

*This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.  
This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

## **Genfit**

Annual General Meeting held to approve the financial statements for the year ended December 31, 2018.

### **Statutory auditors' report on related party agreements and commitments**

**GRANT THORNTON**

*Membre français de Grant Thornton International*  
29, rue du Pont  
92200 Neuilly-sur-Seine  
S.A. au capital de € 2.297.184  
632 013 843 R.C.S. Nanterre

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

**ERNST & YOUNG et Autres**

Tour First  
TSA 14444  
92037 Paris-La Défense Cedex  
S.A.S. à capital variable  
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

## Genfit

Annual General Meeting held to approve the financial statements for the year ended December 31, 2018.

### **Statutory auditors' report on related party agreements and commitments**

To the Annual General Meeting of Genfit,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements and commitments prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended December 31, 2018, of the agreements and commitments previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

## Agreements and commitments submitted for approval to the Annual General Meeting

### ■ **Agreements and commitments authorized and concluded during the year ended December 31, 2018**

We hereby inform you that we have not been notified of any agreements or commitments authorized and concluded during the year ended December 31, 2018 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

### ■ **Agreements and commitments authorized and concluded after the year ended December 31, 2018**

We hereby inform you that we have been notified of the following agreements and commitments authorized and concluded after the year ended December 31, 2018, which received prior authorization from your Board of Directors.

#### ▶ **With each of the Directors of your Company**

##### ***Persons Concerned***

Mr Jean-François Mouney, CEO of your Company; SAS Biotech Avenir, whose permanent representative is Ms Florence Sejourne, Director of your Company; and Mr Xavier Guille des Buttes, Ms Catherine Larue, Ms Anne-Hélène Monsellato, Mr Frédéric Desdouits and Mr Philippe Mons, Directors of your Company.

##### **Compensation agreements**

###### ***Nature and purpose***

Compensation agreements authorized by the Board of Directors on March 13, 2019. The contract provides each director and corporate officer with coverage for liabilities and expense advances in respect of any matter arising from the performance of their duties for the Company.

###### ***Conditions***

No expenses were incurred by your Company during the year ended December 31, 2018 under these agreements.

###### ***Reasons justifying why the Company benefits from these agreements***

Your Board justified these agreements as follows:

To prevent the risk of damage to the Company's reputation due to the insolvency of a director following a third-party claim, and to retain/attract its directors following the significant increase in their responsibilities further to the listing of your Company's shares on the NASDAQ.

## Agreements and commitments previously approved by the Annual General Meeting

### ■ Agreements and commitments approved in prior years

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been notified that the implementation of the following agreement and commitment, which were approved by the Annual General Meeting in previous years, continued during the year ended December 31, 2018.

**With Jean-François Mouney, CEO of your Company**

#### ***Nature, purpose and conditions***

Agreement resulting from the Supervisory Board's decisions of May 10, 2017 aiming to define the principles and criteria of determination, allocation and award of compensation of corporate officers:

- Severance payment equal to six months' gross compensation, calculated on the basis of the last twelve months (excluding variable compensation associated with the implementation of the Incentive Plan) plus an additional payment of one month's gross compensation per year of service within the Company (calculated on the same basis). This payment is limited to two years' gross compensation (excluding variable compensation associated with the implementation of the Incentive Plan) paid in respect of the last fiscal year, and it is paid if, and only if, one of the following three performance conditions has been achieved at the time that the position is terminated:
  - At least one collaboration agreement or licensing agreement for the rights to use the Company's programs and products is in force with a biopharmaceutical group, as defined in the Incentive Plan;
  - At least two of the Company's products are at the clinical development phase;
  - The Company has changed control as part of the backing by a biopharmaceutical group, as defined in the Incentive Plan, in the two months prior to when the position is terminated.

### ■ Agreements and commitments approved during the year ended December 31, 2018

In addition, we have been notified of the implementation during the year ended December 31, 2018 of the following agreements and commitments which were approved by the Annual General Meeting of June 15, 2018, based on the statutory auditors' report on related party agreements dated April 26, 2018.

- 1- **With the company Biotech Avenir, member of the Board of Directors and shareholder of your Company**

#### ***Person concerned***

Jean-François Mouney, CEO of your Company and Chairman of the Executive Committee of Biotech Avenir.

### ***Nature and purpose***

Free domiciliation of the company Biotech Avenir at the Company's headquarters.

### ***Conditions***

This free domiciliation was implemented when your Company's current laboratories were delivered in 2001, the only corporate purpose of Biotech Avenir being to hold shares in Genfit SA, which is still the case today.

As, at the time, three of the four members of the Executive Committee of Biotech Avenir were also founder, employee and executive officer of Genfit, the latter granted free domiciliation to Biotech Avenir during the start-up phase of its activity for reasons of operational convenience shared by both companies.

Biotech Avenir having no other purpose than this investment in the share capital of the Company and having no employees to date, this free domiciliation has continued since then, at no cost to your Company.

- 2- **With the Nash Education Program endowment fund, an entity that has executive officers in common with the Company**

### ***Persons concerned***

- Jean-François Mouney, CEO of your Company and Chairman of the Nash Education Program endowment fund's Board of Directors.
- Xavier Guilles des Buttes, Vice-Chairman of your Company's Board of Directors, and Vice-Chairman of the Nash Education Program endowment fund's Board of Directors

### ***Nature and purpose***

Free domiciliation of the Nash Education Program endowment fund at the Company's headquarters.

### ***Conditions***

When the Nash Education Program endowment fund was created in 2016, Genfit SA was the only financial contributor to its action. The Company granted free domiciliation for operational convenience during this start-up phase, at no specific cost in relation to this domiciliation and to enable the endowment fund to devote most of its resources to its general interest assignment.

Neuilly-sur-Seine and Paris-La Défense, May 13, 2019

The Statutory Auditors  
*French original signed by*

GRANT THORNTON  
*Membre français de Grant Thornton International*

ERNST & YOUNG et Autres

Jean-François Baloteaud

Franck Sebag