

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided 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 31 December 2021

Statutory auditors' report on the financial statements

GRANT THORNTON

Membre français de Grant Thornton International
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S.A.S. au capital de € 2 297 184
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Commissaire aux Comptes
Membre de la compagnie
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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Genfit

Year ended 31 December 2021

Statutory auditors' report on the financial statements

To the Annual General Meeting of Genfit,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Genfit for the year ended 31 December 2021.

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 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

■ Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from 1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this accounting period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. These measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on how audits are performed.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

■ Completeness of subcontracted research and development services (clinical trials)

Risk identified	Our response
<p>As stated in Note 16 to the financial statements, research and development services are subcontracted to third parties, for regulatory reasons, for clinical trials and for the production of active ingredients and therapeutic units. The costs involved mainly concern the clinical and pre-clinical trials that are necessary for the development of Genfit's drug candidates and biomarker candidates.</p> <p>These costs are representative of Genfit's level of activity and represent a significant proportion of the operating expenses in the group's financial statements.</p> <p>Management must therefore determine the amount of the provision to be recognized in respect of these subcontracted research and development services at year-end, taking into account the pandemic situation and its impact on the Company's activities.</p> <p>We considered this to be a key audit matter.</p>	<p>We familiarized ourselves with the processes put in place by Management for the monitoring of the costs of the subcontracted research and development services and for the calculation of the provision for the year ended, based on the contracts signed with third parties, the invoicing booked, and the estimate of the amount of the services performed at closing date. We did this mainly through:</p> <ul style="list-style-type: none">➤ Interviews with the process owners,➤ The performance of walkthroughs,➤ The identification of the main controls in place. <p>We obtained the progress reports from the main subcontractors for the clinical trials and we compared them with the Company's documentation used for the recognition of expenses and provisions.</p> <p>We performed analytical procedures in order to assess the consistency of the trend in the amounts recognized, in view of the progress status of the research and development projects as a whole, the total amount budgeted, and the allocation by supplier.</p> <p>Finally, we performed tests using sampling techniques in order to reconcile the amounts of the estimates with the underlying evidence (contract information, invoices, and progress reports).</p>

■ Accounting treatment of the change in the terms of the OCEANE loan

Risk identified	Our response
<ul style="list-style-type: none">✓ As stated in Note 1.1 and 12 to the financial statements, the Company renegotiated its existing convertible bonds ("OCEANES"), which resulted in (i) the partial redemption of the bonds (ii) a change in the terms of the remaining bonds, and (iii) costs being incurred in relation to the transaction. Consequently, the Company recorded a one-time gain of EUR38m and a new financial liability of EUR94.3m as at the date of the transaction in January 2021.✓ The Company performed an analysis of the contractual clauses of the renegotiated bonds in compliance with the French General Chart of Accounts, in order to identify all the components to be recognized, the appropriate accounting treatment and the disclosures to be made in the financial statements. <p>We considered the change in the terms of the OCEANE bonds to be a key audit matter, as the application of the French General Chart of Accounts to this transaction and the development of the assumptions referred to above involve a high level of complexity and require considerable use of judgement by Management concerning these transactions that are material in the preparation of the annual financial information.</p>	<p>We obtained an understanding of the process and controls set up by the Company to address the risk of material misstatement specific to this transaction for the preparation of the annual financial information.</p> <p>The procedures that we implemented relating to this transaction consisted in the following:</p> <ul style="list-style-type: none">➤ Reading the amendment agreement relating to the OCEANE bond loan, as well as the supporting documents such as the regulatory filings and the minutes of the meetings of shareholders and of the Board of Directors at which this transaction was approved.➤ Familiarizing ourselves with the analysis performed by your Company concerning this renegotiation and with the corresponding documentation, and reviewing the written consultations of external advisers.➤ Assessing the appropriateness of the disclosures made in the annual financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

■ Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

■ Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

■ **Other information**

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

■ **Format of presentation of the financial statements intended to be included in the annual financial report**

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the CEO's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

■ **Appointment of the Statutory Auditors**

We were appointed as statutory auditors of Genfit by the annual general meeting held on 20 June 2014 for GRANT THORNTON and on 26 June 2012 for ERNST & YOUNG et Autres.

As at 31 December 2021, GRANT THORNTON was in its eighth year and ERNST & YOUNG et Autres in its tenth year of total uninterrupted engagement (including eight years since the securities were admitted to trading on a regulated market).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

■ Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- ▶ Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

■ Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Lille, 29 April 2022

The Statutory Auditors

French original signed by:

GRANT THORNTON
Membre français de Grant Thornton International

ERNST & YOUNG et Autres

Jean-François Baloteaud

Sandrine Ledez