PRESS RELEASE

2018 HALF-YEAR RESULTS: CASH POSITION AT END OF PERIOD AT €238M AND SIGNIFICANT ADVANCES IN THE CLINICAL DEVELOPMENT OF ELAFIBRANOR

› Completion of enrollment of approx. 1000-patient study cohort for Phase 3 RESOLVE-IT study, on the basis of which conditional marketing approval for elafibranor in NASH could be obtained in 2020. Interim data readout expected by end of 2019.

› Completion of patient enrollment for Phase 2 study evaluating elafibranor in PBC. Top-line data readout expected end of 2018.

› Agreement by FDA on the Pediatric Study Plan for elafibranor with a view to launching a NASH pediatric clinical trial in the United States.

› Half year results reflect these advances.

Lille (France), Cambridge (Massachusetts, United States), September 24, 2018 – GENFIT (Euronext: GNFT - ISIN: FR0004163111), a biopharmaceutical group at the forefront of developing therapeutic and diagnostic solutions in metabolic and inflammatory diseases, that notably affect the liver or the gastrointestinal system, today announces its 2018 half year financial results. It's 2018 half year business and financial report was made available to the public and filed with the Autorité des marchés financiers ("AMF") today. A summary of the consolidated financial statements is included in this press release. The 2018 half-year consolidated financial statements are available on the "Investors" page of the GENFIT website.

Jean-François Mouney, Chairman & CEO of GENFIT, commented:

"Our half-year results mainly reflect the significant efforts and advances made in the elafibranor clinical development program.

Firstly in NASH, with the enrollment of the last patient of the 1000-patient study cohort that will serve as the basis for conditional marketing approval which could be obtained for elafibranor in 2020. We are eagerly awaiting the top line interim data of the trial that are expected for end 2019.

Enrollment of the Phase 2 trial evaluating elafibranor in PBC was also completed two months ago, which should allow us to obtain top line data by the end of this year.

This first half of year also saw FDA agreement on the Pediatric Study Plan for elafibranor, allowing us to launch a pediatric clinical trial in NASH in the United-States in the upcoming weeks.

With respect to the other programs, we are focusing our efforts in the upcoming months on in reaching an agreement with an industrial player that will accelerate the development of our new NASH in vitro diagnostic tool that we would like to develop with a partner. We're also expect to launch a phase 2a trial in the United States to evaluate nitazoxanide in patients with NASH with advanced fibrosis.

The expected clinical results could lead to the deployment of our medium-term strategy aimed at progressively transforming GENFIT into a biopharmaceutical company specialized in liver diseases of metabolic origin and hepatobiliary diseases, generating revenue from total or partial transfer of the

marketing rights to its products, and from direct sales in given territories in indications such as NASH and PBC."

Main financial results:

Key aspects of the half-year 2018 results are:

- cash and cash equivalents of €238 million at June 30, 2018 (€273.8 million at December 31, 2017).

- Operating income of €5.1 million (€4.7 million at June 30, 2017), essentially from the Research Tax Credit, which amounted to €5 million for the first half 2018 (€4.5 million in the preceding half year) translating the increase in operating expenses relating to the progression of the R&D portfolio between both half-years.

- Operating expenses of €36.7 million (€27.1 million at June 30, 2017) of which 89% represented R&D expenses. The increase in operating expenses is due :
    - mainly, to the increase in contracted research and development expenses (from €14.3 million at June 30, 2017 to €22.7 million at June 30, 2018) resulting from the progress of the R&D program pipeline, of which the majority relate to expenses for the Phase 3 RESOLVE-IT study of elafibranor in NASH;
    - and to a lesser extent, an increase in personnel expenses (from €5.5 million excluding share-based payments on June 30, 2017 to €6 million excluding share-based payments) and other operating expenses (from €5.2 million at June 30, 2017 to €5.9 million at June 30, 2018) mainly related to the increase in communication expenses, payroll taxes and expenses related to maintenance of equipment at Company headquarters.

As a result of changes in revenues and expenses, the net loss amounted to €34.5 million at June 30, 2018 (€22.6 million at June 30, 2017). As a reminder, the net loss for the 2017 financial year was €58.6 million.

The following table summarizes the Consolidated Statement of Operations under IFRS for the first half 2018, with comparative figures for the first half 2017.

(in € thousands, except earnings per share data)	Half-year ended 2017/06/30	2018/06/30
Revenues and other income		
Revenue	65	64
Other income	4 645	5 057
Revenues and other income	4 710	5 122
Operating expenses and other operating income (expenses)		
Research & development expenses	(23 670)	(32 546)
General & administrative expenses	(3 448)	(4 091)
Other operating income	(2)	0
Other operating expenses	36	(40)
Operating loss	(22 374)	(31 555)
Financial revenue	341	331
Financial expenses	(555)	(3 149)
Financial loss	(214)	(2 818)
Income tax	(26)	(140)
Net loss	**(22 615)**	**(34 512)**
Attributable to owners of the Company	(22 615)	(34 512)
Attributable to non-controlling interests	0	0
Basic / diluted loss per share attributable to shareholders of Genfit		
Basic earnings per share (€/share)	(0.73)	(1.11)

The summary IFRS consolidated financial statements at June 30, 2018 as well as the management discussion of the results, are presented in the appendix at the end of this document. The full consolidated financial statements as well as statutory auditors' report on the consolidated financial statements are included in appendices of the Half Year Report at June 30, 2018 and available on the "Investors" page of the GENFIT website.

Key events of the first half 2018 and main post closing event

- ***Elafibranor development program in NASH***

NASH, for Non Alcoholic Steato Hepatitis, is a liver disease that associates a buildup of fat in the liver, inflammation and degeneration of liver cells. The disease is associated with a high risk of progression to cirrhosis, a condition consistent with impaired liver function, leading to liver failure and liver cancer.

RESOLVE-IT Phase 3 study in NASH

Enrollment of patients in the RESOLVE-IT Phase 3 of elafibranor in NASH study progressed actively during the course of the first half 2018, taking care to ensure enrollment quality in order to produce the most statistically robust clinical trial and ensure that patient stratification ratios remain as close as possible to the medical reality. Thus, during the half year and based on its past experience, the Company paid close attention to the following factors:

- Ethnically-balanced enrollment, even if the diversity sought creates administrative delays, in particular in certain countries in South America;
- Balance between the two arms of the study in each study center, leading to the selection of those centers which are able to mobilize a sufficiently large number of potentially eligible patients;
- Balance within the randomized patient population (gender, disease severity) and among geographical regions of enrollment.

With these precautions and despite the need, in this context, to open more clinical research centers, the Company was able to announce in April the enrollment of the first ~1000 patients participating in the first phase of the trial serving as the foundation for conditional marketing approval which could be granted in 2020.

End April, the Company also announced the results of the 24 month review of the Data Safety Monitoring Board (DSMB), based on tolerability and safety data. The DSMB issued a positive recommendation for the continuation of the RESOLVE-IT Phase 3 trial in NASH without any modifications.

Pediatric Program

In January 2018, the Company announced the official launch of the pediatric program of elafibranor in NASH following the FDA's (Food and Drug Administration) agreement of the Pediatric Study Plan (PSP) for launching the pediatric clinical trial of elafibranor in NASH in the United States.

This FDA agreement is in line with the agreement already obtained previously on the pediatric investigation plan (PIP) by the EMA (European Medicines Agency).

Progress in the disease awareness program in NASH

In 2017, the Company launched a disease awareness initiative through the endowment fund it founded, The NASH Education Program™, confirming its leadership in this therapeutic area, and sparked an unprecedented wave of interest in the French media. This initiative is crucial in the context of enrollment for a little known and asymptomatic pathology like NASH.

Welcomed by a growing number of specialists in the sector, the endowment fund's initiatives were extended to other countries in the first half of 2018 with the organization of the first International NASH Day.

This inaugural event, which saw support from other commercial companies and large learned societies and international patient associations, contributed significantly to spreading awareness of the disease internationally. Events (conferences, screenings, street events, ...) were organized in more than 20 countries, awareness programs broadcast on a Web TV dedicated to the International NASH Day in six languages and benefitted from important international media coverage.

Opportunities in combination therapy

To address the multifactoral nature of the disease and the multiple co-morbidities that NASH patients face, the Company continued to evaluate, over the course of the first half of the year, the therapeutic potential of the following combinations with elafibranor:

- compounds from other GENFIT programs,
- the most advanced compounds in the current NASH clinical landscape.

The goal is to treat the largest number of NASH patients, and if possible, using reduced dosages of the drugs to be combined with elafibranor.

New preclinical data in the development of NAFLD / NASH-related cancers

In June 2018, the Company announced new preclinical results indicating that elafibranor has anti-tumor development activity in the context of NAFLD/NASH-induced hepatocellular carcinoma (HCC).

This provides further evidence of elafibranor's potential as a pivotal treatment for combination therapy, adding to its ability to resolve NASH without aggravating fibrosis and contributing to cardiovascular protection, reducing the risk of developing HCC.

- ***Elafibranor development program in Primary Biliary Cholangitis (PBC)***

PBC, for Primary Biliary Cholangitis, is a rare autoimmune disease characterized by the progressive destruction of the intrahepatic bile ducts that may lead to cirrhosis or liver failure.

Recruitment of patients with an inadequate response to ursodeoxycholic acid for the phase 2a study to evaluate the efficacy and safety of elafibranor in PBC continued actively throughout the first half of the year.

As of the date of this report, the Company has announced that the last of the 45 patients to be enrolled in this trial have been recruited and that a number of patients have already completed their 12-week treatment.

This phase 2a trial is being carried out as follows:

- 3 arms: elafibranor 80mg, 120mg, placebo
- 45 patients (15 patients per arm)
- 12 weeks treatment
- International, multicenter study in the U.S. and in Europe

The primary objective is to determine the effect of daily oral administration of elafibranor on serum alkaline phosphatase (ALP) in these patients, based on relative change from baseline to end of treatment compared to placebo.

Secondary endpoints will include:

- ALP < 1.67 × upper limit of normal (ULN) and total bilirubin within normal limit and > 15% decrease in ALP
- Paris, Toronto, UK PBC scores
- Pruritus and QoL (Quality of Life)
- Safety of elafibranor in a PBC population

The preliminary study results should be available, subject to meeting the Company's estimated timelines for their analysis, at the end of 2018.

- ***Diagnostic biomarker program in NASH (BMGFT03)***

At the 2017 International Liver Congress organized by EASL, the Company presented the latest advances in its biomarker program and development opportunities for a non-invasive in-vitro diagnostic (IVD) test in NASH.

The Company presented new data on:

- Identification of a simplified diagnostic score to identify NASH patients and monitor their disease evolution;
- new advances in research in miRNAs with diagnostic value.

These new, innovative miRNAs were identified by analyzing samples of over 500 NAFLD patients from different cohorts, including those from the RESOLVE-IT Phase 3 study.

The scoring method is the result of identifying a new algorithm based on a smaller number of variables, generating a powerful score with good performance based on AUROC (Area Under the Receiver Operating Curve), sensitivity, specificity, NPV (Negative Predictive Value) and PPV (Positive Predictive Value).

The two presentations confirmed the potential of the approach developed by the Company and its ability to provide an IVD solution based on a blood test which is non-invasive, easy to use, and at lower cost and thus able to be widely available compared with other existing approaches or those in development. Although these other approaches, such as imaging and elastography, are complementary, they nevertheless require greater investment in equipment and training and would not, in any case, be able to replace a widely available point-of-care IVD tool.

Other results announced in 2017 confirmed the diagnostic potential of circulating microRNAs and the relevance of GENFIT's signature to identify patients with active NASH (NAS≥4) and significant fibrosis (F≥2):

- in the GOLDEN-505 cohort (the cohort from the phase 2b trial of elafibranor in NASH) and in a cohort of obese patients
- and a previously described signature (NIS 4) combining miR-34a, alpha-2 macroglobulin, HbA1c and YKL-40 has a significantly better diagnostic performance than other main scores described in scientific literature, when tested in both GOLDEN-Diag and RESOLVE-IT cohorts.

This data allowed the Company to finalize the feasibility stage of the program and begin the development phase which is in progress as of the date of this report, and which is expected to draw on the experience of an industrial partner.

As part of the industrial phase for the development of a new In Vitro Diagnostic (IVD) test, GENFIT intends to partner with a major diagnostic company with particular expertise in microRNA application to IVD, which would also include the development of the test within IVD regulatory requirements, as well as the manufacturing of the kits.

- ***Repurposing of nitazoxanide in fibrosis (TGFTX4 program)***

In the context of the TGFTX4 program, the Company has identified several potential drug candidates that show a strong anti-fibrotic activity in both cell-based assays and in vivo disease models.

These results were obtained either by the therapeutic repurposing of compounds approved in another indication – allowing the Company to potentially shorten development time – or by a more classical hit-to-lead optimization of the Company's proprietary compounds using a phenotypic screening approach in TGF beta-activated human hepatic stellate cells.

Nitazoxanide, an antiparasitic drug with proven safety, was the subject of such repositioning studies seeking to repurpose it as a potent antifibrotic agent with efficacy demonstrated in two disease models of liver fibrosis, as presented at the 2017 International Liver Congress organized by EASL.

On this basis, it is expected that a Phase 2a trial will be initiated in the United States to evaluate nitazoxanide in NASH with advanced fibrosis.

- ***TGFTX1 program (RORgt)***

As part of ambitious efforts to diversify and expand its development pipeline in the treatment of autoimmune, inflammatory and fibrotic diseases, the Company has conducted significant work over the last four years in the design and optimization of several novel RORgt (nuclear receptor) inverse agonists.

The Company has recently launched pre-IND studies for a topically delivered treatment in mild to moderate psoriasis vulgaris and is evaluating the opportunity to forge a partnership with a company with an established dermatology franchise for both topically and orally administered drugs, to move certain of them forward.

A research program is also underway at the date of this report to validate the benefit of proprietary molecules that inhibit the activity of the RORgt nuclear receptor identified in certain respiratory diseases. Here again, the Company is evaluating the possibilities of establishing a partnership with a specialist in these diseases in order to pursue development in this direction.

Human Resources/Governance

At the end of May, the Company announced the appointment of Pascal Prigent as Executive Vice President, Marketing and Commercial Development. Pascal Prigent brings to the Company a rich experience of more than 20 years in the pharmaceutical industry (Eli Lilly, GSK) on three continents (Europe, North America, Latin America).

At the date of this report, Mr. Pascal Prigent is a member of the Company's Executive Committee, made up of the following people:

- Chairman: Jean-François Mouney, Chairman and Chief Executive Officer of the Company;

- Dean Hum, Chief Operating Officer and Chief Scientific Officer;

- Nathalie Huitorel, Chief Financial Officer;

- Laurent Lannoo, Secretary General and Head of Legal Affairs;

- Jean-Christophe Marcoux, Chief Strategy Officer;

- Sophie Mégnien, Chief Medical Officer;

- Pascal Prigent, Executive Vice President, Marketing and Commercial Development.

Main upcoming events:

GENFIT is taking part in numerous scientific and investor events. The schedule is available in the "Media-Events" tab of the GENFIT website.

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APPENDICES

GENFIT

Half-year Consolidated

Financial Results

At June 30, 2018

The Statements of Financial Position, Statements of Operations and Statements of Cash Flow of the Group were prepared in accordance International Financial Reporting Standards (IFRS).

The limited review procedures on the consolidated financial statements have been performed. The half year consolidated financial statements for the period ended June 30, 2018 were approved by Board of Directors on September 21, 2018.

The full consolidated financial statements as well as the notes to the consolidated financial statements for the period ended June 30, 2018 and the statutory auditor's report on the consolidated financial statements are included in appendices of the Half Year Report at June 30, 2018 and available on the "Investors" page of the GENFIT website.

Consolidated Statement of Financial Position

ASSETS	As of	
(in € thousands)	2017/12/31	2018/06/30
Non-current assets		
Intangible assets	636	636
Property, plant & equipment	6 324	6 931
Non current trade & others receivables	1 921	1 921
Other non-current financial assets	729	729
Total - Non-current assets	9 611	10 217
Current assets		
Inventories	4	4
Current trade & others receivables	7 955	12 890
Other current financial assets	31	28
Other current assets	1 761	2 483
Cash & cash equivalents	273 820	238 010
Total - Current assets	283 572	253 416
Total - Assets	**293 183**	**263 633**

EQUITY & LIABILITIES	As of	
(in € thousands)	2017/12/31	2018/06/30
Shareholders' equity		
Share capital	7 792	7 792
Share premium	257 580	257 851
Retained earnings	(102 531)	(161 134)
Currency translation adjustment	(8)	0
Net loss	(58 604)	(34 512)
Total shareholders' equity - Group share	104 229	69 996
Non-controlling interests	0	0
Total - Shareholders' equity	104 229	69 996
Non-current liabilities		
Non current convertible loans	153 611	153 499
Other non-current loans & borrowings	6 978	7 190
Non-current deferred income and revenue	2	1
Non-current employee benefits	936	979
Deferred tax liabilities	321	433
Total - Non-current liabilities	161 848	162 103
Current liabilities		
Current convertible loans	1 329	1 313
Other current loans & borrowings	1 834	1 952
Current trade & other payables	23 580	28 039
Current deferred income and revenue	1	2
Current provisions	361	229
Total - Current liabilities	27 106	31 534
Total - Equity & liabilities	**293 183**	**263 633**

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Statement of Operations

(in € thousands, except earnings per share data)	Half-year ended 2017/06/30	2018/06/30
Revenues and other income		
Revenue	65	64
Other income	4 645	5 057
Revenues and other income	4 710	5 122
Operating expenses and other operating income (expenses)		
Research & development expenses	(23 670)	(32 546)
General & administrative expenses	(3 448)	(4 091)
Other operating income	(2)	0
Other operating expenses	36	(40)
Operating loss	(22 374)	(31 555)
Financial revenue	341	331
Financial expenses	(555)	(3 149)
Financial loss	(214)	(2 818)
Income tax	(26)	(140)
Net loss	**(22 615)**	**(34 512)**
Attributable to owners of the Company	(22 615)	(34 512)
Attributable to non-controlling interests	0	0
Basic / diluted loss per share attributable to shareholders of Genfit		
Basic earnings per share (€/share)	(0.73)	(1.11)

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Statement of Cash Flows

(in € thousands)	Year ended 31/12/2017	Half-year ended 30/06/2018
Cash flows from operating activities		
+ Net loss	(58 604)	(34 512)
+ Non-controlling interets	0	0
Reconciliation of net loss and of the cash used for operating activities		
Adjustments for:		
+ Amortization	1 226	832
+ Depreciation & impairment charges	186	(25)
+ Expenses related to share-based compensation	278	271
- Gain / (loss) on disposal of property, plant & equipment	8	(2)
+ Net finance expenses / (revenue)	1 368	3 046
+ Income tax expense	384	140
+ Other non-cash items	17	1
Operating cash flows before change in working capital	(55 137)	(30 250)
Change in:		
Decrease (+) / increase (-) in inventories	10	(0)
Decrease (+) / increase (-) in trade receivables & other assets	(2 106)	(5 657)
Decrease (-) / increase (+) in trade payables & other liabilities	7 377	4 360
Change in working capital	5 281	(1 297)
Income tax paid	0	0
Net cash flows provided by (used in) operating activities	**(49 856)**	**(31 547)**
Cash flows from investment activities		
- Acquisition of property, plant & equipment	(2 800)	(983)
+ Proceeds from disposal of property, plant & equipment	15	0
- Acquisition of financial instruments	(163)	(48)
+ Proceeds from sale of financial instruments	0	0
- Acquisition of subsidiary, net of cash acquired	0	0
Net cash flows provided by (used in) investment activities	**(2 948)**	**(1 031)**
Cash flows from financing activities		
+ Proceeds from issue of share capital (net)	19 960	0
+ Proceeds from subscription / exercise of share warrants	37	0
+ Proceeds from new loans & borrowings	157 377	775
- Repayments of loans & borrowings	(1 655)	(961)
- Financial interests paid (including finance lease)	(1 372)	(3 046)
Net cash flows provided by (used in) financing activities	**174 348**	**(3 232)**
Increase / (decrease) in cash & cash equivalents	**121 544**	**(35 810)**
Cash & cash equivalents at the beginning of the period	**152 277**	**273 820**
Cash & cash equivalents at the end of the period	**273 820**	**238 010**

Discussion of the 2018 half year results

1 - Comments on the statement of consolidated net income for the periods ended June 30, 2017 and June 30, 2018

(i) Revenue and other income

The Company's revenue and other income results, in particular, from the research tax credit, its revenues, government grants and other operating income.

Revenue and other income	Half-year ended	
(in € thousands)	2017/06/30	2018/06/30
Revenues	65	64
Government grants	21	0
Research tax credit	4 533	4 981
Other operating income	91	76
Total	**4 710**	**5 122**

Revenue and other income amounts to € 5,122 thousand at June 30, 2018 compared to €4,710 thousand for the same period in the previous year representing an increase of 8.7%.

Revenues were stable at €64 thousand at June 30, 2018 compared with €65 thousand for the same period in the previous half year.

Revenues and other income are mainly made up of the Research Tax Credit, government grants and other operating income, and amounted to €5,057 thousand in the first half 2018 compared to €4,645 thousand in the first half 2017, or an increase of 8.9%. This increase is mainly due to the Research Tax Credit which amounted to €4,981 thousand at June 30, 2018 compared to €4,533 thousand at June 30, 2017, due mainly to the increase in research and development expenses over the two periods in particular as a result of progress of the RESOLVE-IT Phase III clinical study (see in particular, (ii) "operating expenses and other operating income by destination" below).

(ii) Operating expenses and other operating income by destination

The tables below breaks down operating expenses by destination mainly into research and development expenses on the one hand, and general and administrative expenses on the other, for the half years ended June 30, 2017 and 2018.

Operating expenses and other operating income (expenses) (in € thousands)	Half-year ended 2017/06/30	Of which:					
		Raw materials & consumables used	Contracted research & development activities conducted by third parties	Employee expenses	Other expenses (maintenance, fees, travel, taxes…)	Depreciation amortization, & impairment charges	Gain / (loss) on disposal of property, plant & equipment
Research & development expenses	(23 670)	(1 351)	(14 329)	(3 984)	(3 545)	(461)	(0)
General & administrative expenses	(3 448)	(66)	(4)	(1 664)	(1 681)	(34)	0
Other operating income	(2)	0	0	0	0	0	(2)
Other operating expenses	36	0	0	0	36	0	0
TOTAL	**(27 084)**	**(1 416)**	**(14 333)**	**(5 648)**	**(5 190)**	**(495)**	**(2)**

Operating expenses and other operating income (expenses) (in € thousands)	Half-year ended 2018/06/30	Of which:					
		Raw materials & consumables used	Contracted research & development activities conducted by third parties	Employee expenses	Other expenses (maintenance, fees, travel, taxes…)	Depreciation amortization, & impairment charges	Gain / (loss) on disposal of property, plant & equipment
Research & development expenses	(32 546)	(922)	(22 745)	(4 599)	(3 499)	(781)	(1)
General & administrative expenses	(4 091)	(70)	(2)	(1 712)	(2 383)	74	2
Other operating income	0	0	0	0	0	0	0
Other operating expenses	(40)	0	0	0	(40)	0	0
TOTAL	**(36 677)**	**(992)**	**(22 747)**	**(6 311)**	**(5 921)**	**(707)**	**2**

Operating expenses in the first half 2018 amounted to €36,677 thousand compared to €27,084 thousand in first half 2017, or a 35.4% increase. They include, in particular:

- **research and development expenses**, which include the wages and salaries paid to the research staff (€4,599 thousand at June 30, 2018 compared to €3,984 thousand at June 30, 2017), the cost of consumables and operational outsourcing (particularly clinical and pharmaceutical expenses representing €23,667 thousand at June 30, 2018 compared to €15,680 thousand at June 30, 2017) and expenses related to intellectual property. These research and development expenses amounted to €32,546 thousand at June 30, 2018 compared to €23,670 thousand at June 30, 2017, or 89% and 87% of operating expenses, respectively.

  The first half 2018 was marked, in comparison to the first half 2017, by the increase in operational outsourcing costs related to the Phase III RESOLVE-IT study. Other programs also generated operational outsourcing costs in the first half 2018 and first half 2017 but these amounts were less significant compared to those related to those relating to the development of elafibranor in NASH because they are in an earlier stage of R&D.

  Changes in personnel expenses for personnel assigned to research is mainly due to the evolution of the type of employee profiles, increases in compensation and increases in intellectual property expenses.

- **General and administrative expenses**, which include the costs of personnel not assigned to research (€1,712 thousand at June 30, 2018 compared to €1,664 thousand at June 30, 2017), and administrative and commercial costs.

  These general and administrative expenses amounted to €4,091 thousand in the first half 2018 compared with €3,448 thousand in the first half 2017, or 11% and 13% of operating expenses and other operating income, respectively.

  Changes in general and administrative expenses are mainly related to increase in communication expenses, payroll taxes and expenses related to maintenance of equipment at Company headquarters.

(iii) Operating expenses and other operating income by type

Broken down by type instead of by destination, operating expenses mainly included the following:

Contracted research and development activities conducted by third parties

Contracted research and development expenses conducted by third parties amounted to €22,747 thousand in the first half 2018 compared to €14,333 thousand in the first half 2017, corresponding to a 58.7% increase, which is mainly due to the progress of the Phase III study of elafibranor in NASH

Employee expenses

Employee expenses	Half-year ended	
(in € thousands)	2017/06/30	2018/06/30
Wages and salaries	(3 985)	(4 387)
Social security costs	(1 503)	(1 617)
Pension costs	(31)	(36)
Share-based compensation	(129)	(271)
TOTAL	**(5 648)**	**(6 311)**

Employee expenses excluding share-based compensation amounted to €6,040 thousand in the first half 2018 compared to €5,519 thousand in the first half 2017, or a 9.4% increase, mainly due to changes in employee profiles, increases in compensation and an increase in the average number of employees between the two periods (130 vs 124).

The amount recognized as share-based compensation (BSA, BSAAR, SO and AGA) free of any impact on cash flow increased from €129 thousand in the first half 2017 to €271 thousand in the first half 2018 The expenses recorded in the first half of 2018 relate to the SO and AGA plans put in place in December 2016, and to the BSA, SO and AGA plans put in place in 2017. The share of expenses related to the first half of 2017 related to SO and AGA plans put in place in December 2016. For further information, please refer to Note 6.19 of the Notes to the Consolidated Financial Statements included as appendices of the Half Year Report at June 30, 2018 and available on the "Investors" page on the GENFIT website.

Other expenses

Other expenses amount to €5,921 thousand in the first half 2018 compared to €5,190 thousand in the first half 2017. They include, in particular:

- "fees," which include legal, audit, and accounting, the fees of various advisors (press relations, investor relations, communication, IT), external service providers (guard, security, reception and clinical trial management, IT), as well as the fees of some of its scientific advisers. This amount also includes intellectual property expenditures corresponding the fees incurred by the Company in connection with the registration and protection of its patents;
- expenses related to the rental, use, and maintenance of Group offices;
- donations to GENFIT's endowment fund, "The NASH Education Program",
- expenses related to business travel and conferences mainly for employees as well as the costs of participation in scientific, medical, financial, and business development conferences.

These changes are mainly related to the increase in communication expenses, payroll taxes and expenses related to maintenance of equipment at Company headquarters.

Financial income

Financial income amounted to a loss of €2,828 thousand at June 30, 2018 compared to financial loss of €214 thousand in the first half 2017.

This change is mainly due to interest payments related to the convertible bond (OCEANE) issued in October 2017.

(i) Net income (loss)

The first half 2018 resulted in a net loss of €34,512 thousand compared to a net loss of €22,615 thousand in the first half 2017. The net loss for the 2017 fiscal year amounted to €58,604 thousand.

2- Comments on the statement of financial position at June 30, 2018

At June 30, 2018, the total amount of the Group's Statement of Financial Position amounts to €263,633 thousand compared to €293,183 thousand as of December 31, 2017.

At June 30, 2018, the Group's cash, cash equivalents and other financial assets amount to €238,767 thousand, compared to €274,581 thousand as of December 31, 2017.

(i) Non current assets

Non-current assets, which include trade and other receivables, goodwill and intangible, tangible, and financial assets, increase from €9,611 thousand as of December 31, 2017 to €10,217 thousand at June 30, 2018. This increase is mainly due to investments made in the first half 2018 (medical and IT equipment for clinical trials and renovations and scientific equipment for the laboratories).

(ii) Current assets

Current assets amount to €253,416 thousand at June 30, 2018 compared to €283,572 thousand as of December 31, 2017.

Cash and cash equivalents went from €273,820 thousand at December 31, 2017 to €238,010 thousand at June 30, 2018, or a decrease of 13.1%. This is mainly placed in low risk, highly-liquid short term placements.

The variation of trade and other receivables is justified mainly by the accounting of the amount estimated amount of the research tax credit for the first half 2018. Further information regarding the nature of these receivables is provided in note 6.7 of the Notes to the 2018 half year consolidated financial statements included in appendices of the Half Year Report at June 30, 2018 and available on the "Investors" page of the GENFIT website (see also chapter 8 of the Half Year Report at June 30, 2018 available on the "Investors" page of the GENFIT website).

The variation of trade and other receivables corresponds to the increase in expenses recognized in advance related to current operating expenses. This increase follows the increase in operating expenses in the first half 2018.

(iii) Shareholders' equity

As of June 30, 2018, the amount of the Group's shareholders' equity totaled €69,996 thousand compared to €104,229 thousand as of December 31, 2017.

The change in the Company's shareholders' equity is mainly due to the recognition of the half year loss reflecting the Company's efforts in research and development, carrying out pre-clinical studies, and clinical studies related to elafibranor.

The Notes to the 2018 half year consolidated financial statements included herein, as well as the Table of Changes in Shareholders' Equity established under IFRS and included in appendices of the Half Year Report at June 30, 2018 available on the "Investors" page of the GENFIT website provide details on the change in the Company's share capital and the Group's shareholders' equity, respectively.

(iv) Non current liabilities

This mainly concerns the following liabilities reaching maturity in more than one year:

- The convertible bond (OCEANE) issued in October 2017;
- conditional advances granted to GENFIT SA by Bpifrance for the purpose of financing the research programs detailed in Note 6.12.2.1 "Refundable and Conditional Advances" of the notes to the 2018 half year consolidated financial statements included in appendices of the Half Year Report at June 30, 2018 available on the "Investors" page of the GENFIT website ; and
- bank loans (for further detail, please refer to section note 6.12.2.2 "Bank loans" of the notes to the 2018 half year consolidated financial statements included in appendices of the Half Year Report at June 30, 2018 available on the "Investors" page of the GENFIT website).

(v) Current liabilities

Trade & other payables - Current	As of	
(in € thousands)	2017/12/31	2018/06/30
Trade payables	19 053	24 851
Social security costs payables	4 217	2 756
Employee profit sharing	17	17
VAT payables	19	11
Taxes payables	241	381
Other payables	34	23
TOTAL	**23 580**	**28 039**

This balance sheet item mainly includes the portion of the advances made to GENFIT SA by Bpifrance reaching maturity in less than one year, bank loans and trade and social security payables. The change in current liabilities is mainly due to the increase in operational subcontracting expenses. See also note 6.13 of the notes to the consolidated financial statements and included in appendices of the Half Year Report at June 30, 2018 available on the "Investors" page of the GENFIT website.

PRESS RELEASE

ABOUT ELAFIBRANOR

Elafibranor is GENFIT's lead pipeline product. Elafibranor is an oral once-daily treatment, and a first-in-class drug acting via dual peroxisome proliferator-activated alpha/delta pathways developed to treat, in particular, nonalcoholic steatohepatitis (NASH). Elafibranor is believed to address multiple facets of NASH, including inflammation, insulin sensitivity, lipid/metabolic profile, and liver markers.

ABOUT NASH

"NASH", or nonalcoholic steatohepatitis, is a liver disease characterized by an accumulation of fat (lipid droplets), along with inflammation and degeneration of hepatocytes. The disease is associated with long term risk of progression to cirrhosis, a state where liver function is diminished, leading to liver insufficiency, and also progression to liver cancer.

ABOUT PBC

"PBC", or Primary Biliary Cholangitis, is a chronic disease in which bile ducts in the liver are gradually destroyed. The damage to bile ducts can inhibit the liver's ability to rid the body of toxins, and can lead to scarring of liver tissue known as cirrhosis.

ABOUT GENFIT

GENFIT is a biopharmaceutical company focused on the discovery and development of drug candidates in areas of high unmet medical needs corresponding to a lack of suitable treatment and an increasing number of patients worldwide. GENFIT's R&D efforts are focused on bringing new medicines to market for patients with metabolic, inflammatory, autoimmune and fibrotic diseases, that affect the liver (such as NASH – Nonalcoholic steatohepatitis) and more generally the gastro-intestinal arena. GENFIT's approach combines novel treatments and biomarkers. Its lead proprietary compound, elafibranor, is currently in a Phase 3 study. With facilities in Lille and Paris, France, and Cambridge, MA (USA), the Company has approximately 130 employees. GENFIT is a public company listed in compartment B of Euronext's regulated market in Paris (Euronext: GNFT - ISIN: FR0004163111). www.genfit.com

FORWARD LOOKING STATEMENT / DISCLAIMER

This press release contains certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking statements. These risks and uncertainties include among other things, the uncertainties inherent in research and development, including related to biomarkers, progression of, and results of clinical data from, the RESOLVE-IT trial and the trial of elafibranor in PBC, review and approvals by regulatory authorities, such as the FDA or the EMA, regarding in particular, elafibranor in NASH and PBC, as well as other drug candidates in other indications and biomarkers candidates, the success of any inlicensing strategies, the Company's continued ability to raise capital to fund its development, as well as those discussed or identified in the Company's public filings with the AMF, including those listed under Section 4 "Main Risks and Uncertainties" of the Company's 2016 Registration Document registered with the French Autorité des marchés financiers on April 27, 2018 under n° R.18-032, as updated by the 2018 Half Year Business

and Financial Report which is available on GENFIT's website (www.genfit.com) and on the website of the AMF (www.amf-france.org). Other than as required by applicable law, the Company does not undertake any obligation to update or revise any forward-looking information or statements.

This press release and the information contained herein do not constitute an offer to sell or a solicitation of an offer to buy or subscribe to shares in GENFIT in any country. This press release has been prepared in both French and English. In the event of any differences between the two texts, the French language version shall supersede.

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