Item 3. Key Information

A. [Reserved]

Not applicable.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Our business faces significant risks. You should carefully consider all of the informatio annual report and in our other filings with the United States Securities and Exchange Commiss including the following risk factors which we face and which are faced by our industry. Our b condition or results of operations could be materially adversely affected by any of these ris contains forward-looking statements that involve risks and uncertainties. Our results could m those anticipated in these forward-looking statements, as a result of certain factors includi below and elsewhere in this annual report and our other SEC filings. See "Special Note Regard Looking Statements" above.

Risks Related to our Financial Position and Need for Additional Capital

We are a clinical-stage company with a limited operating history and no approved products and product revenues, which makes it difficult to assess our future prospects and financial resul

We are a clinical-stage biopharmaceutical company with a limited operating history upon w evaluate our business and prospects. We were incorporated as a limited liability company) on December 4, 2013 and, to date, we have focused primarily on organizing and staffing our compa planning, raising capital, identifying, acquiring and in-licensing our drug candidates, estab property portfolio, conducting research, preclinical studies and clinical trials, establishin parties for the manufacture of our drug candidates and related raw materials and providing ge administrative support for these operations. Investment in product development in the healthc of biopharmaceutical products, is highly speculative because it entails substantial upfront c significant risk that any potential drug candidate will fail to demonstrate adequate effect c profile, gain regulatory approval or become commercially viable. As a result, our ability to reach consistent profitability from product sales is unproven, and we may never sustain profi products approved for commercial sale and have not generated any revenue from product sales t

Our ability to generate revenue from product sales and achieve and maintain profitability ability, alone or with any future collaborators, to successfully complete the development of, regulatory approvals necessary to commercialize, our lead drug candidate, obefazimod. Our pro ability to finance our operations and generate revenue from product sales, therefore will dep development and commercialization of obefazimod, as other programs in our preclinical portfol stages of development. Since our inception in 2013, the majority of our operating income has reliance on research collaborations unrelated to obefazimod, and we do not anticipate generat product sales for the next several years, if ever. Our ability to generate revenue from produ on our or any future collaborators' success in:

- timely and successful completion of clinical development of obefazimod, our lead dr
- obtaining and maintaining regulatory and marketing approval for obefazimod and any candidates for which we successfully complete clinical trials;
- launching and commercializing any drug candidates for which we obtain regulatory an approval by establishing a sales force, marketing and distribution infrastructure o collaborating with a commercialization partner;

- obtaining coverage and adequate reimbursement from government and third-party payor current or any future drug candidates, if approved, both in the United States and i reaching acceptable agreements with foreign government and third-party payors on pr
- developing, validating and maintaining a commercially viable, sustainable, scalable transferable manufacturing process for obefazimod or any future drug candidates tha with current good manufacturing practices;
- establishing and maintaining supply and manufacturing relationships with third part an adequate amount and quality of drugs and services to support our planned clinica well as the market demand for obefazimod and any future drug candidates, if approve
- obtaining market acceptance, if and when approved, of obefazimod or any future drug viable treatment option by physicians, patients, third-party payors and others in t community;
- effectively addressing any competing technological and market developments;
- implementing additional internal systems and infrastructure, as needed;
- negotiating favorable terms in any collaboration, licensing or other arrangements i enter, and performing our obligations pursuant to such arrangements;

- maintaining, protecting and expanding our portfolio of intellectual property rights trade secrets and know-how;
- avoiding and defending against third-party interference or infringement claims; and
- attracting, hiring and retaining qualified personnel.

We have incurred considerable losses historically, which we anticipate will continue and may future.

Since our inception, we have incurred net losses. For the years ended December 31, 2023, 2 reported net losses of €147.7 million, €60.7 million and €42.5 mil. As of December 31, 2023, we carried forward accumulated losses of €451.8 million.

We have devoted most of our financial resources to research and development, including ou preclinical development activities. Even if we obtain regulatory approval to market a drug ca revenues will depend upon the size of any markets in which our drug candidates have received ability to achieve sufficient market acceptance, reimbursement from third-party payors and ad for our drug candidates in those markets. There can be no assurance that we will ever earn an sufficient to offset past, current and future losses or achieve profitability, which would im our operations. Moreover, even if we achieve profitability, such profitability may not be sus generate sustained profits could have a material adverse effect on our business, prospects, f flows and results of operations.

We expect to continue to incur significant expenses and operating losses for the foreseea anticipate achieving profitability in the future unless we obtain the regulatory approvals ne obefazimod and any additional drug candidates that we may pursue in the future. We anticipate will increase substantially if, and as, we:

- timely and successfully complete clinical development of obefazimod, our clinical-s candidate;
- seek and maintain regulatory and marketing approvals for obefazimod and any future for which we successfully complete clinical trials;
- continue the preclinical and clinical development of our drug candidates;
- expand the scope of our current clinical trials for our drug candidates;
- begin new clinical trials for our drug candidates;
- develop, scale and validate our commercial manufacturing capabilities for our drug
- establish a sales, marketing and distribution infrastructure to commercialize any d may obtain marketing approval for which we have not entered into a collaboration wi
- seek to discover, identify and validate additional drug candidates;

- acquire or in-license other drug candidates and technologies;
- make milestone, royalty or other payments under in-license or collaboration agreeme
- obtain, maintain, protect, enforce and expand our intellectual property portfolio;
- attract new and retain existing skilled personnel; and
- create additional infrastructure to support our operations as a U.S. public company

In addition, following the issuance of royalty certificates in September 2022 and other r become payable under our royalty agreements, the payment of royalties in the event of commerc obefazimod will result in a decrease in cash flows generated by sales of the product, which c unfavorable impact on our financial position, particularly at the beginning of the commercial

The net losses we incur may fluctuate significantly from quarter-to-quarter and year-to-y period-to-period comparison of our results of operations may not be a good indication of our any particular period or periods, our operating results could be below the expectations of se investors, which could cause the price of the ordinary shares (which may be in the form of AD increase in operational losses would have a material adverse effect on our business, financia growth and outlook.

We will require substantial additional funding, which may not be available on acceptable term failure to obtain this necessary capital may force us to delay, limit or terminate our produc or other operations.

Our operations have consumed substantial amounts of cash since inception. We are currentl obefazimod through clinical development and conducting preclinical studies with respect to ot Developing drug candidates is expensive, lengthy and risky, and we expect our research and de to increase substantially in connection with our ongoing activities, particularly as we seek toward commercialization. If our clinical trials are successful and we obtain regulatory appr that we develop, we will incur commercialization expenses before these drug candidates are ma

Based on (a) our existing cash and cash equivalents and other short-term investments of €251.0 millio as of December 31, 2023 and (b) drawdown of the second tranche of the Kreos / Claret Financing, €25.0 million in gross proceeds received on March 28, 2024, and (c) the expected reimbursemer 2023 in the second half of 2024 amounting to €4.5 million, we expect to be able to fund our f requirements into the fourth quarter of 2025. Under these assumptions and based on our curren would have sufficient funds to finance our operations through the announcement of our top-lin 3 ABTECT-1 and ABTECT-2 induction trials for UC.

This takes into account our assumption that R&D expenditure will be substantially increas by the progression of the Phase 3 clinical trials of obefazimod in UC and the initiation of t 2024. We have based this estimate on assumptions that may prove to be wrong, and we could uti capital resources sooner than we expect. However, there is no guarantee that we would be able to meet conditions to be able to draw down on the remaining tranche of the Kreos / Claret

financing. We anticipate that we will require additional capital as we seek regulatory approv
candidates. We intend to assess and plan for any such funding requirements and aim to regula
on our financing need projections.

Until we can generate sufficient product or royalty revenue to finance our cash requireme
never do, we may seek additional financing in the form of public or private equity or debt fi
other third-party funding, marketing and distribution arrangements and collaborations, strate
licensing arrangements or a combination of these sources.

The amount and timing of our funding needs will depend on factors that are largely outsi
such as:

- higher costs and slower-than-expected progress on our research and development prog
clinical trials;
- costs related to preparing, filing, enforcing and maintaining our patents and other
rights;

- the scope of the research required and time needed to sign licensing agreements wit
partners;
- the expenses needed to respond to technological and market developments;
- higher costs and longer-than-expected lead times obtaining regulatory authorization
for preparing application dossiers for the relevant authorities; and
- new opportunities for developing new products or acquiring technologies, products o

Any additional fundraising efforts may divert our management from their day-to-day activi
adversely affect our ability to develop and, if approved, commercialize our drug candidates.
guarantee that future financing will be available in sufficient amounts or on terms acceptabl
French law, our share capital may be increased only with shareholders' approval at an extraor
shareholders' meeting on the basis of a report from the board of directors. In addition, the
imposes certain limitations on our ability to price certain offerings of our share capital wi
subscription rights (*droits préférentiel de souscription*, or *pre-emptive rights*). This limitation may prevent us from successfully
completing any such offering. To the extent that we raise additional capital, the terms of an
adversely affect the holdings or the rights of our shareholders and the issuance of additiona
equity or debt, by us, or the possibility of such issuance, may cause the market price of our
may be in the form of ADSs) to decline. The sale of additional equity or convertible securiti
shareholders ownership interest. The incurrence of indebtedness would result in increased fix
and we may be required to agree to certain restrictive covenants, such as limitations on our
debt, limitations on our ability to acquire, sell or license intellectual property rights and
that could adversely impact our ability to conduct our business. To the extent that we raise
arrangements with research and development partners or otherwise, we may be required to relin
technologies, drug candidates or revenue streams, license our technologies or drug candidates
or otherwise agree to terms unfavorable for us. If we are unable to obtain adequate financing
delay, reduce or eliminate the number or scope of our projects and drug candidates (including
and clinical trial programs). In order to obtain financing, we may be required to relinquish
technologies or drug candidates or otherwise agree to terms unfavorable to us. If we are unab
a timely basis, we may be required to significantly curtail, delay or discontinue one or more
development programs or the commercialization of any drug candidate or be unable to expand ou
otherwise capitalize on our business opportunities, as desired, which could impair our prospe

***Our financial statements contain a footnote describing management's assumption regarding our
continue as a going concern, which could prevent us from obtaining new financing on reasonabl***

For the years ended December 31, 2023 and 2022, we reported net losses of €147.7 million and €60.7 million,
respectively. As of December 31, 2023, we carried forward accumulated losses of €458.3 million. Recurring
losses may cast significant doubt or raise substantial doubt about our ability to continue as

There cannot be any assurance that we will be successful in obtaining necessary financing
continue as a going concern or achieve profitability. We expect that we will need to raise ad
to complete the necessary trials to achieve commercial viability of some or all of our drug c
not available, we may be required to delay, reduce the scope of, or eliminate research or dev
commercialization efforts with respect to our products. The sale of additional equity may dil
shareholders and newly issued shares may contain senior rights and preferences compared to cu
ordinary shares. Issued debt securities may contain covenants and limit our ability to pay di
distributions to our shareholders. If we are unable to obtain such additional financing, futu
clinical development programs) would need to be scaled back or discontinued. These factors ma
doubt about our ability to continue as a going concern.

***There are material weaknesses in our internal controls over financial reporting and if we are
effective internal controls over financial reporting, the accuracy and timeliness of our fina
adversely affected, which could adversely affect our business, investor confidence and the ma
securities.***

Internal control over financial reporting is a process designed to provide reasonable ass
reliability of financial reporting for external purposes in accordance with international fin
Internal control over financial reporting includes maintaining records that in reasonable det
reflect our transactions; providing reasonable assurance that transactions are recorded as ne
our financial statements; providing reasonable assurance that receipts and expenditures of ou
accordance with management authorization; and providing reasonable assurance that unauthorize

or disposition of our assets that could have a material effect on the financial statements wo
detected on a timely basis. Because of its inherent limitations, internal control over financ
intended to provide absolute assurance that a misstatement of our financial statements would
detected.

We must maintain effective internal controls over financial reporting in order to accura
our results of operations and financial condition. In addition, as a public company listed ir
Sarbanes-Oxley Act will require, among other things, that we assess the effectiveness of our
financial reporting at the end of each fiscal year, starting with the end of the first full f
of our initial public offering of our ADSs in the United States. However, our independent reg
accounting firm will not be required to attest to the effectiveness of our internal controls
so long as we are an "emerging growth company," which may be up to five fiscal years followir
offering of our ADSs in the United States. An independent assessment of the effectiveness of
could detect problems that our management's assessment might not.

Our management has not completed an assessment of the effectiveness of our internal contr
reporting, and our independent registered public accounting firm has not conducted an audit o
over financial reporting. In connection with preparing our financial statements as of and for the yea
December 31, 2023 and 2022, material weaknesses in our internal controls over financial repor
The material weaknesses related to a lack of risk assessment as well as formal, documented ar
processes, controls and review procedures, specifically due to a lack of a sufficient number
appropriate level of internal control knowledge, training and experience. These material weak
a material misstatement to our financial statements included herein, however these material w
in material inaccuracies in our financial statements and impair our ability to comply with ap
reporting requirements and related regulatory filings on a timely basis.

We have developed a remediation plan to address these material weaknesses and strengthen our
these areas. In this regard, we have started to reorganize our finance and accounting functio
experienced employees to provide more review and oversight over our financial processes. Whil
remediate the material weaknesses as quickly and efficiently as possible, we cannot at this t
timeline in connection with implementing our remediation. As of December 31, 2023, we had not
remediation of these material weaknesses. These remediation measures may be time-consuming ar
might place significant demands on our financial and operational resources. There is no assur
we may take in the future will be sufficient to remediate the control deficiencies that led t
weaknesses in our internal control over financial reporting or that they will prevent or avoi
weaknesses.

The rules governing the standards that will have to be met for our management to assess o
over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act are complex and re
documentation, testing and possible remediation. These stringent standards require that our a
advised and regularly updated on management's review of internal controls over financial repo
the process of designing, implementing, and testing the internal controls over financial repo
with this obligation. This process is time-consuming, costly, and complicated. Our management
effectively and timely implement controls and procedures that adequately respond to the incre
compliance and reporting requirements that will be applicable to us as a public company liste
If we fail to staff our accounting and finance function adequately or maintain internal contr
reporting adequate to meet the demands that will be placed upon us as a public company listed
our business and reputation may be harmed and the price of our ordinary shares and ADSs may d
undetected material weaknesses in our internal controls over financial reporting could lead t
financial statements and require us to incur the expense of remediation. Any of these develop
investor perceptions of us being adversely affected, which could cause a decline in the marke

Our management is responsible for establishing and maintaining adequate internal control
reporting. Our growth will place significant additional pressure on our system of internal co
reporting. Any failure to maintain an effective system of internal control over financial rep
ability to report our financial results accurately and timely or to detect and prevent fraud.

***Significant impairment of our goodwill could materially impact our financial position and res
operations.***

We carry a goodwill balance, which is allocated to obefazimod and ABX196 cash generating
balance sheet as a result of past business acquisitions, including with respect to obefazimod
required to review our goodwill for impairment on an annual basis or more frequently if event
circumstances indicate evidence of impairment. We did not record any goodwill impairment loss
December 31, 2023. For the year ended December 31, 2022, we recorded a goodwill impairment lo
million. The goodwill impairment loss was related to an impairment test conducted with respec

cash-generating unit as a result of significant external changes in the hepatocellular carcin
which are expected to require a new, lengthy, heavy and risky internal development process (u
compounds). As such, due to the lack of progress made in the negotiation of a development par
the decision to freeze the development program for ABX196 in the treatment of hepatocellular
full impairment of ABX196 goodwill. In July 2023, we have decided to completely stop our ABX1
which will be reflected in our next financial statements. After full impairment of the goodwi
we continue to carry a goodwill balance allocated to obefazimod amounting to €18.4 million in
December 31, 2023. We have not currently identified reasons to impair the goodwill allocated
However, there can be no assurance that, based on the results of our annual goodwill impairme
be required to identify further goodwill impairment losses, which could have a material adver
of operations.

***We have significant debt commitments, which require us to meet certain operating covenants, a
comply with those covenants the bondholders would be able to accelerate our repayment obligat
Additionally, the conversion of some or all of our bonds into ordinary shares would dilute th
of existing shareholders.***

On August 20, 2022, we entered into a framework subscription agreement (the "Framework Subsc
Agreement") with entities affiliated with Kreos Capital ("Kreos") and entities affiliated wit
Growth Capital ("Claret"), as the Secured Lenders (the "Kreos / Claret Financing"). Under thi

Subscription Agreement, we may draw up to €75 million in structured debt financing, in three tranch
million in aggregate principal amount each. The first and second tranches were drawn on Augus
March 28, 2024, respectively. The Kreos / Claret Financing provides for certain restrictive c
customary exceptions), which include, among other things, restrictions on the incurrence of i
default, the distribution of dividends and the grant of security interests. As security for t
the Secured Lenders benefit from the grant of first-ranking collateral on our principal tangi
including pledges over our *fonds de commerce* as a going concern and intellectual property rights
lead drug candidate, as well as pledges over our bank accounts and receivables. Such securiti
of the Kreos / Claret Financing.

In addition, on August 20, 2023, we entered into a subscription agreement with entities a
Capital Management ("Heights", and such agreement, the "Heights Subscription Agreement"). Unc
Subscription Agreement, we may draw up to €75 million in amortizing senior convertible notes,
€35 million and €40 million, respectively, as further described below. The first tranche in a
amount of €35 million was drawn on August 24, 2023. The terms and conditions of the Heights C
include a negative pledge providing that any security granted in favor of other borrowed debt
should also be granted in favor of the Heights Convertible Notes on an equal basis (with the
securities issued pursuant to the Kreos / Claret Financing).

In June 2020, we obtained a non-dilutive financing in the form of a State-guaranteed loar
loan was structured with an initial maturity of 12 months at 0.25% and a five-year extension
we exercised the five-year extension option with a one-year deferral of principal repayment,
conditions: (i) a revised interest rate of 0.68% *per annum* excluding insurance and State-guaranteed premium; an
(ii) a State-guaranteed premium of €0.1 million to be paid by installments over the contract
2021.

The loan includes certain customary covenants and prepayment provisions. The negative cov
undertaking not to dispose of all or part of our assets for more than 50% of the gross value

There is also no guarantee that we will have sufficient cash to pay the bonds issued to t
Heights at maturity, which could have a negative impact on our business as security interests
our principal tangible and intangible assets: in particular, on our goodwill, intellectual pr
lead drug candidates, as well as a pledge of our bank accounts and claims. There is also no g
have sufficient cash to make the scheduled payments on the Kreos / Claret Financing, the Heig
State-guaranteed loan, which could have a material adverse effect on our business, financial
operations. Any failure to make scheduled payments or trigger for early repayment of the loar
adverse effect on our business, financial position, income, growth and outlook. If we breach
any of these agreements, it could result in default and trigger an early repayment of the bor
that we would have the necessary resources to fund an advance repayment of the bonds.

***Our principal tangible and intangible assets serve as collateral under the terms of debt agre
Claret Financing. If we default on these debt obligations, the Secured Lenders could foreclos
and we would be unable to continue our business and operations.***

In August 2023, we entered into the Kreos / Claret Financing. In connection with the fina
granted the Secured Lenders with first-ranking collateral on our principal tangible and intar
pledges over our business (*fonds de commerce*) as a going concern and intellectual property rights in our
candidate, as well as pledges over our bank accounts and receivables until our debt obligatio
in full. There can be no assurance that we will not breach the covenants or other terms of, o
will not occur under, the debt agreements for the Kreos / Claret Financing. If a breach or ev
there can be no assurance that we will be able to cure the breach within the time permitted.
failure to pay our obligations when due, any breach or default of our covenants or other obli
event that causes an acceleration of payment at a time when we do not have sufficient resourc
obligations, the Secured Lenders could foreclose on the collateral. If the Secured Lenders we
would lose our intellectual property rights in our lead drug candidate and be unable to comme
candidate and conduct our business. Any of these consequences would have a material adverse e
business, financial condition and share price.

***We rely on grants and subsidies, which may not continue to be available and we may be forced
conditional advances prematurely if we fail to comply with our contractual obligations under
grant agreements.***

We have received various grants and conditional advances from Bpifrance under various dev
programs, in a total of $20.1 million as of December 31, 2023. In the event that we do not comply
contractual conditions stipulated in the aid agreements we have entered into, we may have to
advanced early. Such premature repayment could deprive us of the necessary financial resource
and development projects and we cannot guarantee that we will find necessary additional finar
timeline for or the possibility of replacing these financial resources with others. We cannot
have the necessary resources to cope with an early repayment. A material repayment would resu
adverse effect on our business, operations, financial position, income, growth, and outlook.

In addition, the amount and date of payment of current and future grants and subsidies de
that are not in our control, including possible non-distribution decisions or the freezing of
achievement of key milestones previously agreed on with Bpifrance. Delays or failure in obtai
these grants and subsidies in the future could have a material adverse effect on our business
income, growth and outlook.

***Current equity agreements and convertible debt instruments may dilute our equity resulting in
shareholders.***

Since our incorporation, we have issued and granted founder’s share warrants (BCE) and sh
(BSA) and granted free shares (AGA) to persons linked to us and financing entities. We have a
bonds. See "Item 5.B—Liquidity and Capital Resources.”

The theoretical exercise of all the founder’s share warrants (BCE) and share warrant (BSA
access to our capital issued and outstanding as of December 31, 2023, excluding securities he

would allow for the subscription of 638,643 potential new ordinary shares, resulting in a hyp
to 1.01% based on our existing share capital as of December 31, 2023.

Our general meeting of June 5, 2023 delegated authority to the board of directors (the "B
one or more capital increases and/or issues of securities giving access to our capital subjec
limitations:

- a total maximum nominal amount of the capital increases set at €500,000 (or the equ
that amount in the event of an issue in another currency) with a total maximum nomi
debt securities that may be issued set at €150,000,000 (or the equivalent value of
event of an issue in another currency); and
- the shares that may be issued or allotted in the context of equity incentive plans
share options and/or free shares (AGA)) may not exceed 10% of the share capital on
basis recorded as of June 5, 2023.

Using such delegation, we issued in August 2023 the following securities in connection wi
Financing and the Heights Financing:

- 25,000,000 convertible bonds with warrants attached with an individual nominal valu
to KC and Claret, which allow for the subscription of up to 1,178,084 new ordinary
conversion price of €21.22 per ordinary share;
- 214,198 share warrants (BSA) issued to KC and Claret, which allow for the subscript
214,198 new ordinary shares at an exercise price of €18.67 per ordinary share; and
- 350 convertible notes due 2027 with an individual nominal value of €100,000 issued
allow for the subscription of up to 1,472,606 new shares at a conversion price of €
share. In case we opt to repay the principal and accrued interest of such notes ent
may issue up to 2,830,201 new ordinary shares in connection with such repayment.

Our failure to maintain certain tax benefits applicable to French biopharmaceutical companies affect our operations and finances.

As a French biopharmaceutical company, we have benefited from certain tax advantages, inc
example, the Research and Development Tax Credit (*crédit impôt recherche*) ("CIR"), which is a French tax credit
aimed at stimulating research and development. CIR can be offset against French corporate inc
portion in excess, if any, may be refunded. CIR is calculated based on our claimed amount of
development expenditures in France and amounted to €4.5 million for 2023. The French tax authorities, with th
assistance of the Higher Education and Research Ministry, may audit each research and develop
respect of which a CIR benefit has been claimed and assess whether such program qualifies in
benefit. The French tax authorities may challenge our eligibility for, or our calculation of,
deductions in respect of our research and development activities and, should the French tax a
our credits may be reduced, which would have a negative impact on our results of operations a
Furthermore, the French Parliament may decide to eliminate, or to reduce the scope or the rat
either of which it could decide to do at any time. If we fail to receive future CIR amounts,
financial condition, cash flows or results of operations could be adversely affected.

We may be unable to carry forward existing tax losses.

As of December 31, 2023, we carried forward accumu €459.8 million. In 2014, we acquired
the companies Splicos, Wittycell and Zophis by means of a universal transfer of assets and li
carried forward of the three companies combined (Splicos, Wittycell and Zophis) amounted to €
date of the mergers and transfer of remaining assets. The transfer to us of these losses was
approval by the French tax authorities, which approved the transfer of a total amount of €22.
the transfer of these tax losses to us, our tax losses of €303.8 million had been incurred as of 2022.
To the extent we have continued conducting the business that led to these losses for a minimu
years, without making significant changes during this period, the transfer of such tax losses
France, the maximum amount of carried forward tax losses that can be written off against the
financial year is limited to €1 million plus 50% of the amount of taxable profits for the fir
€1 million. The outstanding tax losses remain valid and can be carried forward to be written
subsequent financial years subject to the same limit, for an unlimited period of time (subjec
change of activity" at our level). It cannot be ruled out that regulatory or legislative char
may suppress or limit all or part of the ability to use carried forward tax losses, or limit
to offset future profits. Changes in corporate taxation regarding the use of carried forward
tax profits could have a material adverse effect on our financial position and results of ope

Risks Related to Product Development, Regulatory Approval and Commercialization

Drug candidates under development must undergo costly, rigorous and highly regulated preclini clinical trials, whose time of completion, number and outcomes are uncertain.

The development of a drug candidate is a long and expensive process with an uncertain ou
in several phases, where the objective is to demonstrate the therapeutic benefit provided by
one or more indications. Any failure during the various preclinical and clinical phases for a
delay development, production and commercialization of the therapeutic product concerned or e
discontinuing its development. Identifying potential drug candidates and conducting preclinic
trials is a time-consuming, expensive and uncertain process that takes years to complete, and
the data or required results required to obtain regulatory approval and achieve commercializa

During clinical trials, we may encounter difficulties determining and recruiting patients profile. This profile could also vary depending on the different phases of these clinical tri be recruited according to a timetable compatible with our financial resources which may resul operation results.

At each phase of clinical development, we must ask for authorization from the relevant au countries, according to our development plan, to conduct clinical trials and then present the trials to these authorities. The authorities may refuse to provide the authorizations necessa have additional requirements (for example, relating to study protocols, patient characteristi post-treatment follow-up, certain differences in interpreting results between local regulator cases may require additional studies. Any refusal or decision by health authorities to requir examinations would be likely to result in the discontinuation or delay of the development of An absence of or delay in therapeutic response could also result in the delay or even discont development of our drug candidates.

We cannot guarantee that the development of our drug candidates will ultimately be succes within time frames compatible with our financial resources or market needs. Any failure or de of these products would have a material adverse effect on our business, income, financial pos

We are developing drug candidates for inflammatory diseases. To our knowledge, currently similar immunological treatments with a mechanism of action based on enhanced expression of a miR-124, with marketing authorization granted by competent regulatory authorities. As a resul uncertain for the development and profitability of obefazimod in the area of inflammatory dis acceptance by patients, doctors and paying agencies. Animal testing does not necessarily prec be obtained in humans. Positive results for obefazimod during Phase 1, Phase 2b or Phase 3 cl for all the products in the portfolio during their research or preclinical phases might not b phases. Such outcomes could have a material adverse impact on our business, income, financial

We are heavily dependent on the success of our drug candidates, in particular obefazimod, and certain that obefazimod or any of our other current or future drug candidates will receive re and, without regulatory approval, we will not be able to market our drug candidates.

We currently have no drug candidates approved for marketing, and we cannot guarantee that marketable drug candidates. Our ability to generate revenue related to sales, if any, will in entirely on the successful development and regulatory approval of obefazimod. In Europe and t well as in many other countries, access to the drug market is strictly controlled and marketi a regulatory authority. Most of the time, this registration application is filed with a natio authority. However, in the European Union, the marketing authorization application ("MAA") mu the EU-level to the European Medicines Agency ("EMA") for categories of the most innovative m in order to obtain a centralized marketing authorization valid for all the European Union ter

The research, testing, manufacturing, safety, efficacy, labeling, approval, sale, marketi our drug candidates are, and will remain, subject to comprehensive and extensive regulation o and European Union Member States national authorities in the European Union, the Food and Dru ("FDA") in the United States, the Pharmaceuticals and Medical Devices Agency ("PMDA") in Japa regulatory authorities in other countries, with regulations differing from country to country exceptions, we are not permitted to market our drug candidates in the European Union, the Uni until we receive approval of an MAA from the European Commission following EMA's opinion or (Union Member State(s) authority(ies) or a new drug application ("NDA") from the FDA or the PM Regulators of each jurisdiction have their own procedures for approval of drug candidates. We any MAA for any of our drug candidates yet. Failure to obtain regulatory approval for our dru jurisdiction will prevent us from commercializing and marketing our drug candidates in such j marketing authorizations may be granted for narrow indications which may significantly reduce of our drug candidates.

Obtaining and maintaining marketing authorization, by country or by geographical area in European Union, presupposes compliance with the mandatory standards imposed by the concerned authorities and submission to the authorities of a great deal of information about the drug o toxicity, dosage, quality, efficacy and safety all over its life cycle. The authorization pro and the result of this process remains highly uncertain. We are therefore careful to continuo practices in order not to jeopardize our chances of ultimately obtaining, directly or via our marketing authorization for the products we are developing. Furthermore, obtaining marketing

product in a given country or geographical area does not automatically ensure or immediately marketing authorization in other countries for the same product.

In order to obtain marketing authorization for one of our drug candidates, we have to per animal studies and complete human clinical trials in order to demonstrate the safety and effi MAAs, NDAs and similar authorizations must include extensive preclinical and clinical data ar information to establish the drug candidate's safety and efficacy for each desired indication exposed to unforeseen and serious risks, we or the regulatory authorities may choose to suspe clinical trials.

NDAs, MAAs and similar authorizations must also include significant information regarding manufacturing and controls for the drug. Obtaining approval of a MAA or a NDA and similar aut collecting all required information, proof and data for this process, is a lengthy, expensive and we may not be successful in obtaining approval. This is further enhanced by the fact that own requirements and procedures for the scientific evaluation or approval of drug candidates. Union Member States national authorities, FDA and PMDA review processes can therefore take ye and approval is never guaranteed.

In addition, delays in approvals or rejections of marketing applications in the European States or other countries may be based upon many factors, including regulatory requests for a

reports, data, preclinical studies and clinical trials, regulatory questions regarding differ
and results, changes in regulatory policy during the period of drug development and the emerg
information regarding our drug candidates or other drug candidates. Even if a drug is approve
or the PMDA, as the case may be, may limit the indications for which the drug may be marketed
warnings on the drug labeling or require expensive and time-consuming post-marketing clinical
conditions of approval.

***Even if we receive regulatory approval for any drug candidate, we will be subject to ongoing
obligations and continued regulatory review, which may result in significant additional exper***

Even if we receive approval of any of our drug candidates, such regulatory approval may b
such approvals may be contingent on ongoing obligations and continued regulatory review, whic
significant additional expense. As a general matter, any regulatory approvals that we may rec
candidates, the manufacturing processes, labeling, packaging, distribution, adverse event rep
advertising, promotion, import, export and recordkeeping for our drug candidates will be subj
ongoing regulatory requirements. These requirements include submissions of safety, efficacy a
marketing information and reports, registration, as well as ongoing compliance with current G
Practice ("GMP") and Good Clinical Practice requirements ("GCPs") for any clinical trials tha
to conduct post-marketing. In addition, manufacturers of drug products and their facilities a
review and periodic, unannounced inspections by the FDA and other regulatory authorities for
GMP regulations and standards.

Additionally, our drug candidates, even if approved, may be subject to restrictions or pu
advertising, include limitations related to prescriptions by specialists, use restrictions fo
warnings, precautions or contraindications, and may include burdensome post-approval study or
requirements. For example, the FDA may require a risk evaluation and mitigation strategy ("RE
of approval of our drugs candidates, which could include requirements for a medication guide,
and communication plans or additional elements to ensure safe use, such as restricted distrib
registries and other risk minimization tools.

Obtaining and maintaining a Good Manufacturing Practice ("GMP") certificate will be requi
produce the immunotherapies that we are developing (for clinical trial purposes and during th
phase). We cannot guarantee that we will obtain or be able to maintain this certificate, nor
constraints related to this certificate will not be imposed on us in the future. Any failure
adherence to such GMP regulations or other regulatory requirements may lead to significant de
availability of products for commercial sale or clinical trials, may result in the terminatio
trial, or may delay or prevent filing or approval of marketing applications for our products.
applicable regulations could also result in the FDA or other applicable regulatory authoritie
including:

- levying fines and other civil penalties;
- imposing consent decrees or injunctions;

- requiring us to suspend or put on hold one or more of our clinical trials;
- suspending or withdrawing regulatory approvals;
- delaying or refusing to approve pending applications or supplements to approved app
- requiring us or our third-party manufacturers to suspend manufacturing activities o
  imports or exports;
- requiring us to communicate with physicians and other customers about concerns rela
  potential safety, efficacy and other issues involving our products;
- mandating product recalls or withdrawals or seizing products;
- imposing operating restrictions; and
- seeking criminal prosecutions.

Failure to obtain or maintain authorization for our drug candidates in one or more juris
respect of our lead drug candidate, obefazimod, would have a material adverse effect on our b
financial position, results and development.

***Our drug candidates may cause undesirable side effects or have other properties that could de
regulatory approval, or, if approval is received, require our drug candidates to be withdrawn
require them to include safety warnings or otherwise limit their sales.***

Undesirable side effects caused by our drug candidates could cause us or regulatory auth
delay or halt clinical trials, or even discontinuation and could result in a more restrictive
of regulatory approval by the European Commission, FDA, PDMA or other comparable authorities
jurisdictions. If severe side effects were to occur, or if one of our drug candidates is show
characteristics, we may need to either restrict the use of such product to a smaller populati
development of such drug candidates.

If one or more of our drug candidates received marketing approval, and we or others later
side effects caused by such drugs or negative interactions with other products or treatments
as a result of interactions with other products once on the market), a number of potentially
consequences could result, including:

- regulatory authorities may withdraw or reduce the scope of approvals of such produc
- regulatory authorities may require additional warnings on the product's label;
- we may be required to create a medication guide outlining the risks of such side ef
  to patients;
- we could be sued and held liable for harm caused to patients;
- physicians, healthcare payors, patients or the medical community in general may not
  our products;
- sales of the product may decrease significantly; and

- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of t candidate, if approved, and could have a material adverse effect on our business, prospects, flows or results of operations.

Clinical failure can occur at any stage of clinical development. The results of earlier clini from any interim analysis of ongoing trials are not necessarily predictive of future results we advance through clinical trials may not have favorable results in later clinical trials.

Clinical testing is expensive and can take many years to complete, and its outcome is inh Clinical failure can occur at any stage of our clinical development. Success in preclinical s trials, as well as data from any interim analysis of ongoing trials do not ensure that subseq generate the same or similar results. A number of companies in the pharmaceuticals industry, greater resources and experience than us, have suffered significant setbacks in the last deve clinical trials, even after seeing promising results in earlier clinical trials, and we could some instances, there can be significant variation in safety or efficacy results between diff

same drug candidate due to numerous factors, including changes in trial procedures set forth differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants. Any such negatively impact our business, financial condition, results of operation and prospects. The in preclinical and clinical trials for obefazimod does not ensure that current or future tria demonstrate similar safety and/or efficacy results.

Drug candidates in later stages of clinical trials may fail to show the desired safety an having progressed through preclinical studies and earlier clinical trials. In addition to the any drug candidate, clinical trial failures may result from a multitude of factors including selection, placebo effect and patient enrollment criteria. Based upon negative or inconclusiv collaborators may decide, or regulators may require us, to conduct additional clinical trials Further, data obtained from trials and studies are susceptible to varying interpretation, and interpret our data as favorably as we do, which may delay, limit or prevent regulatory approv

We cannot guarantee the commercial success or the pricing and reimbursement of the drug candi develop.

If we or one or more of our commercial partners succeeds in obtaining marketing authoriza them to market the therapeutic products developed by us, it may nevertheless take time to gai medical community, health care providers and third-party payors.

The level of market acceptance for each of our products will depend on several factors, i following:

- prescribers’ perception of the product’s therapeutic benefit;
- healthcare policies established in each of the countries in which we are considerin products;
- possible occurrence of adverse reactions once marketing authorization has been obta
- ease of use of the product, especially relating to its mode of administration;
- cost of treatment;
- reimbursement policies of governments and other third parties;
- effectiveness of sales and marketing efforts;
- effective implementation of a scientific publication strategy;
- willingness of the target patient population to try new therapies and of physicians therapies;
- prevalence and severity of any side effects;
- development of one or more competing products for the same indication; and
- restrictions on the use of the product together with medications.

Although the products we are developing are intended to provide a therapeutic response to presently unmet, poor market penetration resulting from one or more of the factors described negative impact on their commercialization and on our ability to generate profits, which coul adverse effect on our business, outlook, financial position, income and growth.

The level of market acceptance and sale of our drug candidates, if approved, will heavily availability of coverage and adequate reimbursement from third-party payors. The conditions f price and reimbursement rate for drugs are beyond the control of pharmaceutical companies. Th competent public committees and bodies and by social security or private insurance companies a number of factors. Pricing and reimbursement schemes vary widely from country to country. I Union, pricing and reimbursement are determined individually by European Union Member States. may approve a specific price for a product while others may instead allow companies to fix th products but monitor and control company profits. Within the US, as a principle, drug compani prices, which may then be discounted through negotiations with payors. However, as a result o Reduction Act of 2022 (“IRA”), the Secretary of Health and Human Services is now authorized t

with pharmaceutical companies for certain drugs covered under Medicare Part D program (i.e., for Americans aged 65 or older and Americans receiving social security disability).

Generally, the downward pressure on health care costs has become intense. As a result, in barriers are being erected to the entry of new products. Delays in the price negotiation proc significant delay in marketing, our product may not obtain an appropriate level of reimbursem price level and reimbursement rate of the treatments we market may be changed. We are also un that we will succeed in maintaining, over time, the price level of our products or the accept

Our future may depend on our most advanced clinical development program, obefazimod, since ou candidates are in a less advanced stage of development.

Obefazimod is our most advanced drug candidate. Obefazimod has required, and may continue significant investments of our time and financial resources, as well as the special attention Consequently, if we were unable to obtain conclusive results in ongoing maintenance trials, P in UC or Phase 2 of obefazimod in CD, it could have a material adverse effect on our business position, results and development.

We may experience setbacks that could delay or prevent regulatory approval of our drug ca ability to commercialize any products, including:

- negative or inconclusive results from our preclinical studies or clinical trials or others for drug candidates similar to ours, leading to a decision or requirement to preclinical testing or clinical trials or abandon a program;
- product-related side effects experienced by subjects in our clinical trials or by i or therapeutics comparable to our drug candidates;
- delays in submitting investigational new drug applications in the United States or applications or delays or failure in obtaining the necessary approvals from regulat review boards (“IRBs”) or ethics committees to commence a clinical trial, or a susp termination of a clinical trial once commenced;
- if the FDA or comparable foreign authorities do not accept the earlier preclinical work, then we may need to conduct additional preclinical studies or clinical trials we currently have planned and significant preclinical study or clinical trial delay any periods during which we may have the exclusive right to commercialize our drug allow our competitors to bring products to market before we do and impair our abili commercialize our drug candidates and may harm our business;
- conditions imposed by the FDA or comparable foreign authorities regarding the scope clinical trials;
- delays in contracting with clinical sites or enrolling subjects in clinical trials, health pandemic and/or other macroeconomic factors;
- delays or interruptions in the supply of materials necessary for the conduct of our
- regulators or IRBs or ethics committees may not authorize us or our investigators t clinical trial or conduct a clinical trial at a prospective trial site;
- the FDA or other comparable regulatory authorities may disagree with our clinical t including with respect to dosing levels administered in our planned clinical trials prevent us from initiating our clinical trials with our originally intended trial d
- delays in reaching, or failure to reach, agreement on acceptable terms with prospec investigators and prospective contract research organizations (“CROs”) which can be extensive negotiation and may vary significantly among different CROs and trial sit
- the number of subjects required for clinical trials of any drug candidates may be l anticipate or subjects may drop out of these clinical trials or fail to return for at a higher rate than we anticipate;
- our CROs for preclinical studies or clinical trials may fail to comply with regulat meet their contractual obligations to us in a timely manner, or at all, or may devi trial protocol or take actions that could cause clinical sites or clinical investig trial, which may require that we add new clinical trial sites or investigators;

- greater than anticipated clinical trial costs, including as a result of delays or i increase the overall costs to finish our clinical trials as our fixed costs are not during delays;
- we may elect to, or regulators, IRBs or Data Safety Monitoring Boards (“DSMBs”) may we or our investigators, suspend or terminate clinical research or trials for vario noncompliance with regulatory requirements or a finding that the participants are b unacceptable health risks;
- we may not have the financial resources available to begin and complete the planned of clinical trials of any drug candidates may be greater than we anticipate;
- the supply or quality of our drug candidates or other materials necessary to conduc our drug candidates may be insufficient or inadequate to initiate or complete a giv
- the FDA or other comparable foreign regulatory authorities may require us to submit such as long term toxicology studies, or impose other requirements before permittin clinical trial, including because the FDA has not reviewed our preclinical or clini having been developed outside the United States;
- inability to compete with other therapies;
- poor efficacy of our drug candidates during clinical trials;

- unfavorable FDA or other regulatory agency inspection and review of clinical trial manufacturing facilities;
- unfavorable product labeling associated with any product approvals and any requirem Evaluation and Mitigation Strategy ("REMS") that may be required by the FDA or comp requirements in other jurisdictions to ensure the benefits of an individual product
- unfavorable acceptance of our clinical trial data by the patient or medical communi payors;
- delays and changes in regulatory requirements, policy and guidelines, including the additional regulatory oversight around clinical testing generally or with respect t particular; or
- varying interpretations of data by the FDA and similar foreign regulatory agencies.

We do not have complete control over many of these factors, including certain aspects of and the regulatory submission process, potential threats to our intellectual property rights marketing, distribution and sales efforts or that of any future collaborator.

We may find it difficult to enroll patients in our clinical trials. If we encounter difficult our clinical trials, our clinical development activities could be delayed or otherwise advers

Patient enrollment is a significant factor in the timing of clinical trials, and the tim depend, in part, on the speed at which we can recruit patients to participate in our trials, required follow-up periods. We may not be able to initiate or continue clinical trials for ou unable to locate and enroll a sufficient number of eligible patients to participate in these conclusion as required by applicable regulatory authorities. The eligibility criteria of our established, may further limit the pool of available trial participants.

Patient enrollment in clinical trials may be affected by other factors, including:

- size and nature of the targeted patient population;
- severity of the disease or condition under investigation;
- availability and efficacy of approved therapies for the disease or condition under
- patient eligibility criteria for the trial in question as defined in the protocol;
- perceived risks and benefits of the drug candidate under study;
- clinicians' and patients' perceptions as to the potential advantages of the drug ca in relation to other available therapies, including any products that may be approv candidates under investigation for, the indications we are investigating;

- efforts to facilitate timely enrollment in clinical trials;
- patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment;
- proximity and availability of clinical trial sites for prospective patients;
- continued enrollment of prospective patients by clinical trial sites; and
- the risk that patients enrolled in clinical trials will drop out of such trials bef

Additionally, other pharmaceutical companies targeting these same diseases are recruiting patients from these patient populations, which may make it more difficult to fully enroll any rely on, and will continue to rely on, CROs and clinical trial sites to ensure proper and tim trials and preclinical studies. Though we have entered into agreements governing their servic influence over their actual performance. Our inability to enroll a sufficient number of patie would result in significant delays or may require us to abandon one or more clinical trials a delays in our clinical trials may result in increased development costs for our drug candidat ability to obtain regulatory approval for the sale of our drug candidates. Furthermore, even sufficient number of patients for our clinical trials, we may have difficulty maintaining enr in our clinical trials.

We are developing certain of our drug candidates in combination with other therapies, and saf with combination use products may delay or prevent development and approval of our therapeuti

We are developing certain of our drug candidates in combination with one or more approved therapies. Even if any drug candidate we develop were to receive marketing approval or be com in combination with other existing therapies, we would continue to be subject to the risks th Commission, PDMA or similar foreign regulatory authorities could revoke approval of the thera combination with our product or that safety, efficacy, manufacturing or supply issues could a existing therapies. If the therapies we use in combination with our drug candidates are repla care for the indications we choose for any of our drug candidates, the EMA, FDA, PDMA or simi regulatory authorities outside may require us to conduct additional clinical trials. The occu risks could result in our own products, if approved, being removed from the market or being l commercially.

We also may evaluate our drug candidates in combination with one or more therapies that h approved for marketing by the FDA, European Commission, PDMA or similar foreign regulatory au will not be able to market and sell any drug candidate we develop in combination with an unap unapproved therapy does not ultimately obtain marketing approval. In addition, unapproved the risks described with respect to our drug candidates currently in development, including the p adverse effects, delay in their clinical trials and lack of FDA, European Commission, or PDMA regulatory authorities or PDMA approval.

If the FDA, European Commission or similar foreign regulatory authorities do not approve therapies or revoke their approval of, or if safety, efficacy, manufacturing or supply issues we choose to evaluate in combination with our drug candidates, we may be unable to obtain app any such drug candidate.

We may conduct clinical trials for our drug candidates outside of the U.S., and the FDA may r from such trials, in which case our development plans may be delayed, which could materially business.

We have in the past conducted clinical trials or a portion of our clinical trials for ou the U.S. The acceptance of study data from clinical trials conducted outside the U.S. or anot FDA or comparable foreign regulatory authority may be subject to certain conditions or may no In cases where data from foreign clinical trials are intended to serve as the sole basis for U.S., for example, the FDA will generally not approve the application on the basis of foreign the data are applicable to the U.S. population and U.S. medical practice; (ii) the trials wer investigators of recognized competence and pursuant to GCP regulations; and (iii) the data ma without the need for an on-site inspection by the FDA, or if the FDA considers such inspectio FDA is able to validate the data through an on-site inspection or other appropriate means. In the foreign study data are not intended to serve as the sole basis for approval, the FDA will support for an application for marketing approval unless the study is well-designed and well-

accordance with GCP requirements and the FDA is able to validate the data from the study thro inspection if deemed necessary. Many foreign regulatory authorities have similar requirements gathered outside of their respective jurisdictions. In addition, such foreign trials would be local laws of the foreign jurisdictions where the trials are conducted. There can be no assur comparable foreign regulatory authority will accept data from trials conducted outside of the jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such the need for additional trials, which could be costly and time-consuming, and which may resul drug candidates that we may develop not receiving approval for commercialization in the appli

Interim, "top-line" and preliminary data from our clinical trials and preclinical studies tha publish from time to time may change as more patient data become available and are subject to verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose interim, top-line or preliminary data from ou preclinical studies, which is based on a preliminary analysis of then-available data, and the findings and conclusions are subject to change following a more comprehensive review of the d particular study or trial. We also make assumptions, estimations, calculations and conclusion of data, and we may not have received or had the opportunity to fully and carefully evaluate interim, top-line or preliminary results that we report may differ from future results of the different conclusions or considerations may qualify such results, once additional data have b evaluated. Top-line and preliminary data also remain subject to audit and verification proced the final data being materially different from the top-line or preliminary data we previously top-line and preliminary data should be viewed with caution until the final data are availabl

Interim data from clinical trials that we may complete are further subject to the risk th clinical outcomes may materially change as patient enrollment continues and more patient data Adverse differences between interim, top-line or preliminary data and final data could signif business prospects. Further, disclosure of such data by us or by our competitors could result of our securities.

Further, others, including regulatory agencies, may not accept or agree with our assumpti calculations, conclusions or analyses or may interpret or weigh the importance of data differ impact the value of the particular program, the approvability or commercialization of the par product and our company in general. In addition, the information we choose to publicly disclo particular study or clinical trial is based on what is typically extensive information, and y with what we determine is material or otherwise appropriate information to include in our dis information we determine not to disclose may ultimately be deemed significant with respect to conclusions, views, activities or otherwise regarding a particular drug candidate or our busi line or preliminary data that we report differ from actual results, or if others, including r disagree with the conclusions reached, our ability to obtain approval for, and commercialize, may be harmed, which could harm our business, operating results, prospects or financial condi

Disruptions at the FDA and other government agencies caused by funding shortages or global he could hinder their ability to hire, retain or deploy key leadership and other personnel, prev products from being developed, reviewed, approved or commercialized in a timely manner or at negatively impact our business.

The ability of the FDA and foreign regulatory authorities to review and approve new produ by a variety of factors, including government budget and funding levels, statutory, regulator the FDA's or foreign regulatory authorities' ability to hire and retain key personnel and acc fees, and other events that may otherwise affect the FDA's or foreign regulatory authorities' routine functions. Average review times at the FDA and foreign regulatory authorities have fl years as a result. In addition, government funding of other government agencies that fund res activities is subject to the political process, which is inherently fluid and unpredictable. other agencies, such as the EMA following its relocation to Amsterdam and resulting staff cha the time necessary for new drugs or modifications to approved drugs and to be reviewed and/or necessary government agencies, which would adversely affect our business. For example, over t the U.S. government has shut down several times and certain regulatory agencies, such as the furlough critical FDA employees and stop critical activities. If a prolonged government shutd public health crisis prevents the FDA or other regulatory authorities from conducting their r reviews, or other regulatory activities, it could significantly impact the ability of the FDA authorities to timely review and process our regulatory submissions, which could have a mater our business.

The FDA and other regulatory agencies actively enforce the laws and regulations prohibiting t off-label uses.

The FDA strictly regulates marketing, labeling, advertising and promotion of prescriptio regulations include standards and restrictions for direct-to-consumer advertising, industry-s educational activities, promotional activities involving the internet and off-label promotio that the FDA grants is limited to those specific diseases and indications for which a product effective by FDA. While physicians in the United States may choose, and are generally permitt for uses that are not described in the product's labeling and for uses that differ from those approved by the regulatory authorities, our ability to promote any products will be narrowly indications that are specifically approved by the FDA.

If we are found to have promoted such off-label uses, we may become subject to significa federal government has levied large civil and criminal fines against companies for alleged im off-label use and has enjoined several companies from engaging in off-label promotion. The FD that companies enter into consent decrees or permanent injunctions under which specified pro changed or curtailed. If we cannot successfully manage the promotion of any drug candidates, become subject to significant liability, which would materially adversely affect our business

We may not be able to find industrial partners to pursue the clinical and commercial develop

We aim to enter into licensing and distribution partnerships with pharmaceutical compani the completion of the clinical development and marketing preparation of our lead drug candida Consequently, we should find partners with sufficient capacity to perform Phase 1, 2 and/or 3 national or international scale and mass-produce, distribute and market immunotherapies and a treatments such as obefazimod. If we were to enter into such partnerships, the commercializat would depend, in part, on the clinical, industrial, marketing and commercial development effo partners and the ability of these partners to produce and sell obefazimod. Any failure on the could have a material adverse effect on our growth and outlook.

It is also possible that we may not be able to enter into partnerships under economically or at all. This could have a material adverse effect on our business, outlook, financial posi development.

We may not be able to conduct, or contract others to conduct, animal testing in the future, w research and development activities.

Certain laws and regulations relating to drug development require us to test our drug ca before initiating clinical trials involving humans. Animal testing activities have been the s adverse publicity. Animal rights groups and other organizations and individuals have attempte testing activities by pressing for legislation and regulation in these areas and by disruptin protests and other means. To the extent the activities of these groups are successful, our re activities may be interrupted or delayed.

Risks Related to our Operations and Strategic Development

We expect to expand our organization, and as a result, we may encounter difficulties in manag which could disrupt our operations.

In order to manage our anticipated development and expansion, including the potential co our drug candidates in Europe and the United States, we must continue to implement and improv operational and financial systems, expand our facilities and continue to recruit and train ad personnel. Due to our limited financial resources and the limited experience of our managemen company with such expected growth, we may not be able to effectively manage the expansion of recruit and train additional qualified personnel. The expansion of our operations may lead to may divert the attention of our management and business development resources away from day-t and devote a substantial amount of time to managing internal or external growth. Our inabilit unexpected difficulties encountered during expansion could have a material adverse effect on financial position, growth and outlook.

Our international operations subject us to various risks, and our failure to manage these ris affect our results of operations.

We face significant operational risks as a result of doing business internationally, such

- fluctuations in foreign currency exchange rates;
- differing payor reimbursement regimes, governmental payors or patient self-pay syst controls;
- potential changes to the accounting standards, which may influence our financial si
- becoming subject to the different, complex and changing laws, regulations and court multiple jurisdictions and compliance with a wide variety of foreign laws, treaties
- reduced protection of, or significant difficulties in enforcing, intellectual prope countries;
- difficulties in attracting and retaining qualified personnel;
- restrictions imposed by local labor practices and laws on our business and operatio unilateral cancellation or modification of contracts;
- rapid changes in global government, economic and political policies and conditions, unrest or instability, terrorism or epidemics and other similar outbreaks or events

in confidence of our suppliers or customers due to such changes or events; and

- tariffs, trade protection measures, import or export licensing requirements, trade trade barriers.

The market opportunities for our drug candidates may be limited to patients who are ineligibl prior treatments and may be small or different from our estimates.

The current IBD treatment approach is influenced by multiple factors, including disease s response to treatment, side effects and co-morbidities. The current standard of care for trea mild IBD involves the use of conventional anti-inflammatory therapies. Conventional anti-infl include: aminosalicylates (e.g., 5-ASA), immunosuppressants or immunomodulators (e.g., 6-merc MP"), methotrexate ("MTX")) and corticosteroids that are usually prescribed for short-term tr flare-ups. Despite these conventional therapies, patients suffering from mild IBD may evolve severe forms of IBD requiring the use of advanced therapies. However, available therapies oft efficacy that changes or may wane over time, as patients have the potential to stop respondir all to these treatments and thus require new therapeutic management options.

While we hope to position obefazimod as a potential first-line advanced therapy, there is even if approved, it would be approved for first-line advanced therapy. This could limit our opportunity. In addition, we may have to conduct additional clinical trials prior to gaining advanced therapy.

The estimates of market opportunity and forecasts of market growth included in this Annual Re F may prove to be inaccurate, and even if the markets in which we compete achieve the forecas business may not grow at similar rates, or at all.

Market opportunity estimates and growth forecasts included in this Annual Report on Form significant uncertainty and are based on assumptions and estimates which may not prove to be estimates and forecasts included in this Annual Report on Form 20-F relating to size and expe target market may prove to be inaccurate. Even if the markets in which we compete meet the si growth forecasts included in this Annual Report on Form 20-F, our business may not grow at si Our growth is subject to many factors, including our success in implementing our business str to many risks and uncertainties.

Sales of our drug candidates could be adversely impacted by the reluctance of physicians, hea patients or the medical community in general to adopt them and by the availability of competi

Even if we obtain regulatory approval for one or more of our drug candidates, physicians, patients or the medical community in general may be reluctant to try a new drug due to the hi associated with the application of new drugs in the field of human medicine, especially if th the currently prevailing medication for a given complaint. We will need to expend significant

market our products to increase the public's awareness within numerous limits set by the regu promotion of drugs. If our products do not achieve an adequate level of acceptance, we may no revenues to become profitable or the profitability may occur much later.

Competing drug candidates in the chronic inflammatory disease field are being manufacture other companies, including, but not limited to, Eli Lilly, Johnson & Johnson, Pfizer and Takeda AbbVie. compete with other drugs, particularly any that sell at lower prices, our drug candidates wil medically significant advantages or be more cost-effective. Even if we can overcome physician compete with products that are currently on the market, our competitors may succeed in develo accurate or more cost-effective treatments or therapeutic indications that could render our c or non-competitive.

Global economic conditions could materially adversely impact demand for our drug candidates.

Our operations and performance depend significantly on economic conditions. Global financ continue to be subject to volatility arising from international geopolitical developments, su and global economic phenomena, as well as general financial market turbulence, natural phenom health crisis. Uncertainty about global economic conditions could result in:

- third-party suppliers being unable to produce components for our drug candidates in or on the same timeline or being unable to deliver such parts and components as qui subject to price fluctuations, which could have a material adverse effect on our pr of such production; and
- once our drug candidates are available for sale, customers postponing purchases of in response to tighter credit, unemployment, negative financial news and/or decline values and other macroeconomic factors, which could have a material adverse effect our drug candidates,

either of which could, accordingly, have a material adverse effect on our business, resul financial condition.

Access to public financing and credit can be negatively affected by the effect of these c U.S. and global credit markets. The health of the global financing and credit markets may aff equity or debt financing in the future and the terms at which financing or credit is availabl volatility and market turmoil could adversely affect our operations and the trading price of

Changes to trade policy, tariffs, and import/export regulations may have a material adverse e business, financial condition, and results of operations.

Changes in laws and policies governing foreign trade could adversely affect our business and future policy changes, there may be greater restrictions and economic disincentives on in changes have the potential to adversely impact the global and local economies, our industry a our drug candidates and, as a result, could have a material adverse effect on our business, f results of operations.

Fluctuations in currency exchange rates may significantly impact our results of operations.

Our business is located, and our operations are conducted, in Europe. As a result, we are
exchange rate risk between the U.S. dollar and the Euro. The exchange rates between these cur
have fluctuated significantly and may continue to do so in the future. An appreciation of the
U.S. dollar could increase the relative cost of our drug candidates outside of Europe, which
effect on sales. Conversely, to the extent that we are required to pay for goods or services
depreciation of the Euro against the U.S. dollar would increase the cost of such goods and se

We do not hedge our currency exposure and, therefore, we incur currency transaction risk
into either a purchase or sale transaction using a currency other than the Euro. Given the vo
we might not be able to effectively manage our currency transaction risks, and volatility in
might have a material adverse effect on our business, financial condition or results of opera

***We rely on a small number of third-party suppliers and manufacturers, and in certain cases a
supplier, and we may be in a position of dependence with respect to these third parties.***

We do not own or operate manufacturing facilities and have no current plans to develop ou
commercial-scale manufacturing capabilities. We currently rely, and expect to continue to rel
third-party suppliers, and in certain cases a single-source supplier, for the supply of vario
chemical products and clinical batches needed for our preclinical studies and clinical trials
manufactured and clinical supplies, we rely on single-source suppliers. The supply of specifi
products required for conducting clinical trials and manufacturing our products cannot be gua

We are dependent on third parties for the supply of various materials, including chemical
products that are necessary to produce drug candidates for our clinical trials and, ultimatel
any of our drug candidates that may receive approval.

The facilities used by our third-party manufacturers must be approved for the manufacture
candidates by the FDA, the EMA and any comparable foreign regulatory authorities in other jur
to inspections that will be conducted after we submit an NDA to the FDA, MAA to the EMA, or s
comparable marketing application to a comparable regulatory authority. We do not control the
process of, and are completely dependent on, third-party manufacturers for compliance with GM
manufacture of our drug candidates. If these third-party manufacturers cannot successfully ma
conforms to our specifications and the strict regulatory requirements of any applicable regul
not be able to secure and/or maintain regulatory approval for the use of their manufacturing

In addition, we have no control over the ability of third-party manufacturers to maintain
control, quality assurance and qualified personnel. If any regulatory authority does not appr
the manufacture our drug candidates, or if such authorities withdraw any such approval in the
required to find alternative manufacturing facilities, which would significantly impact our a
regulatory approval for or market our drug candidates, if approved. Our failure, or the failu
manufacturers, to comply with applicable regulations could result in sanctions being imposed
clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of appr
operating restrictions and criminal prosecutions, any of which could significantly and advers
position.

Our or a third party's failure to execute on our manufacturing requirements on commercial
and in compliance with GMP or other regulatory requirements could adversely affect our busine
ways, including:

- an inability to initiate or complete clinical trials of our drug candidates in a ti
- delay in submitting regulatory applications, or receiving regulatory approvals, for
- subjecting third-party manufacturing facilities to additional inspections by regula
- requirements to cease development or to recall batches of our drug candidates; and
- in the event of approval to market and commercialize any drug candidate, an inabili
  commercial demands.

In addition, we do not have any long-term commitments or supply agreements with any third
manufacturers. We may be unable to establish any long-term supply agreements with third-party
do so on acceptable terms, which increases the risk of failing to timely obtain sufficient qu
candidates or such quantities at an acceptable cost. Any performance failure on the part of o
manufacturers or suppliers could delay clinical development or marketing approval, and any re
measures may be costly or time consuming to implement. We do not currently have second source
raw materials used in the manufacture of our drug candidates. If our existing or future third
cannot perform as agreed, we may be required to replace such manufacturers and we may be unab
on a timely basis or at all, which would have a material adverse impact on our financial posi

***We rely on third parties to conduct our preclinical studies and clinical trials. If these thi
successfully carry out their contractual duties or meet expected deadlines, we may not be abl
approval for or commercialize our drug candidates and our business could be substantially har***

We are dependent on third parties to conduct our clinical trials and preclinical studies
on, and will continue to rely on, medical institutions, clinical investigators, CROs and cons
preclinical studies and clinical trials, in each case in accordance with trial protocols and
These CROs, investigators and other third parties play a significant role in the conduct and

subsequent collection and analysis of data. Though we expect to carefully manage our relatior CROs, investigators and other third parties, there can be no assurance that we will not encou delays in the future, or that these delays or challenges will not have a material adverse imp financial condition and prospects. Further, while we have and will have agreements governing third-party contractors, we have limited influence over their actual performance. Neverthele for ensuring that each of our clinical trials is conducted in accordance with the applicable regulatory and scientific standards and requirements, and our reliance on our CROs and other relieve us of our regulatory responsibilities.

In addition, we and our CROs are required to comply with stringent standards governing t preclinical studies and clinical trials, including Good Laboratory Practice ("GLP") and GCP r regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities, candidates in clinical development. Regulatory authorities enforce GCPs through periodic insp sponsors, principal investigators and trial sites. If we or any of our CROs or trial sites fa GLP, GCP or other requirements, the data generated in our clinical trials may be deemed unrel comparable foreign regulatory authorities may require us to perform additional clinical trial marketing applications, if ever. Furthermore, our clinical trials must be conducted with mate accordance with GMP regulations. Failure to comply with these regulations may require us to r which would delay the regulatory approval process.

There is no guarantee that any of our CROs, investigators or other third parties will de resources to such trials or studies or perform as contractually required. If any of these thi expected deadlines, adhere to our clinical protocols or meet regulatory requirements, or othe substandard manner, our clinical trials may be extended, delayed or terminated. In addition, with whom we contract may also have relationships with other commercial entities, including c whom they may also be conducting clinical trials or other activities that could harm our comp addition, principal investigators for our clinical trials may be asked to serve as scientific from time to time and may receive cash or equity compensation in connection with such service relationships and any related compensation result in perceived or actual conflicts of interes that the financial relationship may have affected the interpretation of the study, the integr the applicable clinical trial site may be questioned and the utility of the clinical trial it could result in the delay or rejection by the FDA of any NDA we submit. Any such delay or re us from commercializing our drug candidates.

In addition, our CROs have the right to terminate their agreements with us in the event breach and under other specified circumstances. If any of our relationships with these third may not be able to enter into arrangements with alternative third parties on commercially rea Switching or adding additional CROs, investigators and other third parties involves additiona management's time and focus. In addition, there is a natural transition period when a new CRO As a result, delays occur, which can materially impact our ability to meet our desired clinic Though we work to carefully manage our relationships with our CROs, investigators and other t can be no assurance that we will not encounter challenges or delays in the future or that the will not have a material adverse impact on our business, financial condition and prospects.

If any of our relationships with these third parties terminate, we may not be able to en with alternative third parties on commercially reasonable terms or at all. Switching or addir investigators and other third parties involves additional cost and requires our management's addition, there is a natural transition period when a new CRO commences work. As a result, de materially impact our ability to meet our desired clinical development timelines. Though we w manage our relationships with our CROs, investigators and other third parties, there can be n not encounter challenges or delays in the future or that these delays or challenges will not impact on our business, financial condition and prospects.

Our future success depends on our ability to retain our key executives and to attract, retai qualified personnel.

We are highly dependent on our management, scientific and medical personnel whose servic our success. Our success depends greatly on the involvement and expertise of our senior execu scientific staff. While Dr. Philippe Pouletty, MD, our founder and Chairman of our Board sinc 2013, resigned from his Chairman position in August 2022, he continues to support our develop

our Board as the representative for Truffle Capital. We do not maintain key person insurance. permanent unavailability of our management and scientific staff, as well as Dr. Pouletty, cou

- loss of know-how and weakening of certain activities, especially in the case of tra competition; and
- deficiencies in terms of technical skills that could slow down activity and ultimat to reach our objectives.

Recruiting and retaining additional qualified management and scientific, clinical, manufa marketing personnel will also be critical to our success, particularly as we expand in order skills, such as manufacturing, quality assurance and regulatory and medical affairs. The loss senior management team or other key employees could impede the achievement of our research, c commercialization objectives and seriously harm our ability to successfully implement our bus Furthermore, replacing executive officers and key employees may be difficult and may take an time because of the limited number of individuals in our industry with the breadth of skills to successfully develop, gain regulatory approval of and commercialize drug candidates. Compe this limited pool is intense, and we may be unable to hire, train, retain or motivate these k terms given the competition among numerous pharmaceutical and biotechnology companies for sim

We also experience intense competition for the hiring of scientific and clinical personne companies, universities and research institutions. We may not be able to attract or retain qu

scientific personnel in the future due to intense competition for a limited number of qualifi
those that compete with us for qualified personnel have greater financial and other resources
and a longer history in the industry than we do. Our competitors may also provide more divers
better chances for career advancement. An inability to attract and retain high quality perso
adverse effect on our business, prospects, financial condition, cash flow or results of opera

In addition, we rely on consultants and advisors, including scientific and clinical advi
formulating our research and development and commercialization strategy. Our consultants and
employed by employers other than us and may have commitments under consulting or advisory co
entities that may limit their availability to us. If we are unable to continue to attract an
personnel, the marketing and production of our drugs could be delayed or prevented, which co
material adverse effect on our business, prospects, financial condition, cash flows or result

Our employees, principal investigators, consultants and commercial partners may engage in mis
improper activities, including noncompliance with regulatory standards and requirements and

We are exposed to the risk of fraud or other misconduct by our employees, principal inve
and commercial partners. Misconduct by these parties could include intentional failures, reck
conduct or unauthorized activity that violates (i) the laws and regulations of the European E
countries, the European Commission, FDA and other regulatory authorities, including those law
reporting of true, complete and accurate information to such authorities, (ii) manufacturing
and state data privacy, security, fraud and abuse and other healthcare laws and regulations i
States and elsewhere and (iv) laws that require the true, complete and accurate reporting of
data. In particular, sales, marketing and business arrangements in the healthcare industry ar
laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other
These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketi
commission, customer incentive programs and other business arrangements. Such misconduct also
improper use of individually identifiable information, including, without limitation, informa
course of clinical trials, creating fraudulent data in our preclinical studies or clinical tr
of drug product, which could result in regulatory sanctions and cause serious harm to our rep
possible to identify and deter misconduct by employees and other third parties, and the preca
and prevent this activity may not be effective in controlling unknown or unmanaged risks or l
us from government investigations or other actions or lawsuits stemming from a failure to com
regulations. Additionally, we are subject to the risk that a person or government could alleg
misconduct, even if none occurred. If any such actions are instituted against us and we are n
defending ourselves or asserting our rights, those actions could result in significant civil,
penalties, damages, fines, disgorgement, imprisonment, exclusion from participating in goverr
healthcare programs, such as Medicare and Medicaid, additional reporting requirements and ove
subject to a corporate integrity agreement or similar agreement to resolve allegations of non
laws, contractual damages, reputational harm and the curtailment or restructuring of our oper
could have a negative impact on our business, financial condition, results of operations and

We have limited infrastructure in market access, sales, marketing and distribution.

We lack infrastructure and resources in the fields of sales, marketing and distribution.
own marketing and sales capacity, either alone or with partners once marketing authorizations
As part of setting up our sales and marketing infrastructure, we will need to incur additiona
management resources, implement new skills and take the time necessary to set up the appropri
structure to support the products in accordance with current legislation and, more generally,
commercialization efforts. We compete with many companies that currently have extensive, expe
funded market access, marketing and sales operations to recruit, hire, train and retain marke
and will have to compete with those companies to recruit, hire, train and retain any of our c
marketing and sales personnel. If we are unable to expand our sales and marketing team, we ma
compete successfully against these more established companies. Alternatively, if we choose to
globally or on a territory-by-territory basis, with third parties that have direct sales forc
distribution systems, either to augment our own sales force and distribution systems or in li
and distribution systems, we will be required to negotiate and enter into arrangements with s
to the proposed collaboration. If we are unable to enter into such arrangements when needed,
at all, we may not be able to successfully commercialize any of our drug candidates that rece
or any such commercialization may experience delays or limitations. Factors that may inhibit
sales, marketing and distribution organization:

- our inability to recruit, train and retain adequate numbers of effective sales and
- the inability of sales personnel to obtain access to physicians, educate physicians
  whom our drug candidates may be appropriate treatment options and attain adequate n
  physicians to prescribe any drugs;
- the inability of reimbursement professionals to negotiate arrangements for formular
  reimbursement and other acceptance by payors;
- restricted or closed distribution channels that make it difficult to distribute our
  the patient population;
- the lack of complementary medicines to be offered by sales personnel, which may put
  competitive disadvantage relative to companies with more extensive product lines; a
- unforeseen costs and expenses associated with creating an independent sales and mar
  organization.

There are numerous competitors in the market for therapeutic treatments of inflammatory disea

The biotechnology and pharmaceutical industries are highly competitive and subject to sig
technological change as researchers learn more about diseases and develop new technologies ar
pharmaceutical companies, biotech companies, institutions, universities and other research or
engaged in the research, discovery, development and commercialization of therapeutic response
the diseases targeted by us. Significant competitive factors in our industry include: (i) pro
(ii) quality and breadth of an organization’s technology; (iii) skill of an organization’s em
recruit and retain key employees; (iv) timing and scope of regulatory approvals; (v) governme
for, and the average selling price of, pharmaceutical products; (vi) the availability of raw
manufacturing capacity; (vii) manufacturing costs; (viii) intellectual property and patent ri
and (ix) sales and marketing capabilities. Given the intense competition in our industry, we
any of the products that we successfully develop will be clinically superior or scientificall

developed or introduced by our competitors. In addition, significant delays in the development candidates could allow our competitors to succeed in obtaining European Commission, FDA, PMDA regulatory approvals for their drug candidates more rapidly than us, which could place us at disadvantage or deny us marketing exclusivity rights.

Our competitors in the chronic inflammatory disease field are primarily large pharmaceuti including, but not limited to, AbbVie, Eli Lilly, Johnson & Johnson, Pfizer and Takeda. Several of research are being developed to improve the treatment of IBD. Many companies are working to develop new, m better tolerated treatments with more practical formulations, especially small molecules admi accepted than monoclonal antibodies that require administration by injection. See "Item 4.B—C

Further, our competitors may be more effective at using their technologies to develop cor Many of the organizations competing with us have significantly greater financial resources ar and development, manufacturing, preclinical studies, conducting clinical trials, obtaining re marketing. Mergers and acquisitions in the pharmaceutical and biotechnology industries may re

resources being concentrated among a smaller number of our competitors. Smaller or early-stag also prove to be significant competitors, particularly through partnership arrangements with companies. These companies also compete with us in recruiting and retaining qualified scienti personnel and establishing clinical trial sites and patient registration for clinical trials, technologies complementary to, or necessary for, our programs.

The development potential in the markets in which we operate is such that the arrival of probable. New market entrants, increased competition in specific areas, or in general, would effect on our business, income, financial position and outlook for growth.

We depend on, and will continue to depend on, collaboration and strategic alliances with thir extent we are able to enter into collaborative arrangements or strategic alliances, we will b related to those collaborations and alliances.

An important element of our strategy for developing, manufacturing and commercializing ou is entering into partnerships and strategic alliances with other pharmaceutical companies or participants. The collaboration agreements that we have established, and any collaboration ar may enter into in the future, may not be successful, which would have a negative impact on ou operations, financial condition and growth prospects.

Any partnerships or alliance we have or may have in the future may be terminated for reas control or we may not be able to negotiate future alliances on acceptable terms, if at all. T result in us receiving less revenue than if we sold our products directly, may place the deve marketing of our products outside of our control, may require us to relinquish important righ on unfavorable terms. Collaborative arrangements or strategic alliances will also subject us including the risk that:

- we may not be able to control the amount and timing of resources that our strategic collaborators may devote to the drug candidates;
- strategic partner/collaborators may experience financial difficulties;
- the failure to successfully collaborate with third parties may delay, prevent or ot development or commercialization of our drug candidates or revenue expectations;
- products being developed by partners/collaborators may never reach commercial stage reduced or even no milestone or royalty payments;
- business combinations or significant changes in a collaborator's business strategy affect a collaborator's willingness or ability to complete their obligations under
- a collaborator could independently move forward with a competing product developed independently or in collaboration with others, including our competitors; and
- collaborative arrangements are often terminated or allowed to expire, which would d development and may increase the cost of developing drug candidates.

Our partnerships and licensing agreements relating to the technologies belonging to us may no

The various drug candidates developed by us arise from proprietary or licensed technologi academic partners, including Scripps Research Institute, University of Chicago, Brigham Young Montpellier Institute of Molecular Genetics (*Centre National de la Recherche Scientifique*) and the *Institut Curie*. If the clinical trials conducted by us were to reveal safety and/or therapeutic ef the use of one of the platforms were to violate an intellectual property right held by a thir the use and operation of some of our technology platforms and require additional research and and additional time and expense to address these difficulties, with success not being guarant a portion of our product portfolio would be affected, which would have a material adverse eff outlook, growth, financial position and income.

The reimbursement of drugs and treatments is beyond our control.

After achieving regulatory authorization and once marketing authorization is granted, the the sales price of drugs and their reimbursement rates begins. The conditions for setting the reimbursement rate for drugs are beyond the control of pharmaceutical companies. They are dec public committees and bodies and by social security or private insurance companies. In this c

partners could be asked to perform additional studies on our products. These studies could ge
for us or our partners and lead to delays in marketing the drug, which could have an impact o

There is significant uncertainty related to the reimbursement of newly-approved drugs. Th
reimbursement will impact market acceptance and sale of our drug candidates. Reimbursement by
dependent on a number of factors, including, without limitation, the third-party payor's dete
product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

The possibility that we could receive royalties from our industrial partner or partners o
our products and our ability to make sufficient profits on the marketing of our treatments or
entered into distribution contracts will depend on these reimbursement conditions. If delays
procedure result in a significant delay in marketing, if our product does not obtain an appro
reimbursement, or if the accepted price level and reimbursement rate of the treatments we mar
profitability will be reduced.

We are also unable to guarantee that we will succeed in maintaining, over time, the price
or those for which licenses have been granted, or the accepted reimbursement rate. Under thes
could be a material adverse effect on our business, financial position and results of operati

***The pricing, insurance coverage and reimbursement status of newly-approved products is uncert
obtain or maintain adequate coverage and reimbursement for our drug candidates, if approved,
ability to market those products and decrease our ability to generate product revenue.***

Successful sales of our drug candidates, if approved, depend on the availability of cover
reimbursement from third-party payors including governmental healthcare programs, such as Med
Medicaid in the United States, managed care organizations and commercial payors, among others
uncertainty exists as to the coverage and reimbursement status of any drug candidates for whi
regulatory approval.

In the United States, no uniform policy for coverage and reimbursement exists, and covera
reimbursement for drug products can differ significantly from payor to payor. Therefore, one
to provide coverage for a drug product does not assure that other payors will also provide co
product. Third-party payors often follow Medicare coverage policy and payment limitations in
reimbursement rates, but also have their own methods and approval process apart from Medicare
a result, the coverage determination process is often a time-consuming and costly process tha
provide scientific and clinical support for the use of our products to each payor separately,
coverage and adequate reimbursement will be applied consistently or obtained in the first ins
coverage policies and third-party reimbursement rates may change at any time. Even if favorab
reimbursement status is attained for one or more products for which we receive regulatory app
coverage policies and reimbursement rates may be implemented in the future.

Reimbursement may impact the demand for, and/or the price of, any product for which we ob
approval. Assuming we obtain coverage for a given product by a third-party payor, the resulti
payment rates may not be adequate or may require co-payments that patients find unacceptably
are prescribed medications for the treatment of their conditions, and their prescribing physi
third-party payors to reimburse all or part of the costs associated with their prescription d
to use our products unless coverage is provided, and reimbursement is adequate to cover all o
of the cost of our products. Therefore, coverage and adequate reimbursement is critical to ne

Additionally, we or our collaborators may develop companion diagnostic tests for use with
candidates. We or our collaborators will be required to obtain coverage and reimbursement for
and apart from the coverage and reimbursement we seek for our drug candidates, once approved.
to obtaining coverage and reimbursement, applicable to pharmaceutical or biological products,
companion diagnostics. Our inability to promptly obtain coverage and adequate reimbursement f
party payors for the drug candidates and companion diagnostic tests that we or our collaborat

which we obtain regulatory approval could have a material and adverse effect on our business,
results of operations and prospects.

In the EU, pricing and reimbursement schemes vary widely from country to country. Some co
that products may be marketed only after a reimbursement price has been agreed. Some countrie
completion of additional studies that compare the cost-effectiveness of a particular drug can
available therapies. EU member states may approve a specific price for a product or it may in
direct or indirect controls on the profitability of the company placing the product on the ma
states allow companies to fix their own prices for products, but monitor and control company
pressure on health care costs has become intense. As a result, increasingly high barriers are
entry of new products. In addition, in some countries, cross-border imports from low-priced m
competitive pressure that may reduce pricing within a country. Any country that has price con
limitations may not allow favorable reimbursement and pricing arrangements, and prices are us
periodically, such that any given price may decrease upon various occurrences.

Additionally, the containment of healthcare costs has become a priority of federal and st
the prices of drugs have been a focus of this effort. The U.S. government, state legislatures
have shown significant interest in implementing cost-containment programs, including price co
reimbursement and requirements for substitution of generic products. Adoption of price contro
containment measures, and adoption of more restrictive policies in jurisdictions with existin
could further limit our net revenue and results.

Price controls may be imposed in markets in which we operate, which may negatively affect our profitability.

In some countries, particularly EU member states, Japan, Australia and Canada, the pricing drugs is subject to governmental control. In these countries, pricing negotiations with governm take considerable time after receipt of marketing approval for a product. In addition, there pressure by governments and other stakeholders on prices and reimbursement levels, including containment measures. Political, economic and regulatory developments may further complicate negotiations, and pricing negotiations may continue after reimbursement has been obtained. Re by various EU member states and parallel distribution, or arbitrage between low-priced and hi states, can further reduce prices. In some countries, we or our collaborators may be required trial or other studies that compare the cost-effectiveness of our drug candidates to other av to obtain or maintain reimbursement or pricing approval. Publication of discounts by third-pa authorities may lead to further pressure on the prices or reimbursement levels within the cou other countries. If reimbursement of our drug candidates is unavailable or limited in scope o set at unsatisfactory levels, there could be a material adverse effect on our business, finan operations.

If our information technology systems or those of the third parties upon which we rely, or ou compromised, we could experience adverse consequences resulting from such compromise, includi limited to: regulatory investigations or actions; litigation; fines and penalties; disruption operations; reputational harm; loss of revenue and profits; and other adverse consequences.

In the ordinary course of our business, we and the third parties upon which we rely proce (including data we collect about trial participants in connection with clinical trials) and o including proprietary and confidential business data, trade secrets, intellectual property, s business plans, transactions, and financial information (collectively, sensitive data). We ar which we rely face a variety of evolving threats to information technology systems and data.

Cyber-attacks, malicious internet-based activity, online and offline fraud and other simi the confidentiality, integrity and availability of our sensitive data and information technol the third parties upon which we rely. Such threats are prevalent and continue to rise, are in detect, and come from a variety of sources, including traditional computer “hackers,” threat organized criminal threat actors, personnel (such as through error, theft or misuse), sophist nation-state-supported actors. For geopolitical reasons and in conjunction with military conf activities, some actors have in the past and are expected to in the future engage in nefariou war and other major conflicts, we and the third parties upon which we rely may be vulnerable these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems chain and ability to produce, sell and distribute our services.

We and the third parties upon which we rely are subject to and have experienced a variety including but not limited to social-engineering attacks (including through deep fakes, which more difficult to identify as a fake, and phishing attacks), malicious code (such as viruses (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attack server malfunctions, software or hardware failures, loss of data or other information technol telecommunications failures, earthquakes, fires, floods, other natural disasters, attacks enh and other similar threats. In particular, severe ransomware attacks are becoming increasingly to significant interruptions in our operations, ability to provide our services, loss of sens reputational harm, and diversion of funds. Extortion payments may alleviate the negative impa attack, but we may be unwilling or unable to make such payments due to, for example, applicab regulations prohibiting such payments.

Remote work has become more common and has increased risks to our information technology data, as more of our personnel utilize network connections, computers, and devices outside ou including working at home, while in transit and in public locations. Additionally, future or (such as acquisitions or integrations) could expose us to additional cybersecurity risks and systems could be negatively affected by vulnerabilities present in acquired or integrated ent technologies. Furthermore, we may discover security issues that were not found during due dil acquired or integrated entities, and it may be difficult to integrate companies into our info environment and security program.

In addition, our reliance on third-party service providers could introduce new cybersecu vulnerabilities, including supply-chain attacks, and other threats to our business operations party service providers and technologies to operate critical business systems to process sens contexts, including, without limitation, cloud-based infrastructure, cybersecurity monitoring email, and other functions. We may also rely on third-party service providers to provide othe parts, or otherwise to operate our business. Our ability to monitor these third parties’ info is limited, and these third parties may not have adequate information security measures in pl service providers experience a security incident or other interruption, we could experience a While we may be entitled to damages if our third-party service providers fail to satisfy thei related obligations to us, any award may be insufficient to cover our damages, or we may be u award. In addition, supply-chain attacks have increased in frequency and severity, and we can third parties’ infrastructure in our supply chain or our third-party partners’ supply chains compromised.

While we have implemented security measures designed to protect against security inciden assurance that these measures will be effective. We take steps designed to detect, mitigate, vulnerabilities in our information systems (such as our hardware and/or software, including t whom we rely). We may not, however, detect and remediate all such vulnerabilities including o effective basis. Further, we may experience delays in developing and deploying remedial measu designed to address identified vulnerabilities. These vulnerabilities could be exploited and incident.

Any of the previously identified or similar threats have caused and could cause a securit interruption that could result in unauthorized, unlawful, or accidental acquisition, modifica alteration, encryption, disclosure of, or access to or other compromise of our sensitive data technology systems, or those of the third parties upon whom we rely. A security incident or o

disrupt our ability (and that of third parties upon whom we rely) to provide our services.

We may expend significant resources or modify our business activities (including our cli to try to protect against security incidents. Additionally, certain data privacy and security to implement and maintain specific security measures or industry-standard or reasonable secu protect our information technology systems and sensitive data.

Applicable data privacy and security obligations may require us to notify relevant stakel affected individuals, regulators, investors and others, of security incidents. Such disclosu disclosure or the failure to comply with such requirements could lead to adverse consequences

If we (or a third party upon whom we rely) experience a security incident or are perceiv a security incident, we may experience adverse consequences. These consequences may include: enforcement actions (for example, investigations, fines, penalties, audits, and inspections); requirements and/or oversight; restrictions on processing sensitive data (including personal

(including class claims); indemnification obligations; negative publicity; reputational harm; diversions; interruptions in our operations (including availability of data); financial loss; Security incidents and attendant consequences may cause customers to stop using our services, from using our services, and negatively impact our ability to grow and operate our business.

Our contracts may not contain limitations of liability, and even where they do, there ca limitations of liability in our contracts are sufficient to protect us from liabilities, dama data privacy and security obligations. We cannot be sure that our insurance coverage will be to protect us from or to mitigate liabilities arising out of our privacy and security practic continue to be available on commercially reasonable terms or at all, or that such coverage wi

Additionally, sensitive information of the Company could be leaked, disclosed, or reveal connection with our personnel's or vendors' use of generative AI technologies.

As an example of our being subject to the variety of cybersecurity threats discussed abo learned that two sites at which we conduct clinical trials experienced cybersecurity incident incident, we conducted an investigation that largely relied upon the sites' investigations. of these incidents were material. These incidents, however, exemplify the types of threats we face inclu our reliance on service providers.

An outbreak of communicable diseases around the world may cause disruption to our business.

Any public health crisis due to the outbreak of communicable diseases may cause any of t

- delays or difficulties in recruiting patients for our clinical trials;
- delays or difficulties in launching clinical trial sites, including difficulties in and clinical site staff; and
- diversion of health care resources from the conduct of clinical trials, of hospital conduct of clinical trials.

In addition to the risks listed above, and as part of our clinical trials in countries i also experience the following adverse effects:

- potential delays in the conduct of our research and preclinical studies, preventing preclinical studies from being conducted as planned;
- delays in obtaining authorizations from the administrative and regulatory authoriti the planned preclinical studies and clinical trials;
- delays in the receipt of supplies and equipment necessary for the completion of our and our preclinical studies and clinical trials;
- interruption or delays affecting the activity of contractors who provide research s
- refusal of the competent regulatory authorities to accept data from clinical trials geographical areas affected by the pandemic;
- the interruption of global maritime trade could affect the transportation of resear preclinical studies and clinical trials, such as experimental drugs and comparator clinical trials; and
- delays in the necessary interactions with local authorities, ethics committees or o third-party co-contracting bodies due to limitations in human resources or forced l employees.

If one or more of the above risks were to materialize, the planned and ongoing clinical publication of the data and results of these studies and all subsequent steps leading to the candidates being studied, could be significantly delayed. Such a situation could have a mate business, income, financial position and growth.

The extent to which the outbreak of communicable diseases around the world may impact ou clinical trials will depend on future developments, which cannot be predicted with certainty, of diseases that may be resistant to the vaccines or treatments currently available, access t for the various populations worldwide, the final geographical spread of the disease, its dura and social distancing measures in the European Union, the United States and other countries,

disruptions, and the effectiveness of measures taken in those countries to contain and treat
no assurance that the outbreak of communicable diseases around the world will not result in a
financial markets, our share price and our ability to obtain finance.

The war between Ukraine and Russia may affect our business, industry and the markets in which

In February 2022, Russia invaded Ukraine. The conflict has already had major implications
economy and the rate of inflation, particularly in relation to the supply of energy, raw mate
has also caused intense volatility on the financial markets, something that is still ongoing
has pushed down stock market prices around the world.

Given these developments, we have decided not to include Russia and Belarus in our global
for obefazimod in UC. However, the global scale of this conflict cannot be predicted at this
cannot rule out an adverse impact of this conflict on our business, including in terms of acc
logistics, the performance of clinical trials and in relation to any future financing we may

The Phase 2b maintenance trial of obefazimod in moderately to severely active UC is our
currently in progress in Ukraine. We have, however, terminated a few trial sites since the Ru
The 12-month assessment was carried out in all the Ukrainian patients before the war broke ou
are therefore included in the one-year maintenance results that were reported on April 6, 202
who completed the two-year Phase 2b maintenance trial have been transitioned to the long-term
trial that is still on-going. None of these sites are located in the Crimea Region of Ukraine
People's Republic, or the so-called Luhansk People's Republic. We are also evaluating the pos
few Ukrainian sites in the western part of Ukraine in the ABTECT Phase 3 clinical trials.

Risks Related to Intellectual Property

***Our ability to exclusively commercialize our drug candidates may decrease if we are unable to
intellectual property rights or if these rights are insufficient for our purposes.***

Our commercial success depends in part on our ability and the ability of our partners to
ensure, against third parties, the protection of our patents, trademarks and related applicat
property rights or similar rights (such as trade secrets, business secrets and know-how) or t
use in the course of our business in Europe, the United States, Asia and other key countries.
financial and human resources to this and intend to continue our policy of protection through
applications as soon as we deem it appropriate.

Our technology is currently protected by patents and patent applications that we have fi
have an exclusive license. However, we or our partners might not be able to maintain the prot
intellectual property rights and we could, thereby, lose our technological and competitive ac
part.

Firstly, our intellectual property rights and those of our partners offer protection for
from one territory to another. The term of individual patents depends upon the legal term of
countries in which they are obtained. In most countries in which we have obtained or are seek
for our drug candidates, the patent term is 20 years from the earliest filing date of a non-p
application. In the United States, the term of a patent may be lengthened by a patent term ac
provides for term extension in the case of administrative delays at the United States Patent
("USPTO") in granting a patent, or may be shortened if a patent is terminally disclaimed over
earlier expiration date. Furthermore, in the United States, the term of a patent covering an
be eligible for a patent term extension under the Hatch-Waxman Amendments as compensation for
term during the FDA regulatory review process. The period of extension may be up to five year
expiration of the patent but cannot extend the term of a patent beyond a total of 14 years fr
approval. Only one patent covering a single FDA-approved product among those eligible for an
extended. In the future, if any of our drug candidates receives FDA approval, we expect to ap
extension, if available, to extend the term of the patent covering such approved drug product
of Europe generally, the term of a patent is 20 years from the date the patent application is
understanding that this period may be extended up to another five years if a supplementary pr
filed and an additional six months if a pediatric investigation plan is applied. We expect to
extensions in any jurisdictions where they are available, however, there is no guarantee that
authorities, including the FDA, will agree with our assessment of whether such an extension s
even if granted, the length of such an extension.

Secondly, we and our partners could encounter difficulties in the filing or examination
trademark or other intellectual property rights applications currently being examined/registe
application process, we may receive Office Actions from the USPTO or from comparable agencies
jurisdictions rejecting the claims of the patent application. Although we would be given an
those objections, we may be unable to overcome such rejections. At the time a patent applicat
be other patents that could constitute opposable prior art that may have not yet been publish
searches and monitoring, we cannot be certain that we are the first to conceive of an inventi
application relating thereto; in particular, it should be noted that in most countries, the p
applications takes place 18 months after the earliest priority date of patent filing, or in s
discoveries are sometimes only the subject of publication or patent application months or eve
when filing one of our trademarks in a country where it is not covered, we could find that th
is not available in that country. A new trademark would then need to be sought for the countr
agreement negotiated with the prior holder of the trademark. We may not be able to prevent a
information to third parties that could have an impact on our future intellectual property ri
way certain that our current and future applications for patents, trademarks and other intell
result in registrations.

Thirdly, the simple granting or registration of a patent, trademark or other intellectual
guarantee validity or enforceability. Our competitors may at any time contest the validity or
our partners' patents, trademarks or applications relating thereto before a court or in the
procedures which, depending on the outcome of such disputes, could reduce their scope, result
or allow them to be circumvented by competitors. In addition, developments, changes or diverg

[illegible]
products or technologies without financial compensation. Moreover, there are still certain co
protect intellectual property rights in the same way as in Europe and the United States, and
and rules necessary to ensure the defense of our rights may not exist in these countries. The
certainty that our existing and future patents, trademarks and other intellectual property ri
invalidated or circumvented, or that they will provide effective protection against competiti

Consequently, our rights to our owned or licensed patents, trademarks and related applica intellectual property rights may not confer the protection expected against competition. We t guarantee with certainty that:

- we will be able to develop novel inventions for which a patent could be filed or is
- applications for patents and other property rights currently under review will actu granting of patents, trademarks or other registered intellectual property rights;
- patents or other intellectual property rights granted to us or our partners will no invalidated or circumvented; or
- the scope of protection conferred by our or our partners' patents, trademarks and i rights is and will remain sufficient to protect us against competition.

Were these eventualities to occur, they could have a material adverse effect on our busi

In addition, third parties (or even our employees) could use or attempt to use elements protected by an intellectual property right, which would create a detrimental situation for u compelled to bring legal or administrative proceedings against these third parties in order t property rights (patents, trademarks, designs and models or domain names) in court.

Enforcing a claim that a party illegally infringed or misappropriated our intellectual p expensive and time-consuming, and the outcome is unpredictable. Any litigation or dispute, re outcome, could lead to substantial costs, affect our reputation, negatively influence our inc position and possibly not lead to the desired protection or sanction. Some competitors with m resources than us may be able to bear the costs of litigation more easily.

If we fail to comply with our obligations in any agreements under which we may license intell rights from third parties or otherwise experience disruptions to our business relationships w could lose rights that are important to our business.

Our ability to pursue the development of some of our drug-based candidates depends on th force of the licensing agreements entered into with various institutes. We have licenses gra University of Montpellier and/or the *Institut Curie* certain patents or patent co-ownership rights resulti

cooperation with the CNRS, the University of Montpellier and the *Institut Curie*, which allowed obefazimod to be developed and a chemical library of more than 2,200 small molecules to be generated.

These license contracts provide the possibility for the licensor to end an agreed exclus contracts in certain events, including the event of non-payment of fees, a dispute over the v licensed or a violation by us of our obligations.

We may from time to time be party to license or collaboration agreements with third part research or allow commercialization of current or future drug candidates. Such agreements may obligations, such as development, diligence, payment, commercialization, funding, milestone, insurance, patent prosecution, enforcement and other obligations on us and may require us to timelines, or to exercise commercially reasonable efforts to develop and commercialize licens maintain the licenses. In spite of our best efforts, our licensors might conclude that we hav license agreements and might therefore terminate the license agreements, thereby removing or develop and commercialize products and technologies covered by these license agreements.

Any termination of these licenses, or if the underlying licensed rights fail to provide could result in the loss of significant rights and could harm our ability to commercialize ou candidates, and competitors or other third parties would have the freedom to seek regulatory market, products identical to ours and we may be required to cease our development and commer certain of our current or future drug candidates. Any of the foregoing could have a material competitive position, business, financial conditions, results of operations, and prospects.

Disputes may also arise between us and our licensors regarding intellectual property sub agreement, including:

- the scope of rights granted under the license agreement and other interpretation-re
- whether and the extent to which our technology and processes infringe, misappropria violate intellectual property rights of the licensor that is not subject to the lic
- our right to sublicense patent and other rights to third parties under collaborativ relationships;
- our diligence obligations with respect to the use of the licensed technology in rel development and commercialization of our current or future drug candidates, and wha satisfy those diligence obligations;
- the priority of invention of any patented technology; and
- the ownership of inventions and know-how resulting from the joint creation or use o property by our future licensors and us and our partners.

In addition, the agreements under which we may license intellectual property or technolog are likely to be complex, and certain provisions in such agreements may be susceptible to mul The adverse resolution of any contract interpretation disagreement that may arise could narro be the scope of our rights to the relevant intellectual property or technology or increase wh financial or other obligations under the relevant agreement, either of which could have a mat our business, financial condition, results of operations and prospects. Moreover, if disputes that we have licensed or may license prevent or impair our ability to maintain future licensi acceptable terms, we may be unable to successfully develop and commercialize the affected cur

candidates, which could have a material adverse effect on our business, financial conditions, and prospects.

We may be sued for infringing or misappropriating the intellectual property rights of third p such litigation could be costly and time consuming and could prevent or delay us from develop commercializing our drug candidates.

Our commercial success will also depend on our ability to develop products and technologi infringe the patents or other rights of third parties. It is important for the success of our use our products and conduct research and development efforts leading to commercialization of without infringing patents or other third-party rights.

We continue to carry out, as we have done to date, the preliminary studies that we consid of the above risks, before investing in the development of our various products and technolog

intellectual property consulting and law firms, we monitor our competitors' activity (particu patent filings).

We therefore cannot guarantee with certainty that:

- there are no prior patents or other intellectual property rights of third parties c products, methods, technologies, results or activities and that, consequently, thir an action for infringement or violation of their rights against us with a view to o interest and/or the cessation of our activities in the manufacture and/or commercia methods and the like thus disputed;
- there are no trademark rights or other prior rights of third parties that could be infringement or liability action against us; and
- our domain names are not subject, on the part of third parties who have prior right trademark rights), to a Uniform Domain-Name Dispute-Resolution Policy ("UDRP") or s or an infringement action.

In the event of intellectual property litigation, we may have to:

- stop developing, making, selling, offering for sale or using the product or product the disputed intellectual property;
- obtain a license from the holder of the intellectual property rights, however, such unobtainable or only be obtainable under unfavorable economic conditions for us; or
- revise the design of some of our products/technologies or, in the case of trademark rename our products to avoid infringing the intellectual property rights of third p prove impossible or time-consuming and expensive, and could impact our marketing ef

Litigation can also result in an order to pay damages (including treble damages) and bei injunctions.

Patent terms may be inadequate to protect our competitive position on our drugs for an adequa and we may seek to rely, but may not be able to rely, on other forms of protection, such as r

Given the amount of time required for the development, testing and regulatory review of r patents protecting such candidates might expire before or shortly after such candidates are c example, the certain patents protecting obefazimod's composition of matter expire in 2030 and protecting obefazimod methods of use expire in 2035 which pose a risk to its successful comme expect to seek extensions of patent terms in the United States and, if available, in other co prosecuting patents. In the United States, the Drug Price Competition and Patent Term Restora permits a patent term extension of up to five years beyond the normal expiration of the paten approved indication (or any additional indications approved during the period of extension). authorities, including the FDA and the USPTO in the United States, and any equivalent regulat countries, may not agree with our assessment of whether such extensions are available, and ma extensions to our patents, or may grant more limited extensions than we request. We may also forms of protection, such as regulatory exclusivity, but there can be no assurance that such will be available or sufficient.

We will not seek to protect our intellectual property rights in all jurisdictions throughout not be able to adequately enforce our intellectual property rights even in the jurisdictions protection.

Filing, prosecuting and defending patents on our drug candidates in all countries and ju the world would be prohibitively expensive, and our intellectual property rights in some cou States could be less extensive than those in the United States, assuming that rights are obta Competitors may use our technologies in jurisdictions where we do not pursue and obtain paten develop their own products and further, may export otherwise infringing products to territori protection, but enforcement is not as strong as that in the United States. These products may and our patents or other intellectual property rights may not be effective or sufficient to p competing. Even if we pursue and obtain issued patents in particular jurisdictions, our paten intellectual property rights may not be effective or sufficient to prevent third parties from

In addition, the laws of some foreign countries do not protect intellectual property rigl the federal and state laws in the United States. Many companies have encountered significant and defending intellectual property rights in certain foreign jurisdictions. The legal systen particularly developing countries, do not favor the enforcement of patents and other intelle especially those relating to biopharmaceuticals or biotechnologies. This could make it diffic infringement of our patents, if obtained, or the misappropriation of our other intellectual p example, many foreign countries have compulsory licensing laws under which a patent owner mus third parties. In addition, many countries limit the enforceability of patents against third government agencies or government contractors. In these countries, patents may provide limite Patent protection must ultimately be sought on a country-by-country basis, which is an expens consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent prot countries, and we will not have the benefit of patent protection in such countries.

Proceedings to enforce our patent rights in foreign jurisdictions could result in substa efforts and attention from other aspects of our business, could put our patents at risk of be interpreted narrowly, could put our patent applications at risk of not being issued and coul assert claims against us. We may not prevail in any lawsuits that we initiate and the damages awarded, if any, may not be commercially meaningful. In addition, changes in the law and lega in the United States and foreign countries may affect our ability to obtain adequate protecti the enforcement of our intellectual property. In addition, monitoring the unauthorized use of technology and the infringement of our intellectual property rights is challenging. We cannot certainty that we will be able to prevent, take legal action against and obtain compensation misappropriation or unauthorized use of our products and technologies, particularly in foreig rights are less well protected because of the territorial scope of intellectual property rigl to enforce our intellectual property rights around the world may be inadequate to obtain a si advantage from the intellectual property that we develop or license.

Further, in Europe, a new unitary patent system took effect June 1, 2023, which signific European patents, including those granted before the introduction of such a system. Under the European applications have the option, upon grant of a patent, of becoming a Unitary Patent w the jurisdiction of the Unitary Patent Court, or the UPC. As the UPC is a new court system, t precedent for the court, increasing the uncertainty of any litigation. Patents granted before UPC will have the option of opting out of the jurisdiction of the UPC and remaining as nation countries. Patents that remain under the jurisdiction of the UPC will be potentially vulnerab revocation challenge that, if successful, could invalidate the patent in all countries who ar We cannot predict with certainty the long-term effects of any potential changes.

In addition, geo-political actions in the United States and in foreign countries could in and costs surrounding the prosecution or maintenance of our patent applications and the maint or defense of our issued patents. For example, the United States and foreign government actio invasion of Ukraine may limit or prevent filing, prosecution, and maintenance of patent appli Government actions may also prevent maintenance of issued patents in Russia. These actions co abandonment or lapse of our patents or patent applications, resulting in partial or complete Russia. If such an event were to occur, it could have a material adverse effect on our busine was adopted by the Russian government in March 2022, allowing Russian companies and individua inventions owned by patentees from the United States without consent or compensation. Consequ not be able to prevent third parties from practicing our inventions in Russia or from selling made using our inventions in and into Russia. Accordingly, our competitive position may be in business, financial condition, results of operations and prospects may be adversely affected.

If our trademarks and trade names are not adequately protected by us or our partners that dev for our future products, then we may not be able to build name or brand recognition in our ma and our business may be adversely affected.

Our registered or unregistered trademarks and trade names and the registered or unregiste trade names that our partners will develop may be challenged, infringed, diluted, circumvente or determined to be infringing on other marks. We and our partners may not be able to protect trademarks and trade names, which we need to build name and brand recognition among potential customers in our markets of interest. We expect to rely on our partners to protect the trade that they will develop, and they may not adequately protect such tradenames and trademarks, a or no recourse in respect thereof. At times, competitors may adopt trademarks and trade names thereby impeding our ability to build brand identity and possibly leading to market confusion registration process, we may receive Office Actions from the USPTO or from comparable agencie jurisdictions objecting to the registration of our trademark. Although we would be given an o

to those objections, we may be unable to overcome such rejections. In addition, in the USPTO agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pend applications and/or to seek the cancellation of registered trademarks. Opposition or cancella filed against our trademark applications or registrations, and our trademark applications or survive such proceedings. In addition, there could be potential trademark infringement claims other registered trademarks or trademarks that incorporate variations of our registered or un Over the long term, if we are unable to establish name and brand recognition based on our tra not be able to compete effectively and our business may be adversely affected.

Obtaining and maintaining patent protection depends on compliance with various procedural, do submission, fee payment and other requirements imposed by governmental patent agencies, and o protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees applications are required to be paid to the USPTO and various governmental patent agencies ou States in several stages over the lifetime of the patents and applications. The USPTO and var governmental patent agencies require compliance with a number of procedural, documentary, fee similar provisions during the patent application process and after a patent has issued. There non-compliance can result in abandonment or lapse of the patent or patent application, result complete loss of patent rights in the relevant jurisdiction.

If we are unable to protect the confidentiality of our trade secrets and know-how, our busine

position could be harmed.

In addition to seeking patent protection for our drug candidates, we also rely on trade s unpatented know-how, technology and other proprietary information, to establish and maintain position.

It is also important for us to protect against the unauthorized use and disclosure of ou information, know-how and trade secrets. Unpatented and/or unpatentable technologies, process how and data are considered trade secrets that we seek to protect, in part, by entering into confidentiality agreements with parties who have access to them, such as our employees, colla advisors, university and/or institutional researchers and other third parties. We also have e confidentiality and invention or patent assignment agreements with our employees, advisors ar

In the context of collaboration, partnership or research contracts, or other types of co researchers from academic institutions, and with other public or private entities, subcontrac contracting third parties, various information and/or products may be entrusted to them in or tests and clinical trials. In such cases, we require that confidentiality agreements be signe rule, we take care that the collaboration or research contracts that we are party to give us co-ownership of results and/or inventions resulting from the collaboration, or to an exclusiv results and/or inventions resulting from the collaboration.

Despite these efforts, counterparties may breach our agreements and disclose our proprie including our trade secrets, and we may not be able to obtain adequate remedies for such brea may also be obtained by third parties by other means, such as breaches of our physical or com Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is diffi consuming, and the outcome is unpredictable. In addition, some courts inside and outside the willing or unwilling to protect trade secrets. Moreover, if any of our trade secrets were to independently developed by a competitor, we would have no right to prevent them, or those to communicate it, from using that technology or information to compete with us. If any of our t disclosed to, or independently developed by, a competitor, our competitive position would be business may be adversely affected.

There can be no assurance that the agreements put in place to protect our technology and the know-how being used will provide the protection sought or will not be violated, that we w solutions for such violations, or that our trade secrets will not be disclosed to or independ competitors. In the context of contracts that we enter into with third parties, we sometimes providing that they are not authorized to use third-party services or that they may only do s However, it cannot be ruled out that some of these co-contractors may nevertheless use third we have no control over the conditions under which third parties with which we do not contrac confidential information, irrespective of whether we provide in our agreements with our co-co undertake to pass on confidentiality obligations to their own co-contractors.

Such contracts therefore expose us to the risk of having the third parties concerned (i) intellectual property rights on our inventions or other intellectual property rights, (ii) fa confidentiality of unpatented innovations or improvements of our confidential information and (iii) disclose our trade secrets to our competitors or independently develop these trade secr such agreements, without our having an appropriate solution for such violations.

Consequently, our rights to our confidential information, trade secrets and know-how may expected protection against competition and we cannot guarantee with certainty that:

- our knowledge and trade secrets will not be obtained, stolen, circumvented, transmi without our authorization;
- our competitors have not already developed similar technologies or products, or one or purpose to ours;
- no co-contracting party will claim the benefit of all or part of the intellectual p inventions, knowledge or results that we hold in our own right or in co-ownership, would be entitled to a license; or
- our employees will not claim rights or payment of additional compensation or fair p in the creation of which they participated.

The occurrence of one or more of these risks could have a material adverse effect on our financial position, income and growth.

Intellectual property rights do not address all potential threats to our competitive advantag

The degree of future protection afforded by our intellectual property rights is uncertain property rights have limitations, and may not adequately protect our business, or permit us t competitive advantage. The following examples are illustrative.

- Competitors may be able to formulate compositions that are similar to ours but that our intellectual property rights.
- Competitors may independently develop similar or alternative compositions or otherw any of our applications or registrations without infringing our intellectual proper
- We or any of our collaboration partners might not have been the first to conceive a practice the inventions covered by the patents or patent applications that we own, or license.
- We or any of our collaboration partners might not have been the first to file paten covering certain of the patents or patent applications that we or they own or have or will have licensed.
- It is possible that any pending patent applications that we have filed, or will fil patents.
- Issued patents that we own may not provide us with any competitive advantage, or ma or unenforceable, as a result of legal challenges by our competitors.
- Our competitors might conduct research and development activities in countries wher patent rights, or in countries where research and development safe harbor laws exis information learned from such activities to develop competitive products for sale i

commercial markets.

- Ownership of our patents or patent applications may be challenged by third parties.
- We may infringe on the patents of third parties or pending or future applications o issued, and the patents of third parties or pending or future applications of third have an adverse effect on our business.

Risks Related to Legal and Compliance

Our business is subject to a restrictive and changing regulatory framework.

One of the major issues for a growing company like ours is to successfully develop, alon partners, products incorporating our technologies in an increasingly restrictive regulatory e pharmaceutical industry faces constant changes in its legal and regulatory environment and ir

the competent authorities, such as the National Agency for Medicines and Health Products Safe France, the EMA in the European Union, the FDA in the United States or the PMDA in Japan, and authorities in the rest of the world. At the same time, the public is demanding more guarante and efficacy. This may at any time lead to a more restrictive regulatory environment for our may have a material adverse effect on business, financial position, income, growth and outloo

Health authorities oversee preclinical studies, clinical trials, the operations of pharma drug manufacturing and commercialization. This increasing stringency of the legislative and r is common worldwide; however, requirements may vary from country to country. In particular, h especially the ANSM, EMA, FDA and PMDA, have imposed increasingly burdensome requirements in volume and quality of data required to demonstrate the efficacy and safety of a product. Thes requirements may have thus reduced the number of products authorized in comparison to the num filed. The risk/benefit ratio of products on the market is also subject to continuous monitor after their authorization. The delayed discovery of problems not identified at the research c can lead at any time to marketing restrictions, suspension of the marketing or withdrawal of market, and to an increased risk of litigation.

Therefore, the authorization process is long and expensive; it can take many years and th predictable and likely to continuously evolve. Insofar as new legal or regulatory provisions increase in the requirements and associated costs for obtaining and maintaining product marke would limit the targeted indications for a product that a product targets or the economic val inventor, the growth prospects for the pharmaceutical industry, and us, could be reduced. If completing, or if we terminate early, any of our clinical trials, or if we are required to co trials, the commercial prospects for our drug candidates may be harmed and our ability to ger will be delayed. The occurrence of one or more of these risks could have a material adverse e outlook, financial position, income and growth.

We are subject to healthcare laws and regulations which may require substantial compliance ef expose us to criminal sanctions, civil and administrative penalties, contractual damages, rep diminished profits and future earnings, among other penalties.

Healthcare providers, including physicians, and others will play a primary role in the re prescription of our products, if approved. Our arrangements with such persons and third-party general business operations will expose us to broadly applicable fraud and abuse and other he regulations that may constrain the business or financial arrangements and relationships throu market, sell and distribute our drugs, if we obtain marketing approval. Restrictions under ap state and foreign healthcare laws and regulations include, but are not limited to, the follow

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, person knowingly and willfully soliciting, offering, receiving or providing remuneration, kickback, bribe or rebate, directly or indirectly, in cash or in kind, to induce or either the referral of an individual for, or the purchase or lease, order or recomm good, facility or service, for which payment may be made under federal healthcare p Medicare and Medicaid. A person or entity does not need to have actual knowledge of specific intent to violate it in order to have committed a violation;
- U.S. federal civil and criminal false claims laws and civil monetary penalties laws False Claims Act (“FCA”), which impose criminal and civil penalties, including thos whistleblower or qui tam actions, against individuals or entities for, among other presenting, or causing to be presented, claims for payment that are false or fraudu statement to avoid, decrease, or conceal an obligation to pay money to the federal example, pharmaceutical companies have been prosecuted under the FCA in connection alleged off-label promotion of drugs, purportedly concealing price concessions in t information submitted to the government for government price reporting purposes, an providing free product to customers with the expectation that the customers would b care programs for the product. In addition, the government may assert that a claim services resulting from a violation of the federal Anti-Kickback Statute constitute claim for purposes of the FCA;
- the U.S. federal Health Insurance Portability and Accountability Act of 1996 (“HIPA created additional federal criminal statutes that impose criminal and civil liabili things, executing or attempting to execute a scheme to defraud any healthcare benef knowingly and willingly falsifying, concealing or covering up a material fact or ma statements relating to healthcare matters. Similar to the federal Anti-Kickback Sta

entity does not need to have actual knowledge of the healthcare fraud statute imple HIPAA or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical He ("HITECH") and its implementing regulations, which impose certain requirements on c and their business associates, as well as their covered subcontractors, including m terms, with respect to safeguarding the privacy, security and transmission of indiv health information;
- federal and state consumer protection and unfair competition laws, which broadly re activities and activities that potentially harm consumers;
- U.S. federal transparency requirements under the Physician Payments Sunshine Act, e the Affordable Care Act ("ACA"), that require applicable manufacturers of covered d biologics and medical supplies for which payment is available under Medicare, Medic Children's Health Insurance Program, with specific exceptions, to track and annuall Concerned Member States ("CMS") payments and other transfers of value provided to p certain other healthcare providers (such as physicians assistants and nurse practit hospitals, and require certain manufacturers and group purchasing organizations to certain ownership and investment interests held by physicians or their immediate fa
- analogous state or foreign laws and regulations, such as state anti-kickback and fa which may apply to items or services reimbursed by any third-party payor, including insurers, state marketing and/or transparency laws applicable to manufacturers that scope than the federal requirements, state laws that require biopharmaceutical comp with the biopharmaceutical industry's voluntary compliance guidelines and the relev guidance promulgated by the federal government and state laws governing the privacy health information in certain circumstances, many of which differ from each other i and may not have the same effect as HIPAA, thus complicating compliance efforts.

Ensuring that our business arrangements with third parties comply with applicable healthc regulations will likely be costly. It cannot be excluded that governmental authorities will c practices do not comply with current or future statutes, regulations or case law involving ap or other healthcare laws and regulations. If our operations were found to be in violation of other governmental regulations that may apply to us, we may be subject to significant civil, administrative penalties, damages, fines, disgorgement, imprisonment, possible exclusion from healthcare programs, such as Medicare and Medicaid, contractual damages, reputational harm, c and future earnings and curtailment of our operations, any of which could substantially disru physicians or other providers or entities with whom we expect to do business are found not to applicable laws, they may be subject to criminal, civil or administrative sanctions, includin government funded healthcare programs. We may incur significant costs achieving and maintaini applicable federal and state privacy, security, and fraud laws. Any action against us for vio if we successfully defend against it, could cause us to incur significant legal expenses and attention from the operation of our business.

Current and future health reform measures could adversely affect our business operations.

In the United States and some foreign jurisdictions there have been, and we expect there several legislative and regulatory changes and proposed reforms of the healthcare system to c quality, and expand access to care. For example, in March 2010, President Obama signed the AC substantially changed the way healthcare is financed by both governmental and private insurer significantly impact the United States pharmaceutical industry.

There have been judicial, congressional and executive branch challenges to certain aspect example, on June 17, 2021, the United States Supreme Court dismissed a challenge on procedura argued the ACA is unconstitutional in its entirety because the individual mandate was repeale Moreover, there have been a number of health reform initiatives by the Biden administration t ACA. For example, on August 16, 2022, President Biden signed the Inflation Reduction Act of 2 law, which among other things, extends enhanced subsidies for individuals purchasing health i ACA marketplaces through plan year 2025. The IRA also eliminates the "donut hole" under the M program beginning in 2025 by significantly lowering the beneficiary maximum out-of-pocket cos established manufacturer discount program. It is unclear how other healthcare reform measures our business.

In addition, other legislative changes have been proposed and adopted in the United State enacted. For example, on August 2, 2011, the Budget Control Act of 2011 was signed into law w things, led to aggregate reductions in Medicare payments to providers. These reductions went 2013, and, due to subsequent legislative amendments, will remain in effect until 2032, unless Congressional action is taken.

Additionally, there have been several recent U.S. presidential executive orders, congress proposed and enacted legislation at the federal and state levels designed to, among other thi transparency to drug pricing, review the relationship between pricing and manufacturer patien cost of drugs under Medicare, and reform government program reimbursement methodologies for d example, on March 11, 2023, the American Rescue Plan Act of 2021 was signed into law, which e statutory Medicaid drug rebate cap, currently set at 100% of a drug's average manufacturer pr 1, 2024. In addition, the IRA, among other things, (1) directs the U.S. Department of Health ("HHS") to negotiate the price of certain single-source drugs and biologics covered under Med rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace in permits HHS to implement many of these provisions through guidance, as opposed to regulation, years. HHS has and will continue to issue and update guidance as these programs are implement take effect progressively starting in fiscal year 2023, although the Medicare drug price nego currently subject to litigation. It is currently unclear how the IRA will be implemented but significant impact on the pharmaceutical industry. Further, in response to the Biden administ executive order, on February 14, 2023, HHS released a report outlining three new models for t for Medicare & Medicaid Services Innovation Center which will be evaluated on their ability t drugs, promote accessibility and improve quality of care. It is unclear whether the models wi

health reform measures that may be adopted in the future. Further, on December 7, 2023, the Biden administration December 8, 2023, the National Institute of Standards and Technology published for comment a Guidance Framework for Considering the Exercise of March-In Rights which for the first time i a product as one factor an agency can use when deciding to exercise march-in rights. While ma previously been exercised, it is uncertain if that will continue under the new framework. We U.S. federal healthcare reform measures will be adopted in the future, any of which could lim U.S. federal government will pay for healthcare products and services, which could result in drug candidates or additional pricing pressures.

At the state level, legislatures have increasingly passed legislation and implemented reg control pharmaceutical and biological product pricing, including price or patient reimburseme discounts, restrictions on certain product access and marketing cost disclosure and transpare some cases, designed to encourage importation from other countries and bulk purchasing. For e 5, 2024, the FDA approved Florida's Section 804 Importation Program ("SIP") proposal to impor from Canada for specific state healthcare programs. It is unclear how this program will be im which drugs will be chosen, and whether it will be subject to legal challenges in the United states have also submitted SIP proposals that are pending review by the FDA. Any such approve when implemented, may result in lower drug prices for products covered by those programs. If reforms intended to curb healthcare costs are adopted, or if we experience negative publicity pricing of our products or the pricing of pharmaceutical drugs generally, the prices that we products may be limited, our commercial opportunity may be limited and/or our revenues from s may be negatively impacted.

We expect that other healthcare reform measures that may be adopted in the future, may re rigorous coverage criteria and in additional downward pressure on the price that we receive f product. Any reduction in reimbursement from Medicare or other government programs may result reduction in payments from private payors. The implementation of cost containment measures or reforms may prevent us from being able to generate revenue, attain profitability, or commerci candidates.

We are subject to anti-corruption laws, as well as export control laws, customs laws, sanctio laws governing our operations. If we fail to comply with these laws, we could be subject to c penalties, other remedial measures and legal expenses, which could adversely affect our busin operations and financial condition.

We are subject to other laws and regulations governing our international operations, incl administered by the governments of the United States, and authorities in the European Union a applicable export control regulations, economic sanctions on countries and persons, customs r currency exchange regulations, collectively referred to as the trade control laws.

We are also subject to anti-corruption laws, including the U.S. Foreign Corrupt Practices amended ("FCPA"), which prohibits any U.S. individual or business from paying, offering, or a or offering of anything of value, directly or indirectly, to any foreign official, political purpose of influencing any act or decision of the foreign entity in order to assist the indiv obtaining or retaining business, and other state and national anti-bribery and anti-money lau countries in which we conduct activities, including the French anti-corruption laws:

- Article 433-1 of the French Criminal Code (bribery of domestic public officials);
- Article 433-2 of the French Criminal Code (influence peddling involving domestic pu
- Article 434-9 of the French Criminal Code (bribery of domestic judicial staff);
- Article 434-9-1 of the French Criminal Code (influence peddling involving domestic
- Articles 435-1 and 435-3 of the French Criminal Code (bribery of foreign or interna officials);
- Articles 435-7 and 435-9 of the French Criminal Code (bribery of foreign or interna staff);
- Articles 435-2, 435-4, 435-8 and 435-10 of the French Criminal Code (active and pas peddling involving foreign or international public officials and foreign or interna
- Articles 445-1 and 445-2 of the French Criminal Code (bribery of private individual
- French Law No. 2016-1691 of December 9, 2016 on Transparency, the Fight Against Cor the Modernization of the Economy (Sapin 2 Law), which provides for numerous new obl large companies such as the obligation to draw up and adopt a code of conduct defin illustrating the different types of behavior to be proscribed as being likely to ch corruption or influence peddling, to set up an internal warning system designed to collections of reports from employees relating to the existence of conduct or situa company's code of conduct, to set up accounting control procedures, whether interna designed to ensure that the books, registers and accounts are not used to conceal a influence peddling, to set up a disciplinary system for sanctioning company employe a breach of the company's code of conduct or a system for monitoring and evaluating implemented.

The FCPA also obligates companies whose securities are listed in the United States to co provisions requiring the company to maintain books and records that accurately and fairly ref the corporation, including international subsidiaries, and to devise and maintain an adequate accounting controls for international operations. Activities that violate the FCPA, even if t the United States, can result in criminal and civil fines, imprisonment, disgorgement, oversi government contracts. The scope and enforcement of these laws is uncertain and subject to rap enforcement bodies have increased their scrutiny of interactions between healthcare companies providers. This has resulted in an increase in the number of investigations, prosecutions, co in the healthcare industry. Responding to investigations can be both resource and time consum management's attention from the business. Any such investigation or settlement could increase otherwise have a material adverse effect on our business, outlook, financial position, income

The FCPA and other anti-corruption laws are interpreted broadly and prohibit companies a agents, contractors, and other collaborators from authorizing, promising, offering, or provid indirectly, improper payments or anything else of value to recipients in the public or privat third parties to sell our products outside the United States, to conduct clinical trials and/

permits, licenses, patent registrations, and other regulatory approvals. We have direct or in officials and employees of government agencies or government-affiliated hospitals, universiti organizations. We can be held liable for the corrupt or other illegal activities of our emplo and other collaborators, even if we do not explicitly authorize or have actual knowledge of s

There is no complete assurance that we will be effective in ensuring our compliance with corruption laws, including the FCPA, the French anti-corruption laws or other legal requireme control laws. If we are not in compliance with the FCPA, the French anti-corruption laws and laws or trade control laws, we may be subject to criminal and civil penalties, disgorgement a remedial measures and legal expenses, which could have an adverse impact on our business, fir results of operations and liquidity. Likewise, any investigation of any potential violations anti-corruption laws, other anti-corruption laws or trade control laws by U.S. or other autho adverse impact on our reputation, our business, results of operations and financial conditior

In addition, changes in our products and drug candidates or changes in applicable export regulations may create delays in the introduction or provision of our products and drug candi jurisdictions, prevent others from using our products and drug candidates or, in some cases, import of our products and drug candidates to certain countries, governments or persons altog on our ability to export or provide our products and drug candidates could adversely affect o condition and results of operations.

Product liability and other lawsuits could divert our resources, result in substantial liabil commercial potential of our drug candidates.

The risk that we may be sued on product liability claims is inherent in the development a of our drug candidates. Side effects of, or manufacturing defects in, drugs that we develop c deterioration of a patient's condition, injury or even death. For example, our liability coul patients participating in the clinical trials in the context of the development of the therap unexpected side effects resulting from the administration of these drugs. In addition, we cou undetected side-effects caused by the interaction of our drugs with other drugs following rel candidate to the market. Once a product is approved for sale and commercialized, the likeliho lawsuits increases. Criminal or civil proceedings might be filed against us by patients, regu biopharmaceutical companies and any other third party using or marketing our drugs. These act claims resulting from actions by our partners, licensees and subcontractors, over which we ha These lawsuits may divert our management from pursuing our business strategy and may be costl addition, if we are held liable in any of these lawsuits, we may incur substantial liabilitie forgo further commercialization of the affected products and may suffer damage to our reputat

We could be exposed to the risk of liability claims during the clinical development of ou particular product liability claims, related to the manufacture of therapeutic products and t animals. We could be held liable by patients participating in clinical trials as part of the therapeutic products tested for unexpected side effects resulting from the administration of

We could also be held liable during the commercialization phase of our products. Criminal lawsuits could be filed or brought against us by patients, regulatory agencies, pharmaceutica other third parties using or marketing our products. These actions may include claims arising partners, licensees or subcontractors, over which we have little or no control. Physicians ar comply with any warnings that identify known potential adverse effects and patients who shoul candidates.

We maintain product liability insurance coverage for our clinical trials at levels which appropriate for our clinical trials. Nevertheless, we cannot guarantee that the insurance pol contractually limited indemnification, if applicable, granted by our subcontractors will be s claims that could be brought against us or losses we may suffer.

If our liability, or that of our partners, licensees and subcontractors, was thereby acti partners, licensees and subcontractors were unable to obtain and maintain appropriate insuran acceptable cost or protect ourselves in any way against liability claims, this would seriousl commercialization of our products and, more generally, have a material adverse effect on our financial position and outlook for growth.

We are subject to stringent and evolving U.S. and foreign laws, regulations, rules, contractu policies and other obligations related to data privacy and security. Our actual or perceived such obligations could lead to regulatory investigations or actions; litigation; fines and pe our business operations; reputational harm; loss of revenue or profits; and other adverse bus

In the ordinary course of business, we (and others on our behalf) collect, receive, store transfer, archive, disclose, make accessible, protect, secure, dispose of, transmit, and shar personal data and other sensitive information, including proprietary and confidential busines intellectual property, sensitive third-party data, personal data/personal information, busine financial information (collectively, sensitive data).

Our data processing activities subjects us to numerous data privacy and security obligati laws, regulations, guidance, industry standards, external and internal privacy and security p requirements, and other obligations relating to data privacy and security.

In the United States, federal, state, and local governments have enacted numerous data pr
laws, including data breach notification laws, personal data privacy laws, consumer protectio
of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws). For ex
Consumer Privacy Act of 2018 (“CCPA”) requires businesses to provide specific disclosures in
honor requests of California residents to exercise certain privacy rights. The CCPA provides
to $7,500 per violation and allows private litigants affected by certain data breaches to rec
damages. In addition, the California Privacy Rights Act of 2020 (“CPRA”), which becomes opera
2023, will expand the CCPA’s requirements, including applying to personal information of busi
and employees and establishing a new regulatory agency to implement and enforce the law.

Other states, such as Virginia, Colorado, Utah and Connecticut have also passed compreher
and similar laws are being considered in several other states, as well as at the federal and
developments may further complicate compliance efforts and may increase legal risk and compli
and the third parties upon whom we rely.

Outside the United States, an increasing number of laws, regulations, and industry standa
privacy and security. For example, among other laws, the European Union’s Regulation (EU) 201
2016 on the protection of natural persons with regard to the processing of personal data and
such data, as amended (“EU GDPR”), the United Kingdom’s GDPR (“UK GDPR”), Brazil’s General Da
Protection Law (Lei Geral de Proteção de Dados Pessoais, or “LGPD”) (Law No. 13,709/2018), Ca
Information Protection and Electronic Documents Act (“PIPEDA”), and China’s Personal Informat
Law (“PIPL”) impose strict requirements for processing personal data.

The collection and use of personal health data in the European Union is governed by the p
GDPR. Under the EU GDPR, companies may face temporary or definitive bans on data processing a
corrective actions; fines of up to €20 million or 4% of annual global revenue, whichever is g
litigation related to processing of personal data brought by classes of data subjects or cons
organizations authorized at law to represent their interests. We also engage in clinical tria
jurisdictions.

In addition, we may be unable to transfer personal data from Europe and other jurisdictio
States or other third party countries in which local data privacy laws are less stringent due
border data flows. Europe and other jurisdictions have enacted laws requiring data to be loca
transfer of personal data to other countries. In particular, the EEA and the United Kingdom (
significantly restricted the transfer of personal data to countries whose privacy laws it bel
jurisdictions may adopt similarly stringent interpretations of their data localization and cr
laws. Although there are currently various mechanisms that may be used to transfer personal d
UK to the United States in compliance with law, such as the Trans-Atlantic Data Privacy Frame
and UK’s standard contractual clauses, being specified that these mechanisms of standard cont
subject to legal challenges, and there is no assurance that we can satisfy or rely on these m
transfer personal data to the United States or other third party countries. If there is no la
transfer personal data from the EEA, the UK, or other jurisdictions to the United States, or
legally-compliant transfer are too onerous, we could face significant adverse consequences, i
interruption or degradation of our operations, the need to relocate part of or all of our bus
activities to other jurisdictions at significant expense, increased exposure to regulatory ac
penalties, the inability to transfer data and work with partners, vendors and other third par
against our processing or transferring of personal data necessary to operate our business. So
have prevented companies from transferring personal data out of Europe for allegedly violatin
cross-border data transfer limitations.

In addition to data privacy and security laws, we may be contractually subject to industr
industry groups and may become subject to such obligations in the future. Depending upon the
be bound by other contractual obligations related to data privacy and security, and our effor
obligations may not be successful.

We publish and may publish privacy policies, marketing materials, and other statements, such as compl
with certain certifications or self-regulatory principles, regarding data privacy and securit
materials or statements are found to be deficient, lacking in transparency, deceptive, unfair
our practices, we may be subject to investigation, enforcement actions by regulators, or othe
consequences.

Obligations related to data privacy and security are quickly changing, becoming increasin
creating regulatory uncertainty. Additionally, these obligations may be subject to differing
interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and

obligations requires us to devote significant resources and may necessitate changes to our se
technologies, systems, and practices and to those of any third parties that process personal

We may at times fail (or be perceived to have failed) in our efforts to comply with our d
security obligations. Moreover, despite our efforts, our personnel or third parties on whom w
comply with such obligations, which could negatively impact our business operations. If we or
which we rely fail, or are perceived to have failed, to address or comply with applicable dat
obligations, we could face significant consequences, including but not limited to: government
(e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (inclu
additional reporting requirements and/or oversight; bans on processing personal data; and orc
use personal data. Any of these events could have a material adverse effect on our reputation
condition, including but not limited to: loss of customers; inability to process personal dat
jurisdictions; limited ability to develop or commercialize our products; expenditure of time
any claim or inquiry; adverse publicity; or substantial changes to our business model or oper

**Risks Related to Ownership of Our ADSs and Our Status as a Non-U.S. Company with Foreign Priv
Issuer Status**

***There has been no market for our ADSs prior to our initial public offering of our ADSs in the
an active and liquid market for our securities may fail to develop, which could harm the mark
ADSs.***

Although our ordinary shares have been traded on Euronext Paris since mid-2015, prior to
offering of our ADSs in the United States in October 2023 there was no public market on a U.S

exchange for our ADSs. An active trading market for our ADSs may never develop or be sustaine
of an active trading market for our ADSs, investors may not be able to sell their ADSs at a c
at the time that they would like to sell.

***If we do not achieve our projected development and commercialization goals in the timeframes
expect, our business will be harmed, and the price of our securities could decline as a resul***

We sometimes estimate for planning purposes the timing of the accomplishment of various s
regulatory and other product development objectives. These milestones may include our expecta
commencement or completion of scientific studies, clinical trials, the submission of regulato
commercialization objectives. From time to time, we may publicly announce the expected timing
milestones, such as the completion of an ongoing clinical trial, the initiation of other clin
marketing approval, or a commercial launch of a product. The achievement of many of these mil
outside of our control. All of these milestones are based on a variety of assumptions which m
achievement of the milestones to vary considerably from our estimates, including:

- our available capital resources or capital constraints we experience;
- the rate of progress, costs and results of our clinical trials and research and dev
including the extent of scheduling conflicts with participating clinicians and coll
ability to identify and enroll patients who meet clinical trial eligibility criteri
- our receipt of approvals by the European Commission, FDA and other regulatory agenc
timing thereof;
- other actions, decisions or rules issued by regulators;
- our ability to access sufficient, reliable and affordable supplies of compounds and
in the manufacture of our drug candidates;
- the efforts of our collaborators with respect to the commercialization of our produ
- the securing of, costs related to, and timing issues associated with, product manuf
sales and marketing activities.

If we fail to achieve announced milestones in the timeframes we expect, the commercializa
candidates may be delayed, our business and results of operations may be harmed, and the trad
may decline as a result.

***We may be a "passive foreign investment company" for U.S. federal income tax purposes, which
adverse U.S. federal income tax consequences to U.S. investors.***

Generally, if, for any taxable year, at least 75% of our gross income is passive income (
least 50% of the value of our assets (based on an average of the quarterly values of the asse
is attributable to assets that produce passive income or are held for the production of passi
we would be characterized as a passive foreign investment company ("PFIC") for U.S. federal i
For purposes of these tests, passive income includes, among other things, dividends, interest
or exchange of investment property and rents or royalties other than rents or royalties which
unrelated parties in connection with the active conduct of a trade or business. Cash and cash
generally treated as passive assets. Goodwill is treated as an active asset to the extent ass
activities that produce active income. For purposes of the PFIC rules, a non-U.S. corporation
indirectly, at least 25% by value of the equity interests of another corporation or partnersh
proportionate share of the assets of the other corporation or partnership, and received direc
of the income of the other corporation or partnership. Equity interests of less than 25% by v
corporation or partnership are treated as passive assets, regardless of the nature of the oth
partnership's business.

If we are a PFIC for any taxable year in which a U.S. Holder (as defined in "Material Uni
Income and French Tax Considerations—Material U.S. Federal Income Tax Considerations for U.S.
an ADS, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder
tax liability on disposition gains and certain "excess distributions" and additional reportin
"Material United States Federal Income and French Tax Considerations—Material U.S. Federal In
Considerations for U.S. Holders—Passive Foreign Investment Company Rules."

Based on our analysis of our financial statements, activities and relevant market and sha
not believe that we were a PFIC for the taxable year ended December 31, 2023. The determinati
are a PFIC is a fact-intensive determination made on an annual basis and the applicable law i
interpretation. Whether we are a PFIC for any taxable year will depend on the composition of
composition, nature and value of our assets from time to time (including the value of our goo
determined by reference to the value of our ADSs, which could fluctuate considerably). We cur
generate product revenues and therefore we may be a PFIC for any taxable year in which we do
sufficient amounts of non-passive income to offset our passive income. As a result, there can
we will not be treated as a PFIC for the current or any future taxable year and our U.S. coun
with respect to our PFIC status for any prior, current or future taxable year. Even if we det
PFIC for a taxable year, there can be no assurance that the Internal Revenue Service, or the
conclusion and that the IRS would not successfully challenge our position. Each U.S. holder i
consult its tax advisor regarding these issues and any available elections to mitigate such t

***If a United States person is treated as owning at least 10% of the value or voting power of o
may be subject to adverse U.S. federal income tax consequences.***

If a United States person is treated as owning (directly, indirectly, or constructively)
aggregate value or voting power of our ADSs, such person may be treated as a "United States s
respect to each "controlled foreign corporation" in our group (if any), which may subject suc
U.S. federal income tax consequences. Our group currently includes one U.S. subsidiary corpor
under current law our current non-U.S. subsidiary and any future newly formed or acquired non
that are treated as corporations for U.S. federal income tax purposes will be treated as cont
corporations, regardless of whether we are treated as a controlled foreign corporation. A Uni
of a controlled foreign corporation generally is required to report annually and include in i
pro rata share of "Subpart F income," "global intangible low-taxed income," and investments i
controlled foreign corporations, regardless of whether we make any distributions. An individu

States shareholder with respect to a controlled foreign corporation generally would not be al
deductions or foreign tax credits that would be available to a United States shareholder that
Failure to comply with these reporting obligations may subject a United States shareholder to
penalties and may prevent the statute of limitations with respect to such shareholder's U.S.
for the year for which reporting was due from starting. We cannot provide any assurances that
investors in determining whether we are treated as a controlled foreign corporation or whethe
ADSs is treated as a United States shareholder with respect to any such controlled foreign co
any United States shareholders information that may be necessary to comply with the aforement
tax paying obligations. The United States Internal Revenue Service provided limited guidance
investors may rely on publicly available information to comply with their reporting and tax p
respect to foreign-controlled CFCs. Each U.S. holder of our ADSs should consult its advisors
application of these rules to an investment in our ADSs.

***The rights of shareholders in companies subject to French corporate law differ in material re
rights of shareholders of corporations incorporated in the United States.***

We are a French company with limited liability. Our corporate affairs are governed by our
laws governing companies incorporated in France. The rights of shareholders and the responsib
our Board are in many ways different from the rights and obligations of shareholders in compa
laws of U.S. jurisdictions. For example, in the performance of its duties, our Board is requi
consider the interests of our company, its shareholders, its employees and other stakeholders
shareholders and/or creditors. It is possible that some of these parties will have interests
addition to, your interests as a shareholder or holder of ADSs.

***You may face difficulties protecting your interests, and your ability to protect your rights
courts may be limited because we are incorporated under the laws of France, all of our assets
European Union and a majority of our directors and executive officers reside outside the Unit***

We are constituted under the laws of France. A majority of our officers and directors res
United States. In addition, a substantial portion of their assets and our assets are located
As a result, you may have difficulty serving legal process within the United States upon us o
You may also have difficulty enforcing, both in and outside of the United States, judgments y
U.S. courts against us or these persons in any action, including actions based upon the civil
U.S. Federal or state securities laws. Furthermore, there is substantial doubt as to the enfo
us or against any of our directors and officers who are not residents of the United States, i
actions for enforcement of judgments of U.S. courts, of liabilities based solely upon the civ
the U.S. federal securities laws. In addition, shareholders in French corporations may not ha
shareholder derivative action in U.S. federal courts.

As a result, our public shareholders may have more difficulty in protecting their interes
against us, our management, our directors or our major shareholders than would shareholders o
incorporated in a jurisdiction in the United States.

The dual listing of our ordinary shares and the ADSs may adversely affect the liquidity and v

Our ordinary shares are listed on Euronext Paris. Trading of the ADSs or ordinary shares
take place in different currencies (U.S. dollars on Nasdaq and euros on Euronext Paris), and
(resulting from different time zones, different trading days and different public holidays in
France). The trading prices of our ordinary shares on these two markets may differ due to the
Any decrease in the price of our ordinary shares on Euronext Paris could cause a decrease in
ADSs on Nasdaq. Investors could seek to sell or buy our ordinary shares to take advantage of
between the markets through a practice referred to as arbitrage. Any arbitrage activity could
volatility in both our share prices on one exchange, and the ordinary shares available for tr
exchange. In addition, holders of ADSs will not be immediately able to surrender their ADSs a
underlying ordinary shares for trading on the other market without effecting necessary proced
depositary. This could result in time delays and additional cost for holders of ADSs. We cann
this dual listing on the value of our ordinary shares and the ADSs. However, the dual listing
and the ADSs may reduce the liquidity of these securities in one or both markets and may adve
development of an active trading market for the ADSs in the United States.

Our by-laws and French corporate law contain provisions that may delay or discourage a takeov

Provisions contained in our by-laws and French corporate law could make it more difficult
acquire us, even if doing so might be beneficial to our shareholders. In addition, provisions
various procedural and other requirements, which could make it more difficult for shareholder
corporate actions. These provisions include the following:

- under French law, the owner of 90% of the share capital or voting rights of a publi
  a regulated market in a Member State of the European Union or in a state party to t
  including from the main French stock exchange, has the right to force out minority
  following a tender offer made to all shareholders;
- under French law, a non-resident of France as well as any French entity controlled
  France may have to file a declaration for statistical purposes with the Bank of Fra
  France) within 20 working days following the date of certain direct foreign investme
  including any purchase of our ADSs. In particular, such filings are required in con
  investments exceeding €15 million that lead to the acquisition of at least 10% of o

voting rights or cross such 10% threshold. See “Limitations Affecting Shareholders Company”;

- under French law, certain foreign investments in companies incorporated under Frenc subject to the prior authorization from the French Minister of the Economy, where a target’s business and activity relate to a strategic sector, such as energy, transp telecommunications, research and development in biotechnologies, activities relatin etc.;
- a merger (i.e., in a French law context, a share for share exchange following which would be dissolved into the acquiring entity and our shareholders would become shar acquiring entity) of our company into a company incorporated in the European Union the approval of our Board as well as a two-thirds majority of the votes held by the present, represented by proxy or voting by mail at the relevant meeting;
- a merger of our company into a company incorporated outside of the European Union w 100% of our shareholders to approve it;
- under French law, a cash merger is treated as a share purchase and would require th participating shareholder;
- our shareholders have granted and may grant in the future our Board broad authoriza our share capital or to issue additional ordinary shares or other securities, such shareholders, the public or qualified investors, including as a possible defense fo of a tender offer for our shares;
- our shareholders have preferential subscription rights (*droits de souscription prioritaire*) on the issuance by us of any additional securities for cash or a set-off of cash debts, which rights may only be extraordinary general meeting by a two-thirds majority vote of our shareholders or basis by each shareholder;
- our Board has the right to appoint directors to fill a vacancy created by the resig director, subject to the approval by the shareholders of such appointment at the ne meeting, which prevents shareholders from having the sole right to fill vacancies o
- our Board can be convened by our chairman, including upon request from our Chief Ex (*directeur général*) if the positions of Chief Executive Officer and Chairman of the Boar by the same person, or, when no board meeting has been held for more than two conse from directors representing at least one-third of the total number of directors;
- our Board meetings can only be regularly held if at least half of the directors att by way of videoconference or teleconference enabling the directors’ identification effective participation in the Board’s decisions;
- our shares are registered or bearer, if the legislation so permits, according to th
- approval of at least a majority of the votes held by shareholders present, represen voting by mail at the relevant ordinary shareholders’ general meeting is required t with or without cause;
- advance notice is required for nominations to the Board or for proposing matters to shareholders’ meeting, except that a vote to remove and replace a director can be p shareholders’ meeting without notice;
- our by-laws can be changed in accordance with applicable French laws and regulation
- the crossing of certain thresholds must be disclosed and can impose certain obligat filing a mandatory public tender offer);
- transfers of shares shall comply with applicable insider trading rules and regulati with the EU Market Abuse Directive and Regulation dated April 16, 2014; and
- pursuant to French law, the sections of our by-laws relating to the number of direc removal of a director from office, may only be modified by a resolution adopted by votes of our shareholders present, represented by a proxy or voting by mail at the

Existing and potential investors in our ordinary shares or ADSs may have to request the prior the French Ministry of Economy prior to acquiring an interest in our ordinary shares or ADSs.

Under French law, direct and indirect acquisition of control of all or part of a branch investments of more than 10% in companies like ours whose shares are admitted to trading on a regulated market, by foreign individuals or entities (except, in the last case, EU/EEA invest deemed to be a strategic industry is subject to prior authorization of the French Ministry of Articles L. 151-1 et seq. and R. 151-1 et seq. of the French Monetary and Financial Code. Inc and development essential to the protection of public health fall within the scope of this re protect strategic assets, the ministry may condition its authorization upon the commitment of structural and behavioral remedies that are necessary for the maintain of strategic activitie intellectual property in France.

If an investment requiring the prior authorization of the French Minister of Economy is such authorization having been granted, the French Minister of Economy might order the releva (i) submit a request for authorization, (ii) have the situation prior to the completion of th own expense or (iii) amend the investment. Non-compliance with the authorization requirement conditions imposed may expose the relevant investor to a criminal fine which cannot exceed th the amount of the relevant investment, (ii) 10% of the annual turnover before tax of the targ €5 million (for an entity) or €1 million (for an individual). The French Minister of Economy precautionary measures it deems necessary to protect strategic sovereign assets, including th rights or the prohibition or limitation of the distribution of dividends and remuneration att ownership by the investor should have been subject to prior authorization.

regulated market. The non-EU/EEA investors crossing the 10% threshold in French companies whose shares are admitted to trading on a "fast track" procedure pursuant to which they are exempt from the authorization request provided for in Article R. 151-5 of the Monetary and Fi provided that the investment project has been the subject of a prior simplified notification Economy, and the French Minister of Economy did not request to follow the standard notificati transaction can proceed within ten working days following notification.

Failure to comply with such measures could result in significant consequences in the con Such measures could also delay or discourage a takeover or more broadly a foreign investment cannot predict whether these measures will result in a lower or more volatile market price o

You may not be able to exercise your right to vote the ordinary shares underlying your ADSs.

Holders of ADSs may exercise voting rights with respect to the ordinary shares represent in accordance with the provisions of the deposit agreement. The deposit agreement provides t notice of any meeting of holders of our ordinary shares, the depositary will fix a record dat ADS holders who shall be entitled to give instructions for the exercise of voting rights. Up from us, if we so request, the depositary shall distribute to the holders as of the record d meeting or solicitation of consent or proxy sent by us and (ii) a statement as to the manner be given by the holders.

Purchasers of ADSs may instruct the depositary of their ADSs to vote the ordinary shares ADSs. Otherwise, purchasers of ADSs will not be able to exercise voting rights unless they w shares underlying the ADSs they hold. However, a holder of ADSs may not know about the meeti advance to withdraw those ordinary shares. If we ask for a holder of ADSs' instructions, the notice from us, will notify him or her of the upcoming vote and arrange to deliver our votin We cannot guarantee to any holder of ADSs that he or she will receive the voting materials i or she can instruct the depositary to vote his or her ordinary shares or to withdraw his or he or she can vote them. If the depositary does not receive timely voting instructions from give a proxy to a person designated by us to vote the ordinary shares underlying his or her depositary and its agents are not responsible for failing to carry out voting instructions o out voting instructions. This means that a holder of ADSs may not be able to exercise his or there may be nothing he or she can do if the ordinary shares underlying his or her ADSs are requested.

Purchasers of ADSs are not holders of our ordinary shares.

A holder of ADSs will not be treated as one of our shareholders and will not have direct French law governs our shareholder rights. The depositary will be the holder of the ordinary held by purchasers of ADSs. Purchasers of ADSs will have ADS holder rights. The deposit agre

depositary and purchasers of ADSs, as ADS holders, and all other persons directly and indire out ADS holder rights, as well as the rights and obligations of the depositary.

A double voting right is attached to each registered ordinary share (except treasury sha name of the same shareholder for at least two years. However, the ordinary shares underlying entitled to double voting rights as the depositary will hold the ordinary shares underlying

The right as a holder of ADSs to participate in any future preferential subscription rights dividends in shares may be limited, which may cause dilution to the holdings of purchasers o

According to French law, if we issue additional securities for cash, current shareholder subscription rights for these securities on a *pro rata* basis unless they waive those rights at an extraordinary of our shareholders by a two-thirds majority vote or individually by each shareholder. Howev not be entitled to exercise or sell such rights unless we register the rights and the securi under the Securities Act or an exemption from the registration requirements is available. In agreement provides that the depositary will not make rights available to purchasers of ADSs to ADS holders of both the rights and any related securities are either registered under the exempted from registration under the Securities Act. Further, if we offer holders of our ord receive dividends in either cash or shares, under the deposit agreement the depositary may r assurances from us that extending the offer to holders of ADSs does not require registration the Securities Act before making the option available to holders of ADSs. We are under no ob registration statement with respect to any such rights or securities or to endeavor to cause statement to be declared effective. Moreover, we may not be able to establish an exemption f the Securities Act. Accordingly, ADS holders may be unable to participate in our rights offe receive dividends in shares and may experience dilution in their holdings. In addition, if t sell rights that are not exercised or not distributed or if the sale is not lawful or reason the rights to lapse, in which case you will receive no value for these rights.

Purchasers of ADSs may be subject to limitations on the withdrawal of the underlying ordinar

Temporary delays in the cancellation of ADSs and withdrawal of the underlying ordinary s because the depositary has closed its transfer books or we have closed our transfer books, t shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on addition, a holder of ADSs may not be able to cancel his or her ADSs and withdraw the underl when he or she owes money for fees, taxes and similar charges and when it is necessary to pr order to comply with any laws or governmental regulations that apply to ADSs or to the withd shares or other deposited securities.

ADS holders may not be entitled to a jury trial with respect to claims arising under the dep could result in less favorable outcomes to the plaintiffs in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, permitted by law, ADS holders waive the right to a jury trial of any claim they may have aga arising out of or relating to our shares, the ADSs or the deposit agreement, including any c federal securities laws.

If we or the depositary opposed a jury trial demand based on the waiver, the court would the waiver was enforceable based on the facts and circumstances of that case in accordance w and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury tria with claims arising under the federal securities laws has not been finally adjudicated by the

Court. However, we believe that a contractual pre-dispute jury trial waiver provision is gene
including under the laws of the State of New York, which govern the deposit agreement, by a f
in the City of New York, which has non-exclusive jurisdiction over matters arising under the
determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts
whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We
case with respect to the deposit agreement and the ADSs. It is advisable that you consult leg
jury waiver provision before entering into the deposit agreement.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the
connection with matters arising under the deposit agreement or the ADSs, including claims und
laws, you or such other holder or beneficial owner may not be entitled to a jury trial with r
which may have the effect of limiting and discouraging lawsuits against us and the depositary
against either or both of us and the depositary under the deposit agreement, it may be heard

justice of the applicable trial court, which would be conducted according to different civil
in different outcomes than a trial by jury would have, including results that could be less f
any such action.

Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an
under the terms of the deposit agreement with a jury trial. No condition, stipulation or prov
agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or th
compliance with U.S. federal securities laws and the rules and regulations promulgated thereu

***As a foreign private issuer, we are exempt from a number of rules under the U.S. securities l
permitted to file less information with the SEC than a U.S. public company. This may limit th
available to holders of ADSs.***

We are a foreign private issuer, as defined in the SEC's rules and regulations and, conse
subject to all of the disclosure requirements applicable to public companies organized within
example, we are exempt from certain rules under the Exchange Act that regulate disclosure obl
procedural requirements related to the solicitation of proxies, consents or authorizations ap
registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exc
addition, our officers and directors are exempt from the reporting and "short-swing" profit r
Section 16 of the Exchange Act and related rules with respect to their purchases and sales of
Moreover, while we currently make annual and semi-annual filings with respect to our listing
expect to file financial reports on an annual and semi-annual basis, we will not be required
and financial statements with the SEC as frequently or as promptly as U.S. public companies a
required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exch
Accordingly, there will be less publicly available information concerning our company than th
were not a foreign private issuer.

***As a foreign private issuer, we are permitted, and we expect, to follow certain home country
to corporate governance matters that differ significantly from Nasdaq's corporate governance
practices may afford less protection to shareholders than they would enjoy if we complied ful
governance standards of the Nasdaq Global Market.***

As a foreign private issuer listed on the Nasdaq Global Market, we are subject to Nasdaq
governance standards. However, Nasdaq rules provide that foreign private issuers are permitte
country corporate governance practices in lieu of Nasdaq's corporate governance standards, wi
as long as notification is provided to Nasdaq of the intention to take advantage of such exem
rely on exemptions for foreign private issuers and follow French corporate governance practic
corporate governance standards, to the extent possible. Certain corporate governance practice
our home country, may differ significantly from Nasdaq corporate governance standards. For ex
company, neither the corporate laws of France nor our by-laws require a majority of our direc
and we can include non-independent directors as members of our remuneration committee, and ou
directors are not required to hold regularly scheduled meetings at which only independent dir

We are also exempt from provisions set forth in Nasdaq rules which require an issuer to p
for a generally applicable quorum, and that such quorum may not be less than one-third of the
stock. Consistent with French law, our by-laws provide that a quorum requires the presence of
at least (i) 20% of the shares entitled to vote in the case of an ordinary shareholders' gene
extraordinary shareholders' general meeting where shareholders are voting on a capital increa
reserves, profits or share premium, or (ii) 25% of the shares entitled to vote in the case of
shareholders' general meeting. If a quorum is not present, the meeting is adjourned. There is
when an ordinary general meeting is reconvened, but the reconvened meeting may consider only
were on the agenda of the adjourned meeting. When an extraordinary general meeting is reconve
required is 20% of the shares entitled to vote, except where the reconvened meeting is consid
through capitalization of reserves, profits or share premium. For these matters, no quorum is
reconvened meeting. If a quorum is not present at a reconvened meeting requiring a quorum, th
be adjourned for a maximum of two months.

As a foreign private issuer, we are required to comply with Rule 10A-3 of the Exchange Ac
committee composition and responsibilities. Under French law, the audit committee may only ha
and appointment of our statutory auditors, in particular, must be decided by the shareholders
Therefore, our shareholders may be afforded less protection than they otherwise would have un
corporate governance standards applicable to U.S. domestic issuers. For an overview of our co
practices, see "Part II—Item 16G—Corporate Governance."

We are an "emerging growth company" under the JOBS Act and will be able to avail ourselves of disclosure requirements applicable to emerging growth companies, which could make our ADSs le investors.

We are an "emerging growth company," as defined in the JOBS Act, and we intend to take ad certain exemptions from various reporting requirements that are applicable to other public co "emerging growth companies", including not being required to comply with the auditor attestat Section 404(b) of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act"), and exemptions from of holding a nonbinding advisory vote on executive compensation and shareholder approval of a payments not previously approved. In addition, Section 107 of the JOBS Act also provides that company can take advantage of the extended transition period provided in Section 7(a)(2)(B) o for complying with new or revised accounting standards. We will not take advantage of the ext period provided under Section 7(a)(2)(B) of the Securities Act for complying with new or revi standards. Since IFRS makes no distinction between public and private companies for purposes new or revised accounting standards, the requirements for our compliance as a private company company are the same.

We cannot predict if investors will find our ADSs less attractive because we may rely on some investors find our ADSs less attractive as a result, there may be a less active trading the price of our ADSs may be more volatile. We may take advantage of these reporting exemptio longer an emerging growth company. We will remain an emerging growth company until the earlie day of the fiscal year in which we have total annual gross revenue of $1.235 billion or more; fiscal year following the fifth anniversary of the date of the completion of our U.S. initial on Nasdaq; (3) the date on which we have issued more than $1.0 billion in nonconvertible debt three years; and (4) the date on which we are deemed to be a large accelerated filer under th

We may lose our foreign private issuer status in the future, which could result in significan expense.

While we currently qualify as a foreign private issuer, the determination of foreign priv made annually on the last business day of an issuer's most recently completed second fiscal q accordingly, the next determination will be made with respect to us on June 30, 2024. In the our foreign private issuer status if we fail to meet the requirements necessary to maintain o status as of the relevant determination date. We will remain a foreign private issuer until s 50% of our outstanding voting securities are held by U.S. residents and any of the following applies: (i) the majority of our executive officers or directors are U.S. citizens or reside assets are located in the United States; or (iii) our business is administered principally in additional information relating to our principal shareholders, see "Principal Shareholders."

The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic i significantly more than costs we incur as a foreign private issuer. If we are not a foreign p required to file periodic reports and registration statements on U.S. domestic issuer forms w more detailed and extensive in certain respects than the forms available to a foreign private required under current SEC rules to prepare our financial statements in accordance with U.S. IFRS, and modify certain of our policies to comply with corporate governance practices associ domestic issuers. Such conversion of our financial statements to U.S. GAAP would involve sign cost. In addition, we may lose our ability to rely upon exemptions from certain corporate gov on U.S. stock exchanges that are available to foreign private issuers such as the ones descri exemptions from procedural requirements related to the solicitation of proxies.

General Risk Factors

We may not be successful in obtaining or maintaining necessary rights to product components a our development pipeline through acquisitions and in-licenses.

The growth of our business may depend in part on our ability to acquire, in-license or us proprietary rights. For example, our drug candidates may require specific formulations to wor efficiently, we may develop drug candidates containing our compounds and pre-existing pharmac or we may be required by the FDA or comparable foreign regulatory authorities to provide a co test or tests with our drug candidates, any of which could require us to obtain rights to use by third parties. In addition, with respect to any patents we may co-own with third parties, to such co-owner's interest to such patents. We may be unable to acquire or in-license any co use, processes or other third-party intellectual property rights from third parties that we i important to our business operations. In addition, we may fail to obtain any of these license

on reasonable terms, if at all. Were that to happen, we may need to cease use of the composit covered by those third-party intellectual property rights, and may need to seek to develop al do not infringe on those intellectual property rights, which may entail additional costs and if we were able to develop such alternatives, which may not be feasible. Even if we are able may be non-exclusive, which means that our competitors may also receive access to the same te to us. In that event, we may be required to expend significant time and resources to develop technology.

Additionally, we sometimes collaborate with academic institutions to accelerate our preci development under written agreements with these institutions. In certain cases, these institu option to negotiate a license to any of the institution's rights in technology resulting from we hold such an option, we may be unable to negotiate a license from the institution within t or under terms that are acceptable to us. If we are unable to do so, the institution may offe rights to others, potentially blocking our ability to pursue our program.

The licensing and acquisition of third-party intellectual property rights is a competitiv that may be more established or have greater resources than we do may also be pursuing strate acquire third-party intellectual property rights that we may consider necessary or attractive our drug candidates. More established companies may have a competitive advantage over us due resources and greater clinical development and commercialization capabilities. In addition, o us to be a competitor may be unwilling to assign or license rights to us. There can be no ass able to successfully complete these types of negotiations and ultimately acquire the rights t surrounding the additional drug candidates that we may seek to develop or market. If we are u obtain rights to required third-party intellectual property or to maintain the existing intel

operations may have to be abandoned or scaled back, and the development of certain programs and our business financial condi

The market price of our equity securities may be volatile, and purchasers of our ADSs could i losses.

The market price for our ADSs may be volatile. The stock market in general and the market biopharmaceutical companies in particular have experienced extreme volatility that has often operating performance of particular companies. As a result of this volatility, investors may ADSs at or above the price originally paid for the security. The market price for our ADSs ar be influenced by many factors, including:

- actual or anticipated fluctuations in our financial condition and operating results
- actual or anticipated changes in our growth rate relative to our competitors;
- competition from existing products or new products that may emerge;
- announcements by us or our competitors of significant acquisitions, strategic partn ventures, collaborations, or capital commitments;
- failure to meet or exceed financial estimates and projections of the investment com provide to the public;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable
- share price and volume fluctuations attributable to inconsistent trading volume lev
- additions or departures of key management or scientific personnel;
- lawsuits threatened or filed against us, disputes or other developments related to including patents, litigation matters, and our ability to obtain patent protection
- changes to coverage policies or reimbursement levels by commercial third-party payo government payors and any announcements relating to coverage policies or reimbursem
- announcement or expectation of additional debt or equity financing efforts;
- sales of our ordinary shares or ADSs by us, our insiders or our other shareholders;
- general economic and market conditions.

These and other market and industry factors may cause the market price and demand for ou substantially, regardless of our actual operating performance, which may limit or prevent inv selling their ADSs and may otherwise negatively affect the liquidity of the trading market fo

If securities or industry analysts do not publish research or publish inaccurate or unfavorab business, the price of our ADSs and their trading volume could decline.

The trading market for our ADSs depends in part on the research and reports that securit analysts publish about us or our business. If no or few securities or industry analysts cover price for our ADSs would be negatively impacted. If one or more of the analysts who covers us equity securities or publishes incorrect or unfavorable research about our business, the pric likely decline. If one or more of these analysts ceases coverage of our company or fails to p regularly, or downgrades our securities, demand for our ADSs could decrease, which could caus ADSs or their trading volume to decline.

The requirements of being a U.S. public company may strain our resources and divert manageme

We are required to comply with various corporate governance and financial reporting requ Sarbanes-Oxley Act, the Exchange Act, and the rules and regulations adopted by the SEC and th Accounting Oversight Board. Further, compliance with various regulatory reporting requires si commitments of time from our management and our directors, which reduces the time available f of their other responsibilities. Our failure to track and comply with the various rules may n our reputation, ability to obtain the necessary certifications to financial statements, lead enforcement actions, and could adversely affect the value of our ordinary shares or ADSs.

We may be at an increased risk of securities class action litigation.

Historically, securities class action litigation has often been brought against a company the market price of its securities. This risk is especially relevant for us because biotechno companies have experienced significant share price volatility in recent years. If we were to substantial costs, which could be insufficiently covered by insurance, and a diversion of man resources, which could harm our business.

We do not currently intend to pay dividends on our securities and, consequently, your ability on your investment will depend on appreciation in the price of the ordinary shares and our AD French law may limit the amount of dividends we are able to distribute.

We have never declared or paid any cash dividends on our ordinary shares and do not curre for the foreseeable future. We currently intend to invest our future earnings, if any, to fun you are not likely to receive any dividends on your ADSs for the foreseeable future and the s in ADSs will depend upon any future appreciation in its value. Consequently, investors may ne of their holdings of ADSs after price appreciation, which may never occur, as the only way to gains on their investment. There is no guarantee that the ADSs will appreciate in value or ev which our shareholders have purchased them. Investors seeking cash dividends should not purch Furthermore, certain of our debt instruments restrict the payment of dividends or require cor See “Part I—Item 8.A—Dividend Policy.”

Further, under French law, the determination of whether we have been sufficiently profita is made on the basis of our statutory financial statements prepared and presented in accordan standards applicable in France. In addition, payment of dividends may subject us to additiona