

English version for information purposes only

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GENFIT

French corporation (*Société Anonyme*) governed by a Board of Directors
with share capital of €12,458,745.75

Registered Office: 885 avenue Eugène Avinée, 59120 Loos, France
424 341 907 R.C.S. Lille Métropole
(the "**Company**")

**SPECIAL REPORT OF THE BOARD OF DIRECTORS
REGARDING STOCK OPTION
AT THE ORDINARY SHAREHOLDERS' MEETING OF MAY 24, 2023**

Dear Shareholders,

As part of the Combined Shareholders' Meeting, we have made available to you a special report that details, in accordance with article L. 225-184 of the French Commercial Code, transactions carried out during the 2022 financial year pursuant to the provisions of articles L. 225-177 to L. 225-186 of the same Code, whereby the Extraordinary Shareholders' Meeting, may authorize the granting of stock options to the Company's employees and executive officers of the Company and its eligible consolidated subsidiaries at December 31, 2022, or to some of them, in accordance with articles L.225-197-1 et seq. of the French Commercial Code.

This report covers the period ending December 31, 2022.

As a reminder, the Company's Combined General Shareholders' Meeting on May 25, 2022, in its 24th resolution, authorized the Board of Directors to grant stock options.

Prior to the deliberations of the Ordinary Shareholders' Meeting on May 24, 2023, the Board of Directors wishes to bring to your attention certain details regarding the implementation of this delegation of authority, which it has been granted.

To that end, you will find below the text of the 24th resolution of the Company's Combined General Shareholders' Meeting on May 25, 2022:

"The Shareholders' Meeting, acting in accordance with the quorum and majority requirements for extraordinary shareholders' meetings, after having deliberated and reviewed the report of the Board of Directors and the special report of the Statutory Auditors, and pursuant to Articles L.225-177 to L.225-185 and L.22-10-56 to L.22-10-58 of the French Code de commerce;

1. Authorises the Board of Directors to grant, on one or more occasions, subject to the abstention periods provided for by law, options granting entitlement to the subscription of new shares of the

Company to be issued by means of a share capital increase or to the purchase of existing Company's shares resulting from buy-backs realised pursuant to applicable law, to the benefit of employees and executive officers of the Company or of the groups provided in Article L.225-180 of the French Code de commerce, or of some of them, and thus approves the putting in place by the Board of Directors of one or more share subscription and/or purchase options plans within the frame set out below;

2. Decides that the options that may be granted pursuant to this authorisation will not give rights, upon exercise, to the subscription or purchase of a total number of shares exceeding 400,000 shares, that is, as the case may be, a maximum share capital increase of €100,000; it being specified that this cap of 400,000 shares: (i) does not take into account any adjustment that may be made in accordance with applicable legal and regulatory provisions and, as the case may be, with the contractual provisions providing for other adjustment cases to preserve the rights of the holders of securities or other rights giving access to the share capital; and (ii) shall be adjusted to take into account all transactions lowering the nominal value of the shares or increasing the number of shares that could take place before the allocation of the options;

3. Decides that the time period for exercising the options shall not exceed 10 years from the date of the allocation;

4. Decides that the exercise price of the options granted pursuant to this delegation shall be set on the day the options are allocated by the Board of Directors, it being specified that the exercise price of the options shall not be (i) lower than 80% of the average of the stock price during the twenty stock market trading days preceding the date upon which the options are granted; and (ii) only for stock options, lower than 80% of the average purchase price of the shares held by the Company, pursuant to Article L.22-10-62 of the French Code de commerce;

5. Decides that the exercise price may be modified throughout the duration of the options only in case of implementation of the measures required to protect the interests of the beneficiaries of the options, pursuant to Article L.225-181 of the French Code de commerce;

6. Acknowledges that, for the benefit of the beneficiaries of the options, the Shareholders' Meeting's decision automatically implies shareholders' renunciation of their preferential subscription rights to shares that shall be issued as the options to subscribe are exercised;

7. Decides to grant full powers to the Board of Directors, with the option to delegate and sub-delegate under the conditions set forth by law, notably:

- to determine the conditions for the allocation of the options, the number and the identity of the beneficiaries and the number of options granted to each of them;*
- to set, within the above-specified limits, the options exercise price and the time period during which the options may be exercised;*
- to set the exercise conditions and notably the performance conditions to which the exercise of the options allocated to the executive officers of the Company and to some of the managing directors of the Company and of its subsidiaries shall be subject to;*
- to impose, as the case may be, a time period during which the options shall not be exercised and/or a time period during which the acquired shares may not be transferred;*
- when determining the features of each plan, to take into account legal requirements, notably tax ones, applicable depending on the jurisdiction where the beneficiaries are located, notably, as far as the United States are concerned, the relevant provisions of the Federal Tax Code;*
- establish the rules for the allocation plan of the options*
- to temporarily suspend the exercise of the options in given circumstances;*
- where necessary, take all measures to reserve the rights of option beneficiaries in accordance with any legal or regulatory provision;*

- set the dividend entitlement date (date de jouissance), even retroactive, of the shares to be issued on the exercise of the options;
- at its sole initiative, deduct the capital increase expenses on the amount of the premium relating to these issuances and to deduct from this amount the sums required to raise the legal reserve to one-tenth of the new share capital after each increase; and
- to record the completion of the increase(s) in the share capital resulting from the exercise of the options, complete any acts and formalities in order to finalise the increase(s) in share capital realised pursuant to this authorisation, amend the by-laws accordingly and more generally take all decisions required in the context of this authorisation, grant all delegations, and do all that is needed.

The Board of Directors shall notify the shareholders each year during the shareholders' meeting, under the conditions set forth by law, of the transactions carried out in pursuant to this resolution.

The Shareholders' Meeting acknowledges that this delegation voids, from this day, any prior delegation of authority having the same purpose.

This authorization is granted for a period of 38 months from the date of this Shareholders' Meeting."

On October 14, 2022, the Board of Directors, subdelegating to the Chief Executive Officer ("CEO") in accordance with the provisions set out by law, made use of these delegations to grant stock options to employees of the Company or its subsidiaries residing in the United States or otherwise subject to American laws, regulations, and taxes or residing in Switzerland or otherwise subject to Swiss Law, and to the Chief Executive Officer of the Company.

Therefore:

- 131,000 options were granted from among the Company's 400,000 stock options authorized by the Combined General Meeting of May 25, 2022 (the "**C 2022 Stock Options**") to 16 employees of the Company (the "**C 2022 Stock Option Beneficiaries**") ;
- 34,625 options were granted from among the Company's 400,000 new stock options authorized by the Combined General Meeting of May 25, 2022 (the "**US 2022 Stock Options**") to 5 employees of the Company or of its subsidiaries residing in the United States or otherwise subject to American laws, regulations, and fiscal provisions (the "**US 2022 Stock Option Beneficiaries**").
- 8,750 options were granted from among the Company's 400,000 new stock options authorized by the Combined General Meeting of May 25, 2022 (the "**SU 2022 Stock Options**") to 2 employees of the Company or of its subsidiaries residing in Switzerland or otherwise subject to Swiss laws, regulations, and fiscal provisions (the "**SU 2022 Stock Option Beneficiaries**").
- 35,000 options were granted from among the Company's 400,000 new stock options authorized by the Combined General Meeting of May 25, 2022 (the "**D 2022 Stock Options**") to the Chief Executive Officer of the Company.

The C 2022 Stock Options may not be exercised by their beneficiaries until the end of a period ending on October 17, 2025 (the "**C 2022 Vesting Period**"), provided that the performance conditions and continued presence at the Company described in the "*Stock Options for Senior Management Employees – SO C 2022*" plan rules have been followed.

The C 2022 Stock Options may be exercised after a period of seven years following the end date of the C 2022 Vesting Period.

The C 2022 Stock Options may only be exercised if the performance conditions are met as of October 17, 2025. We invite you to review Chapter 6 of the Universal Registration Document filed on April 18, 2023 with the Autorité des Marchés Financiers under reference D.23-0304 available on the Company's website (www.genfit.com) for more information on the performance conditions.¹

The C 2022 Stock Options also may only be exercised if the 2022 Stock Option Beneficiaries remain employed within the Company on October 31, 2024.

The exercise price for exercising C 2022 Stock Options was set at €3.12 per Stock Option, i.e., 80% of the arithmetical mean of the weighted average stock prices across the twenty trading sessions preceding the grant date.

By a decision on November 22, 2022, the CEO, acting on authorization from the Board of Directors, observed that all C 2022 Stock Option Beneficiaries had accepted their grants, as well as all of the terms and conditions of the plan rules.

The US 2022 Stock Options may not be exercised by their beneficiaries until the end of a period ending on October 17, 2025 (the "**US 2022 Vesting Period**"), provided that the performance conditions and continued presence at the Company described in the "*Stock Options for US Senior Management Employees – SO US 2022*" plan rules have been followed.

The US 2022 Stock Options may be exercised after a period of seven years following the end date of the US 2022 Vesting Period.

The US 2022 Stock Options may only be exercised if the performance conditions are met as of October 17, 2025. We invite you to review Chapter 6 of the Universal Registration Document filed on April 18, 2023 with the Autorité des Marchés Financiers under reference D.23-0304 available on the Company's website (www.genfit.com) for more information on the performance conditions².

The US 2022 Stock Options also may only be exercised if the 2022 Stock Option Beneficiaries remain employed within the Company on October 31, 2024.

In order to comply with American "**ISO**" (*Incentive Stock Options*) tax rules, the exercise price may not be less than the fair market value of the stock at the time of grant, a value which is generally the last closing price available at the time of grant.

The exercise price for exercising US 2022 Stock Options was set at EUR 3.94 per Stock Option, which was volume weighted average price of the Company's stock on that day preceding the date on which the stock options were granted, i.e. the volume weighted average price on October 13, 2022.

By a decision on November 22, 2022, the CEO, acting on authorization from the Board of Directors, observed that all US 2022 Stock Option Beneficiaries had accepted their grants, as well as all of the terms and conditions of the plan rules.

¹ For English language information, see the Company's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on April 18, 2023, in particular Item 6.

² For English language information, see the Company's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on April 18, 2023, in particular Item 6.

The SU 2022 Stock Options may not be exercised by their beneficiaries until the end of a period ending on December 3, 2025 (the "**SU 2022 Vesting Period**"), provided that the performance conditions and continued presence at the Company described in the "*Stock Options for Swiss Senior Management Employees – SO SU 2022*" plan rules have been followed.

The SU 2022 Stock Options may be exercised after a period of seven years following the end date of the SU 2022 Vesting Period.

The SU 2022 Stock Options may only be exercised if the performance conditions are met as of December 3, 2025. We invite you to review Chapter 6 of the Universal Registration Document filed on April 18, 2023 with the Autorité des Marchés Financiers under reference D.23-0304 available on the Company's website (www.genfit.com) for more information on the performance conditions.³

The SU 2022 Stock Options also may only be exercised if the 2022 Stock Option Beneficiaries remain employed within the Company on December 15, 2024.

The exercise price for exercising SU 2022 Stock Options was set at €2.95 per Stock Option, i.e., 80% of the arithmetical mean of the weighted average stock prices across the twenty trading sessions preceding the grant date.

By a decision on December 23, 2023, the CEO, acting on authorization from the Board of Directors, observed that all SU 2022 Stock Option Beneficiaries had accepted their grants, as well as all of the terms and conditions of the plan rules.

The D 2022 Stock Options may not be exercised by their beneficiary until the end of a period ending on October 17, 2025 (the "**D 2022 Vesting Period**"), provided that the performance conditions and continued presence at the Company described in the "*Stock Options for CEO – SO D 2022*" plan rules have been followed.

The D 2022 Stock Options may be exercised after a period of seven years following the end date of the D 2022 Vesting Period.

The D 2022 Stock Options may only be exercised if the performance conditions are met as of October 17, 2025. We invite you to review Chapter 6 of the Universal Registration Document filed on April 18, 2023 with the Autorité des Marchés Financiers under reference D.23-0304 available on the Company's website (www.genfit.com) for more information on the performance conditions⁴.

The D 2022 Stock Options also may only be exercised if the 2022 Stock Option Beneficiary remain employed within the Company on October 31, 2024.

The exercise price for exercising D 2022 Stock Options was set at EUR 3.91 per Stock Option, which is the arithmetical mean of the weighted average stock prices across the twenty trading sessions preceding the grant date.

We invite you to review Chapter 6 of the Universal Registration Document filed on April 18, 2023 with the Autorité des Marchés Financiers under reference D.23-0304 available on the Company's website

³ For English language information, see the Company's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on April 18, 2023, in particular Item 6.

⁴ For English language information, see the Company's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on April 18, 2023, in particular Item 6.

(www.genfit.com) for information on ongoing stock option plans during the period ending December 31, 2022.⁵

No stock option was exercised in 2022.

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The Board of Directors

⁵ For English language information, see the Company's Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on April 18, 2023, in particular Item 6.