



A limited company (*société anonyme*) with a board of directors
with share capital of €1,617,539.80
Registered office: 2, rue Briçonnet, 30000 Nîmes
Nîmes Trade and Companies Register no. 497 587 089

Interim financial report

Period ended 30 June 2019

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I. INTERIM MANAGEMENT REPORT – period ended 30 June 2019

1. Description of the Company's business activities

Advicenne is a specialty pharmaceutical company focusing on the development and marketing of innovative treatments for orphan diseases.

ADV7103, its flagship product, is currently undergoing advanced clinical tests for two kidney diseases.

In 2017, ADV7103 was granted orphan drug designation by the European Commission in the treatment of distal renal tubular acidosis (dRTA), a rare kidney disorder that occurs when the kidneys are unable to effectively remove the buildup of circulating acids in the blood. Currently undergoing phase III clinical trials for this indication in Europe, the United States and Canada, ADV7103 has been centrally submitted for a marketing authorisation.

In parallel with preparations for the European commercial launch of ADV7103 to treat dRTA, Advicenne is carrying out trials for the treatment of cystinuria, a genetic disease characterised by cystine stones in the kidneys and bladder. ADV7103 phase II/III European clinical trials for this second indication were recently extended to Belgium.

At Advicenne, we are also committed to innovating in the areas of formulation and clinical development. Tasteless and easy to administer, our products are marketed in granules or small tablets that offer flexible, personalised dosing – because ground-breaking treatments for rare diseases should be available to patients of all ages.

Based in Nîmes, Grenoble and Paris, Advicenne has been listed on Euronext Paris since 2017 and was listed on Euronext Brussels in 2019 as a cross-listing.

2. Highlights of the first half of 2019

2.1. Financial information

- On 12 June 2019, Advicenne announced that it had successfully listed its shares on the Euronext Brussels regulated market.

2.2. Scientific information

- On 7 January 2019, Advicenne obtained authorisation from the Belgian Federal Agency for Medicines and Health Products (FAMHP) to initiate a pivotal Phase II/III clinical trial (CORAL study) with its flagship drug candidate, ADV7103, for cystinuria.
- On 12 March 2019, the Company filed the application for the marketing of its flagship product ADV7103 for distal renal tubular acidosis (dRTA).
- On 13 June, Advicenne confirmed the widespread nature of dRTA and cystinuria at the ISPOR conference.

3. Significant events since the closing of the first half of 2019

- On 18 July 2019, Advicenne announced that it had obtained a €20 million financing agreement from the European Investment Bank in three tranches of €7.5 million, €5 million and €7.5 million, respectively.
- On 30 August, the Company announced the recruitment of its first US patient in the ARENA2 study, the ADV7103 phase II/III pivotal study on dRTA in the United States.
- On 4 September, the Company announced that it had secured the long-term supply of its flagship product by signing a worldwide production agreement with the Lunbeck group.

4. The Company's business activities in the first half of 2019

The Company's half-year results under IFRS are shown below:

INCOME STATEMENT (€ thousands)	June 30, 2019	June 30, 2018
Revenue	757	438
Income from partnerships		
Autres produits de l'activité	369	475
Total revenue and other income	1 125	913
Cost of goods sold	-334	-214
Research and development expenses	-3 948	-2 909
Sales and marketing expenses	-1 960	-949
Overhead and general expenses	-1 659	-814
Operating loss	-6 776	-3 974
Net financial costs	-5	-24
Other financial income	-25	234
Résultat avant impôt	-6 806	-3 764
Impôts sur les bénéfices	-	-
Net loss	-6 806	-3 764
Loss per share (€/share)	-0,85	-0,47
Diluted loss per share (€/share)	-0,85	-0,47

OTHER COMPREHENSIVE INCOME (€ thousands)	June 30, 2019	June 30, 2018
Net Loss	-6 806	-3 764
Revaluation of pension plan liabilities	-17	-10
Tax effect		
Other comprehensive loss not recyclable through profit and loss	-17	-10
Comprehensive loss	-6 823	-3 774

4.1. Operating income

Revenue recognition

- Product sales

The Company's revenue comprises, the sale under licence of medicines developed by a third party (Levidcen® and Liko zam®), and sales of ADV7103, a product developed by Advicenne for which a marketing authorisation application has been made, under a nominative Temporary Authorisation for Use (ATU). Customers obtain ownership of the products when the goods are delivered to them. Invoices are issued and revenue is recognised when the ownership is transferred.

Revenue is recognised after deduction of pharmaceutical taxes and, where applicable, social security contributions and credits.

- Income from partnerships

Income from partnerships is recognised according to contractual terms and conditions. For the 2019, 2018 and 2017 financial years, this solely concerns the Primex contract (see note 6.2).

Other operating income

Other operating income includes income from grants, research tax credits and employment and competitiveness tax credits.

4.2. Operating expenses

Operating expenses were, as foreseen, significantly higher in comparison to the first half of 2018, in line with the progress of the Company's projects.

Research and development expenses are mainly related to the phase III clinical studies underway in Europe and the United States. A pivotal Phase II/III study of ADV7103 for a second indication, cystinuria, is currently underway in Europe. The French and Belgian agencies gave their approval in 2018 and patients have been included within the study. The Company has also launched a pivotal phase II/III study in the United States in the field of dRTA after being granted Investigational New Drug (IND) status by the Food and Drug Administration (FDA).

Sales and marketing expenses include the Liko zam and Levidcen marketing expenses in France and the preparatory marketing expenses for ADV7103 in Europe, including Market Access and field work initiated in five target countries (France, Germany, United Kingdom, Italy and Spain) as well as market studies in the United States. The increase in expenses is related to preparing market access for ADV7103.

The increase in overhead and general expenses is mainly related to communication expenses, legal and audit fees and the reinforcement of the finance team.

4.3. Financial income and expenses

Financial income and expenses mainly correspond to the revaluation of the current account in dollars. The Company, having contracted services for its US business payable in dollars, wished to cover its firm commitments and provisional expenses through the purchase of US dollars.

5. Main risks and uncertainties in the second half of 2019

The main risks and uncertainties faced by the Company in the six remaining months of the financial year are discussed in the risk management section of the Registration Document published on 2 December 2018 and available on the Company's website www.advicenne.com.

6. Relationships with related parties

As of 30 June 2019, no related-party agreements were in force.

II. THE COMPANY'S SUMMARY INTERIM SEPARATE FINANCIAL STATEMENTS

Advicenne (the "Company") is domiciled in France. The Company's registered office is located at 2 rue Briçonnet – 30000 Nîmes.

The information disclosed in the notes forms an integral part of the Company's summary interim separate financial statements at 30 June 2019 approved by the Board of Directors on 23 September 2019.

1. Description of the Company's business activities

Advicenne is a specialty pharmaceutical company focusing on the development and marketing of innovative treatments for orphan diseases.

In order to build its product portfolio, Advicenne started from the observation that for certain rare diseases, there are no treatments suitable or optimal for children. Advicenne intends to provide a therapeutic response to unmet, often serious, medical needs, especially for certain renal and neurological diseases.

Advicenne's strategy is to design innovative products and implement clinical, pharmaceutical and regulatory strategies to reach orphan markets with strong demand for which there are no treatments that have received Marketing Authorisations (MAs) in Europe or the United States.

ADV6209, the first product developed by Advicenne, obtained an MA in several European countries in 2018. The product was the subject of an asset disposal agreement with Primex Pharmaceuticals AG providing for a minimum of €40 million of revenue over a seven-year period if all of the conditions are met.

ADV7103, its flagship product, is currently undergoing advanced clinical tests for two kidney diseases.

In 2017, ADV7103 was granted orphan drug designation by the European Commission in the treatment of distal renal tubular acidosis (dRTA), a rare kidney disorder that occurs when the kidneys are unable to effectively remove the buildup of circulating acids in the blood. Currently undergoing phase III clinical trials for this indication in Europe, the United States and Canada, ADV7103 has been centrally submitted for a marketing authorisation.

In parallel with preparations for the European commercial launch of ADV7103 to treat dRTA, Advicenne is carrying out trials for the treatment of cystinuria, a genetic disease characterised by cystine stones in the kidneys and bladder. ADV7103 phase II/III European clinical trials for this second indication were recently extended to Belgium.

At Advicenne, we are also committed to innovating in the areas of formulation and clinical development. Tasteless and easy to administer, our products are marketed in granules or small tablets that offer flexible, personalised dosing – because pathbreaking treatments for rare diseases should be available to patients of all ages.

In Europe, the Company has decided to market its products using its own infrastructure which is in the process of being put in place. The networks of medical visitors required to sell this type of product are limited in size, given that the prescriber population will primarily be limited to paediatric nephrologists and neurologists.

Advicenne also markets two other products authorised in France for which it has either acquired an exclusive operating licence or signed a distribution agreement covering several territories, including France.

Based in Nîmes, Grenoble and Paris, Advicenne has been listed on Euronext Paris since 2017 and was listed on Euronext Brussels in 2019 as a cross-listing.

2. Highlights

2.1. Significant events in 2019

- On 7 January 2019, Advicenne obtained authorisation from the Belgian Federal Agency for Medicines and Health Products (FAMHP) to initiate a pivotal Phase II/III clinical trial (CORAL study) with its flagship drug candidate, ADV7103, for cystinuria.
- On 12 March 2019, the Company filed the application for the marketing of its flagship product ADV7103 for distal renal tubular acidosis (dRTA).
- On 12 June 2019, Advicenne announced that it had successfully listed its shares on the Euronext Brussels regulated market.
- On 13 June, Advicenne confirmed the widespread nature of dRTA and cystinuria at the ISPOR conference.

2.2. Subsequent events

- On 18 July 2019, Advicenne announced that it had obtained a €20 million financing agreement from the European Investment Bank in three tranches of €7.5 million, €5 million and €7.5 million, respectively.
- On 17 July 2019, the Board of Directors awarded 200,000 BSPCEs with performance conditions representing 2.4% of the currently issued share capital.

3. Financial Statements

3.1. Balance sheet

ASSETS (€ thousands)	Notes	June 30, 2019	December 31, 2018
Intangible assets		3	3
Property, plant and equipment	6-1-1	1 532	242
Other financial assets		119	9
Non-current assets		1 655	254
Inventories and work in progress		473	308
Trade receivables	6-1-2	502	3 336
Tax receivables	6-1-3	1 179	843
Other current assets	6-1-3	2 452	1 695
Financial assets	6-1-4	234	170
Cash and cash equivalents	6-1-4	21 835	26 232
Current assets		26 676	32 585
Total assets		28 331	32 839

LIABILITIES (€ thousands)	Notes	June 30, 2019	December 31, 2018
Share capital	6-1-5	1 618	1 612
Additional paid-in capital		52 692	52 626
Reserves		-24 499	-19 830
Net loss		-6 806	-5 015
Total shareholders' equity		23 005	29 394
Borrowings and financial debt	6-1-6	1 191	172
Provisions	6-1-7	185	148
Non-current liabilities		1 376	321
Borrowings and financial debt	6-1-6	385	248
Trade payables	6-1-7	2 034	1 569
Other current liabilities	6-1-7	1 529	1 306
Current liabilities		3 949	3 123
Total liabilities		28 331	32 839

3.2. Income statement

INCOME STATEMENT (€ thousands)	Notes	June 30, 2019	June 30, 2018
Revenue	6-2-1	757	438
Income from partnerships	6-2-2		
Autres produits de l'activité	6-2-3	369	475
Total revenue and other income		1 125	913
Cost of goods sold		-334	-214
Research and development expenses	6-2-4	-3 948	-2 909
Sales and marketing expenses	6-2-4	-1 960	-949
Overhead and general expenses	6-2-4	-1 659	-814
Operating loss		-6 776	-3 974
Net financial costs	6-2-5	-5	-24
Other financial income	6-2-5	-25	234
Résultat avant impôt		-6 806	-3 764
Impôts sur les bénéfices		-	-
Net loss		-6 806	-3 764
Loss per share (€/share)	6-2-6	-0,85	-0,47
Diluted loss per share (€/share)	6-2-6	-0,85	-0,47

OTHER COMPREHENSIVE INCOME (€ thousands)	Notes	June 30, 2019	June 30, 2018
Net Loss		-6 806	-3 764
Revaluation of pension plan liabilities		-17	-10
Tax effect			
Other comprehensive loss not recyclable through profit and loss		-17	-10
Comprehensive loss		-6 823	-3 774

3.3. Statement of changes in shareholders' equity

CHANGE IN SHAREHOLDERS' EQUITY (€ thousands)	Number of shares	Capital	Additional paid-in capital	Reserves	Shareholders equity
Position as of January 1, 2018	8 002 696	1 601	51 894	-19 984	33 511
Loss from the period				-3 764	-3 764
Other comprehensive income, after taxes				-10	-10
Comprehensive loss		-	-	-3 774	-3 774
Share-based payments	59 648	12	732		744
Acquisition or sale of treasury shares			-256		-256
Share-based payments				317	317
Position as of June 30, 2018	8 062 344	1 612	52 370	-23 441	30 542
Position as of January 1, 2010	8 062 344	1 612	52 626	-24 845	29 394
Loss from the period				-6 806	-6 806
Other comprehensive income, after taxes				-17	-17
Comprehensive loss	-	-	-	-6 822	-6 822
Share-based payments	25 310	5	66		71
Acquisition or sale of treasury shares				64	64
Share-based payments				299	299
Position as of June 30, 2019	8 087 654	1 618	52 692	-31 305	23 005

- The €71 thousand capital increase in 2019 is the result of BSAs and BSPCEs being exercised.
- The €744 thousand capital increase in 2018 corresponds to the over-allotment option.
- Treasury share movements were €66 thousand in the first half of 2019 and €256 thousand in the first half of 2018. They resulted from the implementation of the liquidity agreement.

3.4. Cash flow statement

CASH FLOW (€ thousands)	June 30, 2019	June 30, 2018
Net loss	-6 806	-3 764
Amortisation, depreciation and provisions	313	108
Share-based payments	299	317
Other calculated income and expenses	-139	-111
Net financial costs	5	2
Self-financing capacity	-6 328	-3 448
Changes in inventory	-165	-193
Changes in trade receivables and other receivables	1 741	407
Changes in trade payables and other payables	688	-395
Cash flow from operations	-4 064	-3 629
Acquisition of property, plant and equipment and intangible assets	-109	-108
Acquisition of treasury shares	-64	-138
Acquisition of financial assets	-110	-
Cash flow from investing activities	-282	-246
Capital increase	71	744
New borrowings and refundable advances	-	-
Repayment of borrowings and refundable advances	-123	-85
Interest received (paid)	-	-
Cash flow from financing activities	-52	659
Change in cash	-4 397	-3 216
Opening cash	26 232	36 183
Closing cash	21 835	32 967

4. Main accounting policies and methods

4.1. Accounting policy

The company's summary interim separate financial statements were drawn up in accordance with IAS 34 - Interim financial reporting.

As summary statements, these financial statements do not include all the information required for year-end closing, but a selection of explanatory notes. Accordingly, they should be read in conjunction with the Company's separate IFRS financial statements at 31 December 2018.

With the exception of those noted hereafter, the accounting policies and methods used for the preparation of the Company's summary interim separate financial statements are identical to those used for the Company's separate IFRS financial statements at 31 December 2018.

The Company has also adopted the following standards, amendments and interpretations that were applicable at 1 January 2019. Their implementation date coincided with those of the IASB:

- IFRS 16;
- Amendment to IFRS 9;
- IFRIC 23 – Uncertainty over Income Tax Treatments;
- IFRS Annual Improvements – 2015-2017 Cycle;
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures;
- Amendments to IAS 19, Plan Amendment, Curtailment or Settlement.

Apart from IFRS 16 which concerns leases, the above IFRS standards, amendments and interpretations that were mandatory at 30 June 2019 had no significant impact on the financial statements.

Standards and interpretations not yet mandatory as of 30 June 2019 were not applied early. However, the Company does not expect that there will be significant impacts from the application of these new texts.

4.2. Leases

The Company has applied IFRS 16 "Leases" for the first time which introduces a new lease recognition method. Its application is mandatory as of 1 January 2019. IFRS 16 "Leases", which supersedes IAS 17 "Leases" and its related interpretations, introduces a single lease recognition model for lessees that requires the recognition of assets and liabilities for all leases, except for leases with a term of less than 12 months or leases with an underlying asset of low value, for which exemptions exist. When the asset included in the lease is identifiable and the beneficiary controls the use of that asset, the beneficiary of the contract must recognise on its balance sheet a right of use asset offset by financial liability. In addition, the rents for these leases are recognised partly as depreciation in operating income and partly as financial expenses in financial income. The impact of this new standard mainly affects property leases related to the Nîmes and Grenoble locations and car leases.

Leases as defined by IFRS 16 "Leases" are recognised on the balance sheet which resulted in the recognition of:

- an asset equal to the right-of-use of the asset rented during the term of the contract;
- a liability with respect to the payment obligation.

Leases or assets with the following characteristics are not eligible for accounting treatment in accordance with IFRS 16:

- leases of less than 12 months, including those with financial incentive options to renew;
- leases with purchase options are excluded from this category;
- an asset that can be used on its own (or with readily available resources) and is not dependent upon, or highly related to, other assets;
- the value of the underlying asset when new is low in absolute terms (<€5,000 when new).

The Company applied IFRS 16 as of 1 January 2019 using the simplified retrospective method.

The discount rates were determined according to the residual term of existing leases as of 1 January 2019. The estimated amount of the liability at 1 January 2019 and of the asset that represents the right to use the goods in question was estimated at €1.2 million.

The term of the two most significant leases falling within the scope of IFRS 16 as of 30 June 2019 was nine years.

The average marginal borrowing rate as of 30 June 2019 was 2.5%.

The impacts of applying this standard on the income statement for the period are not significant.

4.3. Use of estimates and assumptions

The preparation of financial statements requires that Management make estimates and assumptions that it deems reasonable and which may have an impact on the amounts of assets, liabilities, shareholders' equity, income and expenses appearing in the financial statements and in the information in the notes. These estimates are based on the assumption of a going concern and are established based on the information available when they are made.

The main estimates involve the fair value assessment of share-based payments

Management revises its estimates and assumptions constantly based on its past experience and on a number of other factors it deems to be reasonable and which provide the basis for its assessments of the value of assets and liabilities. Actual results may differ significantly from these estimates due to different assumptions or conditions.

The impact of changes in accounting estimates is recorded on a forward-looking basis.

4.4. Seasonal nature of the business activities

The Company's business is not considered to be cyclical or seasonal.

5. Segment reporting

The Company identified only one operating segment corresponding to the pharmaceutical business, namely the development and marketing of pharmaceutical products.

6. Main accounting policies and methods

6.1. Notes to the balance sheet

6.1.1. Property, plant and equipment

GROSS PROPERTY, PLANT AND EQUIPMENT (€ thousands)	Land & Buildings	Plant, Machinery, & Equip.	Other tangible assets	Fixed assets In progress and	Total gross
Position as of 31 December 2017	-	446	142	-	588
Increases during the financial year		65	47	27	32
Decreases during the financial year			-12		-78
Position as of 31 December 2018	-	511	177	27	716
Increases during the financial year		55	44	32	131
Decreases during the financial year			-16	-27	-43
Opening right of use (IFRS 16)	102		20		122
Increase right of use (IFRS 16)	1 159				1 159
Position as of June 30, 2019	1 261	566	225	32	2 085

AMORTISSEMENTS DES IMMOBILISATIONS CORPORELLES (K€)	Land & Buildings	Instal. Techn., mat. & Out.	Autres immobilisations corporelles	Immo. En cours & avances	Total amortissemen ts
Position as of 31 December 2017		-299	-75	-	-374
Allow ances for the financial year		-86	-26		-96
Decreases during the financial year			12		74
Position as of 31 December 2018	-	-385	-90	-	-474
Allow ances for the financial year		-38	-16		-54
Decreases during the financial year			16		16
Allow ances right of use (IFRS 16)	-36		-4		-40
Depreciation					-
Conversion difference					-
Position as of June 30, 2019	-36	-423	-93	-	-552

NET PROPERTY, PLANT AND EQUIPMENT (€ thousands)	Land & Buildings	Instal. Techn., mat. & Out.	Autres immobilisations corporelles	Immo. En cours & avances	Total net
As of January 1, 2018	-	147	67	-	214
As of December 31, 2018	-	127	88	27	242
As of June 30, 2019	1 225	144	132	32	1 532

6.1.2. Trade receivables

TRADE RECEIVABLES (€ thousands)	Gross value	Due	Not Due	Impairments	Net value
Position as of June 30, 2019	528	221	307	-26	502
Position as of December 31, 2018	3 344	126	3 218	-8	3 336

The decrease in trade receivables was linked to the payment of €3 million by Primex as a milestone payment in September 2018.

6.1.3. Tax receivables and other current assets

TAX RECEIVABLES AND OTHER CURRENT ASSETS (€ thousands)	June 30, 2019	Decembre 31, 2018
Research Tax Credit	1 179	821
Tax credit for employment and competitiveness	-	21
Sub-total	1 179	843
Fiscal receivables (VAT, etc.)	293	222
Prepaid expenses	2 097	1 468
Misc. receivables	62	5
Gross values	3 631	2 538
Impairments	-	-
Net values	3 631	2 538

The amount of Research Tax Credits in the financial statements for the period ended 30 June 2019 comprises €368 thousand as the estimated accrued income related to first-quarter 2019 expenses and €811 thousand for the Research Tax Credits requested for the 2018 financial year which were received during July.

The amount recognised in the financial statements at 31 December 2018 in respect of the Research Tax Credit corresponded in full to the amount requested for the 2018 financial year.

Prepaid expenses relate mainly to the advance paid to initiate the pivotal Phase II/III clinical study with ADV7103 for the treatment of dRTA in the United States.

6.1.4. Cash and cash equivalents

CASH AND CASH EQUIVALENTS (€ thousands)	June 30, 2019	Decembre 31, 2018
Bank current accounts	21 835	26 232
Cash and cash equivalents	21 835	26 232

6.1.5. Share capital

As of 30 June 2019, after BSPCE/BSAs were exercised in June 2019, the Company's share capital was made up of 8,087,654 fully paid up ordinary shares with a par value of €0.20 each.

6.1.6. Financial liabilities

BORROWINGS AND FINANCIAL DEBT (€ THOUSANDS)	December 31, 2017	Issuances	Repayments	Reclassification s / Other	June 30, 2018
Bank loans	342			-84	258
Refundable advances	112			-112	-
Non-current financial debt	454	-	-	-196	258
Bank loans	172		-85	88	175
Refundable advances	75			1	76
Current financial debt	248	-	-85	89	251
Total	701	-	-85	-107	508

Maturities (€ thousands)		June 30, 2018
Less than one year		251
Between one and five years		258
More than five years		-
Total		508

BORROWINGS AND FINANCIAL DEBT (€ THOUSANDS)	December 31, 2018	Issuances	Repayments	Reclassification s / Other	June 30, 2019
Bank loans	172			-64	108
Refundable advances	-				-
Financial debt IFRS 16	-	1 083			1 083
Non-current financial debt	172	1 083	-	-64	1 191
Bank loans	170		-87	64	147
Refundable advances	76				76
Financial debt IFRS 16	-	197	-36		161
Current financial debt	248	197	-123	64	385
Total	420	1 280	-123	-	1 576

Maturities (€ thousands)		June 30, 2019
Less than one year		385
Between one and five years		940
More than five years		251
Total		1 576

No new bank loan was subscribed during the first half of 2019.

6.1.7. Trade payables, deferred income and other liabilities

TRADE AND OTHER PAYABLES (€ thousands)	June 30, 2019	Decembre 31, 2018
Social security payables	842	839
Tax payables	102	65
Other creditors	585	403
Sub-total	1 529	1 307
Trade payables	2 034	1 569
Deferred income		
TOTAL	3 563	2 876

Maturities (€ thousands)	June 30, 2019	Decembre 31, 2018
Less than one year	3 563	2 876
More than one year		
TOTAL	3 563	2 876

6.1.8. Financial instruments

En K€	Catégories	30 juin 2019		31 décembre 2018	
		Net book value	Fair value	Net book value	Fair value
Assets					
Other non-current financial assets	A	119	119	9	9
Trade and other receivables	A	502	502	3 336	3 336
Cash and cash equivalents	B	-	-	-	-
Total		621	621	3 346	3 346
Liabilities					
Financial liabilities (share at > and < one year)	C	1 576	1 576	420	420
Trade and other payables	C	2 034	2 034	1 569	1 569
Total		3 611	3 611	1 989	1 989

A - Assets valued at amortized cost

B - Assets in fair value through result

C - Liabilities valued at amortized cost

All the financial instruments are presented at fair value which is calculated using the rates/prices quoted on an active market for identical assets and liabilities (cash equivalents).

6.2. Notes to the income statement

6.2.1. Revenue

REVENUE (€ thousands)	June 30, 2019		30 juin 2018	
European Union	757	100%	438	100%
Rest of the world	-	0%	-	0%
Revenue	757	100%	438	100%

Sales of goods, which were up 72%, comprise:

- firstly, two products for epilepsy sold under licence: Liko zam and Levidcen. Liko zam is sold under a post-temporary authorisation for use (post-ATU);
- secondly, sales of the ADV7103 product, which has been available since 2018 under a nominative Temporary Authorisation for Use (ATU).

6.2.2. Income from partnerships

Income from partnerships (€ thousands)	June 30, 2019		30 juin 2018	
Primex	-	NA	-	NA
Income from partnerships	-	NA	-	NA

Income from partnerships was from the Primex contract.

As of 30 June 2019, and 30 June 2018, no income was recognised and the partnership is continuing according to the contract.

The application of IFRS 15 did not impact the recognition of revenue related to the PRIMEX contract.

6.2.3. Other operating income

Other operating income includes the following items:

OTHER OPERATING INCOME (€ thousands)	June 30, 2019		30 juin 2018	
Research Tax Credit	358	97%	355	75%
Tax credit for employment and competitiveness	-	0%	9	2%
Grants	-	0%	111	23%
Other income	11	3%	-	0%
Other operating income	369	100%	475	100%

6.2.4. Expenses by type

June 30, 2019 - in € thousands	Research and development expenses	Sales and marketing expenses	Overhead and general expenses	TOTAL
Personnel expenses	1 095	576	478	2 149
Net depreciation and amortisation	39	0	56	95
Other external costs	2 815	1 384	1 125	5 323
Total	3 948	1 960	1 659	7 567

June 30, 2018 - in € thousands	Research and development expenses	Sales and marketing expenses	Overhead and general expenses	TOTAL
Personnel expenses	1 027	484	212	1 723
Net depreciation and amortisation	42	-	12	54
Provisions	1 840	465	590	2 895
Achats consommés	2 909	949	814	4 673

Expenses in connection with IFRS 2 are detailed in "personnel expenses" for €299 thousand at 30 June 2019 and €317 thousand in the first half of 2018.

Ms Charlotte Sibley, an independent director, was awarded 15,000 BSPCEs on 13 June 2019.

6.2.5. Financial income and expenses

FINANCIAL INCOME AND EXPENSE (€ thousands)	June 30, 2019	June 30, 2018
Foreign currency gain	7	233
Revenues on VMP	24	
Foreign currency loss		4
Financial income	31	237
Interest on borrowings and refundable advances	-9	-6
Interest on convertible bonds	-49	-19
Other financial expenses	-3	-2
Financial expenses	-61	-27
Financial income and expenses	-30	210

The foreign exchange loss corresponds to the revaluation of the current account in dollars. The Company, having contracted for services for its US business payable in dollars, wished to cover its firm commitments in dollars. The gains and/or losses incurred at the time of payment of the invoices are recorded in operating income.

6.2.6. Earnings per share

EARNINGS PER SHARE (€)	June 30, 2019	June 30, 2018
Net loss (in € thousands)	-6 806	-3 764
Number of ordinary shares	8 043 546	8 044 051
Weighted average number of ordinary shares	8 036 088	8 042 725
Loss per ordinary share in euros	-0,85	-0,47
Diluted loss per share in euros	-0,85	-0,47

Since the earnings are negative, diluted earnings per share is identical to the basic earnings per share.

6.2.7. Compensation of the main executives

In accordance with IAS 24, the main executives of the Company are the Chief Executive Officer and the Deputy Chief Executive Officers

EXECUTIVE COMPENSATION	Total as of June 30, 2019	Short-term compensation (1)	Share-based compensation (2)	Total as of June 30, 2018	Short-term compensation (1)	Share-based compensation (2)
Compensation of the CEO and Deputy CEOs	759 073	503 807	255 265	616 085	383 490	232 595

III. STATEMENT OF THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL STATEMENTS

"I state that, to the best of my knowledge, the financial statements for the past half year have been established in accordance with applicable accounting principles and give a true picture of the financial position and results of the Company, and that the interim management report shown on page 3 faithfully reflects the significant events occurring during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties and that it describes the main risks and uncertainties for the remaining six months of the financial year".

Nîmes, 25 September 2019

Luc-André Granier
Chairman and Chief Executive Officer

IV. STATUTORY AUDITOR'S LIMITED REVIEW REPORT



KPMG Audit
51 rue de Saint-Cyr
CS 60409
69338 Lyon Cedex 9
France

IMPLID
170 Boulevard Stalingrad
69006 LYON

Advicenne S.A.

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2019
Advicenne S.A.
2, rue Briconnet - 30000 Nîmes
This report contains 3 pages
Reference :



KPMG Audit
51 rue de Saint-Cyr
CS 60409
69338 Lyon Cedex 9
France

170 Boulevard Stalingrad
69006 LYON

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Advicenne S.A.

Registered office: 2, rue Briconnet - 30000 Nîmes
Share capital: €1.617.539,80

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1, 2019 to June 30, 2019

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly financial statements of Advicenne S.A., for the period from January 1, 2019 to June 30, 2019,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matter set out in note 4.3 to the condensed half-yearly financial statements regarding the first application of the standard IFRS 16 – Leases as of January 1, 2019.



II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly financial statements.

Lyon, on the 25 September 2019

Lyon, on the 25 September 2019

Stéphane Devin

Alain Descoins

Partner

Partner