CONVENING NOTICE

Combined Shareholders' Meeting 2019

Tuesday 28 May 2019 at 3.00 p.m. (Paris time) at the Salons de l'Hôtel des Arts et Métiers
9 bis, avenue d'Iéna, 75116 Paris

IPSEN
Innovation for patient care

CONTENTS

The present Convening Notice is available on the Ipsen website (www.ipsen.com).

HOW TO PARTICIPATE IN THE MEETING?

The Ipsen Shareholders are convened at the Combined Shareholders' Meeting to be held on Tuesday 28 May 2019 at 3 p.m. (Paris time) at the Salons de l'Hôtel des Arts et Métiers, 9 bis, avenue d'Iéna, 75116 Paris – France.

Formalities to be complied with prior to participating in the Shareholders' Meeting

All shareholders, regardless of how many shares are held, are entitled to participate in this Shareholders' Meeting, vote by post or be represented at such under the conditions set forth and in accordance with legal and regulatory provisions.

Shareholders who wish to attend the Shareholders' Meeting, be represented or vote by post, must provide proof of registration of their shares no later than two business days before the date of Shareholders' Meeting at 0.00 a.m., Paris time (*i.e.* Friday 24 May 2019, at 0.00 a.m., Paris time):

- for registered shareholders, by the registration of their shares in registered shares account managed for the Company by its agent Société Générale Securities Services;
- for holders of bearer shares, by the registration of their shares, in their own name or the name of the intermediary registered on their behalf for their securities accounts, managed by the authorized banking or financial intermediary.

This registration of shares held in the form of bearer shares must be evidenced by means of a shareholding certificate *(attestation de participation)* issued by the authorized intermediary, thereby providing proof of shareholder status.

The shareholding certificate issued by the authorized intermediary shall be attached to the postal or proxy voting form, or to the request for an admission card sent by the authorized intermediary to *Société Générale, Service des Assemblées*, CS 30812, 44308 Nantes Cedex 3, or else, for shareholder who has not received his or her admission card, this certificate shall be presented on the day of the Shareholders' Meeting.

In accordance with the requirements set out in Article R.225-85 of the French Commercial Code recalled hereinabove, only those shareholders who have so provided proof of their shareholding status on Friday 24 May 2019 at 0.00 a.m., Paris time, shall be entitled to take part in the Shareholders' Meeting.

If you wish to attend the Shareholders' Meeting and vote in person

You must request an admission card to be admitted to the Meeting and vote.

➔ **Please check box A at the top left-hand side of the form.**

➔ **Please date and sign at the bottom of the form.**

For holders of registered shares, please return the form using the prepaid postage envelope enclosed to Société Générale.

For holders of bearer shares, please ask the authorized intermediary who manages your securities account to send you an admission card. Your financial intermediary will send your voting form along with a shareholding certificate to the above address. If you do not receive your attendance card by the second business day before the Shareholders' Meeting, you can participate in the Meeting by asking your authorized financial intermediary in advance to issue you a certificate of ownership and by providing proof of identification.

If you cannot attend the Shareholders' Meeting in person

➔ **Select one from the three available options by marking the corresponding box.**

- **Voting by post:** mark the boxes corresponding to the resolutions on which you wish to vote no, if any.
- **Be represented by giving proxy to the Chairman of the Meeting:** the Chairman will vote in favor of the adoption of the proposed resolutions presented or approved by the Board of Directors and a vote against, in all other cases.
- **Be represented by giving a proxy to any legal or natural person of your choice:** indicate the name and contact details of the person to whom you are granting the power to attend the Shareholders' Meeting and vote in your place.

For postal voting forms to be taken into account, the *Service des Assemblées* of *Société Générale* must receive them on 25 May 2019, along with, in the case of holders of bearer shares, their shareholding certificate.

In accordance with the provisions of Article R.225-79 of the French Commercial Code, notification of the appointment and revocation of a proxy may also be done by electronic means, namely by sending back the signed and scanned form to the following email address: assemblee.generale@ipsen.com. The proxy form must be accompanied by a copy (double-sided) of the shareholder's identity document and, in the case of holders of bearer shares, a shareholding certificate. It is mandatory for holders of bearer shares to ask their financial intermediary in charge of managing their securities account to send written confirmation to *Société Générale, Service des Assemblées* (CS 30812, 44308 Nantes Cedex 3.).

Proxy granted in this way may be revoked by following the same procedures. Only notifications of appointment or revocation of proxies that are duly signed and completed will be considered. Furthermore, only notifications of appointment or revocation of proxies may be sent to the email address: assemblee.generale@ipsen.com, and no other request or notification on any other subject can be considered and/or processed.

Regardless of how you choose to participate (1)

➔ Please date and sign the postal or proxy voting form.

For holders of registered shares, please return the form using the prepaid postage envelope enclosed to Société Générale.

For holders of bearer shares, please return as soon as possible the form to the authorized intermediary who manages your securities account. Your financial intermediary will send your voting form along with a shareholding certificate to Société Générale.

Under no circumstances should the requests for admission cards or voting or proxy forms be returned to Ipsen.

It is specified that any shareholder who has already expressed his/her vote, sent a proxy, requested an admission card or notified a shareholding certificate (Article R.225-85 III and IV of the French Commercial Code):

- may not thereafter choose any other mode of participation;
- has the possibility of selling all or part of his/her shares.

However, if the sale takes place before Friday 24 May 2019 0.00 a.m., Paris time, the Company will invalidate or modify, as appropriate, the vote cast, the proxy form, the admission card or the shareholding certificate. For this purpose, the authorized intermediary that holds the account shall notify the Company or its agent and provide all the necessary information. No transfer of ownership occurring after Friday 24 May 2019 at 0.00 a.m., Paris time, regardless of the means used, shall be notified by the authorized intermediary or taken into account by the Company, notwithstanding any other agreement to the contrary.

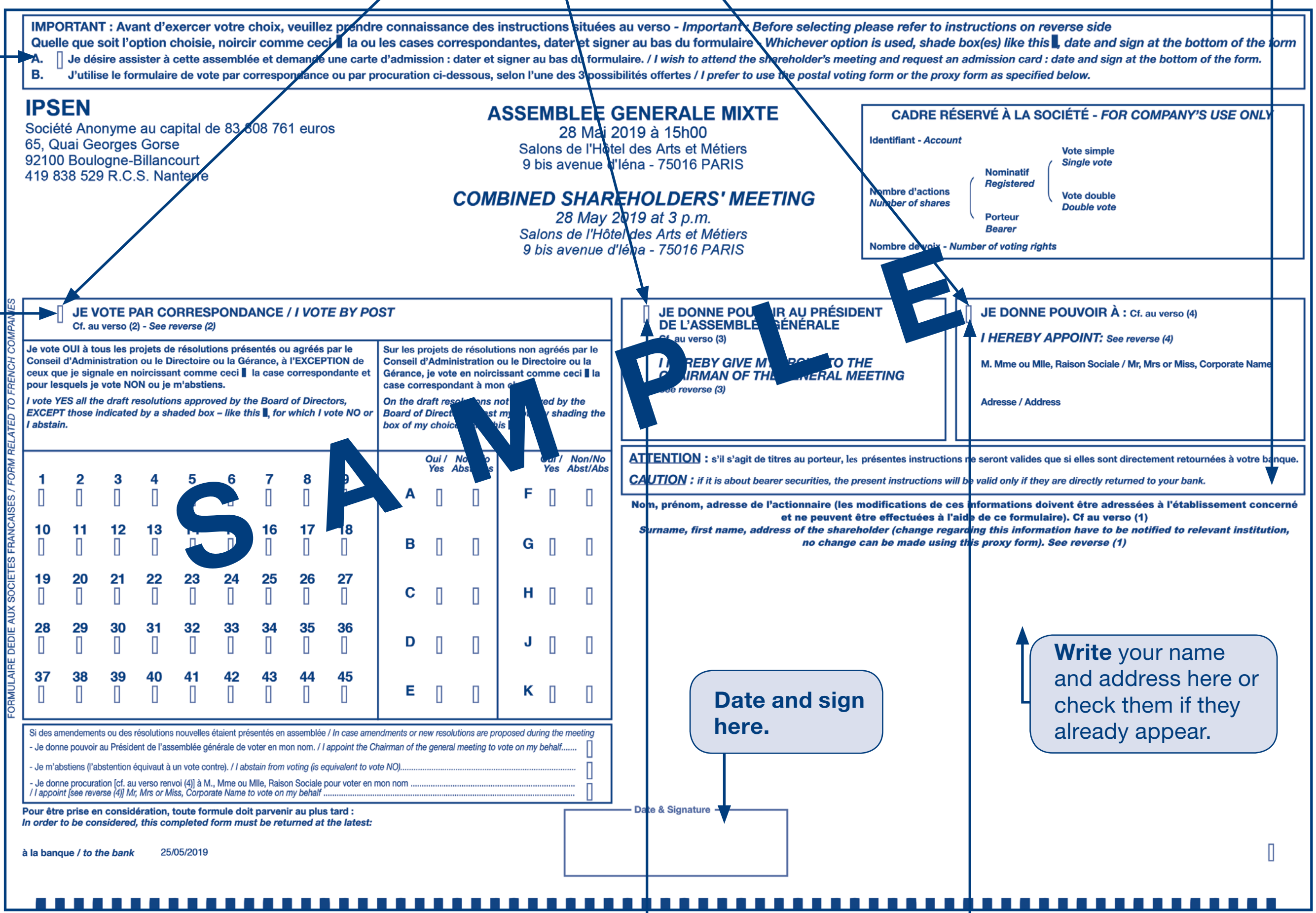
(1) Except in case of notification, at the abovementioned email address, of appointment or revocation of proxy.

How to complete the form?

To attend the Shareholders' Meeting and vote in person: check here.

You cannot attend the Shareholders' Meeting in person: select one from the 3 available options.

Your shares are bearer shares: You must return the voting form to your financial intermediary.



IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - *Important : Before selecting please refer to instructions on reverse side*
Quelle que soit l'option choisie, noircir comme ceci ▮ la ou les cases correspondantes, dater et signer au bas du formulaire - *Whichever option is used, shade box(es) like this ▮, date and sign at the bottom of the form*
A. ▯ Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / *I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.*
B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / *I prefer to use the postal voting form or the proxy form as specified below.*

IPSEN
Société Anonyme au capital de 83 808 761 euros
65, Quai Georges Gorse
92100 Boulogne-Billancourt
419 838 529 R.C.S. Nanterre

ASSEMBLEE GENERALE MIXTE
28 Mai 2019 à 15h00
Salons de l'Hôtel des Arts et Métiers
9 bis avenue d'Iéna - 75016 PARIS

COMBINED SHAREHOLDERS' MEETING
28 May 2019 at 3 p.m.
Salons de l'Hôtel des Arts et Métiers
9 bis avenue d'Iéna - 75016 PARIS

CADRE RÉSERVÉ À LA SOCIÉTÉ - *FOR COMPANY'S USE ONLY*
Identifiant - *Account*
Nombre d'actions - *Number of shares*: Nominatif - *Registered* (Vote simple - *Single vote*; Vote double - *Double vote*); Porteur - *Bearer*
Nombre de voix - *Number of voting rights*

FORMULAIRE DEDIE AUX SOCIETES FRANCAISES / *FORM RELATED TO FRENCH COMPANIES*

▯ **JE VOTE PAR CORRESPONDANCE / *I VOTE BY POST***
Cf. au verso (2) - *See reverse (2)*

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ▮ la case correspondante et pour lesquels je vote NON ou je m'abstiens.
I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box – like this ▮, for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci ▮ la case correspondant à mon ch...
On the draft resol... not ...ed by the Board of Direct... my ... shading the box of my choic... this ▮

1 2 3 4 5 6 7 8 9
10 11 12 13 14 15 16 17 18
19 20 21 22 23 24 25 26 27
28 29 30 31 32 33 34 35 36
37 38 39 40 41 42 43 44 45

	Oui / Yes	Non/No Abst/Abs		Oui / Yes	Non/No Abst/Abs
A	▯	▯	F	▯	▯
B	▯	▯	G	▯	▯
C	▯	▯	H	▯	▯
D	▯	▯	J	▯	▯
E	▯	▯	K	▯	▯

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / *In case amendments or new resolutions are proposed during the meeting*
- Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / *I appoint the Chairman of the general meeting to vote on my behalf* ▯
- Je m'abstiens (l'abstention équivaut à un vote contre). / *I abstain from voting (is equivalent to vote NO)* ▯
- Je donne procuration [cf. au verso renvoi (4)] à M., Mme ou Mlle, Raison Sociale pour voter en mon nom / *I appoint [see reverse (4)] Mr, Mrs or Miss, Corporate Name to vote on my behalf* ▯

Pour être prise en considération, toute formule doit parvenir au plus tard :
In order to be considered, this completed form must be returned at the latest:
à la banque / *to the bank* 25/05/2019

▯ **JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**
Cf. au verso (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
See reverse (3)

▯ **JE DONNE POUVOIR À :** Cf. au verso (4)
I HEREBY APPOINT: *See reverse (4)*
M. Mme ou Mlle, Raison Sociale / *Mr, Mrs or Miss, Corporate Name*
Adresse / *Address*

ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.
CAUTION : if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)
Surname, first name, address of the shareholder (change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

Date & Signature

SAMPLE

Write your name and address here or check them if they already appear.

Date and sign here.

To vote by post: check here and follow the instructions.

You wish to give your proxy to the Chairman of the Meeting: check here and follow the instructions.

You wish to give your proxy to a specific representative: check here and write the name and address of this representative.

MEMBERS OF THE BOARD OF DIRECTORS AND OF ITS COMMITTEES AS OF 31 DECEMBER 2018

Name	Function	Nationality	Gender	Age	Date of first appointment	Date of last renewal	End of term of office	Committee membership
Marc de Garidel	Chairman of the Board of Directors	French	M	61	11/10/2010 with effect as at 22/11/2010	27/05/2015	ASM 2019	• Innovation and Development Committee – Specialty Care (Chairman) • Innovation and Development Committee – Consumer HealthCare (Chairman)
Antoine Flochel	Vice-Chairman and Director	French	M	54	30/08/2005	07/06/2017	ASM 2021	• Compensation Committee (Chairman) • Innovation and Development Committee – Specialty Care
Anne Beaufour	Director	French	F	55	30/08/2005	30/05/2018	ASM 2022	• Innovation and Development Committee – Specialty Care (Guest) • Innovation and Development Committee – Consumer HealthCare (Guest)
Henri Beaufour	Director	French	M	54	30/08/2005	27/05/2015	ASM 2019	• Innovation and Development Committee – Specialty Care (Guest) • Innovation and Development Committee – Consumer HealthCare (Guest)
Philippe Bonhomme	Director	French	M	49	30/05/2018	N/A	ASM 2020	• Audit Committee • Nomination Committee • Ethics and Governance Committee • Innovation and Development Committee – Consumer HealthCare
Margaret Liu	Independent Director	American	F	62	07/06/2017	N/A	ASM 2021	• Ethics and Governance Committee (Chairperson) • Innovation and Development Committee – Specialty Care
David Meek	Chief Executive Officer and Director	American	M	55	07/06/2017	N/A	ASM 2021	• Innovation and Development Committee – Specialty Care (Guest) • Innovation and Development Committee – Consumer HealthCare (Guest)
Michèle Ollier	Director	French-Swiss	F	60	27/05/2015	N/A	ASM 2019	• Innovation and Development Committee – Specialty Care
Jean-Marc Parant	Director representing the employees	French	M	59	27/11/2018	N/A	ASM 2022	(*)
Paul Sekhri	Independent Director	American	M	60	30/05/2018	N/A	ASM 2022	• Innovation and Development Committee – Specialty Care • Audit Committee • Nomination Committee
Carol Stuckley	Independent Director	American	F	63	07/06/2017	N/A	ASM 2021	• Audit Committee (Chairperson) • Compensation Committee
Piet Wigerinck	Independent Director	Belgian	M	54	30/05/2018	N/A	ASM 2022	• Innovation and Development Committee – Specialty Care • Compensation Committee
Carol Xueref	Director	British	F	63	01/06/2012	31/05/2016	ASM 2020	• Nomination Committee (Chairperson) • Compensation Committee • Innovation and Development Committee – Consumer HealthCare • Ethics and Governance Committee

(*) The Director representing the employees, Jean-Marc Parant, was designated by the Works Council on 27 November 2018. The Board agreed that Jean-Marc Parant would familiarize himself with the functioning and governance of the Board and its Committees during an integration period of a few months. Following this, a decision regarding his participation on a Committee will be taken after the Shareholders' Meeting.

AGENDA

As an Ordinary Shareholders' Meeting

- Approval of the annual financial statements for the financial year ending 31 December 2018
- Approval of the consolidated financial statements for the financial year ending 31 December 2018
- Allocation of the results for the 2018 financial year and setting of the dividend at €1.00 per share
- Special report of the Statutory Auditors on regulated agreements and commitments – Finding of absence of new agreement
- Renewal of the term of office of Mr. Marc de Garidel, as a Director
- Renewal of the term of office of Mr. Henri Beaufour, as a Director
- Renewal of the term of office of Ms. Michèle Ollier, as a Director
- Approval of the base, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted for the past financial year to Mr. Marc de Garidel, Chairman of the Board of Directors
- Approval of the base, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted for the past financial year to Mr. David Meek, Chief Executive Officer
- Approval of the principles and criteria for determining, allocating and granting base, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Chairman of the Board of Directors
- Approval of principles and criteria for determining, allocating and granting base, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Chief Executive Officer and/or any other executive officers
- Authorization to be given to the Board of Directors to allow the company to repurchase its own shares pursuant to Article L.225-209 of the French Commercial Code, duration of the authorization, purposes, conditions, ceiling, suspension during the period of a public offer.

As an Extraordinary Shareholders' Meeting

- Authorization to be given to the Board of Directors to cancel the shares repurchased by the company pursuant to Article L.225-209 of the French Commercial Code, duration of the authorization, ceiling
- Delegation of authority to be given to the Board of Directors to increase the capital by incorporating reserves, profits and/or premiums, duration of the delegation, maximum nominal amount of the share capital increase, treatment of fractional shares, suspension during the period of a public offer
- Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares (by the Company or a group company) with retention of preferential subscription rights, duration of the delegation, maximum nominal amount of the share capital increase, option to offer the unsubscribed securities to the public, suspension during the period of a public offer
- Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares (by the Company or a group company), without preferential subscription rights, by means of a public offer and/or for the purpose of paying for securities transferred to the Company in the context of a public exchange offer, duration of the delegation, maximum nominal amount of the share capital increase, issue price, option to restrict the issue to the amount of subscriptions or to distribute the unsubscribed securities, suspension during the period of a public offer
- Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares (by the Company or a group company), without preferential subscription rights, by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code, duration of the delegation, maximum nominal amount of the share capital increase, issue price, option to restrict the issue to the amount of subscriptions or to distribute the unsubscribed securities, suspension during the period of a public offer
- Authorization to increase the amount of issues, suspension during the period of a public offer
- Delegation to be given to the Board of Directors to increase the share capital by issuance of ordinary shares and/or securities giving rights to the share capital, within the limit of 10% of the share capital, in order to pay for capital contributions in kind consisting of equity securities or securities giving rights to the share capital, duration of the delegation, suspension during the period of a public offer
- Delegation of authority to be given to the Board of Directors to increase the share capital by issuance of ordinary shares and/or securities giving right to the share capital without preferential subscription rights in favor of members of a company savings plan pursuant to Articles L.3332-18 and seq. of the French Labor Code, duration of the delegation, maximum nominal amount of the share capital increase, issue price, possibility to allocate free shares in compliance with Article L.3332-21 of the French Labor Code
- Authorization to be given to the Board of Directors to grant stock options to subscribe to and/or to purchase shares to employees and/or certain Corporate Officers of the Company or of affiliated companies or economic interest groups, shareholders' waiver of their preferential subscription rights, duration of the authorization, ceiling, exercise price, maximum duration of the option
- Powers to carry out formalities

RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

As an Ordinary Shareholders' Meeting

First resolution – Approval of the annual financial statements for the financial year ending 31 December 2018

The Shareholders' Meeting, having considered the reports of the Board of Directors and of the Statutory Auditors on the annual financial statements for the financial year ending 31 December 2018, approves, as they have been presented, the annual financial statements with a loss of €15,435,513.34.

Second resolution – Approval of the consolidated financial statements for the financial year ending 31 December 2018

The Shareholders' Meeting, having considered the reports of the Board of Directors and of the Statutory Auditors on the consolidated financial statements for the financial year ending 31 December 2018, approves, as they have been presented, said financial statements with a profit (Group share) of 389,463 thousand of euros.

Third resolution – Allocation of the results for the 2018 financial year and setting of the dividend at €1.00 per share

The Shareholders' Meeting, upon proposal of the Board of Directors, and having noted that the loss for the past financial year amounted to €15,435,513.34 decides:

- to allocate the entire loss for the 2018 financial year, *i.e.* in the amount of €15,435,513.34, in full to the Retained earnings account, which is thus reduced from a credit amount of €58,480,512.70 euros to a credit amount of €43,044,999.36,
- to pay a dividend of €83,808,761 and, as a result, decides:
  - the distribution of the full Retained earnings account, *i.e.* €43,044,999.36,
  - the distribution of reserves amounting to €40,763,761.64 from the Other reserves account, which would thus be reduced from €94,442,985.06 to €53,679,223.42.

The Shareholders' Meeting takes note that the gross dividend allocated for each share is set at €1.00.

When it is paid to individuals who are tax residents of France, the dividend is subject, either to a single flat-rate withholding tax of 12.8% (Article 200 A of the French General Tax Code), or, as an express, irrevocable and overall option by the taxpayer, to income tax in accordance with a progressive scale after in particular a 40% allowance (Article 158,3-2 of the French General Tax Code). Moreover, the dividend is subject to social contributions at the rate of 17.2 %.

The ex-date is set on 31 May 2019. The dividend will be paid on 4 June 2019.

In the event of a change in the number of shares carrying right to dividend in comparison with the 83,808,761 shares comprising the share capital on 31 December 2018, the overall amount of the dividend deducted from the Other reserves account would be accordingly adjusted on the basis of the dividend effectively paid on the ex-date.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the Shareholders' Meeting acknowledges that it was reminded that the dividends distributed and incomes for the three previous financial years were as follows:

For financial year	Incomes eligible for tax allowance		Incomes not eligible for tax allowance
	Dividends	Other incomes paid out	
2015	€70,759,526.70(*) *i.e.* €0.85 per share	–	–
2016	€71,043,419.90(*) *i.e.* €0.85 per share	–	–
2017	€83,782,308.00(*) *i.e.* €1.00 per share	–	–

(*) Including the amount of the unpaid dividend corresponding to treasury shares and allocated to the retained earnings.

Fourth resolution – Special report of the Statutory Auditors on regulated agreements and commitments – Finding of absence of new agreement

The Shareholders' Meeting, after having considered the Statutory Auditors' special report mentioning the absence of new agreement of the type referred to Article L.225-38 *et seq.* of the French Commercial Code, shall take note thereof purely and simply.

Fifth resolution – Renewal of the term of office of Mr. Marc de Garidel, as a Director

The Shareholders' Meeting decides to renew the term of office of Mr. Marc de Garidel, as a Director, for a duration of four years, expiring at the end of the Shareholders' Meeting to be held in 2023 to approve the financial statements for the past financial year.

Sixth resolution – Renewal of the term of office of Mr. Henri Beaufour, as a Director

The Shareholders' Meeting decides to renew the term of office of Mr. Henri Beaufour, as a Director, for a duration of four years, expiring at the end of the Shareholders' Meeting to be held in 2023 to approve the financial statements for the past financial year.

Seventh resolution – Renewal of the term of office of Ms. Michèle Ollier, as a Director

The Shareholders' Meeting decides to renew the term of office of Ms. Michèle Ollier, as a Director, for a duration of four years, expiring at the end of the Shareholders' Meeting to be held in 2023 to approve the financial statements for the past financial year.

Eighth resolution – Approval of the base, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted for the past financial year to Mr. Marc de Garidel, Chairman of the Board of Directors

The Shareholders' Meeting, acting pursuant to Article L.225-100 paragraph II of the French Commercial Code, approves the base, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted for the past financial year in respect of his duties to Mr. Marc de Garidel, Chairman of the Board of Directors, as presented in the Board of Directors' report to the Shareholders' Meeting.

Ninth resolution – Approval of the base, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted for the past financial year to Mr. David Meek, Chief Executive Officer

The Shareholders' Meeting, acting pursuant to Article L.225-100 paragraph II of the French Commercial Code, approves the base, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted for the past financial year in respect of his duties to Mr. David Meek, Chief Executive Officer, as presented in the Board of Directors' report to the Shareholders' Meeting.

Tenth resolution – Approval of the principles and criteria for determining, allocating and granting the base, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Chairman of the Board of Directors

The Shareholders' Meeting, acting pursuant to Article L.225-37-2 of the French Commercial Code, approves the principles and criteria for determining, allocating and granting the base, variable and exceptional elements making up the total compensation and the benefits of any kind attributable, in respect of his duties, to the Chairman of the Board of Directors, as presented in the report provided for in the last paragraph of Article L. 225-37 of the French Commercial Code, presented in the Board of Directors' report to the Shareholders' Meeting.

Eleventh resolution – Approval of principles and criteria for determining, allocating and granting the base, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Chief Executive Officer and/or any other executive officers

The Shareholders' Meeting, acting pursuant to Article L.225-37-2 of the French Commercial Code, approves the principles and criteria for determining, allocating and granting the base, variable and exceptional elements making up the total compensation and the benefits of any kind attributable, in respect of his duties, to the Chief Executive Officer and/or any other executive officers, as presented in the report provided for in the last paragraph of Article L.225-37 of the French Commercial Code, presented in the Board of Directors' report to the Shareholders' Meeting.

Twelfth resolution – Authorization to be given to the Board of Directors to allow the company to repurchase its own shares pursuant to the provisions of Article L.225-209 of the French Commercial Code

The Shareholders' Meeting, having considered the Board of Directors' report, authorizes the Board, with the ability to subdelegate, for a period of eighteen months, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, to purchase, on one or several occasions as it shall see fit, Company shares within the limit of 10% of the number of shares comprising the share capital, adjusted, if applicable, to take into account any share capital increases or reduction that may occur during the period covered by the program.

This authorization terminates the authorization given to the Board of Directors by the Shareholders' Meeting held on 30 May 2018 in its fourteenth ordinary resolution.

The acquisitions may be carried out in order to:

- stimulate the secondary market or ensure the liquidity of the Ipsen shares through the activities of an investment service provider *via* a liquidity agreement compliant with the practices allowed by regulations, it being specified that in this framework, the number of shares used to calculate the above-mentioned limit corresponds to the number of shares purchased, decreased by the number of shares sold;
- retain the purchased shares and subsequently deliver them within the context of an exchange or a payment related to possible external growth transactions;
- ensure the hedging of stock option plans and/or free share plans (or similar plans) in favor of group employees and/or corporate officers as well as all allocations of shares under a Company or group savings plan (or a similar plan), as part of the sharing of the Company's profits and/or all other forms of allocation of shares to group employees and/or corporate officers;
- ensure the coverage of negotiable securities giving rights to the allocation of Company shares in accordance with the regulations in force;
- possibly cancel acquired shares, subject to the authorization granted or to be granted by the Extraordinary Shareholders' Meeting.

These share purchases, sales, transfers or exchanges may be carried out by all means, including on the market or off-market or by multilateral trading facilities or through systematic internalizers, or over-the-counter, including through the acquisition or sale of blocks of securities, and at any times as the Board shall see fit.

The Company reserves the right to use options or derivative instruments in accordance with applicable regulations.

The Board of Directors may not, without prior authorization of the Shareholders' Meeting, make use of this authorization in the period of a public offer initiated by a third party for the Company's shares and until the end of the offer period.

The maximum purchase price is set at €250 per share. In the event of an equity transaction, in particular a stock split or a reverse stock split or an allocation of free shares, the afore-mentioned amount will be adjusted in the same proportions (multiplier coefficient equal to the ratio between the number of shares comprising the share capital before the transaction and the number of shares after the transaction). The maximum amount of the transaction is set at €2,095,219,000.

The Shareholders' Meeting grants all powers to the Board of Directors to carry out these transactions, determine their terms and conditions, sign all necessary agreements and carry out all formalities.

As an Extraordinary Shareholders' Meeting

Thirteenth resolution – Authorization to be given to the Board of Directors to cancel the shares repurchased by the Company pursuant to Article L.225-209 of the French Commercial Code

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' report:

1) Authorizes the Board of Directors to cancel, as it shall see fit, on one or several occasions, subject to the limit of 10% of the share capital calculated on the day of the decision to cancel the shares, after deducting shares that may have been cancelled during the 24 previous months, the shares that the Company holds or may hold following the repurchases carried out under Article L.225-209 of the French Commercial Code as well as reduce the share capital proportionately in accordance with the legal and regulatory provisions in force,

2) Sets at twenty-four months from this Meeting the duration of the validity of this authorization,

3) Delegates all necessary powers to the Board of Directors to undertake all the transactions required by such cancellations and the resulting reductions in the share capital, update accordingly the Company's Articles of Association and to carry out any filings and formalities required by law.

Fourteenth resolution – Delegation of authority to be given to the Board of Directors to increase the capital by incorporating reserves, profits and/or premiums

The Shareholders' Meeting, having met the quorum and majority requirements for ordinary shareholders' meetings, having considered the Board of Directors' report, and in accordance with the provisions of Articles L.225-129-2 and L.225-130 of the French Commercial Code:

1) Delegates to the Board of Directors its authority to decide share capital increases, on one or several occasions, at such times and according to the terms and conditions the Board shall see fit, by the incorporation of reserves, profits, premiums or other sums that may be capitalised, by issuing and allocating free shares or by increasing the par value of existing ordinary shares, or by combining these two options.

2) Decides that should the Board of Directors use this delegation, in accordance with the provisions of Article L.225-130 of the French Commercial Code, in the case of a capital increase under the form of an allocation of free shares, fractional shares will not be tradable or assignable, and the corresponding equity securities will be sold; the proceeds from the sale will be allocated to the holders of rights within the delay set by regulations.

3) Sets at twenty-six months the duration of the validity of this delegation, calculated from the day of the present Meeting.

4) Decides that the amount of the capital increase resulting from issues carried out pursuant to this resolution shall not exceed 20% of the share capital on the day of this Meeting, without taking into account the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to the company's share capital.

   This upper limit will count towards the overall ceiling defined in the fifteenth resolution.

5) Decides that the Board of Directors may not, without prior authorization of the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the company's shares and until the end of the offer period.

6) Grants to the Board of Directors all necessary powers to implement this resolution, and to take all the measures and carry out all the formalities required to ensure the success of each capital increase, record its completion and amend accordingly the Articles of Association.

7) Takes note that the present delegation of authority shall cancel and supersede, as of this day, any previous delegation with the same purpose up to, if applicable, the unused part.

Fifteenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares (by the Company or a group company) with retention of preferential subscription rights

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and, in particular, its Articles L.225-129-2, L.228-92 and L.225-132 *et seq.*:

1) Delegates to the Board of Directors its powers to issue, free of charge or for a consideration, on one or several occasions, in such proportions and at such times as the Board shall see fit, either in euros, or in foreign currencies or in any other monetary unit established by reference to a basket of currencies:

   - ordinary shares,
   - and/or ordinary shares giving rights to the allocation of any ordinary shares or debt securities,
   - and/or securities giving rights to ordinary shares to issue.

   In compliance with Article L.228-93 of the French Commercial Code, the securities to be issued may give access to ordinary shares of any company that owns directly or indirectly more than half of the Company's share capital or in which the Company owns directly or indirectly more than half of the share capital.

2) Sets at twenty-six months the duration of the validity of the present delegation, calculated from the day of the present Meeting.

3) Decides to set, as follows, the limits for the amounts of authorized issues should the Board of Directors use this delegation of power:

   The overall nominal amount of shares that could be issued pursuant to this delegation shall not exceed 20% of the share capital on the day of the present Meeting.

   If applicable, the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to company's share capital, will be added to this upper limit.

   The overall nominal amount of shares issued, directly or not, pursuant to the fourteenth, sixteenth and seventeenth resolutions of the present Meeting will count towards this upper limit.

4) Should the Board of Directors use this delegation of power with respect to the issues defined in 1) above:

   a/ decides that the issue or issues of ordinary shares or of securities giving access to the share capital will be reserved by preference to shareholders who will be able to commit to an irrevocable subscription,

   b/ decides that if the irrevocable subscriptions, and if applicable the revocable subscriptions, have not absorbed an entire issue as defined in 1), the Board of Directors will be able to use the following options:

   - restrict the amount of securities or shares issued to the amount of the subscriptions, if applicable, within the limits set by the regulations,
   - distribute all or part of the securities that have not been subscribed to at its discretion,
   - offer to the public all or part of the securities that have not been subscribed to.

5) Decides that the issuance of warrants of the Company's shares may be made by subscription offer, but also by free grant to the owners of the existing shares, it being specified that the Board of Directors will be able to decide that the rights to grant will not be negotiable and the corresponding securities will be sold.

6) Decides that the Board of Directors will be entrusted with, in the limits set above, the powers required, in particular, to set the terms and conditions of the issue or issues, if applicable, record the completion of the capital increases resulting from said issues, amend accordingly the Articles of Association, charge the costs of the capital increases against the amount of the associated premiums, at its sole initiative, and deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the statutory reserve to one-tenth of the new capital after each of these capital increases and, more generally speaking, do everything necessary in such a case.

7) Decides that the Board of Directors may not, without prior authorization of the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the company's shares and until the end of the offer period.

8) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose up to, if applicable, the unused part.

Sixteenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares (by the Company or a group Company), without preferential subscription rights by means of a public offer and/or for the purpose of paying for securities transferred to the Company in the context of a public exchange offer

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and, in particular, its Articles L.225-129-2, L.225-136, L.225-148 and L.228-92:

1) Delegates to the Board of Directors its authority to issue, on one or several occasions, in such proportions and at such times as the Board shall see fit, on the French and/or international market, by means of a public offer, either in euros, or in foreign currencies or in any other monetary unit established by reference to a basket of currencies:

   - ordinary shares,
   - and/or ordinary shares giving rights to the allocation of any ordinary shares or debt securities,
   - and/or securities giving rights to ordinary shares to issue.

   These securities may be issued for the purpose of paying for securities transferred to the Company in the context of a public exchange offer on securities meeting the conditions set by Article L.225-148 of the French Commercial Code.

   In accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may give rights to the ordinary shares of any company that owns directly or indirectly more than half of the Company's share capital or in which the Company owns directly or indirectly more than half of the share capital.

2) Sets at twenty-six months the duration of the validity of the present delegation, calculated from the day of the present Meeting.

3) The overall nominal amount of ordinary shares that could be issued pursuant to this delegation shall not exceed 10% of the share capital on the day of the present Meeting.

   If applicable, the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to the company's share capital, will be added to this upper limit.

   This amount will count towards the upper limit set pursuant to the fifteenth and seventeenth resolutions.

4) Decides to cancel shareholders' preferential subscription rights to ordinary shares and to securities giving rights to the capital and/or to debt securities covered by the present resolution, while leaving, however, the option for the Board of Directors to grant shareholders a priority right, in accordance with the legislation.

5) Decides that the sum owed or to be owed to the Company for every one of the ordinary shares issued under this delegation of power, after taking into account, in the case of an issue of equity warrants, the issue price of said warrants, will be at least equal to the minimum required by the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation.

6) Decides, should securities be issued for the purpose of paying for securities transferred to the Company in the context of a public exchange offer, that the Board of Directors will hold, under the conditions set out in Article L.225-148 of the French Commercial Code and in the limits set above, the powers required to draw up the list of securities tendered to the exchange, set issuance conditions, the exchange parity as well as, if applicable, the amount of the cash adjustment to be paid, and determine issuance terms and conditions.

7) Decides that if the subscriptions have not absorbed an entire issue as defined in 1), the Board of Directors will be able to use the following options:
   - restrict the amount of securities or shares issued to the amount of the subscriptions, if applicable, within the limits set by the regulations,
   - distribute all or part of the securities that have not been subscribed to at its discretion.

8) Decides that the Board of Directors will be entrusted with, in the limits set above, the powers required, in particular, to set the terms and conditions of the issue or issues, if applicable, record the completion of the capital increases resulting from said issues, amend accordingly the Articles of Association, charge the costs of the capital increases against the amount of the associated premiums, at its sole initiative, and deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the statutory reserve to one-tenth of the new capital after each of these capital increases and, more generally speaking, do everything necessary in such a case.

9) Decides that the Board of Directors may not, without prior authorization by the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the company's shares and until the end of the offer period.

10) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose up to, if applicable, the unused part.

Seventeenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares (by the Company or a group company), without preferential subscription rights by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and in particular its Articles L.225-192-2, L.225-136 and L.228-92:

1) Delegates to the Board of Directors its authority to issue, on one or several occasions, in such proportions and at such times as the Board shall see fit, on the French and/or international market, by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code, either in euros, or in foreign currencies or in any other monetary unit established by reference to a basket of currencies:
   - ordinary shares,
   - and/or ordinary shares giving rights to the allocation of any ordinary shares or debt securities,
   - and/or securities giving rights to ordinary shares to issue.

   In compliance with Article L.228-93 of the French Commercial Code, the securities to be issued may give rights to the ordinary shares of any company that owns directly or indirectly more than half of the Company's share capital or in which the Company owns directly or indirectly more than half of the share capital.

2) Sets at twenty-six months the duration of the validity of the present delegation, calculated from the day of the present Meeting.

3) The overall nominal amount of ordinary shares that may be issued pursuant to this delegation shall not exceed 10% of the share capital on the day of the present Meeting.

   If applicable, the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to the company's share capital, will be added to this upper limit.

   This amount count towards the share capital increase upper limit set pursuant to the fifteenth and sixteenth resolutions.

4) Decides to cancel shareholders' preferential subscription rights to ordinary shares and to securities giving rights to the share capital and/or to debt securities that are the subject of the present resolution.

5) Decides that the sum due or to become due to the Company for every one of the ordinary shares issued under this delegation of power, after taking into account, in the case of an issue of equity warrants, the issue price of said warrants, will be at least equal to the minimum required by the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation.

6) Decides that if the subscriptions have not absorbed an entire issue defined in 1), the Board of Directors will be able to use the following options:

- restrict the amount of securities or shares issued to the amount of the subscriptions, if applicable, within the limits set by the regulations,
- distribute all or part of the securities that have not been subscribed to at its discretion.

7) Decides that the Board of Directors will be entrusted with, in the limits set above, the powers required, in particular, to set the terms and conditions of the issue or issues, if applicable, record the completion of the capital increases resulting from said issues, amend accordingly the Articles of Association, charge the costs of the capital increases against the amount of the associated premiums, at its sole initiative, and deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the legal reserve to one-tenth of the new capital after each of these capital increases and, more generally speaking, do everything necessary in such a case.

8) Decides that the Board of Directors may not, without prior authorization of the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the company's shares and until the end of the offer period.

9) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose up to, if applicable, the unused part.

Eighteenth resolution – Authorization to increase the amount of issues

The Shareholders' Meeting, having considered the Board of Directors' report, decides for every issue of ordinary shares or negotiable securities decided pursuant to the fiftteenth to the seventeenth resolutions, the number of securities to be issued may be increased under the conditions set out by Articles L.225-135-1 and R.225-118 of the French Commercial Code and within the limit of the ceilings determined by the Meeting.

Nineteenth resolution – Delegation to be given to the Board of Directors to increase the share capital by issuance of ordinary shares and/or securities giving rights to the share capital, within the limit of 10%, in order to pay for capital contributions in kind consisting of equity securities or securities giving rights to the share capital

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' report and in accordance with Articles L.225-147 and L.228-92 of the French Commercial Code:

1) Authorizes the Board of Directors to issue, acting on a report of a contribution appraiser appointed to assess the value of contributions to capital, ordinary shares or securities giving access to ordinary shares in order to pay for contributions in kind granted to the company and consisting of equity securities or securities giving rights to the share capital in the event the provisions of Article L.225-148 of the French Commercial Code are not applicable.

2) Sets at twenty-six months the duration of the validity of the present delegation, calculated from the day of the present Meeting.

3) Decides that the overall nominal amount of ordinary shares that may be issued pursuant to the present delegation shall not exceed 10% of the share capital on the day of the present Meeting, without taking into account the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to the company's share capital.

This ceiling is independent from all the upper limits defined by the other resolutions submitted to the present Meeting.

4) Delegates all powers to the Board of Directors to approve the assessment of contributions, decide the capital increase resulting from said assessment, record the completion of the capital increases resulting from said issues, charge the all costs of the capital increase against the amount of the associated premiums, if applicable, and deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the legal reserve to one-tenth of the new capital after each of these capital increases, amend accordingly the Articles of Association and, more generally speaking, do everything necessary in such a case.

5) Decides that the Board of Directors may not, without prior authorization of the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the company's shares and until the end of the offer period.

6) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose up to, if applicable, the unused part.

Twentieth resolution – Delegation of authority to be given to the Board of Directors to increase the share capital by issuance of ordinary shares and/or securities giving right to the share capital without preferential subscription rights in favor of members of a company savings plan pursuant to Articles L.3332-18 *et seq.* of the French Labor Code

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report, acting pursuant to Articles L.225-129-6, L.225-138-1 and L.228-92 of the French Commercial Code and L.3332-18 *et seq.* of the French Labor Code:

1) Authorizes the Board of Directors, if it deems necessary, on its own initiative, to increase the share capital on one or several occasions by issuing ordinary shares or securities giving rights to the Company's share capital in favor of members of one or several company or group savings plans set up by the Company and/or French or foreign companies that are affiliated with it as defined by Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code.

2) Cancels in favor of these persons preferential subscription rights of shareholders to the shares that might be issued pursuant to the present delegation.

3) Sets at twenty-six months from the present Meeting the duration of the validity of this delegation.

4) Restricts the maximum nominal amount of the increase or increases that could be carried out by using this authorization at 5% of the amount of the share capital at the date of the present Meeting, and this amount is independent from any other ceiling defined with respect to the delegation of the power to carry out share capital increases. To this amount is added, if applicable, the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to the Company share capital.

5) Decides that the price of the shares to be issued, pursuant to 1) of this delegation, shall not be more than 20% lower, or 30% lower when the vesting period defined by the plan pursuant to Articles L.3332-25 and L.3332-26 of the French Labor Code is longer than or equal to ten years (or any other maximum percentage provided for by the legal provisions applicable at the time of price fixing), than the average opening price of the stock during the 20 stock market trading days preceding the decision fixing the date of opening of the subscription, or higher than this average.

6) Decides, in application of the provisions of Article L.3332-21 of the French Labor Code, that the Board of Directors will be enabled to plan the free allocation to the beneficiaries defined in the first paragraph above, of shares to be issued or already issued or of other securities giving access to the Company's share capital to be issued or already issued, to cover (i) the employer's contribution that may be paid pursuant to the regulations of Company or Group savings plans, and/or (ii), if applicable, the discount and may decide, in the event of the issue of new shares in respect of the discount and / or the contribution, to incorporate in the capital the reserves, profits or issue premiums necessary for the release of said shares.

7) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose up to, if applicable, the unused part.

The Board of Directors may implement or not this delegation, take all measures and carry out all necessary formalities.

Twenty-first resolution – Authorization to be given to the Board of Directors to grant stock options to subscribe and/or to purchase shares to employees and/or certain Corporate Officers of the Company or of affiliated companies or economic interest groups, shareholders' waiver of their preferential subscription rights

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report:

1) Authorizes the Board of Directors, pursuant to the provisions of Articles L.225-177 to L.225-185 of the French Commercial Code, to grant on one or several occasions, in favor of beneficiaries specified hereafter, options giving a right to subscribe to new shares of the Company to be issued as a part of a share capital increase or purchase existing shares of the Company resulting from repurchases carried out under the conditions set out by law.

2) Sets at twenty-six months as of the day of the present Meeting the duration of the validity of the present authorization.

3) Decides that the beneficiaries of these options may only be:
   - on the one hand, employees or some of them, or certain categories of the personnel, of the Ipsen company and, if applicable, companies or economic interest groupings that are affiliated to Ipsen as defined by Article L.225-180 of the French Commercial Code;
   - on the other hand, the Corporate Officers who meet the conditions set by Article L.225-185 of the French Commercial Code.

4) The total number of options that may be granted by the Board of Directors pursuant to this delegation shall not carry the right to subscribe to or buy a number of shares higher than 3% of the share capital at the date of the present Meeting, being specified (i) that the total number of shares that may be freely granted by the Board of Directors under the fifteenth extraordinary resolution of the Combined Shareholders' Meeting of 30 May 2018 and (ii) that, if applicable, the number of shares required in the event of an adjustment of the options to preserve the rights of the beneficiaries of options in the event of a transaction in the capital of the Company in accordance with the Article L.225-181 of the French Commercial Code count towards this upper limit. The total number of options that may be granted to the Corporate Officers may not entitle to subscribe for or purchase more than 20% of the share capital in this envelope (*i.e.* 0.6% of the share capital) and the exercise of this options will be subject to performance conditions set by the Board of Directors.

5) Decides that the subscription and/or purchase price of shares paid by the beneficiaries will be determined on the day when the options will be granted by the Board of Directors according to the terms and conditions and within the limits authorised by the legislation in force, without any discount.

6) Decides that no option shall be granted during the blackout periods laid down by the regulations.

7) Takes note that this authorization includes, in favor of beneficiaries of options to subscribe to shares, an explicit waiver by shareholders of their preferential subscription rights to the shares that will be issued as options are gradually exercised.

8) Delegates all powers to the Board of Directors to set the other terms and conditions of the allocation of options and how they are to be exercised and notably to:
   - determine the conditions under which options will be granted and draw up the list, or define the categories, of beneficiaries as defined above; set, if applicable, the seniority and performance conditions these beneficiaries will have to meet; decide under which

conditions the price and the number of shares will have to be adjusted, in particular, under the assumptions set out in Articles R.225-137 to R.225-142 of the French Commercial Code;

- determine the exercise period or periods of the options granted, taking into account the fact that the duration of options shall not exceed a period of 10 years, as of their allocation date;
- include the option to suspend temporarily the exercising of options during a maximum period of three months should financial transactions that involve exercising a right relating to shares occur;
- if necessary, proceed with the acquisition of the necessary shares under the share buyback program and allocate them to the option plan;
- carry out any and all operations and formalities directly or through an agent, aimed at completing the capital increase or increases which may be carried out, if applicable, pursuant to the authorization that proposed by this resolution; accordingly amend the Articles of Association and generally speaking do everything that will be necessary;
- at its initiative if it so deems fit, deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the legal reserve to one-tenth of the new capital after each of these capital increases.

9) Takes note that the present authorization shall cancel and supersede any previous authorization with the same purpose up to, if applicable, the unused part.

Twenty-second resolution – Powers to carry out formalities

The Shareholders' Meeting grants full authority to the holder of an original, copy or extract of the minutes of this Meeting to carry out any filings and formalities required by law.

REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF 28 MAY 2019

The Board of Directors convenes the Shareholders of the Company to the Combined Shareholders' Meeting to be held on 28 May 2019, in order to report on the Company's operations during the financial year closed 31 December 2018 and submit the following proposed resolutions to their approval:

Approval of the 2018 annual financial statements and allocation of results (1st to 3rd ordinary resolutions)

The first items on the agenda relate to the approval of the annual financial statements (**first resolution**) and the consolidated financial statements (**second resolution**).

Ipsen SA's annual financial statements for the year closed 31 December 2018 show a loss of €15,435,513.34.

The consolidated financial statements for the year closed 31 December 2018, show a profit (Group share) of 389,463 thousand of euros.

Detailed comments on the annual and consolidated financial statements are given in the 2018 Registration Document.

The **third resolution** aims at deciding the allocation of the results and the setting of the dividend for the 2018 financial year.

The Board of Directors proposes to the Shareholders' Meeting:

- to allocate the entire loss for the 2018 financial year, *i.e.* the amount of €15,435,513.34, in full to the Retained earnings account, which is thus reduced by a credit amount of €58,480,512.70 to a credit amount of €43,044,999.36,
- to pay a dividend of €83,808,761 and, as a result, to decide:
  - the distribution of the full Retained earnings account, *i.e.* €43,044,999.36,
  - the distribution of reserves amounting to €40,763,761.64 from the Other reserves account, which would thus be reduced from €94,442,985.06 to €53,679,223.42.

As the legal reserve already amounts to more than one-tenth of the share capital, no allocation will be made to the legal reserve.

The ex-date for the total gross dividend of €1.00 due for each share would be 31 May 2019 and its payment date 4 June 2019.

In the event of a change in the number of shares carrying a right to a dividend in comparison with the 83,808,761 shares comprising the share capital on 31 December 2018, the overall amount of dividends would be accordingly adjusted and the amount allocated to the Other reserves account would be determined on the basis of the dividends effectively paid.

When it is paid to natural persons fiscally domiciled in France, the dividend is subject, either to a single flat-rate withholding tax of 12.8% (Article 200 A of the French General Tax Code), or, as an express, irrevocable and overall option by the taxpayer, to income tax in accordance with a progressive scale particularly after a 40% allowance (Article 158,3-2 of the French General Tax Code). The dividend is moreover subject to social contributions at the rate of 17.2 %.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the Shareholders' Meeting acknowledges that it was reminded that the dividends distributed and incomes for the three previous financial years were as follows:

For financial year	Incomes eligible for tax allowance		Incomes not eligible for tax allowance
	Dividends	Other incomes paid out	
2015	€70,759,526.70(*) *i.e.* €0.85 per share	–	–
2016	€71,043,419.90(*) *i.e.* €0.85 per share	–	–
2017	€83,782,308.00(*) *i.e.* €1.00 per share	–	–

(*) Including the amount of the unpaid dividend corresponding to treasury shares and allocated to the retained earnings.

Regulated agreements and commitments (4th ordinary resolution)

From the outset, it is reminded that only the new agreements entered into during the last financial year ended shall be submitted to this Shareholders' Meeting.

The Board of Directors hereby informs the Shareholders' Meeting that no new agreement of the kind specified in Articles L.225-38 *et seq.* of the French Commercial Code has been authorized and entered into during the last period and asks to purely and simply note this fact (**fourth resolution**).

Directors (5th to 7th ordinary resolutions)

As the terms of office of Mr. Marc de Garidel and Henri Beaufour and Ms. Michèle Ollier expire at the end of the present Meeting, the Board of Directors, upon proposal of the Nomination Committee, proposes to the Shareholders' Meeting to:

- renew the term of office of Mr. Marc de Garidel, as a Director, for a duration of four years, expiring at the end of the Shareholders' Meeting to be held in 2023 to approve the financial statements for the past financial year (**fifth resolution**).

  Mr. Marc de Garidel, Director of Ipsen SA since 2010, is the Chairman of Board of Directors and Chairman of the Innovation and Development Committee – Specialty Care and of the Innovation and Development Committee – Consumer HealthCare.

  The Board of Directors, upon the advice of the Nomination Committee, considers that Mr. Marc de Garidel may not be qualified as an independent member according to the independence criteria set out in the AFEP-MEDEF Code.

  Additional information concerning this Director, whose renewal is proposed, is set out in Appendix 1 of the present convening notice and in the 2018 Registration Document.

- renew the term of office of Mr. Henri Beaufour, as a Director, for a duration of four years, expiring at the end of the Shareholders' Meeting to be held in 2023 to approve the financial statements for the past financial year (**sixth resolution**).

  Mr. Henri Beaufour, Director of Ipsen SA since 2005, is permanent guest of the Innovation and Development Committee – Specialty Care and of the Innovation and Development Committee – Consumer HealthCare.

  The Board of Directors, upon the advice of the Nomination Committee, considers that Mr. Henri Beaufour may not be qualified as an independent member according to the independence criteria set out in the AFEP-MEDEF Code.

  Additional information concerning this Director, whose renewal is proposed, is set out in Appendix 1 of the present convening notice and in the 2018 Registration Document.

- renew the term of office of Ms. Michèle Ollier, as a Director, for a duration of four years, expiring at the end of the Shareholders' Meeting to be held in 2023 to approve the financial statements for the past financial year (**seventh resolution**).

  Ms. Michèle Ollier, Director of Ipsen SA since 2015, is member of the Innovation and Development Committee – Specialty Care.

  The Board of Directors, upon the advice of the Nomination Committee, considers that Ms. Michèle Ollier may not be qualified as an independent member according to the independence criteria set out in the AFEP-MEDEF Code.

  Additional information concerning this Director, whose renewal is proposed, is set out in Appendix 1 of the present convening notice and in the 2018 Registration Document.

Compensation of the Corporate Officers (8th to 11th ordinary resolutions)

Approval of the base, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted for the past financial year to Mr. Marc de Garidel, Chairman of the Board of Directors, and Mr. David Meek, Chief Executive Officer

The Board of Directors proposes to the Shareholders' Meeting, to rule on the base, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted in respect of the past financial year and in respect of their term of office, to Mr. Marc de Garidel, Chairman of the Board of Directors (**eighth resolution**) and to Mr. David Meek, Chief Executive Officer (**ninth resolution**), determined in application of the compensation principles and criteria approved by the Shareholders' Meeting of 30 May 2018 in its twelfth and thirteenth ordinary resolutions.

The individual compensation elements are detailed in tables attached to this report (Appendix 2).

Approval of the principles and criteria for determining, allocating and granting base, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Chairman of the Board of Directors and the Chief Executive Officer and/or any other executive officers

The Board of Directors proposes to the Shareholders' Meeting to approve the principles and criteria for determining, allocating and granting base, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Chairman of the Board of Directors (**tenth resolution**) and the Chief Executive Officer and/or any other executive officers (**eleventh resolution**).

The report of the Board of Directors on these compensation elements is set out in the 2018 Registration Document and is attached to the present report (Appendix 3).

Repurchasing and, if applicable, cancellation by the Company of its own shares (12th ordinary and 13th extraordinary resolutions)

Authorization to be given to the Board of Directors to allow the Company to repurchase its own shares pursuant to the provisions of Article L.225-209 of the French Commercial Code

Pursuant to the terms and conditions of the **twelfth resolution**, it is proposed to the Shareholders' Meeting to authorize the Board of Directors, with the ability to subdelegate, for a period of eighteen months, the powers required to purchase, on one or several occasions as it shall see fit, Company shares within the limit of 10%, of the number of shares comprising the share capital, adjusted, if applicable, to take into account any share capital increases or reductions that may occur during the period covered by the program.

This authorization would terminate the authorization given to the Board of Directors by the Shareholders' Meeting held on 30 May 2018 in its fourteenth ordinary resolution.

The acquisitions may be carried out in order to:

- stimulate the secondary market or ensure the liquidity of the Ipsen shares through the activities of an investment service provider *via* a liquidity agreement admitted by the regulations, it being specified that in this framework, the number of shares used to calculate the above-mentioned limit corresponds to the number of shares purchased, decreased by the number of shares sold;
- retain the purchased shares and subsequently deliver them within the context of an exchange or a payment related to possible external growth transactions;
- ensure the hedging of stock option plans and/or free share plans (or similar plans) in favor of group employees and/or corporate officers as well as all allocations of shares under a Company or group savings plan (or a similar plan), as part of the sharing of the Company's profits and/or all other forms of allocation of shares to group employees and/or corporate officers;
- ensure the coverage of negotiable securities giving rights to the allocation of Company shares in accordance with the regulations in force;
- possibly cancel acquired shares, subject to the authorization granted or to be granted by the Extraordinary Shareholders' Meeting.

These share purchases, sales, transfers or exchanges may be carried out by all means, including on the market or off-market or by multilateral trading facilities or through systematic internalizers, or over-the-counter, including through the acquisition or sale of blocks of securities, and at any times as the Board shall see fit.

The Company reserves the right to use options or derivative instruments in accordance with applicable regulations.

The Board of Directors may not, without prior authorization of the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the Company's shares and until the end of the offer period.

It is proposed to fix the maximum purchase price at €250 per share and, in consequence, the maximum amount of the transaction at €2,095,219,000.

The Board of Directors shall dispose of all the powers required to undertake the necessary actions in such matters.

Under the terms of the **thirteenth resolution**, it is proposed to the Shareholders' Meeting to renew the authorization given to the Board of Directors, for a period of 24 months, to cancel, if need be, the shares the Company holds or could hold following repurchases made pursuant to Article L.225-209 of the French Commercial Code, by reducing the share capital within the legal limit of 10% as calculated on the day the decision to cancel shares is taken, less possible shares cancelled during the 24 previous months.

Detailed information on share purchase operations and shares cancellations carried out in 2018 is set out in the 2018 Registration Document.

■ Delegations and authorizations to the Board of Directors (14th to 21st extraordinary resolutions)

The Board of Directors would like to be granted the delegations of power required to issue, should it deem this useful, any amount of securities that might prove necessary with respect to developing the Company's operations. This is why shareholders are asked to accept to renew the delegations the Board had been granted and that will soon expire under the conditions set out hereafter. The table of delegations of authority and authorizations approved by the Combined Shareholders' Meetings held on 7 June 2017 and 30 May 2018 are presented in the 2018 Registration Document, pages 233 and 234.

The proposed delegations would be suspended in the event of a public offer for the shares of the Company initiated by a third party, apart from the delegation on employee savings plan delegation (**twentieth resolution**) and the authorization to grant stock-options (**twenty-first resolution**).

Delegation of authority to increase the capital by incorporating reserves, profits and/or premiums (14th extraordinary resolution)

The Shareholders' Meeting held on 7 June 2017 approved a delegation that allowed the Board of Directors to increase the share capital by incorporation of profits, reserves and/or premiums. The Board of Directors has not used this delegation.

Nevertheless, as this delegation is about to expire, the Board of Directors proposes to the Shareholders' Meeting, as set out in the **fourteenth resolution**, to renew this delegation for a period of 26 months in order to give the Board of Directors the possibility to carry out such capital increases by incorporation of profits, reserves and/or premiums and by the issuance and the allocation of free shares and/or by increasing the par value of existing ordinary shares.

The Board of Directors proposes to the Shareholders' Meeting that the capital increases carried out pursuant to this authorization may reach a maximum ceiling of 20% of the share capital as of the day of the Meeting, without taking into account the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to company's shares. This ceiling counts towards the overall ceiling set out in the fifteenth resolution.

Delegation of authority to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares with retention of shareholders' preferential subscription rights (15th extraordinary resolution)

The Shareholders' Meeting held on 7 June 2017 approved a delegation allowing the Board of Directors to issue ordinary shares giving right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares while maintaining shareholders' preferential subscription rights. The Board of Directors has not used this delegation.

Nevertheless, as this delegation is about to expire, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **fifteenth resolution**, to renew it for a period of 26 months in order to give the possibility to the Board to issue ordinary shares giving right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares while maintaining shareholders' preferential subscription rights.

In compliance with the legislation, the securities to be issued might give rights to ordinary shares of any company that owns directly or indirectly more than half of the Company's share capital or ordinary shares of any company in which the Company owns directly or indirectly more than half of the share capital.

The Board of Directors proposes to the Shareholders' Meeting that the securities issued pursuant to this delegation may reach 20% of the Company's share capital at the date of the Meeting (without taking into account the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to company's shares). The global nominal amount of the shares issued pursuant to the delegations of power to increase the share capital by incorporation of profits, reserves and/or premiums (fourteenth resolution) and while cancelling preferential subscription rights by means of a public offer and/or for the purpose of paying for securities transferred to the Company in the context of a public exchange offer or by an offer under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code (sixteenth and seventeenth resolutions) would count towards this ceiling.

Delegation of authority to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares, while cancelling shareholders' preferential subscription rights by means of a public offer and/or for the purpose of paying for securities transferred to the Company in the context of a public exchange offer (16th extraordinary resolution)

The Shareholders' Meeting held on 7June 2017 approved a delegation that allowed the Board of Directors to issue ordinary shares giving right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares while cancelling shareholders' preferential subscription rights by means of a public offer. The Board of Directors has not used this delegation.

Nevertheless, as this delegation is about to expire, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **sixteenth resolution**, to renew it for a period of 26 months in order to give the possibility to the Board to issue ordinary shares giving, if applicable, right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares while cancelling shareholders' preferential subscription rights by means of a public offer or in order to pay for securities that would be transferred to the Company in the context of a public exchange offer on securities meeting the conditions set by Article L.225-148 of the French Commercial Code.

In compliance with the legislation, the securities to be issued might give rights to ordinary shares of any company that owns directly or indirectly more than half of the Company's share capital or of any company in which the Company owns directly or indirectly more than half of the share capital.

The Board of Directors proposes to the Shareholders' Meeting that the securities issued pursuant to this delegation may reach 10% of the Company's share capital on the date of the Meeting (without taking into account the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to company's shares). This ceiling would be to count towards the amount of the ceiling of the capital increase defined in the fifteenth and seventeenth resolutions of the present Meeting.

The Board could grant, in such a case, a priority period for shareholders to subscribe to the issued shares.

The sum due or to become due to the Company for every one of the ordinary shares issued under this delegation of power, after taking into account, if equity warrants are issued, the subscription price of said warrants, would be at least equal to the minimum required by the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation.

Should securities be issued with the purpose of paying for securities that would be transferred to the Company in the context of a public exchange offer, the Board of Directors would hold, under the conditions set in Article L.225-148 of the French Commercial Code and in the limits set above, the powers required to draw up the list of securities tendered to the exchange, set issuance terms and conditions, the exchange parity as well as, should the need arise, the amount of the cash adjustment to be paid, and determine issuance terms and conditions.

Delegation of authority to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares while cancelling shareholders' preferential subscription rights by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code (17th extraordinary resolution)

The Shareholders' Meeting held on 7 June 2017 delegated the authority allowing the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares, while cancelling shareholders' preferential subscription rights by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code. The Board of Directors has not used this delegation.

Nevertheless, as this delegation is about to expire, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **seventeenth resolution**, to renew it for a period of 26 months in order to enable the Board to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares, while cancelling shareholders' preferential subscription rights through a private placement.

In compliance with the law, the securities to be issued might give access to ordinary shares of any company that owns directly or indirectly more than half of the Company's share capital or of any company in which the Company owns directly or indirectly more than half of the share capital.

The Board of Directors proposes to the Shareholders' Meeting that the securities issued under this delegation may reach 10% of the Company's share capital on the date of the Meeting. If applicable, the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to the Company's share capital, would be added to this upper limit.

This ceiling would be to count towards the ceiling of the capital increase defined in the fifteenth and sixteenth resolutions of the present Meeting.

The sum due or to become due to the Company for every one of the ordinary shares issued, after taking into account, if equity warrants are issued, the subscription price of said warrants, would be at least equal to the minimum required by the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation.

Authorization to increase the amount of issues (18th extraordinary resolution)

For every issue of ordinary shares or securities decided in application of the fifteenth to seventeenth resolutions, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **eighteenth resolution**, that the number of shares to be issued may be increased under the conditions set out in Article L.225-135-1 and R.225-118 of the French Commercial Code and subject to the limits set by the Meeting.

Delegation of authority to increase the share capital in order to pay for capital contributions in kind consisting of equity securities and/or securities giving rights to the Company's share capital (19th extraordinary resolution)

The Shareholders' Meeting held on 7 June 2017 gave a delegation allowing the Board of Directors to issue ordinary shares and/or securities giving access to ordinary shares in order to pay for contributions in kind granted to the Company and made up of equity securities or negotiable securities giving rights to the share capital. The Board has not used this delegation of power.

Nevertheless, as this delegation is about to expire, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **nineteenth resolution**, to renew it for a period of 26 months in order to enable the Board to carry out such issues. The Board of Directors proposes to the Shareholders' Meeting that once completed the issues may reach 10% of the share capital on the date of the Meeting (without taking into account the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to company's shares), being specified that this ceiling would be independent from the other upper limits defined by this Meeting.

Delegation of authority to increase the share capital by issuance of ordinary shares and/or securities giving right to the share capital while cancelling preferential subscription rights reserved for members of one or several company savings plans (20th extraordinary resolution)

The Shareholders' Meeting held on 7 June 2017 gave a delegation allowing the Board of Directors to increase the share capital by issuing shares or negotiable securities giving rights to the Company's share capital reserved for members of one or several company savings plans. The Board has not used this delegation.

Nevertheless, as this delegation is about to expire and in order to ensure compliance with the provisions of Article L.225-129-6 of the French Commercial Code, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **twentieth resolution**, to renew it for a period of 26 months in order to enable the Board to undertake such issues in favor of members of one or several company or group savings plan or plans set up by the Company and/or French or foreign companies that are affiliated with it as defined by Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code.

The Board of Directors proposes to the Shareholders' Meeting that the issues carried out under this delegation may reach 5% of the share capital on the date of the Meeting (without taking into account the nominal amount of the capital increase required to maintain, in accordance with the legislation, and, when relevant, to comply with contractual stipulations providing other protecting terms, the rights of holders of rights or securities giving access to company's shares), being specified that this ceiling would be independent from the other ceilings defined by this Meeting.

It is added that, in accordance with the provisions of Article L.3332-19 of the French Labour Code, the price of shares to be issued could not be either lower by more than 20% or 30% when the vesting period set by the plan in compliance with Articles L.3332-25 and L.3332-26 of the French Labour Code is longer than or equal to ten years (or any other maximum percentage provided for by the legal provisions applicable at the time of price fixing), of the average of the stock's opening prices during the 20 stock market trading days preceding the Board of Directors' decision fixing the date of opening of the subscription, or higher than this average.

Authorization to grant stock options to subscribe to and/or to purchase shares to employees and/or certain Corporate Officers of the Company or of affiliated companies or economic interest groups (21st extraordinary resolution)

The Shareholders' Meeting held on 7 June 2017 authorized the Board of Directors to grant options to subscribe to and/or to purchase shares to employees and/or certain company officers. It is stated that the Board of Directors did not use this authorization.

Nevertheless, as this authorization is about to expire, the Board proposes to the Shareholders' Meeting, pursuant to the **twenty-first resolution**, to renew it for a period of 26 months.

The options that might be granted under this authorization could not give rights to subscribe or to buy a number of shares exceeding 3% of the share capital at the date of the present Meeting, being specified (i) that the total number of shares that may be freely granted by the Board of Directors under the fifteenth extraordinary resolution of the Combined Shareholders' Meeting of 30 May 2018 counts towards this upper limit and (ii) that, if applicable, the number of shares required in the event of an adjustment of the options to preserve the rights of the beneficiaries of options in the event of a transaction in the capital of the Company in accordance with the Article L.225-181 of the French Commercial Code.

Furthermore, the total number of options that may be granted to the Corporate Officers may not entitle to subscribe for or purchase more than 20% of this envelope (*i.e.* 0.6% of the share capital) and the exercise of these options will be subject to performance conditions set by the Board of Directors.

The subscription and/or purchase prices shares for the beneficiaries would be set on the day when the options are granted by the Board of Directors according to the terms and conditions and subject to limits authorized by the legislation in force, without any discount. The duration of the options may not exceed 10 years.

This authorization would entail waiving your preferential subscription rights to new shares issued as the options are exercised.

Powers to carry out formalities (22nd resolution)

The Board of Directors proposes to the Shareholders' Meeting to grant, pursuant to the **twenty-second resolution**, powers necessary for the performance of legal formalities in connection with the present Meeting.

The Board of Directors

Appendix 1 – Information concerning Directors whose renewal is proposed

Marc de Garidel

Chairman of the Board of Directors **Chairman of the Innovation and Development Committee – Specialty Care** **Chairman of the Innovation and Development Committee – Consumer HealthCare**	**Nationality:** French **Date of birth:** 16 March 1958 **Date of 1st appointment:** 22 November 2010 **Last renewal date:** 27 May 2015 **Term of office:** 2019 Shareholders' Meeting **Shares owned:** 141,549 **Voting rights:** 262,829

Biography and experience

Marc de Garidel is a graduate from the French Engineering School ESTP, and has an Executive MBA from Harvard Business School.

Marc de Garidel started his career with Eli Lilly with various responsibilities in countries like US, Germany, France. Between 1995 and 2010, he held Executive position in finance & general management including the biggest region of Amgen International operations & the corporate controller of Amgen Inc.

Marc de Garidel joined Ipsen as Chairman and CEO in November 2010.

He is now Chairman of the Board of Directors of Ipsen since the third quarter of 2016 and is advisor of the Ipsen holding company Mayroy SA.

Marc de Garidel has been CEO of Corvidia Therapeutics, Inc. since March 29, 2018.

Marc de Garidel has been Vice-President of EFPIA between 2014 until June 2017, the European Pharmaceutical Trade Association, and chairs the Association of French Health Care companies (G5) between 2011 and 2018. His mandate as Chairman of IMI governing board also expired in May 2017.

Marc de Garidel was Vice-president of the Board of Vifor Pharma (Switzerland) between May 2017 and 2018 (formerly Galenica) of which he was a board member since 2015.

Positions and functions currently held	Positions previously held that expired during the last five years
Main functions: • Ipsen SA**, Chairman of the Board of Directors • Corvidia Therapeutics Inc. (United States of America), Chief Executive Officer* **Other positions:** • Mayroy SA (Luxembourg), advisor	**Past positions previously held:** • Vifor Pharma GmbH** (formerly Galenica) (Switzerland), Director and Vice-president of the Board of Directors* • G5 Santé (France), Chairman and spokesperson* • Filière des Industries et Technologies de Santé (France), Vice-President of the Strategic Committee* • Vectorlab GmbH (Switzerland), Chairman* • Ipsen SA** (France), Chairman and Chief Executive Officer until 18 July 2016 • Ipsen Pharma SAS (France), Chairman • Suraypharm SAS (France), Chairman • Pharnext (France), Director* • Promethera (Belgium), Non-Executive Chairman* • Inserm Transfert (France), Vice-President of the Advisory Board* • EFPIA, Director and Vice-President* • IMI (Innovative Medicines Initiative), Chairman of the Board of Directors* • Galenica** (France), Director*

* Outside Ipsen Group.
** Listed company.

Henri Beaufour	
Director **Guest of the Innovation and Development Committee – Specialty Care** **Guest of the Innovation and Development Committee – Consumer HealthCare**	**Nationality:** French **Date of birth:** 6 January 1965 **Date of 1st appointment:** 30 August 2005 **Last renewal date:** 27 May 2015 **Term of office:** 2019 Shareholders' Meeting **Shares owned:** 1 ** **Voting rights:** 2 **

Biography and experience

Henri Beaufour holds a Bachelor of Arts degree (Georgetown University, Washington DC, United States).

Henri Beaufour is the shareholder of several companies which directly and/or indirectly hold shares of the Company.

Henri Beaufour is also involved in philanthropic activities, in particular children's support associations helping young persons to have access to appropriate education, such as the Alasol foundation.

Positions and functions currently held	Positions previously held that expired during the last five years
Main functions: • Mayroy SA (Luxembourg), Director **Other positions:** • Beech Tree SA (Luxembourg), Director • Massa Management SARL (Luxembourg), Partner and Legal Manager*	None

* Outside Ipsen Group.

** The indirect shareholding is described in section 5.2.3.1 of the 2018 Registration Document.

Michèle Ollier

Director **Member of the Innovation and Development Committee – Specialty Care**	**Nationality:** French-Swiss **Date of birth:** 2 June 1958 **Date of 1st appointment:** 27 May 2015 **Term of office:** 2019 Shareholders' Meeting **Shares owned:** 500 **Voting rights:** 500

Biography and experience

Since 1 February 2016, Michèle Ollier is one of the partner and founder of Medicxi, a capital venture company located in Geneva and London. Medicxi is the spin-off of the life science section of Index Ventures.

From February 2006 to February 2016, Michèle Ollier was Partner in the life science investment team of Index Ventures.

From 2003 to 2006, she was the investment's manager at Edmond de Rothschild Investment Partner in Paris. From 2000 to 2002, she was the corporate's vice-manager at Serono International. From 1994 to 2000, she occupied various posts at Rhone-Poulenc Rorer in particular in oncology and in the division "gene therapy", RPR Gencel. Before, Michèle Ollier occupied various functions in strategy, development, and commercialization in the pharmaceutical companies Sanofi International and Bristol-Myers Squibb France.

Michèle Ollier is a graduate of the medicine faculty of Paris-Ouest.

Positions and functions currently held	Positions previously held that expired during the last five years
Main functions: • Medicxi (Switzerland and United Kingdom), Partner* **Other positions:** • Epsilon 3 Bio Limited (United Kingdom)* • LinguaFlex Inc. (United States of America)* • Human Antibody Factory (United Kingdom)* • Palladio Biosciences Inc. (United States of America)* • Kymo Therapeutics Limited (United Kingdom)* • Kaerus France SAS (France)* • Kaerus Bioscience Limited (United Kingdom)* • Mavalon Therapeutics Limited (United Kingdom)* • Diasome Pharmaceuticals, Inc. (United States of America)* • Gadeta BV (The Netherlands)* • Vitavest NL Coop (The Netherlands)*	• STX pharma Limited (United Kingdom)* • Minerva Neuroscience, Inc.** (United States of America)* • Purple Therapeutics Limited (United Kingdom)* • Encare Biotech BV (The Netherlands)* • AbTco BV (The Netherlands)* • Cyrenaic Pharma Inc (United States of America)* • Profibrix (The Netherlands)*

* Outside Ipsen Group.
** Listed company.

Appendix 2 – Approval of the base, variable and exceptional elements making up the total compensation and the benefits of any kind paid or granted for the past financial year to Mr. Marc de Garidel, Chairman of the Board of Directors and to Mr. David Meek, Chief Executive Officer

Regarding Mr. Marc de Garidel		
Compensation elements paid or granted for the 2018 financial year to Mr. Marc de Garidel in application of the principles and criteria approved by the Shareholders' Meeting held on 30 May 2018	**Amounts or accounting valuation submitted to the vote**	**Presentation**
Base compensation	€650,000 (amount paid)	Base compensation is subject to be reviewed by the Board of Directors according to the Company's market position and taking account changing responsibilities. At its meeting held on March 28, 2018, the Board of Directors approved a modification of the specific missions of Mr. Marc de Garidel as Chairman of the Board of Directors, in relation with his new role as CEO of Corvidia Therapeutics Inc., and reviewed accordingly the level of his annual gross base compensation. Upon recommendation of the Compensation Committee, the Board of Directors has set the base compensation of Mr. Marc de Garidel at an annual gross amount of €600,000, compared to €800,000 previously. For the 2018 financial year, this remuneration has been paid on a *prorata temporis* basis from 1 April 2018.
Exceptional compensation	No amount due in respect of the financial year	Mr. Marc de Garidel did not benefit from any exceptional compensation during the financial year.
Compensation elements due to the termination or change of functions, retirement undertakings and non-compete agreements	No amount due in respect of the financial year	The Board of Directors meeting held on 8 July 2016 decided: • to grant Mr. Marc de Garidel the right to a severance payment; • to enable Mr. Marc de Garidel to benefit from the defined benefit additional pension scheme existing within the Company; • to put in place a non-compete agreement. *These undertakings were approved by the Company Shareholders' Meeting of 7 June 2017 in its 4th and 5th ordinary resolutions.* The details of these undertakings are provided in the 2018 Registration Document, section 5.1.3.
Benefits of any kind	€4,270 (accounting valuation)	Mr. Marc de Garidel receives benefits resulting from the conditions linked to the performance of his duties at Ipsen. The Board of Directors of 28 March 2018 decided to review the benefits granted to Mr. Marc de Garidel following his duties at Corvidia Therapeutics Inc., as follows: • Assistance for the preparation and filing of personal income tax returns, in relation to his Ipsen compensation in France; • Access to a company car and driver pool, for travel in relation to his Ipsen functions; • D&O liability insurance consistent with the D&O liability insurance of the Ipsen Group; • Reimbursement of professional expenses incurred within the context of the exercise of his duties in relation to his Ipsen functions, and • Administrative assistance provided by the Ipsen executive assistants of the Company in relation to his Ipsen functions.

Regarding Mr. David Meek		
Compensation elements paid or granted for the 2018 financial year to Mr. David Meek in application of the principles and criteria approved by the Shareholders' Meeting held on 30 May 2018	**Amounts or accounting valuation submitted to the vote**	**Presentation**
Base compensation	€900,000 (amount paid)	Base compensation takes into account our reference markets. It is subject to be reviewed by the Board of Directors, typically at relatively long intervals, according to the Company's market position and taking account changing responsibilities. The Board of Directors, at its meeting held on 14 February 2018 and upon recommendation of the Compensation Committee, has maintained Mr. David Meek's base compensation at a gross annual amount of €900,000.
Annual variable compensation	€978,000 (amount to be paid after approval by the Shareholders' Meeting)	For the 2018 financial year, the Board of Directors, during its meeting held on 14 February 2018, has decided to grant to Mr. David Meek a gross target bonus of €900,000, which may vary within a range between 0% and 200% (*i.e.* from 0 to €1,800,000) based on the following quantifiable and qualitative performance criteria: the two-thirds of this target bonus depend on quantifiable criteria of equal weighting based on the achievement of level of consolidated net sales, core operating income, diluted earnings per share and cash-flow from operations; the balance is based on qualitative criteria concerning managerial and strategic objectives. The detail of qualitative criteria has been precisely pre-established by the Board but is not made public for confidentiality reasons. The level of achievement of this quantifiable and qualitative criteria is provided in the 2018 Registration Document, section 5.1.3.3.1.
Multi-annual variable compensation in cash	No amount due in respect of the financial year	Mr. David Meek did not benefit from any multi-annual variable compensation during the 2018 financial year.
Grant of stock options	None	No option was granted to the Chief Executive Officer, Mr. David Meek, during the 2018 financial year.
Performance shares	€1,240,512 (accounting valuation on the grant day)	The Board of Directors decided, on 30 May 2018, upon recommendation of the Compensation Committee, the conditional allocation of 9,230 performance shares under the meaning of Article L.225-197.1 of the French Commercial Code (representing 0.01% of the share capital) to Mr. David Meek, Chief Executive Officer of Ipsen. The definitive acquisition of these shares is subject to presence and performance conditions which will be assessed at the end of an acquisition period of 2 years for 50% of the allocated shares, and of 3 years for 50% of the allocated shares, from the allocation date. The shares thus acquired will not be subject to a holding period. Half of the performance conditions are based on an external criterion based on the evolution of the Ipsen's stock price within the STOXX TMI 600 Healthcare index, and half on an internal criterion based on the core operating income of the Group. The details of these internal and external performance conditions as well as the expected level of achievement have been precisely determined by the Board but are not disclosed for confidentiality reasons. Each of the conditions is assessed on a scale of 0 to 200%. In case of over achievement of the expected performance (*i.e.* 100%), the number of performance shares granted will be adjusted accordingly. According to the compensation policy of Company officers approved by the Shareholders at the Shareholders' Meeting of 30 May 2018, the Board of Directors decided that the Chief Executive Officer must retain, until the end of his term of office, a number of shares equivalent to 20% of the net capital gain that would be realized upon the sale of the shares resulting from the performance shares. *Authorization of the Shareholders' Meeting of 30 May 2018 – 15th resolution*
Exceptional compensation	No amount due in respect of the financial year	Mr. David Meek did not benefit from any exceptional compensation during the 2018 financial year.

Compensation elements paid or granted for the 2018 financial year to Mr. David Meek in application of the principles and criteria approved by the Shareholders' Meeting held on 30 May 2018	Amounts or accounting valuation submitted to the vote	Presentation
Compensation elements due to the termination or change of functions, retirement undertakings and non-compete agreements	No amount due in respect of the financial year	The Board of Directors meeting held on 8 July 2016 decided: • to grant Mr. David Meek the right to a severance payment; • to enable Mr. David Meek to benefit from the defined benefit additional pension scheme existing within the Company; • to put in place a non-compete agreement. *These undertakings were approved by the Shareholders' Meeting of 7 June 2017 in its 4th and 6th ordinary resolutions.* The details of these undertakings are provided in the 2018 Registration Document, section 5.1.3.
Benefits of any kind	€8,049 (accounting valuation)	Mr. David Meek receives benefits resulting from the conditions linked to the performance of his duties at Ipsen, in particular: a relocation package in France, assistance with filing his personal income tax returns, reimbursement of reasonable attorney fees and expenses incurred in connection with the finalization of the terms and conditions of his corporate mandate, company car and driver, business travel and accommodation expenses incurred whilst exercising his duties, healthcare under a global healthcare policy, and death and disability coverage under the Group's policy or a specific policy, D&O liability insurance.

Appendix 3 – Approval of the principles and criteria for determining, allocating and granting the base, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Chairman of the Board of Directors and to the Chief Executive Officer and/or to any other Executive Officers

The principles and criteria for determining, allocating and granting the base, variable and exceptional elements making up the total compensation and the benefits of any kind attributable to the Company officers in respect of their duties, constituting the compensation policy concerning them, are decided by the Board of Directors upon recommendation of the Compensation Committee. They are presented below and submitted to the approval of the Shareholders' Meeting.

Principles and criteria governing the compensation of Corporate Officers

The compensation policy with regard to Corporate Officers and their individual compensation is decided by the Board of Directors upon recommendation of the Compensation Committee, outside the presence of the Corporate Officers concerned. The Board of Directors also refers to the Afep-Medef recommendations on compensation paid to executive officers of listed companies.

This policy covers all aspects of the base, variable and exceptional compensation and of the benefits of any kind, paid by the Company.

It is decided not only on the basis of the work carried out, the results obtained and the responsibility assumed, but also on the basis of practices for comparable companies and the compensation of the Company's other senior executives.

The compensation of the Corporate Officers is structured as follows:

- base compensation;
- annual variable compensation (only for Executive Corporate Officers);
- if applicable, multi-annual variable compensation (only for Executive Corporate Officers);

- if applicable, special financial indemnity (only for Executive Corporate Officers);
- if applicable, eligibility for directors' fees paid to Directors;
- allocation of stock options and performance shares under plans approved by the Board of Directors (only for Executive Corporate Officers);
- if applicable, other benefits;
- if applicable, payments, benefits and compensation granted to Corporate Officers upon termination of their functions.

In the event that the Board of Directors decides to appoint one or more Deputy Chief Executive Officers, the principles and compensation criteria applicable to the Chief Executive Officer would be applicable to the Deputy Chief Executive Officers.

In the event that the Board of Directors decides to combine the functions of Chairman and Chief Executive Officer, the principles and compensation criteria applicable to the Chief Executive Officer would apply to the Chairman and Chief Executive Officer.

Base compensation

Base compensation takes into account the reference markets of Ipsen. It is subject to be reviewed by the Board of Directors, typically at relatively long intervals, according to the Company's market position and taking account changing responsibilities.

Annual variable compensation

Annual variable compensation is linked to the Group's overall performance and to the achievement of Executive Corporate Officers' personal targets. Every year, the Board of Directors defines and precisely predetermines qualitative and quantifiable criteria for determining the variable compensation and the target objectives. Quantifiable criteria are preponderant to the determination of annual variable compensation and a limit is set on the qualitative part.

Annual variable compensation is set on the basis of a target bonus equal to 100% of the base compensation, within a range between zero to a certain percentage, predetermined by the Board of Directors, in case of under or overperformance. The detail of qualitative criteria is not made public for confidentiality reasons.

As part of the separation of the functions of Chairman of the Board and Chief Executive Officer, the Board of Directors has decided that no annual variable compensation shall be paid to the non-executive Chairman of the Board.

Multi-annual variable compensation

The Board of Directors may decide, depending on opportunities and in light of legislatives changes concerning free shares, to grant to Executive Corporate Officers, as well as some senior executives of the group, a mid-term bonus in the scope of the plans approved by the Board of Directors upon recommendation of the Compensation Committee; it is determined on the basis of a percentage of base compensation.

These plans are subject to a presence condition and, if applicable, precisely predetermined performance conditions which must be fulfilled during an acquisition period set by the Board of Directors. Nevertheless, in the event of death, disability, retirement or exception granted by the Board of Directors before the end of the acquisition period, the beneficiary may retain his rights. The details of the external and internal criteria and the completion levels (expected and realized) of the external and internal criteria are not disclosed for confidentiality reasons.

The Board of Directors has decided that no multi-annual variable compensation shall be paid to the non-executive Chairman of the Board.

Exceptional compensations and/or financial indemnity

The Board of Directors may decide, in case of specific circumstances or events, to grant exceptional compensations.

It can decide to grant an exceptional compensation and/or an exceptional financial indemnity to the Corporate Officers while taking into account the specific circumstances in which they carry out their duties.

Special financial indemnity

The Board of Directors may grant a special financial indemnity to a new executive company officer coming from a company outside the Group on taking up duty in order to offset the loss of previously-held benefits.

Directors' fees

The Corporate Officers who are members of the Board of Directors may, where appropriate, upon recommendation of the Compensation Committee, and by decision of the Board of Directors, receive directors' fees due on the basis of their positions as Directors according to the rules applicable to all of the Directors.

Stock options and performance shares

Executive Corporate Officers as well as certain senior executives of the Group may benefit from stock options and/or performance shares under plans approved and set each year by the Board of Directors upon recommendation of the Compensation Committee. In accordance with the Afep-Medef Code recommendations (§24.2), non-executive officers shall not benefit from stock option and/or performance shares plans.

The definitive number of performance shares that will be vested will depend upon the level of achievement of the performance conditions set by the Board of Directors, which are based on one or several internal criteria (*e.g.*, quantifiable financial ratio) and on one or several external criteria (*e.g.*, share price compared to a benchmark of comparable companies). Each of these conditions shall be assessed by comparing the target threshold and the actual performance of the Company over the period used as reference for the applicable plan. Each of these conditions may generate a payout varying within a range between zero to a certain percentage pre-established and determined by the Board of Directors at the implementation of the plan.

The Board of Directors decided that the Company officers must retain, until the end of their term of office, a number of shares equivalent to 20% of the net capital gain that would be realized upon the sale of the shares resulting from the exercise of stock options and/or from the performance shares.

These plans are subject to a presence condition (subject to exceptions) and, if applicable, performance conditions, which must be fulfilled during a minimum acquisition period of two years depending on the beneficiaries' country of residence and, if applicable, a holding period. Nevertheless, in the event of death, disability, retirement or exception granted by the Board of Directors before the end of the acquisition period, the beneficiary or, if applicable, its assignees, can keep their rights.

The Executive Corporate Officers who are beneficiaries of these stock options and/or performance shares undertook a formal commitment not to engage in hedging transactions either on their options or on shares issued following the exercise of options or on performance shares granted until the end of the holding period that has been decided by the Board of Directors.

The Board of Directors has established periods preceding the publication of half-yearly and annual financial statements and sales figures during which it is not permitted to carry out any transaction on Company shares and has established the following procedure:

- the dates of the blackout periods for each financial year are communicated at the beginning of each year and before each blackout period;
- outside blackout periods, an identified person must be consulted to ensure that no insider information is held.

Other benefits

Corporate Officers may also be awarded benefits in respect of their duties carried out within Ipsen, including: benefits in kind (company car and temporary accommodation), assistance for the preparation and filing of personal income tax returns, global healthcare coverage (mutual and life/disability schemes) under the Group's contracts, reimbursement of travel expenses and expenses incurred with the exercise of their corporate duties, D&O liability insurance.

Payments, benefits and compensation granted to Company officers upon termination of their functions

Severance payment

Company officer Corporate Officers s may benefit from a severance payment clause, due in the event of termination of their duties, of which the terms have been decided by the Board of Directors in accordance with the Afep-Medef Code recommendations:

- payment due only in the event of a forced departure *(départ contraint)* within the meaning of the Afep-Medef Code,
- in an amount corresponding to 24 months' base and annual variable remuneration in respect of their term of office,

which includes, for a portion equal to 50% of the amount hereof, the amount due in respect of any non-compete undertaking, if applicable,

payment of which is subject to a predetermined performance condition, assessed at least on two financial years.

Non-compete payment

The Board of Directors may conclude a non-compete agreement with the Corporate Officers in case of departure from the Group for a reason other than a change of control. This agreement shall be valid for a certain period following the date of departure.

The non-compete payment may not exceed a ceiling of two years of compensation (base and annual variable), including, if applicable, the amount of a severance payment, up to 50 %.

Additional pension plan

The Corporate Officers may benefit from defined contribution plan or defined benefit plan which more broadly benefit the company's executives, in accordance with the Afep-Medef Code recommendations and Article L.225-42-1 of the French Commercial Code.

STATUTORY AUDITORS' REPORTS

Statutory Auditors' Report on the annual financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ipsen S.A.

Registered headquarters: 65, Quai Georges Gorse – 92650 Boulogne-Billancourt

Statutory Auditors' Report on the Annual Financial Statements

Year ended 31 December 2018

For the attention of the Annual General Meeting of Ipsen S.A.,

Opinion

In compliance with the assignment entrusted to us by your Annual General Meeting, we have conducted an audit of the consolidated financial statements of Ipsen S.A. pertaining to the year which ended 31 December 2018, as attached to the present report.

We certify that the annual financial statements, in accordance with French accounting principles, give a true and fair view of the result of its operations as well as of the financial situation and of the assets and liabilities of the company for the year ended.

The above-mentioned opinion is consistent with the content of our report to the Audit Committee.

Basis for the opinion

Audit standards

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

The responsibilities we bear by virtue of these standards are indicated in the section "Responsibilities of the statutory auditors with regard to the audit of the annual financial statements" of the present report.

Independence

We conducted our audit in accordance with the independence rules applicable to us, during the period from 1 January 2018 to the issuance date of our report, and, in particular, we have not provided any services prohibited by Article 5, Paragraph 1, of Regulation (EU) no. 537/2014 or by the code of ethics of the profession of statutory auditor.

Justification of the assessments – Key point of the audit

In application of the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* regarding the justification of our assessments, we draw your attention to the key point of the audit pertaining to the risk of material misstatement that, in our professional judgement, was the most important risk for the audit of the annual financial statements of the most recent fiscal year, as well as to the responses we have provided with regard to this risk.

The assessments thus made are part of the context of the audit of the annual financial statements taken as a whole and of the forming of our opinion expressed hereinabove. We do not express opinions on the components of these annual financial statements taken individually.

Assessment of equity investments

Identified risk

Equity investments are listed in the balance sheet as of 31 December 2018 in the net amount of 1,167.4 million euros, accounting for one of the largest items in the balance sheet. They are recognised at the time of their entry at their acquisition cost and depreciated based on their inventory value representing what the Company would accept to outlay to obtain them if it had to acquire them.

As indicated in note 2.1.2.2. in the Annex to the annual financial statements, the Company estimates at each year-end closing the inventory value of each one of the investments in order to determine whether this value is lower than the net carrying amount.

The analysis conducted was performed by taking into account the cashflow forecasts produced by the operational divisions of the Company.

In this context and due to the uncertainty inherent to certain elements and in particular the likelihood of meeting forecasts, we considered that the correct assessment of the equity investments, related receivables constituted a key point of the audit.

Audit procedures implemented with regard to the identified risk

To assess the reasonableness of the estimated inventory values of the equity investments, based on the information disclosed to us, our work primarily entailed verifying that the estimated values used by management were based on an appropriate justification for the evaluation method and the quantitative data used and, depending on the equity investments concerned:

- verify that the value of the share of net profits in the assets is coherent with its value derived from a multiples analysis.
- verify that the equity retained matches the financial statements of the entities that have been audited or undergone cost accounting procedures and that, when applicable, the adjustments carried out with regard to this equity are based on documented evidence;
- obtain the cashflow forecasts and operations forecasts for the activities of the entities concerned produced by their operational divisions and assess their consistency with the forecast data taken from the latest strategic plans, produced under the supervision of their general management for each one of these activities and approved, when applicable, by the Board of Directors;
- verify the consistency of the assumptions retained with the economic environment on the dates of the closing and preparing of the financial statements;
- verify that the value resulting from the cashflow forecasts has been adjusted to reflect the amount of debt held by the entity considered.

Specific verifications

We have also performed, in accordance with the professional standards applicable in France, the specific verifications required by law.

Information disclosed in the management report and in the other documents sent to the shareholders regarding the financial situation and the annual financial statements

We have no observations to make regarding the fair presentation and the consistency with the annual financial statements of the information disclosed in the Board of Directors' Management Report and in the other documents sent to the Ipsen S.A. shareholders regarding the financial situation and the annual financial statements.

We attest to the sincerity and the coherence of the information related to the terms of payment, mention in the Article D. 441-4 of the French Commercial Code *(Code de commerce)*, with the annual financial statements.

Report on corporate governance

We certify the disclosure, in the Board of Director's report, of the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code *(Code de commerce)*.

Concerning the information disclosed in application of the provisions of Article L.225-37-3 of the French Commercial Code *(Code de commerce)* regarding compensation and benefits paid to the Directors as well as regarding the commitments made in their favour, we have verified their consistency with the financial statements or with the data that have been used to produce these financial statements and, when applicable, with the information collected by your Company from the companies controlling your Company or that are controlled by it. Based upon these procedures, we certify the accuracy and fair presentation of this information.

Other information

In application of the law, we verified that the information pertaining to equity and controlling stakes and to the identity of the share capital owners or of the voting rights was disclosed to you in the Management Report.

Information resulting from other legal and regulatory obligations

Appointment of the statutory auditors

We were appointed statutory auditors of Ipsen S.A. by the Annual General Meeting of the 18 June 2005 for KPMG Audit, and on 17 December 1998 for Cogerco Flipo, which was acquired by Deloitte & Associés in 2001.

As of 31 December 2018, KPMG Audit was in the 14th consecutive year of its assignment and Deloitte & Associés in its 21st year, including 14 years for both firms since the company's shares have been admitted for trade on a regulated market.

Responsibilities of Management and of the persons constituting the corporate governance related to the annual financial statements

Management is required to produce annual financial statements presenting a true and fair view in accordance with French accounting rules and principles, in addition to setting up the internal controls it deems necessary in order to produce consolidated financial statements free of material misstatements, whether these are due to fraud or result from errors.

When producing the annual financial statements, Management is required to assess the Company's ability to continue its operations, to present in its financial statements, when necessary, the required disclosures pertaining to business continuity and to apply the going concern accounting principle, unless there are plans to liquidate the Company or put an end to its activity.

The Audit Committee is required to monitor the process of compiling financial information and to monitor the effectiveness of the internal control and risk management systems, in addition to internal audits when applicable, as regards the procedures related to the compiling and processing of accounting and financial information.

The annual financial statements were approved by the Board of Directors.

Responsibilities of the statutory auditors with regard to the audit of the annual financial statements

Objective and audit approach

We are required to produce a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free of material misstatement. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit performed in accordance with professional standards enables systematic detection of any material misstatements. Misstatements may be due to fraud or result from errors and are considered to be material when it can be reasonably expected that they may, taken individually or in combination, influence the economic decisions that the financial statement users make based on them.

As outlined in Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, our assignment of certifying the financial statements does not entail guaranteeing the viability or the quality of the management of your Company.

In the framework of an audit performed in accordance with professional standards applicable in France, the statutory auditor exercises his professional judgement throughout this audit. Furthermore:

- he identifies and assesses the risks that the annual financial statements are materially misstated, whether these misstatements are due to fraud or result from errors, defines and implements audit procedures with regard to these risks, and gathers the elements that he deems to be a sufficient and appropriate basis for forming his opinion. The risk of non-detection of a material misstatement arising from fraud is higher than that of a material misstatement resulting from an error, because fraud may imply collusion, falsification, voluntary omissions, false statements or bypassing of internal control;
- he familiarises himself with the relevant internal control for the audit in order to define the audit procedures appropriate to the circumstances, and not with the aim of expressing an opinion on the effectiveness of internal control;
- he assesses the appropriateness of the accounting methods retained and the reasonableness of the accounting estimates made by Management, in addition to the disclosures provided in the annual financial statements;
- he assesses the appropriateness of Management's application of the continuity assumption accounting principle and, depending on the elements collected, the probable existence of material uncertainty related to events or circumstances likely to cast significant doubt about the Company's ability to continue as a going concern. This assessment is based on the elements collected up until the date of his report, with a reminder however that subsequent circumstances or events could cast significant doubt about the continuity of operations. If he concludes that there is material uncertainty, he draws the report readers' attention to the information disclosed in the annual financial statements regarding this uncertainty or, if this information is not disclosed or is not relevant, he issues his certification with reservations or refuses to certify;
- he assesses the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect the underlying transactions and events so as to provide a true and fair view.

Report to the Audit Committee

We submit a report to the Audit Committee presenting in particular the extent of the audit and the work programme implemented, as well as the resulting conclusions of our work. We also draw their attention, when applicable, to the material weaknesses of internal control that we have identified as regards the procedures related to the compiling and processing of accounting and financial information.

The disclosures in the report to the Audit Committee include the risks of material misstatement that we deem to be the most important for the audit of the consolidated financial statements of the year ended and that thus constitute the key point of the audit, that we are required to describe in the present report.

We also are providing to the Audit Committee the statement pursuant to Article 6 of Regulation (EU) no. 537-2014 confirming our independence, within the meaning of the rules applicable in France as outlined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the code of ethics of the profession of statutory auditor. When applicable, we discuss with the audit committee the risks to our independence and the safeguard measures applied.

The Statutory Auditors

Paris La Défense, 15 February 2019

KPMG Audit
KPMG S.A. Department

Catherine Porta
Partner

Cédric Adens
Partner

Paris La Défense, 15 February 2019

Deloitte & Associés

Jean Marie Le Guiner
Partner

Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.
This report also includes information relating to the specific verification of information given in the Group's management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ipsen S.A.

Registered headquarters: 65, Quai Georges Gorse – 92650 Boulogne-Billancourt

Statutory Auditors' report on the consolidated financial statements

Financial Year ended 31 December 2018

For the attention of the Annual General Meeting of Ipsen S.A.,

Opinion

In compliance with the assignment entrusted to us by your Annual General Meeting, we have conducted an audit of the consolidated financial statements of Ipsen S.A. pertaining to the year which ended 31 December 2018, as attached to the present report.

We certify that, with regards to the IFRS accounting standards adopted in the European Union, the consolidated financial statements present a true and fair view of the results of the operations for the most recent fiscal year, of the financial position and of the assets and liabilities of the Group at the end of the year.

The above-mentioned opinion is consistent with the content of our report to the Audit Committee.

Basis for the opinion

Audit standards

We have performed our audit according to the professional standards applicable in France. We believe that the evidence we have collected is sufficient and appropriate to form a basis for our audit opinion.

The responsibilities we bear by virtue of these standards are indicated in the section "Responsibilities of the statutory auditors with regard to the audit of the consolidated financial statements" of the present report.

Independence

We conducted our audit in accordance with the independence rules applicable to us, during the period from 1 January 2018 to the issuance date of our report, and, in particular, we have not provided any services prohibited by Article 5, Paragraph 1, of Regulation (EU) no. 537/2014 or by the code of ethics of the profession of statutory auditor.

Observation

Without questionning the conclusion expressed above, we bring your attention to note 3.2.1 of the annex "Application of the norm IFRS 15 – Product of regular activities from contracts concluded with clients" and to 3.2.2 of the annex "Application of the norm IFRS 9 – Financial Instruments" which expose the impact of changes in accounting methods, since 1 January 2018 of IFRS 15 and 9 respectively.

Justification of the assessment – Key points of the audit

In application of the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* regarding the justification of our assessments, we bring to your attention the key points of the audit pertaining to the risks of material misstatement that, in our professional judgement, were the most important for the audit of the consolidated financial statements for this year, as well as to the responses we have provided with regard to these risks.

The assessments thus made are part of the context of the audit of the consolidated financial statements taken as a whole and of the forming of our opinion expressed hereinabove. We do not express opinions on the components of these consolidated financial statements taken individually.

Assessment of the recoverable amount of licences

Notes 3.12, 3.15, 3.29, 6.2 and 13 to the consolidated financial statements

Identified risk

On 31 December 2018, the net value of the Group licences, presented in other intangible assets, stands at 900.9 million euros versus a total balance sheet of 3,377.4 million euros.

These licences concern acquired rights for pharmaceutical specialities that may be:

- retailed and depreciated on a straight-line basis over their useful life. Useful life is determined based on the cash flow forecasts that take into consideration, among other factors, the protection period of the underlying patents;

- in an advanced phase of development and are therefore not yet being retailed, and thus not yet depreciated. As indicated in note 3.15 of the annexes to the consolidated financial statements, licences with definite and indefinite useful life, primarily accounting for intellectual property rights and licences to use intellectual property rights, undergo impairment testing annually or when there is an indicator of impairment.

Impairment tests involve comparing the net carrying amount of the asset, of the group of assets or the cash-generating unit (CGU) to which the licence belongs, to its recoverable amount, which is the highest value between its fair value minus disposal costs and its value in use. Value in use is determined based on the estimated future cash flows expected from the use of the asset (CGU to which the asset belongs).

The conditions for implementing impairment tests are described in note 3.15 to the consolidated financial statements.

We considered that the assessment of the recoverable amount of these licences is a key point of the audit due to the significance of these licences in the Group's financial statements and that the method of determining their recoverable amount is based to a very large extent to Management's judgement and the use of estimates in relation to the forecasts of discounted future cash flows in order to carry out the tests.

Audit procedures implemented with regard to the identified risk

We analysed the conditions for the implementation of the impairment tests on the acquired licenses. In particular, the licences acquired during the development phase have received special attention on our part due to the difficulty in estimating the evolution of research and the expected outlook for growth.

With our evaluation specialists we assessed the reasonableness of the main estimates, in particular the cash flow forecasts, long-term growth rates and the discount rates retained. We also analysed the consistency of the evolution of the research programmes, of the cash flow forecasts with the forecast data presented to the Group's Board of Directors and we have reviewed the sensitivity analyses of the impairment tests.

Finally, we also assessed the appropriateness of the information disclosed in the following notes to the consolidated financial statements: 3.12, 3.15, 3.29, 6.2 and 13.

Specific verifications

In accordance with professional standards applicable in France, we also carried out the specific verification provided for by the law on information pertaining to the Group, disclosed in the Board of Directors' Management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated declaration of extra-financial performance described in article L.225-102-1 of the French Commercial Code *(Code de commerce)*, was included in the Management Report, while noting that, in accordance with the Article L.823-10 of the Code, we did not assess the information it contains for either its veracity or its coherence with the consolidated financial statements and that this information must be assessed by an independent third party organization.

Information resulting from other legal and regulatory obligations

Appointment of the statutory auditors

We were appointed statutory auditors for Ipsen S.A. by the Annual General Meeting held on 18 June 2005 for KPMG S.A. and on 17 December 1998 for Cogerco Flipo which was acquired by Deloitte & Associés in 2001.

As of 31 December 2018, KPMG S.A. was in the 14th consecutive year of its assignment and Deloitte & Associés was in its 21st year, including 14 years for both firms the company's shares have been admitted for trade on a regulated market.

Responsibilities of Management and of the persons constituting the corporate governance related to the consolidated financial statements

Management is required to produce consolidated financial statements providing a true and fair view, in accordance with the IFRS accounting standards as adopted in the European Union, in addition to setting up the internal controls it deems necessary in order to produce consolidated financial statements free of material misstatements, whether these are due to fraud or result from errors.

When producing the consolidated financial statements, Management is required to assess the Company's ability to continue its operations, to present in its financial statements, when necessary, the required disclosures pertaining to business continuity and to apply the going concern accounting principle, unless there are plans to liquidate the Company or put an end to its activity.

The Audit Committee is required to monitor the process of compiling financial information and to monitor the effectiveness of the internal control and risk management systems, in addition to internal audits when applicable, for the procedures related to the compiling and processing of accounting and financial information.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the statutory auditors with regard to the audit of the consolidated financial statements

Objective and audit approach

We are required to produce a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole are free of material misstatement. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit performed in accordance with professional standards enables systematic detection of any material misstatements. Misstatements may be due to fraud or result from errors and are considered to be material when it can reasonably be expected that they may, taken individually or in combination, influence the economic decisions that the financial statement users make based on them.

As outlined in Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, our assignment to certify the financial statements does not entail guaranteeing the viability or the quality of the management of your Company.

In the framework of an audit performed in accordance with professional standards applicable in France, the statutory auditor exercises his professional judgement throughout this audit.

Furthermore:

- he identifies and assesses the risks that the consolidated financial statements are materially misstated, whether these misstatements are due to fraud or result from errors, defines and implements audit procedures with regard to these risks, and gathers the elements that he deems to be a sufficient and appropriate basis for forming his opinion. The risk of non-detection of a material misstatement arising from fraud is higher than that of a material misstatement resulting from an error, because fraud may imply collusion, falsification, voluntary omissions, false statements or bypassing of internal control;
- he familiarises himself with the relevant internal control for the audit in order to define the audit procedures appropriate to the circumstances, and not with the aim of expressing an opinion on the effectiveness of internal control;
- he assesses the appropriateness of the accounting methods retained and the reasonableness of the accounting estimates made by Management, in addition to the disclosures provided in the consolidated financial statements;
- he assesses the appropriateness of Management's application of the continuity assumption accounting principle and, depending on the elements collected, the probable existence of material uncertainty related to events or circumstances likely to cast significant doubt about the Company's ability to continue as a going concern. This assessment is based on the elements collected up until the date of his report, with a reminder however that subsequent circumstances or events could cast significant doubt about the continuity of operations. If he concludes that there is material uncertainty, he draws the report readers' attention to the information disclosed in the consolidated financial statements regarding this uncertainty or, if this information is not disclosed or is not relevant, he issues his certification with reservations or refuses to certify;
- he assesses the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect the underlying transactions and events so as to provide a true and fair view;
- concerning the financial information of the persons or entities included within the consolidation scope, he collects elements he deems to be sufficient and appropriate to express an opinion regarding the consolidated financial statements. He is responsible for the direction, supervision and completion of the audit of the consolidated financial statements in addition to the opinion expressed regarding these financial statements.

Audit Committee Report

We are submitting a report to the Audit Committee presenting in particular the extent of the audit and the work programme implemented, as well as the resulting conclusions of our work. We also draw their attention, when applicable, to the material weaknesses of internal control that we have identified as regards the procedures related to the compiling and processing of accounting and financial information.

The disclosures in the report to the Audit Committee include the risks of material misstatement that we deem to be the most important for the audit of the consolidated financial statements of the year ended and that thus constitute one of the key points of the audit that we are required to describe in the present report. We are also providing to the Audit Committee the statement pursuant to Article 6 of Regulation (EU) no. 537-2014 confirming our independence, within the meaning of the rules applicable in France as outlined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the code of ethics of the profession of statutory auditor. When applicable, we discuss with the audit committee the risks to our independence and the safeguard measures applied.

The Statutory Auditors

Paris La Défense, 15 February 2019

KPMG Audit
KPMG S.A. Department

Catherine Porta
Partner

Cédric Adens
Partner

Paris La Défense, 15 February 2019

Deloitte & Associés

Jean Marie Le Guiner
Partner

Statutory Auditors' special report on regulated agreements and commitments

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Ipsen

Société anonyme

65, Quai Georges Gorse – 92650 Boulogne-Billancourt Cedex

Statutory Auditors' special report on regulated agreements and commitments

Shareholders' Meeting to approve the accounts for the financial year ended 31 December 2018

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on the regulated agreement and commitments.

We are required to inform you, on the basis of the information provided to us, the features, key terms and conditions and the reasons for the interest of the Company, in the agreements and commitments of which we were notified or which we were able to find in the course of our work. It is not our role to determine whether these are beneficial or appropriate, or to ascertain whether any other agreements or commitments exist. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code, to evaluate the benefits arising from these agreements and commitments prior to their approval.

We are also required, where appropriate, to inform you of the terms of Article R.225-31 of the French Commercial Code relating to the implementation, over the past financial year, of the agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures we considered necessary in accordance with professional guidance issued by the French National Institute of Auditors *("Compagnie nationale des commissaires aux comptes")*, relating to this engagement. Our work involved verifying that the information provided to us is consistent with the underlying documentation from which it was extracted.

AGREEMENTS AND COMMITMENTS SUBJECT TO APPROVAL BY THE SHAREHOLDERS' MEETING

Agreements and commitments authorised during the past financial year

We inform you that we have not been advised of any agreement or commitment authorized and entered into during the past financial year to be submitted for approval by the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements and commitments approved in previous financial years

a) the implementation of which continued during the past financial year

We inform you that we have not been advised of any agreement or commitment already approved by the Shareholders' Meeting which continued to be implemented over the past financial year.

b) which were not implemented during the past financial year

Furthermore, we have been notified of the continuation of the following agreements and commitments, which had already been approved by the Shareholders' Meeting in previous financial years, the implementation of which did not continue into the past financial year.

Undertakings in the event of termination of duties in favour of Mr Marc de Garidel, Chairman of the Board of Directors

The Board of Directors, at its meeting of 8 July 2016, approved the compensation elements of Mr Marc de Garidel, Chairman of the Board of Directors from 18 July 2016.

These compensation elements include:

- The benefit of membership of the additional pension plan in force within the Company, giving right to, on retirement and subject to (i) a minimum length of service of five years within the Group, already acquired (ii) an eligibility to social security retirement at the full rate (*i.e.* a retirement age of 62, at the earliest, in accordance with the current French law), and (iii) the respect of a performance condition mentioned below, the payment of an annuity calculated by reference to seniority within the Group, (x) at a rate of 0.6% of the total gross remuneration ("TGR") per year of service for the portion of the TGR lower than eight times the French annual social security ceiling and (y) at a rate of 1% per year of service for the portion of the TGR exceeding eight times the French annual social security ceiling (with the French annual social security ceiling amounting to €38,616 in 2016). The grant of this Company pension scheme will be subject to the same performance condition as the one applicable to the severance payment (the maintaining of the Group's recurring operating margin for the three years prior to departure at a minimum threshold of 15%).

Board of Directors also decided that Mr Marc de Garidel is to benefit from three additional years of service within the context of the Company's additional pension scheme in return for his undertaking to continue his involvement within the Group as Chairman of the Board, provided that his effective departure from the Company does not take place prior to the month of November of the year he reaches 62 years of age. These additional years of service will allow Mr Marc de Garidel to benefit from an annuity equal to at least €80,000, *i.e.* an annuity comparable to the one that would result from the pension entitlements at the end of the 2015 financial year (about €88,000), should he leave on the year of his 62nd birthday. The accrual of these additional years of service would take place on a year-by-year basis starting with financial year 2017 and subject to compliance with the performance conditions described above for the year in question. This benefit would not result in Mr Marc de Garidel accruing conditional entitlements at a pace exceeding the maximum accrual allowed by law (*i.e.*, currently, 3% of the annual benchmark compensation used to calculate the annuity paid under the Company's supplementary pension plan).

- A severance payment with identical terms and conditions, in accordance with the recommendations set out in the AFEP-MEDEF Code, namely:
  - an indemnity which will only be due in the event of a forced departure *(départ contraint)* within the meaning of the AFEP-MEDEF Code,
  - of an amount equal to the compensation received from the Company over the last 24 rolling calendar months preceding the effective date of his departure,
  - the grant of which will be subject to the same performance condition as that applicable to the severance payment, namely maintaining the recurring operating margin of the Group during the three years preceding his departure at a minimum threshold of 15%, and
  - including, for a portion equal to 50% of the amount hereof, the amount payable in consideration of the non-compete undertaking referred to below.

Non-compete undertaking of Mr Marc de Garidel, Chairman of the Board of Directors

Mr. Marc de Garidel, Chairman of the Board, agreed, in the event of his departure from the Group, during a period of 24 months following the date of his effective departure, not to perform or participate from an operational standpoint (including as a consultant), within the territory of the European Economic Area (EEA) and/or North America, in any activity relating to the development and/or the marketing of products belonging to the same therapeutic category (source IMSHealth) as one of the top two products of the Group in terms of turnover on the date of his effective departure.

During the meeting of the Board of Directors held on 8 July 2016, Mr Marc de Garidel accepted to maintain this undertaking in the framework of his sole functions as Chairman of the Board of Directors, it being specified that the non-compete obligation will now focus on the top two products of the Group in terms of turnover on the date of his effective departure. The indemnity owed by the Company in consideration of this non-compete undertaking will be deemed to be included in the severance package referred to above, if the latter is also due.

Undertakings in the event of termination of duties in favour of Mr David Meek, Chief Executive Officer

The Board of Directors, in its meeting held on 8 July 2016, approved the compensation elements of Mr David Meek, Chief Executive Officer from 18 July 2016.

These compensation elements include:

- The benefit of membership of the additional pension plan in force within the Company, giving right to, on retirement and subject to (i) a minimum length of service of five years within the Group, (ii) an eligibility to social security retirement at the full rate (*i.e.* a retirement age of 62 at the earliest in accordance with the current French law), and (iii) the respect of a performance condition mentioned below, the payment of an annuity calculated by reference to length of service within the Group, (x) at a rate of 0.6% of the total gross remuneration ("TGR") per year of service for the portion of the TGR lower than eight times the French annual social security ceiling and (y) at a rate of 1% per year of service for the portion of the TGR exceeding eight times the French annual social security ceiling (with the French annual social security ceiling amounting to €38,616 in 2016). The grant of this Company pension scheme will be subject to the same performance condition as the one applicable to the severance payment (the maintaining of the Group's recurring operating margin for the three years prior to departure at a minimum threshold of 15%).
- A severance payment whose terms and conditions are in accordance with the recommendations set out in the AFEP-MEDEF Code, namely:
  - an indemnity which will only be due in the event of a forced departure *(départ contraint)* within the meaning of the AFEP-MEDEF Code,
  - equal to 24 months of gross (fixed and variable) compensation paid for his duties as Chief Executive Officer,
  - the grant of which will be subject to a performance condition (the maintaining of the recurring operating margin of the Group during the three years preceding his departure at a minimum threshold of 15%), and
  - including, for a portion equal to 50% of the amount hereof, the amount payable in consideration for the non-compete undertaking of Mr David Meek referred to below.

Non-compete undertaking of Mr David Meek, Chief Executive Officer

- During the meeting of the Board of Directors held on 8 July 2016, Mr David Meek agreed, in the event of his departure from the Group, for a period of twenty four (24) months following the date of his effective departure from the Company, not to perform or participate from an operational standpoint (including as a consultant), within the territory of the European Economic Area (EEA) and/or North America, in any activity relating to the development and/or the marketing of products belonging to the same therapeutic category (source IMS-Health) as (1) one of the top three products of the Group based on the turnover generated by such products or their importance from a strategic standpoint (as assessed by the Board of Directors) on the date of Mr David Meek's effective departure, and (2) any product acquired by the Company between 1 January 2016 and the date of Mr David Meek's effective departure for a total financial consideration exceeding €300 million (this financial consideration being the sum of any initial payment and any commercial or regulatory payment from a subsequent stage or, in the event of a corporate acquisition, the portion of the acquisition price – corresponding to the initial price plus any earn-out or other price supplement – corresponding to the product in question). The indemnity owed by the Company in consideration of this non-compete undertaking will be deemed to be included in the severance package referred to above, if the latter is also due.

The Statutory Auditors

Paris La Défense, 15 February 2019

KPMG Audit
KPMG S.A. Department

Catherine Porta
Partner

Cédric Adens
Partner

Paris La Défense, 15 February 2019

Deloitte & Associés

Jean Marie Le Guiner
Partner

EXECUTIVE SUMMARY: IPSEN GROUP IN 2018

Financial highlights

- Group sales growth of 16.6% as reported and 20.1%(1) at constant exchange rates, driven by Specialty Care sales growth of 24.7%(1), reflecting strong performance across all major products and geographies, and sustained growth of Consumer Healthcare at 2.7%(1).
- Core operating margin at 29.7% of net sales, up 3.3 points and Core Operating Income growth of 31.0%.
- IFRS operating margin at 23.3% of net sales, up 2.5 points and IFRS Operating Income growth of 30.8%.
- Financial guidance for 2019 of Group sales growth greater than 13.0% at constant exchange rate and Core operating margin around 31.0% of net sales, excluding incremental investments in pipeline expansion initiatives.

Q4,2018 pipeline highlights

- On 15 November 2018, approval from the European Commission for Cabometyx® for the treatment of hepatocellular carcinoma (HCC) in adults who have previously been treated with sorafenib.
- On 5 December 2018, initiation with Exelixis of COSMIC-312, a Phase 3 pivotal trial of Cabometyx® in combination with atezolizumab versus sorafenib in previously untreated advanced hepatocellular carcinoma (HCC).

Extract of audited consolidated results for the full year 2018 and 2017

(in million of euros)	FY 2018	FY 2017	% change	% change at constant currency(1)
Group net sales	**2,224.8**	**1,908.7**	**+16.6%**	**+20.1%**
Specialty Care sales	1,924.5	1,591.9	+20.9%	+24.7%
Consumer Healthcare sales	300.3	316.8	-5.2%	-2.9%
CORE				
Core Operating Income	**659.9**	**503.6**	**+31.0%**	
Core operating margin (as a % net sales)	*29.7%*	*26.4%*	*+3.3 pts*	
Core consolidated net profit	**491.6**	**362.7**	**+35.5%**	
Core EPS – fully diluted (€)	5.91	4.36	+35.5%	
IFRS				
Operating Income	**519.4**	**397.2**	**+30.8%**	
Operating margin (as a % net sales)	*23.3%*	*20.8%*	*+2.5 pts*	
Consolidated net profit	**389.1**	**272.9**	**+42.6%**	
EPS – fully diluted (€)	4.68	3.28	+42.7%	

(1) Year-on-year growth excluding foreign exchange impact established by recalculating net sales for the relevant period at the rate used for the previous period.

David Meek, Chief Executive Officer of Ipsen, stated: *"2018 was a tremendous year for Ipsen with industry-leading top-line growth and Somatuline® achieving blockbuster status. We also delivered significant margin expansion while investing to advance our R&D pipeline. The momentum of the business is strong as we enter 2019 and are on track to deliver our 2020 financial targets to exceed €2.5 billion in sales and 30% margins, one year earlier.*

In 2018, we advanced our pipeline with Cabometyx® approvals in additional indications, acceleration of key programs and the establishment of new collaborations. We remain focused on executing our internal and external innovation strategy to build a robust pipeline, ensure continued growth and optimize value for patients and shareholders. We look forward to another outstanding year of strong industry-leading growth, expanding indications for our current medicines and advancing several innovative new chemical entities in the clinic."

(1) Consumer Healthcare 2018 sales growth up 2.7% restated from the new contractual set-up of Etiasa®, down 2.9% as reported

Review of full year 2018 results

Note: Unless stated otherwise, all variations in sales are calculated excluding foreign exchange impacts established by recalculating net sales for the relevant period at the rate used for the previous period.

Group net sales reached €2,224.8 million, up 20.1% year-on-year.

Specialty Care sales reached €1,924.5 million, up 24.7%, driven by the strong growth of Somatuline® and the €257.6 million contribution from the key Oncology launches of Cabometyx® and Onivyde®. Somatuline® growth of 24.4% was driven by continued positive momentum in North America (38.2% growth in the U.S.) and solid performance throughout Europe. Dysport® growth was fueled by strong performance and the resupply in Brazil, strong volume growth in the U.S. in the therapeutics market as well as the good performance of Galderma in the aesthetics market in Europe. Decapeptyl® sales reflect good volume growth across Europe and a good performance in China.

Consumer Healthcare sales reached €300.3 million, up 2.7% year-on-year re-stated from Etiasa new contractual set-up (or down 2.9% as reported), driven by the good performance of Smecta® and the contribution of the products acquired in 2017.

Core Operating Income reached €659.9 million in 2018, compared to €503.6 million in 2017, a growth of 31.0%, driven by the sales growth and after increased commercial investments for Cabometyx® and Onivyde®, and R&D investments to support the development of the growing pipeline.

Core operating margin reached 29.7% of net sales, up 3.3 points compared to 2017.

Core consolidated net profit was €491.6 million in 2018, an increase of 35.5% versus €362.7 million in 2017, driven by higher Core Operating Income and due to lower effective tax rate and net financing costs.

Fully diluted Core earnings per share grew by 35.5% to reach €5.91, compared to €4.36 in 2017.

IFRS Operating income was €519.4 million, up 30.8% after higher amortization of intangible assets (excluding software) and impairment charges. Operating margin of 23.3% was up 2.5 points compared to 2017.

IFRS Consolidated net profit was €389.1 million versus €272.9 million in 2017, up 42.6%.

IFRS Fully diluted EPS (Earning per share) was €4.68 versus €3.28 in 2017.

Free Cash Flow reached €458.4 million, up by €149.4 million or 48.3%, mainly driven by an improvement in Operating Cash Flow and lower restructuring costs, partially compensated by higher financial income and current income tax.

Closing net debt reached €242.5 million at the end of 2018, an improvement of €220.8 million over the closing net debt in 2017 of €463.3 million. This reflects positive Free Cash Flow generation of the Group which allowed the payment of milestones for Cabometyx® and dividends in June.

Comparison of 2018 performance with financial objectives

The Group exceeded its upgraded guidance provided on 26 July 2018 for Group sales growth and for Core operating margin.

The table below shows the comparison between the financial objectives provided on 26 July 2018 and 2018 actuals.

	Financial objectives	2018 Actuals
Group sales growth (at constant exchange rate)	> +19%(1)	+20.1%(1)
Core operating margin (as a percentage of sales)	around 29.0%	29.7%

(1) Year-on-year growth excluding foreign exchange impact established by recalculating net sales for the relevant period at the rate used for the previous period.

Dividend for the 2018 financial year proposed for the approval of Ipsen's shareholders

The Ipsen S.A. Board of Directors, which met on 13 February 2019, decided to propose at the Annual Shareholders' meeting on 28 May 2019 the payment of a dividend of €1.00 per share for the 2018 financial year, unchanged from the prior year.

2019 Financial guidance

The Group has set the following financial targets for 2019:

- **Group sales growth** year-on-year at constant currency **greater than +13.0%;** based on the current level of exchange rates, sales growth at current rates would be positively impacted by around 1.0%.
- **Core operating margin** around **31.0%** of net sales, excluding incremental investments in pipeline expansion initiatives.

Comparison of Consolidated Sales for the Fourth Quarter and Full Year 2018 and 2017

Sales by therapeutic area and by product

Note: Unless stated otherwise, all variations in sales are stated excluding foreign exchange impacts, established by recalculating net sales for the relevant period at the rate from the previous period).

(in million euros)	4th Quarter				Full Year			
	2018	2017	% Variation	% Variation at constant currency	2018	2017	% Variation	% Variation at constant currency
Oncology	414.6	325.6	27.4%	27.2%	1,503.0	1,185.6	26.8%	29.9%
Somatuline®	*227.2*	*189.2*	*20.1%*	*19.7%*	*846.7*	*702.5*	*20.5%*	*24.4%*
Decapeptyl®	*100.2*	*89.6*	*11.8%*	*12.8%*	*372.6*	*348.7*	*6.9%*	*8.1%*
Cabometyx®	*47.4*	*20.6*	*130.2%*	*131.0%*	*148.2*	*51.7*	*186.5%*	*187.5%*
Onivyde®	*33.7*	*19.7*	*71.3%*	*68.5%*	*109.4*	*56.9*	*92.4%*	*100.8%*
Other Oncology	6.2	6.6	-5.4%	-5.3%	26.0	25.8	0.9%	1.1%
Neuroscience	88.7	88.2	0.6%	5.6%	351.5	331.6	6.0%	12.8%
Dysport®	*87.3*	*87.2*	*0.1%*	*5.0%*	*347.8*	*328.2*	*6.0%*	*12.6%*
Rare Diseases	16.9	17.3	-2.4%	-3.0%	70.0	74.7	-6.4%	-5.1%
NutropinAq®	*10.5*	*12.3*	*-14.9%*	*-14.7%*	*45.9*	*51.8*	*-11.5%*	*-11.3%*
Increlex®	*6.4*	*5.0*	*28.2%*	*24.9%*	*24.1*	*22.9*	*5.3%*	*8.9%*
Specialty Care	**520.3**	**431.1**	**20.7%**	**21.6%**	**1,924.5**	**1,591.9**	**20.9%**	**24.7%**
Smecta®	*31.3*	*36.1*	*-13.3%*	*-11.0%*	*126.5*	*123.8*	*2.2%*	*5.3%*
Forlax®	*11.2*	*10.4*	*7.3%*	*8.4%*	*39.8*	*42.1*	*-5.5%*	*-4.4%*
Tanakan®	*12.1*	*14.8*	*-17.8%*	*-15.3%*	*37.7*	*41.4*	*-9.1%*	*-6.0%*
Fortrans/Eziclen®	*9.3*	*8.7*	*7.3%*	*11.3%*	*31.4*	*32.1*	*-2.3%*	*1.7%*
Etiasa®	*4.1*	*3.1*	*30.5%*	*29.3%*	*4.2*	*17.8*	*-76.2%*	*-75.6%*
Other Consumer Healthcare	16.1	14.9	7.7%	7.9%	60.7	59.5	1.9%	2.6%
Consumer Healthcare	**84.1**	**88.0**	**-4.5%**	**-2.6%**	**300.3**	**316.8**	**-5.2%**	**-2.9%**
Group Sales	**604.4**	**519.2**	**16.4%**	**17.5%**	**2,224.8**	**1,908.7**	**16.6%**	**20.1%**

* Including Smectite sales previously recorded in Other Consumer Healthcare.

Full year 2018 sales highlights

Group sales reached €2,224.8 million, up 20.1%, driven by Specialty Care sales growth of 24.7% and Consumer Healthcare sales growth of 2.7% re-stated from the Etiasa® new contractual set-up (or down 2.9% as reported).

Specialty Care sales amounted to €1,924.5 million, up 24.7%. Oncology and Neuroscience sales grew by 29.9% and 12.8%, respectively, and Rare Diseases sales decreased by 5.1%. Over the period, the relative weight of Specialty Care continued to increase to reach 86.5% of Group sales compared to 83.4% in 2017.

In **Oncology,** sales reached €1,503.0 million, up 29.9% year-on-year, driven by the continued strong performance of Somatuline® as well as the launches of Cabometyx® and Onivyde®. Over the period, Oncology sales represented 67.6% of total Group sales compared to 62.1% in 2017.

Somatuline® – Sales reached €846.7 million, up 24.4% year-on-year, driven by continuous growth in North America of 38.2% from strong volume growth and market share gains, strong double-digit growth in most European countries, notably Germany, Sweden, France and the UK, as well as the contribution from Japan following the launch of the neuroendocrine tumor indication in 2017.

Decapeptyl® – Sales reached €372.6 million, up 8.1% year-on-year, positively impacted by volume growth in most European countries, notably in France, Spain and the UK, as well as by good performance in China.

Cabometyx® – Sales reached €148.2 million, driven by good performance in all European countries including Germany, France and the UK, as well as new launches in other countries including Australia. In the fourth quarter of 2018, sales increased by 22.2% over the third quarter of 2018.

Onivyde® – Sales amounted to €109.4 million. In the fourth quarter of 2018, sales were up 68.5% year-on-year and increased by 22.8% over the third quarter of 2018 driven by strong sales to ex-US partner in the fourth quarter.

In **Neuroscience,** sales of ***Dysport®*** reached €347.8 million, up 12.6% driven by the resupply and strong performance in Brazil, solid volume growth in the U.S. in the therapeutics market as well as the good performance of Galderma in the aesthetics market in Europe. For the Full Year 2018, Neuroscience sales represented 15.8% of total Group sales compared to 17.4% in 2017.

In **Rare Diseases**, sales of ***NutropinAq®*** reached €45.9 million, down 11.3% year-on-year, impacted by lower volumes across Europe. Sales of ***Increlex®*** reached €24.1 million, growing by 8.9% year-on-year, driven by the performance in the U.S. Over the period, Rare Diseases sales represented 3.1% of total Group sales compared to 3.9% in 2017.

Consumer Healthcare sales reached €300.3 million, up 2.7% year-on-year re-stated from the Etiasa® new contractual set-up (or down 2.9% as reported). Sales were positively impacted by the good performance of the Smecta® brand and the contribution from the products acquired in 2017. Over the period, Consumer Healthcare sales represented 13.5% of total Group sales, compared to 16.6% in 2017.

Smecta® – Sales reached €126.5 million, up 5.3% year-on-year, driven by good growth in China (impacted by a negative inventory effect in 2017), France as well as in Korea, Russia and Central Asia.

Forlax® – Sales reached €39.8 million, down 4.4% year-on-year, impacted by lower sales to partners and the importation delay in Algeria.

Tanakan® – Sales reached €37.7 million, down 6.0% year-on-year, impacted by a continuous market slow-down in France and the importation ban in Algeria.

Fortrans/Eziclen® – Sales reached €31.4 million, up 1.7% year-on-year, driven by good performance in China, Vietnam and Ukraine, partly offset by the negative inventory impact and competitive pressure in Eastern European Countries.

Etiasa® – Sales reached €4.2 million, down 75.6% year-on-year, due to the new contractual set up in China.

Other Consumer Healthcare – Sales reached €60.7 million, up 2.6% year-on-year, supported by the contribution of products acquired in 2017 and other drug-related products, offsetting the Adrovance® erosion in France.

Sales by geographical area

Group sales by geographical area in the fourth quarter and full year 2018 and 2017:

(in million euros)	4th Quarter				Full Year			
	2018	2017	% Variation	% Variation at constant currency	2018	2017	% Variation	% Variation at constant currency
France	80.8	64.9	24.5%	24.6%	282.0	247.7	13.8%	13.9%
Germany	51.1	43.3	18.1%	18.1%	184.1	152.1	21.1%	21.1%
Italy	22.9	22.5	1.8%	1.8%	101.5	90.7	11.9%	11.9%
United Kingdom	24.5	22.3	9.7%	9.8%	95.0	80.3	18.4%	19.5%
Spain	24.8	20.5	20.9%	20.9%	91.1	73.6	23.7%	23.7%
Major Western European Countries	**204.1**	**173.6**	**17.6%**	**17.6%**	**753.8**	**644.4**	**17.0%**	**17.1%**
Eastern Europe	57.0	53.9	5.8%	11.7%	198.0	196.4	0.8%	6.2%
Other Europe	60.2	54.7	10.1%	15.2%	245.7	199.0	23.5%	27.4%
Other European Countries	**117.2**	**108.5**	**8.0%**	**13.5%**	**443.7**	**395.3**	**12.2%**	**16.9%**
North America	**176.3**	**127.7**	**38.1%**	**35.5%**	**615.6**	**467.0**	**31.8%**	**37.9%**
Asia	56.5	55.5	2.0%	2.6%	207.3	205.7	0.8%	3.5%
Rest of the World excluding Asia	50.3	54.0	-6.9%	-2.7%	204.3	196.3	4.1%	11.3%
Rest of the World	**106.8**	**109.4**	**-2.4%**	**0.0%**	**411.7**	**401.9**	**2.4%**	**7.3%**
Group Sales	**604.4**	**519.2**	**16.4%**	**17.5%**	**2,224.8**	**1,908.7**	**16.6%**	**20.1%**

Sales in **Major Western European countries** reached €753.8 million, up 17.1% year-on-year. Over the period, sales in Major Western European countries represented 33.9% of total Group sales compared to 33.8% in 2017.

France – Sales reached €282.0 million, up 13.9% year-on-year, mainly driven by the Cabometyx® ramp-up, the strong sales of Decapeptyl® and the sustained growth of Somatuline®.

Germany – Sales reached €184.1 million, up 21.1% year-on-year, driven by the Cabometyx® ramp-up and the strong growth of Somatuline®.

Italy – Sales reached €101.5 million, up 11.9% year-on-year, mainly driven by the launch of Cabometyx®, and supported by the good performance of Decapeptyl® as well as Somatuline®.

United Kingdom – Sales reached €95.0 million, up 19.5% year-on-year, driven by the strong performance of Cabometyx®, Somatuline® and Decapeptyl.

Spain – Sales reached €91.1 million, up 23.7% year-on-year, driven by the contribution of Cabometyx® and the good performance of Somatuline® and Decapeptyl®.

Sales in **Other European countries** reached €443.7 million, up 16.9% year-on-year, supported by the launch of Cabometyx® in certain countries, Onivyde® sales to Ipsen's partner, the strong growth of Dysport® as well as the solid performance of Somatuline® and Decapeptyl®. Over the period, sales in the region represented 19.9% of total Group sales compared to 20.7% in 2017.

Sales in **North America** reached €615.6 million, up 37.9% year-on-year, driven by the continued strong growth of Somatuline® as well as the Onivyde® launch contribution and the good performance of Dysport® in the therapeutics market. Over the period, sales in North America represented 27.7% of total Group sales compared to 24.5% in 2017.

Sales in the **Rest of the World** reached €411.7 million, up 7.3% year-on-year, driven by the resupply and strong performance of Dysport® in Brazil, the growth of Somatuline® in Japan, partly offset by the negative impact of the new Etiasa® contractual set-up in China. Over the period, sales in the Rest of the World represented 18.5% of total Group sales compared to 21.1% in 2017.

Comparison of Core consolidated income statement for 2018 and 2017

Core financial measures are performance indicators. Reconciliation between these indicators and IFRS aggregates is presented in Appendix 4 "Bridges from IFRS consolidated net profit to Core consolidated net profit".

	31 December 2018		31 December 2017		% change
	(in million euros)	% of sales	(in million euros)	% of sales	
Sales	**2,224.8**	**100%**	**1,908.7**	**100%**	**16.6%**
Other revenues	123.6	5.6%	103.0	5.4%	19.9%
Revenue	**2,348.4**	**105.6%**	**2,011.8**	**105.4%**	**16.7%**
Cost of goods sold	(454.2)	-20.4%	(385.6)	-20.2%	17.8%
Selling expenses	(787.4)	-35.4%	(715.9)	-37.5%	10.0%
Research and development expenses	(302.1)	-13.6%	(265.8)	-13.9%	13.7%
General and administrative expenses	(165.7)	-7.4%	(140.8)	-7.4%	17.7%
Other core operating income	21.1	0.9%	0.4	0.0%	N.A.
Other core operating expenses	(0.3)	0.0%	(0.5)	0.0%	-46.7%
Core Operating Income	**659.9**	**29.7%**	**503.6**	**26.4%**	**31.0%**
Net financing costs	(5.3)	-0.2%	(8.1)	-0.4%	-34.9%
Other financial income and expense	(20.1)	-0.9%	(18.4)	-1.0%	8.7%
Core income taxes	**(144.1)**	**-6.5%**	**(115.7)**	**-6.1%**	**24.5%**
Share of net profit (loss) from entities accounted for using the equity method	1.1	0.0%	1.4	0.1%	-22.8%
Core consolidated net profit	**491.6**	**22.1%**	**362.7**	**19.0%**	**35.5%**
– Attributable to shareholders of Ipsen S.A.	491.9	22.1%	362.1	19.0%	35.9%
– Attributable to non-controlling interests	(0.4)	0.0%	0.6	0.0%	N.A.
Core EPS fully diluted – attributable to Ipsen S.A. shareholders (in euros per share)	*5.91*		*4.36*		35.5%

Reconciliation from Core consolidated net profit to IFRS consolidated net profit

(in million euros)	31 December 2018	31 December 2017
Core consolidated net profit	**491.6**	**362.7**
Amortization of intangible assets (excluding software)	(53.2)	(37.6)
Other operating income or expenses	(25.5)	(33.6)
Restructuring	(16.0)	(13.0)
Impairment losses	(9.8)	12.8
Other	2.0	(18.5)
IFRS consolidated net profit	**389.1**	**272.9**
IFRS EPS fully diluted – attributable to Ipsen S.A. shareholders (in euros)	*4.68*	*3.28*

Sales

At the end of December 2018, the Group's consolidated Sales reached €2,224.8 million, up 16.6% year-on-year and up 20.1% excluding the impact of foreign exchange.

Other revenues

Other revenues for the financial year 2018 totaled €123.6 million, up 19.9% versus €103.0 million at the end of December 2017. The evolution was attributable to higher royalties received from partners, mainly Galderma for Dysport®, Menarini for Adenuric® and Servier for Onivyde®. Other revenues were also positively impacted in 2018 by the new contractual set-up implemented in the third quarter of 2017 for Etiasa® in China.

Cost of goods sold

At the end of December 2018, Cost of goods sold amounted to €454.2 million, representing 20.4% of Net sales, compared to €385.6 million or 20.2% of Net sales at the end of December 2017. The productivity efficiency and positive mix effect have been fully compensated by the increase of royalties paid to partners.

Selling expenses

In 2018, Selling expenses amounted to €787.4 million, up 10.0% versus 2017, representing 35.4% of Net sales vs. 37.5% in 2017, an improvement of 2.1pts. The evolution reflects the commercial efforts deployed to support the Cabometyx® launch in Europe, the growth of Somatuline® in the United States and in Europe as well as the commercial investment for Onivyde® in the United States.

Research and development expenses

For the financial year 2018, Research and development expenses totaled €302.1 million, compared to €265.8 million in 2017. The Group increased investments in Research and development in Oncology, especially for Cabometyx®, Onivyde® and the Systemic Radiation Therapy (SRT) programs, as well as in Neuroscience, mainly for the new Dysport® indications and the recombinant neurotoxin programs.

General and administrative expenses

In 2018, General and administrative expenses amounted to €165.7 million, compared to €140.8 million at the end of December 2017. The increase resulted primarily from the reinforcement of the corporate functions supporting Ipsen's growth and the impact of the Group's positive performance on variable compensation. General and administrative expenses represented 7.4% of Net sales, in line with last year.

Other core operating income and expenses

At year-end 2018, Other core operating income and expenses amounted to an income of €20.8 million versus an expense of €0.1 million in 2017. This evolution is due to the impact of the currency hedging policy.

Core Operating Income

Core Operating Income in 2018 reached €659.9 million, representing 29.7% of sales, compared to €503.6 million in 2017, representing 26.4% of sales, a growth of 31.0% and an increase in profitability of 3.3 points.

Net financing costs and Other financial income and expense

In 2018, the Group incurred Net financial expenses of €25.3 million, versus €26.6 million in 2017. Net financing costs decreased by €2.8 million, driven by the decrease of the net debt level over the period. Other financial income and expense increased by €1.6 million, mainly attributable to the cost of hedging implemented to mitigate the foreign exchange exposure of the Group and the impact of the Onivyde® earn-out re-evaluation under IFRS.

Core income taxes

In 2018, Core income tax expense of €144.1 million resulted from a core effective tax rate of 22.7% on core profit before tax compared to a core effective tax rate of 24.3% in 2017. The decrease in the core effective tax rate is mainly attributable to the decrease of U.S. corporate income tax rate following the U.S. tax reform.

Core consolidated net profit

In 2018, Core consolidated net profit increased by 35.5% to €491.6 million, with €491.9 million fully attributable to Ipsen S.A. shareholders. This compares to Core consolidated net profit of €362.7 million, with €362.1 million fully attributable to Ipsen S.A. shareholders in 2017.

Core Earning per share

In 2018, Core EPS fully diluted came to €5.91, up 35.5% versus €4.36 per share in 2017.

From Core financial measures to IFRS reported figures

Reconciliations between IFRS 2017 / 2018 results and the Core financial measures are presented in Appendix 4.

In 2018, the main reconciling items between Core consolidated net income and IFRS consolidated net income were:

Amortization of intangible assets (excluding software)

Amortization of intangible assets (excluding software) in 2018 amounted to €73.1 million before tax, compared to €53.3 million before tax in 2017, mainly due to the higher amortization of intangible assets from Cabometyx® and Onivyde®.

Other operating income and expenses and Restructuring costs

Other non-core operating income and expenses for 2018 amounted to an expense of €30.4 million before tax, mainly related to the termination of R&D studies, costs arising from the Group's transformation programs and a settlement with Galderma in Brazil, partially compensated by a favorable settlement with a U.S. partner. Restructuring costs came to €21.9 million before tax, impacted by the relocation of the U.S. commercial affiliate to Cambridge, Massachusetts.

In 2017, Other non-core operating expenses totaled €48.9 million before tax, and restructuring expenses amounted to €18.8 million before tax, consisting mainly of integration costs related to the Onivyde® acquisition, the adaptation of the R&D structure and programs, the cost of a settlement with a partner in Japan and a reorganization plan in Europe.

Impairment losses

In 2018, the Group recognized an impairment loss of €15.0 million before tax on the intangible asset of Xermelo® as sales expectations have been revised down in 2018 by the Group following a more restricted label received from EMA for the treatment of carcinoid syndrome diarrhea in combination with somatostatin analogue ("SSA") therapy in adults inadequately controlled by SSA therapy.

In 2017, a net reversal of impairment of €14.8 million before tax was recognized at Group level mainly related to:

- the reversal of the IGF-1 / Increlex® impairment for €50.4 million following the completion of the transfer to the new manufacturing site, approved by both the EMA (European Medicines Agency) and the FDA (Food and Drug Administration), securing the production of Increlex®;
- the impairment of Prontalgine® for €33.9 million following the consequence of the decree announced by the French Ministry of Health on July 12, 2017, listing all medicines containing codeine, dextromethorphan, ethylmorphine or noscapine on the list of medicines available only by prescription.

Other

In 2018, Other items amounted to an income of €2.0 million related to discontinued operations.

In 2017, Other items amounted to an expense of €18.5 million and were mainly related to the negative impact of the U.S. tax reform on U.S. tax losses carried forward offset by the recognition of previously unrecognized deferred tax assets in the U.S. as well as to discontinued operations.

Consequently, IFRS reported indicators are:

Operating income

In 2018, Operating income totaled €519.4 million versus €397.2 million in 2017, with an Operating margin of 23.3%, up 2.5 points compared to 2017.

Consolidated net profit

Consolidated net profit was €389.1 million at 31 December 2018, showing an increase of 42.6% versus 2017 at €272.9 million.

Earning per share

Fully diluted EPS was €4.68 in 2018 versus €3.28 in 2017.

Operating segments: Core Operating Income by therapeutic area

Segment information is presented according to the Group's two operating segments, Specialty Care and Consumer Healthcare.

All costs allocated to these two segments are presented in the key performance indicators. Only corporate overhead costs and the impact of the currency hedging policy are not allocated to the two operating segments.

The Group uses Core operating income to measure its performance. Core operating income is the indicator used by the Group to measure operating performance and to allocate resources.

Sales, Revenue and Core Operating Income are presented by therapeutic area for the 2018 and 2017 financial years in the following table:

(in million euros)	31 December 2018	31 December 2017	Variation	
			Change	%
Specialty Care				
Sales	1,924.5	1,591.9	332.6	20.9%
Revenue	1,987.1	1,643.1	344.0	20.9%
Core Operating Income	740.4	570.6	169.8	29.8%
% of sales	*38.5%*	*35.8%*		
Consumer Healthcare				
Sales	300.3	316.8	(16.5)	-5.2%
Revenue	361.3	368.7	(7.3)	-2.0%
Core Operating Income	83.9	91.8	(7.8)	-8.5%
% of sales	*27.9%*	*29.0%*		
Total Unallocated				
Core Operating Income	(164.5)	(158.8)	(5.7)	3.6%
Group total				
Sales	2,224.8	1,908.7	316.1	16.6%
Revenue	2,348.4	2,011.8	336.6	16.7%
Core Operating Income	659.9	503.6	156.3	31.0%
% of sales	*29.7%*	*26.4%*		

In 2018, **Specialty Care** sales grew to €1,924.5 million, up 20.9% over 2017 (24.7% at constant exchange rates), reaching 86.5% of total consolidated sales at 31 December 2018, versus 83.4% a year earlier. In 2018, **Core Operating Income** for Specialty Care amounted to €740.4 million, representing 38.5% of sales. This compares to €570.6 million in the prior-year period, representing 35.8% of sales. The improvement reflects the continued growth of Somatuline® in the United States and Europe, the contribution of Cabometyx® and Onivyde®, as well as the performance of Dysport® and Decapeptyl®, along with increased commercial and research & development investments.

In 2018, **Consumer Healthcare** sales came to €300.3 million, down 5.2% year-on-year (or down 2.9% at constant exchange rates), but growing by 2.7% once restated from the new contractual set-up in China for Etiasa®, partially compensated by the good performance of the Smecta® brand and the contribution of the products acquired in 2017. In 2018, **Core Operating Income** for Consumer Healthcare amounted to €83.9 million, representing 27.9% of sales, compared to 29.0% in 2017, reflecting commercial investments to support the OTx strategy.

In 2018, **Unallocated Core Operating Income** came to a negative €164.5 million, compared to a negative €158.8 million in the year-earlier period. The evolution is mainly attributable to the reinforcement of the unallocated corporate functions and the impact of the Group's positive performance on variable compensation, partially compensated by the favorable impact of the currency hedging policy.

Net cash flow and financing

In 2018, the Group had a net cash increase of €220.8 million, bringing closing net debt to €242.5 million.

Analysis of the consolidated net cash flow statement

(in million euros)	31 December 2018	31 December 2017
Opening net cash / (debt)	**(463.3)**	**68.6**
Core Operating Income	**659.9**	**503.6**
Non-cash items	41.2	18.1
Change in operating working capital requirement	3.6	(45.2)
(Increases) decreases in other working capital requirement	5.3	40.1
Net capex (excluding milestones paid)	(120.4)	(94.7)
Dividends received from entities accounted for using the equity method	0.9	0.9
Operating Cash Flow	**590.5**	**422.8**
Other non-core operating income and expenses and restructuring costs (cash)	(31.7)	(53.4)
Financial income (cash)	(25.9)	(16.8)
Current income tax (P&L, excluding provisions for tax contingencies)	(89.3)	(53.0)
Other operating cash flow	14.9	9.4
Free Cash Flow	**458.4**	**309.0**
Dividends paid	(83.5)	(70.6)
Net investments (Business Development and milestones)	(120.2)	(789.2)
Share buyback	(24.6)	(18.1)
FX on net indebtedness	(10.2)	33.8
Other (discontinued operations and financial instruments)	0.9	3.3
Shareholders return and external growth operations	**(237.6)**	**(840.9)**
CHANGE IN NET CASH / (DEBT)	**220.8**	**(531.9)**
Closing net cash / (debt)	**(242.5)**	**(463.3)**

Operating Cash Flow

In 2018, Operating Cash Flow totaled €590.5 million, up €167.7 million (+39.7%) versus 2017, mainly driven by higher Core Operating Income (up €156.3 million).

Non-cash items increased for the full year 2018 by €41.2 million versus an increase of €18.1 million in 2017, impacted by the increase in depreciation and a change in long-term management incentive programs.

Working capital requirement for operating activities decreased by €3.6 million in 2018, compared to an increase of €45.2 million in 2017. The change at 31 December 2018 stemmed mainly from the following:

- a €29.8 million increase in inventories during the year, in-line with business growth;
- a €29.0 million increase in trade receivables, in-line with sales growth and positively impacted by higher cash

collection on overdue invoices, compared to a €84.6 million increase in trade receivables in 2017;

- a €62.4 million increase in trade payables as of 31 December 2018, as compared to an increase of €77.6 million in 2017.

In 2018, Other working capital requirement needs decreased by €5.3 million, mainly driven by an increase in tax liabilities partially compensated by other receivables.

Net capital expenditure amounted to €120.4 million in 2018, compared to €94.7 million in 2017, and mainly included projects to support increased production capacity at industrial sites in the United Kingdom, the United States and France, as well as corporate investments in information technology and digital projects.

Free Cash Flow

In 2018, Free Cash Flow came to €458.4 million, up €149.4 million (+48.3%) versus 2017, mainly driven by an improvement in Operating cash flow and lower Other operating income or expenses and restructuring costs, partially compensated by higher financial expenses and current income tax.

Other non-core operating income and expenses and restructuring costs of €31.7 million included a positive settlement with a U.S. partner, offset by costs arising from the Group's transformation programs and a settlement with Galderma in Brazil. In 2017, €53.4 million of payments included Onivyde® integration costs, the impact of the transformation of the R&D model, a settlement with a partner in Japan and costs arising from the change in corporate governance.

The €25.9 million in financial expenses paid in 2018, vs. €16.8 million in 2017 resulted mainly from higher hedging costs.

The change in current income tax stemmed mainly from the growth of income, partially compensated by the improvement in the effective tax rate resulting from the U.S. tax reform.

Shareholders return and external growth operations

In 2018, the dividend payout to Ipsen S.A. shareholders amounted to €83.0 million.

Net investments in 2018 amounted to €120.2 million, including additional milestones paid to Exelixis for €98 million, an equity investment in Arix Bioscience for €17 million, the milestones paid following the license agreement signed with MD Anderson Cancer Center in May 2018, additional milestones paid to 3B Pharmaceuticals for a total of €14 million and the final payment for the acquisition of Akkadeas Pharma for €8 million, partly offset by the milestone received from Servier for Onivyde® for €20 million and from Galderma for the territory extension in Asia for a net total of €12 million.

Net investments at 31 December 2017 amounted to €789 million, including the acquisition of Onivyde® from Merrimack Pharmaceuticals on April 3, 2017 for €665 million, corresponding to the purchase price and future earn-outs (discounted and probabilized under IFRS), the acquisition of Consumer Healthcare products in European territories from Sanofi for €86 million, and the equity stake in Akkadeas Pharma for €5 million, as well as additional milestones paid to Exelixis for €26 million following the exclusive license agreement signed in 2016 and to Lexicon for €10 million. This was partially offset by milestone payment received from Radius and from Galderma for the territory extension in Asia for a total of €15 million.

Reconciliation of cash and cash equivalents and net cash

(in million euros)	31 December 2018	31 December 2017
Current financial assets (derivative instruments on financial operations)	**0.7**	**1.4**
Closing cash and cash equivalents	**310.9**	**209.3**
Bonds	(297.9)	(297.5)
Other financial liabilities (excluding derivative instruments) (**)	(88.1)	(102.8)
Non-current financial liabilities	**(386.0)**	**(400.3)**
Credit lines and bank loans	(4.0)	(46.0)
Financial liabilities (excluding derivative instruments) (**)	(164.1)	(227.6)
Current financial liabilities	**(168.1)**	**(273.6)**
Debt	**(554.1)**	**(673.9)**
Net cash / (debt) (*)	**(242.5)**	**(463.3)**

(*) Net cash / (debt): derivative instruments booked in financial assets and related to financial operations, cash and cash equivalents, less bank overdrafts, bank loans and other financial liabilities and excluding financial derivative instruments on commercial operations.

(**)Financial liabilities mainly exclude €15.8 million in derivative instruments related to commercial operations in 2018, compared to €20.4 million one year earlier.

Analysis of Group cash

Ipsen S.A. issued on 16 June 2016, a €300 million unsecured seven-year public bond loan with an annual interest rate of 1.875%. In addition, €300 million in bilateral long-term bank loans were contracted with a maturity of 6.5 years. As of 31 December 2018, none of the bank loans were drawn down.

Ipsen S.A. also has a syndicated loan of €600 million maturing on 17 October 2022. As of 31 December 2018, no amount was drawn down on this facility.

Ipsen S.A. has a program of "NEU CP – Negotiable EUropean" Commercial Paper, for €600 million, of which €141 million was issued as of 31 December 2018.

Estimated impact of IFRS 16 standard

The Group completed the diagnostic of the main impacts of the standard IFRS 16 – Leases. The main contracts concerned by this standard are property leases and vehicle rentals.

The Group will utilize the simplified retrospective method for the first application of this standard as of 1 January 2019.

The Group estimates that the application of IFRS 16 will lead to an increase in the financial liabilities between €170 and €200 million as of 1 January 2019.

Appendices

Appendix 1 – Consolidated income statement

(in million euros)	31 December 2018	31 December 2017
Sales	**2,224.8**	**1,908.7**
Other revenues	123.6	103.0
Revenue	**2,348.4**	**2,011.8**
Cost of goods sold	(454.2)	(385.6)
Selling expenses	(787.4)	(715.9)
Research and development expenses	(302.1)	(265.8)
General and administrative expenses	(165.7)	(140.8)
Other operating income	39.0	3.1
Other operating expenses	(121.7)	(105.5)
Restructuring costs	(21.9)	(18.8)
Impairment losses	(15.0)	14.8
Operating Income	**519.4**	**397.2**
Investment income	3.1	1.1
Financing costs	(8.4)	(9.2)
Net financing costs	**(5.3)**	**(8.1)**
Other financial income and expense	(20.1)	(18.4)
Income taxes	(108.1)	(101.4)
Share of net profit (loss) from entities accounted for using the equity method	1.1	1.4
Net profit (loss) from continuing operations	**387.0**	**270.7**
Net profit (loss) from discontinued operations	2.0	2.3
Consolidated net profit (loss)	**389.1**	**272.9**
– Attributable to shareholders of Ipsen S.A.	389.5	272.3
– Attributable to non-controlling interests	(0.4)	0.6

Basic earnings per share, continuing operations (in euros)	*4.67*	*3.27*
Diluted earnings per share, continuing operations (in euros)	*4.65*	*3.25*
Basic earnings per share, discontinued operations (in euros)	*0.02*	*0.03*
Diluted earnings per share, discontinued operations (in euros)	*0.02*	*0.03*
Basic earnings per share (in euros)	*4.70*	*3.3*
Diluted earnings per share (in euros)	*4.68*	*3.28*

Appendix 2 – Consolidated balance sheet before allocation of net profit

(in million euros)	31 December 2018	31 December 2017
ASSETS		
Goodwill	395.6	389.0
Other intangible assets	1,011.9	930.2
Property, plant & equipment	474.5	418.9
Equity investments	65.2	43.3
Investments in companies accounted for using the equity method	15.5	14.7
Non-current financial assets	92.9	112.7
Deferred tax assets	131.9	142.0
Other non-current assets	4.4	4.8
Total non-current assets	**2,191.8**	**2,055.6**
Inventories	198.5	167.4
Trade receivables	463.0	437.2
Current tax assets	47.7	58.0
Current financial assets	5.5	29.6
Other current assets	126.4	96.3
Cash and cash equivalents	344.5	228.0
Total current assets	**1,185.6**	**1,016.4**
TOTAL ASSETS	**3,377.4**	**3,072.0**
EQUITY AND LIABILITIES		
Share capital	83.8	83.7
Additional paid-in capital and consolidated reserves	1,366.0	1,171.7
Net profit (loss) for the period	389.5	272.3
Foreign exchange differences	1.8	(2.3)
Equity attributable to Ipsen S.A. shareholders	**1,841.1**	**1,525.4**
Equity attributable to non-controlling interests	2.3	10.5
Total shareholders' equity	**1,843.4**	**1,535.9**
Retirement benefit obligation	63.8	67.6
Non-current provisions	44.5	33.3
Other non-current financial liabilities	386.0	400.3
Deferred tax liabilities	19.7	21.5
Other non-current liabilities	61.0	71.7
Total non-current liabilities	**574.9**	**594.3**
Current provisions	21.1	16.6
Current financial liabilities	184.2	294.7
Trade payables	379.8	319.1
Current tax liabilities	11.4	2.4
Other current liabilities	329.0	290.2
Bank overdrafts	33.6	18.7
Total current liabilities	**959.2**	**941.8**
TOTAL EQUITY & LIABILITIES	**3,377.4**	**3,072.0**

Appendix 3 – Cash flow statements

Appendix 3.1 – Consolidated statement of cash flow

(in million euros)	31 December 2018	31 December 2017
Consolidated net profit (loss)	**389.1**	**272.9**
Share of profit (loss) from entities accounted for using the equity method before impairment losses	(0.2)	(0.5)
Net profit (loss) before share from entities accounted for using the equity method	**388.9**	**272.4**
Non-cash and non-operating items		
– Depreciation, amortization, provisions	142.6	105.8
– Impairment losses included in operating income and net financial income	15.0	(14.8)
– Change in fair value of financial derivatives	(2.0)	(1.3)
– Net gains or losses on disposals of non-current assets	4.8	2.7
– Foreign exchange differences	(6.5)	16.9
– Change in deferred taxes	19.2	48.3
– Share-based payment expense	12.8	10.1
– Other non-cash items	(1.1)	3.8
Cash flow from operating activities before changes in working capital requirement	***573.8***	***444.0***
– (Increase) / decrease in inventories	(29.8)	(38.2)
– (Increase) / decrease in trade receivables	(29.0)	(84.6)
– Increase / (decrease) in trade payables	62.4	77.6
– Net change in income tax liability	26.5	6.6
– Net change in other operating assets and liabilities	(33.0)	17.4
Change in working capital requirement related to operating activities	***(2.9)***	***(21.2)***
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**570.9**	**422.9**
Acquisition of property, plant & equipment	(107.4)	(84.9)
Acquisition of intangible assets	(180.1)	(155.9)
Proceeds from disposal of intangible assets and property, plant & equipment	3.2	0.4
Acquisition of shares in non-consolidated companies	(30.2)	(1.6)
Payments to post-employment benefit plans	(1.2)	(0.6)
Impact of changes in the consolidation scope	(7.4)	(549.5)
Change in working capital related to investment activities	49.6	20.5
Other cash flow related to investment activities	(0.8)	(5.5)
NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES	**(274.3)**	**(777.2)**
Additional long-term borrowings	0.9	1.5
Repayment of long-term borrowings	(3.9)	(3.3)
Net change in short-term borrowings	(107.3)	218.3
Capital increase	2.6	6.9
Treasury shares	(10.3)	(17.5)
Dividends paid by Ipsen S.A.	(83.0)	(70.2)
Dividends paid by subsidiaries to non-controlling interests	(0.5)	(0.4)
Change in working capital related to financing activities	(0.7)	(0.1)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	**(202.2)**	**135.2**
CHANGE IN CASH AND CASH EQUIVALENTS	**94.4**	**(219.1)**
Opening cash and cash equivalents	**209.3**	**422.5**
Impact of exchange rate fluctuations	7.3	5.9
Closing cash and cash equivalents	**310.9**	**209.3**

Appendix 3.2 – Consolidated net cash flow statement

(in million euros)	31 December 2018	31 December 2017
Opening net cash / (debt)	**(463.3)**	**68.6**
CORE OPERATING INCOME	**659.9**	**503.6**
Non-cash items	**41.2**	**18.1**
(Increase) /decrease in inventories	(29.8)	(38.2)
(Increase) / decrease in trade receivables	(29.0)	(84.6)
Increase / (decrease) in trade payables	62.4	77.6
Change in operating working capital requirement	**3.6**	**(45.2)**
Change in income tax liability	26.5	6.6
Change in other operating assets and liabilities (excluding milestones received)	(21.2)	33.5
Other changes in working capital requirement	**5.3**	**40.1**
Acquisition of property, plant & equipment	(107.4)	(84.9)
Acquisition of intangible assets (excluding milestones paid)	(26.7)	(19.2)
Disposal of fixed assets	3.2	0.4
Change in working capital related to investment activities	10.5	8.9
Net capex (excluding milestones paid)	**(120.4)**	**(94.7)**
Dividends received from entities accounted for using the equity method	**0.9**	**0.9**
Operating Cash Flow	**590.5**	**422.8**
Other non-core operating income and expenses and restructuring costs (cash)	(31.7)	(53.4)
Financial income (cash)	(25.9)	(16.8)
Current income tax (P&L, excluding provisions for tax contingencies)	(89.3)	(53.0)
Other operating cash flow	14.9	9.4
Free Cash Flow	**458.4**	**309.0**
Dividends paid (including payout to non-controlling interests)	**(83.5)**	**(70.6)**
Acquisition of shares in non-consolidated companies	(25.3)	(1.6)
Acquisition of other financial assets (1)	–	(5.4)
Impact of changes in consolidation scope (2)	(8.0)	(671.1)
Milestones paid (3)	(117.2)	(39.3)
Milestones received (4)	36.0	14.7
Other Business Development operations	(5.7)	(86.5)
Net investments (Business Development and milestones)	**(120.2)**	**(789.2)**
Share buyback	**(24.6)**	**(18.1)**
FX on net indebtedness	(10.2)	33.8
Other (discontinued operations and financial instrument)	**0.9**	**3.3**
Shareholders return and external growth operations	**(237.6)**	**(840.9)**
CHANGE IN NET CASH / (DEBT)	**220.8**	**(531.9)**
Closing net cash / (debt)	**(242.5)**	**(463.3)**

(1) Acquisitions of shares in non-consolidated companies is mainly comprised of an equity investment in Arix Bioscience for €17 million and an additional investment in an external innovation fund for €8 million.
(2) Impact of change in consolidation scope reflects the last equity stake in Akkadeas Pharma.
(3) Milestones paid correspond to payments subject to the terms and conditions set out in the Group's partnership agreements. They mainly include €98 million milestones paid to Exelixis, a total of €14 million paid to MD Anderson Cancer Center following the license agreement signed in May 2018 and to 3B Pharmaceuticals for additional milestones. The amounts paid were recorded as an increase in intangible assets on the consolidated balance sheet. The transactions were included in the "Acquisition of intangible assets" line item in the consolidated statement of cash flow (see Appendix 3.1).
(4) Milestones received are amounts collected by Ipsen from its partners. The €36 million received are related to a milestone from Servier following the Onivyde® acquisition closed in 2017 and a milestone received from Galderma for territory extension in Asia for €15 million. The amounts were recorded as deferred income in the consolidated balance sheet and then recognized in the income statement as "Other revenues" in case of dynamic license or directly in "Other revenues" in case of static license. Milestones received were included in the "Net change in other operating assets and liabilities" line item in the consolidated statement of cash flow. (see Appendix 3.1).

Appendix 4 – Bridges from IFRS consolidated net profit to Core consolidated net profit

(in million euros)	IFRS 31 December 2018	Amortization of intangible assets (excl. software)	Other operating income or expenses	Restructuring Costs	Impairment losses	Other	CORE 31 December 2018
Sales	2,224.8						2,224.8
Other revenues	123.6						123.6
Revenue	**2,348.4**	**–**	**–**	**–**	**–**	**–**	**2,348.4**
Cost of goods sold	(454.2)						(454.2)
Selling expenses	(787.4)						(787.4)
Research and development expenses	(302.1)						(302.1)
General and administrative expenses	(165.7)						(165.7)
Other operating income	39.0		(17.9)				21.1
Other operating expenses	(121.7)	73.1	48.3				(0.3)
Restructuring costs	(21.9)			21.9			–
Impairment losses	(15.0)				15.0		–
Operating Income	**519.4**	**73.1**	**30.4**	**21.9**	**15.0**	**–**	**659.9**
Net financing costs	(5.3)						(5.3)
Other financial income and expense	(20.1)						(20.1)
Income taxes	**(108.1)**	**(20.0)**	**(4.9)**	**(6.0)**	**(5.2)**	**–**	**(144.1)**
Share of net profit (loss) from entities accounted for using the equity method	1.1						1.1
Net profit (loss) from continuing operations	387.0	53.2	25.5	16.0	9.8	–	491.6
Net profit (loss) from discontinued operations	2.0					(2.0)	–
Consolidated net profit	**389.1**	**53.2**	**25.5**	**16.0**	**9.8**	**(2.0)**	**491.6**
– Attributable to shareholders of Ipsen S.A.	389.5	53.2	25.5	16.0	9.8	(2.0)	491.9
– Attributable to non-controlling interests	(0.4)						(0.4)
Earnings per share fully diluted - attributable to Ipsen S.A. shareholders (in € per share)	*4.68*	*0.64*	*0.31*	*0.19*	*0.12*	*(0.02)*	*5.91*

The reconciliation items between Core consolidated net profit and IFRS consolidated net profit are described in the paragraph "From Core financial measures to IFRS reported figures".

(in million euros)	IFRS 31 December 2017	Amortization of intangible assets (excl. software)	Other operating income or expenses	Restructuring	Impairment losses	Other	CORE 31 December 2017
Sales	1,908.7						1,908.7
Other revenues	103.0						103.0
Revenue	**2,011.8**	**–**	**–**	**–**	**–**	**–**	**2,011.8**
Cost of goods sold	(385.6)						(385.6)
Selling expenses	(715.9)						(715.9)
Research and development expenses	(265.8)						(265.8)
General and administrative expenses	(140.8)						(140.8)
Other operating income	3.1		(2.7)				0.4
Other operating expenses	(105.5)	53.3	51.7				(0.5)
Restructuring costs	(18.8)			18.8			–
Impairment losses	14.8				(14.8)		–
Operating Income	**397.2**	**53.3**	**48.9**	**18.8**	**(14.8)**	**–**	**503.6**
Net financing costs	(8.1)						(8.1)
Other financial income and expense	(18.4)						(18.4)
Income taxes	**(101.4)**	**(15.7)**	**(15.4)**	**(5.9)**	**1.9**	**20.7**	**(115.7)**
Share of net profit (loss) from entities accounted for using the equity method	1.4						1.4
Net profit (loss) from continuing operations	270.7	37.6	33.6	13.0	(12.8)	20.7	362.7
Net profit (loss) from discontinued operations	2.3					(2.3)	–
Consolidated net profit	**272.9**	**37.6**	**33.6**	**13.0**	**(12.8)**	**18.5**	**362.7**
– Attributable to shareholders of Ipsen S.A.	272.3	37.6	33.6	13.0	(12.8)	18.5	362.1
– Attributable to non-controlling interests	0.6						0.6
Earnings per share fully diluted - attributable to Ipsen S.A. shareholders (in € per share)	*3.28*	*0.45*	*0.40*	*0.16*	*(0.15)*	*0.22*	*4.36*

FINANCIAL RESULTS FOR THE LAST FIVE YEARS

	2014	2015	2016	2017	2018
Share capital at year-end (in million euros)					
– Share capital	82.9	83.2	83.6	83.7	83.8
– Number of shares outstanding (in thousands)	*82,869.1*	*83,245.6*	*83,557.9*	*83,732.1*	*83,809*
– Number of outstanding preferred shares without voting rights	–	–	–	–	–
– Maximum number of shares to be created	–	–	–	–	–
Transactions and results for the year (in million euros)					
– Net sales	16.1	21.1	18.2	20.1	15.4
– Profits before income tax, employee profit-sharing, amortization, depreciation and provisions	*113.3*	*164.0*	*(76.5)*	*(27.6)*	*(12.5)*
– Income tax - Gain (losses)	8.6	5.5	1.0	12.6	(0.6)
– Employee profit-sharing for the year	*(0.0)*	*0.0*	*0.0*	*0.0*	*0.0*
– Earnings after income tax, employee profit-sharing, amortization, depreciation and provisions	*114.2*	*191.4*	*(24.3)*	*(17.4)*	*(15.4)*
– Dividends paid out(**)	65.5	70.0	70.0	70.2	83.0
Earnings per share (in € per share)					
– Earnings after income tax and employee profit-sharing, but before amortization, depreciation and provisions	1.0	2.0	(1.0)	0.0	0.0
– Earnings after income tax, employee profit-sharing, amortization, depreciation and provisions	1.0	2.0	0.0	0.0	0.0
– Dividend per share	0.80	0.85	0.85	0.85	1.00
Personnel (in million euros)					
– Average number of employees during the year(*)	16	17	15	11	6
– Total payroll for the year	16.6	25.1	22.9	20.7	10.9
– Total payroll on-costs for the year (social security, welfare, etc.)	6.2	8.2	8.4	7.6	2.0

(*) Including Management bodies.
(**)Dividends on treasury shares are posted to retained earnings.

Innovation for patient care

REQUEST FOR MATERIALS AND INFORMATION

Pursuant to Articles R.225-81 and R.225-83 of the French Commercial Code

Ipsen encourages its Shareholders to opt in favour of the sending of documents by email in order to reduce the quantity of printed materials.

Combined Shareholders' Meeting of 28 May 2019

I, the undersigned,

Ms. ☐ Mr. ☐

Last Name (or company name): ______________________________

First Name: ______________________________

Address: ______________________________

Zip Code: |_|_|_|_|_| City: ____________________ Country: ______________

Email address: ____________________ @ ____________________

Owner of: ____________________ registered shares

And/or ____________________ bearer shares held by ______________________________

(Please attach a copy of the certificate of registration of the shares in the securities accounts of your financial intermediary)

☐ Hereby request to receive the materials and information set forth by Articles R.225-81 and R.225-83 of the French Commercial Code relating to the Combined Shareholders' Meeting of 28 May 2019.

☐ Hereby request to receive the materials and information set forth by Article R.225-83 of the French Commercial Code relating to the Combined Shareholders' Meeting of 28 May 2019, having already received those provided for by Article R.225-81 of the French Commercial Code together with my notice.

These documents and information are available on the Ipsen website (www.ipsen.com), in particular under the "Shareholders Meetings" section.

☐ By post

☐ By email (subject to your acceptance of the use of electronic means under the terms set out by law)

In: ____________________ Date: ____________________ 2019

Signature

This request is to be sent to *Société Générale, Service des Assemblées*, CS 30812, 44308 Nantes Cedex 3, France or to the intermediary who manages your shares.

Information: In accordance with the provisions of Article R.225-88 of the French Commercial Code, registered shareholders may request through a single demand, that the documents and information set forth in Articles R.225-81 and R.225-83 of the French Commercial Code, be sent to them for any subsequent shareholders' meetings. In this case, mention must be made in this present request indicating specifications for sending documents (post or email) and, if applicable, the email address. In this regard, it is indicated that the sending by email could be used for all formalities provided for in Articles R.225-68 (convening notice), R.225-72, R.225-74, R.225-88 and R.236-3 of the French Commercial Code. Shareholders whose have agreed to the use of the email could request the return to the sending by post at least thirty five days before the date of the publication of the convening notice referred to in Article R.225-67 of the French Commercial Code, either by post or by electronic means.

IPSEN
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