A limited company (société anonyme) with a board of directors

with share capital of €1,683,728.80

Registered office: 22, Rue de la Paix - 75002 Paris

Nimes Trade and Companies Register Paris 497 587 089

Interim financial report

Period ended 30 June 2020

CONTENTS

I. INTERIM MANAGEMENT REPORT – period ended 30 June 2020

1. Description of the Company's business activities

Advicenne (Euronext: ADVIC – "**Advicenne**" or the "**Company**") is a pharmaceutical company specialising in the development and marketing of innovative treatments in Nephrology. Our flagship programme is currently undergoing advanced clinical trials for two kidney diseases, distal renal tubular acidosis (dRTA) and Cystinuria. dRTA is a rare kidney disorder that occurs when the kidneys are unable to effectively remove the build-up of circulating acids in the blood. Cystinuria is another rare kidney disease that induces multiple, large, recurrent kidney stones.

Advicenne intends to develop new medicines based on an innovative formulation to meet medical needs, often serious and unmet, especially in Nephrology.

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 approved treatments 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 contract with Primex Pharmaceuticals AG providing for a minimum of €40 million of revenue over a 7-year period, of which €7 million has already been paid to the Company.

ADV7103, its flagship product, after its positive phase III results for dRTA in Europe, is currently undergoing two pivotal phase III clinical trials, one in the United States for dRTA and the other in Europe for Cystinuria.

At the end of 2019, ADV7103 was granted orphan drug designation by the European Commission for the treatment of Cystinuria, after obtaining the same protection in 2017 for its first indication, dRTA.

ADV7103 is the subject of a centralised European marketing application procedure for dRTA, its first indication, the results of which are expected by early 2021. In the meantime, this product may already be used in some cases for the treatment of dRTA under temporary use authorisations.

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 the form of granules or small tablets that offer flexible, personalised dosing to allow doses and treatment regimens to be easily adapted to patients of all ages.

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

Dr. André Ulmann, Chief Executive Officer of Advicenne, said: "During the first half of 2020 Advicenne continued the preparation of the next phase of its development, namely the marketing of its flagship product ADV7103 in Europe in its first indication dRTA, scheduled for early 2021.
Despite the health problems, we were also able to establish the first milestones of our organisation in the United States, and to create a subsidiary there. Today we produce the first consolidated financial statements in Advicenne's history.
Based on my clinical and regulatory experience, I asked the teams to take advantage of the interruption imposed by the health crisis to thoroughly review our American study protocol in dRTA and our

European study protocol in cystinuria, in order to propose simplified protocols to the American and European authorities. These simplifications would allow us to facilitate recruitment and more generally increase implementation speed, thus limiting the delay in these projects due to the health crisis. We are discussing the simplified dRTA protocol with the FDA in the United States.

In addition, we are considering extending the target indication in the United States from distal RTA to genetic RTA. This would enlarge the population concerned in that territory.

We are aiming to obtain marketing authorisation in cystinuria in Europe around the second half of 2022, and that of dRTA in the United States in the second half of 2022.

I was able to fully appreciate the great professionalism and commitment of Advicenne's teams in France and the United States.

2. Highlights of the first half of 2020

2.1. Scientific information

- Advicenne has made ADV7103 8mEq and 24mEq, sustained-release granules, available for dRTA in France under a Cohort Temporary Authorisation for Use (Cohort ATU). It previously had a nominative ATU.
- The application for registration of the ADV7103 product has been re-submitted, supplemented with new data at 24 months in March 2020,

2.2. Legal information

- Following the separation at the end of 2019 of the functions of Chief Executive Officer and Chairman of the Board of Directors, the Company decided to change its governance in order to support its growth. As such:
  - the Board meeting of 12 March 2020 appointed André Ulmann as interim Chief Executive Officer, replacing Luc-André Granier.
  - Hege Hellstrom, a specialist in innovative product launches, was appointed as an independent director by the Combined General Meeting of 26 May 2020.
- In May 2020, the Company set up a subsidiary in the United States, Advicenne Inc., to manage its business, for the time being clinical and regulatory. The creation of this American subsidiary has only a limited impact on the Company's 2020 interim financial statements.
- On 7 April 2020, the Board of Directors of the Company decided to transfer its registered office from Nîmes to Paris. This decision was ratified by the Combined General Meeting last May.

2.3. Financial information

- The Company strengthened its financial structure with the drawing on 24 June of a first tranche of €7.5 million as part of its €20 million financing agreement with the European Investment Bank (the "**EIB**") in July 2019. This tranche is repayable at maturity in 5 years' time.

- At the end of June 2020, the Company's cash and cash equivalents amounted to €17.8 million, compared to €16.6 million as of 31 December 2019. This level of cash takes into account the payment of the first tranche of €7.5 million of the loan granted to Advicenne by the EIB (out of a total amount of €20 million). With the means of financing on which it has visibility, the company has financial capacity until the 4th quarter of 2021.

2.4 Situation in relation to the COVID 19 health crisis

- On 11 March 2020, the World Health Organisation declared the coronavirus COVID-19 a pandemic. This pandemic has not affected the Company's work organisation, which is already accustomed to remote working. The availability of the Company's products is also not affected at the date of this report – supplies and deliveries of orders are proceeding smoothly.

- Nevertheless, this health crisis has led to a delay in the two ongoing Phase III clinical trials. Steps have been taken to reduce or even close these gaps, but a strong and sustained expansion of the COVID-19 epidemic could have an impact on the Company's business, particularly on the conduct of its clinical studies. The impacts and risks related to COVID-19 are presented in paragraph 5.2 of this document

3. Significant events since the closing of the first half of 2020

- Primex exercised its option to continue the Ozaline marketing contract and therefore made a definitive commitment to the guaranteed minimum for Advicenne over the next 5 years, i.e. €33 million, taking into account the amounts already received under this contract.

4. The Company's business activities in the first half of 2020

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

INCOME STATEMENT (K€)	June 30, 2020	June 30, 2019
Revenue	1 096	757
Income from partnerships	-	
Other operating income	523	369
Total revenue and other income	**1 619**	**1 125**
Cost of goods sold	-426	-334
Research and development expenses	-4 567	-3 948
Sales and marketing expenses	-2 009	-1 960
Overhead and general expenses	-2 332	-1 659
Operating loss	**-7 715**	**-6 776**
Net financial costs	-28	-5
Other financial expenses		
Other financial income	47	-25
Résultat avant impôt	**-7 696**	**-6 806**
Impôts sur les bénéfices	-	-
Net loss	**-7 696**	**-6 806**
Loss per share (€/share)	-0,92	-0,85
Diluted loss per share (€/share)	-0,92	-0,85

OTHER COMPREHENSIVE INCOME (€ thousands)	June 30, 2020	June 30, 2019
Net Loss	**-7 696**	**-6 806**
Revaluation of pension plan liabilities	30	-17
Tax effect		
Other comprehensive loss not recyclable through profit and loss	**30**	**-17**
Comprehensive loss	**-7 666**	**-6 823**

4.1. Operating income

Revenue recognition

- Product sales

The Company's revenue consists of the sale under licence of drugs developed by a third party (Levidcen® and Likozam®), and sales of ADV7103, a product developed by Advicenne. ADV7103 has been sold under cohort ATU status in France since March 2020 and under various "early access" programmes in some European countries. A centralised marketing application has been submitted for ADV7103, for which authorisation is expected in early 2021.

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 2020, 2019 and 2018 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 up compared to the first half of 2019 (+17%,) mainly due to the progress of the Company's projects as well as one-off overheads impacting the first half of 2020. Research and development expenses (€4,567 thousand, +15 / H1 2019) are mainly related to the phase III clinical studies under way in Europe (Cystinuria) and the United States (dRTA).

Sales and marketing expenses include the Likozam and Levidcen marketing expenses and the preparatory marketing expenses for ADV7103 in Europe, including market access and field work initiated in 5 priority target countries (France, United Kingdom, Germany, Italy and Spain) as well as market studies in the United States. Expenditure is stable compared to last year (€2,009 thousand, +2.5% / H1 2019)

The increase in overheads and general expenses (€2,332 thousand, +40%) is mainly related to one-off items occurring during the six-month period.

4.3. Financial income and expenses

Financial income and expenses mainly correspond to the revaluation of the bank 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 2nd half of 2020

The main risks and uncertainties faced by the Company in the six remaining months of the financial year are, in addition to the uncertainties related to the health crisis described below, similar to those detailed in Chapter 3 "Risk Factors" of the Company's universal registration document filed on 19 December 2019 with the Autorité des marchés financiers and available on its website (www.advicenne.com).

5.1. Operational risks

The major risk inherent in the Company's business is related to the fact that it cannot guarantee that it will be able to obtain or maintain authorisation to manufacture or market its products.

In Europe, in the United States, in Japan, and in many other countries, drugs must be authorised by a regulatory authority before they may be placed on the market.

The case for marketing authorisation is built over the entire course of development of a candidate drug. Although the Company strives to always comply with good practice, market authorisation for any of its products under development may be denied or delayed subject to the requests made by the relevant regulatory authorities, clinical trial results or the legislation applicable to the development and manufacture of drug products. If such authorisation is not obtained, the Company, its partners and/or its subcontractors are unable to manufacture or market the Company's products.

The Company is also faced with other significant risks:

- The clinical development of the Company's products being a long and costly process, the Company cannot guarantee its outcome and, in particular, the achievement of the clinical endpoints and/or the deadlines for carrying out new studies.

- The Company has partly subcontracted and mostly outsourced its production activities and thus depends on its subcontractors and partners to conduct clinical trials and the manufacture of its clinical batches and marketed products. The choice of subcontractors and partners depends not only on their technical skills, but also their ability to ensure the delivery of the products or services ordered, as well as their financial position.

- The Company does not obtain a price equal to its expectations for one or more of its products in one or more target markets.

5.2. Risks related to the COVID-19 health crisis

The COVID-19 epidemic has an impact primarily on the Company's clinical business, particularly on the conduct of its current clinical studies in Europe and the United States. Given the great uncertainty about the evolution of the Covid-19 epidemic, the lockdown measures taken worldwide and a possible economic slowdown that could result from this, particularly in the United States, the impact of this crisis on the Company's activities and therefore on its future results is difficult to assess.

The Company states that it has decided to take advantage of the break imposed in ongoing clinical studies to review its protocols and submit simplified protocols to the American and European authorities in order to facilitate their implementation. In total, the delay caused by the health crisis, partly offset by these changes, is estimated at about 12 months.

The centralised registration process for ADV7103 in Europe for dRTA is proceeding as planned and is not impacted by the crisis as it is based on completed studies.

The marketing of the Company's products has not been affected by the COVID-19 epidemic at the date of this report. The Company believes it has sufficient stock for the coming months and, to date, there has been no shortage of raw materials.

At the date of this report, the majority of employees are working remotely with a minimum presence in the office to maintain social links in compliance with the health protocols put in place.

The Company considers that, to date, the measures deployed enable it to maintain its activities in near-normal conditions and does not anticipate any significant impact on its daily activities. It nevertheless closely monitors the development of the Covid-19 epidemic and, in particular, its possible consequences for the Company. It will inform the market of any significant developments on the subject.

5.3. Liquidity risk

In addition, the Company has carried out a specific review of its liquidity risk and considers that it is able to meet its future maturities within 12 months of the closing date, with a liquidity horizon in the fourth quarter of 2021, taking into account the financing tools on which it has visibility.

This assessment is based on the amount of cash available as of the date of this report, and the Company's commitments and commitment forecasts as of the date of this report, including:

- Registration on the European market of ADV7103 as a treatment for dRTA,
- Initialisation of the commercial development of ADV7103 for the European market,
- Phase III clinical trial conducted on cystinuria in Europe, and
- The conduct of the Phase III clinical trial in dRTA and cystinuria in the United States.

However, as the final phases of drug development and marketing costs require increasing investments, the Company's funding needs will continue to increase as it invests to develop existing and new products. Similarly, the Company's product development plan may be amended owing to multiple factors of which it is unaware as of the date of this report. In these scenarios, the Company may be required to raise additional funds earlier than initially planned through:

- a call on the market, which would result in a dilution of the ownership interests of the Company's shareholders,
- public or private financing or debt financing, which may require the Company to adhere to restrictive financial or operating conditions,
- Marketing and distribution agreements and other strategic partnerships and licensing agreements, or
- A combination of these approaches.

Should the Company be unable to obtain the necessary funding at the required time, its growth forecasts may be altered, the share price may fall and it may be forced to:

- Delay or reduce the number or scope of its clinical or pre-clinical trials, or even cancel them completely; or

- enter into new contracts with less favourable terms than those that it would have been able to obtain under different circumstances.

6. Relationships with related parties

On 19 June 2020, the Company entered into a service contract with CEMAG CARE, a company whose reference shareholder is the same as that of CEMAG Invest, director and reference shareholder of the Company, under which Mr. André Ulmann, who is also Chief Executive Officer of the Company, assumes the world medical management of Advicenne. In accordance with the procedure for regulated agreements, the signature of this contract was approved in advance by the Board of Directors on 16 June 2020. The contract has been entered into for a maximum period of one year, with a retroactive effective date of 13 March 2020 and may be terminated at any time by the Company with one month's notice. The fees due under this contract amount to €17,500 excluding taxes per month.

II. SUMMARY INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2020

Advicenne is domiciled in France. The Company's registered office is located at 22 rue de la Paix – 75002 Paris.

The information provided in the notes to the financial statements is an integral part of the Company's summary interim consolidated financial statements at 30 June 2020 approved by the Board of Directors on 24 September 2020.

1. Description of the Company's business activities

Advicenne is a specialty pharmaceutical company focusing on the development and marketing of innovative paediatric 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.

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 contract with Primex Pharmaceuticals AG providing for a minimum of €40 million of revenue over a 7-year period, of which €7 million has already been paid to the Company.

ADV7103, its flagship product, is currently undergoing advanced clinical trials for two kidney diseases, distal renal tubular acidosis (dRTA) and cystinuria.

ADV7103 is the subject of a centralised European marketing application procedure for the first indication of distal Renal Tubular Acidosis (dRTA) and a response from the European Medicines Agency is expected in early 2021. In the meantime, this product may be used in some forms for the treatment of dRTA under temporary use authorisations.

2. Highlights

2.1. Significant events in 2020

- Advicenne strengthened its financial structure with the drawing of a first tranche of €7.5 million as part of its €20 million financing agreement with the European Investment Bank. This tranche provides for final repayment in 5 years' time.

- In May, the company set up a subsidiary in the United States to manage its clinical business, which is currently local, while incorporating American culture. It has only a limited impact on the financial statements for the first half of the year, but is intended to recruit American specialists to deploy our activities in this promising market.

- The application for registration of the ADV7103 product has been re-submitted, supplemented with new data at 24 months in March 2020,

- Governance has been revamped and after the separation, at the end of 2019, of the functions of Chief Executive Officer and Chairman of the Board of Directors, André Ulmann was appointed as CEO on 12 March 2020, replacing Luc-André Granier.

- The company started to reinforce its teams in the United States and Europe with the creation of a European medical department

2.2. Subsequent events

- Primex exercised its option to continue the Ozaline marketing contract and therefore made a definitive and irrevocable commitment to the guaranteed minimum for Advicenne over the next 5 years, i.e. a minimum of €33 million taking into account the amounts already received under this contract.

2.3. Situation in relation to the COVID-19 health crisis

Since the end of January 2020, the emergence and expansion of the coronavirus, coupled with the introduction of compulsory lockdown from 17 March 2020 by the President of the French Republic, have significantly affected all economic activities in our country. Our company reacted immediately by adopting all the safeguards at its disposal in order to minimise the consequences of this crisis on its teams and financial capacities. These measures are reviewed regularly in the light of developments to the health emergency and the company's ability to reopen its site while ensuring that its employees are safe.

The COVID-19 epidemic has had an impact primarily on the Company's clinical activity, in particular on the conduct of the clinical studies it is currently conducting in Europe and the United States. The Company states that it has decided to take advantage of the break imposed in ongoing clinical studies to review its protocols and submit simplified protocols to the American and European authorities in order to facilitate their implementation. In total, the delay caused by the health crisis, partly offset by these changes, is estimated at about 12 months.

The company continues to closely monitor the development of the Covid-19 epidemic and, in particular, its other possible consequences for future activity. Given the great uncertainty about the evolution of the Covid-19 epidemic, the lockdown measures taken worldwide and a possible economic slowdown that could result from this, particularly in the United States, the impact of this crisis on the Company's activities and therefore on its future results is difficult to assess.

2.4. Liquidity Risk

In addition, the Company has carried out a specific review of its liquidity risk and considers that it is able to meet its future maturities within 12 months of the closing date, with a liquidity horizon in the fourth quarter of 2021, taking into account the financing tools on which it has visibility.

This assessment is based on the amount of cash available as of the date of this report, and the Company's commitments and commitment forecasts as of the date of this report, including:

- Registration on the European market of ADV7103 as a treatment for dRTA,
- Initialisation of the commercial development of ADV7103 for the European market,
- Phase III clinical trial conducted on cystinuria in Europe, and
- The conduct of the Phase III clinical trial in dRTA and cystinuria in the United States.

However, as the final phases of drug development and marketing costs require increasing investments, the Company's funding needs will continue to increase as it invests to develop existing and new products. Similarly, the Company's product development plan may be amended owing to multiple factors of which it is unaware as of the date of this report. In these scenarios, the Company may be required to raise additional funds earlier than initially planned through:

- a call on the market, which would result in a dilution of the ownership interests of the Company's shareholders,
- public or private financing or debt financing, which may require the Company to adhere to restrictive financial or operating conditions,
- Marketing and distribution agreements and other strategic partnerships and licensing agreements, or
- A combination of these approaches.

Should the Company be unable to obtain the necessary funding at the required time, its growth forecasts may be altered, the share price may fall and it may be forced to:

- Delay or reduce the number or scope of its clinical or pre-clinical trials, or even cancel them completely; or

enter into new contracts with less favourable terms than those that it would have been able to obtain under different circumstances.

3. Financial Statements

3.1. Balance sheet

ASSETS (€ thousands)	June 30, 2020	December 31, 2019
Intangible assets	36	4
Property, plant and equipment	2 431	2 118
Other financial assets	120	119
Non-current assets	**2 587**	**2 241**
Inventories and work in progress	543	496
Trade receivables	592	553
Tax receivables	504	860
Other current assets	2 650	2 904
Financial assets	192	195
Cash and cash equivalents	17 825	16 629
Current assets	**22 307**	**21 638**
Total assets	**24 893**	**23 879**

LIABILITIES (€ thousands)	June 30, 2020	December 31, 2019
Share capital	1 684	1 683
Additional paid-in capital	29 193	53 235
Reserves	-13 755	-23 999
Net loss	-7 696	-14 198
Total shareholders' equity	**9 425**	**16 720**
Borrowings and financial debt	8 791	1 324
Provisions	161	212
Autres passifs	-	-
Non-current liabilities	**8 952**	**1 536**
Borrowings and financial debt	288	288
Trade payables	4 394	3 907
Other current liabilities	1 834	1 427
Current liabilities	**6 516**	**5 623**
Total liabilities	**24 893**	**23 879**

3.2. Income statement

INCOME STATEMENT (K€)	Notes	June 30, 2020	June 30, 2019
Revenue	6-2-1	1 096	757
Income from partnerships		-	
Other operating income	6-2-2	523	369
Total revenue and other income		**1 619**	**1 125**
Cost of goods sold		-426	-334
Research and development expenses	6-2-3	-4 567	-3 948
Sales and marketing expenses	6-2-3	-2 009	-1 960
Overhead and general expenses	6-2-3	-2 332	-1 659
Operating loss		**-7 715**	**-6 776**
Net financial costs	6-2-4	-28	-5
Other financial expenses			
Other financial income	6-2-4	47	-25
Résultat avant impôt		**-7 696**	**-6 806**
Impôts sur les bénéfices		-	-
Net loss		**-7 696**	**-6 806**
Loss per share (€/share)	6-2-5	-0,92	-0,85
Diluted loss per share (€/share)	6-2-5	-0,92	-0,85

OTHER COMPREHENSIVE INCOME (€ thousands)	Notes	June 30, 2020	June 30, 2019
Net Loss		**-7 696**	**-6 806**
Revaluation of pension plan liabilities		30	-17
Tax effect			
Other comprehensive loss not recyclable through profit and loss		**30**	**-17**
Comprehensive loss		**-7 666**	**-6 823**

3.3. Statement of changes in shareholders' equity

CHANGE IN SHAREHOLDERS' EQUITY (€ thousands)	Number of shares	Capital	Additional paid-in capital	Reserves	Total equity
Position as of January 1, 2019	**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 of June 30, 2019	**8 087 654**	**1 618**	**52 692**	**-31 305**	**23 005**
Position as of January 1, 2020	**8 413 644**	**1 683**	**53 235**	**-38 197**	**16 721**
Résultat de la période				-7 696	-7 696
Autres éléments du résultat global, après impôts				30	30
Résultat global		**-**	**-**	**-7 666**	**-7 666**
Augmentation de capital	5 000	1	15		16
Autres			-24 057	24 057	-
Acquisition ou cession de titres d'autocontrôle				40	40
Paiements fondés sur des actions				314	314
Position of June 30, 2020	**8 418 644**	**1 684**	**29 193**	**-21 452**	**9 425**

- The €71 thousand capital increase in 2019 is the result of BSAs and BSPCEs being exercised.
- The €16 thousand capital increase in 2020 is the result of BSPCE being exercised.
- By decision of the General Meeting dated 26 May 2020, the deficit reserves were charged to the premiums related to capital

3.4. Cash flow statement

CASH FLOW (€ thousands)	June 30, 2020	June 30, 2019
Net loss	-7 696	-6 806
Amortisation, depreciation and provisions	167	313
Share-based payments	314	299
Other calculated income and expenses	40	-139
Net financial costs	28	5
Self-financing capacity	**-7 147**	**-6 328**
Changes in inventory	-64	-165
Changes in trade receivables and other receivables	588	1 741
Changes in trade payables and other payables	894	688
Cash flow from operations	**-5 729**	**-4 064**
Acquisition of property, plant and equipment and intangible assets	-433	-109
Treasury shares	-40	-64
Acquisition of financial assets	-1	-110
Cash flow from investing activities	**-473**	**-282**
Capital increase	16	71
New borrowings and refundable advances	7 500	-
Repayment of borrowings and refundable advances	-118	-123
Cash flow from financing activities	**7 398**	**-52**
Change in cash	**1 197**	**-4 397**
Opening cash	16 628	26 232
Closing cash	17 825	21 835

4. Main accounting policies and methods

4.1. Accounting policy

The Company's summary interim consolidated financial statements were drawn up in accordance with IAS 34 - Interim financial reporting. These are the first consolidated financial statements following the creation of the US subsidiary. The US subsidiary was created to monitor clinical activity on site.

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 2019.

With the exception of those noted hereafter, the accounting policies and methods used for the preparation of the Company's summary interim consolidated financial statements are identical to those used for the Company's separate IFRS financial statements at 31 December 2019, with the exception of those with the consolidated accounts applied for the 1st time at 30 June 2020.

The following IFRS standards, amendments and interpretations that were mandatory at 30 June 2020 had no significant impact on the financial statements:

Amendments IAS 39, IFRS 7 and IFRS 9 - Reform of reference interest rates
Amendments to the Conceptual Framework References in IFRS Standards
Amendments to IAS 1 and IAS 8: modification of the definition of the term “significant”

In addition, the Company did not choose to apply in advance the standards, amendments and interpretations that will become mandatory as of 1 January 2021, it being specified that the Company does not expect any significant impacts related to the application of these new texts.

Standards and interpretations not yet mandatory as of 30 June 2020 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. 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.

4.3. Seasonal nature of the business activities

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

4.4. Scope of consolidation

1) Accounting policy

The Group applies the IFRS 10, 11, 12 and amended IAS 28 consolidation scope standards.

In practice, companies in which the Group directly or indirectly holds the majority of voting rights at General Meetings, on the Board of Directors or on the equivalent management body, giving it the power to govern their operating and financial policies, are generally deemed to be controlled and consolidated using the full consolidation method.

To determine control, the Group carries out an in-depth analysis of the established governance and an analysis of the rights held by the other shareholders. Where necessary, an analysis of instruments held by the Group or by third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) which, if exercised, could modify the type of influence exercised by each of the parties, is also carried out.

Full consolidation consists of:
- including, in the accounts of the consolidating company, the items in the accounts of the consolidated companies, after any restatements,
- allocating equity and profit between the interests of the consolidating company and non-controlling interests,
- eliminating transactions between the fully consolidated company and other consolidated companies.

2) Operation carried out during the financial year

Creation of Advicenne INC in May 2020
The creation of the company leads Advicenne to publish consolidated financial statements for the first time at 30 June 2020

5. Segment reporting

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

6. Notes to the balance sheet and income statement

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 December 31, 2018	**-**	**511**	**177**	**27**	**716**
Increases during the financial year		192	123	602	917
Decreases during the financial year			-33	-59	-92
Opening right of use (IFRS 16)	102		20		122
Increase right of use (IFRS 16)	1 159				1 159
Position as of December 31, 2019	**1 261**	**704**	**287**	**570**	**2 822**
Increases during the financial year			21	380	401
Decreases during the financial year			-10		-10
Increase right of use (IFRS 16)	115				115
Decrease right of use (IFRS 16)	-50				-50
Position as of June 30, 2020	**1 326**	**704**	**299**	**950**	**3 279**

AMORTISATION PROPERTY, PLANT AND EQUIPMENT (€ thousands)	Land & Buildings	Plant, Machinery, & Equip.	Other tangible assets	Fixed assets In progress and advances	Total amortisation
Position as of December 31, 2018	**-**	**-385**	**-90**	**-**	**-474**
Allow ances for the financial year		-93	-40		-133
Decreases during the financial year			29		29
Increase right of use (IFRS 16)	-119		-8		-126
Position as of December 31, 2019	**-119**	**-478**	**-108**	**-**	**-704**
Allow ances for the financial year		-53	-27		-81
Decreases during the financial year			7		7
Increase right of use (IFRS 16)	-77		-4		-81
Decrease right of use (IFRS 16)	11				11
Position as of June 30, 2020	**-185**	**-531**	**-132**	**-**	**-848**

NET PROPERTY, PLANT AND EQUIPMENT (€ thousands)	Land & Buildings	Plant, Machinery, & Equip.	Other tangible assets	Fixed assets In progress and advances	Total net
Position as of December 31, 2018	-	127	88	27	242
Position as of December 31, 2019	1 142	226	179	570	2 118
Position as of June 30, 2020	1 141	173	167	950	2 431

6.1.2. Trade receivables

TRADE RECEIVABLES (€ thousands)	Gross value	Due	Not Due	Impairments	Net value
Position as of June 30, 2020	603	213	390	-10	592
Position as of December 31, 2019	581	350	231	-27	554

6.1.3. Tax receivables and other current assets

TAX RECEIVABLES AND OTHER CURRENT ASSETS (€ thousands)	June 30, 2020	Decembre 31, 2019
Research Tax Credit	504	860
Sub-total	504	860
Fiscal receivables (VAT, etc.)	362	390
Prepaid expenses	2 259	2 502
Misc. receivables	29	13
Sub-total	2 650	2 905
Gross values	**3 154**	**3 765**
Impairments	-	-
Net values	**3 154**	**3 765**

The amount of Research Tax Credit in the accounts closed on 30 June 2020 corresponds for €504 thousand to the estimated income receivable related to expenses for the first half of 2020.

The amount recognised in the financial statements at 31 December 2019 in respect of the Research Tax Credit corresponded in full to the amount requested for the 2019 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, 2020	Decembre 31, 2019
Bank current accounts	17 825	16 629
Cash and cash equivalents	**17 825**	**16 629**

6.1.5. Share capital

As of 30 June 2020, after BSPCE was exercised in May 2020, the Company's share capital consisted of 8,418,644 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, 2018	Issuances	Repayments	Reclassifications / Other	June 30, 2019
Bank loans	172			-64	108
Refundable advances	-			-	-
Bond issue	-	1 083		-	1 083
Non-current financial debt	**172**	**1 083**	**-**	**-64**	**1 191**
Bank loans	170		-87	64	147
Refundable advances	76				76
Bond issue	-	197	-36	-	161
Current financial debt	**248**	**197**	**-123**	**64**	**384**
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**

BORROWINGS AND FINANCIAL DEBT (€ THOUSANDS)	December 31, 2019	Issuances	Repayments	Reclassifications / Other	June 30, 2020
Bank loans	43	7 500		-43	7 500
Refundable advances	276				276
Bond issue					-
Financial debt IFRS 16	1 005	115		-105	1 016
Dettes financières non courantes	**1 324**	**7 615**	**-**	**-148**	**8 792**
Bank loans	129		-43	53	139
Refundable advances	-				-
Financial debt IFRS 16	159		-76	65	149
Dettes financières courantes	**288**	**-**	**-118**	**118**	**288**
Total	**1 612**	**7 615**	**-118**	**-29**	**9 080**

Maturities (€ thousands)	June 30, 2020
Less than one year	288
Between one and five years	8 335
More than five years	456
Total	**9 080**

On 2 July 2019, the Company entered into a non-dilutive loan contract with the European Investment Bank for a maximum amount of €20 million (the "**Loan**").

The Loan is divided into three tranches, a first tranche of €7.5 million, a second tranche of €5 million and a third tranche of €7.5 million. The first tranche of €7.5 million was released on 24 June 2020. The other two tranches may be released subject to specific conditions related to the company's business and financing.

This first tranche is repayable in one instalment at maturity, i.e. on the fifth anniversary of its draw. The Loan for this first tranche bears interest at a fixed annual rate of less than 10%, part of which is payable annually and the other part capitalised and payable at term.

In connection with this financing, the Company also signed a *Royalty Agreement* with the EIB on 2 July 2019 under which the Company has undertaken to pay the EIB an additional annual fee based on the Company's consolidated revenue from 31 January 2021 or, in the event of the first significant sale of ADV7103 in the indication of dRTA or cystinuria before 31 January 2021, from that sale until 31 December 2029. This agreement will be taken into account when determining the EIR.

6.1.7. Trade payables, deferred income and other liabilities

TRADE AND OTHER PAYABLES (€ thousands)	June 30, 2020	Decembre 31, 2019
Social security payables	901	667
Tax payables	54	48
Other creditors	878	712
Sub-total	1 833	1 426
Trade payables	4 394	3 907
TOTAL	**6 228**	**5 334**

Maturities (€ thousands)	June 30, 2020	Decembre 31, 2019
Less than one year	6 228	5 334
More than one year		
TOTAL	**6 228**	**5 334**

The trade payables item includes €1.6 million of invoices not paid to CTI at the end of June 2020, compared to €1 million at the end of December 2019.

6.1.8. Financial instruments

€ thousands	Categories	June 30, 2020 Net book value	June 30, 2020 Fair value	December 31, 2019 Net book value	December 31, 2019 Fair value
Assets					
Other non-current financial assets	A	120	120	119	119
Trade and other receivables	A	592	592	553	553
Cash and cash equivalents	B	17 825	17 825	16 629	16 629
Total		**18 538**	**18 538**	**17 302**	**17 302**
Liabilities					
Financial liabilities (share at > and < one year)	C	8 791	8 791	1 324	1 324
Dérivé passif - option de conversion des OC	C	288	288	288	288
Trade and other payables	C	4 394	4 394	3 907	3 907
Total		**13 474**	**13 474**	**5 519**	**5 519**

A - Assets valued at amortized cost
B - Assets in fair value through result
C - Liabilities valued at amortized cost

6.2. Notes to the income statement

6.2.1. Revenue

REVENUE (€ thousands)	June 30, 2020		June 30, 2019	
European Union	1 096	100%	757	100%
Rest of the world	-	0%	-	0%
Revenue	**1 096**	**100%**	**757**	**100%**

Sales of goods, which were up 44%, comprise:

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

6.2.2. Other operating income

Other operating income includes the following items:

OTHER OPERATING INCOME (€ thousands)	June 30, 2020		June 30, 2019	
Research Tax Credit	523	100%	358	97%
Other income	-	0%	11	3%
Other operating income	**523**	**100%**	**369**	**100%**

6.2.3. Expenses by type

June 30, 2020 - in € thousands	Research and development expenses	Sales and marketing expenses	Overhead and general expenses	TOTAL
Personnel expenses	961	551	1 164	2 676
Net depreciation and amortisation	53	-	114	167
Other external costs	3 553	1 458	1 054	6 065
Total	**4 567**	**2 009**	**2 332**	**8 909**

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	-	55	94
Other external costs	2 815	1 384	1 126	5 325
Total	**3 948**	**1 960**	**1 659**	**7 567**

Expenses in connection with IFRS 2 are detailed in "personnel expenses" for €314 thousand at 30 June 2020 and €299 thousand in the first half of 2019.

6.2.4. Financial income and expenses

RESULTAT FINANCIER (K€)	June 30, 2020	June 30, 2019
Foreign currency gain	38	7
Revenues on VMP	10	24
Financial income	**48**	**31**
Interest on borrowings and refundable advances	-25	-9
Interest on convertible bonds	-3	-49
Other financial expenses	-1	-3
Financial expenses	**-29**	**-61**
Financial income and expenses	**19**	**-30**

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

6.2.5. Earnings per share

EARNINGS PER SHARE (€)	June 30, 2020	June 30, 2019
Net loss (in € thousands)	-7 696	-6 806
Number of ordinary shares	8 395 261	8 043 546
Weighted average number of ordinary shares	8 391 449	8 036 088
Loss per ordinary share in euros	**-0,92**	**-0,85**
Diluted loss per share in euros	**-0,92**	**-0,85**

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

6.2.6. 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 The decrease in compensation is due to the decrease in the number of Deputy Chief Executive Officers. There were five of them in 2019, compared to only one in 2020.

EXECUTIVE COMPENSATION	Total as of June 30, 2020	Short-term compensation (1)	Share-based compensation (2)	Total as of June 30, 2019	Short-term compensation (1)	Share-based compensation (2)
Compensation of the CEO and Deputy CEOs	71 470	63 583	7 887	759 073	503 807	225 265

(1) Includes gross salaries, remuneration, bonuses, profit-sharing, directors' fees and benefits in kind.
(2) This amount corresponds to the annual charge related to the grants of BSPCE as well as the grants of stock options.

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".***

Paris, 24 September 2020

André Ulmann
Chief Executive Officer

IV. STATUTORY AUDITOR'S LIMITED REVIEW REPORT