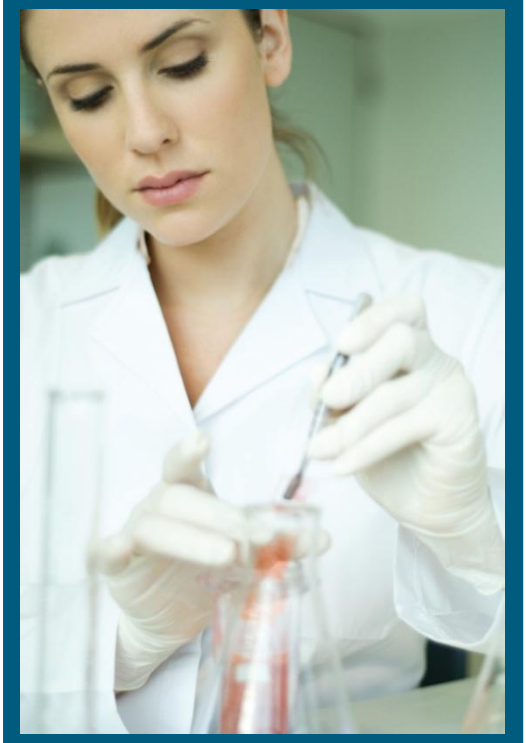

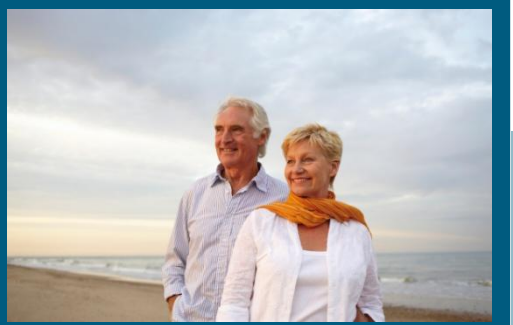

ANNUAL FINANCIAL REPORT

2014

(English version for information only)*

GENFIT

TOWARDS BETTER MEDICINE

www.genfit.com

**This report has been translated in English for information only. In the event of any differences between the French text and the English text, the French language version shall supersede.*

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> I - Management Report of the Executive Board

Dear Shareholders

We present the Management Report on the activities of Genfit SA (hereinafter called the "Company" and those of the group (hereinafter called "the Group") during the fiscal year that opened on January 1, 2014, and closed on December 31, 2014, in application of articles L.225-100, L.233-26, and L.232-1 of the French Commercial Code, and submit the annual and consolidated accounts for this fiscal year for your examination and approval.

During the Annual General Meeting, we also propose to allocate the results for the fiscal year closed on December 31, 2014, and read the auditors' reports to you.

Our reports, those of the Statutory Auditors, and the corporate and consolidated accounts have been made available to you in accordance with the terms and by the deadlines set out by the bylaws and applicable laws.

The corporate accounts as of December 31, 2014, comprising the balance sheet, statement of comprehensive income, and appendix were prepared in accordance with the rules for presentation and evaluation methods set out by current regulations, as per French standards in compliance with the French Commercial Code.

I - STATUS AND CHANGES IN COMPANY AND GROUP ACTIVITY DURING THE FISCAL YEAR

1.1 Group Scope

The Group comprises the following three legal entities: GENFIT S.A., a company under French law, GENFIT Corporation (GENFIT Corp), a company under American law, and GENFIT Pharmaceuticals SAS, a company under French Law.

Genfit Corporation is a wholly owned subsidiary of GENFIT SA, acting as a representative of the Group in the United States. Located in Cambridge, Massachusetts, Genfit Corporation has been assigned since its incorporation in July 2003 and therefore been assigned in 2014 the following objectives :

- identify industrial partnerships with players in the pharmaceutical industry and biotechnology companies ;

- set up a network of academic partners in the Company's area of business ;

- monitor relationships with the FDA as regards regulatory clinical matters, that are specifics to the US.

Every year since its incorporation, an annual services agreement is concluded between Genfit SA and Genfit Corp to cover the US subsidiary's operating expenses.

Genfit Pharmaceuticals SAS is a wholly owned subsidiary of GENFIT SA. Linked by a business address agreement at at its parent company's premises, it was founded on December 14, 2011 to take advantage of any new financing opportunities. The subsidiary has had no operational activity since its incorporation, and thus none during the past fiscal year.

1.2 Status and changes in activity and significant events during the fiscal year

The Company's purpose is to discover and/or develop innovative treatment (drug candidates) and diagnostic solutions (companion tests and biomarker candidates) in the area of metabolic and inflammatory diseases, in particular in hepato-gastroenterology.

This research and development activity relies on the Company's globally recognized research expertise in modulating gene expression through nuclear receptors (nuclear receptors are a specific set of transcription factors with which the Company has particular expertise); and also on its in-depth knowledge of diseases of metabolic origin in the broad sense.

It conducts this activity primarily within the framework of so-called "proprietary" research and development programs, for which it holds all Intellectual Property rights, or in collaboration with pharmaceutical industry partners within the framework of "collaborative research alliances" where most Intellectual Property Rights generated during the collaboration belong to the partners. Lastly, and quite marginally, since its incorporation, the Company has also offered so-called "services" for industrials and other biotechnology companies that rely on technological tools and platforms developed during its research and development work to target, in particular, better characterization of drug candidates under development, or the identification of active mechanisms in these compounds.

During the fiscal year closed on December 31, 2014, the Company continued and concentrated its efforts on what has become its core business, its proprietary research and development programs in the area of metabolic and inflammatory diseases.

These proprietary programs are at various stages of development: programs further upstream, some of which were worked with the goal of fairly early "collaborative research" alliances, and more advanced programs in which the Company takes more risks, and thus with a higher valuation potential, with the goal of transferring all or part of the rights of use to pharmaceutical groups after Phase II clinical trials for drug candidates.

The most advanced of these were coordinated to develop new integrated therapeutic and diagnostic solutions dedicated in particular to patients suffering from metabolic disorders, including obese, pre-diabetic, and diabetic patients. Working further upstream, Genfit continued qualifying and refining other molecules acting on biological targets involved in the development of treatments for metabolic disorders in the broad sense, as well as potentially in other therapeutic areas.

At the end of the year 2014 the proprietary portfolio of the Company therefore included compounds and programs at varied levels of advancement from the exploratory phase up to phase II of human clinical trials, including :

- GFT505, the most advanced proprietary drug candidate, which has been the subject of phase IIb clinical trials, particularly in Europe and in the United State, for the treatment of Non Alcoholic Steato Hepatitis (NASH), a liver disease affecting in particular the patients with metabolic disorders. During the development of this drug candidate, other molecules that, like GFT505, target PPAR nuclear receptors, and have been demonstrated to have differentiated pre-clinical, have been identified ;

- Two biomarker programs one in Type 2 diabetes (BMGFT02) and the other in NASH (BMGFT03), which benefit from work carried out in partnership with biotechnology companies and academic laboratories ;

- The TGFTX1 program, targeting RORγt, a nuclear receptor involved in certain inflammatory and autoimmune diseases, and in the framework of which the Company has developed proprietary molecules, that effectively inhibit RORγt activity and, that have been demonstrated to have effects in functional assays appropriate for the targeted diseases, in particular for their potential benefit in the treatment of in inflammatory diseases of the liver and intestines ;

- The TGFTX3 program, targeting Rev-Erbα, a nuclear receptor involved in the disruption of circadian rhythms (daily rhythm allowing the body to adapt to the daily environmental changes and regulating various physiological mechanisms, including the metabolism), and in the framework of which the Company has developed a series of proprietary agonists modulating this nuclear receptor in vitro and in vitro, and has notably demonstrated their pharmacological activity on the regulation of glucose and lipid metabolism ;

-

- The TGFTX4 program, in the framework of which the Company has identified a new series of compounds, that have demonstrated a strong anti-fibrotic activity in cell-based assays and in vivo, in liver fibrosis models of hepatic fibrosis ;

- The TGFTX5 program, that aims to identify potential treatments for chronic inflammatory bowel diseases ;
- A program to discover new targets in diabetes as part of a research consortium, IT-Diab, working specifically on pancreatic β-cell dysfunction, which is responsible for the gradual onset of the disease.

Appendix 7 of this report gives further details on these proprietary research and development programs.

Research "for third parties" also continued and advanced in 2014, primarily within the framework of the long-term collaborative research alliance with Sanofi, and more marginally within the framework of the Company's provision of research services.

The core of this collaborative research alliance with Sanofi is the SAN/GFT-2 program that began in March 2011 with the goal of identifying and then developing new molecules making it possible to correct the mitochondrial dysfunctions associated with some pathologies including metabolic diseases, in a context in which the cellular mechanisms regulating energy production under normal conditions and the ways they can adapt to stress might offer therapeutic potential for several pathologies including metabolic diseases.

At the close of the 2014 fiscal year, the Company had a portfolio of 367 patents and patent applications, primarily for the work conducted within the framework of the various research and development programs described above. 294 Patents have been definitively granted or issued.

Within this portfolio and as of the same date, there were 300 patents and patent applications for GFT505 (262 have been definitively granted or issued), the Company's drug candidate in the most advanced stage of development, which represents very significant market potential and therefore will carry the Company's and Group's main value creation in the coming years.

The main significant events during the 2014 fiscal year were as follows:

- The determinant scientific and regulatory advances concerning GFT505, the key asset in the Company's portfolio of proprietary research and development programs;
- Scientific progress made as part of the SAN/GFT-2 program, that led to renewal of the long-standing collaborative research alliance with Sanofi;
- The transfer of the listing of the Company's shares from the Alternext market to Compartment B of the Euronext Paris regulated market;
- The three completed capital increases intended to help finalize the phase IIb GFT505 study on NASH and give the Company the resources both to develop the new TGFTX5 program and take advantage of the opportunity to acquire and then develop one, or even two molecules at the clinical stage in its areas of therapeutic excellence

A – GFT505: Determinant scientific and regulatory advances

In 2014, the company made significant advances on its compound, GFT505:

- In January, the Company announced new pre-clinical results on the inhibiting effects of GFT505 on the proliferation of twenty-one lines of human cancer cells from various types of cancers. On a vast majority of these cells, GFT505 blocked the proliferation of the cells, thus suggesting protective effects against many types of tumors;
- In February, the FDA ("Food and Drug Administration") granted a “Fast Track" designation to the GFT505 project for treatment of NASH. The FDA “Fast Track” is a process intended to facilitate development and accelerate review of drugs dedicated to treating serious or even fatal conditions the medical needs of which have not been met.

- In March 2014, the Company announced new results showing the curative effects of GFT505 on an experimental NASH associated with metabolic disorders. In a study implementing the original NASH model (foz/foz mice subjected to a high-fat diet) reproducing the natural history of the pathology observed in Humans, the results showed that GFT505 eliminated the NASH and improved fibrosis;
- In April 2014, the company announced new results on the anti-fibrotic properties of GFT505 in a non-hepatic fibrosis model. These studies made it possible to show the efficacy of GFT505 in a chronic intestinal inflammation model broadly used to identify new treatments for Crohn's disease. The results showed that oral treatment with GFT505 protects the intestine from inflammatory attacks and reduces associated fibrosis;
- In May 2014, the Company announced the issue of the GFT505 patent in Europe, with protection in 32 European countries and Hong Kong, as well as the approval of its American patent. With these approvals, GFT505 now has protection in the aforementioned territories for NASH and other hepatic diseases until the end of 2035 through extension clauses;
- In June 2014, the Company announced that the DSMB ("Data Safety Monitoring Board"), the independent international commission established to ensure patient safety in the phase IIb clinical trial of GFT505 for NASH (GOLDEN-505 study), had analyzed the safety data collected during this test after long treatment periods of up to one year. The DSMB confirmed the continuation of the study without amendment to the protocol and without reservations.
- In October 2014, the Company announced that it obtained approval in China for the GFT505 patent. Additionally, the USPTO ("United States Patent and Trademark Office") granted the patent for hepatic fibrosis in the United States. With these approvals, GFT505 now has protection in the aforementioned territories for NASH and other hepatic diseases until the end of 2035 through extension clauses;
- In December 2014, the Company announced that all patients in the GOLDEN-505 study had completed their one-year treatment period without any safety problems disrupting the proper progress of the study, and that the results of the study will be released at the end of the first quarter of 2015.

B – Progress and renewal of the long-term collaborative research alliance with Sanofi

The last collaboration contract and license agreement signed on March 9, 2011, as part of the long-term collaborative research alliance between the Company and Sanofi initially set out a three-year period for research sharing by the research teams from both parties.

Under this contract, Sanofi made annual payments to the Company for research assistance as well as progress payments related to pre-clinical and clinical development progress, and then the registration and marketing of the drug candidates stemming from the collaboration.

Several advances, including the achievement of the third and last milestone in March 2014, were also recorded in the development of molecules from one of the two programs initiated within the framework of this last collaboration contract, for which the Company received three *milestone payments* totaling €1.6 M.

Having shown the beneficial activity of several molecules identified in various relevant vivo models for the target pathologies through this work, the Company signed an amendment to this collaboration contract and license agreement in September 2014, extending the research sharing phase in progress by the scientific teams of both parties until May 2015.

When the contract was updated, the Company obtained an increase in the *milestone payments* set out for completing the various clinical development phases for the molecules.

Therefore, as of December 31, 2014, company remains eligible for:

- Additional progress payments that could total €8 M for continuing clinical development before Market Authorization for a product;

- Additional progress payments of up to €6 M for the acceptance of a Market Authorization application for a product and for its first sale;
- Then royalties on the sales of a product up to 3% of net turnover, excluding taxes.

C - Financing and transfer of the listing of the Company's shares to Compartment B of the Euronext Paris regulated market

Capital Increases

Three capital increases helped strengthen shareholders' equity and secure the Company's financial position:

- In January and February, the Company completed a capital increase with maintenance of preferential subscription rights, intended, in particular, in addition to the financing transaction by private placement completed in April 2013, to accelerate research intended to support the anti-fibrotic potential of the drug candidate GFT505 and to strengthen the resources devoted to the NASH biomarker program (BMGFT03). The gross amount was approximately €5 M, after implementation of the entire extension clause, the transaction was oversubscribed more than 4 times. A total of 715,850 new shares were created, increasing issued capital from €5,135,455.25 to €5,314,417.75.
- In June the Company completed a capital increase through private placement, intended in particular to finance the completion of the phase IIb trial program for GFT505 on NASH and the preparation of a clinical application to initiate phase III. The gross amount was approximately €49.7 M. 2,116,567 new shares were created, increasing issued capital from €5,314,417.75 to €5,843,559.50.
- In December, the Company completed a capital increase by private placement intended in particular to expand the clinical development of GFT505 for indications other than NASH as part of the new program TFGTX5 and to give it the resources to acquire and then develop one, or even two molecules at the clinical stage in its areas of therapeutic excellence. The gross amount was approximately €21 M. 583,433 new shares were created, increasing issued capital from €5,843,559.50 to €5,989,417.75.

Transfer of the listing of the Company's shares

As of April 17, 2014, the Company's were transferred by direct listing to the Euronext Paris regulated market, Compartment B. Since 2006, the Company's had been listed on the Euronext Paris Alternext market.

Just before the transfer, the Company's market capitalization was approximately €519 M, or the top valuation on Alternext Paris.

D- Governance

Changes to the Executive Board

In May 2014, Mr. Dean Hum, Director of Operations, and Director of Research and Development at the Company was appointed as a member of the Executive Board.

Mister Dean Hum earned a Ph.D. in Biochemistry from McGill University in Montreal in 1990. An expert in the modulation of transcription factors and nuclear receptors associated with endocrine and cardiometabolic diseases, he held a research position at the University of California in San Francisco before becoming a Professor at Laval University in Quebec. He joined Genfit in 2000 as Chief Scientific Officer. Dean Hum is today a key person in the organization of Genfit. In particular, he is responsible for defining, implementing, employing and coordinating short-, medium- and long-term strategies relating to R&D programs and portfolio. He coordinates all R&D activities with the CEO and in close collaboration with scientific officers and project managers.

Since his appointment, the Executive Board now consists of its Chairman, Mr. Jean-François Mouney, Mrs. Nathalie Huitorel, and Mr. Dean Hum.

Changes to the Supervisory Board and its Specialized Committees

Following the resignations of their terms as members of the Supervisory Board of the Pasteur Institute in Lille, the University of Lille II, and CM-CIC Capital Finance, effective following the General Meeting on June 20, 2014, and the ratification by that Meeting of the co-optation of Mr. Frédéric Desdouits to replace CM-CIC Capital Finance made by the Supervisory Board on May 12, 2014, the Composition of the Supervisory Board is as follows:

- Mister Xavier Guille des Buttes, Chairman of the Supervisory Board ;
- Mister Charles Woler, Vice-Chairman of the Supervisory Board du Conseil de Surveillance ;
- SAS Biotech Avenir, represented by Madam Florence Séjourné ;
- SCR Finorpa, represented by Mister Philippe Moons,
- Mister Frédéric Desdouits.

Mister Frédéric Desdouits is head of Pierre Fabre Group Business Development, Acquisition and Market Intelligence since 2011. He is also member of the Pharmaceuticals Executive Board and of the Development Products Board. Prior to joining Pierre Fabre, Frederic was Managing Partner at Bionest Partners (2004-2011), a consulting and transaction firm based in Paris and New York specialized in healthcare and biotechnology; and the founding Managing Partner of Bionest Partners Finance (2007-2011), a boutique specialized in value strategy and fund raising for emerging bio-companies. Between 1997 and 2004, Frederic was a partner in charge of Pharmaceutical and Biotechnology sectors at Exane BNP-Paribas, an investment company. Before heading for finance, Frederic worked in research (1996-1997) at GlaxoWellcome in France (now GSK), as a consultant for Hoechst in the USA (1995-1997) and as a PhD student (1992-1995) with a grant from Rhône-Poulenc in France (now Sanofi).
Between 2010 and 2011, Frédéric Desdouits was a member of the Pre-Phase III DPU Blood & Vessels Specific Board at Sanofi Aventis (now Sanofi) R&D (Chilly-Mazarin, France).
Between 2008 and 2011, Frederic was Board member at Exonhit Therapeutics (now Diaxonhit Therapeutics) and member of the M&A subcommittee.
Frédéric Desdouits is graduated from Ecole Polytechnique (Palaiseau, France), obtained a MS in pharmacology and a PhD in Neurosciences at University Paris VI and Collège de France, did a post-doc (1994-1996) at the Rockefeller University in New York and is a CEFA (Certified European Financial Analyst).

In this new composition, four of the five members of the Supervisory Board are independent as per the criteria in the MiddleNext Code, the corporate governance code to which the Company has referred since the transfer of its securities to listing on the Euronext Paris regulated market.

Following the appointment of Biotech Avenir, represented by Mrs. Florence Séjourné to replace CM-CIC Capital Finance as member of the Audit committee by the Supervisory Board on September 25, 2014, the members of this Committee are:

- Finorpa SCR, represented by Mister Philippe Moons, Chairman of the Audit Committee ;
- Mister Xavier Guille des Buttes ;
- Biotech Avenir, represented by Madam Florence Séjourné.

Biotech Avenir is not independent in light of the criteria in the MiddleNext Code and does not represent specific finance and accounting skills, unlike the other two members of the Committee**.**

Following the appointment of Mr. Frédéric Desdouits as member of the Appointment and Compensation Committee by the Supervisory Board on September 25, 2014, the members of this Committee are as follows:

- Mister Charles Woler, Chairman of the Appointment and Compensation Committee ;
- Mister Xavier Guille des Buttes ;
- Mister Frédéric Desdouits.

The Appointment and Compensation Committee is chaired and composed of independent members of the Supervisory Board as per the criteria of the MiddleNext Code.

II – PRESENTATION OF THE CORPORATE ACCOUNTS AND ALLOCATION OF THE GENFIT SA RESULTS

The Genfit SA annual accounts for the fiscal year closed on December 31, 2014 that we submit for your approval were prepared in accordance with the rules for presentation and evaluation methods set out by current regulations, in accordance with French standards in compliance with the French Commercial Code. These rules and methods are identical to those for the previous fiscal year.

2.1 Examination of the accounts and results

The statement of profit and loss are provided in appendices 2 and 3 of this Report.

For the fiscal year closed on December 31, 2014:

- Net turnover was 1,614,360 euros compared with 1,899,320 euros for the previous fiscal year, or a change of (15)%;
- Total operating income for the fiscal year was 1,782,230 euros compared with 2,419,400 euros for the previous fiscal year, or a change of (26.3)%;
- Operating expenses for the fiscal year were 23,155,830 euros compared with 16,347,730 euros for the previous fiscal year, or a change of 41.6%;
- Total payroll and social security expenses were 8,370,000 euros, compared with 6,466,520 euros for the previous fiscal year, or a change of 29.4%. The average salaried workforce was 81 for the 2014 fiscal year, compared with 75 for the 2013 fiscal year. At the close of the 2014 fiscal year, the salaried workforce was 81 employees, in relation to 78 employees on December 31, 2013.

The financial result was 328,870 euros compared with 119,470 euros for the previous fiscal year.

In light of an exceptional result of 4,180 euros and a tax credit (primarily the Research Tax Credit) of 5,067,240 euros, the fiscal year ended with a net loss of (15,973,310) euros compared with a net loss of (10,043,220) euros for the previous fiscal year.

As of December 31, 2014, the Company's balance sheet total was 86,118,320 euros compared with 28,865,130 euros for the previous fiscal year.

Companies	Country	Consolidation method	% of control	% of interest	
At 31 December 2014					
SA Genfit	France		PARENT		
Genfit Corp.	USA	IG*	100,00%	100,00%	(*)Acquisition method
Genfit Pharmaceuticals	FRANCE	IG*	100,00%	100,00%	(*)Aquisition method

Companies		Address	Identification number
SA Genfit	Parent company	Parc Eurasanté-885, avenue Eugène Avinée-59120 Loos	424 341 907 000 22
Genfit Corp.		245 First Street-18th floor-Office 1806-Cambridge, Massachussets 02042	06-1702052
Genfit Pharmaceuticals		Parc Eurasanté-885, avenue Eugène Avinée-59120 Loos	538 707 662 000 10

2.2 Allocation of the results

We propose to allocate the results as follows:

SOURCE OF THE RESULTS

Loss for the fiscal year closed on 12/31/2014 (15,973,312) euros

ALLOCATION

Carry forward: (15,973,312) euros

The "carry forward" debt account will thus be increased from (42,637,364) euros to (58,610,677) euros.

In accordance with the provisions of article 243 bis of the French General Tax Code, we remind you that no dividends have been distributed for the past three fiscal years.

2.3 Non-tax deductible expenses

In accordance with the provisions of articles 223 part 4 and 223 part 5 of the French Tax Code, we inform you that the accounts for the past fiscal year do not account for so-called "luxury" expenses, which are not deductible from the taxable results.

2.4 Table of financial results

A table showing the Company's results for the past five fiscal years is included in appendix 1 of this report, in accordance with article R.225-102 paragraph 2 of the French Commercial Code.

2.5 Investments and control as of the closing of the fiscal year

The Company's only investments are its whole ownership of Genfit Corp on the one hand and of Genfit Pharmaceuticals SAS on the other. They were consolidated by global integration into the consolidated Genfit accounts as of December 31, 2014.

Companies	Country	Consolidation method	% of control	% of interest	
At 31 December 2014					
SA Genfit	France		PARENT		
Genfit Corp.	USA	IG*	100,00%	100,00%	(*)Acquisition method
Genfit Pharmaceuticals	FRANCE	IG*	100,00%	100,00%	(*)Aquisition method

Companies		Address	Identification number
SA Genfit	Parent company	Parc Eurasanté-885, avenue Eugène Avinée-59120 Loos	424 341 907 000 22
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Genfit Pharmaceuticals		Parc Eurasanté-885, avenue Eugène Avinée-59120 Loos	538 707 662 000 10

In accordance with the provisions in article L.233-6 of the French Commercial Code, we inform you that during the past fiscal year, the Company did not invest in any company.

2.6 Notice concerning payment deadlines

In accordance with the provisions of article L.441-6-1 of the French Commercial Code, we inform you below with the breakdown by due date of the balances at the end of 2014 and the end of 2013 of the Company's trade payables:

Due dates as of 31.12.2013 (in € thousands)	Due from more than 60 days	Due from 30 to 60 days	Due from 1 to 30 days	Due as of 31.12.2013	To be due in 0 to 30 days	To be due in 31 to 60 days	To be due in more than 60 days	Total
Total suppliers	121,6	73,8	688,3	300,9	1 171,9	991,2	55,7	3 403,6
including items expected to be validated at the end of the fiscal year	81,8	73,8	688,3	0,0	0,0	0,0	0,0	843,9

Due dates as of 31.12.2014 (in € thousands)	Due from more than 60 days	Due from 30 to 60 days	Due from 1 to 30 days	Due as of 31.12.2014	To be due in 0 to 30 days	To be due in 31 to 60 days	To be due in more than 60 days	Total
Total suppliers	209,9	33,2	407,4	340,3	1 198,6	1 081,1	107,9	3 378,4
including items expected to be validated at the end of the fiscal year	171,5	33,2	407,4	0,0	0,0	0,0	0,0	612,1

III – PRESENTATION OF THE GROUP'S CONDENSED FINANCIAL STATEMENTS

The Group's condensed financial statements for the fiscal year ended December 31, 2014, which we are submitting for your approval, were prepared in accordance with the rules for presentation and the evaluation methods set out by current regulations, in accordance with International Financial Reporting Standards (IFRS).

The rules for presentation and methods for evaluation used are identical to those used in the preparation of the annual consolidated financial statements for the previous fiscal year.

The Consolidated Statement of Comprehensive Income and the Consolidated Financial Statement are provided in Appendices 4 and 5 of this Report.

For the fiscal year ended December 31, 2014:

- Industrial revenue totaled 1,614,400 euros compared with 1,899,300 euros for the previous fiscal year, a change of 15% ;
- Public financing for research including operating subsidies and the Research Tax Credit totaled 5,067,300 euros compared with 3,916,300 euros for the previous fiscal year, a change of 29.4% ;
- Revenue generated was 6,775,700 euros compared with 5,967,400 euros for the previous fiscal year, a change of 13.5%;
- Operating expenses for the fiscal year totaled 22,993,700 euros compared with 16,385,200 euros for the previous fiscal year, a change of 40.33%;
- The total wages and social charges was 8,314,400 euros compared with 6,478,800 euros for the previous fiscal year, a change of 28.3% due in particular to the strengthening of the clinical development team and to the impact of bonuses awarded to all employees for their involvement in the Group's development and more significantly and especially in the fund-raising operations carried out during the fiscal year. The average number of employees was 81 for the 2014 fiscal year, compared with 75 for the 2013 fiscal year. At the end of the fiscal year, the Group's salaried workforce was 81 employees, compared with 78 employees on December 31, 2013.

The financial result was 233,500 euros compared with 179,700 euros for the previous fiscal year.

The fiscal year ended with a net loss of 17,025,500 euros compared with a net loss of 12,652,100 euros for the previous fiscal year.

As of December 31, 2014, the of the Group Consolidated Financial Statement was 86,366,000 euros compared with 29,151,000 euros for the previous fiscal year.

The main impact associated with the restatement of the Group accounts according to IFRS was a charge of 1,050,000 euros to account for Standalone Equity warrants (see Payments based on shares in the Consolidated Statement of Comprehensive Income summarized in appendix 4).

IV – FINANCIAL POSITION AND PRIMARY RISKS FACED BY COMPANY

4.1 Financial position in relation to the volume and complexity of business

The Group had a cash flow (cash equivalents and current financial instruments) of 76,030,000 euros at the end of the fiscal year.

The company took out 4 bank loans intended in particular to finance the acquisition of scientific equipment and computer hardware.

Crédit Industriel et Commercial	In August 2013, GENFIT took out a € 200.0k loan repayable in 41 months, repayment of which did not start for five years. The effective interest rate was 1.89%. As of December 31, 2014, the principal amount outstanding was € 134.6k.
Crédit du Nord	In September 2013, GENFIT took out a € 150.0k loan repayable in three years at the effective interest rate of 2.11%. As of December 31, 2014, the principal amount outstanding was € 84.4k.
Neuflize	In June 2014, GENFIT took out a € 150.0k loan repayable in three years at the effective interest rate of Euribor 3 months +2.5%. As of December 31, 2014, the principal amount outstanding was € 125.0k.
BNP	In December 2014, GENFIT took out a € 500.0k loan repayable in five years at the effective interest rate of 2%. As of December 31, 2014, the principal amount outstanding was € 500.0k.

Additionally:

- Oséo Financement, which became BPI France, approved a loan contract for 2,300,000 euros in June 2010 for a period of 7 years with a principal repayment deferment of 2 years in the form of a participatory development contract. The capital remaining due under this participatory development contract is 1,265,000 euros;

- In the second half of 2011, the Nord Pas de Calais Regional Council and the Metropolitan Lille Urban Community granted reimbursable advances respectively of 1,000,000 and 500,000 euros. The principal remaining due on these two reimbursable advances is respectively 283,000 euros and 190,500 euros.

Lastly, as of December 31, 2014, reimbursable public assistance totaled 4,440,000 euros on December 31, 2014.

4.2 Main risks and uncertainties faced by the Company

Main risks and uncertainties to which the Company could be faced are listed below :

Risks related to the Company's Business

Risks related to research and development of new drugs and biomarkers

The development of a new drug candidate, such as those of the Company, is a long, complex and expensive process with a high failure rate.
The common development and marketing stages for a pharmaceutical product are as follows :

- Research (in vitro and in vivo tests on laboratory animals) ;
- Preclinical development (regulatory pharmacology and toxicology studies on animals) ;
- Pharmaceutical development (formulation, production and stability of the final product) ;

- Phase I clinical trials: the molecule is administered to healthy subjects in order to assess its safety, identify potential side effects and assess its tolerance at the doses administered, as well as their distribution and metabolism ;
- Phase II clinical trials are carried out on a limited population of patients affected by the disease. The objective is to provide initial proof of the drug's efficacy, determine its dosage and assess its tolerance when administered in effective doses ;
- Phase III clinical trials are conducted on a broader population of patients affected by the disease studied. The objective is to demonstrate the product's efficacy and tolerance in comparison with products alreadyon the market or placebos, in order to compile a dossier containing sufficient data to be filed with the regulatory authorities;
- Application for and obtaining of Marketing Authorization (MA);
- Commercialization;
- Pharmacovigilance procedures to monitor the effects and safety of the products authorized ;
- Post-approval phase IV clinical trials are regularly conducted to monitor the effects and safety of the products authorized.

Given the risks inherent in the research and development of new drugs, together with the constraints imposed by the regulatory and legal frameworks applicable to the activity, the Company cannot guarantee that the drug candidates or biomarker candidates that it is working on at present or may work on in the future will be commercialized or that there will be no delays in their development or launch on the market.

Risks related to clinical trials

The results obtained from phases of preclinical trials on animals cannot systematically be transposed to humans. In addition, during phase I, II or III clinical trials, the drug candidates developed by the Company may not prove to be as effective as expected or may cause unexpected side effects or toxic effects.

Significant side effects caused by a drug candidate or the fact that it is less effective than products already on the market can be sufficient grounds for discontinuing its development. Moreover, disappointing results during the initial phases of development are often not a sufficient basis for a decision as to whether or not a project should be continued. At these early stages, sample sizes, the duration of studies and the parameters examined may not be sufficient to enable a definitive conclusion to be drawn, in which case further investigations are required and the Company's results may be negatively affected. Conversely,promising results during the initial phases, and even after advanced clinical trials have been conducted, do not guarantee that a project will be successfully completed.

Should one or more of these risks materialize, this would have a material adverse effect on the Company's activity, results, prospects, financial situation and development.

Risks related to the Company's regulatory environment

Within the framework of its preclinical development activities, the Company must comply with many regulations concerning safety, the use of laboratory animals, and health and environmental issues. Should these regulations change, failure to comply with them, even though the Company's Quality Assurance department has always taken such changes into account in the implementation of the Company's research and development activities, could result in consequences for the Company such as financial penalties or the temporary suspension of its operations. Furthermore, these regulations could be tightened, which could incur additional costs or cause delays in the products' development.

Each of the research and development stages leading to the commercialization of a pharmaceutical product is governed by a complex regulatory and legislative process. The facilities required to implement these stages of research, development and production are thus subject to protocols, directives and regulations defined and overseen by regulatory agencies such as France's Agence Française de Sécurité Sanitaire des Produits de Santé (AFSSAPS), the European Medicines Agency (EMA) and the US Food and Drug Administration (FDA).

These agencies and their counterparts in other countries have the authority to permit the commencement of clinical trials or to temporarily or permanently halt a study. They are entitled to request additional clinical data before authorizing the commencement or resumption of a study, which could result in delays or changes to the Company's product development plan.
Should any one of these risks materialize, this could have a material adverse effect on the Company's business, prospects, financial situation, results and development.

Risks related to obtaining marketing authorization (MA)

The Company's drug candidates or biomarker candidates may not obtain marketing authorization (MA) for the indication sought in the countries in which the Company wants to market its products. The regulatory agencies (AFSSAPS, EMEA, FDA and other national agencies) can also request further information before granting marketing authorization, even if the molecule concerned has already been authorized in other countries. The procedure for granting marketing authorization is long and costly. The refusal by one or more agencies to deliver an MA, or a request for additional information, could compromise or adversely affect the ability of the Company or a third party to which it grants commercialization rights to market the product.
Should any one of these risks materialize, this could have a material adverse effect on the Company's business, prospects, financial situation, results and development.

Risks related to the delay or failure of product development by the Company, or to the absence of appropriate planning control and monitoring

A drug's launch on the market exposes a large number of patients to potential risks associated with the ingestion of a new pharmaceutical product. Certain side effects, which may not have been statistically identified during phase II and III clinical trials, can then appear. This is why the regulatory agencies require companies to implement post-approval pharmacovigilance. Depending on the occurrence of serious undesirable effects, the agencies can take a drug off the market temporarily or permanently, even if it is effective and has obtained all the necessary marketing authorizations.

The legislation, regulations and directives applicable in each country are subject to change. Such changes may lead the regulatory authorities, at the recommendation of the ethics committee or even the Company itself or a third party licensed to market the drug, to suspend or definitively end a product's development or marketing in a given country. The Company cannot guarantee that there will be no change in the regulatory agencies' recommendations concerning the preclinical development of its compounds, giving rise to delays and additional costs.

All these risks result in a high level of attrition in this activity, at every stage of the process. According to data published in 2013 by the French Pharmaceutical Companies Association LEEM (Les Entreprises du Médicament), for the preclinical research and development stages, out of 100,000 molecules screened in exploratory research, 10,000 are tested during preclinical trials and only 10 reach the stage of clinical trials in phases I, II and III.

So, in addition to the risk of higher-than-expected preclinical development costs, various other factors can disrupt or delay the program underway. The Company cannot, therefore, guarantee that all the drug candidates or biomarker candidates that it is working on at present or may work on in the future will effectively be commercialized or that there will be no delays in their development or launch on the market.

Should one or more of these risks materialize, this would have a material adverse effect on the Company's business, results, prospects, financial situation and development The set of procedures put in place to oversee the research and development activities, whether in terms of decision-making or project monitoring, help to mitigate this risk.

Risks inherent in the marketing of new drugs

The Company cannot guarantee the commercial success of its procedures for the granting of marketing licenses for its drug candidates or biomarker candidates. It cannot guarantee the commercial success of these products, or the commercial success of its partners, for which it collaborates in the development of these products, once the MA is obtained and the product is launched on the market.

Many factors can impede the launch or commercialization of a drug candidate or biomarker candidate, including the following:

- prescribers' misperception of the drug's therapeutic benefits ;
- the occurrence of too great a number of undesirable effects during treatment ;
- difficulties related to the product's administration ;
- a lack of support from "opinion leaders", i.e. leading physicians or scientists whose opinions on a drug's usefulness are very influential ;
- the cost of treatment ;
- an unsuitable reimbursement policy.

A competitor could launch a drug that is more effective, better tolerated or less expensive than that developed by the Company, thus disrupting its marketing.

Poor market penetration, resulting from one of these factors, could have an adverse effect on the Company's business, prospects, financial situation, results and development. This risk, however, will only materialize when the Company's products are on the market or close to being launched.

Risks related to potential changes in drug reimbursement conditions

A drug's commercial potential depends heavily on the conditions for its reimbursement. The successful marketing of a drug largely depends on the reimbursement rate granted by public health bodies, private medical insurers and other bodies concerned. Given that European governments and other bodies have spoken in favor of reducing the levels of reimbursement granted for new drugs, future reimbursement rates are a real concern. A change in the reimbursement rate or the application of a rate that is too low can seriously undermine a drug's sales performance.

Should this risk materialize, this could have a material adverse effect on the Company's business, prospects, financial situation, results and development.

Risks related to the search for new partnerships and dependence on current and future partners

<u>Risks related to the Company's signature of new partnerships to meet requirements for products that it is developing for its own account</u>

The development and marketing of the Company's drug candidates and biomarker candidates relies partially on the Company's ability to sign partnership agreements.

The Company will not assume the full development of its drug candidates and biomarker candidates alone, but is seeking co-development agreements and/or licenses with pharmaceutical groups for its drug candidates and biomarker candidates as from phase III. For GFT505, there are existing expressions of interest from biopharmaceutical companies, and early-stage discussions are ongoing.

Neither will the Company take on the marketing of its drugs alone, once they have obtained marketing authorization. Here again, it intends to sign distribution and marketing agreements with pharma industry leaders in order to optimize the launch and market penetration of its products.

The risks inherent in the signature of such contracts are as follows:

- The negotiation and signature of these agreements is a long process that may not result in an agreement being signed or that can delay the development or commercialization of the candidate drug or candidate biomarker concerned;
- These agreements can be cancelled or may not be renewed by the partners, or may not be fully complied with by the partners;
- In the case of a license granted by the Company, the Company could lose control of the development of the candidate drug or candidate biomarker thus licensed. Also, in such cases the Company would have only limited control over the means and resources allocated by its partner for the commercialization of its product.

Risks related to maintaining and renewing the collaborative research agreements currently in force and/or signing new collaborative research agreements

In terms of alliances on behalf of third parties, the Company has since its creation developed collaborative research agreements with leading pharmaceutical groups, including Sanofi, Merck KGaA, Laboratoires Pierre Fabre, Laboratoires Fournier (Solvay group, acquired by Abbott) and Servier. Some of these contracts have regularly been renewed over time. The framework agreements for collaborative research currently in force with this type of partner are generally for a set duration of three years. The revenues generated by these agreements currently make up the bulk of the Company's sales.

The Company also potentiates its research efforts by relying on technology partnerships as part of national or European consortia alongside academic research institutions and other biopharmaceutical companies. The management of and participation in these consortia also generates steady revenue and funding for the Company in the form of operating grants and/or repayable advances. Given that, in the pharmaceutical industry, the trend is towards reducing the co-financing of research carried out further upstream, these two types of resources could diminish.

Therefore, the Company may not be able to renew its collaborative research contracts and consortia agreements or may be unable to sign new agreements with new partners. The early termination of a contract, or the non-renewal of a contract or the Company's inability to find new partners would change the Company's sales forecasts and, consequently, its results forecasts.

Should any one of these risks materialize, this could have a material adverse effect on the Company's business, prospects, financial situation, results and development. In order to limit the risks related to current and future partnerships, the Company is maintaining its strategies involving partnerships, growth and the acquisition of new candidates.

Risks related to the subcontracting of certain activities

The Company relies on third parties to carry out clinical trials and certain preclinical trials on its drug candidates and biomarker candidates.

The Company subcontracts to external service providers the performance of its clinical trials and certain preclinical trials on its drug candidates and biomarker candidates.

In particular, the Company subcontracts to third parties (CROs - Contract Research Organisations) the design and conducting of its clinical tests. The Company works notably with the companies Naturalpha and Premier Research in the design and organization of phase I and II clinical trials for its most advanced products.

The Company contracts external investigators to carry out its trials supervise them and collect and analyze the results obtained.

Although the Company is involved in establishing the protocols for these trials and in monitoring them, it does not control all the stages of test performance and cannot guarantee that the third parties will fulfil their contractual and regulatory obligations. In particular, a partner's failure to comply with protocols or regulatory constraints, or repeated delays by a partner, could compromise the development of the Company's products or engage its liability. Such events could also inflate the product development costs borne by the Company.
All clinical trials are subject to strict regulations and quality standards. Within the Company, specific quality procedures are in place and are controlled regularly for each clinical trial; at the same time, corrective action is implemented and monitored during all trials in order to identify and correct any deficiencies.

Should Naturalpha or Premier Research be unable to provide the services required and fulfil their obligations, the Company could call upon other clinical service providers. It would not, however, be guaranteed to obtain equally favorable conditions.

This could have a material adverse effect on the Company's business, prospects, financial situation, results and development.

The Company does not currently own or operate a production unit.

The Company does not currently produce the drug candidates and biomarker candidates tested during its preclinical and clinical trials. The Company has no production units and relies largely on third parties to manufacture its products (e.g. synthesizing molecules).

This strategy means that the Company does not directly control certain key aspects of its product development, such as:

- the quality of the product manufactured;
- the delivery times for therapeutic units (pre-packaged lots specifically labelled for a given clinical trial);
- the clinical and commercial quantities that can be supplied;
- compliance with applicable laws and regulations.

Should these third parties breach their obligations, the manufacturing contracts be cancelled or the Company fail to renew the contracts, the Company cannot guarantee that it will be able to find new suppliers within a timeframe and under conditions that would not be detrimental to the Company.

The Company could also be faced with delays or interruptions in its supplies, which could result in a delay in the clinical trials and, ultimately, a delay in the commercialization of the drug candidates or biomarker candidates that it is developing.

However, the development of drugs and their production are two highly distinctive businesses. The financial and regulatory risk borne by the Company if it had to set up its own production unit would without any doubt be much higher than the risk that it currently assumes by subcontracting these operations.

Risks related to the dangerous nature of certain of the Company's activities

As part of its research and development activities for its drug candidates and biomarker candidates, the Company has to work with dangerous substances. As a result, certain of the Company's employees are exposed to chemical, biological and radiological risks. During their work, the Company's researchers notably have to :

- come into contact with radioelements, the purchase and handling of which are subject to authorization by France's Nuclear Safety and Radiation Protection Directorate (DGSNR for Direction Générale de Sûreté Nucléaire et de la Radioprotection);
- handle genetically modified organisms (GMO). Safety issues for individuals who handle these substances are overseen by the French Genetic Engineering Commission (Commission de Génie Génétique) ;
- carry out in vivo experiments on animals, which requires authorization from the French Department of Veterinary Services (DSV for Direction des Services Vétérinaires) ;
- carry out research that requires the use of human samples. This research is subject to application for authorization from the competent authorities to assess the usefulness of the research, ensure that patients have been properly informed, and assess the management of information obtained from the sampling.

Should it fail to comply with applicable laws and regulations, the Company could be subject to fines or could be forced to temporarily or permanently suspend its operations. In the event of accidental contamination, injuries or other damage, the Company could be held liable. This could be detrimental to its activity, even though it has insurance to cover the risks inherent in its operations.

The Company is also obliged to invest in healthcare, and in the environment and safety of its employees in compliance with French legislation.

Should the current legislation change, the Company could be obliged to acquire new equipment, to adapt its laboratories or to incur other significant costs.

Failure to comply with these regulations could result in serious consequences for the Company, such as substantial financial penalties, or the rejection, suspension or withdrawal of the MA for its drugs. This could result in the Company's activity and, ultimately, its results and development capacity being materially diminished.

Risks related to the Company's human resources management

The Company's ability to retain key persons in its organization and to recruit qualified personnel is crucial for its success. In particular, the Company's success depends heavily on its ability to retain key people in its organization, i.e. its co-founders and its principal managers, researchers and scientific advisers, notably:

- Xavier Guille des Buttes, Chairman of the Supervisory Board ;
- Jean-François Mouney, Chairman of the Executive Board ;
- Nathalie Huitorel, Member of the Executive Board and Chief Financial Officer ;
- Dean Hum, Chief Operating Officer and Chief Scientific Officer ;
- Bart Staels, President of the Scientific Advisory Board ;

Should the Company be unable to retain the individuals who form its team of key managers and key scientific advisors, this could have a material adverse effect on its business and development and could consequently affect its financial situation, results and prospects. In view of this, the holding company of the Company's founders and executives, Biotech Avenir, is an important tool to foster the motivation and loyalty of key personnel, by indirectly permitting them to hold a significant interest in the Company's capital. Biotech Avenir is simplified joint stock company (*société par actions simplifiée*) under French law, which, as of the date of this Report, holds around 7.5%

of the Company's shares (13.1% of voting rights). Biotech Avenir's shareholders are notably the Company's founders and 16 executives employed by the Company.

The Company's ability to recruit quality scientific, commercial, administrative or technical staff to support its growth is crucial. In this respect, the Company's internal procedures and structure facilitate the rigorous selection of candidate profiles for recruitment and the integration of new hires in the Company. Since its creation, a high number of quality spontaneous applications and the Company's proximity to university communities have provided an extensive recruitment pool which has to date satisfied all of the Company's recruitment needs. The Company cannot, however, guarantee that these favorable conditions will remain in place. Nor can it fully guarantee the sustainability of its attractiveness to candidates.

Risks related to competition

The Company operates within a highly competitive sector.

Several companies in the biotechnology sector and large pharmaceutical groups are working on technologies, therapeutic targets or drug or biomarker candidates that aim to treat or diagnose the same diseases that the Company is working on. As specified in Section 6.2 below, cardiometabolic diseases represent one of the drug industry's biggest global markets, targeting more than 100 million people and involving therapeutic needs that remain unmet.

If rival products were marketed before those of the Company, or at lower prices, or covering a wider therapeutic spectrum, or if they proved to be more effective or better tolerated, the Company's activity and development prospects and, ultimately, its results and financial situation would certainly be penalized.

The Company builds competition-related considerations into its development choices. The Company constantly analyzes the market and drug or biomarker candidates currently under development, notably by seeking the opinions of experts in its sector.

Legal risks

Risks related to the Company's ability to obtain, extend and enforce its patents and other intellectual property rights.

The Company cannot guarantee:

- that it will obtain the patents that it has applied for and that are under review, that it will be able to develop new patentable inventions, or that ill will obtain patents to protect such new inventions ;
- that there is no risk of the patents belonging to the Company or licensed by it to third parties being challenged or invalidated by a third party ;
- that a third party will not assert claims on the Company's patents or other intellectual property rights or those licensed by the Company to a third party ;
- that third parties will respect its patents, or that it is able, in general terms, to enforce all the elements that make up its intellectual property and effectively defend itself against infringement ;
- that the extent of the protection provided by its patents is sufficient to defend the Company against its rivals ;
- that it is impossible for third parties to infringe or circumvent its patents ;
- that there will be no change in national regulations that would allow third parties to access certain parts of the Company's intellectual property without having to pay financial compensation to the Company.

Even though the Company has put in place an organization that enables it to limit these risks as far as possible, challenges from competitors or other third parties could reduce the scope of the Company's patents or render them invalid.

The legal proceedings that the Company may then have to enter into in order to defend its intellectual property could be very costly, notably in the case of lawsuits in the USA.
The probability of disputes arising over the Company's intellectual property will increase progressively as patents are granted and as the value and appeal of the inventions protected by these patents are confirmed.

The risk of circumvention of the patents applied for or obtained by the Company seems much lower. It is difficult to circumvent a patent in the Company's area of activity: in order to market a drug similar to that of the Company –which would not protected by a patent belonging to the Company – a third party would have to recommence the entire process of clinical trials and obtain new marketing authorizations from the regulatory agencies (AFSSAPS, EMEA, FDA, etc.), bearing in mind that a very slight difference between two molecules can result in vastly different biological activity and could easily give rise to a molecule that is inactive or toxic. Given the difficulties and considerable investment required to attempt to circumvent a patent, in the pharmaceutical sector rivals tend to contest the validity of a patent rather than trying to circumvent it.

The occurrence of any of these events concerning any of the Company's patents or intellectual property rights could have an adverse effect on the Company's business, prospects, financial situation, results and development. These risks are all the higher for the Company, because of its limited financial and human resources. In order to limit this risk, the Company has put in place a well-structured, well-organized process for the management of its patents and intellectual property rights.

Risk related to patents and intellectual property rights held by third parties

The field of biotechnology research and pharmaceuticals is subject to many applications for patents for technical devices to be used in laboratory research or for large families of molecules. These patent applications, and, where applicable, these patents, are usually extremely complex and it is often difficult to identify and estimate the exact protection conferred by them.

The Company could infringe or be accused of infringing the patents or other intellectual property rights owned or controlled by third parties. Should the molecules currently being developed by the Company lead to the development of drugs, these drugs would be marketed in many states. Although patents for these molecules have been applied for in many states, their launch on the market could infringe patents that are more extensive in scope or older, belonging to third parties in one or more of these states. The Company could unknowingly violate a third party's intellectual property rights during the development or commercialization of its drug or biomarker candidates or could face lawsuits brought against it by third parties claiming to own an intellectual property right infringed by the Company.

Should the Company be subject to legal proceedings for infringement of intellectual property rights, the Company's intellectual property department, assisted by their advisers, would assess the situation in order to contest any allegations considered to be unfounded, contest the validity of the intellectual property right being enforced against the Company, or enter into negotiations with the third party with a view to obtaining a commercialization license for the intellectual property right concerned.
In such a case, the Company could be required to :

- bear the potentially significant costs of proceedings brought against it;
- pay significant damages to the complainants ;
- abandon the work/development in progress that is considered to infringe a third party's intellectual property right ;

- discontinue the commercialization of a drug or biomarker candidate either temporarily or permanently in one or more regions (depending on the geographical scope of the third party's patents that have been infringed) ;
- acquire a potentially costly license from one or more third parties holding intellectual property rights in order to continue its work or development or the commercialization of the disputed molecule or technology. Moreover, the license acquired may not be exclusive, so the Company could potentially be required to share the associated rights with competitors.

At present, the Company is not aware of any patents belonging to third parties that could hamper the commercialization of the molecules it is developing in the following regions: European Union, North America, Japan and Australia. The Company's intellectual property department is particularly vigilant concerning the issues mentioned herein. The introduction of new technologies by the Company is systematically subject to "freedom to operate" studies in order to reduce as far as possible the Company's risk of being sued for infringement of intellectual property rights. Similarly, the freedom to use the innovative products being developed by the Company is also systematically assessed. At present, the Company is not aware of any technologies that it may use that could violate a third party's intellectual property right in France.

Should one or more of these risks materialize, this would give rise to material costs and would compromise the Company's reputation, seriously affecting its ability to continue its operations. The Company's active monitoring in terms of intellectual property helps to limit this risk.

Risks related to the Company's inability to protect the confidentiality of its information and expertise

The Company could fail to ensure the confidentiality of its trade or technical secrets.

The Company's trade and technical secrets include :

- certain unpatented technical expertise that enables it to offer to conduct research and development work for third parties ;
- certain scientific knowledge generated by the work carried out by the Company ;
- certain information relating to the products currently being developed within the Company ;
- certain information relating to the agreements signed between the Company and third parties.

These various trade and technical secrets give the Company a number of advantages. The disclosure of certain of these secrets could allow third parties to offer products or services to rival those of the Company or to generally prejudice the Company.

In order to protect its trade and technical secrets, the Company has put in place a well-structured organization, requiring that its personnel comply with strict rules on the security and protection of confidential information and ensuring that its partners (clients, subcontractors, advisors, potential or actual partners, etc.) systematically sign confidentiality agreements. Although this structure limits the risks, it does not constitute a guarantee that one or more of the Company's secrets will not be disclosed. The possibility cannot be ruled out that these agreements or other arrangements to protect the Company's trade secrets fail to provide the protection sought, or are breached, or that the Company's trade secrets are disclosed to, or developed independently by, its competitors.

Should any one of these risks materialize, this could have a material adverse effect on the Company's business, prospects, financial situation, results and development.

Risks related to the use of the Company's trademark by third parties

The Company's trademark is a key component of its identity and its products. Although the key components of its trademarks have been registered, notably in France and the USA, other companies in the pharmaceutical sector might use or attempt to use components of this trademark, and thereby create confusion in the minds of third parties.
The Company would then have to redesign or rename its products in order to avoid encroaching on the intellectual property rights of third parties. This could prove to be impossible or costly in terms of time and financial resources and could be detrimental to its marketing efforts.

Should this risk materialize, this could have a material adverse effect on the Company's business, prospects, financial situation, results and development. The Company aims to limit this risk by filing and maintaining its trademarks and ensuring that appropriate monitoring is conducted by its intellectual property department.

Risk related to the Company's product liability

Given that the Company develops diagnostic and therapeutic products intended to be tested on humans in an initial phase, then commercialized, it may be subject to product liability.

Notably because of its products, the Company is exposed to the liability risk that is inherent in the production and commercialization of diagnostic and therapeutic products.

The Company may also be held liable in connection with clinical tests carried out on the administration of these products. Third parties, patients, regulatory agencies, biopharmaceutical companies or others could bring a lawsuit against the Company following actions resulting from its own activities or the activities of service providers appointed to act on its behalf.

Should the Company, its partners or its subcontractors be held liable in this context, the ongoing development and commercialization of its candidate drugs or biomarkers could be compromised and the Company's financial situation could subsequently be affected.

The insurance cover purchased by the Company may not be sufficient to cover the liability claims against it or the risk involved, or it may prove to be very costly. In particular, should the Company be faced with a lawsuit for bodily injury related to its products, and should the insurance cover prove to be insufficient, all or part of the Company's assets could be pledged to settle a liability lawsuit brought against the Company because of its products.

Financial risks

Financial performance risks

Since its creation in 2006, the Group had consistently generated a net profit. Following the substantial investments required in the phase I and II clinical trials for its most advanced products, however, it has reported a net loss.

The Group uses external service providers whose tariffs may increase faster than the Company's revenues, especially for the conducting of clinical and preclinical trials and the production of drug or biomarker candidates, thus undermining the Group's net results.
Finally, the agreements signed with pharmaceutical companies constitute an important source of revenue for the Company. Should the Company prove unable to extend these agreements or sign new ones, it could be forced to delve deeper into its own cash reserves.

Risks related to the Company's financing capacity and liquidity risk

Risks related to the Company's financing capacity

The development of the Company's programs calls for significant financial investments. The Company's ability to raise funds to ensure the ongoing development of its drug candidates or biomarker candidates is of utmost importance.

The Company could need additional funds to finance future investments that are as yet unknown or difficult to quantify since they concern projects that have yet to reach maturity. The clinical development of future drugs is becoming increasingly expensive and subject to strict regulations. It is therefore difficult to quantify with any precision the overall costs associated with preclinical and clinical development, while many products are still at an early stage of development.

The Company may also need additional funding if:

- an external acquisition opportunity is identified;
- an opportunity is identified to accelerate internal programs, e.g. in hepatobiliary disorders ;
- the developments underway prove to be lengthier and more expensive than currently expected;
- the regulatory authorities require the Company to undertake additional studies or the negotiations with the authorities are delayed;
- the Company has to settle a major legal dispute.

Should the Company fail to find additional funding, its business, results and development could be affected, and it could be forced to delay or discontinue the development or commercialization of certain products. In addition, should French or European government policies concerning research and development aid and funding impose a reduction or suppression of aid in the form of subsidies, repayable advances or research tax credits, this could have a material adverse effect on the Group's business, prospects, financial situation, results and development.

Liquidity risk

The Company has conducted a specific review of its liquidity risk and considers that it is able to meet its future maturities. As of December 31, 2014, the Group has € 76.030k in cash and cash equivalents and current financial instruments.

However, these funds could prove insufficient to cover any additional financing needs, in which case new funding would be required. The conditions and arrangements for such new financing would depend, among other factors, on economic and market conditions that are beyond the Company's control. Such new funding could take the form of bank financing, but this would undermine the Company's financial structure. New funding could also take the form of a capital increase, which would dilute the holdings of existing shareholders.

The Group's net cash as of December 31, 2014 amounts to € 70.335k.

The table below shows the breakdown of the Group's net debt by maturity as of December 31, 2014 :

- Net cash position and repayment schedule

Net cash position & reimbursement schedule (in € thousands)	31.12.2014	<1 year	<2 years	<3 years	<4 years	<5 years	>5 ans
Convertible loans	**0,0**	0,0	0,0	0,0	0,0	0,0	0,0
Bank loans	**844,1**	263,8	250,1	125,0	102,0	103,2	0,0
Participating development loan	**1 265,0**	575,0	460,0	230,0	0,0	0,0	0,0
Renewable credit facility	**0,0**	0,0	0,0	0,0	0,0	0,0	0,0
Obligations under finance leases and hire purchase contracts	**27,8**	27,8	0,0	0,0	0,0	0,0	0,0
Other financial liabilities	**21,4**	21,4	0,0	0,0	0,0	0,0	0,0
Accrued interests	**19,3**	19,3	0,0	0,0	0,0	0,0	0,0
Bank overdrafts	**0,0**	0,0	0,0	0,0	0,0	0,0	0,0
FINANCIAL LIABILITIES	**2 177,6**	**907,3**	**710,1**	**355,0**	**102,0**	**103,2**	**0,0**
INTEREST-FREE LOANS (FROM GOVERNMENT)	**4 440,4**	**780,1**	**3 212,7**	**308,0**	**139,7**	**0,0**	**0,0**
Financial assets	**4 948,3**	4 025,5	300,0	115,0	0,0	0,0	507,8
Short-term deposits	**71 479,8**	71 479,8	0,0	0,0	0,0	0,0	0,0
Cash & bank balances	**525,0**	525,0	0,0	0,0	0,0	0,0	0,0
CASH ASSETS	**76 953,1**	**76 030,3**	**300,0**	**115,0**	**0,0**	**0,0**	**507,8**
NET CASH	**70 335,1**	**74 342,9**	**-3 622,7**	**-548,0**	**-241,7**	**-103,2**	**507,8**

The Company's financial assets are made up entirely of "dynamic" marketable securities comprising either "dynamic" money market funds, term deposits, negotiable medium-term notes, or mutual funds with at least a guaranteed capital return. These investments can be monetized at any time.

Conditional advances are made up of public financing entirely, mainly from BPI France which intended to finance defined research programs. Those from "Région Nord Pas de Calais" and "Lille Metropole Communauté Urbaine" are intended to sustain the development of the Company. The elements related to these conditional advances are detailed in the next table :

	Year ended 12/31/2014		< 4 years	< 4 years	< 4 years	< 4 years
	collected	refunded	to be refunded	to be refunded	to be refunded	to be refunded
OLNORME - OSEO	0	-300 000				
OLNORME - OSEO - 2	0	0	100 000			
IT-DIAB	0	0		2 924 232		
B-DIAB 1	0	-14 588	3 113			
B-DIAB 2	0	-14 588	3 113			
B-DIAB 3	0	-17 575	3 775			
AD-INOV 1	0	-41 744	41 744	41 744	46 268	
AD-INOV 2	0	-41 744	41 744	41 744	46 268	
AD-INOV 3	0	-36 511	36 511	36 511	40 467	
OLNORME II - 1	74 859	0	37 500	50 000	62 500	49 859
OLNORME II - 2	74 859	0	37 500	50 000	62 500	49 859
OLNORME II - 3	59 950	0	30 000	40 000	50 000	39 950
REGION NPDC	0	-334 262	283 000			
LMCU	0	-166 291	162 060	28 422		
TOTAL	**209 669**	**-967 302**	**780 059**	**3 212 653**	**308 003**	**139 669**

The breakdown of the Group's financial liabilities as of December 31, 2014 is presented below :

- Breakdown of the Group's financial liabilities into current and non-current liabilities

Current & non-current financial liabilities	31.12.2014		31.12.2013	
(in € thousands)	Non-current	Current	Non-current	Current
Convertible loans	0,0	0,0	0,0	0,0
Bank loans	580,3	263,8	219,1	125,5
Participating development loan	690,0	575,0	1 150,0	575,0
Renewable credit facility	0,0	0,0	0,0	0,0
Obligations under finance leases and hire purchase contracts	0,0	27,8	27,8	32,5
Other financial liabilities	0,0	21,4	0,0	24,6
Accrued interests	0,0	19,3	0,0	20,5
Bank overdrafts	0,0	0,0	0,0	0,4
TOTAL	**1 270,3**	**907,3**	**1 396,9**	**778,5**

- Bank loans

The bank loans taken out in 2013 and 2014 totaled € 1,000k and will be fully paid back in 2019. The participating loan agreement taken out in 2010 for a total of € 2,300k will be fully reimbursed in 2017.

- Finance leases

As of December 31, 2014, debts under finance leases totaled € 27.8k.

Risks relating to the Research Tax Credit

To finance its operations, the Company benefits from Research Tax Credit ("CIR" for "Crédit d'Impôt Recherche").

The French Treasury always refunded Research Tax Credit to the Company during the year following the close of the fiscal year concerned. Regarding the Research Tax Credit recognized for 2014 and future years, it is possible that the tax authorities could call into question the accelerated reimbursement allows to the Small and Medium Size Cies, the methods used by the Company to calculate its research and development expenses or that the CIR itself could be called into question due to a change in policy or because it is contested by the tax authorities, even though the Company complies with the requirements in terms of documentation and eligibility of its expenditure. Should this happen, it could have an adverse effect on the Company's results, financial situation and prospects.

At the date of this Report, a fiscal control on the Research Tax Credit of 2010, 2011, 2012 is in progress. It cannot be excluded that the current tax control on the Research Tax Credit led to the questioning of the Research Tax Credit for the controled financial years.

Other risks

Exchange rate risk

As of the date of this document, the Company's exposure to exchange rate risk is very low because almost all of its operations are denominated in euros.

In the future, the Company could generate part of its sales in the USA and part in Europe and could therefore be subject to an unfavorable Euro/Dollar exchange rate. It could also sign contracts denominated in other foreign currencies, which would increase its exposure to currency risk. In accordance with the Company's business decisions, its exposure to this type of risk could change depending on:

- the currencies in which it receives its revenues ;
- the currencies chosen when agreements are signed, such as licensing agreements, or co-marketing or co-development agreements ;

- the location of clinical trials on drug or biomarker candidates ;
- its policy for insurance cover.

At present, the Company has not put any specific hedging arrangements in place. However, if its currency exposure were to change, the Company would consider implementing a procedure to manage its foreign exchange risk.

Market risk

The Company's exposure to interest rate fluctuations mainly affects two items on its balance sheet: cash and cash equivalents. These items comprise mainly term deposits, units in mutual funds, negotiable medium-term notes and SICAV money market funds. These are highly liquid short-term investments subject to an insignificant risk of change invalue. The Company's policy in terms of investing its cash has always been to favor the absence of risk on capital.

Interest rate risk

As of 31 December 2014, the Group's financial liabilities totaled € 2,177.6k and included no variable-rate loans. The exposure of the Company's financial assets to interest rate risk is also limited, since these assets are mainly euro-denominated money market funds (SICAV), medium-term negotiable notes or term deposits with progressive rates.
The Company estimates that a +/-1% movement in interest rates would have an insignificant impact on its bottom line in view of the losses generated by its operating activity.

Risk of volatility in the Company's share price

It is likely that that the price of the Company's shares would be significantly affected by events such as changes in market conditions related to its sector of activity, announcements of new contracts, technological innovations and collaborations by the Company or its main competitors, developments concerning intellectual property rights (including patents), announcements regarding scientific and clinical results concerning products currently being developed by the Company or its main competitors, the obtention of required approvals and regulatory authorizations as well as the development, launching and sale of new products by the Company or its main competitors and changes in the Company's financial results.

The stockmarkets have seen considerable price fluctuations over the last few years, and often, these movements do not reflect the operational and financial performance of the listed companies concerned. In particular, biotechnology companies' share prices have been highly volatile and may continue to be highly volatile in the future. Fluctuations in the stock-market as well as the macro-economic environment could significantly affect the price of the Company's shares.

Dilution risk

Since the Company's creation, it has regularly allocated or issued stock-options, equity warrants ("BSA") and redeemable share subscription warrants ("BSAAR") to motivate its managers, employees and consultants. As of the date of this Report, the Company's stock option plan has lapsed. The BSA and BSAARs plans are however in effect.In the future, the Company could allocate or issue new capital instruments or securities providing access to its share capital.
At the date of this Report, the exercise of financial instruments giving access to the Company's share capital would enable the subscription of 212,213 new shares, representing approximately 0.89 per cent of the diluted share capital. The exercise of financial instruments giving access to the Company's share capital which could be put in place, as well as all allocations or new issues, would lead to dilution for the shareholders

Insurance policies and risk hedging

The Group has implemented a policy for hedging against key insurable risks, providing cover which it believes to be appropriate in light of the nature of its business. The Group's main insurance policies at present are as follows :

Insurance Policies	Insurers	Risks covered	Insurance guaranties (in Euros)	Expiry date
Directors and Company officers liability insurance Policy 0007904132/0000 avenant7	AIG	Loss arising out of any complaint against an executive officer and defence of executive officers	15,000,000	automaticaly renewable
Freight transport Description		Overall ceiling per shipment		Policy subscribed when needed
		Per exhibition		
		After Sale Service		
Property and Casualty insurance of the Company Policy – property damage "All risks except" 013021171	ALLIANZ IARD	Damages to property/ contents	7,152,000	automaticaly renewable
		theft	222,786	
		broken glass	44,757	
		machines breakdown	2,238,166	
		operating loss policy	12,000,000	
Individual insurance accidents Policy 012513003	ALLIANZ IARD	Per event	15,000,000	automaticaly renewable
		Accidental death	100,000	
Operating and Products liability Policy DB0000600919	CHUBB	Operating (before delivery)	7,622,451	automaticaly renewable
		Product (after delivery)	2,300,000	

Moreover, as a sponsor, the Company takes out specific insurance cover for each trial carried out.

The total expenses paid by the Group for all insurance policies was respectively € 137k and € 114.8k for the fiscal years ended on December 31, 2014, and 2013.

4.3 Main disputes in progress

By voluntary submissions at the end of December 2009, the Company joined the suit alleging the civil liability of Professor Jean-Charles Fruchart, Chairman of the Company's Supervisory Board until April 2008, and of his spouse, brought by some of the Company's reference shareholders at the time of the events that led to this allegation. This lawsuit remains pending as of the date this Report was written, and has involved the payment of a number of internal expenses and legal fees for which the Company intends to obtain repayment, along with all costs and damages suffered by the Company because of their actions.

Additionally, as of the date of this Report, a tax control for the fiscal periods ended December 31, 2011, December 31, 2012, and December 31, 2013, as well as on the Research Tax Credits for 2010, 2011, and 2012 is in progress.

Except for the proceedings described above, there are no other government, court or arbitration proceedings, including any proceedings of which the Company is aware, that are pending or threatened , and that might have or have had a significant effect over the last 12 months on the financial situation, business or profit of the Company and/or the Group.

V – FORESEEABLE CHANGES AND FUTURE PROSPECTS

5.1 Important events occurred since the end of the period

In January 2015, the Company announced the results of a clinical trial on the cardiac safety of GFT505 in which two doses were tested: a therapeutic dose of 120 mg/day and a supra-therapeutic dose of 300 mg/day. These results showed that daily administration of GFT505 repeated for a 14-day treatment period up to 2.5 times the therapeutic dose had no adverse effects on cardiac electrical activity, thus meeting regulatory requirements.

In March 2015, the Company announced the first results of the phase IIb trial of GFT505 in the NASH (GOLDEN-505 study).

This 52-week phase IIb trial evaluated the efficacy and safety of GFT505 on 274 subjects (double blind; controlled vs. placebo; three arms: placebo, 80 mg, and 120 mg) with centrally-read, liver biopsy proven NASH.
It involved 56 centers in nine countries in North America and Europe.
The patient inclusion criteria required the initial presence of three histological components of NASH. The "NAFLD Activity Score" or NAS score ranging from NAS=3 for patients with early disease to NAS=8 for severe disease. The primary endpoint, defined as being the "Resolution of NASH without worsening of fibrosis" required achieving a score of 0 on at least one of the three histological components. This trial also assessed efficacy and safety on a complete range of secondary criteria.

These first results showed dose-dependent efficacy on the primary endpoint of the study, after control of the initial severity and heterogeneity of the sites by standardized statistical analysis, that treatment with GFT505 brings significantcardiometabolic benefits and, that GFT505 is safe and has been very well tolerated throughout this trial of one year of treatment.

In particular, after this correction, GFT505 at the 120 mg dose met the primary endpoint of the study, which was "Reversion of NASH without aggravation of fibrosis": Treatment with GFT505 has a significant beneficial effect on the primary endpoint (GFT505 120 mg vs. placebo, p=0.016, RR=2.03) in the global randomized population (n=274, full analysis set); where patients without an end of treatment biopsy were considered as non-responders. The primary endpoint was also met in the evaluable population of patients who underwent both baseline and end of study liver biopsies (n=237; ITT; p=0.027 vs. placebo; RR=1.94). In this same population, GFT505-120 mg also had a beneficial effect on the secondary criterion of NAS reduction≥2 (p=0.04 vs placebo). The patients with more severe disease defined by NAS≥4 (n=202), GFT505 - 120 mg demonstrates a doubling of the number of responders on the primary endpoint (22.4% vs. 12.7%, p=0.046, RR=1.9).

The evaluation of various biomarkers confirms the beneficial biological activity of GFT505 at the 120 mg dose. More specifically, by using the analysis set out in the initial protocol, a statistically significant improvement of the markers associated with hepatic function was found: decrease of ALT, GGT, and ALP and improvement on various several NAFLD composite scores (Steatotest, Fibrotest, Fatty Liver Index, and "NAFLD fibrosis score").

Even in addition to standard therapies, GFT505 treatment provides a supplemental improvement vs. placebo on cardiovascular risk factors commonly found in NASH patients:

- Lipid profile: TG, LDL-C, HDL-C;
- Glycemic indices/insulin resistance in diabetic patients: HbA1c, Fasting glycaemia, insulinemia;
- Inflammation markers: Haptoglobin, Fibrinogen, CRP.

Taken together, these beneficial effects on cardio-metabolic parameters are very important for the treatment and management of NASH patients in whom cardiovascular diseases are the top cause of mortality.

The safety assessment after this one-year study demonstrates a very favorable tolerance profile, in line with the intermediate conclusions of the DSMB reviews throughout the study. No cardiac events, no signs of cancer, nor death were observed in the groups treated with GFT505. Weight remained stable and no signal for edema was observed. A mild dose-dependent increase in creatinine was observed (<5%; GFT505-120 mg vs. placebo) which is a known reversible effect of GFT505. The most common side effects encountered in this study were of gastro-intestinal nature and of mild intensity.

5.2 Prospects

The Company intends to continue its value creation strategy based on developing its proprietary therapeutic and diagnostic assets; and in particular by developing GFT505, the product at the most advanced development stage and that the Company foresees as being the main catalyst for growth in the coming years.

For this purpose, discussions will be undertaken with regulatory authorities (FDA and EMA) on the launch of a phase III trial program for GFT505 in NASH in 2015.

The Company also intends to take advantage of the many data collected in the GOLDEN 505 study to advance its NASH biomarkers program.

Given these objectives and its available cash flow, the Company may turn to the market to finance its growth; the potential signature of transfer agreements for all or part of the rights of use for proprietary products, and the rights of use for GFT505 in particular, that could help provide in-house financing for part of the development of these key programs.

VI - CHANGE TO SHARES AND OTHER INFORMATION CONCERNING SHARE CAPITAL

The Company's shares were initially admitted for listing on the Euronext Paris Alternext market in 2006 and then transferred to the group of companies making a public issue on August 6, 2007. As of April 17, 2014, the Company's were transferred by direct listing to the Euronext Paris regulated market, Compartment B.
During the 2014 fiscal year, the stock market price reached its lowest level at 8.73 euros on January 2, 2014, closing at 37.68 euros on December 31, 2014. The highest price reached was 48.95 euros on September 15, 2014.

6.1 Price and transaction volume trends

The tables below show the price and transaction volume trends for the shares over the period between January 2, 2014 and December 31, 2014 (NYSE Euronext Paris price).

6.2 History of the issued capital trend, transactions carried out on issued capital during 2014, and issued capital as of December 31, 2014.

The trend in the Company's share capital by transaction type since the transfer of its shares on the Alternext market (trading category of companies making a public issue - approval from the *Autorité des Marchés Financiers* - French Financial Markets Authority- on August 6, 2007) is shown in the table below.

Changes in issued capital & premium	Share capital			Share premium	Merger premium	Premium
	Number of shares	Face value	Share capital			
At 31 December 2005	150 001	16,00	2 400 016	0	0	0
27/06/2006 - Division of shares' par value	9 600 064	0,25	2 400 016	609 796	0	609 796
18/10/2006 - Private share investment	11 270 626	0,25	2 817 657	14 323 832	0	14 323 832
21/11/2006 - Absorption of IT.OMICS	11 270 626	0,25	2 817 657	14 323 832	37 833	14 361 665
16/02/2010 - Private share investment	11 662 166	0,25	2 915 542	16 240 395	37 833	16 278 228
15/07/2011 & 18/07/2011 - Private share investment	13 340 295	0,25	3 335 074	20 864 969	37 833	20 902 802
04/10/2011 - Reserved share capital increase	13 424 328	0,25	3 356 082	20 968 324	37 833	21 006 157
20/10/2011 - Share option program - Offset against the committment fee	13 580 578	0,25	3 395 145	21 427 072	37 833	21 464 905
28/10/2011 - Reserved share capital increase	13 630 578	0,25	3 407 645	21 406 881	37 833	21 444 714
27/02/2012 - Share option program - Exercise of share options	13 726 762	0,25	3 431 691	21 606 965	37 833	21 644 798
07/03/2012 - Reserved share capital increase	15 085 665	0,25	3 771 416	23 707 055	37 833	23 744 888
03/04/2012 - Reserved share capital increase	15 148 321	0,25	3 787 080	23 690 141	37 833	23 727 974
02/05/2012 - Reserved share capital increase	15 969 232	0,25	3 992 308	25 437 239	37 833	25 475 072
29/06/2012 - Reserved share capital increase	16 029 806	0,25	4 007 452	25 415 946	37 833	25 453 779
26/07/2012 - Convertible bond - Offset against the committment fee	17 370 068	0,25	4 342 517	30 591 512	37 833	30 629 345
06/09/2012 - Convertible bond - Conversion of bonds	20 299 516	0,25	5 074 879	43 294 235	37 833	43 332 068
24/09/2012 - Convertible bond - Conversion of bonds	20 317 291	0,25	5 079 323	43 287 291	37 833	43 325 124
08/10/2012 - Convertible bond - Conversion of bonds	20 541 821	0,25	5 135 455	44 270 698	37 833	44 308 531
09/10/2012 - Convertible bond - Conversion of bonds	21 257 671	0,25	5 314 418	48 839 327	37 833	48 877 160
12/10/2012 - Convertible bond - Conversion of bonds	23 374 238	0,25	5 843 560	95 698 624	37 833	95 736 457
12/10/2012 - Convertible bond - Conversion of bonds	23 957 671	0,25	5 989 418	115 719 368	37 833	115 757 201

Three capital increases were carried out during the 2014 fiscal year :

- February 3, 2014: capital increase with maintenance of preferential subscription rights, with a nominal amount of €178,962.50 to increase from € 5,135,455.25 to € 5,314,417.75 euros by issuing 715,850 shares at a price of € 6.98 per share including share premium, representing a total subscription amount of € 4,996,633, including share premium.
- June 27, 2014: capital increase without preferential subscription rights, with a nominal amount of € 529,141.75 to increase from € 5,314,417.75 to € 5,843,559.50 by issuing 2,116,567 shares at a price of 23.50 euros per share including share premium, representing a total subscription amount of € 49,739,324.50, including share premium.
- December 17, 2014: capital increase without preferential subscription rights, with a nominal amount of € 529,141.75 to increase from € 5,843,559.50 to € 5,989,417.75 by issuing 583,433 shares at a price of € 35.95 per share including share premium, representing a total subscription amount of € 20,974,416.35, including share premium.

The company did not carry out any of the transactions set out in articles L.233-29 and L.233-30 of the French Commercial Code.

As of December 31, 2014, the issued capital was € 5,989,417.75.

6.3 Acquisition by the Company of its own shares during the fiscal year closed on December 31, 2014.

Objectives of buyback program and use of redeemed securities

We remind you that, in accordance with the provisions of articles L.225-209 et seq. of the French Commercial Code, the Company's shareholders authorized it to purchase its own shares, up to a limit of 10% of the issued share capital. The combined shareholders' meeting of the Company granted it this authorization for a period of 18 months on June 26, 2013 in accordance with its twelfth resolution and then renewed for another period of 18 months by the combined shareholders' meeting of April 2, 2014, as per its first resolution.

During the fiscal year ended December 31, 2014, the Executive Board implemented the program authorized by the General Meeting of June 26, 2013, and then, starting on April 3, 2014, the program authorized by the shareholders meeting of April 2, 2014, which was identical to the previous one except that the maximum purchase price set earlier at € 12 per share was increased to € 50 per share by the shareholders meeting of April 2. This explains why the program was not implemented before April 2014, as it was used exclusively as part of a liquidity agreement (see below) and during this period, the share price was above the maximum purchase price of € 12 per share set by the authorization from the General Meeting of June 26, 2013.

The objectives of this program are to:

- support the market for GENFIT shares within a liquidity agreement complying with a code of ethics acknowledged by the French Financial Markets Authority, and signed with an investment services provider;
- Cancel purchased shares;
- Allocate shares upon the exercise of rights attached to securities giving the right to assign Company shares by reimbursement, conversion, exchange, presentation of a warrant, or any other manner;
- Save the shares to be allotted later as payment or exchange for delivery or exchange in connection with any future external growth transactions ; and/or
- to attribute, cover and implement any stock option purchase plan, the allocation of free shares or implementation of employee shareholder plans reserved to members of company savings plans or any other form of allocation to the Company's employees and officers or the companies linked to it under the conditions and according to the procedures set out by law and applicable regulations.

The description of this share redemption program is available at the Company headquarters as well as on its website.

Implementation of the redemption program

In accordance with the provisions of article L.225-211 of the French Commercial Code, we are informing you of the procedures for implementing the share redemption program during the past fiscal year.

During the 2014 fiscal year, this share redemption program was used exclusively as part of the cash-flow agreement to meet the market coordination objective for the Company's shares by an investment services provider. In compliance with current regulations, and in particular with the provisions of European Regulation No. 2273/2003 dated December 22, 2003, the Company signed a liquidity agreement with CM-CIC Securities on August 1, 2013, in accordance with the code of ethics of the *Association française des marchés financiers* (AMAFI - French Association of Financial Markets), recognized by the French financial markets authority. This agreement is still in force as of the date of this report.

Since August 1, 2013, the sum the Company allocated to the liquidity account is € 250,000.

As part of the share redemption program and within the framework of this liquidity account, the Company carried out own-share purchase and sale transactions listed below, between the opening and closing dates of the past fiscal year :

	Number of shares purchased	Number of shares sold	Average purchase price	Average selling price	Number of shares registered in the name of the Company	Fraction of the share capital
Repurchase program	0	0	0	0	0	0
Liquidity agreement						
January 2014	23 097	38 097	10,446	10,169	1 000	0,00%
February 2014	0	1 000	0	35,100	0	0,00%
March 2014	0	0	0	0	0	0,00%
April 2014	69 399	49 649	22,960	22,828	19 750	0,09%
May 2014	61 740	76 490	21,171	21,234	5 000	0,02%
June 2014	105 660	105 660	25,310	25,611	5 000	0,02%
July 2014	106 552	93 552	28,816	29,233	18 000	0,08%
August 2014	67 717	73 717	28,363	28,715	12 000	0,05%
September 2014	94 006	100 916	37,907	37,662	5 090	0,02%
October 2014	131 883	131 973	37,925	37,328	5 000	0,02%
November 2014	80 081	85 081	38,367	38,199	0	0,00%
December 2014	104 964	102 464	37,072	36,669	2 500	0,01%
Total 2014	**845 099**	**858 599**	**31,16**	**30,83**		

The annual weighted-averages are calculated over the financial year

The Company held 2,500 of its own shares as of December 31, 2014, with a nominal value of 625 euros each and a value of 92,500 euros at the share purchase price.

6.4 Distribution of issued capital as of December 31, 2014 and changes that occurred during the fiscal year.

As of December 31, 2014, the Company's share capital is comprised of 88.92% bearer shareholders and 11.08% registered shareholders.

In accordance with the provisions of article L. 233-13 of the French Commercial Code, the table below lists the identities of shareholders holding more than 5% of the share capital, which is to say owning more than one twentieth, one tenth, three twentieths, one fifth, one quarter, one third, one half, two thirds, or nineteen twentieths of the issued capital or voting rights as of December 31, 2014:

Shareholders	Shares		Voting Rights	
	Number of shares	% of share capital	Number of voting rights	% of share capital
Biotech Avenir	1 737 874	7,25%	3 475 748	13,07%
Université de Lille 2	766 250	3,20%	1 532 500	5,76%
Others	21 453 547	89,55%	21 589 660	81,17%
Total 12/31/2014	**23 957 671**	**100,00%**	**26 597 908**	**100,00%**

No shareholder being concerned by other legal thresholds to the knowledge of the Company.

At the time of a share transfer on the market, the Pasteur Institute of Lille stated that it dropped below the threshold of 5% of the Company's share capital on June 23, 2014, and as of that date held 4.96% of the capital and 4.14% of the voting rights in the Company (based on capital comprising 21,257,671 shares on that date, representing 25,497,785 voting rights.

At the time of a share transfer on the market, Ridgeback Capital Investments Ltd. stated that it dropped below the threshold of 5% of the Company's capital and voting rights on May 8, 2014, and as of July 23, 2014, held 3.88% of the capital and 3.51% of the voting rights in the Company (based on capital comprising 23,374,238 shares on that date, representing 27,614,352 voting rights).

At the time of an off-market share transfer, Biotech Avenir stated that it dropped below the threshold of 20% of the Company's voting rights on July 23, 2014, and as of September 1, 2014, held 10.61% of the capital and 18.27% of the voting rights in the Company (based on capital comprising 23,374,238 shares on that date, representing 27,142,152 voting rights).

At the time of the capital increase in June, the University of Lille 2 stated that it dropped below the threshold of 5% of the Company's capital on June 23, 2014, and as of September 15, 2014, held 4.78% of the capital and 8.23% of the voting rights in the Company (based on capital comprising 23,374,238 shares on that date, representing 27,142,152 voting rights).

At the time of an off-market share transfer, Biotech Avenir stated that it dropped below the threshold of 15% of voting rights and 10% of the Company's capital on November 4, 2014, and as of that date held 7.43% of the capital and 13.06% of the voting rights in the Company (based on capital comprising 23,374,238 shares on that date, representing 27,614,745 voting rights).

In accordance with the provisions of the article 32 of the articles of association, "any shareholder, regardless of nationality, whose shares have been fully paid in and registered in an account in his name for at least two years, shall benefit from a double voting right under the terms set out by the Law." The shareholders below hold the following shares with double voting rights as of December 31, 2014: BIOTECH AVENIR (1,737,874 shares with double voting rights), CM-CIC INVESTISSEMENT (135,500 shares with double voting rights), Mr. Laurent CROUAU (100 shares with double voting rights), Prof. Jean DAVIGNON (64 shares with double voting rights), Prof. Jean-Charles FRUCHART (64 shares with double voting rights), Mr. Eric GRIMONPREZ (64 shares with double voting rights), Mr. Xavier GUILLE DES BUTTES (64 shares with double voting rights), Mr. Laurent LANNOO (64 shares with double voting rights), Mr. Jean-François MOUNEY (64 shares with double voting rights), PROXINVEST (1 share with double voting rights), Mrs. Florence SEJOURNE (64 shares with double voting rights), UNIVERSITY OF LILLE II (766,250 shares with double voting rights), Mr. Charles WOLER (64 shares with double voting rights).

6.5 Transactions carried out by directors on Company shares.

To the Company's knowledge, transactions carried out during the 2014 fiscal year on Company shares by the persons listed in article L.621-18-2 of the French Monetary and Financial Code, and according to the procedures set out in articles 222-14 and 222-15 of the General Rules of the French Financial Markets Authority are as follows:

Shareholders	Office	Type of Financial Instruments	Nature of the operation	Weighted-average trading price (3)	Total number of shares	Total gross amount
Biotech Avenir	Member of the Supervisory Board	Shares	Sale	€ 32,75	1 204 011	€ 39 429 962,80
		Preferential Subscription Rights (2)	Sale	€ 0,09	2 974 574	€ 267 711,66
CM-CIC Capital Finance	Member of the Supervisory Board	Shares	Sale	€ 17,70	219 988	€ 3 893 702,70
		Preferential Subscription Rights (2)	Sale	€ 0,21	402 333	€ 84 489,86
Institut Pasteur de Lille	Member of the Supervisory Board	Shares	Sale	€ 28,11	191 615	€ 5 386 360,44
		Preferential Subscription Rights (2)	Sale	€ 0,09	1 278 322	€ 115 049,00
Mouney Jean-François	Member of the Supervisory Board	Shares	Purchase	€ 17,76	2 915	€ 51 772,02
			Sale	€ 29,07	13 500	€ 392 500,00
		Preferential Subscription Rights (2)	Sale	€ 0,12	10 610	€ 1 274,88
Université de Lille 2 (1)	Member of the Supervisory Board	Preferential Subscription Rights (2)	Sale	€ 0,09	1 116 250	€ 100 462,50

(1) Member of the Supervisory Board until June 20th, 2014

(2) Operations carried out in the framework of the capital increase of February 2014 with maintenance of preferential subscription rights

(3) The weighted-average trading price are calculated for the financial year

VII – STOCK OPTIONS, EQUITY WARRANTS, REDEEMABLE SHARE SUBSCRIPTION WARRANTS, AND BONUS SHARES RESERVED FOR COMPANY EMPLOYEES, CONSULTANTS AND DIRECTORS

7.1 Stock options or share purchase warrants.

By decision dated September 24, 2007, the Executive Board used the delegation granted to it by the shareholders 'combined general meeting of October 18, 2006, in accordance with its seventh resolution by assigning 507,179 stock options to 16 Group directors and employees under a "2007 Option Plan".

As the valid period for these options was 5 years, the 2007 Option Plan is null and void as of the date of this report. Therefore, and as in the previous fiscal years, no stock options or share purchase warrants were exercised during the 2014 fiscal year under the 2007 Option Plan.

Since then, the Executive Board has not established any other stock option or share purchase warrant plan. Under these conditions, no stock options or share warrant were assigned to Company employees or directors during the 2014 fiscal year and as of the date of this Report.

7.2 Equity warrants (BSAs).

Following the authorization granted by Shareholders' Combined General meeting of April 2, 2014, in accordance with its 10th resolution, the Executive Board Meeting of July 24, 2014, adopted a first equity warrant plan (BSA 2014) and allocated equity warrants to two independent individuals on the Company's Supervisory Board and to four of the Company's scientific consultants. The main characteristics of these instruments and their subscription and exercise status as of the date of this report are summarized in the tables below :

Allocation and subscription of BSAs Non-executive officers (In euros)	**BSA 2014-A**	**BSA 2014-B**
Date of the Shareholder's meeting	4/2/2014	04/02/2014
Date of the Executive board meeting	7/24/2014	7/24/2014
Subscription periods	8/1/2014 to 9/15/2014	1/2/2015 to 2/15/2015
Total number of BSA subscribed	23 385	
Total number of BSA that may be subscribed by corporate officers		23 385
Start date for exercise of BSA	11/1/2014	3/01/2015
Term of exercise of BSA	9/30/2018	2/28/2019
Issue Price	0,01	0,01
Exercise price*	23,5	23,5
Methods of exercise	Exercisable in tranches of a minimum number of BSA equal to 2 000 or to a multiple of 2 000, except outstanding balance	

*Exercise price of BSA 2014 is equal to the average, weighted by the volumes of the closing prices of the share over five consecutive trading days from July 7 to July 11, 2014, decreased by a discount of 5%

Allocation and subscription of BSAs Consultants (In euros)	**BSA 2014-A**	**BSA 2014-B**
Date of the Shareholder's meeting	4/2/2014	4/2/2014
Date of the Executive board meeting	7/24/2014	7/24/2014
Subscription periods	8/1/2014 to 9/15/2014	1/2/2015 to 2/15/2015
Total number of BSA subscribed by consultants	23 380	
Total number of BSA that may be subscribed by consultants		23 380
Start date for exercise of BSA	11/1/2014	01/03/2015
Term of exercise of BSA	30/09/2018	2/28/2019
Issue Price	0,01	0,01
Exercise price*	23,5	23,5
Methods of exercise	Exercisable in tranches of a minimum number of BSA equal to 2 000 or to a multiple of 2 000, except outstanding balance	

*Exercise price of BSA 2014 is equal to the average, weighted by the volumes of the closing prices of the share over five consecutive trading days from July 7 to July 11, 2014, decreased by a discount of 5%

Following the authorization granted by the Shareholders' Combined General Meeting of April 2, 2014, in accordance with its 10th resolution, the Executive Board Meeting of January 9, 2015 adopted a second equity warrant plan (BSA 2015) and allocated equity warrants to one independent individual on the Company's Supervisory Board and to three of the Company's scientific consultants. The main characteristics of these instruments and their subscription and exercise status as of the date of this Report are summarized in the tables below:

(In euros)	BSA 2015-A	BSA 2015-B
Date of the Shareholder's meeting	4/2/2014	4/2/2014
Date of the Executive board meeting	1/9/2015	1/9/2015
Subscription periods	1/20/2015 to 2/25/2015	7/1/2015 to 9/15/2015
Total number of BSA subscribed	12 860	
Total number of BSA that may be subscribed		18 705
Of which : total number of BSA subscribed by corporate officers	7 015	
Of which : total number of BSA that may be subscribed by corporate officers		7 015
Of which : total number of BSA subscribed by consultants	5 845	
Of which : total number of BSA that may be subscribed by consultants		11 690
Start date for exercise of BSA	6/1/2015	12/1/2015
Term of exercise of BSA	5/31/2019	11/30/2019
Issue price	0.01	0.01
Exercise price*	35.95	35.95
Methods of exercise	Exercisable in tranches of a minimum number of BSA equal to 2 000 or to a multiple of 2 000, except outstanding balance	

*Exercise price of BSA 2015 is equal to the average, weighted by the volumes of the closing prices of the share over five consecutive trading days from December 3 to December 9, 2014, decreased by a discount of 4.98%

7.3 Redeemable share subscription warrants (BSAARs).

Following the authorization granted by the

Following the authorization granted by the Shareholders' Combined General Meeting of April 2, 2014, in accordance with its 11th resolution, the Executive Board Meeting on September 15, 2014 adopted a reimbursable stock and/or share warrant plan (2014 Redeemable share subscription warrants Plan or BSAAR 2014) and allocated redeemable share subscription warrants to three members of the Company's Executive Board and to employees who are not Corporate officers. The main characteristics of these instruments and their subscription and exercise status as of the date of this Report are summarized in the tables below :

Allocation and subscription of BSAAR Executive officers (In euros)	BSAAR 2014-A	BSAAR 2014-B	BSAAR 2014-C
Date of the Shareholder's meeting	4/2/2014	4/2/2014	4/2/2014
Date of the Executive Board meeting	9/15/2014	9/15/2014	9/15/2014
Subscription period	9/19/2014 to 10/15/2014	05/07/2015 to 5/29/2015	7/6/2015 to 7/31/2015
Total number of warrants-subscribed by the executive officers	5 901		
Total number of warrants-subscribed by the executive officers		18 711	18 711
Start date for exercise of BSAAR	9/15/2015	9/15/2015	9/15/2015
Term of exercise	9/15/2018	5/4/2019	7/1/2019
Issue Price	5.61	5.61	5.61
Exercise price*	23.5	23.5	23.5
Method of exercise	Exercisable by fraction of a number of BSAAR equal to one-third of the total number of warrants held by each beneficiary		

* Exercise price of BSAAR 2014 is equal to the average, weighted by the volumes of the closing prices of the share over five consecutive trading days from August 13 to August 19, 2014, decreased by a discount of 13.6%.

Allocation and subscription of BSAAR Employees – non-executive officers (In euros)	BSAAR 2014-A	BSAAR 2014-B	BSAAR 2014-C
Date of the Shareholder's meeting	4/2/2014	4/2/2014	4/2/2014
Date of the Executive Board meeting	9/15/2014	9/15/2014	9/15/2014
Subscription period	9/19/2014 to 10/15/2014	05/07/2015 to 5/29/2015	7/6/2015 to 7/31/2015
Total number of warrants-subscribed by employees	9 299		
Total number of warrants-subscribed by employees		17 248	17 248
Start date for exercise of BSAAR	9/15/2015	9/15/2015	9/15/2015
Term of exercise	9/15/2018	5/04/2019	7/1/2019
Issue Price	5.61	5.61	5.61
Exercise price*	23.5	23.5	23.5
	Exercisable by fraction of a number of BSAAR equal to one-third of the total number of warrants held by each beneficiary		

* The Exercise price of BSAAR 2014 is equal to the average, weighted by the volumes of the closing prices of the share over five consecutive trading days from August 13 to August 19, 2014, decreased by a discount of 13.6%.

7.4 Bonus Shares

No bonus share plan has been established since the incorporation of the Company, during the 2014 fiscal year, or as of the date of this Report.

7.5 Capital eligible for subscription by employees and directors, and diluted capital

As of the date of this Report, there were 24,169,884 shares of diluted capital. This includes the share capital as of the date of this Report (23,957,671 shares) plus the number of shares likely to be issued under securities allocation plans giving access to the Company's share capital (212,213) described below, representing a potential dilution of 0.89%.

Designation of plan	Beneficiaries	Subscription price	Expiration date	Number of warrants allotted	% de dilution sur le capital social	Cumulated %
BSA 2014 A	Independent members of the Supervisory Board	€ 0.01	9/30/2018	23 385	0,10%	0,25%
BSA 2014 B		€ 0.01	2/28/2019	23 385	0,10%	
BSA 2015 A		€ 0.01	5/31/2019	7 015	0,03%	
BSA 2015 B		€ 0.01	11/30/2019	7 015	0,03%	
BSA 2014 A	Members of the Scientific Advisory Board and other scientific experts	€ 0.01	9/30/2018	23 380	0,10%	0,27%
BSA 2014 B		€ 0.01	2/28/2019	23 380	0,10%	
BSA 2015 A		€ 0.01	5/31/2019	5 845	0,02%	
BSA 2015 B		€ 0.01	11/30/2019	11 690	0,05%	
BSAAR 2014 A	Executive officers	€ 5.61	9/15/2018	5 901	0,02%	0,18%
BSAAR 2014 B		€ 5.61	5/4/2019	18 711	0,08%	
BSAAR 2014 C		€ 5.61	7/1/2019	18 711	0,08%	
BSAAR 2014 A	Non-executive employees	€ 5.61	9/15/2018	9 299	0,04%	0,18%
BSAAR 2014 B		€ 5.61	5/4/2019	17 248	0,07%	
BSAAR 2014 C		€ 5.61	7/1/2019	17 248	0,07%	
TOTAL				**212 213**	**0,89%**	**0,89%**

7.5 Employee holdings of issued capital

In accordance with article L.225-102 of the French Commercial Code, we inform you that as of December 31, 2014 and as of the date of this report, the Employees held no issued capital in the Company within a collective management framework.

VIII - PRESENTATION AND EXPLANATION OF INFORMATION THAT MIGHT AFFECT A PUBLIC OFFER

In accordance with the provisions of article L.225-100-3 of the French Commercial Code, we present the information below that might affect a public offer:

- The Company's capital structure contains no characteristics that might affect a public offer;

- There are no statutory restrictions to the exercise of voting rights and share transfers, nor clauses included in the agreements brought to the knowledge of the Company in application of article L.233-11 of the French Commercial Code;

- No declarations made under articles L.233-7 and L.233-12 of the French Commercial Code identified direct or indirect investments in the Company's Capital that might affect a public offer;

- There are no securities that include special rights of control. As per the bylaws, the shares that have double voting rights, were mentioned in paragraph 6.4 above;

- Biotech Avenir, comprising some of the Company's founders and employees, holds 7.25% of the shares and 13.07% of the voting rights in the Company.

- A shareholder agreement, signed prior to the acceptance of the Company's shares for listing on the Euronext Alternext market in 2006, sets out a preemptive right for Biotech Avenir or any shareholder signatory of the agreement that it may appoint in the event of an off-market transfer plan for all or part of its shares in the company by a shareholder party to said agreement, if the planned transfer, combined with any transfers carried out during a given year, represents a share of at least 2% of the issued capital. As of the date of this report and to the Company's knowledge, the parties to this agreement holding shares in the company are the University of Lille 2, Biotech Avenir, Finorpa SCR, Jean-François Mouney, Xavier Guille des Buttes, and Charles Woler;

- In accordance with articles 14 and 15 of the bylaws, the members of the Executive Board are appointed by the Supervisory Board by unanimous decision less two votes of its members present or represented, or, where the Law allows, attending by video conference or another telecommunication method, and at least the majority of their votes for a 5-year term. The members of the Executive Board may be removed by the General Meeting, ruling under the quorum and majority conditions for Ordinary General Meetings. They may resign at any time. In the event of a vacancy, the Supervisory Board must fill the vacant position within 2 months. In accordance with article 17 of the bylaws, the members of the Supervisory Board are appointed from among the individual or corporate shareholders by the Ordinary General Meeting for 5 years; the latter body may remove them at any time. However, in the event of a merger or division, members of the Supervisory Board may be appointed by an Extraordinary General Meeting. If the seat of a member of the Supervisory Board is vacated between two general meetings of shareholders due to death or resignation, the Supervisory Board may make a temporary appointment, which shall be subject to ratification at the next Ordinary General Meeting. In accordance with the terms of article 36 of the bylaws, the Extraordinary General Meeting shall alone be authorized to change any provision in the Bylaws and in particular to decide to transform the Company into a company of another form.

- The Executive Board shall be delegated the powers described in the "Summary table of valid delegated powers granted to the Executive Board by the General Meeting " appended to this document:

- The Company has signed some contracts explicitly containing change of control clauses. This is true in particular of the contract governing the collaborative research alliance with Sanofi and some loan contracts.

Jean-François MOUNEY has an employment contract as a general manager. Under the terms of his employment contract, Jean-François MOUNEY shall receive contractual severance pay of six months' salary in the event of dismissal (other than in the case of gross negligence or wilful misconduct), calculated on the basis of the last 12 months and increased by additional compensation of one month's salary per year of service within GENFIT.

IX - CORPORATE OFFICES AND COMPENSATION FOR CORPORATE OFFICERS

9.1 Corporate offices

In accordance with the provisions of article L.225-102-1 of the French Commercial Code, we are providing you with the list below of all offices held and duties exercised in all French or foreign companies by each of the Company's directors during the fiscal year. This description was expanded to the past five years to satisfy the requirement in appendix I of EC regulation no. 809/2004, which governs the preparation of reference documents.

<table>
<tr><td>Jean-François MOUNEY,
59 years old, French</td><td colspan="2">Professional address
885, Avenue Eugène Avinée
– 59120 LOOS</td><td>Number of Genfit's shares held :
25 shares et 17.1 % of Biotech Avenir</td></tr>
<tr><td colspan="4">Chairman of the Executive board of Genfit SA</td></tr>
<tr><td colspan="4">PROFESSIONAL EXPERIENCE / EXPERTISE</td></tr>
<tr><td colspan="4">Jean-François MOUNEY co-founded Genfit in 1999 after having been actively involved in the incubation of the Company from 1997. Prior to this, he had created, managed and developed several companies specializing in high-performance materials, particularly in the aeronautical industry, since 1979. In 1992, he founded M&M, a consultancy firm specializing in health economics. He was responsible for carrying out a feasibility study for an economic development agency within the field of health and biology in the Nord-Pas-de-Calais region of France and was appointed Chief Executive Officer of this agency since its launch in 1995. Over a hundred companies have been created as part of this venture, making Eurasanté one of the top European bioincubators and clusters. As Chairman of the Executive Board of Genfit, he received, in 2003, the Entrepreneur of the Year award, which is organized internationally by Ernst & Young, in the New Technology category. He also received this award in 2004. Jean-François Mouney is also founder of Naturalpha, a company created in 2001 specializing in Nutrition Research and Development and clinical studies. Furthermore, he is Deputy Chairman of the "Nutrition, Health and Longevity" research hub and is Advisor to the Banque de France since 2008. Jean-François Mouney is a graduate of the ESCP-Europe Business School, and holds a Master Degree in Economics from the University of Lille.</td></tr>
<tr><td colspan="4">TERM OF OFFICE</td></tr>
<tr><td colspan="2">1st appointment : Supervisory Board of September 15th, 1999 –Last renewal: Supervisory Board of July 3, 2013</td><td colspan="2">End of the current office : July 3, 2018</td></tr>
<tr><td colspan="4">OPE RATIONAL FUNCTIONS AND OTHER CORPORATE OFFICES IN FRENCH AND FOREIGN COMPANIES</td></tr>
<tr><td colspan="2">Chairman of the Supervisory Board of Genfit Corp,
Chairman of Genfit Pharmaceuticals SAS,
Chairman of Biotech Avenir</td><td colspan="2">During the last five years, Jean-François MOUNEY has also held the following offices and positions, which he no longer holds :
Chairman of Naturalpha</td></tr>
</table>

Nathalie HUITOREL, 53 years old, French.	Professional address 885, Avenue Eugène Avinée – 59120 LOOS	Number of Genfit's shares held : 2,721 shares et 0 % of Biotech Avenir
Member of the Executive Board of Genfit SA		
PROFESSIONAL EXPERIENCE / EXPERTISE		
Nathalie HUITOREL is a graduate of the SKEMA Business School (School of Management in Lille, France). For 10 years she was Chief Financial and Administrative Officer for MS COMPOSITES, a company specializing in high-performance composite materials. She took part in listing a subsidiary of the French company FINUCHEM on the Stock Exchange and has led numerous mergers and acquisitions. She was appointed Chief Financial and Administrative Officer at Genfit in October 2007, and oversees the financial, management and human resources departments.		
TERM OF OFFICE		
1st appointment : Supervisory Board of July 3, 2008 – Last renewal: Supervisory Board of July 3, 2013	End of the current office: July 3, 2018	
OPE RATIONAL FUNCTIONS AND OTHER CORPORATE OFFICES IN FRENCH AND FOREIGN COMPANIES		
Member of the Supervisory Board of Genfit Corp, Member of the Executive Board of Genfit Pharmaceuticals SAS	None	

Dean HUM , 53 years, Canadian	Professional address 885, Avenue Eugène Avinée – 59120 LOOS	Number of Genfit's shares held : no shares et 6.2% of Biotech Avenir
Member of the Executive Board of Genfit SA		
PROFESSIONAL EXPERIENCE / EXPERTISE		
Dean HUM earned a Ph.D. in Biochemistry from McGill University in Montreal in 1990. An expert in the modulation of transcription factors and nuclear receptors associated with endocrine and cardiometabolic diseases, he held a research position at the University of California in San Francisco before becoming a Professor at Laval University in Quebec. He joined Genfit in 2000 as Chief Scientific Officer. Dean Hum is today a key person in the organization of Genfit. In particular, he is responsible for defining, implementing, employing and coordinating short-, medium- and long-term strategies relating to R&D programs and portfolio. He coordinates all R&D activities with the CEO and in close collaboration with scientific officers and project managers.		
TERM OF OFFICE		
1st appointment : Supervisory Board of May 13, 2014	End of the current office : May 13, 2019	
OPE RATIONAL FUNCTIONS AND OTHER CORPORATE OFFICES IN FRENCH AND FOREIGN COMPANIES		
None	None	

Xavier GUILLE DES BUTTES 73 years old, French		Number of Genfit's shares held : 764 shares
Chairman of Genfit's Supervisory Board, of which he is an independent member. Member of the Appointment and Compensation Committee and member of the Audit Committee		
PROFESSIONAL EXPERIENCE / EXPERTISE		
Graduated from the ESSCA (l'Ecole Supérieure des Sciences Commerciales d'Angers), from the Institute of Foreign Commerce and from the Management Control Institute, Xavier GUILLE DES BUTTES has spent his entire career in the pharmaceutical industry. He has held a large number of executive positions for more than 30 years, particularly in the French subsidiary of the German Group Schering AG, where he has successively held the positions of Marketing Director, General Manager of the pharmaceutical Division and Chairman of the Board of Directors until June 2006. Member of Genfit's Supervisory Board since October 18, 2006, he currently chairs the Supervisory Board since April 5, 2008. In addition to his responsibilities at Genfit, he also serves as a corporate director of several companies. He holds offices within Delpharm Holding (pharmaceutical manufacturing), Diagast, a subsidiary of the French national blood service and Hemarina, a start-up located in Morlaix. Xavier GUILLE DES BUTTES also chairs the Foundation of the Catholic University of Lille and is a knight of the Legion of Honour		
TERM OF OFFICE		
1st appointment : October 18, 2006 Last renewal : June 28, 2011	End of the current office: Shareholders' General Meeting called to approve the financial statements for the year ending December 31, 2015.	
OPE RATIONAL FUNCTIONS AND OTHER CORPORATE OFFICES IN FRENCH AND FOREIGN COMPANIES		
Member of the Supervisory Board of the Companies Diagast and Hermarina, Member of the Board of partners Delpharm Holding.	During the last five years, Xavier Guille des Buttes has also held the following offices and positions, which he no longer holds : Member of the Supervisory Board of Ouest Angels	

Charles WOLER **66 years old, French**		**Number of Genfit's shares held :** **64 shares**
Vice-Chairman of the Supervisory Board of Genfit SA, of which he is an independent member – Chairman of the Appointment and Compensation Committee		
PROFESSIONAL EXPERIENCE / EXPERTISE		
A medical graduate, has a Master degree in Clinical Pharmacology and Pharmacokinetics, and an MBA. He has acquired more than 30 years'experience in the healthcare industry, holding positions of responsibility in SMEs and major French and European pharmaceutical groups. He notably served as Chairman and Chief Executive Officer of Roche France and President of Smithkline Beecham Europe. He has also held various senior managerial positions in the biotechnology industry in France and the United States, for Cadus Pharmaceutical, a biotechnology company listed on Nasdaq, Neuro3d and Endotis Pharma.		
TERM OF OFFICE		
1st appointment : October 18, 2006 Last renewal: June 28, 2011	End of the current office: Shareholders' General Meeting called to approve the financial statements for the year ending December 31, 2015	
OPE RATIONAL FUNCTIONS AND OTHER CORPORATE OFFICES IN FRENCH AND FOREIGN COMPANIES		
Chief Executive Officer of Biomnis, Chairman of BioDS, Chairman of the Supervisory Board of InflamAlps (Swiss), Chairman of the Board of Synexus (UK)	During the last five years, Charles Woler has also held the following offices and positions, which he no longer holds : Chief Executive Officer of Endotis Pharma Member of the Supervisory Board of Gastrotech Chairman of seed funding ITI	

Frédéric DESDOUITS **48 years old, French**		**Number of Genfit's shares held :** **100 shares**
Member of the Supervisory Board of Genfit SA and and member of the Appointment and Compensation Committee		
PROFESSIONAL EXPERIENCE / EXPERTISE		
Mister Frédéric Desdouits is head of Pierre Fabre Group Business Development, Acquisition and Market Intelligence since 2011. He is also member of the Pharmaceuticals Executive Board and of the Development Products Board. Prior to joining Pierre Fabre, Frederic was Managing Partner at Bionest Partners (2004-2011), a consulting and transaction firm based in Paris and New York specialized in healthcare and biotechnology; and the founding Managing Partner of Bionest Partners Finance (2007-2011), a boutique specialized in value strategy and fund raising for emerging bio-companies. Between 1997 and 2004, Frederic was a partner in charge of Pharmaceutical and Biotechnology sectors at Exane BNP-Paribas, an investment company. Before heading for finance, Frederic worked in research (1996-1997) at GlaxoWellcome in France (now GSK), as a consultant for Hoechst in the USA (1995-1997) and as a PhD student (1992-1995) with a grant from Rhône-Poulenc in France (now Sanofi). Between 2010 and 2011, Frédéric Desdouits was a member of the Pre-Phase III DPU Blood & Vessels Specific Board at Sanofi Aventis (now Sanofi) R&D (Chilly-Mazarin, France). Between 2008 and 2011, Frederic was Board member at Exonhit Therapeutics (now Diaxonhit Therapeutics) and member of the M&A subcommittee. Frédéric Desdouits is graduated from Ecole Polytechnique (Palaiseau, France), obtained a MS in pharmacology and a PhD in Neurosciences at University Paris VI and Collège de France, did a post-doc (1994-1996) at the Rockefeller University in New York and is a CEFA (Certified European Financial Analyst).		
TERM OF OFFICE		
1st appointment : June 20, 2014	End of the current office : Shareholders' General Meeting called to approve the financial statements for the year ending December 31, 2017	
OPERATIONAL FUNCTIONS AND OTHER CORPORATE OFFICES IN FRENCH AND FOREIGN COMPANIES		
Vice-Chairman – Head of Pierre Fabre Group Business Development, Acquisition and Market Intelligence Department	During the last five years, Charles Woler has also held the following offices and positions, which he no longer holds : Manager of Gidéal Chairman of Bionest Partners Managing Partner of Bionest Partners Finance Member of the Supervisory Board of Exonhit Therapeutics	

BIOTECH AVENIR, represented by Florence SEJOURNE 43 ans, French	Professional address 885, Avenue Eugène Avinée – 59120 LOOS	Number of Genfit's shares held : 1,737,874 shares
Member of the Supervisory Board of Genfit SA – Member of the Audit Committee		
PROFESSIONAL EXPERIENCE / EXPERTISE		
Graduated from the Ecole des Mines of Paris (Biotechnology option) and holding a master degree in Pharmacy from the University of Illinois (Chicago, United States), she was in charge of the biopharmaceutical sector for Eurasanté. She co-founded Genfit and served as the Company's Chief Operating Officer,Business Development Director, industrial alliances coordinator and member of the Executive Board from 1999 to2008. Since then, she isChairman of the Company Da Volterra.		
TERM OF OFFICE		
1st appointment : At creation of the Company, September 15th, 1999 Last renewal: June 28, 2011	End of the current office : Shareholders' General Meeting called to approve the financial statements for the year ending December 31, 2015	
OPE RATIONAL FUNCTIONS AND OTHER CORPORATE OFFICES IN FRENCH AND FOREIGN COMPANIES		
Chairman of the Company Da Volterra	None	

FINORPA SCR, represented by Philippe MOONS 63 years old, French		Number of Genfit's shares held : 193.483
Member of the Supervisory Board of Genfit SA – Chairman of the Audit Committee		
PROFESSIONAL EXPERIENCE / EXPERTISE		
Graduated from the Catholic School of Arts and Crafts of Lille (ICAM Lille) and from the Ecole des Hautes Etudes Commerciales du Nord (EDHEC), Philippe Moons began his career as a business engineer in a French industrial Group. In 1995, he joined Finorpa, a venture capital and growth capital company, operating under the aegis of the Group "Charbonnage de France" and of the Nord-Pas-de- Calais region. Since 2006, he is in charge of supporting and financing several companies in their early-stage activities or development phases; in particular in the fields of biology and health. In addition to his current responsibilities at Finorpa and Genfit, where he serves as a corporate director, Philippe Moons is a member of the Supervisory Board of Finovam, a regional venture capital company, established in 2014 to strengthen the emergence and provide seed capital to innovative businesses, primarily technological projects in the Nord-Pas-de-Calais region.		
TERM OF OFFICE		
1st appointment : October 6, 2000 Last renewal: June 26, 2013	End of the current office : Shareholders' General Meeting called to approve the financial statements for the year ending December 31, 2017	

OPE RATIONAL FUNCTIONS AND OTHER CORPORATE OFFICES IN FRENCH AND FOREIGN COMPANIES	
Member of the board of directors of Alzprotect	During the last five years, Charles Woler has also held the following offices and positions, which he no longer holds : Member of the Supervisory Board of Purifonction Member of the Supervisory Board of Terra Nova

9.2 Compensation for corporate officers during the 2014 fiscal year

Compensation Policy

Compensation for the executive officers (members of the Company's Executive Board) consists of fixed compensation and an advantage in kind for the paid functions and duties that they exercise within the Company, potentially supplemented by:

- Variable annual compensation granted by the Supervisory Board for the fiscal year for their term as officer;

- Exceptional compensation for their paid functions as part of an incentive plan established, after a favorable opinion form the Company's Appointments and Compensation Committee and its Supervisory Board, by a decision of the Executive Board dated January 25, 2013 for helping ensure the best conditions for the implementation of various strategic development paths envisioned by the Company. In particular, this plan applies for successfully raising a minimum amount of funds over a predetermined period and in such a case sets out lump-sum base compensation as well as an additional variable profit sharing defined in % of the funds raised, up to a maximum of 1% of their amount, to be divided 40% for the Chairman of the Executive Board and 60% for the Company's top executives.

Since 2014, they may also receive redeemable share subscription warrants.

Compensation for non-executive corporate officers, independent individuals on the Supervisory Committee, shall consist of director's fees.

Since 2014, they may also receive equity warrants.

Tables 1, 2, and 3 below show the compensation owed to executive officers and non-executive corporate officers for the fiscal years closed on December 31, 2014 and 2013 and the compensation received by these same individuals during these same fiscal years.

Table 4 shows the instruments giving access to capital allocated to each executive officer or non-executive officer, during the 2014 fiscal year.

Tables 8 show the allocation history for stock options and share warrants, and lastly, table no. 11 provides additional information on terms for compensation and other advantages granted to executive officers (members of the Executive Board)

Tables nos. 5 to 7 and 9 and 10 recommended by the AMF for transparency of compensation for corporate officers do not apply.

Tableau n° 1 : Summary table of remuneration (3) , options and shares allocated to each executive director

Summary table of remuneration (3) , options and shares allocated to each executive director		
	Fiscal year ended December 31, 2014	**Fiscal year ended Fiscal year ended e December 31, 2013**
Jean-François MOUNEY – Chairman of the Executive Board		
Remuneration due in respect of the fiscal year (detailed in table 2)	€ 1,207,216	€ 820,978
Valuation of options awarded during the fiscal year	0	0
Valuation of free shares awarded during the fiscal year	0	0
TOTAL	**€ 1,207,216**	**€ 820,978**
Nathalie HUITOREL – member of the Executive Board		
Remuneration due in respect of the fiscal year (detailed in table 2)	€ 297,093	€ 186,807
Valuation of options awarded during the fiscal year	0	0
Valuation of free shares awarded during the fiscal year	0	0
TOTAL	**€ 297,093**	**€ 186,807**
Raphael DARTEIL - member of the Executive Board (1)		
Remuneration due in respect of the fiscal year (detailed in table 2)	€ 0	€ 81,621
Valuation of options awarded during the fiscal year	0	0
Valuation of free shares awarded during the fiscal year	0	0
TOTAL	**€ 0**	**€ 81,621**
Dean HUM - member of the Executive Board (2)		
Remuneration due in respect of the fiscal year (detailed in table 2)	€ 420,044	€ 0
Valuation of options awarded during the fiscal year	0	0
Valuation of free shares awarded during the fiscal year	0	0
TOTAL	**€ 420,044**	**€ 0**

(1) The office of Raphael Darteil expired on July 3, 2013

The remuneration indicated correspond to the period of exercise of its office

(2) The office of Dean Hum began on May 13, 2014

The remuneration indicated correspond to the period of exercise of its office

(3) The amounts indicated are gross amounts

Table n° 2 : Summary table of remuneration allocated to each executive director

Summary table of remuneration (3) allocated to each executive director				
	Fiscal year ended December 31, 2014		Fiscal year ended December 31, 2013	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Jean-François MOUNEY - Chairman of the Executive Board				
Fixed annual remuneration	372 978 €	360 431 €	380 988 €	376 643 €
Variable remuneration	*27 178 €*	*27 178 €*	*27 178 €*	*27 178 €*
Exceptionnal remuneration	785 696 €	617 901 €	391 417 €	391 417 €
Attendance fees	0 €	0 €	0 €	0 €
Benefits in kind	21 364 €	21 364 €	21 395 €	21 395 €
TOTAL	**1 207 216 €**	**1 026 874 €**	**820 978 €**	**816 634 €**
Nathalie HUITOREL - member of the Executive Board				
Fixed annual remuneration	99 272 €	100 825 €	99 188 €	97 637 €
Variable remuneration	*7 183 €*	*7 183 €*	*7 303 €*	*7 303 €*
Exceptionnal remuneration	187 270 €	133 796 €	76 886 €	45 040 €
Attendance fees	0 €	0 €	0 €	0 €
Benefits in kind	3 368 €	3 368 €	3 429 €	3 429 €
TOTAL	**297 093 €**	**245 172 €**	**186 807 €**	**153 409 €**
Raphael DARTEIL - member of the Executive Board (1)				
Fixed annual remuneration	0 €	0 €	70 737 €	70 737 €
Variable remuneration	*0 €*	*0 €*	*10 415 €*	*10 415 €*
Exceptionnal remuneration	0 €	0 €	0 €	0 €
Attendance fees	0 €	0 €	0 €	0 €
Benefits in kind	0 €	0 €	469 €	469 €
TOTAL	**- €**	**- €**	**81 621 €**	**81 621 €**
Dean HUM - member of the Executive Board (2)				
Fixed annual remuneration	101 689 €	90 145 €	0 €	0 €
Variable remuneration	*0 €*	*125 €*	*0 €*	*0 €*
Exceptionnal remuneration	316 123 €	245 295 €	0 €	0 €
Attendance fees	0 €	0 €	0 €	0 €
Benefits in kind	2 232 €	2 232 €	0 €	0 €
TOTAL	**420 044 €**	**337 797 €**	**- €**	**- €**

(1) The office of Raphael Darteil expired on July 3, 2013
The remuneration indicated correspond to the period of exercise of its office
(2) The office of Dean Hum began on May 13, 2014
The remuneration indicated correspond to the period of exercise of its office
(3) The amounts indicated are gross amounts

Advantages in kind are a vehicle for each officer and GSC unemployment insurance for the Chairman of the Executive Board.

Table no. 3: table of attendance fees and other remuneration received by non-executive corporate officers

Attendance fees and other forms of remuneration payable to each of the non executive officer		
Non executive officers	Amounts paid* during fiscal year 2014	Amounts paid*during fiscal year 2013
Xavier GUILLE DES BUTTES		
Attendance fees	€ 21 725	€ 4 740
Other remuneration	€ -	€ -
TOTAL	**€ 21 725**	**€ 4 740**
Charles WOLER		
Attendance fees	€ 8 690	€ 1 185
Other remuneration	€ -	€ -
TOTAL	**€ 8 690**	**€ 1 185**
Frédéric DESDOUITS		
Attendance fees	€ 3 160	€ -
Other remuneration	€ -	€ -
TOTAL	**€ 3 160**	**€ -**
BIOTECH AVENIR		
represented by Florence Séjourné		
Attendance fees	€ -	€ -
Other remuneration	€ -	€ -
TOTAL		
FINORPA		
represented by Philippe Moons		
Attendance fees	€ -	€ -
Other remuneration	€ -	€ -
TOTAL	€ -	€ -
TOTAL	**€ 33 575**	**€ 5 925**

***after deduction of the 21% flat rate levy**

Table no. 4: table of instruments giving access to capital allocated to each corporate officer during the fiscal year

Capital instruments alloted to each corporate officer during the financial year						
	Date of Executive Board meeting	Nature of the instrument	Valuation of the instrument (1)	Number of instruments allotted or subscribed during the financial year	Exercise Price	Term of exercise
Jean-François MOUNEY	9/15/2014	OBSAR 2014 (2)	NA	15 792	€ 23.5	07/01/2019
Nathalie HUITOREL	9/15/2014	OBSAR 2014	NA	13 474	€ 23.5	07/01/2019
Dean HUM	9/15/2014	OBSAR 2014	NA	14 257	€ 23.5	07/01/2019
Xavier GUILLE DES BUTTES	7/24/2014	BSA 2014 (3)	€ 365 060,60	28 060	€ 23.5	2/28/2019
Charles WOLER	7/24/2014	BSA 2014	€ 243 417,10	18 710	€ 23.5	2/28/2019

(1) according to the method used for consolidated financial statements

(2) Exercise price of each BSAAR 2014 is € 5.61

(2) Subscription price of each BSA 2014 is € 0.01

Tableaux n° 8 : Allocation history of financial instruments giving access to share capital

As part of its compensation, incentive, and loyalty building policy of directors and employees, Genfit established a 2007 options plan in 2007 for the Group's directors and employees, including the Company's executive officers. These options were never exercised and the plan expired on September 23, 2012.

In 2014, Genfit established a BSAAR plan for the Company's directors and employees, including the Company's executive officers.

History of allocations of financial instruments giving access to share capital Information on redeemable share subscription warrants (BSAAR) allotted to executive officers			
	BSAAR 2014 A	BSAAR 2014 B	BSAAR 2014 C
Date of the Shareholder's meeting	4/2/2014	4/2/2014	4/2/2014
Date of the Executive board meeting	9/15/2014	9/15/2014	4/2/2014
Methods of exercise	1 warrant / 1 share Exercisable by fraction of a number of BSAAR equal to one-third of the total number of warrants held by each beneficiary		
Subscription periods	9/19 to 10/15/2014	05/07 to 05/19/2015	7/06 to 07/31/2015
Warrants that may be subscribed by executive officers	5,901	18,711	18,711
- of which : Jean-François Mouney	3,118	6,237	6,237

- of which : Nathalie Huitorel	1,000	6,237	6,237
- of which : Dean Hum	1,783	6,237	6,237
Start date for exercise of BSAAR	9/15/2015	9/15/2015	9/15/2015
Term of exercise of BSAAR	9/15/2018	5/4/2019	7/1/2019
Issue Price	€ 5.61	€ 5.61	€ 5.61
Exercise price	€ 23.5	€ 23.5	€ 23.5
Subscribed shares as per date of this Report	0	0	0
Non exercisable or oustanding BSAAR	0	0	0
Remaining BSAAR as per date of this Report	5,901	18,711	18,711

In 2014 and then in 2015, Genfit established two BSA plans, including some for independent individual members of the Company's Supervisory Board.

History of allocations of financial instruments giving access to share capital Information on equity warrants (BSA) allotted to non executive officers (Independant members of the Supervisory Board)				
	BSA 2014 A	BSA 2014 B	BSA 2015 A	BSA 2015 B
Date of the Shareholder's meeting	4/2/2014	4/2/2014	4/2/2014	4/2/2014
Date of the Executive board meeting	7/24/2014	7/24/2014	1/9/2015	1/9/2015
Methods of exercise	1 warrant / 1 share Exercisable per tranches of a minimum number of BSA equal to 2.000 or a multiple of 2.000, except outstanding balance			
Subscription periods	du 01/08 au 15/09/2014	du 2/01 au 15/02/2015	du 20/01 au 25/02/2015	du 01/07 au 15/09/2015
Warrants that may be subscribed by non executive officers	23.385	23.385	NA	NA
- of which : Xavier Guille des Buttes	14.030	14.030	NA	NA
- of which : Charles Woler	9.355	9.355	NA	NA
- of which : Frédéric Desdouits	NA	NA	7.015	7.015
Start date for exercise of BSA	01/11/2014	01/03/2015	01/06/2015	01/12/2015
Term of exercise of BSA	30/09/2018	28/02/2019	31/05/2019	30/11/2019

Issue Price	0,01 €	0,01 €	0,01 €	0,01 €
Exercise price	23,50 €	23,50 €	35,95 €	35,95 €
Subscribed shares as per date of this Report	0	0		0
Non exercisable or oustanding BSA	0	0		0
Remaining BSAs as per date of this Report	23.385	23.385	7.015	7.015

Table no. 11: additional information on terms for compensation and other advantages granted to executive officers (members of the Executive Board)

Executive officers	Employment contract		Supplementary pension benefit plan		Compensations or benefits due or likely to be due in respect of the termination or change of position		Compensation related to a non-competition clause	
	YES	NO	YES	NO	YES	NO	YES	NO
Jean-François MOUNEY Chairman of the Executive Board First appointment : *9/15/1999* Term of office: *7/3/2018*	X[(1)]			X	X[(1)]			X
Nathalie HUITOREL Member of the Executive Board *First appointment : 7/3/2008* Term of office : *7/3/2018*	X			X		X		X
Dean HUM Member of the Executive Board First appointment : *5/13/2014* Term of office : *5/13/2019*	X			X		X		X

(1) Jean-François MOUNEY has an employment contract as a general manager. Under the terms of his employment contract, Jean-François Mouney is entitled to six months' notice in the event of dismissal (other than in the case of gross negligence or wilful misconduct) or resignation, as well as contractual severance pay of six months' salary in the event of dismissal (other than in the case of gross negligence or wilful misconduct), calculated on the basis of the last 12 months and increased by additional compensation of one month's salary per year of service within GENFIT. The commitment (gross amount + employers' contributions) at the end of 2014 would total € 990k.

9.3 Interests of the directors and corporate officers in the Company's Capital

The interests of the directors and corporate officers in the Company's capital were as follows as of the date of this Report:

Directors and executive officers	Number of shares	% of share capital	Number of shares resulting from the potential exercise of BSAAR	Number of shares resulting from the potential exercise of BSA	Total % after the potential exercise of warrants
Jean-François MOUNEY	89	0,00%	15 592	NA	0,06%
Nathalie HUITOREL	2 721	0,01%	13 474	NA	0,07%
Dean HUM	0	0,00%	14 257	NA	0,06%
Xavier GUILLE DES BUTTES	764	0,00%	NA	28 060	0,12%
Charles WOLER	64	0,00%	NA	18 710	0,08%
Frédéric DESDOUITS	100	0,00%	NA	14 030	0,06%
Biotech Avenir	1 737 874	7,19%	NA	NA	7,19%
Finorpa SCR	193 483	0,80%	NA	NA	0,80%

Attachments: APPENDICES

- Appendix 1: Results for the past five fiscal years as required by article 148 of the Decree dated March 23, 1967
- Appendix 2: Company Income Statement (Corporate Accounts)
- Appendix 3: Company's Balance Sheet (Corporate Accounts)
- Appendix 4: Consolidated Statement of Comprehensive Income (Consolidated Accounts)
- Appendix 5: Consolidated Financial Statement (Consolidated Accounts)
- Appendix 6: Summary table of delegations of authority granted to the Executive Board by the General Meeting of Shareholders with respect to capital increases
- Appendix 7: Research and Development Activity

APPENDICES

APPENDIX 1
RESULTS FOR THE PAST FIVE FISCAL YEARS

Tableau des 5 derniers exercices - (en euros)	31.12.2014	31.12.2013	31.12.2012	31.12.2011	31.12.2010
Durée de l'exercice	12 mois	12 mois	12 mois	12 mois	12 mois
I - Situation financière en fin d'exercice					
a) Capital social	5 989 418	5 135 455	4 010 937	3 407 645	2 915 542
b) Nombre d'actions émises	23 957 671	20 541 821	16 043 746	13 630 578	11 662 166
c) Nombre d'obligations convertibles en actions	0	0	85	0	0
II - Résultat global des opérations effectives					
a) Chiffre d'affaires hors taxes	1 614 356	1 899 315	1 672 274	2 360 864	3 757 502
b) Bénéfice avant impôt, amortissements et provisions	-20 782 259	-13 239 165	-10 876 897	-10 318 037	-10 210 691
c) Impôt sur les bénéfices	-5 067 238	-3 550 720	-3 170 662	-2 645 141	-2 714 962
d) Bénéfice après impôt, mais avant amortissements et provisions	-15 715 021	-9 688 445	-7 706 236	-7 672 895	-7 495 729
e) Bénéfice après impôt, amortissements et provisions	-15 973 312	-10 043 221	-7 774 946	-7 940 952	-7 939 696
f) Participation des salariés	0	0	0	0	0
III - Résultat des opérations réduit à une seule action					
a) Bénéfice après impôt, mais avant amortissements	-0,66	-0,47	-0,48	-0,56	-0,64
b) Bénéfice après impôt, amortissements et provisions	-0,67	-0,49	-0,48	-0,58	-0,68
c) Dividende versé à chaque action	0,00	0,00	0,00	0,00	0,00
IV - Personnel					
a) Nombre de salariés	81	78	76	90	91
b) Montant de la masse salariale	5 796 362	4 525 897	3 803 528	4 103 126	4 410 934
c) Montant des sommes versées au titre des avantages sociaux	2 573 638	1 940 621	1 727 411	1 823 755	1 910 442

APPENDIX 2
COMPANY INCOME STATEMENT (CORPORATE ACCOUNTS)

INCOME STATEMENT				
	INCOME STATEMENT			
INCOME STATEMENT (In euros)	31.12.2014		31.12.2013	
	TOTAL	%	TOTAL	%
Revenue	1 614 356	100,0%	1 899 315	100,0%
Operating grants	94 083	5,8%	420 243	22,1%
Depreciation recovery & costs reclassified, others	73 793	4,6%	99 837	5,3%
Operating income	1 782 232	110,4%	2 419 395	127,4%
Raw material & consumables used	1 135 105	70,3%	993 044	52,3%
Inventory changes	-84 897	-5,3%	-6 077	-0,3%
Other purchases and external expenses	13 111 645	812,2%	8 284 676	436,2%
Taxes	342 140	21,2%	219 172	11,5%
Wages & salaries	5 796 362	359,1%	4 525 897	238,3%
Social security costs	2 573 638	159,4%	1 940 621	102,2%
Depreciation charges	235 546	14,6%	382 971	20,2%
Provisions	4 200	0,3%	895	0,0%
Others	42 087	2,6%	6 529	0,3%
Operating expenses	23 155 825	1434,4%	16 347 726	860,7%
OPERATING INCOME	-21 373 594	-1324,0%	-13 928 332	-733,3%
Finance income (on short-term investments & term deposits)	441 835	27,4%	246 712	13,0%
Depreciation recovery & costs reclassified	14 645	0,9%	15 360	0,8%
Foreign exchange gains	1 697	0,1%	1 863	0,1%
Finance income	458 177	28,4%	263 935	13,9%
Depreciation charges	26 672	1,7%	19 645	1,0%
Interest expenses	89 827	5,6%	122 312	6,4%
Foreign exchange losses	12 813	0,8%	2 508	0,1%
Finance costs	129 311	8,0%	144 464	7,6%
NET FINANCE COSTS	328 866	20,4%	119 470	6,3%
PROFIT / (LOSS) BEFORE TAX	-21 044 728	-1303,6%	-13 808 861	-727,0%
Exceptional items - operating income	0	0,0%	0	0,0%
Exceptional items - income on capital transactions	15 037	0,9%	8 046 871	423,7%
Depreciation recovery & costs reclassified	51 964	3,2%	156 888	8,3%
Exceptional items - income	67 000	4,2%	8 203 759	431,9%
Exceptional items - operating expenses	0	0,0%	17	0,0%
Exceptional items - expenses on capital transactions	4 773	0,3%	7 864 435	414,1%
Exceptional items - Depreciation charges	58 050	3,6%	124 387	6,5%
Exceptional items - costs	62 823	3,9%	7 988 839	420,6%
NET EXCEPTIONAL COSTS	4 177	0,3%	214 920	11,3%
Employee profit sharing	0	0,0%	0	0,0%
Income tax	-5 067 238	-313,9%	-3 550 720	-186,9%
NET PROFIT / LOSS	-15 973 312	-989,5%	-10 043 221	-528,8%

APPENDIX 3
COMPANY'S BALANCE SHEET (CORPORATE ACCOUNTS)

BALANCE SHEET (ASSETS)

ASSETS (In euros)	31.12.2014 GROSS AMOUNT	31.12.2014 NET AMOUNT	31.12.2013 NET AMOUNT
Start-up costs	1 093	0	0
Software, patents	1 104 326	85 869	53 518
Buildings	0	0	0
Scientific equipment	3 142 603	523 481	295 027
Other equipment	1 900 268	522 090	458 152
In progress	113 003	113 003	9 040
Others equity interests	42 031	42 031	42 031
Other financial assets	734 693	734 693	701 596
NON-CURRENT ASSETS	**7 038 017**	**2 021 167**	**1 559 364**
Inventories	257 097	247 798	167 101
Advances and deposits paid on orders with suppliers	2 469	2 469	2 469
Trade receivables	434 544	434 544	161 801
Other receivables	6 274 755	6 274 755	4 796 138
Of which : personnel cots	1 842	1 842	1 773
Of which : social security costs	217	217	217
Of which : Research tax credit	5 067 249	5 067 249	3 550 720
Of which : taxes - VAT	798 795	798 795	583 385
Of which : taxes - others	0	0	0
Of which : others	406 653	406 653	660 043
Issued capital, called but not paid	0	0	0
Short-term deposits	75 771 052	75 771 052	20 750 171
Cash & bank balances	512 029	512 029	168 048
Prepaid expenses	830 883	830 883	1 260 040
CURRENT ASSETS	**84 082 829**	**84 073 530**	**27 305 767**
Foreign exchange assets	23 622	23 622	0
TOTAL ASSETS	**91 144 467**	**86 118 318**	**28 865 131**

BALANCE SHEET LIABILITIES (CORPORATE ACCOUNTS)

BALANCE SHEET (LIABILITIES)		
LIABILITIES (In euros)	31.12.2014 TOTAL	31.12.2013 TOTAL
Issued capital	5 989 418	5 135 455
Share premium	115 842 941	44 314 776
Revaluation surplus	276 455	356 601
Legal reserve	240 001	240 001
Statutory reserve	6 526 388	6 446 242
Retained earnings	-42 637 364	-32 594 143
Profit / (loss) for the period	-15 973 312	-10 043 221
Regulatory provisions	307 730	253 212
EQUITY	**70 572 256**	**14 108 924**
Other equity	4 440 385	5 198 017
OTHER EQUITY	**4 440 385**	**5 198 017**
Provision - for risks	29 622	55 762
Provision - for expenses	0	0
PROVISIONS	**29 622**	**55 762**
Convertible bonds	0	0
Loans	2 164 288	2 132 879
Bank overdrafts	0	431
Trade payables	6 150 364	5 550 994
Advances and deposits received on orders from customers	0	0
Payables	2 410 100	1 418 829
Of which : personnel cots	1 214 613	589 466
Of which : social security costs	837 076	666 832
Of which : taxes	58 896	7 946
Of which : taxes - others	0	0
Of which : others	299 515	154 585
Payables - Non-current assets	0	0
Payables - Group & associates	100 000	100 000
Payables - Others	0	96 173
Deferred revenue	251 302	194 364
LOANS & PAYABLES	**11 076 054**	**9 493 670**
Foreign exchange liabilities	2	8 759
TOTAL LIABILITIES	**86 118 318**	**28 865 131**

APPENDIX 4 : CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED ACCOUNTS)

(in € thousands)	Notes	Year ended 31.12.2014	Year ended 31.12.2013	H
Revenue	3.2.1.1.	1 614,4	1 899,3	
Public financing of research expenditure	3.2.1.2.	5 067,3	3 916,3	
Other operating income	3.2.1.3.	94,1	151,8	
Total income		6 775,7	5 967,4	
Raw materials & consumables used	3.2.2.1.	-1 404,3	-1 292,9	
Contracted research & development activities conducted by third parties	3.2.2.2.	-9 019,6	-5 161,5	
Employee expenses	3.2.2.3.	-8 314,4	-6 478,8	
Other operating expenses	3.2.2.4.	-4 017,0	-2 932,1	
Depreciation, amortization & impairment charges	3.2.2.5.	-238,4	-519,9	
Current operating profit		-16 218,0	-10 417,8	
Share-based payment transaction expenses	3.2.2.6.	-1 050,9	0,0	
Gain / (loss) on disposal of property, plant & equipment	3.2.2.7.	10,4	-95,9	
Operating profit		-17 258,6	-10 513,7	
Finance income	3.2.3.	492,1	262,3	
Finance costs	3.2.3.	-258,6	-82,6	
Net finance costs		233,5	179,7	
Profit before income tax	-	-17 025,0	-10 334,0	
Tax	3.2.4.1.	-0,4	-2 318,0	
Profit for the period		**-17 025,5**	**-12 652,1**	
Other comprehensive income :				
Exchange differences on translation of foreign operations		31,2	-9,5	
Gain on revaluation of properties		0,0	0,0	
Actuarial gains and losses		-102,8	0,0	
Net fair value gain on available-for-sale financial assets		0,0	0,0	
Of which : changes in fair value for the period		0,0	0,0	
Dont : unrealised gains or losses recognised in income for the period		0,0	0,0	
Tax effect from the change in fair value of available-for-sale securities		0,0	0,0	
Other comprehensive income		**-71,6**	**-9,5**	
Comprehensive income		**-17 097,1**	**-12 661,5**	
Profit for the period				
Attributable to non-controlling interests		0,0	0,0	
Attributable to owners of the Company		**-17 025,5**	**-12 652,1**	
Comprehensive income				
Attributable to non-controlling interests		0,0	0,0	
Attributable to owners of the Company		**-17 097,1**	**-12 661,5**	
(In € / number of shares)				
Earnings per share				
Weighted average number of ordinary shares for basic earnings per share		22 289 900,6	19 407 980	
Basic earnings per share - attributable to owners of the Company	3.2.5.	**-0,76**	**-0,65**	
Weighted average number of ordinary shares adjusted for the effect of dilution		22 289 900,6	19 407 980	
Diluted earnings per share - attributable to owners of the Company	3.2.5.	**-0,76**	**-0,65**	

APPENDIX 5
CONSOLIDATED FINANCIAL STATEMENT (CONSOLIDATED ACCOUNTS)

(in € thousands)	Notes	Year ended 31.12.2014	Year ended 31.12.2013
Non-current assets			
Goodwill	3.3.1.	75	75
Intangible assets	3.3.2.	86	55
Property, plant & equipment	3.3.3.	1 333	1 000
Financial assets	3.3.4.	1 060	702
Other assets	3.3.5.	0	220
Deferred tax assets	-	0	0
Total non-current assts		2 553	2 052
Current assets			
Inventories	-	248	167
Tax payable	-	0	0
Trade & others receivables	3.3.6.	435	162
Financial assets	3.3.4.	4 025	10
Other assets	3.3.5.	7 100	5 838
Cash & short-term deposits	3.3.7.	72 005	20 922
Total current assets		83 813	27 099
TOTAL ASSETS		**86 366**	**29 151**
Issued capital	3.3.8.	5 989	5 135
Share premium	3.3.8.	115 757	44 315
Equity warrants	3.2.2.6	86	0
Revaluation surplus	-	276	357
Retained earnings	-	-34 640	-23 016
Exchange differences on translation of foreign operations	-	-15	-46
Profit (or loss) for the period	-	-17 025	-12 652
Equity attributable to owners of the Company		70 429	14 093
Non-controlling interests		0	0
Total equity		70 429	14 093
Non-current liabilities			
Provisions	3.3.9.	614	412
Conditional & repayable advances	3.3.10.	3 660	4 131
Financial liabilities	3.3.11.	1 270	1 397
Deferred tax liabilities	-	0	0
Other liabilities	3.3.12.	1	43
Total non-current liabilities		5 546	5 983
Current liabilities			
Provisions	3.3.9.	6	57
Conditional & repayable advances	3.3.10.	780	1 067
Financial liabilities	3.3.11.	907	779
Current tax liabilities	-	0	0
Trade & other payables	-	5 900	5 454
Other liabilities	3.3.12.	2 798	1 718
Total current liabilities		10 391	9 075
TOTAL EQUITIES & LIABILITIES		**86 366**	**29 151**

APPENDIX 6

SUMMARY TABLE OF DELEGATIONS OF AUTHORITY GRANTED TO THE EXECUTIVE BOARD BY THE GENERAL MEETING OF SHAREHOLDERS WITH RESPECT TO CAPITAL INCREASES

In accordance with the provisions of article L.225-100 of the French Commercial Code, we report below on the use by the Executive Board of delegations for capital increases granted by the General Meeting during the 2014 fiscal year and as of the date of this report and current valid delegations and their use as of the date of this report.

1. Use of delegations for capital increases granted by the General Meeting held on June 26, 2013 during the 2014 fiscal year and as of the date of this report.

We inform you that following its decisions dated January 2 and February 4, 2014, the Executive Board used the delegations of powers set out by the 14th and 15th resolutions of the Combined General Meeting on June 26, 2013 leading to a capital increase with maintenance of preferential subscription rights of a nominal amount of 178,962.50 euros including share premium by issuing 715,850 shares with a value of 0.25 euros each.

2. Use of delegations for capital increases granted by the General Meeting held on April 2, 2014 during the 2014 fiscal year and as of the date of this report.

We inform you that:

- Following its decisions dated June 20 and 27, 2014, the Executive Board used the delegations of powers set out by the 4th and 5th resolutions of the Combined General Meeting on April 2, 2014, leading to a capital increase by private placement of a nominal amount of 529,141.75 euros including share premium by issuing 2,116,567 shares with a value of 0.25 euros each.

- Following its decision dated July 24, 2014, the Executive Board used the delegation of powers set out by the 10th resolution of the Combined General Meeting on April 2, 2014, leading to the allocation of Autonomous Equity warrants (2014 Equity warrants) to two independent individual members of the Company's Supervisory Board and to four members of the Company's Scientific Committee and other scientific experts;

- Following its decision dated September 15, 2014, the Executive Board used the delegation of powers set out by the 11th resolution of the Combined General Meeting on April 2, 2014, leading to the allocation of Redeemable share subscription warrants (2014 Redeemable share subscription warrants) to three members of the Company's Executive Board and to employees who are not Corporate officers;

- Following its decisions dated December 9, 10, and 17, 2014, the Executive Board used the delegations of powers set out by the 10th resolution of the Combined General Meeting on April 2, 2014, leading to a capital increase by private placement with a nominal amount of 145,858.25 euros including share premium by issuing 583,433 shares with a value of 0.25 euros each;

- Following its decision dated January 9, 2015, the Executive Board used the delegation of powers set out by the 10th resolution of the Combined General Meeting on April 2, 2014, leading to the allocation of Autonomous Equity warrants (2015 Equity warrants) to one independent individual member of the Company's Supervisory Board and to one member of the Company's Scientific Committee.

3. Current valid delegations for capital increases and use of these delegations as of the date of this report

3.1 Delegations granted by the Combined General Meeting of February 25, 2015

	Date of the Meeting granting the delegation	Term of use	Maximum amount that can be issued (in Euro)	Use
Delegation of authority to the Executive Board concerning the issuance of ordinary shares and/or of securities giving access to the share capital of the Company, with shareholders' preferential subscription rights	Combined General Meeting of February 25, 2015 (resolution n.2)	26 months	€ 1,137,500 (4,550,000 shares) (1)	-
Delegation of authority to the Executive Board concerning the issuance of ordinary shares and/or of securities giving access to the share capital of the Company, without shareholders' preferential subscription rights	Combined General Meeting of February 25, 2015 (resolution n.3)	26 months	€ 1,075,000 (4,300,000 shares) (1)	-
Delegation of authority to the Executive Board for the purpose of issuing, without shareholders' preferential subscription rights, ordinary shares and/or securities giving access to the share capital of the Company, within the framework of an offering as described in paragraph II of Article L. 411-2 of the French Monetary and Financial Code (private placement)	Combined General Meeting of February 25, 2015 (resolution n.4)	26 months	€ 1,075,000 (4,300,000 shares) (up to the limit of 20 % of the share capital per year) (1)	-
Determination of the issuance price, up to the limit of 10% of the share capital per annum, of the ordinary shares and/or of securities giving access to the share capital, in the event of the withdrawal of shareholders' preferential subscription rights	Combined General Meeting of February 25, 2015 (resolution n.5)	26 months	€ 1,075,000 € (4,300,000 shares) (up to the limit of 10 % of the share capital per year) (1)	-
Authorization granted to the Executive Board to increase the number of securities to be issued in the event of a share capital increase with or without shareholders' preferential subscription rights	Combined General Meeting of February 25, 2015 (resolution n.6)	26 months	15% of the initial issue (1)	-
Delegation of authority to the Executive Board to increase the Company share capital in benefit of industrial or commercial companies or to investment funds of French or foreign law investing in the pharmaceutical/biotech sector, likely to invest in a private placement	Combined General Meeting of February 25, 2015 (resolution n.7)	18 months	€ 1,075,000 (4,300,000 shares) (1)	-
Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, as compensation for contributions in kind comprised of equity securities or securities giving access to the share capital	Combined General Meeting of February 25, 2015 (resolution n.8)	26 months	€ 1,075,000 (and up to the limit of 10 % of the share capital) (1)	-
Delegation of authority to the Executive Board for the purpose of issuing ordinary shares and/or securities giving access to the share capital of the Company, in the event of a public exchange offer initiated by the Company	Combined General Meeting of February 25, 2015 (resolution n.9)	26 months	€ 1,075,000 (4,300,000 shares) (1)	-
Delegation of authority to the Executive Board for the purpose of issuing autonomous share subscription warrants reserved for a specific category of persons	Combined General Meeting of February 25, 2015 (resolution n.10)	18 months	€ 31,250 (125,000 actions) (1)	-
Delegation of authority to the Executive Board for the purpose of issuing redeemable share subscription warrants reserved for the benefit of the employees and member of the Company's	Combined General Meeting of February 25, 2015 (resolution n.11)	18 months	€ 31,250 (125,000 shares) (1)	-

[1] Also, these delegations shall apply to an overall nominal cap of 1,200,000 euros (4,800,000 shares) as decided by the Combined General Meeting dated February 25, 2015 (resolution no. 13 – Overall limit on authorizations).

Officers and its affiliates, without shareholders' preferential subscription right				

3.2 Other authorizations granted by the General Meeting on June 26, 2012 allowing employees and corporate officers to share in the Company's capital

Issue of stock options to employees and/or corporate officers	Combined General Meeting of June 26, 2012	36 months	Nominal value of €125,000 and for no more than 5% of the share capital on the day of issue (2)	-
Awards of existing or unissued bonus shares as restricted stock to employees and/or senior executives	Combined General Meeting of June 26, 2012	36 months	Nominal value of €125,000 and for no more than 5% of the share capital on the day of issue (3)	-

3.3 Other financial authorizations granted by the General Meeting on February 25, 2015, for which usage will affect the Company's capital

Authorization for the Company's purchase of its own shares	Combined General Meeting of February 25, 2015 (resolution n.1)	18 months	Up to the limit of 10 % of the share (maximum Investment of €500,000 euro and up to €125€ / share)	Mise en œuvre dans le cadre du contrat de liquidité avec la Société CM-CIC Securities
Authorization to reduce the share capital by cancellation of all or part of the Company's shares that the Company holds pursuant to the authorization granted to the Executive Board to repurchase the Company's shares (resolution n.1 of the Combined General Meeting of February 25, 2015)	Combined General Meeting of February 25, 2015 (résolution n.14)	24 months	within the limit of 10% of the share capital over a period of 24 months	-

3.3 Other financial authorizations granted by the General Meeting on February 25, 2015, for which usage will affect the Company's capital

The Executive Board informs the General Meeting that no use was made of these delegations as of the date of this report and that no other delegations of competence or powers were granted to the Executive Board by the General Meeting for capital increases as of the date of this report.

[2] Counted towards this cap is any capital increase that resulted or might in time result from the award of restricted stock or from the exercise of options approved by the Executive Board pursuant to the authorizations by the Meeting of June 26, 2012.

[3] Counted towards this cap is any capital increase that resulted or might in time result from the award of restricted stock or from the exercise of options approved by the Executive Board pursuant to the authorizations by the Meeting of June 26, 2012.

APPENDIX 7
RESEARCH AND DEVELOPMENT ACTIVITY (PROPRIETARY PROGRAMS)

GFT505 PROGRAM

GFT505 is the most advanced compound in a set of drug candidates historically developed by Genfit to treat cardiovascular and metabolic diseases in patients with metabolic syndromes, including in particular, obese, pre-diabetic, and diabetic populations.

In particular, GFT505 acts on several cardio-metabolic risk factors affecting these populations: hyperglycemia and insulin resistance, atherogenic dyslipidemia (low "Good Cholesterol" HDL-C level, elevated triglyceride level) and some inflammatory phenomena.

It especially targets non-alcoholic steatohepatitis or NASH, a severe hepatic disorder of metabolic origin, often associated with obesity, and pre-diabetic and diabetic conditions.

The therapeutic efficacy on these various risk factors and GFT505's safety for Humans have begun to be established in several phase I clinical trials.

In addition to this information, its specific potential for NAFLD (Non Alcoholic Fatty Liver Disease where NAFLD characterizes the preliminary condition for hepatic disorders that can lead to NASH) and especially for NASH, was shown in a first phase IIa study of 47 pre-diabetic patients treated for one month.

This potential was then confirmed by other recent pre-clinical and clinical results summarized below.

Clinical results of the most recent Phase IIa trials:

Phase IIA clinical study 201-5 on 97 diabetic patients:

A study GFT505-201-5 was conducted with the objective of testing the efficacy of a 3-month GFT505 treatment on diabetic patients. The results of this study obtained in July 2011:

- Confirmed and reinforced the pluripotent nature of GFT505 observed until then on another population type, improving many metabolic parameters, including, in particular: glucose homeostasis, triglyceride levels, LDL-C level, HDL-C level, and total cholesterol;

- Confirmed the improvement of hepatic function markers associated with NASH, in particular with a highly significant decrease in γGT level.

The very good safety of GFT505 was also confirmed in this trial: GFT505 showed no deleterious effects on arterial pressure or cardiac rhythm. No weight gain, edema, or hemodilution were observed.

Clinical Study of Mechanism of Action 210-6 on 22 glucose intolerant patients:

The objective of a second study GFT505-210-6, launched in parallel with study GFT505-201-5, was to show the effects and explain GFT505's mechanism of action on insulin sensitivity; improvement of this sensitivity plays a key role in treating NASH.

This study, conducted on 22 glucose intolerant patients, sought first to evaluate the effects of GFT505 on insulin sensitivity in the liver and peripheral tissue by the "hyperinsulinemic-euglycemic clamp" reference technique. The reduction in hepatic glucose production induced by insulin after GFT505 was shown to be significantly greater than that observed after placebo. Similarly, GFT505 significantly increased insulin sensitivity of peripheral tissue versus placebo.

Additionally, the results of this study, obtained at the end of January 2012, were conclusive on all the secondary efficacy objectives, whether on hepatic function markers (γGT, ALAT, ASAT), plasmatic lipids, or inflammation markers such as fibrinogen or haptoglobin (known in particular to characterize the inflammatory phenomenon observed in patients suffering from NASH). And all this was again without showing any adverse effects.

Pre-clinical results obtained on NAFLD/NASH, fibrosis, and their evolution toward cirrhosis and risks associated with liver cancer:

A first series of studies conducted in 2011 on animals:

- Confirmed the efficacy of GFT505 in various pre-clinical models for NAFLD/NASH in that it showed that in these models, the compound blocked the development of hepatic fibrosis (one of the characteristic components of NASH);

- Showed that on established hepatic disease, the compound acted directly on the pro-fibrogenic mechanisms.

In 2012, other studies on animals showed that oral administration of GFT505 not only blocked fibrosis development, but also caused it to regress. Beyond NASH, fibrosis regression in patients suffering from chronic hepatitis in the broad sense remains an unmet medical need; these properties observed in animals opened the path to a potential expansion of the therapeutic scope of GFT505 to the repair of damage caused by hepatitis.

In the same way, additional pre-clinical data obtained in January 2013 on human hepatic cells confirmed an expanded therapeutic potential covering all stages of NASH up to cirrhosis; the underlying anti-fibrotic mechanism of action highlighted in this later work opening the door for evaluation of GFT505, beyond NASH, in hepatic fibrosis / cirrhosis associated with chronic viral hepatitis or alcohol.

Lastly, in 2014:

- The effects of GFT505 on the proliferation of 21 lines of human cancer cells were evaluated in vitro. GFT505 blocked the proliferation of a large majority of these cells, suggesting in particular that it might not only help prevent the development of cirrhosis but also reduce the associated risk of liver cancer.

- The effects of GFT505 on an experimental NASH associated with metabolic disorders were evaluated in an original model with foz/foz mice subjected to a high-fat diet, reproducing the natural history of the pathology observed in Humans. In this model, GFT505 eliminated the NASH and improved the fibrosis.

Results from various regulatory and Toxicology studies:

The complete regulatory toxicology dossier, supplemented with the results of carcinogenicity studies in two species, confirmed the safety of GFT505 for chronic treatment in 2012.

At the strongest doses tested, GFT505 caused no major adverse effects applicable to Humans. In particular, none of the adverse effects associated with the various classes or oral anti-diabetics found in comparable studies were observed.

In accordance with regulatory requirements from health authorities (FDA, ICH, and EMA) for launching clinical studies with a treatment duration longer than 6 months, GFT505 was tested on rats for 6 months, up to a dose of 100 mg/kg/day and on monkeys for 1 year up to a dose of 50 mg/kg/day. At these strong doses, GFT505 caused no toxic effects applicable to Humans in either of these two species. In particular, GFT505 caused no deleterious effects on cardiac function, unlike oral anti-diabetics acting on PPARγ receptors (glitazones and glitazars) that cause hypertrophy of the heart and increase cardiac mortality at high doses in this type of study. Similarly, contrary to PPARγ activators, GFT505 did not cause any weight gain or edema.

In parallel, to meet requirements for registration for chronic treatment, GFT505 was also tested on rats and mice with daily administration for 2 years to research any potential carcinogenic effects of the product. Up to the strongest dose tested, GFT505 caused no carcinogenic effects applicable to Humans. Here again, these results contrast with those reported with some oral anti-diabetics in equivalent studies.

Still in 2012, this information was corroborated by the results of study GFT505-111-7 showing the safety and efficacy of increasing doses of GFT505 administered for 14 days to overweight or obese patients, up to a dose three times greater than the current therapeutic dose of 80 mg/day:

- No serious adverse effects were reported in this study. Fewer adverse events occurred among the subjects treated with GFT505 than in the placebo group. No adverse effects were reported among the subjects treated with a dose of 240 mg/day;

- At all doses tested, important beneficial effects on hepatic dysfunction markers (ALP, ALT, AST, and GGT) were observed. For the first time, a significant drop in bilirubin level was observed under GFT505, contributing new evidence of GFT505's hepatoprotective potential.

Pharmacokinetic analyses (measurements of GFT505 in the blood) also showed that even at strong doses in Humans, GFT505 shows a good margin of safety in relation to the doses tested in the long-term toxicology studies on animals.

Lastly, at the beginning of 2015, the results of a clinical study of the cardiac safety of GFT505 in which a therapeutic dose of 120 mg/day and a supra-therapeutic dose of 300 mg/day were tested showed that daily administration of GFT505 repeated for 14 days had no adverse effects on cardiac electrical activity, thus meeting regulatory requirements.

Potential, therapeutic indications:

Based on part of the results described above, in mid-2011, a committee of scientific experts recommended continuing the development of GFT505 in two priority directions:

- The prevention and treatment of non-alcoholic fatty liver disease (NAFLD) and non-alcoholic steatohepatitis (NASH);

- The prevention of cardiovascular accidents in high risk type II diabetic patients.

Following these recommendations, the Company chose at that time to commit to the treatment of NASH as a priority. This choice, supported later by the results of additional studies on mechanisms of action and recent pre-clinical results, translated in to the launch of a phase IIb in this area, called GOLDEN 505.

GOLDEN 505 Phase IIB trial and relationships with regulatory agencies:

Following the conclusive pre-clinical, clinical and toxicology study results obtained in the 1st half of 2012, approvals were obtained or confirmed on the design of a phase IIb trial on NASH successively from the European Medicines Agency and then the Food and Drug Administration (FDA) in the United States.

Thus, a multi-center international phase IIb trial was launched at the end of the 3rd quarter of 2012 both in Europe and in the United States with a recruitment objective of 270 patients.

At the end of October 2013, the DSMB (Data Safety Monitoring Board), the independent international commission established to ensure patient safety in this trial, analyzed all the safety data for the patients included after a first recruiting phase and who had been treated for more than 6 months with GFT505 at the first dose tested, 80 mg/day. As its members concluded unanimously based on these data that GFT505 presented no safety problems likely to call into question the continuation of the trial, a second recruiting phase was launched and was completed in a few days. A dose of 120 mg/day of GFT505 was thus administered to this second patient cohort.

In February 2014, the FDA ("Food and Drug Administration") granted a “Fast Track" designation to the GFT505 project for treatment of NASH. The FDA “Fast Track” is a process intended to facilitate development of drugs dedicated to treating serious or even fatal conditions whose medical needs have not been met. The goal is to provide treatments to patients as quickly as possible. This designation establishes close, regular relationships between the FDA and the Company. Fast Track makes it possible to jointly define the most effective and rapid development plan through frequent meetings and accelerated review processes.

In March 2015, the first results of the GOLDEN-505 study were announced.

This 52-week phase 2b trial evaluated the effectiveness and safety of GFT505 in 274 subjects (double blind; controlled vs. placebo; three arms: placebo, 80 mg, and 120 mg) presenting a NASH for centralized examination of a hepatic biopsy. It involved 56 centers in nine countries in North America and Europe.

The patient inclusion criteria required the initial presence of three histological components of NASH. The "NAFLD Activity Score" or NAS score ranging from NAS=3 for patients with a slight disorder to NAS=8 for the most severe cases. The main evaluation criterion, defined as being the "Resolution of NASH without aggravation of fibrosis" required achieving a score of 0 on at least one of the three histological components. This trial also evaluated efficacy and safety on a complete range of secondary criteria.

These first results showed dose-dependent efficacy on the main evaluation criterion of the study, after control for the initial severity and heterogeneity of the sites by standardized statistical analysis, that treatment with GFT505 contributes significant cardio-metabolic benefits and that GFT505 is safe and was very well tolerated throughout the trial consisting of one year of treatment.

In particular, after this correction, GFT505 at the 120 mg dose met the main criterion for the study, which was "Reversion of NASH without aggravation of fibrosis": Treatment with GFT505 has a significant beneficial effect on this main criterion (GFT505 120 mg vs. placebo, p=0.016, RR=2.03) in the overall randomized population (n=274, complete sample); patients without a biopsy at the end of treatment were considered as non-respondents. The main criterion was also achieved in the population of patients that could be evaluated who underwent the two hepatic biopsies upon inclusion and at the end of treatment (n=237; ITT; p=0.027 vs. placebo; RR=1.94). In this same population, GFT505-120 mg also had a beneficial effect on the secondary criterion of NAS reduction≥2 (p=0.04 vs placebo). In the most severely affected patients defined by an NAS≥4 (n=202), GFT505 - 120 mg induced a doubling of the number of responders to the main criterion (22.4% vs. 12.7%, p=0.046, RR=1.9).

An evaluation of the various biomarkers confirmed the beneficial biological activity of GFT505 at the 120 mg dose. More specifically, by using the analysis set out in the initial protocol, a statistically significant improvement in the markers associated with hepatic function was found: reductions in ALT, GGT, and ALP and improvement of several NAFLD composite scores (Steatotest, Fibrotest, Fatty Liver Index, and "NAFLD fibrosis score").

Even in addition to standard therapies, GFT505 treatment contributed a supplemental improvement vs. placebo on cardiovascular risk factors commonly encountered in NASH patients:

- Lipid profile: TG, LDL-C, HDL-C;
- Glycemic indexes/insulin resistance in diabetic patients: HbA1c, Fasting Glycaemia, insulinemia;
- Inflammation markers: Haptoglobin, Fibrinogen, CRP.

Collectively, these beneficial effects on cardio-metabolic parameters are very important for the treatment and care of NASH patients in which cardiovascular diseases are the top cause of mortality.

The examination of safety of use after 1 year of treatment showed a very favorable tolerance profile, in line with the intermediate conclusions of the DSMB under study. No cardiac events, no signs of cancer, and no deaths were observed in the groups treated with GFT505. Weight remained stable and no signs of edema were observed. A slight dose-dependent increase in creatinine was observed (<5%; GFT505-120 mg vs. placebo) which is a known, reversible effect of GFT505. The most common side effects encountered in this study were gastro-intestinal in nature and of low intensity.

BIOMARKER PROGRAMS

Use of biomarkers:

Biomarkers are biological measurements for a defined biological condition. These markers are typically proteins or other cellular components that one finds in bodily fluids such as cerebrospinal fluid, blood, or urine, and that are specifically linked to a pathology.

Biomarkers can be detected either by using physical methods or biochemical or molecular methods. They can be used alone or in combination as indicators of a normal or pathological condition, and as controls of a pharmacological response to a therapeutic intervention. The robustness of a biomarker detection test lies in its selectivity and specificity, which is to say its ability to avoid false positives and false negatives.

Since its creation, Genfit has acquired a set of skills that made the discovery and rapid development of new biomarkers possible. It has thus developed strong expertise on a broad range of technologies such as proteomics, peptidomics, purification and quantification of micro-vessels or circulating nucleic acids.

These platforms, which use cutting-edge technologies, combined with access to human samples through close collaboration with many hospitals (through participation in consortia) enabled Genfit to rapidly launch the early stages of clinical approval.

The development of biomarkers plays an important role in diagnostics as well as in the care and treatment of a given disease. Additionally, biomarkers are precious tools for establishing clinical trials and for evaluating the efficacy of drug candidates.

Biomarkers for pre-diabetic diagnosis (BMGFT02 program)

The early treatment of cardio-metabolic patients requires identifying patients before they develop a more serious pathology. Thus, preventing the progressive destruction of insulin secreting cells responsible for the onset of type 2 diabetes involves identifying patients who are actually "pre-diabetic". To date, the definition of pre-diabetes based solely on glycaemia does not help predict the change toward type 2 diabetes and its complications.
Through the IT-Diab consortium, GENFIT and its partners established monitoring over several years for patients at risk of type 2 diabetes and developed a research program on biomarkers to predict patient evolution.

Biomarkers for non-invasive diagnosis of NASH (BMGFT03 program)

Histological examination of hepatic biopsies is still the standard method for NASH diagnosis. However, liver biopsies are invasive and have many limits, such as cost, sample variability, and variability of the histological analysis.

This proprietary program is focused on discovering new circulating biomarkers for NASH. It uses 'omic' approaches, and relies on the availability of high-quality samples and related clinical data from the GOLDEN 505 phase IIb study.

This program has two objectives:
- To find new biomarkers for better NASH diagnosis. This approach will lead to better patient stratification;
- To find new biomarkers for identifying the patients who will respond best to GFT505. This approach will lead to the discovery of a companion biomarker for GFT505.

TGFTX1 PROGRAM

As part of the TGFTX1 program, Genfit has selected RORγt (RORgamma-t), a key nuclear receptor involved in regulating a proinflammatory cytokine, interleukin-17 (IL-17), which represents an approved therapeutic target for the treatment of certain inflammatory and autoimmune diseases.

An exacerbation of the immune response associated with IL-17 is recognized as a key element of autoimmune diseases such as rheumatoid arthritis and psoriasis. Similarly, this involvement of the IL-17 pathway has also been demonstrated in the development of other autoimmune and inflammatory diseases, such as multiple sclerosis, systemic lupus erythematosus (SLE) disease, obstructive respiratory diseases, inflammatory bowel disease (IBD), and several types of fibrotic/hepatic impairment.

RORγt has a key role upstream of the immune process: by inducing the differentiation of Th17 lymphocytes, which results in the production of IL-17, it modulates the subsequent immune responses. Inhibiting RORγt by a drug candidate is therefore a simple and efficacious approach to adjust the exacerbated immune responses caused by IL-17, particularly since this drug candidate can be a small compound and administered orally.

The first TGFTX1 molecules developed by Genfit chemists effectively inhibit RORγt activity. In compliance with the criteria established for drugs, these molecules have already demonstrated beneficial effects in functional assays appropriate for the targeted diseases. In particular, Genfit evaluates its proprietary RORγt inhibitors for their potential as an innovative therapeutic approach in several inflammatory diseases of the liver and intestines.

As part of this program, Genfit has also developed a full range of tools and tests for discovering RORγt inhibitors with a drug profile for autoimmune diseases. Genfit is currently exploring partnership opportunities with pharmaceutical companies that have clinical expertise established in autoimmune diseases, but outside of Genfit priority therapeutic areas of metabolic, gastrointestinal and hepatic diseases.

PROGRAM TGFTX3

As part of the TGFTX3 program, Genfit is developing new proprietary compounds that activate the nuclear receptor Rev-Erbα, a therapeutic target of a new generation for thetreatment of metabolic and inflammatory diseases, including NASH and Type 2 diabetes.

Human physiology is regulated on a circadian rhythm, i.e. approximately 24 hours (from the Latin "circa diem" which means “approximately a day”). This allows the body to adapt to the differences in energy requirements that occur between day and night and regulate other physiological functions according to daily environmental changes. Many physiological mechanisms and behaviors, including metabolism, blood pressure, body temperature and sleep-wake cycles are therefore circadian-regulated.

Repeated stress conditions, such as jet lag, night work and certain chronic diseases, disrupt the molecular mechanisms responsible for circadian alignment between human physiology and the day/night rhythm.

By virtue of its key role at the interface between regulating circadian rhythms and metabolic machinery, the nuclear receptor Rev-Erbα represents an ideal therapeutic target that offers new perspectives for the treatment of diseases such as diabetes and NASH.

Genfit has developed series of proprietary Rev-Erbα agonists and dual Rev-Erbα and Rev-Erbβ agonists. These agonists regulate the expression of the target genes of Rev-Erbα in vitro and in vivo, and are consistent with the criteria established for these drugs. Among the range of potential therapeutic indications which could be targeted by the regulation of Rev-Erbα, Genfit has particularly demonstrated the pharmacological activity of these synthetic ligands of Rev-Erbα, Genfit has particularly demonstrated the pharmacological activity of these synthetic ligands of

Rev-Erbα on the regulation of glucose and lipid metabolism, as well as hepatic protection, by using models of diabetes and NASH, respectively.

Genfit has also developed a full range of tools and drug discovery clinical trials, in order to quickly advance this program toward innovative therapeutic solutions

PROGRAM TGFTX4

Within the TGFTX4 program, Genfit has identified a new family of compounds with significant anti-fibrotic activity in both cell-based tests and in vivo models.

Fibrosis is a complex and adaptive process that results in interactions between multiple signaling pathways. To increase the chances of success of the compounds being selected for clinical trials, Genfit has used, for this program, a functional assay adapted to the targeted pathological process rather than the traditional approach focused on a particular target.

Hepatic fibrosis leads to significant morbidity and mortality in chronic liver diseases of various etiologies, such as viral hepatitis, NASH, alcoholic steatosis, acute liver failure and others. Pathological activation of hepatic stellate cells (HSC), which secrete significant amounts of extracellular matrix, is a recognized characteristic of the fibrotic process. Inhibiting profibrotic mechanisms should therefore be beneficial in the treatment of chronic liver diseases of various origins.

Genfit has identified a series of proprietary molecules which effectively inhibit the proliferation and profibrotic activation of primary human HSC. The antifibrotic properties of these compounds have been confirmed by in vivo evaluation, in recognized models of hepatic fibrosis. At the same time, Genfit has identified several target molecules that are responsible for the antifibrotic effects of the TGFTX4 series. Genfit is currently working on a hit-to-lead optimization program to develop drug candidates for fibrotic liver diseases.

TGFTX5 PROGRAM

In addition to GFT505, for which pre-clinical efficacy was shown in a colitis model as well as in an animal model for chronic intestinal inflammation widely used to identify treatments for Crohn's disease; other proprietary compounds derived from GFT505 were also tested to develop innovative treatments for Chronic Intestinal Diseases.

This work, launched recently in 2014, is at the core of the new TGFTX5 program.

WORK CARRIED OUT IN THE FRAMEWORK OF THE CONSORTIUM IT

This consortium, in which Genfit has maintained a leadership position since July 2008, aims to discover and develop innovative chemical entities and new biomarkers in insulin resistance. IT-Diab aims to identify new therapeutic targets involved in the progression from pre-diabetes to Type 2 diabetes as well as the early biomarkers of this progression, with a focus on pancreatic β-cell dysfunction which is responsible for the progressive onset of this disease. This program is based on large-scale clinical cohort studies:

- The DECODIAB cohort study began recruitment in June 2010. This study aims to evaluate the progression of pre-diabetes to Type 2 diabetes in hyperglycemic patients during five years and should enable new biomarkers of β-cell dysfunction in humans to be identified and validated in a population at risk of developing Type 2 diabetes.
- The REVERSY-ABOS cohort study, which (on the basis of the longitudinal monitoring of 900 patients with morbid obesity and candidates for bariatric surgery) enables Genfit to have phenotypic data and valuable

biological samples for the advancement of its program to discover new therapeutic targets and identify biomarkers of pre-diabetes and the early stages of Type 2 diabetes (BMGFT02 program).

Three technological manufacturing partners (Genoway, Spibio and Roowin) and seven laboratories and academic clinical research groups participate in this consortium with Genfit. These academic partners include units within the Université de Lyon, University of Lille II, as well as the Pasteur Institute of Lille, with which Genfit has historical links. Genfit also has a special partnership with the Joint Research Unit (INSERM, Lille II, Pasteur Institute of Lille) of Professor Bart Staels.

> II – Consolidated statement of financial position

(in € thousands)	Notes	Year ended 31.12.2014	Year ended 31.12.2013
Non-current assets			
Goodwill	3.3.1.	75	75
Intangible assets	3.3.2.	86	55
Property, plant & equipment	3.3.3.	1 333	1 000
Financial assets	3.3.4.	1 060	702
Other assets	3.3.5.	0	220
Deferred tax assets	-	0	0
Total non-current assts		2 553	2 052
Current assets			
Inventories	-	248	167
Tax payable	-	0	0
Trade & others receivables	3.3.6.	435	162
Financial assets	3.3.4.	4 025	10
Other assets	3.3.5.	7 100	5 838
Cash & short-term deposits	3.3.7.	72 005	20 922
Total current assets		83 813	27 099
TOTAL ASSETS		86 366	29 151
Issued capital	3.3.8.	5 989	5 135
Share premium	3.3.8.	115 757	44 315
Equity warrants	3.2.2.6	86	0
Revaluation surplus	-	276	357
Retained earnings	-	-34 640	-23 016
Exchange differences on translation of foreign operations	-	-15	-46
Profit (or loss) for the period	-	-17 025	-12 652
Equity attributable to owners of the Company		70 429	14 093
Non-controlling interests		0	0
Total equity		70 429	14 093
Non-current liabilities			
Provisions	3.3.9.	614	412
Conditional & repayable advances	3.3.10.	3 660	4 131
Financial liabilities	3.3.11.	1 270	1 397
Deferred tax liabilities	-	0	0
Other liabilities	3.3.12.	1	43
Total non-current liabilities		5 546	5 983
Current liabilities			
Provisions	3.3.9.	6	57
Conditional & repayable advances	3.3.10.	780	1 067
Financial liabilities	3.3.11.	907	779
Current tax liabilities	-	0	0
Trade & other payables	-	5 900	5 454
Other liabilities	3.3.12.	2 798	1 718
Total current liabilities		10 391	9 075
TOTAL EQUITIES & LIABILITIES		86 366	29 151

> III – Consolidated statement of comprehensive income

(in € thousands)	Notes	Year ended 31.12.2014	Year ended 31.12.2013	Half-year ended 30.06.2013
Revenue	3.2.1.1.	1 614,4	1 899,3	963,6
Public financing of research expenditure	3.2.1.2.	5 067,3	3 916,3	1 787,6
Other operating income	3.2.1.3.	94,1	151,8	122,1
Total income		6 775,7	5 967,4	2 873,3
Raw materials & consumables used	3.2.2.1.	-1 404,3	-1 292,9	-666,7
Contracted research & development activities conducted by third parties	3.2.2.2.	-9 019,6	-5 161,5	-2 035,7
Employee expenses	3.2.2.3.	-8 314,4	-6 478,8	-4 074,5
Other operating expenses	3.2.2.4.	-4 017,0	-2 932,1	-1 261,3
Depreciation, amortization & impairment charges	3.2.2.5.	-238,4	-519,9	-361,4
Current operating profit		-16 218,0	-10 417,8	-5 526,2
Share-based payment transaction expenses	3.2.2.6.	-1 050,9	0,0	0,0
Gain / (loss) on disposal of property, plant & equipment	3.2.2.7.	10,4	-95,9	-97,2
Operating profit		-17 258,6	-10 513,7	-5 623,4
Finance income	3.2.3.	492,1	262,3	99,6
Finance costs	3.2.3.	-258,6	-82,6	-54,6
Net finance costs		233,5	179,7	45,1
Profit before income tax	-	-17 025,0	-10 334,0	-5 578,3
Tax	3.2.4.1.	-0,4	-2 318,0	-2 318,0
Profit for the period		**-17 025,5**	**-12 652,1**	**-7 896,4**
Other comprehensive income :				
Exchange differences on translation of foreign operations		31,2	-9,5	1,9
Gain on revaluation of properties		0,0	0,0	0,0
Actuarial gains and losses		-102,8	0,0	0,0
Net fair value gain on available-for-sale financial assets		0,0	0,0	0,0
Of which : changes in fair value for the period		0,0	0,0	0,0
Dont : unrealised gains or losses recognised in income for the period		0,0	0,0	0,0
Tax effect from the change in fair value of available-for-sale securities		0,0	0,0	0,0
Other comprehensive income		**-71,6**	**-9,5**	**1,9**
Comprehensive income		**-17 097,1**	**-12 661,5**	**-7 894,4**
Profit for the period				
Attributable to non-controlling interests		0,0	0,0	0,0
Attributable to owners of the Company		**-17 025,5**	**-12 652,1**	**-7 896,4**
Comprehensive income				
Attributable to non-controlling interests		0,0	0,0	0,0
Attributable to owners of the Company		**-17 097,1**	**-12 661,5**	**-7 894,4**
(In € / number of shares)				
Earnings per share				
Weighted average number of ordinary shares for basic earnings per share		22 289 900,6	19 407 980	18 270 980
Basic earnings per share - attributable to owners of the Company	3.2.5.	**-0,76**	**-0,65**	**-0,43**
Weighted average number of ordinary shares adjusted for the effect of dilution		22 289 900,6	19 407 980	18 270 980
Diluted earnings per share - attributable to owners of the Company	3.2.5.	**-0,76**	**-0,65**	**-0,43**

> IV – Statement of Cash Flows

(in € thousands)	Year ended 31.12.2014	Year ended 31.12.2013	Year ended 30.06.2013
+ Profit for the year	-17 025,5	-12 652,1	-7 896,4
+ Non-controlling interets	0,0	0,0	0,0
+ Depreciation charge on intangible assets, property, plant & equipment	292,1	465,5	365,7
+ Movements in provisions & impairment losses	53,0	74,4	26,1
- Gain / (loss) on disposal of property, plant & equipment	-10,4	95,9	97,2
- Share-based payment transaction expenses	1 050,9	0,0	0,0
+ Other non-cash transactions	-42,6	9,8	0,0
Cash flow after cost of net financial debt& tax charge	**-15 682,5**	**-12 006,4**	**-7 407,5**
- Finance costs	94,1	104,4	52,0
- Income tax charge	0,4	2 318,0	2 318,0
Cash flow before changes in working capital, interest expense and income tax	-15 587,9	-9 584,0	-5 037,4
Income tax paid	0,0	1,1	0,0
Decrease (+) / increase (-) in amounts due from customers	-272,7	-54,2	-11,7
Decrease (-) / increase (+) in amounts due to suppliers	445,8	2 528,2	506,9
Decrease (+) / increase (-) in other assets	-1 123,1	-1 105,7	1 531,0
Decrease (-) / increase (+) in others liabilities	1 046,5	-976,5	867,5
Changes in working capital	96,5	391,7	2 893,8
Cash flows from operating activities	**-15 491,4**	**-9 191,2**	**-2 143,6**
- Purchase of property, plant & equipment	-721,0	-239,6	-177,9
+ Proceeds from sale of property, plant & equipment	15,0	8 045,8	8 038,6
Investing activities - operations	-706,0	7 806,2	7 860,7
- Purchase of financial instruments	-4 300,0	-483,2	-233,3
+ Proceeds from sale of financial instruments	0,0	0,0	0,0
- Acquisition of subsidiary, net of cash acquired	0,0	0,0	0,0
Investing activities - finance	-4 300,0	-483,2	-233,3
Cash flows from investing activities	**-5 006,0**	**7 323,0**	**7 627,5**
+ Proceeds from issuance of shares	72 296,4	19 921,2	19 508,7
+ Subscription for share warrants	85,7	0,0	0,0
+ Proceeds from borrowings & government loans	856,5	6 503,6	6 016,9
- Repayments of borrowings & government loans	-1 605,5	-9 798,9	-7 873,2
- Financial interests paid (including finance lease)	-98,4	-133,6	-74,9
Cash flows from financial activities	**71 534,7**	**16 492,3**	**17 577,6**
Net increase / (decrease) in cash & cash equivalents	**51 037,3**	**14 624,1**	**23 061,4**
Cash & cash equivalents at the beginning of the period	**20 921,7**	**6 299,7**	**6 299,7**
Increase / (decrease) of cash & cash equivalents	**51 037,3**	**14 624,1**	**23 061,4**
Financial assets reclassified as short-term deposits	0,0	0,0	0,0
Effects of exchange rate changes on the balance of cash held in foreign currencies	0,0	0,0	0,0
Cash & cash equivalents at the end of the period	**71 958,9**	**20 923,8**	**29 361,1**
Breakdown of cash & cash equivalents :	**0,0**	**0,0**	**0,0**
Short-term deposits	71 479,8	20 750,5	28 815,9
Cash & bank balances	525,0	171,6	538,9
Bank overdrafts	0,0	-0,4	0,0
Cash & cash equivalents at the end of the period	**72 004,8**	**20 921,7**	**29 354,8**

> V – Consolidated statement of changes in equity

(in € thousands)	Issued capital	Share premium	Revaluation surplus	General reserves	Foreign currency translation reserve	Retained earnings	Non-controlling interests	Total equity
Balance at 31.12.2013	**5 135**	**44 315**	**357**	**-23 016**	**-46**	**-12 652**	**0**	**14 093**
Changes for the period								
Other comprehensive income			0	-103	31			-72
Profit for the period						-17 025		-17 025
Other changes								0
Total comprehensive income for the period	**0**	**0**	**0**	**-103**	**31**	**-17 025**		**-17 097**
								0
Profit / loss for the period				-12 652		12 652		0
Issue of share capital	854	71 442						72 296
Mergers and similar		86						86
Share-based payment transactions				1 051				1 051
Payment of dividends								0
Balance at 31.12.2014	**5 989**	**115 843**	**276**	**-34 640**	**-15**	**-17 025**	**0**	**70 429**

> VI – Accounting principles and policies

1.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are presented in thousands of euros (€ k).

1.1.1. Compliance with the IFRS accounting framework

Pursuant to Regulation (EC) No 1606/2002 of the EuropeanParliament and the Council, the 2014 consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union as of December 31, 2014 and applicable for the first time to annual periods beginning on or after January 1, 2005.

1.1.2. Application of standards and interpretations effective as of December 31, 2014

The annual consolidated financial statements were prepared in accordance with IFRS standards and interpretations as adopted by the European Union as of December 31, 2014 and available on the website : http://ec.europa.eu/internal_market/accounting/ias_en.htm#adopted-commission.

The accounting policies are identical to those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2013, except for the following new standards and interpretations adopted by the European Union :

- IFRS 10, Consolidated Financial Statements ;
- IFRS 11, Joint arrangements ;
- IFRS 12, Disclosures of interests in other entities ;
- Transition guidance (amendments to IFRS 10.11.12) ;
- IFRIC 21 Levies ;
- Offsetting Financial Assets and Financials liabilities (amendment to IFRS 32) ;
- Investment entities (amendments to IFRS10, IFRS 12 and IAS 27) ;
- Impairment of Assets-Recoverable Amount Disclosures for Non-Financial Assets (amendment to IAS 36) ;
- Novation of Derivatives and Continuation of Hedge Accounting (amendments to IAS 39) ;
- Defined benefit plans : employee contributions (amendment to IAS19) ;
- Annual improvements to IFRS (2010-2012) ;
- Annual improvements to IFRS (2011-2013).

The new standards and interpretations do not apply to the Group and have had no impact on the Group's financial statements.

The following standards and interpretations adopted by the European Union, which application was not mandatory as of December 31, 2014, were not adopted early by the Group for its annual financial statements as of December 31, 2014 :

- Not applicable

Finally, the Group has not applied standards and interpretations published by the IASB at December 31, 2014, which application was not mandatory and were not in force in the European Union at that date :

- IFRS 9, Financial Instruments ;
- Amendments to IFRS 7 and IFRS 9 Mandatory Effective Date and Transition Disclosures ;
- Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 ;

- IFRS 14 Regulatory Deferralm Accounts ;
- Amendments to IAS 16 and IAS 38 - Clarification of Accountable Methods of Depreciation and Amortisation ;
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations ;
- IFRS 15, Revenue from contracts with customers.
-

1.2 CONSOLIDATION AND RECOGNITION METHODS

In accordance with IFRS 10, Consolidated Financial Statements, the consolidated financial statements include those of the parent, GENFIT, and the companies in which GENFIT exercises exclusive control either directly or indirectly. These companies are fully consolidated according to the full consolidation method.

Adjustments are made to the financial statements of subsidiaries so that the accounting policies applied are consistent across all Group entities. All intra-group transactions, balance sheet balances, income and expenses are eliminated on consolidation.

1.3 REPORTING DATE

The companies are consolidated on the basis of the annual financial statements to December 31.

The 2014 consolidated financial statements were prepared by the Executive Board, which approved them by a resolution dated March 30, 2015.

1.4 ESTIMATES

In preparing the consolidated financial statements, the Group may have to make estimates and use assumptions that affect the reported amounts of assets and liabilities, income and expenses, as well as the information in the notes.

Determined on the basis of known information and estimates at the reporting date, the final results may differ materially from those estimates, depending on assumptions or situations which could prove to be different from those envisaged.

The assumptions mainly concern asset and goodwill impairment tests, employee commitments, research tax credit, income tax expense and the recognition of deferred taxes, as well as provisions for risks and expenses.

1.5 RULES OF PRÉSENTATION

Current and non-current assets and liabilities : current assets and liabilities are those that the Group expects to realize, consume or settle during the normal operating cycle, which may extend beyond the 12 months following the year-end, in addition to all those settled within 12 months of the year-end. All other assets and liabilities are non-current.

1.6 TRANSLATION OF FOREIGN CURRENCY STATEMENTS

Transactions denominated in foreign currency are converted to the functional currency using the exchange rates applicable at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency using the exchange rate at the reporting date are recognized in net finance costs.

Euros / Other currencies parity	Year ended 31.12.2014	Year ended 31.12.2013	Half-year ended 30.06.2013
Exchage rate at period-end	0,82366	0,72511	0,76453
Average exchange rate for the period	0,75394	0,75323	0,76152

1.7 TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are converted to the functional currency using the exchange rates applicable at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency using the exchange rate at the reporting date are recognized in net finance costs.

1.8 BUSINESS COMBINATIONS AND GOODWILL

For acquisitions made prior to January 1, 2010, goodwill represents the excess acquisition cost received over the Group's share in the fair value of the assets, liabilities and contingent liabilities acquired at the date of the business combination. Acquisition-related costs – other than the costs of issuing debt or equity securities – that the Group incurred to effect a business combination are accounted for as part of the acquisition cost.

For acquisitions made after January 1, 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred ; plus
- the amount recognized for any non-controlling interest in the acquire ; plus if the business combination is achieved in stages, the fair value of any previously held equity interest in the acquire ; less
- the fair value of the identifiable assets acquired and the liabilities assumed.

Acquisition-related costs – other than the costs of issuing debt or equity securities – that the Group incurred to effect a business combination are accounted for as expenses in the periods in which the costs are incurred.

Acquisitions of non-controlling interests are accounted for as transactions with the owners and as such no goodwill arises on such transactions. Previously, goodwill was recognized on the acquisition of a non-controlling interest in a subsidiary and represented the excess cost of the additional investment over the carrying amount of the interest in the net assets acquired at the transaction date.

Goodwill is subsequently allocated to cash-generating units (CGUs), that are expected to benefit from the synergies of the combination. In accordance with IFRS 3 (revised) and IAS 36, goodwill is not amortized and is tested for impairment at least once a year.

Finally, if the Group acquires additional interests in a subsidiary that is already controlled, any difference between the acquisition cost of the minority interests and the carrying amount of these in the Group's consolidated financial statements is recognized directly in changes in equity, with no impact on goodwill or profit or loss for the period.

The recoverable amount of a CGU is the higher of its fair value and its value in use, determined using the discounted future cash flow method. When the recoverable amount of the CGU is less than its net carrying amount, an impairment loss is allocated first to the amount of goodwill allocated to the CGU and then to the other assets of the unit.

1.9 RESEARCH AND DEVELOPMENT COSTS

In accordance with IAS 38, Intangible Assets, research costs are systematically recorded as an expense in the period in which they were incurred.

Development costs are recognized as intangible assets if and only if the 6 following criteria are simultaneously met :

- The technical feasibility of completing the intangible asset so that it will be available for use or sale ;
- Its intention to complete the intangible asset and use or sell it ;
- How the intangible asset will generate probable future economic benefits, either through its sale, or through its internal use ;
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development ;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset ;
- Its ability to use or sell the intangible asset.

Given the inherent risks associated with the Group's development programs and the stage of completion of its projects, GENFIT considers, that the criteria set out in IAS 38 are not fully met as of December 31, 2014. Therefore, development costs have been recognized as an expense in the period in which they were incurred.

1.10 INTANGIBLE ASSETS

The assets consist mainly of software and operating licenses acquired by the Group. These are recognized at their initial acquisition cost after deducting any accumulated amortization and impairment losses.

Finite-life intangible assets are amortized on a straight-line basis over their estimated useful life, i.e. :

Software and licenses :	Between 1 and 10 years

1.11 PROPERTY-PLANT-EQUIPMENT

Property, plant and equipment are recognized at cost, excluding routine maintenance costs, less accumulated depreciation and impairment losses. When a component of an asset has a specific useful life separate from the useful life of the asset, it is recognized separately in the balance sheet and depreciated over its useful life. The depreciation method used is the straight-line method, applied over the following expected useful lives :

Scientific equipment	Between 4 et 12 years
Office and IT equipments	4 years
Office furniture	10 years
Vehicles	6 years

Residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate at each year-end.

In 2012, in application of IAS 16, GENFIT decided to remeasure a group of assets in building, improvements to building, plant and equipment categories. This operation constitutes a change in accounting policy.

1.12 FINANCE LEASES AND OPERATING LEASESnd

1.12.1. Finance leases

Pursuant to IAS 17, Leases, leased assets are recognized as assets when the leases transfer substantially to the Group all the risks and rewards incidental to ownership of the assets.

Assets financed using finance leases are recognized as assets at the present value of future payments or at fair value, whichever is lower. The corresponding liability is recognized in financial liabilities. These assets are depreciated based on the methods and useful lives described above.

Outstanding finance leases relate to laboratory equipment.

1.12.2 Operating leases

Leases that do not have the characteristics of finance leases under IAS 17 are recognized as operating leases.

The payments made under these leases are recognized as an expense on a straight-line basis over the term of the lease.

When an operating lease includes rent-free periods or when the rents paid are not equal over the term of the lease, all minimum payments are spread evenly over the lease term.

1.13 IMPAIRMENT OF INTANGIBLE ASSETS, PROPERTY, PLANT-EQUIPMENT AND GOODWILL

Finite-life property, plant and equipment and intangible assets are tested for impairment only when, at the reporting date, events or circumstances indicate that an impairment loss has been incurred.

Goodwill is tested for impairment as part of the CGU to which it was allocated, the CGU being a homogeneous group of assets generating cash flows that are largely independent of the cash flows generated by other assets or groups of assets. Within GENFIT, the goodwill resulting from the acquisition of the company IT.OMICS was allocated to the company, which is also the lowest level at which it is monitored for internal management purposes.

Impairment tests involve comparing the net carrying amount of an asset with its recoverable amount, which is defined as the higher of its fair value less costs to sell or value in use. The recoverable amount of an asset is calculated individually, unless the asset does not generate cash inflows largely independent of those from other assets or groups of assets. In this case, the Group calculates the recoverable amount of the CGU to which the asset tested belongs.

Value in use is the present value of the future cash flows expected to be derived from the asset or group of assets tested. It is determined based on future cash flows generated by the asset over a period of five years and a residual value. These cash flows are normally based on the most recent budgets. Beyond this period, the cash flows are estimated by applying a zero growth rate for subsequent years.

The estimated cash flows are discounted using a long-term market rate before tax that reflects the time value of money and the risks specific to the assets.

When this value is less than the net carrying amount of the CGU, an impairment loss is recognized in profit or loss for the difference: this is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of other assets pro rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

1.14 FINANCIAL ASSETS

1.14.1. Loans and receivables

Loans and receivables are initially recognized at fair value at the transaction date and subsequently at amortized cost. The nominal value usually represents the initial fair value of trade receivables. Where appropriate, a provision is established individually to account for the difference between the carrying amount and the recoverable amount, whichever is less.

1.14.2 Current and non-current financial assets

Investments in dynamic UCITS where the recommended investment horizon is generally more than three months are considered as available-for-sale financial assets. These investments can be liquidated within a period between 0 and 32 days, but without capital protection in case of early redemption. All these investments have capital protection at maturity. Changes in fair value are recognized in equity.

1.14.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments with a maturity of three months or less, i.e. investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value.

Initially recognized at their purchase cost at the transaction date, marketable securities are subsequently measured at fair value. Changes in fair value are recognized in net finance costs.

1.15 INVENTORY

Inventories of supplies consist mainly of laboratory consumables. These are measured at the lower of cost and net realizable value and an allowance for impairment recognized where appropriate.

1.16 INCOME TAX

The income tax expense includes current tax and deferred tax.

Deferred tax is calculated on all temporary differences between the tax base and consolidated accounting base of assets and liabilities, according to the liability method. Deferred tax is measured using the official tax rate at the reporting date that will be in effect when the temporary differences are reversed.

Deferred tax assets and liabilities are offset within the same taxable entity. Deferred tax assets corresponding to temporary differences and tax losses carried forward are recognized when it is probable that future taxable profits will exist against which they can be utilized.

Deferred tax assets and liabilities are classified as non-current assets and liabilities in the balance sheet.

Since the statutory value-added contribution for businesses (CVAE) is calculated based on taxable profit (value added), i.e. a net amount of income and expenses, as well as the profit or loss for a period, GENFIT considers this tax to be identical to a tax on earnings. This contribution is therefore recognized under “Income tax expense”.

No CVAE liability was recorded for fiscal year 2014.

The employer's flat-rate contribution (CFE) is reported in operating expenses.

1.17 RESEARCH TAX CREDIT

In principle, the State grants, in the form of tax relief over three years and, if appropriate, a rebate at the end of the three years for the balance, a "tax credit for research expenses" corresponding to a share of the research and development costs incurred by the Group.

Due to the economic climate, the tax credit for research expenses for 2008, 2009 and 2010 were repayable immediately for all businesses. Since 2011, the State maintained this immediate repayment mechanism for SMEs.

The tax credit for research expenses is recognized in income under the heading "public financing of research expenditure.

1.18 CAPITAL INCREASE COSTS

Following the private placements made by GENFIT in 2006, 2010, 2011, 2012, 2013 and 2014, the issuance costs related to the capital increases were recognized as a deduction from the share premium.

These costs represent external costs directly attributable to the transactions, including the fees of legal advisors and investment banks, marketing costs and the costs of legal formalities.

1.19 PROVISIONS

Provisions are recognized when there is a present obligation (legal, regulatory, contractual or constructive) as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation, and of which the amount can be reliably estimated. The amount recognized is the best estimate of the resource that will be required to settle the obligation.

Provisions are discounted when the time value effect is material.

1.20 EMPLOYEE BENEFITS

1.20.1. Retirement commitments

The Group's pension schemes and other post-employment benefits consist of defined contribution plans and defined benefit plans.

Defined benefit plans concern French retirement benefit plans under which the Group is committed to guaranteeing a specific amount or level of contractually defined benefits. The obligation arising from these plans is funded and measured on an actuarial basis using the projected unit credit method. According to this method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation.
The amount of future payments is determined on the basis of demographic and financial assumptions such as mortality, staff turnover, pay increases and age at retirement, and then discounted to their present value based on a discount rate determined with reference to the yields on high-quality long-dated bonds.

The present value of the obligation is measured each year.

Under the French Social Security Budget Act for 2009, since January 1, 2010, employers have no longer been able to force their employees to retire unless they have accrued the requisite number of quarterly periods. In this case, only voluntary retirement by the employee is eligible for the funding of retirement benefits.

Under defined contribution plans, the management of plans is performed by an external organization, to which the Group pays regular contributions. Payments made by the Group in respect of these plans are recognized as an expense for the period.

1.20.2. Statutory individual training entitlement (DIF)

The individual training entitlement means that all employees are allowed to receive 20 hours of training per year. Any rights accrued during the year and not used may be carried over to the following year for a maximum of six years. Employees continue to receive the same pay for the hours they spend on training during working hours. If training takes place outside working hours, the employee receives a training allowance from the employer equivalent to 50% of the employee's net salary.

A provision is recognized in the consolidated financial statements for the rights accrued by employees and not used as of December 31, 2014, including payroll taxes. Since it is for employees to take the initiative in exercising their individual training entitlement, the measurement of the rights accrued is weighted by the probability of a training request being made, measured by the Group on a three-year historical basis.

1.21 GRANTS

The Group receives various kinds of subsidies :

- Equipment grants are intended to finance the purchase of capital assets. They are recognized in the balance sheet as deferred income and taken to profit or loss at the rate of depreciation of the asset financed by the grant.
- Conditional advances, which are interest-free, are intended to finance research programs. They are refundable if the project is successful. These advances are recognized at their nominal value and if appropriate, taken to profit or loss if the project is likely to be unsuccessful.
- Operating subsidies are recognized in the balance sheet as deferred income and taken to profit or loss as and when costs are incurred on research programs. A provision for risks is recognized when the contractual objectives cannot be achieved. This corresponds to the amount liable to be repaid to the lender.

The amendment to IAS 20 made by the Annual Improvements to IFRS issued in May 2008 and applicable to periods beginning on or after January 1, 2009 has no significant impact on the Group.

1.22 FINANCIAL LIABILITIES

1.22.1 Financial debt

Borrowings are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest rate method.

1.22.2 Net cash position

The definition of net cash adopted by the Group comprises current and non-current financial assets (if they meet the financing or cash definition), marketable securities, short-term deposits, cash and bank balances and security

deposits, which are reduced by financial debt (consisting of loans, lease finance, accrued interest and other financial liabilities) as well as public funding.

1.22.3 Trade payables

Trade payables are classified as current financial liabilities. They are measured on initial recognition at the fair value of the consideration to be given. This value is usually the nominal value, due to the relatively short period of time between the recognition of the instrument and its repayment.

1.23 FINANCIAL INSTRUMENTS

The Group is not affected by any of the provisions of IAS 32 and IAS 39 on *Hedge accounting.*

1.23.1 Foreign exchange risk

Almost all of the company's revenue is in euros. Considering the low exposure to foreign exchange risk, the Group has no forward foreign exchange contracts or options as of December 31, 2014.

1.23.2. Interest rate risk

Interest rate risk is negligible since financial debt is either based on CODEVI interest rates, the sustainable development savings account rate or the five-year constant maturity yield on government bonds, or is fixed rate.

The exposure of short-term cash flow to interest rate risk is relative, because most of these assets consist of euro money market funds (SICAV) or certificates of deposit with progressive rates.

1.23.3. Liquidity risk

As of December 31, 2014, the company's liquidity risk exposure was low, since its current assets exceeded its current liabilities.

1.24 REVENUE

The Group's revenue mainly derives from research collaboration contracts with pharmaceutical groups. These generally have a term of between one and three years. The terms of this type of contract include several elements:

- "research fees", which correspond to fixed research funding payments, which depend on the resources allocated to the scientific program concerned and which are generally calculated based on the number of FTE (full-time equivalents) allocated multiplied by an annual charging rate (these are initially recognized in deferred revenue and amortized over the estimated term or contractual duration of the research program concerned) ;
- "milestones", which are bonus payments for reaching the scientific milestones contractually agreed with each partner. Generally, these milestones are billable on identification of the target, development of the screening tool and transition to the clinical phase, as well as on filing the application for marketing authorization. These are recognized as revenue once the objectives contractually agreed with the industry partner have been achieved ;

and, to a lesser extent for now :

- "up-front payments" for certain contracts where, prior to these being signed, research work had already been carried out and patents filed by the Group. These up-front payments entitle the manufacturer to gain access to the scientific results previously obtained and the intellectual property rights attached to the project. They are immediately recognized as revenue at the effective date of the contract;
- royalties from sales of the medicines derived from the research carried out in collaboration with the Group. The Group has not charged for any royalties to date.

1.25 EARNING PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributable to the Group by the weighted average number of shares outstanding in the period.

Earnings per share after dilution are based on the weighted average number of shares before dilution, plus the number of shares resulting from the exercise of existing share options or any other dilutive instrument. The funds received from exercising options, plus the liability still to be recognized under share option plans, are presumed to be allocated, in this calculation, to the repurchase of GENFIT shares at a price equal to the average share price for the period.

1.26 STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method, which shows the adjustments made to profit in order to obtain cash flow. Opening and closing cash positions comprise cash, cash equivalents and bank overdrafts.

1.27 OPERATING SEGMENTS

IFRS 8, *Operating Segments*, has not been adopted, since only one operating segment has been identified by the Group.

As at December 31, 2013, the Group is currently focused on a single activity, the research and development of innovative medicines, the marketing of which depends on the success of the clinical development phase.

The research is conducted in different therapeutic areas using a range of tools and technological platforms. There is no material difference in the risks and costs of the various research programs.

The Group has not identified a particular geographical sector, since GENFIT CORP currently only provides commercial presence.

> VII – Notes to the consolidated financial statements

1.1. CONSOLIDATION SCOPE

Companies included in the consolidation scope :

Consolidation scope	Country	Consolidation method	% of control	% of interest	
At 31 December 2014					
SA Genfit	France		PARENT		
Genfit Corp.	USA	AM (*)	100,00%	100,00%	(*) Acquisition method
Genfit Pharmaceuticals	France	AM (*)	100,00%	100,00%	(*) Acquisition method

Companies		Address	Identification number
SA Genfit	Parent company	Parc Eurasanté - 885, avenue Eugène Avinée - 59120 Loos	42434190700022
Genfit Corp.		245 First Street - 18th floor - Office 1806 - Cambridge, Massachussets 02042	06-1702052
Genfit Pharmaceuticals		Parc Eurasanté - 885, avenue Eugène Avinée - 59120 Loos	53870766200010

GENFIT CORP

GENFIT CORP is GENFIT's subsidiary acting as a representative in the USA. The company was incorporated in July 2003 and is located in Cambridge, Massachusetts.

GENFIT CORP has been assigned the following objectives :

- To seek to develop new industrial partnerships with companies in the pharmaceutical and biotechnology industries ;
- To build relationships with investors and local financial institutions (investment banks, analysts...) ;
- To put in place a network of academic partnerships in GENFIT's areas of excellence ;
- To monitor the clinical regulatory aspects of relations with the FDA to ensure that account is taken of US requirements.

GENFIT and GENFIT CORP have entered into an annual service contract which came into force in July 2003. The amendment that came into force on January 1, 2014 provides for annual remuneration of $144 thousands to cover the US subsidiary's operating costs.

GENFIT PHARMACEUTICALS SAS

GENFIT PHARMACEUTICALS SAS, which is wholly-owned by GENFIT and was incorporated on December 14, 2011 to take advantage of any new financing opportunities, does not trade.

1.2. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1.2.1. Revenue

Revenue generated in respect of the 2014 fiscal year totaled € 6,775.7 compared with € 5,967.4 in respect of 2013.

Industrial revenue

Industrial revenue totaled €1,614.4 compared with €1,899.3 in 2013.

The decrease in revenue in 2014 is due to the extension of the contract negociation phase with Sanofi and, therefore, its late start.

Public financing of research expenditure

This heading comprises both research tax credit expenses arising in respect of the fiscal year and reversals of government grants made on the basis of the stage of completion of the research programs financed.

Government grants and tax credits for research expenses are an integral part of the Company's revenue.

Public financing of research expenditure (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Government grants	94,1	420,2
Tax credit for research expenses	4 973,2	3 496,1
Tax credit on business tax ("taxe professionnelle")	0,0	0,0
Effects of undiscounting tax credit for research expenses	0,0	0,0
TOTAL	**5 067,3**	**3 916,3**

In the second half of 2014, GENFIT received a payment of € 3,496.1 in respect of its research tax credit receivable for 2013.

The situation is the same as regards the receivable in respect of 2014, for which payment will be received in 2015. Details are provided in section 1.4.1 - "Litigations & contingent liabilities".

Details of ongoing grants are provided in section 1.3.12 - "Other current & non-current liabilities".

Other operating income

Other operating income (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Limitation of the repayment of a public financing	0,0	0,0
Termination compensations	0,0	0,0
Other operating income	94,1	151,8
TOTAL	**94,1**	**151,8**

In respect of 2014, the Group recognized in other income an amount of 94,0 relating to the Tax credit for encouraging competitiveness and jobs employment (Crédit d'impôt pour la compétitivité et l'emploi – CICE).

1.2.2 Operating expenses

1.2.2.1. Raw materials and consumable used

This heading comprises, among other things, consumables and small laboratory equipment totaling € 1,404.3k.

1.2.2.2. Contracted research and development activities conducted by third parties

This heading includes all services subcontracted to research partners for regulatory reasons, i.e. production of active ingredients and therapeutic units, as well as pharmacokinetics studies. This heading is primarily constituted of costs related to clinical (coordination of clinical trials, hospital services...) and pre-clinical trials (tolerability and interaction studies) that are necessary to the development of the Group's drug candidates and biomarker candidates.

Costs included under this heading totaled 9,019.6 in 2014 compared with 5,161.5 in 2013. The increase was due mainly to the financial cost of the phase II trials associated with the GFT505 program.

1.2.2.3 Employee expenses

Breakdown of employee costs

Employee costs (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Wages and salaries	-5 774,5	-4 489,2
Social security costs	-2 562,3	-1 933,1
Pension costs	19,6	-56,1
Individual training entitlement	2,8	-0,5
Employee profit sharing	0,0	0,0
Share-based payment transaction expenses	0,0	0,0
TOTAL	**-8 314,4**	**-6 478,8**

The Group's employment costs increased by 28,3% between 2013 and 2014.

This increase in the wage bill was due in particular to the strengthening of the clinical development team and the impact of the bonuses awarded to employees to compensate them for their involvement in the development of the Group and, more particularly and especially for the fund-raising initiatives conducted in the course of the fiscal year.

Social security costs relating to the defined contribution schemes totaled € 399.5k in 2014 and € 367.1 in 2013.

Number of employees at year-end

Number of employees at year-end	31.12.2014 12 months	31.12.2013 12 months
Research & development	55	55
Services related to science	9	8
Administration & management	17	15
TOTAL	**81**	**78**

Effectifs	31.12.2014 12 mois	31.12.2013 12 mois
Cadre	53	50
Non cadre	27	26
Autres statuts	1	2
TOTAL	**81**	**78**

Average number of employees

The average number of employees in 2014 was 81.0 compared with 75.0 in 2013.

1.2.2.4. Other operating expenses

Other operating expenses (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Repairs & maintenance of equipment	-144,1	-192,5
Repairs & maintenance of premises	-1 147,6	-924,7
Intellectual property fees	-535,5	-486,5
Fees (legal, accounting, communication, scientific, business dev...)	-954,6	-590,5
Travel expenses	-337,5	-222,5
Taxes (other than income tax)	-330,7	-209,0
Other expenses (insurance, mail-phone-web, bank fees...)	-567,1	-306,4
TOTAL	**-4 017,0**	**-2 932,1**

The Group continued to implement the strict cost-control policy in 2014.

Repairs and maintenance of premises included in the 2014 financial statements comprises real estate rental costs for a full year. Indeed, GENFIT ceased to own the real estate and began to lease it on March 22, 2013.

Intellectual property fees corresponded to the filing and maintenance fees in respect of the Group's patents. The significant increase in these fees in 2014 is particularly due to the translation of patents for which the Group received a European validation or an entry into the National Phase.
Fees included legal, audit and accounting fees, the fees paid to the company responsible for press relations and communication, the costs of external employees seconded to the Company (security), as well as the fees of certain scientific advisers. The increase in these fees, as well as that of « Other operating expenses » corresponded in particular to transfer costs of GENFIT's shares listed on the Alternext market into the regulated market of Euronext Paris which occurred in April 2014.

1.2.2.5. Depreciation, amortization and impairment charges

Depreciation, amortization & impairment charges (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Depreciation charge - buildings & fittings	0,0	0,0
Depreciation charge - equipments	-300,9	-474,5
Provision - current assets	-4,2	-0,9
Provision - financial assets	0,0	-9,8
Provision - risks & expenses	0,0	-48,0
Impairments losses	0,0	0,0
Provision reversal - current assets	0,0	4,3
Provision reversal - financial assets	9,8	0,0
Provision reversal - risks & expenses	48,0	0,0
Reversal of the balance of investment grants	8,8	9,0
TOTAL	**-238,4**	**-519,9**

The detail of provisions for risks and charges is indicated in section 1.3.9 - "Current & non-current provisions".

The provision for risks and expenses recognized in 2013 was related to the penalty for the late repayment of a repayable advance: the Company has asked to be exempted from this fine, what was accepted in 2014..

No impairment charge was recognized in respect of 2014 and 2013.

1.2.2.6. Share-based payments

The main characteristics related to equity warrants allotted in 2014 and the assumptions retained by the expert commissioned to estimate their fair value by applying the Black and Sholes model are the following :

Share-based payments Equity warrants	BSA 2014-A	BSA 2014-B
Date of the Shareholder's meeting	02/04/2014	02/04/2014
Date of the Executive board meeting	24/07/2014	24/07/2014
Subscription period	Du 01/08/2014 Au 15/09/2014	Du 02/01/2015 Au 15/02/2015
Total number of warrants - subscribed	46 765	0
Of which : total number of warrants - subscribed by the executive officers (1)	23 385	0
Of which : total number of warrants - subscribed by consultants	23 380	0
Total number of warrants - allocated	-	46 765
Of which : total number of warrants - allocated to the executive officers (1)	-	23 385
Of which : total number of warrants - allocated to consultants	-	23 380
Start date for exercise	01/11/2014	01/03/2015
Term of exercise	30/09/2018	28/02/2019
Issue price	0,01 €	0,01 €
Exercise price (2)	23,50 €	23,50 €
Price of the underlying share	31,74 €	31,74 €
Dividend yield	0%	0%
Volatility	73%	73%
Risk-free interest rate	0,52%	0,52%
Expected life of warrant	4 ans	4 ans
Estimated fair value	13,02 €	13,02 €
Conditions for the exercise		

(1) : Independant members of the Supervisory board.
(2) : Exercise price of the BSA 2014 is equal to the average, weighted by the volumes, of the closing prices of the share over five consecutive trading days from July, 07 2014 to July, 11 2014, decreased by a discount of 5%.

The charge recognized in 2014 amounted to € 1,051k, which corresponds to the valuation of equity warrants 2014-A for the period from July 24, 2014 to November 1st, 2014 and to the valuation of equity warrants 2014-B for the period from July 24, 2014 to December 31, 2014.

Share-based payments Redeemable subscription or purchase equity warrants	BSAAR 2014-A	BSAAR 2014-B	BSAAR 2014-C
Date of the Shareholder's meeting	02/04/2014	02/04/2014	02/04/2014
Date of the Executive board meeting	15/09/2014	15/09/2014	15/09/2014
Subscription period	Du 19/09/2014 Au 15/10/2014	Du 07/05/2015 Au 29/05/2015	Du 06/07/2015 Au 31/07/2015
Total number of warrants - subscribed	15 200	0	0
Of which : total number of warrants - subscribed by the executive officers (1)	5 901	0	0
Of which : total number of warrants - subscribed by consultants	9 299	0	0
Total number of warrants - allocated	-	35 959	35 959
Of which : total number of warrants - allocated to the executive officers (1)	-	18 711	18 711
Of which : total number of warrants - allocated to consultants	-	17 248	17 248
Start date for exercise	15/09/2015	15/09/2015	15/09/2015
Term of exercise	15/09/2018	04/05/2019	01/07/2019
Issue price	5,61 €	5,61 €	5,61 €
Exercise price (2)	23,50 €	23,50 €	23,50 €
Price of the underlying share	31,74 €	31,74 €	31,74 €
Dividend yield	0%	0%	0%
Volatility	73%	73%	73%
Risk-free interest rate	0,52%	0,52%	0,52%
Expected life of warrant	4 years	4 years	4 years
Estimated fair value	5,61 €	5,61 €	5,61 €
Conditions for the exercise	Clause de forçage - Exerçables par tranches		

(1) : Independant members of the Supervisory board.
(2) : Exercise price of the BSAAR 2014 is equal to the average, weighted by the volumes, of the closing prices of the share over five consecutive trading days from August, 13 2014 to August, 19 2014, decreased by a discount of 13,6%.

The fair value is estimated as equal to the issue price ; no charge has therefore to be noticed.

1.2.2.7. Gain or loss of disposal of property, plant and equipment

In 2013, the disposal of the Company's real estate resulted in the following expenses:

- € 95.9k, recognized in the consolidated statement of comprehensive income on the "Gain (loss) on disposal of property, plant and equipment" line
- € 2,318.0k, recognized in the consolidated statement of comprehensive income on the "Income tax expense" line; this expense cancels the income of the same amount recognized in the year ended December 31, 2012 (see section 1.2.4.1 - "Breakdown of the tax charge").

1.2.2.8 Research and development costs

Currently, the costs of developing and protecting intellectual property are expensed in the year in which they are incurred, since not all the criteria required by IAS 38 for their capitalization are met.

The following table provides a breakdown of these costs by nature :

Research & development costs (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Raw material & consumables used	-1 358,7	-1 262,8
Contracted research & development activities conducted by third parties	-9 019,6	-5 161,5
Intellectual property fees	-535,5	-486,5
Personnel costs	-4 738,4	-4 118,1
Other operating expenses	-776,4	-623,0
Depreciation, amortization & impairment charges	-257,2	-576,9
TOTAL	**-16 685,8**	**-12 228,9**

1.2.3. Finance income and costs

Finance income

Finance income (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Finance income (on short-term investments & term deposits)	422,5	169,2
Net finance income	**422,5**	**169,2**
Net foreign exchange gains	9,0	15,2
Other finance income	60,6	77,8
Other finance income	**69,6**	**93,1**
TOTAL	**492,1**	**262,3**

Finance costs

Finance costs (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Interest expenses on bank borrowings	-92,4	-100,3
Interest expenses on financial leases	-1,3	-2,8
Net finance costs	**-93,7**	**-103,1**
Net foreign exchange losses	-45,2	-5,0
Other finance costs	-119,7	25,5
Other finance costs	**-164,9**	**20,5**
TOTAL	**-258,6**	**-82,6**

1.2.4. Tax

1.2.4.1 Breakdown of the tax charge

Tax charge (in € thousands)	31.12.2014 12 months	31.12.2013 12 months	31.12.2012 12 months
Current tax	-0,3	-0,3	0,1
Deferred tax	-0,1	-2 317,7	2 317,8
TOTAL	**-0,4**	**-2 318,0**	**2 317,9**

The deferred tax amounts recognized on the 2012 statement of financial position corresponded to temporary differences related to the real estate transaction (see section 1.3.3 - "Property, plant & equipment") and, to a lesser extent, to the need to cover the deferred tax liabilities in respect of the consolidation adjustments. Since the real estate was sold in 2013, the temporary differences recognized have been written back in full to profit or loss.

1.2.4.2. Analysis of deferred tax by nature

Breakdown of deferred tax assets & liabilities (in € thousands)	Year ended 31.12.2013	Impact on equity	Impact on the profit/loss	Year ended 31.12.2014
Temporary differences	53,4	0,0	-81,2	-0,5
Construction lease rents	0,0	0,0	0,0	0,0
Finance leases	-57,1	0,0	16,1	-41,0
Discounting of receivables	0,0	0,0	0,0	0,0
Intangible assets / Property, plant & equipment	3,6	0,0	-8,1	-4,5
Operating grants	0,0	0,0	0,0	0,0
Taxation of unrealized gains on short-term deposits and liquidity contracts	-0,1	0,0	-13,7	-13,8
Post-employment benefit & individual training entitlement	138,3	34,3	32,3	204,8
Tax losses carryforwards	0,0	0,0	27,3	0,0
Others	-138,0	0,0	-6,9	-144,9
TOTAL	**0,1**	**34,3**	**-34,4**	**0,0**
Dont : Deferred tax liabilities	0,0	0,0	0,0	0,0
Dont : Deferred tax assets	0,1	34,3	-34,4	0,0
Deferred tax assets (+) & liabilities (-)	**0,1**	**34,3**	**-34,4**	**0,0**

The change in the temporary differences was due mainly to the tax adjustment made to government grants, on the basis of a starting amount of € 420.2k.

1.2.4.3. Losses available for offsetting against future taxable income

Losses available for offsetting against future taxable income (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Genfit S.A. - 2006	-1 944,4	-1 944,4
Genfit S.A. - 2006 - Tup It-omics	-389,4	-389,4
Genfit S.A. - 2007	-8 184,9	-8 184,9
Genfit S.A. - 2008	-4 765,9	-4 765,9
Genfit S.A. - 2009	-10 672,6	-10 672,6
Genfit S.A. - 2010	-11 602,1	-11 602,1
Genfit S.A. - 2011	-10 593,4	-10 593,4
Genfit S.A. - 2012	-6 851,4	-6 851,4
Genfit S.A. - 2013	-15 493,4	-15 493,4
Genfit S.A. - 2014 - First half-year	-24 677,1	0,0
TOTAL	**-95 174,7**	**-70 497,6**
Recognised	**0,0**	**0,0**
Unrecognised	**-95 174,7**	**-70 497,6**

1.2.4.4. Effective tax rate

The following table provides a breakdown of the difference between the current tax rate in France and the effective tax rate :

Effective tax rate (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Profit for the period	-17 025,5	-12 652,1
Income tax expenses	-0,4	-2 318,0
Profit before tax	**-17 025,0**	**-10 334,0**
French tax rate	33,33%	33,33%
Income tax expense calculated at the French tax rate	**5 674,4**	**3 444,3**
Tax credit for research expenses, exempt from taxation	1 657,7	1 165,4
Tax credit for competitivity and employment, exempt from taxation	31,3	18,2
Other non deductible expenses / non-taxable income	-357,3	-6,5
Utilisation of previously unrecognised tax losses	10,0	0,0
Recognition of pre-period tax loss carryforwards (It-omics)	0,0	0,0
Limitation of deferred tax assets	61,6	0,0
Tax losses for the period, unrecognised as deferred tax assets	-8 225,7	-5 164,5
Reversal of previously recognized deferred tax assets	0,0	-2 317,7
Effect of different tax rates of subsidiaries operating in other jurisdictions	0,0	0,0
Others	1 147,2	542,7
Income tax expense recognised in profit or loss	**-0,7**	**-2 318,1**
Effective income rate	0,00%	22,43%

1.2.5. Earnings per share

In 2014, GENFIT carried out several capital increases through the issue of a total of 3,415,850 new shares (described in more detail in section 1.3.8 - "Capital"). As a result of these successive capital increases, the number of shares was increased to 23,957,671 as of December 31, 2014. The weighted average number of shares was 22,289,901 corresponding to the average of the shares outstanding during the period.

Earnings per share	31.12.2014 12 months	31.12.2013 12 months
Profit for the period - attributable to owners of the Company (in € thousands)	**-17 025,5**	**-12 652,1**
Weighted average number of ordinary shares for the period	22 289 901	19 407 980
Profit for the period - attributable to owners of the Company per share (in €)	**-0,76**	**-0,65**
Weighted average number of ordinary shares used in the above calculation	22 289 901	19 407 980
Effect of dilution arising from share options	0	0
Weighted average number of ordinary shares adjusted for the effect of dilution	22 289 901	19 407 980
Diluted profit for the period - attributable to owners of the Company per share (in €)	**-0,76**	**-0,65**

Diluted earnings per share and earnings per share were the same.

1.3. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1.3.1. Goodwill

Goodwill (in € thousands)	31.12.2014	31.12.2013
Cost	364,9	364,9
Impairment	-290,0	-290,0
Balance	74,9	74,9
Additional amounts recognised	0,0	0,0
Impairments	0,0	0,0

Goodwill relates solely to the long-standing subsidiary IT.OMICS (dissolved by a transfer of all its assets and liabilities to GENFIT in 2006), which is classified as a Cash Generating Unit.

An impairment test carried out some years ago identified the need to recognize impairment totalling € 290.0k. Since then, no further impairment has been identified.

1.3.2. Intangible assets

Intangible assets comprise office and administrative software as well as scientific software purchased by the Group.

Gross amounts

Intangible assets - Gross amounts (in € thousands)	31.12.2013	Additions	Disposals	Effect of foreign currency exchang	In progress - reclassified	31.12.2014
Original costs	0,0	0,0	0,0	0,0	0,0	0,0
Softwares	992,6	68,3	15,0	0,0	0,0	1 046,0
Patents	29,4	0,0	0,0	0,0	0,0	29,4
In progress	0,0	0,0	0,0	0,0	0,0	0,0
TOTAL	**1 022,0**	**68,3**	**15,0**	**0,0**	**0,0**	**1 075,3**

Accumulated depreciation and impairment

Intangible assets - Accumulated depreciation & impairment (in € thousands)	31.12.2013	Amortisation expense	Disposals	Effect of foreign currency exchang	In progress - reclassified	31.12.2014
Original costs	0,0	0,0	0,0	0,0	0,0	0,0
Softwares	937,1	37,9	15,0	0,0	0,0	960,0
Patents	29,4	0,0	0,0	0,0	0,0	29,4
In progress	0,0	0,0	0,0	0,0	0,0	0,0
TOTAL	**966,5**	**37,9**	**15,0**	**0,0**	**0,0**	**989,4**

Net amounts

Intangible assets - Net amounts (in € thousands)	31.12.2014
Original costs	0,0
Softwares	86,0
Patents	0,0
In progress	0,0
TOTAL	**86,0**

1.3.3. Property, plant & equipment

Gross amounts

Property, plant & equipment - Gross amounts (in € thousands)	31.12.2013	Additions	Disposals	Effect of foreign currency exchang	Revaluation surplus	In progress - reclassified	31.12.2014
Buildings	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Fittings	4 471,0	333,3	15,0	0,0	0,0	0,0	4 789,3
Scientific equipment	832,0	13,0	0,0	0,0	0,0	0,0	845,0
Vehicles	17,9	100,9	57,1	0,0	0,0	0,0	61,7
Computer equipment	736,9	78,2	43,1	0,0	0,0	9,0	781,0
Furniture	283,4	15,0	0,0	0,0	0,0	0,0	298,4
In progress	9,0	112,2	0,0	0,0	0,0	-9,0	112,2
TOTAL	**6 350,2**	**652,6**	**115,2**	**0,0**	**0,0**	**0,0**	**6 887,7**

Accumulated depreciation and impairment

Property, plant & equipment - Accumulated depreciation & impairment (in € thousands)	31.12.2013	Amortisation expense	Disposals	Effect of foreign currency exchang	Revaluation surplus	In progress - reclassified	31.12.2014
Buildings	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Fittings	3 940,3	175,7	14,5	0,0	0,0	0,0	4 101,5
Scientific equipment	529,0	29,4	0,0	0,0	0,0	0,0	558,4
Vehicles	9,4	3,3	0,1	0,0	0,0	0,0	12,6
Computer equipment	628,7	49,3	43,1	0,0	0,0	0,0	634,8
Furniture	253,4	5,3	0,0	0,0	0,0	0,0	258,7
In progress	0,0	0,0	0,0	0,0	0,0	0,0	0,0
TOTAL	**5 360,8**	**263,0**	**57,8**	**0,0**	**0,0**	**0,0**	**5 566,1**

Net amounts

Property, plant & equipment - Net amounts (in € thousands)	31.12.2014
Buildings	0,0
Fittings	687,8
Scientific equipment	286,6
Vehicles	49,0
Computer equipment	146,1
Furniture	39,7
In progress	112,2
TOTAL	**1 321,6**

1.3.4. Current & non-current financial assets

Current & non-current financial assets	31.12.2014		31.12.2013	
(in € thousands)	Non-current	Current	Non-current	Current
Cash equivalents	300,0	4 000,0	0,0	0,0
Loans	136,8	0,0	113,6	0,0
Guarantee withholding	115,0	17,2	115,0	9,3
Deposits & guarantees	225,0	8,3	232,9	0,4
Liquidity contract	282,8	0,0	240,2	0,0
TOTAL	**1 059,6**	**4 025,5**	**701,6**	**9,6**

On June 15, 2010, BPI France granted the Group a € 2,300.00k loan repayable in seven years (see section 1.3.11 - "Financial liabilities"). A € 115.0k guarantee withholding was made in respect of the loaned funds. The receivable and interest thereon will be repaid to GENFIT at the end of the agreement.

When the lease on the real estate was signed in March 2013, a € 225k guarantee withholding was paid.

The balance of the liquidity contract administered by an investment services provider was € 282.8k as of December 31, 2014.

1.3.5. Other current & non-current assets

Other current & non-current assets (in € thousands)	31.12.2014		31.12.2013	
	Non-current	Current	Non-current	Current
Tax credit for research expenses	0,0	4 973,2	0,0	3 496,1
Receivables - Social security costs	0,0	2,1	0,0	2,0
Receivables - VAT	0,0	798,2	0,0	583,4
Receivables - Grants	0,0	394,7	0,0	644,7
Other receivables	0,0	99,4	0,0	62,4
Issued capital, called but not paid	0,0	0,0	0,0	0,0
Prepaid expenses	0,0	832,8	220,0	1 049,5
TOTAL	**0,0**	**7 100,4**	**220,0**	**5 838,0**

Research Tax Credit

In July 2014, GENFIT received full payment of its receivable in respect of 2013.

As regards the 2014 tax credit for research expenses, the government is continuing its policy of immediate reimbursement in the case of SMEs (as defined by EU law).

Receivables – grants

€ 394.7k of the total amount receivable related to the IT-Diab program. This amount will be received in installments until 2015.

1.3.6. Trade receivables

No provision for doubtful debts has been recognized.

The aged analysis of overdue payments does not indicate a particular exposure to customer credit risk :

Trade receivables (in € thousands)	31.12.2014	31.12.2013
Trade receivables - Neither past due nor paid	426,3	125,4
Trade receivables - Past due < 30 days	8,2	26,9
Trade receivables - Past due from 30 to 90 days	0,0	9,6
Trade receivables - Past due from 91 days to 180 days	0,0	0,0
Trade receivables - Past due from 181 days to 360 days	0,0	0,0
Trade receivables - Past due > 360 days	0,0	0,0
TOTAL	**434,5**	**161,8**

1.3.7. Cash and cash equivalents

The main components of cash equivalents were short-term deposits, investments in French mutual funds (*fonds commun de placement – FCP*), negotiable medium-term notes and investments in French money-market funds (SICAV). These investments are short-term, highly liquid and subject to negligible risk of changes in value.

The following table provides a breakdown of security and short-term deposits :

Cash & cash equivalents (in € thousands)	31.12.2014	31.12.2013
Short-term deposits	71 479,8	20 750,5
Cash & bank balances	525,0	171,6
TOTAL	**72 004,8**	**20 922,1**

1.3.8. Capital

GENFIT's shares were admitted for listing on the Euronext Paris Alternext market on December 19, 2006 under ISIN code FR0004163111. They are not listed on any other market.

As of December 31, 2014, the share price was € 37.68, representing a market capitalization of € 902.7 million compared with € 183.2 million as of December 31, 2013.

As of December 31, 2014, GENFIT's share capital totaled € 5,989,417.8. It was divided into 23,957,671 shares with a par value of € 0.25, fully subscribed and fully paid-up.

Shares held for more than two years entitle their holders to double voting rights. 4,768,208 shares, i.e. 23.21% of the issued share capital, have been held for more than two years.

The following table provides a breakdown of changes in the share capital and share premium :

Changes in issued capital & premium	Share capital			Share premium	Merger premium	Premium
	Number of shares	Face value	Share capital			
At 31 December 2005	150 001	16,00	2 400 016	0	0	0
27/06/2006 - Division of shares' par value	9 600 064	0,25	2 400 016	609 796	0	609 796
18/10/2006 - Private share investment	11 270 626	0,25	2 817 657	14 323 832	0	14 323 832
21/11/2006 - Absorption of IT.OMICS	11 270 626	0,25	2 817 657	14 323 832	37 833	14 361 665
16/02/2010 - Private share investment	11 662 166	0,25	2 915 542	16 240 395	37 833	16 278 228
15/07/2011 & 18/07/2011 - Private share investment	13 340 295	0,25	3 335 074	20 864 969	37 833	20 902 802
04/10/2011 - Reserved share capital increase	13 424 328	0,25	3 356 082	20 968 324	37 833	21 006 157
20/10/2011 - Share option program - Offset against the committment fee	13 580 578	0,25	3 395 145	21 427 072	37 833	21 464 905
28/10/2011 - Reserved share capital increase	13 630 578	0,25	3 407 645	21 406 881	37 833	21 444 714
27/02/2012 - Share option program - Exercise of share options	13 726 762	0,25	3 431 691	21 606 965	37 833	21 644 798
07/03/2012 - Reserved share capital increase	15 085 665	0,25	3 771 416	23 707 055	37 833	23 744 888
03/04/2012 - Reserved share capital increase	15 148 321	0,25	3 787 080	23 690 141	37 833	23 727 974
02/05/2012 - Reserved share capital increase	15 969 232	0,25	3 992 308	25 437 239	37 833	25 475 072
29/06/2012 - Reserved share capital increase	16 029 806	0,25	4 007 452	25 415 946	37 833	25 453 779
26/07/2012 - Convertible bond - Offset against the committment fee	17 370 068	0,25	4 342 517	30 591 512	37 833	30 629 345
06/09/2012 - Convertible bond - Conversion of bonds	20 299 516	0,25	5 074 879	43 294 235	37 833	43 332 068
24/09/2012 - Convertible bond - Conversion of bonds	20 317 291	0,25	5 079 323	43 287 291	37 833	43 325 124
08/10/2012 - Convertible bond - Conversion of bonds	20 541 821	0,25	5 135 455	44 270 698	37 833	44 308 531
09/10/2012 - Convertible bond - Conversion of bonds	21 257 671	0,25	5 314 418	48 839 327	37 833	48 877 160
12/10/2012 - Convertible bond - Conversion of bonds	23 374 238	0,25	5 843 560	95 698 624	37 833	95 736 457
12/10/2012 - Convertible bond - Conversion of bonds	23 957 671	0,25	5 989 418	115 719 368	37 833	115 757 201

- the first transaction, which totaled € 0.2 million, resulted in the issue of 84,033 new shares ;
- the second, which totaled € 0.1 million, was carried out as compensation for the receivable representing the commitment fee due to Yorkville for opening the credit facility to be used in respect of the SEDA. This resulted in the issue of 50,000 new shares ;

In 2013 :

1. Debenture loan :

As regards the bond loan convertible into shares entered into in December 2012 for a maximum of € 8,000k in eight instalments of € 1,000k each, during the first half of 2013, the Company took the following steps to continue its implementation :

- The last bonds representing the first € 1,000k tranche drawn down at the end of December 2012 were converted, as a result of which 274,971 new shares were issued in January 2013 representing a total of € 850k ;
- The drawdown of tranches two to seven of the loan enabled a further € 6,000k to be raised. The bonds corresponding to tranches two to six were converted and resulted in the issue of 1,027,372 new shares.
  Half of the bonds corresponding to the seventh tranche were converted into 93,845 new shares on June 30, 2013; the last bonds corresponding to the drawdown of the seventh tranche of the loan convertible into shares were converted into 113,217 new shares in July and August 2013 ;
- The drawdown of tranches two to seven resulted in six capital increases reserved for the Bondholder totaling EUR 50k each, carried out as compensation for the receivables representing its commitment fee

for implementing each of these six tranches. They resulted in the issue of 13,912, 10,804, 8,170, 8,561, 9,578 and 8,197 new shares respectively.

Seven € 1,000k loan tranches have therefore been drawn down. All the bonds issued in connection with this loan have been converted into shares, and therefore the residual debt linked to said bond loan, which was included in the financial statements for the period ended June 30, 2013, has been extinguished. GENFIT does not intent to draw down the eighth instalment of this debenture loan.

2. Capital increase by private placement :

In addition, in accordance with the 17th resolution of the Combined Shareholders' Meeting of June 26, 2012, the Company carried out a capital increase by private placement in April 2013. The gross amount of this capital increase was € 14,325k, resulting in the issue of 2,933,448 new shares.

In 2014 :

The Company carried out three share capital increases :

- in accordance with the 14th resolution of the Combined Shareholder's Meeting of June 26, the Company carried out a capital increase with shareholders' preferential subscription rights. The gross amount of this capital increase was € 4,996k, resulting in the issue of 715,850 new shares ;
- in June 2014, in accordance with the 4th and 5th resolutions of the Combined Shareholder's Meeting of April 2, 2014, the Company carried out a capital increase by private placement. The gross amount of this capital increase was € 49,739k, resulting in the issue of 2,116,567 new shares ;
- lastly, in december 2014, in accordance with the 4th resolution of the Combined Shareholder's Meeting of April 2, 2014, the Company carried out a capital increase by private placement. The gross amount of this capital increase was € 20,974k, resulting in the issue of 583,433 new shares.

The number of shares outstanding thus increased from 20,541,821 as of December 31, 2013 to 23,957,671 as of December 31, 2014.

The various fundraising programs in 2012, 2013 and 2014 enabled GENFIT to strengthen its financial position and pursue its development strategy by giving it the resources to maintain research expenditure at its current level as regards most of the programs in progress, and as regards GFT505 in particular.

The following table provides details of the Company's shareholder base :

Company's shareholding	31.12.2014		31.12.2013	
	Number of shares	En %	Number of shares	En %
Academical partners	766 250	3,2%	1 116 250	5,4%
Financial investors	135 500	0,6%	677 045	3,3%
Industrial partners	0	0,0%	352 000	1,7%
Directors & senior staff	1 738 130	7,3%	2 692 194	13,1%
Others	21 317 791	89,0%	15 704 332	76,5%
Total	**23 957 671**	**100,0%**	**20 541 821**	**100,0%**

To date, the Group has not paid any dividends.

Information on capital management

For management purposes, the definition of capital invested does not differ from the definition of Group equity for accounting purposes, which totaled € 70,428.5k.

The Group's objectives as regards equity management are, on the one hand, to safeguard the business as a going concern and, on the other hand, to ensure the continuation of its research programs, particularly those concerning the most advanced compounds, whilst optimizing the resources allocated.

1.3.9 Current & non-current provisions

Non-current & current provisions (in € thousands)	31.12.2014		31.12.2013	
	Non-current	Current	Non-current	Current
Provision for taxes	0,0	0,0	0,0	0,0
Provision for litigation	0,0	6,0	0,0	6,0
Provision for risks	0,0	0,0	0,0	48,0
Provision for formation benefit	0,0	0,4	0,0	3,2
Provision for pension	614,2	0,0	411,7	0,0
TOTAL	**614,2**	**6,4**	**411,7**	**57,1**

Provision for retirement commitments

The calculation assumptions are as follows :

Population	Permanent staff
Retirement age	67
Terms of retirement	Initiated by the employee
Life expectancy	On the bassis of the INSEE table
Probability of continued presence in the company at retirement age	On the bassis of the DARES table
Salary growth rate - 31.12.2014	2,00%
Salary growth rate - 31.12.2013	2,00%
Discount rate - 31.12.2014	1,49%
Discount rate - 31.12.2013	3,02%

Based on the table produced by the Directorate for Research, Studies and Statistics (*Direction de l'animation de la recherche, des études et des statistiques* - DARES), which provides information at national level on the average working lives of employees in all activity sectors and all professional categories, a table has been drawn up showing, for each year of age, the probability of Group employees continuing to be employed by the Group until retirement.

Net benefit expense, recognised in cost of sales (in € thousands)	31.12.2014	31.12.2013
Current service cost	19,6	-27,0
Interest cost on benefit obligation	-119,2	26,8
Actuarial losses / (gains) on obligation	-102,8	-29,1
Change of legislation	0,0	0,0
Net benefit expense, recognised in cost of sales	**-202,4**	**-29,3**

Note that effective June 30, 2014, the calculation of the cost for retirement liabilities takes into account basic monthly salaries, which include the various bonuses awarded to employees (excluding exceptional bonuses) and a personalized rate of social charges by employee.

The following table provides a breakdown of changes in the present value of the defined benefit obligation :

Changes in the present value of the defined benefit obligation (in € thousands)	31.12.2014	31.12.2013
Defined benefit obligation at 1st January	**411,7**	**382,4**
Net benefit expense, recognised in cost of sales	202,4	29,3
Benefits paid	0,0	0,0
Defined benefit obligation at 31 December	**614,2**	**411,7**

1.3.10. Conditional & repayable advances

Decomposition current and non-current

Current & non-current conditional & repayable advances	31.12.2014		31.12.2013	
(in € thousands)	Non-current	Current	Non-current	Current
Interest-free loans	3 660,3	780,1	4 130,7	1 067,3
TOTAL	**3 660,3**	**780,1**	**4 130,7**	**1 067,3**

The conditional advances received from BPI France are intended to finance defined research programs.

These advances are repayable in full in the longer term if the programs they fund are successful.

If a program is pronounced a failure, the advances are reclassified, in full or in part, as grants and written back immediately to profit or loss. In most cases, they result in a minimum flat-rate repayment.

In addition, two repayable advances of € 1,000k and € 500k were granted in 2011 by the Nord-Pas de Calais Region and Lille Metropolitan Urban Community (see below).

Changes in 2014

Conditional & repayables advances - changes for the period	31.12.2013	Cash-in	Cash-out	Through profit	31.12.2014
(in € thousands)	12 months			& loss	12 months
Conditional & repayables advances	**5 198,0**	209,7	-967,3	0,0	**4 440,4**

The Company received payments totaling € 209.7k relating to the balance of the BPI France advance financing the Eurotransbio Olnorme IIproject, the aim of which is to develop the research of pharmaceutical entities derived from plant extracts for the treatment of inflammatory diseases (innovation aid: November 24, 2010).

In 2014, GENFIT made the scheduled repayments in respect of the BPI France-Olnorme, the AD-Inov and the B-Diab projects and in connection with the amounts due to the Nord-Pas de Calais Region and Lille Metropolitan Urban Community.

The main terms and conditions of the repayable advances are as follows :

BPI France - Innovation aid - October 20, 2006

Purpose	To finance an innovation program entitled : "Olnorme project : identification of Novel Ligands for Orphan Nuclear Receptors from plant extracts"
Recipient	GENFIT
Total amount	€ 900,000
Amount received as of December 31	€ 900,000
Amount repaid as of December 31	€ 600,000
Carrying amount as of December 31	€ 300,000

Due to the success of the program, this non-interest bearing advance is repayable in full (at 100% of its nominal value).

BPI France – Innovation aid – June 21, 2007 (Lille Metropolitan Urban Community contribution) :

Purpose	To provide additional financing for an innovation program entitled : "Olnorme project : identification of Novel Ligands for Orphan Nuclear Receptors from plant extracts"
Recipient	GENFIT
Total amount	€ 200,000
Amount received as of December 31	€ 200,000

Amount repaid as of December 31	€ 100,000
Carrying amount as of December 31	€ 100,000

As provided in the Convention, the Company requested that the Lille Metropolitan Urban Community renounces to total repayment of this advance taking into account the industrial processing of R&D in the Metropolitan territory. The repayment schedule was as follows :

- € 100,000 no later than September 30, 2014.

BPI France - Innovation aid - December 23, 2008

Purpose	Strategic industrial innovation program entitled : "IT-Diab project : development of a global strategy for the prevention and management of Type 2 diabetes"
Recipient	GENFIT
Total amount	€ 3,229,151
Amount received as of December 31	€ 2,792,225
Amount repaid as of December 31	€ 0
Carrying amount as of December 31	€ 2,924,232

The advance granted by BPI France was in connection with a framework innovation aid agreement involving several scientific partners, GENFIT being the lead partner. The contribution expected at each stage and by each of the partners in terms of work carried out and results is defined in the framework agreement.

As regards GENFIT, the aid consists of a € 3,229,151 repayable advance and a € 3,946,740 non-repayable government grant, both of which will be received in installments until 2015.
As of December 31, 2014, € 2,924,232 of the repayable advance and € 3,552,066 of the government grant had been received. The program has been completed on December 31, 2014. The acknowledgement of the end of the program will be finalized during the first half of 2015, and should allow the payment of the balance of the advance.

In the event of technical and/or commercial success, GENFIT undertakes to pay to BPI France the financial returns, over a period known as the reference period, corresponding to, on the one hand, repayment of the advance and, on the other hand, additional payments (see section 1.1.5.3 - "Other commitments").

BPI France - Innovation aid - June 15, 2009 – Advance n°1

Purpose	To finance an innovation program entitled : "B-Diab project : preclinical and clinical characterization of beta-glucans from yeast in Type 2 diabetes"
Recipient	GENFIT
Total amount	€ 30,750
Amount received as of December 31	€ 30,750
Amount repaid as of December 31	€ 13,050
Carrying amount as of December 31	€ 17,700

These non-interest bearing advances are repayable in full (at 100% of their nominal amount) in the event of technical and/or commercial success.

The repayment schedule is as follows :

- € 3,113 no later than March 31, 2015.

BPI France - Innovation aid - June 15, 2009 – Advance n°2

Purpose	To finance an innovation program entitled : "B-Diab project : preclinical and clinical characterization of beta-

	glucans from yeast in Type 2 diabetes"
Recipient	GENFIT
Total amount	€ 30,750
Amount received as of December 31	€ 30,750
Amount repaid as of December 31	€ 13,050
Carrying amount as of December 31	€ 17,700

These non-interest bearing advances are repayable in full (at 100% of their nominal amount) in the event of technical and/or commercial success.

The repayment schedule is as follows :

- € 3,113 no later than March 31, 2015.

BPI France - Innovation aid - June 26, 2009 – Advance n°3

Purpose	To finance an innovation program entitled : "B-Diab project : preclinical and clinical characterization of beta-glucans from yeast in Type 2 diabetes"
Recipient	GENFIT
Total amount	€ 37,000
Amount received as of December 31	€ 37,000
Amount repaid as of December 31	€ 33,225
Carrying amount as of December 31	€ 3,775

This non-interest bearing advance is repayable in full (at 100% of their nominal amount) in the event of technical and/or commercial success.

The repayment schedule is as follows :

- € 3,775 no later than March 31, 2015.

BPI France - Innovation aid - December 14, 2009 – Advance n°1

Purpose	To finance an innovation program entitled : "AD-Inov project"
Recipient	GENFIT
Total amount	€ 171,500
Amount received as of December 31	€ 171,500
Amount repaid as of December 31	€ 41,744
Carrying amount as of December 31	€ 129,756

This non-interest bearing advance is repayable in full (at 100% of their nominal amount) in the event of technical and/or commercial success. Terms concerning the payment of funds at each stage are defined in the attribution contract.

The repayment schedule is as follows :

- € 41,744 no later than December 31, 2015 ;
- € 41,744 no later than December 31, 2016 ;
- € 46,268 no later than December 31, 2017.

BPI France - Innovation aid - December 14, 2009 – Advance n°2

Purpose	To finance an innovation program entitled : “AD-Inov project”
Recipient	GENFIT
Total amount	€ 171,500
Amount received as of December 31	€ 171,500
Amount repaid as of December 31	€ 41,744
Carrying amount as of December 31	€ 129,756

These non-interest bearing advances are repayable in full (at 100% of their nominal amount) in the event of technical and/or commercial success. Terms concerning the payment of funds at each stage are defined in the attribution contract.

The repayment schedule is as follows :

- € 41,744 no later than December 31, 2015 ;
- € 41,744 no later than December 31, 2016 ;
- € 46,268 no later than December 31, 2017.

BPI France - Innovation aid - February 17, 2010 – Advance n°3

Purpose	To finance an innovation program entitled : “AD-Inov project”
Recipient	GENFIT
Total amount	€ 150,000
Amount received as of December 31	€ 150,000
Amount repaid as of December 31	€ 36,511
Carrying amount as of December 31	€ 113,489

These non-interest bearing advances are repayable in full (at 100% of their nominal amount) in the event of technical and/or commercial success. Terms concerning the payment of funds at each stage are defined in the attribution contract.

The repayment schedule is as follows :

- € 36,511 no later than December 31, 2015 ;
- € 36,511 no later than December 31, 2016 ;
- € 40,467 no later than December 31, 2017.

BPI France - Innovation aid - November 24, 2010 – Advance n°1

Purpose	To finance an innovation program entitled : “Eurotransbio Olnorme II project : research of pharmaceutical entities derived from plant extracts for the treatment of inflammatory diseases”
Recipient	GENFIT
Total amount	€ 199,859
Amount received as of December 31	€ 199,859
Amount repaid as of December 31	€ 0
Carrying amount as of December 31	€ 199,859

These non-interest bearing advances are repayable in full (at 100% of their nominal amount) in the event of technical and/or commercial success.

The repayment schedule is as follows :

- € 9,375 no later than March 31, 2015 ;
- € 9,375 no later than June 30, 2015 ;
- € 9,375 no later than September 30, 2015 ;
- € 9,375 no later than December 31, 2015 ;
- € 12,500 no later than March 31, 2016;
- € 12,500 no later than June 30, 2016 ;
- € 12,500 no later than September 30, 2016 ;
- € 12,500 no later than December 31, 2016 ;
- € 15,625 no later than March 31, 2017 ;
- € 15,625 no later than June 30, 2017 ;
- € 15,625 no later than September 30, 2017 ;
- € 15,625 no later than December 31, 2017 ;
- € 25,000 no later than March 31, 2018 ;
- € 24,859 no later than June 30,2018.

The terms of the advance provide for a € 119,915.63 flat-rate repayment irrespective of the technical and/or commercial success.

BPI France Innovation aid - November 24, 2010 – Advance n°2

Purpose	To finance an innovation program entitled : "Eurotransbio Olnorme II project : research of pharmaceutical entities derived from plant extracts for the treatment of inflammatory diseases"
Recipient	GENFIT
Total amount	€ 199,859
Amount received as of December 31	€ 199,859
Amount repaid as of December 31	€ 0
Carrying amount as of December 31	€ 199,859

These non-interest bearing advances are repayable in full (at 100% of their nominal amount) in the event of technical and/or commercial success.

The repayment schedule is as follows :

- € 9,375 no later than March 31, 2015 ;
- € 9,375 no later than June 30, 2015 ;
- € 9,375 no later than September 30, 2015 ;
- € 9,375 no later than December 31, 2015 ;
- € 12,500 no later than March 31, 2016 ;
- € 12,500 no later than June 30, 2016 ;
- € 12,500 no later than September 30, 2016 ;
- € 12,500 no later than December 31, 2016 ;
- € 15,625 no later than March 31, 2017 ;
- € 15,625 no later than June 30, 2017 ;
- € 15,625 no later than September 30, 2017 ;
- € 15,625 no later than December 31, 2017 ;

- € 25,000 no later than March 31, 2018 ;
- € 24,859 no later than June 30,2018.
-

The terms of the advance provide for a € 119,915.63 flat-rate repayment irrespective of the technical and/or commercial success.

BPI France - Innovation aid - November 24, 2010 – Advance n°3

Purpose	To finance an innovation program entitled : "Eurotransbio Olnorme II project : research of pharmaceutical entities in plant extracts derived the treatment of inflammatory diseases"
Recipient	GENFIT
Total amount	€ 159,950
Amount received as of December 31	€ 159,950
Amount repaid as of December 31	€ 0
Carrying amount as of December 31	€ 159,950

These non-interest bearing advances are repayable in full (at 100% of their nominal amount) in the event of technical and/or commercial success.

The repayment schedule is as follows :

- € 7,500 no later than March 31, 2015 ;
- € 7,500 no later than June 30, 2015 ;
- € 7,500 no later than September 30, 2015 ;
- € 7,500 no later than December 31, 2015 ;
- € 10,000 no later than March 31, 2016 ;
- € 10,000 no later than June 30, 2016 ;
- € 10,000 no later than September 30, 2016 ;
- € 10,000 no later than December 31, 2016 ;
- € 12,500 no later than March 31, 2017 ;
- € 12,500 no later than June 30, 2017 ;
- € 12,500 no later than September 30, 2017 ;
- € 12,500 no later than December 31, 2017 ;
- € 20,000 no later than March 31, 2018 ;
- € 19,950 no later than June 30,2018.

The terms of the advance provide for a € 95,932 flat-rate repayment irrespective of the technical and/or commercial success.

Lille Metropolitan Urban Community - July 28, 2012

Purpose	To assist the Company in the successful completion of its development project and the maintenance, or even expansion, of its workforce.
Recipient	GENFIT
Total amount	€ 500,000
Amount received as of December 31	€ 500,000
Amount repaid as of December 31	€ 309,517226
Carrying amount as of December 31	€ 190,483774

Repayments will be made monthly in accordance with the following repayment schedule :

- € 162,059 in 2015 ;
- € 28,422 in 2016.

Nord-Pas de Calais Region - September 20, 2012

Purpose	To assist the Company in the successful completion of its development project.
Recipient	GENFIT
Total amount	€ 1,000,000
Amount received as of December 31	€ 1,000,000
Amount repaid as of December 31	€ 717,000
Carrying amount as of December 31	€ 283,000

Repayments will be made monthly in accordance with the following repayment schedule :

- € 283,000 in 2015.

1.3.11. Financial liabilities

Breakdown between current & non-current financial liabilities

Current & non-current financial liabilities	31.12.2014		31.12.2013	
(in € thousands)	Non-current	Current	Non-current	Current
Convertible loans	0,0	0,0	0,0	0,0
Bank loans	580,3	263,8	219,1	125,5
Participating development loan	690,0	575,0	1 150,0	575,0
Renewable credit facility	0,0	0,0	0,0	0,0
Obligations under finance leases and hire purchase contracts	0,0	27,8	27,8	32,5
Other financial liabilities	0,0	21,4	0,0	24,6
Accrued interests	0,0	19,3	0,0	20,5
Bank overdrafts	0,0	0,0	0,0	0,4
TOTAL	**1 270,3**	**907,3**	**1 396,9**	**778,5**

All financial liabilities are denominated in euros.

Bank loans

Crédit Industriel et Commercial	In August 2013, GENFIT took out a € 200.0k loan repayable in 41 months, repayment of which did not start for five years. The effective interest rate was 1.89%. As of December 31, 2014, the principal amount outstanding was € 134.6k.
Crédit du Nord	In September 2013, GENFIT took out a € 150.0k loan repayable in three years at the effective interest rate of 2.11%. As of December 31, 2014, the principal amount outstanding was € 84.4k.
Neuflize	In June 2014, GENFIT took out a € 150.0k loan repayable in three years at the effective interest rate of Euribor 3 months +2.5%. As of December 31, 2014, the principal amount outstanding was € 125.0k.
BNP	In December 2014, GENFIT took out a € 500.0k loan repayable in five years at the effective interest rate of 2%. As of December 31, 2014, the principal amount outstanding was € 500.0k.

The bank loans were taken out with the aim of financing laboratory equipment.

Participative loan agreement

On June 15, 2010, BPI France granted a € 2,300.0k loan in the form of a participating loan agreement (which is not a participating loan (*prêt participatif*) within the meaning of Article L.313-13 et seq. of the French monetary and financial code (*Code monétaire et financier*).
The term of the loan is seven years and repayment of the principal is deferred for two years. By way of guarantee, € 115.0k was withheld from the funds loaned. To date, the Group does not plan early repayment of this loan.
The effective interest rate on the loan is 4.69%. This rate includes additional interest based on the annual revenue generated. A maximum upper limit had been placed on the revenue used as a basis for calculating this additional interest.

Changes in financial liabilities

Changes in financial liabilities (in € thousands)	31.12.2013 12 months	Cash-in	Cash-out	Others	31.12.2014 12 months
Convertible loans	0,0	0,0	0,0	0,0	0,0
Bank loans	344,5	650,0	-150,5	0,0	844,1
Participating development loan	1 725,0	0,0	-460,0	0,0	1 265,0
Renewable credit facility	0,0	0,0	0,0	0,0	0,0
Obligations under finance leases and hire purchase contracts	60,3	0,0	-27,8	0,0	27,8
Other financial liabilities	24,6	0,0	-3,1	0,0	21,4
Accrued interests	20,5	19,3	-26,1	0,0	19,3
Bank overdrafts	0,4	0,0	-0,4	0,0	0,0
TOTAL	**2 175,4**	**669,3**	**-668,0**	**0,0**	**2 177,6**

Net cash position and reimbursement schedule

Net cash position & reimbursement schedule (in € thousands)	31.12.2014	<1 year	<2 years	<3 years	<4 years	<5 years	>5 ans
Convertible loans	**0,0**	0,0	0,0	0,0	0,0	0,0	0,0
Bank loans	**844,1**	263,8	250,1	125,0	102,0	103,2	0,0
Participating development loan	**1 265,0**	575,0	460,0	230,0	0,0	0,0	0,0
Renewable credit facility	**0,0**	0,0	0,0	0,0	0,0	0,0	0,0
Obligations under finance leases and hire purchase contracts	**27,8**	27,8	0,0	0,0	0,0	0,0	0,0
Other financial liabilities	**21,4**	21,4	0,0	0,0	0,0	0,0	0,0
Accrued interests	**19,3**	19,3	0,0	0,0	0,0	0,0	0,0
Bank overdrafts	**0,0**	0,0	0,0	0,0	0,0	0,0	0,0
FINANCIAL LIABILITIES	**2 177,6**	**907,3**	**710,1**	**355,0**	**102,0**	**103,2**	**0,0**
INTEREST-FREE LOANS (FROM GOVERNMENT)	**4 440,4**	**780,1**	**3 212,7**	**308,0**	**139,7**	**0,0**	**0,0**
Financial assets	**4 948,3**	4 025,5	300,0	115,0	0,0	0,0	507,8
Short-term deposits	**71 479,8**	71 479,8	0,0	0,0	0,0	0,0	0,0
Cash & bank balances	**525,0**	525,0	0,0	0,0	0,0	0,0	0,0
CASH ASSETS	**76 953,1**	**76 030,3**	**300,0**	**115,0**	**0,0**	**0,0**	**507,8**
NET CASH	**70 335,1**	**74 342,9**	**-3 622,7**	**-548,0**	**-241,7**	**-103,2**	**507,8**

The conditional advances (€4,440.4k) are all publicly financed.

Those granted by BPI France or by the French Ministry of Industry are repayable in full if the programs they finance are successful (see section 1.3.10 - "Conditional & repayable advances").

The financial assets comprise the guarantee withholding paid to the lender in respect of the € 2,300.0k participating loan agreement (see section 1.3.4 - "Current & non-current financial assets"), the guarantee withholding in respect of the real estate lease and the liquidity contract.

1.3.12. Other current & non-current liabilities

Other current & non-current liabilities (in € thousands)	31.12.2014		31.12.2013	
	Non courants	Courants	Non courants	Courants
Payables - Social security costs	0,0	2 051,7	0,0	1 256,3
Employee profit sharing	0,0	17,4	0,0	18,2
Payables - VAT	0,0	58,3	0,0	7,9
Payables - Taxes	0,0	299,5	0,0	154,6
Other payables	0,0	110,5	0,0	110,9
Deferred revenue arising from contracts with customers	0,0	251,3	0,0	0,0
Deferred revenue arising from equipment grants	1,1	8,8	9,8	9,0
Deferred revenue arising from operating grants	0,0	0,0	33,7	160,7
TOTAL	**1,1**	**2 797,6**	**43,4**	**1 717,6**

Equipment grants are recognized in profit or loss over the depreciation period of the asset financed by the grant and operating grants are recognized on the basis of the stage of completion of the research program financed.

Operating grants cover the following research programs :

IT-Diab program

Title	Development of a global strategy for the prevention and management of Type 2 diabetes
Amount of the grant	€ 3,946.7k
Forecast duration	90 months as from July 1, 2008

Olnorme II program

Title	Eurotransbio Olnorme II, research of pharmaceutical entities in plant extracts for the treatment of inflammatory diseases.
Amount of the grant	€ 500.0k
Forecast duration	36 months as from July 1, 2010

1.3.13. Financial instruments as per statement of financial position and statement of profit or loss

IFRS 7 requires the disclosure of information on the measurement of financial instruments in light of the Company's financial position and performance. The following breakdown of the statement of financial position provides details of the carrying amount of each category of financial assets and liabilities.

The following two tables provide details of the impact on the measurement of the financial instruments and the financial performance for the year ended December 31, 2014 :

Financial instrument as per statement of financial position & statement of profit or loss & other comprehensive income Year 31.12.2014 (in € thousands)	As per statement of financial position	Assets / liabilities at fair value through profit & loss	Available for sale	Assets held to maturity	Loans & receivables	Other financial liabilities at amortised cost	Non-financial instruments
Current & non-current financial assets	5 085,1	4 300,0	0,0	0,0	785,1	0,0	0,0
Trade receivables	434,5	0,0	0,0	0,0	434,5	0,0	0,0
Other current & non-current assets	7 100,4	0,0	0,0	0,0	394,7	0,0	6 705,8
Cash & cash equivalents	72 004,8	72 004,8	0,0	0,0	0,0	0,0	0,0
Assets as per statement of financial position	**84 624,9**	**76 304,8**	**0,0**	**0,0**	**1 614,3**	**0,0**	**6 705,8**
Current & non-current interest-free loans (from government)	4 440,4	0,0	0,0	0,0	0,0	0,0	4 440,4
Current & non-current financial liabilities	2 177,6	0,0	0,0	0,0	0,0	2 177,6	0,0
Tax payables	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Trade payables	5 900,1	0,0	0,0	0,0	0,0	5 900,1	0,0
Other current & non-current liabilities	2 798,7	0,0	0,0	0,0	0,0	110,5	2 688,2
Liabilities as per statement of financial position	**15 316,8**	**0,0**	**0,0**	**0,0**	**0,0**	**8 188,2**	**7 128,6**

Instruments financiers inscrits au bilan & compte de résultat Exercice clos le 31 décembre 2014 (En milliers d'euros)	Valeur au compte de résultat	Juste valeur par résultat	Actifs disponibles à la vente Elts recyclés en résultat	Actifs détenus jusqu'à échéance	Prêts et créances	Dettes au coût amorti	Instruments non financiers
Revenus industriels	1 614,4	0,0	0,0	0,0	1 614,4	0,0	0,0
Financements publics des dépenses de recherche	5 067,3	0,0	0,0	0,0	5 067,3	0,0	0,0
Autres produits opérationnels	94,1	0,0	0,0	0,0	94,1	0,0	0,0
Total des revenus	**6 775,7**	**0,0**	**0,0**	**0,0**	**6 775,7**	**0,0**	**0,0**
Achats consommés	-1 404,3	0,0	0,0	0,0	0,0	-1 404,3	0,0
Sous traitance opérationnelle	-9 019,6	0,0	0,0	0,0	0,0	-9 019,6	0,0
Charges de personnel	-8 314,4	0,0	0,0	0,0	0,0	-8 314,4	0,0
Autres charges opérationnelles	-4 017,0	0,0	0,0	0,0	0,0	-4 017,0	0,0
Dotation nette aux amortissements, provisions et pertes de valeur	-238,4	0,0	0,0	0,0	0,0	0,0	-238,4
Résultat opérationnel courant	**-16 218,0**	**0,0**	**0,0**	**0,0**	**6 775,7**	**-22 755,3**	**-238,4**
Paiments fondés en actions	-1 050,9	0,0	0,0	0,0	0,0	-1 050,9	0,0
Résultat sur cessions d'actifs non courants	10,4	0,0	0,0	0,0	10,4	0,0	0,0
Résultat opérationnel	**-17 258,6**	**0,0**	**0,0**	**0,0**	**6 786,1**	**-23 806,2**	**-238,4**
Produits financiers	492,1	0,0	0,0	0,0	483,1	9,0	0,0
Charges financières	-258,6	0,0	0,0	0,0	0,0	-258,6	0,0
Résultat financier	**233,5**	**0,0**	**0,0**	**0,0**	**483,1**	**-249,5**	**0,0**
Charge d'impôt	-0,4	0,0	0,0	0,0	0,0	0,0	-0,4
Résultat net	**-17 025,5**	**0,0**	**0,0**	**0,0**	**7 269,1**	**-24 055,8**	**-238,9**

1.4 OTHER INFORMATION

1.4.1. Litigations & contingent liabilities

On October 17, 2014, the Company received an accounting audit notice from the Public Finances General Directorate (DGFiP) spanning the fiscal periods 2011, 2012 and 2013, as well as the Research Tax Credit for 2010.
On December 18, 2014, the Company received a reassessment proposal with respect to fiscal year 2011 and concerning only the Research Tax Credit for 2011. The notified payment of back taxes amounts to € 1.140.531,0k.

Confident in its arguments, the Company challenged the notification, and did not consider it should recognize a provision for risks. The tax control wil continue in 2015 for the fiscal periods 2012 and 2013.

The discussions with the Tax Administration with regard to the rules on calculation of the Research Tax Credit having started on February 16, 2015, the Company has therefore used the same method of calculation as the previous years for the Research Tax Credit 2014, and will use an express reference in its statement 2069-A-SD. Indeed, the Company had been controlled for the fiscal periods 2005 to 2009 and the control had approved these methods, that are still being used to date.

1.4.2. Related parties

Biotech Avenir SAS is a related party within the meaning of IAS 24.9.

As of December 31, 2014, Biotech Avenir SAS held 7.25% of GENFIT's share capital compared with 13.1% as of December 31, 2013.

Biotech Avenir SAS is the holding company incorporated in 2001 by GENFIT's founding managers. Most of its share capital is currently held by individuals, i.e. the four founders and around 15 of the Company's managerial staff.
Its Chairman is Jean-François Mouney, the Chairman of GENFIT's Executive Board.

There are currently no agreements in force between Biotech Avenir SAS and GENFIT.
Group companies did not carry out any transactions with the related party in 2014.

On January 2, 2014, Biotech Avenir SAS and GENFIT entered into an agreement under which Biotech Avenir SAS undertook to subscribe for 75% of the February 4, 2014 €5,000k capital increase should subscription requests prove to be insufficient. This agreement has not been applied, insofar as this capital increase has been over-subscribed.

The following table provides a summary of the transactions carried out by Group companies with the related parties.

Related party transactions (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Purchase of assets	0,0	0,0
Research and development transfers	0,0	0,0
Purchases from related parties	0,0	0,0
Sales to related parties	0,0	0,0
Amounts owed by related parties (trade receivables)	0,0	0,0
Amounts owed to related parties (trade payables)	0,0	0,0

1.4.4. Compensation of key management personnel of the Group

Under the terms of his employment contract, Jean-François Mouney is entitled to six months' notice in the event of dismissal (other than in the case of gross negligence or wilful misconduct) or resignation, as well as contractual severance pay of six months' salary in the event of dismissal (other than in the case of gross negligence or wilful misconduct), calculated on the basis of the last 12 months and increased by additional compensation of one month's salary per year of service within GENFIT. The commitment (gross amount + employers' contributions) at the end of 2014 would total € 990k.

The following table provides details of the compensation paid to the members of the Executive Board and the financial years in which the relevant amounts were recognized in profit or loss.

Compensation paid to key management personnel (employers' contributions included) (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Short-term employee benefits	2 126,0	1 373,0
Post-employment pension & medical benefits	205,0	119,0
Attendance fees	0,0	0,0
Share-based payment transactions	0,0	0,0
TOTAL	**2 331,0**	**1 492,0**

The number of members of the Executive Board increased from two members as of January 01, 2014 to three members as of May 13, 2014. The above mentioned compensation paid to the members of the Executive Board includes only the wages and social charges for the period during which the office of member of the Board has been exercised.

The increase in the compensation paid to Executive Board members was due, in particular, to the impact of the bonuses awarded as a result of the good scientific results obtained during the period and the fund-raising initiatives.

The amount of pension fund contribution is a calculation of provision for pension liabilities. Its fluctuation relates to rates mentioned in section 1.3.9 - "Current & non-current provisions").

Director fees Genfit Corp (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Director fees Genfit Corp (net)	29,4	17,6
TOTAL	**29,4**	**17,6**

GENFIT PHARMACEUTICALS SAS' executives do not receive any compensation since the company does not currently trade.

1.4.5. Commitments

1.4.5.1 Financial commitments

Operating leases

The minimum future lease payments under the operating lease of the real estate totaled € 6,872.4 at the end of the reporting period :

Operating lease commitments - group as lessee (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Minimum payments - for the period	919,8	715,4

Operating lease commitments - group as lessee (in € thousands)	31.12.2014 12 months	31.12.2013 12 months
Minimum payments - Within 1 year	919,8	919,8
Minimum payments - After 1 year but no more than 5 years	3 679,2	3 679,2
Minimum payments - More than 5 years	2 273,4	3 193,2
TOTAL	**6 872,4**	**7 792,2**

1.4.5.2. Liabilities guaranteed by collateral and pledges

GENFIT has consented to the implementation of a First Demand Guarantee under the terms of the lease contract the Group had with PRIMOVIE since March 22, 2013. Said guarantee was issued by CIC, which asked for term accounts to be pledged by way of guarantee (amount pledged : € 750.0k). The lease contract provides for the First Demand Guarantee to decrease in line with the level of the Group's cash as of December 31, 2014. The decrease will be effective in the first months of 2015.

1.4.5.3 Other commitments

Obligations in respect of the co-ownership of intellectual property rights

The Company has entered into certain agreements with a number of partners, which define the co-ownership rules applicable to certain intellectual property rights. Under the terms of these agreements, the Company generally bears the costs of filing, examining and extending patents, as well as those related to their protection. These agreements may sometimes require the Company to pay milestones in the event of the compounds covered by intellectual property rights reaching a major scientific step and royalties on sales of these products.

Potential obligation

The IT-Diab innovation aid, dated December 23, 2008, was granted by BPI France in the form of an operating grant and a repayable advance. The repayable advance amounted to € 3,229.2k, € 2,924.2k of which had already been received at the end of December 2013. The balance of the advance should be received in 2015.

As regards repayment of this advance, the recipient has undertaken to pay to BPI France the financial returns over a period known as the reference period, corresponding to, on the one hand, repayment of the advance and, on the other hand, additional payments.

In the event of success, i.e. if the commercial spin-offs of the IT-Diab program involve products for the treatment or diagnosis of type 2 diabetes, the financial returns generated will be used initially to repay the € 3,229.2k

advance[4]. Beyond, they will be classified as additional payments, knowing that the gross amount of the financial returns will be equal to 8 % of the revenue on the sale of products and services resulting from the project and, that it will be limited to € 14.8 million.

1.4.5.4. Commitments received

None.

1.5. EVENTS AFTER THE REPORTING PERIOD

In January 2015, the Company announced the results of a cardiac safety clinical study of GFT505, in which two doses were tested: a therapeutic dose of 120 mg/day and a supra-therapeutic dose of 300 mg/day. These results have shown, that a repeated daily administration of GFT505 for a 14-day treatment period, doses up to 2.5 fold higher than the therapeutic dose, had no effect on cardiac electrical activity, thus responding to the regulatory requirements.

In March 2015, the Company announced the first results of the phase IIb trial of GFT505 in the NASH (study GOLDEN-505). These first results, after control of the baseline severity and site heterogeneity by a standardized statistical analysis, have shown dose-dependent efficacy on the primary endpoint of the study. These results have shown, that treatment with GFT505 brings significant cardiometabolic benefits and, that GFT505 is safe and has been very well tolerated throughout this trial of one year of treatment.

[4] The agreement stipulates that the repayable advance will be regarded as repaid in full when the total payments made in this regard by the recipient, discounted at the rate of 5.19%, equal the total amount, discounted at the same rate, of the aid paid. Nevertheless, the interest relating to the sums received is not recognized given the uncertainty of achieving the contractual objectives and the fact that the corresponding amount is not material.

> VIII – Report by the statutory auditors on consolidated statement of financial position

GRANT THORNTON
Membre français de Grant Thornton International
100, rue de Courcelles
75849 Paris Cedex 17
S.A. au capital de € 2.297.184

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

ERNST & YOUNG et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Genfit
Year ended December 31, 2014

Statutory auditors' report
on the consolidated financial statements

To the Shareholders,

- In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2014, on:
- the audit of the accompanying consolidated financial statements of Genfit;
- the justification of our assessments;
- the specific verification required by law.

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

I. Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

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

Notes to the financial statements set out the accounting rules and principles relating to R&D expenses (note 2.9), research tax credit (note 2.17), conditional advances (note 2.21) and revenue (note 2.24), as well as rules relating to the determination of estimates, especially including share-based payments (note 3.2.2.6)).

As part of our assessment of the accounting rules and principles followed by your company, we have verified the appropriateness of the accounting methods detailed above and data contained in the notes to the financial statements and we ensured that they were correctly applied.

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

III. Specific verification

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

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

Paris and Paris-La Défense, April 3, 2015

The statutory auditors

GRANT THORNTON
Membre français de Grant Thornton International
French original signed by

Jean-Pierre Colle

ERNST & YOUNG et Autres
French original signed by

Franck Sebag

Genfit
Year ended December 31, 2014

> IX – Report by the statutory auditors on the Company financial statements

GRANT THORNTON
Membre français de Grant Thornton International

ERNST & YOUNG et Autres

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Genfit
Year ended December 31, 2014

Statutory auditors' report
on the financial statements

Genfit
Year ended December 31, 2014

Statutory auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of Genfit;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I. Opinion on the financial statements

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

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

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

Notes to the financial statements set out the accounting rules and principles relating to R&D expenses (note 4.2.1) and conditional advances (note 3.2).

As part of our assessment of the accounting rules and principles followed by your company, we have verified the appropriateness of the accounting methods detailed above and data contained in the notes to the financial statements and we ensured that they were correctly applied.

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

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the executive board and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French commercial code *(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 companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Paris and Paris-La Défense, April 3, 2015

The statutory auditors

GRANT THORNTON	ERNST & YOUNG et Autres
Membre français de Grant Thornton International	*French original signed by*
French original signed by	
Jean-Pierre Colle	Franck Sebag

> X– Report of the independant third party organization on the consolidated social, environmental and societal information contained in the Management Report

This is a free translation into English of the original report issued in the French language 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

Year ended the 31 December 2014

Independent verifier's report on consolidated social, environmental and societal information presented in the management report

ERNST & YOUNG et Associés

Independent verifier's report on consolidated social, environmental and societal information presented in the management report

This is a free translation into English of the original report issued in the French language 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.

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC[5], under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Genfit, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31 December 2014, presented in chapter 10 of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Management Board to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (*Code de commerce*), in accordance with the protocols used by the company (hereafter referred to as the "Criteria"), and of which a summary is included in introduction to chapter XX of the management report.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria;

Our verification work was undertaken by a team of three people between December 2014 and March 2015 for an estimated duration of two weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000[6].

1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code *(Code de commerce).*

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code *(Code de commerce).*

[5] Scope available at www.cofrac.fr

[6] ISAE 3000 – *Assurance engagements other than audits or reviews of historical information*

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code *(Code de commerce)* with the limitations specified in the Methodological Note in chapter 10 of the management report.
Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook three interviews with people responsible for the preparation of the CSR Information in the different departments, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.
For the CSR Information which we considered the most important[7]:
-At the level of the consolidating entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report ;
-At the level of the representative selection of subsidiaries that we selected[8], based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented 100% of the total workforce.
For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.
Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.
We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

[7] **Environmental and societal information**: general environmental policy (organisation, training and information delivered to the employees, resources dedicated to the prevention of risks and pollutions, the amount of reserves and guarantees set aside for environmental risks), pollution and waste management (preventative measures, reduction of and compensation for discharges into the air, water and soil, preventative measures, recycling and waste management, sustainable use of resources and climate change (energy consumption, measures undertaken to improve energy efficiency and to promote the use of renewable energy), adaptation to climate change; territorial impact, economic and social (employment, regional development, impact on regional and local populations), relation with stakeholders (conditions for dialogue, partnership or sponsorship), importance of subcontracting and the consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors.
Social information: employment (total headcount and breakdown, hiring and terminations, remunerations and their evolution), organisation of working time, absenteeism, labour relations (social dialogue, collective agreements), health and safety at the work place, work accidents, notably their frequency and their severity, as well as occupational diseases, training policies, number of days of training.

[8] Subsidiary Genfit S.A.

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, the 3rd April 2015

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Relation Investisseurs
Investors Relations
Investors@Genfit.com

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GENFIT
TOWARDS BETTER MEDICINE

EUROPE
GENFIT
Parc Eurasanté, Lille Métropole
885 Avenue Eugène Avinée
F-59120 Loos – France
Phone: +33 (0)3 2016 4000
Fax: +33 (0)3 2016 4001

E-mail: contact@genfit.com

USA
GENFIT CORP.
245 First Street – 18th Floor
Suite 1806
Cambridge, MA 02141 - USA
Phone: +1(617) 444 8416
Fax: +1(617) 444 8405
www.genfit.com