INVENTIVA S.A.

A joint-stock company (*société anonyme*) with a share capital of 222,946.77 euros
Registered office: 50 rue de Dijon, 21121 Daix, France
Dijon Trade and Companies Register 537 530 255

REGISTRATION DOCUMENT INCLUDING THE ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS

Pursuant to its General Regulation and in particular to Article 212-13, the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) registered the French version of this document on 12 April 2019 under number R.19-006. This document can only be used in support of a financial transaction if it is accompanied by a securities note (*note d'opération*) endorsed by the AMF.

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

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

Copies of this Registration Document are available free of charge from Inventiva's registered office at 50, rue de Dijon, 21121 Daix, France. An electronic version is also available on Inventiva's website (www.inventivapharma.com) and on the website of the *Autorité des marchés financiers* (www.amf-france.org). The Inventiva's website and the information it contains can not be considered as part of a prospectus, unless incorporated by reference.

This document is a free non-binding translation, for information purposes only, of the French language "Document de Référence 2018" as submitted to the AMF on April 12, 2019. In the event of any ambiguity or conflict between corresponding statements or items contained in this English translation and the original French version, the relevant statements or items of the French version shall prevail. The auditor's reports apply to the French version of the activity report and the financial statements.

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Definitions

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

Forward-looking information

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

Risk factors

Investors are encouraged to read carefully the risk factors described in Section 2.1 *Risk Factors* of this Registration Document before making any investment decision. If all or some of these risks should materialize, this could have a material impact on the Company's business, situation, financial results or objectives. Moreover, other risks not yet identified or considered to be insignificant by the Company could also have the same adverse impact and investors could lose all or part of their investment.

Market and competitive position

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

Glossary

A glossary defining certain technical terms used in this Registration Document appears in section 8 *Glossary* of this Registration Document.

Rounding of figures

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

Abbreviations

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

Company profile

Inventiva is a biopharmaceutical company specialized in developing drugs that impact on nuclear receptors, transcription factors and epigenetic modulation. It is developing innovative therapies in areas with significant unmet medical need such as fibrosis, oncology and rare diseases.

The Company is developing its most advanced product candidate, lanifibranor, for the treatment of patients with non-alcoholic steatohepatitis, or NASH, a disease for which there are currently no approved therapies. Although under-diagnosed, NASH prevalence in the adult population of the United States is believed to be approximately 12%. Lanifibranor is an orally-available small molecule that acts to induce anti-fibrotic, anti-inflammatory and beneficial metabolic changes in the body by activating all three peroxisome proliferator-activated receptor isoforms, PPARα, γ and δ. PPARs are ligand-activated transcription factors belonging to the nuclear hormone receptor family that regulate the expression of genes. PPARs play essential roles in the regulation of cellular differentiation, development and tumorigenesis. Inventiva is currently conducting a Phase IIb clinical trial of lanifibranor in patients with NASH. This clinical trial will respect regulatory requirements from both European and American authorities. Lanifibranor is also being investigated in the United States in a Phase II clinical trial for the treatment of non-alcoholic fatty liver disease, or NAFLD, in patients with type 2 diabetes, the most common liver disorder in developed countries and a precursor to NASH. If positive, the Company expects that these results would support the regulatory filings for lanifibranor for the treatment of patients with NASH.

At the same time, Inventiva is developing a second clinical program based around the product candidate odiparcil to treat type VI mucopolysaccharidoses (MPS VI or Maroteaux-Lamy syndrome), a very severe and rare genetic disease affecting children. This product candidate also has the potential to address other forms of MPS, characterized by the accumulation of chondroitin or dermatan sulfate (MPS I or Hurler/Sheie syndrome, MPS II or Hunter syndrome, MPS IVa or Morqio syndrome and MPS VII or Sly syndrome). Odiparcil has received orphan drug designation from the FDA and EMA for the treatment of MPS VI, as well as rare pediatric disease designation, or RPDD. Inventiva is currently investigating odiparcil in a Phase IIa clinical trial for the treatment of adult patients with the MPS VI subtype, whose incidence is estimated to be approximately 1 in 240,000 to 400,000 live births, with variations between countries.

Inventiva is also developing a portfolio of pre-clinical therapy programs, including the Hippo signaling pathway program, which aims to disrupt the interaction between yes-associated protein, or YAP, and transcription enhancer associated domain transcription factors, or TEAD, an interaction that plays a key role in oncogenic and fibrotic processes. The Company is in the process of selecting an oncology development candidate for its Hippo program.

Two strategic partnerships have also been established between Inventiva and world-class major pharmaceutical companies AbbVie and Boehringer Ingelheim to develop new therapies in the areas of auto-immune diseases (particularly psoriasis) and fibrosis. These partnerships provide Inventiva with milestone payments on the achievement of pre-clinical, clinical, regulatory and marketing milestones, as well as royalties on sales of products developed within these partnerships. Under the RoRγ project, AbbVie is currently investigating ABBV-157, which is a clinical development candidate resulting from its collaboration, in a Phase 1 clinical trial for the treatment of moderate to severe psoriasis.

Inventiva's discovery engine has a scientific team of approximately 90 people with extensive biology, medicinal and computational chemistry, pharmacokinetics and pharmacology expertise, more than 75% of whom have worked together for more than 15 years. It also owns a library of approximately 240,000 pharmacologically relevant molecules, 60% of which are proprietary, as well as a wholly-owned research and development facility.

Management team

Company organization: a strong and complementary management team

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

Senior Leadership Team

Frédéric Cren, Chief Executive Officer and Co-Founder

Frédéric Cren, an experienced pharmaceutical executive, is the 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. Vice-President of Strategic Marketing, Vice-President of US Operations and member of the Executive Committee of Laboratoires Fournier from 2001 to 2005, Mr. Cren has extensive experience in a broad range of fields, from research and development, marketing, strategy to operations. During his time at Fournier, he was in charge of its fenofibrate franchise and oversaw development and launch of TriCor® 145. Following the acquisition of Fournier by Solvay in 2005, Mr. Cren was appointed Head of Business Strategy and Portfolio, Senior Vice-President of the Research Division and member of the Executive Committee of Solvay Pharmaceuticals. Prior to joining the pharmaceutical industry, he worked as a consultant for eight years with The Boston Consulting Group and a manager in their health care practice. Mr. Cren holds an MBA from INSEAD, a Master's degree in International Relations from Johns Hopkins University and a Bachelor's degree in Economics from Paris IX Dauphine.

Pierre Broqua, Ph.D. Deputy Chief Executive Officer, Chief Scientific Officer and Co-Founder

Dr. Broqua brings over 25 years of experience in drug discovery and innovative research to Inventiva. Before co-founding Inventiva, he successfully managed numerous research programs leading to the discovery of highly innovative clinical and pre-clinical compounds, in particular during his time at Ferring Pharmaceuticals from 1997 to 2002 and Laboratoires Fournier 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 is the co-discovery of lanifibranor and of the GnRH antagonist degarelix (now marketed under the brand name Firmagon®) while head of Pharmacology at Ferring Pharmaceuticals. Dr. Broqua holds a Ph.D. in Pharmacology from Paris Descartes University and has a Master's degree in Chemistry and Biochemistry from the Pierre et Marie Curie University in Paris.

Jean Volatier, Chief Administrative and Financial Officer

Jean Volatier started his career at PricewaterhouseCoopers in the Paris and Philadelphia offices from 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 for Laboratoires Fournier until 2006. From 2007 to 2011, he held various CFO positions within the Soufflet and NAOS groups. Jean graduated from Paris IX Dauphine University in 1989 with a Master's degree in Management Science and holds a DESCF (accounting diploma). In 2011, he was awarded a Master's degree in Executive Management Global CSR from Mines ParisTech University.

Dr. Marie-Paule Richard, Chief Medical Officer and Head of Development

Marie-Paule Richard was named Chief Medical Officer for Inventiva in October 2018 and will resume the duties of Mr. Abitbol, who will retire in April 2019.
From 2014 to 2018, Dr. Richard worked as Chief Medical Officer for TiGenix S.A., a Belgian biotechnology company that was acquired by Takeda Pharmaceutical Company Ltd, after serving as the Chief Medical Officer for AiCuris GmbH & Co., a pharmaceutical company, from 2010 to 2012. Prior to that, Dr. Richard was Vice President of Clinical Development for Sanofi Pasteur, the vaccines division of Sanofi S.A., from 2001 to 2007, Global Senior Group Director for GlaxoSmithKline plc from 2000 to 2001 and the Clinical Development Director for Aventis Pharma S.A. from 1993 to 2000.

Dr. Richard holds a medical degree from Nancy University.

Key figures

The Company, which has no subsidiaries or equity investments, has voluntarily prepared financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), presented in section 4.7 of this Registration Document, in addition to its statutory annual financial statements prepared in accordance with French GAAP, which are present in section 7.1.2 of this Registration Document.

Selected statement of financial position disclosures

In thousands of euros

ASSETS	Dec. 31, 2018	Dec. 31, 2017 *restated*[1]
Non-current assets	**8,178**	**7,147**
o/w intangible assets	*1,543*	*1,806*
o/w other non-current assets	*2,374*	*572*
Current assets	**71,634**	**67,220**
o/w cash and cash equivalents	*56,692*	*59,051*
TOTAL ASSETS	**79,812**	**74,367**
EQUITY AND LIABILITIES		
Shareholders' equity	**61,596**	**61,895**
Non-current liabilities	**3,134**	**3,460**
o/w contract liabilities	*1,673*	*1,896*
Current liabilities	**15,082**	**9,013**
o/w contract liabilities	*548*	*811*
TOTAL EQUITY AND LIABILITIES	**79,812**	**74,367**

Selected statement of income (loss) disclosures

In thousands of euros	2018	2017 *restated*[1]
Revenues	**3,197**	**4,797**
Other income	4,853	5,161
Research and development expenses	(31,638)	(26,733)
Marketing – business development expenses	(225)	(353)
General and administrative expenses	(6,045)	(5,062)
Other operating income (expenses)	(3,395)	(449)
Operating profit (loss)	**(33,253)**	**(22,639)**
Financial income (loss)	**(111)**	**278**
Income tax	(253)	3,278
Net loss of the period	**(33,617)**	**(19,082)**

[1] Accounts restated in accordance with the first-time application of IFRS 15 - Revenue from Contracts with Customers using the full retrospective transition method.

Selected disclosures from the statement of cash flows

In thousands of euros	**2018**	**2017** *restated*[1]
Net cash used in operating activities	(34,207)	(17,002)
o/w cash flow used in operations before tax, interest and changes in working capital	*(35,180)*	*(24,956)*
o/w tax, interest and changes in operating working capital	*974*	*7,953*
Net cash provided by (used in) investing activities	(420)	6,171
Net cash provided by financing activities	32,267	45,014
Net increase (decrease) in cash and cash equivalents	**(2,360)**	**34,184**
Cash and cash equivalents at beginning of period	59,051	24,868
Cash and cash equivalents at end of period	56,692	59,051

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 9,772,500 shares, representing approximately 43.8% of the Company's capital and 61% of its voting rights as at February 4, 2019.

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 pharmacologically relevant molecules, as well as a portfolio of drug candidates.

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

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

The yes-associated protein/transcription enhancer associated domain or 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 lanifibranor clinical program was reoriented towards the treatment of fibrotic diseases.

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

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

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).

2015

An agreement was reached with AbbVie for the use of the FibrAssist platform. The Company achieved proof-of-concept for the YAP-TEAD pre-clinical program therapeutic approach.

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

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

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

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

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

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

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

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

2016

Several pre-clinical candidates targeting the nuclear receptor RORγ were selected and Phase I clinical development began for ABBV-553, 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 NAsh TrIal to Validate lanifibranor Efficacy or NATIVE Phase IIb study was launched for patients suffering from NASH with lanifibranor.

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

The validity of the activity of odiparcil in a relevant model of MPS VI was demonstrated.

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

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

The legal form of the Company was transformed into a joint-stock company with a board of directors following the General Meeting of May 31, 2016.

2017

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

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

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

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

The FDA in the United States and the EMA in Europe granted lanifibranor orphan drug designation in the treatment of MPS VI.

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

The World Health Organization's International Nonproprietary Name (INN) department attributed the name lanifibranor to the drug candidate IVA337 in the treatment of NASH and SSc.

The recruitment of 145 patients for inclusion in the Phase IIb FASST study regarding the use of lanifibranor to treat patients suffering from SSc was completed.

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

2018

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

The results of the biomarker study measuring intracellular glycosaminoglycans or GAGs in leukocytes for MPS VI patients were positive.

The first results of the two-year carcinogenicity studies with the peroxisome proliferator-activated receptor or pan-PPAR agonist lanifibranor in rats were published.

The Phase II study of lanifibranor for the treatment of non-alcoholic fatty liver disease in patients with type 2 diabetes was launched by an investigator in the United States.

A capital increase with no pre-emptive subscription rights for a category of beneficiaries of approximately €35 million was carried out and settlement delivery was completed on April 17, 2018.

FDA approval was obtained for an investigator initiated Phase II study of lanifibranor for the treatment of non-alcoholic fatty liver disease in patients with type 2 diabetes.

DSMB reviews for NASH and SSc Phase IIb trials with lanifibranor were positive.

Lanifibranor was found to have a good safety profile following the first assessment of carcinogenicity study results.

Creation of the panNASH™ initiative, which is a working group consisting of a committee of international independent experts that aims to increase the visibility and contribute to a better understanding of NASH, to share their expertise and to establish best practices for the treatment of the disease.

Last visit by the last patient of the Phase IIb FASST trial and second positive review of the DSMB for the NASH trial to validate IVA337 efficacy trial with lanifibranor.

2019

Announcement of the Phase IIb FASST trial results for the treatment of patients with diffuse cutaneous SSc. Since the FASST clinical trial did not meet its primary endpoint, Inventiva has decided to discontinue lanifibranor's clinical development for the treatment of dcSSc in order to fully focus on the development of lanifibranor for the treatment of NASH, of odiparcil for the treatment of MPS, and of YAP-TEAD in the field of oncology.

Inventiva announced that, following the second Data and Safety Monitoring Board (DSMB) review of the Phase IIb NATIVE trial for the treatment of NASH, the DSMB recommended that the trial continue as planned without any changes to the protocol.

Inventiva announced that it received Rare Pediatric Disease Designation (RPDD) from the FDA for odiparcil, its drug candidate for the treatment of MPS VI.

1. ACTIVITY AND MARKETS

1.1 Overview of activities

1.1.1 General overview of Inventiva

Inventiva is a clinical-stage biopharmaceutical company focused on the development of orally available small molecule therapies for the treatment of patients with significant unmet medical need in the areas of fibrosis, lysosomal storage disorders and oncology. The Company has built a pipeline backed by a discovery engine with an extensive library of molecules, a wholly owned research and development facility and a team with significant expertise and experience in the development of compounds that target nuclear receptors, transcription factors and epigenetic modulation. Leveraging these assets and expertise, the Company is advancing two clinical candidates in two indications, as well as a deep pipeline of earlier stage programs:

- *Lanifibranor for the treatment of NASH:* the Company is developing its most advanced product candidate, lanifibranor, for the treatment of patients with non-alcoholic steatohepatitis, or NASH, a disease for which there is currently no approved therapy. Although under-diagnosed, NASH prevalence in the adult population of the United States is believed to be approximately 12%. Lanifibranor is an orally available small molecule that induces anti-fibrotic, anti-inflammatory and beneficial metabolic changes in the body by activating all three peroxisome proliferator-activated receptor, or PPAR, isoforms. PPARs are well-characterized nuclear receptor proteins that regulate gene expression. Lanifibranor is a PPAR agonist that is designed to target all three PPAR isoforms (PPARα, PPARδ and PPARγ) involved in the fibrotic process in a moderate and well-balanced manner. While there are other PPAR agonists that target only one or two PPAR isoforms for activation, lanifibranor is the only pan-PPAR agonist in clinical development. The Company is currently conducting a Phase IIb clinical trial of lanifibranor in patients with NASH and plans to report data in the first half of 2020. This clinical trial will respect regulatory requirements from both European and American authorities. Lanifibranor is also being investigated in the United States in a Phase II clinical trial for the treatment of non-alcoholic fatty liver disease, or NAFLD, in patients with type 2 diabetes, the most common liver disorder in developed countries and a precursor to NASH. If positive, the Company expects that these results would support the regulatory filings for lanifibranor for the treatment of patients with NASH.

- *Odiparcil for the treatment of MPS*: Inventiva's second clinical-stage asset is odiparcil, which it is developing for the treatment of patients with mucopolysaccharidoses, or MPS, a group of rare genetic disorders characterized by an excessive accumulation of large sugar chains, known as glycosaminoglycans, or GAGs, in cells. Odiparcil is an orally available small molecule designed to modify how GAGs are synthesized. Odiparcil acts to facilitate the production of soluble GAGs that are excreted in the urine, rather than accumulating in cells. Inventiva is currently investigating odiparcil in a Phase IIa clinical trial for the treatment of adult patients with the MPS VI subtype, whose incidence is estimated to be approximately 1 in 240,000 to 400,000 live births, with variations between countries. It expects to report data in the second half of 2019, and, if positive, plans to initiate Phase III clinical development of odiparcil for the treatment of MPS VI in 2021. The Company believes odiparcil's mechanism of action is relevant to a number of MPS subtypes. It also plans to initiate pivotal trials for the treatment of MPS subtypes I, II, IVa and VII. In addition, because MPS is a progressive disease, the Company considers that it could be beneficial in treating pediatric patients with MPS, and plans to commence a Phase I/II clinical trial of odiparcil in a pediatric population in the first half of 2020. Odiparcil has received orphan drug designation, or ODD, from the FDA and EMA for the treatment of MPS VI, as well as rare pediatric disease designation, or RPDD, from the FDA.

- *Discovery engine*: As at January 1, 2019, Inventiva has a scientific team of approximately 90 people, more than 75% of whom have worked together for more than 15 years. The scientific team has extensive expertise in biology, medicinal and computational chemistry, pharmacokinetics and pharmacology. It also owns a library of 240,000 pharmacologically relevant molecules, around 60% of which are proprietary, as well as a wholly owned research and development facility. Using these assets and this expertise, it has built a discovery engine focused on small molecule compounds that target nuclear receptors, transcription factors and epigenetic modulation. It is leveraging this discovery engine to identify and develop compounds addressing a wide range of indications. Inventiva's Hippo signaling pathway program aims to disrupt the interaction between yes-associated protein, or YAP, and transcription enhancer associated domain transcription factors, or TEAD, an interaction that plays a key role in oncogenic and fibrotic processes. It is in the process of selecting an oncology development candidate for its Hippo program, which it anticipates will enter pre-clinical development in 2019. It also has advanced pre-clinical programs for the treatment of autoimmune diseases and idiopathic pulmonary fibrosis, or IPF, in collaboration with AbbVie Inc., or AbbVie, and Boehringer Ingelheim International GmbH, or BI, respectively. AbbVie is currently investigating ABBV-157, which is a clinical development candidate resulting from its collaboration, in a Phase I clinical trial for the treatment of moderate to severe psoriasis. Inventiva believes that these collaborations validate its approach and the potential of its discovery engine.

1.1.1.1 **Lanifibranor for the treatment of NASH**

Lanifibranor is an orally available small molecule that acts to induce anti-fibrotic, anti-inflammatory and beneficial metabolic changes in the body by activating each of the three PPAR isoforms: PPARα, PPARδ and PPARγ. PPARs are ligand-activated transcription factors belonging to the nuclear hormone receptor family that regulate the expression of genes. They play essential roles in the regulation of cellular differentiation, development and tumorigenesis. The relevance of each isoform to different aspects of fibrotic, inflammatory and metabolic processes is well-established:

- activation of PPARγ is associated with anti-fibrotic benefits;

- activation of each of PPARα, PPARδ and PPARγ is known to have anti-inflammatory effects; and

- activation of each of PPARα, PPARδ and PPARγ is known to result in positive metabolic effects.

Lanifibranor is a PPAR agonist that is designed to target all three PPAR isoforms (PPARα, PPARδ and PPARγ) in a moderate and well-balanced manner, with a well-balanced activation of PPARα and PPARδ, and a partial activation of PPARγ. While there are other PPAR agonists that can target one or two PPAR isoforms for activation, lanifibranor is the only anti-fibrotic pan-PPAR agonist in clinical development. The Company believes that this pan-PPAR approach provides for a combination of anti-fibrotic, anti-inflammatory and beneficial metabolic effects that cannot be obtained with single and dual PPAR agonists. In its pre-clinical studies, the Company observed that the combined action of these three PPAR isoforms enable lanifibranor to slow, block and even reverse lung, skin and kidney fibrosis, and positively impact vascular remodeling. Further, in clinical trials in type 2 diabetes conducted prior to its founding, the administration of lanifibranor was associated with favorable anti-inflammatory effects, including increased levels of adiponectin, which inhibits the release of cytokines and other pro-inflammatory proteins. Lanifibranor was also associated with favorable metabolic effects, including improvements in insulin sensitivity, reductions in levels of triglycerides, which are a type of fat, and increases in high-density lipoprotein, or HDL, cholesterol levels.

The Company believes that lanifibranor's moderate and well-balanced pan-PPAR binding profile also contributes to the favorable safety and tolerability profile that has been observed in clinical trials and pre-clinical studies to date. As of January 31, 2019, approximately 200 patients have been treated with

lanifibranor for at least 24 weeks, particularly for the treatment of NASH. Since the launch of the Phase IIB NATIVE trial for the treatment of NASH, lanifibranor has undergone two Data and Safety Monitoring Board, or DSMB, reviews, and the DSMBs have not recommended any changes to the trial protocol. In addition, prior to Inventiva's founding, lanifibranor was administered to over 150 subjects in clinical trials in type 2 diabetes and was reported to be well tolerated and exhibited a favorable safety profile, including with respect to key markers of liver, kidney, heart, muscle and bone function. By contrast, single and dual PPAR agonists, which generally target PPAR isoforms in a very potent and imbalanced manner, have historically been associated with toxicity and adverse effects.

The Company believes the anti-inflammatory, anti-fibrotic and metabolic properties of lanifibranor are relevant for the treatment of NASH.

NASH is a progressive chronic liver disease for which there are currently no approved therapies. NASH often results in liver failure and death and is believed to affect 12% of the United States population. NASH is characterized by (i) a metabolic process known as steatosis, or the excessive accumulation of fat in the liver, (ii) inflammation and ballooning of liver cells and (iii) progressive liver fibrosis that can ultimately lead to cirrhosis. NASH is increasingly viewed as the expression in the liver of metabolic syndrome and is frequently accompanied by obesity, insulin resistance and type 2 diabetes. Inventiva is currently conducting a Phase IIb clinical trial of lanifibranor for the treatment of NASH and plans to report data in the first half of 2020. If the trial is positive, the Company plans to seek a partner to initiate the Phase III clinical development of lanifibranor for the treatment of NASH.

As well as NASH, lanifibranor has also been investigated for the treatment of SSc in the Phase IIb FASST clinical trial. The trial did not meet its primary endpoint of a mean absolute change from baseline and week 48, relative to placebo, in the modified Rodnan Skin Score, or mRSS. While the trial did not meet any of the secondary endpoints either, lanifibranor showed a favorable trend in patients' global assessment of disease activity with a mean absolute change in visual analog scale ($p=0.08$) from baseline to placebo, indicating a perceived benefit by patients. Within this fragile and poly-medicated population, lanifibranor was observed to be associated with a favorable safety profile, with no adverse interactions with immunosuppressive background therapies observed. The proportion of patients with at least one adverse event was similar across the three patient groups. Given these results, the Company has decided to discontinue the clinical development of lanifibranor in SSc to concentrate on its clinical development in the treatment of NASH.

1.1.1.2 **Odiparcil for the treatment of MPS**

Odiparcil is the Company's second drug candidate for treatment of patients with MPS. Odiparcil is an orally available small molecule that acts on the cause of the symptoms of the disease, which is the accumulation of GAGs in cells, tissues and organs due to deficient lysosomal enzymes. By modifying how GAGs are synthesized, odiparcil facilitates the production of soluble GAGs that can be excreted in the urine, rather than accumulating in cells. In pre-clinical studies, Inventiva observed that odiparcil reduced accumulation of two specific GAGs, chondroitin sulfate, or CS, and dermatan sulfate, or DS, in several organs and tissues.

Enzyme replacement therapy, or ERT, is the current standard of care for the treatment of patients with MPS but requires weekly infusions and is generally administered in an outpatient hospital setting. Furthermore, while ERT has been shown to be effective in reducing GAG accumulation in some tissue types, ERT has shown limited efficacy in reducing GAG accumulation in tissues that are poorly vascularized or protected by a barrier. By contrast, the Company has observed in pre-clinical studies, that odiparcil is well distributed in the body, including in cartilage and the eye, which are tissues that are poorly penetrated by ERT. Because odiparcil has a different mechanism of action than ERT and reaches tissues that are poorly penetrated by ERT and in which MPS symptoms often manifest, the Company believes odiparcil could be used as a combination therapy with ERT. Based on its pre-clinical data, Inventiva also believes that odiparcil has potential as a stand-alone therapy.

MPS is classified into seven subtypes (I, II, III, IV, VI, VII and IX), depending on the affected lysosomal enzyme and the accumulation of corresponding GAGs. One or both of CS and DS, the GAGs on which odiparcil acts, accumulate in patients with MPS I, II, IVa, VI and VII. To date, the Company has focused development of odiparcil on the treatment of patients with MPS VI, which is characterized by rounded and thickened facial features, enlargement of the liver and spleen, cardiac valve disease and reduced pulmonary function. Untreated patients affected by MPS VI and who suffer with severe forms of the disease have an approximate life expectancy of 20 years for untreated patients with severe forms of the disease. In an MPS VI model using a mouse that was genetically modified to reflect human MPS pathology, the Company observed that administration of odiparcil reduced GAG accumulation in organs and tissues and improved mobility. Prior to the Company's founding, odiparcil was administered to over 1,800 subjects in clinical trials in an unrelated indication and was reported to be well tolerated and exhibited a favorable safety profile at daily doses in excess of the therapeutic range.

Odiparcil is currently being investigated in the improve MPS treatment, or iMProveS, a Phase IIa clinical trial for the treatment of adult patients with MPS VI. The Company expects to report data from the iMProveS trial in the second half of 2019 and, if positive, plans to initiate Phase III clinical development of odiparcil for the treatment of MPS VI in 2021. Because odiparcil targets GAGs that are also present in other MPS subtypes, the Company believes that the data generated in the iMProveS trial may also support moving directly to Phase III pivotal trials in other MPS subtypes that are characterized by the accumulation of CS or DS. Lastly, because MPS is a progressive disease, the Company believes there is benefit in treating pediatric patients with MPS, and plans to commence a Phase I/II clinical trial of odiparcil in a pediatric population in the first half of 2020. Odiparcil has received orphan drug designation, or ODD, from the FDA and EMA for the treatment of MPS VI, as well as rare pediatric disease designation, or RPDD, from the FDA.

1.1.1.3 **An innovative discovery engine**

Frédéric Cren, Chief Executive Officer, and Pierre Broqua, Deputy Chief Executive Officer and Chief Scientific Officer, co-founded the Company through the acquisition of assets, including a research and development facility, from the Fournier division of Abbott Laboratories, or Abbott. Mr. Cren and Dr. Broqua previously led research and development activities at Laboratoires Fournier. In connection with its founding, Mr. Cren and Dr. Broqua recruited a team, which they previously led at Fournier, that possesses extensive biology, medicinal and computational chemistry, pharmacokinetics and pharmacology expertise, thereby covering the drug discovery process from target validation to investigational new drug application, or IND, enabling studies. More than 75% of the members of this team have worked with Inventiva's co-founders and each other for more than 15 years. The Company's research and development capabilities, including a wholly owned, 12,000 square meter (129,000 square feet) research and development facility, are of a scale and quality that are ordinarily only possessed by large pharmaceutical companies. The Company also owns a library of approximately 240,000 pharmacologically relevant molecules, 60% of which are proprietary. The Company believes these assets differentiate it from many other biotechnology companies at a similar stage of development, which in-license intellectual property and outsource research and development capabilities.

Using its assets and expertise, the Company has built a discovery engine focused on oral small molecule compounds that target nuclear receptors, transcription factors and epigenetic modulation. The Company's assets and expertise have enabled it to efficiently identify and advance multiple, novel and differentiated programs in areas with high unmet medical need, including lanifibranor for the treatment of NASH and odiparcil for the treatment of MPS. The discovery engine is also used in the development of other programs. The Company is also leveraging its discovery engine to advance the development of its Hippo program, which aims to disrupt the YAP/TEAD interaction, an interaction that plays a key role in oncogenic and fibrotic processes. It is in the process of selecting an oncology development candidate for its Hippo program, which it anticipates will enter pre-clinical development in 2019. Inventiva is also currently working to develop additional oral small molecule compounds

across multiple areas of high unmet medical need. Inventiva believes that its breadth of assets and depth of expertise will enable the Company to continue advancing these early stage compounds and also to identify and develop new compounds addressing a wide range of indications.

1.1.1.4 Two collaborations that confirm the Company's expertise and technological capabilities

The Company's assets and expertise also form the basis of the collaborations that it has entered into with AbbVie and BI. Together with AbbVie, Inventiva has discovered new, potent, orally available inverse agonists of the nuclear receptor RORγ that may potentially be useful in the treatment of moderate to severe psoriasis. For this purpose, AbbVie is currently investigating ABBV-157, which is the clinical development candidate resulting from collaboration with the Company, in a Phase I clinical trial. Inventiva's collaboration with BI is focused on the identification of new treatments for IPF and other fibrotic diseases. AbbVie and BI, respectively, are solely responsible for funding and conducting the clinical development of programs identified through collaborations with the Company. The Company believes that these collaborations validate its approach and the potential of its discovery engine.

1.1.2 Strategy

Inventiva's goal is to rapidly deliver multiple, innovative and differentiated orally available small molecule therapies to patients suffering from diseases with significant unmet medical need. The Company is focused on the areas of fibrosis, lysosomal storage disorders and oncology. The strategy to meet these objectives follows five key axes.

1.1.2.1 Demonstrate clinical proof of concept for lanifibranor in the treatment of NASH

Inventiva is currently investigating lanifibranor for the treatment of patients with NASH in the randomized, double-blind, placebo-controlled NATIVE Phase IIb clinical trial. The Company plans to enroll 225 patients in the NATIVE trial and expects to report data in the first half of 2020. If positive, the Company plans to seek a partner to advance Phase III clinical development of lanifibranor for the treatment of NASH. The Company is also supporting a Phase II clinical trial initiated by investigator Dr. Kenneth Cusi studying lanifibranor in patients with type 2 diabetes for the treatment of NAFLD, the most common liver disorder in developed countries and a precursor to NASH. If positive, the Company expects that these data would support its registrational filings for lanifibranor for the treatment of NASH.

Given its belief that NASH is underdiagnosed and poorly understood by the medical community, the Company has founded and sponsored the development of the panNASH Initiative, which is a working group of international independent NASH experts that aims to increase the visibility and contribute to a better understanding of NASH, including improving diagnosis and establishing best practices for the treatment of the disease.

1.1.2.2 Demonstrate clinical proof of concept for odiparcil in MPS VI and rapidly advance to pivotal trials

Odiparcil is currently being investigated in the iMProveS Phase IIa clinical trial for the treatment of adult patients with MPS VI. The Company expects to report data in the second half of 2019. If positive, the Company plans to initiate Phase III clinical development of odiparcil for the treatment of MPS VI in 2021.

Inventiva believes odiparcil's mechanism of action is relevant to a number of MPS subtypes, and it also plans to initiate pivotal trials for the treatment of one or more of MPS subtypes I, II, IVa and VII.

In addition, the Company plans to commence a Phase I/II clinical trial of odiparcil for MPS VI in a pediatric population in the first half of 2020.

Odiparcil has received orphan drug designation from the FDA and EMA for the treatment of MPS VI. In March 2019, it also received rare pediatric disease designation, or RPDD, from the FDA for the treatment of MPS VI.

Under this RPDD, the Company may be eligible to receive a Priority Review Voucher, or PRV, for a further new drug application, or NDA, or a biologics license application, or BLA. The FDA grants this PRV to promote research and development in drugs for the treatment of rare pediatric diseases.

This PRV will be definitively obtained after the odiparcil marketing authorization and will allow reducing the FDA's reviewing time from 12 to six months for other drugs. The Company may decide to use it for the development of another drug candidates of its portfolio, sell it or transfer it to a third party.

1.1.2.3 Leverage the power of the Company's discovery engine to identify and advance additional novel programs in areas with high unmet medical need

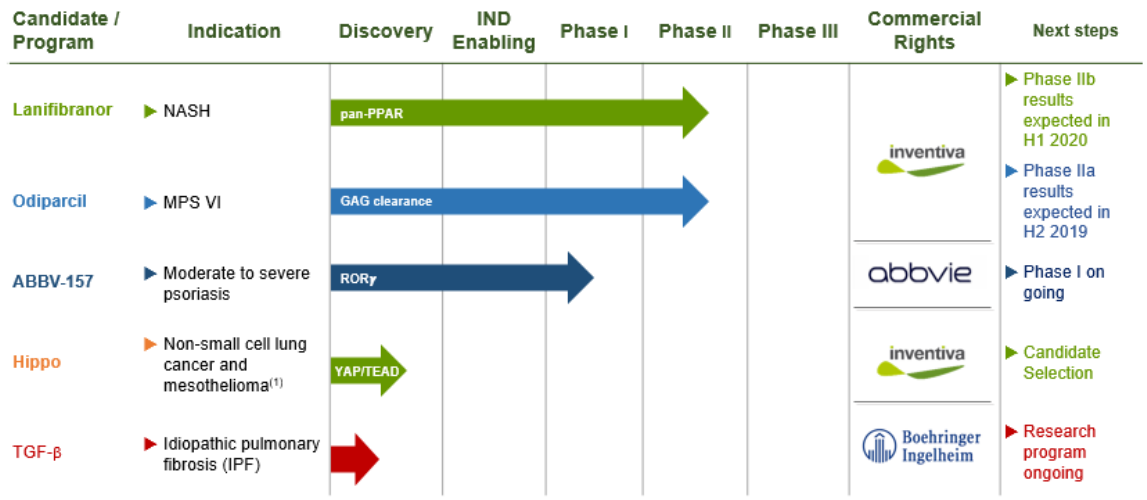
The Company plans to leverage its library of 240,000 pharmacologically relevant molecules, its advanced research and development facilities and its medicinal, computational chemistry, pharmacokinetics and pharmacology expertise to identify and develop new therapeutic mechanisms. For example, the Company is in the process of selecting an oncology development candidate for its Hippo program, which it anticipates entering pre-clinical development in 2019.

1.1.2.4 Selectively seek strategic collaborations to maximize the value of the Company's assets

Differentiated product candidates and robust discovery engine may enable the Company to address a wide variety of indications. The Company plans to selectively form research, development and commercial strategic collaborations around product candidates or disease areas that it believes could benefit from the resources of either larger biopharmaceutical companies or those specialized in a particular area of relevance. For example, collaborations with AbbVie and BI have been based on leveraging the Company's scientific and therapeutic expertise in fibrosis and its collaborators' respective expertise in the areas of psoriasis and fibrosis. Lastly, assuming the NATIVE Phase IIb trial results of lanifibranor for the treatment of patients with NASH are positive, Inventiva plans to explore a strategic collaboration for Phase III development given the size and scope of this indication.

1.1.3 The Company's pipeline

The Company has leveraged its assets and expertise to advance the development of multiple, novel and differentiated orally available small molecule therapies. The following table summarizes the Company's clinical and pre-clinical programs..



(1) Small-cell lung cancer

1.1.4 Lanifibranor for the treatment of NASH

The Company's lead product candidate, lanifibranor, is an orally available small molecule that acts to induce anti-fibrotic, anti-inflammatory and beneficial metabolic changes in the body by activating all three PPAR isoforms: PPARα, PPARδ and PPARγ. While there are other PPAR agonists that target only one or two PPAR isoforms for activation, lanifibranor is the only pan-PPAR agonist in clinical development. Inventiva believes that this pan-PPAR approach provides for a combination of anti-fibrotic, anti-inflammatory and beneficial metabolic effects that cannot be obtained with single and dual PPAR agonists. Inventiva believes its anti-inflammatory, anti-fibrotic and metabolic effects are relevant for the treatment of NASH.

The Company is currently conducting a Phase IIb clinical trial, the NATIVE trial, of lanifibranor in patients with NASH.

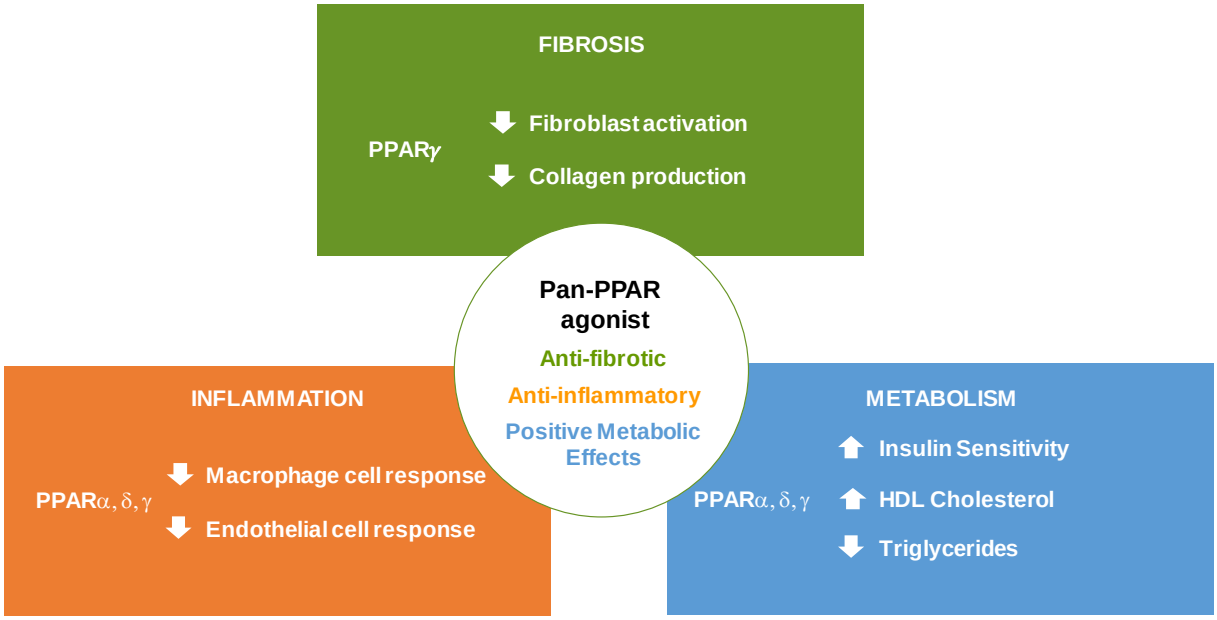
The Company plans to report data from the NATIVE trial in patients with NASH in the first half of 2020 and, if these results are positive, to seek a collaboration with a partner to advance Phase III clinical development of lanifibranor for the treatment of NASH. The Company holds unencumbered rights to lanifibranor's development and commercialization.

1.1.4.1 The roles of PPARs in fibrosis, inflammation and metabolism

PPARs are ligand-activated transcription factors belonging to the nuclear hormone receptor family that regulate the expression of genes. They play essential roles in the regulation of cellular differentiation, development and tumorigenesis. There are three PPAR isoforms, known as: PPARα, PPARδ and PPARγ. Figure 1 below shows the well-established relevance of each isoform to different aspects of fibrotic, inflammatory and metabolic processes.

Lanifibranor has a very particular profile which is distinctive from those of other PPAR agonists in that it acts on the three targeted PPAR isoforms with moderate potency. This differs from other PPAR agonists discontinued for safety reasons which, although more potent than lanifibranor, are only capable of activating one or two PPAR isoforms. The relevance of each isoform to different aspects of fibrotic, inflammatory and metabolic processes is well-established:

Figure 1: Roles of the three PPAR isoforms in fibrosis, inflammation and metabolism



- Fibrosis: Fibrosis results from the activation of stellate cells, fibroblasts and myofibroblasts, leading to excessive production of collagen and fibronectin. Fibrosis is associated with the impairment and, if severe enough, the failure of the organs in which it occurs. Activation of PPARγ has been shown to decrease fibroblast activation and the production of collagen from fibrotic cells.

- Inflammation: when tissues are injured or invaded by foreign substances, such as bacteria, macrophages and vascular endothelial cells are activated, delivering cytokines, chemokines and other protein growth factors. Although these proteins contribute to tissue inflammation, they also trigger an immune response and set the healing process in motion. Inflammation can also lead to the activation of fibroblasts and stellate cells in the liver, contributing to the fibrotic process. Activation of each of PPARα, PPARδ and PPARγ has been shown to decrease the activation of macrophages and endothelial cells.

- Metabolism: Metabolic processes are disturbed in many common diseases. PPAR activation is known to induce several positive metabolic effects. Activation of PPARα and PPARδ has been demonstrated to reduce triglyceride levels and increase HDL cholesterol levels, and activation of PPARγ causes insulin sensitization, improves glucose metabolism and increases adiponectin.

PPAR agonists act to induce anti-fibrotic, anti-inflammatory and positive metabolic effects by activating one or more PPAR isoforms and by repressing or recruiting their co-regulators – i.e., proteins that interact with cells' transcription mechanisms to enhance or prevent gene transcription. Depending on their chemical structure, PPAR agonists can activate different PPAR isoforms, and can activate each isoform more or less potently, depending on the manner in which the agonist binds to the isoform and the nature and number of co-regulators that the agonist represses or recruits.

The interaction between PPAR agonists and PPAR isoforms is complex, and creating therapeutic chemical compounds that induce the desired clinical effects is challenging. A PPAR agonist intended to induce a specific anti-fibrotic, anti-inflammatory or metabolic effect by activating an isoform may not activate the isoform with sufficient potency to induce the desired effect, may activate the isoform with excessive potency, leading to unintended harmful consequences, or may co-activate additional isoforms, leading to additional effects, which may or may not be beneficial.

Single and dual PPAR agonists have been associated with toxicity and adverse effects, including adverse effects on the heart, kidney, skeletal muscle and bladder, as well as on body weight, water retention and bone mineral density. The Company believes that these effects are related to excessively strong or unbalanced activation induced by simple and dual PPAR agonists, leading either to over-activation of certain isoforms in the attempt to activate other isoforms, or an under-activation of other isoforms that could counterbalance the effects of the activated isoforms.

1.1.4.2 **Lanifibranor: A PPAR agonist that activates all three PPAR isoforms**

Lanifibranor is a PPAR agonist that is designed to target all three PPAR isoforms (PPARα, PPARδ and PPARγ) in a moderate and well-balanced manner, with a well-balanced activation of PPARα and PPARδ, and a partial activation of PPARγ. While there are other PPAR agonists that target only one or two PPAR isoforms for activation, lanifibranor is the only pan-PPAR agonist in clinical development. The Company believes that this pan-PPAR approach provides for a combination of anti-fibrotic, anti-inflammatory and beneficial metabolic effects that cannot be obtained with single and dual PPAR agonists. The Company believes lanifibranor's moderate and balanced pan-PPAR binding profile also contributes to the favorable safety and tolerability profile that has been observed in clinical trials and pre-clinical studies to date.

The Company tested the response of each of the three PPAR isoforms to activation by lanifibranor at different doses. As shown in figure 2 below, the Company demonstrated that the response curve of each PPAR isoform to lanifibranor was similar and dose-dependent.

The Company also measured the binding affinity of lanifibranor to each of the three PPAR isoforms by using EC50, a commonly accepted measure of the potency of binding affinity that represents higher potencies with smaller numbers, and compared that to the documented binding affinity of other PPAR agonists. As shown in table 1 below, the Company observed that lanifibranor is the only PPAR agonist that activates all three PPAR isoforms. In addition, the Company has shown that lanifibranor exhibited a more balanced activation of PPAR isoforms in comparison to other PPAR agonists, while also acting with moderate potency.

Figure 2: Dose/response curve of lanifibranor in humans

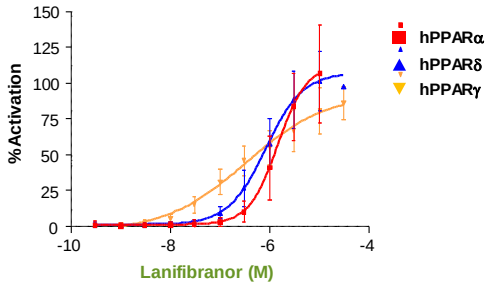


Table 1: Median effective concentration (EC50)[2]

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

EC50 corresponds to the concentration that generates half of the activity. The lower the value, the weaker the active concentration.
Source: Company data

Pre-clinical and clinical data show a favorable safety and tolerability profile for lanifibranor

Pre-clinical and clinical data have shown that lanifibranor is associated with a favorable safety and tolerability profile. Inventiva believes this is linked to its moderate and balanced profile. The Company has observed that lanifibranor binds differently to PPARγ than other PPAR agonists, such as rosiglitazone, and recruits a more selective set of co-regulators, which suggests that lanifibranor will be less likely to induce an over-activation of the PPARγ isoform. Further, studies conducted by others have shown that activation of certain PPAR isoforms can mitigate safety and tolerability issues that are associated with activation of other PPAR isoforms. For example, administration of PPARγ agonists is associated with increased body weight and water retention in patients with diabetes and decreased bone mineral density in rodent models. However, co-administration of both a PPARα agonist and a PPARγ agonist was observed to mitigate these adverse effects.

The Company initiated a 52-week regulatory toxicity study in monkeys in 2015 and published the results in May 2017, along with a carcinogenicity study with results published in August 2018. No association with toxicity or adverse effects on the heart, kidney, skeletal muscle of bladder was observed. By contrast, single and dual PPAR agonists have been associated with toxicity and adverse effects on these organs, as shown in table 2 below.

Table 2: Main adverse effects induced by activation of the different PPAR isoforms

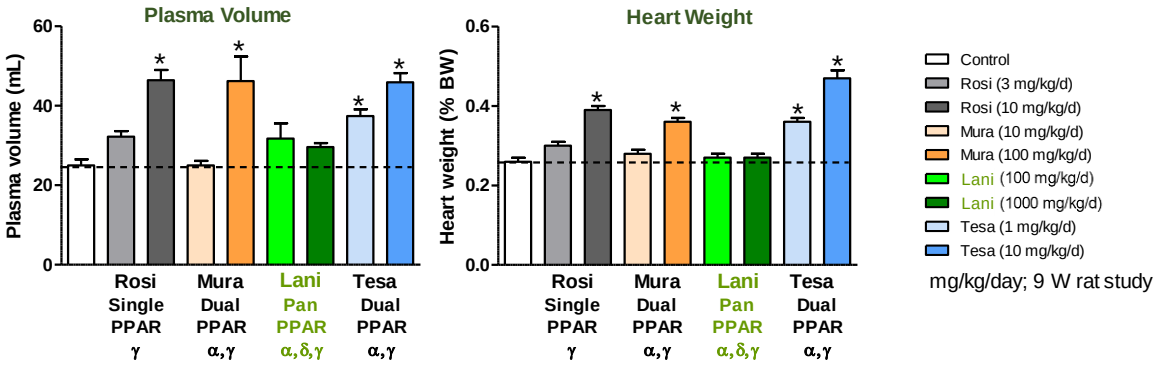
Organ		PPAR isoforms activated	Reported PPAR liabilities	Lanifibranor effects
	Heart	▶ PPARγ	▶ Fluid retention ▶ Cardiac hypertrophy	**Not observed**
	Skeletal muscle	▶ PPARα	▶ Myofiber degeneration	**Not observed**
	Kidney	▶ PPARα	▶ > 50% increases in creatinine, degenerative changes in renal tubules	**Not observed**
	Urinary bladder	▶ PPARγ	▶ Proliferative changes in bladder epithelium	**Not observed**

[2] *Source: **Lanifibranor**: Company data; **Plioglitazone**: A Placebo-Controlled Trial of Pioglitazone in Subjects with Nonalcoholic Steatohepatitis; The New England Journal of Medicine, 355;22; **Elafibranor**: Genfit data; **Seladelpar**: Treatment Efficacy and Safety of Seladelpar, a Selective Peroxisome Proliferator-Activated Receptor Delta agonist, in Primary Biliary Cholangitis Patients: 12- and 26-Week Analyses of an Ongoing, International, Randomized, Dose Ranging Phase 2; **Other**: The dual peroxisome proliferator-activated receptor alpha/delta agonist GFT505 exerts anti-diabetic effects in db/db mice without peroxisome proliferator-activated receptor gamma–associated adverse cardiac effects, Diabetes & Vascular Disease Research 2014, Vol. 11(6) 440–447 Study.*

Source: Company data

As shown in chart 1 below, after nine weeks of treatment, lanifibranor 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.

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



Source: Company data

Statistically significant results are noted with asterisks. A result is considered to be statistically significant when the probability of the result occurring by random chance, rather than from the efficacy of the treatment, is sufficiently low. The conventional method for measuring the statistical significance of a result is known as the "p-value", which represents the probability that random chance caused the result. In this Registration Document, a p-value less than 0.05 is denoted by a single asterisk, a p-value less than 0.01 is denoted by two asterisks, a p-value less than 0.001 is denoted by three asterisks and a p-value less than 0.0001 is denoted by four asterisks. Generally, a p-value less than 0.05 is considered statistically significant, and may be supportive of a finding of efficacy by regulatory authorities. However, regulatory authorities, including the FDA and EMA, do not rely on strict statistical significance thresholds as criteria for marketing authorization and maintain the flexibility to evaluate the overall risks and benefits of a treatment.

Lanifibranor was safe and well tolerated in Phase I and IIa clinical trials led by Abbott, prior to the Company's founding, on 125 healthy volunteers and 47 subjects with type 2 diabetes, or T2DM, for a duration of treatment of four weeks. No increase of creatinine, LTSs (leukotrienes) or CPK (creatine phosphokinase), 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 in these trials. The observed effects were consistent with the predicted pharmacodynamic activities of pan-PPAR activation, with improvements in insulin resistance markers (HOMA-IR) and dyslipidemia markers (increase in HDL cholesterol, or "good cholesterol", reduction of triglycerides).

As of January 31, 2019, more than 200 patients have been treated with lanifibranor for at least 24 weeks, particularly for the treatment of NASH. In connection with the NATIVE trial, lanifibranor has undergone two DSMB reviews, and the DSMBs have not recommended any changes to the trial protocol.

Lanifibranor's benign profile was recognized by the EMA's Scientific Advisory Working Party (SAWP) for the treatment of SSc. 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.

Results from Phase IIb Clinical Trial with Lanifibranor in SSc

On February 18, 2019, the Company announced the results from the FASST (For A Systemic Sclerosis Treatment) clinical trial evaluating lanifibranor for the treatment of patients with diffuse cutaneous systemic sclerosis ("dcSSc"), a rare, progressive autoimmune, rheumatic disease with frequent serious adverse events and high unmet medical need.

The FASST clinical trial, a one-year, double-blind, randomized, placebo-controlled Phase IIb study, included 145 patients suffering from the early phase of dcSSc, who received lanifibranor in either 800mg per day or 1200mg taken in two doses per day over 48 weeks in addition to their existing standard of care, which in most cases included immunosuppressive therapy.

The FASST clinical trial did not meet its primary endpoint of a mean absolute change from baseline to week 48, relative to placebo, in the modified Rodnan Skin Score ("mRSS"), which assesses skin thickness across 17 defined points on the body on a scale of zero, indicating normal skin, to three, indicating severe thickness. There was a decrease in the average mRSS observed in active and placebo arms with only four patients reporting to have increases in mRSS scores over the course of the trial.

While the trial did not meet any of the secondary endpoints, lanifibranor showed a favorable trend in patients' global assessment of disease activity with a mean absolute change in visual analog scale[3] (p=0.08) from baseline versus placebo indicating a perceived benefit by patients.

No adverse interactions with immunosuppressive background therapies were observed. The proportion of patients with at least one adverse event was similar across the three patient groups (placebo, 400 mg or 600 mg of lanifibranor twice a day). As reported in established literature[4], patients in the early phase of SSc have an increased susceptibility to edema. In this trial, fluid retention was observed related to lanifibranor, but was only judged severe in one patient in each dose group, and a single serious adverse event of peripheral edema was observed at the highest lanifibranor dose. Furthermore, no cardiac or renal safety concerns were observed in the trial. Inventiva has therefore decided to discontinue lanifibranor's clinical development for the treatment of SSc in order to fully focus on the development of lanifibranor for the treatment of NASH.

As of today, the Company believes that the results from lanifibranor in SSc do not undermine the currently conducted trials with lanifibranor for the treatment of NASH. On the one hand, the two pathologies are distincts and, on the other hand, the anti-fibrotic effect of lanifibranor could not be validated by the FASST clinical trial as only four patients were in a progression phase of the disease. Finally, promising results on the role of the PPARs isoforms activation in patients with NASH have already been published and confirmed significant and positive effects combining anti-fibrotic and anti-inflammatory activities with metabolic benefits.

1.1.4.3 **Development of lanifibranor for the treatment of NASH**

Due to the positive properties on the components of NASH, the Company believes that lanifibranor has the potential to address positively all of the key clinical manifestations of the disease.

1.1.4.3.1 Disease overview and opportunities

NASH is a common and progressive chronic liver disease that is an advanced progression of non-alcoholic fatty liver disease, or NAFLD. NASH has four main components:

[3] The visual analog scale (VAS) corresponds to a global assessment of wellbeing by patients in the last month of treatment.

[4] *Cosimo Bruni, Tracy Frech, et al. "Vascular Leaking, a Pivotal and Early Pathogenetic Event in Systemic Sclerosis: Should the Door be Closed?", Frontiers in Immunology, 2018, (9): 1-9.*

- The first component is metabolic. NASH is increasingly understood as the expression in the liver of metabolic syndrome and insulin sensitivity and is frequently associated with obesity, insulin resistance and type 2 diabetes;
- Second, NASH is characterized by excessive fat accumulation in the liver, known as steatosis, that is not caused by excessive use of alcohol. Steatosis is a metabolic dysfunction that occurs when the liver cells import more fatty acids than they can metabolize, leading to lipogenesis, or the creation of fat;
- Third, in NASH patients, steatosis induces chronic inflammation and the death of liver cells, observed histologically as ballooning of necrotic cells; and
- Fourth, inflammation and ballooning may lead to progressive fibrosis in the liver, and ultimately cirrhosis, as the body responds to the liver's injured state by producing stellate cells, fibroblasts and accompanying proteins, such as collagen and fibronectin.

NASH is diagnosed by means of a liver biopsy that confirms the presence of steatosis, inflammation, ballooning and fibrosis. The overall NASH prevalence in the adult population of the United States is believed to be approximately 12%. However, given the prevalence of the underlying risk factors for the disease, including type 2 diabetes and obesity, as well as the need for a biopsy to diagnose NASH, the Company believes that the disease may be underdiagnosed.

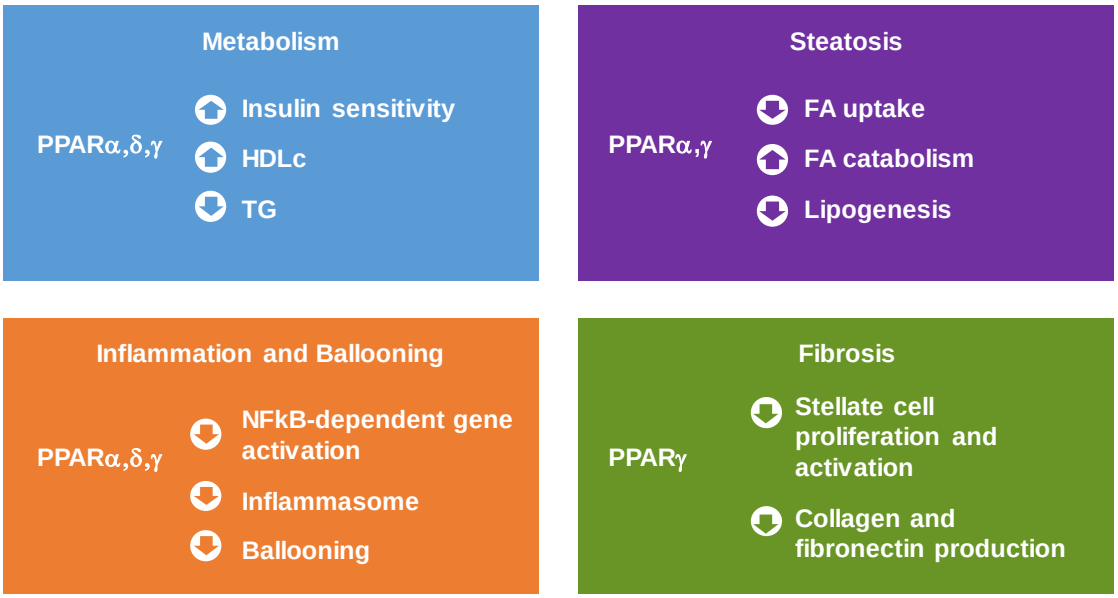
By 2020, NASH is expected to become a leading cause of liver transplantation in the United States. Additionally, NASH is now considered to be the leading, and a rapidly increasing, cause of hepatocellular carcinoma, or primary liver cancer, of which up to 40% of cases in NASH patients develop prior to developing cirrhosis. More than 20% of patients with NASH progress to cirrhosis within a decade of diagnosis and, compared to the general population, have a ten-fold greater risk of liver-related mortality.

There are currently no approved therapies for the treatment of NASH. Various therapeutics, including insulin sensitizers and vitamin E, are used off-label. Lifestyle changes, including modification of diet and exercise to reduce body weight, as well as treatment of concomitant diabetes and dyslipidemia, are commonly accepted as the standard of care, but have not conclusively been shown to prevent disease progression.

As shown in the diagram below, PPAR activation has been established to play a role in regulating each of the components of NASH:

- ***Metabolism***: Activation of PPARα and PPARδ has been demonstrated to reduce triglyceride levels and increase HDL cholesterol levels, while activation of PPARγ has been demonstrated to increase insulin sensitization, all of which are key metabolic markers in patients with NASH;
- ***Steatosis***: Activation of PPARα and PPARγ addresses key elements of steatosis by enhancing fatty acid metabolism and ultimately decreasing lipogenesis;
- ***Inflammation and ballooning***: Activation of PPARα, PPARδ and PPARγ has been associated with statistically significant reductions in inflammation and ballooning;
- ***Fibrosis***: Activation of PPARγ is associated with anti-fibrotic effects across the process of fibrosis, from the production of stellate cells to the production of fibrotic proteins such as collagen and fibronectin.

Figure 3: Lanifibranor's mechanism of action on the main features of NASH



Source: Company data

1.1.4.3.2 Lanifibranor, a drug candidate that addresses the main characteristics of NASH

While there are other PPAR agonists that target only one or two PPAR isoforms (PPARα and/or PPARδ but not PPARγ) for activation, lanifibranor is the only pan-PPAR agonist in clinical development with an established role in the activation of the three PPAR isoforms involved in the fibrotic and inflammatory process. The Company believes that this pan-PPAR approach provides for a combination of anti-fibrotic, anti-inflammatory and beneficial metabolic effects that cannot be obtained with single and dual PPAR agonists. In pre-clinical studies, Inventiva observed that the administration of lanifibranor slowed, blocked and reversed liver fibrosis. Further, in clinical trials in patients with type 2 diabetes conducted prior to the Company's founding, Abbott observed improvements in key metabolic parameters associated with NASH following treatment with lanifibranor.

Lanifibranor is currently being investigated in the NATIVE Phase IIb clinical trial for the treatment of NASH. The Company expects to report data from this trial in the first half of 2020, and, if positive, plans to seek a collaborator to partner with to advance Phase III clinical development of lanifibranor for the treatment of NASH.

1.1.4.3.3 Pre-clinical studies

In pre-clinical studies, the Company evaluated the effect of lanifibranor on the components of NASH, including studies that address effects linked to metabolic functions, including steatosis, to inflammation and ballooning, and to the process of fibrosis.

The Company induced liver inflammation, steatosis and fibrotic gene expression in the liver in mice through a methionine choline deficient, or MCD, diet, which is a model commonly used in studies related to NASH. The Company then administered a vehicle that served as a negative control, as well as lanifibranor at 10 mg/kg and 30 mg/kg. After three weeks of treatment, the Company observed statistically significant dose dependent decreases in both steatosis and inflammation in those mice administered lanifibranor as shown in the figure below.

Figure 4: Lanifibranor effect on steatosis in the MCD mouse model

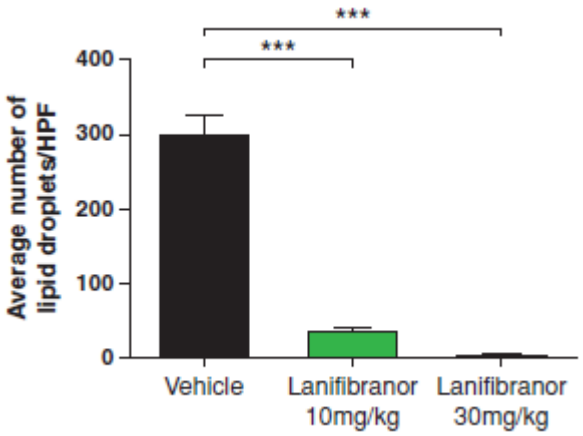
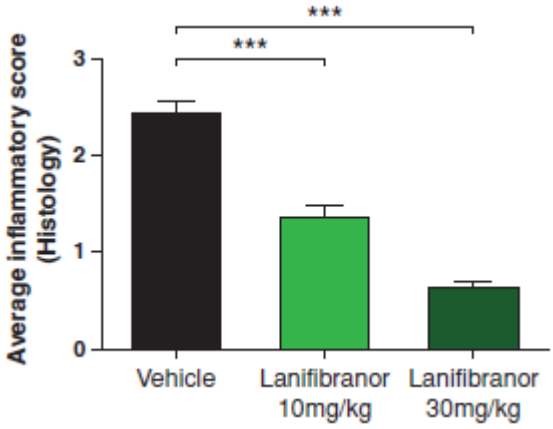


Figure 5: Lanifibranor effect on inflammation in the MCD mouse model



Source: Company data, "IVA337, A Pan-Ppar Agonist, Reduces Nash Features and Inhibits the Inflammasome in Murin Models of Nash", EASL September 2017

After administering lanifibranor at doses of 10 mg/kg and 30 mg/kg in the foz/foz mouse model, the Company observed that lanifibranor also improved steatosis, inflammation and fibrosis in a model of steatohepatitis and reduced steatosis, ballooning of the liver and the NAS score by four points (i.e., the combined steatosis, hepatocellular inflammation, and hepatocellular ballooning scores) in a pre-clinical model of NASH. Lanifibranor was able to inhibit proliferation and activation of human hepatic stellate cells.

Figure 6: Lanifibranor effect on ballooning in the foz/foz mouse model

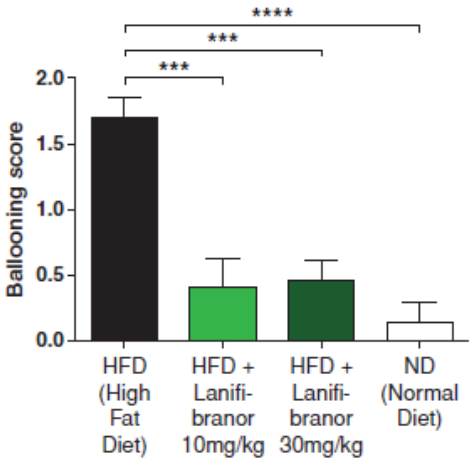
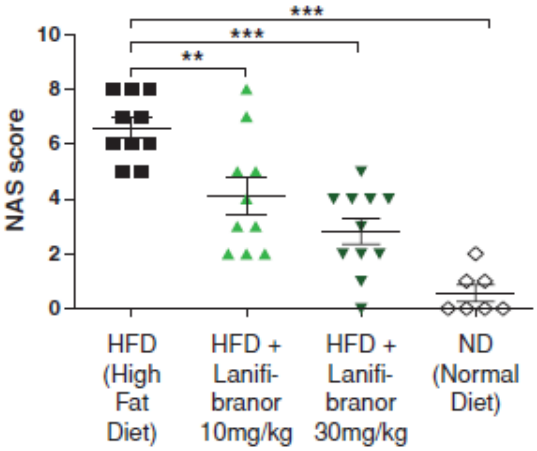


Figure 7: Lanifibranor effect on NAS score in the foz/foz mouse model



Source: Company data, "IVA337, A Pan-Ppar Agonist, Reduces Nash Features and Inhibits the Inflammasome in Murin Models of Nash", EASL September 2017

The Company also conducted pre-clinical studies of lanifibranor's anti-fibrotic activity in the liver. In a mouse model, Inventiva administered CCI4, an organic solvent that induces a strong liver inflammatory response producing fibrosis, as well as corn oil, which served as a negative control. The Company measured the expression of collagen at each site of administration. The Company concurrently administered lanifibranor at doses of 3 mg/kg, 10 mg/kg and 30 mg/kg. The Company observed that the concurrent administration of lanifibranor with CCI4 was associated with statistically

significant, dose-dependent decreases in collagen production at the site of administration, suggesting that lanifibranor inhibited the progression of fibrotic processes.

Using the same mouse model, Inventiva also administered CCI4 and corn oil three weeks prior to the administration of lanifibranor at doses of 15 mg/kg and 30 mg/kg. As shown in figure 9 below, the Company observed that the administration of lanifibranor after the onset of fibrosis was associated with statistically significant decreases in collagen production, suggesting that the fibrotic process was reversed.

Figure 8: Lanifibranor stops the process of fibrosis in the MCD mouse model

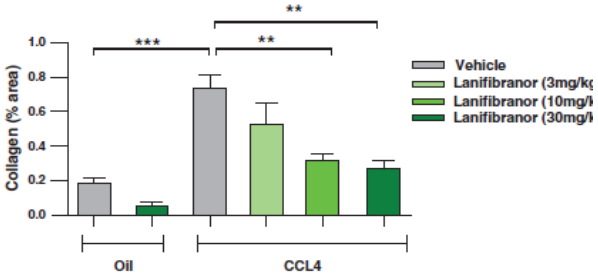
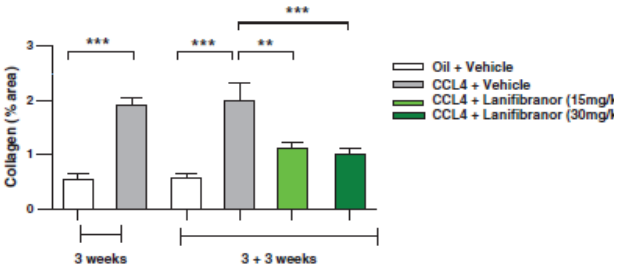


Figure 9: Lanifibranor reverses established liver fibrosis in the MCD mouse model



Source: Company data, "IVA337, A Pan-Ppar Agonist, Reduces Nash Features and Inhibits the Inflammasome in Murin Models of Nash", EASL September 2017

In other pre-clinical studies, Inventiva also evaluated the effect of lanifibranor on key metabolic parameters associated with NASH. In a diet-induced obesity and insulin resistance model, the Company observed that administration of lanifibranor was associated with significant improvements in body weight, adiposity index, non-fasting glucose levels and insulin levels.

1.1.4.3.4 Earlier trials in type 2 diabetes – supportive evidence for relevance of lanifibranor in NASH

Prior to the Company's founding, Abbott advanced lanifibranor through completion of Phase IIa clinical trials in which lanifibranor was administered to 47 patients with type 2 diabetes over a period of four weeks. In these trials, it was observed that treatment with lanifibranor was associated with improvements in metabolic biomarkers relevant to NASH, including insulin resistance and dyslipidemia markers, and also exhibited a favorable safety and tolerability profile.

As shown in the figures below, administration of lanifibranor at all doses tested (400 mg, 800 mg and 1,400 mg) was associated with increased levels of adiponectin, a fat-derived plasma protein with anti-inflammatory functions, increased levels of HDL cholesterol and decreased levels of triglycerides. Moreover, at the 800 mg and 1,400 mg doses, the changes in all three parameters were statistically significant as compared to the placebo.

Figure 10: Lanifibranor improves NASH-relevant metabolic markers in human diabetic patients

Source: Company data, "IVA337, A Pan-Ppar Agonist, Reduces Nash Features and Inhibits the Inflammasome in Murin Models of Nash", EASL September 2017

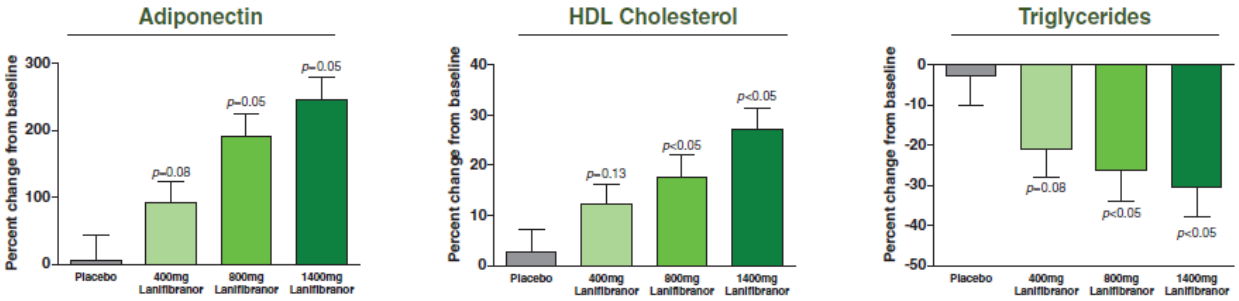
Based on the metabolic properties of lanifibranor observed in these clinical trials and their relevance to metabolic biomarkers associated with NASH, the Company believes lanifibranor can be relevant in treating patients with NASH. Inventiva believes these trials will provide additional supporting clinical data for its discussions with regulatory authorities regarding the potential approval of lanifibranor for the treatment of NASH.

However, the Company does not plan to pursue the studies led by Abbott regarding lanifibranor in the treatment of type 2 diabetes given the number of existing drugs for these indications.

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

In the scientific community, NASH is increasingly viewed as the hepatic expression of the metabolic syndrome and is often associated with obesity, insulin resistance and type 2 diabetes. Inflammation and fibrosis are common features of the condition. Therefore, the Company believes that lanifibranor could be an interesting therapeutic approach to NASH treatment given its beneficial effects on metabolic parameters and its antifibrotic activity.

The Company launched the NATIVE trial in Europe in the first half of 2017. NATIVE is a 24-week



multicenter clinical Phase IIb study (more than 80 sites in Europe, Canada, Australia and Mauritius) that is randomized, double-blind and placebo-controlled.

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

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

The goal of the trial is to assess improvement in liver inflammation and ballooning, which are two of the markers of the resolution of NASH. To be considered for inclusion, patients must have a diagnosis of NASH confirmed by liver biopsy and must have a cumulative score of inflammation and ballooning of three or four out of four, indicating the presence of moderate to severe inflammation and ballooning. A steatosis score greater than or equal to one indicates the presence of moderate to severe steatosis; and a fibrosis score less than or equal to four indicates an absence of cirrhosis. The primary criterion of the study is a decrease in relation to the baseline of ≥ 2 points of the SAF activity score combining hepatocellular inflammatory and ballooning. Secondary endpoints also include improvements in each of the steatosis, inflammation, ballooning and fibrosis scores from baseline as

measured using the SAF score, improvements in various other fibrosis measures, improvements in several metabolic markers, improvements in steatosis, inflammation and ballooning as measured using the NAS score. In parallel to the Phase IIb trial, the Company is conducting the remaining regulatory safety studies to complete the Marketing Approval Application (MAA) for lanifibranor in Europe and the United States, enabling the product to be marketed as soon as the pivotal Phase III trial is complete.

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

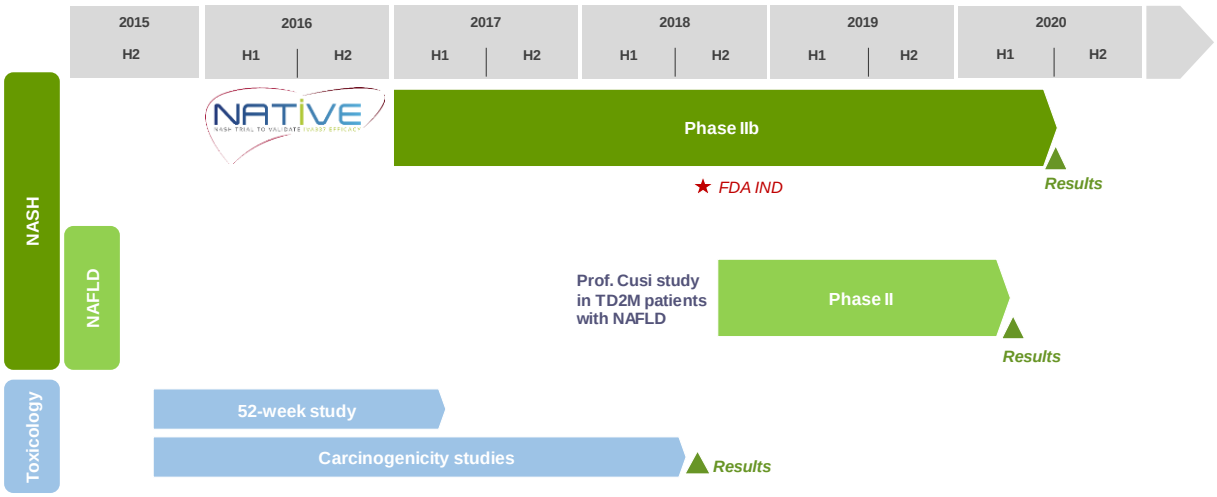
The results of these studies, which reinforce lanifibranor's potential in the treatment of NASH, were presented at the International Liver Congress in April 2017. The Company also published positive results of a 12-month toxicity study in primates in May 2017.

The Company completed the carcinogenicity studies for which it announced the preliminary results of the two-year carcinogenicity studies with the pan-PPAR agonist lanifibranor in rats in August 2018. Two carcinogenicity studies in rats and in mice were started in October 2015 after the study protocol was approval by the FDA in the United States. These studies tested the effects of three doses of lanifibranor administered daily for a 104-week period, compared to control groups, and demonstrated the good long-term safety of lanifibranor.

In June 2018 and October 2018, the Company announced that the DSMB for the NATIVE trial recommended that the trial continue without any changes to the protocol. In October 2018, the Company also announced that 101 patients had been randomized to date. In September 2018, the Company announced its decision to open several sites in the United States in order to strengthen its recruitment of subjects, lead a global study and increase the Company's visibility in the United States. Consequently, the Company plans to report the results in the first half of 2020 instead of second-half 2019, as previously announced when the interim financial statements were published on June 30, 2018.

Inventiva expects to report data from the NATIVE clinical trial in the first half of 2020, and, if positive, plans to seek a collaborator to partner with to advance Phase III clinical development of lanifibranor for the treatment of NASH. If no collaboration is formed, the Company will assess whether to pursue future developments for NASH in light of the Phase IIb results and competitive factors. Clinical development in the United States will be conducted pursuant to an IND accepted by the FDA in August 2018.

Figure 11: Clinical development program for lanifibranor in NASH



Source: Company data

1.1.4.3.6 Study by Dr. Kenneth Cusi – Investigation of lanifibranor in the treatment of NAFLD in patients with type 2 diabetes

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

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

The trial conducted by Dr. Cusi is expected to enroll 64 patients treated for a 24-week period with a single daily dose of lanifibranor (800 mg/day) and ten subjects in a healthy, non-obese control group. The study's overall objective is to measure the metabolic effects of lanifibranor, and its potential efficacy on steatosis in T2DM patients with NAFLD. Additionally, this study will detect lanifibranor impact on fibrosis using the most recent imaging technology. The main endpoints are a decrease of liver steatosis assessed by state of the art imaging, including proton magnetic resonance spectroscopy, or 1H-MRS, evidence of metabolic improvements in insulin resistance (glucose clamp, HBA1c), de novo lipogenesis, free fatty acids, lipids and safety. The FDA granted an IND for the study in May 2018, and the Company announced that it had launched the trial in September 2018 with the recruitment of the first subject in the United States. Preliminary data from this trial are expected in the first half of 2020. The Company believes this trial will provide additional supporting clinical data for its discussions with regulatory authorities regarding the potential approval of lanifibranor for the treatment of NASH.

1.1.4.3.7 The panNASH Initiative

In September 2018, the Company announced the creation of the panNASH^{TM} Initiative, a working group consisting of a committee of international independent experts that aims to increase the visibility and contribute to a better understanding of NASH, including improving diagnosis and establishing best practices for the treatment of the disease.

It comprises European and American experts who endeavor to share and help disseminate new knowledge related to NASH through publications, conferences and training sessions. The panNASH Initiative focuses on risk factors for the development of the disease, the identification of patients at risk, clinical markers and associated health risks, as well as the development of new treatments. Specifically, the panNASH Initiative is working to increase knowledge of the underlying pathological mechanisms of NASH ranging from metabolic disorders to fibrosis, with a focus on the modulating role in the disease played by PPARs (α, δ, γ).

1.1.5 Odiparcil: The first oral treatment for patients experiencing an accumulation of DS and CS

The Company is developing odiparcil for the treatment of several subtypes of MPS, a group of rare, progressive genetic disorders which manifest early in life. Odiparcil acts on the underlying cause of the symptoms of MPS, which is the accumulation of GAGs in the lysosomes of cells. GAGs are important for the modulation of cell-to-cell signaling and the maintenance of tissue structure and function.

1.1.5.1 MPS: A group of rare and devastating diseases[5]

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

Table 3: Odiparcil could address several forms of MPS

Type	Name	Deficient Lysosomal Enzyme	Incidence	Key Disease Features	DS	CS	HS	KS
MPS I-H	Hurler syndrome	Alpha-L-iduronidase	1/100,000	Corneal clouding, skeletal abnormalities, organ enlargement, heart disease, intellectual disability, death in childhood	✓		✓	
MPS I-S	Scheie syndrome	Alpha-L- iduronidase	1/100,000	Corneal clouding, stiff joints, heart disease	✓			
MPS I-H/S	Hurler-Scheie syndrome	Alpha-L- iduronidase	1/100,000	Intermediate between MPS I-H and MPS I-S	✓		✓	
MPS II **Types A & B**	Hunter syndrome	Iduronate sulphatase	1/100,000	Corneal clouding, skeletal abnormalities, organ enlargement, heart disease, intellectual disability (type B), death in childhood (type B)	✓		✓	
MPS III	*Sanfilippo syndrome*	*Heparan N-sulphatase; alpha-N-aceytylglucosaminidase; Acetyl-CoA and alpha- glucosaminide acyltransferase; N-acetylglucosamine -6-sulphatase*	*1/25,000 to 75,000*	*Profound mental deterioration, hyperactivity and mild somatic manifestations*			✓	
MPS IV **Type A**	Morquio syndrome	Galactose 6-sulphatase	1/40,000 to 200,000	Skeletal abnormalities, loose ligaments, degenerative joint disease, corneal clouding, heart disease, death in childhood or young adulthood		✓		✓
MPS IV *Type B*	*Morquio syndrome*	*Beta- galactosidase*	*1/40,000 to 200,000*	*Similar to MPS IV Type A*				✓
MPS VI	Maroteaux-Lamy syndrome	Arylsulphatase B	1/240,000 to 400,000	Similar to MPS I (excluding intellectual disability), death in childhood or young adulthood	✓	✓		
MPS VII	Sly syndrome	Beta- Glucuronidase	Very rare	Similar to MPS I	✓	✓	✓	

Source: Rheumatology 2011 Therapy for mucopolysaccharodises; Vassili Valayannopoulos and Frits A. Wijburg.

The Company has focused its pre-clinical and clinical development to date on the treatment of MPS VI, primarily because both DS and CS, and no other types of GAGs, accumulate in this subtype. Patients with MPS VI, also known as Maroteaux-Lamy syndrome, have rounded and thickened facial features, corneal clouding, hearing loss, dwarfism with deformity of the limbs, enlargement of the liver and spleen, cardiac valve disease and reduced pulmonary function, with no mental retardation. As with other MPS subtypes, the time of onset, rate of progression and extent of the disease may vary between the affected individuals. The life expectancy of MPS VI patients, if untreated, is approximately 20 years for patients with the severe forms of the disease. Common causes of death for MPS VI patients are heart disease and airway obstruction. The incidence of MPS VI is estimated to be approximately 1 in 240,000 to 400,000 live births, with variations between countries.

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

- supportive or symptom-based care;

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

- surgical intervention;
- hematopoietic stem cell transplant, or HSCT (in rare cases with severe symptoms); and
- 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, IVa, VI and VII. Supportive care may be used in combination with surgery, ERT or HSCT as part of a holistic disease management approach.

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

HSCT has been used in some patients to treat MPS VI and long-term follow-up in a small number of patients indicates that, while ARSB enzyme activity and uGAG improve, skeletal abnormalities and corneal clouding may not be prevented. The European Group for Bone Marrow Transplantation reported transplant-related mortality of 10% (HLA identical) to 20-25% (HLA mismatched) for 63 transplantations for lysosomal disorders[6]. Widespread use of HSCT in MPS VI has not been recommended as it is associated with substantial risk of morbidity and mortality and a lack of suitable donors.

ERTs have been used for a number of years, and the FDA has approved the following recombinant human enzymes to date: laronidase (Aldurazyme, marketed by Genzyme) for MPS I, idursulfase (Elaprase, marketed by Shire) for MPS II, elosulfase (Vimizim, marketed by BioMarin) for MPS IVa, galsulfase (Naglazyme, marketed by BioMarin) for MPS VI, and vestronidase (Mepsevii, marketed by Ultragenyx) for MPS VII.

ERTs are effective in controlling somatic manifestations of MPSs, including organ enlargement, pulmonary insufficiency and decreased joint mobility. However, bone and heart valves tend to be resistant to ERT. ERTs have not been able to resolve the symptoms of MPS I, II, IVa, VI and VII occurring in certain regions such as the ophthalmological system or the joints due to poor vascularization preventing the penetration of the replacement enzyme[7]. The Company believes that the good distribution, as demonstrated in its studies, of odiparcil in the target organs poorly covered by ERT should provide patients with a substantial added benefit. Moreover, odiparcil oral dosing should provide greater convenience compared to ERT weekly infusions.

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

[6] Bone marrow transplantation for lysosomal disorders; Lancet 1995

[7] 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.

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

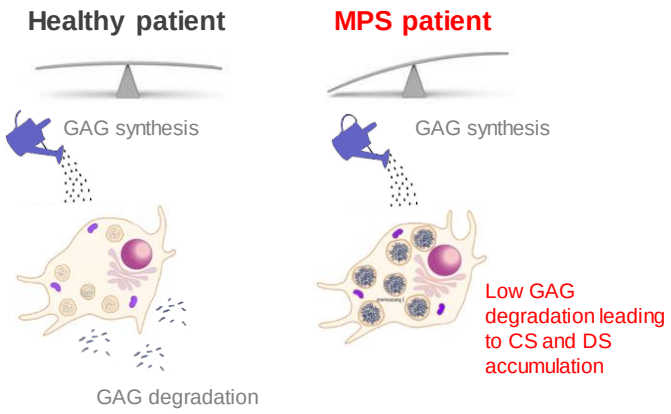
SRT aims to decrease lysosomal storage of GAGs by inhibiting GAG synthesis, synthetizing soluble GAGs or diverting GAGs from lysosomal degradation using small molecules and thereby compensating for impaired enzyme activity. Unlike ERT, in which the efficacy is restricted mostly to some of the peripheral symptoms, the small molecules used in SRT are expected to penetrate organs poorly treated by ERT. Pre-clinical evidence demonstrates that inhibition of the substrate production can slow down or halt the progression of the disease and even reverse the symptoms[8]. As of the date of this Registration Document and to the best of the Company's knowledge, odiparcil is the first SRT to enter clinical development in MPS I, II IVa, VI and VII.

1.1.5.2 Odiparcil: The first substrate reduction therapy approach to target patients experiencing accumulation of DS and CS

Odiparcil is a new, orally available small molecule, initially discovered by Laboratoires Fournier, which was subsequently bought by Abbott, and developed in collaboration with GlaxoSmithKline for the treatment of post-operative thrombosis, as it can induce the production of circulating DS and CS, two GAGs inhibiting thrombus formation without causing bleeding.

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

The diagram below shows how, in healthy cells, GAGs are absorbed by lysosomes, broken down and excreted in urine, in a process that balances out molecules coming in with molecules going out. Since lysosomes in patients with MPS contain malfunctioning versions of the enzymes needed to absorb and break down GAGs, these molecules build up in the lysosomes and bring about the symptoms associated with MPS.

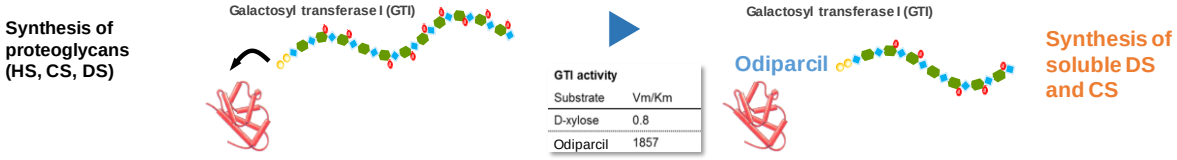


[8] Substrate Reduction Therapies for Mucopolysaccharidoses; *Current Pharmaceutical Biotechnology,* 2011*, 12*, 1860-1865

Source: Company data, "IVA336 a Potential Substrate Reduction Therapy for Mucopolysaccharidose type-VI, -I, and -II Diseases"

Odiparcil acts to modify how DS and CS are synthesized, thereby facilitating the production of soluble DS and CS GAGs, which can be excreted in the urine, rather than accumulating in cells. Odiparcil acts to circumvent the normal process of GAG synthesis by introducing a higher affinity, non-protein bound substrate for GT1, an enzyme involved in galactose transfer, to react with. As shown in the figure below, Inventiva has observed in pre-clinical studies that in the presence of both odiparcil and D-xylose, the ratio at which GT1 reacts with odiparcil in comparison to D-xylose is approximately 2,000 to 1. When GT1 reacts with odiparcil, chains of DS and CS are built on odiparcil, rather than on protein-bound D-xylose.

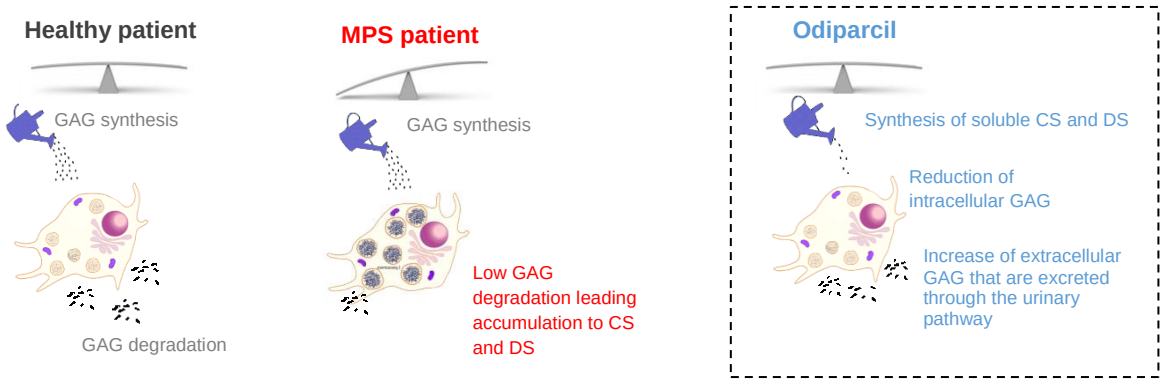
Figure 12: Odiparcil allows the synthesis of soluble GAGs



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

These odiparcil-based chains are soluble, which means they can be directly excreted by the body and bypass the lysosomal degradation pathway. With fewer proteoglycans entering the lysosomes, GAG accumulation is decreased, restoring the balance of the synthesis and degradation of GAGs.

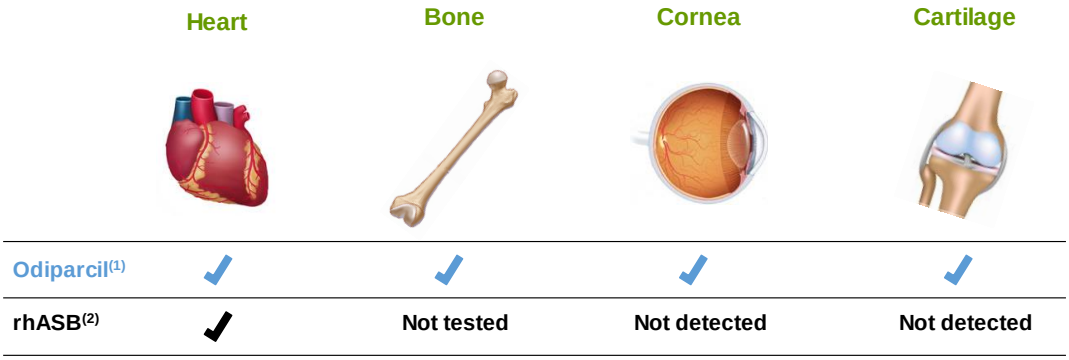
Source: Company data, "IVA336 a Potential Substrate Reduction Therapy for Mucopolysaccharidose type-VI, -I, and -II



Diseases"

The Company believes odiparcil's mechanism of action is relevant to a number of tissues in which GAGs accumulate that are addressed with limited efficacy by the current standard of care, which is ERT. Pre-clinical studies conducted by others using cat models have measured the presence of rhASB, which is the enzyme used in ERT for patients with MPS VI, in certain tissues and organs. By contrast, in pre-clinical studies in rodent models, the Company observed meaningful concentrations of odiparcil in not only heart muscle tissue, but also bone, corneal tissue and cartilage.

Figure 13: Odiparcil is well distributed in the tissues and organs poorly penetrated by ERT

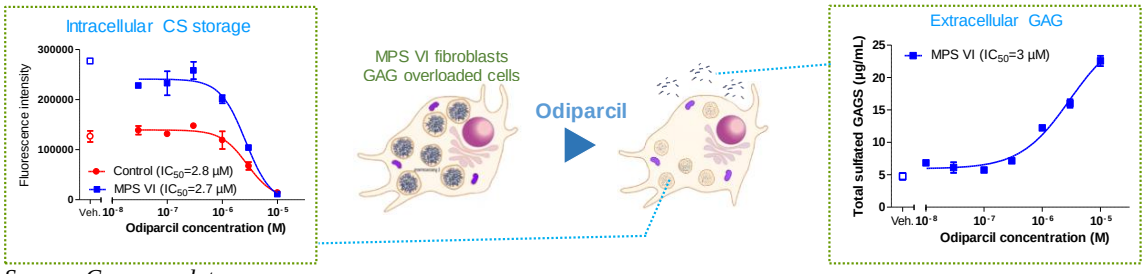


Source: (1) Odiparcil: tissue distribution following 25 mg/kg oral administration, TID for 5 days; (2) Recombinant human ARB: Expressed as ratio of ARSB enzyme activity in the liver in MPS VI cats after repeat infusion (conditions: preliminary trial, Trial A and Trial B from Auclair et al. 2003)

1.1.5.3 **Pre-clinical studies**

The potential therapeutic role for odiparcil in MPS VI was demonstrated *in vitro*, in fibroblast from healthy donors and from MPS VI patients, where odiparcil increased GAG secretion from the cells in culture and decreased the CS intracellular content in a concentration-dependent manner while increasing the extra-cellular level of GAGs. At 10 µM, odiparcil allowed a decrease in intracellular CS content below the basal level observed in control fibroblasts from a healthy donor. In a PK/PD[9] study performed in healthy volunteers, exposure to odiparcil triggered an increase in plasma GAG levels.

Figure 14 Odiparcil triggers the synthesis and excretion of soluble GAGs from MPS VI cells



Source: Company data

The Company has demonstrated that odiparcil can reduce GAG accumulation *in vivo* in a drug-induced model of MPS, where lysosomal degradation of GAGs is impaired, leading to GAG accumulation in various organs[10].

As shown in the first figure below, the Company demonstrated that the concentration of GAGs in the liver was higher in the model using mice that were genetically modified to reflect the conditions of the disease in humans than it was in WT mice. However, in the MPS VI model using mice that received a 4.5 g/kg dose of odiparcil (MPS VI + odiparcil), the Company demonstrated that the concentration of GAGs decreased ($p<0.001$).

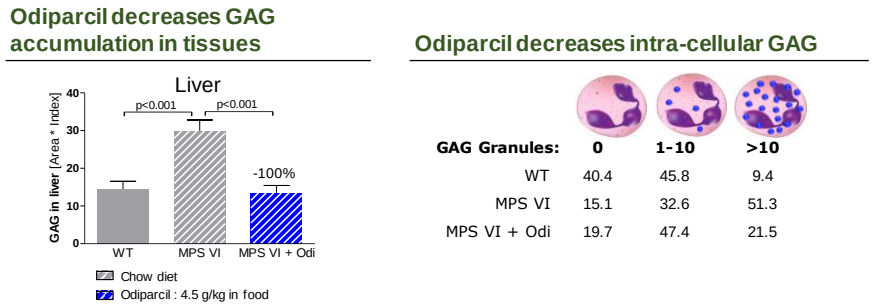
As shown in the second figure below, the Company also tested the intra-cellular accumulation of GAG granules among the WT mice, MPS VI mice and MPS VI + odiparcil mice. The Company observed that, (i) the rate of GAG granule accumulation was substantially greater in the MPS VI mice than in

[9] A PK/PD study is a clinical pharmacology study which studies the pharmacokinetic/pharmacodynamic (PK/PD) relationship of the drug to relate the plasma concentration of the drug to its efficacy and/or toxicity

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

the WT mice, and (ii) treating MPS VI mice with odiparcil was associated with a decrease in the accumulation of large numbers of GAG granules.

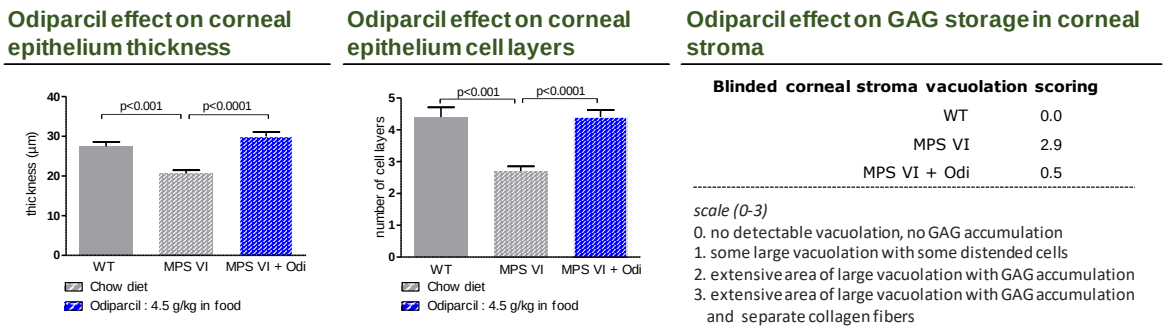
Figure 15: Odiparcil reduces GAG accumulation in the MCD mouse model



Source: Company data

In MPS VI models using mice, the Company demonstrated that odiparcil is active in organ tissues such as the eyes and cartilage, in which ERTs are known to have little or no efficacy. As shown in figure 16 below, the Company observed that corneal thickness and the number of layers of cells in the corneal epithelium decreased in the MPS VI mice compared to WT mice. However, the Company also observed that administering odiparcil had a statistically significant effect ($p<0.0001$) in recovering thickness in the corneal epithelium and in the layer of epithelial cells. As presented in the diagram below, the Company also tested GAG accumulation in the corneal stroma, a layer of the cornea where GAGs are known to accumulate in patients with MPS. The Company assessed GAG accumulation by applying a semi-quantatitive vacuolation scoring system to histological observations. The scores of 0, 1, 2 and 3 represent no GAG accumulation, slight accumulation, moderate accumulation and severe accumulation, respectively. The average score given to the observations of GAG accumulation in WT mice was zero, representing no GAG accumulation. In the MPS VI mice, the average score given to the observations was 2.9, representing significant GAG accumulation. However, in the MPS VI + odiparcil mice, the average score given to the observations was 0.5, representing slight GAG accumulation and a decrease compared with the untreated MPS VI mice.

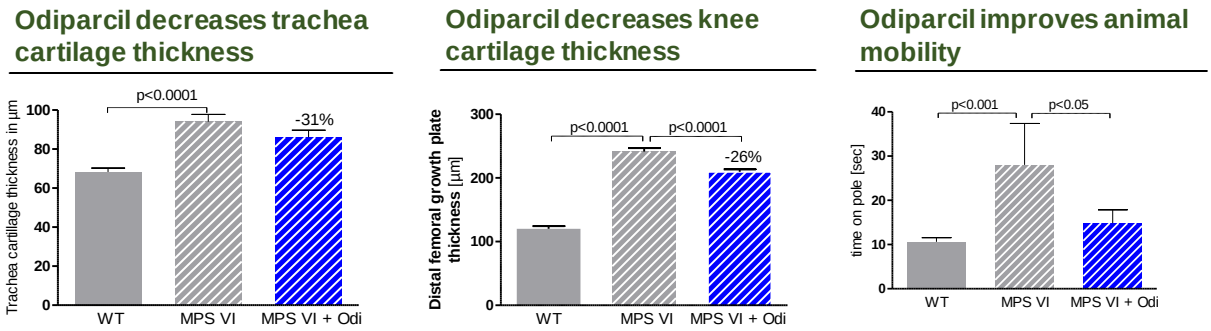
Figure 16: Odiparcil effect on GAG accumulation in the cornea in the MCD model



Source: Company data

Furthermore, the Company observed that odiparcil was active in cartilaginous tissues, where ERT has been shown to have a limited effect. As presented in the diagrams below, the Company observed that the thickness of the cartilage in the trachea and knee of the MPS VI mice was greater than in WT mice. However, the Company also observed that treating the MPS VI mice with odiparcil was associated with a reduction in the thickness of these tissues. In addition, as shown in the figure below, the Company observed statistically significant improvements in mobility, measured by the time required to descend a vertical pole, in the MPS VI + odiparcil mice compared to the MPS VI mice.

Figure 17: Odiparcil effect on GAG accumulation in cartilage in the MCD model



Source: Company data

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

1.1.5.4 Clinical development of odiparcil prior to Inventiva's founding

Odiparcil has undergone Phase I and II clinical studies led by Abbott and GlaxoSmithKline in post-operative deep-vein thrombosis and was found to be safe and well tolerated. 648 healthy volunteers received odiparcil in 29 completed Phase I clinical pharmacology and pharmacokinetics studies. In these studies, employing single doses and multiple doses administered for up to 14 days, odiparcil was safe with low toxicity observed and was well tolerated.

Three Phase IIb trials in the prevention of thromboembolism after hip arthroplasty or knee surgery and in patients at risk of a stroke were conducted using multiple doses (250 to 1,000 mg/day) administered to 1,161 patients for up to 16 weeks. These trials confirmed odiparcil safety and tolerability. The good safety profile of the product was also confirmed in *in vivo* toxicological studies (26 weeks and 36 weeks) with very low toxicity levels.

Inventiva believes these trials will provide additional supporting clinical data for its discussions with regulatory authorities regarding the potential approval of odiparcil for the treatment of some forms of MPS.

1.1.5.5 Odiparcil's clinical development plan for MPS VI and other forms of MPS

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

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

1.1.5.5.1 Biomarker study

The first stage of this development plan is a non-interventional study in the United States in hospitals and research centers for children in Oakland. This study aims to develop a quantitative method for measuring the levels of accumulation of GAGs in the white blood cells, or WBCs, and determining the

level of accumulation of GAGs in the WBCs of 12 patients (six patients with MPS VI and six healthy volunteers whose age and sex match those of patients with MPS VI).

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

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

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

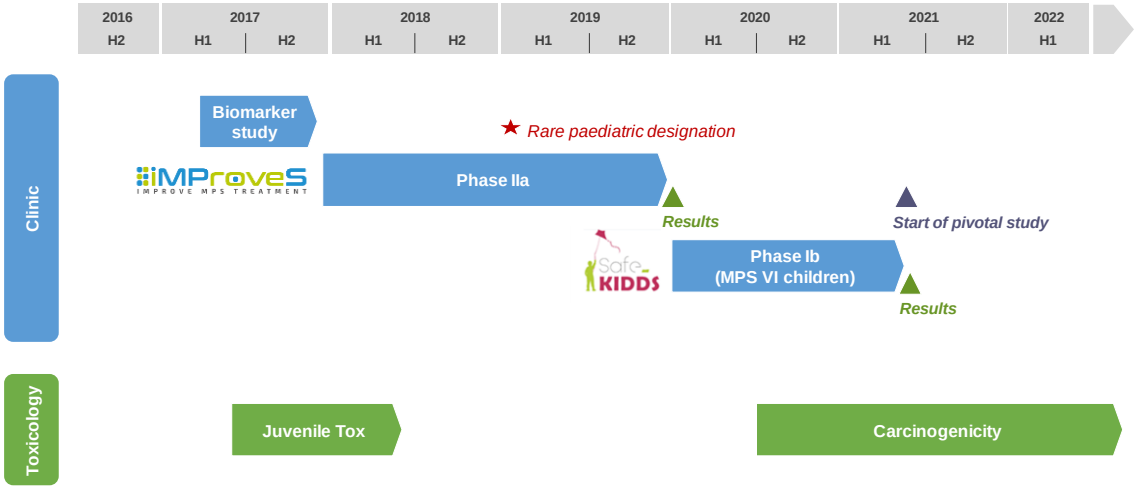
1.1.5.5.2 Clinical developments underway

The Company is currently leading a Phase IIa study entitled iMProveS to prove the safety, tolerability and efficacy of odiparcil in adult MPS VI patients. This study, whose first patient recruitment was announced by the Company in January 2018, has been designed with the aim, if it yields positive results, of starting pivotal Phase III trials in MPS I, II, IVa, VI and VII. The iMProveS study is a 26-week study with 18 patients diagnosed with MPS VI receiving ERT, male or female of at least 16 years of age, with the exception of persons with coagulation deficiency and pregnant women, with a follow-up period of four weeks. Patients will receive two doses of odiparcil (250 mg and 500 mg, twice per day) with ERT therapy versus a placebo. The study also includes an additional arm where six patients untreated by ERT will receive a 500 mg dose of odiparcil twice a day. The study is currently planned to run in four clinical centers located within the European Union. The primary endpoint of the trial is safety, as assessed by clinical and biological standard tests. Secondary endpoints include changes from baseline in leukocyte, skin and urinary GAG content, improvements of activity and mobility, cardiovascular, lung and respiratory function, and vision and hearing impairments. Headline results are expected during the second half of 2019.

In first-half 2020, the Company plans to begin the sequential recruitment of nine pediatric patients with MPS VI for a double-blind, randomized, placebo-controlled Phase I/II trial (the SAFE-KIDDS study). The Company plans to follow an adaptive design divided into three stages. In the first stage, it will assess the safety and pharmacokinetic data after a week of treatment at ascending doses. In the second stage, it will assess pharmacodynamics and leukoGAG biomarkers after five weeks of treatment with a range of doses. In the third stage, it will assess efficacy, biomarkers and safety following 12 weeks of treatment with an optimal dose which will be determined by analyzing the data from the first two stages. The primary endpoint of this trial will be safety and the secondary endpoints will be pharmacokinetics, pharmacodynamics, biomarker activity, including on the skin and leukoGAGs, improvements of mobility, cardiovascular, lung and respiratory function, as well as vision and hearing impairments. The Company expects to report data in the first half of 2021. The iMProveS study, if positive, will allow launching a Phase III pivotal study, whose protocol will have to be discussed with regulatory authorities. Depending on the nature of the results of the iMProveS

study, a pivotal study could begin in 2021. The iMProveS study will also allow the launch of pivotal studies needed for authorization in the other forms of MPS targeted (MPS I, II, IVa and VII).

Figure 18: Clinical development program for odiparcil in MPS VI



Source: Company data

In parallel to implementing its clinical strategy, the Company is strengthening its regulatory strategy, having obtained orphan drug designation in Europe and the United States in 2017 and rare pediatric disease designation, or RPDD, in the United States in March 2019. The FDA defines rare pediatric diseases as diseases in which the serious or life-threatening manifestations primarily affect individuals aged from birth to 18 years and fewer than 200,000 persons in the United States.

Orphan drug designation in United-States entitles a party to financial incentives such as opportunities for grant funding towards clinical study costs, tax advantages, and user-fee waivers. In addition, if a drug receives FDA approval for the indication for which it has orphan drug designation, the drug may be entitled to orphan drug exclusivity, which means the FDA may not approve any other application to market the same drug for the same indication for a period of seven years, except in limited circumstances, such as a showing of clinical superiority over the drug with orphan exclusivity.

In Europe, if a marketing authorization, or MA, in respect of an orphan drug is granted through the centralized procedure and pursuant to Regulation (EC) No 726/2004, regulatory authorities will not, for a period of usually ten years, accept another application for a MA, or grant a MA or accept an application to extend an existing MA, for the same therapeutic indication, in respect of a similar drug.

Under its RPDD program, when the FDA authorizes an NDA or BLA for a product aimed at preventing or treating a rare pediatric disease, its sponsor may be eligible to receive a priority review voucher, or PRV, for a further NDA or BLA. These PRVs could reduce the FDA's evaluation time of an NDA or a BLA from 12 to six months. They may be used by the sponsor or sold or transferred to a third party. Since the first PRV was issued in 2009, the selling price has varied between USD 67.5 million and USD 350 million. To date, the last PRV to be sold was bought for USD 80 million in October 2018[11]. The value of such PRV results from the ability to reduce the marketing authorization time of a drug in comparison with a competitor developing a drug in the same

[11] Source: Biocentury, 4 May 2018 "Voucher Equilibrium"; Biocentury, 1er novembre 2018 "Lilly buys Siga's priority review voucher gained via smallpox approval"

indications. This PRV will be definitively obtained once odiparcil will receive a marketing authorization.

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

1.1.6 Hippo: An innovative program in oncology and fibrosis

The Hippo signaling pathway controls cell differentiation and proliferation, tissue growth and organ size. Frequent alterations of the Hippo pathway have been reported in rare cancers (malignant mesothelioma, uveal melanoma), as well as very frequent cancers (lung cancer[12], triple negative breast cancer, hepatocellular carcinoma, hepatoblastoma) and fibrotic disease. It is therefore of increasing interest to pharmaceutical companies as a new and innovative pathway with the potential to treat several forms of cancers and potentially solve the problems of drug resistance and immune suppression.

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

The Company, by combining fragment-based drug discovery and a high throughput screen of a subset of its proprietary compound library, has identified patentable series of YAP/TEAD Protein-Protein Interactions (PPI) inhibitors. Several hit series have been examined and lead compounds have demonstrated anti-proliferative properties in several cancer cell lines. Of particular interest are the results generated by the Company in malignant mesothelioma (MM) cancer cells, where the Company's compounds have shown clear activity and for which an orphan medicinal product status as well as conditional or accelerated approval procedures can be granted. Furthermore, the Company has demonstrated, using small interfering RNA (SiRNA) which interferes with the expression of specific genes, that the Hippo signaling pathway is of primary importance in MM. For example, suppressing YAP or TEAD gene expression in MM cancer cells leads to a significant inhibition of their proliferation. These results led to the filing in 2015 of a patent covering the use of YAP/TEAD interaction inhibitors as a potential treatment of MM, an 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[13].

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[14]. While targeted therapies for lung cancer patients with epidermal growth factor receptor (EGFR) gene mutations or lung cancer with an anaplastic lymphoma tyrosine kinase (ALK) rearrangement have been developed recently and have changed the course of the disease in 15% of non-small cell lung cancers (NSCLC), the average survival rate of between ten and 17 months is still low. Lung cancer is still a major health problem and is the leading cause of cancer-related deaths worldwide. It is also a social issue, since it is linked to smoking. A high nuclear expression of YAP has been established in

[12] Journal of Thoracic Oncology, 2015; Translational Lung cancer Research, 2014

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

[14] *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.

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[15].

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

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

The Hippo signaling pathway has also been implicated in the fibrotic process, particularly stiffness-induced fibrosis, which plays a key role in a number of diseases, including NASH and IPF. In *in vitro* studies, the Company has observed that its Hippo compounds exhibit anti-fibrotic properties, and it therefore may consider expanding its Hippo program to fibrotic disease. The Company also plans to explore additional targets along the Hippo signaling pathway that are implicated in either fibrosis or oncology. The Company is in the process of selecting an oncology development candidate for its Hippo program, which it anticipates entering pre-clinical development in 2019.

1.1.7 Partnership with AbbVie: a long-term strategic collaboration with important potential financial returns

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

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

Psoriasis is a common skin disease with an estimated prevalence ranging from 2 to 4% of the world's developed countries[16]. 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[17].

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.

[15] 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

[16] Journal of Investigative Dermatology (2013)

[17] Annals of Rheumatic Diseases 2005

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 become key players in the treatment of psoriasis[18]. 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 for psoriasis.

RORγ is the master regulator of Th17. This nuclear receptor controls the differentiation of naïve T-cells into Th17 cells, the up regulation of the IL-23 receptor and the production of Th17 pro-inflammatory cytokines. Pharmacological inhibition of RORγ by small molecules suppresses Th17 cell differentiation as well as IL-17 production, blocks cutaneous inflammation in animal models of psoriasis and inhibits Th17 signature gene expression by cells isolated from psoriatic patient samples[19]. Thus, RORγ is a validated drug target for the treatment of cutaneous inflammatory disorders such as psoriasis with key differentiating factors including greater convenience, greater efficacy and better safety/tolerability due to a shorter half-life than that of biological agents.

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

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

AbbVie is currently investigating a candidate developed through collaboration with Inventiva, ABBV-157, in a Phase I clinical trial. The Company believes that data from this trial will be available in 2019.

AbbVie is solely responsible for clinical development of product candidates developed through the collaboration and is the owner of all intellectual property rights resulting from the collaboration (see section 1.4.1 *Research agreement with AbbVie* of this Registration Document).

1.1.8 Boehringer Ingelheim collaboration: a second partnership which validates the Company's 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 a 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 current approved therapeutics.

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

Inventiva and BI each retain the rights to their respective background intellectual property. BI will control the clinical development of any drug candidate that results from the collaboration, as well as

[18] Datamonitor Psoriasis Forecast 2014

[19] Drug Discovery Today, 2014

other TGF-β targets (see section 1.4.2 *Research and development partnership with Boehringer Ingelheim* of this Registration Document).

1.1.9 Competition

The commercialization of new drugs is competitive, and the Company may face worldwide competition from major pharmaceutical companies. biotechnology companies and ultimately generic companies. The Company's competitors may develop or market therapies that are more effective, safer or less costly than any that Inventiva is commercializing, or may obtain regulatory or reimbursement approval for their therapies more rapidly than the Company may obtain approval for the therapies it develops.

Though there are no currently approved therapies for the treatment of NASH and the Company believes that lanifibranor is the only pan-PPAR agonist in clinical development for this indication, Inventiva cannot ensure that any of the products that it successfully develops will be clinically superior or scientifically preferable to products developed or introduced by its competitors.

Genfit S.A. is currently advancing a dual PPAR agonist through Phase III clinical trials for the treatment of NASH, while Allergan plc, Gilead Sciences, Inc. and Intercept Pharmaceuticals, Inc. are investigating product candidates with different mechanisms of action through Phase III clinical trials for the treatment of NASH. Other companies have product candidates for the treatment of NASH that are in earlier stages of pre-clinical or clinical development, including CymaBay Therapeutics, Inc. which is developing a PPARδ agonist.

ERT is the standard of care for the treatment of MPS with current therapies being marketed by BioMarin Pharmaceuticals, Inc., Sanofi Genzyme, Shire Plc and Ultragenyx Pharmaceuticals, Inc. Additional ERTs, as well as gene therapy approaches to treating MPS, are in various stages of pre-clinical and clinical development.

Although the Company believes its product candidates possess attractive attributes, it cannot ensure that its product candidates will achieve regulatory or market acceptance. If the Company's product candidates fail to gain regulatory approvals and acceptance in their intended markets, they may not generate meaningful revenues or achieve profitability.

1.1.10 Organization of research and development activities

Research and development activities are organized into four departments covering the whole spectrum of the drug discovery process: the Clinical Development and Regulatory Department, 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 the management of Inventiva's solid and liquid compound library), Chemistry (in charge of medicinal and analytical chemistry as well as computer assisted drug design) and ADME/PK (in charge of measuring compounds' physical properties). In addition, the organization can rely on skilled senior project managers and a coordinating planner to expedite internal programs.

Clinical Development and Regulatory Department

This department was recently created in order to conduct lanifibranor and odiparcil clinical trials. As at December 31, 2018, there were 17 people in the department. This department is in charge of designing the clinical development plans and conducting the Company's clinical trials. The Clinical Development and Regulatory Affairs Department selects and manages the CROs in charge of clinical trials in NASH and MPS, and interacts with regulatory authorities. This group includes two senior project leaders in charge of managing the lanifibranor and odiparcil project teams, who assemble all the expertise required to rapidly move the programs forward (CMC, toxicology, regulatory, clinical operations, ADME, etc.). Dr. Marie-Paule Richard, who has significant clinical experience, has

recently joined this department and is in charge of monitoring the Company's clinical trials as well as building and strengthening the Clinical Development and Regulatory Affairs Department. Dr. Richard works alongside Dr. Olivier Lacombe, Head of Pharmacokinetics and Dr. Irena Konstantinova, Head of Biology and Pharmacology.

Biology Department

This department comprises Pharmacology and Screening and Compound Management.

It includes 34 Ph.D. and graduate scientists in charge of target validation, assay development, cellular biology, enzymology and pharmacology studies. Several fibrosis models are routinely run in the Company's facilities. All of the experiments are carried out in the Company's state-of-the-art facilities, which are AAALAC accredited (Association for Assessment and Accreditation of Laboratory Animal Care International), which testifies to the excellence of the work performed by Inventiva's team.

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

Chemistry Department

This department includes 30 Ph.D. and graduate scientists in charge of designing the best patent-protected drug candidates. The team is specialized 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 12 Ph.D. and graduate scientists providing support to internal and partnered programs with a wide variety of *in vitro* assays covering compound characterization, early ADME, complete metabolism characterization and assessment of drug-drug interaction potential.

1.1.11 Facilities and equipment

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

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

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

1.1.12 A manufacturing process outsourced to specialist drug manufacturers

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

The Company's drug candidates are manufactured using common chemical engineering and synthetic processes from commercially available raw materials.

To meet its projected needs for clinical supplies to support its activities through regulatory approval and commercial manufacturing, the contract manufacturing organizations (CMOs) with whom the Company currently works will need to increase the scale of production or the Company will need to secure alternate suppliers.

1.2 Regulation and approval by the competent authorities

1.2.1 The United States – FDA approval process

In the United States, food, pharmaceuticals and cosmetic products are regulated by the Food and Drug Administration (FDA) in accordance with the Federal Food, Drug, and Cosmetic Act (FDCA). Drug products are also subject to other federal and state statutes and regulations, governing their research and development, testing, manufacture, storage, traceability, approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling, and import and export. Obtaining regulatory approval in the United States and in foreign countries, and subsequently complying with applicable legislation and regulations, requires substantial time and financial resources.

Approval process

The FDA must approve all drug candidates and all drugs that no longer present the same characteristics as previously approved drugs before a manufacturer can market them in the United States. If a company does not comply with applicable United States requirements it may be subject to administrative or judicial sanctions, such as FDA refusal to approve pending applications, warning or untitled letters, clinical holds, drug recalls, drug seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties, and criminal prosecution. The steps required by the FDA before a drug can be marketed in the United States generally include:

- completion of pre-clinical laboratory tests, animal studies, and formulation studies, all performed in accordance with the FDA's Good Laboratory Practice (GLP) Regulations;
- submission to the FDA of an Investigational New Drug (IND) application for human clinical testing, which must be approved before human clinical studies start. The sponsor must update the IND annually;
- approval of the study by an independent Institutional Review Board (IRB) or ethics committee representing each clinical site before each clinical study begins;
- performance of adequate and well-controlled human clinical studies to establish the safety and efficacy of the drug for each indication in accordance with current regulations;
- submission to the FDA of a New Drug Application (NDA);
- review of the drug application by an FDA advisory committee, where appropriate;
- satisfactory completion of an FDA inspection of manufacturing facilities to assess compliance with current Good Manufacturing Practices (GMP) or applicable regulations; and
- FDA review and approval of the NDA.

Compliance with FDA approval requirements can take several years and the process can vary substantially depending on the type, complexity, and novelty of the drug or disease. Pre-clinical tests include laboratory evaluation of a drug's chemistry, formulation, and toxicity, as well as animal trials to assess the drug's characteristics, safety and efficacy. Pre-clinical tests must be conducted in compliance with federal regulations and requirements, including GLP. Companies must submit the results of pre-clinical testing to the FDA as part of their IND application, along with all other information concerning the product drug's chemistry, manufacturing and controls, as well as a proposed clinical study protocol. Long-term pre-clinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after submitting the initial IND application.

The FDA requires a 30-day waiting period after the submission of each IND application before a company can begin clinical testing in humans. The FDA may, within the 30-day period, raise concerns or questions relating to one or more proposed clinical studies and place the study on a clinical hold. In such a case, the company must resolve any outstanding concerns before it begins the clinical study. Accordingly, the submission of an IND application may or may not be sufficient for the FDA to permit the sponsor to start a clinical study. Companies must also submit each successive clinical study conducted during drug development associated with an existing IND.

Clinical studies

Clinical studies involve administering the drug candidates to healthy volunteers or patients under the supervision of a qualified investigator. The company must conduct clinical trials:

- in compliance with federal regulations;
- in compliance with good clinical practices and international standards that protect the rights and health of patients and define the roles of clinical study sponsors, administrators and investigators; and
- detailling the objectives of the trial and the parameters used to monitor the safety and efficacy of the drug candidate.

Companies must submit each protocol that involves testing on patients in the United States and subsequent protocol amendments to the FDA as part of their IND application. The FDA may order the temporary or permanent discontinuation of a clinical study at any time, or impose other sanctions, if it believes that the sponsor is not conducting the clinical study in accordance with FDA requirements or presents an unacceptable risk to the clinical study patients. The sponsor must also submit the study protocol and informed consent information for patients in clinical studies to an Institutional Review Board (IRB) for approval. An IRB may halt the clinical study, either temporarily or permanently, for failure to comply with the IRB's requirements, or may impose additional conditions.

Companies generally divide the clinical investigation of a drug candidate into three or four consecutive or sometime overlapping phases.

- *Phase I.* The company evaluates the drug in healthy human subjects or patients with the target disease or condition. These studies typically evaluate the safety, dosage tolerance, metabolism and pharmacologic actions of the drug candidate in humans, the side effects associated with increasing doses, and, if possible, gain early evidence on efficacy.
- *Phase II.* The company administers the drug to a limited patient population to evaluate dosage tolerance and optimal dosage, identify possible adverse side effects and safety risks, and carries out a preliminary evaluation of its efficacy.
- *Phase III.* The company administers the drug candidate to an expanded patient population, generally at geographically dispersed clinical study sites, to generate enough data to statistically evaluate clinical efficacy and safety, to establish the overall benefit-risk relationship of the drug, and to provide an adequate basis for product approval.

- *Phase IV*. The FDA's approval of an NDA may be conditional upon the company agreeing to conduct additional clinical studies after obtaining approval. A sponsor may also opt to voluntarily conduct additional clinical studies after approval to gain more information about the drug.

A pivotal study is a clinical study that adequately meets regulatory agency requirements to evaluate a drug's efficacy and safety to justify the approval of the drug. Generally, pivotal studies are Phase III studies, but the FDA may accept results from Phase II studies if the study design provides a well-controlled and reliable assessment of clinical benefit, particularly in situations in which there is an unmet medical need.

The FDA, the IRB, or the clinical study sponsor may suspend or terminate a clinical study at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Additionally, an independent group of qualified experts organized by the clinical study sponsor, known as a Data Safety Monitoring Board (DSMB) may oversee some clinical studies. This group decides whether or not a study may move forward based on its access to certain data from the study.

Submission of an NDA

After a company has completed the required clinical testing, it can prepare and submit an NDA to the FDA, which must approve the NDA before the drug can be marketed in the United States. An NDA must include all relevant data available from pertinent pre-clinical and clinical studies, including negative or ambiguous results and positive findings, together with detailed information relating to the drug's chemistry, manufacturing, controls, and proposed labeling. Data can come from clinical studies sponsored by the Company on a drug, or from a number of alternative sources, including studies initiated by investigators. To support marketing authorization, data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the drug candidate to the FDA's satisfaction.

The cost of preparing and submitting an NDA is substantial. Additionally, the submission of most NDAs is subject to a substantial application user fee, and the manufacturer and/or sponsor under an approved new drug application are also subject to annual taxes on human drugs and manufacturing facilities for prescription drugs. The FDA typically increases these fees annually. Orphan drug designation entitles a company to financial incentives such as opportunities for grant funding towards clinical study costs, tax advantages and user-fee waivers.

The FDA has 60 days from the submission of an NDA to determine the admissibility of the application, based on the selected criteria, to determine whether it is sufficiently comprehensive to allow for a thorough review, which will begin once the registration is accepted.

The FDA may also refer applications for novel drugs that present difficult questions of safety or efficacy, to an advisory committee. This is typically a panel that includes clinicians and other experts that will review, evaluate, and recommend whether the FDA should approve the application. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations. Before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with good clinical practices (GCP), and will inspect the facility or the facilities at which the drug is manufactured. The FDA will not approve the drug unless compliance with Current Good Manufacturing Practices (CGMP) is satisfactory and the NDA contains data that provide evidence that the drug is safe and effective in the indication studied.

The FDA's decision on an NDA

After the FDA evaluates the NDA and the manufacturing facilities, it issues either an approval letter or a complete response letter (CRL). A complete response letter indicates that the FDA has completed its review of the application, and the agency has determined that it will not approve the application in its

present form. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional clinical data and/or other significant, expensive, and time-consuming requirements related to clinical studies, pre-clinical studies and/or manufacturing. The FDA has committed to reviewing resubmissions of the NDA addressing such deficiencies within two to six months, depending on the type of information included. Even if a company submits such data, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Also, the government may establish additional requirements, including those resulting from new legislation, or the FDA's policies may change, which could delay or prevent regulatory approval of drugs under development.

An approval letter authorizes commercial marketing of the drug with specific prescribing information in the specific indications. As a condition of NDA approval, the FDA may require a Risk Evaluation and Mitigation Strategy (REMS), to help ensure that the benefits of the drug outweigh the potential risks. A REMS can include medication guides, plans for communicating with healthcare professionals, special training or certification for prescribing or dispensing, restrictions on dispensing the drug, special monitoring, and the use of patient registries. The requirement of a REMS can materially affect the potential market and profitability of the drug. Moreover, the FDA may condition approval on substantial post-approval testing and surveillance to monitor the drug's safety or efficacy. Once granted, the FDA may withdraw drug approvals if the company fails to comply with regulatory standards or problems following initial marketing are identified.

All changes to the conditions established in an approved application, including changes in indications, labeling, or manufacturing processes or facilities, require the submission and FDA approval of a new NDA or NDA supplement before changes can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and processes in reviewing NDA supplements as it does in reviewing new NDAs. As with new NDAs, the FDA often significantly extends the review process with requests for additional information or clarification.

Post-approval requirements

The FDA regulates drugs that are manufactured or distributed pursuant to FDA approvals and has specific requirements pertaining to traceability, periodic reporting, sampling and distribution, advertising and promotion, and reporting of undesirable side effects. After approval, the FDA must review and approve most changes to the approved drug, such as adding new indications or other labeling claims. There are also continuing, annual user fee requirements for any marketed drugs and the establishments which manufacture them, as well as new application fees for supplementary applications with the supporting clinical data.

The FDA's approval of an NDA may be conditional upon the company's agreement to conduct additional clinical studies after obtaining approval. A sponsor may also opt to voluntarily conduct additional clinical studies after approval to gain more information about the drug.

Drug manufacturers are subject to periodic unannounced inspections by the FDA and state agencies to verify that they are in compliance with CGMP requirements. There are strict regulations regarding changes to the manufacturing process and, depending on the significance of the change, they may require prior FDA approval. FDA regulations also require investigation and correction of any deviations from CGMP and impose reporting and documentation requirements on a company and any third-party manufacturers used. Accordingly, manufacturers must continue to expend time, money and effort to production and quality control to maintain compliance with GMP and other aspects of regulatory compliance.

The FDA may withdraw approval if a company does not comply with standards and regulatory requirements or if problems occur after the drug reaches the market. If previously unknown problems with a drug are discovered, including undesirable side effects of unanticipated severity or frequency,

issues with manufacturing processes, or the company's failure to comply with regulatory requirements, the FDA may revise the approved labeling to add new safety information, impose post-marketing studies or other clinical studies to assess new safety risks, or impose distribution or other restrictions under a REMS program. Other potential consequences may include:

- restrictions on the marketing or manufacturing of the drug, or even complete withdrawal of the drug from the market or drug recalls;
- fines, warning letters or holds on post-approval clinical studies;
- the FDA refusing to approve pending NDAs or supplements to approved NDAs, or suspending or revoking of drug license approvals;
- drug seizure or detention, or refusal to permit the import or export of drugs; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising, and promotion of drugs that are placed on the market. Drugs may be promoted only for the approved indications and with the FDA approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Companies could be subject to significant administrative, civil and criminal liability were they to violate any of these laws and regulations.

Orphan drug designation

The FDA may grant orphan drug designation to drugs intended to treat a rare disease or condition that affects fewer than 200,000 individuals in the United States or, if the disease affects more than 200,000 individuals in the United States and there is no reasonable expectation that the cost of developing and making the drug for this type of disease or condition could be recovered from sales in the United States.

Orphan drug designation entitles a company to financial incentives such as opportunities for grant funding towards clinical study costs, tax advantages and user-fee waivers. In addition, if a drug receives FDA approval for the indication for which it has orphan drug designation, the drug may be entitled to orphan drug exclusivity, which means the FDA may not approve any other application to market the same drug for the same indication for a period of seven years, except in limited circumstances, such as a showing of clinical superiority over the drug with orphan exclusivity.

Pediatric information

Under the Pediatric Research Equity Act (PREA) NDAs or supplements to NDAs must contain data to assess the safety and efficacy of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug is safe and effective. The FDA may grant full or partial waivers, or deferrals, for submission of data. Unless otherwise required by regulation, the PREA does not apply to any drug for an indication for which the FDA has granted an orphan drug designation.

Healthcare reform

In the United States and other foreign countries, the legislative landscape is constantly changing. There have been a number of legislative and regulatory changes to the healthcare system that could affect the Company's current and future results of operations. In particular, there have been and continue to be a number of initiatives at the federal and state levels that seek to reform the way in which healthcare is funded and reduce healthcare costs. In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2009, collectively known as PPACA, was enacted, and includes measures that have significantly changed healthcare financing by both the government and private insurers.

Some of the provisions of the PPACA have yet to be implemented, and there have been judicial and Congressional challenges to certain aspects of the PPACA, as well as recent efforts by the Trump administration to repeal or repeal and replace certain aspects of the PPACA.

In addition, other health reform measures have been proposed and adopted in the United States since PPACA was enacted. For example, as a result of the Budget Control Act of 2011, as amended, providers are subject to Medicare payment reductions of 2% per fiscal year through 2027 unless additional Congressional action is taken. Further, the American Taxpayer Relief Act of 2012 reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments from providers from three to five years.

There has also been heightened governmental scrutiny of the manner in which manufacturers set prices for their marketed products, which has resulted in several recent Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of drugs under Medicare, and reform government program reimbursement methodologies for drugs. At the federal level, the Trump administration's budget proposal for fiscal year 2019 contains further drug price control measures that could be enacted during the 2019 budget process or in other future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. Additionally, the Trump administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. The United States Department of Health and Human Services (HHS) has already started the process of soliciting feedback on some of these measures and is also immediately implementing others under its existing authority. For example, in September 2018, CMS announced that it will allow Medicare Advantage Plans the option to use step therapy for Part B drugs beginning January 1, 2019, and in October 2018, CMS proposed a new rule that would require direct-to-consumer television advertisements of prescription drugs and biological products, for which payment is available through or under Medicare or Medicaid, to include in the advertisement the Wholesale Acquisition Cost, or list price, of that drug or biological product. Although a number of these, and other proposed measures will require authorization through additional legislation to become effective, Congress and the Trump administration have each indicated that they will continue to seek new legislative and/or administrative measures to control drug costs. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

Additionally, on May 30, 2018, the Trickett Wendler, Frank Mongiello, Jordan McLinn, and Matthew Bellina Right to Try Act of 2017 (Right to Try Act) was signed into law. The law, among other things, provides a federal framework for patients to access certain investigational new drug products that have completed a Phase I clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA's expanded access program. There is no obligation for a drug manufacturer to make its products available to eligible patients as a result of the Right to Try Act.

1.2.2 European Union – EMA approval process

In the European Union, drug candidates may also be subject to extensive regulatory requirements. As in the United States, medicinal products can only be marketed if a marketing authorization (MA) from the competent regulatory agencies has been obtained.

Similar to the United States, the various phases of pre-clinical and clinical research in the European Union are subject to significant regulatory controls. Clinical trials of medicinal products in the European Union must be conducted in accordance with European Union and national regulations and the International Conference on Harmonization (ICH) guidelines on GCP. Although the EU Clinical Trials Directive, or Directive no. 2001/20/EC, has sought to harmonize the European Union clinical trials regulatory framework, setting out common rules for the control and authorization of clinical trials in the European Union, the EU Member States have transposed and applied the provisions of the Directive differently. This has led to significant variations in the Member State regimes. To improve the current system, Regulation (EU) no. 536/2014 on clinical trials on drugs for human use, which repealed Directive no. 2001/20/EC, was adopted on April 16, 2014 and published in the European Official Journal on May 27, 2014. The Regulation aims at harmonizing and streamlining the clinical trials authorization process by simplifying adverse event reporting procedures, improving the supervision of clinical trials, and increasing their transparency. Although the Regulation was published on June 16, 2014, it will not enter into force until 2020; contingent on the publication of a European Commission opinion confirming the full functionality of the IT portal and database envisaged in the Regulation (after the publication of the notice referred to in Article 83(2)). Until then, the Clinical Trials Directive no. 2001/20/EC will still apply.

Under the current regime, before a clinical trial can be initiated it must be approved in each of the EU Member States where the trial is to be conducted by two distinct bodies: the National Competent Authority (NCA) and one or more Ethics Committees (EC). Under the current regime, all suspected unexpected serious adverse reactions (SUSAR) to the drug candidate that occur during the clinical trial must be reported to the NCA and ECs of the Member State where they occurred.

European Union marketing authorizations

In the European Economic Area (EEA) medicinal products can only be commercialized after obtaining a MA from the competent regulatory authorities. There are different types of procedures by which an MA may be obtained.

Centralized procedure

A centralized MA is issued by the European Commission through the centralized procedure, based on the opinion of the Committee for Medical Products for Human Use (CHMP) and is valid in all EU Member States and throughout the entire territory of the EEA.

The centralized procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, and medicinal products containing a new active substance indicated for the treatment of acquired immune deficiency syndrome (AIDS), cancer, neurodegenerative disorders, diabetes, autoimmune and viral diseases. The centralized procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the European Union.

National MAs, which are issued by the competent authorities of the Member States of the EEA and only cover their respective territory, are available for products not falling within the mandatory scope of the centralized procedure.

When a medicinal product does not fall within the mandatory scope of the centralized procedure, the applicant may use the decentralized procedure or the mutual recognition procedure in order to obtain a marketing authorization in one or more countries in the European Union. In these cases, the competent authorities of the Member States will issue the MA.

Decentralized procedure

If the product has not received a national MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the decentralized procedure.

Under the decentralized procedure, an identical application is submitted to the competent authorities of each of the Member States in which the MA is sought, one of which is selected by the applicant as the Reference Member State (RMS). The competent authority of the RMS prepares a draft assessment report, a draft summary of the product characteristics (SPC) and a draft of the labeling and package leaflet, which are sent to the other Member States (referred to as the Concerned Member States, or CMSs) for their approval. If the CMSs raise no objections, based on a potential serious risk to public health, to the assessment, SPC, labeling, or packaging proposed by the RMS, the product is subsequently granted a national MA in all the Member States (i.e. in the RMS and the CMSs).

Under the above described procedures, before granting the MA, the EMA or the competent authorities of the Member States of the EEA assess of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

The European Commission may also grant a so-called "conditional marketing authorization" prior to obtaining the comprehensive clinical data required for an application for a full MA. Conditional marketing authorizations may be granted for product candidates (including drugs designated as orphan medicinal products), if (i) the risk-benefit balance of the product candidate is positive, (ii) it is likely that the applicant will be in a position to provide the required comprehensive clinical trial data, (iii) the product fulfills an unmet medical need and (iv) the benefit to public health of the immediate availability on the market of the medicinal product concerned outweighs the risk inherent in the fact that additional data are still required. A conditional marketing authorization may contain specific obligations to be fulfilled by the MA holder, including obligations with respect to the completion of ongoing or new studies, and with respect to the collection of pharmacovigilance data. Conditional marketing authorizations are valid for one year, and may be renewed annually, if the risk-benefit balance remains positive, and after an assessment of the need for additional or modified conditions and/or specific obligations.

Orphan drug designation

Article 3 of the European Union, Regulation (EC) no. 141/2000, as amended, states that a drug will be designated as an orphan drug if its sponsor can establish:

- that this medication is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting no more than five in ten thousand persons in the European Union when the application is made, or that it is intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition in the European Union and that without incentives it is unlikely that the marketing of the drug in the European Union would generate sufficient return to justify the necessary investment; and
- that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the European Union or, if such method exists, that the drug will be of significant benefit to those affected by that condition pursuant to Regulation (EC) no. 847/2000 of April 27, 2000 laying down the provisions for implementation of the criteria for designation of a medicinal product as an orphan medicinal product and definitions of the concepts "similar medicinal product" and "clinical superiority". A sponsor applying for designation of a medicinal product as an orphan medicinal product shall apply for designation at any stage of the development of the medicinal product.

If a centralized procedure MA in respect of an orphan drug is granted pursuant to Regulation (EC) no. 726/2004, regulatory authorities will not, for a period of ten years, accept another application for an

MA, or grant an MA or accept an application to extend an existing MA, for the same therapeutic indication, in respect of a similar drug. This period may however be reduced to six years if, at the end of the fifth year, it is established, in respect of the drug concerned, that the criteria for orphan drug designation are no longer met; in other words, when it is shown on the basis of available evidence that the product is sufficiently profitable not to justify market exclusivity being maintained.

Pursuant to Regulation (EC) no. 1901/2006, all applications for marketing authorization for new medicines must include the results of studies as described in a pediatric investigation plan (PIP) agreed between regulatory authorities and the applicant, unless the medicine is exempt because of a deferral or waiver (e.g., because the relevant disease or condition occurs only in adults). Before the EMA is able to begin its assessment of a centralized procedure MA application, it will validate that the applicant has complied with the agreed pediatric investigation plan. The applicant and the EMA may, if necessary, modify a pediatric investigation plan to assist validation. Modifications are not always possible, may take longer to agree on than the period of validation permits and may still require the applicant to withdraw its marketing authorization application (MAA) and to conduct additional non-clinical and clinical studies. Products that are granted an MA on the basis of the pediatric clinical trials conducted in accordance with the PIP are eligible for a six month extension of the protection under a supplementary protection certificate (if any is in effect at the time of approval) or, in the case of orphan medicinal products, a two-year extension of the orphan market exclusivity. This pediatric status is subject to specific conditions and is not automatically available when data in compliance with the PIP are developed and submitted.

The exclusivity period may increase to 12 years if, among other things, the MAA includes the results of studies from an agreed pediatric investigation plan. However, an MA may be granted for the same therapeutic indication to a similar drug if:

- the holder of the MA for the original orphan drug has given its consent to the second applicant;
- the holder of the MA for the original orphan drug is unable to supply sufficient quantities of the drug; or
- the second applicant can establish in the application that the second drug, although similar to the orphan drug already authorized, is safer, more effective or otherwise clinically superior.

The abovementioned Regulation (EC) no. 141/2000 provides for other incentives regarding orphan medicinal products. It notably provides for a protocol assistance. The sponsor of an orphan medicinal product may, prior to the submission of a marketing authorization application, request advice from the EMA on the conduct of the various tests and trials necessary to demonstrate the quality, safety and efficacy of the medicinal product. In addition, the EMA draws up a procedure on the development of orphan medicinal products, covering regulatory assistance for the definition of the content of the MA application. Regulation (EC) no. 141/2000 also provides that medicinal products designated as orphan medicinal products under the provisions of this Regulation shall be eligible for incentives made available by the European Union and by the Member States to support research into, and the development and availability of, orphan medicinal products and in particular aid for research for small- and medium-sized companies provided for in framework programs for research and technological development.

1.2.3 Other international markets drug approval process

Although data generated in United States or European Union trials may be submitted in support of a marketing authorization application, in some international markets (such as China or Japan), regulators may require additional clinical studies conducted in the host territory, and notably, studies of people of the same ethnicity as the host territory, prior to the filing or approval of marketing authorization applications within the country.

1.2.4 Pricing and reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any drugs for which a company may obtain regulatory approval. In the United States and markets in other countries, sales of any drugs for which a company receives regulatory approval for commercial sale will depend in part on the availability of coverage and reimbursement from third-party payors. Third-party payors include government authorities, managed care plans, private health insurers and other organizations. The process for determining whether a third-party payor will provide coverage for a drug may be separate from the process for setting the reimbursement rate that the payor will pay for the drug. Third-party payors may limit coverage to specific drugs on an approved list, or formulary, which might not include all of the FDA-approved drugs for a particular indication. Moreover, a third-party payor's decision to provide coverage for a drug does not imply that an adequate reimbursement rate will be applied.

Additionally, no uniform policy for coverage and reimbursement exists in the United States. Third-party payors often follow Medicare coverage policy in setting their own reimbursement rates, but also have their own methods and approval process outside Medicare's scope. Therefore, coverage and reimbursement for drugs can differ significantly from payor to payor. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in drug development.

In the European Union, governments influence the price of drugs through their pricing and reimbursement rules and control of national healthcare systems that fund a large part of the cost of drugs for consumers. Some jurisdictions operate positive and negative list systems under which drugs may only be marketed once a reimbursement price has been agreed to by the government. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical studies that compare the cost effectiveness of a particular drug candidate to currently available therapies. Other member states allow companies to fix their own prices for medicines, but monitor and control company profits. The downward pressure on healthcare costs in general, particularly prescription drugs, has become very intense. In addition, in some countries, cross-border imports from low-priced markets exert commercial pressure on pricing within a country.

1.2.5 Other healthcare laws impacting sales, marketing, and other Company activities

In addition to the FDA, numerous other regulatory authorities in the United States, including, in the United States, the Medicare and Medicaid CMS, certain divisions of HHS, the United States Department of Justice, and foreign, state and local government authorities, regulate and enforce laws and regulations applicable to the sale, promotion and other activities of pharmaceutical manufacturers. These laws and regulations may impact, among other things, a company's clinical research programs, sales, marketing and consumer information activities, and financial and business relationships with future prescribers of our product candidates, once approved. These numerous laws and regulations include federal, state and foreign anti-kickback, false claims, and data privacy and security laws, which are described below, among other legal requirements that may affect a company's current and future operations.

The FDA regulates all advertising and promotion activities for drugs under its jurisdiction both prior to and after approval. Only those claims relating to safety and efficacy approved by the FDA may be used in labeling. Physicians may prescribe legally available drugs for uses that are not described in the drug's labeling and that differ from those tested and approved by the FDA. Such off-label uses are common across medical specialties, and often reflect a physician's belief that the off-label use is the best treatment for their patients. The FDA does not regulate the behavior of physicians in their choice of treatments, but FDA regulations do impose stringent restrictions on manufacturers' communications regarding off-label uses. Promotion of off-label uses of drugs can also implicate the false claims laws described below.

Anti-kickback laws including, notably, the federal Anti-Kickback Statute that applies to items and services reimbursable under governmental healthcare programs such as Medicare and Medicaid, make it illegal for a person or entity to, among other things, knowingly and willfully solicit, receive, offer or pay remuneration, whether directly or indirectly and to induce or in return for, purchasing, leasing, ordering, or arranging for or recommending the purchase, lease, or order of any goods, facilities, items, or services that are reimbursed, whether in whole or in part, under a federal healthcare program. Due to the breadth of the statutory provisions, limited statutory exceptions and regulatory safe harbors, and the scarcity of guidance in the form of regulations, agency advisory opinions, sub-regulatory guidance and judicial decisions addressing industry practices, it is possible that company practices might be challenged under anti-kickback or similar laws.

Moreover, recent legislation on healthcare reform legislation has strengthened these laws. For example, PPACA notably, amends the intent requirement of the federal Anti-Kickback Statute and criminal healthcare fraud statute to clarify that a person or entity does not need to have actual knowledge of these statutes or specific intent to violate them in order to have committed a crime. In addition, PPACA clarifies that the government may assert that a claim that includes items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. False claims laws, including, but not limited to, the federal civil False Claims Act, and civil monetary penalties laws, prohibit, among other things, any individual or entity from knowingly and willingly presenting, or causing to be presented for payment, to the federal government (including Medicare and Medicaid) claims for reimbursement for, among other things, drugs or services that are false or fraudulent, claims for items or services not provided as claimed, or claims for medically unnecessary items or services. Company activities relating to the sale and marketing of drugs may be subject to scrutiny under these laws.

The federal Physician Payments Sunshine Act requires certain manufacturers of drugs, devices, biologics, and medical supplies to report annually to CMS all information related to payments and other transfers of value to physicians and teaching hospitals, and ownership and investment interests held by physicians and their immediate family members.

In addition, companies may be subject to (i) state law equivalents of each of the above federal laws, such as anti-kickback, self-referral, and false claims laws which may apply to business practices, including but not limited to, research, distribution, sales and marketing arrangements, as well as the submittal of claims involving healthcare items or services reimbursed by any third-party payor, including commercial insurers, (ii) state laws that require pharmaceutical manufacturers to comply with the industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government that otherwise restricts payments that may be made to healthcare providers, (iii) state laws that require pharmaceutical manufacturers to file reports with states regarding marketing information, such as the tracking and reporting of gifts, compensation and other remuneration and items of value provided to healthcare professionals and entities, (iv) state and local laws requiring the registration of pharmaceutical sales representatives and (v) state laws governing the confidentiality and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect as the federal Health Insurance Portability and Accountability Act (HIPAA), thus complicating compliance efforts.

Violations of these laws may result in criminal, civil and administrative sanctions, including fines and civil monetary penalties, possible exclusion from federal healthcare programs (including Medicare and Medicaid), the risk of legal redress, contractual damages and reputational harm, and the imposition of corporate integrity agreements or other similar agreements with governmental entities, which may impose, among other things, rigorous operational and monitoring requirements on companies. Similar sanctions and penalties, as well as imprisonment, may also be imposed on executive officers and employees, including criminal sanctions against executive officers under the so-called "responsible corporate officer" doctrine, even in situations where the executive officer did not intend to violate the law and was unaware of any wrongdoing. Given the significant penalties and fines that can be imposed on companies and individuals if convicted, allegations of such violations often result in

settlements, which can include significant civil sanctions and additional corporate integrity obligations, even if the company or individual being investigated admits no wrongdoing. Similar restrictions are imposed on the promotion and marketing of drugs in the European Union and other countries.

1.3 Patents and licenses

1.3.1 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 carrying out clinical trials. The Company has also expanded its historical technological expertise in nuclear receptors to include transcription factors and epigenetic targets, both sources of numerous innovative therapeutic targets. Since its incorporation, the Company has focused its attention on two therapeutic areas where there is a significant medical need: fibrosis and oncology.

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

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

In addition to its R&D teams, the Company has surrounded itself scientific experts and put in place academic and industrial collaborations, which provide the additional skills required for the rapid progression of its projects. In particular, it has entered into academic partnerships with renowned universities and research institutes, such as Institut Curie in Paris, France.

The Company regularly obtains non-dilutive funding thus confirming the scientific and commercial interest of its projects.

The two projects in the research phase, namely (i) the Epicure project on inhibitors of two epigenetic targets, conducted in cooperation with Institut Curie to validate the therapeutic potential of two new epigenetic targets in immuno-oncology and (ii) the NSD2 project, developed in-house, on inhibitors of an NSD2 epigenetic enzyme, have been suspended by the Company because they are not considered a priority in relation to other programs in the development phase.

1.3.2 Patents and patent applications

Patents and other intellectual property rights are of critical importance in the pharmaceutical industry. The Company's success depends upon its ability to obtain, maintain and protect patent and other intellectual property for its drug candidates in Europe, the United States and elsewhere. This includes composition-of-matter, dosage and formulation patents, as well as patent and other intellectual property and proprietary protection for its novel biological discoveries and other important technology inventions and know-how. In addition to patents, the Company relies upon unpatented trade secrets, know-how and continuing technological innovation to develop and maintain its competitive position. The Company protects its proprietary information, in part, using confidentiality agreements with its commercial partners, collaborators, employees and consultants, as well as invention assignment agreements with its commercial partners and selected consultants. In France, according to the French

Intellectual Property Code *(Code de la propriété intellectuelle*), rights over employees' inventions are transferred automatically to their employer. Employees working in R&D are employed by the Company under a contract that also contains a clause assigning the creations developed by employees to the Company.

Despite these measures, the Company's patents and other intellectual property and proprietary rights could be challenged, invalidated, circumvented, infringed or misappropriated, or such patents and other intellectual property and proprietary rights may not be sufficient to permit the Company to take advantage of current market trends or obtain a competitive advantage. In addition, such confidentiality agreements and invention assignment agreements can be breached and the Company may not have adequate remedies for any such breach.

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

1.3.2.1 **Patents**

The term of individual patents depends upon the legal term for patents in the countries in which they are obtained. In most countries in which the Company seeks patent protection for its product candidates, the patent term is 20 years from the filing date. 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. The Company intends to apply for patent term extensions, if available, to extend the term of patents covering its product candidates. However, there is no guarantee that the applicable authorities will agree with the Company's assessment of whether such an extension should be granted and, if granted, the length of such an extension. The geographical coverage of the various patent families depends on the strategic relevance of the patent. For the most important patents and those 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 countries in the European Union.

At the date of this Registration Document, the Company holds 13 patent families in its own name, representing more than 200 patents and patent applications in Europe, the United States and other jurisdictions, including (i) around 80 patents and patent applications for lanifibranor and (ii) around 84 patents and patent applications for odiparcil. Among these 13 families, six come from Laboratoires Fournier and seven come directly from the Company's research activities. The Company cannot be certain that a given application will actually lead to a patent in a particular jurisdiction or, if a patent is granted, that it will actually give the Company a competitive advantage.

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.

Details of the Company's patent portfolio are presented in the following table.

Technology/ Product (*)	Family – *Patent title*	Date of filing	Expiry date	Status and application no.
lanifibranor molecule	65 *Novel indole compounds*	Aug. 29, 2006 Oct. 13, 2008	Aug. 29, 2026 *Dec. 28, 2026 **Sept. 15, 2027	**Issued:** Europe(1) (06 608 258.5), Azerbaijan, Belarus and Russia (200800353/26), Algeria (080198), Australia (2006286430), Canada (2,620,658), China (200680031158.9), Hong Kong (***08111275.5), India (1023/DELNP/2008), Israel (189183), Japan (2008-528560), Kazakhstan (200800353/26), Malaysia (PI 20080428), Mexico (MX /a/2008/002969), Norway (20080595), Philippines (1-2008-500322), South Africa (2008/01886), South Korea (10-2008-7004317), Ukraine (a200802601), United States (*12/039 324 and **12/795 148) and Vietnam (1-2008-00511). **Under review:** Brazil (PI0615334-8) and Tunisia (SN08090).
Use of the lanifibranor molecule for the treatment of fibroses	86 *PPAR compounds for use in the treatment of fibrotic diseases*	June 12, 2015	June 12, 2035	**Issued:** United States (15/318,533) **Under review:** Eurasian procedure (201692433) and European procedure (15 728 018.1) Algeria (170016), Australia (2015273454), Brazil (BR 11 2016 029129 8), Canada (PCT/EP2015/063196), China (201580043674.2), Egypt (1954/2016), Hong Kong (17110293.4), India (201617041655), Israel (249458), Japan (2016-572615), Malaysia (PI 2016704567), Mexico (MX/a/2016/016534), Morocco (39528), Philippines (1-2016-502466), South Africa (2016/08281), South Korea (10-2016-7034694), Ukraine (a 2016 12728), Vietnam (1-2016-04932) and Tunisia (TN2016/0535).

(1) Issued in the following countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Monaco, Netherlands, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

Technology/ Product (*)	Family – *Patent title*	Date of filing	Expiry date	Status and application no.
Pyrrolopyridine compounds/derivatives ("back-up" lanifibranor molecule)	66 *Novel pyrrolopyridine compounds*	Aug. 31, 2006	Aug. 31, 2026	**Issued**: Europe(2) (06 808 267.6), Kazakhstan and Russia (200800352/26), Algeria (080207), Australia (2006286348), Canada (2 620 662), China (200680030042.3), Hong Kong (08111276.4), India (1451/DELNP/2008), Israel (189189), Japan (2008-528564), Malaysia (PI20080440), Mexico (MX/a/2008/003038), Norway (20080497), Philippines (1-2008-500321), South Africa (2008/01885), South Korea (10-2008-7003832), Ukraine (a200802662), United States (12/040 336 and 12/476 697) and Vietnam (1-2008-00735). **Under review:** Brazil (PI0615335-6) and Tunisia (SN08091).
Use of the odiparcil molecule to treat mucopolysaccharidosis (or MPS)	79 *Use of odiparcil to treat mucopolysaccharidosis*	Oct. 3, 2014	Oct. 3, 2034	**Issued:** Europe(3) (14 187 588.0), Hong Kong (15109703.2), Ukraine (201690709/26) United States (14/506239), Azerbaijan (201690709/26), Belarus (201690709/26), Kazakhstan (201690709/26) and Morocco (38931). **Under review:** Eurasian procedure (2016/90709/26). Algeria (160197), Australia (2014330977), Brazil (BR 11 2016 007306 1), Canada (292567), China (201480053707.7), Egypt (515/2016), France (13 59657), Israel (244829), Japan (PCT/FR2014/052507), Malaysia (PI 2016701175), Mexico (PCT/FR2014/052507), Philippines (1-2016-500541), South Africa (PCT/FR2014/052507), South Korea (10-2016-7008265), Tunisia (TN2016/0111), Ukraine (A 2016 03536), United States (15/420 135) and Vietnam (I-2016-01198).

(2) Issued in the following countries: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

(3) Issued in the following countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

Technology/ Product (*)	Family – *Patent title*	Date of filing	Expiry date	Status and application no.
Continuation-in-part patent relating to the use of the odiparcil molecule to treat MPS	79cip *Use of odiparcil to treat mucopolysaccharidosis*	Oct. 3, 2014	Oct. 3, 2034	**Issued**: United States (15/420 135)
Divisional patent relating to the use of the odiparcil molecule to treat MPS	79div *Method for treating mucopolysaccharidosis*	Oct. 3, 2014 *Jan. 24, 2017	Oct. 3, 2034	**Issued:** Europe[3] (16 159 903.0). **Under review:** Hong Kong (*17100906.4).
Alternative to the odiparcil molecule ("back-up" molecule)	69 *New 5-thioxylopyranose derivatives*	July 12, 2007	July 12, 2027	**Issued:** Europe[4] (07 823 569.4), Australia (2007274106), Canada (2 658 256), China (200780025888.2 and 201210021660.9), Hong Kong (09108227.9), Japan (2009-518938), Russia (200970120) and the United States (12/352 382).
NURR-family molecule candidates at an early stage of development, intended for the treatment of certain neurodegenerative diseases	75 *Use of indole derivatives as NURR-1 activators for treating Parkinson's disease*	*Sept. 11, 2009 **Jan. 8, 2010	*Sept. 11, 2029 **Jan. 8, 2020	**Issued:** France (*09 56259 and **10 50107).
	76 *Novel benzoic pyrrolopyridine derivatives*	Jan. 7, 2011	Jan. 7, 2031	**Issued:** France (11 704 261.4).
	77 *Use of pyrrolopyridine derivatives as NURR-1 activators for treating Parkinson's disease*	Jan. 8, 2010	Jan. 8, 2030	**Issued:** France (10 50098).
IVA341 and IVA342 molecules	44 *Novel indoline compounds*	May 29, 2006	May 29, 2026	**Issued:** Israel (187413), Mexico (MX/a/2007/015070) and the United States (11/947 998).

[4] Issued in the following countries: Belgium, France, Germany, Ireland, Italy, Netherlands, Poland, Spain, Switzerland, Turkey and the United Kingdom.

Technology/ Product (*)	Family – *Patent title*	Date of filing	Expiry date	Status and application no.
YAP/TAZ-TEAD-family molecules at an early stage of development, intended for the treatment of diabetes and atherosclerosis.	88 *New compound inhibitors of the YAP/TAZ-TEAD interaction and their use in the treatment of malignant mesothelioma*	Oct. 14, 2016	Oct. 14, 2036	**Under review:** Canada (3,001,397), China (201680069991.6), Japan (2018-519723), South Korea (10-2018-7013410), United States (15/767,156) and European procedure (16 788 468.3).
	89 *New compound inhibitors of the YAP/TAZ-TEAD interaction and their use in the treatment of malignant mesothelioma*	April 6, 2017	April 6, 2037	**Under review:** European procedure (17 305 410.7) and International procedure (PCT/EP2018/058823)

(*) Does not include patents under review whose applications had not been published at the date of this Registration Document.

1.3.2.2 Regulatory exclusivity

The lanifibranor molecule received orphan drug status for the treatment of systemic sclerosis (or SSc) by the European Medicines Agency (EMA) in Europe on November 19, 2014 and by the Food and Drug Administration (FDA) in the United States on March 31, 2015.

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

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

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 lanifibranor molecule if an MA is granted to the molecule for the treatment of SSc and to the odiparcil molecule if an MA is granted to the molecule for the treatment of MPS VI.

1.3.3 Partnership and research agreements, licensing agreements

1.3.3.1 Partnership and research agreements

Research and development in partnership with Institut Curie

In 2016, Inventiva and Institut Curie presented a collaboration project to the ANR 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. In August 2016, the Hippocure project was selected by the ANR for a grant. In this respect, a new partnership agreement between the Company and Institut Curie was signed on January 16, 2018 for a 30-month term, with retroactive effect from October 1, 2016.

At the end of this agreement, the inventions and patents covering the jointly developed results will be held in joint ownership in a proportion that reflects the parties' intellectual and financial contributions to obtaining said results.

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

Consortium agreement with Atrys and Xentech

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

The TheraYAP ("A tailored and rational approach for treating cancer patients with a YAP/TEAD inhibitor") consortium formed by Inventiva with two other European biotechnology companies (Atrys (Spain) and Xentech (France)), both leaders in their area of expertise, 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 their own results or knowledge resulting from their respective 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.

Research and development in partnership with Dr. Kenneth Cusi and the University of Florida

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

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

A new partnership agreement between the Company and the University of Florida was therefore signed on April 4, 2018 for a term equivalent to that of the trial, whose results are expected to be published in the first half of 2020.

At the end of this agreement, the intellectual property rights covering the results developed by the University of Florida will be owned by the University and those covering the results developed jointly or by the University of Florida based on rights previously held by the Company will be held in joint ownership by the parties. The Company will have an exclusive option for a predefined period of time to negotiate, under reasonable contractual terms and conditions, a worldwide license to use said intellectual property rights.

1.3.3.2 **Licensing agreements**

At the date of this Registration Document, the Company does not hold any licensing agreements granted by one or more third parties.

With the exception of the licenses granting limited rights of use on the patents relating to families 66, 75, 76 and 77 in the table included in section 1.3.2 *Patents and patent applications* above, which the Company has granted and might have to grant to Boehringer Ingelheim, subject to certain conditions and in accordance with the terms of the partnership agreement signed with Boehringer Ingelheim, the Company has not granted any licensing agreement to a third party.

1.3.4 Other intellectual property elements

The Company is also the holder of the following trademarks:

- the French word mark INVENTIVA no. 11/3871316 filed on November 3, 2011 in classes 5, 42 and 44 (registered on February 24, 2012);
- the French word mark PANNASH no. 18/4460278 filed on June 11, 2018 in classes 16, 35, 41, 42 and 44 (registered on October 5, 2018);
- the international word mark PANNASH no. 1444061 filed and registered on September 25, 2018 in classes 16, 35, 41, 42 and 44 in the European Union and the United States (under review);
- the Canadian word mark PANNASH no. 1926203 filed on October 19, 2018 in classes 16, 35, 41, 42 and 44 (under review);
- the semi-figurative mark 

no. 12/3886944 filed on January 6, 2012 in classes 5, 42 and 44 (registered on April 27, 2012);
- the French word mark INVENTIVA no. 18/4484891 filed on September 21, 2018 in classes 5, 42 and 44 (registered on January 11, 2019); and
- the semi-figurative trademark application 

no. 18/4488245 filed on October 4, 2018 in classes 5, 42 and 44 (under review).

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);
- Pannash.org (since 06/11/2018); and
- Pannash.fr (since 06/11/2018).

1.4 Material agreements

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

1.4.1 Research agreement with AbbVie

In August 2012, the Company entered into a master research service agreement with AbbVie (the "AbbVie Collaboration"), which included a collaboration to identify orally-available inverse agonists of the nuclear receptor RORγ for the treatment of moderate to severe psoriasis and other auto-immune diseases. AbbVie is currently investigating ABBV-157, a clinical candidate developed through the collaboration with the Company, in a Phase I clinical trial. AbbVie is responsible, at its sole cost and discretion, for all further clinical development and commercialization activities related to the RORγ program.

Under the AbbVie Collaboration, the Company received research funding and is eligible to receive milestone payments as well as royalty payments. As at December 31, 2018, the Company has received an aggregate of €16.3 million in research funding and €5.5 million in milestone payments. The Company may receive up to an aggregate of €38.5 million in milestone payments related to the psoriasis program, €2.0 million in milestone payments for each subsequent drug approval application or extension to a new indication, and tiered royalties of at least 4%. Royalties are subject to specified reductions in the event AbbVie is required to obtain licenses to avoid infringing a third party's intellectual property, a generic competitor to the product is introduced, or the product is exploited in a country without certain intellectual property coverage. Royalties are payable, on a product-by-product and country-by-country basis, until the occurrence of certain specified patent expirations or loss of exclusivity. An additional royalty payment is payable after the expiration of the initial royalty term until other specified patent expirations occur.

The Company is restricted from researching, developing or commercializing any product directed to any target on which the Company collaborated with AbbVie for a certain period of time after the expiration of the collaboration or the occurrence of certain events related to potential legal proceedings regarding the patents concurred. The Company is also subject to exclusivity obligations, which vary depending on the stage of development, with respect to research, development or commercialization of small molecule RORγ inverse agonists. Under certain circumstances, the Company will have relief from these obligations and will be provided with access to all pre-clinical data related to the RORγ program, as well as a royalty-free license to any assays or models developed by the parties under the RORγ program.

Under the agreement, AbbVie will be the exclusive owner of all intellectual property rights resulting from the partnership. The Company grants AbbVie a perpetual non-exclusive license to use its relevant intellectual property solely as necessary to exploit products derived from the partnership. The Company is obliged to assist AbbVie in the preparation, filing, or prosecution of patents civering the intellectual property developed from the partnership.

The research term of the AbbVie Collaboration was initially five years, and was extended in August 2017. As of April 2019, the Company no longer provides research services with respect to the RORγ program and under the AbbVie Collaboration.

AbbVie may terminate the contract for uncured material breach and may terminate any element of the Abbvie Collaboration without cause upon 30 days' notice.

1.4.2 Research and development partnership with Boehringer Ingelheim

In May 2016, the Company entered into a licensing agreement and a research and development collaboration (BI Agreement) with Boehringer Ingelheim (BI) to develop novel small molecule treatments for Idiopathic Pulmonary Fibrosis (IPF) and other fibrotic diseases in collaboration with BI.

BI has the option to select candidate compounds to proceed to pre-clinical development pursuant to the joint drug discovery, or JDD, program. BI exercised its option to proceed the JDD program in September 2017.

Under the BI Agreement, the Company receives research funding and is eligible to receive regulatory and commercial milestone payments of up to an aggregate of €169 million. The Company is also eligible to receive at least 4% in royalties on net sales of the products resulting from the collaboration. These royalties are subject to specified reductions in the event BI is required to obtain licenses to avoid infringing on a third party's intellectual property or a generic competitor to the product is introduced. The Company's royalty rights expire on a product-by-product and country-by-country basis, upon the earlier of (i) the date that all patent rights covering such product expire in such country and (ii) the date that is fifteen years from the first commercial sale of such product in such country. As of December 31, 2018, the Company has received an aggregate of €2.3 million in research funding and €3.0 million in milestone and upfront payments.

The research term of the BI Agreement is six years and can be extended, at BI's option, for up to three additional six-month periods. The BI Agreement can be terminated by either party in the event of a breach by other party that is not cured. BI also has the right to terminate the BI Agreement at will on a product-by-product and country-by-country basis upon six months' prior written notice. In the event BI terminates at will, all intellectual property covering the terminated product will be assigned to the Company. Payment obligations accrued prior to the expiration or termination of the BI Agreement survive its expiration or termination.

The Company and BI each retain the rights to their respective intellectual property acquired prior to the partnership. All intellectual property rights developed in the joint research program will be jointly owned by the Company and BI, with BI having final decision making authority over, and financial responsibility for, intellectual property prosecution and maintenance. BI also has the right, but not the obligation, to enforce any such intellectual property rights at its own cost. If BI chooses not to exercise this right, the Company may step in.

Under the agreement, the Company and BI grant each other a royalty-free, non-exclusive license to their respective background and jointly developed intellectual property to the extent necessary to perform their respective obligations under the joint research program. Once a product candidate reaches Phase I trials, the Compagny assignes all its rights in the applicable jointly developed intellectual property to BI.

The Company and BI are subject to exclusivity requirements under the BI Agreement. During the term of the agreement, the Company and BI agree to work exclusively with each other to achieve the goals of the BI Agreement. After the end of this partnership and if a product developed as part of this collaboration enters Phase II clinical development, the Company will remain subject to restrictions on researching and working towards similar products.

1.4.3 Scientific collaboration agreements, and clinical and pre-clinical trials

1.4.3.1 Collaboration agreement with the University of Florida

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

Through this agreement, which will last for the same term as the clinical trial, the Company will provide funding to the University and supply the University with the quantities of lanifibranor needed for the trial at its own expense. In exchange, the results of the clinical trial will be provided to the Company, which will be able to use the findings as additional supportive data for future filings with regulators.

1.4.4 Contracts Research Organization (CRO)

1.4.4.1 Agreements with Keyrus Biopharma, Quintiles, Covance and Orion Santé

The Company entered into agreements with Keyrus Biopharma, Quintiles, Covance and Orion Santé, to conduct the NASH Phase IIb clinical trial. These companies are responsible for the study in different geographical regions.

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

1.4.4.2 Agreements regarding a biomarker study in MPS VI patients

The Company entered into a number of agreements with several different entities to conduct a biomarker study on MPS VI patients, including with a nonprofit organization, GreenWood Genetic Center, to develop a test to measure lysosomal accumulation of GAGs in MPS VI patients. The Company signed a new agreement on October 23, 2018 with the GreenWood Genetic Center to validate a method from measuring GAG levels in MPS VI patients' leukocytes.

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

1.4.4.3 Agreements with PPD Global Limited, Orion Santé and ICTA

The Company entered into a service agreement with PPD Global Limited on November 7, 2017, and a master service agreement with Orion on September 12, 2017, under which PPD Global Limited and Orion Santé act as CROs on behalf of the Company to carry out feasibility, registration and regulatory monitoring services for the iMProveS Phase IIb clinical trial. Each company is responsible for different and complementary tasks in these agreements. On January 16, 2019, the Company entered into an agreement with Orion Santé, effective as of February 28, 2019, replacing the previous service agreement with ICTA.

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

1.4.5 Service agreement

The Company and Enyo Pharma entered into a master agreement on July 4, 2014, the aim of which is to govern the services provided by the Company. The agreement is signed for a term of three years. The patent right or any other intellectual or industrial property rights relating to the results of services provided by the Company shall remain the property of Enyo Pharma, with the exception of anything which concerns, contains or uses the Company's intellectual property rights.

On July 27, 2016, the Company and Enyo Pharma entered into a service agreement subject to the master agreement, as well as two amendments to this agreement, dated June 21, 2017 and November 13, 2017, the aim of which is for Inventiva to implement virtual screening of a molecule chemical library (viral peptides, Enyo Pharma targets). In this respect, Inventiva is responsible for preparing the molecules for virtual screening, sending them to the physical screening centers and ensuring the storage and preservation of chemical compounds. This agreement took effect on July 27, 2016 and will expire on March 31, 2019.

Within the scope of this agreement, the Company identified molecules for Enyo Pharma that had great potential for Enyo Pharma to become drugs. Enyo Pharma confirmed its decision to the Company to move on to the development phase in 2018, triggering payment by Enyo Pharma to the Company of a

fixed fee, with staggered payment throughout 2018 and early 2019. The Company is under no contractual obligation pertaining to the results.

2. RISK FACTORS AND INTERNAL CONTROL

2.1 Risk factors

When preparing this Registration Document, Inventiva 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 material risks other than those presented herein. However, investor 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.

Inventiva has decided to highlight five major categories of risk factors in order to anticipate the related future regulatory changes. The risk factors are therefore divided among the risks (1) related to the Company's business, (2) related to the Company's dependence on third parties, (3) related to the organization of the Company, (4) related to the legal and regulatory framework and (5) related to financial concerns. Furthermore, the Company has brought forward its strategy in terms of insurance and risk coverage and has assessed its current litigations as at the date of this Reference Document.

In addition, the Company has adopted a risk classification based on their relative importance. The first risk factor for each section below is therefore, according to the Company's assessment as at the date of this Registration Document, the most material risk of this section. Nevertheless, the occurrence of new events, either internal to the Company or external, may change this classification in the future.

2.1.1 Risks related to the Company's business

2.1.1.1 Risks related to the development of drug candidates

The Company is a biotechnology company whose most advanced products are at clinical stage and have not yet obtained marketing authorization (MA). It is currently developing the following clinical and pre-clinical programs:

- lanifibranor, an anti-fibrotic drug candidate with a Phase IIb clinical trial currently in progress for the treatment of non-alcoholic steatohepatitis, or NASH, with the results expected in the first half of 2020 respectively;
- odiparcil, a drug candidate developed for the treatment of some forms of mucopolysaccharidoses or MPS, with the results of the Phase IIa clinical trials for MPS VI expected in the second half of 2019; and
- yes-associated protein/transcription enhancer associated domain or YAP/TEAD, a pre-clinical project developed by the Company in the field of oncology.

The Company has entered into research and development collaborations and partnerships with AbbVie and Boehringer Ingelheim (see sections 1.1.7 *Partnership with AbbVie: a long-term strategic collaboration with important potential financial returns* and 1.1.8 *Boehringer Ingelheim collaboration: a second partnership which validates the Company expertise in fibrosis* of this Registration Document).

The Company has not yet demonstrated its ability to overcome the risks and uncertainties to which companies operating in innovative and fast-changing domains like the pharmaceutical sector are often exposed. Its ability to provide meaningful forecasts for its operating results or sales is therefore more limited than other companies that have been in operation for a longer period of time or that have already marketed products.

The Company's strategy is reliant on the development and advances made on a portfolio of drug candidates. Furthermore, its research and work may not result in a portfolio of marketable drug

candidates with a favorable safety and tolerability profile despite a long, complex and costly development process. 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 exceeding ten years.

The Company cannot guarantee that the results of the tests, pre-clinical 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. Notably, it has submitted the results of the safety studies (toxicology and carcinogenicity) on lanifibranor, its most advanced drug candidate, needed for its Marketing Authorization Application (MAA) in Europe and the U.S. Food and Drug Administration (FDA) in the United States. Any negative results emerging from these studies or requests for further trials may delay the development of lanifibranor or even lead to the discontinuation of its development.

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

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

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

If the Company is unable to continue successfully developing its drug candidates and does not start to market them in the near future, it may be faced with major financial difficulties.

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

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

Lanifibranor, the drug candidate for the treatment of NASH, and odiparcil, the drug candidate for the treatment of some forms of MPS, are, at the date of this Registration Document, the only products of the Company to have reached the clinical development stage. Based on the FASST clinical trial evaluating lanifibranor for the treatment of patients with SSc, which did not meet the primary and secondary endpoints and of which the results were published on February 2019, the Company plans to discontinue lanifibranor's clinical development for the treatment of dcSSc.

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

The Company's future will depend largely on the results obtained (i) at the end of the Phase IIb clinical trials on lanifibranor in NASH, which are expected in the first half of 2020, and (ii) following Phase IIa clinical trials on odiparcil in MPS IV which are expected in the second half of 2019 and will allow the Company to envisage signing potential license agreements on lanifibranor and continue with Phase III clinical development. If the results of trials on lanifibranor in NASH and on odiparcil in MPS do not meet the basic criteria required in terms of efficacy and safety, the prospects of marketing these drug candidates will be seriously impacted.

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

2.1.1.3 **Risks related to clinical trials**

The Company is currently carrying out clinical trials on lanifibranor in NASH and on odiparcil in MPS.

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 if the data presented has not been produced in accordance with applicable regulations or should they consider that the benefits of the product do not sufficiently outweigh the risks involved to merit the trials. They may impose additional requirements concerning trial protocols, patient characteristics, the duration of treatment or post-treatment follow-up, due to differences in the interpretation of results between local regulatory bodies. They may also require supplementary studies. Any refusal or decision by the regulatory authorities to require additional studies or tests could result in a discontinuation or delay in the development of the products concerned.

The Company may also be faced with delays due to a number of different factors other than those listed here above, that are outside of its control, including the failure to reach an agreement on acceptable terms with prospective contract research organizations (CROs), and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites. Clinical sites may also deviate from trial protocols or decide to discontinue a clinical trial.

A suspension or termination may be imposed due to a number of factors, including a failure to conduct clinical trials in accordance with regulatory requirements or the Company's clinical protocols, or should an inspection of the clinical trial operations or trial site by the relevant regulatory authorities reveal safety issues or adverse side effects.

The results obtained in the pre-clinical 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.

The Company has not carried out any trials or investigations on the pre-clinical or clinical studies for lanifibranor and odiparcil conducted by the Abbott laboratories prior to their acquisition by the Company in 2012. It is assumed that all development was carried out in accordance with the applicable regulatory standards and protocols and that Abbott's interpretation of the clinical data and results of all trials was precise and accurate. Similarly, given that the Company has no control over the clinical development resulting from the work carried out in collaboration with Dr. Kenneth Cusi, there is a risk as to its due completion.

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

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

2.1.1.4 Risks related to patient enrollment

The identification and enrollment of patients to take part in clinical trials is crucial to the Company's success.

When conducting these clinical trials, the Company may have difficulties in recruiting and retaining patients, particularly on (i) lanifibranor in NASH, due to the significant number of patients required and competition from other ongoing trials in the same indications, and (ii) odiparcil in MPS, given the very small number of patients able and willing to take part in a clinical trial. These persistent difficulties could noticeably extend the planned duration of the clinical trials. Once recruited, the patients taking part in these trials can suspend or discontinue their participation at any time. If too many patients were to end their participation in a clinical trial, the analysis of the results of this trial may not have any statistical value. Furthermore, any results that the Company reports for the clinical trials of its product candidates that are less favorable or perceived to be less favorable than those of competitor product candidates, may make it difficult or impossible to recruit and retain patients in other clinical trials of those product candidates.

In fact, the Company recently announced that the receipt of data from its ongoing NATIVE Phase IIb clinical trial of lanifibranor for the treatment of patients with NASH may be delayed until the first half of 2020 due to delays in patient enrollment. It has also experienced delays in recruiting patients with MPS VI for its ongoing trial of odiparcil in that indication, and for which the results are now expected in the second half of 2019. The Company also has no control over the recruitment of patients for the non-alcoholic fatty liver disease program in collaboration with Dr. Kenneth Cusi.

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

The development of biopharmaceutical products, the completion of clinical trials, the obtaining of the relevant authorization to market products and the sale of drug candidates are costly processes that require substantial resources. The Company intends to enter into collaboration and/or license agreements with pharmaceutical companies that have more experience and greater financial resources before the start of the Phase III clinical trials for its drug candidate lanifibranor and potentially for its YAP/TEAD program 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. Were an agreement for the development and commercialization of a drug candidate to be signed, the Company could also enter into other collaboration agreements for the development and commercialization of the drug candidate in territories other than those covered by the first collaboration agreement.

The Company could also have difficulties in finding partners for its drug candidate lanifibranor, and in particular in the treatment of NASH. The discontinuation of the development of some PPAR agonists as a result of findings that cast doubt as to the tolerability and safety of certain drugs could be negatively perceived or result in reluctance among potential partners that could jeopardize the signing of agreements for the development of drug candidates belonging to the PPAR class such as lanifibranor.

If the Company is unable to secure these agreements under reasonable terms and conditions, 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 Phase III clinical development for lanifibranor and Phase III clinical trials for odiparcil. It could delay or jeopardize the development and marketing of the products deriving from its pre-clinical portfolio and consequently have a material adverse effect on the Company, its business, prospects, financial position, results and development.

Partnerships and license agreements are a complex endeavor and often require a significant amount of time to negotiate, sign and set in place. Even if these agreements were secured, (i) the economic conditions may be less favorable than those expected by the Company, (ii) they may be terminated or may not be renewed by the partners, and (iii) they may not be fully respected by those partners.

2.1.1.6 Risks linked to the implementation of partnerships and collaboration agreements

The collaboration agreements that the Company has established, and any collaboration agreements that it might enter into in the future, may not ultimately be successful, which could have a negative impact on its business, results of operations, financial condition and growth prospects. It is also possible that a collaborator may not devote sufficient resources to the development or commercialization of a product candidate or may otherwise fail, in which case the development and commercialization of said product candidate could be delayed or terminated and the Company's business could be substantially harmed.

Were the Company to collaborate with a third party for development and commercialization of a product candidate, it may be expected to relinquish some or all of the control over the future success of that product candidate to the third party. For example, under the terms of the partnership signed with AbbVie in 2012, AbbVie is solely responsible for clinical development of any product candidates developed through the collaboration and is the owner of all intellectual property rights resulting from the collaboration (see section 1.4.1 *Research agreement with AbbVie* of this Registration Document).

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 its partners would have adverse consequences for the Company, its growth, results and prospects.

In certain cases, the Company may be obliged to continue with the development of a drug candidate or a research program covered by a collaboration agreement even if the compensation received under the terms of said agreement is insufficient to cover the development costs incurred.

The Company is exposed to a number of additional risks associated with its dependence on collaborations with third parties, the occurrence of which could cause said collaboration arrangements to fail. Conflicts may also arise between the Company and collaborators, such as conflicts concerning

the interpretation of clinical data, the achievement of milestones, the interpretation of financial provisions or the ownership of intellectual property developed during the collaboration. If any such conflicts arise, a collaborator could act in its own self-interest, which may be adverse to the best interests of the Company. This can notably include:

- the reduction in the payment of royalties or other payments the Company believes are due pursuant to the applicable collaboration arrangement (as an example, payments received as a result of the Company's partnership with AbbVie accounted for 26.8% of its revenues in 2018, and payments received as a result of the Company's partnership with Boehringer Ingelheim accounted for 31.8% of its revenues in 2018);

- actions taken by a collaborator within or outside of the scope of the collaboration agreement which could negatively impact the Company's rights or benefits under the collaboration including termination of the collaboration for convenience by the collaborator; or

- unwillingness on the part of a collaborator to keep the Company informed regarding the progress of its development and commercialization activities or to permit public disclosure of the results of those activities.

The materialization of any of the above, and in particular the reduction or loss of financing pertaining to these partnerships, could delay or prevent the development or commercialization of drug candidates and consequently have a material adverse effect on the Company, its business, prospects, financial position, results and growth.

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

At the date of this Registration Document, none of the drug candidates developed by the Company have received a marketing authorization from a regulatory authority and the Company may never receive the requisite authorizations.

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

The granting of a marketing authorization to the Company or its future commercial partners in charge of the authorization process and marketing of the Company's drug candidates is subject to compliance with stringent standards imposed by the regulatory authorities. Additionally, the granting of a marketing authorization in a given country or geographical area does neither systematically nor immediately lead to the obtaining of a marketing authorization in other countries.

There is no guarantee that the Company will obtain any such authorizations and a failure to obtain or a withdrawal of authorizations could have a material impact on development plans for the drug candidates concerned. There can be no assurance that the FDA will accept data from trials conducted outside of the United States which must in any event comply with the conditions and regulations of the FDA. If the FDA does not accept the data from any clinical trials that the Company or its collaborators conduct outside the United States, it would likely result in the need for additional clinical trials, which would be costly and time-consuming and delay or permanently halt the Company's ability to develop and market its drug candidates in the United States.

Principal investigators for the Company's clinical trials may serve as scientific advisors or consultants and receive compensation in connection with such services. Under certain circumstances, the Company may be required to report some of these relationships to the regulatory authorities who may conclude that a financial relationship between the Company and a principal investigator has created a conflict of interest or otherwise affected interpretation of the trial results. This could result in a delay in the approval or ultimately lead to the denial of marketing authorizations for drug candidates.

The Company develops some of its drug candidates in conjunction with one or several other approved or experimental therapies. Should the EMA, the FDA or other regulatory authorities decide not to authorize these therapies or to withdraw their authorization, or should the safety, efficacy, manufacturing or procurement of the therapies that the Company has chosen to test in conjunction with its drug candidates be compromised, the Company will never be able to obtain the authorization to market its drug candidates.

In the event that marketing authorizations 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 marketing authorization for a given geographical area, which could significantly limit its commercialization. Even if properly obtained, a marketing authorization may be suspended, especially if manufacturing standards are not respected.

Additionally, if, after a marketing authorization has been obtained by the Company or its partners or licensees, the Company's products are found to cause side effects that are unacceptable or unidentified during the clinical trials phase, this could jeopardize their commercialization and/or market prospects. The occurrence of any of these events could have a material adverse effect on the Company's business, prospects, financial position, results and growth.

2.1.1.8 **The commercialization of the Company's products may not be successful**

At the date of this Registration Document, none of the Company's drug candidates have obtained a marketing authorization.

If the Company and/or one or more of its commercial partners were to obtain a marketing authorization and maintain regulatory authorization to market its products, the Company cannot guarantee that its products will be commercially successful since:

- their acceptance by the medical community, health care prescribers and third-party payers could prove to take longer than anticipated;
- health care prescribers may not always be able to diagnose the illnesses treated by the drug candidates developed by the Company;
- the Company may not obtain marketing authorizations for its products quickly enough to enable it to benefit from a competitive position on its target markets;
- marketing authorizations may only be granted for a limited number of indications, be restricted to certain categories of patient, or be subject to the completion of costly clinical trials after the commercialization of the drug candidate;
- health authorities may require warnings to be added to a product's label or packaging and impose stricter advertising conditions;
- the discovery, after commercialization, of adverse factors linked to a given product, to a supplier or their manufacturing process, or to a failure to comply with regulatory requirements – the scale and frequency of which was not correctly anticipated – could lead to (i) restrictions on the use of a product which in turn could affect the therapeutic value and commercial potential of said product on target markets, (ii) a product being recalled, (iii) fines, and (iv) the suspension of clinical trials, etc.;
- the sales price of a product may be disputed by a local health authority.

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

- their efficacy and the perception of their therapeutic benefits by health care prescribers and patients;
- their proven safety during clinical trials;
- the time required for their market release, notably with respect to competitors;
- the lack of potential side effects and undesirable interaction between drugs once the marketing authorization 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;
- the acceptance of PPAR agonists as a medication in the case of lanifibranor; 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 commercialization and the Company's ability to make a profit, either directly or through royalties paid pursuant to collaboration and/or license agreements signed with partners in the pharmaceutical industry. This situation would have a material adverse effect on the Company's business, prospects, results, financial position and growth.

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

2.1.1.9 **Risks related to the reimbursement and non-reimbursement of drugs and treatments**

Following the regulatory authorization phase and once marketing authorization has been granted, the process for setting the sales price of the drugs and their reimbursement rates begins. 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.

Reimbursement by a third-party payer may depend upon a number of factors, including, without limitation, the third-party payer's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and

- not part of an experimental activity or clinical study.

The likelihood of the Company receiving royalties from its future industrial partners on the sale of its drug candidates, especially lanifibranor, and the Company's ability to make sufficient profits on its drug candidates will depend on their reimbursement conditions.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payer is a time-consuming and costly process that could require the Company to provide supporting scientific, clinical and cost-effective data for the use of its products to the payer.

If a delay in the price negotiating procedure leads to a significant delay in market release, 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 third-party payers over time. Under these conditions, its revenue, profitability and prospects could be materially affected.

2.1.1.10 **Risks related to competition**

Biotechnology and pharmaceutical industries are subject to strong competition and rapid and significant technological development. The Company has competitors in Europe, the United States and other countries, including large multinational pharmaceutical companies, established biotechnology companies, specialized pharmaceutical companies, universities and other research institutes, many of which have greater financial resources, larger research and development teams and facilities, and more experience in completing pre-clinical testing and clinical trials and in the marketing and manufacturing of drug candidates.

Consequently, the Company cannot guarantee that competitors will not develop alternative drugs that successfully compete with the Company's drug candidates in terms of efficacy, safety, ease of use, results, price or marketing, or are considered by the market as similar or higher in quality to the Company's drug candidates.

In addition, the Company cannot guarantee that some competitors will not obtain a marketing authorization 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 marketing authorization in the indications targeted by the Company except for enzyme replacement therapies in MPS I, II, IVa, VI and VII, some of its competitors are at a more advanced clinical development stage and could obtain a marketing authorization for their drugs before the Company is in a position to commercialize its products, thus giving them a strong competitive advantage in the targeted markets.

Mergers and acquisitions in the pharmaceutical and biotechnology industries could result in even more resources being concentrated among a small number of competitors.

Allergan plc, Genfit S.A, Gilead Sciences, Inc. and Intercept Pharmaceuticals, Inc. are investigating product candidates in Phase III clinical trials for the treatment of NASH, while other companies have product candidates for the treatment of NASH that are in earlier stages of pre-clinical or clinical development. ERT is the standard of care for the treatment of MPS with current therapies being marketed by BioMarin Pharmaceuticals, Inc., Sanofi Genzyme, Shire Plc and Ultragenyx Pharmaceuticals, Inc. Additional ERTs, as well as gene therapy approaches to treating MPS, are in various stages of pre-clinical and clinical development.

The Company's strategy is based on securing partnerships with other organizations or companies to develop and market products, and with research bodies and other laboratories to access innovative

targets and technologies. However, the Company faces fierce competition from these other industry players also looking to secure partnerships.

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

2.1.1.11 Risks related to the loss of orphan drug designation

The Company has received orphan drug designation for odiparcil in the treatment of MPS VI. It intends to pursue orphan drug designation for other future drug candidates and for MPS indications other than MPS VI. In addition, the Company may seek rare pediatric disease designation for odiparcil in the treatment of MPS VI.

Generally, all drugs designated as orphan medicinal products that obtain a marketing authorization 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 marketing authorization application in the same therapeutic indication, grant a marketing authorization or accept an application for the extension of an existing marketing authorization for a similar drug. No other directly competing drug may therefore, in principle, be put on the market during this period.

During an orphan drug's exclusivity period, however, competitors may receive authorization for drugs with different active moieties for the same indication as the approved orphan drug, or for drugs with the same active moiety as the approved orphan drug, but for different indications. Moreover, if a designated orphan drug receives marketing authorization for an indication broader than the rare disease or condition for which it received orphan drug designation, it may not be entitled to exclusivity.

If the orphan drug designation were withdrawn and, in particular, if prior to the granting of a marketing authorization the criteria for designation (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.

The failure to obtain an orphan drug designation for any drug candidates the Company may develop, the inability to maintain that designation for the duration of the applicable period, or the inability to obtain or maintain orphan drug exclusivity could reduce the Company's ability to make sufficient sales of the applicable drug candidate to balance the Company's expenses incurred to develop it, which would have a negative impact on the Company's operational results and financial position.

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

The Company is subject to numerous French and foreign environmental and health and safety laws and regulations, and to permit requirements, including those governing laboratory procedures, decontamination activities and the handling, transportation, use, remediation, storage, treatment and disposal of hazardous materials and wastes. Its operations involve the use of hazardous and flammable materials, including chemicals, which produce hazardous waste products. While the Company generally contracts with third parties for the disposal of these materials and wastes, it cannot eliminate the risk of contamination or injury from these materials or wastes either at its sites or at third party disposal sites. In the event of such contamination or injury, the Company could be held liable for any resulting damages, and any liability could exceed its resources. Insurance coverage for the risks inherent to its activity may not fully cover the damage suffered or penalties imposed.

The Company is also required to invest in employee health and safety and in environmental protection in order to comply with applicable laws and regulations. If these laws and regulations were to change, the Company may have to purchase new equipment, adapt its laboratories, or incur material expenditure. Failure to respect these laws and regulations could have serious consequences for the

Company such as substantial financial penalties and the rejection, suspension or withdrawal of marketing authorizations for its drugs. The Company's business and, in the long term, its prospects, results, financial position and growth could be seriously affected.

2.1.2 Risks related to the Company's dependence on third parties

2.1.2.1 The loss 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 for the YAP/TEAD program, as well as physicians, such as Dr. Kenneth Cusi for the study of lanifibranor in diabetic patients with non-alcoholic fatty liver disease (NAFLD), to carry out some of its research and development activities. If one of these partners were to terminate or fail to respect its contract with the Company or fail to work effectively with the Company in any way, the research, development or marketing of the products included in the scope of these partnerships could be delayed or discontinued. If one of the partnerships established by the Company were to be terminated or if the Company were unable to renew those partnerships under acceptable conditions, this could have a negative impact on its business and prospects.

2.1.2.2 The Company is dependent on its subcontractors for pre-clinical and clinical trials

The Company outsources some of its pre-clinical and clinical trials on lanifibranor to specialized scientific companies or CROs. It also outsources the monitoring of the Phase IIb clinical trials in NASH, the monitoring of the Phase IIa clinical trial in MPS VI and the preparation of the Phase I/II clinical trial with odiparcil. The Company will also use subcontractors to conduct pre-clinical and clinical trials on odiparcil.

The Company is responsible for ensuring that each of its studies and trials is conducted in accordance with the applicable protocol and applicable legal and regulatory requirements and scientific standards. Its reliance on CROs as well as clinical sites and investigators does not relieve the Company of its regulatory responsibilities.

The Company has does not control the CROs and other sites and has limited influence over the performance of clinical sites and investigators. In addition, significant portions of the clinical trials for its product candidates are conducted outside of France, thereby complicating matters in terms of its legal implications and power of control of the Company. Nevertheless, if the Company, any of its CROs or any of the clinical sites or investigators fail to comply with applicable good clinical practices (GCPs), the clinical data generated in clinical trials may be deemed unreliable and the authorities may require the Company to perform additional clinical trials before approving its marketing applications.

Some of the Company's CROs have the ability to terminate their respective agreements with the Company, notably if it can be reasonably demonstrated that the safety of the subjects participating in the Company's clinical trials warrants such termination, if the Company makes a general assignment for the benefit of its creditors or if it is liquidated.

Any default or delay on the part of these CROs could have consequences on the schedule, or even the continuation of the pre-clinical and clinical trials on the drug candidates lanifibranor and odiparcil, as well as on the quality of the data which must conform to strict standards imposed by the supervisory authorities, and thus delay the marketing of the products.

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

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

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

As at the date of this Registration Document, the Company does not manufacture the drug candidates tested during its clinical and pre-clinical trials, nor does it envisage acquiring the infrastructure or in-house capabilities needed to manufacture the drug candidates. The Company mainly relies on Contract Manufacturing Organizations (CMOs) for the manufacture of its candidate drugs, especially the synthesis of compounds and the packaging of products.

The facilities used by the Company's suppliers and other third parties in the manufacture of its drug candidates are subject to prior inspection by the relevant authorities. In the event of the default, bankruptcy or operational shutdown of a subcontractor or in the event of a 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. As a result, it may not 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 suppliers contain clauses that limit or exclude liability in their favor, which means that the Company may not obtain full compensation for any potential losses it may bear in case of default.

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

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

While the Company has no control over the manufacturing process, drug candidates manufactured by third-party suppliers that fail to comply with regulatory standards may result in sanctions for the Company. These sanctions could include fines, injunctions, damages, refusal by the regulatory authorities to allow clinical trials or to grant MAs for its products, delays, suspension or withdrawal of authorizations, termination of licenses, seizure or recall of its products, operating restrictions, its product liability being sought (see section 2.1.4.5 *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.

Were the Company to change suppliers for its drug candidates, it may be required to request the new approval of manufacturing process and procedures to ensure they comply with applicable standards. Obtaining new approval can be costly, time-consuming and can require the involvement of the Company's qualified personnel to the detriment of other activities. Should new approval not be obtained, the Company could be obliged to find another supplier, which could delay the production, development and marketing of the Company's products and thus have a material adverse effect on its business, prospects, results, financial position and growth.

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

The Company relies on third parties to supply several starting materials needed to manufacture the experimental batches required to conduct its clinical and pre-clinical trials (especially in the synthesis process of compounds).

The Company intends to sign a number of long-term agreements in order to guarantee the supply of raw materials. There is however no guarantee that these agreements will be entered into or that the conditions will be commercially favorable for the Company.

The Company currently depends on a very limited number of single-source suppliers for some of the components and materials used in lanifibranor and odiparcil with which no long-term contracts have been entered into, which could expose the Company to price increases. The Company cannot ensure that these suppliers will remain in business, have sufficient capacity or supply to meet the Company's needs, or that they will not be purchased by one of the Company's competitors or another company that is not interested in continuing to work with the Company. These vendors may be unable or unwilling to meet the Company's future demands for its clinical trials or commercial sale. They may also supply the Company with defective components or materials, which could seriously damage the Company's reputation.

Establishing additional or replacement suppliers for these components, materials and processes could take a substantial amount of time and it may be difficult to establish replacement suppliers who meet regulatory requirements. If the Company is able to find a replacement supplier, the replacement supplier would need to be qualified and may require additional regulatory authority authorization, which could result in further delay.

At the date of this Registration Document, the Company has not yet identified and secured an alternative source of supply.

Furthermore, if a marketing authorization is obtained for one of the Company's product candidates, the Company must be able to meet a higher demand for procuring starting materials that its suppliers would not be able to, which could slow down the commercial marketing of the drug and ultimately affect the Company's ability to generate revenue.

Any supplier default or delay could have consequences on the duration, cost, or even continuation of the pre-clinical and clinical trials and consequently delay the marketing of the Company's products. This could have a material adverse effect on its business, prospects, results, financial position and growth.

2.1.3 Risks related to the organization of the Company

2.1.3.1 Risks related to the Company's dependence on certain key persons and the difficulty of attracting qualified personnel

The success of the Company is highly dependent on its management, scientific and medical personnel, especially its executive officers: Frédéric Cren, Chief Executive Officer, and Pierre Broqua, Deputy Chief Executive Officer and Chief Scientific Officer, whose services are critical to the successful implementation of the Company's product candidate acquisition, development and regulatory strategies.

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

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

As the Company progresses in its programs and broadens the field of its activities, it may have to recruit new employees with skills in fields such as clinical trials, regulatory issues, reimbursement procedures, sales and marketing. To retain and attract qualified personnel, the Company has implemented an employee incentive and loyalty policy. The Company will face strong competition from other companies operating in this sector, universities, public and private research institutes, as well as other organizations to recruit and retain qualified personnel. In such circumstances, the Company cannot guarantee its ability to recruit and/or retain its qualified employees under economically acceptable conditions.

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

2.1.3.2 **Risks related to sales, marketing and distribution resources**

The Company does not currently have the necessary infrastructure for the sale, marketing and distribution of its drug candidates. Should the development of lanifibranor, odiparcil or any other drug candidate by the Company prove to be successful, the Company would be obliged to set up its own sales, marketing, pharmacovigilance and price negotiation structure, which will entail adapting its organizational structure, recruiting qualified and dedicated teams and consequently incurring significant additional expenditure. Sales personnel may not be able to obtain access to physicians and educate physicians about patients for whom the Company's product candidates may be appropriate, restricted or closed distribution channels may make it difficult to distribute the Company's products to segments of the patient population, and there may be unforeseen costs and expenses associated with creating an independent sales and marketing organization. Were the Company unable to set up such a structure or if delays were to occur in the organization of marketing and distribution capacities, this could have an adverse effect on the marketing of its products and on its business, prospects, financial position, results and growth.

In the event that the Company's drug candidates are marketed for an indication with high unmet medical need, the Company would have to enter into license agreements with partners having the necessary marketing infrastructure and distribution network. However, it is possible that:

- the Company does not succeed in entering into license agreements for the marketing of its products under economically reasonable conditions; or
- such agreements are challenged; or
- its partners have difficulty or do not succeed in implementing all the resources necessary to ensure the commercial success of the Company's products; or
- disputes arise between the Company and some of its partners. In particular, the Company cannot guarantee that none of its partners will design or try to implement a commercial activity using products competing with those of the Company. See section 2.1.1.5 *Risks related to the search for and signing of collaboration or license agreements for the development and marketing of drug candidates* of this Registration Document.

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

2.1.3.3 Risks related to its ability to penetrate foreign markets

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

- economic or financial risks associated with an unstable political situation, inflation, customs duties, tariff barriers, import and export restrictions and other trade protection measures, the fluctuation of exchange rates and exchange controls;
- difficulties associated with the acceptance by the medical community, especially local health care professionals and opinion leaders and patients due to differences in medical practice and customs and the uncertainty or inadequacy of reimbursement systems implemented locally;
- difficulties associated with the complex and changing local regulatory environment, particularly in the legal, tax and accounting sectors as well as in employment and immigration laws, especially for the employees of the Company or its future partners, who would be required to live or travel abroad;
- risks associated with a reduced protection of intellectual property rights in certain countries and the resulting prevalence of alternative generic drugs; and
- 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 material adverse effect on the Company's business, financial position, results and growth.

2.1.3.4 Risks related to the Company's ability to manage growth

The Company expects that if its drug discovery efforts continue to generate drug candidates, its clinical drug candidates continue to progress in development, and the Company continues to build its development, medical and commercial organizations, it will require significant additional investment in personnel, management and resources. The Company's ability to achieve its research, development and sales objectives depends on its ability to respond effectively to these demands and expand its internal organization, systems, controls and facilities to accommodate the Company's additional anticipated growth.

If the Company is unable to manage its growth effectively, its business could be harmed and its ability to execute its business strategy could suffer. The Company may acquire companies, businesses and products that complement or augment its existing business. However, the Company cannot guarantee that it will be able to identify the best opportunities or complete the acquisitions. Nor can it guarantee that, in the event of an acquisition, it will be able to successfully integrate the companies or businesses it acquires.

With any acquisition, there are also risks relating to valuation and undeclared liabilities. The Company may also need to take out loans to finance such acquisitions, which could encumber the Company with significant costs.

2.1.3.5 Risks related to the significant influence of certain shareholders on the Company's business and strategy

Frédéric Cren, Chief Executive Officer, and Pierre Broqua, Deputy Chief Executive Officer, have significant influence over the Company. At the date of this Registration Document, Frédéric Cren and

Pierre Broqua together hold 43.8% of the share capital and double voting rights on their shares, representing 61% of voting rights. Acting in concert, they may make significant decisions relating to, in particular, the appointment of directors, the approval of the annual financial statements and dividend distribution, as well as changes to the Company's share capital and bylaws.

2.1.4 Legal and regulatory risks

2.1.4.1 Risks related to an increasingly strict legal and regulatory framework

At the date of this Registration Document, none of the drug candidates developed by the Company have received a marketing authorization from any regulatory authority. One of the key challenges for a growth company, such as the Company, is to manage to develop, alone or with the assistance of partners, drug candidates that integrate its technologies in an increasingly strict regulatory environment. In fact, the pharmaceutical industry is faced with constant changes in its legal and regulatory environment and an increase in supervision by regulatory bodies, in particular, the National Agency for the Safety of Medicines and Heath Products in France (*Agence Nationale de Sécurité du Médicament et des Produits de Santé*, ANSM), the EMA in Europe, the FDA in the United States, as well as other regulatory authorities in the rest of the world.

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

- During the marketing authorization application process, regulatory bodies supervise research and development, pre-clinical and clinical trials, regulations applicable to pharmaceutical companies and the manufacture and marketing of drugs. The health authorities, especially, the ANSM, the EMA and the FDA, have imposed progressively stricter requirements in terms of the volume of data required to demonstrate the efficacy and safety of a product. These increased requirements have subsequently reduced the number of products approved compared with the number of applications filed. The marketing authorization process is long and costly and can last several years. There is no guarantee that the Company will obtain the authorizations needed for all of its products, particularly given the unpredictable nature of clinical trials.
- Under certain circumstances, the health authorities may not issue a marketing authorization for a drug, mainly if:
  - the efficacy and safety of the drug candidate were not ultimately demonstrated;
  - the results of the clinical trials did not achieve the level of significance required by the various health authorities;
  - the benefits of the product did not sufficiently outweigh the risks involved;
  - the health authorities challenged the Company's interpretation of the data extracted from the pre-clinical and clinical trials; and
  - the data from pre-clinical and clinical trials were not sufficient to submit for a marketing authorization.
- 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.
- Once awarded an authorization, the Company must, as a pharmaceutical business, comply with additional legal and regulatory requirements concerning the manufacture and marketing of drugs.
- Licensed products are also subject to regular reassessment of their risk/benefit ratio after their authorization. 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.

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

Legal and regulatory requirements applicable to the Company are known but are subject to change. Should any new legal or regulatory provisions (i) lead to an increase in the cost of obtaining and maintaining marketing authorizations for 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. Certain laws and regulations relating to drug development require the Company to test its product candidates on animals before initiating clinical trials involving humans. However, since animal testing is controversial, animal rights groups may attempt to have the legislation changed in order to ban it.

Changes in the regulations during the development of the Company's drug candidates and their regulatory reviews could lead to delays, a refusal or withdrawal of the authorizations.

In addition, the Company has entered into various scientific and consulting services agreements with physicians and other health care professionals, some of whom could have an influence on the Company's drug candidates being prescribed if and when they are approved. Given the complexity of the applicable regulations, there is a risk that regulatory authorities may deem these agreements are in breach of regulations and may therefore request that they be modified or suspended, or impose significant penalties on the Company. Furthermore, it is likely that the regulatory authorities will step up their monitoring of interaction between the Company and health care providers. Cooperating with investigations can be a long process and is likely to take up management time. Investigations and any settlement agreements entered into may also give rise to additional costs or have a negative impact on the Company's business and reputation. Ensuring that any relationships between the Company and physicians or other health care professionals are compliant with the applicable laws and regulations in the health care field will inevitably give rise to additional costs.

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

2.1.4.2 **Risks related to the protection of personal data**

As part of its activities, the Company processes personal data. The GDPR, as well as EU Member State implementing legislations, applies to the collection and processing of personal data, including health-related information, by companies located in the EU, or in certain circumstances, by companies located outside of the EU and processing personal information of individuals located in the EU. The GDPR also restricts the transfer of personal data to certain countries outside the European Union, particularly the United States, which are not deemed by the European Commission to guarantee a sufficient level of protection. Under the GDPR, contractual clauses or internal rules must be put in place subjecting recipients of such transfers to strict requirements so as to guarantee a sufficient level of protection.

In the United States, numerous federal and state laws and regulations, including federal health information privacy laws, state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), that govern the collection, use, disclosure and protection of health-related and other personal information could apply to the Company's operations or the operations of its partners.

Compliance with U.S. and European data protection laws and regulations could require the Company to take on more onerous obligations in its contracts, restrict its ability to collect, use and disclose data, or in some cases, impact its ability to operate in certain jurisdictions. Moreover, clinical trial subjects, employees and other individuals about whom the Company or its potential collaborators obtain

personal information, as well as the providers who share this information with the Company, may limit its ability to collect, use and disclose the information.

Failure to comply with these laws and regulations could result in government enforcement actions (which could include civil, criminal and administrative penalties), private litigation, and/or adverse publicity and could negatively affect the Company's operating results and business. For example, if the Company did not comply with the provisions of the GDPR, a fine of up to €20 million or 4% of the Company's revenue, whichever amount is higher, could be enforced.

2.1.4.3 Specific risks related to the obtainment, maintenance and protection of patents and other intellectual property rights

The Company's success depends on its ability to obtain, maintain and protect patents and other intellectual property rights.

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, since the legal time limits for responding to a patent application in foreign jurisdictions can depend on the priority dates of each of the Company's patent applications. There is no guarantee that the results of research conducted by the Company will be eligible for legal protection.

In the pharmaceutical sector in which the Company operates, patent rights vary between countries and are constantly evolving. 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.

Patent applications in Europe and the United States are generally not published until 18 months after the priority date of the application. In the United States, certain applications are not published until a patent has been granted. Furthermore, in the United States, the right to the grant of a patent for all patent applications filed before March 2013 is subject to "first-to-invent" conditions, i.e., depending on the date of the invention, whereas in other countries, patent rights are granted to the first party to file the application. According to new legislation in the United States, patent rights are now granted under a "first-inventor-to-file" system, with new rules. Consequently, the Company cannot guarantee that it will be impossible for a third party to be considered the first to invent or the first inventor to file for an invention covered by U.S. patents or pending patent applications in the country. In this event, the Company may be led to enter into license agreements with third parties (subject to such licenses being available), make changes to certain activities or manufacturing processes, or develop or acquire different technologies. In Europe and the United States, the opposition procedure conducted before the European Patent Office (EPO) or the United States Patent and Trademark Office (USPTO) allows any person to contest the validity of a European or American patent before the EPO or USPTO. This could lead to the revocation of a patent or a limitation of its scope. The validity of the patents granted by these offices may also be contested before the competent national courts.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States and Europe. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to pharmaceuticals or biotechnologies. This could make it difficult for the Company to stop the infringement of its patents, if obtained, or the misappropriation of its other intellectual property rights. In addition, changes in the law and legal decisions by courts in the United States, Europe and other jurisdictions may affect its ability to obtain adequate protection for its technology and the enforcement of intellectual property.

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.

There are a lot of uncertainties and the Company cannot guarantee with any surety:

- that any protection provided by patents will be sufficient to protect the Company against its competitors;
- that it will be able to avoid the misappropriation and unauthorized use of its intellectual property rights 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;
- that third parties will not be granted patents or file patent applications on the Company's products before the Company is granted such patents or files such applications;
- that third parties will not be granted patents or file patent applications or enjoy any other intellectual property rights which do not impinge on the Company's rights but which do limit the Company's development;
- 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 commercialization of challenged products or processes; and
- 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).

The Company is exposed to similar risks regarding its branding. For example, the Company's name has not yet been filed with the United States Patent and Trademark Office, which exposes the Company to a notoriety risk in the United States.

Any action taken against the Company, regardless of the outcome, could entail substantial costs which its competitors may be better able to sustain, and could be detrimental to its reputation and financial position. An unfavorable legal judgment could, in particular, require the Company to:

- cease selling and using certain products;
- discontinue (or suffer a penalty) or delay the research, development, manufacture or sale of products or processes affected by the disputed intellectual property rights;
- pay material damages to the complainant;
- obtain the right to enjoy intellectual property rights at a high cost or try to obtain a license from the owner of the intellectual property rights, it being understood that this license may not necessarily be granted or 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.

2.1.4.4 **Risks related to confidentiality and Company know-how**

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

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

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:

- that its know-how and trade secrets will not be infringed, circumvented, disclosed to competitors or used without its authorization;
- that its 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.

The Company employs individuals who were previously employed at universities, pharmaceutical companies or biopharmaceutical companies, including competitors or potential competitors. There is 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. The Company may also be subject to claims that it or its employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend against these claims. If the Company fails in defending any such claims, in addition to paying monetary damages, it may lose valuable intellectual property rights or personnel. If it fails in defending any such claims, in addition to paying monetary damages, it may lose valuable intellectual property rights or personnel, which could have a material adverse impact on the Company, its business, financial position, results, capacity or development.

2.1.4.5 **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 licenses 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.

Regardless of outcome, these proceedings could, in particular, lead to clinical trials being delayed or suspended, cause certain subjects to withdraw from clinical trials, damage the Company's reputation or give rise to investigations by regulatory authorities.

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

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

2.1.5 Financial risks

2.1.5.1 Liquidity risk

As as the date of this Registration Document, the Company does not consider itself exposed to a liquidity risk in the coming 12 months. The Company's cash and cash equivalents at December 31, 2018 totaled €56.7 million following the funds raised in its February 2017 initial public offering (approximately €48.5 million) and the April 2018 capital increase of €35.5 million through the issue of 5,572,500 new shares without pre-emptive subscription rights for a category of beneficiaries. These cash resources should enable the Company to finance all of its activities until the first quarter of 2020.

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

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

2.1.5.2 Risks related to past and future losses

Since its inception in 2011, the Company has incurred significant losses. In its financial statements prepared in accordance with IFRS, it recorded a net loss of €19.1 million in 2017 and €33.6 million in 2018, following adoption of the new IFRS 15 on revenue.

To press ahead with its development, the Company will need to continue in the same vein and incur more expenditure, which will inevitably lead to an increase in operating losses.

Ever since it was created, the Company has focused its attention on the acquisition and pre-clinical and clinical development of its drug candidates, with no guarantee that it will be able to market them or that they will prove to be profitable.

The Company will no doubt incur more significant losses than those already sustained, particularly as a result of future investments and developments (see paragraph 2.1.5.3 *Risks related to uncertain additional funding*).

Due to the many uncertainties related to the development of pharmaceutical products, the Company is not able to predict how its losses will evolve or when it will begin to generate profit. If and when it

begins to generate profit, it will not be able to guarantee that this profitability will be sustainable or that it will grow.

The increase in operating losses could have a material adverse effect on the Company, its business, prospects, financial position, results, development and ability to secure funding.

2.1.5.3 **Risks related to uncertain additional funding**

At December 31, 2018, the Company's cash and cash equivalents totaled €56.7 million. Since its inception in October 2011, the Company has made major investments, financed in particular by (i) the exceptional subsidy of €96 million in the form of quarterly payments granted by Abbott in 2012 and which expired in 2017, (ii) the revenue generated by the AbbVie Partnership, and (iii) the reimbursement of CIR receivables.

It is essential for the Company to be able to raise the funds to ensure the continued development of its drug candidates.

Further major financial investments are needed and will be needed for the development of the Company's programs, in particular for its clinical programs (odiparcil and lanifibranor), its YAP/TEAD program and its pre-clinical product portfolio. The Company will need additional funds as and when its clinical programs reach more advanced stages of development, particularly in order to finalize its clinical trials and, if these are successful, to manufacture and market its drug candidates.

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

The Company may also need additional financing, particularly if:

- there were unexpected opportunities for the development of promising new drug candidates or for the acquisition of technologies or other activities;
- an opportunity to speed up in-house programs were to be identified, for example for its pre-clinical oncology portfolio;
- there were concrete opportunities to launch new pre-clinical or clinical trials;
- key development stages and results were not successful;
- 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;
- the procedures to be followed with a view to obtaining and maintaining market authorizations proved to be more onerous than previously thought;
- the Company's drug candidates, once marketed, were less commercially successful than expected;
- the Company's development made it necessary to hire managers or scientific or administrative staff, etc.;
- significant costs for strengthening the Company's internal control system and its processes for controlling and presenting financial statements were to be incurred by the Company;
- significant costs for filing, maintaining and defending patents and other intellectual property rights were to be incurred by the Company; and

- the Company were unable to fulfill key development stages provided for in its collaboration agreements or enter into new collaboration or licensing agreements within the expected time frame.

The need and search for additional funding could distract the Company's management from its day-to-day tasks, which in turn could affect the development and possible marketing of its drug candidates.

Should the Company be unable to secure additional financing needed under acceptable conditions, this could affect its activity, organization, performance and development and, more specifically, it may be forced to delay or discontinue the development or marketing of some of its products, implement a plan for the reduction and management of its fixed costs, or enter into new collaboration agreements which could be less favorable for the Company than those it might have obtained in a different context, which could hinder its growth prospects.

2.1.5.4 Risks related to access to the research tax credit

In order to contribute to the financing of its activities, the Company currently makes use of the French research tax credit (CIR) which is a tax incentive to support the development of scientific and technical research conducted by businesses in France by granting a tax credit. Research expenses which are eligible for the CIR include, under certain conditions, 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.

Companies have to justify the amount of the CIR and the eligibility of works considered to the tax authorities in order to benefit from this incentive. Since October 2018, companies have been required by the tax authorities to submit scientific dossiers along with their CIR tax returns, 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 due, or that changes are made to the tax legislation, which could have a material adverse effect on the Company's financial position and results.

On July 29, 2017, the Company received a proposed tax adjustment from the tax authorities disputing the way in which certain CIR inputs were calculated for the CIR which the Company received with respect to 2013, 2014 and 2015. Despite proceedings initiated by the Company, the tax authorities maintained the validity of all reassessments presented in the proposed adjustment.

At the date of this Registration Document, the Company was continuing to dispute the adjustment. However, it cannot be ruled out that the tax audit on the CIR may lead to the amount of CIR being reconsidered for the fiscal years examined in the audit, as well as possible penalties being applied, which could have an adverse effect on the Company's results, financial position and prospects.

The Company has not yet received its CIR reimbursement with respect to the fiscal year 2018 and cannot predict when this may take place.

For more information on the procedure in progress and how it is recognized in the Company's financial statements, see section 2.1.7.1 *Tax audit* and Note 13 of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018* of this Registration Document.

2.1.5.5 Equity risk

At December 31, 2018, the Company had no holdings in listed companies and is therefore not exposed to equity risk.

2.1.5.6 Risk of dilution

As part of its policy to provide incentives to its managers, directors and employees and in order to attract and retain qualified personnel, the Company has issued and awarded share warrants (*bons de souscription d'actions*, BSA or BSA share warrants), founder share warrants (*bons de souscription de parts de créateur d'entreprise*, BSPCE or BSPCE share warrants) and free shares (*actions gratuites* or AGA), as described in section 6.2 *Securities giving access to the share capital and call options* of this Registration Document. On the basis of share capital amounting to €222,946.77 at the date of this Registration Document, the exercise of all the dilutive instruments that have been awarded but not yet exercised, representing 718,700 shares, would result in dilution of 3.1% (see section 6.2.5 *Summary of dilutive instruments held by executives, directors and employees* of this Registration Document).

In accordance with the conditions set by the resolutions voted at the Annual General Meetings, which ruled on the award conditions of the dilutive instruments, the issue of shares that can result from the exercise of these dilutive instruments may be realized at a significantly discounted rate.

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. This excludes however any issue to Directors of free BSA share warrants, or any issue under subscription conditions uncorrelated to the market value of the warrants, in accordance with the provisions of law and having been discussed by the AMF in a press release dated June 5, 2018[20].

2.1.5.7 Interest rate risk

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

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

2.1.5.8 Credit risk

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

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

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

2.1.5.9 Foreign exchange risk

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

However, if in the future the Company were to expand onto a market outside of France and, in particular, carry out transactions in U.S. dollars, it would be exposed to exchange rate risks on these transactions.

[20] BSA share warrants granted to Company directors: the AMF wishes to draw the attention of issuers to this type of transaction, June 5, 2018.

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

At December 31, 2018, the Company generated a tax loss of €39,120,996 and calculated a cumulative carry-back receivable of €333,333 in accordance with applicable tax rules (see Note 3.3 *Other non-current asset*s of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018* of this Registration Document). The Company expects to generate tax losses over the next two fiscal years.

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

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

2.1.6 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:

RI Index: 5978

Risks covered	Insurers	Amounts insured	Deductible	Maturity
	CHUBB			
Contractual indemnity limitations:			general €25,161	01.01
Building or tenant 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				
Building or tenant 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 neighbors 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		
IT 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 excl. natural disasters		€503,220		
Options:				
Revenue from Research and Developt.			€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 recognized by social security		€1,000,000 per victim and per year	€10,000(*)	
. All material and immaterial damage incl.:		€2,000,000 per claim	€3,000	
- Non-consequential immaterial damage		€300,000 per year	€3,000	
. Accidental harm to the environment (excl. for sites subject to authorization)		€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" coverage 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 deductible will then be lowered to €5,000.
(**) For claims arising in the US or Canada, the deductible rises to €15,000. This applies to all damage including defence, inquiry, briefing, expert's report and lawyers' costs and fees, including legal costs.

		CHUBB		01.01
Third-party liability for harm to the environment:				
Aggregate limit of indemnity, all coverage combined		€2,250,000	€5,000	
coverage of third-party liability for harm to the environment (RCAE). All damage combined, of which:		€2,000,000	per claim	
Material and immaterial damage because of PROVISION OF SERVICES		€500,000		
Emergency expenses		€250,000		
Goods held in trust		€50,000		
Employees' goods		€50,000		
Financial loss coverage				
All financial losses combined, of which:		€250,000		
Environmental liability because of SITE OPERATION		€250,000		
Costs of remediation of soil and water pollution because of the operation of fixed sites		€250,000		
Costs of remediation of movable and immovable property pollution because of the operation of fixed sites		€250,000		
	CHUBB			01.01
Individual accident - all staff				
Personal assistance, repatriation, emergency medical expenses				
Crisis coverage				
Coverage for death or accidents resulting in death		€150,000		
Coverage of luggage and personal effects				
Travel incident coverage				
Coverage for third-party liability in a non-professional context				
	CHUBB			01.01
Directors' liability				
Maximum coverage per year of insurance		€5,000,000	N/A	
	AVIVA			01.01
Car insurance		Up to a maximum of €25,000 per accident. Third-party liability, fire, theft, all accidents' losses, criminal defence and proceedings		
Insurance of the vehicles owned by the Company's employees or their spouses as well as vehicles used, rented or leased by them. Vehicles insured without designation on the basis of a total of 20,000 km traveled per year			€305	
	CHUBB			
Biomedical research sponsor's liability		NASH - ending on 06/30/2020		FASST - ending on 12/31/2018
France			CHUBB	
Limit per patient		€1,000,000		€1,000,000
Limit per protocol		€6,000,000		€6,000,000
Germany			CHUBB	
Limit per patient		€500,000		€500,000
Limit per protocol		€5,000,000		€5,000,000
Italy			CHUBB	
Limit per patient		€1,000,000		€1,000,000
Limit per protocol		€5,000,000		€5,000,000
Spain			CHUBB	
Limit per patient		€250,000		€250,000
Limit per protocol		€2,5000,000		€2,5000,000
Switzerland			CHUBB	
Limit per patient		CHF 1,000,000		CHF 1,000,000
Limit per protocol		CHF 10,000,000		CHF 10,000,000
U.K.			CHUBB	
Limit per patient		GBP 5,000,000		GBP 5,000,000
Limit per protocol		GBP 5,000,000		GBP 5,000,000
Poland			CHUBB	
Limit per patient		€2,000,000		€500,000
Limit per protocol		€2,000,000		€4,000,000

Netherlands			CHUBB		
Limit per patient		€650,000		€650,000	
Limit per protocol		€5,000,000		€5,000,000	
Portugal			CHUBB		
Limit per patient		€100,000			
Limit per protocol		€1,000,000			
Austria			CHUBB		
Limit per patient		€500,000			
Limit per protocol		€3,000,000			
Czech Republic			CHUBB		
Limit per patient		€100,000			
Limit per protocol		€500,000			
Belgium			CHUBB		
Limit per patient		€650,000			
Limit per protocol		€3,500,000			
Slovenia			CHUBB		
Limit per patient		€1,000,000			
Limit per protocol		€1,000,000			
Bulgaria			HDI		
Limit per patient		€200,000			
Limit per protocol		€4,000,000			
Canada			HDI		
Limit per patient					
Limit per protocol		CAD 5,000,000			
Australia			HDI		
Limit per protocol		AUD 20,000,000			
Mauritius			CHUBB		
Limit per protocol		€1,000,000			
NASH - From 06/15/2018 to 06/20/2019 - University of Florida					
United States			CHUBB		
Limit per patient		€1,000,000			
Limit per protocol		€8,000,000			
NASH - From 02/01/2019 to 06/30/2020					
Slovenia			HDI		
Limit per patient		€320,000			
Limit per protocol		€1,600,000			
NASH - From 02/01/2019 to 01/31/2020					
United States			CHUBB		
Limit per patient		USD 10,000,000			
Limit per protocol		USD 10,000,000			
Research involving a person		Protocol no.IVA-01/ODI-HMPS-17-002 From 05/20/2018 to 10/31/2019			
France	CHUBB				
Limit per patient		€1,000,000			
Limit per protocol		€6,000,000			
Research involving a person	HDI	Protocol no.IVA-01-337-HVPK-18-004 From 10/30/2018 to 02/28/2019			
United States					
Limit per patient		€1,000,000			
Limit per protocol		€6,000,000			
Research involving a person		Protocol no.IVA-01-337-HVPK-18-005 From 09/01/2018 to 10/30/2018			
United States	CHUBB				
Limit per patient		€1,000,000			
Limit per protocol		€1,000,000			

Research involving a person		Protocol no.337-HVPK-18-006 From 09/01/2018 to 04/30/2019		
	CHUBB			
Limit per patient		€1,000,000		
Limit per protocol		€6,000,000		
Research involving a person				
		Protocol no.IVA-01-ODI-HMPS-17-002-iMProveS From 07/01/2017 to 10/31/2019		
Germany	HDI			
Limit per patient		€500,000		
Limit per protocol		€5,000,000		
		Protocol no.IVA-01-ODI-HMPS-17-002-iMProveS From 07/01/2017 to 08/21/2019		
United Kingdom	HDI			
Limit per patient		GBP 5,000,000		
Limit per protocol		GBP 5,000,000		
		Protocol no.IVA-01-ODI-HMPS-17-002-iMProveS From 09/01/2018 to 01/01/2020		
Portugal	CHUBB			
Limit per patient		€100,000		
Limit per protocol		€1,000,000		
	CHUBB			
Key person				
Scope		24h/24h		
Accidental death		€1,000,000		
Absolute and definitive invalidity due to an accident		€1,000,000		
Beneficiary		Inventiva		
Insured persons		Mr. Cren Mr. Broqua Mr. Volatier		
Travel insurance for IVA337SSC POC (FASST) study - From 03/16/2017 to 12/31/2018				
	CHUBB			
Scope		Residency of Insured person (=)centre in Bulgaria, Czech Republic or Slovenia		
Accidental death		€100,000		
Absolute and definitive invalidity due to an accident		€100,000		
Beneficiary		Inventiva		
Insured persons		19 persons participating in the protocol iMProveS + 2 guests per patient		
Travel insurance for iMProveS study - From 11/23/2018 to 12/31/2019				
	CHUBB			
Scope		Residency of Insured person (=)hospital in another country		
Accidental death		€50,000/€25,000 - 18 years		
Absolute and definitive invalidity due to an accident		€50,000		
Beneficiary		Inventiva		
Insured persons		Max. 44 persons		

2.1.7 Exceptional events and litigation

2.1.7.1 Tax audit

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

- *CIR*

In 2016 and 2017, the Company was subject to a tax audit in which the audit service called into question a proportion of the CIR that the Company had received.

At the request of the French tax authorities, the regional delegation of the French Ministry for Higher Education Research and Innovation intervened to give its scientific opinion on the eligibility of the research projects.

Following this analysis, the Company received on July 29, 2017 a proposed tax adjustment from the tax authorities disputing the way in which certain CIR inputs were calculated. The Company submitted its response on September 29, 2017. On February 6, 2018, the French tax authorities responded to the Company's challenge of the tax deficiency notice maintaining the validity of all reassessments presented in that document.

Despite the appeal to a higher administrative authority and challenge lodged with its departmental delegate by the Company, the Company received a collection notice on August 17, 2018 in the amount

of €1.9 million, including penalties and late payment interest, related to its CIRs for the 2013, 2014 and 2015 taxable years. On August 29, 2018, the Company requested that the collection procedure be suspended pending the outcome of its discussions with the French tax authorities; said procedure currently awaiting a response from the authorities.

A collection notice was issued with respect to the proposed adjustments, despite the ongoing discussions.

The Company also submitted an application for a stay of payment and an additional claim following receipt of a letter from the departmental delegate dated September 3, 2018. The additional claim was addressed to the tax authorities on January 7, 2019 and is based on infringement of Inventiva's rights of defense. The Company has requested a complete discharge of the amounts claimed in respect of the CIR.

As of the date of this Registration Document, the Company is still awaiting a decision concerning the claims lodged with the tax authorities.

At December 31, 2018, the Company has a provision of €0.4 million with respect to the CIR, corresponding to the maximum risk as estimated by the Company.

- *Payroll taxes*

On December 15, 2016, the Company received a proposed payroll tax adjustment from the French tax authorities in respect of the year ended December 31, 2013. The proposed adjustment relates to the classification of the subsidy granted (subject to conditions) in 2012 by Laboratoires Fournier SA and Fournier Industrie et Santé (now the Abbott group) (LFSA and FIS) under the Asset Purchase Agreement (APA) of August 27, 2012 as a one-off item, and the resulting impact on payroll taxes. The proposed adjustment amounts to €0.6 million, including penalties and late payment interest.

In a further proposed adjustment sent by the French tax authorities on July 28, 2017, the scope was extended to include the years ended December 31, 2014 and December 31, 2015. Discussions were held with the French tax authorities in the first half of 2018 (appeal to a higher administrative authority and challenge lodged with its departmental delegate). Inventiva received a collection notice with respect to payroll taxes for an amount of €1.9 million (including penalties and late payment interest) on August 17, 2018. As of the date of this Registration Document, the Company is continuing to dispute the adjustment and it lodged a claim together with an application for a stay of payment on October 17, 2018.

Since payroll taxes are deductible from corporate taxable income, the adjustment could give rise to a corresponding decrease in income tax payable, calculated based on the tax rates applicable to the Company for the fiscal years concerned by adjustment. The French tax authorities have not applied a cascaded deduction effect, which the Company will request in the event that its appeals in respect of the proposed adjustment to payroll taxes are unsuccessful.

Under the terms and conditions of the Additional Agreement of August 28, 2012 amending the APA, LFSA and FIS agreed to indemnify the Company up to a maximum amount of €2 million in accordance with the conditions described therein, for any amount claimed by the French tax authorities in relation to the accounting treatment of the subsidy granted by LFSA and FIS (the "Abbott Guarantee"). The Guarantee covers the entire five-year payment period (2012 to 2017).

Based on the ongoing discussions with the French tax authorities on the one hand and with Abbott on the other, the Guarantee may not be sufficient to fully cover the total amount of the tax adjustment and the tax risk. Accordingly, at December 31, 2018:

- following receipt of the collection notice and in accordance with the Additional Agreement, accrued expenses and accrued income were recognized in a total amount of €1.9 million for the financial years ended December 31, 2013, 2014 and 2015, which are the subject of the audit and are covered by the Abbott Guarantee; and

- the Company has recognized a provision of €1.1 million for the years ended December 31, 2016 and December 31, 2017, which have not been audited by the French tax authorities.

Concerning the request for a stay of payment on the CIR and payroll taxes, on February 1, 2019, the Company provided the French tax authorities with surety in the form of a €3.4 million bank guarantee covering only the amount of the principal.

Provisions for litigation are presented in Note 13 of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018* of this Registration Document.

2.1.7.2 Legal and arbitration proceedings

Besides the tax audit described in section 2.1.7.1 *Tax audit*, there are no administrative, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have, or have had in the previous 12 months, significant effects on the Company's financial position or profitability.

2.2 Internal control and risk management system

2.2.1 Internal control and risk management

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

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

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

2.2.2 General internal control and risk management principles

2.2.2.1 Definitions and objectives

Risk management:

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

- to fortify the pursuit of improvements in patients' health and quality of life through the provision of efficacious therapeutic solutions to non-covered medical needs;
- to create and safeguard the value, assets and reputation of the Company;
- to fortify decision-making and processes conducive to fulfilling objectives while making all due allowance for risk factors;

- to ensure the Company's actions are consistent with its values;
- to develop a sound workforce-wide vision of the main risks facing the Company, plus a clear appreciation of specific risks in each sector, across the whole of the Company's field of action; and
- to protect employees and the environment.

Internal control:

The internal control system is defined and implemented by operational management and all employees to provide Senior Leadership 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 Executive Committee;
- proper operation of internal processes, including those contributing to the safeguard of Company assets;
- improvements in operational performance; and
- reliability of financial information and all information released.

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

- organization with clear definition of responsibilities, competent and adequate resources, and appropriate information systems, procedures, processes and tools;
- reliable and relevant information management affording all employees the means for exercising their responsibilities;
- risk management system;
- control operations addressing risks and fortifying the pursuit of objectives; and
- steering and oversight of the internal control system.

2.2.2.1.1 Organization of internal control and risk management systems

Consistent with Company development and listing of its shares on the Euronext Paris regulated market, the Company initiated, in early 2017, an action plan to strengthen its risk management and internal control systems and to extend its existing internal control environment.

In line with the targets set in 2016 and updated in 2017 along with the action plan for the risk management and internal control system, the Company implemented an action plan in 2018 and carried out the following priority actions:

- update of the risk map for all operational and support activities, and rollout of action plans to cover risks deemed high priority by management;
- rollout of the independent maturity assessment of the risk management and internal control system in line with the update of the risk map. The Company voluntarily underwent an independent audit of its risk management and internal control system as a whole. The Audit Committee was made aware of this and the results will be presented to the Executive Committee in second-quarter 2019; and
- continued implementation of the quality management system giving priority coverage to all clinical development activities, including production and Chemistry Manufacturing and Controls (CMC) processes. Standard operating procedures and standardized procedures related to the

quality management system of clinical development activities are now in place. Employees have been trained on these and an initial voluntary audit was carried out. Plans for internal audits and audits of external providers (contract research organizations and contract manufacturing organizations) have been formalized for complete rollout in 2019.

The Executive Committee, meeting as the Risk Management Committee, reviewed the update of the risk map and the associated action, control and audit plans, and began to review the rollout of the quality management system on a monthly basis. Furthermore, the Company continued to formalize procedures to govern the risk management process.

The progress of these projects was presented to the Audit Committee twice in 2018.

The priority actions relating to the 2019 risk management and internal control system are as follows:

- rollout and supervision of the action plans from the update of the risk map and the associated action and control plans. In particular, the Company will take into account the results of the independent maturity assessment of the risk management and internal control system carried out in 2018 to consolidate the rollout plan, with a focus on priority recommendations; and
- finalization of setting up and rolling out the quality management system, giving priority coverage to all clinical development activities, including the implementation of the audit plan established in 2018.

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

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

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

2.2.2.1.2 Scope of internal control and risk management systems

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

2.2.2.1.3 Limitations of internal control and risk management systems

All Company employees are involved in internal control and risk management. Internal control and risk management systems are permanently implemented by Senior Leadership, line management, grassroots management and Inventiva's operational teams.

As noted in section 2.2.2.1.1 *Organization of internal control and risk management systems*, the action plans run in compliance with the AMF Implementation Guide extend to all operational and support managers and are rolled out and communicated to all employees, creating a cascade effect as implementation proceeds.

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

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

Senior Leadership

Senior Leadership 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; and
- it informs the Board of Directors on major issues by reporting to the Audit Committee at least twice a year.

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

Board of Directors and Audit Committee

Senior Leadership 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.

Executive Committee

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

The Executive 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 Department), Marie-Paule Richard (Chief Medical Officer and Head of Development) and Jean-Louis Junien (Senior Advisor). The Executive Committee meets fortnightly to examine items on a precise agenda, and minutes are written up for each meeting. The Executive Committee meets as the "Risk Management Committee" at least twice per year and as often as necessary.

Operational and support departments

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

Company personnel

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

Inventiva does not currently have an internal audit department. In line with its action plans in this area, the Company will be examining the relevance of setting up alternative control methods to ensure the efficacy and quality of its risk management and internal control systems.

As regards their legal mission, the Statutory Auditors are not stakeholders in Inventiva's internal control and risk management systems. By being informed on these systems, they develop a better appreciation of them and form an independent opinion as to their relevance. They may also express recommendations on how improvements might be made on internal control with regard to accounting and financial information.

2.2.2.2.1 Internal control and risk management systems

In addition to management by the main players outlined above, Inventiva's internal control and risk management systems also feature four other main components:

- the control environment, shaped primarily by the Company's principles and values;
- risk assessment;
- control activities, defined as rules and procedures implemented to process risks; and
- issue of information.

i. Control environment

Inventiva's control environment spans the following:

- assertion of Inventiva values of close reach, high performance and responsibility. Inventiva takes an operational perspective on each of these values, encompassing cultural, environmental and social as well as economic and managerial aspects;
- ethical business practice, the foundation to the approach taken by Inventiva, which considers that a company's economic performance is indissociable from ethical responsibility;
- stock exchange trading ethics, as regards compliance with requirements on permanent information and management of privileged information, and implementation of appropriate measures with regard to regulations on market abuse. The Board of Directors adopted a code of stock exchange trading ethics (the code) at its meeting of April 18, 2017. A copy of the code is given to each insider when he or she is added to the list of insiders, which informs the person of their obligations regarding confidentiality, negative windows, periods during which they are unable to trade, and, where applicable, the requirements regarding the declaration of transactions of Inventiva shares. Insiders must expressly acknowledge in writing that they have taken note of the contents of the code. The code also outlines the duties of and includes the contact details for the Head of Legal Department;
- an anti-corruption code of conduct and a progressive alert procedure are under preparation. They will be submitted for approval by the Executive Committee and the staff representative bodies in first-half 2019 and subsequently communicated to the French Labor Inspection authority;

  Staff will be informed of these procedures via visual displays within the Company, an email to all staff and the Intranet; and

- a human resources policy determined annually for each skill level, applying a common process focused on personnel and professional development of each employee and close consistency between human resources and the performance of operational and support departments.

ii. Risk assessment

The Company's main risk factors are set out in section 2.1 *Risk factors* of this Registration Document and form an integral part of this report.

As noted in paragraph (b) of section 2.2 of this Registration Document entitled *Internal control and risk management systems*, the Company has set up previously defined action plans to adapt its control environment (risk management and internal control systems) to the regulatory and operational requirements applying to companies listed on the stock exchange.

Initial work on this began in 2012 and has continued in recent years. The actions plans seek to improve and strengthen this initial work.

The Company does not currently carry out formal assessment of its risk management or internal control systems. However, operating its risk management and control system in line with the AMF's reference framework has led to better awareness of risks within the Company, with more attention being paid to managing such risks in all operational and support activities. The next stages of the rollout entail audit and control plans being drawn up for quality management and the preparation of accounting and financial information.

Moreover, the Company does not identify any significant financial risk arising from climate change in the short term. It does, however, plan medium- and long-term analysis under its policy on corporate responsibility.

The maturity assessment of the risk management and internal control system, independent of the overall risk management and internal control assessment run in 2018, concluded that the Company had implemented appropriate action plans with a view to bringing its system up to a satisfactory level of maturity in light of the Company's history, its regulatory framework and common practices in the industry. In 2019, the Company intends to continue in the same vein and implement the recommendations from the assessment.

iii. Control activities

For its operational activities, the Company has a documented set of procedures that is communicated to all employees required to apply and comply with them. The procedures cover all research (drug discovery) and development (clinical development programs) activities. The action plan on quality management seeks to extend, improve and put into practice all these procedures.

For information systems, all employees sign a charter of principles, rules and good practices. The Company's information systems department maintains a permanent watch on fraud risks, data protection and operational efficiency of the Company's information systems. Objectives and resources are reviewed at each budget phase to ensure optimum monitoring. The Company complies with French legislation on data privacy. In 2018, the Company implemented the necessary measures to ensure compliance with new European legislation on personal data protection, namely the GDPR.

As part of the action plan designed to bring the Company in compliance with the GDPR, the Company carried out the following measures:

- appointment of a Data Privacy Officer;
- assessment of the impact of the new law on the Company's data protection system;
- preparation of procedures relating to privacy protection, personal data protection and the breach of personal data protection;
- discussions with the Company's providers; and

- implementation of Informed Consent Forms (ICF) for clinical trials in several countries.

Once the procedures have been validated by the Executive Committee, the action plan will be communicated in full to all staff.

Details on the environment for the production of accounting and financial information appear in section 2.2.2.2.2 *Internal control processes on production and processing of financial and accounting information* of this Registration Document.

iv. Dissemination of information

Wherever possible, all employees are notified of internal control information (permanent procedures accessible in shared folders, email reminders on procedures, information meeting, etc.). Ad hoc information campaigns may be run for certain procedures and standards.

2.2.2.2.2 Internal control processes on production and processing of financial and accounting information

Financial activity is managed internally by the Administrative and Financial Director assisted by an accounts/management control officer and an accounting officer. In 2018, the Company strengthened its financial control of projects in clinical development by hiring a financial controller. A second financial controller also joined the Company in early 2019. 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/AGAs/BSPCEs) and/or those which involve subjective assumptions.

Payroll is outsourced and tax review is assigned to a specialist expert.

The financial statements are prepared internally according to French standards, and then using IFRS standards (as approved by the European Union) externally on the basis of material provided by the Company. They are audited by the Company's Statutory Auditor.

The Administrative and Financial Department reports directly to the Chief Executive Officer (see organizational chart in paragraph 5.1.1 *Headcount* of this Registration Document).

Historic and provisional financial information is obtained through a full, rigorous and documented financial planning process that includes:

- A medium-term strategic plan, updated yearly;
- an annual budget;
- Full quarterly analytical and accounting reporting (to French standards) converted to IFRS for the half-yearly and yearly financial statements;
- Monthly cash reporting; and
- Estimation of annual results and comparison with budget, on quarterly closures.

These documents are submitted to the Executive Committee and then to the Board of Directors.

The accounting and financial control unit, which reports to the Company's Administrative and Financial Department, is responsible for the integrity and reliability of Inventiva's financial information released inside and outside the Company.

To prepare Company financial statements in accordance with French GAAP, it performs the following functions:

- preparation, validation and analysis of annual financial statements;
- listing and monitoring of off-balance-sheet liabilities;
- preparation, release and verification of accounting procedures to ensure compliance with applicable accounting standards and proper representation of all significant operations into accounting terms;
- steering of the financial information system; and
- 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; and
- authorization of contractual undertakings exclusively approved by corporate officers.

As well as undergoing initial verification through a purchase order procedure, expenditure items also require approval by the Administrative and Financial Department, after verification that the products or services in question have been accepted. Payment of incoming invoices for amounts above €25 thousand also requires prior approval by the Chairman and Chief Executive Officer.

To determine the CIR, a specific process was set up when the company was first formed, covering factors that include tracking of eligible time-spans and external studies commissioned.

The Statutory Auditors present their observations on the financial statements prepared in accordance with French GAAP and IFRS to the members of the Audit Committee, then to the Board of Directors. In the course of their work, the Statutory Auditors are also informed on the internal control environment and may issue recommendations on improving internal control with regard to accounting and financial information.

As a company listed on the stock exchange, the Company is subject to AMF verification.

2.2.2.2.3 Key controls on the Company's main processes and activities

On top of the management and control environment outlined above, the Company also runs an annual progress assessment program.

This monitors and assesses, both overall and for key managers and employees, compliance with regard to the key objectives set for each function, and verifies that key controls are carried out.

Under this program, objectives are set on an annual basis during the budgetary process, and assessments are performed in the first quarter. For managers, performance percentages conditioning variable compensation are reviewed by the Executive Committee.

3. CORPORATE GOVERNANCE REPORT

By this report prepared in accordance with Article L. 225-37 of the French Commercial Code (*Code de commerce*), the Board of Directors reports on the composition of the Board, the application of the principle of balanced representation between men and women on the Board, the conditions for preparing and organizing the work of the Board, the limitations on the powers of the Chief Executive Officer, and the compensation and benefits of the executive corporate officers and directors.

This report was prepared with the assistance of the legal and human resources departments. It was presented to the Compensation and Appointments Committee prior to its approval by the Board of Directors at its meeting of February 26, 2019. This report will be updated for the Annual General Meeting called to approve the financial statements for the year ended December 31, 2018.

The Company abides by the Middlenext Corporate Governance Code, published in December 2009 and updated in September 2016 (the Middlenext Code) as presented in section 3.4.1 of this Registration Document.

3.1 Presentation of Board of Directors

3.1.1 Biographies of the directors

Frédéric Cren, Chairman and Chief Executive Officer

Address: Company registered office

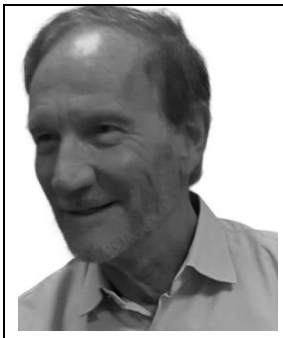
Frédéric Cren, an experienced pharmaceutical executive is the CEO and Co-Founder of Inventiva.

He has held several key positions in the pharmaceutical industry, the most recent being General Manager – Research, with Abbott Labs from 2010 to 2012. Vice-President of Strategic Marketing, Vice-President of US Operations and member of the Executive Committee for Laboratoires Fournier from 2001 to 2005, Mr. Cren has extensive experience in a broad range of fields from research and development to marketing, strategy and operations.

During his time at Fournier, where he was in charge of its fenofibrate franchise and oversaw the successful development and launch of TriCor® 145. Following the acquisition of Fournier by Solvay in 2005, he was appointed Head of Business Strategy and Portfolio, Senior Vice-President of the Research Division and member of the Executive Committee for Solvay Pharmaceuticals. Prior to joining the pharmaceutical industry, he worked as a consultant for the Boston Consulting Group for eight years and as manager in their healthcare practice. Mr. Cren holds an MBA from INSEAD, a Master's Degree in International Relations from Johns Hopkins University and a Bachelor's degree in Economics from

	Paris IX Dauphine University.
Other corporate positions	Director – France Biotech
Positions held over the last five years but which have now ended	Manager – Cren Patrimoine SARL
Number of shares and options held	5,890,000 Company shares

 **Pierre Broqua, Deputy Chief Executive Officer** Address: Company registered office	Pierre Broqua brings over 25 years of experience in drug discovery and innovative research to Inventiva. Before co-founding Inventiva in 2011, he successfully managed numerous research programs leading to the discovery of highly innovative clinical and pre-clinical compounds, in particular during his time 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 is the co-discovery while Head of Pharmacology at Ferring Pharmaceuticals of the GnRH antagonist degarelix (now marketed under the brand name Firmagon®). Dr Broqua holds a Ph.D. in Pharmacology from the University of Paris Descartes and has a Master's degree in Chemistry and Biochemistry from the Pierre and Marie Curie University in Paris.
Other corporate positions	None
Positions held over the last five years but which have now ended	None
Number of shares and options held	3,882,500 Company shares

 **Jean-Louis Junien, Director** Address: Company registered office	Jean-Louis Junien, 75, has held various senior management positions in the pharmaceutical industry. First as Director of the Jouveinal Research Institute and General Manager of Jouveinal Laboratoires, then as Vice-President, Research and Development at Jouveinal-Warnert Lambert from January 1993 to May 1995. Mr. Junien also worked as Director of the Ferring Research Institutes in Southampton, United Kingdom and La Jolla, United States from 1995 to 1998, and as Global Chief Scientific Officer for Ferring Pharmaceuticals from 1998 to 2000. From 2000 to 2007, he was Chief Scientific Officer for Laboratoires Fournier. He founded ISLS Consulting in 2007 and has been working with Inventiva since 2012. Mr. Junien holds a Doctor of Pharmacy degree from the University of Paris Descartes and degrees in Pharmacology and Physiology from the University of Paris Descartes and Human Biology from the Faculté de Médecine de Paris. He was also awarded the Prix Galien for pharmaceutical research in 1992.
Other corporate positions	Chair – ISLS Consulting SAS
Positions held over the last five years but which have now ended	None
Number of shares and options held	75,000 BSA 2017 share warrants (one third of which have been exercisable since May 29, 2018) 110,000 Company shares owned by ISLS Consulting 80,000 BSA 2018 share warrants owned by ISLS Consulting (see section 6.1.2 *Principal shareholders* of this Registration Document for shares and warrants owned by ISLS Consulting)

 **Chris Newton, Independent director** Address: Company registered office	Chris Newton, 63, was a founding member and Chief Scientific Officer of Argenta Discovery in 2000. He joined BioFocus plc in 2005, where he was a director and Chief Scientific Officer. After the acquisition of BioFocus by Galapagos, Dr. Newton served as Senior Vice-President of Galapagos Services, managing Galapagos' services business from 2005 to 2013. He went on to work as Vice-President of Galapagos until 2015. Dr. Newton previously held several senior R&D positions within Rhône-Poulenc/Aventis. He holds a first class Master's degree in Natural Sciences from the University of Cambridge and a Master's and a Doctor of Philosophy degree in Chemistry from the University of Sheffield. He is also a Chartered Chemist and Fellow of the Royal Society of Chemistry.
Other corporate positions	Director – Toxys BV Consultant – Novo Nordisk BioInnovation Institute Consultant – Wellcome Trust Consultant – Fideltat d.o.o. Panelist – Imperial College of Science Technology and Medicine
Positions held over the last five years but which have now ended	Director – BioFocus DPI (Holdings) Ltd Director – BioFocus DPI Ltd Director – Argenta Discovery 2009 Ltd Director – Inpharmatica Ltd Director – BioFocus DPI AG Director – BioFocus DPI GmbH Director – BioFocus Inc Director – Cangenix Ltd
Number of shares and options held	30,000 BSA 2017 share warrants (one third of which have been exercisable since May 29, 2018)

 **Chris Buyse, Independent director and Representative of Pienter-Jan BVBA** Address: Company registered office	Chris Buyse, 54, has more than 30 years' expertise in international finance and financial management and has held a number of Chief Financial Officer positions including CFO for Belgian company CropDesign, where he coordinated its acquisition by BASF, CFO of ThromboGenics, a biotechnology company listed on the Euronext Brussels, CFO of Worldcom/MCI Belgium Luxembourg and CFO then interim CEO of Keyware Technologies N.V. He has also held various positions at Spector Photo Group, Lyonnaise des Eaux (Suez) and Unilever. He is currently a director of several listed and privately-held companies, including Celyad SA, iTeos Therapeutics SA and Bioxodes SA, and also Managing Partner of the Belgian investment company Fund+, which he founded in 2015 and which specializes in innovative life science companies. Mr. Buyse holds a Master's degree in Applied Economic Sciences from the University of Antwerp and a Master of Business Administration MBA from the Vlerick School of Management in Ghent.
Other corporate positions	<u>Positions held as permanent representative of Pienter-Jan BVBA:</u> Director – Bioxodes SA Director – Sofia BVBA Director – Life Sciences Research Partners VZW Director – Keyware Technologies SA <u>Positions held in a personal capacity:</u> Director – Celyad SA Director – Iteos SA Director – Fund+ SA Director – Immo David NV Director – Pinnacle Investments SA Director – Creabuild NV Director – Sofia BVBA Director – Pienter-Jan BVBA Director – Fondation Francqui Director – Patcobel NV Director – Theodorus SA
Positions held over the last five years but which have now ended	<u>Positions held as permanent representative</u>: – of Pienter-Jan BVBA: Director – Celyad SA – of Sofia BVBA:

	Director – Thombogenics NV Positions held in a personal capacity: Director – Orgenesis Inc Director – MaSTerCell SA Director – Q-Biologicals SA Director – Promethera Biosciences SA Director – Bone Therapeutics SA
Number of shares and options held	30,000 BSA 2017 share warrants held by Pienter-Jan BVBA (one third of which have been exercisable since May 29, 2018)

 **Annick Schwebig, Independent director and Representative of CELL+** Address: Company registered office	Annick Schwebig, 68, was the founder and CEO of Actelion Pharmaceuticals France, a pharmaceuticals company specializing in the development of drugs for orphan diseases, from 2000 to 2015. 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 from 1983 to 2000. Ms Schwebig has been a director of Cellectis since 2011 and is a graduate of the Faculté de Médecine de Paris.
Corporate positions	Positions held as a permanent representative of CELL+: None Positions held in a personal capacity: Director – Cellectis SA Deputy Chair of the Supervisory Board – Inserm Transfert SA Director – B Cell Design Member of the Selection Committee – BPI
Positions held over the last five years but which have now ended	Positions held in a personal capacity: CEO – Actelion Pharmaceuticals France
Number of shares and options held	30,000 BSA 2017 share warrants held by CELL+ (one third of which have been exercisable since May 29, 2018)

 **Karen Aiach, Independent director** ***(until November 25, 2018)*** Address: Company registered office	Karen Aiach, 47, is the Founder and CEO of Lysogene, a listed biotech company and pioneer in fundamental research and clinical development of gene therapy for central nervous system diseases. The recipient of numerous awards, Ms Aiach has extensive business experience, having begun her career with Arthur Andersen, where she worked for seven years in financial audit services and international transactions, before setting up and running her own financial services firm. She has also served as a patient representative and member of the Paediatric Committee of the European Medicines Agency (EMA). She is a founding and executive member of the International Rare Diseases Research Consortium (IRDiRC). She holds a degree from the University of Paris VIII and is a graduate of ESSEC Business School.
Other corporate positions	CEO – Lysogene SA Chair – Lysogene US Inc Chair – KGA (SAS)
Positions held over the last five years but which have now ended	None
Number of shares and options held	10,000 BSAs (exercisable since May 29, 2018)

 **Nanna Lüneborg, Director** Address: Company registered office	Nanna Lüneborg, 43, is Investment Director at Novo Ventures, a major international investor in the life sciences sector, which participated in Inventiva's initial public offering in February 2017. Novo Ventures is part of Novo A/S, the Novo Nordisk Foundation's holding company. Before joining Novo A/S, she was a member of the life sciences investment team at Apposite Capital, a risk capital fund based in London and specialized in the health sector. In 2012, she joined Novo A/S, becoming part of both the Novo Seeds and the Novo Ventures teams. After having acquired extensive experience on the boards of a number of biotechnology companies at various stages of maturity, from start-up to advanced stages of development, she has more recently served on the Board of Directors of ObsEva, which was listed on the NASDAQ in November 2017. In

	addition to her duties as an Inventiva director, Nanna Lüneborg also serves on the boards of ReViral Ltd, NBE Therapeutics, Stargazer Pharmaceuticals and Espilon-3 Bio Ltd. A graduate of Oxford University, Nanna Lüneborg also holds a Ph.D. in Neurosciences from University College London and an MBA from Cambridge University, United Kingdom.
Other corporate positions	Director – Epsilon-3 Bio Ltd Director – NBE Therapeutics Director – ReViral Ltd Director – Stargazer Pharmaceuticals Employee – Novo Holding A/S
Positions held over the last five years but which have now ended	Director – Orphazyme Aps Director – Inthera Bioscience AG Director – ObsEva SA Director – Pcovery Aps Chair of the Board – Affinicon Aps Director – Minervax Aps Director – IO Biotech Aps Senior Manager – Avilex Pharma Aps Director – Glionova AB
Number of shares and options held	0

 **Lucy Lu, Independent director and Representative of Sofinnova Partners** Address: Company registered office	In addition to her position at Inventiva, Lucy Lu, 44, has been President and Chief Executive Officer of Avenue Therapeutics since 2015, when the company was first formed. She was Executive Vice-President and Chief Financial Officer of Fortress Biotech, Inc. from 2012 to 2017 previously. Before working in the biotechnology industry, Dr. Lu accumulated ten years of experience working in healthcare-related equity research and investment banking, including at Citigroup Investment Research from 2007 to 2012. Dr. Lu holds a Doctor of Medicine degree from the New York University School of Medicine and a Master's degree in Business Administration from the Leonard N. Stern School of Business at New York University. She also has a Bachelor's degree from the University of Tennessee's College of Arts and Science.
Other corporate positions	Positions held in a personal capacity: Director – Veru Inc.

Positions held over the last five years but which have now ended	Positions held in a personal capacity: Director – Avenue Therapeutics
Number of shares and options held	1,569,858 Company shares owned by Sofinnova Crossover I SLP

3.1.2 Members of the Board of Directors

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

Name/Position	Independent	Date of first appointment	Date of expiry of term of office	Term of office	Audit Committee	Compensation and Appointments Committee
Frédéric Cren Chairman and Chief Executive Officer	No	May 31, 2016	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	No	No
Pierre Broqua Deputy Chief Executive Officer	No	May 31, 2016	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	No	No
Jean-Louis Junien	No	May 31, 2016	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	No	No
Chris Newton	Yes	September 30, 2016, taking up of office deferred until initial public offering on February 14, 2017	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	No	Yes
Pienter-Jan BVBA, represented by Chris Buyse	Yes	September 30, 2016, taking up of office deferred until initial public offering on February 14, 2017	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	Yes, Chair	Yes
CELL+, represented by Annick Schwebig	Yes	September 30, 2016, taking up of office deferred until initial public offering on February 14, 2017	Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	3 years	Yes, since November 23, 2018	Yes, Chair

Name/Position	Independent	Date of first appointment	Date of expiry of term of office	Term of office	Audit Committee	Compensation and Appointments Committee
Nanna Lüneborg	No	May 25, 2017, provisional appointment by cooperation by the Board of Directors and approved by the Combined General Meeting of May 28, 2018	Annual General Meeting called to approve the financial statements for the year ending December 31, 2020.	3 years	No	No
Sofinnova Partners, represented by Lucy Lu	Yes	May 28, 2018, by the Combined General Meeting	Annual General Meeting called to approve the financial statements for the year ending December 31, 2020.	3 years	Yes, since December 14, 2018	No

3.1.3 Changes in the Board of Directors and gender balance

Changes in the Board of Directors in 2018

Sofinnova Partners, represented by Dr. Lucy Lu, was appointed member of the Board of Directors by the Combined General Meeting of May 28, 2018 following the Company's €35.5 million capital increase on April 17, 2018 in which it participated for an amount of €10 million.

Nanna Lüneborg's appointment to the Board of Directors was approved by the Combined General Meeting of May 28, 2018 for a term of three years, which expires at the close of the Combined General Meeting called to approve the Company's financial statements for the year ending December 31, 2020.

On November 25, 2018, Karen Aiach, independent director and member of the Audit Committee, resigned from her position on the Board of Directors. On November 23, 2018, the Board of Directors noted Karen Aiach's resignation and, having taken the Compensation and Appointments Committee's recommendations into account and in accordance with the Internal Regulations (as defined below), appointed Annick Schwebig, in her capacity as CELL+'s permanent representative, to the Audit Committee. On December 14, 2018, the Board of Directors, having taken the recommendations of the Compensation and Appointments Committee and the Chief Executive Officer into account, appointed Lucy Lu, in her capacity as Sofinnova Partners' permanent representative, to the Audit Committee.

Independent directors

Four of the eight directors comprising the Board of Directors are independent directors, i.e., 50% of its members. The independent directors comply with the independence criteria set out in the Middlenext Code as regards the absence of significant financial, contractual, family or other relations liable to compromise their independent judgment:

- independent directors must not be 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 or have held any such position in the previous two years (as customer, supplier, competitor, service provider, debtor, banker, etc.);
- 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; and
- they must not have been Statutory Auditors of the Company in the previous six years.

Gender balance

At the date of this Registration Document and following Karen Aiach's resignation on November 23, 2018, three of the eight members of the Board of Directors are women, i.e., 37.5%: Annick Schwebig (permanent representative of the company CELL+), Nanna Lüneborg and Lucy Lu (permanent representative of the company Sofinnova Partners).

In order to respect rules on gender representation within the Board of Directors, in 2019 the Company plans to appoint a woman to the Board of Directors to comply with Article L. 225-18-1 of the French Commercial Code and to reach the 40% threshold.

3.2 Operation of the Board of Directors and its committees

3.2.1 Roles and responsibilities of the Board of Directors

Responsibilities of the Board of Directors

The Internal Regulations of the Board of Directors (Internal Regulations) stipulate that the Board takes on the missions and exercises the powers assigned to it by law, by the Company's bylaws and by the Internal Regulations of the Board of Directors.

The Board determines the Company's strategic vision and ensures its implementation. Its approval is required prior to the implementation of certain specific strategic decisions (as set out below). Subject to the powers specifically assigned to Annual General Meetings and within the limits of the corporate purpose, it examines all matters relevant to smooth operation of the Company and deliberates to settle all issues concerning the Company.

The Board also conducts any verificationsthat it considers necessary and may request access to any documents that it considers useful for fulfilling its responsibilities.

The Board oversees the proper governance of the Company in line with the corporate social responsibility principles and practices undertaken by the Company, its executives and its employees.

Frequency of Board 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 14 times in 2018, with a member attendance rate of over 82%.

The Board of Directors has created an Audit Committee and a Compensation and Appointments Committee. The composition, powers and operating rules of both Committees are described below.

3.2.2 Roles and responsibilities of the Audit Committee

Composition

The Audit Committee includes at least two directors. Each member of the Audit Committee is appointed by the Board of Directors from among its members and may be replaced by the Board of Directors.

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

The following directors are currently members of the Audit Committee for a term concurrent with their term as director:

- Chris Buyse, as permanent representative of Pienter-Jan BVBA and Chair of the Committee;
- Annick Schwebig, as permanent representative of CELL+; and
- Lucy Lu, as permanent representative of Sofinnova Partners.

Operation

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

The Audit Committee may only validly deliberate if at least one half of its members are present, represented or deemed present.

Decisions are taken by a majority of the members, with the Chair of the Audit Committee having a casting vote in the event of a tie.

Members of the Audit Committee may only be represented by another member of that Committee.

Written minutes of each meeting are drawn up.

Responsibilities

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

The Audit Committee's main role is to continuously assess the existence and effectiveness of the Company's financial and risk control procedures.

In view of this, the Audit Committee is responsible for:

Financial statements and financial information:

Having regularly reviewed the Company's financial and cash flow situation and the commitments contained in its financial statements:

- examines the Company's annual and half-yearly financial statements;
- confirms the relevance of the Company's accounting choices and 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; and
- examines related-party 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; and
- sets the rules for using the Statutory Auditors for services other than auditing the financial statements and checks that these services are performed correctly.

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

Work of the Committee

In 2018, the Audit Committee met three times: March 6, 2018, September 25, 2018 and November 22, 2018.

All members were present at each meeting and the Committee also reviewed the roll out of the Company's risk management and internal control system.

3.2.3 Role and responsibilities of the Compensation and Appointments Committee

Composition

Members of the Compensation and Appointments Committee are 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.

As of the date of this Registration Document, the Compensation and Appointments Committee has three members.

The following directors are currently members of the Compensation and Appointments Committee for a term concurrent with their term as director:

- Annick Schwebig, as permanent representative of CELL+, and Chair of the Committee;
- Chris Buyse, as permanent representative of Pienter-Jan BVBA; and
- Chris Newton.

Operation

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

The Compensation and Appointments Committee may only validly deliberate if at least one half of its members are present, represented or deemed present.

Decisions are taken by a majority of the members, with the Chair of the Compensation and Appointments Committee having a casting vote in the event of a tie.

Members of the Compensation and Appointments Committee may only be represented by another member of that Committee.

Written minutes of each meeting are drawn up.

Responsibilities

The Compensation and Appointments Committee's main role is to oversee matters related to compensation plans, policies and programs where they concern corporate officers and directors.

The Compensation and Appointments Committee has the following responsibilities:

- 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 (in particular, concerning dilutive instruments);
- examines the amount of directors' fees and the system for distributing these fees among 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;
- reviews 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; and
- implements the Board of Directors' assessment procedure.

Work of the Committee

The Compensation and Appointments Committee met four times in 2018: January 26, 2018, March 6, 2018, November 5, 2018 and December 6, 2018. At least two members were present at each meeting.

3.2.4 Assessment of the operation of the Board of Directors and its committees

The Internal Regulations stipulate that the Chairman of the Board of Directors shall once a year invite the Board members to provide feedback on the operation of the Board of Directors and the preparation of its work. The Board may also use this exercise to analyze its composition, organization and operation in order to assess its capacity to meet shareholders' expectations.

A formal assessment is carried out at least every three years. It may be conducted by the lead director or another independent director, who may call in assistance from an outside consultant if necessary.

Under the same conditions and at the same frequency, the Board of Directors shall also assess the operation of its permanent committees and the work of the lead director, especially as regards corporate governance.

At the end of 2017, the Board members completed the first self-assessment of the works of the Board of Directors based on the Middlenext questionnaire and with regard to the established practices of the Board of Directors over the course of 2017.

The Compensation and Appointments Committee carried out an analysis of the responses and made suggestions on how to improve the Board's performance which were discussed by the Board of Directors in the first half of 2018. A number of best practices were discussed and implemented, in particular that the Board might (i) devote more attention to long-term strategic questions, (ii) limit the attendance of non-board members at Board meetings to better protect confidential information and (iii) encourage holding Board meetings via telephone conference call, making it easier for members to be in attendance.

3.3 Senior Leadership

On the date of this Registration Document, the Company has chosen to appoint Frédéric Cren as both Chairman of the Board of Directors (Chairman) and Chief Executive Officer (CEO).

Pierre Broqua holds the position of Deputy Chief Executive Officer (Deputy CEO) and is also a director of the Company.

3.3.1 Chief Executive Officer and Deputy Chief Executive Officer

Frédéric Cren fulfills the roles of Chairman of the Board of Directors and Chief Executive Officer. He holds the combined title of Chairman and 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 joint-stock company into a limited company with a Board of Directors. His term of office runs until 2019, after the Ordinary General Meeting called to approve the financial statements for the financial year ended December 31, 2018.

Pierre Broqua is the Deputy Chief Executive Officer. He was appointed Deputy 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 joint-stock company into a limited company with a Board of Directors. His term of office runs until 2019, after the Ordinary General Meeting called to approve the financial statements for the financial year ended 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 in section 3.5 *Compensation and benefits* of this Registration Document. The report on related-party agreements appears in section 7.2 *Report on regulated agreements and commitments* of this Registration Document.

As recommended by the Middlenext Code, the Company intends to regularly examine the issue of management succession, which is key to efficient business continuity. To this end, the Board was informed of the Company's management succession plan in the event of impediment at its meeting of December 18, 2017.

3.3.2 Senior Leadership duties

The functions of Chairman and Chief Executive Officer were combined when the Company became a limited company with a Board of Directors. For the Board of Directors, this arrangement is well-suited

to the Company, especially in the light of its recent initial public offering and of the duties formerly performed by the current Chief Executive Officer in his capacity as Chairman of the previous simplified joint-stock company.

In accordance with the law, the Company's bylaws and the Internal Regulations, the Chairman and Chief Executive Officer chairs Board meetings, organizes and manages the Board's work, and oversees the smooth operation of the Company's management bodies, while ensuring that directors are capable of fulfilling their duties.

3.3.3 Limitation of powers

The Chairman and Chief Executive Officer has wide-reaching powers to act, under all circumstances, in the name of and on behalf of the Company, which he represents with regard to third parties.

He exercises these powers within the limit of the corporate purpose and subject to the powers expressly assigned to Annual General Meetings and the Board of Directors. The Company is bound by the actions of the Chief Executive Officer even if they do not fall within the corporate purpose, unless it can prove that the third party knew that the action in question exceeded such purpose or could not have been unaware of that fact given the circumstances, on the understanding that the mere publication of the bylaws 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 Deputy Chief Executive Officer has the same powers as the Chief Executive Officer with regard to third parties.

Under Article 2 of its Internal Regulations, the prior approval of the Board of Directors (decided by a straight majority vote of the members present or represented) is required for all transactions, events, acts or decisions concerning the Company and the following matters:

- the annual budget, set by December 20 of each year;
- any proposal for investment or expenditure of more than €400,000 not appearing in the annual budget, and any proposal for bank or financial debt (except current operating debt) of more than €400,000 not appearing in the annual budget;
- any decision not provided for in the annual budget to transfer any substantial assets or substantial intellectual/industrial property belonging to the Company;
- any decision not provided for in the annual budget to acquire strategic assets, in particular industrial property, for the Company's benefit;
- any proposal not provided for in the annual budget to create subsidiaries or acquire companies or businesses, including any proposed investment in any entity, any proposed transfer, liquidation or winding-up of subsidiaries, any start-up of new activities or any takeover of all or part of a business under a management lease;
- any proposal not provided for in the annual budget to grant licenses or assign licenses or any intellectual property right held by the Company such as, for example, patents, know-how or trademarks, except in the normal course of business in relation to the Company's activities; and
- 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 €400,000.

3.4 Statements about corporate governance

3.4.1 Application of the Middlenext Code

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 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 November 17, 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 the application of the principles laid down in the Middlenext Code:

- the Company believes that it is compliant with the recommendations of the Middlenext Code which appear in the table under the heading "Adopted";

- the Company will consider recommendations R16, R17 and R18 when these subjects arise.

Middlenext Code Recommendations	**Adopted**	**Will be Adopted**
I. Sovereign power		
The Code does not contain any recommendations for shareholders	N/A	N/A
II. "Supervisory" power		
R1: Board member ethics	X	
R2: Conflicts of interest	X	
R3: Composition of the Board – Independent directors	X	
R4: Board member information	X	
R5: Board and committee meetings	X	
R6: Creation of committees	X	
R7: Introduction of the Board of Directors' internal regulations	X	
R8: Choice of directors	X	
R9: Board members' term of office	X	
R10: Directors' compensation	X	
R11: Implementation of the Board assessment procedure	X	
R12: Relations with "shareholders"	X	
III. Executive power		
R13: Definition and transparency of executive corporate officer compensation	X	
R14: Management succession planning	X	
R15: Concurrent holding of an employment contract and corporate office	X	
R16: Severance payments	N/A[(1)]	
R17: Supplementary pension schemes	N/A[(2)]	
R18: Stock options and free shares	N/A[(3)]	
R19: Review of points to be watched		X

(1) Company executives do not currently receive any severance pay. Should such payments be made, R16 would be followed.
(2) No Company executive is currently receiving any deferred benefits under a supplemental pension plan. Should such benefits be put in place, R17 would be followed.
(3) Company executives do not currently receive stock options or free shares. Should a Company executive receive such a benefit, R18 would be followed.

3.4.2 Conflicts of interest

As recommended by the Middlenext Code, the Board of Directors ensures that all the necessary procedures are implemented for identifying and resolving conflicts of interest at all levels throughout the organization.

Potential conflicts of interest in administrative bodies and Senior Leadership

Jean-Louis Junien is the principal shareholder of ISLS Consulting. On July 8, 2014, he entered into a consultancy agreement, which has since been renewed multiple times. On June 25, 2018, an amendment extending the agreement was signed that will expire on June 30, 2019. Under this agreement, ISLS Consulting assists the Company's management and teams in the scientific conduct of its clinical and pre-clinical programs. ISLS Consulting charges for these services on a monthly basis according to the number of days worked during each month. Under this agreement, the Company paid ISLS Consulting €118,000 and €162,000 for the years 2017 and 2018 respectively. In addition, the Company awarded ISLS Consulting 1,500 BSA 2013-1 share warrants in May 2015, all of which were exercised in 2017, and 80,000 BSA 2018 share warrants at the Board of Directors' meeting of December 14, 2018 in payment for advisory services.

All BSA 2018 share warrants were subscribed by ISLS Consulting in January 2019 in exchange for payment of a subscription price of €0.48 per warrant corresponding to 8% of the market value of an ordinary share on the date of allotment of BSA 2018 share warrants. The exercise price of BSA 2018 share warrants was set at €6.067 per warrant by the Board of Directors.

The fair value for BSA share warrants was estimated by PwC at €1.98 at the award date. BSA 2018 share warrants can only be exercised in tranches of one third at the end of the following vesting periods: (i) 26,667 as of December 14, 2019, (ii) 26,667 as of December 14, 2020 and (iii) 26,666 as of December 14, 2021 (see section 6.2.2.3 *BSA 2018* of this Registration Document).

Other than the agreements described above, to the best of the Company's knowledge, at the date of this Registration Document, there were no other potential conflicts of interest between the Company and the members of the Board and Senior Leadership.

Frédéric Cren and Pierre Broqua have entered into a shareholders' agreement (see section 6.1.4 *Notice of persons with significant control* of this Registration Document).

To the Company's knowledge, there are no agreements or understandings with shareholders, customers, suppliers or others pursuant to which one of the Company's directors or executives was appointed.

With the exception of the contracts described in section 7.2 *Report on regulated agreements and commitments* of this Registration Document, there are no service contracts between a Company officer and the Company.

Additional information

There are no family ties between the directors. To the best of the Company's knowledge, none of these persons has, during the last five years:

- been convicted of fraud;
- been associated. in his or her capacity 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); and
- been disqualified by a court from acting as a member of an administrative, management or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer.

3.4.3 Shareholder participation in General Meetings

Arrangements regarding shareholders' participation in General Meetings are set out in Articles 25 and 26 of the bylaws, a summary of which can be consulted in section 6.3.1.7.1 *Calling and holding of General Meetings and agenda (Articles 25 and 26 of the bylaws)* of this Registration Document.

In line with its communications strategy and the recommendations of the Middlenext Code, the Company intends to develop regular dialog and organize meetings with significant shareholders outside of General Meetings.

3.4.4 Information likely to have an impact in the event of a public offering

Information likely to have an impact in the event of a public offering, as set out in Article L. 225-37-5 of the French Commercial Code, concern the factors listed below.

3.4.4.1 The Company's capital structure

On the date of this Registration Document, the Company is controlled, within the meaning of Article L. 233-3 of the French Commercial Code, by Frédéric Cren, CEO of the Company, and Pierre Broqua Deputy CEO of the Company, who together hold 9,772,500 shares, representing approximately 43.8% of the Company's capital and approximately 61% of the Company's voting rights.

See also sections 6.1.1 *Share capital* and 6.1.2 *Principal shareholders* of this Registration Document.

3.4.4.2 Statutory restrictions on the exercise of voting rights and the transfer of shares or the clauses of agreements brought to the Company's attention in accordance with Article L. 233-11 of the French Commercial Code

There are neither any statutory restrictions on the exercise of voting rights and the transfer of shares, with the exception of the possibility for one or more shareholders holding at least 5% of the capital to request that voting rights be stripped from another shareholder for failure to declare a threshold crossing, in accordance with Article 11 of the Company's bylaws.

Furthermore, the amendment to Frédéric Cren and Pierre Broqua's Call Option agreement with BVF Partners L.P. dated August 20, 2018 was brought to the Company's attention in accordance with Article L. 233-11 of the French Commercial Code. See section 6.2.6 *Outstanding call options granted to BVF Partners L.P. and Perceptive Advisors by the Founding Shareholders, Frédéric Cren and Pierre Broqua*of this Registration Document.

3.4.4.3 Direct and indirect holdings in the Company's capital of which the Company is aware in accordance with Articles L. 233-7 and L. 233-12 of the French Commercial Code

Based on the threshold disclosure filed with the AMF on October 4, 2018, BVF Partners L.P. (acting on behalf of funds managed by it) stated that, as of September 18, 2018, it had passed below the 15% voting rights threshold and that, as of October 2, 2018, on behalf of said funds, it held 4,574,766 Inventiva shares and the same number of voting rights, i.e., 20.55% of the Company's capital and 14.28% of the Company's voting rights. On the same date, BVF Partners L.P. also specified that it held a call option for 1,250,000 Company shares, i.e., 4.8% of the share capital, with the exercise price of €12. The exercise period of the call option, the term of which was initially set for February 16, 2019 and which has now been advanced to September 17, 2018 and extended for a new period from September 18, 2018 to February 16, 2020. See section 6.1.2 *Principal shareholders* of this Registration Document for further details on the percentage of voting rights held at April 8, 2019.

There was a decrease in the number of shares held following a change in the characteristics of the call option agreements between Frédéric Cren and Pierre Broqua and BVF Partners L.P. in relation to the Company shares (see section 6.2.6 *Outstanding call options granted to BVF Partners L.P. and Perceptive Advisors by the Founding Shareholders, Frédéric Cren and Pierre Broqua* of this Registration Document) and the calculation of the voting rights, taking into account double voting rights. This resulted in the threshold being exceeded.

At the date of this Registration Document, the Perceptive Call Option had expired (as described in section 6.2.6 *Outstanding call options granted to BVF Partners L.P. and Perceptive Advisors by the Founding Shareholders, Frédéric Cren and Pierre Broqua* of this Registration Document).

Based on the threshold disclosure filed with the AMF on May 3, 2018, Sofinnova Partners (acting on behalf of the Sofinnova Crossover I SLP funds managed by it) stated that, as of April 24, 2018, it had crossed over the 5% threshold of the Company's capital and that, on behalf of said funds, it held 1,569,858 Inventiva shares and the same number of voting rights, i.e., 7.05% of the Company's capital and 4.86% of the Company's voting rights. See section 6.1.2 *Principal shareholders* of this Registration Document for further details on the percentage of voting rights held at April 8, 2019.

The Company has no knowledge of any other declaration made under Articles L. 233-7 and L. 233-12 of the French Commercial Code reporting direct or indirect holdings in the Company's capital likely to have an impact in the event of a public offering.

3.4.4.4 List of shareholders with special control rights and description of said rights

At the date of this Registration Document, no shareholder had any special control rights.

A double voting right is however allotted to all fully paid-up shares for which proof is given that the shares have been registered in the name of the same shareholder for at least two years.

In addition, on the date of this Registration Document, the Company holds none of its shares personally or via a third party other than those tied to the share buyback program and the 12-month liquidity agreement signed on January 19, 2018 between the Company and Kepler Cheuvreux and replacing the previous liquidity agreement with Oddo BHF (formerly Oddo & Cie). The decision to enter into a liquidity agreement with Kepler Cheuvreux was approved by the Board of Directors' meeting of December 18, 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 (see section 6.1.6 *Acquisition by the Company of its own shares* of this Registration Document.

3.4.4.5 Control mechanisms provided for in a future employee share ownership system, when control rights are not exercised by employees

No control mechanisms are provided for in a future employee share ownership system, when control rights are not exercised by employees.

3.4.4.6 Shareholders' agreements of which the Company is aware and that may lead to restrictions on the transfer of shares and the exercise of voting rights

As part of the admission to trading of the Company's shares on the regulated market of Euronext Paris, Frédéric Cren and Pierre Broqua, the Company's founders and principal shareholders, entered into a shareholders' agreement to set the conditions of their partnership within the Company.

See section 6.1.4 *Notice of persons with significant control* of this Registration Document.

3.4.4.7 Rules applicable to the appointment and replacement of members of the Board of Directors, as well as those applicable to the amendment of the Company's bylaws

Rules applicable to the appointment and replacement of members of the Board of Directors are specified in Article 15 of the Company's bylaws.

3.4.4.8 Powers of the Board of Directors, particularly regarding share issues or buybacks

The Annual General Meeting delegates authority to the Board of Directors to carry out certain transactions related to public offerings.

A liquidity agreement was also entered into on January 19, 2018 between the Company and Kepler Cheuvreux under the share buyback program following the approval of the Annual General meetings of May 29, 2017 and May 28, 2018.

See sections 3.6 *Delegations of authority*, 6.1.6 *Acquisition by the Company of its own shares* and 6.3 *Main provisions of the bylaws* of this Registration Document.

3.4.4.9 Agreements entered into by the Company that may be amended or terminated in the event of a change of control of the Company, unless such disclosure (excluding legal disclosure obligations) could seriously damage the Company's interests

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.

3.4.4.10 Agreements that provide for severance pay for members of the Board of Directors and employees if they resign or are dismissed without due cause, or if their employment is terminated due to a public tender or exchange offering

Company executives do not currently receive any severance pay. Should such payments be made, R16 of the Middlenext Code would be followed.

No agreement currently exists that provides for severance pay for employees if they resign or are dismissed without due cause, or if their employment is terminated due to a public offering. Should the beneficiaries be dismissed on personal grounds or resign during the Vesting Period, their free shares awarded in 2017 and 2018 will lapse. In the event that beneficiaries are made redundant on economic grounds, they shall lose their rights to the free shares, unless the Board of Directors decides otherwise.

3.5 Compensation and benefits

The information presented below was prepared with the assistance of the Compensation and Appointments Committee with reference to the Middlenext Code and AMF recommendations.

3.5.1 Compensation policy for executive corporate officers

In application of Article L. 225-37-2 of the French Commercial Code, the following paragraphs present the policy and criteria for determining, allocating and awarding the fixed, variable and exceptional components of compensation and benefits of all kinds payable to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer.

The Annual General Meeting called to approve the financial statements for the year ended December 31, 2018 will be asked to approve the 2019 compensation policy for executive corporate officers. It should be noted that resolutions of this nature are submitted at least once each year for the approval of the Annual General Meeting under the conditions laid down by law.

Should the Board of Directors fail to approve these resolutions, compensation will be determined based on compensation paid for the previous year.

It is specified that as from 2017, payment of the variable and exceptional components of compensation is subject to approval by the Annual General Meeting of the compensation components of the executive concerned.

Compensation is determined by the Board of Directors each year at the proposal of the Compensation and Appointments Committee, based on the level and complexity of responsibilities, as well as the area of activity and sector practices.

At the beginning of the year, the Board of Directors sets executive corporate officers' annual targets in accordance with the agreed upon strategic and operational plan. Achievement of the targets is discussed by the Compensation and Appointments Committee and a performance assessment is proposed to the Board. Achievement of targets therefore has an impact on the percentage of variable compensation awarded.

The Board of Directors may amend the performance assessment in the case of exceptional events, based on the opinion and recommendation of the Compensation and Appointments Committee.

The following information for each executive corporate officer is set out below:

- the fixed, variable and exceptional components of their total compensation;
- any benefits of all kinds awarded in respect of their corporate office;
- the 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 Ordinary General Meeting; the payment of variable and exceptional components of compensation to the relevant executive corporate officers is subject to approval at the Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2019.

3.5.1.1 Compensation policy for executive corporate officers

Executive corporate officers receive fixed compensation, which may be supplemented by various benefits, as well as annual variable compensation representing a percentage of their fixed compensation and based on the achievement of annual performance criteria. These criteria are defined in detail by the Board of Directors but are not made public for confidentiality reasons.

Executive corporate officers are also eligible for the Company's incentive program, but they 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 other than retirement benefits enjoyed by employees.

Frédéric Cren and Pierre Broqua will neither receive nor are likely to be owed indemnities or benefits on leaving the Company or changing roles within the Company.

Frédéric Cren and Pierre Broqua are not bound by any non-compete clauses on leaving the Company.

3.5.1.2 **Other benefits provided to executive corporate officers**

Benefits in kind

Executive corporate officers receive the following benefits in kind:

- Frédéric Cren: executive unemployment insurance, rental of Company accommodation in Dijon, and loan of a Company vehicle.

- Pierre Broqua: executive unemployment insurance, rental of Company accommodation in Dijon, and loan of a Company vehicle.

Supplementary pension plan

Frédéric Cren and Pierre Broqua are not entitled to any supplementary pension plan (i.e. defined contribution pension plan). They are entitled to retirement benefits paid by the Company at the time of retirement (defined benefit pension plan).

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. For the years 2017 and 2018, the contributions made amounted to €20,676 and €10,217 for Frédéric Cren and €16,329 and €12,568 for Pierre Broqua respectively.

The table below summarizes, for each executive corporate officer, the components of compensation and benefits of all kinds referred to in Articles L. 225-37-2 and R. 225-29-1 of the French Commercial Code.

3.5.1.3 **Compensation principles for executive corporate officers**

The Ordinary General Meeting called to approve the financial statements for the year ended December 31, 2018 will be asked approve the 2019 compensation policy for the Chief Executive Officer and Deputy Chief Executive Officer as set out below.

3.5.1.3.1 Compensation principles for the Chairman and Chief Executive Officer

Components of compensation for 2019	**Frédéric Cren** **Chairman and Chief Executive Officer**
Directors' fees	None

Components of compensation for 2019	**Frédéric Cren** **Chairman and Chief Executive Officer**
Annual fixed compensation	€242,528, payable monthly in thirteen installments equal to a gross monthly amount of €18,656. Half of the thirteenth installment will be paid with the June salary and the balance with the December salary.
Annual variable compensation	50% of annual fixed compensation for 2019 (excluding benefits in kind) if 100% of the 2019 Targets are achieved, i.e., €121,264. Variable compensation is determined each year based on the achievement of targets set at the beginning of the year by the Board of Directors in view of Compensation and Appointments Committee recommendations. The performance criteria, which are qualitative in nature, are related to product development, clinical studies results, regulatory approval for certain products, as well as the marketing strategy and financial visibility. The expected level of performance for each qualitative criterion was set by the Board of Directors on January 23, 2019 but was not made public for reasons of confidentiality.
Multiannual variable compensation	N/A (however, see reference to the incentive plan under the heading *Any other compensation due in respect of executive corporate office* below)
Stock options	N/A
Free shares	N/A
Exceptional compensation	N/A
Compensation, benefits or other payments owed or likely to be owed upon taking up office	N/A
Compensation, benefits or other payments owed or likely to be owed upon or after termination or change of office, or defined benefit pension commitments	N/A (see executive unemployment insurance below under the heading *Benefits in kind*)
Non-compete benefits after termination of office	N/A
Any other compensation due in respect of executive corporate office	Incentive program open to all employees and corporate officers of the Company for the period January 1, 2019 to December 31, 2021. The maximum amount payable in

Components of compensation for 2019	Frédéric Cren Chairman and Chief Executive Officer
	respect of 2019 is €2,500.
Benefits in kind	€23,531, corresponding to: - Executive unemployment insurance; - Company car; - Company accommodation.
Variable or exceptional compensation awarded in respect of the year just ended, payment of which is subject to approval at the Ordinary General Meeting in accordance with Articles L. 225-37-2 or L. 225-82-2 of the French Commercial Code	N/A

3.5.1.3.2 Compensation principles for the Deputy CEO

Components of compensation for 2019	Pierre Broqua Deputy CEO
Directors' fees	None
Annual fixed compensation	€173,945, payable monthly in thirteen installments equal to a gross monthly amount of €13,380. Half of the thirteenth installment will be paid with the June compensation and the balance with the December compensation.
Annual variable compensation	40% of annual fixed compensation for 2019 (excluding benefits in kind) if 100% of the 2019 Targets are achieved, i.e., €69,578. Variable compensation is determined each year based on the achievement of targets set at the beginning of the year by the Board of Directors in view of Compensation and Appointments Committee recommendations. The performance criteria, which are qualitative in nature, are related to product development, clinical studies results, regulatory approval for certain products, as well as the marketing strategy and financial visibility. The expected level of performance for each qualitative criterion was set by the Board of Directors on January 23, 2019 but was not

Components of compensation for 2019	**Pierre Broqua** **Deputy CEO**
	made public for reasons of confidentiality.
Multiannual variable compensation	N/A (however, see reference to the incentive plan under the heading *Any other compensation due in respect of executive corporate office* below)
Stock options	N/A
Free shares	N/A
Exceptional compensation	N/A
Compensation, benefits or other payments owed or likely to be owed upon taking up office	N/A
Compensation, benefits or other payments owed or likely to be owed upon or after termination or change of office, or defined benefit pension commitments	N/A (see executive unemployment insurance below under the heading *Benefits in kind*)
Non-compete benefits after termination of office	N/A
Any other compensation due in respect of executive corporate office	Incentive program open to all employees and corporate officers of the Company for the period January 1, 2019 to December 31, 2021. The maximum amount payable in respect of 2019 is €2,500.
Benefits in kind	€22,141, corresponding to: - Executive unemployment insurance; - Company car; - Company accommodation.
Variable or exceptional compensation awarded in respect of the year just ended, payment of which is subject to approval at the Ordinary General Meeting in accordance with Articles L. 225-37-2 or L. 225-82-2 of the French Commercial Code	N/A

3.5.2 Compensation paid or awarded to executive corporate officers for 2018

In accordance with Article L. 225-100 of the French Commercial Code, the Annual General Meeting approves the fixed, variable and exceptional compensation and benefits paid or awarded for the previous period by separate resolution for the Chief Executive Officer and Deputy Chief Executive Officer respectively. Payment of all variable and exceptional compensation is subject to the express approval of the Annual General Meeting.

Therefore, the Ordinary Annual General Meeting called to approve the financial statements for the year ended December 31, 2018 will be asked approve the 2018 compensation policy for the Chief Executive Officer and Deputy Chief Executive Officer as set out below.

3.5.2.1 Compensation awarded to the Chief Executive Officer for 2018

Components of compensation for 2018	**Frédéric Cren** **Chairman and Chief Executive Officer**
Directors' fees	None
Annual fixed compensation	€242,528
Annual variable compensation	40% of annual fixed compensation (excluding benefits in kind) for 100% achievement of the 2018 targets, i.e., €97,011.20.
Multiannual variable compensation	N/A (however, see reference to the incentive plan under the heading *Any other compensation due in respect of executive corporate office* below)
Stock options	N/A
Free shares	N/A
Exceptional compensation	N/A
Compensation, benefits or other payments owed or likely to be owed upon taking up office	N/A
Compensation, benefits or other payments owed or likely to be owed upon or after termination or change of office, or defined benefit pension commitments	N/A (see executive unemployment insurance below under the heading *Benefits in kind*)
Non-compete benefits after termination of office	N/A

Components of compensation for 2018	**Frédéric Cren** **Chairman and Chief Executive Officer**
Any other compensation due in respect of executive corporate office	Incentive program: €500 due for 2018.
Benefits in kind	€23,531, corresponding to: - Executive unemployment insurance; - Company car; - Company accommodation.
Variable or exceptional compensation awarded in respect of the year just ended, payment of which is subject to approval at the Ordinary General Meeting in accordance with Articles L. 225-37-2 or L. 225-82-2 of the French Commercial Code	N/A

3.5.2.2 Compensation awarded to the Deputy Chief Executive Officer for 2018

Components of compensation for 2018	**Pierre Broqua** **Deputy Chief Executive Officer**
Directors' fees	None
Annual fixed compensation	€173,945
Annual variable compensation	35% of annual fixed compensation (excluding benefits in kind) for 95% achievement of the 2018 Targets, i.e., €60,880.
Multiannual variable compensation	N/A (however, see reference to the incentive plan under the heading *Any other compensation due in respect of executive corporate office* below)
Stock options	N/A
Free shares	N/A
Exceptional compensation	N/A
Compensation, benefits or other payments owed or likely to be owed	N/A

Components of compensation for 2018	**Pierre Broqua** **Deputy Chief Executive Officer**
upon taking up office	
Compensation, benefits or other payments owed or likely to be owed upon or after termination or change of office, or defined benefit pension commitments	N/A (see executive unemployment insurance below under the heading *Benefits in kind*)
Non-compete benefits after termination of office	N/A
Any other compensation due in respect of executive corporate office	Incentive program: €500 due for 2018.
Benefits in kind	€22,141, corresponding to: - Executive unemployment insurance; - Company car; - Company accommodation.
Variable or exceptional compensation awarded in respect of the year just ended, payment of which is subject to approval at the Ordinary General Meeting in accordance with Articles L. 225-37-2 or L. 225-82-2 of the French Commercial Code	N/A

3.5.3 Standardized tables of compensation for executives and corporate officers

In the interests of clarity and comparability of information relating to compensation, the compensation and benefits tables for 2018 and prior years are set forth below in accordance with the Middlenext Code and the AMF Position/Recommendation no. 2014-14 of December 2, 2014 and amended April 13, 2015.

Table no. 1: Summary of the compensation awarded to each executive corporate officer

Summary of compensation (in euros)	**2018**	**2017**
Frédéric Cren, Chairman and Chief Executive Officer		
Compensation owed for the year (detailed in Table no. 2)	375,840	371,852
Value of multiannual variable compensation awarded during the year	None	None
Value of share options awarded during the year	None	None

Value of free shares awarded	None	None
TOTAL	**375,840**	**371,852**
Pierre Broqua, Deputy Chief Executive Officer		
Compensation owed for the year (detailed in Table no. 2)	262,581	231,677
Value of multiannual variable compensation awarded during the year	None	None
Value of share options awarded during the year	None	None
Value of free shares awarded	None	None
TOTAL	**262,581**	**231,677**

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, 2017 and 2018 and the compensation actually received by those individuals during those same financial years.

Summary of the compensation of each executive corporate officer				
Frédéric Cren, CEO	**2018**		**2017**	
	Amounts owed (in euros)	**Amounts paid (in euros)**	**Amounts owed (in euros)**	**Amounts paid (in euros)**
Fixed compensation	242,528	242,528	242,528	242,528
Annual variable compensation	97,011	97,011	97,011	88,379
Paid annual leave	12,270	12,270	7,961	7,961
Multiannual variable compensation	None	None	None	None
Exceptional compensation	None	None	None	None
Directors' fees	None	None	None	None
Incentive	500	1,000	1,000	2,200
Benefits in kind	23,531	23,531	23,352	23,352
Total	**375,840**	**376,340**	**371,852**	**364,420**
Pierre Broqua, Deputy Chief Executive Officer	**2018**		**2017**	
	Amounts owed (in euros)	**Amounts paid (in euros)**	**Amounts owed (in euros)**	**Amounts paid (in euros)**
Fixed compensation	173,945	173,945	158,132	158,082
Annual variable compensation	60,880	52,183	52,184	23,719
Paid annual leave	5,115	5,115	2,095	2,095
Multiannual variable compensation	None	None	None	None
Exceptional compensation	None	None	None	None
Directors' fees	None	None	None	None
Incentive	500	1,000	1,000	2,200
Benefits in kind	22,141	22,141	18,266	18,266
Total	**262,581**	**254,384**	**231,677**	**204,362**
TOTAL EXECUTIVES	**638,421**	**630,724**	**603,529**	**568,782**

Table no. 3: Fees received by non-executive corporate officers

Non-executive corporate officers	Amounts paid in 2018	Amounts paid in 2017
Jean Louis Junien	30,000	30,000
Karen Aiach	35,000	35,000
CELL+	40,000	40,000
Pienter-Jan BVBA	45,000	45,000
Chris Newton	35,000	35,000
Nanna Lüneborg	0	0
Sofinnova Partners	15,000	N/A
Total	**200,000**	**185,000**

(1) Karen Aiach left the Board of Directors on November 25, 2018.
(2) Sofinnova Partners, represented by Dr. Lucy Lu, was appointed to the Board of Directors by the Combined General Meeting of May 28, 2018.

Besides the directors' fees indicated in the table above, no other compensation was awarded to non-executive directors in 2018.

Table no. 4: Share warrants (BSAs) or company founder share warrants (BSPCEs) awarded to each non-executive corporate officer during the financial year ended December 31, 2018

None

Table no. 5: Share warrants (BSAs) or Company founder share warrants (BSPCEs) exercised by each executive corporate officer during the financial year ended December 31, 2018

None

Table no. 6: Free shares awarded to each corporate officer during the financial year ended December 31, 2018

None

Table no. 7: Free shares that have become available for each corporate officer during the financial year ended December 31, 2018

None

Table no. 8: BSA and BSPCE awards to executive and non-executive corporate officers

Information on BSA awards	
Plan	BSA 2017
Date of Annual General Meeting	May 29, 2017
Date of Board of Directors' meeting	May 29, 2017
Total number that could be subscribed	195,000
Number awarded to each of the following corporate officers:	
Jean-Louis Junien	75,000
Chris Newton	30,000
Pienter-Jan BVBA, represented by Chris Buyse	30,000
Karen Aiach	30,000
CELL+, represented by Annick Schwebig	30,000
Nanna Lüneborg	0
BSA exercise date(1)	May 29, 2018
Expiry date	May 29, 2027
Subscription or purchase price of BSAs	0.534
Share subscription or purchase price if BSAs are exercised	6.675
Methods of exercise (when the plan consists of several tranches)	The plan is divided into three tranches with one-, two- and three-year vesting periods.
Number of BSAs subscribed at December 31, 2018	195,000
Total number of BSAs canceled or lapsed(2)	20,000
Number of BSAs at year-end	175,000

(1) The BSAs are called "Bermuda" options that can be exercised after a vesting period of one, two or three years and during a limited period of nine, eight and seven years respectively. See section 6.2.2 *Share warrants (BSAs)* for more information on these BSAs. On May 29, 2017, the fair value of the BSA share warrants was estimated by PwC using the Black-Scholes model based on the following assumptions: (i) value of the underlying asset at May 29, 2017; (ii) volatility observed in two samples of comparable listed companies; and economic life (middle of exercise period). The fair value for BSA share warrants was estimated at €2.47 at the award date. It is specified that the Company excludes any issue to Directors of free BSA share warrants, or any issue under subscription conditions uncorrelated to the market value of the warrants, in accordance with the provisions of law and having been discussed by the AMF in a press release dated June 5, 2018.

(2) Following Karen Aiach's resignation on November 25, 2018, 20,000 BSA share warrants that had been awarded to her lapsed.

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

BSPCEs/BSAs granted to the top ten non-executive employees and options exercised by them	Total number of BSPCEs granted/shares subscribed or purchased	Weighted average price	BSPCE 2013-1 2013 Plan(1)	BSPCE 2013-1 2015 Plan(1)
Options granted during the year by the Company to the ten Company employees receiving the greatest number of options (general information)	None	None	None	None
Options exercised during the year by the ten Company employees exercising the greatest number of options (general information)	869	65.51	717	152

(1) Following the division of the par value of the Company's shares decided by the Combined General Meeting of May 31, 2016, each BSPCE share warrant carries the right to subscribe for 100 new ordinary shares.

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

None

Table no. 11: Table summarizing benefits or other payments granted to executive corporate officers

Executive corporate officers	Employment contract		Supplementary pension plan		Compensation or benefits owed or likely to be owed as a result of leaving the Company or changing roles within the Company		Compensation relating to a non-compete clause	
	yes	no	yes	no	yes	no	yes	no
Frédéric Cren Chairman and Chief Executive Officer Start of term of office: Board of Directors' meeting of May 31, 2016 End of term of office: end of the Annual General Meeting called to approve the financial statements for the year ended December 31, 2018		**X**[(1)]	**X**[(3)]			**X**[(4)]		**X**
Pierre Broqua Deputy Chief Executive Officer Start of term of office: Board of Directors' meeting of May 31, 2016 End of term of office: end of the Annual General Meeting called to approve the financial statements for the year ended December 31, 2018	**X**[(2)]		**X**[(3)]			**X**[(4)]		**X**

[(1)] On August 25, 2012, the Company entered into an executive contract with Frédéric Cren, starting on August 27, 2012 and for an indefinite duration, in order to set out the conditions under which he will carry out his duties as executive within the Company. The conclusion of this contract was authorized by the Compensation and Appointments Committee in its decision of August 25, 2012 and was submitted to the Annual General Meeting for approval on June 18, 2013.

[(2)] On July 18, 2012, the Company entered into an employment contract with Pierre Broqua, starting on August 27, 2012 and for an indefinite duration, in order to set out the conditions under which he will carry out his duties as CSO within the Company. The conclusion of this contract was ratified by the Compensation and Appointments Committee in its decision of August 25, 2012 and was submitted to the Annual General Meeting for approval on June 18, 2013. Following his appointment as Deputy Chief Executive Officer, Pierre Broqua's employment contract has been suspended since May 31, 2016 by decision of the Board of Directors.

[(3)] Frédéric Cren and Pierre Broqua are eligible for retirement benefits under the defined benefit pension plan set up within the Company, pursuant to which the Company's liability is limited to the payment of contributions. For the years 2017 and 2018, the contributions made amounted to €20,676 and €10,217 for Frédéric Cren and €16,329 and €12,568 for Pierre Broqua respectively.

[(4)] Frédéric Cren and Pierre Broqua will be covered by executive unemployment insurance for as long as they remain corporate officers.

3.6 Delegations of authority

The Combined General Meeting met on May 28, 2018 to decide what financial authorities would be delegated to the Board of Directors. The resolutions on the issuance of capital (i.e., resolutions 16 through 25) were renewed in advance at the Combined General Meeting of January 18, 2019, sitting in an extraordinary session.

The following resolutions of the Combined General Meeting of May 28, 2018 still apply: 26th resolution on the issue of free shares to members of paid staff and/or certain executives, 27th resolution on the award of Company share subscription and/or purchase options to corporate officers and Company employees, 28th resolution on the issue share warrants in favor of a specific categories of persons and 29th resolution on the issue of company founder share warrants in favor of Company executives and employees. The maximum issue threshold for these four resolutions was however increased in line with the overall increase in the issue threshold for issues authorized by the Combined General Meeting of January 18, 2019.

The following table summarizes the delegations of authority currently in effect:

Financial authorities approved by the Combined General Meeting of January 18, 2019	***Resolution***	***Term of validity from January 18, 2019***	***Maximum nominal amount***	***Combined maximum nominal amount***	***Method of calculating the issue price***	***Use of delegation***
Delegation of authority to the Board of Directors to carry out capital increases with pre-emptive subscription rights through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L. 225-129-2, L. 225-132 through L. 225-134), and the provisions of Articles L. 228-91 *et seq.* of the French Commercial Code	First resolution	26 months	Capital increase: €180,000 Debt securities granting access to capital to be issued: €100,000,000	Capital increase: €180,000 Debt securities granting access to capital to be issued: €100,000,000		None
Delegation of authority to the Board of Directors to carry out capital increases without pre-emptive subscription rights through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company during public offerings, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L. 225-129-2, L. 225-135 and L. 225-136), and the provisions of Articles L. 228-91 *et seq.* of the French Commercial Code	Second resolution	26 months	Capital increase: €160,000 Debt securities granting access to capital to be issued: €100,000,000		Refer to (1) below	None
Delegation of authority to the Board of Directors to carry out capital increases without pre-emptive subscription rights through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, through private placements referred to in Article L. 411-2 II of the French Monetary and Financial Code (*Code*	Third resolution	26 months	Capital increase: €160,000 and up to a limit of 20% of the share capital per year Debt securities granting access to capital to be issued: €100,000,000		Refer to (1) below	None

Financial authorities approved by the Combined General Meeting of January 18, 2019	***Resolution***	***Term of validity from January 18, 2019***	***Maximum nominal amount***	***Combined maximum nominal amount***	***Method of calculating the issue price***	***Use of delegation***
monétaire et financier), in compliance with the provisions of Articles L. 225-129 *et seq*. of the French Commercial Code (particularly Articles L. 225-129-2, L. 225-135 and L. 225-136), and the provisions of Articles L. 228-91 *et seq.* of the French Commercial Code						
Authorization for the Board of Directors to set the issue price for issues without pre-emptive subscription rights through public offerings or private placements, in accordance with the terms and conditions set by the Annual General Meeting and up to a limit of 10% of the share capital, in compliance with the provisions of Article L. 225-136 of the French Commercial Code	Fourth resolution	26 months	10% of the share capital per 12-month period as from January 18, 2019		Refer to (2) below	None
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[21], in compliance with the provisions of Articles L. 225-129 *et seq*. of the French Commercial Code (particularly Articles L. 225-129-2, L. 225-129-4, L. 225-135, L. 225-138, L. 228-91 *et seq.* of the French Commercial Code	Fifth resolution	18 months	Capital increase: €160,000 Debt securities granting access to capital to be issued: €100,000,000		Refer to (3) below	None

[21] The categories of beneficiaries must have one of the following characteristics: (i) natural or legal persons (including companies), trusts or investments funds or other investment schemes, whatever their form, established under French or foreign law, which regularly invest in the pharmaceutical sector, the biotechnology sector or the medical technology sector; and/or (ii) companies, organizations, institutions or entities, whatever their form, French or foreign, with a significant portion of their operations being in the pharmaceutical, cosmetics or chemical industries or the research of these sectors; and/or (iii) French or foreign investment service providers or any foreign institution with a status equivalent, likely to ensure the realization of the issuance intended to be placed with the persons described in category (i) and/or (ii) above, and, in that context, to subscribe to the shares issued.

Financial authorities approved by the Combined General Meeting of January 18, 2019	*Resolution*	*Term of validity from January 18, 2019*	*Maximum nominal amount*	*Combined maximum nominal amount*	*Method of calculating the issue price*	*Use of delegation*
Authorization for the Board of Directors to increase the number of securities issued in the case of a capital increase with or without pre-emptive subscription rights, in compliance with the provisions of Articles L. 225-135-1 and R. 225-118 of the French Commercial Code	Sixth resolution	26 months (unless the authorization is used in connection with the fifth resolution, in which case it is valid for a period of 18 months)	15% of the original issue		Same price as the original issue price	None
Delegation of authority to the Board of Directors to carry out capital increases as part of a public exchange offering launched by the Company through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L. 225-129-2 and L. 225-148), and the provisions of Article L. 228-91 *et seq.* of the French Commercial Code	Seventh resolution	26 months	Capital increase: €160,000 Debt securities granting access to capital to be issued: €100,000,000			None
Delegation of authority to the Board of Directors to carry out capital increases of up to a maximum of 10% of the share capital in compensation for contributions in kind, except in the case of a public exchange offering launched by the Company, through the issue of ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company, in compliance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code (particularly Articles L. 225-129-2 and L. 225-	Eighth resolution	26 months (unless the authorization is used in connection with the fifth resolution, in which case it is valid for a period of 18 months)	Capital increase: 10% of share capital Debt securities granting access to capital to be issued: €100,000,000			None

Financial authorities approved by the Combined General Meeting of January 18, 2019	***Resolution***	***Term of validity from January 18, 2019***	***Maximum nominal amount***	***Combined maximum nominal amount***	***Method of calculating the issue price***	***Use of delegation***
147), and the provisions of Articles L. 228-91 *et seq.* of the French Commercial Code						
Delegation of authority to the Board of Directors to carry out capital increases by issuing ordinary shares or transferable securities granting immediate or future access to ordinary shares issued by the Company reserved for members of a Company employee savings plan implemented by the Company in accordance with Articles L. 3332-18 *et seq.* of the French Labor Code, without pre-emptive subscription rights	Ninth resolution	26 months	Capital increase: €3,000		Refer to (4) below	None
Authorization for the Board of Directors to carry out capital increases by capitalizing reserves, profits or additional paid-in capital, in accordance with the provisions of Articles L. 225-129-2 and L. 225-130 of the French Commercial Code	Tenth resolution	26 months	Capital increase: €20,000			None
Authorization for the Board of Directors to freely award shares to members of paid staff and/or certain corporate officers, in compliance with the provisions of Articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code	Twenty-sixth resolution	38 months	Capital increase: 5% of the share capital on the date the Board of Directors decides to award the shares	Capital increase: €180,000[22]	N/A	**Meeting of the Board of Directors of December 14, 2018** Award of 265,700 AGA 2018-3 free shares[23]

[22] Global increase in the issue threshold, in accordance with the 11th resolution submitted for approval at the Annual General Meeting of January 18, 2019.

[23] The award of AGA 2018-3 shall only become final after a two-year vesting period, i.e., as of December 14, 2020. Details on free shares are given in section 6.2.4 *Free shares (AGA)* of this Registration Document. Both the CEO and the Deputy CEO, who each held more than 10% of the Company's share capital at the award date, did not benefit from AGA free shares, in accordance with Article L. 225-197-1 of the French Commercial Code.

Financial authorities approved by the Combined General Meeting of January 18, 2019	***Resolution***	***Term of validity from January 18, 2019***	***Maximum nominal amount***	***Combined maximum nominal amount***	***Method of calculating the issue price***	***Use of delegation***
Authorization for the Board of Directors to grant Company share subscription and/or purchase options to corporate officers and employees of the Company or of Group companies, which entails the shareholders' waiver of their pre-emptive subscription rights to the shares issued when the options are exercised, in compliance with the provisions of Articles L. 225-177 *et seq.* of the French Commercial Code	Twenty-seventh resolution	38 months	Capital increase: 5% of the share capital on the date the Board of Directors decides to award the shares		Refer to (5) below	None
Delegation of authority to the Board of Directors to decide to issue ordinary share warrants, with the cancellation of pre-emptive subscription rights in favor of a specific category of persons[24], in compliance with the provisions of Articles L. 225-138, L. 225-129-2 and L. 228-91 *et seq.* of the French Commercial Code	Twenty-eighth resolution	18 months	600,000 ordinary stock warrants Capital increase: €6,000		Refer to (6) below	**Meeting of the Board of Directors of December 14, 2018** 126,000 BSA 2018 share warrants[25] awarded at a subscription price of €0.48. (see section 6.2.2.3 *BSA 2018* of this Registration Document for information on their award and exercise conditions)

[24] Intended categories: (i) management-grade staff, executive managers or members of the Company's management team without the status of corporate officer, or (ii) members of the Board of Directors (including members of all study committees or those with a mandate of board advisor) exercising his or her duties at the share warrant award date, without the status of executive within the Company or any of its subsidiaries, or (iii) consultants, executives or partners of the Company's service providers, who have signed a service or consultancy agreement with the Company that is active at the time of use of this delegation by the Board of Directors, or (iv) Company employees.

[25] The BSA 2018 share warrants were awarded exclusively to persons in the "consultants" category: ISLS Consulting (80,000 BSA share warrants), David Nikodem (36,000 BSA share warrants) and JPG Healthcare (10,000 BSA share warrants).

Financial authorities approved by the Combined General Meeting of January 18, 2019	*Resolution*	*Term of validity from January 18, 2019*	*Maximum nominal amount*	*Combined maximum nominal amount*	*Method of calculating the issue price*	*Use of delegation*
Delegation of authority to the Board of Directors to decide to issue company founder stock warrants (BSPCEs), with the cancellation of pre-emptive subscription rights in favor of employees or executives of the Company or of a company in which the Company holds at least 75% of the share capital or voting rights	Twenty-ninth resolution	18 months	600,000 company founder stock warrants Capital increase: €6,000		Refer to (7) below	None

(1) The issue price will be determined as follows: (i) the issue price of the shares issued under this resolution shall be at least equal to the minimum price authorized by laws and regulations in force (to date, the weighted average price over the last three trading days on the regulated Euronext Paris market before the capital increase subscription price is set, with the possible application of a discount of up to 5%), and (ii) the issue price of the transferable securities other than shares issued under this resolution will be such that the amount immediately received by the Company plus any amount that may be received by the Company at a later stage is, for each share issued as a result of the issue of these transferable securities, at least equal to the amount referred to in (i) above.

(2) The Combined General Meeting of January 18, 2019 delegated its authority to the Board of Directors to set the issue price of the securities in accordance with the following conditions: (a) the issue price of ordinary free shares shall be equal to either (i) the issue price of the volume-weighted average share price of the last trading day on the regulated Euronext Paris market before the issue price is set, or (ii) the issue price may not be less than the volume-weighted average price over any three consecutive trading days in the last 30-day trading period on the regulated Euronext Paris market before the issue price is set, with the possible application of a discount of up to 20%, the Board of Directors being free to use either of the two formulas mentioned above; and (b) the issue price of the transferable securities other than shares will be such that the amount immediately received by the Company plus any amount that may be received by the Company at a later stage is, for each share issued as a result of the issue of these transferable securities, at least equal to the amount referred to in (a) above.

(3) (a) the issue price of ordinary free shares shall be equal to either (i) the issue price of the volume-weighted average share price of the last trading day on the regulated Euronext Paris market before the issue price is set, or (ii) the issue price may not be less than the volume-weighted average price over any three consecutive trading days in the last 30-day trading period on the regulated Euronext Paris market before the issue price is set, with the possible application of a discount of up to 20%, the Board of Directors being free to use either of the two formulas mentioned above; and (b) the issue price of the transferable securities other than shares issued under this resolution will be such that the amount immediately received by the Company plus any amount that may be received by the Company at a later stage is, for each share issued as a result of the issue of these transferable securities, at least equal to the amount referred to in (i) above.

(4) The issue price or prices of new shares or transferable securities issued under this resolution shall be determined by the conditions set out in Article L. 3332-19 of the French Labor Code and with a discount of up to 20%. The General Meeting however expressly authorizes the Board of Directors to reduce the discount rate or not to approve a discount rate, primarily to comply with applicable regulations in the countries in which the offer is made.

(5) 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 14th resolution submitted to the General Meeting of May 28, 2018 under Article L. 225-209 of the French Commercial Code or any share redemption program applicable before or after.

(6) The issue price of the 2018 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 2018 BSAs are awarded, market value being equal to the weighted

average price over the last 20 trading days before the 2018 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.

(7) The subscription price is determined by the Board of Directors on the date the BSPCE 2018 stock warrants are awarded and, provided that the Company's shares are admitted for trading on a regulated market shall be at least equal to the highest of the following values: (i) the average weighted price over the last 20 trading days before the BSPCE 2018 stock warrants are awarded by the Board of Directors, or (ii) if one or several capital increases were carried out in less than six months before the Board of Directors' decision to award the BSPCE 2018 stock warrants, the subscription price of an ordinary share under the most recent of these capital increases, as calculated on the date each BSPCE 2018 stock warrant is awarded. It is specified that, to determine the subscription price of each ordinary share on exercise of a BSPCE 2018 stock warrant, the Board of Directors will not take into account any capital increases resulting from the exercise of company founder stock warrants, stock warrants, share subscription options or free shares.

4. ACCOUNTING AND FINANCIAL INFORMATION

The following information on the Company's earnings and financial position should be read in conjunction with this Registration Document and notably with the comments on the IFRS financial statements set out in section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*.

4.1 General overview of activities

Since the Company's founding, most of its resources have been invested in research and development ("R&D"), particularly in order to develop:

- the lanifibranor clinical program, whose NATIVE Phase IIb clinical trial for the treatment of patients with non-alcoholic steatohepatitis, or NASH, is currently in progress;
- the lanifibranor clinical program, whose FASST Phase IIb clinical trial completed in February 2019 for the treatment of patients with systemic scleroderma, or SSc. Following publication of the findings of this study in February 2019, the Company decided to discontinue the lanifibranor clinical program for the treatment of patients with SSc.
- the odiparcil clinical program, whose clinical Phase IIa for the treatment of type VI mucopolysaccharidoses, or MPS VI, is currently in progress; and
- to a lesser extent, the Company's pre-clinical product portfolio, notably in the field of oncology.

These R&D activities are presented in further detail in Chapter 1 *Business activities and markets* of this Registration Document.

Changes in research and development costs are detailed in section 4.3.2 *Operating expenses* below.

4.2 Significant events in 2018

4.2.1 Operations and product portfolio

▶ **Lanifibranor**

Inventiva's flagship drug candidate, lanifibranor, contains a mechanism that activates all three PPAR (peroxisome proliferator-activated receptor) isoforms α, δ and γ that play a key role in controlling the fibrotic process. Its anti-fibrotic action makes it possible to target NASH, a severe and rapidly developing liver disease that already affects 12% of the population of the United States, with no approved treatment at present.

The following standout events have encouraged the development of lanifibranor in 2018::

- second positive DSMB review in Systemic Sclerosis Phase IIb trials with lanifibranor;
- FDA approval of an investigator initiated IND application to conduct Phase II study of lanifibranor in type 2 diabetic patients with Non-Alcoholic Fatty Liver Disease (see section 1.1.4.3.6 of the Registration Document: *Study by Dr. Kenneth Cusi – Investigation of lanifibranor in the treatment of NAFLD in patients with type 2 diabetes*).
- positive DSMB reviews in both NASH and SSc Phase IIb Trials with lanifibranor (as mentioned above, following the results of the FASST Phase IIb clinical trial published in 2019, the Company discontinued the clinical development of lanifibranor for the treatment of SSc);
- lanifibranor found to have a good safety profile following a first positive assessment of the results of two two-year carcinogenicity studies with the pan-PPAR agonist lanifibranor (see section 1.1.4.3.5 of the Registration Document: *NATIVE: A clinical Phase IIb study to prove lanifibranor's safety and efficacy in NASH patients*)
- new patent granted by the USPTO protecting the use of lanifibranor in numerous fibrotic diseases and extended in the United States until June 2035;

- FDA approval of the IND application for the launch of the clinical development plan in the US;
- creation of panNASH, a group of international independent experts to increase the visibility and the awareness of NASH and contribute to a better understanding of the disease (see section 1.1.4.3.7 of the Registration Document: *The PanNASH Initiative*; and
- last visit by the last patient of the Phase IIb FASST trial and second positive review of the DSMB for the NASH trial to validate IVA337 efficacy trial with lanifibranor.

▶ **Odiparcil**

Inventiva is also developing a second clinical program focusing on its product candidate odiparcil to treat MPS VI, a very severe and rare genetic disease. Inventiva is currently investigating odiparcil in a Phase IIa clinical trial for the treatment of adult patients with the MPS VI subtype. The Company believes odiparcil's mechanism of action is relevant to a number of MPS subtypes. It also plans to initiate pivotal trials for the treatment of MPS subtypes I, II, IVa and VII.

The standout events related to the development of odiparcil in 2018 were as follows:

- the positive recommendation of the first DSMB review for the iMProveS trial;
- the positive outcome of the biomarker study measuring intracellular glycosaminoglycans or GAGs in leukocytes from MPS VI patients (see section 1.1.5.5.1 of the Registration Document: *Biomarker study*) and pre-clinical toxicology studies in children;
- continuation of the Phase IIa iMProveS trial with odiparcil for MPS VI patients and opening of two additional sites to secure patient enrollment (see section 1.1.5.5.2 of the Registration Document: *Clinical research in progress*); and
- change in the development plan to shorten time to market.

▶ **Yap/ Tead**

The Company is also developing projects in the oncology field, the Company has developed a portfolio of projects in the field of oncology. These projects include Inventiva's Hippo signaling pathway program which aims to disrupt the interaction between yes-associated protein, or YAP, and transcription enhancer associated domain transcription factors, or TEAD, an interaction that plays a key role in oncogenic and fibrotic processes. It is in the process of selecting an oncology development candidate for its Hippo program, which is expected to enter pre-clinical development in 2019.

The standout events related to the oncology program in 2018 were as follows:

- positive results demonstrating the anti-tumor activity of the Yap-Tead inhibitors discovered by the Company in *in vivo* xenograft and patient-derived xenograft (PDX) mice models, either as single agent therapy or in combination with standard treatments; and
- the launch of preliminary toxicology studies to select the clinical candidate for the oncology Yap/Tead program with a view to moving the program into Phase I/II.

4.2.2 Partnerships with AbbVie and Boehringer Ingelheim

The Company's revenue is mainly generated by two strategic partnerships:

- the partnership agreement entered into with AbbVie in August 2012 (the "AbbVie Partnership") described in section 1.4.1 *Research agreement with Abb*Vie of this Registration Document.

  Inventiva's collaboration with AbbVie has progressed with the decision to enter into Phase I with the drug candidate ABBV-157. Following this decision and the identification of a back-up

candidate for ABBV-157, Inventiva's work to discover new orally available reverse ROR agonists is now complete. The Company remains eligible for clinical, regulatory and commercial milestone payments and royalties on ROR reverse agonists discovered during the collaboration; and

- the research, discovery and licensing partnership signed with Boehringer Ingelheim in May 2016 (the "BI Partnership") is described in section 1.4.2 *Research and development partnership with Boehringer Ingelheim* of this Registration Document.

  After Boehringer Ingelheim exercised its option to jointly develop new treatments as part of its partnership with the Company that began in May 2016, and following a first milestone payment of €2.5 million, the partnership has progressed to the screening stage. The first molecules identified are currently being optimized by Inventiva's and Boehringer Ingelheim's teams.

The AbbVie and BI partnerships accounted for 58.6% and 83.3% of the Company's revenue in 2018 and 2017 respectively, and are analyzed in section 4.3.1 *Revenue and other operating income*.

4.2.3 Events affecting the company's share capital

4.2.3.1 Capital increase

On April 17, 2018, Inventiva successfully carried out a capital increase of €35.5 million for US and European investors through the issue of 5,572,500 new shares at the price of €6.37 per share. The €32.4 million in net proceeds from the capital increase will enable the Company to finance its activities on programs already underway until mid-2020 to ensure:

- the clinical development of lanifibranor and more specifically the launch of preliminary work prior to Phase III in the treatment of NASH;
- the clinical development of odiparcil and more specifically (i) the launch of the clinical Phase Ib in pediatric patients with MPS VI, (ii) the development of the clinical package in MPS I, II, IVa, and VII, and (iii) the launch of preliminary workstreams prior to the potential Phase III in MPS I, II, IVa, VI and VII; and
- the development of ongoing discovery programs.

This event and its impact on the financial statements are described in Note 1.2 *Significant events* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018* of this Registration Document.

4.2.3.2 New BSA share warrant and AGA free share plans

▶ **New free share award plans**

The Company's Board of Directors has approved three AGA free share award plans for certain Company employees: AGA 2018-1 and AGA 2018-2 on January 26, 2018, and AGA 2018-3 on December 14, 2018.

The provisions of these plans are described in Note 1.2 *Significant events* and Note 10 *Shareholders' equity* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018* of this Registration Document.

▶ **New share warrants award plans**

On December 14, 2018, the Company's Board of Directors granted 126,000 share warrants to Company consultants or their partners.

The provisions pertaining to these warrants are described in Note 1.2 *Significant events* and Note 10 *Shareholders' equity* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018* of this Registration Document.

4.2.3.3 Liquidity agreement

On January 19, 2018, the Company entered into a new liquidity agreement with Kepler Cheuvreux, replacing the previous liquidity agreement with Oddo BHF, for a period of 12 months renewable by tacit agreement (see Note 10 *Shareholders' equity* in section 4.7*Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018* of this Registration Document).

As of the date of this Registration Document, the liquidity agreement with Kepler Chevreux has been extended for a new period of 12 months from January 1, 2019.

4.2.4 Research tax credit (CIR)

Following the tax audit of the period from January 1, 2013 to December 31, 2015, the Company received a proposed tax adjustment from the French tax authorities disputing the way in which certain research tax credit inputs were calculated over the three audited fiscal periods.

Despite the challenges lodged by the Company (see section 2.1.7.1 *Tax audit* of the Registration Document), a collection notice was received by Inventiva on August 17, 2018 for an amount of €1.9 million, including penalties and late payment interest.

The Company disputed the notice and implementation of the procedure pending interlocutory proceedings via a claim lodged on August 29, 2018. This was accompanied by a request for a stay of payment and an additional claim lodged with the tax authorities on January 7, 2019. The Company has requested a complete discharge of the amounts claimed in respect of the CIR .

The Company is still awaiting a response concerning the claims lodged with the tax authorities.

The Company has not yet received its CIR reimbursement with respect to the fiscal year 2017 and cannot predict when this may take place.

In view of ongoing discussions and the challenges lodged, the Company has evaluated the maximum tax adjustment risk in respect of the research tax credit at €0.4 million, this amount being covered by a provision recorded in the financial statements for the year ended December 31, 2018. The provision was adjusted in line with the maximum risk as estimated by the Company (€0.4 million) and an amount of €0.1 million was reversed during the said period.

4.3 Income statement analysis

4.3.1 Revenues and other income

In thousands of euros	2018	2017 *restated*
Sales	3,197	4,797
Revenues	**3,197**	**4,797**
Subsidies	16	833
CIR	4,837	4,321
Other tax credits	-	8
Other income	**4,853**	**5,161**
Total revenues and other income	**8,050**	**9,958**

Revenues

The majority of the Company's revenue is derived from its research partnerships with AbbVie and BI. The €1.6 million (33%) year-on-year decrease in revenue in 2018 chiefly reflects:

- a decrease in revenue generated by recurring partnership fees with AbbVie and Boehringer Ingelheim: €1.9 million in 2018 versus €4.0 million in 2017, i.e., a decline of €2.1 million (42%), due mainly to the end of joint development of the RORγ program as part of collaboration with Abbvie following the decision to enter into Phase I with the drug candidate ABBV-157. Consequently, Inventiva's work on the RORγ program is complete and only minor work related to the MCL-1 program is still in progress through March 2019;
- a slight year-on-year decline in revenue from other services of €0.4 million between 2017 and 2018, mainly attributable to the suspension of sub-contracting services, and
- partially offset by a €0.9 million increase in revenue from the service agreement with Enyo Pharma following the launch of phase two of the project.

Other income

Other income declined by €0.3 million (or 6%) year on year, mainly as a result of a €0.8 million drop in revenue from four subsidies from the French National Research Agency (*Agence Nationale de la Recherche –ANR*) and Eurostars. The amount of revenue recognized in each period in relation to these subsidies is directly proportional to research and development expenses incurred on the YAP/TEAD, SUV39H1 and NSD2 projects and duly substantiated (i.e., accepted by the body in question, triggering entitlement to payment). As of December 31, 2017, virtually all of the expenditure covered by these subsidies had been substantiated. Only a residual amount was substantiated in 2018, triggering entitlement to a subsidy of €15 thousand. No new subsidies were awarded to Inventiva in 2018.

This decrease is partially offset by the increase in income related to the research tax credit arising from the three rectifications relating to research tax credits for 2014, 2015 and 2017, for a total of €0.7 million.

4.3.2 Operating expenses

Operating expenses *In thousands of euros*	2018	2017 *restated*
Research and development expenses	(31,638)	(26,733)
Marketing – business development expenses	(225)	(353)
General and administrative expenses	(6,045)	(5,062)
Total operating expenses	**(37,908)**	**(32,148)**

4.3.2.1 Research and development expenses

Research and development expenses can be broken down as follows:

Research and development expenses *In thousands of euros*	2018	2017 *restated*
Disposables	(2,210)	(2,088)
Energy and liquids	(504)	(513)
Patents	(401)	(403)
Studies	(17,351)	(13,308)
Maintenance	(934)	(1,003)
Fees	(98)	(97)
IT systems	(766)	(853)
Personnel costs	(7,625)	(7,040)
Depreciation, amortization and provisions	(770)	(1,009)
Other research and development costs	(978)	(419)
Total research and development expenses	**(31,638)**	**(26,733)**

The €4.9 million increase in research expenses (18%), mainly reflects higher spending of €4.0 million on studies for the lanifibranor and odiparcil projects in the development phase, as described below:

▶ **Lanifibranor**

Study-related expenses for the lanifibranor project rose by €2.7 million (29%) to €11.9 million in 2018.

In line with 2017, costs relating to the lanifibranor project in 2018 split into two main categories: (i) activities relating to clinical studies and (ii) development activities including pharmaceutical development, pre-clinical pharmacology and toxicology studies in animals, as well as regulatory requirements.

Costs linked to clinical study activities included, in particular, the following developments over the period:

Treatments for NASH

- Continuation of the Phase IIb NATIVE study in line with regulatory requirements, phased opening of new sites and monitoring of the study, analysis of biological samples and supply of treatment units.

Treatments for dcSSC

- Continuation of the Phase IIb FASST study with 145 patients, the last of whom was treated in October 2018. Costs were mainly attributable to the clinical CRO, the analysis of biological samples and the management of treatment units.

Expenses were also incurred in 2018 for the start and preparation of an Investigator Initiated Trial led by Dr. Cusi, as well as four new Phase I studies.

Development costs in 2018 related primarily to:

- pharmaceutical development which in turn consisted primarily in the optimization of the synthesis process for lanifibranor and tablet formulation, the identification of alternative raw material suppliers for the synthesis process, the production of pilot and clinical batches, and the monitoring of stability studies in progress; and

- regulatory activities linked to various programs. These costs related primarily to:

    - collaborations with clinical, regulatory and statistical and quality assurance experts (scientific and clinical) to enable Inventiva to conduct its development program in line with required quality standards and regulatory requirements; and
    - the preparation of documents for the submission of clinical trials in the United States and Europe,

- the completion of the toxicology program, including the completion of the segment III reprotoxicity study in rats and continued cancerogenesis studies in rats and mice; and

- the continuation of *in vitro* studies on animals through collaboration with recognized experts in therapeutic indications in order to improve knowledge of the effects of lanifibranor and its mechanism of action.

▶ **Odiparcil**

Study-related expenses for the odiparcil project increased by 13% to €3.3 million in 2018, a rise of €0.4 million compared to 2017.

Study-related expenses are broken down into two categories: (i) pre-clinical development costs (€1.2 million) and (ii) clinical development costs (€2.1 million).

Clinical development costs incurred in 2018 mainly relate to:

- the preparation and carrying out of clinical trials (Phase IIa iMProveS study) for which the first patient was recruited in December 2017. The costs primarily concerned clinical trials, applications for clinical trials in two new countries, and the preparation of clinical supplies for potential future studies; and

- the launch of the Safe-KIDDS study. The preparation which primarily concerned the completion of odiparcil phase production, the development of a pharmaceutical preparation for children, and consulting fees relating to the preparation of regulatory documentation.

Pre-clinical development costs incurred in 2018 mainly relate to:

- toxicological, pharmacological, CMC and pharmokinetic activities; and

- consulting fees for preparing regulatory documents (submittal of the pediatric investigation plan and pre-IND meeting with the FDA).

▶ **YAP/ TEAD**

Study-related expenses for the YAP/ TEAD project rose by €0.6 million (76%) to €1.4 million in 2018.

Costs incurred in 2018 mainly relate to:

- the continuation of the "hit to lead" phase and the procurement of compounds with activity in the 200nM band in both transactivation and cell proliferation;
- the continued biological characterization of selected compounds and definition of the mechanism of action on several cancer cell lines;
- the launch of the *in vitro* assessment of the compounds identified;
- the assessment of new compounds in xenografts, alone or combined with standard treatments;
- the toxicological characterization of two compounds in rodents; and
- the development and optimization of the synthesis of drug substances.

The increase in development costs was also due to the €0.6 million rise in personnel costs, mainly reflecting personnel recruited to strengthen the clinical development hub and the impact of the new free share and share warrant plans (see Note 1.2 *Significant events*, Note 10 *Shareholders' equity* and Note 19.1 *Personnel costs and headcount* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*).

4.3.2.2 Marketing and business development expenses

Marketing and business development expenses can be broken down as follows:

Marketing – business development *In thousands of euros*	**2018**	**2017** *restated*
Fees	-	(25)
IT systems	(9)	(12)
Personnel costs	(182)	(306)
Other operating costs	(34)	(9)
Total marketing and business development expenses	**(225)**	**(353)**

The €0.1 million (36%) year-on-year decrease in marketing and business development costs is primarily related to the decision to suspend sub-contracting services (with the exception of significant research and development partnerships). The resources dedicated to this activity, including business development personnel, have gradually declined since Q1 2017, which pushed down personnel costs and marketing and business development fees by a total amount of €0.1 million.

4.3.2.3 General and administrative expenses

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

General and administrative expenses *In thousands of euros*	**2018**	**2017** *restated*
Fees	(1,431)	(1,111)
IT systems	(49)	(71)
Support costs (including taxes)	(584)	(549)
Personnel costs	(2,266)	(2,051)

Depreciation, amortization and provisions	(179)	(227)
Other general and administrative expenses	(1,536)	(1,054)
Total general and administrative expenses	**(6,045)**	**(5,062)**

The €1.0 million (19%) year-on-year increase in general and administrative expenses is chiefly attributable to increases in other general and administrative expenses by €0.5 million (46%), and fees by €0.3 million (29%).

This year-on-year increase was essentially driven by a rise in consulting costs, mainly in relation to legal issues, strategy and external financial communication in line with the Company's operations and, to a lesser extent, monitoring of the ongoing tax audit.

The €0.2 million year-on-year increase in personnel costs (10%) was attributable to three new AGA free share plans and one BSA share warrant plan granted in 2018 (see Note 1.2 *Significant events*, Note 10 *Shareholders' equity* and Note 19.1 *Personnel costs and headcount* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*).

4.3.3 Other operating income (expenses)

Other operating income (expenses) break down as follows:

Other operating income (expenses) *In thousands of euros*	**2018**	**2017** *restated*
Other operating income	1,932	255
Other operating expenses	(5,327)	(704)
Other operating income (expenses)	**(3,395)**	**(449)**

In 2018, other operating income (expenses) primarily related to the tax audit of the 2013, 2014 and 2015 fiscal years, particularly with regards to payroll taxes (see Note 13 *Provisions* in section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*). Following receipt of the collection notice, the following items were recognized:

- accrued expenses totaling €1.9 million corresponding to the sum requested in the collection notice;
- accrued receivables in an amount of €1.9 million, receivable from the Abbott group under the terms of the Additional Agreement amending the Asset Purchase Agreement (APA); and
- a provision of €1.1 million to cover the tax risk relating to payroll taxes for the 2016 and 2017 fiscal years (which were not audited by the tax authorities).

In 2017, other operating income consisted primarily of the capital gains on disposals, including €0.2 million on the sale of a real estate asset. Other operating expenses consisted mainly of transaction costs relating to the Company's initial public offering in February 2017. Since these costs were not directly attributable to the capital increase, they were recognized as an expense in first-half 2017 in an amount of €0.7 million.

The costs relating to the capital increase of April 17, 2018 are shown as a deduction from additional paid-in capital in an amount of €3.1 million in 2018 (see Note 1.2 *Significant events* and Note 10 *Shareholders' equity* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*). Transaction costs amounting to €2.2 million were also recorded during the year.

4.3.4 Financial income and expenses

Net financial income *In thousands of euros*	**2018**	**2017** *restated*
Income from cash and cash equivalents	120	277
Foreign exchange gains	21	29
Other financial income	-	2
Discounting gains	-	9
Total financial income	**142**	**317**
Interest cost	(4)	(5)
Losses on cash and cash equivalents	(202)	(3)
Foreign exchange losses	(36)	(21)
Discounting losses	(11)	(9)
Total financial expenses	**(253)**	**(39)**
Net financial income (loss)	**(111)**	**278**
Net financial income (loss) excluding the impact of the Abbott Agreement[(a)]	**(111)**	**269**

(a) APA described in Note 1.2 *Significant events* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018* of this Registration Document.

Net financial income fell by €0.4 million (140%) year on year in 2018. This lower net financial income was mainly attributable to the decrease in cash equivalents due to a temporary weakening of the bond markets, resulting in a €0.4 million decrease in financial income. In 2018, cash equivalents generated a net loss of €0.1 million, compared with €0.3 million in income for 2017. In 2017 and 2018, the Company generated cumulative income from cash and cash equivalents of €0.2 million.

4.3.5 Income tax

The income tax rate applicable to the Company is the French corporate income tax rate of 33.33%.

Corporate income tax *In thousands of euros*	**2018**	**2017** *restated*
Loss before tax	(33,364)	(22,361)
Theoretical tax rate	33.33%	33.33%
Tax benefit at theoretical rate	**11,120**	**7,453**
Tax credits	1,658	1,834
Permanent differences	867	1,246
Other differences	(269)	(225)
Unrecognized deferred tax assets relating to tax losses and other temporary differences	(13,630)	(7,029)
Actual income tax benefit	**(253)**	3,278
Of which: - current taxes	-	*333*
- deferred taxes	*(253)*	*2,945*
Effective tax rate	-	-

Tax credits mainly comprise (i) the CIR and (ii) the CICE tax credit, which are non-taxable income, classified respectively in other income and as a deduction from personnel costs.

The Company recorded tax losses for the years ended December 31, 2018 and December 31, 2017. As recovery of these tax losses in future periods was considered unlikely due to the uncertainty inherent to the Company's activity, no deferred tax assets were recognized at December 31, 2018 or at December 31, 2017.

Income tax for the period corresponded chiefly to the change in deferred taxes relating to the provision for retirement benefits (see Note 12 *Deferred taxes* in section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*).

4.3.6 Net loss for the period

The Company reported a net loss of €33.6 million for the year ended December 31, 2018 and of €19.1 million for the year ended December 31, 2017.

4.4 Statement of financial position analysis

4.4.1 Non-current assets

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 *In thousands of euros*	December 31, 2018	December 31, 2017 *restated*
Intangible assets	1,543	1,806
Property, plant and equipment	4,261	4,516
Deferred tax assets	-	253
Other non-current assets	2,374	572
Total non-current assets	**8,178**	**7,147**

Non-current assets increased by €1.0 million (14%) on December 31, 2017. This is mainly attributable to:

- the fall in the net carrying amount of property, plant and equipment and intangible assets owing to annual depreciation/amortization (see Notes 4 and 5 of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*);
- the reversal of deferred tax assets whose recovery in future periods was considered unlikely at December 31, 2018 (see Note 12 *Deferred taxes* of section 4.7); and
- the increase in other non-current assets following the recognition of accrued receivables from the Abbott group in an amount of €1.9 million following the tax audit of the 2013, 2014 and 2015 fiscal years (see Note 13 *Provisions* in section 4.7).

4.4.2 Current assets

Current assets *In thousands of euros*	December 31, 2018	December 31, 2017 *restated*
Total inventories	410	473
Trade and other receivables	6	64
Income tax receivables	9,434	4,464
Other receivables	5,093	3,168
Cash and cash equivalents	56,692	59,051
Total current assets	**71,634**	**67,220**

Current assets grew by €4.4 million (7%) on December 31, 2017. This increase was mainly attributable to:

- the €5.0 million increase in tax receivables primarily attributable to the provisions for research tax credits in respect of 2018 and the €4.8 million in amended requests for financial years 2014, 2015 and 2017 recognized during the period (€4.2 million in CIR for 2018 and €0.7 million in amended requests) whereas the CIR in respect of 2017 was not paid; and
- the €1.9 million increase in other receivables, chiefly due to the accrual of a VAT credit of €1.7 million at December 31, 2018, compared with an accrual of €0.3 million at December 31, 2017, following the freezing of these credit repayments by the tax authority, in

connection with the collection notice received by the Company in August 2017 (see Note 13 *Provisions* in section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*). The Company forecasts that it will receive payment of all of these outstanding VAT credits in the first half of 2019 once a bank guarantee has been set up (see Note 27 *Events after the reporting date* in section 4.7).

These increases were partially offset by the €2.4 million decrease in cash and cash equivalents (see section 4.5 *Cash and cash equivalents*).

4.4.3 Shareholders' equity

Shareholders' equity *In thousands of euros*	December 31, 2018	December 31, 2017 *restated*
Share capital	223	164
Premiums related to share capital	77,460	44,992
Net loss for the period	(33,617)	(19,083)
Reserves	17,530	35,821
Total shareholders' equity	**61,596**	**61,895**

Shareholders' equity decreased by €0.3 million on December 31, 2017, mainly due to the capital increase for a net amount of €32.4 million carried out in April 2018 and the recognition of share-based payment expenses totaling €0.8 million, offset by losses for the year of €33.6 million.

Changes in shareholders' equity from January 1 to December 31, 2018 are described in further detail in Note 10 *Shareholders' equity* in section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*.

4.4.4 Non-current liabilities

Non-current liabilities *In thousands of euros*	December 31, 2018	December 31, 2017 *restated*
Long-term debt	74	220
Long-term provisions	358	477
Provisions for retirement benefit obligations	1,029	866
Long-term contract liabilities	1,673	1,896
Total non-current liabilities	**3,134**	**3,460**

Non-current liabilities declined by €0.3 million (9%) over the year. This decrease was mainly attributable to:

- the €0.2 million (12%) drop in long-term contract liabilities due to stage of completion amounts recorded for different contracts, notably the "BI Agreement" (see Note 16 *Contract liabilities* in section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*); and
- the €0.1 million (66%) drop in debt following the repayment of loans taken out with Crédit Agricole, CIC Lyonnaise and Société Générale in accordance with the repayment schedule.

4.4.5 Current liabilities

Current liabilities *In thousands of euros*	December 31, 2018	December 31, 2017 *restated*
Short-term debt	151	262
Short-term provisions	1,140	-
Trade payables	8,372	5,382
Short-term contract liabilities	548	811
Other current liabilities	4,871	2,558
Total current liabilities	**15,082**	**9,013**

Current liabilities grew by €6.1 million (67%) on December 31, 2017. This increase was mainly attributable to:

- the increase in trade payables in an amount of €3.0 million relating to the increase in research and development expenses;
- the increase in other current liabilities following recognition of the €1.9 million relating to payroll taxes claimed by the French tax authorities following the tax audit of the 2013, 2014 and 2015 fiscal years (see Note 13 *Provisions* in section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*); and
- the recognition of a provision of €1.1 million to cover the tax risk relative to payroll taxes for the 2016 and 2017 fiscal years (see Note 13 *Provisions* in section 4.7).

4.5 Cash flow and equity

This section analyzes the Company's shareholders' equity, cash position and sources of funding for the years ended December 31, 2017 and December 31, 2018.

4.5.1 Net cash and cash equivalents

Cash and cash equivalents amounted to €56.7 million at December 31, 2018, compared to €59.1 million at December 31, 2017.

Cash at hand and marketable securities held by the Company are essentially invested in monetary UCITS (OPCVM) and deposit accounts that are readily convertible into known amounts of cash.

These funds are used to finance the Company's activities, especially its research and development expenses.

After deducting debt, the Company has a net cash surplus. Borrowings are set out in section 4.4.2.2 below.

Analysis of debt *In thousands of euros*	December 31, 2018	December 31, 2017 *restated*
Cash and cash equivalents	**(56,692)**	**(59,051)**
Current financial liabilities [(1)]	151	262
Current debt (A)	**151**	**262**
Non-current financial liabilities	74	220
Non-current debt (B)	**74**	**220**
Total debt (A) + (B)	**225**	**482**
Net debt	**(56,467)**	**(58,569)**

[(1)] including €5 thousand in bank overdrafts

With the exception of pledges given on deposit accounts recognized in non-current financial assets for an amount of €0.1 million, at December 31, 2018 there are no restrictions on the use of the Company's cash resources.

4.5.2 Disclosures concerning sources of funding

4.5.2.1 Equity financing

At December 31, 2018, share capital amounted to €222 thousand, up €58 thousand on December 31, 2017. This increase reflects:

- the issue of 5,572,500 new ordinary shares following the Company's capital increase on April 17, 2018 (see Note 10 *Shareholders' equity* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*) for a nominal amount of €56 thousand plus an issue premium of €35.4 million;
- the exercise of BSPCE share warrants by Company employees between January 5 and January 20, 2018, resulting in the issue of 180,300 new ordinary shares, for a nominal amount of €1,803 plus an issue premium of €106,384; and
- the acquisition of AGA free shares by Company employees on April 19, 2018, resulting in the issue of 60,000 new ordinary shares, representing a capital increase of €600.

The capital increases carried out by the Company represented its main source of financing in 2018.

As regards its capital increase by means of a private placement, the Company increased the total amount of the public offering to €35.5 million. The related transaction costs amounted to €3.1 million, all of which is shown as a deduction from the issue premium. The funds raised, totaling €32.4 million, were received on April 17, 2018.

Net of all issue costs and including the amounts raised in respect of BSPCE share warrants, the Company received a net amount of €32.5 million in first-half 2018, which is shown in net cash from financing activities for the period.

4.5.2.2 Financing from bank loans

Analysis of debt *In thousands of euros*	Crédit Agricole 2015	CIC 2015	Société Générale 2015	Other[(1)]	Total
Debt carried on the balance sheet at December 31, 2016	**192**	**123**	**192**	**121**	**628**
+ proceeds	-	-	-	-	-
- repayments	(57)	(35)	(51)	(3)	(146)
Debt carried on the balance sheet at December 31, 2017	**135**	**88**	**141**	**118**	**482**
+ proceeds	-	-	-	2	2
- repayments	(57)	(36)	(51)	(115)	(259)
Debt carried on the balance sheet at December 31, 2018	**78**	**52**	**90**	**5**	**225**

[(1)] *Including a repayable advance received from Coface in February 2016 in an amount of €115 thousand and paid back in full in 2018, and accrued interest on borrowings totaling €5 thousand at December 31, 2018.*

The Company has contracted three separate bank loans:

- a €285 thousand loan from Crédit Agricole, agreed on April 23, 2015, at a fixed annual interest rate of 1.32%, repayable in regular installments over a 60-month term. The loan proceeds have been invested in licenses for scientific applications, research equipment and chemical components added to the Company's compound library. In contracting this loan, the Company pledged financial securities (UCITS) as collateral, representing an amount of €150 thousand. This pledge on this loan was released in 2017;
- a €178 thousand loan from CIC-Lyonnaise de banque, agreed on May 11, 2015, at a fixed annual interest rate of 1.50%, repayable in regular installments over a 60-month term. As collateral for this loan, the Company pledged a deposit account with a balance of €135 thousand as of the pledge date, i.e., May 11, 2015. The loan proceeds have mainly been invested in licenses for scientific applications, research equipment and chemical components added to the Company's compound library; and
- a €254 thousand loan from Société Générale, agreed on September 24, 2015, at a fixed annual interest rate of 0.90%, repayable in regular installments over a 60-month term. As collateral for this loan, the Company pledged a deposit account with a balance of €100 thousand as of the pledge date, i.e., July 7, 2015. The loan proceeds have mainly been invested in licenses for scientific applications, research equipment and chemical components added to the Company's compound library.

Apart from the pledge on the loan from Société Générale, these loans do not impose any financial commitments on the Company (see Note 23 *Off-balance sheet commitments* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*).

The debt maturity profile at December 31, 2018 is as follows:

December 31, 2018 *In thousands of euros*	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
Bank borrowings	146	74	-	-
Other loans and similar borrowings[(1)]	5	-	-	-
Total financial debt	**151**	**74**	**-**	**-**

[(1)] *o/w current accrued interests on borrowings.*

4.5.2.3 Financing from research tax credits

The impact of research tax credit financing on the Company's financial statements is presented in section 4.2.4 *Research tax credit (CIR).*

Thanks to its status as a European SME, 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.

The Company has not yet received its research tax reimbursement with respect to fiscal year 2017, nor can it predict when the reimbursement will be made.

Changes in research tax credit balances at December 31, 2018 and December 31, 2018 may be analyzed as follows:

Financing from research tax credits *In thousands of euros*	**2018**	**2017** *restated*
Income statement impact of research tax credits	4,842	4,321
Cash flow impact of research tax credits	-	3,687

At December 31, 2018, the impact of research tax credits included €4.2 million in research tax credits for 2018 and €0.7 million in adjustments on research tax credits for 2014, 2015 and 2017.

4.5.2.4 Other sources of financing

The impacts of the APA on the Company's cash flow in 2017 and 2018 disclosed in Note 1.2 *Significant events* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018* are as follows:

Cash flow impacts *In thousands of euros*	**2018**	**2017** *restated*
Deferred proceeds	-	6,185
Statement of cash flow – total impacts	**-**	**6,185**

At December 31, 2017, Abbott paid a cumulative amount of €104.4 million (before the disbursement of €8.4 million for the acquisition of the business on August 27, 2012) pursuant to the APA, i.e., 100% of the initial one-off payment and additional quarterly payments.

No additional payments have therefore been received since the end of the last reporting year.

4.5.2.5 Projected sources of finance

Cash and cash equivalents amounted to €56.7 million at December 31, 2018.

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

- quarterly and milestone payments received from its partners;
- research tax credits;
- financing investments from bank loans for marginal amounts; and

- agreements negotiated in 2015 and 2016 to make premises and facilities available for use, as described in Note 23 *Off-balance sheet commitments* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*.

Net cash and cash equivalents at December 31, 2018, which is the primary source of financing for the Company, and projected sources of cash and cash equivalents should allow the Company to finance its activities until the first-quarter of 2020.

4.5.3 Cash flow analysis

The following table analyzes the Company's cash flow for 2018 and 2017:

Cash flow *In thousands of euros*	**2018**	**2017** *restated*
Net cash used in operating activities	(34,207)	(17,002)
Net cash provided by (used in) investing activities	(420)	6,171
Net cash provided by financing activities	32,267	45,014
Net increase (decrease) in cash and cash equivalents	**(2,360)**	**34,184**

In 2017 and 2018, the Company mainly required funds to:

- finance its operating activities, including its working capital requirements: net cash used in operating activities amounted to €34.2 million in 2018 and €17.0 million in 2017. This is mainly attributable to research and development expenses of €31.7 million in 2018 and €26.7 million in 2017;
- finance its investing activities: acquisitions of property, plant and equipment and intangible assets – consisting of research materials and libraries of compounds – totaled €0.5 million in 2018 and €0.4 million in 2017; and
- repay bank loans: cash flows relating to repayments of bank loans and bank overdraft facilities, net of amounts issued, totaled €0.3 million in 2018 and €0.1 million in 2017.

The Company's main sources of financing are:

- €32.5 million in the first half of 2018, mainly related to the capital increase through the issue of new ordinary shares described in Note 4.2.3.1 *Capital increase*;
- €45.1 million in first-half 2017 related to the capital increases and, chiefly, to the initial public offering; and
- €6.2 million in first-half 2017 related to the quarterly APA payments which expired in April 2017.

4.5.3.1 Cash flow from operating activities

Revenues and other income	2018	2017 *restated*
Net loss for the period	**(33,617)**	**(19,083)**
Elimination of non-cash and non-operating income and expenses:		
Depreciation, amortization and provisions	2,316	1,422
Deferred and current taxes	253	(3,322)
Tax credits	(4,971)	(4,420)
Gains on disposals of assets	-	(233)
Cost of net debt	5	6
Discounting effect on accrued receivables related to the business combination of August 27, 2012	-	(9)
Share-based compensation expense	833	684
Cash flows used in operations before tax, interest and changes in working capital	**(35,180)**	**(24,956)**
Decrease/(increase) in receivables	(3,088)	1,823
Increase in operating and other payables	4,817	3,335
Decrease/(increase) in inventories	30	(1)
Tax credit received	-	3,687
Other (including interest paid)	(785)	(891)
Tax, interest and changes in operating working capital	**974**	**7,953**
Net cash used in operating activities	**(34,207)**	**(17,002)**

The increase in cash used in operating activities amounted to €17.2 million (101%). The increase in this item mainly results from a combination of:

- The €4.9 million increase in research and development expenses related to the increase of resources allocated in 2018 to clinical development activities for lanifibranor and odiparcil.
- the 2016 CIR received in 2017 for an amount of €3.7 million, whereas the research tax credit in respect of 2017 was not paid in 2018 and is still outstanding at the reporting date.
- The receipt of a non-recurring payment in 2017 of €2.5 million related the BI partnership whereas no non-recurring income has been received in 2018; and
- The freezing of €1.7 million of tax credit related to the period from June 2018 to December 2018, tax credits have been received in a regular basis in 2017.

4.5.3.2 Cash flow provided by (used in) investing activities

The main items of cash flow linked to investing activities in 2018 and 2017 were as follows:

In thousands of euros	**2018**	**2017** *restated*
Purchases of property, plant and equipment and intangible assets	(549)	(428)
Disposals of property, plant and equipment and intangible assets	-	265
Deferred proceeds related to the business combination of August 27, 2012	-	6,185
Net change in other non-current financial assets	129	149
Net cash provided by (used in) investing activities	**(420)**	**6,171**

The €6.6 million decrease is mainly due to the discontinuation of quarterly payments provided for in the APA in April 2017. No payments were made in 2018.

Investments made over the last three years

Investments made over the last three years are as follows:

	Year ended December 31		
In thousands of euros	**2018**	**2017**	**2016**
Intangible assets	(106)	(108)	(26)
Property, plant and equipment	(443)	(320)	(202)
Total	**(549)**	**(428)**	**(228)**

Since all clinical research and development costs are expensed until the market authorizations are obtained, the main investments made over the last three years relate to acquisitions of property, plant and equipment and intangible assets (see Notes 4 and 5 of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*).

- In 2018, acquisitions mainly related to research equipment and software;
- In 2017, acquisitions mainly concerned research equipment, scientific applications and chemical components added to the Company's compound library (€0.4 million), along with additional software licenses;
- In 2016, acquisitions mainly concerned research equipment for an amount of €0.1 million.

No material investments were made in 2018 and the Company has not undertaken any firm commitments for future investments that are material.

4.5.3.3 Cash flow provided by financing activities

in thousands of euros	2018	2017 *restated*
Capital increase	32,526	45,160
Repayment of debt	(259)	(146)
Net cash provided by financing activities	**32,267**	**45,014**

In 2018, net cash from financing activities amounted to €32.3 million. These cash funds primarily result from the capital increase of April 17, 2018 by means of a private placement, with the issue of 5,572,500 ordinary shares, raising total funds of €35.5 million.

Net of all issue costs and including the amounts raised in respect of BSPCE share warrants, the Company received an amount of €32.5 million. The cash impact of these operations in the statement of cash flow for the period amounted to €32.5 million (see Note 1.2 *Significant events* and Note 10 *Shareholders' equity* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018*).

4.6 Recent events and key expected milestones

▶ **Lanifibranor**

New results presented at the International Liver Congress™ 2019

On February 4, 2019, Inventiva announced that the abstract submitted by Professor Frank Tacke[26] MD, PhD, to the European Association for the Study of the Liver comparing in a mouse model the effects on the disease characteristics of NASH of the pan-PPAR agonist lanifibranor against the effects of certain single PPARα, PPARγ and PPARδ agonists has been accepted for an oral presentation at the International Liver Congress™ 2019 to be held from April 10-14, 2019, in Vienna, Austria.

Results from Phase IIb clinical trial with lanifibranor in SSc

The FASST clinical trial, a one-year, double-blind, randomized, placebo-controlled Phase IIb study, included 145 patients suffering from the early phase of dcSSc, who received lanifibranor in either two doses of 400mg per day or two doses of 600mg per day over 48 weeks in addition to their existing standard of care, which in most cases included immunosuppressive therapy.

The FASST clinical trial did not meet its primary endpoint of a mean absolute change from baseline to week 48, relative to placebo, in the modified Rodnan Skin Score ("mRSS"), which assesses skin thickness across 17 defined points on the body on a scale of zero, indicating normal skin, to three, indicating severe thickness. There was a decrease in the average mRSS observed in active and placebo arms with only four patients reporting to have increases in mRSS scores over the course of the trial.

While the trial did not meet any of the secondary endpoints, lanifibranor showed a favorable trend in patients' global assessment of disease activity indicating a perceived benefit by patients.

Within this fragile and poly-medicated population, lanifibranor was observed to be associated with a favorable safety profile, with no adverse interactions with immunosuppressive background therapies observed. The proportion of patients with at least one adverse event was similar across the three patient groups.

[26] Department of Gastroenterology, Metabolic Diseases and Intensive Care Medicine, University Hospital Aachen, Germany / Department of Hepatology / Gastroenterology, University Hospital of La Charité, Berlin, Germany

Due to these negative results from the FASST clinical trial, the Company's reorganization has to be considered, but will remain restricted. Subject to compliance with applicable consultations and regulatory procedures, such reorganization could lead to a limited staff reduction, notably in research and development teams, to allow the Company to fully focus on the development of lanifibranor for the treatment of NASH, of odiparcil for the treatment of MPS, and of YAP-TEAD in the field of oncology. In addition to the downzsizing abovementioned, reductions in overhead costs would also be implemented.

▶ Other recent events

Surety provided to the French tax authorities

On February 1, 2019, as part of its request for a stay of payment on the CIR and payroll taxes, the Company offered the French tax authorities a surety in the form of a €3.4 million bank guarantee with Crédit Agricole bank of which it has pledged €0.7 million.

Exercise of 274 BSPCE 2013 and vesting of 10,000 AGA

274 BSPCE share warrants and 10,000 AGA free shares vested at end-January 2019, giving rise to a capital increase of €374 and the issue of 27,400 new shares at a price per share of €0,.01.

For more information, see Note 27 *Significant events* of section 4.7 *Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018* of this Registration Document.

▶ Key expected milestones

- Completion of enrollment in the NATIVE clinical trial evaluating lanifibranor in the treatment of patients with NASH;
- Completion of enrollment in the clinical trial evaluating lanifibranor in the treatment of NAFLD in patients with type 2 diabetes;
- Completion of enrollment in the iMProveS clinical trial evaluating odiparcil in the treatment of patients with MPS VI;
- FDA "rare pediatric disease" designation for odiparcil in the treatment of MPS VI;
- Launch of a biomarker study in MPS VI patients;
- Launch of the Phase Ib/II clinical trial evaluating odiparcil in the treatment of children with MPS VI.
- Results from the odiparcil Phase IIa iMProveS trial in the treatment of MPS VI;
- Selection of the clinical candidate for the oncology Yap/Tead program;
- Results of Phase I clinical trial with the drug candidate ABBV-157.

4.7 Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018

The Company, which has no subsidiaries or equity investments, has voluntarily prepared financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (hereinafter "IFRS"). The Annual general meeting of May 2019 will approve the statutory annual financial statements for the year ended December 31, 2018 prepared in accordance with French GAAP, which appear in section 7.1.2 of this Registration Document

4.7.1 Information incorporated by reference to the financial statements for 2017 and 2016 prepared in accordance with IFRS

In accordance with Article 28 of the Commission Regulation (EC) no. 809/2004 of April 29, 2004, the following information is incorporated by reference in the Registration Document:

- financial statements for 2016 prepared according to IFRS, as well as the Statutory Auditors' report as provided in sections 20.1.2 *Company financial statements prepared in accordance with IFRS for 2016* and 20.4 *Verification of historical annual financial information* of the Registration Document registered on April 26, 2017 by the AMF under number R.17-025.
- financial statements for 2017 prepared according to IFRS, as well as the Statutory Auditors' report as provided in sections 4.6.2 *Company financial statements prepared in accordance with IFRS for 2017* and 4.7 *Statutory Auditor's Report* of the Registration Document registered on April 13, 2018 by the AMF under number R.18-013.

4.7.2 Financial statements prepared in accordance with IFRS for the year ended December 31, 2018

Statement of financial position

(in thousands of euros)

	Notes	December 31, 2018	December 31, 2017 *restated*[(1)]	January 1, 2017 *restated*[(1)]
Intangible assets	4	1,543	1,806	2,073
Property, plant and equipment	5	4,261	4,516	4,958
Deferred tax assets	12	-	253	325
Available-for-sale assets		-	-	149
Other non-current assets	6	2,374	572	237
Total non-current assets		**8,178**	**7,147**	**7,742**
Inventories	7	410	473	472
Trade receivables	8.1	6	64	771
Tax receivables	8.2	9,434	4,464	3,731
Other current assets	8.2	5,093	3,168	5,230
Other current receivables	8.2	-	-	6,176
Cash and cash equivalents	9	56,692	59,051	24,868
Total current assets		**71,634**	**67,220**	**41,248**
Total assets		**79,812**	**74,367**	**48,989**
Share capital	10	223	164	100
Premiums related to share capital	10	77,460	44,992	-
Reserves	10	17,530	35,821	42,667
Net loss for the period	10	(33,617)	(19,083)	(7,306)
Total shareholders' equity		**61,596**	**61,895**	**35,462**
Long-term debt	11	74	220	482
Deferred tax liabilities	12	-	-	3,013
Long-term provisions	13	358	477	346
Provisions for retirement benefit obligations	14	1,029	866	695
Long-term contract liabilities	16	1,673	1,896	97
Total non-current liabilities		**3,134**	**3,460**	**4,633**
Short-term debt	11	151	262	146
Short-term provisions	13	1,140	-	-
Trade payables	15.1	8,372	5,382	4,364
Short-term contract liabilities	16	548	811	461
Other current liabilities	15.2	4,871	2,558	3,923
Total current liabilities		**15,082**	**9,013**	**8,894**
Total equity and liabilities		**79,812**	**74,367**	**48,989**

[(1)] Accounts restated in accordance with the first-time application of IFRS 15 - Revenue from Contracts with Customers using the full retrospective transition method (see Note 2.1).

Statement of income (loss)

(in thousands of euros, except share an per share amounts)

	Notes	Year ended December 31, 2018	2017 restated[1]
Revenues	18	**3,197**	**4,797**
Other income	18	4,853	5,161
Research and development expenses	19	(31,638)	(26,733)
Marketing – business development expenses	19	(225)	(353)
General and administrative expenses	19	(6,045)	(5,062)
Other operating income (expenses)	20	(3,395)	(449)
Operating profit (loss)		**(33,253)**	**(22,639)**
Financial income	21	142	317
Financial expenses	21	(253)	(39)
Financial income (loss)		**(111)**	**278**
Income tax	22	(253)	3,278
Net loss for the period		**(33,617)**	**(19,083)**
Basic/diluted loss per share (euros/share)	25	**(1.64)**	**(1.23)**
Weighted average number of shares outstanding used for computing basic/diluted loss per share	25	20,540,979	15,516,344

[1] Accounts restated in accordance with the first-time application of IFRS 15 - Revenue from Contracts with Customers using the full retrospective transition method (see Note 2.1).

Statement of comprehensive income (loss)

(in thousands of euros)

	Year ended December 31,	
	2018	**2017** *restated*[(1)]
Net loss for the period	**(33,617)**	**(19,083)**
Actuarial gains and losses on retirement benefit obligations (IAS 19)	31	15
Tax impact on items not recycled to income	-	(4)
Items that will not be reclassified subsequently to profit or loss	**31**	**11**
Other items in the total profit (loss) to be recycled subsequently to the net profit (loss)	-	1
Tax impact on other items recycled subsequently to profit or loss	-	(0)
Total comprehensive income (loss)	**(33,586)**	**(19,071)**

(1) Accounts restated in accordance with the first-time application of IFRS 15 - Revenue from Contracts with Customers using the full retrospective transition method (see Note 2.1).

Statement of cash flows

(in thousands of euros)

	Notes	Year ended December 31, 2018	2017 restated[1]
Net loss for the period		**(33,617)**	**(19,083)**
Elimination of other non-cash, non-operating income and expenses:			
Depreciation, amortization and provisions	4, 5	2,316	1,422
Deferred and current taxes	12	253	(3,322)
Tax credits	8.2	(4,971)	(4,420)
Gains on disposals of assets		-	(233)
Cost of net debt	11	5	6
Discounting effect on accrued receivables related to the business combination of August 27, 2012[1]		-	(9)
Share-based compensation expense	19.1	833	684
Cash flows used in operations before tax, interest and changes in working capital		**(35,180)**	**(24,956)**
Decrease/(increase) in receivables	8.1	(3,088)	1,823
Increase in operating and other payables	15	4,817	3,335
Decrease/(increase) in inventories	7	30	(1)
Tax credit received	8.2	-	3,687
Other	8.2	(785)	(891)
Tax, interest and changes in operating working capital		**974**	**7,953**
Net cash used in operating activities		**(34,207)**	**(17,002)**
Purchases of property, plant and equipment and intangible assets	4.5	(549)	(428)
Disposals of property, plant and equipment and intangible assets		-	265
Deferred proceeds related to the business combination of August 27, 2012[2]		-	6,185
Net change in other non-current financial assets	6	129	148
Net cash provided by (used in) investing activities		**(420)**	**6,171**
Capital increase	10	32,526	45,160
Repayment of debt	11	(259)	(146)
Net cash provided by financing activities		**32,267**	**45,015**
Net increase (decrease) in cash and cash equivalents		**(2,360)**	**34,184**
Cash and cash equivalents at beginning of period		59,051	24,868
Cash and cash equivalents at end of period		56,692	59,051

[1] Accounts restated in accordance with the first-time application of IFRS 15 - Revenue from Contracts with Customers using the full retrospective transition method (see Note 2.1).

[2] The impacts of the business combination on the statement of cash flows are presented in Note 1.2.

Statement of changes in shareholders' equity

(in thousands of euros)

	Notes	Share capital	Premiums related to share capital	Net profit (loss)	Reserves	Shareholders' equity
January 1, 2017 *restated*[1]		**100**	**-**	**(7,306)**	**42,667**	**35,462**
Net loss for the period		-	-	(19,083)	-	(19,083)
Actuarial gains and losses net of deferred tax		-	-	-	11	11
Changes in fair value net of deferred tax		-	-	-	1	1
Total comprehensive income (loss)		**-**	**-**	**(19,083)**	**12**	**(19,071)**
Appropriation of 2016 net loss *adjusted*[1]		-	-	7,306	(7,306)	-
Issue of ordinary shares	10.1	57	48,449	-	-	48,506
Transaction costs	10.1	-	(3,884)	-	-	(3,884)
Exercise of BSAs/BSPCEs	10.3	7	427	-	-	435
BSA share warrant subscription premium (2017 Plan)	10.3	-	-	-	104	104
Share-based compensation expense		-	-	-	684	684
Other movements		-	-	-	(43)	(43)
Treasury shares	10.2	-	-	-	(297)	(297)
December 31, 2017 *restated*[1]		**164**	**44,992**	**(19,083)**	**35,821**	**61,895**
Net loss for the period		-	-	(33,617)	-	(33,617)
Actuarial gains and losses net of deferred tax		-	-	-	31	31
Changes in fair value net of deferred tax		-	-	-	-	-
Total comprehensive income (loss)		**-**	**-**	**(33,617)**	**31**	**(33,586)**
Appropriation of 2017 net loss *restated*[1]		-	-	19,083	(19,083)	-
Issue of ordinary shares	10.1	56	35,441	-	-	35,497
Transaction costs	10.1	-	(3,079)	-	-	(3,079)
Exercise of BSAs/BSPCEs and AGAs	10.3, 10.4	2	106		(1)	108
Share-based compensation expense		-	-	-	833	833
Treasury shares[2]	10.2	-	-	-	(72)	(72)
December 31, 2018		**223**	**77,460**	**(33,617)**	**17,530**	**61,596**

[1] Accounts restated in accordance with the first-time application of IFRS 15 - Revenue from Contracts with Customers using the full retrospective transition method (see Note 2.1).

[2] Treasury shares at December 31, 2018 amounted to €369 thousand compared to €297 thousand at December 31, 2017, or an increase of €72 thousand.

Notes to the financial statements

1. Company information

1.1. Company information

Inventiva S.A. ("Inventiva" or the "Company") is a clinical stage biopharmaceutical company focused on the development of oral small molecule therapies for the treatment of diseases with significant unmet medical need in the areas of fibrosis, lysosomal storage disorders and oncology.

The Company is developing its most advanced product candidate, lanifibranor, for the treatment of patients with non-alcoholic steatohepatitis, or NASH, a disease for which there are currently no approved therapies. The Company is currently conducting Phase IIb clinical trials of lanifibranor in patients with NASH and plans to report data in the first half of 2020.

The Company's second clinical-stage asset is odiparcil, which it is developing for the treatment of patients with mucopolysaccharidoses, or MPS. The Company is currently investigating odiparcil in a Phase IIa clinical trial for the treatment of adult patients with the MPS VI subtype. The Company expects to report data in the second half of 2019, and, if positive, it plans to initiate Phase III clinical development of odiparcil for the treatment of MPS VI in 2021.

The Company's pipeline is backed by a discovery engine with an extensive library of proprietary molecules, a wholly owned research and development facility and a team with significant expertise and experience in the development of compounds that target nuclear receptors, transcription factors and epigenetic modulation.

Using these assets and this expertise, it has built a discovery engine focused on small molecule compounds that target nuclear receptors, transcription factors and epigenetic modulation. It is leveraging this discovery engine to identify and develop compounds addressing a wide range of indications.

It also has advanced pre-clinical programs for the treatment of autoimmune diseases and idiopathic pulmonary fibrosis, or IPF, in collaboration with AbbVie Inc., or AbbVie, and Boehringer Ingelheim International GmbH, or BI, respectively. AbbVie is currently investigating ABBV-157, which is a clinical development candidate resulting from the collaboration, in a Phase I clinical trial for the treatment of moderate to severe psoriasis.

Inventiva's ordinary shares have been listed on the Euronext Paris regulated market since February 2017.

1.2. Significant events

Incorporation of the Company

The Company was founded on October 27, 2011 and following a period of organization, operations began on August 27, 2012.

As part of the launch of the Company's operations on the same date, an asset purchase agreement (APA) was signed with Abbott Laboratories (Abbott), pursuant to which the Company acquired the following principal 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 with a value of €1. The total acquisition cost of the assets amounted to €8.4 million and reflected the net fair value of the purchased items and liabilities assumed.

Under the terms of the APA, the Company was immediately paid €8.4 million by Abbott to offset the cost of the acquisition of the assets described above.

Furthermore, the APA provided for additional quarterly payments to the Company in an aggregate amount of €96 million over a five-year period, subject to certain conditions.

In accordance with International Financial Reporting Standard (IFRS) 3 (revised) - Business Combinations, the transaction under the APA 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 the IFRS, the Company acquired a business whose net assets represent a fair value of €8.4 million corresponding to the purchased assets described above, less the amount of liabilities assumed. In return, the Company was eligible to receive a series of payments over a period of five years in a total amount of €96.0 million subject to contractual conditions: (i) continuation of the research activity at Daix, France, under the terms set by the APA, (ii) use of funds in accordance with the terms set by the APA, and (iii) retention of certain employees for three years from the date of the APA.

As the payments are spread over time, the fair value of the consideration 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 (loss) 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.

The 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. The last quarterly payment for €6.2 million was received in April 2017.

Negative goodwill of €102.5 million was recorded in the statement of income (loss) for the period ended December 31, 2012. The unwinding of the receivable is recognized in financial income. The recognition of negative goodwill in 2012 also generated a deferred tax liability of €28.7 million recorded in 2012 and gradually written down over subsequent periods.

The main impacts on the statement of income (loss) and the statement of cash flows of the business combination over time have been summarized in the tables below. The amounts detailed below only include proceeds from Abbott (totaling €104.4 million) before the disbursement of €8.4 million in accordance with the APA for the acquisition of the operations on August 27, 2012.

In thousands of euros	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Statement of income (loss) impact						
Negative goodwill	102,535	-	-	-	-	-
Unwinding of accrued receivables	275	674	489	305	127	9
Deferred tax liabilities	(28,676)	6,514	6,451	6,619	6,072	3,027
Statement of income (loss) – total impact	**74,134**	**7,187**	**6,940**	**6,924**	**6,199**	**3,036**
Cash flows impacts						
Proceeds received on business combination	14,511	-	-	-		
Deferred proceeds	6,143	20,022	19,897	20,229	17,426	6,185
Statement of cash flows – total impact	**20,654**	**20,022**	**19,897**	**20,229**	**17,426**	**6,185**

Capital increase

Euronext IPO

In February 2017, Inventiva completed its initial public offering (IPO) on Euronext Paris by way of an open price offering (OPO) and a global placement. As part of the IPO, Inventiva offered a total of 5,706,577 ordinary shares, representing 36% of its share capital, for gross proceeds of €48.5 million by means of a capital increase after partial exercise (357,122 shares) of the increase option and partial exercise (55,337 shares) of the over-allotment option.

The funds, net of banking fees of €2.6 million, were received in parts on February 16, 2017 and March 16, 2017 (over-allotment option).

The final price of the OPO was set at €8.50 per share.

Trading on Compartment C of Euronext Paris began on February 15, 2017.

During the year ended December 31, 2017 the Company incurred transaction costs of €4.0 million related to both the IPO and the capital increase.

Prior to 2017, the Company started incurring transaction costs related to both the IPO and the capital increase, amounting to €2.2 million. A portion of these costs, €0.6 million, were deferred and reported in prepaid expenses under other receivables in the assets section of the statement of financial position. They were deducted from shareholders' equity once the capital increase was completed.

These transaction costs had the following impacts on the financial statements for the year ended December 31, 2017:

- Transaction costs directly attributable to the capital increase have been accounted for as a deduction from the issue premium in an amount of €3.9 million.

- Other transaction costs not directly attributable to the capital increase (but attributable to the IPO) were recorded as other operating expenses in the statement of income in an amount of €0.7 million.

The above amounts include transaction costs relating to both the IPO and the capital increase, which have been allocated between the two transactions based on a ratio corresponding to the number of shares issued as part of the capital increase divided by the number of shares existing before the transaction.

April 2018 private placement

On April 17, 2018, Inventiva announced the successful completion of a capital increase without pre-emptive subscription rights for a category of beneficiaries.

Under the definitive terms of the capital increase which were set by the Board of Directors on March 12, 2018, a total of 5,572,500 new ordinary shares were issued at a per share price of €6.37 (par value of €0.01 plus an issue premium of €6.36), thereby enabling the Company to raise €32.4 million (net of transaction costs).

The settlement-delivery of the new shares took place on April 17, 2018 in a total gross amount of €35.5 million. The new shares were admitted to trading on Euronext Paris on the same date.

As part of the capital increase, the Company incurred transaction costs of €3.1 million in 2018, comprising compensation to financial intermediaries and legal and administrative fees. The costs are recognized as a deduction from premiums related to share capital within equity.

Research and development agreement with AbbVie

In August 2012, the Company entered into a master research service agreement (MRSA) with AbbVie specifying the conditions under which the Company would perform services on behalf of AbbVie in accordance with statements of work agreed upon between the parties.

The 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 Collaboration"), AbbVie agreed to pay an annual base fee of around €3.0 million (adjustable for inflation) over a five-year period and any other additional amounts included in each statement of work.

The AbbVie collaboration was signed for an initial period of five years. After being extended for one additional year in August 2017 with respect to the RORγ program, and for one additional year in March 2018 with respect to a different program, the AbbVie Collaboration will terminate in March 2019.

Under the terms of the APA, AbbVie is the sole holder of the intellectual property rights arising from the collaboration.

Under the AbbVie collaboration, the Company and AbbVie have signed several statements of work, one of which pertained to the RORγ project. 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 of any approved products.

For the year ended December 31, 2018, the AbbVie collaboration generated €0.9 million of revenue, or 26.8% of the Company's revenue, compared to €2.7 million, or 56.3% of the Company's revenue, for the year ended December 31, 2017.

Research and development agreement with Boehringer Ingelheim

In May 2016, the Company signed a Research Collaboration and License Agreement (the "BI Agreement") with BI. The aim of this agreement is to apply Inventiva's technology and know-how to the development of new treatments for IPF and other fibrotic diseases.

Under the BI Agreement, Inventiva is responsible for validating a novel target with the objective of developing an innovative approach for the treatment of IPF. Prior to the selection of a development candidate, the research program is conducted under the direction of a joint steering committee led by BI. BI will then be responsible for the pre-clinical and clinical development phases and the commercialization of the drug candidate. The Company has determined that the BI agreement falls within the scope of IFRS 15 as BI receives, in exchange for payments, research services and licenses which are outputs of Inventiva's ordinary activities.

In return for its research services, Inventiva is entitled to the following payments under the terms of the BI Agreement:

- An upfront €0.5 million payment (received in May 2016).
- Quarterly payments corresponding to the compensation of the researchers assigned to the program, based on the number of full-time equivalents (FTEs).
- Additional payments in the event that BI exercises the option to extend the Agreement beyond Phases I and II.
- Technical and commercial milestone payments, representing the most significant potential future revenue from the Agreement.

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

The revenue from the agreement with BI recognized during 2017 in an amount of €1.3 million corresponds to the following:

- Compensation for FTEs: Revenue of €0.8 million, corresponding to compensation for FTEs assigned to the research program for the year.
- Milestone payment following the therapeutic option exercised by BI (see. Above): €0.5 million of the €2.5 million was recognized in 2017 based on the stage of completion of the BI Agreement.

The revenue from the agreement with BI recognized during 2018 in an amount of €1.0 million corresponds to the following:

- Compensation for FTEs: Revenue of €0.8 million, corresponding to compensation for FTEs assigned to the research program for the year.
- Milestone payment: €0.2 million of this amount was recognized in 2018 revenue based on the stage of completion of the BI Agreement.

For the financial years ended December 31, 2018 and December 31, 2017, the BI Agreement represented 31.8% and 27.0%, respectively, of the Company's revenue.

AGA free share award plans

On April 18, 2017, the Company's Board of Directors approved two free share award plans for certain Company employees:

- 92,300 free shares (AGA 2017-1), of which (i) 10,000 not granted and (ii) 4,800 have been forfeited;
- 70,000 free shares (AGA 2017-2), of which (i) 10,000 not granted and (ii) 60,000 vested from April 18, 2018;

The plans have the following characteristics:

- two-year vesting period for AGA 2017-1 shares (until April 18, 2019);
- a one-year vesting period for AGA 2017-2 shares (until April 18, 2018);
- a one-year lock-up period;
- a service condition; and
- no performance conditions.

The fair value of Inventiva free shares corresponds to the Inventiva share price. At the award date, the fair value of each free share was estimated at €7.04.

On January 26, 2018, the Company’s Board of Directors approved two AGA free share award plans for certain Company employees:

- 10,000 AGA free shares (AGA 2018-1), fully vested January 26, 2019; and
- 65,700 free shares (AGA 2018-2).

These plans have the same characteristics as those approved by the Company’s Board of Directors on April 18, 2017:

- a one-year vesting period for AGA 2018-1 shares (until January 26, 2019);
- a two-year vesting period for AGA 2018-2 shares (until January 26, 2020);
- a one-year lock-up period;
- a service condition; and
- no performance conditions.

The fair value of Inventiva AGA free shares corresponds to the Inventiva share price. At the award date, the fair value for AGA 2018-1 and AGA 2018-2 free shares was estimated at €5.54.

On December 14, 2018, the Company's Board of Directors approved a third AGA free share award plan comprising 265,700 free shares (AGA 2018-3) for 88 Company employees.

The plan has the following characteristics:

- a two-year vesting period;
- a one-year lock-up period;
- A service condition; and
- no performance conditions.

The fair value of Inventiva free shares corresponds to the Inventiva share price. At the award date, the fair value for AGA 2018-3 free shares was estimated at €6.05.

Movements of awarded AGA free shares as well as the accounting impact of share-based payments are described in Note 10.4 *Free share award plans*.

BSA share warrants plans

On May 29, 2017, the Company's Board of Directors allotted 195,000 BSA share warrants (BSA 2017) to Board members, of which 20,000 have forfeited upon leaving of one members of the Board. BSA 2017 share warrants are share subscription options with no performance conditions attached. The plan is divided into three tranches with one-, two- and three-year vesting periods.

On May 29, 2017, the fair value of the BSA share warrants was estimated using the Black-Scholes model based on the following assumptions:

- value of the underlying asset at May 29, 2017;
- volatility observed in two samples of comparable listed companies.
- economic life (middle of exercise period).

At the award date, the fair value of each BSA share warrant was estimated at €2.47.

BSA 2017 share warrants are exercisable until May 29, 2027, after which they will be forfeited. The exercise price of the BSA share warrants is fixed at €6.675 per share. 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.

On December 14, 2018, the Company's Board of Directors granted 126,000 share warrants (BSA 2018) to Company advisers or their partners as follows:

- 36,000 share warrants to David Nikodem;
- 10,000 share warrants to JPG Healthcare LLC; and
- 80,000 share warrants to ISLS Consulting, a company owned by Jean-Louis Junien, a director of the Company.

BSA 2018 share warrants are share subscription options with no performance conditions attached. The plan concerns three beneficiaries, for two of these, it comprises tranches with vesting periods of between one and three years, and for the third beneficiary, the BSA fully vested on November 8, 2019. Once they vest, the share warrants may be exercised through December 14, 2028.

The fair value of BSA 2018 share warrants is estimated at €1.98.

Movements in BSA share warrants as well as the accounting impact of share-based payments are described in Note 10.3 *Share warrant plans*.

Tax audit

The Company received the findings of the tax audit in respect of the period from January 1, 2013 to December 31, 2015. It disputes the findings and therefore held discussions with the French tax authorities throughout 2018. At the date these financial statements were approved, the discussions are ongoing.

A description of the checks performed and their impact on the financial statements is provided in Note 13 *Provisions*.

2. Statement of compliance

In addition to its financial statements prepared in accordance with French generally accepted accounting principles (GAAP), the Company, having neither subsidiaries nor equity investments, has voluntarily prepared financial statements in accordance with IFRS as adopted by the European Union.

Financial statements have been prepared in accordance with IFRS for every financial period since the Company was founded (i.e., the period ended December 31, 2012) in order to present accounting data which are comparable with the majority of the companies, particularly listed companies, in its business sector.

The Company financial statements prepared in accordance with IFRS and presented in this set of accounts cover the years ended December 31, 2017, and December 31, 2018. They were approved by the Company's Board of Directors on February 25, 2019.

They are presented in addition to the Company's statutory financial statements prepared in accordance with French GAAP.

Financial reporting guidelines are available on the European Commission's website at http://ec.europa.eu/finance/accounting/ias/index_en.htm. They include the standards approved by the International Accounting Standards Board (IASB), i.e., International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee interpretations (IFRS IC).

Standards, amendments to existing standards and interpretations published by the IASB whose application has been mandatory since January 1, 2018

- IFRS 15 - Revenue from Contracts with Customers, which replaces IAS 18 - Revenue and IAS 11 - Construction Contracts for reporting periods beginning on or after January 1, 2018, 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.

  The detailed impacts of first-time adoption of this standard are presented in Note 2.1 *Impact of the first-time adoption of IFRS 15*.

- 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.

  The detailed impacts of first-time adoption of this standard are presented in Note 2.2 *Impact of the first-time adoption of IFRS 9*.

Standards, amendments to existing standards and interpretations published by the IASB whose application is not yet mandatory

- IFRS 16 - Leases replaces IAS 17 - Leases for periods beginning on or after January 1, 2019. It sets out the principles for the recognition and measurement of leases as well as the disclosures to be provided in the notes 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, for each lease agreement, an asset and a liability in the balance sheet, and (ii) the depreciation of lease assets separately from interest on lease liabilities in the income statement. The standard nonetheless provides for exemptions for short-term leases with a term of 12 months or less and leases of low-value assets. At December 31, 2018, the Company only leased the following assets: a nitrogen tank, several photocopiers, two vehicles and, since 2018, a fibroscan machine and an office in Paris. The Company is also a lessor under the terms of three contracts (see Note 23 *Off-balance sheet commitments*). It is currently completing its analysis that will enable it to accurately measure the impacts of the application of IFRS 16; however, it does not expect these impacts to be for material amounts.

2.1. Impact of the first-time adoption of IFRS 15

▶ General principles

Inventiva has applied IFRS 15 – Revenue from Contracts with Customers since January 1, 2018

In its interim financial information as of and for the six months ended June 30, 2018, Inventiva applied IFRS 15 using the simplified transition method (with no practical expedient), resulting in a first-time application of the standard as of its effective date (i.e., from January 1, 2018). For its 2018 annual financial statements, the Company has modified its transition method and adopted IFRS 15 using the full retrospective transition method. Consequently, the comparative information presented has been restated for the impact of the application of IFRS 15 (i.e., as if the standard had always been applied by the Company), enabling the Company to improve comparability and facilitate the presentation of its activities year-on-year.

In order to determine the impact of the application of IFRS 15, the Company performed a detailed analysis of its main contracts with customers and their accounting treatment based on IFRS 15 revenue recognition criteria. It identified one major impact for its financial statements, relating to the revenue recognition pattern for the following elements:

- under IAS 18, technical milestone payments were recognized immediately in revenue upon receipt. Under IFRS 15, they are recognized based on the stage of completion of the project as soon as their receipt is highly probable.

The total revenue generated by the Company's contracts and the related cash flows will remain unchanged. Only the pattern of recognition of that revenue over the contract term will change.

▶ Impact on the Company's financial statements

The impacts on the balance sheet at January 1, 2017 are presented below:

In thousands of euros	At January 1, 2017			
	Reported	**Impact of IFRS 15**	**Reclassification**	**IFRS 15 restated**
Total assets	**48,860**	**130**	**-**	**48,989**
Total non-current assets	**7,611**	**130**	**-**	**7,742**
o/w Deferred tax assets	195	130	-	325
Total current assets	**41,248**	**-**	**-**	**41,248**
Total shareholders' equity	**35,723**	**(261)**	**-**	**35,462**
Total liabilities	**13,137**	**390**	**-**	**13,527**
Total non-current liabilities	**4,536**	**97**	**-**	**4,633**
o/w Long-term contract liabilities	-	97	-	97
Total current liabilities	**8,601**	**293**	**-**	**8,894**
o/w Short-term contract liabilities	-	293	167	461
o/w Other current liabilities	4,091	-	(167)	3,923

The comparison required by IFRS 15 between the financial statements for the comparable period (financial year ended December 31, 2017) under IFRS 15 and under the former standard IAS 18 is presented in the table below:

In thousands of euros	Year ended December 31, 2017		
	Reported	**Impact of IFRS 15**	**IFRS 15 restated**
Revenues	**6.521**	**(1,723)**	**4.797**
Operating profit (loss)	**(20,916)**	**(1,723)**	**(22,639)**
Income tax	3,409	(130)	3,278
Net loss for the period	**(17,229)**	**(1,854)**	**(19,083)**

(in thousands of euros)	At December 31, 2017			
	Reported	**Impact of IFRS 15**	**Reclassifications**	**IFRS 15 restated**
Total shareholders' equity	**64,009**	**(2,114)**	**-**	**61,895**
Total liabilities	**10,358**	**2,114**	**-**	**12,472**
Total non-current liabilities	**1.563**	**1,896**	**-**	**3.460**
o/w Long-term contract liabilities	-	1,896	-	1,896
Total current liabilities	**8,795**	**218**	**-**	**9,013**
o/w Short-term contract liabilities	-	218	593	811
o/w Other current liabilities	3,151	-	(593)	2,558

The impacts reflect the elements described under *General principles* above.

▶ **Accounting treatment of the main contracts with customers**

Accounting treatment of the research, discovery and licensing partnership with Boehringer Ingelheim

According to the terms of the partnership, Inventiva and Boehringer Ingelheim will conduct a joint research program with an initial duration of 72 months ending May 2, 2022. The research program is governed by a Joint Steering Committee which is controlled by BI. Boehringer Ingelheim will thereafter be solely responsible for the subsequent development and marketing phases.

The contract can be analyzed as a research and development services contract, whose aim is to issue licenses for new compound therapies discovered as part of the joint research program.

Accordingly, the Company identifies a single performance obligation that will be satisfied as and when the Company performs its portion of the agreement, based on the hours spent by researchers allocated to the project.

In return for its involvement in the joint research program, Inventiva will receive:

- an initial payment at the time of signing the partnership;
- a research grant based on a set number of researchers allocated to the project ("research funding"), paid quarterly;
- milestone payments based on the progress of the research and development program or the achievement of the regulatory and commercial milestones; and
- royalties on sales during the marketing phase of products arising from the partnership.

The milestone payments (which are deemed to be variable payments) will be included in the transaction price as soon as their receipt is highly probable, which will result in an upward revision of the contract price and a cumulative adjustment to income in the income statement. Consequently, revenue will be "spread" over the duration of the partnership, based on the work still to be performed by the Company.

Royalties on sales will be recognized as and when they become highly probable, i.e. usually when sales are made.

Accounting treatment of service agreement with Enyo Pharma

The aim of the service agreement between the Company and Enyo Pharma is for Inventiva to implement virtual screening of a molecule chemical library. The terms of the agreement provide for two main phases:

- Phase 1: preparation, development and preservation of a library of composites. This was completed in the second half of 2017; and
- Phase 2: development of molecules with a strong potential to become drugs. The implementation of the second phase was confirmed by Enyo Pharma in the fourth quarter of 2017 and began on April 1, 2018 for a period of one year. The Company will receive a fixed fee of €1.4 million.

As the implementation of the second phase was conditional on the successful completion of the first phase, the second phase can be analyzed as a separate performance obligation that will be satisfied over time. The related revenue will therefore be recognized over time based on the time spent by researchers and scientists.

Accounting treatment of the research agreement with AbbVie

The services agreement entered into between the Company and AbbVie in August 2012 expired on August 27, 2017. It was extended for a further period of one year to allow the Company to carry out

additional work, chiefly in relation to the RORγ project. The Company received an additional €900,000 from AbbVie, corresponding to the separate sales price for the additional services promised.

The amendment to the initial agreement is deemed to be a new performance obligation within the meaning of IFRS 15. It will be satisfied as and when the researchers and scientists perform the research and development work.

► **Impacts on the Company's accounting policies and methods**

The revenue recognition accounting policies described in the financial statements for the year ended December 31, 2017 have been amended. The Company has applied the updated policies since January 1, 2018. Note 2.2.20 – Revenue, has been updated and is presented in Note 3.15.

2.2. Impact of the first-time adoption of IFRS 9

► **General principles**

Inventiva has applied IFRS 9 since January 1, 2018.

Financial assets

Under IFRS 9, the names of the financial asset categories under which non-derivative financial assets are classified have been amended. However, the new standard had no impact on the measurement of non-derivative financial assets, which are still measured at either fair value or amortized cost.

The measurement models used by Inventiva remain unchanged.

Financial liabilities

Similarly,IFRS 9 had no impact on the measurement of the financial liabilities held by Inventiva.

Inventiva does not hold any derivative or hedging financial instruments.

Consequently, the application of IFRS 9 had no impact on the Company's financial statements, with the exception of an amendment to Note 17 – Financial assets and liabilities – to reflect the changes to the names of the financial asset categories described above.

► **Impacts on the Company's accounting policies and methods**

The accounting policies for financial assets presented in the financial statements for the year ended December 31, 2017 have been amended. Note 2.2.7 *Available-for-sale assets* has been deleted and Note 2.2.11 Trade and other receivables has been updated and is presented in Note 3.6 *Trade receivables*.

3. Accounting policies and methods

The principal accounting policies applied in the preparation of the financial statements are described below. Unless otherwise specified, the same policies have been consistently applied for all periods presented.

3.1. Intangible assets

In accordance with IAS 38 *Intangible Assets*, research costs are recognized in the statement of income (loss) in the period during which they are incurred.

An internally generated intangible asset arising from a research program is recognized if, and only if, the Company can demonstrate all of the following:

- the technical feasibility of necessary to complete the research program;
- the intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the research program.
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Given the risks and uncertainties involved in regulatory approval and in the process of research and development, the Company considers that the six criteria set out in IAS 38 are met only upon obtaining market authorization for a future product candidate. Consequently, all research and development costs are charged directly to expenses.

Intangible assets comprise:

- The cost of acquiring software licenses. They are written down over a period of between one and five years based on their expected useful life.
- The library of compounds acquired pursuant the APA together with additional chemical components acquired subsequently, written down over a 13-year period corresponding to their estimated useful life.

3.2. Property, plant and equipment

Property, plant and equipment are stated at cost.

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 on an annual basis. Any material adjustments are reflected prospectively in the depreciation schedule.

The principal 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

3.3. Other non-current assets

Other non-current assets include long-term deposit accounts that do not qualify as cash equivalents within the meaning of IAS 7 – Statement of Cash Flows.

3.4. Impairment of non-financial assets

IAS 36 – Impairment of Assets requires that depreciated and amortized assets 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.

3.5. 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 other operating income (loss).

3.6. Trade receivables

Trade receivables are measured at nominal value, which generally equate with the fair value of the consideration to be received, net of impairment where applicable.

3.7. Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits and other short-term highly liquid investments with maturities of three months or less and subject to an insignificant risk of changes in value.

Monetary Undertakings for Collective Investments in Transferable Securities (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; and
- are subject to an insignificant risk of decrease in value.

Bank overdrafts are recorded in liabilities in the statement of financial position under short-term debt.

3.8. Share capital

Ordinary shares are classified in shareholders’ equity.

3.9. Share-based payments

At the Company's inception, the Company put in place a compensation plan settled in equity instruments in the form of share warrants awarded to employees (Bons de souscription de parts de créateur d'entreprise, BSPCE or BSPCE share warrants) and to a non-employee (Bons de souscription d'actions, BSA or BSA share warrants), and free share award to employees (Attribution gratuite d'actions, AGA or AGA free share award). In 2018, three free share award plans and one BSA share warrant plan were also set up. Details of these plans are provided in Note 10 *Shareholders' equity*.

In accordance with IFRS 2 *Share-based Payment*, the cost of transactions settled in equity instruments is recognized in expenses, offset by increases in equity, in the period in which the benefit is granted to the employee or non-employee. The values of BSPCE, BSA and AGA have been determined with the assistance of an independent expert

Before the admission of the Company on the Euronext listing, the value of the share warrants has been determined 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.

Since the Company is a listed company, the value of the share warrants has been determined with the assistance of an independent expert using the Black & Scholes model based on the value of the underlying asset at grant date (stock price), the volatility observed in a sample of comparable listed companies and the economic life of the related share warrant.

The measurement of the fair value of options incorporates the vesting conditions as described in Note 1.2 *Significant events*, Note 10.3 *Share award plans* and Note 10.4 *Free share award plans*.

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.

3.10. 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 statement of income (loss) 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.

3.11. Trade payables

Trade 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.

3.12. Current and deferred tax

Tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the French tax authorities, using tax rates and tax laws enacted or substantively enacted at the end of the reporting period.

The income tax charge for the period comprises current tax due and the deferred tax charge. The tax expense is recognized in the statement of income (loss) 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 statement of financial position date. The Company regularly evaluates the policies it adopts where applicable tax laws for the preparation of its tax returns are open to interpretation. Provisions are made when appropriate on the basis of amounts expected to be payable to the French tax authorities.

Research tax credit

The research tax credits (*crédit d'impôt recherche*, or CIR) is granted by the French government to encourage technical and scientific research. Companies which provide evidence of costs that meets the required criteria (research spending in France or, since January 1, 2005, in the European Union or in another member state of the European Economic Area that has signed a tax treaty with France containing an administrative assistance clause) are eligible for tax credits which may be used to offset the payment of income tax due during the period in which the cost is incurred or during the following three reporting periods ; provided, that companies may receive cash reimbursement for any excess portion.

Only those companies meeting the EU definition of a small or medium sized entity ("SME") are eligible for payment in cash of their CIR (to the extent not used to offset corporate taxes payable) in the year following the request for reimbursement. Inventiva believes that it meets the EU definition of an SME and therefore should continue to be eligible for prepayment.

The CIR receivable is recorded in the "Tax receivables" line of the statement of financial position.

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 basis 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, unused tax losses or unused tax credits 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.

3.13. 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 lump sum payments upon retirements which are expensed in the period in which the employees provide the corresponding service.

The liability recorded in the statement of financial position 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 statement of financial position 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 to the statement of income (loss).

The net expense in respect of defined benefit obligations recognized in the statement of income (loss) 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. 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.

3.14. 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.

3.15. Revenue

Revenue is recognized in accordance with IFRS 15 - Revenue from Contracts with Customers, which is mandatorily applicable for reporting periods beginning on or after January 1, 2018.

At present, Inventiva's revenue is generated mainly under its agreements with AbbVie and BI.

Collaboration agreements and licenses

The contracts are analyzed as research and development services contracts. Any licenses that result from the collaborations are therefore not deemed to be separate performance obligations.

The performance obligations contained in the contracts are deemed to be satisfied as and when the Company expends efforts (e.g., incurs costs or spends time).

In return for the efforts expended, the Company receives fixed payments (such as lump-sum payments) and variable payments (such as milestone payments or royalties on sales of any future approved products).

Fixed payments for R&D expenditure, which primarily consist of rebilled payroll expenditure, are recognized over time based on the Company’s efforts or inputs to the satisfaction of a performance obligation (costs incurred or hours expended).

Milestone payments obtained following the achievement of specific milestones (e.g., scientific results or regulatory or commercial approvals) are deemed to be variable payments and are included in the contract price as soon as their receipt is highly probable, resulting in an upward revision of the contract price and a cumulative adjustment to income in the statement of income (loss).

Revenue from royalties corresponds to Inventiva’s contractual entitlement to receive a percentage of the future product sales achieved by its counterparties. Such royalties are recognized as and when sales are made.

Rendering of services

The Company provides short-term research services to a range of customers and the related revenues are recognized over time based on time incurred.

3.16. Other income

CIR

Inventiva has been eligible for CIR since inception (see Note 3.12 *Current and deferred tax* for additional details about the eligibility requirements for CIR).

The CIR is recognized in *Other income* during the reporting period in which the eligible expenditure is incurred.

Subsidies

The Company receives subsidies from several public bodies. The subsidies are related to net income and granted to compensate for incurred expenses. They are therefore recognized in net income as other income for the period in which it becomes reasonably certain that they will be received.

3.17. Financial income and expenses

Financial income

Financial income includes:

- the *Income from cash and cash equivalents* line, which includes income from short-term investments remeasured at fair value at the end of each reporting period;
- foreign exchange gains;
- discounting gains; and
- other financial income.

Financial expenses

Financial expenses primarily include:

- interest cost.
- foreign exchange losses.
- discounting losses; and
- other financial expenses.

3.18. Other operating income (expenses)

Other operating income (expenses) are disclosed separately in the statement of income (loss). This line includes exceptional events over the period that could mislead users of financial statements in their understanding of the Company's performance if they were presented along with recurring income and expenses. Other operating income (expenses) include infrequent income and expenses for material amounts that the Company discloses separately on the face of the statement of income (loss) to facilitate understanding of operating performance (see Note 20 *Other operating income (expenses)*).

Disposals of non-current assets

Income from the disposal of non-current assets during the period is recognized in *Other operating income (expenses)*.

3.19. Fair value measurement

In the table below, financial instruments are measured at fair value according to a hierarchy comprising three levels of valuation inputs:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The table below presents the financial assets and liabilities of the Company measured at fair value at December 31, 2018:

December 31, 2018 - *in thousands of euros*	**Level 1**	**Level 2**	**Level 3**
Assets			
Financial assets at fair value through profit or loss			
Monetary UCITS	-	-	-
Financial assets carried at amortized cost			
Long-term deposit accounts	108	-	-
Total assets	**108**	**-**	**-**
Liabilities	-	-	-
Total liabilities	**-**	**-**	**-**

The table below presents the financial assets and liabilities of the Company measured at fair value at December 31, 2017:

December 31, 2017 - *in thousands of euros*	**Level 1**	**Level 2**	**Level 3**
Assets			
Financial assets at fair value through profit or loss			
Monetary UCITS	5,046	-	-
Loans and receivables			
Long-term deposit accounts	239	-	-
Total assets	**5,284**	**-**	**-**
Liabilities		-	-
Total liabilities	**-**	**-**	**-**

All UCITS (presented above under *Financial assets at fair value through profit of loss*) have been classified in cash and cash equivalents at December 31, 2017.

3.20. 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.

3.21. Segment information

The assessment of the entity's performance and the decisions about resources to be allocated are made by the chief operating decision maker, based on the management reporting system of the entity.

Only one operating segment arises from the management reporting system: service delivery and clinical stage research, notably into therapies in the areas of oncology, fibrosis and rare diseases. Thus, the entity's performance is assessed at the Company level.

All the Company's operations, assets, liabilities and losses are located in France.

3.22. 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 the APA. The APA is described in Note 1.2 *Significant events* and has been subject to a specific review in light of the measurement and recognition criteria set out in IFRS 3 (revised) – *Business Combinations*. Note 1.2 *Significant events* provides details of the judgments applied by the Company that led to the recognition of negative goodwill in the period ended December 31, 2012.

Revenue

- *Allocation of transaction price to performance obligations*-A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. To determine the proper revenue recognition method, the Company evaluates whether the contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment; some of the Company's contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. For contracts with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract.

- *Variable consideration*-Due to the nature of the work required to be performed on many of the Company's performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for the collaboration agreements to contain variable consideration that can increase the transaction price. Variability in the transaction price arises primarily due to milestone payments obtained following the achievement of specific milestones (e.g., scientific results or regulatory or

commercial approvals). The Company includes the related amounts in the transaction price as soon as their receipt is highly probable. The effect of the increase of the transaction price due to milestones payments is recognized as an adjustment to revenue on a cumulative catch up basis.

- *Revenue recognized over time and input method*-The Company's performance obligations are satisfied over time as work progresses or at a point in time. For the collaboration agreements, because services are rendered over time, revenue is recognized based on the extent of progress towards completion of the performance obligation, using an input measure of progress as it best depicts the transfer of control to the customers. Under the Company's input measure of progress, the extent of progress towards completion is measured based on the ratio of days expended to date to the total estimated days at completion of the performance obligation.

Provision for tax audit

The Company calculated the provision for the tax audit of the period from January 1, 2013 to December 31, 2015 based on an estimate of the related risk. The provision represents the best estimate of the amount required to settle any amounts owed to the French tax authorities at the end of the reporting period (see Note 13 *Provisions*).

CIR

Changes in the amount of the CIR are based on the Company's internal and external expenditure in 2017 and 2018. Only eligible research expenses may be included when calculating the CIR.

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.

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 14 *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.

4. Intangible assets

In thousands of euros	January 1, 2018	Increases	Disposals	December 31, 2018
Library of compounds	2,142	-	-	2,142
Software	1,398	106	-	1,504
Intangible assets, gross	**3,540**	**106**	**-**	**3,645**
Amortization and impairment of library of compounds	(828)	(165)	-	(993)
Amortization and impairment of software	(906)	(204)	-	(1,110)
Amortization and impairment	**(1,733)**	**(369)**	**-**	**(2,103)**
Intangible assets, net	**1,806**	**(264)**	**-**	**1,543**

Changes during the period mainly correspond to amortization charges of €369 thousand and acquisitions (chiefly related to software) in an amount of €106 thousand.

In thousands of euros	January 1, 2017 *restated*	Increases	Disposals	December 31, 2017 *restated*
Library of compounds	2,142	-	-	2,142
Software	1,290	108	-	1,398
Intangible assets, gross	**3,432**	**108**	**-**	**3,594**
Amortization and impairment of library of compounds	(663)	(165)	-	(828)
Amortization and impairment of software	(696)	(210)	-	(906)
Amortization and impairment	**(1,359)**	**(375)**	**-**	**(1,733)**
Intangible assets, net	**2,073**	**(267)**	**-**	**1,806**

In the absence of any indication of a loss of value, no impairment tests have been performed on amortizable intangible assets.

5. Property, plant and equipment

In thousands of euros	January 1, 2018	Acquisitions	Disposals	Reclassifications	December 31, 2018
Land	172	-	-	-	172
Buildings	3,407	-	-	-	3,407
Technical facilities, equipment and tooling	4,267	334	-	75	4,677
Other property, plant and equipment	1,023	58	-	-	1,081
Property, plant and equipment in progress	67	51	-	(75)	43
Property, plant and equipment, gross	**8,937**	**443**	**-**	**-**	**9,380**
Depreciation and impairment of buildings	(1,144)	(202)	-	-	(1,346)
Depreciation and impairment of technical facilities, equipment and tooling	(2,608)	(391)	-	-	(2,999)
Depreciation and impairment of other property, plant and equipment	(668)	(105)	-	-	(774)
Depreciation and impairment	**(4,421)**	**(698)**	**-**	**-**	**(5,119)**
Property, plant and equipment, net	**4,516**	**(255)**	**-**	**-**	**4,261**

Changes during the period mainly correspond to depreciation charges of €698 thousand and acquisitions of €443 thousand (chiefly related to research equipment).

In thousands of euros	**January 1, 2017** *restated*	**Increases**	**Disposals**	**Reclassifications**	**December 31, 2017** *restated*
Land	172	-	-	-	172
Buildings	3,457	-	(50)	-	3,407
Technical facilities, equipment and tooling	4,198	92	(22)	-	4,627
Other property, plant and equipment	875	162	(13)	-	1,023
Property, plant and equipment in progress	3	67	-	(3)	67
Property, plant and equipment, gross	**8,705**	**321**	**(86)**	**(3)**	**8,937**
Depreciation and impairment of buildings	(960)	(208)	23	-	(1,144)
Depreciation and impairment of technical facilities, equipment and tooling	(2,237)	(392)	20	-	(2,608)
Depreciation and impairment of other property, plant and equipment	(551)	(131)	13	-	(668)
Deprectiation and impairment	**(3,747)**	**(730)**	**57**	**-**	**(4,421)**
Property, plant and equipment, net	**4,958**	**(410)**	**(29)**	**(3)**	**4,516**

In the absence of any indication of a loss of value, no impairment tests have been performed on property, plant and equipment.

6. Other non-current assets

In thousands of euros	**December 31, 2018**	**December 31, 2017** *restated*
Non-current accrued income	1,932	-
Long-term deposit accounts	108	239
Tax loss carry back	333	333
Other non-current assets	**2,374**	**572**

The increase of €1,932 thousand in accrued income is entirely due to the recognition of accrued receivables from the Abbott group following the tax audit of the 2013, 2014 and 2015 fiscal years (see Note 13 *Provisions*).

Long-term deposit accounts correspond to the pledge of a gradual rate deposit account with a balance of €101 thousand as collateral for the €254 thousand loan from Société Générale agreed in July 2015.

The €130 thousand decrease reflects the release of the pledge of a deposit account with a balance of €135 thousand given as collateral for the €178 thousand loan from CIC-Lyonnaise de Banque agreed in May 2015.

The tax loss carry back corresponds to the tax credit resulting from the tax loss carry back recognized by the Company at December 31, 2017 and recoverable after five years if not used by the Company to pay income tax within that period.

7. Inventories

In thousands of euros	December 31, 2018	December 31, 2017 *restated*
Laboratory inventories	443	473
Inventories write-down	(33)	-
Total inventories	**410**	**473**

During the year ended December 31, 2018, a write-down of €33 thousand was recorded following the failure of a nitrogen tank that probably affected the quality of the cells it contained.

8. Trade receivables and other current assets and receivables

8.1. Trade receivables

Trade receivables break down as follows:

In thousands of euros	December 31, 2018	December 31, 2017 *restated*
3 months or less	6	64
Between 3 and 6 months	-	-
Between 6 and 12 months	-	-
More than 12 months	-	-
Trade receivables	**6**	**64**

The average payment period is 30 days.

8.2. Other current assets and receivables

In thousands of euros	December 31, 2018	December 31, 2017 *restated*
CIR	9,158	4,321
CICE tax credit	264	141
Other	12	2
Tax receivables	**9,434**	**4,464**
Prepaid expenses	1,184	836
Sales tax receivables	3,034	1,072
Other receivables	874	1,260
Other current assets	**5,093**	**3,168**
Other current assets and receivables	**14,527**	**7,632**

The increase of €6,894 thousand in other current assets primarily reflects:

- the €4,837 thousand increase in CIR attributable to CIR receivable in respect of 2018 and the amended requests for financial years 2014, 2015 and 2017 recognized during the period for a total amount of €4,842 thousand (€4,171 thousand in 2018 CIR receivable and €671 thousand in amended requests), whereas the payment of CIR receivable in respect of 2017 for an amount of €4,239 thousand was not received as of December 31, 2018; and
- the €1,961 thousand increase in sales tax receivables, mainly attributable to the €1,720 thousand in VAT credit owed by the French tax authorities for the period from June to December 2018, following the freezing of these credit repayments by the tax authority, in connection with the collection notice received by the Company in August 2017 (see Note 13 *Provisions*).

The majority of prepaid expenses correspond to IT maintenance costs, patent maintenance fees and insurance contributions paid in respect of first quarter 2019.

9. Cash and cash equivalents

In thousands of euros	December 31, 2018	December 31, 2017 *restated*
UCITS and certificates of deposit	-	5,046
Other cash equivalents	41,767	36,277
Cash at bank and at hand	14,925	17,728
Cash and cash equivalents	**56,692**	**59,051**

Other cash and cash equivalents include three short-term demand deposit accounts with Société Générale, Crédit Agricole and CIC-Lyonnaise de Banque.

10. Shareholders' equity

10.1. Share capital

The share capital is set at €223 thousand at December 31, 2018 divided into 22,257,277 fully authorized, subscribed and paid-up shares with a nominal value of €0.01.

Changes in share capital during the years ended December 31, 2018 and 2017 are as follows:

In euros, except number of shares

Date	Nature of the transactions	Share capital	Premiums related to share capital	Number of shares	Nominal value
Balance as of January 1, 2017		**100,300**	**-**	**10,030,000**	**0.01**
02/14/2017	Capital increase by issuance of ordinary shares - Company's IPO on Euronext Paris	56,512	47,979,028	5,651,240	0.01
02/14/2017	Transaction costs related to the Company's IPO on Euronext Paris	-	(3,884,458)	-	-
03/16/2017	Capital increase by issuance of ordinary shares - Partial exercice of the over-allotment option	553	469,811	55,337	0.01
04/25/2017	Capital increase by issuance of ordinary shares - Exercice of 5,579 BSPCE by Company employees	5,579	328,434	557,900	0.01
04/25/2017	Capital increase by issuance of ordinary shares - Exercice of 150,000 BSA by ISLS Consulting	1,500	99,000	150,000	0.01
Balance as of December 31, 2017		**164,445**	**44,991,815**	**16,444,477**	**0.01**
01/26/2018	Capital increase by issuance of ordinary shares - Exercice of 1,803 BSPCE by Company employees	1,803	106,384	180,300	0.01
04/17/2018	Capital increase by issuance of ordinary shares - Company's private placement	55,725	35,441,100	5,572,500	0.01
04/17/2018	Transaction costs related to the Company's private placement	-	(3,079,174)	-	-
04/18/2018	Capital increase by issuance of ordinary shares - Vesting of AGA by Company employees	600	-	60,000	0.01
Balance as of December 31, 2018		**222,573**	**77,460,125**	**22,257,277**	**0.01**

The main impacts on the share capital during the two periods presented relate to a private placement in 2018 and to the Company's listing on Euronext Paris in 2017 (see Note 1.2 *Significant events*).

Movements related to share warrants plans and free shares award plans are described in Note 10.3 *Share warrants plans* and Note 10.4 *Free share award plans*.

10.2. Liquidity agreement

After being admitted for trading on the Euronext Paris market, on February 22, 2017, Inventiva entered into a three-year liquidity agreement with investment services provider (ISP) Oddo BHF (formerly Oddo & Cie).

On January 19, 2018, the Company entered into a new liquidity agreement with Kepler Cheuvreux, replacing the previous liquidity agreement with Oddo BHF, for a period of 12 months renewable by tacit agreement. Under the terms of the agreement, the ISP is authorized to buy and sell Inventiva treasury shares without interference from the Company in order to ensure the liquidity of the shares on the Euronext market.

At the date these financial statements were approved, the liquidity agreement with Kepler Chevreux was extended for a new period of 12 months from January 1, 2019.

At December 31, 2018 and 2017, treasury shares acquired by Inventiva through its ISP, as well as the gains or losses resulting from share purchase, sale, issue and cancellation transactions during the period, were accounted for as a deduction from equity. Consequently, these transactions had no impact on the Company's results.

10.3. Share warrants plans

Share warrants correspond to:

- BSPCE founder share warrants granted to the Company's employees in 2013 and 2015;
- BSA share warrants granted to Company directors with a subscription price set at €0.534; and

BSA share warrants granted to Company service providers with a subscription price set at €0.48.

BSPCE plans

At December 31, 2018, 362 BSPCE share warrants were outstanding. Each BSPCE share warrant corresponds to 100 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

As of January 1, 2018, a BSA plan (BSA 2017) is in progress.

On December 14, 2018, a new plan (BSA 2018) was launched for three of the Company's external service providers.

The two BSA share warrant plans are described in Note 1.2 *Significant events* of this section.

Movements in BSPCE and BSA share warrants (in number of shares issuable)

Type	Grant date	Exercise price (in euros)	Outstanding at Jan. 1, 2018	Issued	Exercised	Forfeited	Outstanding at Dec. 31, 2018	Number of exercisable shares
BSPCE – 2015 plan	May 25, 2015	0.67	54,700	-	(31,900)	-	22,800	22,800
BSPCE – 2013 plan	December 13, 2013	0.59	161,800	-	(148,400)	-	13,400	13,400
Total BSPCE share warrants			**216,500**	**-**	**(180,300)**	**-**	**36,200**	**36,200**
BSA – 2017 plan	May 29, 2017	6.67	195,000	-	-	(20,000)	175,000	65,000
BSA – 2018 plan	December 14, 2018	6.067	-	126,000	-	-	126,000	-
Total BSA share warrants			**195,000**	**126,000**	**-**	**(20,000)**	**301,000**	**65,000**
			411,500	**126,000**	**(180,300)**	**(20,000)**	**337,200**	**101,200**

The change in BSPCE and BSA share warrants over 2018 can be broken down as follows:

- Exercise of 1,803 BSPCE share warrants by Company employees between January 5 and January 20, 2018, whereupon 180,300 new shares were issued.
- Cancellation of 20,000 BSA 2017 share warrants allocated to one of the corporate officers which lapsed following their departure.
- Issue of 126,000 new BSA 2018 share warrants allocated to three of the Company's external advisers.

Share-based payment expenses totaled €184 thousand at December 31, 2018 (compared to €165 thousand at December 31, 2017) and were recognized in personnel costs (see Note 19.1 *Personnel costs and headcount*).

Type	Grant date	Exercise price (in euros)	Outstanding at Jan. 1, 2017	Issued	Exercised	Forfeited	Outstanding at Dec. 31, 2017	Number of exercisable shares
BSPCE – 2015 plan	May 25, 2015	0.67	215,300	-	(89,900)	(70,700)	54,700	-
BSPCE – 2013 plan	December 13, 2013	0.59	839,800	-	(468,000)	(210,000)	161,800	13,400
Total BSPCE share warrants			**1,055,100**	**-**	**(557,900)**	**(280,700)**	**216,500**	**13,400**
BSA – 2015 plan	May 25, 2015	0.67	150,000	-	(150,000)	-	-	-
BSA – 2017 plan	May 29, 2017	6.67	-	195,000	-	-	195,000	-
Total BSA share warrants			**150,000**	**195,000**	**(150,000)**	**-**	**195,000**	**-**
			1,205,100	**195,000**	**(707,900)**	**(280,700)**	**411,500**	**13,400**

BSA share warrants exercised during the period correspond to the entire BSA – 2015 Plan, exercised by ISLS Consulting on March 20, 2017, whereupon this company became the owner of 150,000 new ordinary shares with a par value of €0.01 each.

The change in BSPCE share warrants over the period can be broken down as follows:

- Exercise of 5,579 BSPCE share warrants by Company employees between March 20 and March 27, 2017, whereupon 557,900 new shares were issued;

- Cancellation of a total of 2,455 BSPCE share warrants (2,031 relating to BSPCE – 2013-1, or 203,100 new shares, and 424 under the BSPCE – 2015 Plan, or 42,400 new shares), corresponding to a tranche of the plans that would only vest if the Company achieved revenue of €18 million. As this performance condition was not met, the warrants were forfeited. At December 31, 2017, a total of 2,165 BSPCE share warrants (or 216,500 shares issuable upon exercise) and 195,000 BSA share warrants were outstanding.

Cancellation of 352 BSPCE share warrants (69 relating to the BSPCE – 2013 Plan, or 6,900 new shares, and 283 under the BSPCE – 2015 Plan, or 28,300 new shares) which were forfeited during the period.

10.4. Free shares

Free share award plans

As of January 1, 2018, two AGA free share plans are in progress: AGA 2017-1 and AGA 2017-2.

Three new AGA free share award plans were implemented for certain employees: AGA 2018-1, AGA 2018-2 and AGA 2018-3.

They are described in Note 1.2 *Significant events* of this section.

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.

Movements in free shares (in number of shares issuable upon exercise)

Type	Grant date	Stock price at grant date (in euros)	Outstanding at Jan. 1, 2018	Issued	Exercised	Forfeited	Outstanding at Dec. 31, 2018	Number of exercisable shares
AGA 2017-1 plan	April 18, 2017	7.35	79,900	-	-	(2,400)	77,500	-
AGA 2017-2 plan	April 18, 2017	7.35	60,000	-	(60,000)	-	-	-
AGA 2018-1 plan	January 26, 2018	5.76	-	10,000	-	-	10,000	-
AGA 2018-2 plan	January 26, 2018	5.76	-	65,700	-	-	65,700	-
AGA 2018-3 plan	December 14, 2018	6.28	-	265,700	-	-	265,700	-
			139,900	**341,400**	**(60,000)**	**(2,400)**	**418,900**	**-**

At December 31, 2018, a total of 418,900 free shares were outstanding. AGA 2018-1 free shares are exercisable from January 26, 2019 to no later than January 26, 2020, subject to continued employment. AGA 2018-2 free shares are exercisable from January 26, 2020 to no later than January 26, 2021, subject to continued employment. AGA 2018-3 free shares are exercisable from December 14, 2020 to no later than December 14, 2021, subject to continued employment.

Share-based payment expenses totaled €649 thousand at December 31, 2018 (compared to €493 thousand at December 31, 2017) and were recognized in personnel costs (see Note 19.1 *Personnel costs and headcount*).

Type	Grant date	Stock price at grant date (in euros)	Outstanding at Jan. 1, 2017	Issued	Exercised	Forfeited	Outstanding at Dec. 31, 2017	Number of exercisable shares
AGA 2017-1 plan	April 18, 2017	7.35	-	82,300	-	(2,400)	79,900	-
AGA 2017-2 plan	April 18, 2017	7.35	-	60,000	-	-	60,000	-
			-	**142,300**	**-**	**(2,400)**	**139,900**	**-**

At December 31, 2017, a total of 139,900 free shares were outstanding.

11. Debt

In thousands of euros	December 31, 2018	December. 31, 2017 *restated*
Bank borrowings	220	364
Other loans and similar borrowings[(1)]	5	118
Total financial debt	**225**	482

[(1)] *o/w accrued interest on borrowings*

Changes during the period mainly correspond to the repayment of borrowings in the amount of €258 thousand broken down as follows:

- €144 thousand relating to bank borrowings from Crédit Agricole, CIC and Société Générale; and
- €114 thousand relating to the collateral agreement with Companie Française d'Assurance pour le Commerce Extérieur ("COFACE"), which was recorded under "Other loans and similar borrowings" at December 31, 2017.

The breakdown between long-term and short-term debt is as follows:

December 31, 2018 *In thousands of euros*	**Less than 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**
Bank borrowings	146	74	-	-
Other loans and similar borrowings	5	-	-	-
Total debt	**151**	**74**	**-**	**-**

The maturity of long-term debt and of short-term borrowings and debt is determined according to repayment estimates as at December 31, 2018.

December 31, 2017 *restated* *In thousands of euros*	**Less than 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**
Bank borrowings	144	220	-	-
Other loans and similar borrowings	118	-	-	-
Total debt	**262**	**220**	**-**	**-**

Change in the period is only due to repayments of borrowings and accrual of interests, as follow:

In thousands of euros	
January 1, 2017 *restated*	**628**
Repayment of debt	(146)
December 31, 2017 *restated*	**482**
Repayment of debt	(259)
Accrued interests	2
December 31, 2018	**225**

12. 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 thousands of euros	December 31, 2018	December 31, 2017 *restated*
Deferred tax assets	-	253
Deferred tax liabilities	-	-
Net deferred tax liability	**-**	**253**

Gross changes in deferred taxes are set out below:

In thousands of euros	2018	2017 *restated*
At beginning of period	**253**	**(2,688)**
Income (expense) in the statement of income (loss)	(253)	2,945
Debit (credit) in other comprehensive income	-	(5)
At end of period	**-**	**253**

The change in deferred tax assets and liabilities for the period ended December 31, 2018 and December 31, 2017, excluding offsetting within the same tax jurisdiction, is broken down as follows:

Deferred tax assets *In thousands of euros*	Employee benefits	IFRS 15	Total
January 1, 2017 *restated*	**195**	**130**	**325**
Income (expense) in the statement of income (loss)	54	(130)	(76)
Debit (credit) in other comprehensive income	4	-	4
December 31, 2017 *restated*	**253**	**-**	**253**
Income (expense) in the statement of income (loss)	(253)	-	**(253)**
Debit (credit) in other comprehensive income	-	-	-
December 31, 2018	**-**	**-**	**-**

Changes in deferred taxes presented in the statement of financial position for the year ended December 31, 2018 correspond to the reversal of the deferred tax assets balance as recovery of this amount was considered unlikely at the year end. Changes for the year ended December 31, 2017 were attributable to changes in provisions for retirement benefit obligations.

Deferred tax liabilities *In thousands of euros*	**2018**	**2017** *restated*
January 1	**-**	**(3,013)**
Income (expense) in the statement of income (loss)	-	3,013
Debit (credit) in other comprehensive income	-	(0)
December 31	**-**	**-**

The material changes in deferred tax liabilities presented in the statement of financial position for the year ended December 31, 2017, correspond to the reduction in the temporary difference related to the IFRS treatment of the business combination of August 27, 2012 (see Note 1.2 *Significant events*). No deferred tax liabilities were recognized in 2018.

13. Provisions

In thousands of euros	**Dec. 31, 2017** *restated*	**Additions**	**Reversals**	**Dec. 31, 2018**
Long-term provisions	477	-	(119)	358
Short-term provisions	-	1,140	-	1,140
Total Provisions	**477**	**1,140**	**(119)**	**1,498**

Provisions booked at December 31, 2018 and 2017 relate to the findings of the tax audit on the payroll taxes and the CIR in respect of the period from January 1, 2013 to December 31, 2015.

- **Payroll taxes**

Following the afore-mentioned tax audit, the Company received a proposed tax adjustment for the three fiscal periods audited relating to the classification of the subsidy granted (subject to conditions) in 2012 by Laboratoire Fournier and Fournier Industrie et Santé (now the Abbott group) (LFSA and FIS) under the Asset Purchase Agreement (APA).

Despite the appeal to a higher administrative authority and challenge lodged with its departmental delegate by the Company, a collection notice with respect to payroll taxes was received by Inventiva on August 17, 2018 for an amount of €1.9 million, including penalties and late payment interest.

Under the terms and conditions of the APA, Abbott agreed to indemnify the Company up to a maximum amount of €2.0 million in accordance with the conditions described therein, for any amount claimed by the French tax authorities in relation to the tax treatment of the subsidy (the "Guarantee"). The Guarantee covers a five-year payment period (2012 to 2017).

To date, the Company is continuing to dispute the adjustment and it lodged a claim together with an application for a stay of payment on October 17, 2018.

Based on the ongoing discussions with the French tax authorities on the one hand and the terms of the Additional Agreement on the other, the Abbott Guarantee may not be sufficient to fully cover the total amount of the tax adjustment and the tax risk. Accordingly, at December 31, 2018:

- following receipt of the collection notice and in accordance with the Additional Agreement, accrued expenses and accrued income were recognized in a total amount of €1.9 million for the financial years ended December 31, 2013, 2014 and 2015, which are the subject of the

audit and are covered by the Abbott Guarantee (see Note 6 *Other non-current assets* and Note 15.2 *Other current liabilities*); and

- the Company has recognized a provision of €1.1 million for the years ended December 31, 2016 and December 31, 2017, which have not been audited by the French tax authorities.

These operations had a €1.1 million impact on the statement of income (loss) for the year ended December 31, 2018.

- **CIR**

Following the tax audit, the Company received a proposed tax adjustment from the tax authorities disputing the way in which certain CIR inputs were calculated over the three fiscal periods audited.

Despite the challenges lodged by the Company, a collection notice was received by Inventiva on August 17, 2018 for an amount of €1.9 million, including penalties and late payment interest.

The Company disputed the notice and implementation of the procedure pending interlocutory proceedings via a claim lodged on August 29, 2018. This was accompanied by a request for a stay of payment and an additional claim lodged with the tax authorities on January 7, 2019. The Company has requested a complete discharge of the amounts claimed in respect of the CIR.

The Company is still awaiting a decision concerning the claims lodged with the tax authorities.

In view of ongoing discussions and the challenges lodged, the Company has estimated the maximum tax adjustment risk in respect of the CIRat €0.4 million and this amount was covered by a provision recorded in the financial statements for the year ended December 31, 2018.

The provision was adjusted in line with the maximum risk as estimated by the Company (€0.4 million) and an amount of €0.1 million was reversed during the period.

Concerning the request for a stay of payment on the CIRand payroll taxes, on January February 1, 2019, 2019, the Company offered the French tax authorities a surety in the form of a €3.4 million bank guarantee covering only the amount of the principal (see Note 27 *Events after the reporting date*).

14. 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	December 31, 2018	December 31, 2017 *restated*
Retirement age	65 years	65 years
Payroll taxes	41.41%	41.41%
Salary growth rate	2%	2%
Discount rate	1.60%	1.30%
Mortality table	TGH/TGF 05	TGH/TGF 05

The discount rate corresponds to the rates of Eurozone AA-rated corporate bonds with maturities of over ten years.

Net provision

The provision recorded in respect of defined benefit schemes at the end of each reporting period is shown in the table below:

In thousands of euros	December 31, 2018	December 31, 2017 *restated*
Retirement benefit obligations	1,029	866
Obligation	**1,029**	**866**

Given the absence of plan assets at December 31, 2018 and December 31, 2017, 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 thousands of euros	2018	2017 *restated*
Provision at beginning of period	**(866)**	**(695)**
Expense for the period	(204)	(194)
Actuarial gains or losses recognized in other comprehensive income	31	15
Benefits for the period	9	8
Provision at end of period	**(1,029)**	**(866)**

Breakdown of expense recognized for the period

The expense recognized in the statement of income (loss) amounted to €204 thousand for the year ended December 31, 2018 and €194 thousand for the year ended December 31, 2017 and breaks down as follows:

In thousands of euros	2018	2017 *restated*
Service cost for the period	183	177
Interest cost for the period	11	9
Past service cost (plan curtailments and modifications)	9	8
Total	**204**	**194**

Breakdown of actuarial gains and losses recognized in comprehensive income

The actuarial loss and gain can be analyzed as follows:

In thousands of euros	2018	2017 *restated*
Demographic changes	14	(23)
Changes in actuarial assumptions	(45)	8
Total	**(31)**	**(15)**

Demographic differences mainly relate to salary adjustments and staff movements.

Changes in actuarial assumptions relate to movements in the discount rate, which increased from 1.30% at year-end 2017 to 1.60% at year-end 2018 and decreased from 1.36% at year-end 2016 to 1.30% at year-end 2017.

Sensitivity analysis

A 0.25% change in the discount rate would have had an impact of approximately 3.6% on the obligation amount in 2018 and around 3.8% in 2017.

December 31, 2018	*In thousands of euros*
Benefit obligation at December 31, 2018 at 1.35%	1,067
Benefit obligation at December 31, 2018 at 1.60%	1,029
Benefit obligation at December 31, 2018 at 1.85%	994

December 31, 2017 *restated*	*In thousands of euros*
Benefit obligation at December 31, 2017 at 1.05%	900
Benefit obligation at December 31, 2017 at 1.30%	866
Benefit obligation at December 31, 2017 at 1.61%	834

15. Trade payables and other current liabilities

In thousands of euros	December 31, 2018	December 31, 2017 *restated*
Trade payables	8,372	5,382
Other current liabilities	4,871	2,558
Trade payables and other current liabilities	**13,243**	**7,940**

No calculations have been made to discount trade payables and other current liabilities to present value, as payment is always due within one year at the end of each reporting period.

15.1. Trade payables

Trade payables break down by payment date as follows:

In thousands of euros	December 31, 2018	December 31, 2017 *restated*
Due in 30 days	7,966	5,159
Due in 30-60 days	406	22
Due in more than 60 days	-	-
Trade payables	**8,372**	**5,382**

15.2. Other current liabilities

In thousands of euros	December 31, 2018	December 31, 2017 *restated*
Employee-related payables	1,095	976
Accrued payroll and other employee-related taxes	1,052	937
Sales tax payables	574	434
Other accrued taxes and employee-related expenses	172	166
Other miscellaneous payables	1,978	45
Deferred income	-	0
Other current liabilities	**4,871**	**2,558**

Other current liabilities grew by €2,313 thousand compared to the year ended December 31, 2017, mainly due to the accrual of an expense of €1,932 thousand following the receipt of a collection notice with respect to payroll taxes in August 2018 (see Note 13 *Provisions* for more details).

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 2018 and 2017.

Other accrued taxes and employee-related expenses concern provisions for payroll taxes, such as professional training charges, apprenticeship tax and the employer's contribution to construction investment in France.

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.

16. Contract liabilities

	December 31, 2018			
Contract liabilities *In thousands of euros*	**BI**	**AbbVie**	**Enyo**	**Total**
Short-term contract liabilities	436	15	97	548
Long-term contract liabilities	1,673	-	-	1,673
Total contract liabilities	**2,109**	**15**	**97**	**2,221**
Revenue to be recognized[(1)]	**7,718**	**100**	**97**	**7,915**

[(1)] Revenue to be recognized corresponds to highly probably revenue to be recognized on existing contracts through to completion. Variable consideration (milestone payments and royalties) not considered as highly probably is not included.

At December 31, 2018, contract liabilities mainly relate to the "BI Agreement" and the option exercised in August 2017 which triggered a milestone payment of €2.5 million. This amount was included in the "BI Agreement" transaction price, resulting in an upward revision of the contract price. Based on the stage of completion of the Agreement, a total of €3.2 million was recognized in revenue at the reporting date, including €0.7 million relating to a milestone payment. Over the year, this represents revenue of €1 million, including €0.2 million for milestone payments.

The difference between payment received and revenue recognized (€1.8 million at December 31, 2018 and €2 million at December 31, 2017) was recorded in contract liabilities.

	December 31, 2017 *restated*			
Contract liabilities *In thousands of euros*	**BI**	**AbbVie**	**Enyo**	**Total**
Short-term contract liabilities	193	618	-	811
Long-term contract liabilities	1,896	-	-	1,896
Total contract liabilities	**2,089**	**618**	**-**	**2,707**

17. Financial assets and liabilities

In thousands of euros	December 31, 2018			
Financial assets	**Financial assets carried at amortized cost[1]**	**Financial assets carried at fair value through profit or loss**	**Financial liabilities carried at amortized cost**	**Total**
Long-term deposit accounts	108	-	-	108
Non-current accrued income	1,932	-	-	1,932
Trade receivables	6	-	-	6
Other receivables	874	-	-	874
Cash and cash equivalents	56,692	-	-	56,692
Total	**59,612**	**-**	**-**	**59,612**
Financial liabilities				
Long-term debt	-	-	74	74
Short-term debt	-	-	151	151
Trade payables	-	-	8,372	8,372
Other miscellaneous payables	-	-	1,978	1,978
Total	**-**	**-**	**10,575**	**10,575**

[1] *The* Financial assets at amortized cost *category presented at December 31, 2018 in accordance with IFRS 9 corresponds to the* Loans and receivables *category presented at December 31, 2017 in accordance with IAS 39.*

In thousands of euros	**December 31, 2017** *restated*			
Financial assets	**Loans and receivables**	**Assets carried at fair value through profit or loss**	**Liabilities carried at amortized cost**	**Total**
Long-term deposit accounts	239	-	-	239
Trade receivables	64	-	-	64
Other receivables	1,260	-	-	1,260
Cash and cash equivalents	54,006	5,046	-	59,051
Total	**57,477**	**5,046**	**-**	**62,522**
Financial liabilities				
Long-term debt	-	-	220	220
Short-term debt	-	-	262	262
Trade payables	-	-	5,382	5,382
Other miscellaneous payables	-	-	42	42
Total	**-**	**-**	**5,906**	**5,906**

18. Revenues and other income

In thousands of euros	2018	2017 *adjusted*
Sales	3,197	4,797
Revenues	**3,197**	**4,797**
CIR	4,837	4,321
Subsidies	16	833
Other	-	8
Other income	**4,853**	**5,161**
Total revenues and other income	**8,050**	**9,958**

The Company's revenue is derived from its research and development agreements with AbbVie and BI and the provision of services. The €1,600 thousand (i.e., 33%) year-on-year drop in revenue is mainly attributable to:

- a decrease in revenue generated by recurring fees in connection with AbbVie and BI research and development agreements; €1,874 thousand in 2018 versus €3,996 thousand in 2017, i.e., a decline of €2,121 thousand or 42%, due mainly to the end of the collaboration with AbbVie;
- a slight decline in revenue from other services of €360 thousand between 2017 and 2018, mainly attributable to the suspension of sub-contracting services; and
- partially offset by an €880 thousand increase in revenue from the service agreement with Enyo Pharma following commencement of phase two of the project.

In the course of 2018, the Company requested payment of the CIR due in respect of 2017 for an amount of €4.5 million under current EU guidelines on aid for SMEs, and accounted for the CIR receivable in respect of 2018 for €4.2 million.

In 2017, income from subsidies mainly corresponded to two subsidies from Bpifrance (Banque Publique d'Investissement) as part of the Eurostars program for €655 thousand, and two subsidies from France's national research agency (Agence nationale de la recherche, ANR) for €178 thousand in respect of a project conducted jointly with the Institut Curie. No new subsidies were either requested or obtained in 2018.

Other tax credits do not include the tax credit for employment and competitiveness (*Crédit d'impôt pour la compétitivité et l'emploi*, CICE), which is recognized as a deduction from personnel costs.

19. Operating expenses

2018 *In thousands of euros*	**Research and development expenses**	**Marketing – business development expenses**	**General and administrative expenses**	**Total**
Disposables	(2,210)	-	-	(2,210)
Energy and liquids	(504)	-	-	(504)
Patents	(401)	-	-	(401)
Studies	(17,351)	-	-	(17,351)
Maintenance	(934)	-	-	(934)
Fees	(98)	-	(1,431)	(1,530)
IT systems	(766)	(9)	(49)	(824)
Support costs (including taxes)	-	-	(584)	(584)
Personnel costs	(7,625)	(182)	(2,266)	(10,072)
Depreciation, amortization and provisions	(770)	-	(179)	(949)
Other operating expenses	(978)	(34)	(1,536)	(2,549)
Total operating expenses	**(31,638)**	**(225)**	**(6,045)**	**(37,908)**

2017 - *restated* *In thousands of euros*	**Research and development expenses**	***Marketing* – business development expenses**	**General and administrative expenses**	**Total**
Disposables	(2,088)	-	-	(2,088)
Energy and liquids	(513)	-	-	(513)
Patents	(403)	-	-	(403)
Studies	(13,308)	-	-	(13,308)
Maintenance	(1,003)	-	-	(1,003)
Fees	(97)	(25)	(1,111)	(1,233)
IT systems	(853)	(12)	(71)	(936)
Support costs (including taxes)	-	-	(549)	(549)
Personnel costs	(7,040)	(306)	(2,051)	(9,397)
Depreciation, amortization and provisions	(1,009)	-	(227)	(1,236)
Other operating expenses	(419)	(9)	(1,054)	(1,483)
Total operating expenses	**(26,733)**	**(353)**	**(5,062)**	**(32,148)**

19.1. Personnel costs and headcount

2018 *In thousands of euros*	**Research and development expenses**	***Marketing* – business development expenses**	**General and administrative expenses**	**Total**
Wages, salaries and similar costs	(5,085)	(178)	(1,349)	(6,613)
Payroll taxes	(1,982)	(3)	(576)	(2,560)
CICE tax credit	103	-	20	124
Provisions for retirement benefit obligations	(145)	-	(45)	(190)
Share-based compensation expenses	(516)	(1)	(316)	(833)
Total personnel costs	**(7,625)**	**(182)**	**(2,266)**	**(10,072)**

2017 - *restated* *In thousands of euros*	**Research and development expenses**	***Marketing* – business development expenses**	**General and administrative expenses**	**Total**
Wages, salaries and similar costs	(4,726)	(275)	(1,188)	(6,189)
Payroll taxes	(1,939)	(30)	(513)	(2,482)
CICE tax credit	117	-	24	141
Provisions for retirement benefit obligations	(140)	-	(43)	(182)
Share-based compensation expenses	(352)	-	(332)	(684)
Total personnel costs	**(7,040)**	**(306)**	**(2,051)**	**(9,397)**

The Company had 112 employees at December 31, 2018, compared with 107 employees as at December 31, 2017.

20. Other operating income (expenses)

Other operating income (expenses) break down as follows:

In thousands of euros	2018	2017 *restated*
Accrued income from Abbott - payroll taxes	1,932	-
Gains on disposals of assets	-	255
Total other operating income	**1,932**	**255**
Accrued expense to the French tax authority - payroll taxes	(1,932)	-
Provision for tax risk - payroll taxes	(1,140)	-
Transaction costs	(2,221)	(704)
Inventories write-down	(33)	-
Total other operating expenses	**(5,327)**	**(704)**
Other operating income (expenses)	**(3,395)**	**(449)**

21. Financial income and expenses

In thousands of euros	2018	2017 *restated*
Income from cash and cash equivalents	120	277
Foreign exchange gains	21	29
Other financial income	-	2
Discounting gains	-	9
Total financial income	**142**	**317**
Interest cost	(4)	(5)
Losses on cash and cash equivalents	(202)	(3)
Foreign exchange losses	(36)	(21)
Discounting losses	(11)	(9)
Total financial expenses	**(253)**	**(39)**
Net financial income (loss)	**(111)**	**278**

22. Income tax

The income tax rate applicable to the Company is the French corporate income tax rate of 33.33%.

In thousands of euros	2018	2017 *restated*
Loss before tax	(33,364)	(22,361)
Theoretical tax rate	33.33%	33.33%
Tax benefit at theoretical rate	**11,120**	**7,453**
Tax credits	1,658	1,834
Permanent differences	867	1,246
Other differences	(269)	(225)
Unrecognized deferred tax assets relating to tax losses and other temporary differences	(13,630)	(7,029)
Actual income tax benefit/(expense)	**(253)**	3,278
Of which: - current taxes	-	333
- deferred taxes	*(253)*	2,945
Effective tax rate	-	-

Tax credits mainly include (i) the CIR and (ii) the CICE tax credit, non-taxable income, classified respectively in other income (see Note 18) and as a deduction from personnel costs (see Note 19).

The Company recorded a tax loss in the years ended December 31, 2018 and 2017. As recovery of these tax losses in subsequent periods was considered unlikely due to the uncertainty inherent to the Company's activity, no deferred tax assets were recognized at December 31, 2018 or at December 31, 2017.

23. Off-statement of financial position commitments

Commitments given

Financial instruments pledged as collateral

One deposit account pledge given by the Company in 2015 as part of a bank loan was outstanding at December 31, 2018:

- 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.

Compared to end-2017, the following pledge was released in 2018:

- 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.

Commitments received

Agreements concerning the provision of facilities

- ***Agreement with Novolyze***

On October 13, 2015, the Company signed a contract to make its premises and facilities available to Novolyze for a 36-month period beginning October 19, 2015. Pursuant to an amendment signed on October 19, 2016, the monthly rent was increased to €5 thousand as from November 1, 2017. Therefore, at December 31, 2018, the total commitment received amounted to €65 thousand and commitments relating to future payments amounted to €141 thousand.

- ***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. Pursuant to an amendment signed on July 1, 2017, the contract was extended to June 30, 2019. The monthly rent was increased to €15 thousand as from December 1, 2017. Therefore, at December 31, 2018, the total commitment received amounted to €181 thousand and commitments relating to future payments amounted to €92 thousand.

- ***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. Pursuant to an amendment signed on January 1, 2017, the monthly rent was increased to €2.4 thousand until March 30, 2018 and then to €2.5 thousand. It was increased again to €2.7 thousand as from September 1, 2018. Therefore, at December 31, 2018, the total commitment received amounted to €30 thousand and commitments relating to future payments amounted to €64 thousand.

24. Related-party transactions

The table below sets out the compensation awarded to the executive and corporate officers that was recognized in expenses:

In thousands of euros	**2018**	**2017** *restated*
Wages and salaries	944	852
Benefits in kind	46	42
Pension plan expenses	41	52
Share-based payments	354	372
Attendance fees	200	185
Net total	**1,585**	**1,502**

During 2018, ISLS Consulting, for which Chairman Jean-Louis Junien is a director, received €162 thousand, compared to €118 thousand in 2017 within the scope of a consulting service contract. Additionally, on December 14, 2018, the Company's Board of Directors granted 80,000 share warrants to ISLS Consulting,

25. Basic and diluted loss 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 thousands of euros	**2018**	**2017** *restated*
Net loss for the period	(33,617)	(19,083)
Number of weighted average shares outstanding used to calculate basic/diluted earnings per share	20,540,979	15,516,344
Basic / diluted loss per share	**(1.64)**	**(1.23)**

As the Company recorded a loss in 2018 and 2017, diluted earnings (loss) per share are identical to basic earnings (loss) per share. Share-based payment plans (BSAs, BSPCEs and AGAs) are not included as their effects would be anti-dilutive.

26. Financial risk management

The Company's activities expose it to various types of financial risk: foreign exchange risk, credit risk and liquidity risk.

Foreign exchange risk

The Company's activities expose it to foreign exchange risk on purchases made in foreign currencies. Foreign currency purchases are mainly made in US dollars, pounds sterling or Swiss francs.

Credit risk

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

The Company's exposure to credit risk chiefly relates to trade receivables. The Company has put in place a system to closely monitor its receivables and their payment and clearance.

Generally, the Company is not exposed to a concentration of credit risk given the outstanding trade receivables balance at each reporting date.

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.

The Company's operations have consumed large amounts of cash since it was created. Developing pharmaceutical products – which includes performing clinical trials – is a long, costly and risky process and the Company expects its research and development costs to increase substantially given the activities currently in progress. Consequently, the Company will need to use fresh capital in order to pursue clinical development and launch marketing activities if necessary.

27. Events after the reporting date

Surety provided to the French tax authorities

On February 1, 2019, as part of its request for a stay of payment on the CIR and payroll taxes, the Company offered the French tax authorities a surety in the form of a €3.4 million bank guarantee with Crédit Agricole bank.

As part of the process of setting up this guarantee, a pledge over cash, equivalent to 50% of the sum not covered by the indemnity to be received from the Abbott group under the Additional Agreement (€2.0 million, see Note 13 *Provisions*), i.e., €0.7 million, will be recorded in 2019. Should the dispute to which this guarantee pertains remain unresolved at June 30, 2020, or should any disputed sums remain outstanding, the Company has undertaken to provide an additional surety of €1 million.

Exercise of 274 BSPCE 2013 and vesting of 10,000 AGA

On January 23, 2019, the Board of Directors placed on record a capital increase arising from the exercise of 228 BSPCE-2015 plan and 46 BSPCE-2013 plan founder stock warrants in an amount of €274 by way of the issuance of 27,400 new ordinary shares with a par value of €0.01 each.

On January 26, 2019, the Chairman and Chief Executive Officer placed on record a capital increase arising from the vesting of AGA 2018-1 free shares (as defined in Note 10.4 *Free shares warrant plans*) in an amount of €100 by way of the issuance of 10,000 new ordinary shares with a par value of €0.01 each. On that date, the number of shares outstanding was therefore increased to 22,294,677 and the share capital to €222,946.77.

Results from Phase IIb clinical trial with lanifibranor in systemic sclerosis

The FASST clinical trial, a one-year, double-blind, randomized, placebo-controlled Phase IIb study, included 145 patients suffering from the early phase of dcSSc, who received lanifibranor in either two doses of 400mg per day or two doses of 600mg per day over 48 weeks in addition to their existing standard of care, which in most cases included immunosuppressive therapy.

Based on the FASST clinical trial evaluating lanifibranor for the treatment of patients with SSc, which did not meet the primary and secondary endpoints and of which the results were published on February 2019, the Company plans to discontinue lanifibranor's clinical development for the treatment of dcSSc.

4.8 Statutory Auditors' Report

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, professional auditing standards applicable in France.

Inventiva S.A.

Registered office: 50, rue Dijon - 21121 Daix

Statutory Auditor's Report on the Financial Statements Prepared in Accordance with International Financial Reporting Standards as Adopted by the European Union

Year ended December 31, 2018

To the Chairman and Chief Executive Officer,

In our capacity as Statutory Auditor of Inventiva S.A. and in compliance with your request, we have audited the accompanying financial statements of Inventiva S.A. prepared in accordance with International Financial Reporting Standards as adopted by the European Union for the year ended 31 December 2018.

Board of Directors is responsible for the preparation and fair presentation of these "financial statements". Our responsibility 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 the professional doctrine of the French national auditing body (Compagnie nationale des commissaires aux comptes) related to this engagement; these standards require that we plan and perform the audit to obtain reasonable assurance whether the "financial statements" are free from material misstatement. An audit involves performing procedures, on a test basis or by other means of selection, to obtain audit evidence about the amounts and disclosures in the "financial statements". An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating 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 opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position and assets and liabilities of Inventiva S.A. as of 31 December 2018, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in note 2.1 "Impact of IFRS 15 first-time adoption" and in note 2.2 "Impact of IFRS 9 first-time adoption" to the financial statements regarding the changes in accounting method related to first-time adoption, since the 1st January 2018, of IFRS 15 and IFRS 9.

The statutory auditor

French original signed by Cédric Adens on the 26 February 2019

4.9 Other accounting and financial information

Since January 1, 2018, Inventiva applies *IFRS 15 – Revenue from Contracts with Customers*, which replaces *IAS 18 – Revenue* and *IAS 11 – Construction Contracts*, and the related interpretations.

In its interim financial information as of and for the six months ended June 30, 2018, Inventiva applied IFRS 15 using the simplified transition method (with no practical expedient), resulting in a first-time application of the standard as of its effective date (i.e., from January 1, 2018). For its 2018 annual financial statements, the Company has modified its transition method and adopted IFRS 15 using the full retrospective transition method, enabling the Company to disclose restated comparatives for the 2017 financial year, in order to improve comparability and facilitate the presentation of Inventiva's activities year-on-year. In addition, as part of this change in the transition method, certain assumptions regarding the percentage of completion were refined.

As a result of these changes, revenues reported in all of the quarterly press releases for 2018 are impacted as follows:

In millions of euros	**2018** IFRS 15 adjusted[27]	**2018** IFRS 15 reported[27]	Diff.	**2017** IFRS 15 restated[27]	**2017** IAS 18 reported[27]	Diff.
March 31 (3 months)	0.5	0.5	0.0	1.6	1.5	0.1
June 30 (6 months)	1.4	1.3	0.1	2.9	2.7	0.2
September 30 (9 months)	2.2	2.3	(0.1)	4.2	6.0	(1.8)
December 31 (12 months)	3.2	n.a.	n.a.	4.8	6.5	(1.7)

For the third and fourth quarters of 2017, the impact is primarily linked to the restatement, in accordance with IFRS 15, of the €2.5 million milestone payment from BI received in 2017. In line with IAS 18, this payment was immediately recognized as revenues when it was received and, in line with IFRS 15, is now recognized according to the project's stage of completion, namely in an amount of €0.5 million in 2017, and €0.2 million in 2018.

These impacts related to the first adoption of IFRS 15 do not impact the total revenue generated by the Company's contracts and the related cash flows, only the pattern of recognition of that revenue is changed, and the net result accordingly.

[27] Unaudited financial information, apart from information at December 31, 2018 and 2017.

5. CORPORATE SOCIAL RESPONSIBILITY

Inventiva, which specializes in research and development in the life sciences and more broadly in the field of human health, is conscious of the global challenges that corporate social responsibility represents today beyond the legal and regulatory commitments it imposes.

In 2018, the priorities for this second year as a listed company were to ensure our continued compliance with the regulations governing listed companies, particularly with respect to the recommendations of the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) concerning internal control and risk management mechanisms (see section 2.2 *Internal control and risk management system*), and the organization and roll-out of the Quality Management System for clinical development activities.

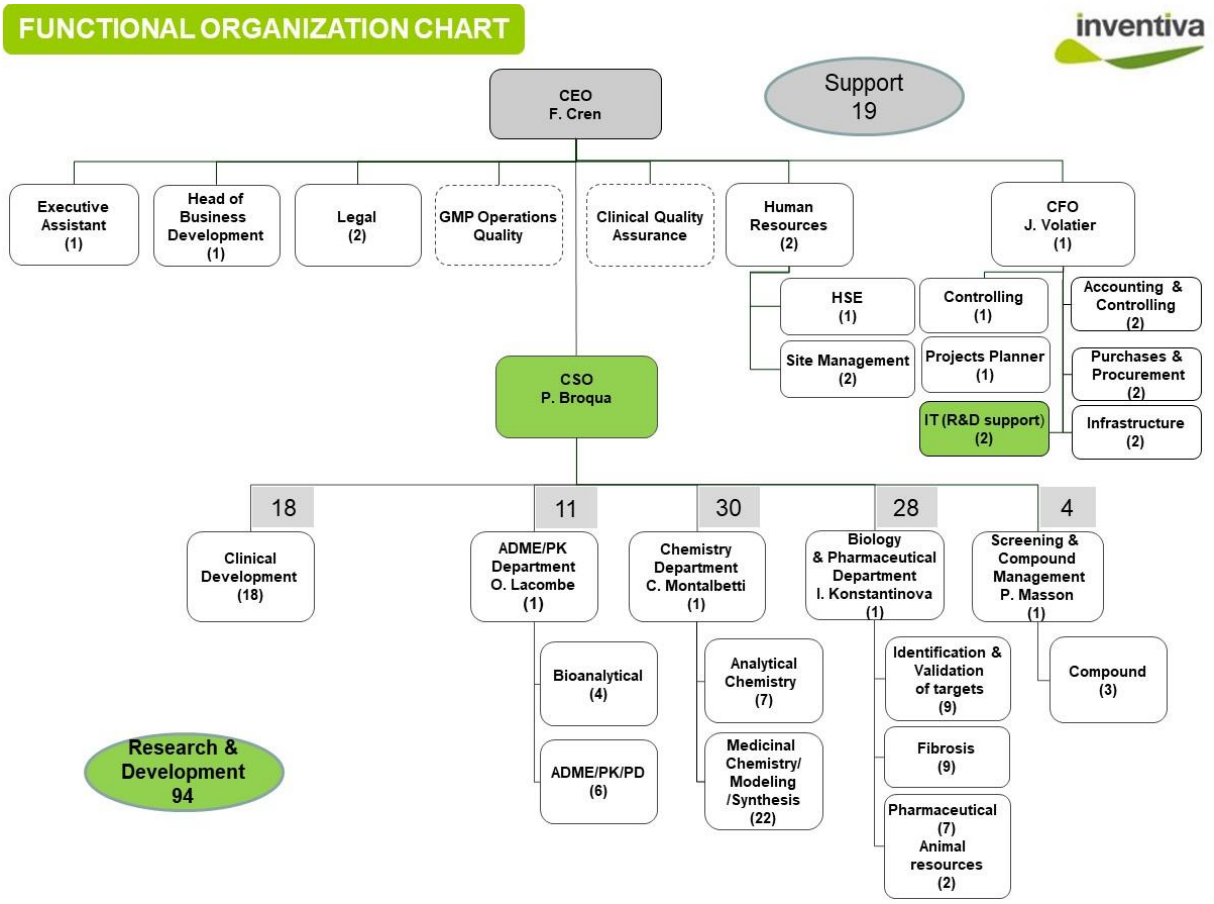
The same due care and attention was given to non-financial data and information despite the regulatory changes introduced in 2018 and the definition of a CSR policy and process is ongoing.

The consolidated labor and environmental information presented in the Inventiva management report and identified by an asterisk (*) have been verified by KPMG SA.

5.1 Labor information

5.1.1 Headcount

Inventiva's headcount breaks down as shown below in the functional organization chart.

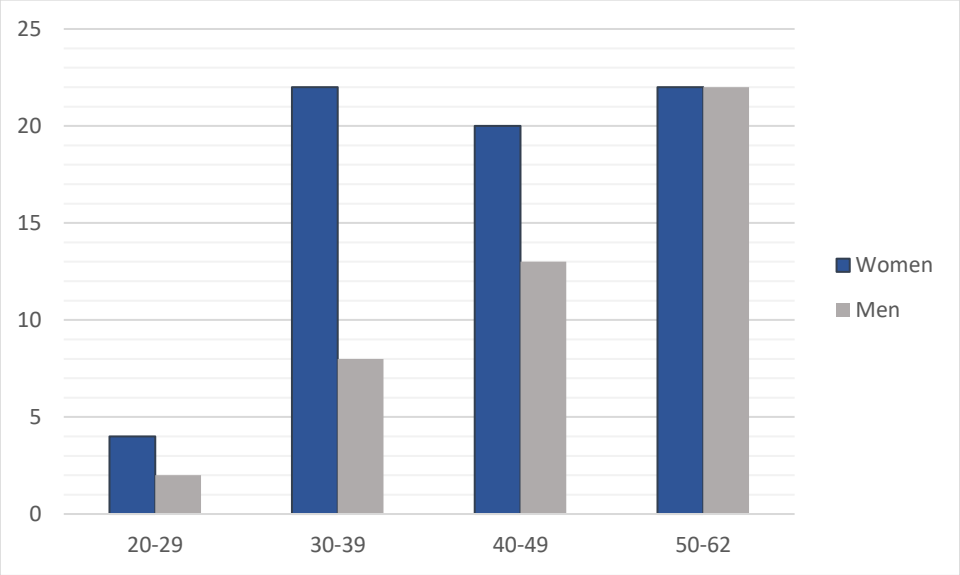


As of December 31, 2018, the Company had 113* employees, breaking down as follows:

	2017			2018		
Socio-professional category	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Workers/Employees	4	1	5	4	1	5
Technicians/Supervisors	13	37	50	13	40	53
Management	25	25	50	26	27	53
Executives	2		2	2		2
Total	44	63	107	45	68	113*

Of the 113* employees, 11* are on fixed-term contracts, of which three* will be transitioned to indefinite-term contracts from January 1, 2019.

The average age in 2018 was 45 and the breakdown by age group is as follows:



Changes in the workforce

In 2018, the Company recruited 15* people, of which 5* on indefinite-term contracts in the Clinical Development, Quality Assurance Pharmaceutical Development and Biology departments and ten* on fixed-term contracts (3 in the Biology Department, 2 in the Chemistry Department, 1 in ADME and 3 in support functions).

There were 9* departures, of which 1 contractual termination, 2 resignations, 1 retirement, 4 end of fixed-term contracts/combined work-study contracts and 1 other.

Remuneration

Remuneration amounted to €6,109,352 in 2018, of which €202,979 was paid to employees on fixed-term contracts and combined work-study contracts. This represented an increase of 3.54% on the total remuneration of €5,900,495 paid in 2017, €49,226 of which for fixed-term contracts, and €5,801,000 paid in 2016, €118,000 of which for fixed-term contracts.

The Company also has a bonus system for all managers. The bonus rates in relation to the annual remuneration are determined according to the levels of the positions concerned and the achievement of individual objectives. Objectives are set at the beginning of each year during an interview with the line manager.

Most employees hold company founder stock warrants (*Bons de souscription de parts de createur d'entreprise* – BSPCE) or even AGA free shares which could give them a 4.4% holding in the capital (on a fully diluted basis) if the BSPCEs are fully exercised and AGAs are fully vested (see section 6.2 *Securities giving access to capital and call options* of this Registration Document).

5.1.2 Organization of working time

Employees' employment contracts are subject to the collective agreement for the pharmaceutical industry.

An agreement on the organization of working time was signed on February 19, 2015 for an indefinite term and with retroactive effect from February 1, 2015. Since January 1, 2015, managers' working time has been determined on the basis of a number of days under this agreement. For a full year of work, the number of days is set at 217 days, including the national day of solidarity.

Employees may also have a reduced load and work fewer than 217 days during the year.

Personnel not subject to a contract setting a fixed number of days' work each year benefit from a variable schedule based on a theoretical 37-hour work week. In consideration for the fact that their actual weekly working hours exceed the statutory limit of 35 hours, said employees are awarded 12 additional days' leave spread over the calendar year. The Company may also enter into part-time employment contracts to meet its needs or at the request of certain employees for personal reasons.

Four people worked part-time in 2018:

- 3 technicians (W); and
- 1 office worker (W).

Four people worked part-time in 2017: 1 manager (W), 2 technicians (2W) and 1 employee (W).

Absenteeism

The absenteeism rate was below 1.5% in 2016 and increased to 2.33% in 2017 and 3.48% in 2018 due to long-term illnesses.

5.1.3 Employee relations

The Company had a Works Council and staff representatives who met as part of a staff representation committee (the *Délégation Unique du Personnel* – DUP), as well as a Health, Safety and Working Conditions Committee (HSC).

Following the adoption of order no. 2017-1386 of September 22, 2017 on the New Organization of Social and Economic Dialogue in Businesses and Favoring the Exercise and Promotion of Union Responsibilities, staff representatives were consulted and by common accord with management, the elections scheduled to take place in November 2017 were postponed for one year.

The elections therefore took place on November 13, 2018 and November 27, 2018, for the first and second rounds respectively. Six members were elected, including one alternate member, and now make up the new Economic and Social Committee (ESC), which held its first meeting on December 19, 2018.

Employee relations are still conducted through a trade union delegate. The Company's management believes that it has a good relationship with the staff representative bodies and hopes constructive collaboration and meetings will continue with the new team.

In 2017, two Mandatory Annual Negotiations agreements were signed, on January 5, 2017 and December 8, 2017 respectively, with the agreement of January 5 corresponding to the negotiations for 2016.

In 2018, an agreement was signed on October 22, 2018.

The incentive agreement entered into on May 30, 2016 was modified by amendment on May 27, 2017, with retroactive effect from January 1, 2017, to specify the new incentive criteria for 2017.

In 2018, an amendment to the agreement was signed on April 26, 2018.

Incentive agreement (*accord d'intéressement*)

An "*accord d'intéressement*" is an optional incentive mechanism which aims to enable the Company to involve its employees, using a calculation formula, more closely and collectively in the growth of the Company and, more specifically, in its results and performance by paying immediately available bonuses in accordance with Articles L. 3312-1 *et seq.* of the French Labor Code (*Code du travail*). An incentive agreement was signed on June 14, 2013 by the Company for the years 2013 to 2015. A new agreement was signed on May 30, 2016, modified by successive amendments of May 27, 2017 and April 26, 2018, for the years 2016 to 2018 within the Company. The primary aim of the incentive agreement is to motivate and empower all employees on criteria that are aligned with the Company's objectives.

For the years 2016 to 2017, there was (i) a criterion concerning the level of progress of the various research programs and initiatives, and (ii) a financial criterion based on the extent to which the result for the year exceeded the budget forecast.

For 2018, the Company retained only one criterion, namely the level of progress of the various research programs.

The formula adopted to trigger payment of incentives is based on the achievement of targets in relation to research, innovation and expenditure containment, where applicable.

For 2016, the optional profit share paid in 2017 amounted to €241,072 and €105,477 paid in 2018.

For 2019, the amount set aside is €54,775.

Profit-sharing agreement

A profit-sharing agreement was signed on May 26, 2016 within the Company with retroactive effect from 2015 for the first time. For 2017 and 2018, as there was a net recurring pre-tax loss, no profit-sharing was distributed.

5.1.4 Health and safety

Occupational health and safety conditions

Health, safety and working conditions are part of the Company's broader policy.

The Company has established an organization responsible for occupational health, safety and environmental protection in order to ensure compliance with regulations in force.

It is made up of an HSE Officer working with correspondents in each research department.

Given the nature of its activities, and in particular its laboratory work, employee safety is a daily concern for the Company. 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 met once each quarter, and the minutes of each meeting were made available to all staff members. Due to elections being postponed for one year, the Works Council, which appoints the members of the HSC, decided to extend the term of current members until the elections held in November 2018. Following these elections, as stated above, a new Economic and Social Committee (ESC) meets four times a year to discuss issues associated with health and safety in the workplace.

The staff tasked with ensuring the safety of employees and facilities benefit from all the necessary regulatory training.

In addition, each employee receives safety information and training from the HSE Officer after hiring as part of the induction process.

In accordance with regulations, a Single Occupational Risk Assessment Document has been drafted. It is updated annually and is available to all employees in a shared database.

Review of agreements signed with the trade union organizations or employee representatives in the field of occupational health and safety

No agreements were signed for 2017 and 2018.

Workplace accidents, including their frequency and severity, and occupational illnesses

The HSE Officer is tasked with the follow-up of workplace accidents in partnership with the Economic and Social Committee and the Human Resources Department, with the aim of implementing corrective measures based on a continuous improvement approach.

In 2017, there were:

- no workplace accidents with lost time;
- no workplace accidents without lost time; and
- no occupational illnesses.

In 2018, there were:

- 1 workplace accident with lost time;
- 1 commuting accident with lost time;
- 1 workplace accident without lost time; and
- no reported occupational illnesses.

The frequency and severity rates were both zero in 2017. The frequency rate was 11.83* and the severity rate 0.02* in 2018.

Commuting accidents are included in the calculation of the frequency rate and the severity rate.

5.1.5 Training

Training policies implemented

Company employees are all highly trained, and the Company attaches great importance to the technical, scientific and professional training required to master its business and development and to enable employees to maintain and/or acquire the knowledge and expertise specific to each profession.

The Company has a training book for each department, and prioritizes technical training.

A total of 320 hours of training was given in 2017.

A total of 651* hours of training was given in 2018, including regulatory training. This increase is due to regulatory training that takes place every two years and training provided to new arrivals in the Development Department in 2018.

Time accrued corresponds to hours recorded on time sheets. All in-house and external training sessions (including e-learning) with a minimum length of two hours are taken into account.

5.1.6 Equal opportunities

Measures taken to promote gender equality

A collective agreement on professional equality between men and women was entered into on October 17, 2014 for a term of three years. Women accounted for 55% of the total workforce in 2016, compared to 59% in 2017 and 60% in 2018. A new agreement was signed on April 26, 2018.

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, indicators have been defined as part of a gender equality action plan which include equal access to professional promotion and equal pay for identical positions between people with the same experience and the same type of academic qualification.

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 service contract to maintain its outdoor areas with a company that provides paid employment for people with disabilities.

The Company continued to list job openings with specialized websites in 2018.

Anti-discrimination policy

The Company aims to ensure the absence of discrimination in recruitment, training and promotion. In 2016, Inventiva promoted six men and six women. In 2017, ten women and seven men were promoted and in 2018, 12 men and 16 women were promoted, i.e., 24.7% of employees. A promotion is defined as a change in salary, job title or bonus rate.

5.1.7 Promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organization (ILO)

The Company's compliance with provisions of the ILO fundamental conventions regarding:

- respect for freedom of association and the right to collective bargaining; and

- elimination of discrimination in respect of employment and occupation;

is detailed section in 5.1.3 *Employee relations* of this Registration Document.

The Company is based in France and respects domestic labor law, which prohibits forced labor and child labor.

5.2 Environmental information

5.2.1 General policy on environmental matters

Even though there is no formalized environmental policy in its sector, Inventiva's management and employees are globally aware of the environmental challenges linked to its activities, and endeavor to comply scrupulously with laws linked to the environment. The Company pays particular attention to the disposal of special and non-hazardous waste, which is the major environmental challenge inherent to its activity.

Operating on a site that has been dedicated to drug research since the early 1980s, with its roots in respected pharmaceutical laboratories that had implemented mechanisms to ensure compliance with HSE obligations (FournierPharma, Solvay and Abbott), the Company has the experience, mechanisms and procedures needed to ensure its compliance with environmental regulations, both in organizational terms and as regards obtaining the authorizations needed to carry out its research activities, notably authorizations for the conservation of human cells, genetically-modified organisms (GMOs) and the handling of radioactive substances. The approval by France's Nuclear Safety Authority (*Autorité de sûreté nucléaire* – ASN) of Inventiva's 2016 application renewal means the Company is licensed 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.

Employee training and information on environmental protection

All new employees are informed of the importance of HSE, of how the site operates in environmental terms, notably when it comes to waste sorting, energy consumption and HSE procedures.

Each employee is made aware of his or her role and personal responsibility in terms of environmental impact, whether through reducing energy consumption or sorting waste. Special waste (chemical, biological) is sorted at source in the Company's laboratories.

At the same time, regulations are monitored to ensure that any changes are applied.

Environmental issues linked to the Company's real estate properties

On August 27, 2012, the Company acquired a 12,000 sq. m property development at 50 rue de Dijon in Daix that is a research site made up of a complex of buildings used as laboratories, offices and outbuildings. The Company considers that its premises are suitably adapted to the expected growth of the Company and its workforce in both the short and medium term.

As an owner of real estate property, the Company is subject to various regulations and must comply with requirements in terms of the prevention of health risks, the safety of individuals and the protection of the environment. The main characteristics of these regulations are described below, it being specified that this document does not provide an exhaustive analysis of the regulations that apply to the Company.

Under French law, classified facilities for the protection of the environment (*installations classées pour la protection de l'environnement* – ICPE) are facilities or equipment that are potentially hazardous or could adversely affect the interests protected by Article L. 511-1 of the French Environmental Code (*Code de l'environnement*), in that they may present a danger or inconvenience for neighbors, for public health, for the protection of the environment or for the rational use of energy. Depending on the level of danger they represent, the operation of an ICPE is subject to authorization, registration or simple declaration. In view of its activities, the Company is required to declare its activities which involve the preparation, manufacture, transformation and packaging of radioactive substances. Its cooling facilities that use evaporative cooling by circulating water in a mechanically-forced or naturally-generated air stream must also be declared and controlled (*déclaration contrôlée*).

Furthermore, the Company has obtained authorization from the ASN to use sealed radioactive substances which do not have a direct impact on the environment.

The Company considers that its premises are suitably adapted to the expected growth of the Company and its workforce in both the short and medium term.

Resources for the prevention of environmental risks and pollution

The HSE Officer working with correspondents in each research department manages all aspects of environmental risk prevention and pollution.

The Company is subject to two headings of ICPE regulations: (i) heading no. 2921 which requires the declaration and control of the Company's air-cooling tower and (ii) heading no. 1715-2 which requires the declaration of radioactive substances.

The Company has implemented preventive measures on both counts.

For radioactive substances:

- an annual radiation protection check is performed by SGS Qualitest.

For the air cooling tower:

- a technical check is performed by Bureau Veritas every two years;
- a systematic risk analysis is performed by APAVE every two years; and
- periodic legionella checks are carried out.

Provisions and guarantees for environmental risks

The Company is not subject to any litigation or environmental risk.

For the years ending December 31, 2016, 2017 and 2018, Inventiva did not record any provision for environmental risk.

5.2.2 Pollution

Measures to prevent, reduce or repair discharges into the air, water and soil that seriously affect the environment

The Company does not discharge any substances into water or the ground. Quarterly monitoring of wastewater is carried out by Filab, an independent company, in order to verify compliance of discharges with the agreement on discharges entered into with the Company's supplier, Lyonnaise des Eaux.

In 2018, all discharges were below the threshold levels set by the discharges agreement renewed in May 2018.

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 generates a low level of noise pollution.

5.2.3 Circular economy

(i) Waste prevention and management:

Measures for prevention, recycling, reuse, other forms of recovery and disposal

The Company sorts non-hazardous waste at source in order to recover it, notably paper and cardboard.

In 2018, the Company generated 49.1* metric tons of non-hazardous waste (a 104% increase compared to 2017), including 2.8 metric tons of paper and 5.4 metric tons of cardboard.

As for special waste, the Company generated and recovered 36.9* metric tons, which represents a 11.05% decrease on 2017, and breaks down as 15.3 metric tons of healthcare waste, 21.6 metric tons of chemical waste and 3.2 metric tons of waste electrical and electronic equipment (WEEE).

This change is due to healthcare waste (animal bedding) being reclassified as non-hazardous waste and treated as domestic waste. This change was implemented following a risk analysis.

All waste is subject to the hazardous goods transportation regulations, which are audited annually by the Company's independent safety advisor.

The Company also generates radioactive waste, which is not taken into account in the 2018 reporting due to its small volume. The Company's very low-level radioactive waste is removed by the French National Agency of Radioactive Waste (*Agence Nationale des Déchets Radioactifs* – ANDRA), as and when it is used in laboratories. There was no removal of radioactive waste in 2018.

Initiatives for the prevention of food waste

The Company's canteen is managed by a service provider. The service contract does not include any special clauses for preventing food waste.

(ii) Sustainable use of resources:

- Water consumption and water supply according to local constraints

The Company uses the water mains network for cleaning, sanitation, autoclaving and for its canteen. 9,784* cu. m were consumed in 2018, a 2.8% rise compared to 2017.

- Consumption of raw materials and measures taken to improve efficiency

Scientific research requires the purchase, storage and use of scientific materials and consumables for project development. Since the Company's creation, an action plan has been implemented to improve flow management and storage, resulting in the reduction of intermediate storage areas in each laboratory and helping to limit the risk of expiry of the various items. Moreover, trend analysis shows that the Company has at the same time been able to significantly reduce the unit cost and volume of consumables per researcher since 2013.

Among the most widely used raw materials are solvents, with purchases amounting to 7,430 liters in 2018, compared to 8,300 liters in 2017, and liquid nitrogen, with purchases amounting to 48,290 cu. m in 2018.

Energy consumption, measures taken to improve energy efficiency and use of renewable energies

An energy diagnosis was performed in 2013 to look for solutions allowing for a reduction in energy consumption.

The following measures were adopted and implemented:

- installation of new-generation heaters; and
- modification of the management of the electric heating and the use of standby mode on air handling units during non-working hours.

Natural gas consumption in 2018 was nearly 2.70* GWh, down 4% from 2017, and electricity consumption close to 5.46* GWh, up 0.56% from 2017. Energy use for 2018 was weather dependent and stable compared to 2017.

Land use

Due to its activity, the Company has little exposure to land use issues. Its current organization on a single site means that this issue is not material.

With regard to waste and water treatment, see the sections above on waste prevention and management and water consumption.

5.2.4 Climate change

The Company's activity is not directly exposed to climate change, but an energy diagnosis performed in 2013 has made it possible to implement certain improvements.

The energy diagnosis found that energy consumption is one of the Company's biggest sources of CO_2 emissions.

In 2018, based on emission factors from the French Environment and Energy Management Agency (*Agence de l'Environnement et de la Maîtrise de l'Énergie* – ADEME), CO_2 emissions related to energy consumption broke down as follows:

- 312* metric tons of CO_2 equivalent from power consumption; and
- 555* metric tons of CO_2 equivalent from gas consumption.

In 2018, CO_2 emissions from work-related air and train travel were as follows:

- 239.37 metric tons for air travel, including 211.92 metric tons for Inventiva staff[28]; and
- 1.47 metric tons for train travel by Inventiva staff.

[28] Source: UK Department for Environment, Food and Rural Affairs (DEFRA), updated on October 5, 2010, final version (1.2.1) produced by the Agricultural Engineers Association (AEA) for the Department of Energy and Climate Change (DECC) and DEFRA.

Adaptation to the consequences of climate change

The Company has implemented an action plan on this issue following an energy diagnosis, as described in the section above on energy consumption.

5.2.5 Protection of biodiversity

The Company aims to define its policy for biodiversity protection over the next two years.

5.3 Societal information

5.3.1 Regional, economic and social impact of the Company's activity

- **Employment and regional development:**

The creation of the Company in 2012 as an alternative to the closure of the Daix site following Abbott's discontinuation of all research activities in Europe has made it possible to protect jobs in the Dijon Métropole employment area (75 at the time of the start-up, 113 at the end of December 2018), while maintaining the high level of scientific expertise present in the region through an industrial hub dedicated to the healthcare sector with ties to the academic world (teaching hospitals/universities, Georges François Leclerc Centre, etc.). The Company is also committed to devoting its apprenticeship tax to encouraging training at schools in the Dijon area.

- **Neighboring and local populations:**

The Company strives to ensure active involvement with local stakeholders, as detailed in section 5.3.2 *Stakeholder relations*.

5.3.2 Stakeholder relations

The Company has not mapped its main stakeholders, but strives to develop strong relations, particularly in its host region, notably through:

- regular meetings with public or private economic players (DIRRECT, DRRT, BPI, Banque de France, French tax administration, etc.);
- its membership of BFCare, the professional body representing the industrial healthcare sector in the region;
- collaboration with academic partners (Institut Curie and Institut Necker in Paris, Centre Georges François Leclerc in Dijon, Ezus Lyon/Université Claude Bernard in Lyon, etc.);
- collaboration, wherever possible, with local companies (e.g., Oncodesign, Corden Pharma, Novolyse, Synthécob, etc.); and
- collaboration with companies from the social and solidarity economy (external site maintenance, etc.).

Moreover, as part of its clinical development programs, in particular lanifibranor and odiparcil, relations have been developed with various patient associations, particularly:

- *Canadian MPS Society* (www.mpssociety.ca);
- *MPS Society (UK), specifically the Christine Lavery Memorial Fund* (www.mpssociety.org.uk/);
- *Medics for rare Diseases* (ww.m4rd.org);
- *Instituto Genetica Para Todos* (http://www.igpt.org.br); and
- *Asociacion de las mucopolisacaridosis y sindromes relacionados* (https://www.mpsesp.org).

Action consists in providing expert information on indications and the progress of studies, logistical support for patients, financial aid for training programs for young doctors on rare diseases ("Medics for Rare Diseases") and publication of articles on these organizations that aid the patients concerned in the media.

Partnership and sponsorship initiatives

The Company regularly pursues partnership and sponsorship initiatives with local volunteer associations (Lions Club Mécenat, Association Odyssea, Association des sclérodermiques de France, etc.) and local sports clubs.

5.3.3 Subcontracting and suppliers

Consideration of social and environmental issues in procurement

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 managed through the existing ERP management tool, thereby ensuring that inventories match laboratory requirements, and that expiry dates for all sensitive products, such as organic products, are carefully monitored. By adapting its needs, the Company is able to avoid product losses. All inventories are now placed in a single storage area.

In 2017, the Company consolidated inventory management in the ERP by setting up a mobile application that improves the internal traceability of flows (reducing data entry errors), from the time products are received on site to the storage or delivery of the articles to the laboratory.

It is also possible to configure the management of printing when necessary. This tool makes it possible to reuse supplier code bars wherever possible in order to limit the printing of new labels for each inventory item. The application consolidates the current management of batches and expiration dates for sensitive items to ensure proper inventory rotation. Dumping inventory remains an exception. The Company intends to dematerialize inventory counts.

The Company is encouraging its suppliers to implement a formal CSR policy. In 2017, this was requested of suppliers mainly in connection with maintenance and purchases of laboratory consumables or when renewing or setting up new contracts. Suppliers are asked to provide the CSR charter in force in their company.

A draft procurement charter that reflects CSR values (rules regarding ethical supplier relations and employment, as well as environmental issues) and is in line with the Business Ethics charter that will be implemented in 2019 (see paragraph 2.2.2.2.1 *Internal control and risk management system*) is in the process of being validated.

Where possible, the Company calls on local service providers; laboratory glassware repairs, for instance, are entrusted to a local tradesperson.

Importance of subcontracting and consideration of their social and environmental responsibility in relations with suppliers and subcontractors

Prior to 2017, the maintenance of scientific equipment was outsourced to a service provider specialized in this area. Said provider managed the maintenance of a portion of the equipment directly and subcontracted the other portion to manufacturers. In early 2017, the Company began overseeing equipment maintenance in-house and accordingly ended its relations with subcontractors. The Company manages maintenance directly with manufacturers.

The Company's main suppliers are located in France and, as such, are subject to French regulations. Currently, all chemical reagents purchased in Europe or outside the European Union come with a safety data sheet in French, in accordance with the regulations in force.

External subcontracting also affects the Company's most strategic activities, i.e., clinical studies carried out by external parties, particularly clinical research organizations (CROs).

Contracts liable to present a strategic risk include a clause on undeclared work.

In 2017, the Company asked most suppliers deemed to be at risk to include a clause on undeclared work or to provide a certificate appended to the contract.

5.3.4 Fair trade practices

Because of the sector in which it operates, Inventiva is subject to specific sector-based regulations including transparency laws (Law no. 2011-2012 of December 29, 2011, Decree no. 2013-414 of May 21, 2013, the decision of March 22, 2017 and the prospectus of May 29, 2017).

As part of the implementation of its risk management and internal control system, in accordance with AMF recommendations, the Company has evaluated the risks in this area and reviewed all relevant legislation in order to establish best practices for all employees and potential external partners.

The Company is currently deploying a Business Ethics charter and a whistleblowing procedure. These issues are key with regard to practices and regulatory changes in this area for listed companies in the biotechnology sector and, in particular those with interests in the United States.

Measures taken to promote the health and safety of patients

In order to strengthen the organization and deployment of its Quality Management System within the Clinical Development Department, the Company is striving to provide the best possible protection for patients, in full compliance with the MAR – 01 regulations. The aim is to ensure that the CROs with which the Company works adhere to best clinical practice. Inventiva is also continuing to work with Sunnikan, a quality assurance consulting firm, and also conducts audits to monitor the quality of ongoing activities.

Pharmacovigilance activities related to the development of its products are carried out by the relevant CROs. For its three ongoing clinical trials, Inventiva has also set up a Data and Safety Monitoring Board (DSMB) to detect possible side effects. Feedback to date has been satisfactory.

5.3.5 Other initiatives taken in favor of human rights

This issue is addressed under subcontracting at risk.

5.4 Methodology

As this is the Company's third CSR report, the data are presented with comparable indicators for 2017.

Reporting scope and period for 2018

The reporting scope covers the Company's statutory scope (meaning that it is identical to that covered by the financial statements).

The 2018 financial year covers the period from January 1 to December 31, 2018.

The Company has no subsidiaries and a single research site.

Organization of reporting and data collection

This second CSR report was prepared by the CFO and the HR Department, in coordination with the HSE Officer and the purchasing and procurement manager.

The indicators contained in this report are derived from a summary of non-accounting data, relying notably on the monitoring of HR indicators, employee data from the outsourced payroll provider and staff records. The HSE Officer has a process for monitoring environmental and societal data.

As mentioned in the introduction to this report, for 2018 the Company focused on continued compliance with the regulatory environment applicable to listed companies.

Methodological clarifications

As in the two previous reports, the indicators selected for the third report are drawn from the 43 themes of the Decree of April 24, 2012 (detailing the application of French law no. 2010-788 of July 12, 2010) on the national commitment to the environment, known as "Grenelle II".

Difficulties and limits in 2018

There are no specific comments to make for this third year. Consideration of CSR should lead to progress in future years with regard to the completeness of the information, the areas for improvement and the reporting of non-financial data, as well as regulatory changes in 2018 regarding regulatory obligations.

Inspection and verification

Prior to independent verification work, data collection is supervised by the HR Manager in collaboration with the HSE Officer.

The labor and environmental information presented in the Inventiva S.A. management report and identified by an asterisk (*) have been verified by KPMG SA.

5.5 Report by the independent third-party body

Report of the independent third-party body on the labor, environmental and societal information contained in the management report.

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France

Inventiva S.A.

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

Report by the Statutory Auditor on a selection of human resources and environmental information included in the Management Report.

For the Year ended December 31, 2018

To the Board of Directors,

In our capacity as the Statutory Auditor of Inventiva S.A., we hereby report to you limited assurance report on a selection of human resources and environmental information identified by the sign * for the year ended 2018 (hereinafter named "CSR Information") included in the Management Report.

The conclusion expressed hereinafter covers those CSR information only and not all information presented.

Responsibility of the entity

Pursuant to Article L.225-102-1 I. of the French Commercial Code, your company does not have the obligation to publish a non-financial performance statement for the year ended 2018. Thus far, the management report does not include a non-financial performance statement but a selection of human resources, environmental and social information.

It is the Board of Directors responsibility to prepare these CSR information, by applying the procedures of the entity (hereinafter the "Guidelines") available upon request at the entity's headquarters.

Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors (Code de déontologie). Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

Responsibility of the Statutory Auditor

On the basis of our work, it is our responsibility to express a limited assurance opinion about the fact that the selected[29] information by the company and identified with the sign * in Chapter 5 of the

[29] **Social information:** Total workforce as of 31st December, 2018 and breakdown by type of contract; Number of hires and breakdown by type of contract; Number of departures; Total number of hours of training; Frequency rate of accidents with days lost and Severity rate.

Environmental information: Water consumption; Electricity consumption; Natural gas consumption; CO2 emissions due to electricity consumption, CO2 emissions due to natural gas consumption; Quantity of ordinary waste produced; Quantity of special waste produced.

Management Report has been established in all material respects, fairly presented in accordance with the Guidelines.

Nature and scope of our work

Our work, which are not work in compliance with Article A.225-1 et seq. of the French Commercial Code (Code de commerce), is carried in compliance with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes or CNCC) relating to this engagement and with ISAE 3000 (international standard on assurance engagements other than audits or reviews of historical financial information).

We conducted work therein:

- We gained an understanding of the entity's business activity ;
- We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- For CSR information, we set up:
  - analytical procedures to verify that collected data is correctly consolidated and that any changes to the data are consistent;
  - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out in the company's headquarter and represents 100% of the CSR information.

  We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work drew on the skills of five individuals. To assist us in conducting our work, we called on our firm’s sustainable development and corporate social responsibility specialists.

Opinion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris La Défense, February 26, 2019

KPMG SA

Fanny Houlliot

Partner
Sustainability Services

Cédric Adens

Partner

6. ADDITIONAL INFORMATION

6.1 Share capital and shareholders

6.1.1 Share capital

6.1.1.1 Share capital on the date of this Registration Document

On the date of this Registration Document, the Company's share capital amounts to €222,946.77, divided into 22,294,677 ordinary shares, each with a par value of €0.01, all being of the same category and fully paid up.

On the date of this Registration Document, there are no shares not representing capital.

To the best of the Company's knowledge, no pledges have been granted over its share capital.

6.1.1.2 History of share capital

The table below shows the changes in the Company's share capital over the past three years and up to the date of this Registration Document.

Date	**Transaction**	**Nominal value** *(euros)*	**Total Nominal value** *(euros)*	**Premiums related to share capital** *(euros)*	**Number of shares involved in the transaction**	**Total number of shares**
01/01/2015	Share capital on incorporation	100,300.00	100,300.00	N/A	N/A	100,300
05/31/2016	Stock split	N/A	100,300.00	N/A	N/A	10,030,000
02/14/2017	New share issue(1)	56,512.40	156,812.40	47,979,027.60	5,651,240	15,681,240
03/20/2017	New share issue(2)	553.37	157,365.77	469,811.13	55,337	15,736,577
04/25/2017	Exercise of BSPCEs(3)	5,579.00	162,944.77	328,434	557,900	16,294,477
04/25/2017	Exercise of BSAs(3)	1,500.00	164,444.77	99,000	150,000	16,444,477
01/26/2018	Exercise of BSPCEs(4)	1,803.00	166,247.77	106,384	180,300	16,624,777
04/17/2018	Issue(5)	55,725	221,972.77	35,441,100	5,572,500	22,197,277
04/18/2018	Final award of AGA free shares(6)	600	222,572.77	N/A	60,000	22,257,277
01/23/2019	Exercise of BSPCEs(7)	274	222,846.77	17,693	27,400	22,284,677
01/26/2019	Final award of AGA free shares(8)	100	222,946.77	N/A	10,000	22,294,677

(1) Pursuant to the delegation granted by the Combined General Meeting of September 30, 2016 in its tenth resolution, the Board of Directors decided on February 14, 2017 to issue 5,651,240 new shares with a par value of €0.01 each at an issue price of €8.50 per share (including an issue premium of €8.49 per share), thereby resulting in a capital increase of €56,512.40 plus a total premium of €47,979,027.60 (before deduction of related costs).

(2) Pursuant to the authorization granted by the 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 through the issue, with no pre-emptive subscription rights, of 55,337 additional new shares with a par value of €0.01 each, corresponding to the exercise of 19.58% of the over-allotment option.

(3) On April 25, 2017, the Chairman and Chief Executive Officer placed on record a capital increase arising from the exercise of (i) 5,579 BCE 2013-1 founder share warrants (as defined below) in an amount of €5,579 through the issue of 557,900 new ordinary shares with a par value of €0.01 each, and (ii) 1,500 BSA 2013-1 share warrants (as defined below) in an amount of €1,500 through the issue of 150,000 new ordinary shares with a par value of €0.01 each.

(4) On March 14, 2018, the Chairman and Chief Executive Officer placed on record a capital increase arising from the exercise of BCE 2013-1 founder share warrants (as defined below) in an amount of €1,803 through the issue of 180,300 new ordinary shares with a par value of €0.01 each. On that date, the number of shares outstanding was therefore increased to 16,624,777 and the share capital to €166,247.77.

(5) Pursuant to the delegation granted by the Combined General Meeting of May 29, 2017 in its fifteenth resolution, the Board of Directors decided on April 12, 2018 to issue 5,572,500 new shares with a par value of €0.01 each at an issue price of €6.37 per share (including an issue premium of €6.36 per share), thereby resulting in a capital increase of €56,725 plus a total premium of €35,496,825.

(6) On April 24, 2018, the Chairman and Chief Executive Officer placed on record a capital increase arising from the vesting of AGA 2017-2 free shares (as defined below) in an amount of €600 through the issue of 60,000 new ordinary shares with a par value of €0.01 each. On that date, the number of shares outstanding was therefore increased to 22,257,277 and the share capital to €222,572.77.

(7) On January 23, 2019, the Board of Directors placed on record a capital increase arising from the exercise of 274 BCE 2013-1 founder stock warrants (as defined below) in an amount of €274 through the issue of 27,400 new ordinary shares with a par value of €0.01 each.

(8) On January 26, 2019, the Chairman and Chief Executive Officer placed on record a capital increase arising from the vesting of AGA 2018-1 free shares (as defined below) in an amount of €100 through the issue of 10,000 new ordinary shares with a par value of €0.01 each. On that date, the number of shares outstanding was therefore increased to 22,294,677 and the share capital to €222,946.77.

The table below shows the changes in the allocation of the Company's share capital over the past three years and up to the date of this Registration Document.

	Position at April 8, 2019[30] (non-diluted basis)			**Position at March 31, 2018 (non-diluted basis)**			**Position at February 1, 2017 (before initial public offering)**		
	Number of shares	**% of share capital**	**% of voting rights**	**Number of shares**	**% of share capital**	**% of voting rights**	**Number of shares**	**% of share capital**	**% of voting rights**
Frédéric Cren	5,890,000	26.4%	36.8%	6,015,000	36.2%	45.1%	6,015,000	59.97%	59.97%
Pierre Broqua	3,882,500	17.4%	24.2%	4,007,500	24.1%	30.1%	4,007,500	39.96%	39.96%
Sub-total - Concert	**9,772,500**	**43.8%**	**61%**	**10,022,500**	**60.3%**	**75.2%**	**N/A**	**N/A**	**N/A**
Institutional[31] and private individual investors[32]	11,880,300	53.3%	37.1%	6,055,676	36.4%	22.7%	N/A	N/A	N/A
Investors owning more than 5% of the share capital									
BVF Partners L.P. (2)	3,334,564	15.0%	10.4%	1,764,706	10.6%	6.6%	N/A	N/A	N/A
Novo A/S	1,951,970	8.8%	6.1%	1,176,470	7.1%	4.4%	N/A	N/A	N/A
Sofinnova	1,569,858	7.0%	4.9%	N/A	N/A	N/A	N/A	N/A	N/A
Employees and treasury shares									
Employees	589,758	2.6%	1.8%	532,607	3.2%	2.0%	N/A	N/A	N/A
Treasury shares (liquidity agreement)	52,119	0.2%	0.2%	13,994	0.1%	0.1%	N/A	N/A	N/A
Total	**22,294,677**	**100%**	**100%**	**16,624,777**	**100%**	**100%**	**10,030,000**	**100%**	**100%**

6.1.2 Principal shareholders

In accordance with the provisions of Article L. 233-13 of the French Commercial Code, the table below lists all Company shareholders owning more than 5% of its share capital and/or voting rights, based on the information available as of April 8, 2019.

[30] Based on the threshold crossing declarations filed as at April 8, 2019.

[31] At February 28, 2018, institutional investors included BVF Partners, Novo A/S and Perceptive Advisors. At April 8, 2019, institutional investors included BVF Partners, Novo A/S, Perceptive Advisors and Sofinnova.

[32] Includes ISLS Consulting and the free-float.

	Position at April 8, 2019[33] on a non-diluted basis			Position at April 8, 2019 on a fully-diluted basis						
Shareholders	**Number of shares**	**% of share capital**	**% of voting rights**	**Number of shares that can result from the exercise of BSPCEs**	**Number of shares that can result from the exercise of BSAs**	**Number of shares that can result from the vesting of AGAs**	**Stock options**	**Total number of potential shares**	**% of share capital**	**% of voting rights**
Frédéric Cren[(1)]	5,890,000	26.4%	36.8%	-	-	-	(625,000)	5,265,000	22.9%	33.4%
Pierre Broqua[(1)]	3,882,500	17.4%	24.2%	-	-	-	(625,000)	3,257,500	14.1%	20.7%
Sub-total - Concert	**9,772,500**	**43.8%**	**61.0%**	**-**	**-**	**-**	**(1,250,000)**	**8,522,500**	**37.0%**	**54.1%**
BVF Partners L.P. [(2)]	3,334,564	15.0%	10.4%	-	-	-	1,250,000	4,584,564	19.9%	14.5%
Novo A/S	1,951,970	8.8%	6.1%	-	-	-	-	1,951,970	8.5%	6.2%
Perceptive Advisors	470,588	2.1%	1.5%	-	-	-	-	470,588	2.0%	1.5%
Sofinnova	1,569,858	7.0%	4.9%	-	-	-	-	1,569,858	6.8%	5.0%
ISLS Consulting	110,000	0.5%	0.3%	-	80,000	-	-	191,000	0.8%	0.6%
David Nikodem	-	0.0%	0.0%	-	36,000	-	-	36,000	0.2%	0.1%
JPG Healthcare LLC	-	0.0%	0.0%	-	10,000	-	-	10,000	0.0%[(4)]	0.0%[(4)]
Directors (non-executive)[(3]	-	0.0%	0.0%	-	175,000	-	-	175,000	0.8%	0.6%
Employees	589,758	2.6%	1.8%	8,800	-	408,100	-	1,006,658	4.4%	3.2%
Treasury shares (liquidity agreement)	52,119	0.2%	0.2%	-	-	-	-	52,119	0.2%	0.1%
Free float	4,442,320	19.9%	13.9%	-	-	-	-	4,442,320	19.3%	14.1%
Total	**22,294,677**	**100.0%**	**100.0%**	**8,800**	**301,000**	**408,100**	**-**	**23,012,577**	**100.0%**	**100.0%**

(1) Shareholders acting in concert pursuant to the terms of a shareholders' agreement entered into following the Company's initial public offering on Euronext Paris (see section 6.1.4 *Notice of persons with significant control* below).

(2) Based on the threshold crossing disclosure filed with the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) on October 2, 2018 by BVF Partners L.P. (acting on behalf of funds managed by it).

(3) Of which 75,000 BSA 2017 share warrants allotted to Jean-Louis Junien. The shares held indirectly by Jean-Louis Junien through his holding in ISLS Consulting are included in the number of shares held by ISLS Consulting.

(4) Amount less than 0.1%.

[33] Based on the threshold crossing declarations filed as at April 8, 2019.

To the best of the Company's knowledge, no other shareholder owns more than 5% of the share capital.

Major shareholders not represented within the Board of Directors

At the date of this Registration Document, BVF Partners L.P. is a major shareholder not represented on the Board of Directors. In addition, BVF Partners L.P. holds call options on 1,250,000 shares owned by Frédéric Cren and Pierre Broqua, which may be exercised at any time until February 16, 2020 at a price of €12 per share (see section 6.2.6 *Outstanding call options granted to BVF Partners L.P. and Perceptive Advisors by the Founding Shareholders, Frédéric Cren and Pierre Broqua* of this Registration Document).

Shareholder holding commitments

At the date of this Registration Document, all shareholder holding commitments pursuant to the Company's April 2018 private placement had expired.

6.1.3 Voting rights of major shareholders

The Company's bylaws provide for double voting rights to be lawfully granted for all fully paid-up shares where it can be established 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, the division of community property between spouses or an *inter vivos* gift between a shareholder and his or her spouse or 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 through the incorporation of reserves, profits or issue or merger premiums, double voting rights are granted on free registered shares in respect of existing shares with the same rights and as of their issue.

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, the division of community property between spouses or an *inter vivos* gift between a shareholder and his or her spouse or to a relative entitled to inherit or following a transfer resulting from a merger or demerger of a shareholder company.

6.1.4 Notice of persons with significant control

On the date of this Registration Document, the Company is controlled, within the meaning of Article L. 233-3 of the French Commercial Code, by Frédéric Cren, Chairman and Chief Executive Officer of the Company, and Pierre Broqua, Deputy Chief Executive Officer of the Company, who together hold 9,772,500 shares, representing 43.8% of the Company's capital and 61% of its voting rights. They have entered into a shareholders' agreement to set out the terms of their partnership within the Company.

The measures implemented to ensure that this control is not exercised in an abusive manner are as follows:

- The Company complies with the recommendations of the Middlenext Code, in particular as regards independent directors;

- The Company has an Audit Committee and a Compensation and Appointments Committee; and

- The internal regulations of the Board of Directors provide that the Board of Directors must approve certain significant transactions prior to their implementation by the Company's Senior Leadership.

Shareholders' Agreement

As part of the admission to trading of the Company's shares on the regulated market of Euronext Paris, Frédéric Cren and Pierre Broqua, the Company's founders and principal shareholders (the "**Founders**"), entered into a shareholders' agreement to set the conditions of their partnership within the Company (the "**Post-IPO Agreement**").

The main provisions of the Post-IPO Agreement are as follows:

(a) *Concert*: The Founders represent to be acting in concert with each other and with respect to the Company within the meaning of Article L. 233-10 of the French Commercial Code (the "**Concert**").

The Concert will be automatically terminated if, together, the parties hold less than 50% of the Company's share capital and theoretical voting rights.

(b) *Board representation*: The Post-IPO Agreement provides that while each Founder holds at least 7% of the Company's share capital and voting rights, they are entitled to representation on the Company's Board of Directors.

(c) *Consultation between the Founders*: While the Founders are acting in Concert, they will consult each other (i) before all meetings of the Board of Directors or 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*: Should a party elect to sell their Company securities, the other parties are entitled to prior information on the proposed sale and to proportional tag-along rights, except in certain cases of freely transferable securities in favor of a spouse, descendant and/or a trust company owned, as applicable, by a Founder. If the Company's securities are sold by a party to one or more identified third-parties, proportional tag-along rights allow other parties to sell a number of securities that is proportional to the number of securities being sold by the original party, taking into consideration each parties' respective shares in the Company, to the third-parties, and under the same terms and conditions, in particular the price, and within the limit of the number of securities concerned by the proposed sale.

(e) *Entry into force - Term*: The Post-IPO Agreement took effect on February 15, 2017 for a period of five years renewable by tacit agreement for successive five-year periods.

On the date of this Registration Document, and to the best of the Company's knowledge, there are no arrangements that could result in a change of control of the Company.

6.1.5 Dividend policy

The Company has not paid any dividends since its creation.

The Annual General Meeting of May 28, 2018 elected to transfer the Company's net accounting income for the year ended December 31, 2017 to retained earnings.

There are no plans to introduce a short-term dividend policy given the Company's stage of development.

6.1.6 Acquisition by the Company of its own shares

In accordance with the provisions of Article 241-2 of the AMF's General Regulation, this section describes the purpose and the terms and conditions of the Company's share buyback program.

Report on the previous share buyback program

Under the fourteenth resolution passed by the Annual General Meeting of May 28, 2018, the Board of Directors was authorized, with the right to subdelegate, to purchase Company shares on one or more occasions and at such times as it shall determine, in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-5 of the AMF's General Regulation, and the European regulation on market abuse and market practices accepted by the AMF. This authorization was given for a period of 18 months as of the Annual General Meeting held on May 28, 2018, and cancels and supersedes the delegation given by the Annual General Meeting of May 29, 2017 in its ninth resolution.

Purpose of the share buyback program

The share buyback program may be used for the following purposes, in accordance with the fourteenth resolution passed by the Annual General Meeting:

- To implement and meet obligations related to stock option plans or other share award plans for employees and officers of the Company and, in particular, to award shares to employees and officers of the Company in respect of (i) the Company's compulsory profit-sharing agreement, or (ii) any stock option or free share award plan under the conditions provided for by law and, in particular, Articles L. 3331-1 *et seq.* of the French Labor Code (including any share sales governed by Article L. 3332-24 of said code), as well as to enter into any transactions to hedge such plans.

- To buy or sell shares under a liquidity agreement with an investment firm, in accordance with the terms and conditions provided for by the market authorities.

- To allot shares upon the exercise of rights attached to securities giving rights to the share capital by way of redemption, conversion, exchange, presentation of a warrant or otherwise.

- To reduce the share capital of the Company by canceling all or some of the shares purchased.

- More generally, to carry out any transaction that might in the future be authorized by the law, or any market practice that might be accepted by the market authorities, it being specified that were this is the case, the Company shall inform its shareholders by means of a media release.

Maximum number of shares: 10% of the total number of shares comprising the share capital at any given time. Where the shares have been purchased with a view to fostering regular and liquid trading in the shares, the number of shares to be taken into account in calculating 10% of the share capital is the number of shares purchased less the number of shares sold during the authorization period.

These percentages apply to the number of shares adjusted, where applicable, for any transactions in the share capital after the Combined General Meeting.

The Company may under no circumstances purchase a number of shares that would cause it to hold more than 10% of the share capital at any given time.

Maximum amount of the program set by the Board of Directors: €5 million

Maximum price per share: €17

Shares purchased and sold under the share buyback program during 2018 were as follows:

Number of shares purchased	201,510
Average purchase price	€6.94
Number of shares sold	193,301
Average sale price	€6.86
Total amount of trading fees	-
Number of shares used in 2018	-
Number of shares registered in the Company's name and percentage of the share capital	52,119 (0.23% of the share capital)
Value of the shares at the average purchase price	€361,506
Total par value	€521.19

Shares purchases were made in part under the liquidity agreement entered into with Oddo BHF (formerly Oddo & Cie) on February 22, 2017 and in part under the liquidity agreement entered into with Kepler Cheuvreux on January 19, 2018. The liquidity agreement was amended on February 6, 2019 in order to take into account the opinion of the European Securities and Markets Authority (ESMA) dated April 11, 2018. ESMA determined the accepted market practice notified by the AMF to be compatible with the European regulation on market abuse (see AMF Decision no. 2018-01 of July 2, 2018).

For the purposes of the agreement with Oddo BHF, the Company credited the liquidity account with €200,000. At January 31, 2018 (the date on which the agreement was terminated), €163,510.42 and 34,063 shares had been credited to the liquidity account opened in Oddo & Cie's books. For the purposes of the agreement with Kepler Cheuvreux, the Company credited the liquidity account with €400,000. At December 31, 2018, €31,085.38 and 52,119 shares had been credited to the liquidity account.

The liquidity agreements were drawn up in accordance with the requirements of European and French legal provisions governing liquidity agreements, in particular the AMF's General Regulation and the Ethics Charter issued by the French Financial Markets Association (*Association française des marchés financiers* – AMAFI) on March 8, 2011 and approved by the AMF on March 21, 2011.

No shares were reallocated during 2018.

6.1.7 Trading in Company shares by directors and company officers

The table below shows transactions in the Company's shares disclosed to the AMF by persons discharging managerial responsibilities and persons closely associated with them during 2018.

Date of transaction	Person	Function	Instrument	Type of transaction	Number of shares	Price (in euros)
01/12/2018	Nicolas Gueugnon	Head of Legal Department	Shares	Subscription	6,100	0.67
01/18/2018	Nathalie Harroy	Head of Human Resources	Shares	Subscription	7,300	0.59
01/23/2018	Jean Volatier	Chief Financial Officer	Shares	Subscription	16,900	0.59
05/24/2018	Nathalie Harroy	Head of Human Resources	Shares	Free shares	10,000	N/A
05/24/2018	Jean Volatier	Chief Financial Officer	Shares	Free shares	20,000	N/A
08/20/2018	Frédéric Cren	Chairman and Chief Executive Officer	Shares	Change to call options with physical settlement	625,000	12
08/20/2018	Pierre Broqua	Deputy Chief Executive Officer	Shares	Change to call options with physical settlement	625,000	12
08/23/2018	Frédéric Cren	Chairman and Chief Executive Officer	Shares	Sale	125,000	7.88
08/23/2018	Pierre Broqua	Deputy Chief Executive Officer	Shares	Sale	125,000	7.88
08/23/2018	Jean Volatier	Chief Financial Officer	Shares	Sale	5,000	7.88

The disclosures made in 2019 up to the date of this Registration Document are summarized in the table below:

Date of transaction	Person	Function	Instrument	Type of transaction	Number of shares	Price (in euros)
01/14/2019	Nicolas Gueugnon	Head of Legal Department	Shares	Subscription	6,100	0.67
02/11/2019	Nicolas Gueugnon	Head of Legal Department	Shares	Free shares	10,000	N/A

6.1.8 Share price

A total of 5,080,766 shares were traded during the period from February 14, 2017, the date of the Company's IPO on Euronext Paris, to March 29, 2019.

The shares were first listed at a price of €8.50 and closed at €3.09 on March 29, 2019.

In 2018, the shares traded at a low of €4.45 on January 2, 2018 and a high of €9.26 on September 11, 2018.

Market capitalization at December 31, 2018 was €129,092,207.

A total of 2,606,838 shares were traded during the period from December 31, 2018 to March 29, 2019.

The shares closed at €3.09 on March 29, 2019.

Market capitalization at March 29, 2019 was approximately €68,890,552.

6.2 Securities giving access to capital and call options

6.2.1 Summary of number of shares that may result from the exercise or vesting of dilutive instruments issued by the Company since inception

Type of securities	**BCE 2013-1 (2013)**	**BCE 2013-1 (2015)**	**AGA 2017-1**	**AGA 2017-2**	**BSA 2017**	**AGA 2018-1**	**AGA 2018-2**	**AGA 2018-3**	**BSA 2018**	**TOTAL**[(1)]
Beneficiaries	Employees	Employees	Employees	Employees	Directors	Employees	Employees	Employees	Consultants	
Date of Annual General Meeting	Nov. 25, 2013	Nov. 25, 2013	Sept. 30, 2016	Sept. 30, 2016	May 29, 2017	Sept. 30, 2016	Sept. 30, 2016	May 28, 2018	May 28, 2018	
Type of share to be subscribed	Ordinary share									
Total number awarded	**9,027**	**2,196**	**82,300**	**60,000**	**195,000**	**10,000**	**65,700**	**265,700**	**126,000**	**1,927,000**
Number of shares subscribed or issued, as applicable	621,000	144,600	0	60,000	0	10,000	0	0	0	**835,600**
Number of warrants or shares canceled or lapsed	2,729	750	4,800	0	20,000	0	0	800	0	**372,700**
Number of shares that can be subscribed	**8,800**	**0**	**77,500**	**0**	**175,000**	**0**	**65,700**	**264,900**	**126,000**	**717,900**

6.2.2 Share warrants ("BSA")

6.2.2.1 BSA 2013-1

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 (the "**BSA 2013-1**").

On May 25, 2015, the Chairman of the Company, using these delegated powers, elected to reserve the right to subscribe for 1,500 BSA 2013-1 share warrants for ISLS Consulting as a consultant that regularly works in partnership with the Company.

Following the share split decided by the Annual General Meeting of May 31, 2016, each BSA 2013-1 carried the right to subscribe for 100 new ordinary shares with a par value of €0.01, at a price of €67.

On March 20, 2017, ISLS Consulting exercised all BSA 2013-1 share warrants issued to it and in turn acquired ownership of 150,000 new ordinary shares issued with a par value of €0.01.

6.2.2.2 BSA 2017

On May 29, 2017, the Company's Annual General Meeting delegated powers to the Board of Directors of the Company, for a period of 18 months, to issue BSAs to specific categories of beneficiaries including the directors of the Company.

On the same day, the Board of Directors elected to issue and reserve subscription on a total of 195,000 BSAs for five directors (the "**BSA 2017**"), namely, (i) 30,000 to CELL+, (ii) 30,000 to Pienter-Jan BVBA, (iii) 30,000 to Chris Newton, (iv) 30,000 to Karen Aiach and (v) 75,000 to Jean-Louis Junien.

All BSA 2017 share warrants were subscribed by the five beneficiaries in December 2017 in exchange for payment of a subscription price of €0.534 per warrant corresponding to 8% of the market value of an ordinary share on the date of allotment of BSA 2017 share warrants. The exercise price of BSA 2017 share warrants was set at €6.675 per warrant by the Board of Directors based on the market value of an ordinary share on the date of allotment of BSA 2017 share warrants, the market value being based on the weighted average price over the last twenty (20) trading days before the date on which BSA 2017 share warrants were allotted by the Board of Directors.

The exercise of BSA 2017 share warrants is subject to the full payment of their exercise price. New shares issued upon exercise of BSA 2017 share warrants will be identical in all respects to the existing shares and subject to the provisions of the bylaws that apply to existing shares of the same class.

The warrants will accrue dividend rights from the first day of the financial year in which they are subscribed.

BSA 2017 share warrants will vest and will be exercisable in tranches of one third at the end of the following vesting periods: (i) one third as of May 29, 2018, (ii) one third as of May 29, 2019 and (iii) the balance as of May 29, 2020.

Notwithstanding the above, should a public cash or exchange offer be made for the Company and accepted by the Board of Directors, all BSA 2017 share warrants will vest immediately.

BSA 2017 share warrants that have vested may be exercised on one or more occasions up to and no later than May 29, 2027.

Directors who own warrants must comply with the provisions of the internal regulations[34] of the Board of Directors and, in particular, Article 3.6 (Share ownership), Article 3.7 (Ethical rules applying to market transactions) and Article 3.8 (Disclosure of trading in Company shares), for as long as they remain in office. They must instruct the Company's custodian (Société Générale as of the date of this Registration Document) to book their shares to a pure registered account held with the custodian.

Following Karen Aiach's resignation in November 2018, 20,000 BSA 2017 share warrants lapsed.

6.2.2.3 **BSA 2018**

On May 28, 2018, the Company's Extraordinary General Meeting delegated powers to the Board of Directors, 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 (the "**BSA 2018**"). None of the corporate officers received BSA-2018 share warrants.

On December 14, 2018, the Board of Directors, using these delegated powers, elected to reserve the right to subscribe for BSA 2018 share warrants for three consultants that regularly work in partnership with the Company: (i) David Nikodem (36,000), (ii) JPG Healthcare LLC (10,000) and (iii) ISLS Consulting (80,000).

All BSA 2018 share warrants were subscribed by the three beneficiaries in January 2019 in exchange for payment of a subscription price of €0.48 per warrant corresponding to 8% of the market value of an ordinary share on the date of allotment of BSA 2018 share warrants. The exercise price of BSA 2018 share warrants was set at €6.067 per warrant by the Board of Directors based on the market value of an ordinary share on the date of allotment of BSA 2018 share warrants, the market value being based on the weighted average price over the last twenty (20) trading days before the date on which BSA 2018 share warrants were allotted by the Board of Directors.

The fair value of the BSA share warrants was estimated by PwC using the Black-Scholes model based on the following assumptions: (i) value of the underlying asset at December 14, 2018; (ii) volatility observed in a sample of comparable listed companies; and (iii) a six-year economic life (middle of exercise period). The fair value for BSA share warrants was estimated at €1.98 at the award date.

The exercise of BSA 2018 share warrants is subject to the full payment of their exercise price. New shares issued upon the exercise of BSA 2018 share warrants will be identical in all respects to existing shares and subject to the provisions of the bylaws that apply to existing shares of the same class.

The warrants will accrue dividend rights from the first day of the financial year in which they are subscribed.

BSA 2018 share warrants can only be exercised under the following conditions:

- For David Nikodem, in tranches of one third at the end of the following vesting periods: (i) one third as of September 1, 2019, (ii) one third as of September 1, 2020 and (iii) the balance as of September 1, 2021;

- For JPG Healthcare LLC, in full as of November 8, 2019; and

- For ISLS Consulting, in tranches of one third at the end of the following vesting periods: (i) 26,667 as of December 14, 2019, (ii) 26,667 as of December 14, 2020 and (iii) 26,666 as of December 14, 2021;

it being specified that (a) in each case, BSA 2018 vesting periods will lapse if the service agreement between the Company and the beneficiary or the company for which the beneficiary acts, is terminated

[34] The internal regulations of the Board of Directors are available on Inventiva's website (www.inventivapharma.com).

before the date of the first vesting period or in the event of the death of the beneficiary; and (b) for the BSA 2018 awarded to David Nikodem, (x) if the agreement is terminated as of September 1, 2019 by the Company and without breach of the terms by Sapidus, the vesting of outstanding BSA 2018 share warrants will be capped at 1,000 BSA 2018 for each full month in which the aforementioned agreement has been executed since the previous vesting date, and (y) if the agreement is terminated as of September 1, 2019 by Sapidus, no monthly vesting shall occur between September 1, 2019 and the termination date.

Notwithstanding the above, should a public cash or exchange offer be made for the Company and accepted by the Board of Directors before November 8, 2019, all BSA 2018 share warrants will vest immediately.

BSA 2018 share warrants that have vested may be exercised on one or more occasions up to and no later than December 14, 2028.

6.2.3 Company founder share warrants ("BSPCE")

On November 25, 2013, the Company's Extraordinary General Meeting delegated powers to the Chairman of the Company, for a period of 18 months, to allot free BSPCEs to executive officers paid by the Company and subject to income tax, and to the Company's employees (the "**BCE 2013-1**"). Thus, on December 13, 2013 and May 25, 2015, the Chairman of the Company, exercising these delegated powers, decided to award 9,027 and 2,196 BCE 2013-1 share warrants respectively to the beneficiaries, all of whom are Company employees.

Following the stock split decided by the Annual General Meeting of May 31, 2016, each BCE 2013-1 share warrant issued on December 13, 2013 carries the right to subscribe for 100 new ordinary shares with a par value of €0.01, for a price of €58.50, and each BCE 2013-1 share warrant issued on May 25, 2015 carries the right to subscribe for 100 new ordinary shares with a par value of €0.01, for a price of €67.

Employees of the Company exercised:

- In the period from March 20 to March 27, 2017: 5,579 BCE 2013-1 share warrants resulting in the issuance of 557,900 new shares.
- In the period from January 5 to January 20, 2018: 1,803 BCE 2013-1 share warrants resulting in the issuance of 180,300 new shares.
- In the period from January 5 to January 20, 2019: 274 BCE 2013-1 share warrants resulting in the issuance of 27,400 new shares.

A number of employees have since left the Company and 1,154 BCE 2013-1 share warrants have therefore lapsed.

Furthermore, the vesting of one tranche of the BCE 2013-1 share warrants was contingent on the Company achieving revenue of €18 million in 2017. As this performance condition was not met, 2,455 BCE 2013-1 share warrants were canceled in 2017. The other tranches are not subject to performance conditions.

On February 28, 2019, a total of 88 BSPCEs remained allotted and outstanding.

6.2.4 Free shares ("AGA")

The terms and conditions of the free shares awards decided by the Board of Directors at its meetings of March 22, 2017, April 18, 2017, January 26, 2018 and December 14, 2018 are set out below. None

of the beneficiaries hold more than 10% of the capital and no award may be made if it would result in a beneficiary holding more than 10% of the capital and no corporate officer has received these awards.

6.2.4.1 **AGA 2017-1**

At its meeting of April 18, 2017, the Board of Directors approved the award of 92,300[35] free shares (the "**AGA 2017-1**") to nine (9) employees, excluding corporate officers, who had never received BSPCEs.

The allocation of AGA 2017-1 free shares will not be definitive until the end of a two-year vesting period, i.e., as of April 18, 2019 (the "**Vesting Period for AGA 2017-1**"), unless the Board of Directors decides otherwise in the event of a public offer that would result in a change of control of the Company. Notwithstanding the above, in the event of the death of a beneficiary, their legal heirs have a period of six (6) months in which to request the awarding of shares. In the event of the retirement or invalidity of a beneficiary, under 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 awarding of shares during the 6 months following the incident.

In the event that beneficiaries are dismissed on personal grounds or resign during the Vesting Period for AGA 2017-1, they shall lose their rights to free shares. In the event that beneficiaries are made redundant on economic grounds, they shall lose their rights to free shares, unless the Board of Directors decides otherwise.

The free shares awarded cannot be sold before April 18, 2020, except by the legal heirs upon the beneficiary's death or unless the Board of Directors decides to waive the lock-in period as a result of a public offer that would result in a change of control of the Company.

The free 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 free shares shall be €0.01 each.

All of the free shares awarded shall be ordinary shares.

As a number of employees have left the Company since the issue, 4,800 AGA 2017-1 have lapsed and can no longer be exercised.

6.2.4.2 **AGA 2017-2**

At its meeting of April 18, 2017, the Board of Directors approved the award of 70,000 free shares[36] (the "**AGA 2017-2**") to six (6) employees, excluding corporate officers.

The allocation of AGA 2017-2 will not be definitive until the end of a one-year vesting period, i.e., as of April 18, 2018(the "**Vesting Period for AGA 2017-2**"), unless the Board of Directors decides otherwise in the event of a public offer that would result in a change of control of the Company. Notwithstanding the above, in the event of the death of a beneficiary, their legal heirs have a period of six months in which to request the awarding of shares. In the event of the retirement or invalidity of a beneficiary, under 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 awarding of shares during the six months following the incident.

In the event that beneficiaries are dismissed on personal grounds or resign during the Vesting Period for AGA 2017-2, they shall lose their rights to free shares. In the event that beneficiaries are made

[35] Including 10,000 AGA 2017-1 free shares that were not allotted and 2,400 that were canceled due to employee departures.

[36] Including 10,000 AGA 2017-2 free shares that were not allotted.

redundant on economic grounds, they shall lose their rights to free shares, unless the Board of Directors decides otherwise.

The free shares awarded cannot be sold before April 18, 2019, except by the legal heirs upon the beneficiary's death or unless the Board of Directors decides to waive the lock-in period as a result of a public offer that would result in a change of control of the Company.

The free 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 free shares shall be €0.01 each.

All of the free shares awarded shall be ordinary shares.

The termination of the Vesting Period for AGA 2017-2 free shares on April 18, 2018 resulted in the issue of 60,000 shares.

6.2.4.3 **AGA 2018-1**

At its meeting of January 26, 2018, the Board of Directors approved the award of 10,000 free shares (the "**AGA 2018-1**") to one (1) employee, excluding corporate officers.

The allocation of AGA 2018-1 free shares will not be definitive until the end of a one-year vesting period, i.e., as of January 26, 2019 (the "**Vesting Period for AGA 2018-1**"), unless the Board of Directors decides otherwise in the event of a public offer that would result in a change of control of the Company. Notwithstanding the above, in the event of the death of a beneficiary, their legal heirs have a period of six months in which to request the awarding of shares. In the event of the retirement or invalidity of a beneficiary, under 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 awarding of shares during the six months following the incident.

In the event that beneficiaries are dismissed on personal grounds or resign during the Vesting Period for AGA 2018-1, they shall lose their rights to free shares. In the event that beneficiaries are made redundant on economic grounds, they shall lose their rights to free shares, unless the Board of Directors decides otherwise.

The free shares awarded cannot be sold before January 26, 2020, except by the legal heirs upon the beneficiary's death or unless the Board of Directors decides to waive the lock-in period as a result of a public offer that would result in a change of control of the Company.

The free shares shall be issued by way of a capital increase in an amount of €100, deducted from the unavailable reserve created for this purpose.

The issue price of ordinary free shares shall be €0.01 each.

All of the free shares awarded shall be ordinary shares.

The termination of the Vesting Period for AGA 2018-1 free shares on January 26, 2019 resulted in the issue of 10,000 shares.

6.2.4.4 **AGA 2018-2**

At its meeting of January 26, 2018, the Board of Directors approved the award of 65,700 free shares (the "**AGA 2018-2**") to six employees, excluding corporate officers.

The allocation of AGA 2018-2 free shares will not be definitive until the end of a two-year vesting period, i.e., as of January 26, 2020 (the "**Vesting Period for AGA 2018-2**"), unless the Board of Directors decides otherwise in the event of a public offer that would result in a change of control of the Company. Notwithstanding the above, in the event of the death of a beneficiary, their legal heirs have a period of six months in which to request the awarding of shares. In the event of the retirement or invalidity of a beneficiary, under 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 awarding of shares during the six months following the incident.

In the event that beneficiaries are dismissed on personal grounds or resign during the Vesting Period for AGA 2018-2, they shall lose their rights to free shares. In the event that beneficiaries are made redundant on economic grounds, they shall lose their rights to free shares, unless the Board of Directors decides otherwise.

The free shares awarded cannot be sold before January 26, 2021, except by the legal heirs upon the beneficiary's death or unless the Board of Directors decides to waive the lock-in period as a result of a public offer that would result in a change of control of the Company.

The free shares shall be issued by way of a capital increase in an amount of €657, deducted from the unavailable reserve created for this purpose.

The issue price of ordinary free shares shall be €0.01 each.

All of the free shares awarded shall be ordinary shares.

6.2.4.5 **AGA 2018-3**

At its meeting of December 14, 2018, the Board of Directors approved the award of 265,700 free shares (the "**AGA 2018-3**") to eighty-eight employees, excluding corporate officers.

The allocation of AGA 2018-3 free shares will not be definitive until the end of a two-year vesting period, i.e., as of December 14, 2020 (the "**Vesting Period for AGA 2018-3**"), unless the Board of Directors decides otherwise in the event a public offer that would result in a change of control of the Company. Notwithstanding the above, in the event of the death of a beneficiary, their legal heirs have a period of six months in which to request the awarding of shares.

In the event that beneficiaries are dismissed on personal grounds or resign during the Vesting Period for AGA 2018-3, they shall lose their rights to free shares. In the event that beneficiaries are made redundant on economic grounds, they shall lose their rights to free shares, unless the Board of Directors decides otherwise.

The free shares awarded cannot be sold before December 14, 2021, except by the legal heirs upon the beneficiary's death or unless the Board of Directors decides to waive the lock-in period as a result of a public offer that would result in a change of control of the Company.

The free shares shall be issued by way of a capital increase in an amount of €2,657, deducted from the unavailable reserve created for this purpose.

The issue price of ordinary free shares shall be €0.01 each.

All of the free shares awarded shall be ordinary shares.

As one employee has left the Company since the issue, 800 AGA 2018-3 have lapsed and can no longer be exercised.

6.2.5 Summary of dilutive instruments held by executives, directors and employees

For details regarding the financial instruments carrying rights to the Company's share capital (BSA and BSPCE) awarded to directors and executives in 2018, see section 3.5.2 *Compensation paid or awarded to executive corporate officers for 2018* of this Registration Document and notably Table no. 4 *Share warrants (BSAs) or company founder share warrants (BSPCEs) awarded to each non-executive corporate officer by the Company during the year ended December 31, 2018* and Table no. 8 *History of allocations of BSAs and BSPCEs to executive and non-executive directors*.

For information about dilutive instruments, see also Note 10 *Shareholders' equity* of the financial statements prepared in accordance with IFRS for the year ended December 31, 2018, in section 4.7 of this Registration Document.

Type of securities	**BCE 2013-1 (2013)**	**BCE 2013-1 (2015)**	**AGA 2017-1**	**AGA 2017-2**	**BSA 2017**	**AGA 2018-1**	**AGA 2018-2**	**AGA 2018-3**	**BSA 2018**	**TOTAL[1]**
Beneficiaries	Employees	Employees	Employees	Employees	Directors	Employees	Employees	Employees	Consultants	
Date of Annual General Meeting	Nov. 25, 2013	Nov. 25, 2013	Sept. 30, 2016	Sept. 30, 2016	May 29, 2017	Sept. 30, 2016	Sept. 30, 2016	May 28, 2018	May 28, 2018	
Allocation by decision of the Chairman and Board of Directors on May 31, 2016	Dec. 13, 2013	May 25, 2015	March 22 and April 18, 2017	March 22 and April 18, 2017	May 29, 2017	Jan. 26, 2018	Jan. 26, 2018	Dec. 14, 2018	Dec. 14, 2018	
Type of share to be subscribed	Ordinary share									
Total number of warrants or shares authorized	15,013[2]		162,300[3]		195,000	10,000	65,700	265,700	126,000	**2,326,000**
Total number awarded	**9,027**	**2,196**	**82,300**	**60,000**	**195,000**	**10,000**	**65,700**	**265,700**	**126,000**	**1,927,000**
Warrant exercise price	€58.50[4]	€67[4]	N/A	N/A	€6.675	N/A	N/A	N/A	€6.067	
Expiry of exercise period/free share award date	Dec. 31, 2023	Dec. 31, 2023	April 18, 2019	April 18, 2018	May 29, 2027	Jan. 26, 2019	Jan. 26, 2020	Dec. 14, 2020	Dec. 14, 2028	
Parity (post division of the par value of the Company's shares)	1 x BCE 2013-1 for 100 shares	1 x BCE 2013-1 for 100 shares	1 x AGA 2017-1 for 1 share	1 x AGA 2017-2 for 1 share	1 x BSA 2017 for 1 share	1 x AGA 2018-1 for 1 share	1 x AGA 2018-2 for 1 share	1 x AGA 2018-3 for 1 share	1 x BSA 2018 for 1 share	
Number of "vested" warrants or shares on the date of this Registration Document	88[5]	0[5]	0	60,000	60,000	10,000	0	0	0	**138,800**
General exercise conditions	Note[6]	Note[6]	See 6.2.3.1	See 6.2.3.2	See 6.2.1.2	See 6.2.3.3	See 6.2.3.4	See 6.2.3.5	See 6.2.1.3	
Number of shares subscribed or issued, as applicable	621,000	144,600	0	60,000	0	10,000	0	0	0	**835,600**
Number of warrants or shares canceled or lapsed	2,729	750	4,800	0	20,000	0	0	800	0	**372,700**
Number of remaining warrants	**88**	**0**	N/A	N/A	**175,000**	N/A	N/A	N/A	**126,000**	**309,800**
Number of shares that can be subscribed	**8,800 (post division)**	**0 (post division)**	**77,500**	**0**	**175,000**	**0**	**65,700**	**264,900**	**126,000**	**717,900**

(1) In number of shares that can result from the exercise of warrants or vesting of AGAs.
(2) Including 3,790 BCE 2013-1 not allotted.
(3) Including 10,000 AGA 2017-1 and 10,000 AGA 2017-2 approved by the Board on April 18, 2017 and not yet allocated.
(4) Amount of subscription for 100 new ordinary shares.
(5) Providing they have not lapsed, the final allocation of BCE 2013-1 share warrants is subject to the following vesting conditions:
- vesting calendar for warrants: (i) for BCE 2013-1 share warrants issued on December 13, 2013: vesting by tranches of 18.8% over four years and for the first time on December 31, 2014, and (ii) for BCE 2013-1 share warrants issued on May 25, 2015, vesting by tranches of (a) 37.6%, 18.8% and 18.8% over three years for beneficiaries in category 1 and (b) 18.7% over four years for beneficiaries in category 2 and, in both cases, for the first time on December 31, 2015;
- in addition to the vesting calendar described above, vesting for the balance of BCE 2013-1 share warrants is conditioned by the turnover generated by the Company for the year ended December 31, 2017; and
- accelerated vesting of all BCE 2013-1 share warrants issued at the discretion of the Company's Board of Directors where it is informed that Company 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 all of the securities issued by the Company.
(6) Providing they have not lapsed, vested BCE 2013-1 share warrants may be exercised at the initiative of each holder, once only, (i) if a memorandum of agreement is concluded by one or more shareholders resulting in the transfer of control of the Company within the meaning of Article L. 233-3-I of the French Commercial Code, following transfer of the Company's shares or merger by absorption of the Company, or (ii) if the Company's shares are listed for trading on a regulated or unregulated market in France or in the European Union, or on a foreign stock market, (a) within ten days of the end of a 30-calendar-day period beginning on the date on which the price of the Company's shares is set or (b) during a period commencing on January 5 and ending on January 20 (both dates inclusive) of each calendar year starting from or during the year in which the listing takes place. Notwithstanding the above, if the Company notifies holders of BCE 2013-1 share warrants that Company shareholders holding more than half of the capital and voting rights have accepted a purchase offer from one or more shareholders or third parties, acting alone or jointly, for all of the securities issued by the Company, each holder may, providing they have not lapsed, exercise all of their warrants.

Thus, at February 28, 2019, the total number of ordinary shares that can be created following the exercise of outstanding rights giving access to the Company's capital is 717,900, i.e., a maximum dilution of 3.12% on a fully diluted basis.

6.2.6 Outstanding call options granted to BVF Partners L.P. and Perceptive Advisors by the Founding Shareholders, Frédéric Cren and Pierre Broqua

Inventiva's founding shareholders, Frédéric Cren and Pierre Broqua (the "**Founding Shareholders**") have entered into two call option agreements (the "**Call Option Agreements**"): (i) one call option agreement with BVF Partners L.P. on 1,764,705 existing Company shares at a price per share of €8.50 ("**BVF Call Option**") and (ii) one call option agreement with Perceptive Advisors on 235,294 existing Company shares at a price per share of €8.50 ("**Perceptive Call Option**" and collectively with the BVF Call Option, "**Call Options**").

On August 20, 2018, the Founding Shareholders and BVF Partners L.P. amended the BVF Call Option agreement. The amendment to the agreement mainly modifies the following provisions:

- the exercise period of the BVF Call Option, which initially expired on February 16, 2019, was brought forward to September 17, 2018 and then extended for a new period from September 18, 2018 to February 16, 2020;
- the number of shares covered by the BVF Call Option during the exercise period from September 18, 2018 to February 16, 2020 was reduced from 1,764,705 shares to 1,250,000 shares; and
- the exercise price of the BVF Call Option during the extended period was increase from €8.5 to €12.

At the date of this Registration Document, the Perceptive Call Option had expired and none of the Call Options had been exercised.

BVF Call Option Methods

Under the terms of the BVF Call Option, BVF Partners L.P. may, but is 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 BVF Partners L.P. (maximum of 1,250,000 shares). Outstanding BVF Call Options are exercisable at €12, on one or more occasions, in full or in part, at any time until February 16, 2020 (inclusive).

The Founding Shareholders have undertaken, jointly but not severally, to hold a number of shares that is equal at least to the number of shares covered by the Call Options until the expiry of said options. The shares acquired by the Beneficiaries under the BVF Call Options are not subject to a lock-up period. The Founding Shareholders have each agreed with BVF Partners L.P. that they will not grant any third parties with subscription commitments any similar call options to the BVF Call Options in excess of €2 million for the entire term of the BVF Call Option. The shares subject to the Call Agreement entered into with BVF Partners L.P. have been placed in an escrow account opened with Société Générale Securities Services.

Reason for the Call Options

The Call Options have been granted by the Founding Shareholders to the Beneficiaries in recognition of (i) the essential assistance 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 dealings with investors, and (iii) the interest subsequently generated among other investors in the early stages of the IPO.

6.3 Main provisions of the bylaws

The main stipulations described below are taken from the Company's bylaws, which the Company adopted when its shares were admitted to trading on the regulated Euronext Paris market.

6.3.1 Memorandum and bylaws

6.3.1.1 Main provisions

Legal and commercial name

The Company's legal name is "Inventiva".

Place of registration of the Company and its registration number

The Company is registered in the Dijon Trade and Companies Register under number 537 530 255.

The Company's shares have been listed on Compartment C of the regulated market of Euronext Paris since February 15, 2017.

The Company is identified under the Legal Entity Identifier (LEI) 969500I9Y690B3FZW590.

Date of incorporation and length of life

The Company was registered at the Paris Trade and Companies Register on October 27, 2011. Since the transfer of its registered office on August 27, 2012, the Company has been registered with the Dijon Commercial Court. The length of the Company's life is 99 years unless it is extended or dissolved early.

Registered office, legal form and applicable legislation

The Company's registered office is situated at 50, rue de Dijon, 21121 Daix, France. The telephone number of its registered office is + 33 (0)3 80 44 75 00.

The Company's legal form is that of a limited company with a Board of Directors (*société anonyme à conseil d'administration*), governed, *inter alia*, by the provisions of Book II of the French Commercial Code.

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

6.3.1.2 Corporate purpose (Article 3 of the bylaws)

The Company is engaged, both in France and elsewhere, in the following activities:

- research and development into and the production, distribution and marketing, at different stages of development, of all products, and notably pharmaceutical, cosmetic and chemical products, including for the animal healthcare industry;

- the provision of investigation, advisory or commercial services and, more generally, any ancillary or similar services related to the activities described above, including the leasing of laboratories or offices;

- any operations of any nature and by any means, both directly or indirectly, that may be related to its purpose through the creation of new companies, through the contribution, subscription or purchase of company securities or rights, or through the merger or otherwise, creation, acquisition, leasing, or lease management of business assets or establishments;

and, more generally, any financial, commercial, industrial, civil, immovable or movable operations related directly or indirectly to the Company's purpose or any similar or related purpose which may facilitate its expansion or growth.

6.3.1.3 **Membership of the Board of Directors (Article 15 to 18 of the bylaws)**

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 (18) members, unless otherwise provided for by law in the event of a merger.

Directors are appointed, renewed or dismissed by the Ordinary General Meeting. They are always eligible for re-election.

Directors are appointed for a term of three (3) years, which expires at the close of the Ordinary General Meeting called to approve the financial statements for the previous year and held in the year in which their term of office expires.

No more than one third of Board of Directors' members may be over seventy (70) years of age.

Directors need not be shareholders of the Company.

A Company employee can only be appointed as a director if his/her employment contract corresponds to an actual job. The number of directors working for the Company under an employment contract cannot exceed one third of the directors in office.

Legal person director

Directors may be natural or legal persons. In the 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 a director in his/her own name, without prejudice to the joint and several liability of the legal person that he/she represents. The permanent representative of a legal person director is subject to the same age requirements as those which apply to natural person directors.

The permanent representative designated by the legal person director has the same term of office as the legal person.

If the legal person terminates its permanent representative's mandate, it is required to notify the Company immediately, by registered letter, of this termination and to identify its new permanent representative. The same applies in the event of the permanent representative's death or resignation.

The designation of the permanent representative and the termination of his/her mandate are subject to the same disclosure requirements as a director in his/her own name.

Vacancy, death, resignation

If one or more director posts become vacant following death or resignation between two general meetings, the Board of Directors may appoint a temporary director or directors.

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.

Temporary appointments made by the Board of Directors require ratification at the next Ordinary General Meeting. If they are not ratified, any decisions taken and acts carried out previously by the Board of Directors will be no less lawful.

Organization of the Board of Directors

The Board of Directors elects from within its members a Chair who must be a natural person, failing which, the appointment will be null and void. The Board of Directors determines the Chair's compensation.

No person over the age of sixty-five may be appointed as Chair. If the Chair reaches this age limit while in office, he/she is obliged to step down automatically.

The Chair is elected for a term not exceeding that of his/her directorship. He/she is eligible for re-election. The Board of Directors may dismiss the Chair at any time.

The Chair organizes and directs the work of the Board of Directors and reports to the General Meeting. He/she ensures that the Company's bodies operate efficiently and, in particular, that the directors are able to carry out their work.

The Board of Directors may also appoint, from among its natural person members, a Vice-Chair, who chairs meetings of the Board of Directors in the Chair's absence.

At the Chair's proposal, the Board of Directors may appoint up to two observer(s), who may be natural or legal persons, chosen from among the shareholders or otherwise.

The Board of Directors sets the term of office of the observers, their powers and, where applicable, the terms of their compensation.

Observers are invited to all meetings of the Board of Directors and take part in the discussions but do so in an advisory capacity only.

Board discussions

The Board of Directors meets as often as the Company's interests so require, at the invitation of its Chair. If the Board of Directors has not met for more than three months, at least one third of the directors may request that the Chair call a meeting of the Board of Directors to discuss a specific agenda, with which the Chair must comply. The Chief Executive Officer may also request that the Chair call a meeting of the Board of Directors to discuss a specific agenda.

Notices of meetings may be given by any means, including verbally.

Meetings take place either at the registered office or at any other location indicated in the notice of meeting.

Meetings are chaired by the Chairman of the Board of Directors or, failing that, by the Vice-Chair or any other director appointed by the Board of Directors.

The Board of Directors is only quorate if at least half of the directors are present.

Decisions are taken by a majority vote amongst the members present or represented. In the event of a tie, the Chair of the meeting has a casting vote.

For the purposes of calculating quorum and majority, unless otherwise specified by law, directors are deemed to be present if they take part in the meeting of the Board of Directors by video conference or by telecommunication, the nature and terms of implementation of which are determined by current regulations.

A member of the Board of Directors may give a written proxy to another Board member to represent him/her at a meeting of the Board of Directors.

Each member of the Board of Directors may only hold one proxy vote at any same meeting.

The provisions of the two paragraphs above also apply to the permanent representative of a legal person.

Where a Works Council has been set up, the representatives of that Council, appointed in accordance with the French Labor Code, must be invited to all meetings of the Board of Directors.

Powers of the Board of Directors

The Board of Directors determines the Company's business strategies and oversees their implementation. Subject to the powers expressly granted by law to shareholders and in accordance with the Company's purpose, all matters relating to the smooth running of the Company are submitted to the Board of Directors, which settles the Company's affairs by virtue of the decisions that it makes.

The Board of Directors carries out any controls and checks that it considers appropriate. Each director may ask to be sent any documents and information necessary to the performance of his/her tasks.

The Board of Directors may decide to set up study committees responsible for examining the matters referred to them by the Board of Directors or its Chair.

The Board of Directors may, up to the total amount that it determines, authorize the Chief Executive Officer to furnish securities, endorsements or guarantees in the Company's name under the conditions laid down by laws and regulations.

The Board of Directors may also decide, with the right to delegate powers, to issue bonds under the conditions set out in Articles L. 228-40 *et seq.* of the French Commercial Code, as well as any transferable securities representing a financial claim as referred to in Article L. 228-36-A of the French Commercial Code and any transferable securities.

6.3.1.4 **Senior Leadership (Article 19 of the bylaws)**

Form of operation

The Company is managed by a natural person appointed by the Board of Directors, with the title of Chief Executive Officer. This natural person may be the Chairman of the Board of Directors.

The Board of Directors chooses between these two forms of operation applicable to executive management.

The Board of Directors' decision as to the form of operation is taken by majority vote 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.

Chief Executive Officer

The Chief Executive Officer is a natural person chosen from among the directors or otherwise.

The Chief Executive Officer's term of office is determined by the Board of Directors at the time of appointment.

However, if the Chief Executive Officer is a director, his/her term of office cannot exceed that of his/her directorship.

No person over the age of sixty-five (65) may be appointed as Chief Executive Officer. When the Chief Executive Officer reaches this age limit, he/she is obliged to step down automatically.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. If the Chief Executive Officer does not also perform the role of Chairman of the Board of Directors, he/she may be entitled to damages if he/she is dismissed without just cause.

The Chief Executive Officer has the broadest powers to act in all circumstances in the Company's name. He/she exercises these powers in accordance with the Company's purpose and subject to the powers expressly granted by law to meetings of shareholders and to the Board of Directors.

He/she represents the Company in its dealings with third parties. The Company is bound by the actions of the Chief Executive Officer even if they do not fall within the Company's purpose, unless it can prove that the third party knew that the action in question went beyond the Company's purpose or could not have been unaware of that fact given the circumstances, on the understanding that the mere publication of the bylaws 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 Chief Executive Officer

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 as Deputy Chief Executive Officer to assist the Chief Executive Officer.

The Board of Directors may choose the Deputy Chief Executive Officers from among the directors or otherwise but may not appoint more than five (5).

The age limit is set at sixty-five (65). When a Deputy Chief Executive Officer reaches this age limit, he/she is obliged to step down automatically.

Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors, at the recommendation of the Chief Executive Officer. If it is decided that the Deputy Chief Executive Officer was dismissed without just cause, he/she may be entitled to claim for damages.

If the Chief Executive Officer steps down from office or is unable to perform his/her duties, the Deputy Chief Executive Officers will, unless otherwise decided by the Board of Directors, retain their duties and powers until the new Chief Executive Officer is appointed.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and term of the powers granted to the Deputy Chief Executive Officer. The Deputy Chief Executive Officer hold the same powers as the Chief Executive Officer in their dealings with third parties.

6.3.1.5 Rights, preferences and restrictions attached to shares (Articles 7, 10, 14 and 28 of the bylaws)

6.3.1.5.1 Form of shares (extract from Article 10 of the bylaws)

Shares are in registered or bearer form, at the shareholder's option. They can only be in bearer form once they have been fully paid up.

6.3.1.5.2 Voting rights (extract from Articles 14 and 28 of the bylaws)

Unless otherwise specified by law or in the bylaws, each share carries the right to one vote at General Meetings of shareholders.

However, double voting rights are lawfully granted for all fully paid-up shares where it can be established 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, the division of community property between spouses or an *inter vivos* gift between a shareholder to his or her spouse or to a relative entitled to inherit or following a transfer resulting from a merger or demerger of a shareholder company.

6.3.1.5.3 Dividend and profit rights (extract from Article 14 of the bylaws)

Each share carries the right to a proportional share of the Company's profits and assets according to the proportion of the capital that it represents.

Shareholders are only liable for losses in the amount that they contributed to the Company.

6.3.1.5.4 Time limit after which entitlement to dividend lapses

Dividends not claimed within five years of the dividend payment date will revert to the French government in accordance with Article L. 1126-1 of the French General Code on the Property of Individuals (*Code général de la propriété des personnes publiques*).

6.3.1.5.5 Pre-emptive rights

All shares carry pre-emptive subscription rights for capital increases (Article 7 of the bylaws).

6.3.1.6 Conditions for changing shareholders' rights

Shareholders' rights may be changed under the conditions laid down by laws and regulations. There are no particular provisions governing changes in shareholders' rights which are more stringent than the law.

6.3.1.7 General Meetings of shareholders

6.3.1.7.1 Calling and holding of General Meetings and agenda (Articles 25 and 26 of the bylaws)

Calling (Article 25 of the bylaws)

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 of meeting in a journal authorized to receive legal notices in the regional department in France (*département*) in which the registered office is situated and also in the BALO.

However, the publications mentioned in the previous paragraph may be replaced by a notice of meeting 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.

Meeting (Article 25 of the bylaws)

Meetings are held at the registered office or in any other place indicated in the notice of meeting.

All shareholders may attend meetings, either in person or via a proxy, subject to proof of their identity and ownership of shares, in accordance with the provisions of current laws and regulations.

The Board of Directors may decide, when calling the Meeting, that shareholders may attend and vote at any Meeting by video conference or other means of telecommunication and data transmission (including the Internet), in accordance with the provisions of all applicable laws and regulations at the time of its utilisation. This decision is mentioned in the notice of meeting published in the BALO.

Voting by correspondence may be carried out in accordance with the provisions of all applicable laws and regulations. In particular, shareholders may submit voting forms in hard copy or electronic format (by decision of the Board of Directors published in the notice of meeting) before the meetings. Proxy forms may be submitted either in hard copy or electronic format before 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 must come from a reliable process for identifying the shareholder and include a link to the remote form to which his/her signature pertains. Any votes cast before the Meeting by electronic means, as well as the acknowledgment of receipt sent, will be deemed irrevocable and binding for all parties. Proxy votes can, however, be revoked in the same manner as required for the appointment of a proxy. In the event of a share ownership transfer taking place before midnight Paris time on the second working day preceding the Meeting, the Company will rescind or amend the proxy or the vote cast by electronic means, as applicable.

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 bylaws)

The agenda for meetings is drawn up by the person calling the meeting.

One or more shareholders, representing at least the required proportion of share capital and acting according to the conditions and time periods laid down by law, have the right to request, by registered letter with acknowledgment of receipt or by electronic telecommunication, that items or motions be added to the agenda for the Meeting.

The Works Council may also request that motions be added to the agenda for the Meeting.

The Meeting can only discuss an item if it is included on the agenda, which cannot be amended at second call. It may, however, in all circumstances dismiss one or more members of the Board of Directors and replace them.

6.3.1.7.2 Powers of General Meetings (extract from Article 24 of the bylaws)

Ordinary General Meetings are meetings at which shareholders are called to take decisions that do not amend the bylaws.

Extraordinary General Meetings are meetings at which shareholders are called to decide on or authorize direct or indirect amendments to the bylaws. Decisions taken at General Meetings are binding on all shareholders, even those who are absent, dissenting or unable to act.

6.3.1.8 Reaching of thresholds (Article 11 of the bylaws)

Any person who, acting alone or jointly, holds or no longer holds, directly or indirectly via companies that he/she controls within the meaning of Article L. 233-3 of the French Commercial Code, a number of shares representing 2% of the Company's capital or voting rights (calculated in accordance with the provisions of Articles L.233-7 and L. 233-9 of the French Commercial Code and in accordance with the AMF's General Regulation) is required, by no later than the close of trading on the fourth market day following the day on which the ownership threshold indicated above is reached, to notify the Company of this circumstance by registered letter with acknowledgment of receipt specifying the total number of shares and voting rights that he/she holds. The person required to notify the Company of this circumstance will specify the number of shares that he/she holds which give future access to the capital and the voting rights attached thereto, as well as any other information required under the aforementioned laws and regulations.

This disclosure must be repeated under the same conditions described above whenever a new 2% fraction of the capital or voting rights is reached, whether upwards or downwards.

Unless they have been disclosed under the conditions described above, shares exceeding the fraction that should have been disclosed are stripped of voting rights in meetings of shareholders, if, at the time of a meeting, the failure to disclose has been observed and if one or more shareholders jointly holding at least 5% of the capital so request during that meeting. The stripping of voting rights will apply to all meetings of shareholders that are held until the expiry of a period of two years following the date on which the disclosure was actually made.

6.3.1.9 Identification of holders of transferable securities (extract from Article 10 of the bylaws)

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 their status as an intermediary holding securities for others in accordance with all applicable laws and regulations.

The Company is authorized to freely request that the central depository managing the issue account for its securities provide any legal information pertaining to securities that confer, either immediately or in the future, the right to vote in meetings of shareholders.

6.3.1.10 Special conditions governing changes in the capital

There are no special conditions in the Company's bylaws governing changes in its capital that are more stringent than current applicable law.

6.3.2 Documents available to the public

Copies of this Registration Document are available free of charge at the Company's registered office located at 50, rue de Dijon, 21121 Daix, France.

This Registration Document may also be consulted on the Company's website (www.inventivapharma.com) and on the AMF's website (www.amf-france.org).

The bylaws, 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).

This Registration Document does not constitute the annual report presented at the Company's Annual General Meeting.

6.4 Persons responsible

6.4.1 Declaration by the person responsible for the Registration Document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and that no information has been omitted that would be likely to affect its import.

I hereby declare that, to the best of my knowledge, (i) the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and results of the Company, and (ii) that the Management Report provides a true and fair view of the Company's business, financial position and earnings, as well as a description of the principal risks and uncertainties to which it is exposed.

I obtained a statement from the Statutory Auditors at the end of their assignment in which they confirm that they have verified the information relating to the Company's financial position and the financial statements contained herein, and that they have read the entire Registration Document.

April 12, 2019

Mr. Frédéric Cren
Chairman and Chief Executive Officer

6.4.2 Person responsible for financial information

Jean Volatier
Chief Administrative and Financial Officer
Address: 50, rue de Dijon, 21121 Daix, France
Telephone: +33 (0)3 80 44 75 28
Email: Jean.volatier@inventivapharma.com

6.5 Statutory Auditor

KPMG SA
2, avenue Gambetta
CS 60055
92066 Paris La Défense Cedex, France
Represented by Jean Gatinaud

KPMG SA was appointed by the Company's General Meeting of Shareholders held on May 28, 2018 for a term of six financial years expiring at the end of the Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2023.

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

7. FINANCIAL INFORMATION PREPARED ACCORDING TO FRENCH STANDARDS AND THE REPORT ON REGULATED AGREEMENTS

7.1 Financial information – French GAAP

7.1.1 General overview of the Company's activities and results

The financial statements for the year ended December 31, 2018 to be submitted to the Company's Ordinary General Meeting to be held in May 2019 for approval, were prepared in accordance with the rules for presenting financial statements and valuation methods set out in current regulations.

At December 31, 2018, net non-current assets of €6,235,751 were recorded in the statement of financial position (€6,879,799 at December 31, 2017).

At December 31, 2018, shareholders' equity in an amount of €64,109,108 was recorded in the statement of financial position (€63,972,872 at December 31, 2017).

The Company's net debt totaled €13,444,126 at December 31, 2018 (€9,014,612 at December 31, 2017).

For the year ended December 31, 2018, operating income totaled €3,533,147 (€7,411,833 for the year ended December 31, 2017).

For the year ended December 31, 2018, operating expenses totaled €37,471,012 (€31,622,321 for the year ended December 31, 2017).

Operating expenses break down as follows:

	2018	2017
Purchases of raw materials and other supplies	(29,265)	(40,166)
Other purchases and external charges	(26,459,618)	(20,990,580)
Taxes, duties and similar levies	(271,882)	(251,492)
Wages and salaries	(6,760,781)	(6,357,485)
Payroll taxes	(2,597,788)	(2,518,217)
Depreciation, amortization and provision expense	(1,068,273)	(1,235,990)
Other expenses	(283,407)	(228,391)
TOTAL	(37,471,012)	(31,622,321)

At December 31, 2018, the impact of recognizing retirement benefit obligations in Inventiva's annual financial statements was €163,496.

For the year ended December 31, 2018, the operating loss totaled €33,937,865 (operating loss of €24,210,488 for the year ended December 31, 2017).

The net financial expense for the year ended December 31, 2018 came in at €34,654 (compared with financial income of €231,384 in the previous year).

Non-recurring income amounted to €2,435,525 in 2018 (€9,864,343 in the previous year) and mainly comprised the part of the investment subsidy taken to the income statement and non-recurring income

on the Asset Purchase Agreement (APA) signed with AbbVie. This income offset the non-recurring payroll tax expense potentially due following the tax audit covering the 2013-2015 fiscal years.

After taking into account a gross CIR (in the amount of €4,837,169 in 2018 versus €4,277,477 in the previous year) and the CICE tax credit (in the amount of €123,510 in 2018 versus €140,766 in 2017), amounting to a total of €4,960,679 in tax credits in 2018 (versus €4,418,243 in the previous year), the net loss for the year ended December 31, 2018 was €31,956,860 (versus a net loss of €10,135,461 for the year ended December 31, 2017).

Analysis of changes in the Company's business, performance, financial position and debt

Sales amounted to €3,303,005 and the operating loss to €33,937,865 for the year ended December 31, 2018 (versus sales of €6,520,816 and an operating loss of €24,210,488 for the previous year). Sales mainly result from two research partnerships entered into by the Company.

The first was signed with AbbVie when Inventiva was first set up. Revenue from this partnership in 2018 amounted to €847,500 (versus €2,410,797 in 2017). 2018 and 2017 revenue do not include milestone payments. 2018 revenue includes billing for full-time equivalents.

The second partnership was signed in 2016 with Boehringer Ingelheim. Revenue from this partnership in 2018 amounted to €1,036,500 (versus €3,308,325 in 2017). No milestone payment was received in 2018, unlike 2017 when a payment totaling €2,500,000 was received in the second half of the year. All of 2018 revenue therefore consists of billing for full-time equivalents.

The Company also received €15,973 in operating subsidies in 2017 (ANR and Eurostars) versus €832,558 in 2017.

The non-recurring loss totaled €2,954,929 in 2018 (versus non-recurring income of €9,090,214 in 2017). Until 2017, Inventiva received an exceptional subsidy from Abbott and this amount represented an asset of €9.1 million in the statement of financial position at December 31, 2018. This subsidy ended in August 2017. In 2018, non-recurring expenses included financing fees for various projects amounting to €2.2 million. Non-recurring provisions were also recognized in 2018 for an amount of €1.1 million. Non-recurring income consisted of the transfer of the part of the investment subsidy taken to the income statement for an amount of €0.4 million.

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 (€432,743 in 2018 versus €512,178 in the previous year).

No income tax was payable for the years ended December 31, 2018 and 2017. The CIR totaled €4,837,169 (versus €4,277,477 in 2017).

The loss for the year was €33,937,865 in 2017 (versus a loss of €10,135,461 in the previous year).

For the year ended December 31, 2018, current assets totaled €73,845,381, which includes net cash and cash equivalents in the amount of €56,692,019 (€67,451,172 and €59,052,112, respectively, at the previous year-end). Net debt amounted to €13,444,126 at December 31, 2018 (€9,014,612 at the previous year-end).

7.1.2 Company financial statements prepared in accordance with French GAAP for the year ended December 31, 2018

1. Financial statements

1.1. Statement of financial position

1.1.1. Assets

	Dec. 31, 2018			Dec. 31, 2017
In euros	**Gross**	**Depreciation, amortization and provisions**	**Net**	**Net**
Licenses, patents and similar concessions	2,141,657	992,593	1,149,064	1,313,785
Other intangible assets	1,503,517	1,110,007	393,510	492,302
Intangible assets	**3,645,174**	**2,102,600**	**1,542,574**	**1,806,087**
Land	172,000	-	172,000	172,000
Buildings	3,407,045	1,346,052	2,060,993	2,263,252
Technical facilities, equipment and tooling	4,676,777	2,998,915	1,677,862	1,659,118
Other property, plan and equipment	1,081,013	773,737	307,276	354,831
Property, plant and equipment in progress	43,102	-	43,102	66,970
Property, plant and equipment	**9,379,938**	**5,118,704**	**4,261,233**	**4,516,171**
Non-current financial assets	473,467	41,523	**431,944**	557,542
NON-CURRENT ASSETS	**13,498,579**	**7,262,827**	**6,235,751**	**6,879,799**
Inventories	**-**	**-**	**-**	**-**
Trade receivables	5,802	-	5,802	64,223
Supplier receivables	59,736	-	59,736	70,736
Employee-related payables	7,000	-	7,000	4,000
Income tax receivables	9,767,460	-	9,767,460	4,796,872
Sales tax receivables	3,034,418	-	3,034,418	1,072,078
Other receivables	2,520,069	-	2,520,069	787,659
Advances and downpayments made on orders	164,933	-	164,933	294,363
Marketable securities	41,766,625	-	41,766,625	41,301,388
Cash and cash equivalents	14,925,394	-	14,925,394	17,750,724
Prepaid expenses	1,593,944	-	1,593,944	1,309,130
CURRENT ASSETS	**73,845,381**	**-**	**73,845,381**	**67,451,172**
Total assets	**87,343,960**	**7,262,827**	**80,081,132**	**74,330,972**

1.1.2. Equity and liabilities

In euros	**Dec. 31, 2018**	**Dec. 31, 2017**
Share capital or personal capital	222,573	164,445
Additional paid-in capital	77,564,256	45,095,946
Legal reserve	39,020	39,020
Retained earnings	14,468,113	24,604,174
NET INCOME/LOSS FOR THE YEAR	(31,956,860)	(10,135,461)
Investment subsidies	3,772,005	4,204,748
Shareholders' equity	**64,109,108**	**63,972,872**
Provisions for contingencies	358,076	477,494
Provisions for losses	2,169,823	865,994
Provisions for contingencies and losses	**2,527,899**	**1,343,488**
Borrowings	219,933	364,301
Bank overdrafts	4,911	3,111
Bank loans and borrowings	**224,844**	**367,412**
Miscellaneous loans and borrowings	**41,789**	156,942
Trade and other payables	**4,677,623**	**3,220,775**
Employee-related payables	1,094,859	976,263
Accrued payroll and other employee-related taxes	1,052,204	937,166
Income tax payables	-	-
Sales tax payables	554,959	*410,045*
Other accrued taxes and employee-related expenses	190,710	190,042
Accrued taxes and employee-related expenses	**2,892,732**	**2,513,516**
Amounts payable on non-current assets	14,065	-
Other payables	5,593,074	2,163,317
Deferred income	-	592,650
TOTAL LIABILITIES	**13,444,126**	**9,014,612**
Total equity and liabilities	**80,081,132**	**74,330,972**

1.2. Income statement

In euros	**Dec. 31, 2018**	**Dec. 31, 2017**
REVENUE		
Sales	3,303,005	6,520,816
Operating subsidies	15,973	832,558
Other revenue	214,169	58,459
Total	**3,533,147**	**7,411,833**
Purchases of raw materials and other supplies	(29,265)	(40,166)
Other purchases and external charges	(26,459,618)	(20,990,580)
Taxes, duties and similar levies	(271,882)	(251,492)
Wages and salaries	(6,760,781)	(6,357,485)
Payroll taxes	(2,597,788)	(2,518,217)
Depreciation, amortization and provisions	(1,068,273)	(1,235,990)
Other expenses	(283,407)	(228,391)
Total	**(37,471,012)**	**(31,622,321)**
OPERATING RESULTS	**(33,937,865)**	**(24,210,488)**
Financial income	222,611	341,260
Financial expenses	(257,265)	(109,877)
NET FINANCIAL INCOME	**(34,654)**	**231,384**
RECURRING INCOME (LOSS) BEFORE TAX	**(33,972,520)**	**(23,979,104)**
Non-recurring income	2,435,525	9,864,343
Non-recurring expenses	(5,390,453)	(774,129)
NET NON-RECURRING INCOME	**(2,954,928)**	**9,090,214**
Income tax	4,970,588	4,753,429
NET INCOME (LOSS) FOR THE YEAR	**(31,956,860)**	**(10,135,461)**

2. Notes to the financial statements

Inventiva S.A. ("Inventiva" or the "Company") is a clinical stage biopharmaceutical company focused on the development of oral small molecule therapies for the treatment of diseases with significant unmet medical need in the areas of fibrosis, lysosomal storage disorders and oncology.

The Company is developing its most advanced product candidate, lanifibranor, for the treatment of patients with non alcoholic steatohepatitis, or NASH, a disease for which there are currently no approved therapies. The Company is currently conducting Phase IIb clinical trials of lanifibranor in patients with NASH and plans to report data in the first half of 2020.

The Company's second clinical stage asset is odiparcil, which it is developing for the treatment of patients with mucopolysaccharidoses, or MPS. The Company is currently investigating odiparcil in a Phase IIa clinical trial for the treatment of adult patients with the MPS VI subtype. The Company expects to report data in the second half of 2019, and, if positive, it plans to initiate Phase III clinical development of odiparcil for the treatment of MPS VI in 2021.

The Company has a scientific team with deep biology, medicinal and computational chemistry, pharmacokinetics and pharmacology expertise, an extensive library of proprietary molecules and a wholly owned research and development facility.

Using these assets and this expertise, it has built a discovery engine focused on small molecule compounds that target nuclear receptors, transcription factors and epigenetic modulation. It is leveraging this discovery engine to identify and develop compounds addressing a wide range of indications.

It also has advanced pre-clinical programs for the treatment of autoimmune diseases and idiopathic pulmonary fibrosis, or IPF, in collaboration with AbbVie Inc., or AbbVie, and Boehringer Ingelheim International GmbH, or BI, respectively. AbbVie is currently investigating ABBV-157, which is a clinical development candidate resulting from its collaboration, in a Phase I clinical trial for the treatment of moderate to severe psoriasis.

Inventiva has been listed on the Euronext Paris regulated market since February 2017.

2.1. Significant events

IPO

In February 2017, the Company successfully completed its initial public offering (IPO) on Euronext Paris by way of an Open Price Offering (OPO) and a Global Placement. As part of the IPO, Inventiva offered a total of 5,706,577 ordinary shares, representing 36% of its share capital, for gross proceeds of €48.5 million by means of a capital increase after partial exercise (357,122 shares) of the increase option and partial exercise (55,337 shares) of the over-allotment option.

The funds, net of banking fees of €2.6 million, were received in parts on February 16, 2017 and March 16, 2017 (over-allotment option).

The final price of the OPO was set at €8.50 per share.

Trading on Compartment C of Euronext Paris began on February 15, 2017.

During the year ended December 31, 2017 the Company incurred transaction costs of €4.0 million related to both the IPO and the capital increase.

Prior to 2017, the Company started incurring transaction costs related to both the IPO and the capital increase, amounting to €2.2 million. A portion of these costs, €0.6 million, were deferred and reported

in prepaid expenses under other receivables in the assets section of the statement of financial position. They were deducted from shareholders' equity once the capital increase was completed.

These transaction costs had the following impacts on the financial statements for the year ended December 31, 2017:

- Transaction costs directly attributable to the capital increase have been accounted for as a deduction from the issue premium in an amount of €3.9 million.
- Other transaction costs not directly attributable to the capital increase (but attributable to the IPO) were recorded as other operating expenses in the statement of income in an amount of €0.7 million million.

The above amounts include transaction costs relating to both the IPO and the capital increase, which have been allocated between the two based on a ratio corresponding to the number of shares issued as part of the capital increase divided by the number of shares existing before the transaction.

Private Placement

On April 17, 2018, Inventiva announced the successful completion of a capital increase without pre-emptive subscription rights for a category of beneficiaries.

Under the definitive terms of the capital increase which were set by the Board of Directors on March 12, 2018, a total of 5,572,500 new ordinary shares were issued at a per share price of €6.37 (par value of €0.01 plus an issue premium of €6.36 per share), thereby enabling the Company to raise €32.4 million (net of transaction costs).

The settlement-delivery of the new shares took place on April 17, 2018 in a total gross amount of €35.5 million. The new shares were admitted to trading on Euronext Paris on the same date.

As part of the capital increase, the Company incurred transaction costs of €3.1 million in first-half 2018, comprising compensation to financial intermediaries and legal and administrative fees. The costs are recognized as a deduction from additional paid-in capital within equity.

Research and development agreement with AbbVie

In August 2012, the Company entered into a master research service agreement (MRSA) with AbbVie specifying the conditions under which the Company will occasionally perform services throughout the term of the contract on behalf of AbbVie in accordance with ad hoc statements of work agreed upon between the parties and setting out the research work to be performed by the Company.

The Master Research Services Agreement (MRSA) and the APA were signed concurrently.

However:

- They are the subject of two separate agreements.
- They have been signed with two legally separate counterparties (Abbott and AbbVie).
- The MRSA was entered into under market conditions.

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 Collaboration"), AbbVie agreed to pay an annual base fee of around €3 million (adjustable for inflation) over a five-year period and any other additional amounts included in each statement of work.

The AbbVie collaboration was signed for an initial period of five years. After being extended for one additional year in August 2017 with respect to the RORγ program, and for one additional year in March 2018 with respect to a different program, the AbbVie Collaboration will terminate in March 2019.

Under the agreement, AbbVie is the exclusive owner of all intellectual property resulting from the collaboration.

Under the AbbVie collaboration, the Company and AbbVie have signed several statements of work, one of which pertained to the RORγ project. 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.

For the year ended December 31, 2018, the AbbVie Collaboration generated revenue of €0.9 million, representing 25.6% of the Company's revenue, compared with revenue of €2.4 million and 36.9% for the year ended December 31, 2017.

Research and development agreement with Boehringer Ingelheim

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 decline in lung function, and other fibrotic diseases.

BI will then be responsible for the pre-clinical and clinical development phases and the commercialization of the drug candidate. The drug candidate phases of the research program will be jointly led by the Inventiva and BI teams. BI will then be solely 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 payment if €0.5 million (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.
- Technical and commercial milestone payments, representing the most significant potential future revenue from this Agreement.

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

The revenue from the agreement with BI recognized during 2017 in an amount of €1.3 million corresponds to the following:

- Remuneration of FTEs: €0.8 million in revenue was recognized corresponding to compensation for FTEs assigned to the research program for the year.
- Milestone payment: The exercise of the option following the validation of a new fibrosis target triggered a milestone payment of €2.5 million in the second half of the year. €0.5 million of this amount was recognized in 2017 revenue based on the stage of completion of the BI Agreement.

For the 2018 financial year, the revenue from the collaboration with BI recognized during 2018 in an amount of €1.0 million corresponds to the following:

- Remuneration of FTEs: Revenue of €1.0 million was recognized corresponding to compensation for FTEs assigned to the research program for the year.

For the financial years ended December 31, 2018 and December 31, 2017, the BI Agreement represented 31.3% and 50.7%, respectively, of the Company's revenue.

AGA free share award plans

On April 18, 2017, the Company's Board of Directors approved two free share award plans for certain Company employees:

- 82,300 free shares (the AGA 2017-1), of which 2,400 have since been canceled.
- 60,000 free shares (AGA 2017-2).

The plans have the following characteristics:

- a two-year vesting period for AGA 2017-1 shares;
- a one-year vesting period for AGA 2017-2 shares;
- a one-year lock-up period;
- a service condition; and
- no performance conditions.

On January 26, 2018, the Company's Board of Directors approved two AGA free share award plans for certain Company employees:

- 10,000 free shares (AGA 2018-1), all of which had been exercised at the date these financial statements were approved.
- 65,700 free shares (AGA 2018-2).

These plans have the same characteristics as those approved by the Company's Board of Directors on April 18, 2017:

- a one-year vesting period for AGA 2018-1 shares;
- a two-year vesting period for AGA 2018-2 shares;
- a one-year lock-up period;
- a service condition; and
- no performance conditions.

On December 14, 2018, the Company's Board of Directors approved a third AGA free share award plan comprising 265,700 free shares for 88 Company employees.
The plan has the following characteristics:

- a two-year vesting period;
- a one-year lock-up period;
- a service condition; and
- no performance conditions.

BSA share warrants plans

On May 29, 2017, the Company's Board of Directors allotted 195,000 BSA share warrants (BSA 2017) to Board members, of which 20,000 have forfeited upon leaving of one members of the Board. BSA 2017 stock warrants are share subscription options with no performance conditions attached. The plan is divided into three tranches with one-, two- and three-year vesting periods.

BSA 2017 stock warrants are exercisable until May 29, 2027, after which they will be forfeited. The exercise price of the BSA stock warrants is fixed at €6.675. This price may not be changed during the plan's lifetime except in the event that adjustments are required as part of financial transactions having an impact on the Company's share capital.

On December 14, 2018, the Company's Board of Directors granted 126,000 share warrants to Company service providers or their partners:

- 36,000 share warrants to David Nikodem, in his capacity as partner in Sapidus Consulting Group LLC;
- 10,000 share warrants to JPG Healthcare LLC; and
- 80,000 share warrants to ISLS Consulting, a company owned by Jean-Louis Junien, a director of the Company.

BSA 2018 share warrants are share subscription options with no performance conditions attached. The plan concerns three beneficiaries and, for two of these, it comprises tranches with vesting periods of between one and three years. Once they vest, the share warrants may be exercised through December 14, 2028.

Tax audit

The Company received the findings of the tax audit in respect of the period from January 1, 2013 to December 31, 2015. It disputes the findings and therefore held discussions with the French tax authorities throughout 2018. At the date these financial statements were approved, the discussions are ongoing. A description of the checks performed and their impact on the financial statements is provided in section 2.4.11 *Provisions for contingencies and losses*.

2.2. 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.

2.2.1. 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.

- 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

2.2.2. Intangible assets

Research costs are recognized in operating expenses.

An intangible asset is recognized with respect to development costs if the Company can demonstrate all of the following:

- The technical feasibility necessary to complete the development project.
- Its intention to complete the intangible asset and use it.
- Its ability to commercialize the product.
- Its ability to generate future economic benefits from the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development project.
- A reliable measurement of the expenditure attributable to the development project.

Given the risks and uncertainties involved in regulatory approval and in the process of research and development, Inventiva considers that the six criteria above will be met only upon obtaining market authorization.

Intangible assets comprise:

- The cost of acquiring software licenses. They are written down over a period of between one and five years based on their expected useful life.
- The library of compounds acquired within the scope of the APA together with all of the chemical components acquired subsequently, written down over a 13-year period corresponding to their estimated useful life.

2.2.3. Non-current financial assets

Non-current financial assets consist of:

- A deposit account pledge given to a bank as security for a loan.
- Treasury shares held after a liquidity agreement was set up in 2017. Shares are written down if their acquisition value is greater than the stock market price at the statement of financial position date.

2.2.4. Trade receivables

Receivables are measured at nominal value.

2.2.5. Cash and cash equivalents

Cash and cash equivalents comprise securities which are readily convertible into cash at their nominal value (bank current accounts).

2.2.6. Marketable securities

Marketable securities are recorded at historical cost. Profit or loss on the sale of marketable securities is calculated using the "first-in, first-out" (FIFO) method.

In the event that the market value of the securities at the reporting date is less than their gross carrying amount, the difference is recognized as a provision.

2.2.7. Prepaid expenses

Certain unused laboratory disposables (bio-reagents, proteins, cells, chemical reagents, etc.) are recorded in prepaid expenses at the reporting date.

Prepaid expenses also comprise IT maintenance costs, patent maintenance fees and insurance contributions.

2.2.8. Share capital

Ordinary shares are classified in shareholders' equity.

2.2.9. Share warrants and free shares

The Company has set up share warrant and free share award plans for certain employees.

When the share warrants are exercised by the beneficiaries, new shares are issued and treated for accounting purposes like a traditional share issue. The issue premium is equal to the difference between the subscription price paid by the employee and the amount of the increase in the share capital account.

When free shares are awarded to the beneficiaries, new shares may be issued and they are treated for accounting purposes like a share issue paid up by capitalizing reserves. The nominal amount of the share is credited to the capital account. The new shares will be assimilated into existing ordinary shares of the same category from the time of their issuance.

2.2.10. Bank borrowings

Borrowings are measured at nominal value. Interest-bearing loans are recorded in liabilities at their redemption value.

2.2.11. Trade payables

Payables are measured at nominal value.

2.2.12. Recognition and measurement of revenue

Collaboration agreements and licenses

At present, Inventiva's revenue is generated mainly by licensing agreements and R&D projects conducted in partnership with the AbbVie and Boehringer Ingelheim pharmaceutical companies (see section 2.1 *Significant events*). These contracts generally contain many different types of clauses covering such things as up-front fees payable when the agreements are signed and milestone payments

corresponding to the achievement of certain pre-defined development milestones, lump-sum payments to finance R&D expenditure and royalties on future product sales.

Up-front fees payable when agreements are signed in exchange for access to technology are recognized immediately as revenue once the following two cumulative criteria are met: the amounts are non-refundable and the Company does not have any future development commitment. Otherwise, the amounts are initially recorded as deferred income and then recognized as revenue over the estimated period of Inventiva's involvement in future developments. This period is revised on a regular basis.

Milestone payments are amounts received from partners within the scope of collaboration programs and they are contingent on the achievement of certain scientific, regulatory or marketing objectives. Milestone payments are recognized as revenue once the obligating event has actually occurred and there are no outstanding conditions precedent. Obligating events may consist of scientific results obtained by the Company or the partner, or regulatory authorization, or marketing of products developed within the scope of the agreement.

Revenue related to the financing of R&D expenditure – essentially consisting of rebilled payroll expenditure – is recognized as and when this expenditure is incurred.

Revenue from royalties corresponds to Inventiva's contractual entitlement to a percentage of the product sales achieved by its counterparties. Royalties are recognized in revenue on an accruals basis in accordance with the terms of the agreement once sales can be determined in a reliable manner and the Company is reasonably sure that it will be able to recover the related receivables.

Sales of products and services

Amounts generated from sales of products and services are recognized as revenue once the risks and rewards of ownership have been transferred to the buyer. Amounts received in consideration for research services provided are also recognized as revenue once these services are charged based either on time spent or prorated over the term of the contract in the event of payment of a fixed amount.

Rebilling of rent and rental charges

Expenses incurred under leases contracted by Inventiva are rebilled on a monthly basis in line with the contractual payment dates.

2.2.13. Recognition and measurement of operating expenses

In accordance with Article 2-6 of CRC Regulation 2004-06, research costs are recognized in operating expenses in the period during which they are incurred, in line with the accounting treatment adopted by Inventiva prior to changes in the regulations. The Company subcontracts a significant portion of its R&D activities to external partners. The related costs are recognized to the extent of the work performed. The degree of progress is determined based on information provided by the external parties and corroborated by internal analyses.

2.2.14. Investment subsidies

Investment subsidies are recognized in income over several reporting periods. They were subject to tax in 2012. Investment subsidies are amortized at the same rate as the subsidized asset, in accordance with the French General Chart of Accounts (*Plan comptable général*, PCG).

2.2.15. Provisions for contingencies and losses

Retirement benefits:

Retirement benefit obligations are determined by independent actuaries based on the rights set forth in the national collective bargaining agreement for the French pharmaceutical industry and in accordance with the CNC (*Conseil national de la comptabilité*) recommendation of April 1, 2003. The method used is the projected unit credit method, which takes into account actuarial assumptions for an employee's expected length of service, expected future salaries, mortality rates and staff turnover. The commitment is recognized at its present value calculated using an appropriate discount rate.

Retirement benefits were recognized for the first time in 2015.

The main actuarial assumptions used in measuring the obligation are as follows:

- Estimations of future salaries based on current figures and incorporating an annual salary increase of 2%, including inflation.
- Discount rate: 1.60%.
- Payroll taxes: 41.41%.
- Staff turnover rates by age group.
- Mortality tables used: TGH/TGF05.

Other provisions

Provisions for contingencies and losses are calculated to cover litigation, disputes and risks related to the Company's day-to-day business that are likely to involve a probable outflow of resources.

Consequently, provisions were set aside for all material risks that were considered probable in view of known events and the situation at December 31, 2018.

2.2.16. Unrealized foreign exchange gains and losses

Following a change in accounting regulations applicable to statutory financial statements from January 1, 2017 (application of ANC regulation No. 2015-05), unhedged unrealized foreign exchange gains and losses are now recorded in operating income and expenses instead of in financial income/expense.

2.3. Additional information

2.3.1. 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. Share warrants correspond to:

- BSPCE founder share warrants granted to the Company's employees in 2013 and 2015;
- BSA share warrants granted to Company directors with a subscription price set at €0.534; and
- BSA share warrants granted to Company service providers with a subscription price set at €0.48.

Movements in the plans during the year are described in the paragraphs below.

Movements in BSPCE founder share warrants (in number of shares issuable upon exercise)

BSPCE	Grant date	Exercise price (in euros)	Outstanding at Dec. 31, 2017	Issued	Exercised	Forfeited	Outstanding at Dec. 31, 2018	Number of exercisable shares
BSPCE 2013 plan	Dec. 13, 2013	0.59	161,800	-	(148,400)	-	13,400	13,400
BSPCE 2015 plan	May 25, 2015	0.67	54,700	-	(31,900)	-	22,800	22,800
TOTAL			**216,500**	**-**	**(180,300)**	**-**	**36,200**	**36,200**

The change in BSPCE stock warrants over the period can be broken down as follows:

- Exercise of 1803 BSPCE share warrants by Company employees between January 5 and January 20, 2018, whereupon 180,300 new shares were issued.

At December 31, 2018, 362 BSPCE share warrants were outstanding. Each BSPCE share warrant corresponds to 100 share. They are exercisable until December 31, 2023, after which date they will be forfeited.

The exercise price of the BSPCE stock warrants is fixed at:

- €0.59, including a €0.575 share premium for BSPCE stock warrants granted in 2013.
- €0.67, including a €0.66 share premium for BSPCE stock 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 BSPCE share warrants will be forfeited if for any reason the beneficiary's salaried position within the Company is terminated.

No new BSPCE share warrant plans were set up in 2018.

Movements in BSA share warrants (in number of shares issuable upon exercise)

BSA	Grant date	Exercise price (in euros)	Outstanding at Dec. 31, 2017	Issued	Exercised	Forfeited	Outstanding at Dec. 31, 2018	Number of exercisable shares
BSA 2017 plan	May 29, 2017	6.67	195,000	-	-	(20,000)	175,000	175,000
BSA 2018-1 plan	December 14, 2018	6.07	-	46,000	-	-	46,000	46,000
BSA 2018-2 plan	December 14, 2018	6.07	-	80,000	-	-	80,000	80,000
TOTAL			**195,000**	**126,000**	**-**	**(20,000)**	**301,000**	**301,000**

As of January 1, 2018, a BSA plan (BSA-2017) is in progress.

The change in BSA stock warrants over the period can be broken down as follows:

- Cancellation of 20,000 BSA-2017 share warrants allocated to one of the corporate officers which lapsed following their departure.
- Issue of 126,000 new BSA 2018 share warrants allocated to three of the Company's external service providers (see section 2.1 *Significant events*).

At December 31, 2018, 301,000 BSA share warrants were outstanding. Each BSA share warrant corresponds to one share. BSA 2017 share warrants are exercisable until December 31, 2023, after which they will be forfeited. BSA 2018-1 and 2018-2 share warrants are exercisable until December 14, 2028, after which they will be forfeited.

The subscription price of the BSA stock warrants is fixed at:

- €0.53 for BSA share warrants granted in 2017;
- €0.48 for BSA share warrants granted in 2018.

The exercise price of the BSA stock warrants is fixed at:

- €6.67 for BSA share warrants granted in 2017, including a €6.66 share premium.
- €6.07 for BSA share warrants granted in 2018, including a €6.06 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.

No BSA share warrants were exercised in 2018.

Movements in AGA free shares (in number of shares issuable)

AGA	**Grant date**	**Reference price at grant date**	**Outstand. at Dec. 31, 2017**	**Issued**	**Exercised**	**Forfeited**	**Outstand. at Dec. 31, 2018**	Number of shares under option
AGA – 2017-1 plan	April 18, 2017	7.35	79,900	-	-	(2,400)	77,500	77,500
AGA – 2017-2 plan	April 18, 2017	7.35	60,000	-	(60,000)	-	-	-
AGA – 2018-1 plan	01/26/2019	5.76	-	10,000	-	-	10,000	10,000
AGA – 2018-2 plan	01/26/2019	5.76	-	65,700	-	-	65,700	65,700
AGA – 2018-3 plan	December 14, 2018	6.28	-	265,700	-	-	265,700	265,700
TOTAL			**139,900**	**341,400**	**(60,000)**	**(2,400)**	**418,900**	**418,900**

As of January 1, 2018, two AGA free share plans are in progress: AGA 2017-1 and AGA 2017-2.

The change in the number of outstanding AGA free shares over the period can be broken down as follows:

- three new plans opened, covering a total of 341,400 AGA free share awards;
- the exercise of 60,000 AGA free shares issued by way of a capital increase in an amount of €600, deducted from the unavailable reserve created for this purpose;
- 2,400 AGA free shares which lapsed following the departure of an employee.

On January 26, 2018, the Company's Board of Directors approved two free share award plans for certain Company employees:

- 10,000 free shares (AGA 2018-1);
- 65,700 free shares (AGA 2018-2).

The plans have the following characteristics:

- a two-year vesting period for AGA 2018-2 shares;
- a one-year vesting period for AGA 2018-1 shares;
- a one-year lock-up period;
- a service condition; and
- no performance conditions.

On December 14, 2018, the Company's Board of Directors approved two free share award plans for certain Company employees:

- 265,700 free shares (AGA 2018-3);

The plans have the following characteristics:

- a two-year vesting period for AGA 2018-3 shares;
- a one-year lock-up period;
- a service condition; and
- no performance conditions.

Accrued expenses with respect to the employer contribution due on the free shares were recognized in 2018 in an amount of €65.9 thousand, compared with €103.8 thousand for the previous year. Thanks to its status as a European SME, the Company is exempted from part of the contribution.

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.

As a loss was recorded in 2018 and 2017, diluted earnings (loss) per share are identical to basic earnings (loss) per share. Share-based payment plans (BSAs, BSPCEs and AGAs) are not included as their effects would be anti-dilutive.

2.3.2. Recognition of transaction costs related to the capital increase of April 2018

Because marginal transaction costs were directly attributable to the capital increase, they were deducted from shareholders' equity once the capital increase was completed. They amounted to €3.079 million (see section 2.4.9 *Statement of changes in equity*).

2.3.3. CICE tax credit

At December 31, 2018, the 2017 CICE tax credit for an amount of €140.7 thousand had not yet been repaid by the tax authority. The CICE tax credit for 2018 amounts to €123.5 thousand. This tax credit is used to finance research equipment and is recorded along with "Income tax" in the income statement.

2.3.4. CIR tax credit

Research tax credits, or CIR, are granted by the French government to encourage companies to undertake technical and scientific research. Companies which provide evidence of costs that meets the required criteria (research spending in France or, since January 1, 2005, in the European Union or in another member state of the European Economic Area that has signed a tax treaty with France containing an administrative assistance clause) are eligible for tax credits which may be used for the payment of income tax due during the period in which the cost is incurred or during the following three reporting periods. Alternatively, any excess may be refunded where applicable.

Changes in the amount of the CIR are based on Inventiva's internal and external expenditure in 2017. Only eligible research expenses may be included when calculating the CIR.

Inventiva has been eligible for the CIR since its first financial period.

It should be noted that from 2011, only those companies meeting the EU definition of an SME are eligible for prepayment of their CIR. Inventiva has ensured that it meets the EU definition of an SME and therefore continues to be eligible for prepayment.

At December 31, 2018, the 2017 CIR for an amount of €4.23 million had not yet been paid over to the Company. The tax authority has informed the Company that it is proceeding with its tax audit. In the course of 2019, Inventiva will request payment of the CIR due in respect of 2018 for an amount of €4.17 million under current EU guidelines on aid for SMEs.

In the 2017 and 2018 statement of financial positions, CIR receivables were presented in *Prepaid income tax* and the CIR for 2018 is recorded along with *Income tax* in the income statement.

2.3.5. Tax loss carry backs

The financial statements at December 31, 2018 include an amount of €333 thousand recorded in assets for the tax credit resulting from the tax loss carry back recognized by the Company in 2017. It may be used to pay corporate income tax due in the five years following 2017. If it is not used in the five years following 2017, Inventiva will be able to request the reimbursement of the receivable.

2.3.6. Off-statement of financial position commitments

Commitments received

Agreements concerning the provision of facilities

- Agreement with Novolyze
  On October 13, 2015, the Company signed a contract to make its premises and facilities available to Novolyze for a 36-month period beginning October 19, 2015. Pursuant to an amendment signed on October 19, 2016, the monthly rent was increased to €5 thousand as from November 1, 2017. Therefore, at December 31, 2018, the total commitment received amounted to €65 thousand and commitments relating to future payments amounted to €141 thousand.

- 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. Pursuant to an amendment signed on July 1, 2017, the contract was extended to June 30, 2019. The monthly rent was increased to €15 thousand as from December 1, 2017. Therefore, at December 31, 2018, the total commitment received amounted to €181 thousand and commitments relating to future payments amounted to €92 thousand.

- 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. Pursuant to an amendment signed on January 1, 2017, the monthly rent was increased to €2.4 thousand until March 30, 2018 and then to €2.5 thousand. It was increased again to €2.7 thousand as from September 1, 2018. Therefore, at December 31, 2018, the total commitment received amounted to €30 thousand and commitments relating to future payments amounted to €64 thousand.

Commitments given

Financial instruments pledged as collateral

One deposit account pledge given by the Company in 2015 as part of a bank loan was outstanding at December 31, 2018:

- 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.

Compared to end-2017, the following pledge was released in 2018:

- 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.

2.3.7. Events after the reporting date

Surety provided to the French tax authorities

On February 1, 2019, as part of its request for a stay of payment on the CIR and payroll taxes, the Company offered the French tax authorities a surety in the form of a €3.4 million bank guarantee with Crédit Agricole bank.

As part of the process of setting up this guarantee, a pledge over cash, equivalent to 50% of the sum not covered by the indemnity to be received from the Abbott group under the Additional Agreement, i.e., €0.7 million, will be recorded in 2019. Should the dispute to which this guarantee pertains remain unresolved at June 30, 2020, or should any disputed sums remain outstanding, the Company has undertaken to provide an additional surety of €1 million.

Vesting of 10,000 AGA free shares and exercise of 274 BSPCE 2013

On January 26, 2019, the Board of Directors placed on record a capital increase arising from the exercise of 228 BSPCE-2015 plan and 46 BSPCE-2013 plan founder stock warrants in an amount of €274 by way of the issuance of 27,400 new ordinary shares with a par value of €0.01 each.

On January 26, 2019, the Chief Executive Officer placed on record a capital increase arising from the vesting of AGA 2018-1 free shares in an amount of €100 through the issue of 10,000 new ordinary shares with a par value of €0.01 each. On that date, the number of shares outstanding was therefore increased to 22,294,677 and the share capital to €222,946.77.

Results of the FASST study

In a press release dated February 18, 2019, the Company informed the markets of its decision to halt the development of its plans to treat systemic sclerosis (SSc). The FASST clinical trial did not achieve its primary endpoint.

2.3.8. Related-party transactions

The table below sets out the compensation awarded to the executive and corporate officer team that was recognized in expenses for the years ended December 31, 2018 and December 31, 2017.

	Dec. 31, 2018	Dec. 31, 2017
Gross compensation	944,364	852,000
Benefits in kind	45,672	42,000
Accrued retirement indemnities	40,720	52,000
Attendance fees	200,000	185,000
Net total	**1,230,755**	**1,131,000**

During 2018, ISLS Consulting, for which Chairman Jean-Louis Junien is a director, received €162 thousand, compared to €118 thousand in 2017 within the scope of a consulting service contract. Additionally, on December 14, 2018, the Company's Board of Directors granted 80,000 share warrants to ISLS Consulting,

2.3.9. Financial risk management

The Company’s activities expose it to various types of financial risk: foreign exchange risk, credit risk and liquidity risk.

Foreign exchange risk

The Company’s activities expose it to foreign exchange risk on purchases made in foreign currencies. Foreign currency purchases are mainly made in US dollars, pounds sterling or Swiss francs.

Credit risk

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

The Company’s exposure to credit risk chiefly relates to trade receivables. The Company has put in place a system to closely monitor its receivables and their payment and clearance.

Generally, the Company is not exposed to a concentration of credit risk given the outstanding trade receivables balance at each reporting date.

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.

The Company's operations have consumed large amounts of cash since it was created. Developing pharmaceutical products – which includes performing clinical trials – is a long, costly and risky process and the Company expects its research and development costs to increase substantially given the activities currently in progress. Consequently, the Company will need to use fresh capital in order to pursue clinical development and launch marketing activities if necessary.

2.4. Notes to the statement of financial position

2.4.1. Non-current assets

In euros	January 1, 2018	Acquisitions	Disposals/Reclassifications	December 31, 2018
Start-up and development costs	-	-	-	-
Other intangible fixed assets	3,539,507	105,668	-	3,645,175
Intangible Assets in progress	-	-		-
Intangible assets, gross	**3,539,507**	**105,668**	**-**	**3,645,175**
Land	172,000	-	-	172,000
Buildings on owned land	3,239,706	-	-	3,239,706
Buildings on land owned by third parties	-	-	-	-
Buildings, general facilities, fixtures and fittings	167,339	-	-	167,339
Technical facilities, equipment and tooling	4,267,492	410,271	985	4,676,778
General facilities, fixtures and fittings	441,384	-	-	441,384
Office and IT equipment and furniture	581,877	57,752	-	639,629
Property, plant and equipment in progress	66,970	53,038	76,906	43,102
Property, plant and equipment, gross	**8,936,768**	**521,061**	**77,891**	**8,936,768**
Advances and downpayments	-		-	-
Equity-accounted investments	-		-	-
Other equity investments	-		-	-
Receivables from equity investments	-		-	-
Other investment securities	-		-	-
Loans	-		-	-
Other non-current financial assets	237,032	7,950	137,032	107,950
Other non-current financial assets (treasury shares)	391,833	281,096	307,413	365,517
Non-current financial assets	**628,865**	**289,046**	**444,445**	**473,467**
TOTAL	**13,105,139**	**915,775**	**522,335**	**13,498,579**

2.4.2. Depreciation and amortization

In euros	**January 1, 2018**	**Additions**	**Reversals**	**December 31, 2018**
Start-up and development costs	-	-	-	-
Other intangible assets	(1,733,420)	(369,181)	-	(2,102,600)
Amortization and impairment of intangible assets	**(1,733,420)**	**(369,181)**	**-**	**(2,102,600)**
Land	-	-	-	-
Buildings on owned land	(1,089,173)	(191,935)	-	(1,281,108)
Buildings on land owned by third parties	-	-	-	-
Buildings, general facilities, fixtures and fittings	(54,620)	(10,323)	-	(64,943)
Technical facilities, equipment and tooling	(2,608,373)	(391,527)	986	(2,998,914)
General facilities, fixtures and fittings	(344,070)	(31,327)	-	(375,397)
Vehicles	-	-	-	-
Office and IT equipment and furniture	(324,362)	(73,980)	-	(398,342)
Recoverable packaging and other	-	-	-	-
Depreciation and impairment of property, plant and equipment	**(4,420,599)**	**(699,092)**	**986**	**(5,118,705)**
TOTAL	**(6,154,018)**	**(1,068,273)**	**986**	**(7,221,305)**

2.4.3. Non-current financial assets. Liquidity agreement

	2018	**2017**
Cash account	31,085	103,155
Securities account	334,432	288,678
Impairment of securities account	(41,523)	(71,324)
Total	**323,994**	**320,510**

After being admitted for trading on the Euronext Paris market, on February 22, 2017, Inventiva entered into a three-year liquidity agreement with investment services provider (ISP) Oddo BHF (formerly Oddo & Cie).

On January 19, 2018, the Company entered into a new liquidity agreement with Kepler Cheuvreux, replacing the previous liquidity agreement with Oddo BHF, for a period of 12 months renewable by tacit agreement. Under the terms of the agreement, the ISP is authorized to buy and sell Inventiva treasury shares without interference from the Company in order to ensure the liquidity of the shares on the Euronext market.

2.4.4. Receivables and payables

	December 31, 2018		
Schedule of receivables	**Gross amount**	**1 year or less**	**More than 1 year**
Receivables from equity investments	-	-	-
Loans	-	-	-
Other non-current financial assets	473,467		473,467
Doubtful or disputed receivables		-	-
Other trade receivables	5,802	5,802	-
Receivables on loaned securities	-	-	-
Employee-related receivables	7,000	-	7,000
Recoverable payroll and other employee-related taxes	-	-	-
Income tax receivables	9,767,460	9,434,127	333,333
VAT receivables	3,034,418	3,034,418	-
Taxes, duties and similar levies receivable	-	-	-
Miscellaneous tax receivables	-	-	-
Group and associated company receivables	-	-	-
Other receivables	2,520,069	203,686	2,316,383
Sundry debtors	164,933	164,933	-
Prepaid expenses	1,593,944	1,549,776	44,168
Receivables	**17,567,093**	**14,392,742**	**3,174,351**
Loans granted during the year	-	-	-
Repayments collected during the year	-	-	-
Loans and advances granted to associated companies	-	-	-

	December 31, 2018			
Schedule of payables	**Gross amount**	**1 year or less**	**Between 1 and 5 years**	**More than 5 years**
Convertible bonds	-	-	-	-
Other bonds	-	-	-	-
Loans and borrowings originally due in 1 year or less	-	-	-	-
Loans and borrowings originally due after 1 year	219,933	146,136	73,797	-
Miscellaneous loans and borrowings	41,789	-	41,789	-
Trade and other payables	4,677,623	4,677,623	-	-
Employee-related receivables	1,094,859	1,094,859	-	-
Accrued payroll and other employee-related taxes	1,052,204	1,052,204	-	-
Income tax receivables	-	-		-
VAT payables	554,959	554,959	-	-
Guaranteed bond payables (French State)	-	-	-	-
Taxes, duties and similar levies payable	190,710	190,710	-	-
Amounts payable on non-current assets	14,065	14,065	-	-
Group and associated company receivables	-	-	-	-
Other payables	5,593,074	5,593,074	-	-
Payables on borrowed securities	-	-	-	-
Deferred income	-	-	-	-
Liabilities	**13,439,215**	**13,323,629**	**115,586**	**-**
Loans taken out during the year	-			
Loans repaid during the year	144,369			
Loans taken out with associated companies	-			

2.4.5. Marketable securities

Movements in marketable securities in 2018 break down as follows:

Type of product	December 31, 2017	Increase	Decrease	December 31, 2018
Deposit accounts	36,256,563	22,016,625	(16,506,563)	41,766,625
UCITS	5,044,825	-	(5,044,825)	-
	41,301,388	**22,016,625**	**(21,551,388)**	**41,766,625**

2.4.6. Accrued income

In euros	Dec. 31, 2018	Dec. 31, 2017
Trade receivables not yet invoiced	-	-
Trade receivables	**-**	**-**
Payroll taxes	-	2,272
Supplier credit notes not yet received	9,430	47,251
Other receivables	**9,430**	**49,523**
Miscellaneous accrued income	**1,932,437**	**-**
Accrued interest receivable	37,208	22,274
Banks and financial institutions	**37,208**	**22,274**
Accrued income	**1,979,075**	**71,797**

2.4.7. Accrued expenses

In euros	**Dec. 31, 2018**	**Dec. 31, 2017**
Suppliers-invoices not yet received	736,495	431,358
Trade and other payables	**736,495**	**431,358**
Fixed-asset supplier invoices not yet received	14,065	-
Amounts payable on non-current assets	**14,065**	**-**
Paid annual leave provision	470,750	450,349
Provision for monthly rest allowance	5,542	8,573
Bonus provision	526,066	411,871
Profit-sharing obligations	54,775	105,470
Employee salaries payable	37,726	-
Paid annual leave tax provision	207,648	191,984
Provision for tax on monthly rest allowance	2,444	3,655
Accrued tax on salaries payable	318,548	300,573
Accrued expenses (French State)	171,970	166,178
Accrued taxes and employee-related expenses	**1,795,468**	**1,638,653**
Accrued credit notes and discounts/allowances	-	2,400
Miscellaneous accrued expenses	1,936,346	-
Accrued R&D expenses	2,776,541	1,903,774
Accrued general and administrative expenses	880,187	251,142
Other payables	**5,593,074**	**2,157,316**
Accrued interest payable	4,911	3,111
Accrued interest on short-term debt	**4,911**	**3,111**
Accrued expenses	**8,144,014**	**4,230,437**

Changes in other payables over the period can be broken down as follows:

- unbilled research and development costs totaling €873 thousand;
- an amount of €1,936 thousand recorded following the receipt of the collection notice relating to payroll taxes issued, as part of the tax audit for fiscal years 2013 to 2015;
- accrued financing fees for various projects amounting to €629 thousand.

2.4.8. Prepaid expenses and income

The majority of prepaid expenses correspond to disposables, IT maintenance costs, patent maintenance fees and insurance contributions paid in respect of first quarter 2019.

In euros	**Dec. 31, 2018**	**Dec. 31, 2017**
Prepaid operating expenses	1,593,944	1,309,130
Prepaid expenses	**1,593,944**	**1,309,130**

In euros	**Dec. 31, 2018**	**Dec. 31, 2017**
Deferred operating income	-	592,650
Deferred non-recurring income	**-**	**592,650**
Deferred non-recurring income	-	-
Non-recurring deferred income	**-**	**-**
TOTAL DEFERRED INCOME	**-**	**592,650**

In the 2017 statement of financial position, deferred income relates to a customer contract. As at December 31, 2018, no deferred income had been recorded.

2.4.9. Statement of changes in shareholders' equity

In euros	**Opening balance**	**Increase**	**Decrease**	**Closing balance**
Paid-up share capital	164,445	58,128	-	222,573
Additional paid-in capital	44,991,815	35,547,484	(3,079,174)	77,460,125
BSA stock warrants	104,131	-	-	104,131
Net income (loss) for the period	(10,135,461)	(31,956,860)	10,135,461	(31,956,860)
Legal reserve	39,020	-	-	39,020
Retained earnings	24,604,174	(10,135,461)	(600)	14,468,113
Equipment subsidy received	8,366,818	-	-	8,366,818
Subsidy taken to income statement	(4,162,070)	(432,743)	-	(4,594,813)
Shareholders' equity	**63,972,872**	**(6,919,452)**	**7,055,687**	**64,109,107**

2.4.10. Breakdown of share capital

The share capital is set at €223 thousand at December 31, 2018 divided into 22,257,277 fully authorized, subscribed and paid-up shares with a nominal value of €0.01.

Changes in share capital during the years ended December 31, 2018 and 2017 are as follows:

Date	Nature of the transactions	Share capital	Premium	Number of shares	Par value
Balance as of January 1st,2017		**100,300**	**-**	**10,030,000**	**0.01**
02/14/2017	**A**	56,512	47,979,028	5,651,340	0.01
02/14/2017	**B**	-	(3,884,458)	-	-
03/16/2017	**C**	553	469,811	55,337	0.01
04/25/2017	**D**	5,579	328,434	557,900	0.01
04/25/2017	**E**	1,500	99,000	150,000	0.01
Balance as of December 31, 2017		**164,444**	**44,991,815**	**16,444,577**	**0.01**
01/26/2018	**F**	1,803	106,384	180,300	0.01
04/17/2018	**G**	55,725	35,441,100	5,572,500	0.01
04/17/2018	**H**	-	(3,079,174)	-	-
07/18/2018	**I**	600	-	60,000	0.01
Balance as of December 31, 2018		**222,572**	**77,460,125**	**22,257,377**	**0.01**

	Nature of the transactions
A	Capital increase by issuance of ordinary shares – Company's IPO on Euronext Paris
B	Transaction costs related to the initial public offering
C	Capital increase by issuance of ordinary shares – Partial exercice of the over-allotment option
D	Capital increase by issuance of ordinary shares – Exercice of 5,579 BSPCE by Company employees
E	Capital increase by issuance of ordinary shares – Exercice of 150,000 BSA by Isls Consulting
F	Capital increase by issuance of ordinary shares – Exercice of 1803 BSPCE by Company employees
G	Capital increase by issuance of ordinary shares – Private placement
H	Transaction costs related to the Company's private placement
I	Capital increase by issuance of ordinary shares - Vesting of 60,000 AGA free shares by Company employees

The main impacts on the share capital during the two periods presented relate to a private placement in 2018 and to the Company's listing on Euronext Paris in 2017 (see section 2.1 *Significant events*).

Movements related to share warrant plans and free share award plans are described in section 2.3.1 *Opening the share capital to employees*.

2.4.11. Provisions for contingencies and losses

In euros	**January 1, 2018**	**Increase**	**Decrease**	**December 31, 2018**
Retirement benefits	865,994	163,496	-	1,029,490
Provision for tax contingencies	477,494	1,140,333	119,418	1,498,409
Provisions for contingencies and losses	**1,343,488**	**1,303,829**	**119,418**	**2,527,899**

Provisions for tax contingencies were booked at December 31, 2018 and 2017 to cover the tax audit carried out in 2016 and 2017 on the payroll taxes and the CIR in respect of the period from January 1, 2013 to December 31, 2015.

- Payroll taxes

Following the afore-mentioned tax audit, the Company received a proposed tax adjustment for the three fiscal periods audited relating to the classification of the subsidy granted (subject to conditions) in 2012 by Laboratoire Fournier and Fournier Industrie et Santé (now the Abbott group) (LFSA and FIS) under the Asset Purchase Agreement (APA).

Despite the appeal to a higher administrative authority and challenge lodged with its departmental delegate by the Company, a collection notice with respect to payroll taxes was received by Inventiva on August 17, 2018 for an amount of €1.9 million, including penalties and late payment interest.

Under the terms and conditions of the APA, LFSA and FIS have agreed to indemnify the Company up to a maximum amount of €2.0 million in accordance with the conditions described therein from 2012-2017, for any amount claimed by the French tax authorities in relation to the tax treatment of the subsidy (the "Abbott Guarantee").

To date, the Company is continuing to dispute the adjustment and it lodged a claim together with an application for a stay of payment on October 17, 2018.

Based on the ongoing discussions with the French tax authorities on the one hand and the terms of the Additional Agreement on the other, the Abbott Guarantee may not be sufficient to fully cover the total amount of the tax adjustment and the tax risk. Accordingly, at December 31, 2018:

- following receipt of the collection notice and in accordance with the Additional Agreement, accrued expenses and accrued income were recognized in a total amount of €1.9 million for the financial years ended December 31, 2013, 2014 and 2015, which are the subject of the audit and are covered by the Abbott Guarantee

- the Company has recognized a provision of €1.1 million for the years ended December 31, 2016 and December 31, 2017 (which have not been audited by the French tax authorities).

These operations had a €1.1 million impact on the income statement for the year ended December 31, 2018.

- CIR tax credit

Following the tax audit, the Company received a proposed tax adjustment from the tax authorities disputing the way in which certain CIR inputs were calculated over the three fiscal periods audited.

Despite the challenges lodged by the Company, a collection notice was received by Inventiva on August 17, 2018 for an amount of €1.9 million, including penalties and late payment interest.

The Company disputed the notice and implementation of the procedure pending interlocutory proceedings via a claim lodged on August 29, 2018. This was accompanied by a request for a stay of payment and an additional claim lodged with the tax authorities on January 7, 2019. The Company has requested a complete discharge of the amounts claimed in respect of the CIR.

The Company is still awaiting a decision concerning the claims lodged with the tax authorities.

In view of ongoing discussions and the challenges lodged, the Company has estimated the maximum tax adjustment risk in respect of the CIR at €0.4 million and this amount was covered by a provision recorded in the financial statements for the year ended December 31, 2018.

The provision was adjusted in line with the maximum risk as estimated by the Company (€0.4 million) and an amount of €0.1 million was reversed during the year ended December 31, 2018.

Concerning the request for a stay of payment on the CIR and payroll taxes, on February 1, 2019, the Company provided the French tax authorities with surety in the form of a €3.4 million bank guarantee covering only the amount of the principal (see section 2.3.7 *Events after the reporting date*).

- 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). These rights depend on the employee's final salary and seniority within the Company at his/her retirement date. The expense recognized in the income statement amounted to €204 thousand for the year ended December 31, 2018 and €194 thousand for the year ended December 31, 2017. This expense is not deductible for tax purposes.

2.4.12. Borrowings

In 2015, Inventiva was granted three loans:

- A loan from Crédit Agricole agreed on April 23, 2015 for €285.0 thousand at a fixed annual rate of 1.32% repayable in regular installments over a 60-month term. This pledge on this loan was released in 2017.
- A loan from CIC-Lyonnaise de Banque agreed on May 11, 2015 for €178.3 thousand at a fixed annual rate of 1.50% repayable in regular installments over a 60-month term. This pledge on this loan was released in 2018.
- A loan from Société Générale agreed on June 30, 2015 for €254.0 thousand at a fixed annual rate of 0.90% repayable in regular installments over a 60-month term.

Borrowing	Outstanding balance at opening date	Loans agreed during the period	Payments due during the period			Outstanding balance at closing date			
			Total	Principal	Interest	Total	1 year or less	Between 1 and 5 years	More than 5 years
CA – €285,000	135,341	-	58,933	57,494	1,439	77,847	58,257	19,590	-
CIC – €178,300	87,848	-	37,036	35,965	1,071	51,883	36,508	15,374	-
SG – €254,000	141,113	-	51,971	50,910	1,060	90,203	51,370	38,832	-
Other	114,653	-	114,653	114,653	-	-	-	-	-
TOTAL	**478,954**	**-**	**262,593**	**259,022**	**3,571**	**219,933**	**146,136**	**73,797**	**-**

No new loan facilities were negotiated in 2018.

The caption "Other", which corresponds to a guarantee agreement signed with Coface, was repaid in full in the first quarter of 2018.

2.5. Notes to the income statement

2.5.1. Breakdown of net revenue from sales

The Company has signed three main contracts all of which continued in 2018:

- a first partnership, "the Master Research Service Agreement", signed with Abbott in 2012;
- a second partnership, the "BI Agreement", signed with Boehringer Ingelheim in 2016;
- a service agreement signed with Enyo in 2016.

Revenue generated by these contracts is shown in the following table:

Breakdown of sales by geographic market	**2018**	**2017**	**Change**
United States	847,500	2,410,797	(1,563,297)
European Union	1,036,500	3,308,325	(2,271,825)
France	1,419,005	801,694	617,311
Rest of the world	-	-	-
TOTAL	**3,303,005**	**6,520,816**	**(3,217,811)**

Breakdown of sales by type	2018	2017	Change
AbbVie	847,500	2,410,797	(1,563,297)
Boehringer Ingelheim (BI)	1,036,500	3,308,325	(2,271,825)
Enyo	1,131,201	154,381	976,820
Other sales related to research	3,504	379,040	(375,536)
Other (including leases)	284,300	268,273	16,027
TOTAL	**3,303,005**	**6,520,816**	**(3,217,811)**

The variation in revenue may be analyzed as follows:

- **AbbVie**. Until August 31, 2017, Inventiva received €0.80 million per quarter. In 2018, revenue generated with AbbVie primarily consists of rebilled payroll expenditure amounting to €0.3 million and the reversal of deferred income recorded in 2017.
- **BI**. In 2017, BI exercised the option to extend the Agreement beyond Phases I and II, triggering a €2.5 million payment recorded entirely in 2017 revenue. In 2018, revenue consisted of quarterly payments corresponding to the compensation of the researchers assigned to the program, based on the number of full-time equivalents (FTEs).
- **Enyo**. This is a service agreement in two phases. The second phase began in April 2018. Inventiva received payment for rebilled payroll expenditure amounting to €1.0 million.
- **Other research-related revenue.** The end of the service agreement with Galapagos accounts for the decline in this caption.

2.5.2. Non-recurring income and expenses

Type of expense	Dec. 31, 2018	Dec. 31, 2017	Change
Project financing fees	2,221,271	677,910	1,543,361
Penalties - fines	51	900	(849)
Carrying amount of disposed assets	-	29,114	(29,114)
Liquidity agreement penalties	96,362	26,205	70,157
Other non-recurring expenses	1,932,437	40,000	1,892,437
Additions to non-recurring provisions	1,140,333	-	1,140,333
TOTAL	**5,390,454**	**774,129**	**4,616,325**

Type of income	Dec. 31, 2018	Dec. 31, 2017	Change
Exceptional subsidy	-	9,071,627	(9,071,627)
Part of equipment subsidy taken to income statement	432.743	512,178	(79,435)
Asset disposal	300	262,500	(262,200)
Liquidity agreement premiums	70,045	18,038	52,007
Other non-recurring income	1,932,437	-	1,932,437
TOTAL	**2,435,525**	**9,864,343**	**1,642,809**

Efforts to seek out funding yielded €2.2 million in 2018, compared to €0.7 in the previous period.

In 2018, the receipt of the collection notice relating to payroll taxes issued as part of the tax audit for fiscal years 2013 to 2015 generated a non-recurring expense of €1.9 million. This expense was offset

by non-recurring income for the same amount relating to the Abbott Guarantee. Moreover, a non-recurring provision was recorded in 2018 for an amount of €1.1 million to cover the tax risk relative to payroll taxes for the 2016 and 2017 fiscal years (see section 2.4.11 *Provisions for contingencies and losses*).

In 2017, an exceptional subsidy was recorded for an amount of €9 million for the Master Research Service Agreement signed with Abbott. This subsidy ended on August 27, 2017.

2.5.3. Expense reclassifications

Type of reclassification	**Amounts Dec. 31, 2018**
Benefits in kind	50,078
Insurance repayment	-
French training tax organization (OPCA) rebilling	7,613
French employment center (*Pôle emploi*) subsidies	-
Apprentice bonus	-
Apgis health and personal risk insurance repayment	15,591
Miscellaneous	
TOTAL	**73,281**

2.5.4. Operating subsidies

R&D program subsidy	**2018**	**2017**
ANR		177,882
Eurostars	15,973	654,676
Miscellaneous	-	-
TOTAL	**15,973**	**832,558**

Operating subsidies declined by €0.8 million as compared to 2017, mainly as a result of lower revenue from four subsidies from the French National Research Agency (*Agence Nationale de la Recherche – ANR*) and Eurostars. The amount of revenue recognized in each period in relation to these subsidies is directly proportional to research and development expenses incurred on the YAP/TEAD, SUV39H1 and NSD2 projects and duly substantiated (i.e., accepted by the body in question, triggering entitlement to payment). As of December 31, 2017, virtually all of the expenditure covered by these subsidies had been substantiated. Only a residual amount was substantiated in 2018, triggering entitlement to a subsidy of €15 thousand.

An application for a new subsidy was submitted in December 2018 concerning the lanifibranor program for a maximum amount of €384 thousand.

2.5.5. Other purchases and external charges

	2018	2017	Change
Utility expense (water, heating, etc.)	610,673	628,632	(17,959)
Laboratory disposables and delivery costs	2,264,269	2,095,362	168,907
General and administrative expenses for subcontracting	63,794	72,403	(8,609)
Leasing costs	99,425	55,491	43,933
Maintenance costs	1,616,243	1,816,980	(200,738)
Insurance (o/w clinical)	261,993	277,419	(15,426)
Scientific subcontracting (o/w patents)	17,514,569	13,484,072	4,030,497
Documentation costs	169,790	139,494	30,296
Outside staff and services	2,671,700	1,665,669	1,006,031
Hospitality, communication and travel costs	1,187,163	755,057	432,106
TOTAL	26,459,618	20,990,580	5,469,038

The significant variation in this income statement heading is due to the increase in expenditure associated with scientific subcontracting and outside staff as the lanifibranor and odiparcil projects ramp up.

2.5.6. Average headcount

	Headcount	Employees
12/31/2018	Managers	52.90
	Senior executives	2.00
	Administrative staff	5.10
	Operational staff	-
	Supervisors and technicians	50.30
	TOTAL	**110.30**

	Headcount	Employees
2017	Managers	47.62
	Senior executives	2.00
	Administrative staff	2.80
	Operational staff	2.00
	Supervisors and technicians	49.66
	TOTAL	**104.08**

2.5.7. Breakdown of income tax

Breakdown	Income (loss) before tax	Tax due	Net income (loss) after tax
Recurring income (loss)	(33,972,520)	4,970,588	(29,001,932)
Net non-recurring income	(2,954,928)	-	(2,954,928)
TOTAL	**(36,927,448)**	**4,970,588**	**(31,956,860)**

2.5.8. Breakdown of corporate income tax and tax credits

Income tax	2018	2017
Tax rebate for philanthropic activities	9,909	1,853
CIR	4,837,169	4,277,477
CICE tax credits	123,510	140,766
Tax loss carry backs	-	333,333
TOTAL	**4,970,588**	**4,753,429**

The Company generated a tax loss for the second year in a row.

2.5.9. Statutory Auditors' fees

	2018	%	2017	%
Audit services				
- Issuer	149,300	*24%*	126,040	*62%*
- Fully consolidated subsidiaries				
Subtotal	149,300	*24%*	126,040	*62%*
Non-audit services[(1)]				
- Issuer	478,269	*76%*	77,210	*38%*
- Fully consolidated subsidiaries				
Subtotal	478,269	*76%*	77,210	*38%*
Total	627,569	*100%*	203,250	*100%*

(1) The non-audit services provided by the Statutory Auditors to the Company include:

- certification relating to environmental, labor and societal data;
- certification relating to R&D expenditure;
- reports issued in relation to the raising of funds;
- reports on equity instruments.

7.1.3 Statutory Auditors' report on the Company's 2018 annual financial statements prepared in accordance with French GAAP

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

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Inventiva S.A.

Registered office: 50, rue de Dijon - 21121 Daix

Statutory auditors' report on the financial statements

For the year ended December 31, 2018

To the Shareholders of Inventiva S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Inventiva S.A. for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Tax Risks Relating to the Tax Audit

Notes 2.1 and 2.4.11 to the financial statements

Key Audit Matter

Inventiva S.A. was subject to a tax audit for the financial years 2013 to 2015 and, as such, received on August 17, 2018 a collection notice relating to payroll taxes and research tax credit amounting to respectively 1.9 million euros and 1.9 million euros, including penalties and late payment interest

The reassessments are related to:

- the classification of the subsidy granted in 2012 by Laboratoires Fournier S.A. "LFSA" and Fournier Industrie Santé "FIS" (Abbott Group) under the Asset Purchase Agreement regarding payroll taxes for the financial years 2013 to 2015;
- certain items used to calculate the research tax credit for the financial years 2013 to 2015.

With regard to the first matter, Inventiva is disputing this reassessment in full. Moreover, pursuant to the terms of an Additional Agreement modifying the Asset Purchase Agreement, LFSA and FIS has undertaken to reimburse the Company a maximum amount of €2 million (subject to the conditions set out in the agreement) for all claims by the French tax authorities relating to the accounting treatment of the subsidy granted by LFSA for the financial years 2012 to 2017. Based on the ongoing discussions with the French tax authorities and the terms of the Additional Agreement, the guarantee from Abbott may not be sufficient to fully cover the total amount of the tax adjustment and the tax risk (for years which have not yet been audited by the French tax authorities). As a consequence, Inventiva has booked an accrued expense and an accrued income amounting to 1,9 million euros for the financial years ended December 31, 2013, 2014 and 2015 which are the subject of the audit and are covered by the Abbott Guarantee. In addition, Inventiva has recognized a provision of €1,1 million for the years ended December 31, 2016 and December 31, 2017 (which have not been audited by the French tax authorities).

With regard to the second matter, Inventiva is disputing this reassessment. In 2018, as a consequence of a new Management assessment, the provision previously booked has decreased by 119 thousands euros, which lead to a provision amounting to €358 thousand as at December 31, 2018.

In view of Inventiva's exposure pursuant to this tax audit and the judgment exercised by Management in estimating risks and recorded amounts, we considered that the measurement of tax risks relating to the ongoing tax audit was a key audit matter.

Audit response

We assessed the reasonableness of the estimates made by Management to determine the amount of tax risk provisions in connection with the tax audit being conducted by the French tax authorities. Therefore our work consisted, in connection with our tax experts:

- conducting interviews with Management to assess the current status of the investigations and adjustments notified by the French tax authorities;
- reviewing recent correspondences between the Company and the French tax authorities;
- reviewing the correspondence on this matter between the Company and its lawyers;
- analyzing the information on the ongoing proceedings and their probable financial consequences, provided to us by the Company's lawyers in response to our confirmation requests;
- reviewing Management's estimates and positions.

We also assessed the appropriateness of the disclosures made in Notes 2.1 and 2.4.11 to the financial statements

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations.

Information given in the management report and] in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, required under Article D.441-4 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the Board of Directors report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, 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 controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Inventiva S.A. by the annual general meeting held on August 23, 2012.

As at December 31, 2018, we were in the 7th year of total uninterrupted engagement, which is the 2nd year since the shares of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains

audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory auditor

French original signed by Cédric Adens on the 26 February 2019

7.1.4 Performance and other related items over the previous five years

The disclosures in the following tables are based on the results and related information presented in the annual financial statements prepared in accordance with French generally accepted accounting principles.

	2018	2017	2016	2015	2014
I. Financial position at the year-end					
a) Share capital (in euros)	222,573	164,445	101,300	101,300	101,300
b) Number of shares issued during the period	5,812,800	5,706,577	-	-	-
c) Number of bonds convertible into shares	-	-	-	-	-
II. Comprehensive income from current operations					
In thousands of euros					
a) Revenue before taxes	3,303	6,521	9,446	4,875	3,283
b) Earnings before taxes, amortization and provisions	(35,859)	(13,653)	3,368	3,143	5,880
c) Income tax	4,971	4,753	3,713	3,138	1,828
d) Earnings after taxes, amortization and provisions	(31,957)	(10,135)	5,596	5,144	6,502
e) Earnings/profit distributed	-	-	-	-	-
III. Per share data (euros per share)					
a) Earnings after taxes, but before amortization and provisions	(2)	(2)	71	63	77
b) Earnings after taxes, amortization and provisions	(2)	(2)	56	51	65
c) Dividend per share	-	-	-	-	-
IV. Employees (in € thousands, apart from number of employees)					
a) Number of employees	112	109	108	106	104
b) Personnel costs	6,761	6,357	6,367	6,047	5,611
c) Employee benefits (social security, social welfare, etc.)	2,598	2,518	2,402	2,290	2,266

7.1.5 Information on customer and supplier payments

Trade payables as presented in the annual financial statements prepared in accordance with French generally accepted accounting principles, may be broken down as follows by due date:

In thousands of euros	**December 31, 2018**				
		Past due			
Description	Not yet due	Due in 30 days	Between 30 and 60 days	Due in more than 60 days	TOTAL
Trade payables	288	3,048	390	-	3,726
Supplier invoices not yet received	-	694	-	-	694
TOTAL	288	3,742	390	-	**4,420**

In thousands of euros	**December 31, 2017**				
		Past due			
Description	Past due	Due in 30 days	Between 30 and 60 days	Due in more than 60 days	TOTAL
Trade payables	304	2,553	222	-	2,472
Supplier invoices not yet received	-	431	-	-	431
TOTAL	304	2,985	222	-	**3,511**

The two tables below show a breakdown of unpaid incoming and outgoing invoices as at December 31, 2018 that are past due:

Trade payables

	Unpaid incoming invoices past due at December 31, 2018				
	Number	Amount net of VAT (in euros)	30 days overdue	60 days overdue	> 60 days overdue
	9	207,495	64,427	90,651	52,417
Total amount of purchases (net of VAT) during the period		26,488,883	26,488,883	26,488,883	26,488,883
%	**9**	**0.78%**	**0.24%**	**0.34%**	**0.20%**

Trade receivables

	Unpaid outgoing invoices past due at December 31, 2018				
	Number	Amount net of VAT (in euros)	30 days overdue	60 days overdue	> 60 days overdue
	1	35	35	-	-
Total amount of sales (net of VAT) during the period		3,303,005	3,303,005	3,303,005	3,303,005
%	1	0.00%	0.00%	-	-

7.2 Report on regulated agreements and commitments

This is a free translation into English of the Statutory Auditors' Report on regulated agreements and commitments that is issued in French and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

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Inventiva S.A.

Registered Office: 50, rue de Dijon - 21121 Daix

Statutory Auditor's Report on regulated agreements and commitments

Annual General Meeting held to approve the financial statements for the year ended December 31, 2018

To the Shareholders of Inventiva S.A.,

In our capacity as statutory auditors of your Company, we hereby present our report on the regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we have been informed or of which we became aware in the course of our engagement. We are not required to determine whether they are useful or appropriate or to ascertain whether any other agreements or commitments exist. It is your responsibility, under the terms of article R.225-31 of the French Commercial Code, ("Code de commerce"), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, if applicable, in accordance with article R.225-31 of the French Commercial Code, to inform you of agreements and commitments which were approved during previous years and continued to apply during the financial year.

We performed the procedures we considered necessary in accordance with French professional guidance issued by the "Compagnie Nationale des Commissaires aux Comptes" (National Association of Statutory Auditors), relating to this engagement. Our work consisted in verifying that the information provided to us was consistent with the documentation from which it was derived.

AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE SHAREHOLDER'S MEETING

Agreements and commitments authorized during the year

Pursuant to Article L.225-38 of the French Commercial Code, we hereby inform you that we were have not been informed of any regulated agreements and commitments authorized during the year subject to the approval at the Shareholder's Meeting.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDER'S MEETING

Agreements and commitments approved during previous financial years which continued to apply during the financial year

In accordance with article R.225-30 of the French Commercial Code ("Code de Commerce"), we have been informed of the following agreement, which was already approved by the Shareholders' meetings in previous years and continued to apply during the financial year.

- Executive unemployment insurance agreement:
  - Director affected: Mr Frédéric Cren, Chairman of the Board of Directors and Chief Executive Officer;
  - Agreement authorized at the Annual General Meeting of June 18, 2013 ;
  - Nature, purpose, terms and conditions: executive unemployment insurance agreement of July 27, 2012 with effect as of September 1, 2012. Agreement allowing the Chairman and Chief Executive Officer to receive an indemnity in the event of termination of his corporate office. This agreement may not be terminated before Mr Frédéric Cren's term of office as Chairman and CEO expires;
  - The benefit for Inventiva S.A. is to ensure that the Chairman and CEO remains with the Company by guaranteeing him an indemnity in the event of termination of his corporate office.

- Executive unemployment insurance agreement
  - Director affected: Mr Pierre Broqua, Deputy General Manager and company director;
  - Nature, purpose, terms and conditions: agreement allowing the Deputy General Manager to receive an indemnity in the event of termination of his corporate office. This agreement may not be terminated before term of his corporate office as Deputy General Manager expires;
  - The benefit for Inventiva S.A. is to ensure that the Deputy General Manager remains with the Company by guaranteeing him an indemnity in the event of termination of his corporate office.

The statutory auditor

French original signed by Cédric Adens on the
February 26, 2019

8. GLOSSARY

ADME: a 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.

Antiproliferative: prevents or blocks cell proliferation.

Ballooning: a form of liver parenchymal cell death.

B-Crosslaps (CTX): a marker of bone remodeling in which an increase indicates excessive bone destruction.

Chondroitin sulphate: a sulphated glycosaminoglycan (GAG) composed of a chain of alternating sugars (N-acetylgalactosamine and glucuronic acid). It is usually found attached to proteins as part of a proteoglycan. Chondroitin sulphate is an important structural component of cartilage and provides much of its resistance to compression.

CPK (creatine phosphokinase): an enzyme whose presence in the blood helps to diagnose muscle, cardiac or brain damage, essentially and independently from its etiology (cause) including myopathies, myocardial infarction, cerebrovascular accidents accompanied by destruction of brain tissue (brain necrosis).

Cytokine: a broad category of small proteins which are important in cell signaling.

Dermatan sulphate: a sulphated glycosaminoglycan (GAG) composed of a chain of alternating sugars (N-acetylgalactosamine and glucuronic acid). It is usually found attached to proteins as part of a proteoglycan, found mostly in skin, but also in blood vessels, heart valves, tendons and lungs.

Dyslipidemia: a qualitative or quantitative anomaly of one or more plasma lipid(s): total cholesterol (TC) and its fractions, HDL, LDL-cholesterol (LDL-c) and triglycerides (TG). Several of these anomalies are linked to cardiovascular risk.

Dysostosis: a very rare serious congenital malformation of one or more bones.

Epigenetic modulation: a dynamic reversible process which creates normal cellular phenotypes but also contributes to the appearance of diseases. Epigenetic factors are involved in all cancer types, in inflammatory or auto-immune diseases, and have been recognized over the years as being highly promising targets in the area of drug development.

Fibroblast: a type of cell responsible for making the extracellular matrix and collagen. Together, this extracellular matrix and collagen form the structural framework of tissues in animals and plays an important role in tissue repair.

Fibrosis: the formation of excess fibrous connective tissue in an organ or tissue, in a reparative or reactive process. This can be a reactive, benign or pathological state. Physiologically, fibrosis acts to deposit connective tissue, which can obliterate the architecture and function of the underlying organ or tissue.

GMP: Good Manufacturing Practice.

HDL or "good cholesterol": a high-density lipoprotein (substance formed of lipids and proteins). Insofar as it is involved in the elimination of cholesterol, it is also called "good cholesterol" because an increased presence is considered to be a factor in the protection against cardiovascular risk.

Hematopoietic stem cells: cells that are produced in the bone marrow and make different blood cells: red blood cells, white blood cells and platelets.

Hepatosplenomegaly: the 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 but when it does so 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.

Leukotrienes (LTS): molecules that contribute to inflammation and insulin resistance.

Ligand: a biological molecule that binds to a protein and activates it.

Lysosomes: intracelleular spherical vesicles which contain hydrolytic enzymes that can break down virtually any kind of biomolecules, including proteins, nucleic acids, carbohydrates, lipids and cellular debris.

MA: marketing authorization.

Mucopolysaccharide or glycosaminoglycans (GAG): 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 that 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 by producing a temporary extracellular matrix.

Nuclear receptors: a class of proteins found within cells that are responsible for reading genes in response to external stimuli. These receptors work with other proteins to regulate the expression of specific genes, thereby controlling the homeostasis of the organism.

Oncogenesis: all of the factors and mechanisms behind cancers or malignant tumors.

panPPAR agonist: peroxisome proliferator-activated receptors (PPARs) are a group of nuclear receptors that function as transcription factors regulating the expression of genes. A panPPAR agonist is a molecule that can activate the three sub-types of PPAR: PPARα, PPARδ and PPARγ.

PK/PD study: a clinical pharmacology study which studies the pharmacokinetic/pharmacodynamic (PK/PD) relationship of the drug to relate the plasma concentration of the drug to its efficacy and/or toxicity.

Proteoglycans: the combination of a protein and a GAG.

RORγ: a nuclear receptor controlling the differentiation of Th17 cells and the secretion of the inflammatory cytokines IL17A, IL17F and IL22.

T lymphocytes (T cells): a type of lymphocyte (white blood cell) that plays a central role in cellular mediated immunity.

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.

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.

9. CROSS-REFERENCE TABLES

9.1 Registration Document cross-reference table

The table below cross-references the key headings set out in Annex I of Commission Regulation (EC) no. 809/2004 of April 29, 2004 (the Regulation) with the sections and, where applicable, the sub-sections of this Registration Document that contain the relevant information.

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9.2 Annual financial report cross-reference table

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. 232-1 II of the French Commercial Code. The table indicates the sections in this Registration Document that correspond to the various parts of the Management Report, as published by the Company's Board of Directors.

This Registration Document also includes the Company's annual financial report. The cross-reference table below makes the Registration Document easier to read in that it identifies the information included in the annual financial report (AFR), 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.

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Main risks and uncertainties to which the Company and Group are exposed. Information about the financial risks related to the effects of climate change and description of the measures taken by the Company to mitigate such risks by implementing a low-carbon strategy in all components of its business *Art. L. 225-100-1, paragraph 3 and 4, of the French Commercial Code*	AFR	2.1
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Name of the controlled companies that own treasury shares of the Company and the percentage of capital owned *Art. L. 233-13 of the French Commercial Code*		N/A
Significant equity interests in 2018 in companies whose registered office is located in France *Art. L. 233-6, paragraph 1, of the French Commercial Code*		N/A
List of branches *Art. L. 232-1 II of the French Commercial Code*		N/A
Statement of ownership of more than 10% of the share capital of another company; disposal of reciprocal shareholdings *Art. L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code*		N/A
Purchase and sale by the Company of its own shares (share buyback) *Art. L. 225-211 of the French Commercial Code*	AFR	6.1.6
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Safe-keeping obligations for free stock options and shares granted by members of the executive team during their time of office *Art. L. 225-197-1 II, paragraph 4 and L. 225-185, paragraph 4 of the French Commercial Code*		N/A
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Non-tax deductible expenses *Art. 223, quater and 39.4 of the French Tax Code*		N/A
Payment and breakdown of trade and customer payables by due date *Art. L. 441-6-1, D. 441-4 of the French Commercial Code*		7.1.5
Financial injunctions or penalties for anticompetitive practices *Art. L. 464-2 I, paragraph 5, of the French Commercial Code*		N/A
Summary of transactions made by executive officers and related parties involving the Company's securities *Art. L. 621-18-2, R. 621-43-1 of the French Monetary and Financial Code* *Art. 223-26 of the General Regulation of the AMF*		6.1.7
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