GENFIT
TOWARDS BETTER MEDICINE

SHAREHOLDERS' LETTER

N° 12 - June 2021

June 15, 2021 Combined Shareholders' Meeting: Support your Company's new strategy

Dear Shareholders,

Following your support during our January 2021 shareholders' meeting, GENFIT has completed its convertible debt renegotiation and created the right conditions to accompany the renewal of the Company's strategy.

Today, it is essential to support this rebound and consolidate our growth prospects by diversifying our product portfolio in addition to our key programs in the treatment of Primary Biliary Cholangitis (PBC) and the diagnosis of NASH. It is with this in mind that we announced on May 11, 2021 our new strategic direction in R&D. This consists of concentrating our efforts on the therapeutic areas with the most potential – ACLF and cholestatic diseases – where we believe our assets have the greatest chances of success.

If these new growth axes deliver positive top-line results, GENFIT will need to quickly finance the next stages in order to accelerate their development . In PBC, GENFIT must be in a solid financial situation when the Phase 3 results are expected at the beginning of 2023. It is now that we must prepare the future drivers of our value.

This is why the next Combined Shareholders' Meeting is important, as it is an opportunity to renew the financial authorizations which will allow us to make the investments to grow our business in the coming years. I therefore invite you to review carefully the resolutions proposed by the Board of Directors. To assist you in your review, I have summarized below some of the most significant events at the Company since the last shareholders' letter in January 2021, as well as the implications of this new **Combined Shareholders' Meeting which will take place on June 15, 2021.**

1. A strong start to 2021, characterized by important developments

Since the last Extraordinary Shareholders' Meeting in January 2021, GENFIT has continued the execution of its new strategy, in line with the plan announced in the fall of 2020.

Financial

The renegotiation of the convertible bond, which was approved by more than 98% of shareholders who took part in the vote in January (quorum : 23.4%), allowed us to push back the maturity of the convertible debt to October 2025 and reduce its nominal amount by a half. Following a number of conversions by bondholders at the beginning of the year, the residual convertible debt is today at EUR €57.2M* , less than a third of its initial nominal value of €180M.

In addition, after having put in place a significant cost-saving plan, including a reduction in the workforce, a reorganization of our R&D with the aim of eliminating all non-priority programs and finally adopting a series of measures to control operational expenditures, in May, GENFIT was able to reiterate its objective of going from an annual cash burn rhythm of more than €110M before the results of the RESOLVE-IT® study, to around €45M in 2022.

** As at April 2021*

Strategic development

Following the start of the ELATIVE™ Phase 3 clinical trial in PBC in September 2020 and the commercial launch of NASHnext™ powered by NIS4® by our partner Labcorp in April 2021, GENFIT pursued its action plan and has recently presented the last phase of its new strategy.

This involved the redefinition of its clinical products portfolio in order to refocus on the therapeutic areas which have the most potential and with significant unmet medical needs, and which we believe have a strong commercial potential based on current market research.

We have therefore decided to refocus our R&D efforts in two new franchises:

- **ACLF (Acute On Chronic Liver Failure):** ACLF is a syndrome in patients with chronic liver disease characterized by acute hepatic decompensation resulting in liver failure and/or one or more extrahepatic organ failures. It is associated with the increased risk of short-term mortality. Patients suffering from this disease usually use up a lot of hospital resources as a result of extended hospital stays. Liver transplantation is typically the only treatment option accorded to patients. Market estimations are around USD 4bn in the US and EUR 2bn in Europe*.
- **Cholestatic diseases:** GENFIT knows this therapeutic area very well as the company is currently conducting a Phase 3 clinical trial with elafibranor in PBC. Beyond PBC there are other diseases which are also characterized by defective bile acid transport from the liver to the intestine, for which patients do not have any treatment options, leaving a significant unmet medical need. Primary Sclerosing Cholangitis (PSC) is an example, with a market estimated at around two-thirds of that of PBC.

For more details on these new programs, I invite you to view the detailed presentation made during our May 11-12 webcast event, available on our website at: ir.genfit.com/events%26presentations/presentations.

** Derived from assumptions taken from Delveinsight, ACLF Market Insight, Epidemiology and Market Forecast -2030 Report published in Oct. 2020*

2. Implications of the next Combined Shareholders' Meeting: supporting the Company's return to growth

Financing the new drivers of growth

In terms of the Company's new strategy, our development portfolio is structured around three franchises:

- Cholestatic diseases (PBC, PSC and other disease indications in the field of pediatrics);
- ACLF; and
- NASH diagnostics.

We see that the axes pointing to value creation are multiplying and are consistent with our expertise which covers the full spectrum of drug development, from the first research stages to late clinical stages of development with Phase 1, 2 and 3 trials.

The programs which now form part of our product portfolio present a number of inflexion points, which will enable us, in the future, to regularly update our shareholders and the market as we progress.

In the context of the diversification of its growth prospects, it is important for GENFIT to maintain its ability to finance its activities, and the best way to do this is to readily have available the financial authorizations which will allow us to access financing solutions that are adapted to market conditions.

The next financing transactions will have the main objective of p**ursuing the development of the newly announced programs** and creating – if ELATIVE™ is successful – favorable negotiating conditions before the commercial launch of elafibranor, our candidate drug in PBC.

The options envisaged at this stage aim to give the Company **flexibility and reactivity** which are necessary to seize financing or strategic opportunities, by authorizing the Board of Directors to choose, namely in relation to the evolution of market conditions and financing needs, the most adequate means of financing for the GENFIT Group and its programs, at the right times and according to the right terms.

Your role as shareholder

As a GENFIT shareholder, your role is to support the Company by voting at the Shareholders' Meeting. We are counting on your participation and your vote during the next Combined Shareholders' Meeting convened on June 15, 2021.

Due to COVID 19, and in order to limit any health risks and protect participants (and first of all, our shareholders), the Shareholders' Meeting will be held without the physical presence of shareholders, in line with the restrictions and measures imposed by the French government.

In order to vote, you may:

- Use the online voting platform Votaccess (a secured website) opened from May 26 until June 14, 3.00pm (Paris time) – this is the preferred method where available;
- Express your opinion on the resolutions before the meeting either by:
  - Voting via mail-in voting form;
  - Designating a representative before the Combined Shareholders' Meeting; or
  - Giving proxy to the Chairman of the Shareholders' Meeting.

These are the only options available for the reasons given. It will not be possible to physically attend the Shareholders' Meeting. No admission card to the General Meeting will be delivered. In the case that the Shareholders' Meeting will not be able to deliberate if a quorum is not obtained upon the first convening, the Shareholders' Meeting will be reconvened with the same agenda on Wednesday June 30, 2021 at 2.30pm.

More information on the June 15 Shareholders' Meeting and how to participate can be found on the Company's website: www.genfit.com (under the Investors & Media section/Financials/Shareholders Meeting). A tutorial on using the online voting platform Votaccess is also available.

A toll-free phone number is available 0800 94 06 51 (France only) or +33 (0)1 70 61 48 28 (if calling from abroad) from Monday to Friday from 10.00pm to Friday 7.00pm to ask questions regarding the procedure for the June 15 Shareholders' Meeting.

Pascal Prigent, CEO of GENFIT

> GENFIT is your company, your vote is essential.

FORWARD LOOKING STATEMENTS - THIS LETTER CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS, INCLUDING THOSE WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, WITH RESPECT TO GENFIT, INCLUDING STATEMENTS REGARDING OUR EXPECTED FUTURE PERFORMANCE, BUSINESS PROSPECTS, FINANCIAL PERSPECTIVE, CORPORATE STRATEGY, EVENTS AND PLANS, THE TIMING OF OUR DATA READ OUT IN OUR ELATIVE™ PHASE 3 PROGRAM IN PBC, PROJECTIONS REGARDING OUR CASH CONSUMPTION OVER THE NEXT TWO YEARS, OUR ABILITY TO MOVE OUR ACLF AND CHOLESTATIC DISEASE PROGRAMS INTO THE CLINICAL STAGE AND EXPECTED TIMING FOR DATA READOUT, OUR CONTINUED ABILITY TO FUND OUR R&D AND CLINICAL PROGRAMS, THE MARKET OPPORTUNITIES AND POTENTIAL FOR ACLF AND CHOLESTATIC DISEASES, INCLUDING PBC, THE USE OF CERTAIN WORDS, INCLUDING "BELIEVE," "POTENTIAL," "EXPECT" AND "WILL" AND SIMILAR EXPRESSIONS, IS INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALTHOUGH THE COMPANY BELIEVES ITS EXPECTATIONS ARE BASED ON THE CURRENT EXPECTATIONS AND REASONABLE ASSUMPTIONS OF THE COMPANY'S MANAGEMENT, THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO NUMEROUS KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES, WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN, OR IMPLIED OR PROJECTED BY, THE FORWARD-LOOKING STATEMENTS. THESE RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHER THINGS, THE UNCERTAINTIES INHERENT IN RESEARCH AND DEVELOPMENT, INCLUDING IN RELATION TO SAFETY, BIOMARKERS, PROGRESSION OF, AND RESULTS FROM, ITS ONGOING AND PLANNED CLINICAL TRIALS, REVIEW AND APPROVALS BY REGULATORY AUTHORITIES OF ITS DRUG AND DIAGNOSTIC CANDIDATES, FLUCTUATIONS IN EXCHANGE RATES AND THE COMPANY'S CONTINUED ABILITY TO RAISE CAPITAL OR FIND OTHER FINANCIAL RESOURCES TO FUND ITS DEVELOPMENT, , AS WELL AS THOSE RISKS AND UNCERTAINTIES DISCUSSED OR IDENTIFIED IN THE COMPANY'S PUBLIC FILINGS WITH THE AMF, INCLUDING THOSE LISTED IN CHAPTER 2 "MAIN RISKS AND UNCERTAINTIES" OF THE COMPANY'S 2020 UNIVERSAL REGISTRATION DOCUMENT FILED WITH THE AMF ON 23 APRIL 2021 UNDER N° D.21-0350, WHICH IS AVAILABLE ON THE COMPANY'S WEBSITE (WWW.GENFIT.COM) AND ON THE WEBSITE OF THE AMF (WWW.AMF-FRANCE.ORG) AND PUBLIC FILINGS AND REPORTS FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC") INCLUDING THE COMPANY'S 2020 ANNUAL REPORT ON FORM 20-F FILED WITH THE SEC ON APRIL 23, 2021 AND ANY SUBSEQUENT FILINGS AND REPORTS FILED WITH THE AMF OR SEC, OR OTHERWISE MADE PUBLIC, BY THE COMPANY. IN ADDITION, EVEN IF THE COMPANY'S RESULTS, PERFORMANCE, FINANCIAL CONDITION AND LIQUIDITY, AND THE DEVELOPMENT OF THE INDUSTRY IN WHICH IT OPERATES ARE CONSISTENT WITH SUCH FORWARD-LOOKING STATEMENTS, THEY MAY NOT BE PREDICTIVE OF RESULTS OR DEVELOPMENTS IN FUTURE PERIODS. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF PUBLICATION OF THIS LETTER. OTHER THAN AS REQUIRED BY APPLICABLE LAW, THE COMPANY DOES NOT UNDERTAKE ANY OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING INFORMATION OR STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

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