharm group subsidiaries faces technical difficulties in carrying out its services, it will be authorized to cancel the service early at the end of each of the "go/no go" phases identified in the agreement. 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, inter alia, to approve the feasibility of IVA337 tablets and to manufacture clinical batches that will be made available to the CRO as part of the FASST phase IIb clinical study.

## 22.6 SERVICE AGREEMENT

The Company and ENYO Pharma, a biopharmaceutical company founded in January 2014 with its offices at the Lyon Infectiology Center, entered into a master agreement on July 4, 2014, the aim of which is to govern the services provided by the Company. This master agreement is concluded for a term of three years and may be terminated at any time subject to giving 90 days' notice. The Company will, however, still be liable for fulfilling its obligations under the service agreement. 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. Thirteen service agreements governed by the master agreement have been concluded by the Company since then, each of which has been executed and terminated, amounting to overall turnover of €647 thousand (excl. tax) over the past three years.

On July 27, 2016, the Company and ENYO Pharma entered into a service agreement subject to the master agreement, 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.
In addition, if certain molecules are identified by ENYO Pharma as having a high potential, Inventiva undertakes to carry out the procedures necessary to obtain a drug candidate. This development phase by Inventiva will start in September 2017 and last 12 months. The Company is under no contractual obligation pertaining to the results.

The Company will receive a fixed amount of €220 thousand for the analysis phase and an annual fee of €30 thousand for preservation of the chemical compounds received.

As for the development phase of drug candidates identified as having a strong potential, the Company will receive a fixed amount of €1,430 thousand paid in installments and subject to the conditions provided in the service agreement.

## 23. THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Certain market data contained principally in Chapter 6 of this Registration Document entitled "Business overview" come from third party sources. In particular, certain market information contained in this Registration Document come from the independent research carried out by Venture Valuation, but should not guide any investment decision. The Company confirms that this information from third party sources has been accurately reproduced and that, as far as it is aware and is able to ascertain from the information published or supplied by those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## 24. 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 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).

The preparatory documents for the Company's General Meeting that will be held on May 29, 2017 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. 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.

## 25. INFORMATION ON HOLDINGS

On the date of this Registration Document, the Company does not hold any interests in the capital of other companies.

# 26. APPENDICES

## 26.1 REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

**Introductory notes**

This report covers the composition of the Board of Directors, the conditions governing preparation and organization of the Board's work, and the Company's internal control and risk management procedures.

It is drawn up compliant with Article 225-37 of the French Commercial Code and with the guidelines on corporate governance in the Middlenext Corporate Governance Code.

It was approved by the Board of Directors on March 22, 2017.

### 26.1.1 Corporate governance

Until May 31, 2016, the Company was incorporated in the form of a simplified company limited by shares. At the Combined General Meeting of May 31, 2016, it was decided to change the Company's form, with immediate effect, into a joint-stock company with a Board of Directors and the Company adopted new corporate governance rules applicable to said companies. Since February 15, 2017, the Company shares have been listed on the regulated market of Euronext Paris, Compartment C, Code ISIN FR0013233012-IVA.

#### 26.1.1.1 Corporate Governance Code

The Company abides by the Middlenext Corporate Governance Code, published in December 2009 and updated in September 2016. Details on how the Company applies this code are given in section 16.4.1 "Corporate Governance" of this Registration Document.

#### 26.1.1.2 Members and operation of the Board of Directors and its committees

1. Members and operation of the Board of Directors

*(i) Members and duration of terms of office*

Section 14.1.1 "Members of the Board of Directors" of this Registration Document gives details on the members of the Board of Directors, and section 21.2.2 "Provisions of the Company's articles of association with respect to the members of the Board of Directors and the executive management".

*(ii) Independent directors*

Five of the eight directors (63%) forming the Company's Board of Directors are independent directors. The independent directors comply with the criteria of the Middlenext Code as regards the absence of significant financial, contractual, family or other relations liable to compromise independent judgment:

- Independent directors must not be company employees or corporate officers, 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 five 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 auditors of the Company in the previous six years.

*(iii) Management of conflicts of interest*

As recommended by the Middlenext Code, the Board of Directors sees that all the necessary procedures are set up for identifying and resolving conflicts of interest at all levels throughout the organization.

*(iv) Gender balance*

At the date of this report, two of the eight members (25%) the Board of Directors are women: Annick Schwebig (permanent representative of the company CELL+), and Karen Aiach.

The Company intends to comply with French law 2011-103 of January 27, 2011, and in particular with Article 5 of this law, as from the 2017 General Meeting, convened for May 25, 2017 to examine the financial statements of the financial year ending December 31, 2016. This article requires a gender balance of at least 40% in board membership, or a maximum gender difference of two members for boards of eight or fewer members.

*(v) Internal regulations*

Details on internal regulations are given in section 16.4.2 "Internal regulations" of this Registration Document.

*(vi) Missions of the Board of Directors*

The internal regulations of the Board of Directors stipulate that the Board takes on the missions and exercises the powers assigned to it by law, by the Company's articles of association and by the internal regulations of the Board of Directors.

The Board sets bearings for the Company's business, and ensures these bearings are kept. The Board's approval is needed for implementation of certain specific strategic decisions (as set out below). Conditional upon the powers specifically assigned to General Meetings, and within the scope 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 it considers necessary, and can require access to any documents it considers useful for fulfilling its mission.

The Board oversees corporate governance consistent with the principles and practices of corporate social responsibility taken on by the Company, its corporate officers and its employees.

*(vii) Frequency of Board 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 seven times in 2016, with a 100% member attendance rate.

*(viii) Shares held by directors*

Under the internal regulations of the Company's Board of Directors, all members of the Board of Directors must hold (directly or indirectly) at least one share in the Company throughout their terms of office. This requirement cannot be met by means of share loans by the Company to a Board member. This restriction does not however apply to employee shareholders who may be appointed to the Board of Directors.

The number of shares held by directors is detailed in section 15.1 "Compensation and benefits in kind for Company directors and officers" and section 18.1 "Ownership structure and voting rights" of this Registration Document.

2. Composition and operation of Board's committees

Details on the Board's committees are given in section 16.3 "Committees" of this Registration Document.

3. Assessment of operation of the Board of Directors and its committees

The internal regulations of the Board of Directors stipulate that the Chairman of the Board of Directors will, on a yearly basis, invite Board members' input on operation of the Board of Directors and on preparation for the Board's work. On this occasion, the Board may also analyze its composition, organization and operation in order to assess its capacity for meeting shareholders' expectations.

A formal assessment is carried out at least every three years. This 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 will also assess the operation of its permanent committees and the work of the lead director, especially as regards corporate governance.

#### 26.1.1.3 Executive management

1. Chief Executive Officer and Chief Operating Officer

Frédéric Cren is Chairman of the Board of Directors and General Manager of the Company. He holds the title of Chief Executive Officer. He was appointed Chief Executive Officer for a three-year term on May 31, 2016 by the Board meeting after the General Meeting that decided the Company would change from a simplified company limited by shares into a joint-stock company with a Board of Directors. His term of office runs until 2019, after the Ordinary General Meeting convened to examine the financial statements for the financial year ending December 31, 2018.

Pierre Broqua is the Company's Chief Operating Officer. He was appointed Chief Operating Officer for a three-year term on May 31, 2016 by the Board meeting after the General Meeting that decided the Company would change from a simplified company limited by shares into a joint-stock company with a Board of Directors. His term of office runs until 2019, after the Ordinary General Meeting convened to examine the financial statements for the financial year ending December 31, 2018.

The conditions of duty (including compensation) for the Chief Executive Officer and Chief Operating Officer, as set by the Board of Directors, are set out hereafter and in Chapter 15 "Compensation and benefits" of this Registration Document.

As recommended by the Middlenext Code, the company intends to regularly examine the issue of management succession, as required for efficient business continuity.

2. Executive management duties

The functions of Chairman of the Board of Directors and General Manager were combined when the Company became a joint-stock company with a Board of Directors. For the Board of Directors, this arrangement is well-advised, especially in the light of the Company's recent Stock Exchange listing, and of the duties formerly taken on by the present-day Chief Executive Officer within the Company, as Chairman of the previous simplified company limited by shares.

Compliant with legislation, the Company's articles of association and the internal regulations of the Board of Directors, the Chief Executive Officer chairs the Board meetings, organizes and manages the Board's

work, and oversees operation of the Company's bodies, ensuring that directors are capable of fulfilling their duties.

3. Limitation of powers

The 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 scope of the Company's purpose and conditional upon legal assignment of powers to the 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 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. Board decisions limiting the powers of the Chief Executive Officer are not invocable with regard to third parties. The Chief Operating Officer has the same powers as the Chief Executive Officer with regard to third parties.

Under Article 2 of its internal regulations, prior approval of the Board of Directors (signified by a straight majority vote of the members present or represented) is required for all operations, events, acts or decisions concerning the Company on the following matters:

- the Annual Budget of the Company, set by December 20 of each year;
- any proposal for investment or expenditure of more than €400 thousand not appearing in the Annual Budget, and any proposal for bank or financial debt (except current operating debt) of more than €400 thousand not appearing in the Annual Budget;
- any decision not provided for in the Annual Budget to proceed with transfer of any substantial assets or any substantial intellectual or industrial property belonging to the Company;
- any proposal not provided for in the Annual Budget to proceed with acquisition of strategic assets, including industrial property;
- any proposal not provided for in the Annual Budget to create subsidiaries or acquire companies or businesses, including any proposal to invest in any entity, any proposed transfer, liquidation or winding-up of subsidiaries, start-up of new activities or 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 assign licenses or any intellectual property right held by the Company such as, for example, patents, know-how or trade marks, except in the normal course of business in relation to the Company's activities;
- any decision to commence legal proceedings or conduct proceedings, and any decision regarding the settlement of disputes, where the interests at stake exceed the sum of €400 thousand.

### 26.1.1.4 Principles and rules set by the Board on compensation and benefits for corporate officers in 2016

1. Directors' fees for Board members

Under Article 7 of its internal regulations, the Board of Directors issues directors' fees allocated to it by the General Meeting to its members on the recommendations of the Compensation & Appointments Committee. It may set criteria for the issue of directors' fees on the basis of members' attendance rates and the time spent on their duties.

On the recommendations of the Compensation & Appointments Committee, the Board meeting of March 22, 2017 decided on the following directors' fee issues for the sum of €220 thousand allocated to it for this purpose by the Combined General Meeting of September 30, 2016 for the 2016 financial year:

- €30 thousand per director other than Frédéric Cren and Pierre Broqua, who would not receive directors' fees;
- €10 thousand per director who is also chair of a Board Committee; and
- €5 thousand per director who is also a member of a Board Committee.

On April 18, 2017, the Board of Directors decided to increase the total amount of directors' fees to €280 thousand to take into account the future appointment of new directors

Directors' fees will be paid twice a year and for the first time in June 2017. These amounts are conditional upon approval by the next General Meeting.

2. Compensation of corporate officers

The breakdown of compensation for corporate officers is set by the Board of Directors on the basis of a forthcoming proposal by the Compensation and Appointments Committee.

The principles applicable to the compensation of corporate officers as from the Company's listing on Euronext Paris are set out below, and the amounts due and paid during the last two financial years are given in section 15.1 "Compensation and benefits in kind for directors and corporate officers" in this Registration Document.

*(i) Basic salary*

Frédéric Cren receives an annual basic salary of €242,528 as Chief Executive Officer.

Pierre Broqua receives an annual basic salary of €158,132 as Chief Operating Officer.

*(ii) Variable compensation*

The annual variable compensation for Frédéric Cren and Pierre Broqua will be set by the Board of Directors at its meeting of April 18, 2017, on the basis of recommendations by the Compensation and Appointments Committee.

*(iii) Non-competition clause*

Frédéric Cren and Pierre Broqua are not bound by non-competition clauses on leaving their positions with the Company.

*(iv) Compensation or benefits owed or likely to be owed as a result of these persons leaving the Company or changing jobs*

Frédéric Cren and Pierre Broqua will not receive and are not likely to be owed indemnities or benefits on leaving the Company or changing jobs.

*(v) Other benefits*

Corporate officers receive the following benefits in kind:

- For Frédéric Cren: unemployment insurance for company heads and executives, rental of company accommodation in Dijon, and loan of a company vehicle.

- For Pierre Broqua: unemployment insurance for company heads and executives, rental of company accommodation in Dijon, and loan of a company vehicle.

*(vi) Supplementary pension scheme*

Frédéric Cren and Pierre Broqua enjoy the Company's defined-benefit pension scheme, under which the Company's liability is limited to the payment of contributions. For the years 2016 and 2015, the expense recognized amounted to €49,637 and €35,015 respectively for Frédéric Cren and €27,988 and €20,228 respectively for Pierre Broqua.

### 26.1.1.5 Shareholder participation in General Meetings

Arrangements regarding shareholders' participation in General Meetings are set out in Articles 25 and 26 of the articles of association and in section 21.2.5.1 "Calling and holding of general meetings and agenda" of this Registration Document.

Consistent with its communications strategy and the recommendations of the Middlenext Code, the Company intends to develop regular dialog and meetings with significant shareholders on occasions in addition to the General Meetings.

### 26.1.1.6 Information likely to have an impact in the event of a public offering

Information on factors likely to have an impact in the event of a public offering, as covered by Article L. 225-100-3 of French Commercial Code, appears in sections 18.1, 18.5, 18.6 and 21.1.2 and is listed in section 27 "Cross-reference table between the Annual Financial Report, the Management Report and the French Commercial Code" of this Registration Document.

## 26.1.2 Internal control and risk management

The Company's internal control and risk management system is consistent with its strategic orientations and development. The system developed, rolled out and used by Inventiva is based on the document "Risk Management and Internal Control Systems - Reference Framework - Implementation Guide for Small Caps and Midcaps", published by 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.

If action plans on risk management and the development of internal control measures reveal partial application of the AMF Implementation Guide, the Company will endeavor to identify priority internal control areas and processes accordingly.

### 26.1.2.1 General internal control and risk management principles

1. Definitions and objectives

**Risk management:**

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

• fortify the pursuit of improvements in patients' health and quality of life through the provision of efficacious therapeutic solutions to non-covered medical needs;
• create and safeguard the value, assets and reputation of the Company;
• fortify decision-making and processes conducive to fulfilling objectives while making all due allowance for risk factors;

• ensure the Company's actions are consistent with its values;
• 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;
• 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 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. Organization of internal control and risk management systems

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

In particular, the Company has set for itself the priority objective of carrying out the following actions:

- carry out risk mapping, define and monitor the resulting action plans and present the results to the Audit Committee then the Board of Directors;
- roll out a quality management system giving priority coverage to all clinical development activities;
- carry out a diagnosis of the accounting and financial controls in place.

Given the Company's business sector, and its clinical development activities in particular, a specific action plan was brought in addressing management of clinical quality. This action plan is run by a specialized external company (Sunnikan) liaising with an internal quality manager who reports to the Chief Executive Officer.
To avoid redundancy between the risk management and internal control standard and the quality management standard, both action plans are managed jointly and closely coordinated.

The scope of action plans on risk management and internal control 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 Chief Executive Officer, and coordinated by the administrative & financial department.

3. Scope of internal control and risk management systems

The internal control and risk management systems cover all the activities of Inventiva SA. The Company does not have any subsidiaries and does not hold stakes in other companies

4. Limitations of internal control and risk management systems

All Inventiva 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 paragraph 2, the action plans run on compliance with the AMF Implementation Guide extend to all operational and support managers, and are notified and cascaded down to all employees 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.

### 26.1.2.2 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 on major issues.

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 (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.

***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 is 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.

***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.

### 26.1.2.3 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.

1. 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 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 skills 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.

2. Risk assessment

The Company's main risk factors are set out in Chapter 4 (Risk factors) of this Registration Document, this information being an integral part of this report.

As noted in paragraph 2 of section 26.1.2.3 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 carry out formal assessment of its risk management or internal control systems.

It 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.

3. Control activities

For its operational activities, the Company has a documented set of procedures (SOP) that is notified to all employees, one of whose 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 system 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 26.1.2.4 "Internal control processes on production and processing of financial and accounting information" of this Registration Document.

4. 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.

### 26.1.2.4 Internal control processes on production and processing of financial and accounting information

Financial activity is managed internally by the Administrative and Finance 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 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 Chief Executive Officer (see organizational chart in section 17 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 half-yearly and annual financial statements;
- monthly cash reporting;
- 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 & financial department, is responsible for the integrity and reliability of Inventiva's financial information released inside and outside the Company.

To produce accounts to French accounting standards 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 & financial department, after verification that the products or services in question have been accepted. Payment of incoming invoices for amounts above €25 thousand also requires prior approval by the Chief Executive Officer.
To determine tax relief for research 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 annual financial statements to French standards 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, Inventiva is subject to AMF verification.

#### 26.1.2.5 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 components are reviewed by the Management Committee.

### 26.1.3 Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code on the report by the Chairman of the Board of Directors of Inventiva SA

**Statutory Auditors' report drawn up in accordance with Article L. 225-235 of the French Commercial Code on the report by the Chairman of the Board of Directors of Inventiva SA**

*This is a free translation into English of the Statutory Auditors' report on the report by the Chairman of the Board of Directors of Inventiva SA 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 auditing standards applicable in France.*

**Inventiva S.A.**
50, rue de Dijon
21121 Daix

For the year ended December 31, 2016.

To the Shareholders,

In our capacity as Statutory Auditors of Inventiva SA, and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby report on the report by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ending December 31, 2016.

The Chairman is required to draw up, for approval by the Board of Directors, a report setting out the Company's internal control and risk management procedures plus additional information required under Article L. 225-37 of the French Commercial Code, in particular with regard to corporate governance.

Our role is to:
- report to you on the information in the Chairman's report on the Company's internal control and risk management procedures regarding the preparation and processing of accounting and financial information;
- confirm that this report contains the other information required under Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the accuracy of this information.

We conducted our work in accordance with French professional standards.

***Information on internal control and risk management procedures regarding the preparation and processing of accounting and financial information***

Professional standards require that we assess the accuracy of the information given in the Chairman's report on internal control and risk management procedures regarding the preparation and processing of accounting and financial information. To carry out our assessment, we:
- examined the internal control and risk management procedures regarding the preparation and processing of accounting and financial information on which the Chairman's report is based, along with existing documentation;
- examined the work involved in preparing this information, along with existing documentation;
- determined whether any shortcomings in internal control procedures relating to the preparation and processing of accounting and financial information that we would have noted in the course of our assignment were duly disclosed in the Chairman's report.

On completion of our assessment, we have nothing to report regarding the information on the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information given in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

***Additional information***

We hereby confirm that the report by the Chairman of the Board of Directors contains the other information required by Article L. 225-37 of the French Commercial Code.

Paris La Défense, April 21, 2017

KPMG Audit
*Department of KPMG SA*

Jean Gatinaud

*Partner*

## 26.2 CORPORATE SOCIAL RESPONSIBILITY

### 26.2.1 Corporate Social and Environmental Responsibility Report

#### 26.2.1.1 Introduction

Inventiva, a biopharmaceutical company specialized in research and development in the field of small molecules, went public (Euronext Paris) on February 15, 2017.

This is the first time that the Company has been required to produce a Corporate Social and Environmental Responsibility Report.

Inventiva, which operates in research and development 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, and intends over time to adopt a CSR approach in line with its strategy and business sector.

As the recent IPO constitutes a "temporary circumstance" (within the meaning of the November 2015 French national auditing body technical opinion), the scope of the associated non-financial data and management information is limited. The limits are described in section 26.2.1.5 "Methodology".

#### 26.2.1.2 Labor information

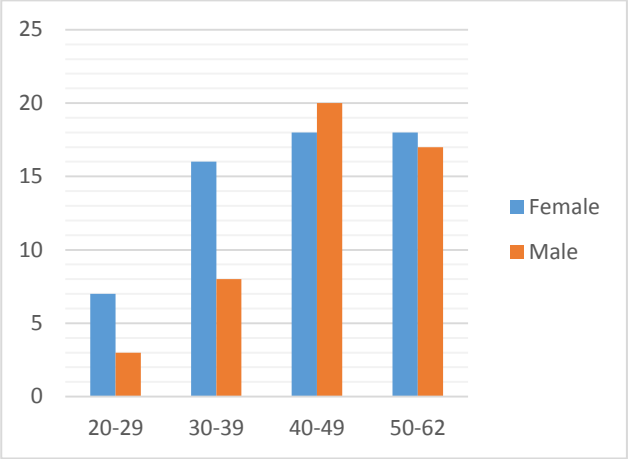
a) Employment/Workforce

As of December 31, 2016, the Company had 107 employees, breaking down as follows:

| ***Socio-professional category*** | **Men** | **Women** | **Total** |
|---|---|---|---|
| *Workers/Employees* | 4 | 1 | 5 |
| *Technicians/Supervisors* | 14 | 38 | 52 |
| *Managers* | 28 | 20 | 48 |
| *Executives* | 2 | | 2 |
| *Total* | 48 | 59 | 107 |

Two of the 107 employees are on fixed-term contracts.

The average age is 44, and the breakdown by age group is as follows:




**Changes in the workforce**

In 2016, the Company recruited 13 people, breaking down as seven permanent contracts, three fixed-term contracts and three fixed-term contracts transformed into permanent contracts.

There were 10 departures, breaking down as one dismissal, four resignations and five ends of fixed-term contracts (including one apprenticeship contract and one combined work-study contract started in 2015).

**Wages**

Wages totaling €5,801 thousand were paid in 2016, of which €118 thousand to employees on fixed-term contracts. This represented an increase of 5.07% on the amount of €5,521 thousand paid in 2015, of which €260 thousand for fixed-term contracts.

The Company has also implemented a bonus system for all managers. The rates of bonuses in relation to the annual compensation are determined in accordance with the seniority of the relevant position. Objectives are set at the beginning of each year during an interview with the line manager.

b) 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, 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. For a full year of work, the number of days is set at 217 days, including the national day of solidarity.
Some employees 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.

Six people work part-time:
- three managers (2M/1W);
- three technicians (3W).

**Absenteeism**

The absenteeism rate is low within the Company; it was below 1.5% in 2016.

c) Employee relations

Employee relations are conducted through a trade union delegate, the single representative elected in November 2013. 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 employee representative and the management work together in a climate of trust and transparency.

**Review of collective agreements**

Three agreements were signed with the trade union delegate in 2016. They covered:

- incentives;
- profit-sharing;
- the mandatory annual negotiations.

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 2016, for instance, one of the criteria chosen was the level of progress of the various research programs and initiatives. There was also a financial criterion based on the extent to which the result for the year exceeded the budget forecast.

d) 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 built around an HSE Officer working with correspondents in each research department.
Employee safety is a daily concern in our 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 staff tasked with ensuring the safety of employees and facilities benefit from all the necessary regulatory training.

In addition, each employee receives safety information 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 agreements have been signed.

**Workplace accidents, including their frequency and severity, and occupational illnesses**

The HSE department is tasked with the follow-up of workplace accidents in partnership with the HSC, with the aim of implementing corrective measures based on a continuous improvement approach.
In 2016, there were:

- one commuting accident with lost time;
- one workplace accident without lost time;
- No occupational illnesses.

The frequency rate was 5.58 and the severity rate 0.25 in 2016.

e) Training

**Training policies implemented**

Our 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 within it 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.

The three main areas were training in scientific application software (33%), scientific technical training (32%) and HSE training (25%).

f) Equal opportunities

**Measures taken to promote gender equality**

Women account for 55% of the total workforce.

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 with a company that provides paid employment for people recognized as disabled.

**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.

g) Promotion of and compliance with the fundamental conventions of the International Labour Organization

- respect for freedom of association and the right to collective bargaining;
- elimination of discrimination in respect of employment and occupation.

The first two ILO issues are dealt with under the heading "Employee relations".

- elimination of forced or compulsory labor;
- effective abolition of child labor.

Inventiva is based in France. It respects domestic labor law, which prohibits forced labor and child labor.

#### 26.2.1.3 Environmental information

a) 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 our 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, GMOs and the handling of radioactive substances. The renewal of our permit by France's Nuclear Safety Authority in 2016 clears Inventiva 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 and energy consumption.

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 our laboratories.

At the same time, regulations are monitored to ensure that any changes are applied.

**Resources devoted to the prevention of environmental risks and pollution**

An HSE Officer working with correspondents in each research department is tasked with managing aspects relating to the prevention of environmental risks and pollution.

The Company is required to make two declarations under the provisions of the ICPE regulations (installation classified for the protection of the environment), one for the air-cooling tower (heading no. 2921) and the other for radioactive substances (no. 1715-2).

The Company has implemented preventive measures on both counts:

For radioactive substances:
- an annual radiation protection check is performed by SGS.

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;
- 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.

As of December 31, 2016, Inventiva had not recorded any provision for environmental risk.

b) 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 covered by an agreement with Lyonnaise des Eaux, our supplier.

**- 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.

c) 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 reuse it. This measure covers paper and cardboard.
The Company eliminates 20.3 metric tons of ordinary waste, including 1.02 metric tons of paper and 4.6 metric tons of cardboard

For special waste, the Company eliminates and reuses:

36 metric tons of special waste, including 15 metric tons of healthcare waste, 19.3 metric tons of chemical waste and 1.7 metric tons of WEEE.

This waste is subject to the hazardous goods transportation regulations, audited annually by our independent safety advisor.

The Company also eliminates radioactive waste, which is not taken into account in the 2016 reporting due to its small volume. Our very low-level radioactive waste is removed by the French National Agency of Radioactive Waste (ANDRA), in line with periodic manipulations in laboratories.

**- Initiatives to combat food waste**

The Company restaurant is managed by a subcontractor. The contract does not include any special clauses.

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. Consumption totaled 6,462 cubic meters in 2016.

**- 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. It has resulted in the reduction of intermediate storage areas in each laboratory and helped 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.

The most widely used raw materials are solvents, with purchases amounting to 10,200 liters in 2016.

**- Energy consumption, measures taken to improve energy efficiency and use of renewable energies**

An energy diagnostic 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;
- 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 was nearly 2.99 GWh and electricity consumption nearly 5.22 GWh in 2016.

**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.
Waste and water treatment were dealt with respectively in the sections on waste prevention and management, and water consumption.

d) 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. See above.

The energy diagnosis found that energy consumption is one of the Company's biggest sources of $CO_2$ emissions.

In 2016, based on the ADEME emission factors, $CO_2$ emissions related to energy consumption broke down as follows:

- 429 metric ton CO2 equivalent from power consumption;
- 654 metric ton $CO_2$ equivalent from gas consumption.

Inventiva does not yet have data for any other significant sources of $CO_2$ emissions in 2016 (travel, purchases, sourcing, etc.).
The Company plans to initiate thinking on the measurement of such sources.

**Adaptation to the consequences of climate change**

The Company has implemented an action plan on this issue following an energy diagnosis. See the section on energy consumption.

e) Protection of biodiversity

Further attention will be given to this topic in the next three years.

### 26.2.1.4 Societal information

(a) <u>The regional, economic and social impact of the Company's activity</u>

- 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 2016), 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 Center, 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.

(b) <u>Relations with stakeholders</u>

Without having at this stage mapped its main stakeholders, the Company strives to develop harmonious relations, particularly in its host region:

- Regular meetings with public or private economic players (DIRRECT, DRRT, BPI, Banque de France, tax administration, etc.);
- Inventiva is a member of BFCare, the professional body representing the industrial healthcare sector in the local region;
- Academic partnerships within the framework of its research activities and projects:
  Institut Necker in Paris (Professor Allanore): cutaneous systemic scleroderma (impact of scleroderma on the skin),
  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;
- Collaboration, wherever possible, with local companies (e.g., Oncodesign, Corden Pharma, Urgo and Novolyse);
- Signing of contracts with enterprises from the social and solidarity economy wherever possible (external site maintenance, etc.).

Moreover, relations have been initiated with patient associations within the framework of clinical development programs, in particular IVA337 and 336. These contacts will be developed going forward:

- Association Sclerodermique de France: www.association-sclerodermie.fr;
- MSP Society UK: www.mpssociety.org.uk/;
- Vaincre les Maladies Lysosomales: http://www.vml-asso.org/.

**Partnership and sponsorship initiatives**

The Company regularly undertakes partnership and sponsorship initiatives with local charities such as the association of French systemic sclerosis patients, or with local sporting associations.

(c) 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. Adapting our needs allows us to avoid product losses. All stocks are now placed in a single storage area.

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**

Our main suppliers are all located in France; as such, they are all 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.

Contracts liable to present risks include a clause on undeclared work.

(d) Fair trade practices

Because of the sector in which it operates, Inventiva is subject to specific sector-based regulations including transparency and anti-gifts laws, to which it seeks to adhere. A review of all recent legislation and the drafting of a business ethics charter is planned shortly in order to establish best practices for all employees and potential external partners.

In addition, as soon as it was admitted to trading on Euronext (on February 15, 2017), the Company implemented an action plan to comply with European or national regulations in force (AMF, MAR, etc.) as quickly as possible.

**Measures taken to promote the health and safety of patients**

To ensure the best protection for patients, the Company has established an internal organization that aims to ensure that the clinical research organizations (CRO) with which it works adhere to best clinical practice. Inventiva has also implemented a quality assurance policy with the help of Sunnikan, a consulting firm, and 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 two ongoing clinical trials, Inventiva has also set up a Data and Safety Monitoring Board (DSMB) to detect possible side effects.

(e) Other initiatives taken in favor of human rights

This issue is addressed under subcontracting at risk.

### 26.2.1.5 Methodology

This is the Company's first CSR report, and presents selected CSR data for 2016. Since this is the first such report, there are no comparisons with data from prior years. Comparisons will be provided next year.

Given the "temporary circumstance" mentioned in the introduction to this report, the information is not comprehensive. The themes 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 2016**

The reporting scope covers the Company's statutory scope (meaning that it is identical to that covered by the financial statements).

The 2016 financial year covers the period from January 1 to December 31, 2016.

The Company consists of a single legal entity (Inventiva SA) and a single research site.

**Organization of reporting and data collection**

This first CSR report was prepared by the CFO and the HR department, in coordination with the HSE Officer.

In the absence of a structured CSR approach, and for the purposes of regulatory obligations in view of the "temporary circumstance" mentioned above, 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 stated in the introduction to this report, the Company intends to initiate thinking aimed ultimately at establishing a CSR approach matching its strategy, size and sector of activity, which will allow some of the themes excluded from this first report to be dealt with in subsequent years, and which will also strengthen the organization for the collection, monitoring and reporting of the selected non-financial data, in line with the CSR approach and scope.

**Methodological clarifications**

The indicators are drawn from the 43 themes of the Decree of April 24, 2012 (Law no. 2010-788 of July 12, 2010) on the national commitment to the environment, known as "Grenelle II".

The information excluded for this first report is as follows:

**Promotion of and compliance with the provisions of the fundamental Conventions of the International Labour Organization:**

See section 26.2.1.2 "Labor information" of this Registration Document.

**Initiatives to combat food waste:**

See section 26.2.1.3 "Environmental information" of this Registration Document.

**Land use:**

See section 26.2.1.3 "Environmental information" of this Registration Document.

**Protection of biodiversity:**

See section 26.2.1.3 "Environmental information" of this Registration Document.

**Other initiatives taken in favor of human rights:**

See section 26.2.1.4 "Societal information" of this Registration Document.

Difficulties and limits in 2016

The main difficulty lies in the "temporary circumstance", which precluded covering all themes. The initiation of thinking on CSR should make it possible render the information more comprehensive in future years, the data more readily comparable and the reporting process more efficient.

Inspection and verification

Prior to independent verification work, data collection is supervised by the HR Manager in collaboration with the Health Safety and Environment 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 (COFRAC) under number 3-1049, the scope of which is available on its website: www.cofrac.fr.

### 26.2.2 Report of the independent third-party body on the labor, environmental and societal information contained in the management report

**Statutory Auditors' report on the labor, environmental and societal information contained in the management report.**

*This is a free translation into English of the Statutory Auditors' report on the labor, environmental and societal information contained in the management 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 auditing standards applicable in France.*

**Inventiva S.A.**
50, rue de Dijon
21121 Daix

For the year ended December 31, 2016.

To the Shareholders,

In our capacity as Statutory Auditor appointed as the independent third-party body of Inventiva accredited by COFRAC under number 3-1049[93], we hereby present our report on the consolidated social, environmental and societal information for the year ended December 31, 2016, presented in the management report (hereinafter the "CSR information"), pursuant to Article L. 225-102-1 of the French Commercial Code.

**Responsibility of the Company**

It is the responsibility of the Board of Directors to prepare a management report including the CSR information referred to in Article R. 225-105-1 of the French Commercial Code, in accordance with the procedures used by the Company (hereinafter the "Framework"), as summarized in the management report and available on request at the Company's registered office.

**Independence and quality control**

Our independence is defined by regulatory requirements, the code of ethics of our profession and Article L. 822-11-3 of the French Commercial Code. We have also implemented a comprehensive quality control system including documented policies and procedures to ensure compliance with ethical requirements, and applicable legal and regulatory requirements.

**Responsibility of the independent third-party body**

It is our responsibility, on the basis of our work:
- to certify that the required CSR information is presented in the management report or, if the CSR information is not presented, that an appropriate explanation is given, pursuant to section 3 of Article R. 225-105 of the French Commercial Code (Certification of the presentation of CSR information);
- to express a conclusion of limited assurance that the required CSR information, taken as a whole, is presented fairly in all material aspects, in accordance with the Framework (Reasoned opinion on the fairness of the CSR information).

[93] The scope of the accreditation is available on www.cofrac.fr.

Our work called on the expertise of four people, and took place over a total of approximately two weeks in March 2017. We called upon our CSR experts to assist us in the performance of our work.
We conducted the work described below in accordance with the decree of May 13, 2013 determining the manner in which the independent third party conducts its engagement, with the professional standards of the National Association of Auditors concerning this type of engagement and, as regards the reasoned fairness opinion, with international standard ISAE 3000[94].

**1. Certification of presentation of CSR Information**

***Nature and scope of our work***

We reviewed, based on interviews with the heads of the departments concerned, the presentation of sustainable development guidelines based on the social and environmental consequences of the Company's activities and its societal commitments and, where appropriate, any ensuing actions or programs.

We compared the CSR information presented in the management report with the list provided by Article R. 225-105-1 of the French Commercial Code.

Where certain information was not presented, we verified that an appropriate explanation was provided, in accordance with section 3 of Article R. 225-105 of the French Commercial Code.
We verified that the CSR Information covers the entire scope of the Company.

***Conclusion***

Based on this work, we hereby certify that the required CSR information is presented in the management report.

**2. Reasoned opinion on the fairness of the CSR Information**

We note that, as this is the first year for which the Company is subject to the verification of the fairness of its CSR information, CSR information for the year ended December 31, 2015, presented for comparative purposes, was not the object of a similar audit.

***Nature and scope of our work***

We conducted approximately 10 interviews with the people responsible for preparing the CSR information in the departments overseeing the procedures for collecting information and, as needed, the people in charge of internal control and risk management procedures, in order to:
- assess the appropriateness of the Framework with respect to its pertinence, comprehensiveness, reliability, neutrality and intelligibility, taking best industry practice into account where applicable;
- verify the implementation of a process for collecting, compiling, processing and checking the completeness and consistency of the CSR information, and obtaining an understanding of the internal control and risk management procedures relating to the preparation of the CSR information.

We determined the nature and scope of our tests and inspections on the basis of the nature and importance of the CSR information having regard to the Company's characteristics, the social and environmental challenges of its business, its guidelines on sustainable development and best practice in the industry.

For the CSR information we considered most important:
- at the Company's head office, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies and initiatives), analyzed the quantitative information, verified the calculation and consolidation of figures using sampling techniques, and verified the consistency and uniformity of the information with the other information contained in the management report;

[94] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

- we conducted interviews at the Company's head office to verify the correct application of procedures and identify any omissions, and implemented detailed tests on a sample basis, checking calculations and reconciling justifying documents. Our work covered 100% of employees considered characteristic of the labor component, and 100% of environmental data considered characteristic[95] of the environmental component.

We assessed the consistency of other CSR information on the basis of our knowledge of the Company.

Lastly, we assessed the pertinence of the explanations, if any, given for the total or partial absence of certain information.
We believe that the sampling methods and sample sizes we used, exercising our professional judgment, allow us to formulate a limited assurance opinion. A higher level of assurance would have required a more extensive review. Because of the use of sampling techniques, as well as other limits inherent in the operation of any information and internal control system, the risk of failing to detect a material misstatement in the CSR information cannot be entirely eliminated.

***Conclusion***

Our work did not bring to light any material anomalies liable to call into question the fact that the CSR information, taken together, is presented truthfully, in accordance with the Framework.

Paris - La Défense April 21, 2017

KPMG S.A.

Anne Garans
*Associée*
*Sustainability Services*

Jean Gatinaud
*Partner*

[95] See the environmental data listed in the footnote on page 3 of this report.

## 26.3 FINANCIAL INFORMATION – FRENCH GAAP

### 26.3.1 Presentation of the financial statements prepared in accordance with French GAAP

#### 26.3.1.1 Presentation of the financial statements

The financial statements for the year ended December 31, 2016 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, 2016, net non-current assets of €7,972,729 were recorded in the balance sheet (€8,465,528 at December 31, 2015).

At December 31, 2016, shareholders' equity in an amount of €29,460,421 was recorded in the balance sheet (€24,419,176 at December 31, 2015).

The Company's net debt totaled €12,545,609 at December 31, 2016 (€12,535,743 at December 31, 2015).

For the year ended December 31, 2016, operating income totaled €10,242,346 (€5,232,832 for the year ended December 31, 2015).

For the year ended December 31, 2016, operating expenses totaled €26,556,143 (€23,646,043 for the year ended December 31, 2015).

Operating expenses break down as follows:

| | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| Purchases of raw materials and other supplies | (34,130) | (40,700) |
| Other purchases and external charges | (16,033,348) | (13,938,536) |
| Taxes, duties and similar levies | (226,879) | (188,953) |
| Wages and salaries | (6,366,574) | (6,047,174) |
| Payroll taxes | (2,402,354) | (2,289,612) |
| Depreciation, amortization and provisions | (1,486,079) | (1,137,316) |
| Other expenses | (6,780) | (3,752) |
| TOTAL | (26,556,143) | (23,646,043) |

During previous reporting periods the Company did not recognize any retirement benefit obligations in its financial statements. It has elected to change its accounting policy to apply the preferential method, and recognize a provision for all its retirement benefit obligations as from December 31, 2015. The impact of this change in accounting policy was recognized directly in retained earnings as at January 1, 2015, resulting in a reduction in shareholders' equity of €337,113. The impact on the profit and loss account in 2016 was a negative €224,393 (a negative €160,926 in the previous year).

An operating loss of €16,313,797 was recorded for 2016 (versus an operating loss of €18,413,211 for the previous year).

Financial income for the year ended December 31, 2016 came in at €259,492 (€210,682 in the previous year).

Non-recurring income amounted to €18,912,902 in 2016 (€20,845,632 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 the gross research tax credit (in the amount of €4,154,865 in 2016 versus €3,482,565 in the previous year) and the CICE tax credit (in the amount of €134,691 in 2016 versus €138,274 in the previous year), which amounted to a total of €4,289,556 in tax credits in 2016 (versus €3,620,839 in the previous year), income for the year ended December 31, 2016 came in at €5,595,737 (versus income of €5,144,194 in the previous year).

### 26.3.1.2 Analysis of changes in the Company's business, performance, financial position and debt

Sales and operating loss amounted to €9,445,644 and a negative €16,313,797, respectively, for the year ended December 31, 2016 (versus €4,874,666 and a negative €18,413,211 for the previous year). Sales result from the research partnership set up with AbbVie when the Company began conducting business and include the successful achievement of its second scientific milestone in the form of an additional payment of €1 million (i.e., a total amount of €2,500,000, paid in early 2017), which was rounded off by a second research partnership and collaboration set up with Boehringer Ingelheim and the service business holding its ground in 2016 (sales of €737,000 in 2016 versus €812,000 in 2015).

The Company also received €732,626 in operating subsidies (ANR and Eurostars) versus €302,920 in 2015.

Non-recurring income came in at €17,936,587 in 2016 (versus €20,208,254 in the previous year) and mainly included exceptional subsidies granted by AbbVie. The €338,937 increase in non-recurring expenses is entirely comprised of fees for legal, financial and audit advice in the context of the capital raising project, which began in the first quarter of 2017.

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 (€554,492 in 2016 versus €681,029 in the previous year).

At December 31, 2016, income tax amounted to €3,713,455 (versus €3,138,469 at December 31, 2015). The research tax credit totaled €4,154,865 (versus €3,482,565 at December 31, 2015). The CICE tax credit was stable year on year, as it amounted to €134,691 in 2016 versus €138,274 in 2015.

Income came in at €5,595,737 in 2016 (versus €5,144,194 in the previous year).
For the year ended December 31, 2016, current assets totaled €35,074,724, which includes net cash and cash equivalents in the amount of €24,850,613 (€28,960,013 and €22,595,790, respectively, at the previous year-end). Net debt amounted to €12,545,609 at December 31, 2016 (€12,535,743 at the previous year-end).

### 26.3.2 Company financial statements prepared in accordance with French GAAP for the year ended December 31, 2016

1. Financial statements

1.1. Balance sheet

1.1.1.Assets

| | Dec. 31, 2016 | | | Dec. 31, 2015 |
|---|---|---|---|---|
| **In euros** | **Gross** | **Depreciation, amortization and provisions** | **Net** | **Net** |
| Licenses, patents and similar concessions | 2,141,657 | 663,152 | 1,478,505 | 1,633,315 |
| Other intangible assets | 1,847,467 | 695,534 | 1,151,933 | 878,989 |
| **Intangible assets** | **3,989,124** | **1,358,686** | **2,630,438** | **2,512,304** |
| Land | 172,000 | | 172,000 | 172,000 |
| Buildings | 3,457,045 | 959,785 | 2,497,260 | 2,715,499 |
| Technical facilities, equipment and tooling | 4,197,985 | 2,236,718 | 1,961,267 | 2,225,515 |
| Other property, plant and equipment | 875,081 | 550,662 | 324,419 | 370,928 |
| Property, plant and equipment in progress | 2,600 | | 2,600 | 88,884 |
| **Property, plant and equipment** | **8,704,711** | **3,747,165** | **4,957,546** | **5,572,826** |
| **Non-current financial assets** | **385,953** | **1,208** | **384,745** | **380,398** |
| **NON-CURRENT ASSETS** | **13,079,788** | **5,107,059** | **7,972,729** | **8,465,528** |
| **Inventories** | **-** | **-** | **-** | **-** |
| Trade receivables | 771,131 | | 771,131 | 908,708 |
| Receivables from suppliers | 87,778 | | 87,778 | 46,360 |
| Employee-related payables | 7,408 | | 7,408 | 187 |
| Prepaid income tax | 4,306,854 | | 4,306,854 | 3,620,839 |
| Recoverable sales tax | 932,433 | | 932,433 | 563,911 |
| Other receivables | 2,566,000 | | 2,566,000 | 31,467 |
| Advances and downpayments made on orders | 50,000 | | 50,000 | - |
| Marketable securities | 21,135,523 | 2,003 | 21,133,520 | 20,949,318 |
| Cash and cash equivalents | 3,717,093 | | 3,717,093 | 1,646,472 |
| Prepaid expenses | 1,502,507 | | 1,502,507 | 1,192,751 |
| **CURRENT ASSETS** | **35,076,727** | **2,003** | **35,074,724** | **28,960,013** |
| **Total assets** | **48,156,515** | **5,109,062** | **43,047,453** | **37,425,541** |

1.1.2.Equity and liabilities

| **In euros** | Net as of Dec. 31, 2016 | Net as of Dec. 31, 2015 |
|---|---|---|
| Share capital or personal capital | 100,300 | 100,300 |
| Additional paid-in capital | 1 | 1 |
| Legal reserve | 39,020 | 39,020 |
| Retained earnings | 19,008,437 | 13,864,243 |
| **NET INCOME FOR THE YEAR** | **5,595,737** | **5,144,194** |
| Investment subsidies | 4,716,926 | 5,271,418 |
| **Shareholders' equity** | **29,460,421** | **24,419,176** |
| Provisions for contingencies | 346,408 | - |
| Provisions for losses | 695,015 | 470,622 |
| **Provisions for contingencies and losses** | **1,041,423** | **470,622** |
| *Borrowings* | *506,926* | *695,050* |
| *Bank overdrafts* | *3,122* | *3,414* |
| Bank loans and borrowings | 510,048 | 698,464 |
| Miscellaneous loans and borrowings | 143,345 | 20,550 |
| Trade and other payables | 3,033,930 | 3,610,472 |
| *Employee-related payables* | *1,126,602* | *1,070,639* |
| *Accrued payroll and other employee-related taxes* | *880,771* | *948,852* |
| *Income tax payables* | *576,101* | *482,370* |
| *Sales tax payables* | *191,937* | *17,729* |
| *Other accrued taxes and employee-related expenses* | *165,850* | *159,758* |
| Accrued taxes and employee-related expenses | 2,941,262 | 2,679,348 |
| Amounts payable on non-current assets | 243,640 | 10,250 |
| Other payables | 1,108,522 | 195,649 |
| Deferred income | 4,564,862 | 5,321,010 |
| **TOTAL LIABILITIES** | **12,545,609** | **12,535,743** |
| **Total equity and liabilities** | **43,047,453** | **37,425,541** |

1.2. Income statement

| In euros | Year | Year |
|---|---|---|
| **REVENUE** | | |
| Sales | 9,445,644 | 4,874,666 |
| Operating subsidies | 732,626 | 302,920 |
| Other revenue | 64,077 | 55,246 |
| **Total** | **10,242,346** | **5,232,832** |
| **COST OF GOODS AND MATERIALS** | | |
| Purchases of raw materials and other | (34,130) | (40,700) |
| Other purchases and external charges | (16,033,348) | (13,938,536) |
| **Total** | **(16,067,478)** | **(13,979,236)** |
| **GROSS PROFIT (LOSS)** | **(5,825,132)** | **(8,746,404)** |
| **EXPENSES** | | |
| Taxes, duties and similar levies | (226,879) | (188,953) |
| Wages and salaries | (6,366,574) | (6,047,174) |
| Payroll taxes | (2,402,354) | (2,289,612) |
| Personnel costs | - | - |
| Depreciation, amortization and provisions | (1,486,079) | (1,137,316) |
| Other expenses | (6,780) | (3,752) |
| **Total** | **(10,488,665)** | **(9,666,807)** |
| **OPERATING LOSS** | **(16,313,797)** | **(18,413,211)** |
| Financial income | 381,848 | 344,816 |
| Financial expenses | (122,356) | (134,134) |
| **NET FINANCIAL INCOME** | **259,492** | **210,682** |
| **RECURRING LOSS BEFORE TAX** | **(16,054,305)** | **(18,202,529)** |
| Non-recurring income | 18,912,902 | 20,845,632 |
| Non-recurring expenses | (976,315) | (637,378) |
| **NET NON-RECURRING INCOME** | **17,936,587** | **20,208,254** |
| Income tax | 3,713,455 | 3,138,469 |
| **NET INCOME FOR THE YEAR** | **5,595,737** | **5,144,194** |

2. Notes to the financial statements

2.1. Significant events

### Master Research Services Agreement

In August 2012, the Company entered into a partnership agreement with AbbVie that specifies the conditions in which the Company will occasionally perform services throughout the term of the contract on behalf of AbbVie, according to the statement of work agreed upon between the parties.

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 fees based on an annual amount 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 has the right to terminate the AbbVie Partnership in case of material breach by the Company 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 will be 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 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.

Revenue was mainly generated from the AbbVie Partnership and from other research service activities provided by the Company. In 2015 and 2016, the AbbVie Partnership represented 82.5% and 79.7%, respectively, of the Company's revenue.

During 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 during the reporting period 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 the year-end.
The proportion of revenue generated by the AbbVie partnership in 2016 declined compared with 2015, as the Company continued to develop a number of services that are independent of purely research activities.

## 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 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 €500,000 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 this 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) has been recognized.

Compensation of FTEs: Revenue of €666,675 was recognized corresponding to compensation for FTEs assigned to the research program as from May 2, 2016.

## Change in the Company's form and division of share capital

At the General Meeting of May 31, 2016, it was decided to change the Company's form into a joint-stock company with a Board of Directors, with immediate effect. The Company's legal personality remains the same and the change has no effect on Inventiva's assets, liabilities or year-end date. However, new Articles of Association were approved by the Meeting as a result of the change in the Company's form.
It was also decided at the same meeting to divide the par value of the Company's shares by 100 and therefore multiply the number of shares by the same amount. Consequently, each shareholder was awarded 100 shares with a par value of €0.01, for each share with a par value of €1 previously held. The amount of the Company's share capital remains unchanged.

Following the division of the shares' par value, each BSPCE and BSA warrant holder was granted the right to subscribe to 100 ordinary shares with a par value of €0.01, for each share with a par value of €1 to which their BSPCE and BSA entitled them to subscribe prior to the General Meeting's decision.

### Initial public offering – transaction costs incurred in 2016

As part of its initial public offering (IPO) that was successfully completed in first-quarter 2017 (see note 2.4.6, "Events after the reporting date"), the Company incurred transaction costs of €1,389,937 related to the IPO and the capital increase planned in 2016. The accounting treatment applied to the IPO costs incurred during the year ended December 31, 2016 is described in note 2.4.2, "Recognition of transaction costs related to the initial public offering and capital increase".

In 2016, these transaction costs resulted in the recognition of a non-recurring expense in an amount of €970,039 and a prepaid expense of €419,898 recorded as an asset in "Intangible assets in progress".

### Tax audit

The Company is currently being audited by the tax authorities with regard to the years ended December 31, 2013, December 31, 2014 and December 31, 2015.

The tax audit is ongoing.

On December 15, 2016, the Company received a proposed payroll tax adjustment from the 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 Abbott under the Asset Purchase Agreement (APA) as a non-recurring item, and the resulting impact on payroll taxes. The tax reassessment amounts to €611 thousand (penalties and interests for late payment included).

On February 14, 2017, the Company disputed the proposal by letter to the tax authorities and is currently awaiting their reply. The letter sets out the factual and legal grounds for the Company's dispute of the reasoning behind the reassessment and requests that the tax authorities abandon the adjustment procedure.

In addition, under the terms and conditions of an Additional Agreement appended to the APA, Abbott has undertaken to reimburse the Company (subject to the conditions set out in the agreement), for any amount demanded by the tax authorities in relation to Inventiva's accounting treatment of the subsidy granted by Abbott, up to a maximum of €2,000,000 and provided that the Company complies with the aforementioned conditions. Consequently, no provision has been recognized in the financial statements for the year ended December 31, 2016 in respect of this proposed tax adjustment.
However, additional disclosures regarding the impact on these financial statements of the expert report on the CIR research tax credit issued by the regional research and technology authority (Délégation régionale à la recherche et à la technologie, DRRT) are provided in note 2.4.6. "Events after the reporting date".

### Other significant events

Other significant events during the period were as follows:

- Phase IIb of the NATIVE (Nash Trial to Validate IVA337 Efficacy) study on the effects of IVA337 on patients afflicted with Non-Alcoholic Steato-Hepatitis (NASH) was prepared during the first half of 2016 and launched at the beginning of the second half of 2016 with the submission of the relevant regulatory filings. Consequently, operating expenses and the costs of studies in particular, increased during the period.
- Phase IIb of the FASST (For A Systemic Sclerosis Treatment) trial of IVA337 in the treatment of systemic sclerosis (SSc), launched in October 2015, was stepped up in 2016, particularly with the recruitment of patients, resulting in an increase in costs of studies during the period.

## 2.2. Change in accounting policies

In 2016, costs that had yet to be billed by suppliers were reclassified from "Supplier invoices not yet received" to "Accrued expenses".
VAT payables were recognized in accounts 445 860 and 445 870 in accordance with French generally accepted accounting principles.

## 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

The Company does not capitalize research and development costs.

Chemical components are recognized as assets in the balance sheet and depreciated over 13 years.

### 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 deposit accounts and amount to €385,953 at December 31, 2016.

### 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.

In 2016, Inventiva negotiated two overdraft facilities.

The first was provided by Crédit Agricole for €1 million, 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 second was provided by Société Générale for €2 million, backed by a pledged deposit account for an equivalent value.

### 2.3.8.Recognition and measurement of revenue

Revenue is recognized as work on a given contract is completed, which is generally in accordance with contractual deadlines. A breakdown of revenue by country is provided in note 2.6.1.

### 2.3.9.Recognition and measurement of operating expenses

Operating expenses are recorded at their purchase price.
Only material information is presented in this report. Values are expressed in euros unless otherwise stated.

### 2.3.10. Investment subsidies

Investment subsidies are accounted for 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.

### 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 French National Accounting Board (CNC) 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 obligation as at December 31, 2014 was recognized through retained earnings in an amount of €337 thousand.

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: 1.36%.
- 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 a company founder share warrant (BSPCE) plan to open its share capital to employees:

- 9,027 BSPCE were issued on December 13, 2013.
- 2,196 BSPCE were issued on May 21, 2015.
- 470 BSPCE were forfeited on December 31, 2015 following the departure of three employees.
- 1,500 BSA share warrants (BSA) were issued on May 21, 2015
- 20,200 BSPCE (i.e., 202 prior to the division of share capital) were forfeited on December 31, 2016 following the departure of four employees.

No share warrants had been exercised as at December 31, 2016.

The number of BSPCE and BSA share warrants presented in the table below takes into account the multiplication factor of 100 approved by the General Meeting (see note 2.1, "Significant events").

| **BSPCE – *Quantity*** | **2012** | **2013** | **2014** | **2015** | **2016** | Total outstanding |
|---|---|---|---|---|---|---|
| Issued | 0 | 902,700 | 0 | 219,600 | 0 | 1,122,300 |
| Forfeited* | 0 | 0 | 0 | (47,000) | (20,200) | (67,200) |
| TOTAL per year | 0 | 902,700 | 0 | 172,600 | (20,200) | 1,055,100 |

| **BSA – *Quantity*** | **2012** | **2013** | **2014** | **2015** | **2016** | Total outstanding |
|---|---|---|---|---|---|---|
| Issued | 0 | 0 | 0 | 150,000 | 0 | 150,000 |
| Forfeited | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL per year | 0 | 0 | 0 | 150,000 | 0 | 150,000 |

### BSPCE plans

At December 31, 2016, 1,055,100 BSPCE share warrants were outstanding. Each BSPCE share warrant corresponds to one share. They are exercisable until December 31, 2023, after which date they become null and void.

The exercise price of the BSPCE share warrants is fixed at:

- €0.5850, including a €0.5750 share premium for BSPCE share warrants awarded in 2013.
- €0.6700, including a €0.6600 share premium for BSPCE share warrants awarded 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, 2015, 150,000 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 €0.6700, including a €0.6600 share premium.

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.

At December 31, 2016, the BSPCE and BSA share warrants were not considered dilutive.

### 2.4.2. Recognition of transaction costs related to the initial public offering and capital increase

| Accounting treatment of IPO costs | 2015 | 2016 | TOTAL |
|---|---|---|---|
| Intangible assets *prior to deduction from equity – share premiums* | 137,240 | 419,898 | 557,138 |
| Non-recurring expenses | 635,230 | 970,039 | 1,605,269 |
| Total | 772,470 | 1,389,937 | 2,162,407 |

As part of its proposed initial public offering, in 2016 the Company incurred transaction costs related to the IPO and the capital increase completed in first-quarter 2017. Those costs already incurred during the years ended December 31, 2015 and December 31, 2016, have been recognized in the financial statements as follows:

- Marginal transaction costs directly attributable to the 2017 capital increase have been recognized as an asset in "Intangible assets in progress". They will be deducted from shareholders' equity once the capital increase has been completed.
- Other marginal transaction costs that are not directly attributable to the capital increase have been recognized directly in non-recurring expenses.
- Marginal transaction costs relating to both the initial public offering and the 2017 capital increase have been allocated between the two based on a ratio corresponding to the estimated number of new shares to be issued divided by the number of existing shares.

### 2.4.3. CICE tax credit

The 2015 CICE tax credit promoting competitiveness and employment in France was used to finance research materials. The CICE tax credit for 2016 came to €134,691.

### 2.4.4. Research tax credit

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 Community 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.

The tax credit used to finance research and development costs is recognized in a 699 100 account during the reporting period in which the eligible expenditure is incurred. The research tax credit for 2016 came to €4,154,865.

### 2.4.5.Off-balance sheet commitments

#### Commitments received

*Authorized overdraft facility no. 1*

The Company has 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, 2016.

*Authorized overdraft facility no. 2*

In 2016, Inventiva negotiated a €1 million overdraft facility with Crédit Agricole at the 3-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, 2016 with a carrying amount of €502,866.76.

As at December 31, 2016, no promissory notes had been drawn down.

*Authorized overdraft facility no. 3*

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.
As at December 31, 2016, the Société Générale current account was not overdrawn.

*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 for a 36-month period beginning at the end of 2015. The total future payment commitments received amounted to €217,526 as at December 31, 2016.

In 2016, Inventiva agreed to make its premises and facilities available to a third company for a 24-month period beginning on April 1, 2016. The total future payment commitments received amounted to €47,928 as at December 31, 2016.

#### Commitments given

None.

### 2.4.6.Events after the reporting date

#### Initial public offering

The Company's initial public offering on Euronext Paris in first-quarter 2017 by way of an Open Price Offering ("OPO") and a Global Placement, enabled it to raise €48 million by means of a capital increase (after partial exercise of the increase option of 6.7%). This amount may be increased to €50.4 million if the over-allotment option is exercised in full.

Trading on Compartment C of Euronext Paris began on February 15, 2017.

### Tax audit – CIR research tax credit

As part of the tax audit mentioned in note 2.1. "Significant events", in February 2017, the Company received an expert report prepared by the regional research and technology authority (Délégation régionale à la recherche et à la technologie, DRRT) that set 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.

The report does not represent an adjustment proposed by the tax authorities and therefore does not propose a potential tax reassessment. The summary of the report does however throw into doubt the eligibility of certain types of sub-contracting expenditure. The Company is preparing a response to the DRRT but considers nevertheless that a present obligation existed as at December 31, 2016 and that an outflow of resources is likely. It therefore recognized a provision for tax contingencies as at December 31, 2016 for €346,408,
corresponding to the best estimate of the amount required to settle the present obligation at the time of Management's approval of the financial statements.

### Issue of a US patent covering IVA336 use

In February 2017, Inventiva was issued a patent in the United States covering the use of IVA336 for the treatment of MPS VI patients. The same therapeutic indication is already patent protected in Europe and similar requests are under review in approximately 20 other countries. All these patents are valid until October 2034. In certain countries such as the United States and Japan, as well as in Europe, the term of the patents may be extended for up to a maximum of five years to compensate for any time required to complete clinical trials and obtain market authorization for IVA336.

## 2.5. Notes to the balance sheet

### 2.5.1.Non-current assets

| In euros | Jan. 1, 2016 | Acquisitions | Disposals/ Reclassifications | Dec. 31, 2016 |
|---|---|---|---|---|
| Start-up and development costs | - | - | - | - |
| Other intangible assets | 3,481,389 | 507,809 | 74 | 3,989,125 |
| **Intangible assets, gross** | **3,481,389** | **507,809** | **74** | **3,989,125** |
| Land | 172,000 | - | - | 172,000 |
| Buildings on owned land | 3,295,590 | - | 5,885 | 3,289,705 |
| Buildings on land owned by third parties | - | - | - | - |
| Buildings, general facilities, fixtures and fittings | 167,338 | - | - | 167,338 |
| Technical facilities, equipment and tooling | 4,053,113 | 146,321 | 1,450 | 4,197,984 |
| General facilities, fixtures and fittings | 427,152 | 5,490 | - | 432,642 |
| Office and IT equipment and furniture | 367,943 | 74,500 | - | 442,443 |
| Property, plant and equipment in progress | 88,884 | 2,600 | 88,884 | 2,600 |
| **Property, plant and equipment, gross** | **8,572,020** | **228,910** | **96,219** | **8,704,712** |
| Advances and downpayments | - | - | - | - |
| Equity-accounted investments | - | - | - | - |
| Other equity investments | - | - | - | - |
| Receivables due from equity investments | - | - | - | - |
| Other investment securities | - | - | - | - |
| Loans | - | - | - | - |
| Other non-current financial assets | 385,210 | 743 | - | 385,953 |
| **Non-current financial assets** | **385,210** | **743** | **-** | **385,953** |
| **TOTAL** | **12,438,619** | **737,462** | **96,292** | **13,079,789** |

### 2.5.2.Depreciation and amortization

| In euros | Jan. 1, 2016 | Additions | Reversals | Dec. 31, 2016 |
|---|---|---|---|---|
| Start-up and development costs | - | - | - | - |
| Other intangible assets | (969,085) | (389,674) | 74 | (1,358,685) |
| **Amortization and impairment of intangible assets** | **(969,085)** | **(389,674)** | **74** | **(1,358,685)** |
| Land | - | - | - | - |
| Buildings on owned land | (203,961) | (200,682) | 1,575 | (915,487) |
| Buildings on land owned by third parties | - | - | - | - |
| Buildings, general facilities, fixtures and fittings | (203,961) | (13,247) | - | (44,298) |
| Technical facilities, equipment and tooling | (203,961) | (409,570) | 452 | (2,236,718) |
| General facilities, fixtures and fittings | (203,961) | (65,835) | - | (286,037) |
| Vehicles | - | - | - | - |
| Office and IT equipment and furniture | (203,961) | (60,663) | - | (264,624) |
| Recoverable packaging and other | - | - | - | - |
| **Depreciation and impairment of property, plant and equipment** | **(2,999,194)** | **(749,997)** | **2,026** | **(3,747,164)** |
| **TOTAL** | **(3,968,279)** | **(1,139,671)** | **2,100** | **(5,105,850)** |

### 2.5.3.Receivables and payables

| | Dec. 31, 2016 | | |
|---|---|---|---|
| **Schedule of receivables** | **Gross amount** | **1 year or less** | **More than 1 year** |
| Receivables due from equity investments | - | - | - |
| Loans | - | - | - |
| Other non-current financial assets | 385,953 | - | 385,953 |
| Doubtful or disputed receivables | - | - | - |
| Other trade receivables | 771,131 | 771,131 | - |
| Receivables on loaned securities | - | - | - |
| Employee-related receivables | 6,622 | 6,622 | - |
| Recoverable payroll and other employee-related taxes | 786 | 786 | - |
| Income tax receivables | 4,306,854 | 4,306,854 | - |
| VAT receivables | 932,433 | 932,433 | - |
| Taxes, duties and similar levies receivable | - | - | - |
| Miscellaneous tax receivables | - | - | - |
| Group and associated company receivables | - | - | - |
| Sundry debtors | 2,566,000 | 2,566,000 | - |
| Prepaid expenses | 1,502,507 | 1,488,349 | 14,158 |
| **Receivables** | **10,472,286** | **10,072,175** | **400,111** |
| Loans granted during the year | - | - | - |
| Repayments collected during the year | - | - | - |
| Loans and advances granted to associated companies | - | - | - |

| | Dec. 31, 2016 | | | |
|---|---|---|---|---|
| **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 | 3,122 | 3,122 | - | - |
| Loans and borrowings originally due after 1 year | 506,926 | 142,624 | 364,301 | - |
| Miscellaneous loans and borrowings | 143,345 | 2,903 | 140,442 | - |
| Trade and other payables | 3,033,930 | 3,033,930 | - | - |
| Employee-related payables | 1,126,602 | 1,126,602 | - | - |
| Accrued payroll and other employee-related taxes | 880,771 | 880,771 | - | - |
| Income tax payables | 576,101 | 576,101 | | - |
| VAT payables | 191,937 | 191,937 | - | - |
| Payables to French government in respect of bond guarantees | - | - | - | - |
| Accrued taxes, duties and similar levies | 165,850 | 165,850 | - | - |
| Amounts payable on non-current assets | 243,640 | 243,640 | - | - |
| Group and associated company payables | - | - | - | - |
| Other payables | 1,108,522 | 1,108,522 | - | - |
| Payables on borrowed securities | - | - | - | - |
| Deferred income | 4,564,862 | 4,564,862 | - | - |
| **Liabilities** | **12,545,608** | **12,040,865** | **504,743** | **-** |
| Loans taken out during the year | 117,556 | | | |
| Loans repaid during the year | 188,124 | | | |
| Loans taken out with associated companies | - | | | |

2.5.4.Accrued income

| In euros | Dec. 31, 2016 |
|---|---|
| Trade receivables - services not yet invoiced | - |
| **Trade receivables** | **-** |
| Payroll taxes | 786 |
| Supplier credit notes not yet received | 56,893 |
| **Other receivables** | **57,679** |
| **Other receivables** | **2,566,000** |
| Accrued interest receivable | 18,059 |
| **Banks and financial institutions** | **18,059** |
| **Accrued income** | **2,641,738** |

2.5.5.Accrued expenses

| In euros | Dec. 31, 2016 |
|---|---|
| Supplier invoices not yet received | 511,025 |
| **Trade and other payables** | **511,025** |
| Fixed-asset supplier invoices not yet received | 243,640 |
| **Amounts payable on non-current assets** | **243,640** |
| Paid annual leave provision | 459,212 |
| Provision for monthly rest allowance | - |
| Bonus provision | 337,738 |
| Profit-sharing obligations | 241,072 |
| Employee salaries payable | 88,580 |
| Paid annual leave tax provision | 197,094 |
| Provision for tax on monthly rest allowance | - |
| Accrued tax on employee salaries | 231,854 |
| French government, accrued costs | 165,850 |
| **Accrued taxes and employee-related expenses** | **1,721,400** |
| Miscellaneous accrued expenses | - |
| Accrued expenses – FASST clinical trials | 465,604 |
| Accrued expenses – scientific research programs | 402,994 |
| Accrued general and administrative expenses | 218,260 |
| **Other payables** | **1,086,858** |
| Accrued interest payable | 3,122 |
| **Accrued interest on short-term debt** | **3,122** |
| **Accrued expenses** | **3,566,045** |

2.5.6.Prepaid expenses and income

| In euros | Dec. 31, 2016 |
|---|---|
| Prepaid operating expenses | 1,502,507 |
| **Prepaid expenses** | **1,502,507** |

| In euros | Dec. 31,2016 |
|---|---|
| Deferred operating income | 1,678,435 |
| **Operating income** | **1,678,435** |
| Deferred non-recurring income | 2,886,427 |
| **Non-recurring income** | **2,886,427** |
| DEFERRED INCOME | 4,564,862 |

2.5.7.Statement of changes in shareholders' equity

| In euros | Jan. 1, 2016 | Increase | Decrease | Dec. 31, 2016 |
|---|---|---|---|---|
| Paid-up share capital | 100,300 | - | - | 100,300 |
| BSA | 1 | - | - | 1 |
| Net income for the year | 5,144,194 | 5,595,737 | (5,144,194) | 5,595,737 |
| Legal reserve | 39,020 | - | - | 39,020 |
| Retained earnings | 13,864,243 | 5,144,194 | - | 19,008,437 |
| Equipment subsidy received | 8,366,818 | - | - | 8,366,818 |
| Subsidy taken to the income statement | (3,095,400) | (554,492) | - | (3,649,892) |
| **Shareholders' equity** | **24,419,176** | **10,185,439** | **(5,144,194)** | **29,460,421** |

2.5.8.Breakdown of share capital

| Category | Number of shares | | | Par value |
|---|---|---|---|---|
| | At Dec. 31, 2016 | Issued during the year | Redeemed during the year | |
| Ordinary shares | 10,030,000 | | | €0.01 |

2.5.9.Provisions for contingencies and losses

| In euros | Jan. 1, 2016 | Capital increase | Decrease | Dec. 31, 2016 |
|---|---|---|---|---|
| Retirement benefits | 470,622 | 224,393 | - | 695,015 |
| Provision for tax contingencies | | 346,408 | | 346,408 |
| **Provisions for contingencies and losses** | **470,622** | **570,801** | **-** | **1,041,423** |

2.5.10. Borrowings

In 2015, Inventiva was granted three loans backed by pledge agreements:

- A 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.
- A loan from CIC-Lyonnaise de Banque agreed on May 11, 2015, for €178,300 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 €254,000 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, 2016 | | | |
|---|---|---|---|---|---|---|---|---|---|
| Borrowing | Balance outstanding at Jan. 1, 2016 | Loans agreed during the period | Total | Principal | Interest | Total | 1 year or less | Between 1 and 5 years | More than 5 years |
| CA – MT business loan | 47,222 | | 47,222 | 47,222 | 0 | 0 | | | |
| CA – €285,000 | 248,077 | | 58,933 | 55,996 | 2,937 | 192,081 | 56,740 | 135,341 | |
| CIC – €178,300 | 158,180 | | 37,036 | 34,903 | 2,133 | 123,278 | 35,430 | 87,848 | |
| SG – €254,000 | 241,570 | | 51,971 | 50,002 | 1,968 | 191,567 | 50,454 | 141,113 | |
| **TOTAL** | **695,050** | **0** | **195,162** | **188,124** | **7,038** | **506,926** | **142,624** | **364,301** | **0** |

No new loan facilities were negotiated in 2016.

2.6. Notes to the income statement

2.6.1.Breakdown of net revenue from sales

| Sales by geographic market | Dec. 31, 2016 | Dec. 31, 2015 |
|---|---|---|
| United States | 7,537,738 | 4,063,297 |
| European Union | 1,079,524 | 136,134 |
| France | 828,382 | 673,915 |
| Rest of the World | | 1,320 |
| **TOTAL** | **9,445,644** | **4,874,666** |

2.6.2.Non-recurring income and expenses

| Type of expense | Amount |
|---|---|
| Financing project fees | 970,039 |
| Penalties and fines | 120 |
| Carrying amount of disposed assets | 6,156 |
| **TOTAL** | **976,315** |

| Type of income | Amount |
|---|---|
| Exceptional subsidy | 18,342,360 |
| Part of subsidy taken to income statement | 554,492 |
| Asset disposal | 16,050 |
| **TOTAL** | **18,912,902** |

2.6.3.Expense reclassifications

| Type of reclassification | Amount |
|---|---|
| Benefits in kind | 41,116 |
| Insurance repayment | 2,365 |
| French training tax organization (OPCA) rebilling | 11,087 |
| French employment center (Pôle emploi) subsidies | 8,000 |
| Apprentice bonus | 1,000 |
| Apgis health and personal risk insurance repayment | 440 |
| Miscellaneous | |
| **TOTAL GENERAL** | **64,008** |

2.6.4.Average headcount

| Headcount | Employees | Seconded employees |
|---|---|---|
| Management | 46.3 | |
| Senior executives | 2.0 | |
| Administrative staff | 2.7 | 4.3 |
| Operatives | 2.0 | 3.7 |
| Supervisors and technicians | 55.9 | |
| **TOTAL** | **108.9** | **8.0** |

2.6.5.Breakdown of income tax

| Breakdown | Income (loss) before tax | Tax due | Net income (loss) after tax |
|---|---|---|---|
| Recurring loss | (16,054,305) | | (16,054,305) |
| Net non-recurring income | 17,936,587 | (3,713,455) | 21,650,042 |
| **TOTAL** | **1,882,282** | **(3,713,455)** | **5,595,737** |

### 26.3.3 Statutory Auditors' report on the audited Company financial statements prepared in accordance with French GAAP for the year ended December 31, 2016

**Statutory Auditors' report on the 2016 Company financial statements prepared in accordance with French GAAP.**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.*

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

**Inventiva S.A.**
50, rue de Dijon
21121 Daix

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying financial statements of Inventiva SA;
- the justification of our assessments;
- the specific verifications and information required by law.

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.

**Opinion on the financial statements**

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 at December 31, 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

**Justification of our assessments**

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we inform you that the assessments we made concerned the appropriateness of the accounting principles used as well as the reasonableness of the significant estimates made.

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

## 1. Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

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 documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code 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 your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris La Défense, April 21, 2017

KPMG Audit
*Department of KPMG SA*

Jean Gatinaud
Partner

### 26.3.4 Performance and other related items over the last/previous five years

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| **I. Financial position at the year-end** | | | | | |
| a) Share capital | 101,300 | 101,300 | 101,300 | 101,300 | 101,300 |
| b) Number of shares issued | 100,300 | 0 | 0 | 0 | 0 |
| c) Number of bonds convertible into shares | 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 |
| b) Earnings/profit before taxes, amortization and provisions | 4,212,529 | 8,059,985 | 5,879,513 | 3,143,041 | 3,368,361 |
| c) Income tax | 2,985,890 | (82,465) | (1,828,083) | (3,138,469) | (3,713,455) |
| d) Earnings/profit after taxes, amortization and provisions | 780,392 | 6,958,132 | 6,501,852 | 5,144,194 | 5,595,737 |
| e) Earnings/profit distributed | 0 | 0 | 0 | 0 | 0 |
| **III. Per share data** | | | | | |
| a) Earnings/profit after taxes, but before amortization and provisions | 12 | 81 | 77 | 63 | 71 |
| b) Earnings/profit after taxes, amortization and provisions | 8 | 69 | 65 | 51 | 56 |
| c) Dividend per share | 0 | 0 | 0 | 0 | 0 |
| **IV. Employee-related payables** | | | | | |
| a) Number of employees | 82 | 92 | 104 | 106 | 108 |
| b) Personnel costs | 1,823,758 | 5,256,852 | 5,610,552 | 6,047,174 | 6,366,574 |
| c) Employee benefits (social security, social welfare, etc.) | 530,541 | 2,091,324 | 2,266,438 | 2,289,612 | 2,402,354 |

### 26.3.5 Information on customer and supplier payments

Breakdown of trade payables by due date:

| | | | Not due | | | |
|---|---|---|---|---|---|---|
| | Item | Due | At 30 days | Between 30 and 60 days | More than 60 days | TOTAL |
| 31/12/2016 | Suppliers | 262,649 | 2,038,222 | 141,148 | - | 2,442,019 |
| | Suppliers - Invoices not yet recevied | - | 511,025 | - | - | 511,025 |
| | TOTAL | 262,649 | 2,549,247 | 141,148 | - | **2,953,044** |

| | | | Not due | | | |
|---|---|---|---|---|---|---|
| | Item | Due* | A 30 jours | Entre 30 et 60 jours | A plus de 60 jours | TOTAL |
| 31/12/2015 | Suppliers | 169,148 | 2,149,988 | 221,236 | 128,173 | 2,668,545 |
| | Suppliers - Invoices not yet recevied | - | 904,568 | - | - | 904,568 |
| | TOTAL | 169,148 | 3,054,556 | 221,236 | 128,173 | **3,573,113** |

** Suppier has not deducted December payment*

The two tables below show a breakdown of unpaid incoming invoices as at December 31, 2016 that are past due:

| | 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 |
| **Suppliers** | 10 | 339,475 | 336,423 | 0 | 1,295 |
| Total purchasing for the year, net of tax | | 15,967,479 | 15,967,479 | 15,967,479 | 15,967,479 |
| **%** | **10** | **2.13%** | **2.11%** | **0.00%** | **0.01%** |

| | 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 |
| Keyrus | 1 | 35,322 | 35,322 | | |
| Delpharm | 1 | 1,757 | | 1,757 | |
| Fiducial | 1 | 1,295 | | | 1,295 |
| Pivotal | 7 | 301101 | 301101 | | |
| **TOTAL** | **10** | **339,475** | **336,423** | **1,757** | **1,295** |

The two tables below show a breakdown of unpaid outgoing invoices as at December 31, 2016 that are past due:

| | Unpaid outgoing 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 |
| **Clients** | 1 | 45 | 45 | 0 | 0 |
| Total revenue for the year, net of tax | | 9,445,644 | 9,445,644 | 9,445,644 | 9,445,644 |
| **%** | **1** | **0.00%** | **0.00%** | **0.00%** | **0.00%** |

| | Unpaid outgoing 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 |
| Seteo | 1 | 45 | 45 | | |
| **TOTAL** | **1** | **45** | **45** | **0** | **0** |

### 26.3.6 Statutory Auditors' fees

| | 2016 | | 2015 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| **Twice-yearly audit and limited review of the Company financial statements** | | | | |
| • Issuer<br>• Fully consolidated subsidiaries | 132,000 | 38% | 21,800 | 22% |
| *Subtotal* | *132,000* | *38%* | *21,800* | *22%* |
| **Non-audit services** | | | | |
| • Issuer<br>• Fully consolidated subsidiaries | 215,000 | 62% | 78,500 | 78% |
| *Subtotal* | *215,000* | *62%* | *78,500* | *78%* |
| **TOTAL** | **347,000** | **100%** | **100,300** | **100%** |

## 26.4 GLOSSARY

**α-synuclein**: protein in the human brain which is involved in the pathophysiology of Parkinson's disease.

**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.

**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.

**MA**: marketing authorization.

**Adenoidectomy**: an adenoidectomy is the surgical removal of the adenoids.

**Antiproliferative**: prevents or blocks the cell proliferation.

**B-Crosslaps (CTX)**: a marker of bone remodeling, its increase indicates excessive bone destruction.

**BLP**: Best Laboratory Practices.

**Hematopoietic stem cells**: cells produced in the bone marrow and make different blood cells: red blood cells, white blood cells and platelets.

**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.

**CPK (creatine phosphokinase)**: an enzyme whose presence in the blood helps to diagnose muscle, cardiac or brain damage, essentially and independently from its aetiology (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.

**Lipogenic enzymes**: hepatic enzymes responsible for the synthesis of triglycerides.

**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.

**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.

**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.

**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.

**Ligand**: a biological molecule that binds to a protein and activates it.

**LTS or Leukotrienes**: molecules that contribute to inflammation and insulin resistance.

**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.

**T lymphocytes**: a type of lymphocyte (type of white blood cell) that plays a central role in cellular mediated immunity.

**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.

**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).

**Epigenetic modulation**: epigenetic modulation of gene expression is 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.

**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.

**Oncogenesis**: all of the factors and mechanisms behind cancers or malignant tumors.

**Proteoglycans**: the combination of a protein and a GAG.

**CB2 receptors**: act as antagonists of G protein receptors and seem to be responsible for the anti-inflammatory effect.

**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.

**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.

**Chondroitin sulphate**: a sulphated glycosaminoglycan (GAG) composed of a chain of alternating sugars (N-acétylgalactosamine 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.

**Transforming Growth factor- β**: a family of multifunctional cytokines which regulate cell growth and differentiation.

**Chromosomal translocation**: chromosome abnormality caused by rearrangement of chromosome material between nonhomologous chromosomes.

**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.

## 26.5 DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF MAY 29, 2017

**INVENTIVA**

Joint stock company with a Board of Directors

with a share capital of €164,444.77

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

Dijon Trade and Companies Register 537 530 255

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**DRAFT RESOLUTIONS**
**SUBMITTED TO THE COMBINED GENERAL MEETING**
**OF MAY 29, 2017**

**ORDINARY RESOLUTIONS**

***FIRST RESOLUTION*** *(Approval of the parent company financial statements for the year ended December 31, 2016)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings and having reviewed the Board of Directors' management report and the Statutory Auditor's report, the General Meeting:

**Approves** the parent company financial statements for 2016, including the balance sheet, the income statement and the notes as presented and showing net profit of €5,595,737, together with the transactions represented in those statements and summarized in the aforementioned reports.

***SECOND RESOLUTION*** *(Appropriation of profit for the year ended December 31, 2016)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings and having reviewed the Board of Directors' management report and the Statutory Auditor's report, the General Meeting:

Having noted that the financial statements show a net profit of €5,595,737,

**Decides** to allocate the total net profit to "Retained earnings", thus increasing the credit balance from €19,008,438 to €24,604,175.

**Notes** that no dividends have been paid since the Company's incorporation.

***THIRD RESOLUTION*** *(Depreciation, amortization and expenses referred to in Article 39-4 of the French Tax Code for the year ended December 31, 2016)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings and having reviewed the Board of Directors' management report, the General Meeting:

**Approves**, pursuant to Article 223 *quater* of the French Tax Code, the non-deductible costs and expenses referred to in Article 39 paragraph 4 of the Code, amounting to €8,998 for 2016, as well as the corresponding tax expense of €2,999.

***FOURTH RESOLUTION*** *(Related-party agreement in favor of Frédéric Cren)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings and having reviewed the Statutory Auditor's special report on the agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code, the General Meeting:

**Approves** this report and the agreement in favor of Frédéric Cren, which remained in force during the year ended December 31, 2016. Frédéric Cren will not vote on this resolution.

***FIFTH RESOLUTION*** *(Related-party agreement in favor of Pierre Broqua)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings and having reviewed the Statutory Auditor's special report on the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code, and in particular Article L.225-42-1 of the French Commercial Code, the General Meeting:

**Approves** this report and the agreement in favor of Pierre Broqua, which remained in force during the year ended December 31, 2016.

**Approves** the payment by Inventiva of the premiums for the senior executive unemployment insurance policy (*Garantie Sociale des Chefs d'entreprise, GSC*) covering Pierre Broqua. Pierre Broqua will not vote on this resolution.

***SIXTH RESOLUTION*** *(Setting of the annual amount of directors' fees to be allocated to the members of the Board of Directors)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings and having reviewed the Board of Directors' management report, the General Meeting:

**Sets** the annual amount of directors' fees to be allocated to the members of the Board of Directors at €280,000 until decided otherwise.

***SEVENTH RESOLUTION*** *(Approval of the compensation policy applicable to Frédéric Cren as Chairman and Chief Executive Officer)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings and having reviewed the Board of Directors' report prepared in compliance with Article L. 225-37-2 of the French Commercial Code, the General Meeting:

**Approves** the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional components of the total compensation and benefits of any kind awarded to Frédéric Cren for the year ended December 31, 2017, in his capacity as Chairman of the Board of Directors and Chief Executive Officer of the Company, as set out in the report appended to the Management Report and presented in the Registration Document.

***EIGHTH RESOLUTION*** *(Approval of the compensation policy applicable to Pierre Broqua as Deputy General Manager)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings and having reviewed the Board of Directors' report prepared in compliance with Article L. 225-37-2 of the French Commercial Code, the General Meeting:

**Approves** the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional components of total compensation and benefits of any kind awarded to Pierre Broqua for the year ended December 31, 2017, in his capacity as Deputy General Manager, as set out in the report included as an appendix to the Management Report and presented in the Registration Document.

***NINTH RESOLUTION*** *(Authorization for the Board of Directors to purchase Company shares)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings and having reviewed the Board of Directors' report, the General Meeting:

**1. Authorizes** the Board of Directors, with the powers to sub-delegate said authorization where permitted by law, 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 General Regulation of the AMF, and the European regulation on market abuse and practices accepted by the AMF, to purchase, in one or more stages and at such times as it shall determine, ordinary shares of the Company representing a maximum of:

- 10% of the share capital at any given time.

This limit will apply to the number of shares adjusted to take into account any transactions that could affect the capital after this General Meeting and when the shares are bought back to allow for greater liquidity in the conditions set out by the General Regulation of the AMF; the number of shares included for the calculation of the 10% limit corresponds to the number of shares purchased, less any shares sold during the authorization period.

The number of shares purchased by the Company cannot exceed 10% of the Company's share capital at any given time.

**2. Decides** that these ordinary shares may be purchased in order to:

- implement and meet the obligations related to share option plans or other allocations of shares to employees and corporate officers, including shares awarded to employees and corporate officers of the Company under (i) the Company profit sharing plan, or (ii) any share purchases, share purchase options or bonus share plans provided by the law and in particular Articles L.3331-1 *et seq.* of the French Labor Code (including any share transfers referred to in Article L.3332-24 of the French Labor Code), as well as to carry out hedging transactions related to these transactions;
- buy or sell shares under a liquidity contract entered into with an investment services provider, under the conditions stipulated by the market authorities;
- deliver shares upon the exercise of rights attached to securities carrying rights to shares in the Company through redemption, conversion, exchange, presentation of a warrant or in any other way;
- reduce the share capital by canceling all or part of the shares purchased; and
- more generally, carry out all transactions authorized by law or any market practice authorized by the market authorities. The Company will inform its shareholders of any such cases by means of a press release.

**3. Decides** that the maximum purchase price may not exceed seventeen euros (€17), excluding transaction costs (or the equivalent value of this amount on the same date in any other currency). However, in the event of any transaction on the Company's share capital, such as a change in the par value of ordinary shares, a capital increase through the incorporation of reserves followed by the issue and allotment of bonus shares, a stock-split or reverse stock-split, a distribution of reserves or any other assets, the redemption of capital or any other transaction affecting equity, the Board of Directors may adjust the above maximum purchase price to take into account the impact on the share price of any such transactions.

**4. Decides** that the acquisition, disposal or transfer of shares may be made by any means allowed under current or future applicable laws, on a regulated market, through a multilateral trading system or a systematic internalizer or over-the-counter, including through the acquisition or sale of a block of shares, the use of options or other forward financial instruments or forward contracts, or warrants, or more generally, securities carrying rights to shares in the Company, at such times as the Board of Directors considers appropriate.

**5. Decides** that the Board of Directors will have full powers, with the option to sub-delegate said powers in accordance with the law, to re-use the shares repurchased for one of the targets of the program or one or more of its other targets, or to sell them, both on and off the market.

**6. Decides** that the Board of Directors will have full powers, with the option to sub-delegate said powers, to decide on and implement this authorization and determine the relevant procedures in accordance with the laws and this resolution, and, in particular, to place buy and sell orders, to enter into agreements notably for the keeping of registers of share purchases and sales, to make any and all filings with the AMF and any other authorities, to prepare any documents including information documents, to carry out all other formalities, and generally to do whatever is necessary.

**7. Notes** that the Board of Directors must inform the General Meeting of transactions carried out pursuant to this authorization, in accordance with the law.

**8. Decides** that this authorization is given for a period of 18 months from this General Meeting and cancels, with immediate effect, any prior delegation for the same purpose, thereby revoking the delegation granted by the Combined General Meeting of September 30, 2016, in its seventh resolution.

## EXTRAORDINARY RESOLUTIONS

***TENTH RESOLUTION*** *(Authorization for the Board of Directors to reduce the share capital by canceling shares)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report, and in compliance with Article L. 225-209 of the French Commercial Code, the General Meeting:

**1. Authorizes** the Board of Directors to cancel, in one or more stages, all or part of the ordinary shares, purchased and/or subsequently purchased by the Company under an authorization given by the ordinary General Meeting pursuant to Article L.225-209 of the French Commercial Code, subject to a maximum limit of 10% of the share capital of the Company per 24-month period; this 10% limit applies to a portion of the Company's capital adjusted, where applicable, to take into account transactions impacting the capital after this General Meeting.

**2. Decides** that the surplus of the purchase price of the ordinary shares over their par value will be charged against "issue premiums" or any available reserves, including the legal reserve, within the limit of 10% of the capital reduction.

**3. Authorizes** the Board of Directors to reduce the share capital accordingly.

**4. Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution, and notably to:

- set the final amount of this or these capital reduction(s), set their terms and conditions and record their completion;
- deduct the difference between the book value of the canceled shares and their par value from reserves and available premiums, including the legal reserve, within the limit of 10% of the capital canceled;
- amend the Articles of Association accordingly;
- carry out all formalities, make all declarations and filings with the relevant bodies and generally do whatever is necessary.

**5. Decides** that this authorization is given for a period of 18 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its twenty-third resolution.

***ELEVENTH RESOLUTION*** *(Delegation of powers to the Board of Directors to carry out a 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)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report and noted that the share capital has been fully paid up, in compliance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, and notably Articles L.225-129-2, L.225-132 to L.225-134 and Articles L.228-91 et seq., the General Meeting:

**Authorizes** the Board of Directors, with the powers to sub-delegate said authorization in accordance with the law, to carry out, in the proportions and at the times it deems appropriate, one or several capital increases with pre-emptive subscription rights, in France or in other countries and in euros or in any other currency or monetary unit calculated with reference to several currencies, through the issue of ordinary shares and/or securities granting, by any means, immediate or future access to ordinary shares issued by the Company.

**Decides** that the shareholders will have pre-emptive subscription rights to subscribe for shares to be issued and securities carrying rights to shares to be issued by the Company, in proportion to the amount of shares that they hold, and that the Board of Directors may establish a right for shareholders to subscribe for excess shares or securities issued, which can be exercised in proportion to their subscription rights and within the limit of their requests.

If subscriptions to which the shareholders are entitled as of right do not account for the entire issue of shares or securities granting access to capital issued pursuant to this resolution, the Board of Directors may use some or all of the different options provided for by Article L.225-134 of the French Commercial Code, in the order it deems appropriate, including the option to limit the share issue to the amount of subscriptions provided that it reaches at least three-quarters of the share issue decided, or to offer all or some of the securities that have not been subscribed for to the public.

**Decides** that the total nominal amount of the share capital increases that may be carried out by virtue of this delegation may not exceed one hundred thousand euros (€100,000). The total nominal amount of capital increases carried out under this resolution and the twelfth to nineteen resolutions and the twenty-first to twenty-fourth resolutions submitted to this General Meeting, will count towards this overall ceiling. This ceiling will be raised, where applicable, by the nominal amount of ordinary shares issued to preserve, in accordance with the law and any contractual provisions providing for other adjustment cases, the rights of holders of securities or other rights giving access to the capital of the Company.

**Decides** that the securities that give access to the Company's capital to be issued may consist of debt securities or be associated with the issue of such securities, or may permit the issue as intermediate securities. They may be subordinated or unsubordinated, with or without a fixed term, and issued in euros or in any other currency or monetary unit calculated with reference to several currencies.

The nominal amount of any debt securities issued may not exceed eighty million euros (€80,000,000) or the equivalent value of this amount in any currency or monetary unit calculated with reference to several currencies. This amount is the same for all debt securities whose issue is provided for under the twelfth and nineteenth resolutions submitted to this General Meeting and is independent of the amount of debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

**Notes** that this resolution entails the shareholders' waiver of their pre-emptive subscription rights to Company shares to which the securities issued on the basis of this delegation may confer a right.

**Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution and notably to:

- determine the features, amount and terms and conditions of any issue and the shares issued, including the category of securities issued, and to determine their subscription price (with or without a premium), how they will be paid up (in cash, and/or offset against due and payable receivables or partly in cash and partly through the incorporation of reserves, profits or premiums), the dividend entitlement date (which may be retroactive), the terms and conditions under which the securities issued on the basis of this resolution will give access to shares to be issued by the Company, the conditions under which these securities may give access to existing shares in the capital or debt securities of the Company, the conditions for their purchase or cancellation as applicable, and the possible suspension of rights to shares attached to securities to be issued; these shares or securities may be issued by way of a subscription offer, but also by free allocation to holders of existing shares, such as Company share warrants; in the event of the allotment of bonus shares, the Board of Directors may decide that fractional rights will not be negotiable and that the corresponding securities will be sold;
- determine when the securities issued consist of or are associated with debt securities, whether they are for a fixed term or not, subordinated or not, and how they are to be paid;
- take all necessary measures to protect the rights of holders of securities or other rights giving access to the capital in accordance with applicable laws and regulations and any contractual provisions providing for other cases of adjustment;
- deduct, where applicable, all expenses linked to the capital increases from the premiums related to these increases and, where appropriate, all amounts required to bring the balance of the legal reserve to one tenth of the new capital after each issue;
- enter into any and all agreements required for the success of an issue and to carry out said issues, in one or more stages and in the proportions and at the times it deems appropriate, both in France and in other countries where relevant, as well as to postpone issues where required;
- have, where appropriate, the shares, the securities to be issued or the shares issued through the exercise of securities giving access to the capital to be issued, admitted to trading on a regulated market;
- record the completion of the capital increases carried out by virtue of this resolution and amend the Articles of Association accordingly, perform any and all formalities and filings and request any authorizations that may prove necessary for the performance and satisfactory completion of the issues.

**7. Decides** that this delegation is given for a period of 26 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its ninth resolution.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution each year.

***TWELFTH RESOLUTION*** *(Delegation of powers to the Board of Directors to carry out a 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 offers)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report and noted that the share capital is fully paid up, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, notably Articles L.225-129-2, L.225-135 to L.225-136, and Articles L.228-91 *et seq.*, the General Meeting:

**1. Authorizes** the Board of Directors, with the powers to sub-delegate said authorization where permitted by law, to carry out capital increases without pre-emptive subscription rights, in one or more stages and in the proportions and at the times it deems appropriate, both in France and in other countries and in euros or in any other currency or monetary unit calculated with reference to several currencies, through the issue of ordinary shares of the Company and/or securities granting, by any means, immediate or future access to ordinary shares issued by the Company during public offers.

Public offers decided under this resolution may be assimilated to offers governed by paragraph II of Article L.411-2 of the French Monetary and Financial Code, in the case of a same issue or several issues carried out simultaneously.

**2. Decides** that the total nominal amount of the share capital increases that may be carried out by virtue of this delegation may not exceed eighty thousand euros (€80,000). The total nominal amount of capital increases carried out under this resolution will count towards the overall ceiling of one hundred thousand euros (€100,000) determined in point 3 of the eleventh resolution referred to above. These ceilings will be raised, where applicable, by the nominal amount of additional shares which may be issued to preserve, in accordance with the law and any contractual provisions providing for other adjustment cases, the rights of holders of securities or other rights giving access to the capital of the Company.

**3. Decides** that the securities giving access to capital issued by the Company may consist of debt securities or be associated with the issue of such securities, or may permit their issue as intermediate securities. They may be subordinated or unsubordinated, with or without a fixed term, and issued in euros or in any other currency or monetary unit calculated with reference to several currencies.

**4.** The nominal amount of any debt securities issued by virtue of this delegation may not exceed eighty million euros (€80,000,000) or the equivalent thereof in any currency or monetary unit calculated with reference to several currencies, this amount counting towards the celling determined in point 4 of the eleventh resolution referred to above; it is independent from the amount of debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

**5. Decides** to cancel shareholders' pre-emptive subscription rights to shares and securities giving access to capital issued by the Company on the basis of this delegation.

**6. Notes** that this delegation entails the shareholders' waiver of their pre-emptive subscription rights to Company shares to which the securities issued by virtue of this delegation may confer a right.

**7. Decides** that the Board of Directors may grant shareholders priority subscription as of right and/or in respect of any excess shares, during a period and under the conditions it shall determine, for all or part of an issue carried out under this resolution and which must be exercised in proportion to the number of shares held by each shareholder in accordance with the applicable laws and regulations.

**8. Decides** that if subscriptions do not account for the entire issue of ordinary shares or securities giving access to capital, the Board of Directors may use all or some of the different options provided for by Article L.225-134 of the French Commercial Code, in the order it deems appropriate, including limiting the share issue to the amount of the subscriptions provided they reach at least three-quarters of the share issue decided.

**9. Decides** that (i) the issue price of the shares to be issued under this resolution shall be at least equal to the minimum price authorized by the 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 was set, with the possible application of a discount of up to 5%) and (ii) the issue price of the 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 securities, at least equal to the amount referred to in (i) above.

**10. Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution, and notably to:

- determine the features, amount and terms and conditions of any issue and any shares issued, including the category of securities issued and, in light of the information provided in the Board of Directors' report, determine their subscription price (with or without a premium), how they will be paid up (in cash, and/or offset against due and payable receivables or partly in cash and partly through the incorporation of reserves, profits or premiums), their dividend entitlement date (which may be retroactive), the terms and conditions under which the securities issued on the basis of this resolution will give access to shares to be issued by the Company, the conditions in which these securities may give access to existing shares in the capital or debt securities of the Company, the conditions for

their purchase or cancellation as applicable, and the possible suspension of rights to ordinary shares attached to securities to be issued;

- determine when the securities issued shall consist of or be associated with debt securities, whether they should be for a fixed term or not, whether they should be subordinated or not and how they are to be paid;
- take all necessary measures to protect the rights of holders of securities or other rights giving access to capital, in accordance with applicable law and regulations and any contractual provisions providing for other cases of adjustment;
- deduct, where applicable, all expenses linked to the capital increases from the premiums related to these increases and, where appropriate, all amounts required to bring the balance of the legal reserve to one tenth of the new capital after each issue;
- enter into any and all agreements required for the success of an issue and to carry out said issues, in one or more stages and in the proportions and at the times it deems appropriate, both in France and in other countries where relevant, as well as to postpone issues where required;
- have, where appropriate, the shares, the securities to be issued or the shares issued through the exercise of securities giving access to the capital to be issued, admitted to trading on a regulated market;
- record the completion of the capital increases carried out by virtue of this resolution and amend the Articles of Association accordingly, perform any and all formalities and filings and request any authorizations that may prove necessary for the performance and satisfactory completion of the issues.

**11. Decides** that this delegation is given for a period of 26 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its tenth resolution.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution each year.

***THIRTEENTH RESOLUTION*** *(Delegation of powers 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)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report and noted that the share capital is fully paid up, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, notably Articles L.225-129-2, L.225-135 to L.225-136, and Articles L.228-91 *et seq.*, the General Meeting:

**1. Authorizes** the Board of Directors, with the powers to sub-delegate said authorization in accordance with the law, to carry out one or several capital increases without pre-emptive subscription rights pursuant to offers referred to in Article L.411-2, II of the French Monetary and Financial Code, in one or more stages and in the proportions and at the times it deems appropriate, both in France and in other countries and in euros or in any other currency or monetary unit calculated with reference to several currencies, through the issue of ordinary shares of the Company and/or securities granting, by any means, immediate or future access to ordinary shares issued by the Company.

**2. Decides** that the total nominal amount of the share capital increases that may be carried out by virtue of this delegation may not exceed eighty thousand euros (€80,000), it being specified that (i) this ceiling is an overall ceiling set in point 2 of the twelfth resolution referred to above and will count towards the latter and (ii) the total nominal amount of capital increases carried out under this resolution will count towards the overall ceiling of one hundred thousand euros (€100,000) set in point 3 of the eleventh resolution referred to above. These ceilings will be raised, where applicable, by the nominal amount of additional shares which may be issued to preserve, in accordance with the law and any contractual provisions providing for other adjustment cases, the rights of holders of securities or other rights giving access to the capital of the Company. In any event, the total nominal amount of the capital increases carried out by virtue of this delegation cannot exceed the maximum amount provided for by law (i.e., on the day of this General Meeting, 20% of the capital increased per year on the date of the implementation of this delegation by the Board of Directors).

**3. Decides** that the securities giving access to capital issued by the Company may consist of debt securities or be associated with the issue of such securities, or may permit the issue as intermediate securities. They may be subordinated or unsubordinated, with or without a fixed term, and issued in euros or in any other currency or monetary unit calculated with reference to several currencies.

The nominal amount of any debt securities issued by virtue of this delegation may not exceed eighty million euros (€80,000,000) or the equivalent of such amount in any currency or monetary unit calculated with reference to several currencies, this amount counting towards the celling determined in point 4 of the eleventh resolution referred to above.

**4. Decides** to cancel shareholders' pre-emptive subscription rights to shares and securities giving access to capital issued by the Company on the basis of this delegation.

**5. Notes** that, if subscriptions do not represent the full issue of shares or securities, the Board of Directors may limit the amount of the operation to the amount of subscriptions received and that this delegation entails the shareholders' waiver of their pre-emptive subscription rights to Company shares to which the securities issued on the basis of this delegation may confer a right.

**6. Decides** that (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 was set, with the possible application of a discount of up to 5%) and (ii) the issue price of the 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 securities, at least equal to the amount referred to in (i) above.

**7. Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution, and notably to:

- determine the features, amount and terms and conditions of any issue and any shares issued, including the category of securities issued and, in light of the information provided in the Board of Directors' report, determine their subscription price (with or without a premium), how they will be paid up (in cash, and/or offset against due and payable receivables or partly in cash and partly through the incorporation of reserves, profits or premiums), their dividend entitlement date (which may be retroactive), the terms and conditions under which the securities issued on the basis of this resolution will give access to shares to be issued by the Company, the conditions in which these securities may give access to existing shares in the capital or debt securities of the Company, the conditions for their purchase or cancellation as applicable, and the possible suspension of rights to ordinary shares attached to securities to be issued;
- determine when the securities issued shall consist of or be associated with debt securities, whether they should be for a fixed term or not, whether they should be subordinated or not and how they are to be paid;
- take all necessary measures to protect the rights of holders of securities or other rights giving access to capital, in accordance with applicable law and regulations and any contractual provisions providing for other cases of adjustment;
- deduct, where applicable, all expenses linked to the capital increases from the premiums related to these increases and, where appropriate, all amounts required to bring the balance of the legal reserve to one tenth of the new capital after each increase;
- enter into any and all agreements required for the success of an issue and to carry out said issues, in one or more stages and in the proportions and at the times it deems appropriate, both in France and in other countries where relevant, as well as to postpone issues where required;
- have, where appropriate, the ordinary shares, the securities to be issued or the shares issued through the exercise of securities giving access to the capital to be issued, admitted to trading on a regulated market;
- record the completion of the capital increases carried out by virtue of this resolution and amend the Articles of Association accordingly, perform any and all formalities and filings and request any authorizations that may prove necessary for the performance and satisfactory completion of the issues.

**8. Decides** that this delegation is given for a period of 26 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its eleventh resolution.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution.

***FOURTEENTH RESOLUTION*** *(Authorization for the Board of Directors to set the issue price for issues without pre-emptive subscription rights through public offers or private placements, in accordance with the terms and conditions set by the General Meeting and up to a limit of 10% of the share capital)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report, and in compliance with Article L. 225-136 of the French Commercial Code, the General Meeting:

**1. Authorizes** the Board of Directors, with the powers to sub-delegate said authorization in accordance with the law, in the case where ordinary shares of the Company and/or securities granting, by any means, immediate or future access to the capital of the Company are issued without pre-emptive subscription rights in line with the price conditions provided for in the twelfth and thirteenth resolutions, to depart from the terms and conditions for setting the price provided for in these resolutions and to set the issue price of the shares as follows:

- The issue price cannot be lower than the volume-weighted average price on the last three trading days on the regulated Euronext Paris market before the issue price is set less a discount of up to 20%.

- The issue price of securities other than shares will be such that the amount received immediately by the Company plus, where applicable, the amount likely to be received in the future by the Company, is equal to or greater than the amount referred to in the previous paragraph.

**2. Decides** that the total nominal amount of the share capital increases that may be carried out under this resolution may not represent over 10% of the Company's capital in any 12-month period (as of the date of this delegation), as a departure from the conditions for setting the price provided for in the twelfth and thirteen resolutions.

**3. Notes** that the Board of Directors will have to prepare an additional report, certified by the Statutory Auditor, describing the final terms and conditions of the transaction and the information used to assess the impact of the transaction for shareholders.

**4. Decides** that the Board of Directors will have full powers to implement this resolution in accordance with the resolutions under which the issue is decided and this authorization is given for a period of 26 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its twelfth resolution.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution each year.

***FIFTEENTH RESOLUTION*** *(Delegation of powers to the Board of Directors to decide on the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, with cancellation of pre-emptive subscription rights for specific categories of beneficiaries)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report and noted that the share capital has been fully paid up, in compliance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code and particularly Articles L.225-129-2, L.225-129-4, L.225-135, L.225-138, L.228-91 et seq., the General Meeting:

**1. Authorizes** the Board of Directors, with the powers to sub-delegate said authorization in accordance with the law, to issue ordinary shares of the Company and/or securities granting, by any means, immediate or future access to ordinary shares issued by the Company, in one or more stages and in the proportions and at the times it deems appropriate, both in France and abroad and in euros or in any other currency or monetary unit calculated with reference to several currencies, with the cancellation of pre-emptive subscription rights for specific categories of beneficiaries.

**2. Decides** that the total nominal amount of the share capital increases that may be carried out by virtue of this delegation may not exceed eighty thousand euros (€80,000), it being specified that (i) this ceiling is an overall ceiling set in point 2 of the twelfth resolution referred to above and will count towards the latter and (ii) the total nominal amount of capital increases carried out under this resolution will count towards the overall ceiling of one hundred thousand euros (€100,000) set in point 3 of the eleventh resolution referred to above. These ceilings will be raised, where applicable, by the nominal amount of additional shares which may be issued to preserve, in accordance with the law and any contractual provisions providing for other adjustment cases, the rights of holders of securities or other rights giving access to the capital of the Company.

**3. Decides** that the securities giving access to capital issued by the Company may consist of debt securities or be associated with the issue of such securities, or may permit their issue as intermediate securities. They may be subordinated or unsubordinated, with or without a fixed term, and issued in euros or in any other currency or monetary unit calculated with reference to several currencies.

The nominal amount of any debt securities issued by virtue of this delegation may not exceed eighty million euros (€80,000,000) or the equivalent of such amount in any currency or monetary unit calculated with reference to several currencies, this amount counting towards the celling determined in point 4 of the eleventh resolution referred to above.

**4. Decides** to cancel shareholders' pre-emptive subscription rights to shares and other securities issued pursuant to this resolution and to reserve the shares and other securities to be issued pursuant to this resolution for specific categories of beneficiaries satisfying one of following requirements:

(i) natural or legal persons (including companies), trusts or investments funds, and other investment vehicles, whatever their form, established under French or foreign law, which regularly invest in the pharmaceutical sector, the biotechnology sector and the medical technology sector; and/or

(ii) companies, institutions or entities, whatever their form, French or foreign, working in the pharmaceutical sector, the cosmetic or chemical sector or for research in these sectors; and/or

(iii) French or foreign investment service providers with equivalent status, likely to participate in an issue intended to be placed with persons referred to in (i) and/or (ii) above, and, in that context, to subscribe to the shares issued.

**5. Authorizes** the Board of Directors, with the powers to sub-delegate, to draw up the list of beneficiaries of this or these share capital increase(es) and/or issue(s) of securities reserved for this category or these categories of persons and the number of shares to be allocated to each one of them.

**6. Decides** that if subscriptions do not account for the entire issue of shares or securities that give access to capital issued under this resolution, the Board of Directors may restrict the issue to the amount of the subscriptions made, provided that the subscriptions amount to at least three quarters of the issue decided;

**7. Notes** that this delegation entails the shareholders' waiver of their pre-emptive subscription rights to Company shares to which the securities issued on the basis of this delegation may confer a right.

**8. Decides** that (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 cannot be lower than the volume-weighted average price on 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 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 securities, at least equal to the amount referred to in (i) above.

**9. Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution and notably to:

- determine the features, amount and terms and conditions of any issue and any shares issued, including the category of securities issued and, in light of the information provided in the Board of Directors' report, determine their subscription price (with or without a premium), how they will be paid up (in cash, and/or offset against due and payable receivables or partly in cash and partly through the incorporation of reserves, profits or premiums), their dividend entitlement date (which may be retroactive), the terms and conditions under which the securities issued on the basis of this resolution will give access to shares to be issued by the Company, the conditions in which these securities may give access to existing shares in the capital or debt securities of the Company, the conditions for their purchase or cancellation as applicable, and the possible suspension of rights to ordinary shares attached to securities to be issued;

- determine when the securities issued shall consist of or be associated with debt securities, whether they should be for a fixed term or not, whether they should be subordinated or not and how they are to be paid;

- take all necessary measures to protect the rights of holders of securities or other rights giving access to capital, in accordance with applicable law and regulations and any contractual provisions providing for other cases of adjustment;

- deduct, where applicable, all expenses linked to the capital increases from the premiums related to these increases and, where appropriate, all amounts required to bring the balance of the legal reserve to one tenth of the new capital after each increase;

- enter into any and all agreements required for the success of an issue and to carry out said issues, in one or more stages and in the proportions and at the times it deems appropriate, both in France and in other countries where relevant, as well as to postpone issues where required;

- have, where appropriate, the ordinary shares, the securities to be issued or the shares issued through the exercise of securities giving access to the capital to be issued, admitted to trading on a regulated market;

- record the completion of the capital increases carried out by virtue of this resolution and amend the Articles of Association accordingly, perform any and all formalities and filings and request any authorizations that may prove necessary for the performance and satisfactory completion of the issues.

**10. Decides** that this delegation is given for a period of eighteen 18 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its thirteenth resolution.

The Board of Directors will prepare a report for the next Ordinary General Meeting describing the final conditions of the transaction pursuant to this resolution.

***SIXTEENTH RESOLUTION*** *(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)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report, and in compliance with Articles L.225-135-1 and R.225-1188 of the French Commercial Code, the General Meeting:

**1. Authorizes** the Board of Directors, with the powers to sub-delegate said authorization in accordance with the law, to decide to increase the number of securities to be issued subject to the ceiling provided for in the resolution according to which the issue is decided, within the time limits and other limits provided for by applicable regulations on the issue date (on the day of the General Meeting within 30 days of the end of the subscription period within the limit of 15% of the initial issue and at the same price) for each of the issues decided pursuant to the eleventh to thirteenth and fifteenth resolutions.

**2. Decides** that this authorization is given for a period of 26 months from this General Meeting (except if this authorization is used under the fifteenth resolution, in which case this authorization is given for a period of 18 months) and cancels, with

immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its fourteenth resolution.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution each year.

***SEVENTEENTH RESOLUTION*** *(Delegation of powers to the Board of Directors to carry out a capital increase as part of a public exchange offer 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)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report and noted that the share capital has been fully paid up, in compliance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code, notably Articles L.225-129-2 and L.225-148 and Articles L.228-91 *et seq.*, the General Meeting:

**1. Authorizes** the Board of Directors, with the powers to sub-delegate said authorization in accordance with the law, to decide to issue ordinary shares of the Company and/or securities granting, by any means, immediate or future access to ordinary shares issued by the Company, in one or more stages, both in France and in other countries and in euros or in any other currency or monetary unit calculated with reference to several currencies, in consideration for securities tendered by the Company in a public offering with a share exchange component (on a principal or subsidiary basis) initiated by the Company, in France or in other countries, in accordance with local laws, for the securities of another listed company on one of the regulated markets referred to in Article L.225-148 of the French Commercial Code.

**2. Decides**, as needed, to cancel shareholders' pre-emptive subscription rights to these ordinary shares and/or securities to be issued in favor of the holders of these securities.

**3. Decides** that the total nominal amount of the share capital increases that may be carried out by virtue of this delegation may not exceed eighty thousand euros (€80,000), it being specified that (i) this ceiling is an overall ceiling set in point 2 of the twelfth resolution referred to above and will count towards the latter and (ii) the total nominal amount of capital increases carried out under this resolution will count towards the overall ceiling of one hundred thousand euros (€100,000) set in point 3 of the eleventh resolution referred to above. These ceilings will be raised, where applicable, by the nominal amount of additional shares which may be issued to preserve, in accordance with the law and any contractual provisions providing for other adjustment cases, the rights of holders of securities or other rights giving access to the capital of the Company.

**4. Decides** that the securities giving access to capital issued by the Company may consist of debt securities or be associated with the issue of such securities, or may permit their issue as intermediate securities. They may be subordinated or unsubordinated, with or without a fixed term, and issued in euros or in any other currency or monetary unit calculated with reference to several currencies.

The nominal amount of any debt securities issued by virtue of this delegation may not exceed eighty million euros (€80,000,000) or the equivalent thereof in any currency or monetary unit calculated with reference to several currencies, this amount counting towards the celling determined in point 4 of the eleventh resolution referred to above; it is independent from the amount of debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

**5. Notes** that this delegation entails the shareholders' waiver of their pre-emptive subscription rights to Company shares to which the securities issued by virtue of this delegation may confer a right.

**6. Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution, and notably to:

- set the exchange ratio and, where applicable, the amount of the cash adjustment to be paid;
- determine the terms and conditions of any issue and the characteristics of the securities that may be issued under this resolution;
- record the number of securities tendered in the exchange;
- determine the dates and terms and conditions of the issue, in particular the price and dividend entitlement date (which may be retroactive) of new shares or, where applicable, of securities granting immediate and/or future access to shares in the Company;
- take all necessary measures to protect the rights of holders of securities or other rights giving access to capital, in accordance with applicable law and regulations and any contractual provisions providing for other cases of adjustment;
- record the difference between the issue price of the new shares and their par value in a "contribution premium" account in the balance sheet liabilities, to which all shareholders shall have rights;
- deduct, where applicable, all expenses linked to the capital increases from the premiums related to these contributions and, where appropriate, all amounts required to bring the balance of the legal reserve to one tenth of the new capital after each issue;

- have, where appropriate, the ordinary shares, the securities to be issued or the shares issued through the exercise of securities giving access to the capital to be issued, admitted to trading on a regulated market;
- record the completion of the capital increases under this resolution and amend the Articles of Association accordingly, perform any and all formalities and filings and request any authorizations that may prove necessary for the completion of the issues.

**7. Decides** that this delegation is given for a period of 26 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its fifteenth resolution.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution each year.

***EIGHTEENTH RESOLUTION*** *(Delegation of powers 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 offer 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)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report and noted that the share capital has been fully paid up, in compliance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code, notably Articles L.225-129-2 and L.225-147 and Articles L.228-91 *et seq.*, the General Meeting:

**1. Authorizes** the Board of Directors, with the powers to sub-delegate said authorization in accordance with the law, to decide, on the basis of the report of the Contribution Auditor(s), to issue ordinary shares of the Company and/or securities granting, by any means, immediate or future access to ordinary shares issued by the Company, in one or more stages, both in France and in other countries and in euros or in any other currency or monetary unit calculated with reference to several currencies, in payment for contributions in kind granted to the Company comprising shares in the Company or securities giving access to the share capital of other companies when the provisions of Article L.225-148 of the French Commercial Code do not apply.

**2. Decides** that the total nominal amount of the share capital increases that may be carried out by virtue of this delegation will be within the limit of 10% of the share capital (as of the date of the transaction), it being specified that (i) this ceiling is an overall ceiling set in point 2 of the twelfth resolution referred to above and will count towards the latter and (ii) the total nominal amount of capital increases carried out under this resolution will count towards the overall ceiling of one hundred thousand euros (€100,000) set in point 3 of the eleventh resolution referred to above. These ceilings will be raised, where applicable, by the nominal amount of additional shares which may be issued to preserve, in accordance with the law and any contractual provisions providing for other adjustment cases, the rights of holders of securities or other rights giving access to the capital of the Company.

**3. Decides** that the securities giving access to capital issued by the Company may consist of debt securities or be associated with the issue of such securities, or may permit their issue as intermediate securities. They may be subordinated or unsubordinated, with or without a fixed term, and issued in euros or in any other currency or monetary unit calculated with reference to several currencies.

The nominal amount of any debt securities issued by virtue of this delegation may not exceed thirty million euros (€30,000,000) or the equivalent thereof in any currency or monetary unit calculated with reference to several currencies, this amount counting towards the celling determined in point 4 of the eleventh resolution referred to above; it is independent from the amount of debt securities whose issue may be decided or authorized by the Board of Directors in accordance with Article L.228-40 of the French Commercial Code.

**4. Notes** that there is no shareholders' pre-emptive subscription rights to shares and securities thus issued and that this delegation entails the shareholders' waiver of their pre-emptive subscription rights to Company shares to which the securities issued on the basis of this delegation may confer a right.

**5. Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution, and notably to:

- decide, on the basis of the report of the Contribution Auditor(s) referred to in paragraphs 1 and 2 of Article L.225-147 of the French Commercial Code, on the valuation of the contributions and the granting of specific advantages;
- determine the dates and terms and conditions of the issue, in particular the price and dividend entitlement date (which may be retroactive) of new shares and/or, where applicable, of securities granting immediate or future access to shares in the Company;
- deduct, where applicable, all expenses linked to the capital increases from the premiums related to these contributions and, where appropriate, all amounts required to bring the balance of the legal reserve to one tenth of the new capital after each issue;

- take all necessary measures to protect the rights of holders of securities or other rights giving access to capital, in accordance with applicable law and regulations and any contractual provisions providing for other cases of adjustment;
- have, where appropriate, the ordinary shares, the securities to be issued or the shares issued through the exercise of securities giving access to the capital to be issued, admitted to trading on a regulated market;
- record the completion of the capital increases under this resolution and amend the Articles of Association accordingly, perform any and all formalities and filings and request any authorizations that may prove necessary for the completion of these contributions.

**6. Decides** that this delegation is given for a period of 26 months, except if this authorization is used under the fifteenth resolution, in which case this authorization is given for a period of 18 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its sixteenth resolution.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution each year.

***NINETEENTH RESOLUTION*** *(Delegation of powers 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 reserved for members of an employee savings plan implemented by the Company in accordance with Articles L.3332-18 et seq. of the French Labor Code)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report in accordance with the law and the provisions of Articles L. 225-129 et seq. of the French Commercial Code, notably Articles L.225-129-2, L.225-129-6 and L.225-138-1 and Articles L.3332-18 et seq., the General Meeting:

**1. Authorizes** the Board of Directors, with the powers to sub-delegate said authorization in accordance with the law, to carry out a capital increase, in one or more stages, at its own discretion and in the proportions it deems appropriate, through the issue of ordinary shares of the Company and/or securities granting, by any means, immediate or future access to ordinary shares issued by the Company, reserved for employees of the Company and of companies affiliated to it, within the meaning of Article L.225-180 of the French Commercial Code who are members of an Employee Savings Plan set up at the initiative of the Company and/or mutual funds through which newly issued shares are subscribed for by the employees.

**2. Decides** that the total nominal amount of the share capital increases that may be carried out by virtue of this resolution may not exceed three thousand euros (€3,000). The total nominal amount of capital increases carried out under this resolution will count towards the overall ceiling of one hundred thousand euros (€100,000) determined in point 3 of the eleventh resolution referred to above. These ceilings will be raised, where applicable, by the nominal amount of additional shares which may be issued to preserve, in accordance with the law and any contractual provisions providing for other adjustment cases, the rights of holders of securities or other rights giving access to the capital of the Company.

**3. Decides** to cancel the pre-emptive subscription rights to bonus shares and securities to be issued of the beneficiaries defined in the first paragraph above which entails the shareholders' waiver of their pre-emptive subscription rights to shares to which the securities issued on the basis of this delegation may confer a right.

**4. Notes** that this delegation entails the shareholders' waiver of their pre-emptive subscription rights to Company shares to which the securities issued by virtue of this delegation may confer a right.

**5. Decides** that the issue price of new shares or securities to be issued pursuant to this resolution will be determined in accordance with Article L.3332-19 of the French Labor Code where the Company's shares are admitted to trading on a regulated market and to Article L.3332-20 of the French Labor Code where the Company's shares are not admitted to trading on a regulated market, and decides to set the discount of up to 20%. However, the General Meeting expressly authorizes the Board of Directors to reduce the discount or not grant any discount to take into account the regulatory provisions applicable in the country where the offer will be implemented.

**6. Decides**, pursuant to Article L.3332-21 of the French Labor Code, that the Board of Directors may grant newly issued shares or existing bonus shares or other securities giving access to the capital of the Company to the beneficiaries defined in the first paragraph above in the form of (i) a company contribution paid in accordance with the employee savings plans, and/or (ii) where appropriate, a discount.

**7. Decides** that, in the case where the beneficiaries defined in the first paragraph above have not subscribed for the full amount of the capital increase within the required timeframe, it may not exceed the amount of the shares subscribed for and shares that have not been subscribed for can again be offered to the beneficiaries in a subsequent capital increase.

**8. Decides** that the Board of Directors will have full powers within the limits and under the conditions specified above, to set all the terms and conditions of the transactions, to postpone the capital increase and notably to:

- set up an employee savings plan in accordance with Articles L.3332-1 *et seq.* of the French Labor Code;
- decide that the issues can be made directly to the beneficiaries or through Undertakings for Collective Investment in Transferable Securities (UCITS);
- set the terms and conditions of issues made pursuant to this delegation, including dividend entitlement, conditions for the payment and the subscription price of ordinary shares or securities that give access to the capital of the Company in accordance with the law;
- set the opening date and the closing date of the subscription period;
- set the time period for the payment of subscriptions of ordinary shares or securities giving access to capital;
- take all necessary measures to protect the rights of holders of securities or other rights giving access to capital, in accordance with applicable law and regulations and any contractual provisions providing for other cases of adjustment;
- record the completion of the capital increase for the amount of the shares or securities giving access to capital that are effectively subscribed and amend the Articles of Association accordingly;
- deduct, where applicable, all expenses linked to the capital increases from the premiums related to these increases and, where appropriate, all amounts required to bring the balance of the legal reserve to one tenth of the new capital after each increase;
- have, where appropriate, the shares, the securities to be issued or the shares issued through the exercise of securities giving access to the capital to be issued, admitted to trading on a regulated market;
- perform any and all formalities and filings and request any authorizations that may prove necessary for the performance of the issues.

**9. Decides** that this delegation, which supersedes and replaces the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its twenty-first resolution, is given for a period of 26 months from this General Meeting.

***TWENTIETH RESOLUTION*** *(Delegation of powers to the Board of Directors to carry out the capital increase through the incorporation of reserves, profits or premiums)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings and having reviewed the Board of Directors' report and in compliance with Articles L.225-129-2 and L.225-130 of the French Commercial Code, the General Meeting:

**1. Authorizes** the Board of Directors, with the powers to sub-delegate said authorization in accordance with the law, to carry out a capital increase, in one or more stages, in the proportions and at the times it deems appropriate, through the successive or simultaneous incorporation of reserves, profits, premiums or other amounts that may be capitalized, by increasing the par value of the existing shares and/or issuing and awarding bonus shares.

**2. Decides** that the total nominal amount of the share capital increases that may be carried out by virtue of this delegation may not exceed twenty thousand euros (€20,000), it being specified that this ceiling is independent and separate from the ceilings of capital increases carried out as a result of the issues of ordinary shares or securities authorized by the other resolutions submitted to this General Meeting as well as the resolutions adopted at previous General Meetings and that are still in force, and this ceiling will be raised, where applicable, by the nominal amount of additional shares which may be issued to preserve, in accordance with the law and, where applicable, contractual provisions providing for other adjustment cases, the rights of holders of securities or other rights giving access to the capital of the Company.

**3. Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution, and notably to:

- set the amount and nature of the amounts to be capitalized;
- determine the number of new shares to be issued and/or the amount by which the par value of existing shares comprising the share capital will be increased;
- set the date (which may be retroactive) from which dividend rights will be attached to the new shares or the date on which the increase in the par value of the existing shares in the Company will take effect;
- decide, where appropriate, whether fractional rights will not be tradable or transferable and whether the corresponding shares will be sold; proceeds from the sale will be given to the holders of rights, within the time limits under applicable law;
- take all necessary measures to protect the rights of holders of securities or other rights giving access to capital, in accordance with applicable law and regulations and any contractual provisions providing for other cases of adjustment;
- deduct, where applicable, all expenses linked to the capital increase from any available reserves and, where appropriate, the amounts required to bring the balance of the legal reserve to one tenth of the new capital after each issue;
- have, where appropriate, the shares to be issued, admitted to trading on a regulated market;

- record the completion of the capital increases under this resolution and amend the Articles of Association accordingly, perform any and all formalities and filings and request any authorizations that may prove necessary for the completion of the issues.

**4. Decides** that this delegation is given for a period of 26 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its twenty-second resolution.

***TWENTY-FIRST RESOLUTION*** *(Modification of the ceiling for the authorization for the Board of Directors to freely award shares to members of paid staff and/or certain corporate officers)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report and noted that the share capital has been fully paid up, in compliance with Articles L.225-197-1 and L.225-197-2 of the French Commercial Code, the General Meeting:

**1. Decides** to amend the authorization given by the Combined General Meeting of September 30, 2016 in its seventeenth resolution, to grant, in one or more stages, existing or to be issued bonus shares to:

- employees of the Company or companies directly or indirectly affiliated to it within the meaning of Article L.225-197-2 of the French Commercial Code, and/or
- corporate officers meeting the conditions referred to in Article L.225-197-1, II of the French Commercial Code,

**2. Decides** that the total nominal amount of the shares granted free of charge may not exceed 5% of the share capital on the date the Board of Directors decides to award the shares. The total nominal amount of the share capital increases that may be carried out under this resolution will count towards the overall ceiling of one hundred thousand euros (€100,000) set in point 3 of the eleventh resolution referred to above.

**3. Decides** that the other terms and conditions of the authorization granted by the Combined General Meeting of September 30, 2016 in its seventeenth resolution and not amended by this resolution, remain unchanged.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution each year.

***TWENTY-SECOND RESOLUTION*** *(Authorization for the Board of Directors to grant Company share subscription and/or purchase options to corporate officers and employees of the Company or companies of the group, which entails the shareholders' waiver of their pre-emptive subscription rights to shares issued when the options are exercised)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report and noted that the share capital has been fully paid up, in compliance with Articles L.225-197-177 *et seq*. of the French Commercial Code, the General Meeting:

**1. Authorizes** the Board of Directors to grant, in one or more stages, share subscription or share purchase options reserved for the employees or corporate officers or certain categories of corporate officer of the Company or companies or French or foreign entities affiliated to it within the meaning of Article L.225-180 of the French Commercial Code.

**2. Decides** that the total number of options granted pursuant to this resolution shall not grant entitlement to a total number of shares exceeding 5% of the capital on the date of the decision by the Board of Directors to grant the options, it being specified that the total nominal amount of capital increases carried out under this resolution will count towards the overall ceiling of one hundred thousand euros (€100,000) set in point 3 of the eleventh resolution referred to above.

**3. Decides** that the shares that may be obtained by exercising the share purchase options granted under this resolution will be acquired by the Company, either in accordance with Article L.225-208 of the French Commercial Code, or, where applicable, as part of the share redemption program covered by the ninth resolution above in accordance with Article L.225-209 of the French Commercial Code or any share redemption program applicable before or after.

**4. Notes** that this authorization entails the shareholders' waiver of their pre-emptive rights to subscribe for the ordinary shares which will be issued on the basis of this authorization in favor of the beneficiaries of share subscription options.

**5. Decides** that the exercise price of options granted under this resolution will be set by the Board of Directors in accordance with the following conditions:

- 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 during the twenty (20) trading days prior to the day the options are granted,

- 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 ninth resolution submitted to this General Meeting under Article L.225-209 of the French Commercial Code or any share redemption program applicable before or after.

**6. Decides** that the options granted must be exercised within 10 years from the date of grant of such options by the Board of Directors.

**7. Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution, and notably to:

- set the dates on which the options will be granted, in accordance with the limits provided for by law;
- define the list of beneficiaries, the number of options granted to each of them and the terms and conditions of grant and exercise of the options;
- set the terms and conditions of the options and limit, restrict or prohibit (a) the exercise of options (and where appropriate define the performance conditions to be met) or (b) the sale of the shares obtained upon exercising the options, during certain periods or as a result of certain events; its decision may (i) cover some or all of the options and (ii) concern some or all of the beneficiaries;
- decide on the conditions under which the price and the number of shares to be subscribed or acquired will be adjusted in cases provided for by law;
- more generally, enter into all agreements, draw up all documentation, record the resulting increases in share capital upon exercise of the options and amend the Articles of Association accordingly, carry out all the formalities and make all filings with the relevant bodies and do all that may be otherwise necessary.

**8. Decides** that this delegation is given for a period of 38 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its eighteenth resolution.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution.

***TWENTY-THIRD RESOLUTION*** *(Delegation of powers to the Board of Directors to decide to issue ordinary share warrants, with cancellation of pre-emptive subscription rights for specific categories of persons)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's special report, in compliance with Articles L.225-138, L.225-129-2, L.228-91 *et seq.* of the French Commercial Code, the General Meeting:

**1. Authorizes** the Board of Directors to issue, in one or more stages, a maximum of six hundred thousand (600,000) share warrants ("**2017 BSA**"), with cancellation of pre-emptive subscription rights to the 2017 BSA; each 2017 BSA entitling their holder to subscribe for new shares of the Company with a par value of €0.01 (i.e., up to a maximum of six hundred thousand (600,000) ordinary shares).

**2. Decides**, therefore, that the nominal amount of the share capital increases that may be carried out in the future by virtue of this delegation will correspond to the issue of six hundred thousand (600,000) ordinary shares with a par value of €0.01 each, to which the nominal amount of the additional shares to be issued to preserve the rights of holders of 2017 BSA may be added if required; it being specified that this ceiling will count towards the overall ceiling of one hundred thousand euros (€100,000) set in point 3 of the eleventh resolution referred to above.

**3. Decides** to cancel shareholders' pre-emptive subscription rights for 2017 BSA and reserve the subscription of 2017 BSA for natural or legal persons satisfying one of following requirements:

- managers or executives or members of the Company's Management who are not corporate officers, or
- members of the Board of Directors of the Company (including members of any steering committee or non-voting directors) depending on the award date of the warrants, who are not executives of the Company or of one of its subsidiaries;
- consultants, managers or partners of service providers of the Company having entered into a service or consulting service agreement with the latter in force when this delegation is exercised by the Board of Directors, or
- Company employees.

(the "**Beneficiaries**")

**4. Stipulates** that, pursuant to the provisions of Articles L.228-91 and L.225-132 of the French Commercial Code, this decision requires that 2017 BSA holders waive their pre-emptive subscription rights to ordinary shares.

**5. Decides** that:

- a request for admission to trading on any market may not be made for 2017 BSA. They will be transferable. They will be issued in the form of registered shares and will be recorded in securities account;
- 2017 BSA must be exercised within ten (10) years of their issue and that 2017 BSA that are not exercised at the expiration of this ten (10) year period will automatically lapse;
- the issue price of 2017 BSA will be determined by the Board of Directors on the day they are issued and in accordance with their characteristics, and shall, in any case, be at least equal to 8% of the market value of the Company's ordinary shares on the date the 2017 BSA are awarded; this market value corresponding to the weighted average price over the last twenty (20) trading days before the 2017 BSA are awarded by the Board of Directors, provided that the Company's shares are admitted to trading on a regulated market or stock exchange;
- the issue price of 2017 BSA must be fully paid-up upon subscription, either in cash and/or offset against due and payable receivables;
- the issue price of an ordinary share on the exercise of a 2017 BSA will be determined by the Board of Directors on the date the 2017 BSA are awarded and will correspond to the weighted average price over the last twenty (20) trading days before the 2017 BSA are awarded by the Board of Directors, provided that the Company's shares are admitted to trading on a regulated market or stock exchange (the "**Exercise Price**"); and
- the ordinary shares thus subscribed must be fully paid-up upon subscription, either in cash and/or offset against due and payable receivables.

**6. Decides** that if the 2017 BSA are not fully exercised, the Company will carry out one of the following transactions:

- issue of securities with pre-emptive subscription rights; or
- capital increase by incorporation of reserves, profits or premiums; or
- distribution of reserves in cash or portfolio securities.

The rights of holders of 2017 BSA would be reserved in the conditions provided for in Article L.228-98 of the French Commercial Code.

**7. Authorizes** the Company to change its purpose, redeem its capital, change the allocation of profits or distribute reserves in accordance with the provisions of Article L.228-98 of the French Commercial Code.

**8. Notes** that pursuant to Article L.228-98 of the French Commercial Code:

- in the event of a capital reduction prompted by losses and carried out by reducing the number of shares, the number of shares received on exercising a 2017 BSA will be reduced accordingly as if their holder had been a shareholder on their date of issue;
- in the event of a capital reduction prompted by losses and carried out by reducing the par value of the shares, the subscription price of the shares to which the 2017 BSA confer a right will remain unchanged, the issue premium being increased by the amount of the reduced par value.

**9. Decides** that:

- in the event of a capital reduction not prompted by losses and carried out by reducing the par value of the shares, the subscription price of the shares to which the 2017 BSA confer a right will be reduced accordingly; and
- in the event of a capital reduction not prompted by losses and carried out by reducing the number of shares, if the holders of the 2017 BSA exercise their 2017 BSA, they may ask to buy back their shares under the same conditions as if they had been shareholders at the time of the Company's buyback of its own shares.

**10. Authorizes** the Company to require that the holders of 2017 BSA buy back or redeem their rights as provided for under Article L.228-102 of the French Commercial Code.

**11. Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution, and notably to:

- determine the list of beneficiaries from the persons meeting the conditions mentioned above and set the number of 2017 BSA awarded to each one;
- issue and award the 2017 BSA and set the subscription price, the conditions of exercise and the final terms of the 2017 BSA, including the exercise timetable and accelerated exercise conditions in accordance with the provisions of this resolution and within the limits set in this resolution;
- set the price of the ordinary share which may be subscribed upon the exercise of a 2017 BSA under the conditions set forth above;

- determine the dates and terms and conditions of the issue of ordinary shares carried out pursuant to this delegation in accordance with the laws and the Articles of Association;
- record the subscription of the 2017 BSA, the final issue of the 2017 BSA under the conditions set forth above and their award;
- record the number of ordinary shares issued upon the exercise of the 2017 BSA, carry out the formalities relating to the corresponding capital increases and amend the Articles of Association accordingly and have, where appropriate, these ordinary shares issued admitted to trading on a regulated market;
- take all necessary measures to protect the holders of 2017 BSA in the event of a financial transaction concerning the Company and in accordance with applicable law and regulations; and
- generally, take such measures and carry out such formalities as will be appropriate for the issue.

**12. Decides** that this delegation is given for a period of eighteen 18 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its nineteenth resolution.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution each year.

***TWENTY-FOURTH RESOLUTION*** *(Delegation of powers to the Board of Directors to decide to issue company founder share warrants, with cancellation of pre-emptive subscription rights for employees or executives of the Company or a company in which the Company holds at least 75% of the share capital or voting rights)*

Voting in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having reviewed the Board of Directors' report and the Statutory Auditor's report, the General Meeting:

**Noting** that the Company meets all the conditions required to issue company founder share warrants in accordance with Article 163 *bis* G of the French Tax Code,

**1. Authorizes** the Board of Directors to issue in one or more stages, a maximum of six hundred thousand (600,000) bonus company founder share warrants (*Bons de souscription de parts de créateur d'entreprise* – BSPCE); each 2017 BSPCE entitling their holder to subscribe for new shares of the Company with a par value of €0.01 (i.e., up to a maximum of six hundred thousand (600,000) ordinary shares).

**2. Decides**, therefore, that the nominal amount of the share capital increases that may be carried out in the future by virtue of this delegation will correspond to the issue of six hundred thousand (600,000) ordinary shares with a par value of €0.01 each, to which may be added the nominal amount of the additional shares to be issued to preserve the rights of holders of 2017 BSPCEs, if so required; it being specified that this ceiling will count towards the overall ceiling of one hundred thousand euros (€100,000) set in point 3 of the eleventh resolution referred to above.

**3. Decides** to cancel the shareholders' pre-emptive subscription rights for 2017 BSPCEs and reserve the subscription of 2017 BSPCEs for natural or legal persons satisfying one of following requirements: employees or corporate officers governed by the tax rules applicable to employees (Chairman, Chief Executive Officer and Deputy General Manager) of the Company or a company in which the Company holds at least 75% of the share capital or voting rights, depending on the date on which the 2017 BSPCEs are awarded (the "**Beneficiaries**").

**4. Decides**, in accordance with the provisions of paragraph III of Article 13 *bis* G of the French Tax Code, to delegate to the Board of Directors the decision to issue and award 2017 BSPCEs and to set the list of Beneficiaries and the portion of 2017 BSPCEs awarded to each named Beneficiary.

**5. Authorizes**, therefore, the Board of Directors to issue and award 2017 BSPCEs, in one or more stages, to all or some of the Beneficiaries according to the above-mentioned terms and conditions.

**6. Decides** to delegate to the Board of Directors the decision to define the terms and conditions of the BSPCEs for each Beneficiary, including the exercise timetable for 2017 BSPCEs, it being specified that 2017 BSPCEs must be exercised within ten (10) years of their issue and that 2017 BSPCEs that are not exercised at the expiration of this ten (10) year period will automatically lapse.

**7. Decides** that this authorization will expire and that 2017 BSPCEs already issued but not yet awarded by the Board of Directors will automatically lapse on the date on which the conditions set out in Article 163 *bis* G of the French Tax Code cease to be met.

**8. Decides** that each 2017 BSPCE will allow for the subscription of an ordinary share, in accordance with Article 163 *bis* G III of the French Tax Code and the conditions defined below, with a par value of €0.01 at a subscription price determined by the Board of Directors on the date on which 2017 BSPCEs are awarded which, provided that the Company's shares are admitted to trading on a regulated market, is at least equal to the highest of the following values:

- the average weighted price over the last twenty (20) trading days before 2017 BSPCEs are awarded by the Board of Directors;
- 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 during the most recent capital increase, as calculated on the date each 2017 BSPCE is awarded;

it being 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 company founder share warrants, share warrants, share subscription options or bonus shares.

**9. Decides** that the ordinary shares thus subscribed must be fully paid-up upon subscription, by payment in cash, including by offsetting the amounts against due and payable receivables;

**10. Decides** that the new shares issued to the Beneficiaries upon their exercise of 2017 BSPCEs will be subject to the provisions of the Articles of Association and will carry dividend rights on the first day of their issue.

**11. Decides** that 2017 BSPCEs will be non-transferable, registered and recorded in securities account in accordance with Article 163 *bis* G III of the French Tax Code.

**12. Stipulates** that pursuant to the provisions of Articles L.228-91 and L.225-132 of the French Commercial Code, this decision entails the shareholders' waiver of their pre-emptive subscription rights to ordinary shares to which 2017 BSPCEs confer the right.

**13. Notes** that pursuant to Article L.228-98 of the French Commercial Code:

- in the event of a capital reduction prompted by losses and carried out by reducing the number of shares, regarding the number of shares to be received upon exercising the 2017 BSPCEs, the rights of holders of 2017 BSPCEs will be reduced accordingly as if the holders had been shareholders as of the issue date of the 2017 BSPCEs;
- in the event of a capital reduction prompted by losses and carried out by reducing the par value of the shares, the subscription price of the shares to which the 2017 BSPCEs confer a right will remain unchanged, the issue premium being increased by the amount of the reduced par value.

**14. Decides** that:

- in the event of a capital reduction not prompted by losses and carried out by reducing the par value of the shares, the subscription price of the shares to which the 2017 BSPCEs confer a right will be reduced accordingly; and
- in the event of a capital reduction not prompted by losses and carried out by reducing the number of shares, if the holders of the 2017 BSPCEs exercise their 2017 BSPCEs, they may ask to buy back their shares under the same conditions as if they had been shareholders at the time of the Company's buyback of its own shares.

**15. Authorizes** the Company to require that holders of 2017 BSPCEs buy back or redeem their rights as provided for under Article L.228-102 of the French Commercial Code.

**16. Decides** that the Board of Directors shall have full powers, with the option to sub-delegate said powers in accordance with the law, to implement this resolution, and notably to:

- determine the list of beneficiaries from the persons meeting the conditions mentioned above and set the number of 2017 BSPCEs awarded to each one;
- issue and award the 2017 BSPCEs and set the subscription price, the conditions of exercise and the final terms of the 2017 BSPCEs, including the exercise timetable and accelerated exercise conditions in accordance with the provisions of this resolution and within the limits set in this resolution;
- set the price of the ordinary share which may be subscribed upon the exercise of a 2017 BSPCE under the conditions set forth above;
- determine the dates and terms and conditions of the issue of ordinary shares carried out pursuant to this delegation in accordance with the laws and the Articles of Association;
- record the final issue of the 2017 BSPCEs under the conditions set forth above and their award;
- record the number of ordinary shares issued upon the exercise of the 2017 BSPCEs, carry out the formalities relating to the corresponding capital increases and amend the Articles of Association accordingly and have, where appropriate, these ordinary shares issued admitted to trading on a regulated market;
- take all necessary measures to protect the holders of 2017 BSPCEs in the event of a financial transaction concerning the Company and in accordance with applicable law and regulations; and
- generally, take such measures and carry out such formalities as will be appropriate for the issue.

**17. Decides** that this delegation is given for a period of eighteen 18 months from this General Meeting and cancels, with immediate effect, the unused portion of the delegation given by the Combined General Meeting of September 30, 2016 in its twentieth resolution.

The Board of Directors will inform the General Meeting of transactions carried out within the scope of this resolution each year.

**ORDINARY RESOLUTIONS**

***TWENTY-FIFTH RESOLUTION*** *(Powers to carry out formalities)*

Voting in accordance with the rules of quorum and majority applicable to ordinary general meetings, the General Meeting:

**Gives** full powers to the bearer of an original, copy, or extract of the minutes of the Meeting to carry out all the filing and publication formalities and generally do whatever is necessary.

## 27. CROSS-REFERENCE TABLE BETWEEN THE ANNUAL FINANCIAL REPORT, THE MANAGEMENT REPORT AND THE FRENCH COMMERCIAL CODE

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 paragraphs 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 and Article 222-3 of the General Regulation of the AMF).

| Section(s) | Information concerns | Paragraph(s) | Page(s) |
|---|---|---|---|
| **1. COMPANY FINANCIAL STATEMENTS** | **AFR** | **26.5** | |
| **2. CONSOLIDATED FINANCIAL STATEMENTS** | **AFR** | **N/A** | |
| **3. MANAGEMENT REPORT** | | | |
| **3.1. 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 each subsidiary and the Group<br>*Art. L. 232-1, L. 233-6, R. 225-102 and/or L. 233-6, L. 233-26 of the French Commercial Code* | | 6 and 9 | |
| Analysis of changes in the business, performance, financial position and, in particular, debt, of the Company and the Group<br>*Art. L. 233-26, L. 225-100, paragraph 3, L. 225-100-1 and/or L. 225-100-2 of the French Commercial Code* | AFR | 6, 9 and 20 | |
| Forecast changes in the Company and/or the Group<br>*Art. L. 232-1, R. 225-102 and/or L. 233-26, R. 225-102 of the French Commercial Code* | | 12 | |
| Key financial and non-financial indicators of the Company and the Group<br>*Art. L. 225-100, paragraphs 3 and 5, L. 225-100-1, L. 223-26 and/or L. 225-100-2 of the French Commercial Code* | AFR | 3 | |
| Events after the reporting date in respect of the Company and the Group<br>*Art. L. 232-1 and/or L. 233-26 of the French Commercial Code* | | 12.1 | |
| Information about the use of financial instruments, including the financial, price, credit, liquidity and treasury risks to which the Company and Group are exposed<br>*Art. L. 225-100, paragraph 6, L. 225-100-1 and/or L. 225-100-2, L. 223-26 of the French Commercial Code* | AFR | 4.4 | |
| Main risks and uncertainties to which the Company and Group are exposed<br>*Art. L. 225-100, paragraphs 4 and 6 , L. 225-100-1 and/or L. 225-100-2, paragraphs 2 and 4, of the French Commercial Code* | AFR | 4 | |

| Section(s) | Information concerns | Paragraph(s) | Page(s) |
|---|---|---|---|
| Information about the Company and the Group's R&D<br>*Art. L. 232-1 and/or L. 233-26 of the French Commercial Code* | | 11 | |
| **3.2. Information about the Company's legal, financial and tax position** | | | |
| One of the two forms of operation applicable to Executive Management was chosen in the event that Art. R. 225-102 of the French Commercial Code is amended | | 21.2.2.2 | |
| Share ownership structure and changes in share ownership structure | | 18.1 | |
| Name of the controlled companies that own treasury shares of the Company and the percentage of capital owned<br>*Art. L. 233-13 of the French Commercial Code* | | N/A | |
| Significant equity interests in 2016 in companies whose registered office is located in France<br>*Art. L. 233-6, paragraph 1, of the French Commercial Code* | | N/A | |
| List of branches<br>*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<br>*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)<br>*Art. L. 225-211 of the French Commercial Code* | AFR | 21.1.3 | |
| Employee share ownership<br>*Art. L. 225-102, paragraph 1, Art. L. 225-180 of the French Commercial Code* | | 17.3 | |
| Summary of factors likely to affect the outcome of a public offering<br>*Art L. 225-100-3 of the French Commercial Code* | AFR | | |
| - The Company's capital structure; | | 18.1 | |
| - Statutory restrictions on the exercise of voting rights and the transfer of shares or the terms of agreements brought to the attention of the Company in accordance with *Art. L. 233-11 of the French Commercial Code*; | | 18.5 | |
| - Direct and indirect holdings in the Company's capital of which the Company is aware in accordance with *Art. L. 233-7 and L. 233-12 of the French Commercial Code*; | | 18.1 | |
| - List of holders of shares with special control rights and the description of said rights; | | N/A | |
| - The mechanisms of control provided for in a future employee share ownership system, when control rights are not exercised by employees; | | N/A | |
| - 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; | | 18.5 | |

| Section(s) | Information concerns | Paragraph(s) | Page(s) |
|---|---|---|---|
| - Rules applicable to the appointment and replacement of members of the Board of Directors or the Management Board, as well as those applicable to the amendment of the Company's articles of association; | | 21.2.2 | |
| - Powers of the Board of Directors, particularly regarding share issues or buybacks; | | 21.2.2.1 | |
| - Agreements entered into by the Company that are 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; | | 18.6 | |
| - Agreements that provide for termination benefits for members of the Board of Directors or the Management Board and employees if they resign or are dismissed without due cause, or if their employment is terminated due to a public offering | | N/A | |
| Summary of currently valid delegations granted by the General Meeting regarding capital increases<br>*Art. L. 225-100, paragraph 7, of the French Commercial Code* | AFR | 21.1.5 | |
| Note of potential adjustments: | | | |
| - for securities giving access to the share capital and stock options in the event of a share buyback program; | | N/A | |
| - for securities giving access to the share capital in the event of financial transactions<br>*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<br>*Art. 243 bis of the French Tax Code (Code général des impôts)* | | 20.7 | |
| Non-tax deductible expenses<br>*Art. 223, quater of the French Tax Code* | | N/A | |
| Payment and breakdown of trade and customer payables by due date<br>*Art. L. 441-6-1, D. 441-4 of the French Commercial Code* | | 26.3.2 | |
| Financial injunctions or penalties for anticompetitive practices<br>*Art. L. 464-2 I, paragraph 5, of the French Commercial Code* | | N/A | |
| Agreements entered into between an executive officer or a shareholder owning more than 10% of the voting rights and a subsidiary (excluding agreements made in the ordinary course of business)<br>*Art. L. 225-102-1, paragraph 13, of the French Commercial Code* | | 19 | |
| **3.3 Information regarding executive officers** | | | |
| List of all positions and offices held within [other] companies by each executive officer during the year<br>*Art. L. 225-102-1, paragraph 4, of the French Commercial Code* | | 14.1.2 | |

| Section(s) | Information concerns | Paragraph(s) | Page(s) |
|---|---|---|---|
| Compensation and benefits in kind paid during the year to each executive officer by the Company, the companies it controls and the company that controls it<br>*Art. L. 225-102-1, paragraphs 1, 2 and 3, of the French Commercial Code* | | 15.1 | |
| Commitments related to the taking up of, termination of or change in office<br>*Art. L. 225-102-1, paragraph 3, of the French Commercial Code* | | 26.1.1.4 | |
| If stock options are granted, the Board of Directors' decision should be communicated regarding: | | | |
| - executives being unable to exercise their stock options before the termination of their office; | | N/A | |
| - executives being required to hold, in registered form and until the termination of their office, all or part of their shares from previously exercised stock options (specifying the percentage set)<br>*Art. L. 225-185, paragraph 4, of the French Commercial Code* | | N/A | |
| Summary of transactions made by executive officers and related parties involving the Company's securities,<br>Art. L. 621-18-2, R. 621-43-1 of the French Monetary and Financial Code<br>*Art. 223-22 and 223-26 of the General Regulation of the AMF* | | 17.3 | |
| If bonus shares are granted, the Board of Directors' decision should be communicated regarding: | | | |
| - executives being unable to sell their bonus shares before the termination of their office; | | N/A | |
| - setting the number of shares that executives are required to hold in registered form until the termination of their office (specifying the percentage set)<br>*Art. L. 225-197-1-II, paragraph 4, of the French Commercial Code* | | N/A | |
| **3.4. 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<br>*Art. L. 225-102-1, paragraphs 5 to 8, R. 225-104, R. 225-105 and R. 225-105-2-II, of the French Commercial Code* | | 26.2.1 | |
| Information about hazardous operations<br>*Art. L. 225-102-2 of the French Commercial Code* | | 26.2.1 | |
| State in a section on the "circular economy"<br>*Art. R 225-105-1 (amended) of the French Commercial Code* | | 26.2.1 | |
| - the Company's commitment to combating food waste; | | 26.2.1 | |
| - additional information on waste management and recycling; | | 26.2.1 | |

| Section(s) | Information concerns | Paragraph(s) | Page(s) |
|---|---|---|---|
| - main sources of greenhouse gas emissions generated by the Company's operations, in particular through the use of the goods and services it produces | | 26.2.1 | |
| **3.4. Additional information** | | | |
| Loans due in less than two years granted by the Company, ancillary to its main activities, to microbusinesses, SMEs or mid-cap companies with which it enjoys a close economic relationship thereby justifying said loans | | N/A | |
| Information about payments made to the authorities of each State/country or territory in which the Company has the following operations: the exploration, prospecting, discovery, production or extraction of hydrocarbons, coal and lignite, metallic ores, stones, sand and clay, chemical minerals and mineral fertilizers, peat, salt or other mineral resources, or those from primary forests | | N/A | |
| **4. Statement of the persons responsible for the annual financial report** | **AFR** | **1.1** | |
| **5. Statutory Auditors' report on the Company financial statements prepared in accordance with IFRS** | **AFR** | **20.4** | |
| **6. Statutory Auditors' report on the Company financial statements prepared in accordance with French GAAP** | **AFR** | **26.6** | |
| **Description of the share buyback program** | | **N/A** | |
| **Information regarding Statutory Auditors' fees** | | **26.3.3** | |
| **Chairman's report on corporate governance and internal control and risk management procedures** | | **26.1** | |
| **Statutory Auditors' report on the Chairman's report on corporate governance and internal control and risk management procedures** | | **26.1.3** | |