



Ipsen Acquisition of Clementia Pharmaceuticals

February 25, 2019

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The implementation of the strategy has to be submitted to the relevant staff representation authorities in each country concerned, in compliance with the specific procedures, terms and conditions set forth by each national legislation.

The Group operates in certain geographical regions whose governmental finances, local currencies or inflation rates could be affected by the current crisis, which could in turn erode the local competitiveness of the Group's products relative to competitors operating in local currency, and/or could be detrimental to the Group's margins in those regions where the Group's drugs are billed in local currencies.

In a number of countries, the Group markets its drugs via distributors or agents: some of these partners' financial strength could be impacted by the crisis, potentially subjecting the Group to difficulties in recovering its receivables. Furthermore, in certain countries whose financial equilibrium is threatened by the crisis and where the Group sells its drugs directly to hospitals, the Group could be forced to lengthen its payment terms or could experience difficulties in recovering its receivables in full.

Finally, in those countries in which public or private health cover is provided, the impact of the financial crisis could cause medical insurance agencies to place added pressure on drug prices, increase financial contributions by patients or adopt a more selective approach to reimbursement criteria.

All of the above risks could affect the Group's future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today.

Acquisition of Clementia Pharmaceuticals - a Rare Disease company

- **Clementia:** Rare Disease company based in Montreal, Canada developing innovative treatments for ultra-rare bone disorders (NASDAQ: CMTA)
- **Key asset:** Palovarotene, an investigational retinoic acid receptor gamma (RAR γ) selective agonist, for the treatment of fibrodysplasia ossificans progressiva (FOP), multiple osteochondromas (MO) and other diseases
- **Terms of the agreement:** \$25.00 per share in cash upfront for an initial consideration of \$1.04 billion, plus contingent value rights (CVR) of \$6.00 per share



Compelling rationale of transaction

- ✓ **Strategic**
 - Leading Global Biopharmaceutical Group focused on Innovation and Specialty Care
 - First-in-class de-risked anchor asset for Rare Disease portfolio
 - Asset addressing high unmet medical need and limited competition
- ✓ **Financial**
 - Attractive de-risked terms including CVRs resulting in significant value creation
 - Potential 2020 launch with substantial growth and profitability enhancement in future years
 - Upside potential from additional indications in development
- ✓ **Integration**
 - Leverage Ipsen and Clementia's global ultra-rare disease capabilities
 - Harmonize infrastructures in R&D, commercial and support functions

Significantly boosting Rare Disease portfolio

Attractive therapeutic area

- Addresses high unmet medical needs with no or few treatment options
- Relatively quicker regulatory pathway
- Limited competition

Ipsen's Rare Disease capabilities

- Established Rare Disease assets in Endocrinology, Oncology and Neuroscience
- Highly patient-centric business model (patient finding, advocacy groups, reimbursement assistance)
- Specialized, non-traditional skill-set in clinical/regulatory

Commitment to Rare Diseases

- Strong commitment to Rare Diseases
- Mission to develop and bring innovative solutions to people living with debilitating or life-threatening conditions as quickly as possible

Palovarotene: A first-in-class treatment for ultra-rare bone disorders

- Addresses fibrodysplasia ossificans progressiva (FOP), multiple osteochondromas (MO) and other indications with no therapeutic treatments available
- Rare pediatric disease designation for FOP granted in February 2019, in addition to orphan drug, fast track and breakthrough therapy designations
- Late-stage drug candidate with first NDA submission for FOP episodic flare-up indication expected in H2 2019 with potential approval and launch in mid-2020
- Significant de-risked and quick ramp up to peak sales for FOP indication with potential upside for additional indications



Fibrodysplasia Ossificans Progressiva (FOP)

Disabling bone disorder with no therapeutic treatment options

- Ultra-rare and severely disabling condition characterized by heterotopic ossification (HO), the abnormal growth of bone in muscles, tendons and ligaments
- Autosomal dominant genetic defect of the ACVR1 gene, causing failure of suppression of BMP-receptor and formation of heterotopic ossification (uncontrolled extra-skeletal bone growth)
- Progressive and life-long disease with median age of death 40 years
- No disease-targeting treatments: steroids and NSAIDs used for symptomatic relief

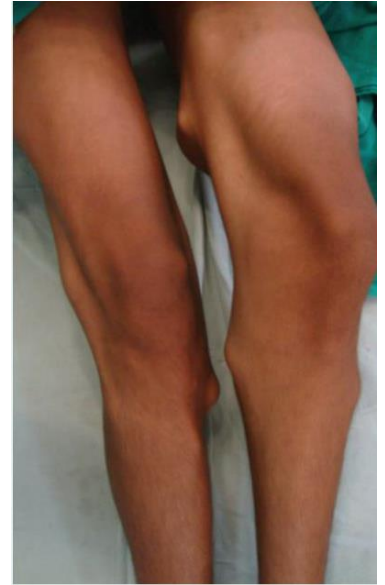


Patient journey from 6 to 25 years

Multiple Osteochondromas (MO)

Another disabling bone disorder with no therapeutic treatment options

- Ultra-rare, debilitating, bone disorder in which multiple benign bone tumors, also known as osteochondromas (OCs), develop on bones
- Most common inherited musculoskeletal condition
- Heterogeneous genetic defect (commonly EXT1 gene) affecting children and adolescents
- Symptoms include functional limitations and skeletal abnormalities
- Supportive care, ~70% of affected individuals undergo multiple surgeries over their lifetime



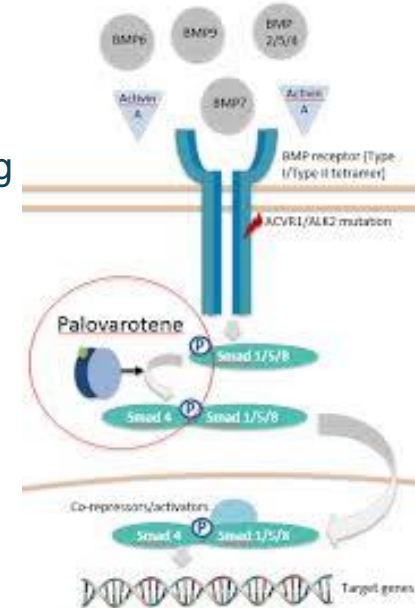
Palovarotene for the treatment of FOP and MO

Fibrodysplasia Ossificans Progressiva (FOP)

- Mutation in the ACVR1 gene that encodes for the ACVR1/ALK2 receptor
- ACVR1/ALK2 receptor is part of the Bone Morphogenetic Protein (BMP) signaling pathway which regulates cartilage and bone development and growth
- Palovarotene represses excess BMP signaling which may prevent the formation of abnormal new bone

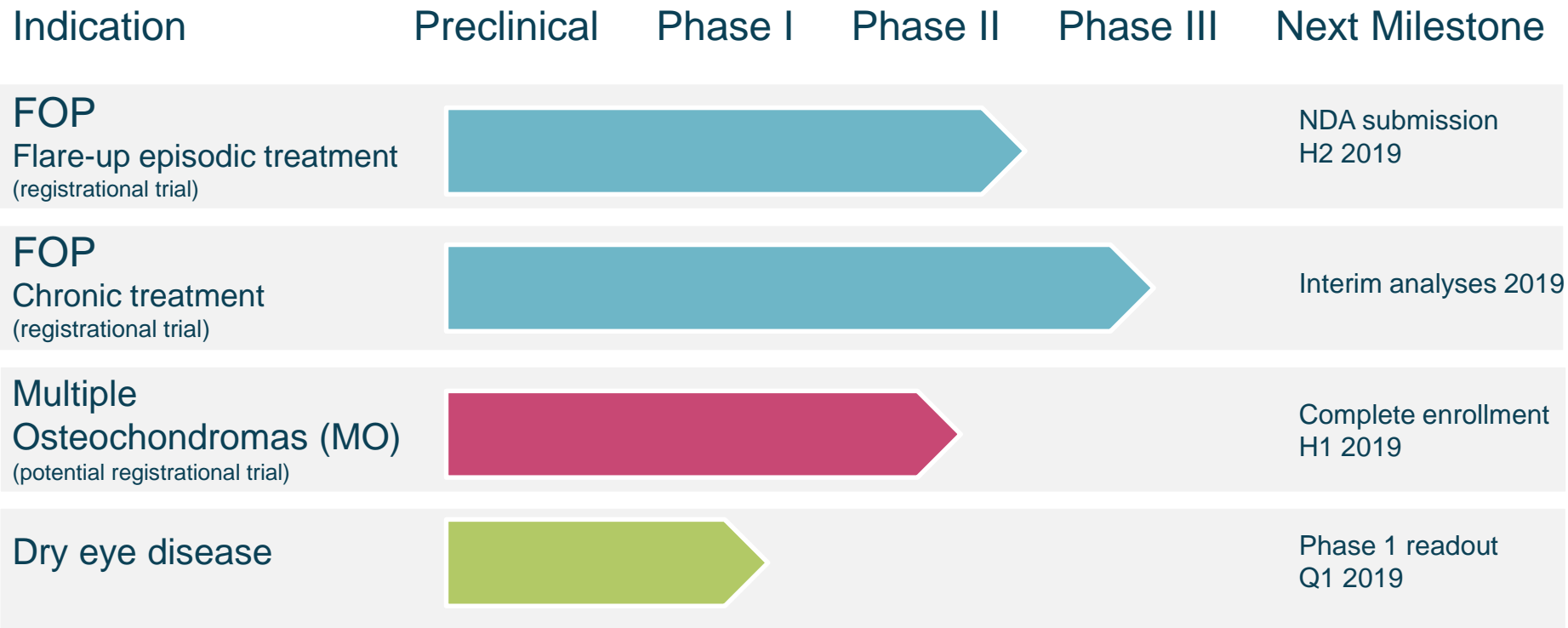
Multiple Osteochondromas (MO)

- Caused by mutations in the exostosin (EXT) 1 or 2 genes which increases BMP bioactivity to cause the local growth of cartilage and OC development.
- Palovarotene shown to inhibit BMP signaling and OC development and could potentially inhibit OC growth.



Rare Pediatric Disease, Fast Track and Breakthrough Therapy designations for FOP in U.S.
Orphan Drug designation for FOP and MO in U.S. and EU

Advancing palovarotene clinical development



FOP Phase 2 data supports NDA submission

Extensive clinical development program

- Phase 2 results show reductions in new heterotrophic ossification (HO) and flare-ups at 12 weeks
- >70% reduction in mean bone volume across three dosing regimens
- Well-tolerated safety profile consistent with other retinoids



Phase 2 data supports NDA submission

- FDA has agreed that Phase 2 flare-up data supports NDA submission for the episodic dosing regimen of palovarotene in FOP in children and adults
- NDA submission targeted for H2 2019
- Phase 3 trial evaluating chronic treatment to support potential supplemental NDA submission

Potential FDA approval in H1 2020
and EMA approval in H2 2020

Significant commercial opportunity

Well-defined patient population

Fibrodysplasia Ossificans Progressiva (FOP)

- WW prevalence: 1.3 out of 1 million lives
- >800 identified addressable patients in U.S. and EU5

Multiple Osteochondromas (MO)

- WW prevalence: 20 out of 1 million lives

Patients treated in centers of excellence

Limited commercial investments

- Focused commercial investments required for U.S. and ex-US launch based on existing capabilities
- Early access program planned to support patients worldwide
- Plan to launch in the US, EU and other RoW territories

Peak sales of approximately \$400mn for FOP indication (assuming flare-up and chronic approvals)
Additional significant upside for MO and other potential indications

Financial terms of transaction

- **Terms of the agreement:**
 - \$25.00 per share in cash upfront for an initial consideration of \$1.04 billion
 - CVRs of \$6.00 per share representing an additional potential payment of \$263 million upon FDA acceptance of regulatory filing for palovarotene for the treatment of MO
- **Funding:**
 - Fully financed by Ipsen's existing cash and lines of credit
 - Significant increase of net debt expected
- **Financial impact:**
 - Strong value creation significantly above cost of capital
 - Limited dilutive impact on the Group's Core Operating Margin for 2019 and 2020
 - Dilutive impact on Consolidated Net Income / fully diluted EPS
 - 2019 Core operating margin now expected to be around 30%, excluding other potential investments in pipeline expansion initiatives

Next steps

Closing conditions and timeline

- Subject to customary closing conditions, including shareholder, court and regulatory approvals and satisfaction of all conditions precedent to close
- Clementia's largest shareholder with ~27.5% of total shares outstanding has entered into a support and voting agreement in favor of the transaction
- Transaction expected to close in Q2 2019

Integration

- Ipsen and Clementia to work closely together to ensure smooth transition of operations while maintaining patient-centric culture
- Accelerate strong global Rare Disease organization to expeditiously deliver palovarotene to patients worldwide



Summary

- Accelerates the transformation of Ipsen with a first-in-class anchor asset for Ipsen's Rare Disease portfolio
- Augments pipeline with key asset palovarotene, a de-risked ultra-orphan rare disease drug candidate addressing high unmet medical needs with limited competition
- Near-term launch opportunity enhances sustainable top-line growth with significant upside potential from additional indications
- Reinforces Ipsen's commitment to bring innovative medicines to patients living with debilitating and/or life-threatening conditions

Deliver superior value to patients and shareholders

