INVENTIVA S.A.

A limited company (*société anonyme*) with a capital of 265,321.76 euros
Registered office: 50, rue de Dijon, 21121 Daix, France
Dijon Trade and Companies Register 537 530 255

INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2019

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Definitions

In this half-yearly report (the "**Interim Financial Report**"), and unless otherwise specified, the terms "**Inventiva**" or the "**Company**" are taken to mean the company Inventiva S.A. with its registered office at 50, rue de Dijon, 21121 Daix, France, and which is listed with the Dijon Trade and Companies Register under number 537 530 255.

A glossary defining certain terms used in this Interim Financial Report is given in the 2018 Registration Document, registered on April 12, 2019 under number R.19-006 (the "**2018 Registration Document**").

Forward-looking information

This Interim Financial Report contains information about the Company's objectives and development priorities. This information is sometimes identified by the usage of the future, the conditional or terms such as "consider", "anticipate", "think", "aim", "expect", "understand", "should", "seek", "estimate", "believe", "wish", "can" or, where applicable, the negative form of these same terms, or any other variants or similar terminology. The reader's attention is drawn to the fact that these objectives and development priorities are dependent on circumstances or facts that cannot be certain to occur or materialize. These objectives and development priorities are not historical data and should not be interpreted as a guarantee that the facts or data will occur, that the assumptions will be proven correct or that the objectives will be achieved. By their very nature, these objectives might not be achieved and any representations or information given in this Interim Financial Report may prove to be incorrect. The Company has no obligation whatsoever to update this information, subject to the applicable regulations and, in particular, the General Regulation of the French Financial Markets Authority (*Autorité des marchés financiers* – AMF).

Market and competitive position

This Interim Financial Report also contains information about the Company's activities and the markets on which it operates. This information comes from studies or surveys carried out internally or externally. Other information contained in this Interim Financial Report is available to the general public. The Company considers that all of this information is reliable but it has not been verified by an independent expert. The Company cannot guarantee that a third party using different methods to gather, analyze or calculate market data would obtain the same results.

Rounding of figures

Certain figures (including data expressed in thousands or millions of euros or dollars) and the percentages presented in this Interim Financial Report have been rounded up or down. Accordingly, totals given may vary slightly from those obtained by adding the exact (unrounded) values of those same figures.

Abbreviations

Certain figures are given in thousands or millions of euros and are indicated as € thousand or € million respectively.

1. Interim Financial Report

1.1. General overview of activities

Since the Company's founding, most of Inventiva's resources have been devoted to research and development (R&D), and notably the development of:

- the lanifibranor clinical program in a NATIVE (NAsh TrIal to Validate IVA337 Efficacy) Phase IIb clinical study for patients suffering from non-alcoholic steatohepatitis (NASH);
- the lanifibranor clinical program in a FASST (For a Systemic Sclerosis Treatment) Phase IIb clinical study finalized in February 2019 for the treatment of patients with systemic sclerosis (SSc). Following the publication of the results of the study in February 2019, the Company decided to discontinue the clinical development of lanifibranor in SSc;
- the odiparcil clinical program, whose clinical Phase IIa for the treatment of type VI mucopolysaccharidose (MPS VI), is currently in progress; and
- to a lesser extent, the Company's pre-clinical product portfolio, notably in the field of oncology with the YAP/TEAD program in the Hippo signaling pathway of which the development candidate will be selected by the end of 2019.

These research and development activities are presented in further detail in Chapter 1 "Business activities and markets" of the 2018 Registration Document.

Changes in research and development costs are detailed in section 1.5.2 "Operating expenses" below.

1.2. Significant events in first-half 2019

1.2.1. Operations and product portfolio

The 2018 Registration Document describes the Company's main clinical and pre-clinical programs. The significant events linked to the programs that took place in the first six months of 2019 are as follows:

▶ **Lanifibranor**

Lanifibranor for the treatment of SSc

End to the clinical development program for lanifibranor in SSc

The development of lanifibranor for the treatment of patients with systemic sclerosis has been discontinued following the publication in February 2019 of the results of FASST Phase IIb clinical study which did not meet its primary endpoint. The same study nonetheless also showed that in patients with SSc, who represent a fragile and polymedicated population, lanifibranor was associated with a favorable safety and tolerability profile, which supports its development for patients with NASH. Following the results for SSc, the Company is now devoting its resources and the work of its teams to three priority programs (lanifibranor for NASH, odiparcil for MPS VI and YAP-TEAD in the field of oncology) and, in a lesser extent, its partnership with Boehringer Ingelheim in the treatment of idiopathic pulmonary fibrosis, or IPF.

Lanifibranor for the treatment of NASH

Randomization of the first patient in the United States in the NATIVE Phase IIb study in non-alcoholic steatohepatitis (NASH) with lanifibranor.

As part of its NATIVE Phase IIb clinical study to investigate lanifibranor in the treatment of NASH, Inventiva randomized its first patient in the United States in February 2019.

Positive recommendation by the second and third Data and Safety Monitoring Board (DSMB) reviews of the NATIVE Phase IIb clinical study evaluating lanifibranor in NASH

The second and third reviews of the NATIVE study by the Data Safety Monitoring Board were carried out in October 2018 and March 2019 respectively. After analyzing the data, no safety issues were reported and, in line with its first review, the DSMB recommended that the study be continued without changing the protocol, thus confirming lanifibranor's good safety profile. The screening of the first patient in the United States follows the positive review by the U.S. Food and Drug Administration (FDA) of the NATIVE study protocol and the inclusion of 14 sites in the United States in the study, which brought the total number of sites involved to 91.

Lifting by the FDA of the clinical hold in place on the peroxisome proliferator-activated receptor (PPAR) target class confirming lanifibranor's favorable and differentiating safety profile

In May 2019, the U.S. Food and Drug Administration lifted its clinical hold on the peroxisome proliferator-activated receptor (PPAR) target class. This decision enables Inventiva to conduct clinical studies of six months or longer evaluating lanifibranor for the treatment of NASH. This authorization follows the review of the drug candidate's two-year carcinogenicity studies by the FDA's Executive Carcinogenicity Assessment Committee (ECAC). The FDA decision, which confirms lanifibranor's benign safety profile, represents a key milestone for Inventiva as it removes a key obstacle that was preventing the Company from initiating the long-term Phase III clinical studies needed to obtain marketing approval for the drug candidate for the treatment of NASH.

▶ **Odiparcil**

Granting by the FDA of a rare pediatric disease designation to odiparcil for the treatment of MPS VI

At the start of March 2019, the FDA in the United States granted Rare Pediatric Disease Designation (RPDD) to odiparcil. The designation of rare pediatric disease status confirms odiparcil's eligibility to receive a Priority Review Voucher for a New Drug Application (NDA) or for a Biologics License Application (BLA). Inventiva will obtain this voucher following FDA approval of odiparcil. These vouchers could reduce the FDA's reviewing time from 12 to six months. They may be used by the sponsor or sold or transferred to a third party. Since the first voucher was issued in 2009, the selling price has varied between USD 67.5 million and USD 350 million. To date, the last voucher to be sold was bought for USD 80 million in October 2018[1].

[1] Biocentury, May 4, 2018 "Voucher Equilibrium"; Biocentury, November 1, 2018 "Lilly buys Siga's priority review voucher gained via smallpox approval".

Positive recommendation by the second Data and Safety Monitoring Board (DSMB) review of the iMProveS Phase IIa clinical study with no change in protocol

The iMProveS (improve MPS treatment) Phase IIa clinical study evaluating odiparcil in the treatment of MPS VI successfully completed its first phase with the first meeting of the DSMB in October 2018. After an analysis of the drug candidate's safety data in MPS VI patients, the DSMB recommended the continuation of the study. Since then, the DSMB met a second time in March 2019 and again recommended the study's continuation without any modification to the protocol.

End of patient recruitment for the iMProveS Phase IIa study in the treatment of MPS VI

At the start of June, Inventiva announced the end of patient recruitment for its iMProveS Phase IIa study in Europe evaluating odiparcil for the treatment of type VI mucopolysaccharidosis (MPS VI). The patients included in the study are distributed among the various arms, with fifteen patients being treated with enzyme replacement therapy (ERT) and receiving one of the two doses of odiparcil or placebo and five patients not being treated with ERT and only receiving the high dose of odiparcil. Following the recent progress made in the iMProveS study, the headline results for all patient cohorts are expected by the end of the year. Inventiva initially planned to publish the results of the study in two stages: the results of the double-blind placebo controlled arms by the end of the year and the results of the open label cohort in the first quarter of 2020.

► **YAP/ TEAD**

Presentation of new results in the treatment of malignant pleural mesothelioma at the special conference on the hippo pathway of the American Association for Cancer Research (AACR)

In May of this year, Inventiva presented the new results of its YAP-TEAD oncology program at the American Association for Cancer Research special conference on the hippo pathway. Aimed at supporting a multi-pronged approach to the treatment of Malignant Pleural Mesothelioma (MPM), the study showed that Inventiva's YAP-TEAD inhibitors significantly reduced tumor growth in MPM xenograft and orthotopic models. In addition, synergistic effects were seen in a three dimensional spheroid model suggesting that the Company's YAP-TEAD inhibitors, when used in combination with existing chemotherapeutics, could attenuate multidrug resistance and re-sensitize chemo-resistant cancer cells. Following these promising results, Inventiva has decided to expand its studies to other cancer indications as well as other combination strategies where standard of care agents are proven to be ineffective and where YAP is activated.

The selection of a drug candidate for the YAP-TEAD oncology program is underway and its pre-clinical development is scheduled to start this year.

1.2.2. Research and development partnerships with AbbVie and Boehringer Ingelheim

Launch by AbbVie of a new clinical study with ABBV-157, the drug candidate developed in collaboration with Inventiva

AbbVie has begun a new clinical study with ABBV-157, the drug candidate developed in collaboration with Inventiva, aiming at assessing the compound's pharmacokinetics, safety and tolerance in healthy volunteers and in patients with chronic plaque psoriasis. Inventiva remains eligible for milestone payments as well as royalties on future sales.

1.2.3. Other events

Changes in the Board of Directors

Following the Company's Ordinary and Extraordinary Shareholders' General Meeting on May 27, 2019, Nawal Ouzren and Heinz Maeusli were appointed as members of Inventiva's Board of Directors. Their mandates as directors will be ongoing until the General Meeting held to approve the financial statements for the year ended December 31, 2021.

They will follow Chris Newton, Nanna Lüneborg and Jean-Louis Junien whose terms of office as Directors have officially ended. Jean-Louis Junien will now devote his time to Inventiva's Scientific Advisory Board. In addition, during the Company's Ordinary and Extraordinary Shareholders' General Meeting, the mandates as directors of Frédéric Cren, Pierre Broqua, CELL + and Pienter-Jan BVBA have been renewed and will be effective until the General Meeting held to approve the financial statements for the year ended December 31, 2021.

Following the Shareholders' General Meeting on May 27, 2019, three of the seven members of the Board of Directors are women, i.e. 42.8%: Annick Schweibig (CELL+'s permanent representative), Lucy Lu (Sofinnova Partners' permanent representative) and Nawal Ouzren.

Creation of the Scientific Advisory Board (SAB)

In mid-June 2019 Inventiva announced the creation of its Scientific Advisory Board (SAB) to provide external scientific review and high-level advice to the Company's management with regards to its R&D activities and product portfolio. The SAB will cover Inventiva's key areas of research and development with a particular focus on non-alcoholic steatohepatitis (NASH), mucopolysaccharidosis (MPS) and oncology. It will also support Inventiva's management with regard to the pre-clinical and clinical aspects of the Company's development programs and its global scientific policy, including targets, fields of research, partnerships and market access. Since June, Andrew Shenker, M.D. and PhD in medicine and pharmacology and Dr. Kenneth Cusi, Chief of the Division of Endocrinology, Diabetes & Metabolism in the Department of Medicine at the University of Florida, have also joined the SAB, bringing their complementary expertise in rare diseases and gene therapy and in NASH.

Approval and implementation of a redundancy plan following the termination of the systemic sclerosis (SSc) program

Following the termination of the SSc program in February 2019 due to the failure to meet the primary endpoint of the FASST Phase IIb clinical study, the Company implemented a redundancy plan in the second quarter which was subject to a corporate agreement signed on June 11, 2019. Combined with the non-renewal of fixed-term contracts, the Company's total workforce will be reduced from 118 to approximately 90 employees by the end of the third quarter.

New BSA share warrant and AGA bonus share plans

On June 28, 2019, the Company's Board of Directors approved two bonus share issue plans (AGA) for Company employees and the issue of 10,000 BSA share warrants to service provider, David Nikodem.

For further details, see Note 1.2 "Significant events" of section 3.2 "Condensed interim financial statements" of this Interim Financial Report.

1.3. Recent events and prospects

▶ **Lanifibranor**

Securing of a new patent in the United States strengthening the protection of lead product candidate lanifibranor

On August 20, 2019, the United States Patent and Trademark Office (USPTO) granted a new patent that protects the use of lanifibranor for the treatment of fibrotic diseases until June 2035. This new patent further strengthens Inventiva's patent portfolio for lanifibranor, the Company's lead product candidate, in the United States, which already comprised a New Chemical Entity (NCE) patent and a patent protecting the use of lanifibranor in several diseases including non-alcoholic steatohepatitis (NASH).

Securing of a new patent in Europe strengthening and extending the protection of lead product candidate lanifibranor

On August 28, 2019, the European Patent Office (EPO) approved a new patent protecting the use of lanifibranor in 38 European countries in the treatment of several fibrotic diseases, including non-alcoholic steatohepatitis (NASH), until June 2035. This new patent strengthens and extends the term of protection of lanifibranor in Europe, which was already established with the New Chemical Entity (NCE) patent expiring in August 2031 (this expiration date includes a possible five-year extension to compensate for regulatory delays linked to obtaining the marketing approval). In addition to Europe, the use of lanifibranor in several fibrotic conditions, including NASH, is already protected in the United States. Inventiva has filed patent applications with similar claims in other key markets for the pharmaceutical industry, such as China and Japan, which are currently under review.

Inventiva achieves a major milestone by completing patient recruitment for its Phase IIb clinical study with lanifibranor in NASH

On September 4, 2019, Inventiva announced that 247 patients had been randomized in the NATIVE Phase IIb study, thus exceeding the initial target of 225 patients following an acceleration of inclusions in past months. Patients were mainly recruited in sites located in Australia, Canada, Europe and the United States. The objective to recruit patients with a severe form of NASH was met as approximately 73% among them have a NAS score greater than or equal to six and 76% have a F2 or F3 fibrosis score. In addition, the study population includes more than 40% of patients with type 2 diabetes (T2DM), allowing Inventiva to conduct the planned subanalyses in this key patient group, where lanifibranor as an insulin sensitizer should be particularly beneficial. By early September, 146 patients had already successfully completed the six-month study confirming that the treatment is well tolerated. The publication of the study's headline results is expected for first-half 2020. The completion of patient recruitment follows three meetings of the NATIVE DSMB (Data Safety Monitoring Board), which had reviewed patient safety data and repeatedly recommended the continuation of the study without changing the protocol, confirming the favorable safety profile of lanifibranor.

Positive recommendation of the fourth and last DSMB of the Phase IIb clinical study with lanifibranor in NASH

On September 10, 2019, Inventiva received the positive recommendation of the fourth and last Data Safety Monitoring Board (DSMB) of the NATIVE Phase IIb clinical study evaluating lanifibranor in NASH. No safety issues were reported and, as for the first three DSMB meetings, the DSMB recommended to continue the study without changing the protocol. These conclusions are all the more significant as this safety assessment was based on the review of data from 228 patients, including 139

patients treated for the whole study period. This positive recommendation confirms once again the good safety profile of lanifibranor.

Following the positive conclusions of the last DSMB and the successful completion of patient recruitment in the study announced on 4 September 2019, Inventiva confirms the publication of the study results in the first semester 2020

Phase II clinical study evaluating lanifibranor in the treatment of non-alcoholic fatty liver disease (NAFLD) in patients with type 2 diabetes

The study conducted at the University of Florida at Gainesville with lanifibranor in the treatment of non-alcoholic fatty liver disease (NAFLD) in patients with type 2 diabetes continues. Following the delay in patient recruitment, Professor Cusi, the main investigator of the study, now believes that he will be able to publish the complete results of the study in the second half of 2020 and aims to provide interim data in the first half of 2020. This delay in the University of Florida study does not affect the Company's clinical development plan for lanifibranor in NASH.

▶ Odiparcil

Odiparcil development advances with recruitment of the first patients in a new biomarker study in MPS VI children and adults

On September 2, 2019, the Company announced the launch of a new biomarker study in children and adults with mucopolysaccharidosis type VI (MPS VI). Conducted at the UCSF Benioff Children's Hospital in Oakland, California, by Dr Paul R. Harmatz, the study will investigate leukocyte glycosaminoglycan (leukoGAGs) levels in three children and skin glycosaminoglycan (skinGAGs) levels in three adults with MPS VI before and post enzyme replacement therapy (ERT), as well as in six age-matched control subjects not affected by MPS VI. This study is part of Inventiva's strategy to develop biomarkers to evaluate the efficacy of odiparcil, the Company's drug candidate for the treatment of MPS, in reducing leukoGAGs and skinGAGS. This approach has been launched following the Food and Drug Administration's (FDA) guidance on the relevance of biomarkers for diseases such as MPS1. The results of this study are expected in the first half of 2020. A first biomarker study sponsored by Inventiva showed that, despite ERT treatment, the current standard of care, leukoGAG levels remained very high and were not impacted when measured one hour after ERT infusion although the activity of the arylsulfatase B2 enzyme was very high. This finding suggests that leukoGAG levels may be further reduced with a new treatment such as odiparcil.

Measurement of leukoGAGs and skinGAGs is performed in the ongoing iMProveS Phase IIa clinical study evaluating odiparcil for the treatment of MPS VI patients.

▶ Other significant events

Capital increase of €8.2 million subscribed by leading US and European biotech investors

On September 18, 2019, Inventiva has successfully completed of capital increase of €8.2 million subscribed by New Enterprise Associate (NEA), a leading US biotech investor and by BVF Partners L.P. and Novo Holdings A/S, two key current Inventiva shareholders. The capital increase was executed at the closing price of September 18, 2019 without any discount. In addition, Sofinnova Partners, current Inventiva shareholder and board member, through Sofinnova Crossover I Fund, a leading European venture capital firm specialized in Life Sciences, expressed an interest to acquire, as part of a future capital increase which may occur by the end of October 2019, up to additional 313,936 shares on similar terms, depending on the market conditions and in accordance with the corporate authorizations.

Gross proceeds from the transaction are €8.2 million and will primarily be used for research and development activities, including the development of the Company's products, especially lanifibranor and odiparcil. This capital increase (which does not include Sofinnova's possible participation in a future transaction) also ensures continued planned activities of the Company until the end of 3rd quarter 2020, beyond the publication of the results of the NATIVE Phase IIb clinical study evaluating lanifibranor for the treatment of non-alcoholic steatohepatitis (NASH).

Following the settlement-delivery thatoccured on September 20, 2019, Inventiva's share capital amounts to €265,321.76 divided into 26,532,176 shares. The New Shares are fungible with the existing shares of the Company and are admitted to trading on the regulated market of Euronext Paris

▶ Key expected milestones

- Results of the Phase IIa iMProveS clinical study (by the end of 2019)
- Results of the Phase IIb NATIVE clinical study (first half of 2020)
- Milestone payment for ABBV-157 by AbbVie (first half of 2020)

1.4. Risk factors

The Company conducted a review of the risks that could have a material adverse effect on the Company, its business, financial position, results or ability to achieve its objectives, and considers that there are no other material risks apart from those presented in Chapter 2 of its 2018 Registration Document.

1.5. Statement of income (loss) analysis

1.5.1. Revenue and other income

Operating income *In thousands of euros*	First-half 2019	First-half 2018 *restated*
Revenue	1,333	1,402
Total revenue	**1,333**	**1,402**
CIR research tax credit	2,198	2,744
Subsidies	-	10
Other income	**2,198**	**2,754**
Total revenue and other income	**3,531**	**4,156**

Revenue

In first-half 2019, revenue fell €0.1 million (5%) year on year, mainly due to the discontinuation of research services performed under the partnership agreement with AbbVie. The decline was partially offset by an increase in revenue relating to research services provided to EnyoPharma and to the partnership with Boehringer Ingelheim.

Other income

Other operating income contracted by €0.6 million (20%) compared with the same prior-year period, mainly reflecting the three rectifications relating to research tax credits (CIR) in respect of 2014, 2015 and 2017, which were submitted in first-half 2018 for a total amount of €0.7 million euros.

1.5.2. Operating expenses

Operating expenses *In thousands of euros*	First-half 2019	First-half 2018 *restated*
Research and development expenses	(19,646)	(15,926)
Marketing – Business development expenses	(135)	(107)
General and administrative expenses	(3,132)	(3,056)
Total operating expenses	**(22,913)**	**(19,090)**

The €3.8 million (20%) increase in operating expenses during the period was primarily attributable to a €3.7 million rise in research and development costs, as set out below.

1.1.1.1. Research and development expenses

Research and development expenses for the six months ended June 30, 2019 can be broken down as follows:

Research and development expenses *In thousands of euros*	First-half 2019	First-half 2018 *restated*
Disposables	(973)	(1,111)
Energy and liquids	(277)	(269)
Patents	(213)	(213)
Studies	(11,771)	(8,679)
Maintenance	(458)	(486)
Fees	(156)	(44)
IT systems	(383)	(403)
Personnel costs	(4,403)	(3,940)
Depreciation, amortization and provisions	(533)	(322)
Other research and development costs	(481)	(460)
Total research and development expenses	**(19,646)**	**(15,926)**

The €3.7 million (23%) increase in research and development expenses was driven by:

- a €3.1 million (36%) rise in spending on studies in the research and development phase, particularly for lanifibranor and odiparcil; and
- a €0.5 million (12%) increase in personnel costs.

These increases are discussed below:

▶ **Lanifibranor**

Study-related costs for the lanifibranor project rose by €2.4 million (41%) compared with first-half 2018, totaling €8.2 million in first-half 2019.

In line with previous periods, costs relating to the lanifibranor project in first-half 2019 break down into two main categories:

(i) activities relating to (i) phase II clinical studies for the treatment of NASH (NATIVE and Investigator Initiated Trial conducted by Professor Cusi) and dcSSc (FASST), and (ii) four phase I studies; and

(ii) development activities, mainly including pharmaceutical development and, to a lesser extent, pre-clinical pharmacology and toxicology studies in animals, as well as regulatory obligations.

Costs linked to **clinical study activities** included, in particular, the following developments over the period:

Treatments for NASH

- continuation of the NATIVE Phase IIb study in line with regulatory requirements, phased opening of new sites in the United States, Poland and Slovenia, and monitoring of the study and analysis of biological samples, as well as the supply of treatment units and fibroscan leases;
- recruitment of the first patients for Professor Cusi's study.

Treatments for dcSSc

- finalisation of the FASST Phase IIb study, including data management and analysis;
- first center closures.

Phase I studies

Costs were also incurred in first-half 2019 for four phase I studies launched in 2018.

Development costs in first-half 2019 related primarily to:

- pharmaceutical development, mainly consisting of continuing research to optimize the synthesis process for lanifibranor and, to a lesser extent, stability studies;
- regulatory activities linked to various programs. These costs related primarily to:
    - collaborations with clinical, regulatory and statistical quality experts (scientific and clinical), enabling Inventiva to ensure that its ongoing studies meet the required quality standards; and
    - preparation of documents to be submitted to US and European authorities in connection with the SSc and NASH programs;
- the continuation of *in vitro* studies on animals through collaboration with recognized experts in therapeutic indications in order to improve knowledge of the effects of lanifibranor and its mechanism of action.

▶ **Odiparcil**

Study-related expenses for the Odiparcil project increased 49% to €2.8 million in first-half 2019, up €0.9 million on first-half 2018.

Study-related expenses concerned (i) clinical development, and (ii) pre-clinical development.

In first-half 2019, **clinical development** costs totaled €1.9 million, and mainly related to:

- continuation of the iMProveS Phase IIa study, which includes 20 patients. Costs mainly concerned amounts paid to the different suppliers involved in the study, the CRO and the investigation centers;
- production of the main starting material needed to manufacture a new batch of odiparcil for future studies.

Pre-clinical development costs totaled €0.9 million in first-half 2019, and mainly related to:

- CMC, pharmacology, toxicological and biomarker development activities;
- development of the drug and packaging; and
- consulting and filing fees relating to regulatory activities for the iMProveS and Safe-KIDDS studies.

▶ **YAP/ TEAD**

Study-related expenses for the YAP/TEAD project rose by €0.1 million (20%) to €0.7 million in first-half 2019.

Costs incurred during the period mainly related to:

- investigation of compounds identified during early stage *in vitro* and *in vivo* toxicology trials;
- chemical synthesis of compounds identified for *in vivo* toxicology studies; and
- consulting fees (medicinal chemistry, biology, toxicology, etc.).

The increase in research and development costs was also due to the €0.5 million (12%) rise in personnel costs, reflecting the continued strengthening of the development team in 2018 for €0.3 million, and the impact of introducing new free share and share warrant plans at the end of 2018 and 2019 (see also Note 4.2 "Operating expenses" in section 3.2 "Condensed interim financial statements" of this Interim Financial Report).

1.1.1.2. Marketing and business development expenses

Marketing and business development costs can be broken down as follows:

Marketing – Business development *In thousands of euros*	**First-half 2019**	**First-half 2018** *restated*
IT systems	(4)	(5)
Personnel costs	(97)	(97)
Other operating costs	(34)	(5)
Total marketing and business development expenses	**(135)**	**(107)**

1.1.1.3. General and administrative expenses

General and administrative expenses can be broken down as follows:

General and administrative expenses *In thousands of euros*	**First-half 2019**	**First-half 2018** *restated*
Fees	(662)	(759)
IT systems	(24)	(29)
Support costs (including taxes)	(297)	(314)
Personnel costs	(1,312)	(1,139)
Depreciation, amortization and provisions	(89)	(94)
Other general and administrative expenses	(750)	(721)
Total general and administrative expenses	**(3,132)**	**(3,056)**

General and administrative expenses climbed by €0.1 million (3%) compared with first-half 2018, mainly reflecting:

- an increase in expenses relating to the AGA free share plans set up in first-half 2019 and the reinforcement of the legal department in early 2019, which increased personnel costs compared to first-half 2018; partially offset by
- a relative fall in consulting fees.

1.5.3. Other operating income (expenses)

Other operating income and expenses break down as follows:

Other operating income (expenses) *In thousands of euros*	First-half 2019	First-half 2018 *restated*
Other operating income	36	1,932
Other operating expenses	(1,309)	(3,073)
Other operating income (expenses)	**(1,274)**	**(1,140)**

In the first half of 2018, other non-recurring operating income (expenses) related to the tax audit of the 2013, 2014 and 2015 fiscal years, particularly with regards to payroll taxes (see Notes 3.9 "Provisions" and 4.3 "Other operating income (expenses)" in section 3.2 "Condensed interim financial statements"). Further to the audit, accrued expenses, accrued receivables and a provision were recorded in the financial statements.

In first-half 2019, proceedings were ongoing and the Company's position, as reflected in the financial statements for the year ended December 31, 2018, was not impacted by any significant events. Other operating expenses mainly comprised accrued expenses relating to the redundancy plan in an amount of €1.1 million. For further details, see Note 1.2 "Significant events" of section 3.2 "Condensed interim financial statements" of this Interim Financial Report.

1.5.4. Financial income and expenses

Financial income and expenses break down as follows:

Net financial income (loss) *In thousands of euros*	First-half 2019	First-half 2018 *restated*
Income from cash and cash equivalents	145	45
Foreign exchange gains	9	11
Total financial income	**153**	**56**
Interest cost	(4)	(2)
Losses on cash and cash equivalents	-	(63)
Foreign exchange losses	(30)	(17)
Other financial expenses	-	(85)
Discounting losses	(8)	(6)
Total financial expenses	**(42)**	**(172)**
Net financial income (loss)	**111**	**(116)**

Net financial income increased by €0.2 million year on year during the period, mainly driven by the stronger performance of cash equivalents on the back of more favorable bond market conditions.

1.5.5. Income tax

In accordance with IAS 34, the income tax recognized in the financial statements for each interim period is adjusted based on a best estimate calculated by applying the expected weighted average tax rate for the entire year.

Current taxes

In first-half 2018 and 2019, the Company recorded a tax loss, so no current taxes were recognized.

Deferred taxes

As recovery of deferred taxes in future periods was considered unlikely due to the uncertainty inherent to the Company's activity, no deferred tax assets were recognized at June 30, 2018 or at June 30, 2019.

Income tax for first-half 2018 corresponded chiefly to the change in deferred taxes relating to the provision for retirement benefits.

1.5.6. Net loss for the period

The net loss was €20.5 million in first-half 2019, versus a loss of €16.2 million in first-half 2018, representing an additional loss of €4.4 million.

1.6. Statement of financial position analysis

1.6.1. Non-current assets

Non-current assets *In thousands of euros*	June 30, 2019	Dec. 31, 2018
Intangible assets	1,396	1,543
Property, plant and equipment	4,174	4,261
Other non-current assets	3,103	2,374
Total non-current assets	**8,672**	**8,178**

Non-current assets rose by €0.5 million (6%) versus end-December 2018.

This is mainly attributable to:

- an increase in other non-current assets in an amount of €0.8 million, primarily due to the subscription of a €0.7 million term deposit during the period (see Note 3.3 "Other non-current assets" in section 3.2 "Condensed interim financial statements" of this Interim Financial Report); and
- the €0.2 million fall in the net carrying amount of intangible assets and property, plant and equipment, owing chiefly to annual depreciation/amortization (see Notes 3.1 "Intangible assets" and 3.2 "Property, plant and equipment" in section 3.2 "Condensed interim financial statements" of this Interim Financial Report).

1.6.2. Current assets

Current assets *In thousands of euros*	June 30, 2019	Dec. 31, 2018
Inventories	433	410
Trade and other receivables	10	6
Income tax receivables	11,635	9,434
Other current assets	3,234	5,093
Cash and cash equivalents	37,064	56,692
Total current assets	**52,375**	**71,634**

Current assets decreased by €19.3 million (27%) versus end-December 2018.

This lower amount was mainly attributable to a €19.6 million (35%) decline in cash and cash equivalents relating to the continuation of research programs, particularly for lanifibranor and odiparcil (see also section 2 "Cash flow and equity" of this Interim Financial Report.

To a lesser extent, the decrease was also due to:

- the €1.9 million (37%) reduction in other current assets, mainly as a result of the early repayment in first-half 2019 of VAT credits that were frozen by the tax authorities at December 31, 2018; offset by
- the €2.2 million (23%) increase in tax receivables, relating to the receivables recorded for the research tax credit in respect of first-half 2019 whereas the research tax credit in respect of 2018 and 2017 has not yet been received.

1.6.3. Shareholders' equity

Shareholders' equity *In thousands of euros*	**June 30, 2019**	**Dec. 31, 2018**
Share capital	224	223
Premium related to share capital	77,478	77,460
Net loss for the period	(20,545)	(33,617)
Reserves	(15,538)	17,530
Total shareholders' equity	**41,619**	**61,596**

Shareholders' equity contracted by €20 million (32%) compared with December 31, 2018.

Changes in shareholders' equity during the first six months of 2019 are described in further detail in Note 3.7 "Shareholders' equity" in section 3.2 "Condensed interim financial statements" of this Interim Financial Report.

1.6.4. Non-current liabilities

Non-current liabilities *In thousands of euros*	**June 30, 2019**	**Dec. 31, 2018**
Long-term debt	23	74
Long-term provisions	358	358
Provisions for retirement benefit obligations	1,062	1,029
Long-term contract liabilities	1,524	1,673
Total non-current liabilities	**2,968**	**3,134**

Non-current liabilities shrank by €0.2 million (5%) versus end-December 2018, mainly reflecting the gradual reversal of contract liabilities relating to the stage of completion of the research partnership with Boehringer Ingelheim (see Note 3.12 "Contract liabilities" in section 3.2 "Condensed interim financial statements" of this Interim Financial Report).

1.6.5. Current liabilities

Current liabilities *In thousands of euros*	June 30, 2019	Dec. 31, 2018
Short-term debt	233	151
Short-term provisions	1,176	1,140
Trade payables	8,837	8,372
Short-term contract liabilities	374	548
Other current liabilities	5,839	4,871
Total current liabilities	**16,460**	**15,082**

Current liabilities grew by €1.4 million (9%) compared with December 31, 2018.

This mainly reflects

- the additional accrued expense related to the restructuring plan of which the agreement has been signed on June 11, 2019 in the amount of €1.0 million as at June 30, 2019; and,
- in a lesser extent, the increase in trade payables of €0.5 million in comparison with December 31, 2018, relating to the increase in research and development expenses.

1.7. Other accounting and financial information

From January 1, 2018, Inventiva has applied IFRS 15 – *Revenue from Contracts with Customers*, in replacement of IAS 18 – *Revenue* and IAS 11 – *Construction Contracts* and their corresponding interpretations.

In its interim financial information as of and for the six months ended June 30, 2018, Inventiva applied IFRS 15 using the simplified transition method (with no practical expedient), resulting in a first-time application of the standard as of its effective date (i.e., from January 1, 2018). Since it published its 2018 annual financial statements, the Company has modified its transition method and adopted IFRS 15 using the full retrospective transition method, enabling it to present restated comparative information for 2017 and thereby improve comparability and facilitate the presentation of its activities year on year. Moreover, the Company used this modified transition method to refine certain assumptions concerning stage of completion.
These changes impacted revenue reported in the 2018 financial statements as follows:

In thousands of euros	IFRS 15 adjusted	IFRS 15 reported	Difference
June 30, 2018 (6 months)	1.4	1.3	0.1

These impacts from first-time adoption of IFRS 15 had no impact on the total volume of revenue and cash flow actually generated by contracts and they only impacted the pattern of recognition of revenue and consequently, net income for the period.

2. Cash flow and equity

This section analyses the Company's shareholders' equity, cash position and sources of funding for the first-half ended June 30, 2019 and the financial year ended December 31, 2018.

2.1. Cash and cash equivalents

Net cash and cash equivalents *In thousands of euros*	June 30, 2019	Dec. 31, 2018
UCITS and certificates of deposit	4,006	-
Other cash equivalents	8,016	41,767
Cash at bank and at hand	25,043	14,925
Cash and cash equivalents	**37,064**	**56,692**

At June 30, 2019 and December 31, 2018, cash at hand and marketable securities held by the Company were essentially invested in monetary UCITS and deposit accounts that are readily convertible into known amounts of cash.

These funds are used to finance the Company's activities, especially its research and development costs. The €19.6 million (35%) decline in cash and cash equivalents is due primarily to the continuation of research programs.

After deducting debt, the Company has a net cash surplus. Borrowings are set out in section 2.1.2 "Financing from bank loans" below.

Analysis of debt *In thousands of euros*	June 30, 2019	Dec. 31, 2018
Cash and cash equivalents	**(37,064)**	**(56,692)**
Current financial liabilities[(1)]	233	151
Current debt (A)	**233**	**151**
Non-current financial liabilities	23	74
Non-current debt (B)	**23**	**74**
Total debt (A) + (B)	**256**	**225**
Net debt	**(36,808)**	**(56,467)**

(1) including €7 thousand of bank overdrafts

With the exception of pledges given on deposit accounts recognized in non-current assets for a total of €0.8 million at June 30, 2019, there are no restrictions on the use of the Company's cash resources.

2.1.1. Capital increase

At June 30, 2019, the Company's share capital amounted to €223,721.77, up €1,149 on December 31, 2018. This increase reflects:

- the exercise of 274 BSPCE share warrants by certain Company employees, resulting in the issue of 27,400 new ordinary shares, for a nominal amount of €274 plus an issue premium of €17,693;
- the acquisition of AGA free shares by Company employees on January 26, 2019, resulting in the issue of 10,000 new ordinary shares, representing a capital increase of €100; and
- the acquisition of AGA free shares by Company employees on April 18, 2019, resulting in the issue of 77,500 new ordinary shares, representing a capital increase of €775.

The capital increases carried out by the Company prior to January 1, 2019 have been its main source of financing since its creation. For further details see section 4.5.2.1 "Equity financing" of the 2018 Registration Document.

2.1.2. Financing from bank loans

Analysis of debt *In thousands of euros*	**Crédit Agricole 2015**	**CIC 2015**	**Société Générale 2015**	**Other [1]**	**Total**
Debt carried on the balance sheet at January 1, 2019	**78**	**52**	**90**	**5**	**292**
+ proceeds	-	-	-	2	2
- repayments	(29)	(18)	(26)	-	(73)
Debt carried on the balance sheet at June 30, 2019	**49**	**34**	**64**	**7**	**154**

[1] accrued interest on borrowings totaling €7 thousand at June 30, 2019.

Total debt from bank loans amounted to €0.2 million at June 30, 2019 versus €0.3 million at December 31, 2018. The Company did not take out any additional bank loans during first-half 2019.

The Company has contracted three separate bank loans with Crédit Agricole, CIC-Lyonnaise de Banque and Société Générale, which are described in section 4.5.2.2 "Financing from bank loans" of the 2018 Registration Document.

Apart from the pledge on the loan from Société Générale, these loans do not impose any financial commitments on the Company (see Note 5.1 "Off-balance sheet commitments" of section 3 "Interim financial statements" of this Interim Financial Report).

The debt from bank and similar borrowings maturity profile at June 30, 2019 is as follows:

June 30, 2019 *In thousands of euros*	**Less than 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**
Bank borrowings	141	13	-	-
Other loans and similar borrowings[1]	7	-	-	-
Total debt from bank and similar borrowings	**148**	**13**	**-**	**-**

[1] o/w current bank overdraft facilities.

2.1.3. Financing from research tax credits

Thanks to its status as a European SME, the Company receives payment for research tax credits granted in the previous period. Consequently, cash proceeds from research tax credits in a given period correspond to the amount of credits calculated on eligible expenditure for the previous period.

As of first-half 2019, the Company had not yet received its research tax reimbursement with respect to fiscal years 2017 and 2018, nor can it predict when the reimbursement will be made.

Research tax credits during the six months ended June 30, 2019 and June 30, 2018 were as follows:

In thousands of euros	**First-half 2019**	**First-half 2018** *restated*
Income statement impact of research tax credits	2,198	2,744
Cash flow impact of research tax credits	-	-

At June 30, 2019, the impact of research tax credits included €2.2 million in research tax credits granted with respect to first-half 2019.

The decrease of €0.6 million compared to the first half of 2018 is mainly due to the three rectifications relating to the research tax credits for 2014, 2015 and 2017 accounted for in the first half of 2018 in the total amount of €0.7 million.

2.2. Cash flow analysis

The following table analyzes the Company's cash flow for first-half 2019 and first-half 2018:

Cash flow *In thousands of euros*	**First-half 2019**	**First-half 2018** *restated*
Net cash used in operating activities	(18,668)	(15,282)
Net cash used in investing activities	(839)	(136)
Net cash provided by/(used in) financing activities	(120)	32,339
Net increase/(decrease) in cash and cash equivalents	**(19,627)**	**16,921**

In first-half 2018 and first-half 2019, the Company mainly required funds to:

- finance its operating activities, including its working capital requirements: net cash used in operating activities in first-half 2019 and first-half 2018 amounted to €18.8 million and €15.3 million, respectively. This is mainly attributable to research and development costs, which totaled €19.6 million in 2019 and €15.9 million in 2018, and, to a lesser extent, the decrease in revenue;
- finance investments: net cash linked to investments in first-half 2019 and first-half 2018 amounted to €0.8 million and €0.1 million respectively. This is primarily attributable to acquisitions of property, plant and equipment – essentially research materials and, to a lesser

extent, fixtures and fittings – totaling €0.1 million in first-half 2019 and €0.3 million in first-half 2018; and

- repay bank loans: cash flows relating to repayments of bank loans totaled €0.1 million in first-half 2019 and €0.2 million in first-half 2018. In first-half 2019, financing activities also included the repayment of €0.1 million in lease liability in accordance with first-time application of IFRS 16 - Leases (see Note 2.1.2 "Impact of the first-time adoption of IFRS 16" of section 3.2 "Condensed interim financial statements" of this Interim Financial Report).

The main source of financing for the Company related to the capital increase through the issue of new ordinary shares in first-half 2018 that helped to raise €32.5 million.

2.2.1. Cash flow from operating activities

In thousands of euros	First-half 2019	First-half 2018 *restated*
Net loss for the period	**(20,545)**	**(16,181)**
Elimination of non-cash and non-operating income and expenses:		
Depreciation, amortization and provisions	587	1,657
Deferred and current taxes	-	(9)
Tax credits	(2,201)	(2,812)
Cost of net debt	0	3
IFRS 2 expense	718	503
Cash flows used in operations before tax, interest and changes in working capital	**(21,445)**	**(16,839)**
(Increase)/decrease in operating and other receivables	1,632	(2,068)
Increase/(decrease) in operating and other payables	1,109	4,067
(Increase)/decrease in inventories	(23)	(43)
Other	59	(399)
Tax, interest and changes in operating working capital	**2,776**	**1,557**
Net cash used in operating activities	**(18,668)**	**(15,282)**

Cash used in operating activities increased €3.4 million (22%) in comparison with first-half 2018.

This increase in the cash requirement was mainly attributable to the €4.6 million drop in cash margins in first-half 2019, which essentially reflects the €3.8 million increase in operating expenses tied to the increase in research and development costs.

This drop is partially offset by the €1.1 million improvement in working capital which is mainly attributable to the net change in operating receivables and debt (€0.7 million).

2.2.2. Cash flow used in investing activities

Cash flow used in investing activities over the periods presented was as follows:

In thousands of euros	First-half 2019	First-half 2018 *restated*
Purchases of property, plant and equipment and intangible assets	(146)	(265)
Disposals of property, plant and equipment and intangible assets	-	-
Net change in other non-current financial assets	(693)	129
Net cash used in investing activities	**(839)**	**(136)**

In first-half 2019, net cash used in investing activities amounted to €0.8 million. This figure mainly reflects:

- acquisitions of property, plant and equipment – essentially research materials – for a total of €0.1 million; and
- a new securities account pledge agreement for a total of €0.7 million (see Note 3.3 "Other non-current assets" of section 3.2 "Condensed interim financial statements" of this Interim Financial Report).

2.2.3. Cash flow provided by/(used in) financing activities

In thousands of euros	First-half 2019	First-half 2018 *restated*
Capital increase	18	32,526
Repayment of debt	(73)	(187)
Repayment of lease liabilities	(65)	-
Net cash from financing activities	**(120)**	**32,339**

In first-half 2019, net cash represented a financing need versus a resource in first-half 2018. In first-half 2018, the capital increase through the issue of new ordinary shares raised €32.5 million whereas in first-half 2019, only AGAs and BSPCEs were exercised generating an additional €18 million (see Note 3.7 "Shareholders' equity" of section 3.2 "Condensed interim financial statements" of this Interim Financial Report).

Lease liability in an amount of €0.1 million was recognized from January 1, 2019 following the entry into force of IFRS 16 - Leases (see Note 2.1.2 "Impact of the first-time adoption of IFRS 16" of section 3.2 "Condensed interim financial statements" of this Interim Financial Report).

2.3. Projected sources of finance

Cash and cash equivalents amounted to €37.1 million at June 30, 2019.

The Company will use the following sources of financing to fund its future operations:

- capital increase of €8.2 million successfully completed on September 18, 2019;
- quarterly and milestone payments received from its research partnership with Boehringer Ingelheim;
- research tax credits;
- financing investments from bank loans for marginal amounts; and
- agreements negotiated in 2015 and 2016 to make premises and facilities available for use, as described in Note 5.1 “Off-balance sheet commitments” of section 3.2 “Condensed interim financial statements” of this Interim Financial Report.

Assuming its maintains the same programs in place, Inventiva’s net cash and cash equivalents at June 30, 2019, which is the primary source of financing for the Company, and these projected sources of cash and cash equivalents should allow the Company to finance its activities until the third quarter of 2020.

3. Interim financial statements

3.1. Statutory Auditor's report

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.

Inventiva S.A.

Registered office: 50, rue de Dijon - 21121 Daix

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

For the period from January 1 to June 30, 2019

Ladies and Gentlemen,

In compliance with the assignment entrusted to us by your General Annual 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 Inventiva S.A., for the period from 1 January to 30 June 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 2.1.2 to the condensed half-yearly financial statements "Impact of the first-time adoption of IFRS 16" which discloses the change of accounting principles and methods relating to the first application, since January 1, 2019, of IFRS 16 standard.

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.

Paris La Défense, on the 24 septembre 2019

French original signed by

Cédric Adens

Partner

3.2. Condensed interim financial statements

Statement of financial position

(in thousands of euros)

	Notes	June 30, 2019	Dec. 31, 2018
Intangible assets	*3.1*	1,396	1,543
Property, plant and equipment	*3.2*	4,174	4,261
Other non-current assets	*3.3*	3,103	2,374
Total non-current assets		**8,672**	**8,178**
Inventories	*3.4*	433	410
Trade receivables	*3.5*	10	6
Tax receivables	*3.5*	11,635	9,434
Other current assets	*3.5*	3,234	5,093
Cash and cash equivalents	*3.6*	37,064	56,692
Total current assets		**52,375**	**71,634**
Total assets		**61,047**	**79,812**
Shareholders' equity	*3.7*	**41,619**	**61,596**
Long-term debt	*3.8*	23	74
Long-term provisions	*3.9*	358	358
Provisions for retirement benefit obligations	*3.10*	1,062	1,029
Long-term contract liabilities	*3.12*	1,524	1,673
Total non-current liabilities		**2,968**	**3,134**
Short-term debt	*3.8*	233	151
Trade payables	*3.11*	8,837	8,372
Short-term provisions	*3.9*	1,176	1,140
Short-term contract liabilities	*3.12*	374	548
Other current liabilities	*3.11*	5,839	4,871
Total current liabilities		**16,460**	**15,082**
Total equity and liabilities		**61,047**	**79,812**

Statement of income (loss)

(in thousands of euros)

	Notes	First-half 2019	First-half 2018 restated[1]
Revenue	4.1	**1,333**	**1,403**
Other income	4.1	2,198	2,754
Research and development expenses	4.2	(19,646)	(15,926)
Marketing – Business development expenses	4.2	(135)	(107)
General and administrative expenses	4.2	(3,132)	(3,056)
Other operating income (expenses)	4.3	(1,274)	(1,140)
Operating profit (loss)		**(20,656)**	**(16,074)**
Financial income	4.4	153	56
Financial expenses	4.4	(42)	(172)
Financial income (loss)		**111**	**(116)**
Income tax	4.5	-	9
Net loss for the period		**(20,545)**	**(16,181)**
Basic/diluted loss per share (euros/share)		**(0.93)**	**(0.86)**
Weighted average number of shares outstanding used to calculate basic/diluted loss per share	3.7	22,160,448	18,860,276

[1] Restated following the first-time adoption of IFRS 15 – Revenue from Contracts with Customers using the full retrospective transition method (see Note 2.1.3).

Statement of comprehensive income (loss)

(in thousands of euros)

	First-half 2019	First-half 2018 *restated*[1]
Net loss for the period	**(20,545)**	**(16,181)**
Items recycled that will be recycled subsequently to profit or loss	**-**	**-**
Changes in fair value	-	-
Tax impact on items recycled to income	-	-
Items that will not be reclassified subsequently to profit or loss	**(103)**	**24**
Actuarial gains and losses on retirement benefit obligations (IAS 19)	(103)	33
Tax impact on items not recycled to income	-	(9)
Total comprehensive loss	**(20,648)**	**(16,157)**

[1] Restated following the first-time adoption of IFRS 15 – Revenue from Contracts with Customers using the full retrospective transition method (see Note 2.1.3).

Statement of changes in shareholders' equity

(in thousands of euros)

	Notes	Share capital	Premiums related to share capital	Net income (loss) for the period	Reserves	Shareholders' equity
Jan. 1, 2019		**223**	**77,460**	**(33,617)**	**17,530**	**61,596**
Net loss for the period		-	-	(20,545)	-	(20,545)
Actuarial gains and losses net of deferred tax		-	-	-	(103)	(103)
Changes in fair value net of deferred tax		-	-	-	-	-
Total comprehensive income (loss)		**-**	**-**	(20,545)	(103)	(20,648)
Appropriation of 2018 net loss *restated*		-	-	33,617	(33,617)	-
Exercise of BSAs/BSPCEs and AGAs	*3.7*	1	18	-	(1)	18
Share-based compensation expense	*3.7*	-	-	-	718	718
Treasury shares[(1)]	*3.7*	-	-	-	(65)	(65)
June 30, 2019		224	77,478	(20,545)	(15,538)	41,619

[(1)] Treasury shares at June 30, 2019 amounted to €137 thousand compared to €72 thousand at January 1, 2019, a decrease of €65 thousand.

	Notes	Share capital	Premiums related to share capital	Net income (loss) for the period	Reserves	Shareholders' equity
Jan. 1, 2018 *restated*[(2)]		**164**	**44,992**	**(19,083)**	**35,821**	**61,895**
Net loss for the period		-	-	(16,181)	-	(16,181)
Actuarial gains and losses net of deferred tax		-	-	-	24	24
Changes in fair value net of deferred tax		-	-	-	-	-
Total comprehensive income (loss)		**-**	**-**	**(16,269)**	**24**	**(16,245)**
Appropriation of 2017 net loss *restated*[(2)]		-	-	19,083	(19,083)	-
Issue of ordinary shares		56	35,441	-	-	35,497
Transaction costs		-	(3,079)	-	-	(3,079)
Exercise of BSAs/BSPCEs and AGAs		2	106	-	-	109
Share-based compensation expense		-	-	-	503	503
Treasury shares		-	-	-	46	46
June 30, 2018 *restated*[(2)]		**223**	**77,460**	**(16,181)**	**17,311**	**78,812**

[(2)] Restated following the first-time adoption of IFRS 15 – Revenue from Contracts with Customers using the full retrospective transition method (see Note 2.1.3).

Statement of cash flows

(in thousands of euros)

	First-half 2019	First-half 2018 restated[1]
Net loss for the period	**(20,545)**	**(16,181)**
Elimination of other non-cash, non-operating income and expenses:		
Depreciation, amortization and provisions	587	1,657
Deferred and current taxes	-	(9)
Tax credits	(2,201)	(2,812)
Gains (losses) on disposals of assets	-	-
Cost of net debt	0	3
Share-based compensation expense	718	503
Cash flows used in operations before tax, interest and changes in working capital	**(21,445)**	**(16,839)**
(Increase)/decrease in operating and other receivables	1,632	(2,068)
Increase/(decrease) in operating and other payables	1,109	4,067
(Increase)/decrease in inventories	(23)	(43)
Other	59	(399)
Tax, interest and changes in operating working capital	**2,776**	**1,557**
Net cash used in operating activities	**(18,668)**	**(15,282)**
Purchases of property, plant and equipment and intangible assets	(146)	(265)
Disposals of property, plant and equipment and intangible assets	-	-
Net change in other non-current financial assets	(693)	129
Net cash used in investing activities	**(839)**	**(136)**
Capital increase	18	32,526
Repayment of debt	(73)	(187)
Repayment of lease liabilities	(65)	-
Net cash provided by (used in) financing activities	**(120)**	**32,339**
Net increase (decrease) in cash and cash equivalents	**(19,627)**	**16,921**
Cash and cash equivalents at beginning of period	56,692	59,051
Cash and cash equivalents at end of period	37,064	75,972

[1] Restated following the first-time adoption of IFRS 15 – Revenue from Contracts with Customers using the full retrospective transition method (see Note 2.1.3).

Notes to the financial statements

1. Company information

1.1 Company information

Inventiva S.A. ("Inventiva" or the "Company") is a clinical-stage biopharmaceutical company focused on the development of oral small molecule therapies for the treatment of diseases with significant unmet medical need in the areas of fibrosis, lysosomal storage disorders and oncology.

The Company is developing its most advanced product candidate, lanifibranor, for the treatment of patients with non-alcoholic steatohepatitis, or NASH, a disease for which there are currently no approved therapies. The Company is currently conducting Phase IIb clinical trials of lanifibranor in patients with NASH and plans to report data in the first half of 2020.

The Company is also developing a second clinical-stage asset, odiparcil, for the treatment of patients with subtypes of mucopolysaccharidoses, or MPS. The Company is currently investigating odiparcil in a Phase IIa clinical trial for the treatment of adult patients with the MPS VI subtype. The Company expects to report data in the second half of 2019, and, if positive, it plans to initiate Phase III clinical development of odiparcil for the treatment of MPS VI in 2020.

The Company's pipeline is backed by a discovery engine with an extensive library of proprietary molecules, a wholly owned research and development facility and a team with significant expertise and experience in the development of compounds that target nuclear receptors, transcription factors and epigenetic modulation.

Using these assets and this expertise, it has built a discovery engine focused on small molecule compounds that target nuclear receptors, transcription factors and epigenetic modulation. It is leveraging this discovery engine to identify and develop compounds addressing a wide range of indications.

It also has advanced pre-clinical programs for the treatment of autoimmune diseases and idiopathic pulmonary fibrosis, or IPF, in collaboration with AbbVie Inc., or AbbVie, and Boehringer Ingelheim International GmbH, or BI, respectively. AbbVie is currently investigating ABBV-157, which is a clinical development candidate resulting from its collaboration, in a Phase I clinical trial for the treatment of moderate to severe psoriasis.

Inventiva's ordinary shares have been listed on the Euronext Paris regulated market since February 2017.

1.2 Significant events in first-half 2019

Significant events during the period were as follows (in chronological order):

Surety provided to the French tax authorities

On February 1, 2019, as part of its request for a stay of payment on the CIR research tax credits and payroll taxes, the Company offered the French tax authorities a surety in the form of a €3.4 million bank guarantee with Crédit Agricole bank.

As part of the process of setting up this guarantee, a pledge over cash, equivalent to 50% of the sum not covered by the indemnity to be received from the Abbott group under the Additional Agreement (€2.0 million, see Note 13 *Provisions* in section 4.7. "Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018"), i.e., €0.7 million, will be recorded in 2019. Should the dispute to which this guarantee pertains remain unresolved at June 30, 2020, or should any disputed sums remain outstanding, the Company has undertaken to provide an additional surety of €1 million.

Results from Phase IIb clinical trial with lanifibranor in systemic sclerosis

The FASST clinical trial, a one-year, double-blind, randomized, placebo-controlled Phase IIb study, included 145 patients suffering from the early phase of dcSSc, who received lanifibranor in either two doses of 400mg per day or two doses of 600mg per day over 48 weeks in addition to their existing standard of care, which in most cases included immunosuppressive therapy.

Based on the FASST clinical trial evaluating lanifibranor for the treatment of patients with SSc, which did not meet the primary and secondary endpoints and of which the results were published on February 2019, the Company plans to discontinue lanifibranor's clinical development for the treatment of dcSSc.

Approval and implementation of a redundancy plan

Following the termination of the systemic sclerosis (SSc) program in February 2019 due to the failure to meet the primary endpoint of the FASST Phase IIb clinical study, the Company implemented a redundancy plan in the second quarter which was subject to a corporate agreement signed on June 11, 2019; combined with the non-renewal of fixed-term contracts, the Company's total workforce will be reduced from 118 to approximately 90 employees by the end of the third quarter.

Following the corporate agreement, the Company accounted for an accrued expense in the total amount of €1.1 million corresponding to the costs that Inventiva is committed to incur. This accrued expense is included in the lines *Other current liabilities* in the statement of financial position and *Other operating income* (expenses) in the statement of income (loss).

New share warrant plans (BSA)

On June 28, 2019, the Company's Board of Directors issued 10,000 BSA share warrants (BSA 2019), with a subscription price of €0.18 per warrant, to David Nikodem, Partner of Sapidus Consulting Group LLC, Company adviser.

BSA 2019 share warrants are share subscription options with no performance conditions attached. The plan includes a one-year vesting period from the issue date. Once they vest, the share warrants may be exercised through June 28, 2029.

On June 28, 2019, the fair value of the BSA share warrants was estimated using the Black-Scholes model based on the following assumptions:

- value of the underlying asset at June 28, 2019;
- volatility observed in a sample of comparable listed companies;
- economic life of 5.5 years (middle of exercise period).

At the issue date, the fair value of each 2019 BSA share warrant was estimated at €0.48.

Movements in BSA share warrants as well as the accounting impact of share-based payments are described in Note 3.7 "Shareholders' equity".

New free share award plans (AGA)

On June 28, 2019, the Company's Board of Directors approved two AGA free share award plans:

- 37,500 free shares (AGA 2019-1) to six new employees;
- 246,000 free shares (AGA 2019-2) to 81 new employees.

The plans have the following characteristics:

- a two-year vesting period for AGA 2019-1 shares and a one-year vesting period for AGA 2019-2 shares;
- a one-year lock-up period;
- a service condition; and
- no performance conditions.

The fair value of Inventiva free shares corresponds to the Inventiva share price. At the award date, the fair value of each AGA 2019-1 and AGA 2019-2 free share was estimated at €1.92.

Movements in AGA free shares as well as the accounting impact of share-based payments are described in Note 3.7 "Shareholders' equity".

2. Accounting policies and methods

2.1 Basis of preparation

The Company, having neither subsidiaries nor equity investments, has prepared financial statements for first-half 2019 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and whose application has been mandatory since January 1, 2019.

The interim financial statements prepared in accordance with IFRS cover the six months ended June 30, 2019. They were approved by the Company's Board of Directors on September 24, 2019.

The interim financial statements were prepared in accordance with IFRS and in compliance with IAS 34 – Interim Financial Reporting, which provides for the presentation of selected explanatory notes. The accompanying notes do not contain all the disclosures required for annual financial statements and should therefore be read in conjunction with the Company's financial statements prepared in accordance with IFRS for the year ended December 31, 2018.

2.1.1. IFRS basis adopted

The accounting policies applied by the Company in the preparation of the interim financial statements for the six months ended June 30, 2019 are identical to those used in the annual financial statements prepared in accordance with IFRS for the year ended December 31, 2018, with the exception of specific provisions for the preparation of interim financial statements and IFRS 16 – Leases as a result of its mandatory application from January 1, 2019 as presented in Note 2.2.3 "Impact of the first-time adoption of IFRS 16".

The standards, amendments to existing standards and interpretations adopted by the European Union that came into force on January 1, 2019 are either not applicable or have no material impact on the financial statements for the six months ended June 30, 2019.

Standards, amendments to existing standards and interpretations published by the International Accounting Standards Board (IASB) whose application has been mandatory since January 1, 2019

- IFRS 16 – Leases replaces IAS 17 – Leases for periods beginning on or after January 1, 2019. It sets out the principles for the recognition and measurement of leases as well as the disclosures to be provided in the notes for both parties to a contract, i.e., the customer (lessee) and the supplier (lessor). IFRS 16 eliminates the requirement to classify leases as either operating leases or finance leases and, instead, introduces a single lessee accounting model. Applying that model,

a lessee is required to recognize (i) assets and liabilities for all leases, and (ii) depreciation of lease assets separately from interest on lease liabilities in the income statement. The standard nonetheless provides for exemptions for short-term leases with a term of 12 months or less and leases of low-value assets. At June 30, 2019, the Company only leased the following assets: a nitrogen tank, several photocopiers, two vehicles, 12 fibroscan machines and an office in Paris.

The detailed impacts of the first-time adoption of IFRS 16 are presented in Note 2.1.2 "Impact of the first-time adoption of IFRS 16".

- IFRIC 23 « Uncertainty over income tax treatments" of which requirements have no impact on the Company financial statements as at June 30, 2019.

Standards, amendments to existing standards and interpretations published by the IASB whose application is not yet mandatory

No standards, amendments to existing standards or interpretations published by the IASB and not yet mandatory had been adopted by the Company at June 30, 2019.

2.1.2. Impact of the first-time adoption of IFRS 16

IFRS 16 – Leases has been mandatory since January 1, 2019. In accordance with the standard, the Company recognizes:

- an asset, representing its right to use the leased asset during the lease term (right-of-use asset);
- a liability, representing the value of the outstanding lease payments (lease liability).

For the first-time adoption of IFRS 16, the Group used the simplified retrospective method by applying the practical expedients provided in the standard. Consequently and in accordance with IFRS 16, comparative data have not been restated.

At June 30, 2019, the Company only leased the following assets: a nitrogen tank, several photocopiers, two vehicles, 12 fibroscan machines and an office in Paris.

Following an analysis, the Company identified two types of leases that meet the IFRS 16 criteria and whose accounting treatment must be restated in accordance with the new standard: two vehicles and research equipment (10 fibroscan machines).

For each asset, the discount rate used to calculate the lease liability is determined based on the incremental borrowing rate at the date of signature of the lease. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate applied to leases at January 1, 2019 is 1.57%.

The Company has not restated its other leases because they are covered by the exemptions permitted under the standard (short-time leases and low-value leases). They include:

- leases that expire within 12 months of the date of first-time adoption (January 1, 2019);
- 12-month leases with automatic renewal, where it is not reasonably certain at the date of first-time application that the leases will be renewed;
- leases for which the underlying asset is less than €5,000.

Rental expenses for short-term and low-value leases continue to be recognized in operating expenses in the Company's income statement.

▶ **Impact on the Company's financial statements**

The impact of the first-time adoption of IFRS 16 at January 1, 2019 included a €0.2 million increase in debt and a €0.3 million increase in net property, plant and equipment (including the reclassification of a prepaid expense in the amount of €0.1 million).

The carrying amount of net property, plant and equipment and of debt at June 30, 2019 increased by €0.2 million and €0.1 million, respectively.

The impact of the first-time adoption of IFRS 16 on the income statement for first-half 2019 was €38 million.

2.1.3. Impact of the first-time adoption of IFRS 15 on the financial statements for the six months ended June 30, 2018

Inventiva has applied IFRS 15 – Revenue from Contracts with Customers since January 1, 2018

In its interim financial information for the six months ended June 30, 2018, Inventiva applied IFRS 15 using the simplified transition method (with no practical expedient), resulting in a first-time application of the standard as of its effective date (i.e., from January 1, 2018). For its 2018 annual financial statements, the Company modified its transition method and adopted IFRS 15 using the full retrospective transition method. Consequently, the comparative information presented was restated for the impact of the application of IFRS 15 (i.e., as if the standard had always been applied by the Company), enabling the Company to improve comparability and facilitate the presentation of its activities year-on-year.

The impacts on the interim financial statements at June 30, 2018 are presented below:

	For the six months ended June 30, 2018		
In thousands of euros	**Reported**	**Restatement impact**	**Restated**
Revenue	**1,301**	**102**	**1,403**
Operating loss	**(16,175)**	**102**	**(16,074)**
Income tax	22	(13)	9
Net loss for the period	**(16,269)**	**88**	**(16,181)**

2.2 Use of estimates

The preparation of financial statements requires management to make judgments and estimates, and apply assumptions that can affect the carrying amounts of assets, liabilities, income and expenses, as well as the information presented in the accompanying notes. Actual reported values may differ from the accounting estimates made.

The material judgments and main estimates used by management when applying the Company's accounting policies in the preparation of these interim financial statements are identical to those described in the annual financial statements prepared in accordance with IFRS for the year ended December 31, 2018.

2.3 Financial risk factors

The financial risk factors are identical to those described in the annual financial statements prepared in accordance with IFRS for the year ended December 31, 2018.

2.4 Fair value measurement

Financial instruments are measured at fair value according to a hierarchy comprising three levels of valuation inputs:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The table below presents the financial assets and liabilities of the Company measured at fair value at June 30, 2019:

June 30, 2019 - *In thousands of euros*	**Level 1**	**Level 2**	**Level 3**
Assets			
Financial assets at fair value through profit or loss			
Monetary UCITS	4,006	-	-
Financial assets carried at amortized cost			
Long-term deposit accounts	801	-	-
Total assets	**4,807**	**-**	**-**
Liabilities	**-**	**-**	**-**
Total liabilities	**-**	**-**	**-**

The UCITS presented above under "Financial assets at fair value through profit or loss" have been classified in "Cash and cash equivalents".

The methods for measuring the fair value of financial assets and liabilities were not amended during first-half 2019.

The table below presents the financial assets and liabilities of the Company measured at fair value at December 31, 2018:

Dec. 31, 2018 - *In thousands of euros*	**Level 1**	**Level 2**	**Level 3**
Assets			
Financial assets at fair value through profit or loss			
Monetary UCITS	-	-	-
Financial assets carried at amortized cost			
Long-term deposit accounts	108	-	-
Total assets	**108**	**-**	**-**
Liabilities	**-**	**-**	**-**
Total liabilities	**-**	**-**	**-**

2.5 Specific disclosure requirements for interim financial statements

Seasonality of operations

The Company's operations are not subject to material seasonal fluctuations.

Income tax

Income tax is recognized in the financial statements for each interim period. The amount corresponds to a best estimate calculated by applying the expected weighted average tax rate for the entire year.

The income tax amount recorded as due for an interim period may have to be adjusted in the subsequent interim period of the same year if the estimated annual average tax rate changes.

3. Notes to the statement of financial position

3.1 Intangible assets

In thousands of euros	**June 30, 2019**	**Dec. 31, 2018**
Intangible assets, gross	3,673	3,645
Amortization and impairment	(2,278)	(2,103)
Intangible assets, net	**1,396**	**1,543**

Changes during the period mainly correspond to amortization charges of €175 thousand and acquisitions in an amount of €28 thousand.

In the absence of any indication of a loss of value, no impairment tests were performed on intangible assets.

3.2 Property, plant and equipment

In thousands of euros	June 30, 2019	Dec. 31, 2018
Property, plant and equipment, gross	9,739	9,380
Depreciation and impairment	(5,565)	(5,119)
Property, plant and equipment, net	**4,174**	**4,261**

At June 30, 2019 and following the entry into force of IFRS 16 – Leases from January 1, 2019 (see Note 2.1.2 "Impact of the first-time adoption of IFRS 16"), property, plant and equipment includes the right to use the assets falling within the scope of the new standard (right-of-use assets) in a gross amount of €252 thousand, together with accumulated depreciation in an amount of €102 thousand.

In the absence of any indication of a loss of value, no impairment tests were performed on property, plant and equipment.

3.3 Other non-current assets

In thousands of euros	June, 30 2019	Dec. 31, 2018
Accrued income	1,968	1,932
Long-term deposit accounts	801	108
Tax loss carry back	333	333
Other non-current assets	**3,103**	**2,374**

Accrued income corresponds entirely to accrued receivables from the Abbott group following the tax audit of 2013, 2014 and 2015, the findings of which were received in 2018 (see Note 3.10 "Provisions").

Long-term deposit accounts correspond to:

- a pledge over cash granted by the Company on February 1, 2019 in connection with the surety provided to the French tax authorities in the form of a €3.4 million bank guarantee with Crédit Agricole bank. The amount of the pledge is equal to 50% of the sum not covered by the indemnity to be received from the Abbott group under the Additional Agreement, i.e., €0.7 million (see Note 3.9 "Provisions");
- the pledge of a gradual rate deposit account with a balance of €101 thousand as collateral for the €254 thousand loan from Société Générale agreed in July 2015.

The tax loss carry back corresponds to the tax credit resulting from the tax loss carry back recognized by the Company at December 31, 2017 and recoverable after five years if not used by the Company to pay income tax within that period.

3.4 Inventories

In thousands of euros	June 30, 2019	Dec. 31, 2018
Laboratory inventories	466	443
Inventory write down	(33)	(33)
Inventories, net	**433**	**410**

3.5 Trade receivables and other current assets

Trade receivables

Trade receivables break down as follows:

In thousands of euros	June 30, 2019	Dec. 31, 2018
3 months or less	10	6
Between 3 and 6 months	-	-
Between 6 and 12 months	-	-
More than 12 months	-	-
Trade receivables	**10**	**6**

The average payment period is 30 days.

Other current assets

In thousands of euros	June 30, 2019	Dec. 31, 2018
CIR tax credit	11,356	9,158
CICE tax credit	264	264
Other	14	12
Tax receivables	**11,635**	**9,434**
Prepaid expenses	977	1,184
Sales tax receivables	1,550	3,034
Other receivables	707	874
Other current assets	**3,234**	**5,093**
Other current assets and receivables	**14,868**	**14,527**

Tax receivables mainly correspond to research tax credits (CIR) receivable for first-half 2019 in an amount of €2.2 million, as well as the CIR receivable for 2017 and 2018 in respective amounts of €4.2 million and €4.8 million, which had not been received at June 30, 2019.

Sales tax receivables comprise deductible VAT and VAT credits owed by the French tax authorities, which has recommenced regular VAT credit repayments in first-half 2019 following a freeze at the end of 2018.

The majority of prepaid expenses correspond to IT maintenance and research and development equipment costs, patent maintenance fees and insurance contributions in respect of the second half of 2019.

3.6 Cash and cash equivalents

In thousands of euros	June 30, 2019	Dec. 31, 2018
UCITS and certificates of deposit	4,006	-
Other cash equivalents	8,016	41,767
Cash at bank and at hand	25,043	14,925
Cash and cash equivalents	**37,064**	**56,692**

Other cash equivalents include three short-term demand deposit accounts with Société Générale, Crédit Agricole and CIC-Lyonnaise de Banque.

3.7 Shareholders' equity

Share capital

The share capital amounts to €224 thousand at June 30, 2019 divided into 22,372,177 fully authorized, subscribed and paid-up shares with a nominal value of €0.01.

Changes in the share capital during the six months ended June 30, 2019 are as follows:

In thousands of euros, apart from number of shares

Date	Nature of the transactions	Share capital	Premiums related to share capital	Number of shares	Nominal value
Balance at Dec. 31, 2018		**222,573**	**77,460,125**	**22,257,277**	**0.01**
Jan. 23, 2019	Capital increase by issuance of ordinary shares Exercise of 274 BSPCEs by Company employees	274	17,693	27,400	0.01
Jan. 26, 2019	Capital increase by issuance of ordinary shares Vesting of AGAs by Company employees (AGA 2018-1)	100	-	10,000	0.01
Apr. 18, 2019	Capital increase by issuance of ordinary shares Vesting of AGAs by Company employees (AGA 2017-1)	775	-	77,500	0.01
Balance at June 30, 2019		**223,722**	**77,477,818**	**22,372,177**	**0.01**

Movements related to BSPCE and BSA share warrant plans and AGA free share award plans are described in the sub-sections entitled "Share warrants" and "Free shares (AGA)" below.

Liquidity agreement

On January 19, 2018, the Company entered into a new liquidity agreement with Kepler Cheuvreux, replacing the previous liquidity agreement with Oddo BHF. The agreement was renewed on January 1, 2019 for a period of 12 months renewable by tacit agreement. Under the terms of the agreement, the investment services provider (ISP) is authorized to buy and sell Inventiva treasury shares without interference from the Company in order to ensure the liquidity of the shares on the Euronext market.

At June 30, 2019, treasury shares acquired by Inventiva through its ISP, as well as the gains or losses resulting from share purchase, sale, issue and cancellation transactions during first-half 2019, were accounted for as a deduction from equity. Consequently, these transactions had no impact on the Company's results.

Share warrants plans

Share-based payments correspond to:

- BSPCE founder share warrants granted to Company employees in 2013 and 2015;
- BSA share warrants issued to Company directors in 2017, with an exercise price set at €6.675; and
- BSA share warrants issued to Company service providers or their partners in 2018 and 2019, with an exercise price set at €6.067 and €2.20, respectively.

BSPCE plans

At June 30, 2019, outstanding BSPCE plans are identical to those described in Note 10.3 "Share warrants plans" of section 4.7 "Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018" of the 2018 Registration Document.

BSA plans

At January 1, 2019, two BSA plans were outstanding: BSA 2017 and BSA 2018.

The plans are described in Note 1.2 "Significant events" of section 4.7 "Company financial statements prepared in accordance with IFRS for the year ended December 31, 2018" of the 2018 Registration Document.

On June 28, 2019, a new plan (BSA 2019) was launched for David Nikodem, a Company service provider in his capacity as partner in Sapidus Consulting Group LLC. The plan is described in Note 1.2 "Significant events in first-half 2019" of this Interim Financial Report.

Movements in BSPCE share warrants and BSA share warrants (in number of shares issuable upon exercise)

Type	Grant date	Exercise price (in euros)	Outstanding at Jan. 1, 2019	Issued	Exercised	Forfeited/ Lapsed	Outstanding at June 30, 2019	Number of exercisable shares
BSPCE – 2013 plan	Dec. 25, 2013	0.59	13,400	-	(4,600)	-	8,800	8,800
BSPCE – 2015 plan	May 28, 2015	0.67	22,800	-	(22,800)	-	-	-
TOTAL BSPCEs			**36,200**	**-**	**(27,400)**	**-**	**8,800**	**8,800**
BSA – 2017 plan	May 29, 2017	6.68	175,000	-	-	-	175,000	120,000
BSA – 2018 plan	Dec. 14, 2018	6.07	126,000	-	-	-	126,000	-
BSA – 2019 plan	June 28, 2019	2.20	-	10,000	-	-	10,000	-
TOTAL BSAs			**301,000**	**10,000**	**-**	**-**	**311,000**	**120,000**
Total share warrants			**337,200**	**10,000**	**(27,400)**	**-**	**319,800**	**128,800**

At June 30, 2019, a total of 88 BSCPE share warrants and 311,000 BSA share warrants were outstanding. Each BSPCE share warrant and BSA share warrant correspond to one share.

During the period, a total of 262 BSPCE share warrants were exercised by Company employees, whereupon 26,200 new shares were issued.

Share-based payment expenses with respect to share warrants amounted to €135 thousand in first-half 2019 versus €133 thousand in first-half 2018.

AGA free shares award plans

At January 1, 2019, four AGA free share award plans were outstanding: one AGA 2017 plans and three AGA 2018 plans. The plans are described in Note 6.2.4 “Free shares (AGA)” of section 6.1 “Share capital and shareholders” of the 2018 Registration Document.

On June 26, 2019, two new AGA free share award plans were implemented for certain employees: AGA 2019-1 and AGA 2019-2. The plans are described in Note 1.2 “Significant events in first-half 2019” of this section.

The new shares will be assimilated into existing ordinary shares of the same category from the time of their issuance. If the shares are quoted on a regulated market, they will be recorded in the Company’s share register and will not be convertible into bearer shares.

Movements in AGA free shares (in number of shares issuable upon exercise)

Type	Grant date	Stock price at grant date	Outstanding at Jan. 1, 2019	Issued	Exercised	Forfeited/ Lapsed	Outstanding at June 30, 2019	Number of exercisable shares
AGA – 2017-1 plan	Apr. 18, 2017	7.35	77,500	-	(77,500)	-	-	-
AGA – 2018-1 plan	Jan. 26, 2018	5.76	10,000	-	(10,000)	-	-	-
AGA – 2018-2 plan	Jan. 26, 2018	5.76	65,700	-	-	-	65,700	-
AGA – 2018-3 plan	Dec. 14, 2018	6.28	265,700	-	-	(12,800)	252,850	-
AGA – 2019-1 plan	June 28, 2019	2.00	-	37,500	-	-	37,500	-
AGA – 2019-2 plan	June 28, 2019	2.00	-	246,000	-	-	246,000	-
Total free shares			**418,900**	**283,500**	**(87,500)**	**(12,800)**	**602,050**	**-**

At June 30, 2019, a total of 614,900 AGA free shares were outstanding.

During the period, the AGA 2017-1 and AGA 2018-1 plans were exercised in full, whereupon 87,500 new shares were issued.

AGA 2018-2 free shares are exercisable from January 26, 2020 to no later than January 26, 2021, subject to continued employment. AGA 2018-3 free shares are exercisable from December 14, 2020 to no later than December 14, 2021, subject to continued employment.

AGA 2019-1 free shares are exercisable from January 28, 2021 to no later than January 28, 2022, subject to continued employment. AGA 2019-1 free shares are exercisable from January 28, 2020 to no later than January 28, 2021, subject to continued employment.

Share-based payment expenses with respect to AGA frees shares amounted to €582 thousand in first-half 2019 versus €369 thousand in first-half 2018.

Basic and diluted loss per share

Basic earnings (loss) per share are calculated by dividing net income (loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

In euros	First-half 2019	First-half 2018 *restated*
Net loss for the period	**(20,545)**	**(16,181)**
Weighted average number of shares outstanding used to calculate basic/diluted loss per share	22,160,448	18,860,276
Basic/diluted loss per share	**(0.93)**	**(0.86)**

As a loss was recorded in first-half 2019 and first-half 2018, diluted loss per share is identical to basic loss per share. Share-based payment plans (BSAs, BSPCEs and AGAs) are not included as their effects would be anti-dilutive.

3.8 Debt

In thousands of euros	June 30, 2019	Dec. 31, 2018
Bank borrowings	147	220
Other loans and similar borrowings[(1)]	7	5
Lease liabilities	102	-
Total debt	**233**	**225**

(1) o/w current bank overdraft facilities.

Bank borrowings correspond to three loans taken out in 2015 with Crédit Agricole, CIC and Société Générale.

Lease liabilities are recognized from January 1, 2019 following the entry into force of IFRS 16 – Leases (see Note 2.1.2 "Impact of the first-time adoption of IFRS 16" of this Interim Financial Report).

Debt maturity is as follows:

June 30, 2019 *In thousands of euros*	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
Bank borrowings	134	13	-	-
Other loans and similar borrowings	7	-	-	-
Lease liabilities	92	10	-	-
Total debt	**233**	**23**	**-**	**-**

The maturity of long-term debt and of short-term borrowings and debt is determined according to repayment estimates at June 30, 2019.

Dec. 31, 2018 *In thousands of euros*	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
Bank borrowings	146	74	-	-
Other loans and similar borrowings	5	-	-	-
Total debt	**151**	**74**	**-**	**-**

Changes during the period break down as follows:

In thousands of euros	
Dec. 31, 2018	**225**
First application of IFRS 16 *Leases* (1)	167
January 1, 2019	**392**
Repayment of bank borrowings	(73)
Repayment of lease liabilities	(65)
Accrued interest	2
June 30, 2019	**256**

(1) see Note 2.1.2 for further details

3.9 Provisions

In thousands of euros	Dec. 31, 2018	Additions	Reversals	June 30, 2019
Long-term provisions	358	-	-	358
Short-term provisions	1,140	36	-	1,176
Total provisions	**1,498**	**36**	**0**	**1,534**

Provisions booked at December 31, 2018 and 2017 relate to the findings of the tax audit on payroll taxes and the CIR in respect of the period from January 1, 2013 to December 31, 2015.

• Payroll taxes

In first-half 2019, the Company continued to dispute the collection notice with respect to payroll taxes for an amount of €1.9 million (including penalties and late payment interest). As of April 17, 2019, it is considered that the french tax administration has implicitly rejected the claims as the period of six month is elapsed. An application instituting proceedings was therefore filed at the end of July 2019 with the administrative tribunal of Dijon.

None of these events is considered as having an impact on the accounting position disclosed as at December 3, 2018.

Accordingly, the items recognized in the financial statements following the tax audit are unchanged:

- following receipt of the collection notice and in accordance with the Additional Agreement, accrued expenses and accrued income in a total amount of €2.0 million for the years ended December 31, 2013, 2014 and 2015, which are the subject of the audit and are covered by the Abbott Guarantee (see Note 3.5 “Trade receivables and other non-current assets” and Note 3.11 “Trade payables and other current liabilities”); and
- a provision of €1.2 million for the years ended December 31, 2016 and December 31, 2017, which have not been audited by the French tax authorities.

The net impact on the income statement for first-half 2019 was nil, relating solely to the recognition of additional late payment interest.

• CIR

In first-half 2019, the challenge procedure was still ongoing and the Company is still awaiting a decision concerning the claims lodged with the French tax authorities. There were no significant developments during the period and the status of the proceedings remains as described at December 31, 2018.

The maximum estimated tax adjustment risk in respect of the CIR was unchanged at June 30, 2019 at €0.4 million. A provision for the full amount of the risk was recorded in the financial statements for the year ended December 31, 2018.

Concerning the request for a stay of payment on the CIR and payroll taxes, on February 1, 2019, the Company provided the French tax authorities with surety in the form of a €3.4 million bank guarantee covering only the amount of the principal.

3.10 Provisions for retirement benefit obligations

Retirement benefit obligations are determined based on the rights set forth in the national collective bargaining agreement for the French pharmaceutical industry (IDCC 176/Brochure 3104) and in accordance with IAS 19 – Employee Benefits. These rights depend on the employee's final salary and seniority within the Company at his/her retirement date.

Net provision

The provision recorded in respect of defined benefit schemes at the end of each reporting period is shown in the table below:

In thousands of euros	June 30, 2019	Dec. 31, 2018
Retirement benefit obligations	1,062	1,029
Total obligation	**1,062**	**1,029**

Given the absence of plan assets at June 30, 2019 and December 31, 2018, the total amount of the provision corresponds to the estimated obligation at those dates.

Changes in the net provision

Changes in the provision recorded in respect of defined benefit schemes breaks down as follows:

In thousands of euros	June 30, 2019	Dec. 31, 2018
Provision at beginning of period	**(1,029)**	**(866)**
Expense for the period	40	(204)
Actuarial gains or losses recognized in other comprehensive income	(103)	31
Benefits for the period	30	9
Provision at end of period	**(1,062)**	**(1,029)**

Breakdown of expense recognized for the period

In thousands of euros	June 30, 2019	Dec. 31, 2018
Service cost for the period	67	183
Interest cost for the period	8	11
Past service cost	30	9
Plan curtailments and modifications	(145)	-
Total	**(40)**	**204**

3.11 Trade payables and other current liabilities

In thousands of euros	June 30, 2019	Dec. 31, 2018
Trade payables	8,837	8,372
Other current liabilities	5,839	4,871
Trade payables and other current liabilities	**14,676**	**13,243**

No calculations have been made to discount trade payables and other current liabilities to present value, as payment is always due within one year at the end of the reporting period.

Trade payables

Trade payables break down as follows:

In thousands of euros	June 30, 2018	Dec. 31, 2018
Overdue	126	
Due in 30 days	8,569	7,966
Due in 30-60 days	142	406
Due in more than 60 days	-	-
Trade payables	8,837	**8,372**

Other current liabilities

In thousands of euros	June 30, 2019	Dec. 31, 2018
Employee-related payables	961	1,095
Accrued payroll and other employee-related taxes	925	1,052
Sales tax payables	773	574
Other accrued taxes and employee-related expenses	1,190	172
Other miscellaneous payables	1,989	1,978
Other current liabilities	**5,839**	**4,871**

Other miscellaneous payables correspond to an accrued expense to the French tax authorities recognized in 2018 following receipt of the collection notice with respect to payroll taxes (see Note 3.9 "Provisions" of this Interim Financial Report).

Accrued payroll and other employee-related taxes mainly relate to payables to social security and employee-benefit organizations such as URSSAF, KLESIA and APGIS for the second three months of the year.

Other accrued taxes and employee-related expenses mainly concern the accrued expense related to the restructuring in the amount of €1.0 million as at June 30, 2019 and, in a lesser extent, the provisions for payroll taxes, such as professional training charges, the apprenticeship tax and the employer's contribution to construction investment in France, as well as the payroll tax adjustment in respect of 2013, 2014 and 2015.

3.12 Contract liabilities

	June 30, 2019			
In thousands of euros	**BI**	**AbbVie**	**Enyo**	**Total**
Short-term contract liabilities	374	-	-	374
Long-term contract liabilities	1,524	-	-	1,524
Total contract liabilities	**1,899**	**-**	**-**	**1,899**
Revenue to be recognized[(1)]	**6,498**	**-**	**-**	**6,498**

(1) Revenue to be recognized corresponds to highly probably revenue to be recognized on existing contracts through to completion. Variable consideration (milestone payments and royalties) not considered as highly probably is not included.

At June 30, 2019, contract liabilities mainly relate to the research partnership with Boehringer Ingelheim (the "BI Agreement") and the option exercised in August 2017 which triggered a milestone payment of €2.5 million. This amount was included in the BI Agreement transaction price, resulting in an upward revision of the contract price. Based on the stage of completion of the partnership, a total of €3.8 million was recognized in revenue at the reporting date, including €0.9 million relating to a milestone payment. Over the period, this represents revenue of €0.6 million, including €0.2 million for milestone payments.

The difference between payment received and revenue recognized (€1.6 million at June 30, 2019 and €1.8 million at December 31, 2018) was recorded in contract liabilities.

In thousands of euros	Dec. 31, 2018 BI	AbbVie	Enyo	Total
Short-term contract liabilities	436	15	97	548
Long-term contract liabilities	1,673	-	-	1,673
Total contract liabilities	**2,109**	**15**	**97**	**2,221**

3.13 Financial assets and liabilities

The table below presents the carrying amount of financial assets and liabilities by IFRS 9 accounting category:

In thousands of euros	June 30, 2019 Financial assets carried at amortized cost	Financial assets carried at fair value through profit or loss	Liabilities carried at amortized cost	Total
Financial assets				
Long-term deposit accounts	801	-	-	801
Non-current accrued income	1,968	-	-	1,968
Trade receivables	10	-	-	10
Other miscellaneous receivables	780	-	-	780
Cash and cash equivalents	33,058	4,006	-	37,064
Total	**36,615**	**4,006**	**-**	**40,621**
Financial liabilities				
Long-term debt	-	-	23	23
Short-term debt	-	-	233	233
Trade payables	-	-	8,837	8,837
Other payables	-	-	3,010	3,010
Total	**-**	**-**	**12,103**	**12,103**

In thousands of euros	Dec. 31, 2018			
Financial assets	**Financial assets carried at amortized cost**	**Financial assets carried at fair value through profit or loss**	**Liabilities carried at amortized cost**	**Total**
Long-term deposit accounts	108	-	-	108
Non-current accrued income	1,932	-	-	1,932
Trade receivables	6	-	-	6
Other miscellaneous receivables	874	-	-	874
Cash and cash equivalents	56,692	-	-	56,692
Total	**59,612**	**-**	**-**	**59,612**
Financial liabilities				
Long-term debt	-	-	74	74
Short-term debt	-	-	151	151
Trade payables	-	-	8,372	8,372
Other payables	-	-	1,978	1,978
Total	**-**	**-**	**10,575**	**10,575**

4. Notes to the statement of income (loss)

4.1 Revenue and other income

In thousands of euros	First-half 2019	First-half 2018 *restated*
Revenue	1,333	1,403
Total revenue	**1,333**	**1,403**
Tax credits	2,198	2,744
Subsidies	-	10
Other income	**2,198**	**2,753**
Total revenue and other income	**3,531**	**4,156**

The majority of the Company's revenue is derived from its research partnership with Boehringer Ingelheim (€0.6 million) and the provision of services to EnyoPharma (€0.5 million).

As the research partnership with AbbVie has expired, it generated only €0.1 million in revenue in first-half 2019.

The CICE tax credit is deducted from personnel costs in accordance with IFRS accounting principles.

4.2 Operating expenses

First-half 2019 *In thousands of euros*	**Research and development expenses**	**Marketing – Business development expenses**	**General and administrative expenses**	**Total**
Disposables	(973)	-	-	**(973)**
Energy and liquids	(277)	-	-	**(277)**
Patents	(213)	-	-	**(213)**
Studies	(11,771)	-	-	**(11,771)**
Maintenance	(458)	-	-	**(458)**
Fees	(156)	-	(662)	**(818)**
IT systems	(383)	(4)	(24)	**(411)**
Support costs (including taxes)	-	-	(297)	**(297)**
Personnel costs	(4,403)	(97)	(1,312)	**(5,811)**
Depreciation, amortization and provisions	(533)	-	(89)	**(621)**
Other operating expenses	(481)	(34)	(750)	**(1,265)**
Total operating expenses	**(19,646)**	**(135)**	**(3,132)**	**(22,913)**

First-half 2018 - *restated* *In thousands of euros*	**Research and development expenses**	**Marketing – Business development expenses**	**General and administrative expenses**	**Total**
Disposables	(1,111)	-	-	(1,111)
Energy and liquids	(269)	-	-	(269)
Patents	(213)	-	-	(213)
Studies	(8,679)	-	-	(8,679)
Maintenance	(486)	-	-	(486)
Fees	(44)	-	(759)	(803)
IT systems	(403)	(5)	(29)	(437)
Support costs (including taxes)	-	-	(314)	(314)
Personnel costs	(3,940)	(97)	(1,139)	(5,177)
Depreciation, amortization and provisions	(322)	-	(94)	(415)
Other operating expenses	(460)	(5)	(721)	(1,186)
Total operating expenses	**(15,926)**	**(107)**	**(3,056)**	**(19,090)**

Personnel costs and headcount

First-half 2019 *In thousands of euros*	**Research and development expenses**	**Marketing – Business development expenses**	**General and administrative expenses**	**Total**
Wages, salaries and similar costs	(2,853)	(94)	(787)	**(3,734)**
Payroll taxes	(1,136)	7	(287)	**(1,417)**
CICE tax credit	-	-	-	**-**
Provisions for retirement benefit obligations	36	-	21	**57**
Share-based compensation expense	(450)	(10)	(259)	**(718)**
Total personnel costs	**(4,403)**	**(97)**	**(1,312)**	**(5,811)**

First-half 2018 - *restated* *In thousands of euros*	**Research and development expenses**	**Marketing – Business development expenses**	**General and administrative expenses**	**Total**
Wages, salaries and similar costs	(2,631)	(97)	(639)	(3,368)
Payroll taxes	(1,009)	-	(264)	(1,273)
CICE tax credit	52	-	9	61
Provisions for retirement benefit obligations	(74)	-	(21)	(96)
Share-based compensation expense	(278)	-	(224)	(503)
Total personnel costs	**(3,940)**	**(97)**	**(1,139)**	**(5,177)**

The Company had 123 employees at June 30, 2019, compared with 110 at June 30, 2018.

4.3 Other operating income (expenses)

Other operating income (expenses) break down as follows:

In thousands of euros	First-half 2019	First-half 2018 *restated*
Accrued income from Abbott – payroll taxes	36	1,932
Total other operating income	**36**	**1,932**
Accrued expense to the French tax authorities – payroll taxes	-	(1,932)
Provision for tax risk – payroll taxes	(36)	(1,140)
Accrued restructuring expenses	(1,095)	-
Transaction costs	(179)	-
Total other operating expenses	**(1,309)**	**(3,072)**
Other operating income (expenses)	**(1,274)**	**(1,140)**

4.4 Financial income and expenses

In thousands of euros	First-half 2019	First-half 2018 *restated*
Income from cash equivalents	145	45
Foreign exchange gains	9	11
Total financial income	**153**	**56**
Interest cost	(4)	(2)
Losses on cash equivalents	-	(63)
Foreign exchange losses	(30)	(17)
Other financial expenses	-	(85)
Discounting losses	(8)	(6)
Total financial expenses	**(42)**	**(172)**
Net financial income (loss)	**111**	**(116)**

4.5 Income tax

The income tax calculation for interim periods is set out in Note 2.5 “Specific disclosure requirements for interim financial statements”.

The Company recorded a tax loss in the years ended December 31, 2018 and 2017 as well as in the six months ended June 30, 2019. As recovery of these tax losses in subsequent periods was considered unlikely due to the uncertainty inherent in the Company’s activity, no deferred tax assets were recognized at December 31, 2018 or at June 30, 2019.

5. Other financial information

5.1 Off-balance sheet commitments

Commitments given

Financial instruments pledged as collateral

One deposit account pledge given by the Company in 2015 as part of a bank loan was outstanding at June 30, 2019:

- As collateral for the loan from Société Générale agreed on July 7, 2015 for €254 thousand at a fixed annual rate of 0.90% repayable in regular installments over a 60-month term, a deposit account was pledged with a balance of €100 thousand as of the pledge date, i.e., July 7, 2015.

Commitments received

Agreements concerning the provision of facilities

- ***Agreement with Novolyze***

On October 13, 2015, the Company signed a contract to make its premises and facilities available to Novolyze, initialy for a 3 years period beginning October 19, 2015. Pursuant to an amendment signed on October 19, 2016, the monthly rent was increased to €5,4thousand as from November 1, 2017. Therefore, at in the first half of 2019, the total commitment received amounted to €34 thousand and commitments relating to future payments amounted to €180 thousand.

- ***Agreement with Genoway***

On November 4, 2015, the Company signed a contract to make its premises and facilities available to Genoway, initialy for a three-year period beginning December 1, 2015. Pursuant to an amendment signed on July 1, 2019, the contract was extended to June 30, 2022. The monthly rent was increased to €15 thousand.. Therefore, in the first half of 2019, the total commitment received amounted to €92 thousand and commitments relating to future payments amounted to €554 thousand.

- ***Agreement with Synthecob***

On March 21, 2016, the Company signed a contract to make its research equipment and services available to Synthecob for a two-year period beginning April 1, 2016. Pursuant to an amendment, the monthly rent was increased to €2,700 as from September 1, 2018. Therefore, at June 30, 2019, the total commitment received amounted to €16 thousand and commitments relating to future payments amounted to €82 thousand.

5.2 Related-party transactions

No new material transactions were concluded with related parties of the Company during first-half 2019.

5.3 Events after the reporting date

Capital increase of €8.2 million subscribed by leading US and European biotech investors

On September 18, 2019, Inventiva has successfully completed of capital increase of €8.2 million subscribed by New Enterprise Associate (NEA), a leading US biotech investor and by BVF Partners L.P. and Novo Holdings A/S, two key current Inventiva shareholders. The capital increase was executed at the closing price of September 18, 2019 without any discount. In addition, Sofinnova Partners, current Inventiva shareholder and board member, through Sofinnova Crossover I Fund, a leading European venture capital firm specialized in Life Sciences, expressed an interest to acquire, as part of a future capital increase which may occur by the end of October 2019, up to additional 313,936 shares on similar terms, depending on the market conditions and in accordance with the corporate authorizations.

Gross proceeds from the transaction are €8.2 million and will primarily be used for research and development activities, including the development of the Company's products, especially lanifibranor and odiparcil. This capital increase (which does not include Sofinnova's possible participation in a future transaction) also ensures continued planned activities of the Company until the end of 3rd quarter 2020, beyond the publication of the results of the NATIVE Phase IIb clinical study evaluating lanifibranor for the treatment of non-alcoholic steatohepatitis (NASH).

Following the settlement-delivery that occured on 20 September 2019, Inventiva's share capital amounts to €265,321.76 divided into 26,532,176 shares. The New Shares are fungible with the existing shares of the Company and are admitted to trading on the regulated market of Euronext Paris

4. Persons responsible

4.1. Person responsible for the Interim Financial Report

Frédéric Cren

Chairman and CEO of Inventiva S.A.

4.2. Declaration by the person responsible for the Interim Financial Report

I hereby declare that, to the best of my knowledge, (i) the condensed financial statements for the prior half year have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and results of the Company, and (ii) that the Interim Financial Report provides a true and fair view of the significant events that occurred during the first six months of the year and their impact on the financial statements, the principal transactions between related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.

September 25th, 2019

Frédéric Cren
Chairman and CEO

4.3. Person responsible for financial information

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