A limited company with a board of directors (*société anonyme à conseil d'administration*)
with a share capital of Swiss francs 732,905.90
Registered office: 3 chemin du Pré-Fleuri – 1228 Plan-Les-Ouates – Geneva – Switzerland
CHE-112.754.833 Commercial register (*Registre du commerce*) of Geneva

HALF-YEAR FINANCIAL REPORT

AT JUNE 30, 2019

CONTENTS

GENERAL REMARKS

Definitions

In this half-year financial report, and unless otherwise indicated:

- The "Company", or "GeNeuro", refers to the company GeNeuro SA, whose registered office is located at 3, chemin du Pré-Fleuri - CH-1228 Plan-les-Ouates - Geneva – Switzerland and which is registered in the Commercial register (*Registre du commerce)* of Geneva under number CHE-112.754.833.

- The "Group" refers to GeNeuro SA and its subsidiaries, GeNeuro Innovation SAS and GeNeuro Australia Pty Ltd;

- "Financial report" refers to this half-year financial report at June 30, 2019;

- "Reference Document" refers to the 2018 reference document registered with the French Financial Markets Authority (*Autorité des marchés financiers)* on April 29, 2019 under number R.19-017.

GENEURO

GeNeuro's mission is to develop safe and effective treatments against neurological disorders and autoimmune diseases, such as multiple sclerosis or type 1 diabetes, by neutralizing causal factors encoded by human endogenous retroviruses ("HERV"), which represent 8% of the human DNA. This represents a novel therapeutic approach pioneered by GeNeuro since 2006, based on 15 years of R&D at Institut Mérieux and INSERM.

GeNeuro's lead therapeutic candidate, temelimab (also known as GNbAC1), is a humanized monoclonal antibody that neutralizes a pathogenic HERV protein of the W family called pHERV-W env (previously called MSRV env) that has been identified as a potential key factor in the onset and development of autoimmune diseases such as MS and T1D.

Based in Geneva, Switzerland and with an R&D facility in Lyon, France, GeNeuro has 24 employees. It holds the rights to 17 patent families that protect its technology.

1. CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

1.1 Person responsible for the half-year financial report

Jesús MARTIN-GARCIA, Chief Executive Officer

1.2 Certification of the person responsible

(Art. 222-3 - 4° of the AMF General Regulations)

"I certify that, to the best of my knowledge, the condensed consolidated interim financial statements have been prepared in accordance with applicable accounting standards and give a fair view of assets, financial position and result of the Company and all companies included in the scope of consolidation, and the half-year business report provides an accurate picture of the significant events during the first six months of the financial year, of their impact on the half-year financial statements, of the major transactions with related parties as well as a description of the main risks and uncertainties for the remaining six months of the financial year".

Plan-les-Ouates, September 27, 2019

Jesús MARTIN-GARCIA, Chief Executive Officer

2. BUSINESS REPORT AT JUNE 30, 2019

2.1 Significant events in the first half of 2019

The Company continues its constructive discussions on partnering its lead product, temelimab, to tackle the key unmet medical need of disease progression in MS, as a single agent and/or combined with existing anti-inflammatory MS drugs.

On June 3, 2019, GeNeuro announced it had fully drawn down the €7.5 million credit facility with its shareholder GNEH SAS, a subsidiary of Institut Mérieux. This ensured that GeNeuro would have the maximum resources and flexibility for ongoing business activities, and that it had solid financial visibility until mid-2020 covering all planned activities.

On May 7, 2019, the Company announced that the six-month extension of its Phase IIa study of temelimab in T1D confirmed all previously-observed positive observations in the trial, meeting its primary objective. GeNeuro believes these data open the door to further development in early-onset T1D pediatric patient population

On March 12, 2019, the Company announced positive results from the ANGEL-MS study of its lead product, temelimab (GNbAC1), in MS. The ANGEL-MS data confirmed that treatment with temelimab for 2 years (96 weeks) had a continued, positive impact on key MRI measures of disease progression in multiple sclerosis patients, confirming and extending the data reported at Week 48 in the CHANGE-MS Phase 2b study. This includes reductions in brain atrophy, particularly in the cortex and thalamus, and maintenance in myelin integrity, as measured by magnetization transfer ratio (MTR) imaging. Importantly, for the first time, encouraging dose-dependent effects were seen on clinical measures of disease progression. This has been evidenced by a lower proportion of patients with 12-week confirmed EDSS progression or with 20% worsening in 25-foot timed walk.

On January 21, 2019, GeNeuro announced positive safety and tolerability results from a Phase 1 study assessing the administration of high doses of temelimab (GNbAC1) to treat MS and other auto-immune diseases. These results suggest that higher dose regimens or a front-loading could be evaluated in a future next clinical study of temelimab in MS and other potential therapeutic indications.

2.2 Activities and result of the Group

Research and development

Key aspects of the Company's R&D activities are summarized above under "Significant events in the first half of 2019".

Additionally, in June 2019 GeNeuro announced that data supporting the mode of action of its lead product (temelimab) in treating MS was published in the Proceedings of the National Academy of Sciences (PNAS). Temelimab is a monoclonal antibody designed to neutralize a pathogenic, viral envelope protein, pHERV-W Env, which plays a causal role in the development of MS.

The PNAS paper, entitled "pHERV-W envelope protein fuels microglial cell-dependent damage of myelinated axons in multiple sclerosis", demonstrates that axonal injury in MS can be significantly driven by pHERV-W Env through activation of microglia and this contributes to neurodegeneration, particularly in progressive forms of MS. In addition to the already published data demonstrating that pHERV-W Env may directly inhibit remyelination, these data provide additional neurobiological rationale for the results from recently completed CHANGE-MS and ANGEL-MS Phase 2b trials. In these studies, performed in patients with relapsing remitting MS, temelimab showed consistent neuroprotective effects on MRI measures known to be associated with disability progression in MS, through neutralization of pHERV-W Env.

Results

2.2.1 Income

The Group recognized no income during the first half of 2019, compared with K€ 7,348 during the same period in the previous year. The income recognized in 2018 derived from the Collaboration and Development Agreement with Servier, which expired in the second half of 2018.

2.2.2 Research and development expenses

Research and development expenses of the Group decreased 65% compared with the first half of 2018, from K€ 8,585 to K€ 3,026. This sharp decrease was due primarily to the completion of the Group's main trial, CHANGE-MS, during the first half of 2018. The costs of the ANGEL-MS extension trial, representing K€ 1,895 during the first half of 2019 vs. K€ 3,955 during the first half of 2018, are fully recharged to Servier and do not impact GeNeuro's income statement or cash position. R&D personnel expenses decreased from K€ 1,804 to K€ 1,165, reflecting the reduction in GeNeuro's clinical development team due to the completion of the CHANGE-MS study in 2018 and of the ANGEL-MS study in early 2019. In addition, a charge of K€ 11 was recorded during 1H 2019 for share-based payments, compared to K€ 131 during the first half of 2018.

As a result of the reduced R&D activities in Australia, where the T1D and pharmacology studies were being conducted, and were completed during 1H 2019, subsidies decreased from K€ 1,094 during the first half of 2018 to K€ 491 in the first half of 2019, primarily owing to the reduction in Australian research tax credits.

2.2.3 General and administrative expenses

General and administrative expenses decreased from K€ 2,319 in the first half of 2018 to K€ 1,796 during the same period of 2019. This was primarily due to the continued decrease in G&A payroll expense of K€ 138, resulting from the lower variable compensation, as well as the decrease in professional expenses of K€ 131. Other administrative expenses remained essentially stable from the previous year, taking into account that due to the implementation of IFRS 16 as of January 1, 2019, the reduction in rental expenses of K€76 is partially offset by an increase in depreciation and amortization charges of K€ 64. Compared to the charge for share-based payments of K€ 197 recorded in the first half of 2018, a credit of K€ 6 was recorded in the first half of 2019 due to the final determination of one of the Company's equity-based incentive plans – see note 11.2 to the interim financial statements.

2.2.4 Operating loss

Despite the cost containement and lower R&D expenses, the Company's operating loss increased from K€ 2,429 in the first half of 2018 to K€ 4,319 in the first six months of 2019 due to the absence of income recognition in this period.

2.2.5 Cash and liquid investments

Cash and liquid investments amounted to K€ 9,992 at June 30, 2019 compared with K€ 8,961 at December 31, 2018. The increase of the cash position is due to the full drawdown of the K€ 7,500 credit facility from the Company's shareholder, GNEH SAS, offset by the negative cash flows from operating activities of K€ 6,167 (down substantially from the negative cash flows of K€ 9,223 in the same period of 2018).

2.3 Progress and outlook

Given its current cash position and based on plans approved by its Board of Directors, the Company expects to be able to cover its cash outflows at least until September 30, 2020 on the assumption that the loan from its

shareholder will be either converted into equity or its reimbursement postponed to a later date. GeNeuro's planned activities include the pre-clinical development of its new antibody in ALS and the continued constructive discussions on partnering its lead product, temelimab, to tackle the key unmet medical need of disease progression in MS, as a single agent and/or combined with existing anti-inflammatory MS drugs.

2.4 Significant events since the end of the half-year

None.

2.5 Risk factors and transactions with related parties

2.5.1 Risk factors

The risk factors are consistent with those set out in chapter 4, "Risk factors", of the Reference Document of the Company registered on April 29, 2019 and have not changed significantly.

2.5.2 Transactions with related parties

The transactions with related parties are consistent with those set out in Chapter 19 « Transactions with related parties » of the Reference Document of the Company registered on April 29, 2019. As disclosed above, the Company has now fully drawn down the K€ 7,500 credit facility provided in December 2018 by its shareholder GNEH SAS, which matures on June 30, 2020.

3. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS STANDARDS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2019

Condensed Consolidated Statement of Financial Position

GENEURO (in thousands of EUR)	Notes	06/30/2019	12/31/2018
ASSETS			
Intangible assets		1,159	1,163
Property, plant and equipment	3	813	101
Non-current financial assets	4	302	340
Non-current receivables	5	265	-
Total non-current assets		**2,539**	**1,604**
Other current assets	5	1,698	3,453
Current financial assets	4	-	34
Cash and cash equivalents		9,992	8,961
Total current assets		**11,690**	**12,448**
Total Assets		**14,229**	**14,052**
LIABILITIES AND EQUITY			
Equity			
Capital	6	615	615
Additional paid-in capital		53,706	53,706
Cumulative translation adjustments		331	323
Accumulated other comprehensive loss		(1,164)	(1,106)
Accumulated deficit attributable to owners of the parent		(52,486)	(47,983)
Equity attributable to owners of the parent		**1,002**	**5,555**
Total equity		**1,002**	**5,555**
Non-current liabilities			
Employee benefit obligations		1,947	1,796
Non-current financial liabilities	8.1	632	186
Other non-current liabilities	8.2	6	132
Non-current liabilities		**2,585**	**2,114**
Current liabilities			
Current financial liabilities	8.1	7,824	34
Trade payables	9.1	1,931	5,435
Other current liabilities	9.2	887	914
Current liabilities		**10,642**	**6,383**
Total Liabilities and Equity		**14,229**	**14,052**

Condensed Consolidated Income Statement

GENEURO (in thousands of EUR)	Notes	06/30/2019 6 months	06/30/2018 6 months
Income	10	-	7,348
Research and development expenses			
Research and development expenses	11.1	(3,026)	(8,585)
Subsidies	11.1	491	1,094
General and administrative expenses	11.2	(1,796)	(2,319)
Other income	10	12	33
Operating loss		**(4,319)**	**(2,429)**
Financial income	12	5	111
Financial expenses	12	(155)	(19)
Financial income (expenses), net		**(150)**	**92**
Pre-tax loss		**(4,469)**	**(2,337)**
Net loss for the period		**(4,469)**	**(2,337)**
		06/30/2019	**06/30/2018**
Basic loss per share (EUR/share)	13	**(0.31)**	**(0.16)**
Diluted loss per share (EUR/share)	13	**(0.31)**	**(0.16)**

Condensed Consolidated Statement of Comprehensive Income

GENEURO (in thousands of EUR)	Notes	06/30/2019 6 months	06/30/2018 6 months
Net loss for the period		**(4,469)**	**(2,337)**
Actuarial gains (losses) - employee benefits		(58)	94
Net other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods		**(58)**	**94**
Currency translation differences		8	28
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		**8**	**28**
Total other comprehensive income (loss)		**(50)**	**122**
Comprehensive loss		**(4,519)**	**(2,215)**
Attributable to owners of the parent company		*(4,519)*	*(2,215)*

Condensed Consolidated Changes in Net Equity

GENEURO	Notes	Capital Number of shares	Share Capital Ordinary shares at nominal value	Additional paid-in capital	Accumulated deficit and net loss attributable to owners of the parent	Cumulative translation adjustments	Other compre-hensive income (loss)	Shareholders' equity
			In thousands of EUR					
At December 31, 2017		*14,658,118*	**615**	**53,694**	**(40,182)**	**233**	**(1,303)**	**13,057**
Net loss June 30, 2018			-	-	(2,337)	-	-	(2,337)
Other comprehensive income			-	-	-	28	95	123
Comprehensive income (loss)			**-**	**-**	**(2,337)**	**28**	**95**	**(2,214)**
Share-based payments	6		-	-	328	-	-	328
Treasury shares			-	6	(84)	-	-	(78)
At June 30, 2018		*14,658,118*	**615**	**53,700**	**(42,275)**	**261**	**(1,208)**	**11,093**
At December 31, 2018		*14,658,118*	**615**	**53,706**	**(47,983)**	**323**	**(1,106)**	**5,555**
Net loss June 30, 2019			-	-	(4,469)	-	-	(4,469)
Other comprehensive income			-	-	-	8	(58)	(50)
Comprehensive income (loss)			**-**	**-**	**(4,469)**	**8**	**(58)**	**(4,519)**
Share-based payments	6		-	-	5	-	-	5
Treasury shares			-	-	(39)	-	-	(39)
At June 30, 2019		*14,658,118*	**615**	**53,706**	**(52,486)**	**331**	**(1,164)**	**1,002**

Condensed Consolidated Cash Flow Statement

GENEURO (in thousands of EUR)	Notes	06/30/2019 6 months	06/30/2018 6 months
Cash flow from operating activities			
Net loss for the period		**(4,469)**	**(2,337)**
Adjustments for:			
Amortization of intangible assets		4	8
Depreciation of property, plant and equipment	3	173	31
Change in provision for defined benefit obligation		68	346
Share-based payment expense	7	5	328
Financial income/(expense), net	12	140	(92)
Non-cash financial expense on advances		2	-
(Increase)/Decrease in Other non-current financial assets		4	(25)
Decrease in Other current financial assets	4	34	61
Increase in Other non-current receivables		(265)	(305)
(Increase)/Decrease in Other current assets	5	1,754	(724)
Increase/(Decrease) in Trade payables and related accounts	9	(3,501)	2,176
Increase/(Decrease) in Other non-current liabilities		(127)	23
Increase/(Decrease) in Other current liabilities	9	11	(1,479)
Decrease in Contract liability		-	(7,233)
Decrease in deposits from sub-rental		(34)	(1)
Cash outflow from operating activities		**(6,201)**	**(9,223)**
Cash flow from investing activities			
Acquisitions of intangible assets		-	(2)
Acquisitions of property, plant and equipment	3	(12)	(23)
Cash outflow from investing activities		**(12)**	**(25)**
Cash flow from financing activities			
Proceeds from borrowings	8	7,500	-
Interest paid on borrowings and lease liabilities	12	(108)	-
Principal elements of lease payments	8	(146)	-
Sale of treasury shares resulting from exercise of options		-	20
Cash flow from financing activities		**7,246**	**20**
Increase/(Decrease) in cash		**1,033**	**(9,228)**
Cash & cash equivalents - beginning of period		8,961	26,602
Impact of exchange rate fluctuations		(2)	(59)
Cash & cash equivalents - end of period		**9,992**	**17,315**

Notes to the Condensed Consolidated Interim Financial Statements

(Unless indicated otherwise, the amounts mentioned in these notes are in thousands of Euros)

Note 1: Activity

The following information constitutes the notes to the condensed consolidated interim financial statements and forms an integral part of the financial statements presented for the six months periods ended June 30, 2019 and 2018.

Incorporated on January 31, 2006, GeNeuro SA is a clinical-stage biopharmaceutical Swiss limited company (société anonyme) which develops therapies and companion-diagnostic tools. GeNeuro is focused on novel treatments for Central Nervous System and other auto-immune diseases linked to the expression of human endogenous retrovirus ("HERV"), with a first indication in multiple sclerosis ("MS"). GeNeuro's lead therapeutic candidate, temelimab (also known as GNbAC1), is a humanized monoclonal antibody that neutralizes a HERV protein called pHERV-W Env that has been identified in brain lesions of patients with MS and in the pancreas of type 1 diabetes ("T1D") patients and is thought to be a causal factor of these diseases.

The Company has been listed on the NYSE Euronext market in Paris since April 18, 2016.

The Company's registered office is located at 3, chemin du Pré-Fleuri - CH-1228 Plan-les-Ouates - Geneva – Switzerland. The Company has incorporated two subsidiaries: GeNeuro Innovation SAS, which was established in France in 2009, and GeNeuro Australia Pty Ltd, which was established in Australia in 2016.

Eclosion 2 & Cie SCPC, and GNEH SAS (a subsidiary of Institut Mérieux) were the main shareholders of the Company as at June 30, 2019 with a direct and indirect shareholding of 43%, and 34% respectively (unchanged since December 31, 2018).

GeNeuro is hereinafter referred to as "GeNeuro", the "Company" or the "Group".

Note 2: Accounting principles, rules and methods

2.1 Principles used in preparing the financial statements

Basis of preparation

GeNeuro has prepared its condensed consolidated interim financial statements, approved by the Board of Directors on September 27, 2019, in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as at the preparation date of the financial statements, for all the periods presented.

The condensed consolidated interim financial statements of GeNeuro have been prepared in accordance with the international accounting standard IAS 34 "Interim financial reporting".

The primary financial statements are presented in a format consistent with the consolidated financial statements presented in the 2018 annual financial report under IAS 1 Presentation of Financial Statements, but this interim financial report contains condensed financial statements, in that it does not include all of the notes that would be required in a complete set of financial statements. Thus this interim financial report must be read in conjunction with the consolidated financial statements for the year ended December 31, 2018.

New standards, updates and interpretations adopted by the Group

The new standards adopted by the Group comprise:

- IFRS 16 "Leases" (effective from January 1, 2019)

The impact on its financial statements from the first-time adoption of this new standard is disclosed below.

IFRS 16 was issued in January 2016 and replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two

recognition exemptions for lessees: leases of “low-value” assets (of less than USD 5 thousand) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee recognizes a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees are required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The change in presentation of operating lease expenses results in a corresponding increase in cash flows from operating activities and a decrease in cash flows from financing.

In applying the new standard, a lessee determines each lease’s term including any lessee’s extension or termination option that is deemed reasonably certain. The assessment of such options is performed as of the commencement of each lease and requires judgment by management. Measuring the lease liability at the present value of the remaining lease payments requires using an appropriate discount rate in accordance with IFRS 16. The discount rate is the interest rate implicit in the lease or, in the event it cannot be determined, the incremental borrowing rate at the date of the lease commencement. The incremental borrowing rate can have a significant impact on the net present value of the right-of use asset and lease liability recognized and requires judgement.

As per IFRS 16, lessees must remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee generally recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Transition to IFRS 16

The group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on 1 January 2019.

The related lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statements of financial position immediately before the date of initial application.

The Group applies the following practical expedients as allowed by IFRS 16:

- It applied a single discount rate to assets with similar characteristics;
- It elected to use the exemption proposed by the standard on lease contracts for which the lease terms end within 12 months as of the date of initial application; and
- It elected to exclude the low-value assets (with an individual value in USD of less than 5’000 when new).
- It excluded initial direct costs from the measurement of right-of-use assets at the date of initial application.
- It used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

This standard requires lessees to recognize, for all eligible leases, all remaining lease payments in the form of a:

- Right-of-use asset, under property, plant and equipment; and
- Lease liability, under financial liabilities.

The first-time application of IFRS 16 as of January 1, 2019 using the modified retrospective approach resulted in a K€ 873 increase in the Company's financial liabilities and an increase in property, plant and equipment for the same amount (see Note 8 and Note 3, respectively). The weighted average incremental borrowing rate applied by the Company to lease liabilities recognized in the consolidated financial statements as of January 1, 2019 was between 1.5% to 2% for property leases and 5% for the other leases.

The reconciliation between the lease liabilities accounted for as January 1, 2019 and the non-cancellable lease commitments disclosed as of December 31, 2018 is as follows:

Reconciliation between the lease liabilities accounted for as January 1, 2019 and the lease commitments disclosed as of December 31, 2018	
Commitments related to operating leases agreements as of December 31, 2018	**935.6**
Discount effect	(20.8)
Exemption: Leases with remaining lease term of less than 12 months	(8.0)
Reclassification of free rent	(41.2)
Variable lease payments not recognized	4.2
Not material operating lease commitments	3.4
Lease liabilities recognized at 1 January 2019	**873.1**

At December 31, 2018, the Company had estimated the impact of IFRS 16 adoption to its lease liabilities at K€ 914.3, compared to K€ 935.6 in actuality as above. The difference is primarily due to an incorrect duration used in the December 31, 2018, estimate for the property lease.

The table below presents the unaudited interim consolidated statements of loss as if IAS 17 was still applied, compared to the same statement after application of IFRS 16.

	6 months to 30 June 2019		
	Excluding IFRS 16	IFRS 16 impact	Published
Income	-		-
	-		
Research and development expenses	(2.2)	2.2	
Research and development expenses	(3,028.4)	2.2	(3,026.2)
Subsidies	490.8		490.8
General and administrative expenses	(1,797.4)	1.5	(1,795.9)
Other expenses	-		-
Other income	12.5	-	12.5
Operating loss	(4,322.5)	**3.7**	**(4,318.8)**
Financial expenses	(149.2)	(6.2)	(155.4)
Financial income	5.4		5.4
Financial expenses, net	(143.8)	**(6.2)**	**(150.0)**
Pre-tax loss	(4,466.3)	**(2.5)**	**(4,468.8)**
Income tax (expense) / income	-		
Net income (loss)	(4,466.3)	**(2.5)**	**(4,468.8)**

IFRS 16 also impacts the unaudited interim consolidated statements of cash flows for the six months ended June 30, 2019. Cash outflows related to leases are classified in “Cash flows used in financing activities”, instead of “cash flows used in operating activities” under the previous standard. The table below presents the unaudited interim consolidated statements of cash flows as if IAS 17 had still been applied, compared to the same statement after application of IFRS 16.

	Excluding IFRS 16	IFRS 16 impact	Published
Cash outflow from operating activities	(6,352.9)	152.0	(6,200.9)
Cash outflow from investing activities	(12.4)		(12.4)
Cash flow from financing activities	7,398.1	(152.0)	7,246.1
Increase in cash	1,032.8	-	1,032.8
Cash & cash equivalents - beginning of period	8,961.0		8,961.0
Impact of exchange rate fluctuations	(2.4)		(2.4)
Cash & cash equivalents - end of period	9,992.0		9,992.0
Increase in cash	1,033.4	-	1,033.4

Historical cost convention

The condensed consolidated interim financial statements have been prepared in accordance with the historical cost convention, except with respect to the financial instruments which are measured at fair value and the plan assets included in the calculation of the defined benefit pension plan liability, which are also measured at fair value.

Going concern

GeNeuro SA is a biopharmaceutical company at the clinical stage developing innovative therapeutics. The Company is exposed to risks and uncertainties inherent in establishing and developing a business that are common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations and the ability to secure additional financing to fund operations. Product candidates currently under development will require significant additional research and development efforts, including preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure and extensive compliance-reporting capabilities. Even if the Company's product development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

The Company's success may also depend on its ability to:

- establish and maintain strong patent position and protection;
- enter into collaborations with partners in the pharmaceutical industry;
- acquire and retain key personnel;
- acquire additional funding to support its operations.

The Company's financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business. Since its incorporation, the Company has primarily funded its growth through issuances of shares, including the capital increase conducted at the time of its initial public offering in 2016; additional funds provided by research collaborations and research tax credits (in France and Australia); and the Credit Facility provided by its shareholder GNEH SAS.

The Company expects that its operating losses and negative cash flows will continue for the foreseeable future. Given its current cash position and based on plans approved by its Board of Directors, the Company expects to be able to cover its cash outflows at least until September 30, 2020 on the assumption that the loan from its shareholder will be either converted into equity or its reimbursement postponed to a later date. Hence, the financial statements have been prepared on a going concern basis.

The future viability of the Company beyond that date is dependent on its ability to raise additional capital to finance its operations. The Company will seek additional funding through public financings, debt financings, collaboration agreements, strategic alliances and licensing arrangements. The Company may not be able to obtain financing on acceptable terms, or at all, and the Company may not be able to enter into collaborations or other

arrangements. The terms of any financing may adversely affect the holdings or the rights of the Company's stockholders. If the Company is unable to obtain funding, the Company could be required to delay, reduce or eliminate research and development programs, product portfolio expansion, or future commercialization efforts, which could adversely affect its business prospects.

Although management continues to pursue these plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

Liquidity risk management is assessed in Note 16.

Accounting policies

The accounting policies applied are consistent with those applied for the preparation of the annual financial statements as at December 31, 2018. Other than IFRS 16 discussed earlier, there are no new standards, amendments or interpretations mandatory from the beginning of the 2019 financial year that could have a significant impact on the financial statements of the Group.

2.2 Scope of consolidation

As of the date of the publication of these condensed consolidated interim financial statements, the Company has two subsidiaries:

- GeNeuro Innovation SAS, 100 % of the voting rights and interests held throughout the period.
- GeNeuro Australia Pty Ltd, 100 % of the voting rights and interests held.

2.3 Foreign currency translation

Group companies

Financial statements of Group companies whose functional currency is not the Euro were translated as follows:

- Statement of financial position items (excluding shareholders' equity) were translated at the closing rate of the end of the period;
- Income statement items were translated at the average rate for the period;
- Equity items were translated at the historical rate.

The exchange differences arising on translation for consolidation purposes are recognized in other comprehensive income.

The exchange rates used for the preparation of the condensed consolidated financial statements are as follows:

Exchange rate (AUD per EUR)	06/30/2019		12/31/2018		06/30/2018	
	Weighted average rate	Closing rate	Weighted average rate	Closing rate	Weighted average rate	Closing rate
Australian dollar (AUD)	1.6003	1.6244	1.5797	1.6220	1.5688	1.5787

Based on the exchange rates published by the Banque de France.

2.4 Use of judgments and estimates

To prepare the condensed consolidated interim financial statements, the main judgements and estimates made by the Company's management, as well as the main assumptions used, are consistent with those applied in preparing the annual consolidated financial statements as at December 31, 2018.

Note 3: Property, plan and equipment

PROPERTY, PLANT AND EQUIPMENT (Amounts in thousands of EUR)	Buildings (right of use)	Machinery and equipment	Fixtures and fittings	Office and computer equipment, furniture	Transport equipment	Total
GROSS VALUE						
Statement of financial position at December 31, 2018	**-**	**254.1**	**33.2**	**195.7**	**-**	**483.0**
Adjustment on transition to IFRS 16	853.1	-	-	4.1	16.0	873.2
Additions	-	12.4	-	-	-	12.4
Exchange effects	(0.3)	-	-	-	-	(0.3)
Statement of financial position at 30 June 2019	**852.8**	**266.5**	**33.2**	**199.8**	**16.0**	**1,368.3**
ACCUMULATED DEPRECIATION						
Statement of financial position at December 31, 2018	**-**	**224.5**	**11.0**	**146.8**	**-**	**382.3**
Increase	147.3	4.7	2.9	15.3	3.1	173.3
Statement of financial position at 30 June 2019	**147.3**	**229.2**	**13.9**	**162.1**	**3.1**	**555.6**
NET BOOK VALUE						
At December 31, 2018	**-**	**29.6**	**22.2**	**48.9**	**-**	**100.7**
At 30 June 2019	705.5	37.3	19.3	37.7	12.9	812.7

The increase in property, plant and equipment is essentially attributable to the impact of the application of the IFRS 16 standard. See also note 2.1.

Note 4: Financial assets

FINANCIAL ASSETS (Amounts in thousands of EUR)	06/30/2019	12/31/2018
Liquidity contract (see Note 6)	126.4	164.8
Deposits	175.3	175.1
Non-current financial assets	**301.7**	**339.9**
Deposits	-	34.1
Current financial assets	**-**	**34.1**

Non-current financial assets include the cash reserve related to the liquidity contract implemented following the initial public offering of the Company in April 2016 and a bank security deposit in connection with the leasehold of the Company's premises.

Current financial assets at December 31, 2018 included the restricted portion of cash that secured the lease of the Company's former premises; following the termination of this lease, the restriction was lifted and the cash is now included within cash and cash equivalents.

Note 5: Other current assets

OTHER CURRENT ASSETS (Amounts in thousands of EUR)	06/30/2019	12/31/2018
Research Tax Credits (1)	815.3	2,620.8
Value Added Tax	163.6	240.3
Prepaid expenses	300.8	379.2
Income tax	4.8	4.7
Advance payments (2)	189.1	104.5
Other	224.9	103.4
Total other current assets	**1,698.5**	**3,452.9**

(1) The amount of research tax credits of K€ 815 is composed of K€ 593 arising from French activities and K€ 222 from Australian activities.

The reimbursement of the French Research Tax Credit which the Group received for its activities in France during 2018 (K€ 593) took place in August 2019; the amount accrued at June 30, 2019 for activities in 2019, of K€ 265, is classified as "non-current receivables" as it is expected to be recovered during the second half of 2020.

The Australian tax credit includes only amounts earned by the Group for its activities in Australia during 2019; the amount relating to 2018, of K€ 1,325, was received during the first six months of 2019. The balance relating to 2019 is expected to be reimbursed within one year.

(2) The advance payments relate to advances made to suppliers and are primarily linked to the performance of the ANGEL-MS clinical trial; they are for the most part funded by an advance received from Servier (note 9.2).

Note 6: Capital

COMPOSITION OF SHARE CAPITAL (number of shares)	06/30/2019	12/31/2018
Common bearer shares	14,658,118	14,658,118
Total	**14,658,118**	**14,658,118**
Nominal value (in CHF)	0.05 CHF	0.05 CHF
Approximate nominal value (in EUR)	0.04 €	0.04 €

These shares exclude stock options that were granted to certain employees, board members and consultants and that have not yet been exercised.

Share capital

At June 30, 2019, the Company's share capital amounted to € 614,721 (CHF 732,905.90) and was divided into 14,658,118 common bearer shares with a nominal value of CHF 0.05. All shares are fully paid up.

Authorized capital

The authorized capital amounts to 7,329,059 bearer shares with a nominal value of CHF 0.05.

Conditional capital

The "part I" conditional capital amounts to 2,198,717 bearer shares with a nominal value of CHF 0.05 to be issued upon exercise of stock options granted to board members, employees and consultants as part of an incentive plan.

The “part II” conditional capital amounts to 5,130,341 bearer shares with a nominal value of CHF 0.05 to be issued upon exercise of option or conversion rights granted to shareholders or strategic partners of the Company, or in connection with the issuance by the Company or by another group company of bonds or any other financial instrument..

Liquidity contract

Following its initial public offering on the Euronext market in Paris, the Company signed a liquidity contract with the broker Gilbert Dupont in order to limit the intraday volatility of the share price.

For this purpose, the Company entrusted € 750,000 to this institution to enable it to purchase or sell the Company's shares. The part of the contract that is invested in the Company's treasury shares by this service provider is recognized as a deduction from the Company's consolidated shareholders' equity. As a result of this agreement, 76,734 treasury shares acquired by the liquidity contract are recognized as a deduction from shareholders’ equity as at June 30, 2019. Gains and losses from transactions on these shares are also recognized in shareholders' equity.

Dividends

The Company paid no dividends during the first half of either 2019 or 2018.

Note 7: Stock options and common shares granted as part of an incentive plan

There were no options issued or equity-incentive plan grants during the first half of 2019. Please refer to the annual report for the year ended December 31, 2018, incorporated in the Company’s registration document, for the detail of the outstanding plans. The Group has no legal or constructive obligation to repurchase or settle its outstanding options in cash.

Changes in the number of outstanding options

Number of options	Stock options 04/2010	PSOU Plan 06/2016	PSOU Plan 01/2017	PSOU Plan 02/2017	Stock options 02/2017- part 1	Stock options 02/2017- part 2	PSOU Plan 02/2018	Stock options 02/2018	Stock options 09/2018	Total
December 31, 2018	**106,000**	**602,335**	**36,400**	**15,000**	**39,500**	**7,500**	**18,500**	**22,500**	**158,540**	**1,006,275**
Issued	-	-	-	-	-	-	-	-	-	-
Exercised	-	-	-	-	-	-	-	-	-	-
Forfeited	-	-	-	-	(1,667)	(833)	-	(1,667)	(19,445)	(23,612)
June 30, 2019	**106,000**	**602,335**	**36,400**	**15,000**	**37,833**	**6,667**	**18,500**	**20,833**	**139,095**	**982,663**
Number of shares to be issued	**106,000**	**602,335**	**36,400**	**15,000**	**37,833**	**6,667**	**18,500**	**20,833**	**139,095**	**982,663**
Number of options vested as at June 30, 2019	**106,000**	**602,335**	**36,400**	**15,000**	**26,667**	**5,000**	**18,500**	**7,500**	**-**	**817,402**

Breakdown of charges recognized during the periods presented

(Amounts in thousands of EUR)	06/30/2019		
Grant date	**Accumulated expense at opening**	**Expense**	**Accumulated expense at 06/30/2019**
Shares granted to board members 11/2015	586.3	16.4	602.7
PSOUs 06/2016	1,445.3	-63.8	1,381.5
PSOUs 01/2017	59.8	14.2	74.0
PSOUs 02/2017	27.0	0.6	27.6
Stock options 02/2017- part 1	81.4	6.4	87.8
Stock options 02/2017- part 2	16.0	0.0	16.0
Stock options 02/2018	10.0	2.6	12.6
PSOUs 02/2018	3.0	-0.3	2.7
Stock options 09/2018	46.0	28.6	74.6
Total	**2,274.9**	**4.7**	**2,279.6**

(Amounts in thousands of EUR)	06/30/2018		
Grant date	Accumulated expense at opening	Expense of six months ended 06/30/2018	Accumulated expense at 06/30/2018
Shares granted to board members 11/2015	519.0	36.3	555.4
PSOUs 06/2016	961.3	241.0	1,202.3
PSOUs 01/2017	29.8	15.0	44.8
PSOUs 02/2017	13.0	7.0	20.0
Stock options 02/2017- part 1	51.8	18.3	70.1
Stock options 02/2017- part 2	10.0	4.0	14.0
Stock options 02/2018	0.0	5.0	5.0
PSOUs 02/2018	0.0	2.0	2.0
Total	**1,585.0**	**328.6**	**1,913.7**

Note 8: Current and non-current financial liabilities, other non-current liabilities

8.1 Financial liabilities

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES (Amounts in thousands of EUR)	06/30/2019	12/31/2018
Reimbursable advance	181.0	186.2
Lease liabilities	451.2	-
Non-current financial liabilities	**632.2**	**186.2**
Reimbursable advance	7.3	-
Loan from shareholder	7,500.0	-
Deposits	-	34.1
Lease liabilities	317.1	-
Current financial liabilities	**7,824.4**	**34.1**
Total financial liabilities	**8,456.6**	**220.3**

Non-current financial liabilities include the long-term portion of the lease liabilities pursuant to IFRS 16.

Current financial liabilities include the current portion of the lease liabilities and the K€ 7, 500 loan from GNEH SAS, one of the Company's main shareholders, which matures on June 30, 2020.

8.2 Other non-current liabilities

Other non-current liabilities decreased from K€ 132 at December 31, 2018 to K€ 6 at June 30, 2019, primarily as a result of the reversal of an accrual for social charges related to the incentive plan implemented in 2016. In Switzerland, profits realized by employees or directors from equity incentive plans established after 2012 are considered to be a "revenue from employment", and are thus subject to social charges. In 2016, following the establishement of the Company's Performance Share Option Plan for its executive management, social charges had been accrued on the assessed value of the PSOUs. Following the final determination in February 2019 of the number of options issued under the PSOU and due to the exercise price of the awarded options (€13 per share) being significantly above the current market price, these options are now considered to be unlikely to be exercised in the foreseeable future and consequently the accrual for social charges has been reversed at June 30, 2019,

representing a credit of K€ 129. The remaining other non-current liabilities represent the balance of social charges accrual on other equity incentives.

Note 9: Trade payables and other current liabilities

9.1 Trade payables

Trade payables are primarily related to expenses incurred by the Group as part of its clinical trials. The decrease at June 30, 2019, is due to the completion of the Company's clinical trials during that period.

9.2 Other current liabilities

OTHER CURRENT LIABILITIES (Amounts in thousands of EUR)	06/30/2019	12/31/2018
Personnel and related accounts	112.9	671.6
Social security and other social institutions	598.9	229.9
Other	13.2	13.0
Advances received from Servier - ANGEL-MS study	162.4	-
Total other current liabilities	**887.4**	**914.5**

Note 10: Income

INCOME (amounts in thousands of EUR)	06/30/2019 6 months	06/30/2018 6 months
Development Collaboration Agreement with Servier (1)	-	7,233.0
ANGEL-MS Study (2)	-	115.1
Total income	**-**	**7,348.1**

(1) <u>Development Collaboration agreement with Servier</u>

On November 28, 2014, GeNeuro signed a "Development Collaboration and Option for a License Agreement" (worldwide excluding the USA and Japan) with Servier, France, for its lead compound in the field of multiple sclerosis. This agreement was terminated in September 2018.

As part of this agreement, GeNeuro received in December 2014 an up-front payment of K€ 8,000 before withholding taxes of K€ 400. This upfront payment was recognized as income in the 2014 and 2015 income statements. On November 13, 2015, the Company received notification from Servier that it had exercised its option to fund the conduct of the Phase IIb clinical trial of GNbAC1 for an aggregate amount of € 29.5 million. In this context, GeNeuro received its first milestone payment of € 17.5 million (before withholding taxes of K€ 25) on December 28, 2015 and its second milestone payment of € 12 million on December 22, 2017.

The total amount of the Phase IIb milestone payments of € 29.5 million has been recognized in income over the Phase IIb study based on the performance of the Company's obligations towards Servier, as measured, until December 31, 2017, by the ratio between costs incurred and total estimated costs to completion. Accordingly, the Company recognized as income K€ 3,039 during the first half of 2017, with the remaining part recorded as deferred income to be recognized in subsequent periods. For the first half of 2018, however, given that Servier and GeNeuro agreed in June 2018 that the Company's obligations with respect to the milestone payment received in December 2015 and December 2017 were complete, the Company recognized as income during the first half of 2018 the balance of the milestone payments, i.e. K€ 7,233. Due to the full recognition of the milestone payments

received from Servier and the termination of the Development Collaboration and Option for a License Agreement, no income was recognized during 2019.

(2) ANGEL-MS study

In the case of the ANGEL-MS clinical trial, the Group acted as an agent for Servier. As a result, income derived from rebillings to Servier of the trial's costs (K€ 1,895 for the first half of 2019 and K€ 3,955 for the first half of 2018) is deducted from the research and development expenses. The Group has also recorded income of K€ 115 during the first half of 2018 relating to management fees for this study. No management fees were recorded during 2019 due to the completion of the trial.

Other income corresponds mainly to the extent of K€ 11 to rental income derived from the sub-leasing of the Group's former premises, under a lease contract that terminated in February 2019.

Note 11: Breakdown of expenses and income per function

11.1 Research and Development

RESEARCH AND DEVELOPMENT EXPENSES (Amounts in thousands of EUR)	06/30/2019 6 months	06/30/2018 6 months
Studies and research	(1,293.9)	(6,205.2)
Intellectual property	(254.1)	(182.5)
Travel, assignments, entertainment and marketing expenses	-	(6.3)
Raw materials and consumables	(14.4)	(28.0)
Rental expenses	(18.2)	(148.9)
Professional fees	(164.8)	(36.4)
Payroll expense	(1,164.6)	(1,804.3)
Amortization and depreciation	(102.4)	(27.8)
Share-based payment expense	(11.0)	(130.5)
Other	(2.8)	(15.0)
Research and Development Expenses	**(3,026.2)**	**(8,584.9)**
Research tax credits	490.8	1,094.1
Subsidies	**490.8**	**1,094.1**

The decrease in expenses for studies and research is primarily due to the completion during 2018 of the Company's main clinical trial, CHANGE-MS, and to the completion in the first six months of 2019 of the Company's other clinical trials. The completion of the Company's trials run in Australia also explains the decrease in research tax credits.

11.2 General and administrative expenses

GENERAL AND ADMINISTRATIVE EXPENSES (Amounts in thousands of EUR)	06/30/2019 6 months	06/30/2018 6 months
Travel and assignments expenses	(259.4)	(273.3)
Office expenses	(22.0)	(20.9)
Rental expenses	(14.3)	(89.5)
Professional fees	(538.4)	(669.1)
Payroll expense	(838.3)	(975.9)
Tax expense	(12.2)	(30.1)
Insurance expense	(16.5)	(14.0)
Postal and telecom expenses	(25.8)	(29.6)
Amortization and depreciation	(75.5)	(11.3)
Share-based payment income/(expense)	6.3	(197.2)
Other	0.2	(8.1)
General and administrative expenses	**(1,795.9)**	**(2,319.0)**

The final determination of the PSOU plan by the Board of Directors in February 2019, resulting in a reduction of the number of share options actually awarded, has led to a reversal in the share-based payment expense of K€ 6, compared to a charge of K€ 197 in the same period of the prior year.

Note 12: Financial income (expenses), net

FINANCIAL INCOME (EXPENSES), NET (Amounts in thousands of EUR)	06/30/2019 6 months	06/30/2018 6 months
Other financial income	5.4	6.7
Foreign exchange gains	-	104.4
Financial income	5.4	**111.1**
Interest expense related to the shareholder loan	(101.5)	
Other financial expenses	(8.6)	(19.0)
Foreign exchange losses	(45.3)	-
Financial expenses	**(155.4)**	**(19.0)**
Financial income (expenses), net	**(150.0)**	**92.1**

During 1H 2019, the Company incurred K€ 102 of interest expense in connection with the Credit Facility granted by GNEH SAS, all of which was paid during 1H 2019.

Note 13: Loss per share

BASIC LOSS PER SHARE	06/30/2019 6 months	06/30/2018 6 months
Weighted average number of shares outstanding	14,587,544	14,587,544
Number of potentially dilutive shares from exercise of options	106,000	106,000
Net loss for the period (in thousands of EUR)	**(4,469.0)**	(2,337.0)
Basic loss per share (EUR/share)	**(0.31)**	**(0.16)**
Diluted loss per share (EUR/share)	**(0.31)**	**(0.16)**

Note 14: Related parties

14.1 Compensation to members of the Board and Officers

The CEO of the Company is also a member of the Board of Directors.

Aggregate compensation of the Board of Directors and Officers was as follows (in K€):

COMPENSATION DUE TO MEMBERS OF THE BOARD AND OFFICERS	06/30/2019 6 months	06/30/2018 6 months
Fixed compensation	675.3	763.9
Variable compensation	102.8	232.0
Benefits in kind	9.9	18.4
Employer contribution to pension scheme and other social contributions	202.3	226.4
Share-based payments	0.0	294.0
Directors' fees	37.6	36.6
TOTAL	**1,027.9**	**1,571.4**

The Company has signed agreements with three members of its Board of Directors, of which two were concluded in 2015 and one in 2016. In accordance with these contracts and as compensation for services rendered, the Company has recorded fees of K€ 37 during the first half of 2018 and of K€ 38 during the first half of 2019, as indicated in the table above.

No post-employment benefits were granted to members of the Board of Directors and Officers, with the exception of the mandatory defined benefit scheme applicable for Swiss employees under the 2nd pillar of the Swiss social security system.

All compensation components have been fully paid, except for the directors' fees, which are paid in the second half of each year, the share-based payments compensation, which is not due to be settled in cash, and the variable compensation, which is settled in the subsequent period.

The variable components of compensation were allocated on the basis of pre-determined performance criteria.

14.2 Related party transaction with Servier

The Company signed the Development Collaboration and License Option Agreement with Servier, France for its lead compound in the field of multiple sclerosis, which was terminated in September 2018. Servier is a privately-owned French pharmaceutical company that is also a shareholder of GeNeuro SA. The key elements of the Servier Agreement are disclosed in Note 13.1 of the consolidated financial statements for the year ended December 31, 2018.

14.3 Related party transaction with GNEH SAS

In December 2018, the Company entered into a €7.5 million Credit Facility Agreement with one of its shareholders, GNEH SAS, itself a subsidiary of Institut Mérieux. Pursuant to this Credit Facility, the Company had the right to draw the amount of the amount in up to 4 instalments, until May 31, 2019. The Credit Facility was fully drawn at May 31, 2019 and remained fully outstanding at June 30, 2019. The Credit Facility Agreement provided for an availability fee of 1.30% to be paid to GNEH SAS on the undrawn portion of the Credit Facility. Amounts borrowed bear interest at a rate increasing progressively up to 12% p.a. until the facility's maturity of June 2020.

14.4 Related party transaction with bioMérieux

The Company signed an exclusive licensing contract with bioMérieux in 2006. BioMérieux is a French listed company, majority-owned by Institut Mérieux, which is the controlling shareholder of GNEH SA, itself an significant shareholder of GeNeuro SA. The key elements of the licensing contract (including the detail of the contingent liabilities resulting from the contract) are disclosed in Note 19.3 of the consolidated financial statements for the year ended December 31, 2018.

Note 15: Off-balance-sheet commitments

Pursuant to a Termination Agreement regarding the ANGEL-MS study entered into by and between the Company and Servier, the Company has the option to purchase from Servier the remainder of the temelimab product manufactured for Servier in connection with the ANGEL-MS study and belonging to Servier, for an amount of K€ 600, until December 31, 2020. Servier has no right to use the temelimab product in the event the Company decides not to exercise its option.

Note 16: Liquidity risk

Since its incorporation, the Company has primarily funded its growth through issuances of shares, including the capital increase conducted at the time of its initial public offering in 2016; additional funds provided by research collaborations and research tax credits (in France and Australia); and the Credit Facility provided by its shareholder GNEH SAS. The Company never had recourse to bank loans. There is no provision for early repayment of the GNEH SA Credit Facility other than if the Company secures financing under partnerships with third parties or in the event of a change in control. As a result, the Company is not exposed to liquidity risk through requests for early repayment of loans.

Significant R&D expenses have been incurred from the start of the Company's activities, generating negative cash flows from operating activities. Cash outflows from operating activities amounted to K€ 9,223 and K€ 6,201 for the six months ended June 30, 2018 and June 30, 2019, respectively.

As at June 30, 2019, the Company’s cash & cash equivalents and short-term deposits amounted to K€ 9,992.

As disclosed in Note 2, the Board of Directors believes that, given its cash position at June 30, 2019 and based on plans approved by the Board of Directors, the Company has sufficient financial resources to cover its operating costs for at least the next 12 months, on the assumption that the loan from its shareholder will be either converted into equity or its reimbursement postponed to a later date, and, as a result, is presenting the condensed consolidated interim financial statements of the Company on a going-concern basis.

The future viability of the Company beyond that date is dependent on its ability to raise additional capital to finance its operations. The Company will seek additional funding through public financings, debt financings, collaboration agreements, strategic alliances and licensing arrangements. The Company may not be able to obtain financing on acceptable terms, or at all, and the Company may not be able to enter into collaborations or other arrangements. The terms of any financing may adversely affect the holdings or the rights of the Company’s stockholders. If the Company is unable to obtain funding, the Company could be required to delay, reduce or eliminate research and development programs, product portfolio expansion, or future commercialization efforts, which could adversely affect its business prospects.

Although management continues to pursue these plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

Note 17: Post-balance sheet events

None.

GeNeuro SA

Plan-Les-Ouates

Review Report to the
Board of Directors on the

Interim consolidated financial statements
as of 30 June 2019

pwc

Report on the Review

of Interim consolidated financial statements to the Board of Directors of GeNeuro SA

Plan-Les-Ouates

Introduction

We have reviewed the accompanying interim consolidated financial statements (statement of financial position, income statement, statement of comprehensive income, changes in net equity, cash flow statement, and notes) of GeNeuro SA for the period ended 30 June 2019. The Board of Directors is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”. 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 Swiss Auditing Standards and International Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

Emphasis of Matter

We draw attention to notes 2.1, and 16 in the consolidated interim financial statements, which indicate that the Company expects to be able to cover its cash outflows at least until September 30, 2020 on the assumption that the loan from its shareholder will be either converted into equity or its reimbursement postponed to a later date. These conditions, along with other matters as set forth in notes 2.1, and 16, indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.

PricewaterhouseCoopers SA

Michael Foley Filippos Mintiloglitis

Genève, 30 September 2019

Enclosure:

Interim consolidated financial statements (statement of financial position, income statement, statement of comprehensive income, changes in net equity, cash flow statement, and notes)

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