SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of November 2017

Commission File Number 001-38177

Clementia Pharmaceuticals Inc.

(Translation of registrant's name into English)

4150 St Catherine Street West, Suite 550
Montreal, Quebec, Canada, H3Z 2Y5
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

EXHIBITS INCLUDED AS PART OF THIS REPORT

Exhibit

99.1	Management's Discussion and Analysis of Financial Condition and Results of Operations
99.2	Interim Condensed Consolidated Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Clementia Pharmaceuticals Inc.

Date: November 13, 2017

By: /s/ Michael Singer
Name: Michael Singer
Title: Chief Financial Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis (MD&A) of our financial condition and results of operations was prepared by Management with information available as at November 10, 2017. This MD&A should be read in conjunction with our unaudited interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2017 and notes thereto, as well as our audited consolidated financial statement for the year ended December 31, 2016 and notes thereto, which have been prepared in accordance with International Financial Reporting Standards (IFRS). You should also refer to management's discussion and analysis of our financial condition and results of operations for the fiscal year ended December 31, 2016, which information is contained in our final prospectus dated August 1, 2017. These documents and additional information regarding Clementia are available on our website at www.clementiapharma.com, or at www.sec.gov.

Except as otherwise indicated, "Clementia", the "Company", "we", "us" and "our" refer to Clementia Pharmaceuticals Inc. and its wholly-owned subsidiary, Clementia Pharmaceuticals USA Inc.

All amounts are presented in United States dollars unless otherwise indicated.

In August 2017, the Company completed its initial public offering (IPO) and issued 9,191,000 common shares at $15 per share, including the underwriters' over-allotment option, for total gross proceeds of $137,865,000. Morgan Stanley & Co. LLC and Leerink Partners LLC acted as book-running managers for the offering, with Wedbush Securities Inc. and BTIG, LLC acting as co-managers. The Company's common shares are listed and traded on the Nasdaq Global Select Market under the symbol CMTA.

This MD&A contains forward-looking statements that involve risks and uncertainties, such as statements regarding our plans, objectives, expectations, intentions, and projections. Our actual results could differ materially from those discussed in these forward-looking statements. Refer to "Forward-looking statements" below.

Overview

We are a clinical stage biopharmaceutical company developing disease-modifying treatments for patients suffering from debilitating bone and other diseases with high unmet medical need. Our lead product candidate, palovarotene, is an oral small molecule that binds and activates retinoic acid receptor gamma (an RARγ agonist), and has shown potent activity in preventing abnormal new bone formation as well as fibrosis in a variety of tissues in animal models. We are developing palovarotene for the treatment of Fibrodysplasia Ossificans Progressiva (FOP) and Multiple Osteochondromas (MO), also known as Hereditary Multiple Exostoses.

Our most advanced indication for palovarotene is for the treatment of FOP. The FDA has granted Orphan Drug Designation and Fast Track Designation for palovarotene as a treatment for FOP, in July and November 2014, respectively. Also, in July 2017 we received Breakthrough Therapy Designation from the FDA for the prevention of heterotopic ossification (HO) in patients with FOP. We expect to initiate a Phase 3 registration trial of palovarotene in adults and children with FOP in the fourth quarter of 2017, called MOVE. The MOVE trial will enroll up to 80 patients who will be treated chronically with palovarotene and with increased doses during flare-ups. We expect to report data from the MOVE trial in 2020 with interim read-outs in 2019. We are also planning a second clinical trial in FOP designed to evaluate if palovarotene can inhibit new HO formation after surgical excision of HO.

Palovarotene is also being developed for the treatment of MO. Following the completion of our pre-clinical proof-of-concept studies showing that palovarotene inhibits the number of osteochondromas expressed in animal models of MO, and based on our knowledge of the safety and tolerability profile of palovarotene and our pre-clinical animal model data, we are planning to initiate a placebo-controlled Phase 2/3 study of palovarotene in MO in early 2018. We expect to report data from this trial in 2020 with a potential interim read-out in 2019. In November 2017, palovarotene was granted Orphan Drug Designation from the FDA for the treatment of MO.

We believe that RARγ agonists have great potential as inhibitors of bone morphogenetic protein (BMP) signaling in other indications. There are several other potential large indications for the prevention of HO, such as ankylosing spondylitis, a type of arthritis associated with BMP signaling, which represents a high unmet medical need. Other indications, such as those characterized by excessive fibrosis or scarring, are also potential target indications for RARγ agonists. As a result, we have conducted pre-clinical proof-of-concept studies in dry eye disease that show an eye drop formulation of palovarotene can potently increase tear production and decrease corneal damage. Following the completion of these studies, we have initiated IND-enabling toxicity studies of an ophthalmologic formulation in order to begin clinical trials in dry eye disease in 2018. We are also focused on developing our RARγ agonist platform beyond palovarotene for larger, related disease markets, such as in ankylosing spondylitis or trauma-induced HO. As part of this development process, we recently licensed a number of second generation RARγ agonists from Galderma. On the basis of our scientific know-how and other clinical and commercial insights, a number of indications have been prioritized for animal model proof-of-concept studies in 2017 and 2018. Should these studies be successful, we plan to initiate the pre-IND activities necessary to initiate clinical trials in these new indications.

Since our inception in November 2010, we have devoted substantially all of our resources to organizing and staffing our Company, business planning, raising capital, developing our product candidates, preparing and conducting clinical studies of our product candidates, providing general and administrative support for these operations and protecting our intellectual property. We have funded our operations primarily through issuances of redeemable convertible preferred shares as well as the issuance of convertible notes and common shares. From our inception through September 30, 2017, we have received gross proceeds of $240.7 million from such transactions, of which $137.9 million was in the form of gross proceeds from our IPO, $102.2 million was in the form of gross proceeds from the sale of preferred shares, $0.5 million was in the form of gross proceeds from the sale of convertible notes and $0.1 million was in the form of gross proceeds from the sale of common shares. As at September 30, 2017 we had cash and investments of $152.2 million.

We are a development-stage company and have not generated any revenue. We have incurred net losses since our inception, substantially all of which resulted from non-cash finance charges incurred in connection with the accounting of our preferred shares and embedded derivatives, as well as research and development activities and general and administrative costs associated with our operations. As of September 30, 2017, we had an accumulated deficit of $79.8 million. In August 2017, all of the outstanding Class A, B and C redeemable convertible preferred shares were converted on a one-for-one basis into common shares of the Company. In connection therewith, the Company eliminated the $173,285,855 contributed surplus created by the conversion of the preferred shares into common shares, an amount equal to the excess of the carrying value of the preferred share liabilities and embedded derivatives liabilities immediately prior to the conversion over the amount that was accounted for as share capital, being the stated capital of the preferred shares, and reduced its deficit in the third quarter of 2017 by a corresponding amount of $173,285,855.

We expect to incur significant expenses and increasing operating losses for the foreseeable future. We expect our expenses will increase substantially in connection with our ongoing activities, particularly as we advance clinical development of palovarotene by conducting clinical trials; continue research and development efforts to support clinical development of additional RARγ agonist candidates; continue to engage contract manufacturing organizations (CMOs) to manufacture our clinical study materials and to develop large-scale manufacturing capabilities; seek regulatory approval for our product candidates; add personnel to support our product development and future commercialization; add operational, financial and management information systems; maintain, leverage and expand our intellectual property portfolio; and continue to operate as a public company.

We do not expect to generate revenue from product sales unless and until we successfully complete development and obtain regulatory approval for palovarotene or any other product candidate, which we expect will take a number of years and is subject to significant uncertainty. If we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing, and distribution. As a result, we may need additional financing to support our continuing operations. Until such time that we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity or debt financings or other sources, which may include collaborations with third parties. Arrangements with collaborators or others may require us to relinquish certain rights related to our technologies or product candidates. Adequate additional financing may not be available to us on acceptable terms, or at all. Our inability to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy.

Financial Operations Overview

Revenue

We have not generated any revenues from product sales since our inception and do not expect to generate any revenues from the sale of products in the near future. If our development efforts result in clinical success and regulatory approval or collaboration agreements with third parties for our product candidates, we may generate revenue from those product candidates.

Research and development expenses

Research and development expenses consist primarily of costs associated with our product research and development efforts, and predominantly include:

- personnel costs, including salaries, benefits, bonuses, stock-based compensation expenses and related travel for employees engaged in scientific research and development functions;
- expenses incurred under agreements with contract research organizations, or CROs and investigative sites that conduct our clinical and non-clinical studies;
- expenses associated with manufacturing clinical study materials and developing external manufacturing capabilities;
- costs of outside consultants, including their fees and related travel expenses;
- other expenses related to non-clinical studies and expenses related to regulatory activities; and
- payments made under our third-party licensing agreements.

Research and development costs are generally expensed as incurred unless they meet specific criteria for recognition as internally-generated intangible assets as per IFRS. We have not recognized any internally-generated intangible asset to date.

Costs for certain development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and our clinical sites.

We have been focused on developing palovarotene, our product candidate for the treatment of patients with FOP and MO. Our research and development expenses consist principally of external costs, such as start-up fees paid to investigators, consultants, central laboratories and CROs in connection with our clinical and non-clinical studies, and costs related to acquiring and manufacturing clinical study materials. We do not allocate personnel-related costs, depreciation or other indirect costs to specific programs, as they are deployed across various projects under development and, as such, are separately classified as personnel and other expenses.

The following table summarizes our research and development expenses by program:

	Three-month periods ended September 30,		**Nine-month periods ended September 30,**	
	2017	**2016**	2017	2016
	(in thousands)			
Palovarotene for FOP research and development expenses	$ 4,065	$ 3,558	$ 10,572	$ 8,795
Palovarotene for MO research and development expenses	997	116	1,218	280
Palovarotene for ocular research and development expenses	340	51	529	165
Other research and development expenses	128	15	408	17
Total direct research and development expenses	5,530	3,740	12,727	9,257
Personnel-related costs	1,216	582	3,139	1,797
Facility and other expenses	328	167	948	490
Total personnel, facility and other expenses	1,544	750	4,087	2,287
Total research and development expenses	**$ 7,074**	**$ 4,490**	**$ 16,814**	**$ 11,544**

Research and development activities are central to our business. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. From inception through September 30, 2017, we incurred $57.9 million in research and development expenses. We expect that our research and development expenses will continue to increase in the foreseeable future as we pursue later stages of clinical development of our product candidates.

We cannot determine with certainty the duration and completion costs of the current or future clinical studies of our product candidates or if, when, or to what extent we will generate revenues from the commercialization and sale of any of our product candidates that obtain regulatory approval. We may never succeed in achieving regulatory approval for any of our product candidates. The duration, costs, and timing of clinical studies and development of our product candidates will depend on a variety of factors, including:

- the scope, rate of progress, and expense of our ongoing clinical studies as well as any additional clinical studies and other research and development activities;
- future clinical study results;
- uncertainties in clinical study enrollment rate or design;
- significant and changing government regulation; and
- the timing and receipt of any regulatory approvals.

A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, if the FDA, or another regulatory authority were to require us to conduct clinical studies beyond those that we currently anticipate will be required for the completion of clinical development of a product candidate or if we experience significant delays in enrollment in any of our clinical studies, significant additional time and financial resources could be required for the completion of clinical development.

General and administrative expenses

General and administrative expenses consist primarily of personnel costs, including salaries, related benefits, bonuses, stock-based compensation and travel expenses for our executive, finance, business and corporate development and other administrative functions. General and administrative expenses also include facilities and other expenses, including rent, depreciation, maintenance of facilities, information technology infrastructure and security, insurance and supplies; and professional fees for accounting, tax and legal services, including legal expenses to pursue patent protection of our intellectual property.

We anticipate that our general and administrative expenses will increase in the future as we increase our headcount to support the anticipated growth in our research and development activities and the potential commercialization of our product candidates. We also anticipate increased expenses related to audit, legal, regulatory, and tax-related services associated with maintaining compliance with our public listing on The Nasdaq Global Select Market and SEC requirements, director and officer insurance premiums, and investor relations costs. Additionally, if and when we believe a regulatory approval of palovarotene or any other product candidate appears likely, we anticipate an increase in personnel and related expenses as a result of our preparation for commercial operations, especially as it relates to the sales and marketing of palovarotene or any other product candidate.

Interest income and financial expenses (income)

Interest income consists of interest earned on our cash and investments. Our interest income has not been significant due to current interest rates earned on invested funds. We anticipate that our interest income will increase in the future primarily due to the net proceeds from our IPO.

Financial expenses (income) consist mainly of losses on the re-measurement of embedded derivatives at fair value at each reporting date, accretion expense and foreign exchange gains and losses. Accretion expense consists of accreted interest expense related to our Class A, Class B and Class C redeemable convertible preferred shares to bring the debt components of our preferred shares back to their face value over time. Our IPO, which was completed in August 2017, resulted in the conversion of all classes of our preferred shares on a one-for-one basis into common shares and as such, gains or losses on the re-measurement of embedded derivatives at fair value and accretion expense have ceased during the third quarter of 2017. Foreign exchange gains and losses consist of the realized and unrealized net gains and losses from holding cash in foreign currency and foreign currency-denominated other current assets and accounts payable.

Results of Operations

Comparison of the three-months ended September 30, 2017 and 2016

The following table summarizes our results of operations for the three-months ended September 30, 2017 and 2016:

Three-month periods ended September 30,	**2017**	**2016**	**Increase (decrease)**
		(in thousands)	
Expenses:			
Research and development expenses	$ 7,074	$ 4,490	$ 2,584
Investment tax credits	(91)	(31)	(60)
	6,983	4,459	2,524
General and administrative expenses	2,817	696	2,121
Interest income	(316)	(95)	(221)
Financial expenses (income)	29,416	(3,477)	32,893
Income tax expense	106	44	62
Net loss and comprehensive loss	**$ (39,006)**	**$ (1,627)**	**$ (37,379)**

Research and development expenses
Research and development expenses were $7.1 million for the three-month period ended September 30, 2017, compared to $4.5 million for the three-month period ended September 30, 2016. The $2.6 million increase was primarily due to activities related to completion of the Phase 2 clinical trial in FOP, commencement of manufacturing and start-up clinical activities in preparation for our Phase 3 clinical trial in FOP, an increase in non-cash share-based compensation expense and higher personnel costs due to increasing headcount as we prepare for additional clinical trials.

General and administrative expenses
General and administrative expenses were $2.8 million for the three-month period ended September 30, 2017, compared to $0.7 million for the three-month period ended September 30, 2016. The increase of $2.1 million in expenses was primarily due to a $0.8 million increase in financing costs directly related to our IPO, a $0.6 million increase in non-cash share-based compensation expense, a $0.2 million increase in personnel costs to support its public company requirements, as well as a $0.5 million increase in other general and administrative support activities.

Interest income
Interest income was $0.3 million for the three-month period ended September 30, 2017, compared to $0.1 million for the three-month period ended September 30, 2016. The increase in interest income relates to higher invested balances as a result of our IPO proceeds.

Financial expenses (income)
Financial expenses were $29.4 million for the three-month period ended September 30, 2017, compared to financial income of $3.5 million for the three-month period ended September 30, 2016. The $32.9 million increase in financial expenses was primarily due to an increase in non-cash losses on the re-measurement at fair value of the embedded derivative in our preferred shares in the third quarter of 2017 as compared to the third quarter of 2016. With the completion of our IPO in August 2017, all classes of our preferred shares have been converted on a one-for-one basis into common shares and as such, gains or losses on the re-measurement of embedded derivatives at fair value and accretion expense have been eliminated going forward.

Comparison of the nine-months ended September 30, 2017 and 2016

The following table summarizes our results of operations for the nine-month periods ended September 30, 2017 and 2016:

Nine-month periods ended September 30,	**2017**	**2016**	**Increase (decrease)**
		(in thousands)	
Expenses:			
Research and development expenses	$ 16,814	$ 11,544	$ 5,270
Investment tax credits	(212)	(106)	(106)
	16,602	11,438	5,164
General and administrative expenses	6,879	2,564	4,315
Interest income	(504)	(310)	(194)
Financial expenses (income)	80,441	(4,671)	85,112
Income tax expense	248	117	131
Net loss and comprehensive loss	**$ (103,666)**	**$ (9,138)**	**$ (94,528)**

Research and development expenses
Research and development expenses were $16.8 million for the nine-month period ended September 30, 2017, compared to $11.5 million for the nine-month period ended September 30, 2016. The $5.3 million increase was due to activities related to completion of the Phase 2 clinical trial in FOP, start-up activities in preparation for our Phase 3 clinical trial in FOP, an increase in non-cash share-based compensation expense and higher personnel costs due to increasing headcount as we prepare for additional clinical trials.

General and administrative expenses
General and administrative expenses were $6.9 million for the nine-month period ended September 30, 2017, compared to $2.6 million for the nine-month period ended September 30, 2016. The increase of $4.3 million in expenses was primarily due to a $1.9 million increase in financing costs directly related to our IPO, a $1 million increase in non-cash share-based compensation expense, as well as a $1.3 million increase in other general and administrative support activities.

Interest income
Interest income was $0.5 million for the nine-month period ended September 30, 2017, compared to $0.3 million for the nine-month period ended September 30, 2016. The increase in interest income relates to higher invested balances as a result of our IPO proceeds.

Financial expenses
Financial expenses were $80.4 million for the nine-month period ended September 30, 2017, compared to financial income of $4.7 million for the nine-month period ended September 30, 2016. The $85.1 million increase in financial expenses was primarily due to an increase in non-cash losses on the re-measurement at fair value of the embedded derivative in our preferred shares in the second and third quarter of 2017 as compared to the same period in 2016. With the completion of our IPO in August 2017, all classes of our preferred shares have been converted on a one-for-one basis into common shares and as such, gains or losses on the re-measurement of embedded derivatives at fair value and accretion expense have been eliminated going forward.

Liquidity and Capital Resources

Sources of liquidity
We have funded our operations principally from the issuance of common shares, preferred shares and convertible notes to purchase common shares. In addition, we have recorded investment tax credits of $0.7 million since inception. As of September 30, 2017, we had cash and investments of $152.2 million. Cash in excess of immediate working capital requirements is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation. Currently, our investments are held in term deposits with a Canadian chartered bank.

The Company is not subject to any externally imposed restrictions, covenants or capital requirements and has no arranged sources of financing.

Cash flows

Comparison of the three-month periods ended September 30, 2017 and 2016

The following table sets forth the primary sources and uses of cash for each of the periods set forth below:

Three-month periods ended September 30,	**2017**	**2016**	**Increase (decrease)**
		(in thousands)	
Net cash provided by (used in)			
Operating activities	$ (12,715)	$ (3,562)	$ (9,153)
Investing activities	(89,820)	10,051	(99,871)
Financing activities	127,628	-	127,628
Net increase (decrease) in cash	**$ 25,634**	**$ 6,489**	**$ (19,145)**

Operating activities
The increase in cash used in operating activities for the three-month period ended September 30, 2017, compared to the three-month period ended September 30, 2016, is due to an increase in general and administrative expenses related to the IPO and an increase in research and development activities for on-going clinical trial activities.

During the three-month period ended September 30, 2017, operating activities used $12.7 million in cash, primarily resulting from our research and development and general and administrative expenses, as well as cash used for changes in working capital. The significant items accounting for the change in working capital include an increase in prepaid expenses for directors and officers (D&O) liability insurance related to the IPO and the initiation of clinical trial activities in FOP and MO, offset by an increase in accounts payable and accrued liabilities.

During the three-month period ended September 30, 2016, operating activities used $3.6 million in cash, primarily resulting from research and development and general and administrative expenses.

Investing activities
Net cash used in investing activities primarily consists of acquisition and maturity of investments, in-licensing of intellectual property and purchases of fixed assets.

During the three-month period ended September 30, 2017, investing activities used $89.8 million in cash primarily for the acquisition of investments. Net cash provided by investment activities in the three-month period ended September 30, 2016 was $10.1 million due primarily to the maturity of investments.

Financing activities
Net cash provided by financing activities in the three-month period ended September 30, 2017 was $127.6 million due to net cash proceeds from our IPO. During the three-month period ended on September 30, 2016, no cash was provided by financing activities.

Comparison of the nine-month periods ended September 30, 2017 and 2016

The following table sets forth the primary sources and uses of cash for each of the periods set forth below:

Nine-month periods ended September 30,	**2017**	**2016**	**Increase (decrease)**
		(in thousands)	
Net cash provided by (used in)			
Operating activities	$ (24,313)	$ (13,518)	$ (10,795)
Investing activities	(85,466)	(29,937)	(55,529)
Financing activities	137,531	-	137,531
Net increase (decrease) in cash	**$ 27,752**	**$ (43,455)**	**$ 71,207**

Operating activities
The increase in cash used in operating activities for the nine-month period ended September 30, 2017, compared to the nine-month period ended September 30, 2016, is due to an increase in general and administrative expenses related to the IPO and an increase in research and development activities for on-going clinical trial activities.

During the nine-month period ended September 30, 2017, operating activities used $24.3 million in cash, primarily resulting from our research and development and general and administrative expenses, as well as cash used for changes in working capital. The significant items accounting for the change in working capital include an increase in prepaid expenses for directors and officers (D&O) liability insurance related to the IPO and the initiation of clinical trial activities in FOP and MO, offset by an increase in accounts payable and accrued liabilities.

During the nine-month period ended September 30, 2016, operating activities used $13.5 million in cash, primarily resulting from research and development and general and administrative expenses.

Investing activities

During the nine-month period ended September 30, 2017, investing activities used $85.5 million for the acquisition of investments and the in-licensing of intellectual property. During the nine-month period ended September 30, 2016, investing activities used $29.9 million in cash primarily for the acquisition of investments.

Financing activities

During the nine-month period ended September 30, 2017, net cash provided by financing activities was $137.5 million primarily resulting from the net cash proceeds from our IPO as well as the completion of our $10.0 million Class C redeemable convertible preferred share financing in the first quarter of 2017. During the nine-month period ended September 30, 2016, no cash was provided by financing activities.

Funding Requirements and Planned Operations

To date, we have not generated any revenue from product sales and we do not know when, or if, we will generate any revenue from product sales in the future. We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval to commercialize our current product candidate or future product candidates. We anticipate that we will continue to generate losses for the foreseeable future, and we expect these losses to increase as we continue the development of, and seek regulatory approvals for, our product candidates, and begin to commercialize any approved products. We are subject to all of the risks incident in the development of new therapeutic products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We expect to incur additional costs associated with operating as a public company.

We believe that our existing cash and investments as of September 30, 2017 will be sufficient to fund our anticipated operating expenses for at least the next twelve months from September 30, 2017. However, we will eventually require additional capital for the commercial development related to our existing product candidates and may also need to raise additional funds sooner to pursue other development activities related to additional product candidates.

Until we can generate a sufficient amount of revenue from our products, if ever, we expect to finance future cash needs through public or private equity or debt offerings. Additional capital may not be available on reasonable terms, if at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of one or more of our product candidates. If we raise additional funds through the issuance of additional debt or equity securities, it could result in dilution to our existing stockholders, increased fixed payment obligations and these securities may have rights senior to those of our common shares. If we incur indebtedness, we could become subject to covenants that would restrict our operations and potentially impair our competitiveness, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. Any of these events could significantly harm our business, financial condition and prospects.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations at September 30, 2017.

	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
	(in thousands)				
Operating lease obligations	606	606	-	-	1,212

On July 2, 2015, we entered into a non-cancelable operating lease that expires on June 30, 2020 for office space at 4150 Sainte-Catherine Street West, Suite 550 in Montreal, Quebec, Canada. On June 6, 2017, we entered into a second non-cancelable operating lease that expires on June 30, 2020 for additional office space at 4150 Sainte-Catherine Street West, suite 450 in Montreal, Quebec. We also lease office space at 275 Grove Street, Suite 2-400 in Newton, Massachusetts under a non-cancelable operating lease that expires on April 30, 2019.

We also have obligations to make future payments to third parties that become due and payable on the achievement of certain development, regulatory and commercial milestones. We have not included these commitments on our statement of financial position or in the table above because the achievement and timing of these milestones is not fixed or determinable. These commitments include:

- In accordance with an exclusive licensing agreement with Hoffman-La Roche, we are committed to pay Roche (i) a total of $1,000,000 in milestone payments upon the achievement of certain clinical milestones, (ii) up to a total of $11,000,000 in milestone payments upon the achievement of certain regulatory milestones in connection with the three clinical trial programs currently underway with an additional $1,000,000 in milestone payments upon the achievement of certain regulatory milestones in connection with each subsequent indication, if any, and (iii) up to a total of $37,500,000 in milestone payments upon the achievement of certain sales milestones. Future royalty payments in the low teens based on net sales are also stipulated in the licensing agreement. The likelihood and timing of these payments is not known at this time.

- In accordance with an exclusive licensing agreement with Thomas Jefferson University, we are committed to make a total of $100,000 in milestone payments upon the achievement of certain clinical milestones and a total of $250,000 in milestone payments upon the achievement of certain regulatory milestones, in each case in connection with the first licensed product or licensed process that meets the relevant milestones. Future low single digit royalty payments based on net sales are also stipulated in the licensing agreement. Annual license maintenance royalty payments are also required as per the terms of the licensing agreement. Such maintenance royalty payments are non-refundable, but can be applied to royalties owing on sales per calendar year. The likelihood and timing of these payments is not known at this time.

- In accordance with an exclusive licensing agreement with Yamaguchi University, we are committed to make a total of $75,000 in milestone payments upon the achievement of certain clinical milestones and a total of $150,000 in milestone payments upon the achievement of certain regulatory milestones, in each case in connection with the first licensed product that meets the relevant milestones. Future low single digit royalty payments based on net sales are also stipulated in the licensing agreement. We also have a royalty buy-out option pursuant to which we can terminate at any time in our sole discretion upon payment of a certain amount in exchange for our obligation to pay royalties to Yamaguchi University under the license agreement. The likelihood and timing of these payments is not known at this time.

- In March 2017, we entered into an exclusive licensing agreement with Galderma to obtain access to RARγ agonists and were granted exclusive rights to use these RARγ agonists in non-dermatological indications. In accordance with this agreement with Galderma, we are committed to pay Galderma a total of $2,000,000 in milestone payments upon the achievement of certain clinical milestones and up to a total of $25,500,000 in milestone payments upon the achievement of certain regulatory milestones, in each case in connection with the first product that meets the relevant milestones. Future single digit royalty payments based on net sales are also stipulated in the licensing agreement. The likelihood and timing of these payments is unknown at this time.

We enter into contracts in the normal course of business with CROs for pre-clinical research and clinical studies, research supplies and other services and products for operating purposes. These contracts generally provide for termination on notice, and therefore are cancelable contracts and not included in the table of contractual obligations and commitments.

Our preferred shares were also not considered a contractual obligation or commitment as the preferred shares automatically converted on a one-for one basis into common shares in August 2017 upon the completion of our IPO.

Quantitative and Qualitative Disclosures about Market Risks

We are exposed to certain financial risks, including the financial risk related to fluctuations of foreign exchange rates. We incur a portion of our expenditures in Canadian dollars and in Euros. A change in the currency exchange rates between the U.S. dollar relative to the Canadian dollar or the Euro could have a significant effect on our results of operations, financial position or cash flows. We are exposed to currency risk through our cash, sales tax and other receivables and accounts payable and accrued liabilities denominated in Canadian dollars and Euros. Based on our net exposures as at September 30, 2017, and assuming all other variables remain constant, a 10% depreciation or appreciation of the U.S. dollar against the Canadian dollar and the Euro would result in an increase/decrease of less than $0.1 million on the Company's results of operations.

Critical accounting judgments and key sources of estimation uncertainty

The management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with IFRS as issued by the IASB. The preparation of these financial statements in conformity with IFRS requires us to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results could differ from those estimates.

On an ongoing basis, we evaluate our estimates and judgments. We base our estimates on the most probable set of economic conditions and planned course of action, historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in the notes to our financial statements, we believe the following accounting policies to be most critical to the judgments and estimates used in the preparation of our financial statements.

Estimation of accrued expenses

As part of the process of preparing our financial statements, we are required to estimate our accrued expenses. This process involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of the actual cost.

The majority of our service providers invoice us in arrears for services performed, on a pre-determined schedule or when contractual milestones are met; however, some require advanced payments. We make estimates of our accrued expenses as of each statement of financial position date in our financial statements based on facts and circumstances known to us at that time. We periodically confirm the accuracy of our estimates with the service providers and make adjustments if necessary.

Examples of estimated accrued research and development expenses include fees paid to:

- CROs in connection with performing research and development services on our behalf;
- investigative sites or other providers in connection with clinical trials;
- vendors in connection with non-clinical development activities;
- vendors related to product manufacturing, development and distribution of clinical supplies; and
- various external consultants.

We base our expenses related to clinical trials on our estimates of the services received and efforts expended pursuant to contracts with multiple CROs that conduct and manage non-clinical studies and clinical trials on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the clinical expense. Payments under some of these contracts depend on factors such as the successful enrollment of patients and the completion of clinical trial milestones.

In accruing service fees, we estimate the time period over which services will be performed, enrollment of patients, number of sites activated and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or prepaid accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, if our estimates of the status and timing of services performed differs from the actual status and timing of services performed we may report amounts that are too high or too low in any particular period. To date, we have not made any material adjustment to our prior estimates of accrued expenses.

Valuation of the embedded derivative of the preferred shares

As part of assessing whether an instrument is a hybrid financial instrument and contains an embedded derivative, significant judgment is required in evaluating whether the host contract is more akin to debt or equity and whether the embedded derivative is clearly and closely related to the underlying host contract. We concluded that the host instrument of the preferred shares was a debt host due in part to the holder's right to redeem the instrument at a point in time in the future based only on passage of time. We determined that the conversion option was not closely related to the debt host, and that the conversion option was required to be separated from the host instrument and accounted for as an embedded derivative due to its down-round protection feature. In applying our judgment, we rely primarily on the economic characteristics and risks of the instrument as well as the substance of the contractual arrangement.

The initial fair values of the embedded derivative conversion options and subsequent re-measurement at fair value at each reporting date up to and including December 31, 2016 were determined by using the Monte Carlo simulation model. The Monte Carlo simulation model better reflects non-static inputs, such as the anti-dilution (down-round protection) features of the preferred shares. A Monte Carlo simulation model is a valuation model that relies on random sampling and is often used when modeling systems with a large number of inputs and where there is a significant uncertainty in the future value of inputs and where the movement in inputs can be independent of each other.

Moreover, the use of this valuation model requires highly subjective assumptions. These assumptions are determined as of the measurement date and include the risk-free interest rate, the expected dividend yield, the expected volatility, the timing and amounts of subsequent rounds of financing, the expected timing and probability of exit events, and the underlying value of the company. Assumptions with regards to volatility, subsequent rounds of financing, time to exit and underlying value of the company are particularly important and sensitive, requiring significant judgment by management. Accordingly, any changes in the assumptions used in this model could significantly impact the values recognized as embedded derivative conversion options at inception and on subsequent re-measurement at each reporting date.

The risk-free rate is the rate of return on the U.S. Department of Treasury daily treasury yield curve rates over a period equal to the expected timing of an exit event. The expected dividend yield is nil as we do not expect to pay dividends in the near future. The expected volatility reflects the assumption that the volatility used in estimating the value of the embedded derivative in indicative of future trends, which may not necessarily be the actual outcome. Due to the lack of a public market for the trading of our shares and a lack of company specific historical and implied volatility data, we have based our estimate of expected volatility on the historical volatility of a group of similar companies that are publicly traded. For these analyses, we selected companies with comparable characteristics to us, including risk profiles, orphan drugs within their portfolios, positions within the industry and with historical share price information sufficient to meet the expected timing of an exit event.

The expected timing and amounts of subsequent rounds of financing reflect our best estimate of subsequent rounds of financing based on contracted commitments for subsequent rounds of financing, our financial condition, including cash on hand, and our historical and forecasted performance and cash burn.

The expected timing of exit events are based on our best estimate of possible exit events and their likelihood, considering the progress of our research and development programs, including the status of non-clinical studies and clinical trials of our product candidates, our stage of development and our commercialization and business strategy, our financial condition, including cash on hand, our historical and forecasted performance and operating results, the likelihood of achieving a liquidity event, such as the sale of the company or an IPO given prevailing market conditions, external market conditions affecting the biopharmaceutical industry and trends within the biopharmaceutical industry.

In the absence of a public trading market, the underlying value of our Company was performed using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accounts Audit and Accounting Practice Aid Series, with the assistance of a third-party specialist, and is subject to estimates based on the valuation techniques selected and an evaluation of the inputs used in creating the valuation. Valuation techniques used include the probability-weighted expected return method and the option-pricing method or a hybrid of both methods. In addition, various objective and subjective factors were also considered, including the prices at which we sold preferred shares and the superior rights and preferences of the preferred shares relative to our common shares, the progress of our research and development programs, our stage of development and our commercialization and business strategy, our financial condition, including cash on hand, our historical and forecasted performance and operating results, the lack of a public market for our common shares and preferred shares, the likelihood of achieving a liquidity event, such as a sale of the company or an IPO given prevailing market conditions, the analysis of IPO's and the market performance of similar companies in the biopharmaceutical industry, external market conditions affecting the biopharmaceutical industry and trends within the biopharmaceutical industry. There are significant judgments and estimates inherent in these valuations. These judgments and estimates include assumptions regarding our future operating performance, the timing and likelihood of potential liquidity events and the determination of the appropriate valuation methodology at each valuation date. If different assumptions had been made, the fair value of our embedded derivatives and the resulting preferred share liability and accretion expense, as well as the re-measurement of the embedded derivatives could have been materially different.

The fair value of the embedded derivative conversion options at March 31, 2017, and at inception for the Class C convertible redeemable preferred shares, were estimated using a hybrid of the probability-weighted expected return method (PWERM), weighted at 75%, and a Monte Carlo simulation model, weighted at 25%. We integrated a PWERM model into our valuation methodology during the first quarter of 2017 as we had undertaken tangible steps toward a qualifying IPO and we believed this model to be a more accurate estimation method of the conversion option as a result of the IPO commitments taken.

The fair value of the embedded derivative conversion options at June 30, 2017 was estimated using a hybrid of the PWERM method, weighted at 95%, and a liquidation scenario, weighted at 5%. The shift in weight towards the PWERM model considered the Company's progress towards its qualifying IPO at the time. Under the PWERM methodology, the fair value was estimated based upon the future implied equity values using a range of low, medium and high exit multiples. Exit multiples were derived from comparable public company transactions that compared the invested capital (being the aggregate of debt and shares) to the pre-IPO equity values. The estimated implied equity value was discounted back from the estimated time to exit to the valuation date.

The fair value of the embedded derivative conversion options in August 2017, immediately prior to the conversion of the Class A, B and C redeemable convertible preferred shares on a one-for-one basis into common shares pursuant to our qualifying IPO, was based on the public offering price of $15 per share over the conversion price of the Class A, B and C redeemable convertible preferred shares, being their stated price per share.

Off-balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

JOBS Act Transition Period

In April 2012, the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

We are in the process of evaluating the benefits of relying on other exemptions and reduced reporting requirements under the JOBS Act. Subject to certain conditions, as an emerging growth company, we may rely on certain of these exemptions, including without limitation, providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act. We would cease to be an emerging growth company upon the earliest of: (1) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue; (2) the date we qualify as a "large accelerated filer," with at least $700.0 million of equity securities held by non-affiliates; (3) the issuance, in any three-year period, by our Company of more than $1.0 billion in non-convertible debt securities held by non-affiliates; or (4) the last day of the fiscal year ending after the fifth anniversary of our IPO.

Future Accounting Standards

The IASB has issued several new standards and amendments to standards and interpretations that are not yet effective for the year ended December 31, 2017, and although early adoption is permitted, they have not been applied in preparing our interim condensed consolidated financial statements. We are currently evaluating the effect, if any, the following new standards and amendments will have on our financial results.

(i) Financial Instruments (IFRS 9), effective for annual periods beginning on or after January 1, 2018, replaces the requirements of International Accounting Standard (IAS) 39, Financial Instruments, Recognition and Measurement for classification and measurement of financial assets and liabilities. IFRS 9 introduces a single classification and measurement approach for financial instruments, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements and results in a single impairment model being applied to all financial instruments. IFRS 9 also modifies the hedge accounting model to incorporate the risk management practices of an entity. Additional disclosures will also be required under the new standard. Early adoption of IFRS 9 is permitted.

(ii) Leases (IFRS 16), effective for annual periods beginning on or after January 1, 2019, provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17, Leases and its associated interpretive guidance. Significant changes were made to lessee accounting with the distinction between operating and finance leases removed and assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). Earlier application of IFRS 16 is permitted for companies that have also adopted IFRS 15, Revenues from Contracts with Customers.

Internal Controls and Procedures

A company's internal control over financial reporting, or ICFR, is a process designed by, or under the supervision of, a company's principal executive and principal financial officers, or persons performing similar functions, and effected by a company's board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. A material weakness is defined as a deficiency, or a combination of deficiencies, in ICFR, such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

The two material weaknesses in ICFR identified as of December 31, 2016 were: (i) the valuation of the embedded derivative and related preferred shares liability accounting, and (ii) lack of segregation of duties due to super-user access and insufficient journal entry review throughout the entire fiscal year. The preferred shares have been converted into common shares in August 2017 upon completion of our IPO. Management introduced a new control in the fourth quarter of 2016 related to journal entry review, and in April 2017 management introduced further controls related to super-user access. We expect that these new controls combined will remediate the material weakness related to segregation of duties. Despite our efforts to remediate existing material weaknesses or due to the existence of other potential material weaknesses, there is a risk that we will not be able to conclude within the prescribed timeframe that our ICFR is effective as required by Section 404.

Risk Factors

You should carefully consider the risk factors included in our final prospectus filed with the United States Securities and Exchange Commission on August 1, 2017, in addition to the other information contained in this MD&A and our condensed interim consolidated financial statements and related notes. Any of the risk factors described could adversely affect our business, operating results and financial condition. There have been no significant changes in our risk factors as of the date of this MD&A as compared to the risk factors described in our final prospectus. Additional risks that we currently do not know about or that we currently believe to be immaterial may also materially adversely affect the Company's business, financial condition and operating results.

Forward-looking statements

This MD&A and other written reports and releases and oral statements made from time to time by the Company contain forward-looking statements. All statements that are not clearly historical in nature are forward-looking, and the words "anticipate", "believe", "expect", "estimate", "may", "will", "could", "leading", "intend", "contemplate", "shall", "plan" and similar expressions are generally intended to identify forward-looking statements. All statements that address expectations, possibilities or projections about the future, including without limitation, statements about our strategies for development, sources or adequacy of capital, expenditures and financial results are forward-looking statements.

All forward-looking statements reflect our beliefs and assumptions based on information available at the time assumptions are made. These forward-looking statements are not based on historical facts, but rather on Management's expectations regarding future activities, results of operations, performance, future clinical and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. Factors which could cause future outcomes to differ materially from those set forth in the forward-looking statements include, but are not limited to, our ability to generate revenue and become profitable; the ability to obtain, on satisfactory terms or at all, the financing required to support operations, development, clinical trials and commercialization of products; the risks related to our heavy reliance on palovarotene, our only current product candidate; the risks of delays and inability to complete clinical trials due to difficulties in enrolling patients; the risks associated with the development of palovarotene and any future product candidate, including the demonstration of efficacy and safety; the risks related to clinical trials including the risk of negative results, potential delays, cost overruns and potential adverse events or unanticipated side effects; the risk of reliance on third-parties for the planning, conduct and monitoring of clinical trials and for the manufacture of clinical drug supplies and drug product; potential changes in regulatory requirements, and delays or negative outcomes from the regulatory approval process; our ability to successfully compete in our targeted markets, including the risk that competing therapies could emerge; the risks related to healthcare reimbursement policies and potential healthcare reform; our heavy dependence on licensed intellectual property, including our ability to source and maintain licenses from third-party owners; our ability to adequately protect proprietary information, trade secrets, and technology from competitors; the risk of patent or other intellectual property related litigation; risks related to changes in patent laws and interpretations; risks relating to our ability to manage the expansion of the size and scope of our Company, including risks associated with international operations; the potential for product liability claims; and our ability to attract, retain and motivate key personnel. The above are further and more fully described under the "Risk Factors" section above.

Although the forward-looking statements are based upon what Management believes to be reasonable assumptions, such statements include various risks and uncertainties and we cannot assure readers that actual results will be consistent with these forward-looking statements.

Any forward-looking statements represent our estimates only as of the date of this MD&A and should not be relied upon as representing our estimates as of any subsequent date. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

EXHIBIT 99.2

Clementia Pharmaceuticals Inc.

Interim Condensed Consolidated Financial Statements

Three and nine-month periods ended September 30, 2017 and 2016

(unaudited)

Clementia Pharmaceuticals Inc.
Interim Condensed Consolidated Statements of Financial Position (unaudited)

As at (in US dollars)	Note	September 30, 2017	December 31, 2016
Assets			
Current assets			
Cash		**$ 37,238,196**	$ 9,434,495
Short-term investments	4	**40,000,000**	30,000,000
Interest receivable		**260,082**	307,579
Sales tax and other receivables		**175,840**	90,966
Investment tax credits receivable		**350,747**	139,223
Prepaid expenses		**4,459,864**	652,158
Total current assets		**82,484,729**	40,624,421
Non-current assets			
Long-term investments	4	**75,000,000**	-
Property and equipment		**35,330**	38,163
Intangible assets	10	**1,763,866**	894,584
Total non-current assets		**76,799,196**	932,747
Total assets		**$ 159,283,925**	$ 41,557,168
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**$ 6,371,234**	$ 4,521,537
Income taxes payable		**119,925**	2,176
Total current liabilities		**6,491,159**	4,523,713
Non-current liabilities			
Preferred shares	5	**-**	67,880,952
Embedded derivatives	5	**-**	117,824,611
Total non-current liabilities		**-**	185,705,563
Total liabilities		**$ 6,491,159**	190,229,276
Equity			
Common shares		**230,659,692**	272,391
Contributed surplus		**1,956,515**	498,471
Deficit		**(79,823,441)**	(149,442,970)
Total equity		**152,792,766**	(148,672,108)
Total equity and liabilities		**$ 159,283,925**	$ 41,557,168

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Clementia Pharmaceuticals Inc.
Interim Condensed Consolidated Statements of Changes in Equity (unaudited)

(in US dollars)	Common shares Shares	Common shares $	Contributed surplus $	Deficit $	Equity $
December 31, 2016	2,351,347	272,391	498,471	(149,442,970)	(148,672,108)
Issuance of common shares upon public offering	9,191,000	137,865,000	-	-	137,865,000
Share issuance costs	-	(10,236,593)	-	-	(10,236,593)
Conversion of preferred shares (note 5)	20,076,224	102,707,268	-	-	102,707,268
Excess of carrying value of preferred shares and embedded derivatives liabilities, over the stated capital of the preferred shares (note 5)	-	-	173,285,855	-	173,285,855
Deficit reduction (note 5)	-	-	(173,285,855)	173,285,855	-
Exercise of stock options	99,013	51,626	(20,038)	-	31,588
Share-based compensation	-	-	1,478,082	-	1,478,082
Net loss and comprehensive loss	-	-	-	(103,666,326)	(103,666,326)
September 30, 2017	**31,717,584**	**230,659,692**	**1,956,515**	**(79,823,441)**	**152,792,766**

	Common shares Shares	Common shares $	Contributed surplus $	Deficit $	Equity $
December 31, 2015	2,351,347	272,391	324,052	(91,930,991)	(91,334,548)
Share-based compensation	-	-	142,985	-	142,985
Net loss and comprehensive loss	-	-	-	(9,137,808)	(9,137,808)
September 30, 2016	**2,351,347**	**272,391**	**467,037**	**(101,068,799)**	**(100,329,371)**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Clementia Pharmaceuticals Inc.
Interim Condensed Consolidated Statements of Net Loss and Comprehensive Loss (unaudited)

(in US dollars)	Note	Three-month periods ended September 30, 2017	Three-month periods ended September 30, 2016	Nine-month periods ended September 30, 2017	Nine-month periods ended September 30, 2016
Expenses					
Research and development expenses		**$ 7,073,872**	$ 4,490,048	**$ 16,813,902**	$ 11,544,330
Investment tax credits		**(91,484)**	(31,154)	**(211,524)**	(106,099)
		6,982,388	4,458,894	**16,602,378**	11,438,231
General and administrative expenses		**2,816,980**	696,403	**6,878,786**	2,564,282
Interest income		**(316,081)**	(94,626)	**(503,915)**	(310,062)
Financial expenses (income)	8	**29,415,957**	(3,477,195)	**80,440,739**	(4,671,170)
Net loss before income taxes		**38,899,244**	1,583,476	**103,417,988**	9,021,281
Income tax expense		**106,310**	43,569	**248,338**	116,527
Net loss and comprehensive loss		**$ (39,005,554)**	$ (1,627,045)	**$ (103,666,326)**	$ (9,137,808)
Basic and diluted loss per share		**$ (1.83)**	$ (0.69)	**$ (11.81)**	$ (3.89)
Weighted average number of outstanding basic and diluted shares		**21,317,604**	2,351,347	**8,778,602**	2,351,347

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Clementia Pharmaceuticals Inc.
Interim Condensed Consolidated Statements of Cash Flows (unaudited)

(in US dollars)	Note	Three-month periods ended September 30, 2017	Three-month periods ended September 30, 2016	Nine-month periods ended September 30, 2017	Nine-month periods ended September 30, 2016
Operating activities					
Net loss		**$ (39,005,554)**	$ (1,627,045)	**$ (103,666,326)**	$ (9,137,808)
Adjusting items					
Interest income recognized in net loss		**(316,081)**	(94,626)	**(503,915)**	(310,062)
Depreciation of property and equipment	7	**6,063**	8,418	**19,855**	26,137
Amortization of intangible assets	7	**48,673**	34,570	**130,718**	102,957
Transaction costs recognized in net loss	8	**-**	-	**35,175**	-
Embedded derivative loss recognized in net loss	5	**29,007,078**	(4,430,279)	**77,902,663**	(7,346,146)
Accretion of preferred shares	5	**393,425**	942,203	**2,479,161**	2,786,261
Share-based compensation		**795,806**	42,982	**1,478,082**	142,985
Net foreign exchange gain		**(32,634)**	14,313	**(48,026)**	(116,753)
Income tax expense recognized in net loss		**106,310**	43,569	**248,338**	116,527
Income taxes paid		**(42,500)**	(32,939)	**(130,589)**	(38,219)
Net changes in working capital					
Sales tax and other receivables		**(49,860)**	(46,264)	**(74,884)**	(30,505)
Investment tax credits receivable		**(91,484)**	136,408	**(211,524)**	271,802
Deferred financing costs		**275,784**	-	**-**	-
Prepaid expenses		**(3,727,642)**	(267,872)	**(3,807,706)**	(706,665)
Accounts payable and accrued liabilities		**457,938**	1,714,117	**1,835,789**	721,711
Net operating cash flows		**(12,714,678)**	(3,562,445)	**(24,313,189)**	(13,517,778)
Investing activities					
Interest income received		**184,040**	52,624	**551,412**	83,077
Acquisition of short and long-term investments		**(109,000,000)**	-	**(134,000,000)**	(40,000,000)
Maturity of short-term investments		**19,000,000**	10,000,000	**49,000,000**	10,000,000
Acquisition of property and equipment		**(4,194)**	(1,138)	**(17,022)**	(20,613)
Acquisition of intellectual property		**-**	-	**(1,000,000)**	-
Net investing cash flows		**(89,820,154)**	10,051,486	**(85,465,610)**	(29,937,536)
Financing activities					
Issuance of common shares		**-**	-	**31,588**	-
Issuance of common shares upon public offering		**137,865,000**	-	**137,865,000**	-
Share issuance costs		**(10,236,593)**	-	**(10,236,593)**	-
Issuance of preferred shares		**-**	-	**10,000,080**	-
Issue costs of preferred shares		**-**	-	**(129,520)**	-
Net financing cash flows		**127,628,407**	-	**137,530,555**	-
Net increase (decrease) in cash		**25,633,575**	6,489,041	**27,751,756**	(43,455,314)
Cash at beginning of period		**11,584,221**	8,298,313	**9,434,495**	58,106,885
Effect of exchange rate fluctuations on cash held		**20,400**	(15,355)	**51,945**	120,428
Cash at end of period		**$ 37,238,196**	$ 14,771,999	**$ 37,238,196**	$ 14,771,999

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. General information

Clementia Pharmaceuticals Inc. (the Company or Clementia) is a clinical stage biopharmaceutical company developing disease-modifying treatments for patients suffering from debilitating bone and other diseases with high unmet medical need. The Company's lead product candidate, palovarotene, is an oral small molecule that binds and activates retinoic acid receptor gamma (RARγ) agonist, and has shown potent activity in preventing abnormal new bone formation as well as fibrosis in a variety of tissues in animal models. The Company is developing palovarotene for the treatment of Fibrodysplasia Ossificans Progressiva (FOP) and Multiple Osteochondromas (MO).

In August 2017, the Company completed its initial public offering (IPO) and issued 9,191,000 common shares at $15 per share, including the underwriters' over-allotment option, for total gross proceeds of $137,865,000. Morgan Stanley & Co. LLC and Leerink Partners LLC acted as book-running managers for the offering, with Wedbush Securities Inc. and BTIG, LLC acting as co-managers. The Company's common shares are listed and traded on the Nasdaq Global Select Market under the symbol CMTA.

Clementia is a development stage company and has not generated any revenue. The Company has incurred net losses in each year since its inception. Net losses were $103,666,326 for the nine-month period ended September 30, 2017 and $57,511,979 for the year ended December 31, 2016 resulting primarily from non-cash finance charges incurred in connection with the accounting of our preferred shares and embedded derivatives, as well as costs incurred in connection with research and development activities and general and administrative costs associated with operations. As of September 30, 2017, the Company had an accumulated deficit of $79,823,441. In August 2017, all outstanding Class A, B and C redeemable preferred shares were converted on a one-for-one basis into common shares of the Company. In connection therewith, the Company eliminated the $173,285,855 contributed surplus created by the conversion of the preferred shares into common shares, an amount equal to the excess of the carrying value of the preferred share liabilities and embedded derivatives liabilities immediately prior to the conversion over the amount that was accounted for as share capital, being the stated capital of the preferred shares, and reduced its deficit in the third quarter of 2017 by a corresponding amount of $173,285,855. Operating activities used $24,313,189 in cash for the nine-month period ended September 30, 2017 and $18,828,083 for the year ended December 31, 2016. The Company expects that its existing cash and short-term investments as of September 30, 2017 will enable it to fund its planned operating expenses for at least the next twelve months from September 30, 2017.

We expect to incur significant expenses and continued operating losses for the foreseeable future. We expect our expenses will increase substantially in connection with our ongoing activities, particularly as we advance clinical development of palovarotene by conducting clinical trials; continue research and development efforts to support clinical development of additional RARγ agonist candidates; continue to engage contract manufacturing organizations (CMOs) to manufacture our clinical study materials and to develop large-scale manufacturing capabilities; seek regulatory approval for our product candidates; add personnel to support our product development and future commercialization; add operational, financial and management information systems; maintain, leverage and expand our intellectual property portfolio; and continue to operate as a public company.

We do not expect to generate revenue from product sales unless and until we successfully complete development and obtain regulatory approval for palovarotene or any other product candidate, which we expect will take a number of years and is subject to significant uncertainty. If we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing, and distribution. As a result, we may need additional financing to support our continuing operations.

Until such time that we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity or debt financings or other sources, which may include collaborations with third parties. Arrangements with collaborators or others may require us to relinquish certain rights related to our technologies or product candidates. Adequate additional financing may not be available to us on acceptable terms, or at all. Our inability to raise capital as and when needed would have a negative impact on our financial condition and our ability to pursue our business strategy.

Clementia is incorporated under the laws of Canada. The address of the Company's registered head office is 4150 Sainte-Catherine Street West, Suite 550, Montréal, Québec, Canada, H3Z 2Y5.

2. Significant accounting policies

Statement of compliance and basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB), and were approved by the board of directors and authorized for issue on November 10, 2017. On July 19, 2017, the Company amended its articles of incorporation to effect an 11.99-for-1 stock split of all of the Company's common shares. As a result, all issued and outstanding common shares, preferred shares, stock options and per share amounts contained in these interim condensed consolidated financial statements have been retrospectively adjusted to reflect this stock split for all periods presented.

These interim condensed consolidated financial statements were prepared using the same accounting policies as set forth in notes 2 and 3 in the audited consolidated financial statements of the Company for the year ended December 31, 2016, except for deferred financing costs and as discussed in note 5. These interim condensed consolidated financial statements do not include all the notes required in annual financial statements. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company for the year ended December 31, 2016.

The preparation of the Company's interim condensed consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of expenditures, assets and liabilities. Actual results could differ from those estimates. On an ongoing basis, estimates and judgements are evaluated. The Company bases its estimates on the most probable set of economic conditions and planned course of action, historical experience, known trends and events, and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions and conditions. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of the asset or liability in future periods. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which these estimates are revised and in any future periods affected.

Balances and transactions that are subject to a high degree of estimation are the estimation of accrued expenses and the valuation of the embedded derivatives of the preferred shares. The critical accounting judgements and key sources of estimate uncertainty are consistent with those in the audited consolidated financial statements and notes thereto of the Company for the year ended December 31, 2016.

Deferred financing costs

Financing costs consist of legal and other advisory costs related to the Company's IPO. Financing costs allocated to the listing of the Company's existing common shares in the amount of $1,436,356 were expensed as incurred under general and administrative expenses. Financing costs allocated to new common shares issued in conjunction with the IPO in the amount of $586,043 are reflected in share capital as a reduction of the IPO proceeds. These costs were previous deferred until completion of the IPO. Underwriters' fees of $9,650,550 are also reflected in share capital.

3. Future changes in accounting policies

The IASB has issued several new standards and amendments to standards and interpretations that are not effective for the year ended December 31, 2017, and although early adoption is permitted, they have not been applied in preparing these consolidated financial statements. The Company is currently evaluating the effect, if any, the following new standards and amendments will have on its financial results.

(i) *Financial Instruments* (IFRS 9), effective for annual periods beginning on or after January 1, 2018, replaces the requirements in IAS 39, *Financial Instruments, Recognition and Measurement* for classification and measurement of financial assets and liabilities. IFRS 9 introduces a single classification and measurement approach for financial instruments, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements and results in a single impairment model being applied to all financial instruments. IFRS 9 also modified the hedge accounting model to incorporate the risk management practices of an entity. Additional disclosures will also be required under the new standard. Early adoption of IFRS 9 is permitted.

(ii) *Leases* (IFRS 16), effective for annual periods beginning on or after January 1, 2019, provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17 *Leases* and its associated interpretive guidance. Significant changes were made to lessee accounting with the distinction between operating and finance leases removed and assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). Earlier application of IFRS 16 is permitted for companies that have also adopted IFRS 15, *Revenue from Contracts with Customers*.

Three and nine-month periods ended September 30, 2017 and 2016 (in US dollars)

4. Investments

		September 30, 2017		December 31, 2016
Term deposits bearing interest at rates varying between 1.03% and 1.88% and maturing on various dates up to October 1, 2019, classified as:				
Short-term investments	$	40,000,000	$	30,000,000
Long-term investments	$	75,000,000		-
	$	**115,000,000**	**$**	**30,000,000**

The objective for holding term deposits is to invest the Company's excess cash resources in investment vehicles that provide a better rate of return compared to the Company's interest bearing operating bank accounts with limited risk to the principal amount invested. The Company intends to match the maturities of its term deposits with the cash requirements of the Company's operating activities.

5. Preferred shares

On March 16, 2017, the Company completed a $10,000,080 Class C financing with a new investor. Under the agreed terms, the Company issued 841,410 Class C redeemable convertible preferred shares at $11.88 per share for a total consideration of $10,000,080, less $129,520 in share issuance costs. The terms of the Class C redeemable convertible preferred shares were substantially similar as those of the Class A and B redeemable convertible preferred shares.

In August 2017, immediately prior to its qualifying IPO, all of the outstanding Class A, B and C redeemable convertible preferred shares were converted on a one-for-one basis into 20,076,224 common shares of the Company. In connection therewith, in the third quarter of 2017 the Company i) included the original stated capital of the preferred shares in share capital, ii) included the excess of the total carrying value of the preferred shares and the embedded derivative liabilities over the original stated capital of the preferred shares in contributed surplus and iii) eliminated the contributed surplus created by the conversion of the preferred shares into common shares and recorded a corresponding reduction in deficit (as resolved by the Company's board of directors).

As at September 30, 2017, there were no Class A redeemable convertible preferred shares issued and outstanding (13,409,796 as at December 31, 2016 at a price of $2.44 per share), no Class B redeemable convertible preferred shares issued and outstanding (5,825,018 as at December 31, 2016 at a price of $10.30 per share) and no Class C redeemable convertible preferred shares issued and outstanding (nil as at December 31, 2016).

Three and nine-month periods ended September 30, 2017 and 2016 (in US dollars)

Changes in preferred shares and embedded derivatives for the nine-months ended September 30, 2017 and 2016 were as follows:

	Preferred shares			Embedded derivatives		
	Class A	**Class B**	**Class C**	**Class A**	**Class B**	**Class C**
Balance, December 31, 2016	$ 24,993,486	$ 42,887,466	$ -	$ 83,355,470	$ 34,469,141	$ -
Issuance of preferred shares	-	-	7,284,269	-	-	2,715,811
Transaction costs	-	-	(94,345)	-	-	-
Accretion during the period	307,595	662,239	18,204	-	-	-
Loss (gain) on re-measurement at fair value	-	-	-	44,814,889	(9,497,840)	-
Balance, March 31, 2017	25,301,081	43,549,705	7,208,128	128,170,359	24,971,301	2,715,811
Accretion during the period	311,491	672,465	113,743	-	-	-
Loss (gain) on re-measurement at fair value	-	-	-	19,102,528	(4,498,721)	(1,025,271)
Balance, June 30, 2017	25,612,572	44,222,170	7,321,871	147,272,887	20,472,580	1,690,540
Accretion during the period	111,490	241,139	40,796	-	-	-
Loss on re-measurement at fair value	-	-	-	21,171,596	6,903,545	931,937
Original stated capital of preferred shares reclassified as share capital upon conversion	(32,708,047)	(59,999,141)	(10,000,080)	-	-	-
Excess reclassified as contributed surplus (total $173,285,855)	6,983,985	15,535,832	2,637,413	(168,444,483)	(27,376,125)	(2,622,477)
Balance, September 30, 2017	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

	Preferred shares			Embedded derivatives		
	Class A	**Class B**	**Class C**	**Class A**	**Class B**	**Class C**
Balance, December 31, 2015	$ 23,801,078	$ 40,337,696	$ -	$ 61,893,086	$ 21,949,483	$ -
Accretion during the period	292,504	622,867	-	-	-	-
Loss on re-measurement at fair value	-	-	-	424,997	213,763	-
Balance, March 31, 2016	24,093,582	40,960,563	-	62,318,083	22,163,246	-
Accretion during the period	296,203	632,484	-	-	-	-
Gain on re-measurement at fair value	-	-	-	(2,505,249)	(1,049,378)	-
Balance, June 30, 2016	24,389,785	41,593,047	-	59,812,834	21,113,868	-
Accretion during the period	299,952	642,251	-	-	-	-
Gain on re-measurement at fair value	-	-	-	(3,254,587)	(1,175,692)	-
Balance, September 30, 2016	**$ 24,689,737**	**$ 42,235,298**	**$ -**	**$ 56,558,247**	**$ 19,938,176**	**$ -**

The fair values of the embedded derivative conversion options prior to March 16, 2017 were estimated using a Monte Carlo simulation model.

The fair values of the embedded derivative conversion options at March 31, 2017, and at inception for the Class C preferred shares, were estimated using a hybrid of the probability-weighted expected return method (PWERM), weighted at 75%, and a Monte Carlo simulation model, weighted at 25%. The Company integrated a PWERM model into its valuation methodology during the first quarter of 2017 as it had undertaken tangible steps towards a qualifying IPO and it believed this model to be a more accurate estimation method of the conversion option.

Under the PWERM methodology, the fair value is estimated based upon the future implied equity values using a range of low, medium and high exit multiples. Exit multiples are derived from comparable public company transactions that compare the invested capital (being the aggregate of debt and shares) to the pre-IPO equity values. The estimated implied equity value is discounted back from the estimated time to exit to the valuation date.

The fair values of the embedded derivative conversion options at June 30, 2017 were estimated using a hybrid of the PWERM method, weighted at 95%, and a liquidation scenario, weighted at 5%. The shift in weight towards the PWERM model considered the Company's continued progress towards a qualifying IPO.

The fair values of the embedded derivative conversion options in August 2017, immediately prior to the conversion of the Class A, B and C redeemable convertible preferred shares on a one-for-one basis into common shares pursuant to the Company's qualifying IPO, was based on the public offering price of $15 per share over the conversion price of the Class A, B and C redeemable convertible preferred shares, being their stated price per share. This resulted in a charge to net loss of $29,007,078 in the third quarter of 2017.

The fair values of the embedded derivative conversion options were estimated at inception and on a recurring basis using the following key assumptions, including a nil dividend yield.

	August 2017			Inception	December 31, 2016			September 30, 2016		
	Class A	Class B	Class C	Class C	Class A	Class B	Class C	Class A	Class B	Class C
Fair value of embedded derivative per share	$ 12.56	$ 4.70	$ 3.12	$ 3.23	$ 6.22	$ 5.92	-	$ 4.46	$ 3.62	-
PWERM assumptions:										
Range of exit multiples	-	-	-	3.4-4.1	-	-	-	-	-	-
Time to exit (in years)	-	-	-	0.50	-	-	-	-	-	-
Monte Carlo assumptions:										
Starting equity value (in millions of $)	-	-	-	$ 298.1	$ 249.6	$ 249.6	-	$ 170.9	$ 170.9	-
Volatility	-	-	-	74%	68%	68%	-	86%	86%	-
Weighted average time to exit (in years)	-	-	-	0.75	0.85	0.85	-	1.75	1.75	-

These derivative liabilities are classified as a Level 3 in the fair value hierarchy. A reasonably possible movement in the estimated starting equity value, expected volatility or expected time to exit could significantly impact the fair value of the embedded derivative.

Three and nine-month periods ended September 30, 2017 and 2016 (in US dollars)

6. Share-based payments

Under the Company's Employee Stock Option Plan (ESOP), the Company could grant to its directors, management and employees non-transferrable stock options for the purchase of common shares. Up until completion of the IPO, the maximum number of common shares that were available for issuance under the ESOP was limited to 3,786,886, of which 2,997,836 remain issued and outstanding as at September 30, 2017 (2,453,586 as at December 31, 2016).

Upon completion of its IPO, the Company adopted the 2017 Omnibus Plan (Omnibus) under which all future equity-based awards are now granted. Employees, directors and consultants are eligible to participate in the Omnibus. The maximum number of common shares available for issuance under the Omnibus is limited to 2,390,605 as at September 30, 2017. This number will automatically increase by an annual amount to be added on the first day of each year, beginning January 1, 2018 and continuing until, and including, the year ending December 31, 2027, equal to the lower of 4% of the number of common shares outstanding as of December 31 of the prior calendar year and an amount determined by the Company's board of directors.

The Omnibus provides for awards of stock options, stock appreciation rights, unrestricted stock, stock units (including restricted stock units), performance awards, deferred share units, elective deferred share units and other awards convertible into or otherwise based on the Company's common shares. The Omnibus is substantially consistent with the ESOP as it pertains to stock options. As at September 30, 2017, there were 11,990 stock options outstanding under the Omnibus (nil at December 31, 2016).

Changes in the number of stock options outstanding are as follows:

	Three-month periods ended September 30				Nine-month periods ended September 30			
	2017		2016		2017		2016	
	Options	Weighted average exercise price	Options	Weighted average exercise price	Options	Weighted average exercise price	Options	Weighted average exercise price
Balance at beginning of period	2,997,836	$ 2.48	2,462,914	$ 0.44	2,453,586	$ 0.44	2,462,914	$ 0.44
Issued during the period	11,990	$ 16.26	-	-	655,253	$ 10.06	-	-
Exercised during the period	-	-	-	-	(99,013)	$ 0.32	-	-
Balance at end of period	**3,009,826**	**$ 2.53**	**2,462,914**	**$ 0.44**	**3,009,826**	**$ 2.53**	**2,462,914**	**$ 0.44**

Three and nine-month periods ended September 30, 2017 and 2016 (in US dollars)

The following table summarizes the information related to outstanding stock options as at September 30, 2017.

	Outstanding stock options			Exercisable stock options	
Exercise price	Number of stock options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of exercisable stock options	Weighted average exercise price
$0.29	2,035,807	6.5		1,478,511	
$0.69	264,787	7.6		160,894	
$4.81	53,979	8.2		26,534	
$9.70	174,454	9.4		-	
$10.04	468,809	9.6		-	
$16.26	11,990	6.9		-	
	3,009,826	7.2	$ 2.53	1,665,939	$ 0.40

During the three-month period ended September 30, 2017, the Company recorded a stock-based compensation expense of $795,806 ($42,982 during the three-month period ended September 30, 2016) of which $581,392 ($14,255 in 2016) was recorded in general and administrative expenses and $214,414 ($28,727 in 2016) in research and development expenses.

During the nine-month period ended September 30, 2017, the Company recorded a stock-based compensation expense of $1,478,082 ($142,985 during the nine-month period ended September 30, 2016) of which $1,022,184 ($52,567 in 2016) was recorded in general and administrative expenses and $455,898 ($90,418 in 2016) in research and development expenses.

As at September 30, 2017, the Company had approximately $3.1 million of total unrecognized stock-based compensation expense, net of related forfeiture estimates, which is expected to be recognized over a weighted-average remaining vesting period of approximately 1.4 years.

Three and nine-month periods ended September 30, 2017 and 2016 (in US dollars)

The fair value of the stock options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Nine-month periods ended September 30	
	2017	**2016**
Grant (number of stock options)	**655,253**	**-**
Weighted average fair value of stock options	**$ 6.73**	**-**
Weighted average exercise price	**$ 10.06**	**-**
Weighted average assumptions:		
Share price	**$ 10.06**	**-**
Risk-free interest rate	**1.96%**	**-**
Expected dividend yield	**-**	**-**
Volatility factor	**77.14%**	**-**
Expected life (in years)	**5.88**	**-**

The Black-Scholes model requires subjective assumptions, which affect the calculated values. The assumptions used represent the Company's best estimates at the time of grant.

7. Additional information on the consolidated statements of loss and comprehensive loss

	Three-months ended September 30		Nine-months ended September 30	
	2017	2016	**2017**	2016
Included in research and development expenses:				
Employee benefits	**$ 1,216,319**	$ 582,245	**$ 3,139,107**	$ 1,796,618
Depreciation of property and equipment	**$ 4,202**	$ 4,824	**$ 13,068**	$ 15,056
Expenses related to operating lease payments	**$ 118,956**	$ 97,080	**$ 327,307**	$ 264,596
Included in general and administrative expenses:				
Employee benefits	**$ 1,126,665**	$ 299,788	**$ 2,613,405**	$ 1,321,725
Depreciation of property and equipment	**$ 1,861**	$ 3,594	**$ 6,787**	$ 11,081
Amortization of intangible assets	**$ 48,673**	$ 34,570	**$ 130,718**	$ 102,957
Expenses related to operating lease payments	**$ 31,131**	$ 31,822	**$ 87,918**	$ 101,249

Three and nine-month periods ended September 30, 2017 and 2016 (in US dollars)

8. Financial expenses

	Three-months ended September 30		Nine-months ended September 30	
	2017	2016	**2017**	2016
Financial expenses				
Transaction costs – embedded derivatives	**$ -**	$ -	**$ 35,175**	$ -
Accretion – preferred shares	**393,425**	942,203	**2,479,161**	2,786,261
Loss (gain) on re-measurement at fair value	**29,007,078**	(4,430,279)	**77,902,663**	(7,346,146)
Bank charges and other interest	**2,468**	1,997	**10,303**	9,364
Foreign exchange losses (gains)	**12,986**	8,884	**13,437**	(120,649)
Total financial expenses	**$ 29,415,957**	$ (3,477,195)	**$ 80,440,739**	$ (4,671,170)

9. Financial instruments

The Company has determined that the carrying amounts of its short-term financial assets and liabilities, including cash, short-term investments and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity for these instruments.

10. Commitments

On March 29, 2017, the Company entered into an exclusive licensing agreement with Galderma to obtain access to retinoic acid receptor gamma agonist compounds and was granted exclusive rights to use these in non-dermatological indications. In accordance with this agreement, the Company has paid a one-time license fee, which was recorded as an intangible asset, and is committed to making certain future payments based on the successful achievement of specific development and commercialization milestones related to the licensed Galderma compounds. Future single-digit royalty payments based on net sales are also stipulated in the licensing agreement. The likelihood and timing of these payments is unknown at this time.

11. Segmented information

The Company manages its operations as a single segment for the purposes of assessing performance and making operating decisions, being the biopharmaceutical segment. The Company's focus is on advancing treatments for people living with rare diseases, including FOP and MO.

All of the Company's intangible assets are held in Canada. As at September 30, 2017, the Company's property and equipment are held as follows: 78% held in Canada and 22% held in the United States.