



Limited company (société anonyme) with a Board of Directors
with share capital of €1,682,728.80
Registered office: 2, rue Briçonnet, 30000 Nîmes
Nîmes Trade and Companies Register No. 497 587 089

Annual financial report
Management report of the Board of Directors
Corporate governance report
For the year ended 31 December 2019

CONTENTS

INTRODUCTION	4
CERTIFICATION	4

I - MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

1	<i>Statement of the Company's position for the past financial year – Review of financial statements and income</i>	1
2	<i>Foreseeable changes in the Company's position</i>	9
3	<i>Significant events between the financial year-end and the date of the management report</i>	10
4	<i>Business activity and results of subsidiaries and controlled companies by business line</i>	10
5	<i>Purchases of shareholdings and takeovers</i>	10
6	<i>Branch offices</i>	10
7	<i>Objective and comprehensive analysis of business developments – Key financial and non-financial performance indicators – Description of key risks and uncertainties – Statement on the use of financial instruments</i>	10
7.1	<i>Analysis of business developments</i>	10
7.2	<i>Key performance indicators</i>	11
7.3	<i>Description of key risks and uncertainties</i>	11
7.4	<i>Statement on the use of financial instruments</i>	13
8	<i>Internal control and risk management procedures put in place by the Company relating to the preparation and processing of accounting and financial information</i>	13
9	<i>Adjustments for the issuance of securities giving access to the share capital</i>	14
10	<i>Share disposals (reciprocal shareholdings)</i>	14
11	<i>Bonus share allocations</i>	14
12	<i>Stock option allocations</i>	14
13	<i>Treasury shares</i>	14
14	<i>Changes during the year in the composition of share capital</i>	15
15	<i>Holder of share capital or voting rights</i>	17
16	<i>Share buyback programme</i>	17
17	<i>Transactions on securities carried out by executives</i>	18
18	<i>Proposed appropriation of results - Dividends</i>	18
19	<i>Non-deductible tax expenses and expenses reinstated following a tax adjustment</i>	19
20	<i>Opinion of the Economic and Social Committee on changes to the economic or legal structure</i>	19
21	<i>Employee ownership of the Company's share capital</i>	19
22	<i>Anti-competitive practices</i>	19
23	<i>Table of financial results of the Company for each of the past five financial years</i>	19
24	<i>Customer and supplier payment terms</i>	19

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

25	Amount of inter-company loans granted under Article L. 511-6 3 bis of the French Monetary and Financial Code	19
	Information on financial risks related to the effects of climate change and presentation of the measures taken to reduce them through implementation of a low-carbon strategy (Article L. 225-100-1 4 of the French Commercial Code)	19
27	Statement of non-financial performance	20

II - REPORT ON CORPORATE GOVERNANCE

1	Composition and functioning of management bodies – Ways in which executive management is carried out – Application of the principle of balanced gender representation on the board	21
1.1.	Executive management of the Company	21
1.2	Members of the Board of Directors	23
1.3.	Other corporate positions	25
1.4.	Application of the principle of balanced gender representation on the Board	28
1.5	Missions of the Board of Directors	28
1.6.	Independence of members of the Board of Directors	28
1.7.	Terms of office	28
1.8.	Rules of ethics	29
1.9.	Appointment of new members	29
2.	Conditions for the preparation and organisation of the Board's work	29
2.1.	Rules of procedure	29
2.2.	Information received by members of the Board	29
2.3.	Assessment of the Board's work	29
2.4.	Meetings of the Board of Directors during the financial year	30
2.5.	Specialised committees	30
2.5.1	Audit Committee	30
2.5.1.1	Composition	30
2.5.1.2	Competences	31
2.5.1.3	Operating procedures	31
2.5.1.4	Reports	32
2.5.2	Appointments and Compensation Committee	32
2.5.2.1	Composition	33
2.5.2.2	Competences	33
2.5.2.3	Operating procedures	34
2.5.2.4	Reports	35
3.	Information relating to corporate officers: Compensation and benefits in kind Erreur ! Signet non défini.	
4.	Components of compensation due or allocated for the 2019 financial year to the Chairman, Chief Executive Officer and Deputy Chief Executive Officers (ex-post vote)	52
5.	Corporate officer compensation policy for the 2020 financial year	52
6	Agreements referred to in Article L. 225-37-4 of the French Commercial Code concluded between an executive or a significant shareholder of the Company and a subsidiary	60
7	Agreements referred to in Article L. 225-39 of the French Commercial Code	61

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

8	<i>Terms of participation of shareholders at the Meeting (Article 19 of the Articles of Association)</i>	61
9	<i>Elements likely to have an influence in the event of a takeover or exchange offer</i>	62
10	<i>Summary table of the status of the valid delegations of authority and powers granted by the General Meeting of Shareholders to the Board of Directors with regard to the increase of the share capital and the use made of such delegations during the past financial year</i>	63

III - APPENDICES



INTRODUCTION

Advicenne is a specialty pharmaceutical company focusing on the development and marketing of innovative paediatric treatments for orphan diseases.

In order to build its product portfolio, Advicenne started from the observation that for certain rare diseases, there are no treatments suitable or optimal for children. Advicenne intends to provide a therapeutic response to unmet, often serious, medical needs, especially for certain renal and neurological diseases.

Advicenne's strategy is to design innovative products and implement clinical, pharmaceutical and regulatory strategies to reach orphan markets with strong demand for which there are no approved treatments in Europe or the United States.

ADV6209, the first product developed by Advicenne, obtained an MA in several European countries in 2018. The product was the subject of an asset disposal agreement with Primex Pharmaceuticals AG providing for a minimum of €40 million of revenue over a seven-year period if all of the conditions are met.

ADV7103, its flagship product, is currently undergoing advanced clinical trials for two kidney diseases, distal renal tubular acidosis (dRTA) and cystinuria.

At the end of 2019, ADV7103 was granted orphan drug designation by the European Commission in the treatment of Cystinuria, a rare kidney disorder causing multiple, recurring large kidney stones, having obtained the same protection in 2017 for its first indication, distal renal tubular acidosis (dRTA), another rare kidney disorder that occurs when the kidneys are unable to effectively remove the build-up of circulating acids in the blood. Phase III clinical trials for this indication are under way in Europe, the United States and Canada; A centralised European marketing authorisation (MA) application has been filed for ADV7103.

In parallel, Advicenne is conducting European phase II/III clinical trials on ADV7103 as a treatment for Cystinuria.

At Advicenne, we are also committed to innovating in the areas of formulation and clinical development. Tasteless and easy to administer, our products are marketed in the form of granules or small tablets that offer flexible, personalised dosing to allow doses and treatment regimens to be easily adapted to patients of all ages.

The strong and sustained spread of the COVID-19 epidemic may have an impact on the Company's business activities, in particular in terms of running its clinical trials. To date, the availability of the Company's products has not been affected – supplies and deliveries of orders are continuing without any problems. The main risks are set out in paragraph 7.3.2 of this document.

Based in Nîmes, Grenoble and Paris, Advicenne has been listed on Euronext Paris since 2017 and was listed on Euronext Brussels in 2019 as a cross-listing.

Doctor André Ulmann, Advicenne's acting Chief Executive Officer said, "The company made further progress in 2019 with many milestones crossed. We have moved towards marketing our flagship product

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

while preparing for its operational launch in Europe. We have also worked on our financial visibility, signing a €20 million loan agreement with the EIB which we are yet to use".

CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

I hereby certify that, to the best of my knowledge, the financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the company's assets, financial position and results, and that the following management report presents an accurate image of the business, results and financial position of the company and describes the principal risks and uncertainties that it faces.

Nîmes, 9 April 2020

André Ulmann
Chief Executive Officer

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

I - MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

This report was produced by the Board of Directors on 7 April 2020

1 Statement of the Company's position for the past financial year – Review of financial statements and income

Advicenne (the "Company"), a pharmaceutical company founded in 2007, has had an eventful 2019

The 2019 financial year was marked by the following events:

Financial and commercial elements

Advicenne:

Announced that it had successfully listed its shares on the Euronext Brussels regulated market.

Announced that it had obtained a €20 million financing agreement from the European Investment Bank in three tranches of €7.5 million, €5 million and €7.5 million, respectively.

Secured the commercial production of ADV7103 through a long-term production and supply agreement with Elaiapharm Lundbeck.

Was awarded the Palme d'Oc award in the Research & Health category at the Occitania region's business award ceremony, the Gala des Ambassadeurs d'Occitanie, in 2019.

Scientific, clinical and regulatory events

In 2019, Advicenne also:

Obtained authorisation from the Belgian Federal Agency for Medicines and Health Products (FAMHP) to initiate a pivotal Phase II/III clinical trial (CORAL study) with its flagship drug candidate, ADV7103, for Cystinuria.

Filed the application for the marketing of its flagship product ADV7103 for distal renal tubular acidosis (dRTA).

Confirmed the widespread nature of dRTA and Cystinuria at the ISPOR conference.

Announced the inclusion of the first patient in the ARENA-2 study, the ADV7103 phase III pivotal study on distal renal tubular acidosis (dRTA) in the United States.

Presented additional data on the efficacy of ADV7103 in treating dRTA with an oral presentation and poster at the 18th congress of the International Pediatric Nephrology Association (IPNA).

Obtained the positive opinion of the EMA for Orphan Drug Designation for ADV7103 in Cystinuria in Europe.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

Other events and governance

In 2019, Advicenne also:

In addition to renewing the KPMG contract, decided to appoint a second firm (Implid Audit) as joint Statutory Auditors. This decision was in anticipation of the planned consolidation of accounts as part of its international deployment.

In line with good governance practice, decided to combine the roles of Chief Executive Officer and Chairman of the Board of Directors. At this time, David Horn Solomon was appointed Chairman of the Board of Directors in line with its international strategy.

Review of the financial statements and results (French accounting principles)

During the financial year ended 31 December 2019, the Company generated revenue of €1,999 thousand, compared with €1,190 thousand in the previous financial year, from the sale of Liko zam and Levidcen (speciality drugs indicated for the treatment of epilepsy), products marketed under distribution licences, as well as ADV7103 under a nominative Temporary Authorisation for Use.

Total operating income was down by €4.2 million, due mainly to the recognition of €5 million as a milestone payment by Primex in 2018, to €2,211 thousand, compared with €6,469 thousand in the previous financial year.

Given the following operating expenses:

- Change in inventory and purchase of goods: €606 thousand, compared to €468 thousand the previous financial year.
- Other purchases and external expenses: €12,295 thousand, compared to €8,064 thousand the previous financial year, an increase of €4.2 million due mainly to expenses from the new clinical studies initiated during the year (ADV7103 dRTA in the United States and ADV7103 Cystinuria in Europe).
- Taxes and similar payments: €84 thousand, compared to €131 thousand the previous financial year.
- Wages and salaries: €2,287 thousand, compared to €2,112 thousand the previous financial year.
- Social security charges: €926 thousand, compared to €852 thousand the previous financial year.
- Depreciation and provisions: €541 thousand versus €413 thousand.
- Other expenses: €98 thousand versus €58 thousand.

This shows an operating loss of €14,626 thousand; the previous financial year showed an operating loss of €5,629 thousand.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

As for current profit and loss before taxes, after factoring in financial profit of €57 thousand, the loss stood at €14,569 thousand, compared to a loss of €5,445 thousand for the previous year.

After factoring in:

- exceptional income of €5 thousand;
- a Research Tax Credit of €851 thousand

The financial year ended 31 December 2019 showed a net accounting loss of €13,714,499 compared to a net loss of €4,624,868 for the previous financial year.

After tax reinstatements and deductions, there was a fiscal loss of €14,494,747.

The Company's debt position given the volume and complexity of business

The debt line item amounted to €5,320,786 and consisted of:

- loans and debts with credit institutions.....	€172 thousand
- other loans and financial debt.....	€276 thousand
- trade accounts payable	€3,907 thousand
- taxes and social security liabilities	€709 thousand

Liquidity risk is detailed in paragraph 7.3.3 of this document.

2 Foreseeable changes in the Company's position

The main areas of development for 2020 are:

- Accelerated recruitment for the two pivotal studies with ADV7103 for:
 - The ARENA-2 study: pivotal Phase II/III clinical trial in the United States in patients with dRTA,
 - The CORAL study: pivotal Phase II/III clinical trial in Europe in patients with Cystinuria.
- Preparation of the commercial launch of ADV7103 in 5 European countries (Germany, Spain, France, Italy, United Kingdom) with the establishment of field organisations and market access activities.
- Signing of distribution agreements outside these five European countries where the company will distribute these products directly.
- Obtaining Orphan Drug Designation for ADV7103 in dRTA and Cystinuria in the United States
- Development of new products to expand the company's portfolio
- Industrial and logistic deployment

This roadmap is liable to be affected by the progression of the COVID-19 crisis, analysed in paragraph 7.3.2.

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

3 Significant events between the financial year-end and the date of the management report

Advicenne has released ADV7103 8mEq and 24mEq, slow-release granules, in France under a cohort Temporary Authorisation for Use

Appointment of André Ulmann as acting Chief Executive Officer on 12 March 2020, to replace Luc-André Granier

On 11 March 2020, the World Health Organization declared the coronavirus COVID-19 a pandemic. The risks associated with COVID-19 are presented in paragraph 7.3.2 of this document.

4 Business activity and results of subsidiaries and controlled companies by business line

Please note that the Company does not have any subsidiaries or shareholdings in other companies.

5 Purchases of shareholdings and takeovers

There were no purchases of shareholdings or takeovers by our Company.

No disposals of shareholdings were recorded during the past financial year.

No cross-shareholdings required regularisation pursuant to Articles L. 233-30 and R. 234-1 of the French Commercial Code.

6 Branch offices

None.

7 Objective and comprehensive analysis of business developments – Key financial and non-financial performance indicators – Description of key risks and uncertainties – Statement on the use of financial instruments

7.1 Analysis of business developments

2019 has seen many positive developments, and Advicenne is continuing to implement its action plan, first and foremost to market its flagship candidate drug, ADV7103.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

7.2 Key performance indicators

For 2019, Advicenne's main business remained pharmaceutical, clinical and regulatory development for approval of the technical document for the registration of ADV7103, and the proper conduct of ongoing clinical trials in Europe and the United States.

Even though the Company is not yet in the commercial phase for its main product, ADV7103, it already has an initial sales force in France targeting neurologists to promote its first two products under licence (Likozam and Levidcen) on the French market.

In 2019, sales under nominative ATU (Temporary Authorisation for Use) of ADV7103 in France were up significantly (with the first sales made in the last quarter of 2018).

The Company's performance is measured by:

- The success of its clinical trials, with the positive results of the pivotal Phase III study in Europe with ADV7103 for the treatment of dRTA
- Compiling the MA application for ADV7103 as a treatment for dRTA
- Obtaining the MA for Ozalin
- Obtaining authorisations to initiate new studies.

7.3 Description of key risks and uncertainties

7.3.1 Operational risks

The major risk inherent in the Company's business is related to the fact that it cannot guarantee that it will be able to obtain or maintain authorisation to manufacture or market its products.

In Europe, in the United States, in Japan, and in many other countries, such drugs as developed by the Company must be authorised by a regulatory authority before they may be placed on the market.

The case for marketing authorisation is built over the entire course of development of a candidate drug. Although the Company strives to always comply with good practice, market authorisation for any of its products under development may be denied or delayed subject to the requests made by the relevant regulatory authorities, clinical trial results or the legislation applicable to the development and manufacture of drug products. If such authorisation is not obtained, the Company, its partners and/or its subcontractors are unable to manufacture or market the Company's products.

The Company is also faced with other significant risks:

- As the clinical development of the Company's products is a long and costly process, the Company cannot guarantee its outcome and, in particular, that the clinical objective endpoints of new studies will be achieved.
- The Company has partly subcontracted and mostly outsourced its production activities and thus depends on its subcontractors and partners to conduct clinical trials and the manufacture of its clinical batches and marketed products. The choice of subcontractors and partners depends not only

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

on their technical skills, but also their ability to ensure the delivery of the products or services ordered, as well as their financial position.

- The Company does not obtain a price equal to its expectations for one or more of its products in one or more target markets.

7.3.2 Risks associated with the COVID-19 health crisis

A strong and sustained spread of the COVID-19 epidemic may have an impact on the Company's business activities, in particular in terms of running its clinical trials, although this impact is difficult to assess due to the significant uncertainty around this health crisis and its consequences.

As of the date of this report, the Company's initial assessment is that these trials may suffer delays of between 3 to 6 months.

For the time-being, the process of registering ADV7103 has not been affected by the crisis insofar as it is based on completed studies.

The marketing of Company products has not been affected by the COVID-19 epidemic as of the date of this report, and the Company considers it has enough stock for the coming months.

Since remote working is already largely built into the Company's operations, it has easily adapted to the situation. Most employees are working remotely and activities are continuing almost as normal.

Despite the economic conditions affected by Covid-19, the Company still anticipates that its current resources will allow it to support its operations planned until the first quarter of 2021, based on the elements indicated in paragraph 7.3.3 below.

7.3.3 Liquidity risks

Moreover, the Company has conducted a specific review of its liquidity risk and considers that it is able meet its future deadlines in the 12 months following the year-end, with a liquidity horizon to the first quarter of 2021, factoring in the payment of the first tranche of €7.5 million of the loan awarded to Company by the European Investment Bank (EIB), the drawdown conditions for this tranche having been met as of the date of this report.

This assessment is based on the amount of cash available as of the date of this report, and the Company's commitments and commitment forecasts as of the date of this report, including:

- Registration on the European market of ADV7103 as a treatment for dRTA,
- Initialisation of the commercial development of ADV7103 for the European market,
- Phase III clinical trial conducted on Cystinuria in Europe, and
- Phase III clinical trial conducted on dRTA in the US.

However, since the final stages of drug development require increased investment, the Company's funding requirements will continue to grow as it invests in developing existing and new products. Similarly, the Company's product development plan may be amended owing to multiple factors of which it is unaware as of the date of this report. In these scenarios, the Company may be required to raise additional funds earlier than initially planned through:

- The open market, which would result in diluting the stake of shareholders in the Company,

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

- Public or private funding or loans, under which the Company may be required to make restrictive commitments, particularly of a financial or operational nature,
- Marketing and distribution agreements and other strategic partnerships and licensing agreements, or
- A combination of these approaches.

Should the Company be unable to obtain the necessary funding at the required time, its growth forecasts may be altered, the share price may fall and it may be forced to:

- delay or reduce the number or scope of its clinical or pre-clinical trials, or even cancel them completely; or
- enter into new contracts with less favourable terms than those that it would have been able to obtain under different circumstances.

All of the risks the Company may face are presented in the Universal Registration Document dated 19 December 2019, available on the Company website at www.advicenne.com.

The Company's policy is to cover its main insurable risks with coverage amounts that it deems compatible with its cash flow and business needs.

7.4 Statement on the use of financial instruments

The Company is, by its nature, not exposed to financial risks and therefore does not have financial hedging instruments in place.

The loans taken out by the Company are at a fixed rate and do not present any interest rate risks.

The Company monitored the US dollar exchange rate in 2019, but has not set up any medium-term hedges at this stage of its development to protect its business from foreign currency fluctuations due to the insignificant number of transactions carried out in foreign currencies, which for the time being are limited to the costs of the Arena 2 clinical trial.

However, the Company cannot rule out that a significant increase in its business, and its development in the United States in particular, would expose it to greater foreign currency risks. If this were to be the case, the Company would set up a suitable policy to hedge this risk. In the event it was not able to set up an efficient currency hedging system in future, this could have a negative effect on its results.

8 Internal control and risk management procedures put in place by the Company relating to the preparation and processing of accounting and financial information

The Company has implemented the following internal control procedures covering the scientific, accounting and financial domains in order to achieve its strategic goals:

- For the administrative and financial domain, the Company works with a firm of chartered accountants with recognised experience in growth companies, notably in the field of biotechnologies. The firm primarily handles the following tasks: the production of the financial

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

statements and their presentation in the form of an annual report, monthly payroll and the preparation of tax and employers' filings.

An administrative and accounting assistant prepares the accounting firm's documentation in-house. The Financial and Logistics Director controls and supervises production under the direction of the Chief Financial Officer

Monthly, quarterly and annual reports are produced for executive management, which presents them to the Board of Directors on a regular basis.

The Company also tracks its treasury on a weekly basis and reviews its financing resources regularly.

The accounting firm's experts, specialised in financial reporting, prepare the financial statements in accordance with IFRS as adopted by the European Union.

- The Company also has a "Manufacturing and Quality Control" department in charge of the quality control of all products manufactured by subcontractors.

In 2017, the Company established a regular risk review system with the Audit Committee. Management has used this system to take decisions on prevention and follow-up actions to meet regulatory requirements since the admission of its shares to trading on the Euronext Paris market.

9 Adjustments for the issuance of securities giving access to the share capital

None.

10 Share disposals (reciprocal shareholdings)

None.

11 Bonus share allocations

The Company did not allocate any bonus shares pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code.

12 Stock option allocations

The Company did not allocate any stock options pursuant to Articles L. 225-177 et seq. of the French Commercial Code.

13 Treasury shares

In accordance with Article L. 233-13 of the French Commercial Code and given the information received pursuant to Articles L. 233-7 and L. 233-12 of that Code, as at 31 December 2019, the following shareholders directly or indirectly held more than one-twentieth, one-tenth, three-twentieths, one-fifth, one-fourth, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of the share capital or voting rights at the General Meetings of the Company:

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

Name of shareholder	Percentage of share capital held	Percentage of voting rights
Bpifrance Investissement	26.74%	19.25%
IXO Private Equity	17.38%	22.78%
Cemag Invest	9.10%	6.55%
Marie-Odile Humblet	7.10%	10.10%
IRDI-Soridec Gestion	5.18%	6.81%
Françoise Brunner-Ferber	3.98%	5.49%
Jean-Pierre Lefoulon	4.41%	6.19%

14 Changes during the year in the composition of share capital

	Number of Shares	Par value (euros)	Share capital (euros) – post transaction
Shares comprising the share capital at the beginning of the financial year	8,062,344	0.20	1,612,468.80
Shares issued during the financial year:			
<u>13 June 2019</u> : capital increase through the issuance of ordinary shares resulting from the exercise of warrants for business founders' shares (French BSPCE): capital increase of a nominal amount of €5,062 through the issuance of 25,310 shares, representing a subscription of a total amount, issue premium included, of €71,341.70	25,310	0.20	1,617,530.80
<u>30 October 2019</u> : capital increase through the issuance of ordinary shares resulting from the exercise of warrants for business founders' shares (French BSPCE): capital increase of a nominal amount of €65,198 through the issuance of 325,990 shares, representing a subscription of a total amount, issue premium included, of €937,966.30 euros	325,990	0.20	1,682,728.80
Shares comprising the share capital at 31 December 2019	8,413,644	0.20	1,682,728.80

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

15 Holders of share capital or voting rights

	Situation as of 31 december 2019 on a non-diluted basis				Situation as of 31 december 2019 on a fully diluted basis ⁽²⁾					
	Number of shares	% of capital	Number of votes	% of voting rights ⁽³⁾	Number of shares liable to be issued through the exercise of outstanding BSPCE	Number of shares liable to be issued through the exercise of outstanding BSA	Number of shares liable to be issued through the exercise of outstanding BSPCE and BSA (1)	Total number of shares after the exercise of outstanding BSPCE and BSA	% of capital after the exercise of outstanding BSPCE and BSA ⁽²⁾	% of voting rights after the exercise of outstanding BSPCE and BSA ⁽²⁾
Luc-André Granier*	317 312	3,77%	567 312	4,86%	214 000	0	214 000	531 312	5,72%	6,22%
Caroline Roussel-Maupetit	209 770	2,49%	355 586	3,04%	138 000	0	138 000	347 770	3,75%	3,93%
Ludovic Robin	29 221	0,35%	52 490	0,45%	70 000	0	70 000	99 221	1,07%	0,98%
Nathalie Lemarié	13 419	0,16%	13 419	0,11%	35 000	0	35 000	48 419	0,52%	0,39%
Paul Michalet	0	0,00%	0	0,00%	80 000	0	80 000	80 000	0,86%	0,64%
David Horn Solomon*	0	0,00%	0	0,00%	90 000	0	90 000	90 000	0,97%	0,72%
Total executive corporate officers	569 722	6,77%	988 807	8,46%	627 000	0	627 000	1 196 722	12,89%	12,87%
Total employees/committee members/consultants	99 709	1,19%	135 234	1,16%	211 250	0	211 250	310 959	3,35%	2,76%
Bpifrance Investissement* ⁽⁵⁾	2 249 568	26,74%	2 249 568	19,25%	0	0	0	2 249 568	24,23%	17,92%
Cemag Invest*	765 646	9,10%	765 646	6,55%	0	0	0	765 646	8,25%	6,10%
Irdi Soridec Gestion* ⁽⁴⁾	435 511	5,18%	796 183	6,81%	0	0	0	435 511	4,69%	6,34%
Françoise Brunner-Ferber*	334 456	3,98%	641 158	5,49%	0	9 500	9 500	343 956	3,70%	5,18%
Charlotte Sibley*	0	0,00%	0	0,00%	15 000	0	15 000	15 000	0,16%	0,12%
Total Investors	3 785 181	44,99%	4 452 555	38,11%	15 000	9 500	24 500	3 809 681	41,03%	35,65%
IXO Private Equity	1 462 082	17,38%	2 661 191	22,78%	0	0	0	1 462 082	15,75%	21,19%
Marie-Odile Humblet	597 249	7,10%	1 180 243	10,10%	0	0	0	597 249	6,43%	9,40%
Mr. Lefoulon	370 650	4,41%	723 482	6,19%	0	9 500	9 500	380 150	4,09%	5,84%
Other free float	1 506 891	17,91%	1 542 931	13,21%	0	0	0	1 506 891	16,23%	12,29%
Total free float	3 936 872	46,79%	6 107 847	52,27%	0	9 500	9 500	3 946 372	42,50%	48,72%
Autodetention ⁽⁶⁾	22 160	0,26%		0,00%	0	0	0	22 160	0,24%	0,00%
TOTAL	8 413 644	100,00%	11 684 443	100,00%	853 250	19 000	872 250	9 285 894	100,00%	100,00%

* Director of the Company as at 31/12/2019.

- (1) Taking into account the 5-for-1 stock split (and the corresponding multiplication of the number of shares comprising the share capital by five) decided by the Combined General Meeting of 24 October 2017.
- (2) The figures in these columns are disclosed on a fully diluted capital basis, i.e., assuming that all warrants (BSAs) and business founders' warrants (BSPCEs) have been exercised.
- (3) From the 2nd anniversary of the initial listing of the Company's shares on the Euronext Paris regulated market, fully paid up shares which can be proven to have been registered for at least two years in the name of the same shareholder from that date, benefit from double voting rights.
- (4) Via funds for which it is the management company.
- (5) Via the InnoBio FCPI for which it is the management company.

16 Share buyback programme

During the financial year ended 31 December 2019, the Company did not buy back any of its own shares for the purpose of allocating them to its employees under stock option programmes, bonus share grants, employee saving schemes or other share grants to the employees and executives of the Company or its associated companies.

The share buyback programme authorised by the General Meeting of Shareholders of 19 June 2018, and renewed by the General Meeting of 24 May 2019, was used exclusively pursuant to a liquidity agreement

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

agreed in December 2017, which entered into force on 5 January 2018, with the stock brokerage company Gilbert Dupont, which was allocated the sum of €300,000, increased to €400,000 on 26 April 2018.

Share buyback transactions between 1 January and 31 December 2019 were as follows:

	2019
Number of shares purchased	61,521
Average price	10.71
Volume exchanged at purchase	658,669
Number of shares sold	64,073
Average price	10.67
Volume exchanged upon sale	683,856

As of 31 December 2019, the Company held 22,160 shares and the balance held in cash in the liquidity account was €95,487.71.

17 Transactions in securities carried out by executives

During 2019, declarations of any sale or purchase of Company shares by executives and persons referred to in Article L. 621-18-2 of the French Monetary and Financial Code were as follows:

Dates	Executive	Operation	Number of shares	Unit Price (Euro)	Total Amount (Euro)
12/12/2019	Caroline Roussel-Maupetit	Disposals	8,505	8.50	72,292.50
12/12/2019	Luc-André Granier	Disposals	25,000	8.50	212,500
12/12/2019	Nathalie Lemarié	Disposals	10,285	8.50	87,422.50
TOTAL			43,790		372,215

Executives also exercised BSPCEs in the 2019 financial year, the breakdown of which is presented in Table 5, under the section "Information relating to corporate officers: Compensation and benefits of all kinds".

18 Proposed appropriation of results, unappropriated retained earnings - Dividends

We are asking you to approve the annual financial statements (balance sheet, income statement and notes) as presented to you, which show a loss of €13,714,499, for which appropriation in full as a debit to the "issue premium" account is proposed.

Note that, in accordance with legal provisions, no dividend has been distributed for the previous three financial years.

The Company's shareholders' equity totalled €16,924.481.

A proposal is also made to allocate unappropriated retained earnings of €24,057,436 to the issue premium, the total amount of which after charging losses from the financial year and unappropriated retained earnings will be €15,220,152 euros, with the "unappropriated retained earnings" account being totally cleared.

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

19 Non-deductible tax expenses and expenses reinstated following a tax adjustment

Pursuant to Article 223 quater of the French General Tax Code, we inform you that the financial statements for the past financial year include €5,229 in expenses that are not deductible from taxable income.

20 Opinion of the Economic and Social Committee on changes to the economic or legal structure

The Company has no Economic and Social Committee as it has less than 50 employees.

21 Employee ownership of the company's share capital

The proportion of capital represented by shares held by the Company's employees through collective management schemes (employee savings plans or employee shareholding funds), calculated in accordance with Article L. 225-102 of the French Commercial Code, was nil.

In addition, as part of its incentive policy through shares, the Company continued to issue founders' warrants during the past year.

22 Anti-competitive practices

None.

23 Table of financial results of the company for each of the past five financial years

In accordance with Article R. 225-102 of the French Commercial Code, Appendix 1 to this report contains the table showing the results of our Company for each of the last five financial years.

24 Customer and supplier payment terms

In accordance with Article L. 441-6-1 of the French Commercial Code, Appendix 2 contains information on customer and supplier payment terms.

25 Amount of inter-company loans granted under Article L. 511-6 3 bis of the French Monetary and Financial Code

We hereby inform you that the Company has not granted any loans of less than two years that are ancillary to its main activity to micro-enterprises, SMEs or to mid-size companies with which it has economic ties that justify such activity.

26 Information on financial risks related to the effects of climate change and presentation of the measures taken to reduce them through implementation of a low-carbon strategy (Article L. 225-100-1 4 of the French Commercial Code)

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

Given its business, the Company believes that it will not incur significant financial risks related to the effects of climate change. The raw material components of products are not subject to climatic variations. Furthermore, our subcontractors' manufacturing sites are in Europe in areas that are not very sensitive to climate change.

Because the Company has no manufacturing sites, direct efforts to implement a low-carbon strategy are limited. During the development process, the Company takes environmental issues into account and limits raw materials and packaging. The Company participates indirectly in preventing pollution, reducing waste and minimising the consumption of resources through the choice of its subcontractors and the monitoring of manufacturing processes.

27 Statement of non-financial performance

The Company is not subject to the obligation to prepare a statement of non-financial performance as it does not exceed the thresholds required for this purpose.

II - REPORT ON CORPORATE GOVERNANCE

This section is presented pursuant to the provisions of Article L. 225-37 paragraph 6 of the French Commercial Code.

To structure its governance, the Board of Directors of the Company decided to refer to the corporate governance code for small caps and midcaps as published in September 2016 by MiddleNext and approved as a code of reference by the French Financial Markets Authority (Autorité des Marchés Financiers). This corporate governance code is available on the MiddleNext website: www.middlenext.com.

In accordance with the principle of "comply or explain", this report specifies the provisions of said corporate governance code that were not applied by the Company and the reasons for not applying them.

1. Composition and functioning of management bodies – Ways in which executive management is carried out – Application of the principle of balanced gender representation on the Board

1.1. Executive management of the Company

The Company is a French limited company with a Board of Directors (société anonyme à conseil d'administration) whose functioning is described in the Articles of Association, which are available on the Company's website www.advicenne.com.

At its meeting on 23 December 2019, the Board of Directors decided to separate the duties of Chairman of the Board of Directors from the duties of Chief Executive Officer.

As such, David H. Solomon was appointed Chairman of the Board at the meeting of the Board of Directors on 23 December 2019.

Mr Luc-André Granier retained his directorships.

As at 31 December 2019, the list of executive corporate officers is as follows:

Name	Term	Main operational duties in the Company	Start and end of term
David H. Solomon	Chairman of the Board of Directors		<u>Date of first appointment as Chairman of the Board of Directors:</u> Board of Directors' meeting of 23 December 2019.
Luc-André Granier	Chief Executive Officer	Scientific and Medical Director	<u>Date of first appointment as Chief Executive Officer:</u> Board of Directors' meeting of 29 April 2011. <u>Date of last renewal:</u> Board of Directors' meeting of 29 September 2017.

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

Name	Term	Main operational duties in the Company	Start and end of term
			<u>Appointment expiry date:</u> on the expiry date of his position as member of the Board of Directors.
Nathalie Lemarié	Deputy Chief Executive Officer - Not a Board member	Director of Regulatory Affairs and responsible pharmacist (pharmacien responsable) ¹	<u>Date of first appointment:</u> Board of Directors' meeting of 28 September 2012. <u>Date of last renewal:</u> Board of Directors' meeting of 29 September 2017. <u>Appointment expiry date:</u> on the expiry date of the CEO's appointment.
Caroline Roussel-Maupetit *	Deputy Chief Executive Officer - Not a Board member	Operations Director	<u>Date of first appointment:</u> Board of Directors' meeting of 29 April 2011. <u>Date of last renewal:</u> Board of Directors' meeting of 29 September 2017. <u>Appointment expiry date:</u> on the expiry date of the CEO's appointment.
Ludovic Robin*	Deputy Chief Executive Officer - Not a Board member	Director of Corporate Strategy and International Development	<u>Date of first appointment:</u> Board of Directors' meeting of 7 October 2016. <u>Date of last renewal:</u> Board of Directors' meeting of 29 September 2017. <u>Appointment expiry date:</u> on the expiry date of the CEO's appointment.
Paul Michalet*	Deputy Chief Executive Officer - Not a Board member	Chief Financial Officer	<u>Date of first appointment:</u> Board of Directors' meeting of 20 September 2018. <u>Appointment expiry date:</u> on the expiry date of the CEO's appointment.

* At the Board meeting on 12 March 2020, Mr Granier was removed as Chief Executive Officer and replaced by Mr Ulmann acting on an interim basis. Caroline Roussel, Ludovic Robin and Paul Michalet did not agree to their respective reappointments as Deputy Chief Executive Officer and their terms of office ended on this date.

¹ Nathalie Lemarié is the responsible pharmacist (pharmacien responsable) and, in this capacity, has the powers and authorisations listed in Article R. 5124-36 of the French Public Health Code.

Powers of the Chief Executive Officer

The powers of the Chief Executive Officer are described in Article 14 of the Company's Articles of Association. The Chief Executive Officer is vested with the broadest powers to act in the Company's name in all circumstances. He/she exercises these powers within the limits of the Company's corporate purpose and subject to those powers expressly reserved by law for General Meetings of Shareholders and the Board of Directors.

1.2 Members of the Board of Directors

As at 31 December 2019, the Board of Directors consisted of the following members:

Name	Term	Main operational duties in the Company	Start and end of term
David H. Solomon**	Chairman of the Board of Directors		<p><u>Date of first appointment:</u> General Shareholders' Meeting of 20 December 2019.</p> <p><u>Appointment expiry date:</u> at the close of the General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2021.</p>
Luc-André Granier ***	Chief Executive Officer	Scientific and Medical Director	<p><u>Date of first appointment:</u> General Meeting of 29 April 2011.</p> <p><u>Date of last renewal:</u> General Meeting of 23 June 2017.</p> <p><u>Appointment expiry date:</u> The mandate has been ended on 12 March 2020</p>
Françoise Brunner-Ferber*	Director	None.	<p><u>Date of first appointment:</u> General Meeting of 29 April 2011.</p> <p><u>Date of last renewal:</u> General Meeting of 23 June 2017.</p> <p><u>Appointment expiry date:</u> at the close of the General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2019.</p>
Bpifrance Investissement represented by	Director	None	<p><u>Date of first appointment:</u> General Shareholders' Meeting of 29 April 2011.</p>

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

Name	Term	Main operational duties in the Company	Start and end of term
Philippe Boucheron			<p><u>Date of last renewal:</u> General Shareholders' Meeting of 23 June 2017.</p> <p><u>Appointment expiry date:</u> at the close of the General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2019.</p>
Thibault Roulon	Director	None.	<p><u>Date of first appointment:</u> General Shareholders' Meeting of 29 April 2011.</p> <p><u>Date of last renewal:</u> General Shareholders' Meeting of 23 June 2017.</p> <p><u>Appointment expiry date:</u> at the close of the General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2019.</p>
Irdi Soridec Gestion represented by Jean-Michel Petit	Director	None.	<p><u>Date of first appointment:</u> General Shareholders' Meeting of 9 March 2017.</p> <p><u>Appointment expiry date:</u> at the close of the General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2019.</p>
Cemag Invest represented by Catherine Dunand	Director	None	<p><u>Date of first appointment:</u> Board of Directors' meeting of 9 March 2017. Ratified by the General Shareholders' Meeting of 24 October 2017.</p> <p><u>Date of last renewal:</u> General Shareholders' Meeting of 23 June 2017.</p> <p><u>Appointment expiry date:</u> at the close of the General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2019.</p>

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

Name	Term	Main operational duties in the Company	Start and end of term
Charlotte Sibley*	Director	None	<p><u>Date of first appointment:</u> meeting of the Board of Directors of 20 September 2018 Ratified by the General Shareholders' Meeting of 24 May 2019.</p> <p><u>Appointment expiry date:</u> at the close of the General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2019.</p>
André Ulmann***	Non-voting Board member	None	<p><u>Date of first appointment:</u> General Shareholders' Meeting of 23 June 2017.</p> <p><u>Appointment expiry date:</u> at the close of the General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2019.</p>

* Independent Board member

** at its meeting on 30 October 2019, the Board of Directors considered that, although he does not meet the first of the criteria in the MiddleNext Code (not having been an employee in the last five years and not being an employee or corporate officer of the Company, nor employee, nor Executive Corporate Officer of any of the companies of its group) since he has been appointed Chairman of the Board of Directors, David H. Solomon may be classed as an independent member of the Board of Directors insofar as he has no operational duties within the Company due to the division of the duties of Chairman and Chief Executive Officers which does not undermine his independence.

*** During the meeting of the Board of Directors on 12 March 2020, André Ulmann was appointed CEO of the Company and resigned as independent member of the Board on the same date. He succeeds Mr. Luc-André Granier.

1.3. Other corporate positions

Name	Office	Company
Executive Management		
Luc-André Granier	Director	Theranexus**
Nathalie Lemarié	None	None
Caroline Roussel-Maupetit (2)	None	None
Ludovic Robin (2)	Member of the Strategy Committee	Logipren

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

Name	Office	Company
Paul Michalet (2)	Chairman	MFH SAS
Board of Directors		
David H. Solomon	Chairman Director	Solomon LTD Rexgenero
Françoise Brunner-Ferber	None	None
Bpifrance Investissement represented by Philippe Boucheron	<u>In a private capacity:</u> None. <u>As permanent representative of Bpifrance Investissement:</u> Director Member of the Supervisory Board Non-voting Board member Director Director	GamaMabs Pharma NxTheraguix Ademtech Stentys* Corewave Limflow
Thibaut Roulon	<u>In a private capacity:</u> <u>Director</u> <u>As permanent representative of Bpifrance Investissement:</u> Non-voting Board member Member of the Supervisory Board Member of the Strategy Committee Permanent representative of Bpifrance Investissement	<u>NHTheraguix</u> <u>Gensight Biologics*</u> <u>Step pharma SAS</u> <u>Imcheck Pharma SAS</u>
Irdi Soridec Gestion represented by Jean-Michel Petit	<u>In a private capacity:</u> Chairman Chairman Non-voting Board member <u>As permanent representative of Irdi Soridec Gestion, IRDI and IRDInov:</u> Director Non-voting Board member Non-voting Board member Non-voting Board member Observer	IRDinov SAS SOCRI SAS Enobraq SAS Ademtech SA Exagen SA Gamamabs SA Fineheart SA LNC Therapeutics SA

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

Name	Office	Company
	Director Director Director Director	APSI 3D SAS Micropep Technologies SAS FFLY4U SAS TreeFrog Therapeutics SAS
Cemag Invest represented by Catherine Dunand	<u>In a private capacity:</u> Director Director Director Director Chairman Chairman Managing Director <u>As permanent representative of Cemag Invest:</u> Director Director Director Director Director Director Director	Saul Fondation for Progress Groupe Altavia Altavia France Fondation FAAU Cemag Invest SAS Promontoires SAS Novinvest Partners SARL Aryballe Technologies SA Feeligreen SA Diabeloop SA Wandercraft SAS Faber Novel SAS Cosmo Tech SA Avicenna SAS
Charlotte Sibley	Chairman of the Board Chairman Member of advisory board Member of advisory board	Fort Hill Co. Ltd Sibley Associates, LCC MindField solutions Galileo Analytics
André Ulmann (1)	Chairman Chairman Director Director Director Director Chairman Director	Cemag SAS Cemag Care HRA Pharma Ammtek Physip IMP Fondation FAAU Asarina****

* Company whose shares are admitted for trading on the Euronext regulated market in Paris

**Company whose shares are admitted for trading on the Euronext Growth market in Paris

****Company whose shares are admitted for trading on NASDAQ

(1) André Ulmann has no longer been an independent member since 12 March 2020

(2) Caroline Roussel, Ludovic Robin and Paul Michalet did not agree to their respective reappointments as Deputy Chief Executive Officers on 12 March 2020.

This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

1.4. Application of the principle of balanced gender representation on the Board

At the date of this report, the Board of Directors of the Company is composed of seven directors (three women and four men); the principle of balanced gender representation on the Company's Board of Directors was therefore respected as of 31 December 2019.

1.5 Missions of the Board of Directors

The Board is subject to the provisions of the French Commercial Code, Articles 11 to 13 of the Company's Articles of Association and the rules of procedure. Its main missions are:

- Determining the overall business strategy of the Company and supervising its implementation. Subject to the powers expressly granted to General Meetings of Shareholders and within the limits of the Company's corporate purpose, the Board may address all matters pertaining to the proper management of the Company and settle all items of business relating thereto;
- Appointing the Chairman of the Board, the Chief Executive Officer and the Deputy Chief Executive Officers and setting their compensation;
- Authorising the agreements and commitments referred to in Articles L. 225-38 et seq. of the French Commercial Code.

It ensures the quality of the information provided to shareholders and markets.

1.6. Independence of members of the Board of Directors

The rules of procedure adopted by the Board of Directors at its meeting of 29 September 2017 define in particular the principles of conduct and obligations of the members of the Board of Directors of the Company. The members of the Board of Directors agree to exercise independence with respect to their analyses, judgements and actions and to take an active part in the work of the Board. They must inform the Board of any conflicts of interest they may be faced with. In addition, the rules of procedure describe the regulations in effect regarding the distribution and use of inside information and note that members must refrain from entering into transactions on Company securities when they are in possession of inside information. The members of the Board of Directors are required to report any transactions on Company securities that they have carried out directly or indirectly to both the Company and the AMF.

Three of the Company's seven directors are now independent.

Françoise Brunner, a Swiss citizen, has been an independent director since 29 April 2011.

Charlotte Sibley, a US citizen and leading expert in US pharmacy markets, was co-opted as an independent director, after a review by the Appointments and Compensation Committee using the MiddleNext code criteria, at the Board meeting on 20 September 2018.

David Horn Solomon was appointed independent director at the AGM of 20 December 2019

The Company plans to continue to increase the proportion of independent directors on the Board of Directors.

1.7. Terms of office

The term of office is set at three years.

1.8. Rules of ethics

All directors are made aware of their responsibilities at the time of their appointment and are encouraged to observe the rules of ethics relating to their term of office: exemplary behaviour, compliance with the legal rules for holding more than one office, informing the Board of Directors in the event of a conflict of interest that occurs after appointment to their office, attendance at Board of Directors meetings and General Meetings, ensuring that they have all of the necessary information for agenda items discussed at meetings before taking any decision and respect for professional secrecy.

The rules of procedure of the Board of Directors include provisions in the event of situations that may present conflicts of interest, in particular in terms of information of the Board of Directors and the AMF, abstention from voting or participation in deliberations.

1.9. Appointment of new members

Before the appointment of new members, the Board examines the position of the candidates with respect to the independence criteria and their areas of competence to assess their adequacy for the Board's missions and their complementarity with the skills of other Board members. A bibliography of each member of the Board of Directors is available on the Company's website, www.advicenne.com

2. Conditions for the preparation and organisation of the Board's work

2.1. Rules of procedure

The Board of Directors has rules of procedure that set out the operating rules of the Board and of its committees. The rules of procedure of the Board of Directors are available on the website www.advicenne.com.

2.2. Information received by members of the Board

So that directors can participate effectively in the work and deliberations of the Board, the Company communicates all relevant documents to them in a timely manner. Requests to this effect are made to the Chairman or, as the case may be, to any executive of the Company (Chief Executive Officer or Deputy Chief Executive Officer).

Directors are authorised to meet the senior executives of the Company, provided that they inform the Chairman of the Board of Directors and the Chief Executive Officer in advance.

The Board is regularly informed by the Chief Executive Officer of the Company's financial position, cash position, financial commitments and significant events.

2.3. Assessment of the Board's work

The Chairman of the Board of Directors shall invite the members to comment on the functioning of the Board of Directors and on the preparation of the work during the 2020 financial year.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

At the beginning of each year, the Board of Directors shall self-assess its own working methods and functioning over the past year, at the invitation of the Chairman. The results of the discussions shall be expressed in an action plan.

When this assessment is completed, after a review of the summary presented by the Chairman of the Board of Directors, the Board shall take note of any comments and areas for improvement.

2.4. Meetings of the Board of Directors during the financial year

The number of Board of Directors' meetings takes into account the various events in the life of the Company. Therefore, the Board of Directors will meet more often if events affecting the Company require, and at least four times a year.

During the financial year ended 31 December 2019, the Board of Directors of the Company met nine times. The average rate of member attendance at the meetings was 89%.

Subsequent to the financial year end and the date of this report, the Board of Directors has met three times.

2.5. Specialised committees

The Company has created two special committees within the Board of Directors of the Company: an Audit Committee and an Appointments and Compensation Committee.

2.5.1 Audit Committee

By decision of the Board of Directors of 31 March 2017, the Company set up an Audit Committee for an unlimited period. The members of the Audit Committee defined the rules of operation of their committee in rules of procedure approved by the Board of Directors of 29 September 2017. The Board of Directors reviewed the composition of the Audit Committee on the same day.

The main terms of the Audit Committee's rules of procedure are described below.

2.5.1.1 Composition

Where possible, the Audit Committee comprises of at least two members appointed by the Board of Directors at the recommendation of the Appointments and Compensation Committee. The members of the committee are chosen from among the members of the Board of Directors and, insofar as possible, at least two of the members of the Audit Committee must be independent members as defined by the Corporate Governance Code published by MiddleNext in September 2016, to which the Company refers.

When selecting Audit Committee members, the Board of Directors must consider their independence and ensure that at least one independent member of the Audit Committee has special knowledge of finance and accounting.

The Chairman of the Audit Committee is appointed by the Board of Directors for the duration of his or her term as a member of the committee and, whenever possible, is selected from the independent directors.

The term of the Audit Committee members cannot exceed their term as a Director. The term of the Audit Committee members can be renewed an unlimited number of times. The members of the Audit Committee can have their positions revoked by the Board of Directors at any time without providing a reason.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

In the event of the death or resignation of a member during his or her term for any reason whatsoever, the Board of Directors can replace the member for the duration of the newly-appointed member's term as a Director.

The members of the Audit Committee are:

- Catherine Dunand, Chairman;
- Thibaut Roulon;
- Jean-Michel Petit; and
- Françoise Brunner-Ferber.

2.5.1.2 Competences

The Audit Committee is responsible for:

- monitoring the process of preparing financial information;
- monitoring the effectiveness of internal control and risk management systems;
- monitoring the auditing of the annual financial statements and, if required, the consolidated financial statements, by the Statutory Auditors;
- issuing a recommendation on the Statutory Auditors proposed for appointment by the General Shareholders' Meeting and reviewing the terms of their compensation;
- monitoring the independence of the Statutory Auditors;
- assessing the conditions of use of derivatives;
- reviewing the progress of any significant disputes on a regular basis;
- reviewing and making recommendations regarding transactions that are or could be a conflict of interests between the Company and a director;
- and, generally, providing advice and making recommendations relevant to the above-mentioned areas.

2.5.1.3 Operating procedures

The Committee must meet at least twice a year according to the schedule set by its Chairman to review the annual, interim and, if required, quarterly financial statements (consolidated in each case, where appropriate) based on an agenda set by the Committee Chairman and sent to the members of the Committee at least five days before the meeting date. It must also meet at the request of its Chairman, of two of its members, or of the Chairman of the Board of Directors of the Company.

During the financial year ended 31 December 2019, the committee met four times with an attendance rate of 94%.

Notices of meetings may be provided by any means, including verbally.

The Chairman will set the agenda for each meeting and moderate the discussions.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

The Committee appoints the Chairman and the Secretary from among its members. In the absence of the Chairman, the Committee must appoint a meeting Chairman. In the event of a split vote, the oldest candidate will be appointed meeting Chairman.

At least half of the members of the Committee must be present for deliberations.

Committee members cannot be represented by another person.

The Committee can hear any of the Company's directors and initiate internal and external audits on any subject it deems relevant to its mission. The Chairman of the Committee will give advance notice of this to the Board of Directors. In particular, the Committee is entitled to interview persons who take part in preparing and auditing the financial statements, the Chief Financial Officer and the main finance department managers.

The Committee may also interview the Statutory Auditors. They can meet with them without a representative of the Company present.

When they feel that it is necessary for the completion of their mission, the members of the Committee can request that all types of accounting, legal and financial documents be provided to them.

The Committee members can deliberate by video conference, telephone conference or in writing, including by fax, as long as all members agree to the method.

The Committee's proposals are submitted to the Board of Directors.

2.5.1.4 Reports

The Chairman of the Audit Committee must ensure that reports on the Committee's activities are provided to the Board of Directors to ensure that it is fully informed and to facilitate its deliberations.

The annual report must include a report on the Committee's activities for the past financial year.

If, during its work, the Audit Committee identifies a significant risk which it believes is not being adequately handled, the Chairman must immediately alert the Chairman of the Board.

2.5.2 Appointments and Compensation Committee

The Company set up a Compensation Committee by decision of the Board of Directors on 10 June 2011. The members of this Committee defined the rules of operation of their committee in rules of procedure approved by the Board of Directors on 29 September 2017. The Board of Directors reviewed the composition of the Appointments and Compensation Committee on the same day.

The main terms of the rules of procedure of the Appointments and Compensation Committee are described below.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

2.5.2.1 Composition

Whenever possible, the Appointments and Compensation Committee consists of at least two members of the Board of Directors appointed by the latter.

The Chairman of the Appointments and Compensation Committee is appointed by the members of the Appointments and Compensation Committee for the duration of his or her term as a Committee member.

The term of the Appointments and Compensation Committee members cannot exceed their term as a Director. The term of the Appointments and Compensation Committee members can be renewed an unlimited number of times. The members of the Appointments and Compensation Committee can have their positions revoked by the Board of Directors at any time without providing a reason.

Note that members of the Board of Directors with management duties in the Company cannot be members of the Appointments and Remuneration Committee.

The members of the Appointment and Compensation Committee are:

- Philippe Boucheron, Chairman,
- Catherine Dunand, and
- Charlotte Sibley

2.5.2.2 Competences

The Appointments and Compensation Committee is responsible for the following:

for appointments:

- providing recommendations to the Board of Directors regarding the composition of the Board of Directors and its committees;
- proposing, on a yearly basis, to the Board of Directors a list of its members who may qualify as "independent members" in line with the criteria defined in the Corporate Governance Code published in September 2016 by MiddleNext;
- defining a succession plan for the executives of the Company and assisting the Board of Directors in its selection and assessment of Board members;
- preparing the list of persons who may be recommended for appointment as members of the Board of Directors; and
- preparing the list of members of the Board of Directors who may be recommended for appointment as members of a committee of the Board.

in terms of compensation:

- examining the main objectives proposed by the management in terms of the compensation for non-corporate officer executives of the Company, including bonus share plans and stock options;
- examining the compensation of non-corporate officer executives, including bonus share plans and stock options, pension, health and welfare schemes and benefits in kind;

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

- examining the main objectives of any bonus share plan whose implementation would be considered for the Company's employees;
- providing the Board of Directors with recommendations and proposals for:
 - the compensation, including in respect of specific assignments, pension, health and welfare scheme, benefits in kind and other pecuniary rights, including in the event of the termination of employment, for corporate officers. The Committee proposes compensation amounts and structures and, notably, rules for setting variable compensation taking into account the strategy, objectives and results of the Company, as well as market practices, and
 - bonus share plans, stock options and all other similar incentive systems, and in particular, nominative allocations to corporate officers eligible for this type of mechanism,
 - examining the total amount of compensation allocated to Directors for their activities on the Board of Directors and the system of allocation among directors, as well as the terms for the reimbursement of any expenses incurred by the members of the Board of Directors,
 - preparing and presenting, where applicable, any reports required by the rules of procedure of the Board of Directors, and
 - preparing any other recommendations regarding compensation which may be requested by the Board of Directors.

In general, the Appointments and Compensation Committee will provide advice and make appropriate recommendations on the matters above.

2.5.2.3 Operating procedures

The Appointments and Compensation Committee meets at least twice a year based on a schedule set by its Chairman with an agenda set by the Chairman and sent to the members of the Appointments and Compensation Committee at least seven days prior to the meeting. The Committee also meets each time it believes it is necessary, at the invitation of the Chairman, two of its members, or the Chairman of the Board of Directors.

During the financial year ended 31 December 2019, the committee met four times with an attendance rate of 100%.

Notices of meetings may be provided by any means, including verbally.

The Chairman will set the agenda for each meeting and moderate the discussions.

The Committee appoints the Chairman and the Secretary from among its members. In the absence of the Chairman, the Committee must appoint a meeting Chairman. In the event of a split vote, the oldest candidate will be appointed meeting Chairman.

At least half of the members of the Committee must be present for deliberations.

Committee members cannot be represented by another person.

The Chairman of the Board of Directors of the Company can be invited to take part in the Committee's meetings, if he or she is not a member of the Appointments and Compensation Committee. The Committee will ask him or her to present his or her proposals. He or she does not have the right to vote and cannot attend deliberations concerning his or her own situation.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

The Appointments and Compensation Committee can request that the Chairman of the Board of Directors make available members of executive management with the competences required to facilitate the handling of an agenda point. The Chairman of the Committee or of the meeting must remind everyone taking part in the discussions of the obligation for confidentiality incumbent on them.

The Committee members can deliberate by video conference, telephone conference or in writing, including by fax, as long as all members agree to the method.

The Committee's proposals are submitted to the Board of Directors.

2.5.2.4 Reports

The Chairman of the Appointments and Compensation Committee must ensure that reports on the Committee's activities are provided to the Board of Directors to ensure that it is fully informed and to facilitate its deliberations.

The annual report must include a report on the Committee's activities for the past financial year.

The Appointments and Compensation Committee will review the Company's draft report on executive compensation.

Corporate governance

In order to comply with the requirements of Article L. 225-37-4 of the French Commercial Code, the Company has designated the Code of Corporate Governance published in September 2016 by MiddleNext (the "MiddleNext Code") as the reference code to which it intends to refer.

The Company's goal is to comply with all of the MiddleNext Code's recommendations.

In light of the foregoing, the table below sets out the Company's position in relation to all recommendations issued by the MiddleNext Code at the date of this report.

MiddleNext Code recommendations	Adopted	Will be adopted	Under study
Oversight			
R1 Board member ethics	X		
R2 Conflicts of interests	X		
R3 Composition of the Board - Inclusion of independent members	X		
R4 Board member information	X		
R5 Organisation of Board and committee meetings	X		
R6 Existence of committees	X		
R7 Implementation of Board rules of procedure	X		
R8 Board member selection	X		
R9 Terms of office of Board members			X ⁽¹⁾
R10 Board member compensation	X		
R11 Evaluation of the Board's work		X ⁽²⁾	
R12 Shareholder relations	X		

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

MiddleNext Code recommendations	Adopted	Will be adopted	Under study
Executive powers			
R13 Definition and transparency of executive corporate officer compensation	X		
R14 Executive succession planning	X		
R15 Combining employment contracts and corporate offices	X ⁽³⁾		
R16 Severance payments	X		
R17 Supplementary pension plans	X		
R18 Stock options and allocation of bonus shares		X ⁽⁴⁾	
R19 Review of points of vigilance	X		

- (1) The staggered renewal of directors' terms will not be possible in the immediate future as the current directors have all been appointed or have had their terms renewed in 2017. Their terms of office will expire at the general meeting that approves the financial statements for the 2019 financial year; the Extraordinary General Meeting may then decide to renew certain terms of office for a shorter period on an exceptional basis in order to implement staggering.
- (2) The Company intends to implement an evaluation process for the work done by the Board of Directors in 2020.
- (3) Given the size of the Company, its desire to attract and retain highly experienced employees² and the specific expertise of each member of the Executive Management, the Board of Directors has authorised executive corporate officers to combine their employment contract with their corporate office.
- (4) The exercise of BSAs and/or BSPCEs allocated to some of the Company's executive corporate officers is not subject to performance conditions, with the exception of pool2 BSPCEs allocated to the Chief Executive Officer and Deputy Chief Executive Officers in July 2017 and BSPCEs allocated on 17 July 2019. The BSPCEs allocated are subject to presence conditions are included to ensure stability in management over time.

3. Information relating to corporate officers: Compensation and benefits in kind

This information is based on the Corporate Governance Code published by MiddleNext in September 2016. The tables in Appendix 2 of AMF position-recommendation no. 2014-14 are presented below:

- **Table 1: Summary table of the compensation and BSA (share subscription warrants) and BSPCE (founders' warrants) granted to each executive corporate officer**

² The protections attached to an employment contract (dismissal procedures and unemployment benefits in particular) represent an important element for executive corporate officers, without which they might not have otherwise accepted a corporate office.

	2018 financial year	2019 financial year
David H. Solomon – Chairman of the Board of Directors		
Compensation due for the financial year ⁽¹⁾	N/A	1,667
Valuation of the multi-year variable compensation granted during the financial year	N/A	N/A
Valuation of the BSAs and BSPCEs granted during the financial year	N/A	€448,255
Valuation of the bonus shares granted during the financial year	N/A	N/A
Total	N/A	449,922

⁽¹⁾ Including benefits in kind (see Table 2 "Summary table of the compensation granted to each executive corporate officer" below).

	2018 financial year	2019 financial year
Luc-André Granier – Chief Executive Officer		
Compensation due for the financial year ⁽¹⁾	221,339	187,390
Valuation of the multi-year variable compensation granted during the financial year	N/A	N/A
Valuation of the BSAs and BSPCEs granted during the financial year	N/A	N/A
Valuation of the bonus shares granted during the financial year	N/A	N/A
Total	221,339	187,390

⁽¹⁾ Including benefits in kind (see Table 2 "Summary table of the compensation granted to each executive corporate officer" below).

	2018 financial year	2019 financial year
Nathalie Lemarié – Deputy CEO		
Compensation due for the financial year	103,000	97,198
Valuation of the multi-year variable compensation granted during the financial year	N/A	N/A
Valuation of the BSAs and BSPCEs granted during the financial year	N/A	N/A
Valuation of the bonus shares granted during the financial year	N/A	N/A
Total	103,000	97,198

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

	2018 financial year	2019 financial year
Caroline Roussel-Maupetit – Deputy CEO		
Compensation due for the financial year	135,633	117,190
Valuation of the multi-year variable compensation granted during the financial year	N/A	N/A
Valuation of the BSAs and BSPCEs granted during the financial year	N/A	N/A
Valuation of the bonus shares granted during the financial year	N/A	N/A
Total	135,633	117,190

	2018 financial year	2019 financial year
Ludovic Robin – Deputy Chief Executive Officer		
Compensation due for the financial year	190,054	160,333
Valuation of the multi-year variable compensation granted during the financial year	N/A	N/A
Valuation of the BSAs and BSPCEs granted during the financial year	N/A	N/A
Valuation of the bonus shares granted during the financial year	N/A	N/A
Total	190,054	160,333

	2018 financial year	2019 financial year
Paul Michalet – Deputy Chief Executive Officer⁽¹⁾		
Compensation due for the financial year	66,667	154,185
Valuation of the multi-year variable compensation granted during the financial year	N/A	N/A
Valuation of the BSAs and BSPCEs granted during the financial year	512,975	N/A
Valuation of the bonus shares granted during the financial year	N/A	N/A
Total	66,667	154,185

⁽¹⁾ Presence of four months out of the 2018 financial year

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

• **Table 2: Summary table of the compensation granted to each executive corporate officer**

The table below shows the compensation due to the executive corporate officers for the financial years ended 31 December 2018 and 2019 and the compensation they received during those financial years.

	2018 financial year		2019 financial year	
	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾
David H. Solomon - Chairman of the Board of Directors				
Fixed compensation ⁽³⁾	N/A	N/A	1,667	N/A
Annual variable compensation ⁽⁴⁾	N/A	N/A	N/A	N/A
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation for Board activities	N/A	N/A	1,000	N/A
Benefits in kind ⁽⁵⁾	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

⁽¹⁾ Compensation due to the corporate officer during the financial year, the amount of which will not change regardless of the payment date.

⁽²⁾ Compensation paid to the corporate officer during the financial year.

⁽³⁾ Compensation due for his corporate office

⁽⁴⁾ David H. Solomon was appointed Chairman of the Board of Directors on 23 December 2019 and is paid gross annual compensation of €60,000 in four quarterly payments of €15,000. David H. Solomon received no compensation for the office of Chairman in the 2019 financial year. However, prior to his appointment he received the sum of €30,000 under his consultancy contract signed on 1 September 2019 that ended on 30 November 2019.

	2018 financial year		2019 financial year	
	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾
Luc-André Granier – Chief Executive Officer				
Fixed compensation ⁽³⁾	164,065	164,065	182,586	182,586
Annual variable compensation ⁽⁴⁾	52,470	54,000	0	52,470
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation for Board activities	N/A	N/A	N/A	N/A
Benefits in kind ⁽⁵⁾	4,404	4,404	4,804	€4,804
Total	221,339	222,869	187,390	239,860

⁽¹⁾ Compensation due to the corporate officer during the financial year, the amount of which will not change regardless of the payment date.

⁽²⁾ Compensation paid to the corporate officer during the financial year.

⁽³⁾ Compensation due under her corporate office and employment contract.

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

⁽⁴⁾ Under the terms of his contract, Luc-André Granier is entitled to annual variable compensation of up to €66,000 for the 2018 financial year and €66,000 for the 2019 financial year, paid based on the achievement of personal objectives and objectives related to the Company's business.

⁽⁵⁾ Luc-André Granier has an insurance policy covering loss of employment (GSC).

	2018 financial year		2019 financial year	
	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾
Nathalie Lemarié – Deputy CEO				
Fixed compensation ⁽³⁾	87,000	87,000	97,198	97,198
Annual variable compensation ⁽⁴⁾	14,000	0	0	14,000
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	2,000	15,189	15,000	N/A
Compensation for Board activities	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A
Total	103,000	102,189	97,198	111,198

⁽¹⁾ Compensation due to the corporate officer during the financial year, the amount of which will not change regardless of the payment date.

⁽²⁾ Compensation paid to the corporate officer during the financial year.

⁽³⁾ Compensation due under her corporate office and employment contract.

⁽⁴⁾ Nathalie Lemarié is entitled to annual variable compensation of up to €14,500 for the 2018 financial year and €16,200 for the 2019 financial year, paid based on the achievement of personal objectives and objectives related to the Company's business.

	2018 financial year		2019 financial year	
	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾
Caroline Roussel-Maupetit – Deputy CEO				
Fixed compensation ⁽³⁾	108,873	108,873	117,190	117,190
Annual variable compensation ⁽⁴⁾	25,060	22,500	0	25,060
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	2,000	2,000	N/A	N/A
Compensation for Board activities	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A
Total	135,933	133,373	117,190	142,250

⁽¹⁾ Compensation due to the corporate officer during the financial year, the amount of which will not change regardless of the payment date.

⁽²⁾ Compensation paid to the corporate officer during the financial year.

⁽³⁾ Compensation due under her corporate office and employment contract.

This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

⁽⁴⁾ *Caroline Roussel-Maupetit is entitled to annual variable compensation of up to €28,000 for the 2018 financial year and €30,000 for the 2019 financial year, paid based on the achievement of personal objectives and objectives related to the Company's business.*

	2018 financial year		2019 financial year	
	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾
Ludovic Robin – Deputy Chief Executive Officer				
Fixed compensation ⁽³⁾	152,029	152,029	160,333	160,333
Annual variable compensation ⁽⁴⁾	38,025	37,800	0	38,025
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation for Board activities	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A
Total	190,054	189,829	160,333	198,358

⁽¹⁾ *Compensation due to the corporate officer during the financial year, the amount of which will not change regardless of the payment date.*

⁽²⁾ *Compensation paid to the corporate officer during the financial year.*

⁽³⁾ *Compensation due under her corporate office and employment contract.*

⁽⁴⁾ *Ludovic Robin is entitled to annual variable compensation of up to €45,000 for the 2018 financial year and €45,000 for the 2019 financial year, paid based on the achievement of personal objectives and objectives related to the Company's business.*

	2018 financial year		2019 financial year	
	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾
Paul Michalet – Deputy Chief Executive Officer⁽³⁾				
Fixed compensation ⁽³⁾	50,667	50,667	154,185	154,185
Annual variable compensation ⁽⁴⁾	16,000	0	0	16,000
Multi-year variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Compensation for Board activities	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A
Total	66,667	50,667	154,185	170,185

⁽¹⁾ *Compensation due to the corporate officer during the financial year, the amount of which will not change regardless of the payment date.*

⁽²⁾ *Compensation paid to the corporate officer during the financial year.*

⁽³⁾ *Compensation due under his/her corporate office and employment contract.*

⁽⁴⁾ *Paul Michalet is entitled to annual variable compensation of up to €48,000 for the 2018 financial year and €48,000 for the 2019 financial year, paid based on the achievement of personal objectives and objectives related to the Company's business.*

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

Table 3: Compensation received by the non-executive corporate officers

Non-executive corporate officers ⁽¹⁾	Amounts paid during the 2018 financial year		Amounts paid during the 2019 financial year	
	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾	Amounts due ⁽¹⁾	Amounts paid ⁽²⁾
Françoise Brunner-Ferber, Independent Director,				
Compensation for Board activities	€17,000	-	€17,000	€17,000
Other compensation	-	-	-	-
David Solomon, independent director				
Compensation for Board activities	-	-	€1,000	-
Other compensation	-	-	-	-
Bpifrance Investissement (represented by Philippe Boucheron), Director				
Compensation for Board activities	-	-	-	-
Other compensation	-	-	-	-
Thibaut Roulon, Director				
Compensation for Board activities	-	-	-	-
Other compensation	-	-	-	-
Irdi Soridec Gestion (represented by Jean-Michel Petit), Director,				
Compensation for Board activities	-	-	-	-
Other compensation	-	-	-	-
Cemag Invest (represented by Catherine Dunand), Director,				
Compensation for Board activities	-	-	-	-
Other compensation	-	-	-	-
Charlotte Sibley⁽³⁾, independent director,				
Compensation for Board activities	€5,000	-	€14,000	€5,000
Other compensation	-	-	-	-
André Ulmann, non-voting Board member,				
Compensation for Board activities	-	-	-	-
Other compensation	-	-	-	-

⁽¹⁾ Compensation due to the corporate officer during the financial year, the amount of which will not change regardless of the payment date.

⁽²⁾ Compensation paid to the corporate officer during the financial year.

- **Table 4: BSAs and BSPCEs granted to each executive corporate officer by the Company and by all Group companies during the financial years ended 31 December 2018 and 31 December 2019**

For information purposes, the Company allocated the following BSPCEs in 2018:

Name of executive corporate officer	Date of allocation	Type of BSPCEs	Number of BSPCEs granted during the financial year	Maximum number of shares likely to be issued through the exercise of BSPCEs	Exercise price	Expiry date
Paul Michalet	7 December 2018	BSPCE ₂₀₁₈	80,000	80,000	€11.74	7 December 2028

For information purposes, the Company allocated the following BSPCEs in 2019:

Name of executive corporate officer	Date of allocation	Type of BSPCEs	Number of BSPCEs granted during the financial year	Maximum number of shares likely to be issued through the exercise of BSPCEs	Exercise price	Expiry date
Charlotte Sibley	13 June 2019	BSPCE ₂₀₁₉ *	15,000	15,000	€10.52	13 June 2029
Luc-André Granier	17 July 2019		42,000	42,000	€14.03	17 July 2029
Caroline Roussel-Maupetit			42,000	42,000		
Ludovic Robin			38,000	38,000		
Paul Michalet			38,000	38,000		
David H. Solomon	23 December 2019		90,000	90,000	€9.32	23 December 2029
TOTAL			265,000	265,000		

* Void BSPCEs subject to a performance condition not achieved during the period

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

- **Table 5: BSAs and BSPCEs exercised by each executive corporate officer during the financial years ended 31 December 2018 and 31 December 2019**

Name of executive corporate officer	Date exercised	Type of BSPCEs	Number of BSPCEs exercised	Number of shares subscribed by Exercise of BSPCEs	Unit price	Subscription amount
Carole Roussel-Maupetit	23 July 2019	BSPCE ₂₀₀₈	4,662	23,310	€2	46,620
Luc-André Granier	26 July 2019		4,662	23,310		46,620
Nathalie Lemarié	7 October 2019	BSPCE ₂₀₁₁ P2	4,750	22,850	€3.22	73,577
Carole Roussel-Maupetit	14 October 2019		7,558	37,790		€121,683.80
Luc-André Granier	15 October 2019		10,994	54,970		€177,003.40
Luc-André Granier	15 October 2019	BSPCE ₂₀₁₁ P1	2,664	13,320	€3.22	€42,890.40
Carole Roussel-Maupetit	15 October 2019	BSPCE ₂₀₁₁ P1	2,058	10,290		€33,133.80

- **Table 6: Bonus shares granted to each corporate officer**

None.

- **Table 7: Bonus shares granted which became available for each corporate officer**

None.

- **Table 8: History of BSA and/or BSPCE grants to the corporate officers**

The table below sets out the main features of the founders' warrants (the "BSPCE" issued by the Company and that are outstanding:

	BSPCE 2013-Pool 1 and Pool 2	BSPCE 2013-Pool 1	BSPCE 2017 Pool 1 (3)	BSPCE 2017 Pool 2 (4)	BSPCE 2018 (5)	BSPCE 2019 ((6) (7) and (8))		
Date of General Meeting	20 December 2013		9 March 2017		19 June 2018	24 May 2019		
Date of the Board of Directors' decision ⁽¹⁾	3 January 2014	17 April 2015	11 July 2017		7 December 2018	13 June 2019	17 July 2019	23 December 2019
Authorized number of BSPCEs	80,000		100,000	35,000	80,000	500,000		
Total number of BSPCEs allocated	54,000	12,000	72,000	35,000	80,000	15,000	200,000	90,000
Total number of shares that may be subscribed by exercising allocated BSPCEs ⁽²⁾	270,000	60,000	360,000	175,000	80,000	15,000	200,000	90,000
of which total number of <i>shares</i> that may be subscribed by the Company's <i>corporate officers</i> ⁽²⁾	175,000	22,000	270,000	131,250	80,000	15,000	160,000	90,000
Corporate officers:								
<i>Luc-André Granier</i>	100,000	9,000	115,000	70,000		-	42,000	
<i>Nathalie Lemarié</i>	-	5,000	30,000	-		-	-	
<i>Caroline Roussel-Maupetit</i>	75,000	8,000	75,000	26,250		-	42,000	
<i>Ludovic Robin</i>	--	-	50,000	35,000			38,000	
<i>Paul Michalet</i>	-	-	-	-	80,000		38,000	

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

	BSPCE 2013-Pool 1 and Pool 2	BSPCE 2013-Pool 1	BSPCE 2017 Pool 1 (3)	BSPCE 2017 Pool 2 (4)	BSPCE 2018 (5)	BSPCE 2019 ((6) (7) and (8))		
Date of General Meeting	20 December 2013		9 March 2017		19 June 2018	24 May 2019		
Date of the Board of Directors' decision ⁽¹⁾	3 January 2014	17 April 2015	11 July 2017		7 December 2018	13 June 2019	17 July 2019	23 December 2019
<i>Charlotte Sibley</i>						15,000		
<i>David H. Solomon</i>								90,000
Number of non-corporate officer beneficiaries	3	9	2	1	0	0	1	0
Start of the exercise period for BSPCEs	3 January 2015	17 April 2016	11 July 2018	(3)	7 December 2018	13 June 2019	17 July 2019	23 December 2019
Expiry of BSPCE	3 January 2021	17 April 2022	11 July 2024	11 July 2024	7 December 2028	13 June 2029	17 July 2029	23 December 2029
Subscription price for one share ⁽²⁾	€3.22	€3.22	€7.54	€7.54	€11.74	€10.52	€14.03	€9.32
Terms and conditions of exercise	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Number of shares subscribed as at 31 December 2019 ⁽²⁾	0	0	0	0	0	0	0	0
Total number of cancelled or void BSPCEs as at 31 December 2019	23,000	1,350	0	15,000	0	0	200,000	0
BSPCEs remaining as at 31 December 2019	31,000	10,650	72,000	20,000	80,000	15,000	0	90,000

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

	BSPCE 2013-Pool 1 and Pool 2	BSPCE 2013-Pool 1	BSPCE 2017 Pool 1 (3)	BSPCE 2017 Pool 2 (4)	BSPCE 2018 (5)	BSPCE 2019 ((6) (7) and (8))		
Date of General Meeting	20 December 2013		9 March 2017		19 June 2018	24 May 2019		
Date of the Board of Directors' decision ⁽¹⁾	3 January 2014	17 April 2015	11 July 2017		7 December 2018	13 June 2019	17 July 2019	23 December 2019
Total number of shares that can be subscribed as at 31 December 2019 (taking into account the exercise conditions for the BSPCEs)	155,000	53,250	90,000	100,000	20,000	0	0	0
Maximum number of shares that can be subscribed on the exercise of all BSPCEs outstanding as at 31 December 2019 (assuming all exercise conditions of said BSPCEs have been met)	155,000	53,250	360,000	100,000	80,000	15,000	0	90,000

- (1) In the period under review, the Company was a limited company (société anonyme) with a Board of Directors
- (2) Taking into account the 5-for-1 stock split (and the corresponding multiplication of the number of shares in the share capital by five) decided by the Combined General Shareholders' Meeting of 24 October 2017.
- (3) 75% of the 2017 Pool 1 BSPCEs are exercisable by each of the beneficiaries. The balance will be exercisable on 11 July 2020,
- (4) 2017 Pool₂ BSPCEs may be exercised.
- (5) The 2018 BSPCEs may be exercised by the beneficiary according to the following timetable:

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

- up to 20,000 BSPCEs at the expiry of each year as from 7 December 2018, that is, starting 8 December 2019 for the first tranche; and
- no later than ten (10) years from their issuance, it being specified that the BSPCEs that have not yet been exercised at the end of such period of ten (10) years would automatically lapse,

As an exception to the above, a mechanism for exercising these BSPCEs prematurely is in place in the event of a majority transaction resulting in a change of control of the Company

(6) The 2019 BSPCEs from the 13 June allocation are exercisable by each of the beneficiaries according to the following timetable:

- up to 3,750 BSPCEs at the expiry of each year as from 13 June 2019, that is, starting 13 June 2020 for the first tranche provided that the beneficiary retains a position within the Company or the Advicenne group, and
- no later than ten (10) years from their issuance, it being specified that the BSPCEs that have not yet been exercised at the end of such period of ten (10) years would automatically lapse.

As an exception to the above, a mechanism for exercising these BSPCEs prematurely is in place in the event of a majority transaction resulting in a change of control of the Company

(7) The 2019 BSPCE's from the allocation on 17 July related to performance conditions not being met are now void.

The 2019 BSPCEs may be exercised by the beneficiary according to the following timetable:

- up to 30,000 BSPCEs at the expiry of each year as from 23 December 2019, that is, starting 23 December 2020 for the first tranche provided that the beneficiary retains their position within the Company or the Advicenne group, and
- no later than ten (10) years from their issuance, it being specified that the BSPCEs that have not yet been exercised at the end of such period of ten (10) years would automatically lapse,

As an exception to the above, a mechanism for exercising these BSPCE prematurely is in place in the event of a majority transaction resulting in a change of control of the Company

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

- **Table 9: Details of the conditions of compensation and other benefits granted to the executive corporate officers**

Executive corporate officers	Employment contract		Supplementary pension plan		Compensation or benefits due or liable to be due following termination or a change in position		Compensation for a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
David H. Solomon, Chairman of the Board of Directors		X		X		X		X
Start of term:	23 December 2019							
Renewal:	N/A							
Term ends:	At the close of the Annual General Shareholders' Meeting held to approve the financial statements for the year ending 31 December 2021							
Luc-André Granier – Chief Executive Officer	X (1)			X		X (2)	X (3)	
Start of term:	29 April 2011							
Renewal:	23 June 2017 as Director and 29 September 2017 as Chairman and Chief Executive Officer ⁽⁸⁾							
Term ends:	12 March 2020							
Nathalie Lemarié – Deputy CEO	X (4)			X		X	X (3)	
Start of term:	28 September 2012							
Renewal:	29 September 2017 and 12 March 2020							
Term ends:	When the CEO's term ends							
Caroline Roussel-Maupetit – Deputy CEO	X (5)			X		X	X (3)	
Start of term:	29 April 2011							
Renewal:	29 September 2017 and 12 March 2020							
Term ends:	12 March 2020							

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

Executive corporate officers	Employment contract		Supplementary pension plan		Compensation or benefits due or liable to be due following termination or a change in position		Compensation for a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Ludovic Robin – Deputy CEO	X (6)			X		X	X (3)	
Start of term:	When the CEO's term ends							
Renewal:	29 September 2017 and 12 March 2020							
Term ends:	12 March 2020							
Paul Michalet - Deputy Chief Executive Officer	X (7)			X		X	X (3)	
Start of term:	20 September 2018							
Renewal:	12 March 2020							
Term ends:	12 March 2020							

(1) Employment contract for the position of Scientific and Medical Director signed on 1 August 2007. The Board of Directors' meeting of 29 September 2017 confirmed the continuation of the employment contract.

(2) Luc-André Granier nonetheless has an insurance policy covering loss of employment (GSC).

(3) Under the terms of their employment contracts, in consideration for their non-compete obligation, Caroline Roussel-Maupetit, Nathalie Lemarié, Luc-André Granier, Ludovic Robin and Paul Michalet will receive, after the effective termination of their employment contract and for a period of two years from that date, a monthly allowance equal to, for Caroline Roussel-Maupetit, Luc-André Granier, Ludovic Robin and Paul Michalet, 50% of their gross monthly salary and, for Nathalie Lemarié, 33% of her gross monthly salary.

(4) Employment contract for the position of Director of Regulatory Affairs signed on 15 October 2012. The Board of Directors' meeting of 29 September 2017 confirmed the continuation of the employment contract.

(5) Employment contract for the position of Operations Director signed on 9 September 2008. The Board of Directors' meeting of 29 September 2017 confirmed the continuation of the employment contract.

(6) Employment contract for the position of Director of Corporate Strategy and International Development signed on 22 August 2016. The Board of Directors' meeting of 29 September 2017 confirmed the continuation of the employment contract.

(7) Employment contract for the position of Chief Financial Officer signed on 3 September 2018. The Board of Directors' meeting of 20 September 2018 confirmed the continuation of the employment contract.

(8) Luc-André Granier resigned as Chairman of the Board of Directors At its meeting on 23 December 2019, the Board of Directors accepted his resignation. Luc-André Granier remained in position as Chief Executive Officer until 12 March 2020. He remains a Director of the Company.

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

Equity ratio between the level of compensation of executive corporate officers and the mean and median Company salaries

Pursuant to Article L. 225-37-3, 6° of the French Commercial Code, the ratios between the level of compensation of the Chairman of the Board of Directors, the Chief Executive Officer and each Deputy Chief Executive Officer and the mean full-time equivalent compensation of Company employees other than corporate officers on the one hand, and the median full-time equivalent compensation of Company employees other than corporate officers are presented below. The equity ratios have been calculated on the basis of fixed, variable and exceptional compensation paid within the Company in the aforementioned financial years.

		2019 financial year	2018 financial year
David H. Solomon Chairman of the Board of Directors	Ratio with mean compensation		
	Ratio with median compensation		
Luc-André Granier Chief Executive Officer	Ratio with mean compensation	3.84	3.74
	Ratio with median compensation	4.56	4.21
Caroline Roussel-Maupetit Deputy Chief Executive Officer	Ratio with mean compensation	2.79	2.74
	Ratio with median compensation	3.32	3.09
Ludovic Robin Deputy Chief Executive Officer	Ratio with mean compensation	3.17	3.19
	Ratio with median compensation	3.77	3.58
Nathalie Lemarié Deputy Chief Executive Officer	Ratio with mean compensation	1.96	2.14
	Ratio with median compensation	2.34	2.41
Paul Michalet Deputy Chief Executive Officer	Ratio with mean compensation	2.72	2.55
	Ratio with median compensation	3.24	2.87

Amounts provisioned or recorded by the Company for payment of pension, retirement, or other benefits to corporate officers:

With the exception of provisions for legal retirement benefits detailed in the notes to the Company financial statements prepared under IFRS for the financial year ended 31 December 2019, the Company has not created a provision for the payment of pensions, retirement and other benefits for the members of the Board of Directors and the executives.

The Company has not paid any signing or departure bonuses to the corporate officers named above.

Securities giving access to the Company's share capital granted to or subscribed for by the corporate officers

A detailed description of the terms of each security held by the corporate officers is shown in Table 8 above.

4 Components of compensation due or allocated for the 2019 financial year to the Chairman, Chief Executive Officer and Deputy Chief Executive Officers (ex-post vote)

Pursuant to Paragraph II of Article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional compensation allocated or to be allocated to the Chairman, Chief Executive Officer and Deputy Chief Executive Officers for their respective offices in the 2019 financial year, as approved by the Board of Directors in accordance with the principles and criteria approved by the General Shareholders' Meeting, detailed in Section 3 of this report, will be submitted for the approval of the General Shareholders' Meeting convened on 26 May 2020 to approve the financial statements for the 2019 financial year.

5 Corporate officer compensation policy for the 2020 financial year

Pursuant to Article L. 225-37-2 of the French Commercial Code, the Board of Directors submits its corporate officer compensation policy to the Shareholders' Meeting for approval.

This compensation has been approved by the Board of Directors, on the recommendation of the Compensation Committee and is presented below.

Non-executive corporate officers

Members of the Board of Directors may receive:

- compensation for specific duties that may be assigned to them by the Board of Directors under regulated agreements to be submitted for a vote at the General Shareholders' Meeting. The amount of this compensation will be set by the Board of Directors based on the nature of the specific duties assigned to the Director;

- a total annual sum set by the General Shareholders' Meeting. The Board of Directors will allocate some or all of the budget approved by the Shareholders' Meeting, in accordance with the recommendations of the Corporate Governance Code published in September 2016 by MiddleNext and under the terms of its rules of procedure, taking into account the attendance of Board members and the time spent on their duties, including on any committees established by the Board.

At its meeting on 7 December 2018, the Board of Directors approved the principles for distributing the compensation allocated to directors for their activities on the Board. However, to date, only independent directors have been allocated compensation for their participation in the work of the Board and committees according to the following rules:

- physical attendance at a Board meeting: €2,000;
- attendance by telephone at a Board meeting: €1,000;
- physical attendance at a Committee meeting: €1,000;
- Attendance by telephone at a Committee meeting: €500.

Members of the Board of Directors are entitled to claim the reimbursement of any business expenses incurred in exercising their duties, against receipts and in accordance with the procedures in place within the Company.

Finally, directors who are not employees or executives of the Company or any of its subsidiaries may be allocated founders' warrants (BSPCEs) or be offered the option of subscribing, under market conditions, to

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

stock options, the issue price of which will be set on the date on which the warrants are issued based on their characteristics, with the assistance of an independent expert if required.

Executive corporate officers

David H. Solomon, Chairman of the Board of Directors:

<u>Components of compensation</u>	<u>Principles</u>	<u>Determination criteria</u>
Fixed compensation	David Solomon receives fixed compensation for the office of Chairman	The gross annual compensation of the Chairman of the Board of Directors has been set at €110,000 for the 2020 financial year. An exceptional additional payment of €50,000 has been agreed to reward the increased workload arising from the change in management of the Company.
Annual variable compensation	N/A	N/A
Exceptional compensation	N/A	N/A
Non-compete clause	N/A	N/A
Benefits in kind	N/A	N/A
Supplementary pension plan	None	None
Compensation for his activities on the Board of Directors	David Solomon may receive compensation for his activities as a Director.	As is the case with all directors, the Chairman may receive compensation, the amount of which is decided by the Board (within the total budget approved for all directors in at the Shareholders' Meeting), based on his attendance and the time spent on his position, including on any committees established by the Board. As is the case with all directors, the Chairman of the Board of Directors may also receive compensation for any specific duties assigned by the Board of Directors.

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

The Chairman of the Board of Directors may also be granted stock options, founders' warrants and/or bonus shares subject to presence and/or performance conditions.

Luc-André Granier, Chief Executive Officer (until 12 March 2020)³:

Components of compensation	Principles	Determination criteria
Fixed compensation for the office of Chief Executive Officer.	Luc-André Granier receives compensation for the office of Chief Executive Officer.	Luc-André Granier's total annual fixed compensation for the office of Chief Executive Officer has been set at €24,000 for the 2020 financial year (unchanged from 2019).
Fixed compensation due under her employment contract	Luc-André Granier receives fixed compensation due under his employment contract as Scientific and Medical Director.	Luc-André Granier's gross annual fixed compensation due under his employment contract is €148,000 (unchanged from 2019).
Variable compensation due under his employment contract	Luc-André Granier receives variable compensation due under his employment contract as Scientific and Medical Director. This may be up to €66,000 based on the achievement of objectives defined by the Board of Directors on the proposal of the Appointments and Compensation Committee.	The level of achievement expected for the variable compensation is established each year according to the objectives of the Company, which are not made public for reasons of confidentiality, and the individual objectives set annually by the Board of Directors, whose level of achievement shall be determined by the Board of Directors
Exceptional compensation for the office of Chief Executive Officer	N/A	N/A
Non-compete clause	Non-compete clause for a period of two years from the termination of his employment contract.	Payment of a special monthly indemnity equal to 50% of the gross monthly salary.
Benefits in kind	None, since Mr Granier has not been eligible for the executive unemployment insurance to which he was previously entitled since end 2019.	
Supplementary pension plan	None	

³ Mr Granier's term as Chief Executive Officer (but not his employment contract) ended on 12 March 2020.

Compensation for his activities on the Board of Directors	N/A	N/A
Compensation related to termination of position	Under Mr Granier's employment contract as a Scientific and Medical Director, he is entitled to compensation for contract termination equal to at least 12 months' salary.	This compensation is payable in the event that Mr Granier's employment contract is terminated on any grounds.

The Chief Executive Officer may be granted stock options, founders' warrants and/or bonus shares subject to presence and/or performance conditions.

André Ulmann, Chief Executive Officer (since 12 March 2020):

Components of compensation	Principles	Determination criteria
Fixed compensation for the office of Chief Executive Officer.	André Ulmann receives fixed compensation for the office of Chief Executive Officer.	Total gross fixed compensation has been set at €24,000 for the full year, on a pro rata basis, for the 2020 financial year.
Fixed compensation for a consultancy contract	The conclusion of a consultancy contract, to be signed with the company CEMAG CARE, controlled by Mr. Ulmann, relating to services separate from the mandate of general manager of Mr. Ulmann, was authorized by the board of directors in accordance with the procedure laid down for regulated agreements	The Board of Directors authorized the payment to the company CEMAG CARE of monthly fees of 17,500 euros HT for the duration of the mission.
Annual variable compensation	N/A	N/A
Exceptional compensation	André Ulmann may be awarded exceptional compensation.	The purpose of such exceptional compensation would be intended to compensate specific performance on one or more projects with a major impact on the Company's development such as acquisitions, mergers or changes of control.
Non-compete clause	None.	None.
Benefits in kind	None.	None.
Supplementary pension plan	None.	None.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

Compensation for his activities on the Board of Directors	André Ulmann may receive compensation for his activities on the Board of Directors	As is the case with all directors, the Chief Executive Officer may receive compensation the amount of which is decided by the Board (within the budget approved in at the Shareholders' Meeting) and in line with the principles approved by the Board, based on his or her attendance and the time spent on their duties, including on any committees established by the Board.
---	--	--

The Chief Executive Officer may be granted stock options, founders' warrants and/or bonus shares subject to presence and/or performance conditions.

Caroline Roussel-Maupetit, Deputy Chief Executive Officer and Director of Operations (until 12 March 2020)⁴

Components of compensation	Principles	Determination criteria
Fixed compensation for the office of Deputy Chief Executive Officer	Caroline Roussel-Maupetit receives fixed compensation for the office of Chief Executive Officer	Caroline Roussel-Maupetit's total gross fixed compensation has been set at €13,200 for the 2020 financial year.
Fixed compensation due under her employment contract	As Director of Operations, Caroline Roussel-Maupetit receives fixed compensation due under her employment contract.	Caroline Roussel-Maupetit's total gross fixed compensation due under her employment contract has been set at €103,000 for working time of 80%.
Annual variable compensation due under her employment contract	Caroline Roussel-Maupetit receives variable compensation for her employment contract as Director of Operations. This may be up to €30,000 based on the achievement of objectives defined by the Board of Directors on the proposal of the Appointments and Compensation Committee.	The level of achievement expected for the variable compensation is established each year according to the objectives of the Company, which are not made public for reasons of confidentiality, and the individual objectives set annually by the Board of Directors, whose level of achievement shall be determined by the Board of Directors

⁴ Ms Roussel-Maupetit's term as Deputy Chief Executive Officer (but not her employment contract) ended on 12 March 2020.

Exceptional compensation for the office of Deputy Chief Executive Officer	Caroline Roussel-Maupetit may be awarded exceptional compensation for the position of Deputy Chief Executive Officer.	The purpose of such exceptional compensation would be intended to compensate specific performance on one or more projects with a major impact on the Company's development such as acquisitions, mergers or changes of control.
Non-compete clause	Non-compete clause for a period of two years from the termination of his employment contract.	Payment of a special monthly indemnity equal to 50% of the gross monthly salary.
Benefits in kind	None	
Supplementary pension plan	None	

Caroline Roussel-Maupetit may be granted stock options, founders' warrants and/or bonus shares subject to presence and/or performance conditions.

Ludovic Robin, Deputy Chief Executive Officer and Chief International Business Development and Strategy Officer (until 12 March 2020)⁵

<u>Components of compensation</u>	<u>Principles</u>	<u>Determination criteria</u>
Fixed compensation for the office of Deputy Chief Executive Officer	Ludovic Robin receives fixed compensation for the position of Deputy Chief Executive Officer.	Ludovic Robin's total gross annual fixed compensation for his position has been set at €13,200 for the 2020 financial year.
Fixed compensation due under his employment contract	As Chief International Business Development and Strategy Officer, Ludovic Robin receives fixed compensation under his employment contract.	Ludovic Robin's total gross annual fixed compensation due under his employment contract has been set at €143,500.

⁵ Ludovic Robin's term as Deputy Chief Executive Officer (but not his employment contract) ended on 12 March 2020.

Annual variable compensation due under his employment contract	As Chief International Business Development and Strategy Officer, Ludovic Robin receives variable annual compensation under his employment contract. This may be up to €45,000 based on the achievement of objectives defined by the Board of Directors on the proposal of the Appointments and Compensation Committee.	The level of achievement expected for the variable compensation is established each year according to the objectives of the Company, which are not made public for reasons of confidentiality, and the individual objectives set annually by the Board of Directors, whose level of achievement shall be determined by the Board of Directors
Exceptional compensation for the office of Deputy Chief Executive Officer	Ludovic Robin may be allocated exceptional compensation for the office of Deputy Chief Executive Officer.	The purpose of such exceptional compensation would be intended to compensate specific performance on one or more projects with a major impact on the Company's development such as acquisitions, mergers or changes of control.
Non-compete clause	Non-compete clause for a period of two years from the termination of his employment contract.	Payment of a special monthly indemnity equal to 50% of the gross monthly salary.
Benefits in kind	None	
Supplementary pension plan	None	

Ludovic Robin may be granted stock options, founders' warrants and/or bonus shares subject to presence and/or performance conditions.

Madame Nathalie Lemarié, Deputy Chief Executive Officer and Director of Regulatory Affairs

Please note that the amounts received by Nathalie Lemarié are received under the terms of her employment contract

Components of compensation	Principles	Determination criteria
Fixed compensation for the office of Deputy Chief Executive Officer	Nathalie Lemarié receives fixed compensation for the office of Deputy Chief Executive Officer.	Nathalie Lemarié's total gross fixed compensation has been set at €6,600 for the 2020 financial year.
Fixed compensation due under her employment contract	Nathalie Lemarié receives fixed compensation due under her employment contract	Nathalie Lemarié's total gross fixed compensation due under her employment contract has been set at €90,000 for the 2020

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

		financial year for working time of 90%.
Annual variable compensation due under her employment contract	As Director of Regulatory Affairs, Nathalie Lemarié receives variable compensation due under her employment contract. This may be up to €16,200 based on the achievement of objectives defined by the Board of Directors on the proposal of the Appointments and Compensation Committee.	The level of achievement expected for the variable compensation is established each year according to the objectives of the Company, which are not made public for reasons of confidentiality, and the individual objectives set annually by the Board of Directors, whose level of achievement shall be determined by the Board of Directors
Exceptional compensation for the office of Deputy Chief Executive Officer	Nathalie Lemarié may be awarded exceptional compensation for the position of Deputy Chief Executive Officer.	The purpose of such exceptional compensation would be intended to compensate specific performance on one or more projects with a major impact on the Company's development such as acquisitions, mergers or changes of control.
Non-compete clause	Non-compete clause for a period of two years from the termination of his employment contract.	Payment of a special monthly indemnity equal to 33% of the gross monthly salary.
Benefits in kind	None	
Supplementary pension plan	None	

Nathalie Lemarié may be granted stock options, founders' warrants and/or free shares subject to presence and/or performance conditions.

Paul Michalet, Deputy Chief Executive Officer and Chief Financial Officer (until 12 March 2020)⁶

Components of compensation	Principles	Determination criteria
Fixed compensation for the office of Deputy Chief Executive Officer	Paul Michalet receives fixed compensation for the office of Deputy Chief Executive Officer.	Paul Michalet's total gross annual fixed compensation for his position has been set at €13,200 for the 2020 financial year.

⁶ Paul Michalet's term of office as Chief Executive Officer (but not his employment contract) ended on 12 March 2020.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

Fixed compensation due under his employment contract	Paul Michalet receives fixed compensation due under his employment contract	Paul Michalet's total gross annual fixed compensation for his position has been set at €140,000 for the 2020 financial year.
Annual variable compensation due under his employment contract	Paul Michalet receives variable compensation due under his employment contract in his capacity as Chief Financial Officer. This may be up to €48,000 based on the achievement of objectives defined by the Board of Directors on the proposal of the Appointments and Compensation Committee.	The level of achievement expected for the variable compensation is established each year according to the objectives of the Company, which are not made public for reasons of confidentiality, and the individual objectives set annually by the Board of Directors, whose level of achievement shall be determined by the Board of Directors
Exceptional compensation for the office of Deputy Chief Executive Officer	Paul Michalet may be awarded exceptional compensation for the office of Deputy Chief Executive Officer.	The purpose of such exceptional compensation would be intended to compensate specific performance on one or more projects with a major impact on the Company's development such as acquisitions, mergers or changes of control.
Non-compete clause	Non-compete clause for a period of two years from the termination of his employment contract.	Payment of a special monthly indemnity equal to 50% of the gross monthly salary.
Benefits in kind	None	
Supplementary pension plan	None	

Paul Michalet may be granted stock options, founders' warrants and/or free shares subject to presence and/or performance conditions.

6 Agreements referred to in Article L. 225-37-4 of the French Commercial Code concluded between an executive or a significant shareholder of the Company and a subsidiary

None.

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

7 Agreements referred to in Article L. 225-39 of the French Commercial Code

Pursuant to the provisions of Article L. 225-37-4, 11° of the French Commercial Code, this report must describe the procedure implemented by the Company under the second paragraph of Article L. 225-39 and its implementation.

Indeed, in companies whose shares are admitted for trading on a regulated market, the Board of Directors implements a procedure for regularly reviewing whether the agreements on standard operations entered into under normal conditions meet these conditions. Individuals with a direct or indirect interest in any of these agreements are not involved in their review.

We hereby inform you that none of the agreements referred to under Article L. 225-39 of the French Commercial Code has been entered into in previous years.

8 Terms of participation of shareholders at the Meeting (Article 19 of the Articles of Association)

General Meetings are called and held in accordance with the conditions laid down by law.

If the Company wishes to send notices of meetings electronically rather than by post, it must first obtain the consent of the relevant shareholders, who must provide their e-mail address.

Meetings will be held at the registered office or at any other venue stipulated in the notice of meeting.

The right to attend general meetings is governed by the applicable laws and regulations and, more specifically, is conditional upon the registration of shares in the name of the shareholder or the intermediary registered to act on the shareholder's behalf by 00:00 (Paris time) on the second (2nd) business day before the General Meeting, either in the register of share accounts kept by the Company or in the bearer share accounts held by the authorised intermediary.

Any shareholder who does not personally attend a meeting can choose one of the following three options, in accordance with the terms and conditions set out by law and regulations:

- appoint a proxy in accordance with the terms and conditions authorized by law and regulations;
- cast a postal ballot;
- send a proxy form to the Company without specifying the proxy's name.

The Board of Directors may arrange for the shareholders to attend and vote at General Meetings via videoconferencing facilities or any other telecommunication method that allows them to be identified, in accordance with the terms and conditions set out in the applicable laws and regulations. If the Board of Directors decides to make use of this facility for a given General Meeting, this decision will be recorded in the meeting notice. Shareholders attending General Meetings via videoconferencing facilities or other telecommunication methods as referred to above, as selected by the Board of Directors, will be counted as present when calculating the quorum and majority.

General Meetings will be chaired by the Chairman of the Board of Directors or, in his/her absence, by the Chief Executive Officer, by a Deputy Chief Executive Officer provided he/she is a member of the Board, or by a member of the Board specifically designated for that purpose by the Board. Failing this, the General Meeting will elect its own Chairman.

The duties of scrutineer will be performed by the two shareholders present at the General Meeting who hold the largest number of votes, and who accept these duties. The officers of the meeting will appoint a secretary, who may but need not be a shareholder.

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

An attendance sheet will be drawn up as required by law.

When an Ordinary General Meeting meets on first convocation, shareholders may only validly deliberate if the shareholders present or represented hold at least one-fifth of the shares with voting rights. If an ordinary General Meeting has to reconvene, shareholders may validly deliberate regardless of the number of shareholders present or represented.

At Ordinary General Meetings, resolutions will be adopted by a majority of the shareholders present or represented.

When an Extraordinary General Meeting meets on first convocation, shareholders may only validly deliberate if the shareholders present or represented hold at least one-quarter of the shares with voting rights. If an Extraordinary General Meeting has to reconvene, shareholders may only validly deliberate if the shareholders present or represented hold at least one-fifth of the shares with voting rights.

At Extraordinary General Meetings, resolutions will be adopted by a majority of two-thirds of the shareholders present or represented.

Copies of or excerpts from the minutes of General Meetings will be validly certified by the Chairman of the Board of Directors, a member of the Board acting as Chief Executive Officer, or the secretary of the meeting.

Ordinary and Extraordinary General Meetings will exercise their respective powers in accordance with the conditions laid down by law.

A proposal is made to the next General Meeting of Shareholders to amend Article 19 of the Articles of Association to bring it into compliance with the legal provisions on arrangements for determining the majority required for the General Meetings of Shareholders to adopt resolutions in light of amendments to the so-called "Soilili" Law on 19 July 2019.

9 Elements likely to have an influence in the event of a takeover or exchange offer

In accordance with Article L. 225-37-5 of the French Commercial Code, the following items may have an impact in the event of a public offer:

The Company's capital structure is as described in paragraph 15 of Section I of this report.

Voting rights attached to shares are proportionate to the fraction of the share capital that the shares represent and each share gives entitlement to one vote. However, in accordance with the provisions of paragraph 3 of Article L. 225-123 of the French Commercial Code, as from the second anniversary of the initial listing of the Company's shares on the Euronext Paris regulated market, fully paid up shares which can be proven to have been registered for at least two years in the name of the same shareholder benefit from double voting rights.

Any treasury shares, where applicable, held by the Company correspond to the shares held under a liquidity contract and are deprived of voting rights. There are no shares of the Company with special control rights.

As at the date of this report, there is no controlling shareholder within the meaning of Article L. 233-3 of the French Commercial Code.

The Company has not put in place measures to ensure that any control thereof is not exercised improperly.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

The largest shareholder of the Company is Bpifrance Investissement, which held 26.74% of the Company's share capital as at 31 December 2019.

To the best of the Company's knowledge, there are no agreements whose implementation could result in a change of control of the Company.

The Company has not put in place an employee shareholding system that may contain control mechanisms if control rights are not exercised by employees.

The rules governing the appointment and replacement of members of the Board of Directors and the rules relating to the amendment of the Articles of Association are rules of ordinary law set forth in the Company's Articles of Association.

The Board of Directors has the ordinary powers granted by law in matters related to the issuance or buyback of shares. A description of the delegations granted by the General Meeting to the Board of Directors that are currently in force and the use thereof is given in the table presented in Appendix 3.

There are no agreements entered into by the Company that will be modified or terminated in the event of a change of control of the Company.

In addition to the applicable legal and regulatory provisions, no member of the Board of Directors or employee of the Company has an agreement providing for indemnities in the event of resignation or dismissal without real and serious cause or if their employment is terminated because of a public offer.

10 Summary table of the status of the valid delegations of authority and powers granted by the General Meeting of Shareholders to the Board of Directors with regard to the increase of the share capital and the use made of such delegations during the past financial year

In accordance with Article L. 225-100 of the French Commercial Code, the table presented in Appendix 3 summarises the delegations of authority and powers granted by the General Meeting to the Board of Directors for capital increases pursuant to Articles L. 225-129-1 and L. 225-129-2 of said Code.

III - APPENDICES

Appendix 1 - Table of Company financial results for the past five financial years

Appendix 2 - Outstanding overdue invoices issued and received at year-end

Appendix 3 - Summary table of the status of the valid delegations of authority and powers granted by the General Meeting of Shareholders to the Board of Directors with regard to the increases in the share capital and the use made of such delegations during the past financial year

Appendix 4 - Advicenne annual financial statements as at 31 December 2019

Appendix 5 - Statutory Auditors' report on the financial statements and regulated agreements

Appendix 6 - Fees to the Statutory Auditors and members of their network

Appendix 1

Table of Company financial results for the past five financial years

	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019
1 Capital at year-end					
a) Share Capital	774 256	774 256	1 600 539	1 612 469	1 682 729
b) Number of ordinary shares	774 256	774 256	8 002 696	8 062 344	8 413 644
c) Number of priority shares					
2 Operations and Results					
a) Revenues (VAT excluded)	109 303,00	269 942,00	806 305,00	1 189 949,00	1 999 165
b) Result before taxes, profit sharing, provisions, depreciation and amortisation	-1 618 403,00	-3 989 859,00	-5 120 345,00	-5 032 837,00	-14 024 216
c) Taxes	-458 571,00	-626 232,00	-861 421,00	-820 711,00	-850 679
d) Employee profit sharing					
e) Net Result	-2 174 556,00	-7 963 013,00	-4 656 359,00	-4 624 868,00	-13 714 499
f) Result distributed					
3 Earnings per share					
a) Earnings after taxes but before provisions, depreciation and amortisation	-1,50	-4,34	-0,71	-0,52	-1,62
b) Net earnings	-2,81	-10,28	-0,78	-0,58	-1,68
c) Distributed dividend					
4 Employees					
a) Average number of employees	13	16	20	26	29
b) Amount of total payroll	862 269,00	1 230 906,00	1 735 429,00	2 112 246,00	2 287 271
c) Amount of total social charges	313 531,00	497 399,00	697 012,00	851 794,00	926 959

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers.
In case of discrepancy, the French version prevails.*

Appendix 2

Outstanding overdue invoices issued and received at 2019 year end

	Article D.441 I-1° : invoices received not paid at year-end and due						Article D.441 I-2° : factures émises non réglées à la date de clôture de l'exercice dont le terme est échu					
	0 day	1 à 30 days	31 à 60 days	61 à 90 days	91 days and more	Total (1 day and more)	0 day	1 à 30 days	31 à 60 days	61 à 90 days	91 days and more	Total (1 day and more)
(A) Range of delay												
Number of relevant invoices	80	X				26	672	X				490
Total amount of relevant invoices (VAT included)	964 017	246 526	409 508	209 282	335 338	2 164 671	350 036	140 103	36 099	14 540	39 802	230 544
Percentage of the total yearly amount of purchases (VAT included)	7,47%	1,91%	3,18%	1,62%	2,60%	16,78%	X					
Percentage of the yearly turnover (VAT included)	X						17,2%	6,9%	1,8%	0,7%	2,0%	11,3%
(B) Invoices excluded from (A) related to debt litigations or not accounted for												
Number of excluded invoices	0						0					
Total amount of excluded invoices	0						0					
Reference payment term used (contractual or legal term - article L. 441-6 or article L. 443-1 of the french trade code)												
Payment term used for the calculation of the payment delay	<input type="checkbox"/> Contractual term : (préciser)						<input checked="" type="checkbox"/> Contractual term : 45 days end of the month, 60 days, date of invoice					
	<input checked="" type="checkbox"/> legal term : 45 days end of the month						<input type="checkbox"/> Legal term : (préciser)					

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

Appendix 3

Summary table of the status of the valid delegations of authority and powers granted by the General Meeting of Shareholders to the Board of Directors with regard to the increase of the share capital and the use made of such delegations during the past financial year

Resolution	Type of delegation	Expiry date	Use by the Board of Directors in 2019
Delegations granted by the Combined General Meeting of Shareholders of 19 June 2018			
Resolution	Type of delegation	Expiry date	Use by the Board of Directors in 2019
AGM of 19.06.2018 (10 th resolution)	Delegation of authority granted to the Board of Directors in order to increase the capital by issuing ordinary shares or any securities giving immediate or future access to the share capital, with preferential subscription rights	24 May 2019	The Board of Directors did not use this delegation during the past financial year.
AGM of 19.06.2018 (11 th resolution)	Delegation of authority granted to the Board of Directors in order to increase the capital by issuing ordinary shares or any securities giving immediate or future access to the share capital, with cancellation of preferential subscription rights of shareholders, and public offering as well as with the option to introduce priority rights	24 May 2019	The Board of Directors did not use this delegation during the past financial year.
AGM of 19.06.2018 (12 th resolution)	Delegation of authority granted to the Board of Directors in order to increase the capital by issuing ordinary shares or any securities giving immediate or future access to the share capital, without preferential subscription rights for the benefit of qualified investors or a limited circle of investors referred to in article L. 411-2 II of the French Monetary and Financial Code	24 May 2019	The Board of Directors did not use this delegation during the past financial year.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers.
In case of discrepancy, the French version prevails.*

Resolution	Type of delegation	Expiry date	Use by the Board of Directors in 2019
AGM of 19.06.2018 (14 th resolution)	Delegation of authority granted to the Board of Directors in order to increase the capital by issuing ordinary shares and/or any securities, without preferential subscription rights of shareholders, for the benefit of a category of persons as part of a line of equity or bond financing	24 May 2019	The Board of Directors did not use this delegation during the past financial year.
AGM of 19.06.2018 (15 th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital through the issuance of ordinary shares or any securities giving access to the share capital, without preferential subscription rights of shareholders, for an initial category of persons who satisfy pre-determined characteristics: one or more French or foreign investment companies or funds that primarily invest or have invested over the last 36 months more than €5 million in growth companies called "small or mid caps" (i.e., whose capitalisation when listed does not exceed €1,000,000,000) (including, but not limited to, any investment fund or venture capital company, including any FPCI, FCPI or FIP) in the healthcare or biotechnology sector participating in the issuance for a unit investment amount of greater than €100,000 (issue premium included)	24 May 2019	The Board of Directors did not use this delegation during the past financial year.
AGM of 19.06.2018 (16 th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital through the issuance of ordinary shares or any securities giving access to the share capital, without preferential subscription rights of shareholders, for a second category of persons who satisfy pre-determined characteristics: one or more industrial companies active in the healthcare or biotechnology sector that, directly or through one of their subsidiaries, have an interest in the	24 May 2019	The Board of Directors did not use this delegation during the past financial year.

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

	capital of the Company, on the occasion of any entering into a commercial agreement or partnership with the Company, for a unit investment amount of greater than €100,000 (issuance premium included)		
Resolution	Type of delegation	Expiry date	Use by the Board of Directors in 2019
AGM of 19.06.2018 (17 th resolution)	Delegation of authority to the Board of Directors to increase the number of securities to be issued in the event of a capital increase - with or without preferential rights pursuant to the aforementioned delegations of authority	24 May 2019	The Board of Directors did not use this delegation during the past financial year.
AGM of 19.06.2018 (18 th resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares and securities giving access to the Company's share capital, in the event of a public offering instigated by the Company involving an exchange component	24 May 2019	The Board of Directors did not use this delegation during the past financial year.
AGM of 19.06.2018 (19 th resolution)	Delegation of power granted to the Board of Directors to increase the share capital to remunerate contributions in kind of equity securities or securities giving access to the share capital of third-party companies outside a public exchange offer	24 May 2019	The Board of Directors did not use this delegation during the past financial year.
AGM of 19.06.2018 (20 th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital through the incorporation of premiums, reserves, profits or other items, the issue and allocation of bonus shares or by raising the par value of existing shares or by a combination of both these procedures.	24 May 2019	The Board of Directors did not use this delegation during the past financial year.
AGM of 19.06.2018 (22 nd resolution)	Delegation of authority granted to the Board of Directors to issue and grant free founders' warrants (BSPCEs) to employees and executives of the Company or of companies	24 May 2019	The Board of Directors did not use this delegation during the past financial year.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers.
In case of discrepancy, the French version prevails.*

	in which the Company holds at least 75% of the share capital or voting rights		
AGM of 19.06.2018 (24 th resolution)	Delegation of authority granted to the Board of Directors to issue and grant share warrants to (i) members and non-voting members of the Company's Board of Directors in office on the allocation date of said warrants and who are neither employees nor executives of the Company or one of its subsidiaries, (ii) persons connected to the Company under a service or consultancy contract, or (iii) members of any committee set up or that may be set up in future by the Board of Directors, who are neither employees or executives of the Company or one of its subsidiaries	24 May 2019	The Board of Directors did not use this delegation during the past financial year.
Delegations granted by the Combined General Meeting of Shareholders of 24 May 2019			
Resolution	Type of delegation	Expiry date	Use by the Board of Directors in 2019
AGM on 24 May 2019 (19 th resolution)	Delegation of authority granted to the Board of Directors in order to increase the capital by issuing ordinary shares or any securities giving immediate or future access to the share capital, with preferential subscription rights	26 months 24 July 2021	The Board of Directors did not use this delegation during the past financial year.
AGM of 24 May 2019 (20 th resolution)	Delegation of authority granted to the Board of Directors in order to increase the capital by issuing ordinary shares or any securities giving immediate or future access to the share capital, with cancellation of preferential subscription rights of shareholders, and public offering as well as with the option to introduce priority rights	26 months 24 July 2021	The Board of Directors did not use this delegation during the past financial year.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.*

AGM on 24 May 2019 (21 st resolution)	Delegation of authority granted to the Board of Directors in order to increase the capital by issuing ordinary shares or any securities giving immediate or future access to the share capital, without preferential subscription rights for the benefit of qualified investors or a limited circle of investors referred to in article L. 411-2 II of the French Monetary and Financial Code	26 months 24 July 2021	The Board of Directors did not use this delegation during the past financial year.
AGM on 24 May 2019 (22 nd resolution)	Authorisation granted to the Board of Directors in the event that any shares or marketable securities are issued with removal of the preferential subscription right of shareholders, to set the price at up to 10% of the share capital	26 months 24 July 2021	The Board of Directors did not use this delegation during the past financial year.
Resolution	Type of delegation	Expiry date	Use by the Board of Directors in 2019
AGM on 24 May 2019 (23 rd resolution)	Delegation of authority granted to the Board of Directors in order to increase the capital by issuing ordinary shares and/or any securities, without preferential subscription rights of shareholders, for the benefit of a category of persons as part of a line of equity or bond financing	18 months 24 November 2020	The Board of Directors did not use this delegation during the past financial year.
AGM on 24 May 2019 (24 th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital through the issuance of ordinary shares or any securities giving access to the share capital, without preferential subscription rights of shareholders, for an initial category of persons who satisfy pre-determined characteristics: one or more French or foreign investment companies or funds that primarily invest or have invested over the last 36 months more than €5 million in growth companies called "small or mid caps" (i.e., whose	18 months 24 November 2020	The Board of Directors did not use this delegation during the past financial year.

*This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers.
In case of discrepancy, the French version prevails.*

	capitalisation when listed does not exceed €1,000,000,000) (including, but not limited to, any investment fund or venture capital company, including any FPCI, FCPI or FIP) in the healthcare or biotechnology sector participating in the issuance for a unit investment amount of greater than €100,000 (issue premium included)		
AGM on 24 May 2019 (25 th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital through the issuance of ordinary shares or any securities giving access to the share capital, without preferential subscription rights of shareholders, for a second category of persons who satisfy pre-determined characteristics: one or more industrial companies active in the healthcare or biotechnology sector that, directly or through one of their subsidiaries, have an interest in the capital of the Company, on the occasion of any entering into a commercial agreement or partnership with the Company, for a unit investment amount of greater than €100,000 (issuance premium included)	18 months 24 November 2020	The Board of Directors did not use this delegation during the past financial year.
AGM of 24 May 2019 (26 th resolution)	Delegation of authority to the Board of Directors to increase the number of securities to be issued in the event of a capital increase - with or without preferential rights pursuant to the aforementioned delegations of authority	26 months 24 July 2021	The Board of Directors did not use this delegation during the past financial year.
AGM on 24 May 2019 (27 th resolution)	Delegation of authority granted to the Board of Directors to issue ordinary shares and securities giving access to the Company's share capital, in the event of a public offering instigated by the Company involving an exchange component	26 months 24 July 2021	The Board of Directors did not use this delegation during the past financial year.
AGM on 24 May 2019 (28 th resolution)	Delegation of power granted to the Board of Directors to increase the share capital to remunerate contributions in kind of equity securities or securities giving access to the	26 months	The Board of Directors did not use this delegation during the past financial year.

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers.
In case of discrepancy, the French version prevails.*

	share capital of third-party companies outside a public exchange offer	24 July 2021	
AGM on 24 May 2019 (30 th resolution)	Delegation of authority granted to the Board of Directors to increase the share capital through the incorporation of premiums, reserves, profits or other items, the issue and allocation of bonus shares or by raising the par value of existing shares or by a combination of both these procedures.	26 months 24 July 2021	The Board of Directors did not use this delegation during the past financial year.
AGM on 24 May 2019 (31 st resolution)	Delegation of authority granted to the Board of Directors to issue and grant free founders' warrants (BSPCEs) to employees and executives of the Company or of companies in which the Company holds at least 75% of the share capital or voting rights	18 months 24 November 2021	The Board of Directors used this delegation <ul style="list-style-type: none"> - On 13 June 2019 and decided to allocate 15,000 BSPCEs, each one allowing the subscription of one share at a price of €10.52, - On 17 July 2019 and decided to allocate 200,000 BSPCEs, each one allowing the subscription of one share at a price of €14.03, and - On 23 December 2019 and decided to allocate 90,000 BSPCEs, each one allowing the subscription of one share at a price of €9.32.
Resolution	Type of delegation	Expiry date	Use by the Board of Directors in 2019
AGM on 24 May 2019 (33 rd resolution)	Delegation of authority granted to the Board of Directors to issue and grant share warrants to (i) members and non-voting members of the Company's Board of Directors in office on the allocation date of said warrants and who are neither employees nor executives of the Company or one of its subsidiaries, (ii) persons connected to the Company under a service or consultancy contract, or (iii) members of	18 months 24 November 2021	The Board of Directors did not use this delegation during the past financial year.

This is a free translation into English of the 2019 Financial Annual Report issued in the French language and is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

	any committee set up or that may be set up in future by the Board of Directors, who are neither employees or executives of the Company or one of its subsidiaries		
--	---	--	--

*This is a free translation into English of the **2019 Financial Annual Report** issued in the French language and is provided solely for the convenience of English-speaking readers.
In case of discrepancy, the French version prevails.*

Appendix 4

Advicenne financial statements at 31 December 2019

Appendix 5

Statutory Auditors' report on the financial statements
Statutory Auditor's report on regulated agreements



KPMG Audit
51 rue de Saint-Cyr
CS 60409
69338 Lyon Cedex 9
France



79, cours Vitton
69006 Lyon

Advicenne S.A.

Statutory auditors' report on the financial statements

For the year ended 31 December 2019

Advicenne S.A.

2 rue Briconnet - 30000 Nîmes

This report contains 33 pages



KPMG Audit
51 rue de Saint-Cyr
CS 60409
69338 Lyon Cedex 9
France

79, cours Vitton
69006 Lyon

*This is a translation into English of the statutory auditor's 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 auditor's report includes information required by European regulation and French law, such as information about the appointment of the statutory auditor or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Advicenne S.A.

Registered office: 2 rue Briconnet - 30000 Nîmes
Share capital: € 1.682.728,80

Statutory auditors' report on the financial statements

For the year ended 31 December 2019

To the annual general meeting of Advicenne S.A.

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Advicenne S.A. for the year ended 31 December 2019.

The financial statements were approved by the Board of Directors on 12 March 2020, based on the information available at that date in the evolving context of the Covid-19 sanitary crisis.

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 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

Basis for Opinion

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention 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, approved in the context described above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Going concern

As indicated in Note 3 to the financial statements (section "risque de liquidité"), the Company evaluated that they will have sufficient financial resources to operate until the first quarter of the year 2021.

At the date the financial statements were approved, the Company assessed the going concern principle applied in preparing the financial statements based on the following elements:

- The € 16.1 million of cash and cash equivalents held by the Company at 31 December 2019;
- The cash forecasts for its operations in 2020 and early 2021;
- The availability of the first instalment of the BEI loan for €7.5 million.

We identified the assessment of the Company's ability to continue as a going concern as key audit matter because it is dependent upon management assumptions and judgments and because of the inherent risk involved in forecasting future cash flows.

Audit response

We assessed management evaluation of the Company's to continue as a going concern for the 12 months from the financial statements reporting date.

Specifically we:

- understood the process used by management to prepare the cash forecast and estimate future expenses,
- assessed the key assumptions used by management in the cash forecast with regards to our experience with the Company and management's plans
- inquired of management whether they were aware of any other events after the reporting date which could question the Company's ability to continue as a going concern.

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 management report of the Board of Directors approved on 12 March 2020 and 7 April 2020 and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

With respect to events which occurred and information that became known after the date the financial statements were approved by the Board of Directors relating to the impact of the crisis linked to Covid-19, management informed us that such events and information will be communicated to the shareholders meeting called to approve the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (*Code de commerce*).

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code (*code de commerce*) relating to remuneration and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L.225-37-5 of the French Commercial Code, 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 identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Advicenne S.A. by the Shareholders meeting of 24 May 2019 .

As at 31 December 2019, KPMG and Implid were in their 1st year as statutory auditors to the Company, of which this was respectively their 1st year since securities of the Company were admitted to trading on a regulated market.

In addition, KPMG Audit Sud-Est, a member of the KPMG network, was previously the statutory auditor of the Company from 2006 to 2018.

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

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

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Lyon, April 29, 2020
The statutory auditors

French original signed by

Stéphane Devin
Partner

Alain Descoins
Partner



KPMG Audit
51 rue de Saint-Cyr
CS 60409
69338 Lyon Cedex 9
France



79, cours Vitton
69006 Lyon

Advicenne S.A.

Statutory Auditor's report on regulated agreements and commitments

Annual General Meeting held to approve the financial
statements for the year ended December 31, 2019

Advicenne S.A.

2, rue Briconnet - 30000 Nîmes

This report contains 4 pages



KPMG Audit
51 rue de Saint-Cyr
CS 60409
69338 Lyon Cedex 9
France



79, cours Vitton
69006 Lyon

Advicenne S.A.

Registered Office: 2, rue Briconnet - 30000 Nîmes
Share capital: €1.612.469

Statutory Auditor's report on regulated agreements and commitments

Annual General Meeting held to approve the financial statements for the year ended
December 31, 2019

To the Shareholder's of Advicenne S.A.,

In our capacity as statutory auditors of your Company, we hereby report to you on the regulated agreements.

We are required to inform you, on the basis of the information provided to us, of the key terms and conditions as well as the commercial interest for the Company of the agreements of which we have been informed or of which we became aware in the course of our engagement. We are not required to determine whether they are useful or appropriate or to ascertain whether any other agreements exist. It is your responsibility, under the terms of article R.225-31 of the French Commercial Code, ("Code de commerce"), to assess the benefits resulting from these agreements prior to their approval.

In addition, we are required, if applicable, in accordance with article R.225-31 of the French Commercial Code, to inform you of agreements which were approved during previous years and continued to apply during the financial year.

We performed the procedures we considered necessary in accordance with French professional guidance issued by the "Compagnie Nationale des Commissaires aux Comptes" (National Association of Statutory Auditors), relating to this engagement. Our work consisted of verifying that the information provided to us was consistent with the documentation from which it was drawn.

AGREEMENTS SUBJECT TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

We inform you that we have not been notified of any agreements entered into or authorised during the year ended 31 December 2019 that would require Shareholders' meeting approval, under the terms of article L. 225-38 of the French Commercial Code.

AGREEMENTS AUTHORISED AFTER THE CLOSING DATE

We inform you that we have been notified of the following agreement authorised after the closing date which have been subject to the prior authorisation of your board of directors.

Consultant contract to be signed with the company CEMAG CARE, controlled by Mr. André Ulmann, CEO of your company.

This consultant contract still to be signed is related to services which are different from its mandate of CEO.

The Board of Directors authorised the payment of a 17 500 € monthly fee to CEMAG CARE.

This agreement was authorised by your board of directors on April 7, 2020.



Advicenne S.A.
Statutory Auditor's report on regulated agreements and commitments
29 avril 2020

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

We inform you that we have not been notified of any agreements approved by Shareholders' meetings in previous years, and for which transactions occurred during the year ended 31 December 2019.

Nimes, April 30, 2019
The statutory auditor

French original signed by

Lyon, le 29 avril 2020

KPMG Audit
Département de KPMG S.A.

Lyon, le 29 avril 2020

Alain Descoins
Partner

Stéphane Devin
Partner

Appendix 6

Fees to the Statutory Auditors and members of their network

Decembre 31, 2019

STATUTORY AUDITORS' FEES (€ thousands)	KPMG		IMPLID		TOTAL	
Audit						
Statutory audit, certification, review of company and consolidated financial statements	42	66%	42	88%	84	75%
Other duties and services directly not related to the statutory audit mission	22	34%	6	13%	28	25%
Honoraires commissaires aux comptes	64	100%	48	100%	112	100%