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, 2017

FOR TRANSLATION PURPOSES ONLY

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 at 3, chemin du Pré-Fleuri - CH-1228 Plan-les-Ouates - Geneva – Switzerland, registered at 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, 2017;

- « Reference Document » refers to the 2016 reference document registered with the French Financial Markets Authority (*Autorité des marchés financiers)* on April 28, 2017 under number R.17-035.

About 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; a new frontier pioneered by GeNeuro since 2006 based on 15 years of R&D at Institut Mérieux and INSERM.

GeNeuro's first product, GNbAC1, is a monoclonal antibody that could represent a paradigm shift in the options for treating multiple sclerosis (“MS”) or type 1 diabetes. GNbAC1 is being developed in MS under a collaboration agreement with Servier that could generate, excluding royalties, over €360 million in revenue for GeNeuro, €37.5 million of which is to be allocated to financing the ongoing Phase 2b clinical trial in this disease.

GeNeuro is based in Geneva, Switzerland and has an R&D facility in Lyon. GeNeuro has 30 employees and rights to 16 patent families protecting 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 financial statements for the half-year 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 28, 2017

Jesús MARTIN-GARCIA, Chief Executive Officer

2. BUSINESS REPORT AT JUNE 30, 2017

2.1 Significant events in the first half of 2017

On January 3, 2017, GeNeuro announced it had completed patient enrollment in CHANGE-MS, a phase 2b clinical trial of its GNbAC1 lead product candidate in the remitting relapsing multiple sclerosis indication ("RRMS"), ahead of schedule. GNbAC1 is a monoclonal antibody designed to neutralize a pathogenic retroviral envelope protein (pHERV-W env, previously named "MSRV-Env"), encoded by a HERV-W family human endogenous retrovirus.

On February 7, 2017, GeNeuro announced the signing of a research agreement with the United States NIH to develop a novel antibody for the treatment of amyotrophic lateral sclerosis (ALS). The research will evaluate the ability of the GeNeuro-developed antibodies to neutralise a potential causal factor of ALS, the envelope protein of HERV-K (a family of Human Endogenous Retroviruses, HERVs).

In March 2017, GeNeuro organized the second international workshop on "HERVs and Disease" in Washington, DC, where experts from around the world gathered to discuss topics focusing on nervous system diseases.

On April 18, 2017, GeNeuro announced the initiation of a phase 2a clinical trial in Australia with GNbAC1 in patients with Type 1 diabetes. GeNeuro's extensive research on human endogenous retroviruses (HERVs) has suggested that there could be a causal role for pHERV-W env in Type 1 diabetes, where pHERV-W env has been found in the pancreas of over 50 percent of patients post-mortem. The placebo-controlled, randomized Phase 2a study will evaluate GNbAC1 in 60 recently diagnosed adults at over 10 centers in Australia. The primary endpoint will be safety in this new patient population, with secondary endpoints measuring the link between response and MSRV-Env biomarkers, measurement of insulin production based on C-peptide levels and other T1D-related biomarkers, such as insulin consumption, glycaemia and production of anti-beta cells antibodies. Last patient enrollment is expected by end 2017 and data from this study are expected during the third quarter 2018. On June 19, 2017, GeNeuro announced that the first patient was treated in this trial.

GeNeuro has also started in May 2017 a second clinical trial in multiple sclerosis, called ANGEL-MS. This extension study will offer to all patients having completed the CHANGE-MS clinical trial the possibility of continuing their treatment for an additional two years and will generate additional efficacy and tolerability data. ANGEL-MS is also fully financed by Servier.

Finally, in June 2017 GeNeuro has closed its secondary research site in Archamps, Haute-Savoie, France, to concentrate its research activities on its Lyon site.

2.2 Activities and result of the Company

Research and development

During the first semester, the Company completed patient enrolment of its European phase 2b clinical trial in the relapsing-remitting multiple sclerosis ("RRMS") indication. GNbAC1 is the first clinical stage therapeutic canditate that directly targets a potential cause of MS. It is a humanized monoclonal antibody that neutralizes pHERV-W env, a protein linked to both the inflammatory and the neurodegenerative components of the disease. The Company has also launched a new phase 2a clinical trial in Australia in the Type 1 diabetes indication and has treated the first patient in this study. Finally, GeNeuro in May 2017 initiated a second clinical trial in RRMS, called ANGEL-MS. This extension study will offer to all patients having completed the CHANGE-MS clinical trial the possibility of continuing their treatment for an additional two years.

Results

2.2.1 Income

The Company recognized K€ 3,279 of income during the first semester 2017, compared with K€ 3,434 during the same period in the previous year. This amount corresponds for K€ 3,039 to revenue recognized by the Company with respect to milestone payments received from Servier as part of its ongoing CHANGE-MS clinical trial program for GNbAC1; the decrease in income during the first half of 2017, compared to K€ 3,434 recorded in the first half of 2016, is due to the rapid progress of this phase 2b clinical trial (for more explanations, please refer to note 8 of the notes to the Company's consolidated half-yearly accounts). The balance derives primarily, for K€ 240, from management fees received from Servier to sponsor the ANGEL-MS clinical trial.

2.2.2 Research and development expenses

Research and development expenses of the Company increased significantly compared to the first half of 2016, from K€ 6,391 to K€ 9,444. Whilst the costs of the CHANGE-MS trial have decreased by K€ 210 compared to the same period of last year, to K€ 4,660 vs. K€ 4,870K during the first half of 2016, reflecting the advancement of this trial, the overall increase is primarily due on the one hand to the other trials and research programs underway (notably a study in Type 1 diabetes, the preparation of a trial in seconday progressive multiple sclerosis and the extension of the Company's research program), which increased by K€ 1,583; the ANGEL-MS costs, representing K€ 3,581 during the first half of 2017, are fully recharged to Servier and do not encumber GeNeuro's income statement or cash position. On the other hand, R&D personnel expenses grew from K € 1,245 to K€ 1,960 due to the strengthening of Geneuro's team and the closure costs of the Archamps secondary research site. A charge of K€ 140 was recorded during 1H 2017 for share-based payments, compared to K€ 97 during the first half of 2016, and costs of K€ 157 were incurred in connection with the HERVs and Disease international scientific workshop held in March 2017 in the United States.

Resulting from these increased R&D activities, subsidies grew from K€ 299 during the first half of 2016 to K€ 669 in the first half of 2017, primarily owing to the increase of French and Australian research tax credits.

2.2.3 General and administrative expenses

General and administrative expenses declined from K€ 3,217 in 1H2016 to K€ 2,508 during the same period of 2017. This decrease is primarily due to the K€ 1,764 of charges related to the Company's IPO on Euronext Paris that were recorded in the same period of the prior year, offset by an increase in administrative personnel expenses from K€ 779 to K€ 1,097 as a result of the expansion of the Company's management team required by its development and its new status of listed company. Fees increased from K€ 117 to K€ 551, notably due to K€ 245 of investor relations and listing expenses and K€ 110 of accounting and audit fees. A charge of K€ 237 was recorded during 1H 2017 for share-based payments, compared to K€ 273 during the first half of 2016.

2.2.4 Cash and liquid investments

Cash and liquid investments amounted to K€ 23,097 at June 30, 2017 compared with K€ 34,489 at December 31, 2016. The decrease of the cash position is mainly due to negative cash flows from operating activities of K€ 11,327.

2.3 Progress and outlook

GeNeuro's financial ressources allow it to continue the developpement of studies and clinical trials on its GNbAC1 product. During the second semester, the Company intends in particular to undertake the following actions:

- Present the first results at 6-months of its CHANGE-MS clinical trial in RRMS, including the analyses performed in addition to the primary endpoint, and continue this clinical trial until the last patient's last visit, expected at end December 2017 – the complete results at 12-months are expected during the first quarter of 2018;
- Finalize the enrollment of patients moving on from CHANGE-MS to ANGEL-MS;
- Finalize the patient enrolment for its new phase 2a clinical trial in Type 1 diabetes.

2.4 Significant events since the end of the half-year

On August 28, 2017, the Company announced the first results, at 6-months, of its CHANGE-MS study, which show that GNbAC1 is well tolerated but that there is no there is no statistical difference at 6-months between GNbAC1 and placebo in the study's primary endpoint. The Company is continuing to analyse data to better understand potential therapeutic benefits of GNbAC1 given its innovative mode of action, which could support the hypothesis that the therapeutic action is slower than with other existing treatments.

The six-month results of the CHANGE-MS Phase 2b study will be presented at MSParis2017, the 7th Joint ECTRIMS-ACTRIMS meeting held 25-28 October 2017, in Paris, France. The presentation will cover efficacy and safety data, and will include post-hoc analyses supporting the hypothesis of a delayed onset of action of GNbAC1 as well as target engagement in the central nervous system.

Given the 6-month results, the Company has deferred the launch of a new multiple sclerosis study in the US, a market for which GeNeuro has kept all rights, until the complete 12-month results, expected during the first quarter of 2018.

2.5 Risk factors and transactions with related parties

2.5.1 Risk factors

The risk factors are similar to those set out in chapter 4, "Risk factors", of the Reference Document of the Company registered on April 28, 2017, and have not changed significantly.

2.5.2 Transactions with related parties

The transactions with related parties are similar to those set out in Chapter 19 « Transactions with related parties » of the Reference Document of the Company registered on April 28, 2017.

3. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS STANDARDS FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2017

Consolidated Statement of Financial Position

GENEURO Consolidated Statement of Financial Position (in thousands of EUR)	Notes	06/30/2017	12/31/2016
ASSETS			
Intangible assets		1,129.7	1,101.3
Property, plant and equipment		150.5	153.7
Other non-current financial assets	3	471.2	591.2
Other non-current receivables	4	50.4	-
Total non-current assets		**1,801.8**	**1,846.2**
Other current receivables	4	2,894.0	1,445.2
Current financial assets	3	78.5	-
Cash and cash equivalents		23,096.7	34,489.4
Total current assets		**26,069.2**	**35,934.6**
Total Assets		**27,871.0**	**37,780.8**
LIABILITIES AND EQUITY			
Equity			
Capital	5	614.7	614.7
Additional paid-in capital		53,693.6	53,692.1
Cumulative translation adjustments		213.3	202.2
Other comprehensive income (loss)		(1,086.0)	(785.4)
Accumulated deficit attributable to owners of the parent		(34,774.6)	(20,952.0)
Net income (loss) attributable to owners of the parent		(7,981.9)	(14,103.3)
Equity attributable to owners of the parent		**10,679.1**	**18,668.3**
Total equity		**10,679.1**	**18,668.3**
Non-current liabilities			
Employee benefit obligations		1,353.9	1,062.2
Non-current financial liabilities		215.3	161.5
Other non-current liabilities		60.2	38.2
Non-current deferred income	7.3	5.8	5,295.4
Non-current liabilities		**1,635.2**	**6,557.3**
Current liabilities			
Current financial liabilities		-	21.8
Trade payables	7.1	3,851.5	3,031.6
Other current liabilities	7.2	4,916.4	4,970.3
Current deferred income	7.3	6,788.8	4,531.5
Current liabilities		**15,556.7**	**12,555.2**
Total Liabilities and Equity		**27,871.0**	**37,780.8**

Consolidated Income Statement

GENEURO Consolidated Income Statement (in thousands of EUR)	Notes	06/30/2017 6 months	06/30/2016 6 months restated
Income	8	3,278.6	3,434.4
Research and development expenses			
Research and development expenses	9.1	(9,444.3)	(6,391.2)
Subsidies	9.1	671.8	299.4
General and administrative expenses	9.2	(2,508.1)	(3,216.8)
Other income	8.1	38.2	-
Operating income (loss)		**(7,963.8)**	**(5,874.2)**
Financial income		0.1	17.1
Financial expenses		(18.2)	(45.3)
Financial income (expenses), net	10	**(18.1)**	**(28.2)**
Pre-tax profit (loss)		**(7,981.9)**	**(5,902.4)**
Income tax (expense) / income		-	(5.3)
Net income (loss) for the period		**(7,981.9)**	**(5,907.7)**
Attributable to owners of the parent company		*(7,981.9)*	*(5,907.7)*
		06/30/2017	06/30/2016
Basic earnings (losses) per share (EUR/share)	11	**(0.55)**	**(0.45)**
Diluted earnings (losses) per share (EUR/share)	11	**(0.55)**	**(0.45)**

Consolidated Statement of Comprehensive Income

GENEURO Consolidated Statement of Comprehensive income (in thousands of EUR)	Notes	06/30/2017 6 months	06/30/2016 6 months restated
Net income (loss) for the period		**(7,981.9)**	**(5,907.7)**
Actuarial gains (losses)		(300.6)	(41.2)
Tax effects		-	7.2
Net other comprehensive income (loss) not to be reclassified to profit or loss		**(300.6)**	**(34.0)**
Currency translation differences		11.1	-
Net other comprehensive income (loss) to be reclassified to profit or		**11.1**	**-**
Comprehensive income (loss)		**(8,271.4)**	**(5,941.7)**
Attributable to owners of the parent company		*(8,271.4)*	*(5,941.7)*

Consolidated Changes in Net Equity

GENEURO Consolidated Changes in Net Equity	Notes	Capital Number of shares	Capital Ordinary and prefered shares	Additional paid-in capital	Accumulated deficit and net income (loss) attributable to owners of the parent	Cumulative translation adjustments	Other comprehensive income (loss)	Shareholders' equity attributable to owners of the parent	Shareholders' equity
					In thousands of EUR				
At December 31, 2015		*6,059,809*	**497.7**	**22,855.1**	**(21,267.2)**	**202.2**	**(593.4)**	**1,694.4**	**1,694.4**
Net income (loss) June 30, 2016 (restated)			-	-	(5,907.7)	-	-	(5,907.7)	(5,907.7)
Other comprehensive income (loss)			-	-	-	-	(34.0)	(34.0)	(34.0)
Comprehensive income (loss)			**-**	**-**	**(5,907.7)**	**-**	**(34.0)**	**(5,941.7)**	**(5,941.7)**
Split of the nominal value		*6,059,809*	-	-	-	-	-	-	-
Shares issued		*2,538,500*	117.0	32,883.5	-	-	-	33,000.5	33,000.5
Share capital increase costs			-	(2,046.6)	-	-	-	(2,046.6)	(2,046.6)
Share-based payments			-	-	352.0	-	-	352.0	352.0
Treasury shares			-	-	(497.0)	-	-	(497.0)	(497.0)
At June 30, 2016 (restated)		*14,658,118*	**614.7**	**53,692.0**	**(27,319.9)**	**202.2**	**(627.4)**	**26,561.6**	**26,561.6**
At December 31, 2016		*14,658,118*	**614.7**	**53,692.1**	**(35,055.3)**	**202.2**	**(785.4)**	**18,668.3**	**18,668.3**
Net income (loss) June 30, 2017			-	-	(7,981.9)	-	-	(7,981.9)	(7,981.9)
Other comprehensive income (loss)			-	-	-	11.1	(300.6)	(289.5)	(289.5)
Comprehensive income (loss)			**-**	**-**	**(7,981.9)**	**11.1**	**(300.6)**	**(8,271.4)**	**(8,271.4)**
Share-based payments			-	-	354.1	-	-	354.1	354.1
Treasury shares			-	1.5	(73.4)	-	-	(71.9)	(71.9)
At June 30, 2017		*14,658,118*	**614.7**	**53,693.6**	**(42,756.5)**	**213.3**	**(1,086.0)**	**10,679.1**	**10,679.1**

Consolidated Cash Flow Statement

GENEURO Consolidated Cash Flow Statement (in thousands of EUR)	Notes	06/30/2017 6 months	06/30/2016 6 months restated
Cash flow from operating activities			
Net loss for the period		**(7,981.9)**	**(5,907.7)**
Deduction of amortization of intangible assets		4.4	2.0
Deduction of depreciation of property, plant and equipment		28.7	16.6
Provision for defined benefit obligation		13.5	(83.5)
Expenses linked to share-based payments		376.1	370.5
Income tax (expense) / income		-	5.3
Financial result		18.1	36.3
Unwinding of advances		(2.8)	-
Change in working capital requirements		**(3,782.6)**	**(1,278.2)**
Other non-current financial assets	*3*	46.1	*(52.9)*
Other current financial assets	*3*	(79.4)	-
Other non-current receivables	*4*	(50.4)	-
Other receivables	*4*	(1,447.6)	*(454.6)*
Trade payables and related accounts	*7.1*	837.0	*2,339.8*
Other current liabilities	*7.2*	(56.1)	*347.7*
Deferred income	*7.3*	(3,032.2)	*(3,458.2)*
Taxes paid		**-**	**(2.9)**
Cash flow from operating activities		**(11,326.5)**	**(6,841.6)**
Cash flow from investing activities			
Acquisitions of intangible assets		(32.8)	(907.1)
Acquisitions of property, plant and equipment		(25.5)	(16.3)
Investment in a liquidity contract		-	(750.0)
Acquisitions of treasury shares as part of the liquidity contract		1,657.9	854.8
Sales of treasury shares as part of the liquidity contract		(1,582.4)	(357.8)
Cash flow from investing activities		**17.2**	**(1,176.4)**
Cash flow from financing activities			
Capital increase		-	33,000.5
Share capital increase costs paid		-	(1,624.4)
Change in deposits from sub-rental		35.8	-
Acquisitions of treasury shares as part of the liquidity contract		(1,657.9)	(854.8)
Sales of treasury shares as part of the liquidity contract		1,586.1	357.8
Cash flow from financing activities		**(36.0)**	**30,879.1**
Increase (decrease) in cash		**(11,345.3)**	**22,861.1**
Cash & cash equivalents - beginning of period		34,489.4	18,557.3
Impact of exchange rate fluctuations		(47.4)	(19.5)
Cash & cash equivalents - end of period		23,096.7	41,398.9
Increase (decrease) in cash		**(11,345.3)**	**22,861.1**

Notes to the Condensed 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 half-year financial statements and forms an integral part of the financial statements presented for the six months period ended June 30, 2017 and 2016.

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, GNbAC1, is a humanized monoclonal antibody that neutralizes a HERV protein called pHERV-W Env that has been identified as a potentially central key factor fueling the inflammatory and neurodegenerative components of MS.

Further to the successful completion of a Phase 2A clinical study in multiple sclerosis with GNbAC1, the Company signed in November 2014 a "Development Collaboration and Option for a License Agreement" with Laboratoires Servier to continue the clinical development of GNbAC1 (see note 8) in MS.

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

The Company's registered office is at 3, chemin du Pré-Fleuri - CH-1228 Plan-les-Ouates - Geneva – Switzerland and it 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 is the main shareholder of the Company as at June 30, 2017 with a stake of 43.44%, unchanged since June 30, 2016.

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

Statement of compliance

GeNeuro has prepared its condensed half-year financial statements, approved by the Board of Directors on September 28, 2017, 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 half-year consolidated financial statements of GeNeuro have been prepared in accordance with the international accounting standard IAS 34 "Interim financial reporting".

As condensed financial statements, they do not include all information that would be required by the full IFRS standards for the preparation of the annual financial statements. They must be read in conjunction with the consolidated financial statements for the year ended December 31, 2016.

Principle used in preparing the financial statements

The condensed consolidated financial statements have been prepared in accordance with the historical cost principle, except with respect to the financial instruments which are measured at fair value.

Going concern

GeNeuro SA is a biopharmaceutical company at the clinical stage developing innovative therapeutics. The Company is exposed to all risks inherent in establishing and developing its business, including the substantial uncertainty that current projects will succeed.

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.

Given the exercise of the license option by Laboratoires Servier in December 2015, of the initial public offering of the Company in April 2016 and its current cash position, the Company will be able to cover its cash outflows at least until June 30, 2018. Hence, the financial statements have been prepared on a going concern basis.

Liquidity risk management is assessed in Note 14.

Accounting methods

The accounting methods applied are consistent with those applied for the preparation of the annual financial statements as at December 31, 2016. There are no new standards, amendments or interpretations mandatory from the beginning of the 2017 financial year and that may have a significant impact on the financial statements of the Group.

Restatement of half-yearly accounts at June 30, 2016

Pursuant to IAS 8, the accounts previously published for the first half of 2016 have been restated. The changes concern the accounting treatment for the milestone payment of K€ 907 made by the Company during the first semester of 2016 in conjunction with the bioMérieux licence, which, owing to the misinterpretation of its nature, had initially been reported as research and development expenses instead of being accounted for as intangible assets pursuant to IAS 38, as has been disclosed in the annual consolidated audited accounts at December 31, 2016.

Accordingly, the restated research and development expenses amount to K€ 6,391, instead of K€ 7,298 as initially presented. The restated net loss for the period is K€ 5,908 compared to K€ 6,815 in the condensed consolidated accounts at June 30, 2016, that were initially presented, and the restated per share result is -€0.45 vs. -€ 0.52.

As for the restated cash flow statement, the improvement of K€ 907 linked to cash flows from operating activities is integrally offset by a reduction in the same amount of the cash flow from investing activities.

2.2 Consolidation methods

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

- GeNeuro Innovation SAS, held at 100 % of the voting rights and interest throughout the period.

- GeNeuro Australia Pty Ltd, held at 100 % of the voting rights and interest. This company, established at the end of 2016, has been consolidated from January 1, 2017.

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 are recognized in other comprehensive income.

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

Exchange rate (per EUR)	06/30/2017		12/30/2016	
	Average rate	Closing rate	Average rate	Closing rate
Australian dollar (AUD)	1.4356	1.4851	n/a	n/a

Based on the exchange rates published by the Banque de France

2.4 Use of judgments and estimates

To prepare the condensed consolidated financial statements, the main judgements and estimates made by the Company's management as well as the main assumptions are consistent with those applied to prepare the annual financial statements as at December 31, 2016.

Note 3: Other financial assets

FINANCIAL ASSETS (Amounts in thousands of EUR)	06/30/2017	12/31/2016
Liquidity contract	284.6	360.2
Loans granted to employees	-	53.5
Deposits	186.6	177.5
Other non-current financial assets	**471.2**	**591.2**
Hedging instruments	25.9	
Loans granted to employees	52.6	
Current financial assets	**78.5**	**-**

Non-current financial assets include the cash reserve related to the liquidity contract implemented following the intial 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 june 30, 2017, comprise:

- A financial derivative consisting of currency (EUR vs. AUD) purchase and sale options implemented by the Company to cover its foreign exchange risk resulting from the costs of its Type 1 diabetes study being conducted in Australia. This derivative is assessed at the fair value by profit and loss and has generated a charge of K€ 7 during the first half of 2017.

- a loan granted to an employee with a maturity in June 2018.

Note 4: Other receivables

OTHER RECEIVABLES (Amounts in thousands of EUR)	06/30/2017	12/31/2016
Research Tax credit	50.4	-
Total other non current receivables	**50.4**	**-**
Research Tax credit (1)	1,125.6	518.8
Value Added Tax	267.4	136.5
Prepaid expenses	284.5	149.9
Advance payments	1,182.1	615.6
Income tax	4.7	4.8
Other	29.7	19.6
Total other current receivables	**2,894.0**	**1,445.2**

The reimbursement of the French Research Tax Credit, which the Group benefited from for its activities in France during the 2016 fiscal year (K€ 519), is expected during the second half of 2017. The Research Tax Credit for the activities undertaken during the first half of 2017 amounts to K€ 412. The Research tax Credit attributable to the activities undertaken in France thus amounts to K€ 931 at June 30, 2017.

Since January 1, 2017, the Group also benefits from research tax credits for its activities in Australia for the research of new treatments against Type 1 diabetes linked to endogenous retroviruses. This research tax credit scheme provides for a tax credit of 43.5% of admissible research expenses. The Research Tax Credit is thus assessed at K€245 at June 30, 2017, of which reimbursement of K€195 is expected whitin one year.

Note 5: Capital

COMPOSITION OF SHARE CAPITAL	06/30/2017	12/31/2016
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 €	

This number of shares excludes stock options granted to certain employees, board members and consultants that have not yet been exercized.

Share capital

At June 30, 2017, 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 includes 6,059,809 bearer shares with a nominal value of CHF 0.05.

Conditional capital

The "part I" conditional capital includes 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 has been created during this general meeting. It includes 2,198,717 bearer shares with a nominal value of CHF 0.05 to be issued upon exercise of option rights or conversion rights related to loans or similar debt instruments.

Liquidity contract

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

For this purpose, the Company entrusted € 750,000 to this institution in order that the latter can 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 at June 30, 2017. As part of this agreement, 33,678 treasury shares are recognized as a deduction from shareholders'equity as at June 30, 2017. Gains and losses from transactions on these shares are also recognized in shareholders' equity.

Dividends

The Company has paid no dividends during 2016 nor during the first semester 2017.

Note 6: Stock options and common shares granted as part of an incentive plan

Plan granted during the first semester 2017

The following table summarizes the assumptions adopted in the IFRS 2 valuation of the plans issued during the first semester of 2017:

Allocation date	Number of options issued / Shares granted with a restriction period	Exercise price	Exercise period	Vesting period	Volatility	Risk-free rate	Fair value at grant date per options / shares as per IFRS 2 (Black&Scholes)
Performance share option unit (PSOU) 01/2017	35,000	13.00 €	5 years*	3 years	53.6%	-0.86%	2.48
Performance share option unit (PSOU) 02/2017	15,000	13.00 €	5 years*	2 years	53.6%	-0.87%	1.74
Stock-options 02/2017-1	42,500	13.00 €	5 years	3 years	53.6%	-0.94%	2.50
Stock-options 02/2017-2	7,500	13.00 €	5 years	3 years	53.6%	-0.94%	2.35

**from the end of the vesting period*

Performance Share Option Units ("PSOU")

The Company granted Performance Share Option Units ("PSOU") during the first half of 2017, which enable the beneficiaries, under conditions of vesting and performance, to be awarded stock options. These options are vested over two or three years from the grant date and are also subject to performance conditions (other than market conditions). At the end of the vesting period and subject to the achievement level of the performance conditions, the number of stock options awarded varies between 0% and 125% of the initial grant. Stock options may then be exercized during five years after the end of the vesting period.

Share purchase options

The Company has granted Share purchase options in the framework of an equity incentive plan. The share purchase options vest by one third on the first anniversary of their grant date, and then by one sixth every six months thereafter. They may then be exercized during five years after the end of the vesting period.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Changes in the number of outstanding options

Number of options	Stock-options 04/2010	Stock-options 04/2013	PSOU Plan 06/2016	PSOU Plan 01/2017	PSOU Plan 02/2017	Stock-options 02/2017-1	Stock-options 02/2017-2	Total
12/31/2016	57,500	1,500	624,282	-	-	-	-	683,282
Issued	-	-	-	35,000	15,000	42,500	7,500	100,000
Exercised	(500)	-	-	-	-	-	-	(500)
Forfeited	-	-	-	-	-	-	-	-
06/30/2017	57,000	1,500	624,282	35,000	15,000	42,500	7,500	782,782
Number of shares to be issued	114,000	3,000	624,282	35,000	15,000	42,500	7,500	841,282
	(1)	(1)	(2)	(2)	(2)	(2)	(2)	

(1) Following the split of the nominal value decided by the general meeting on April 14, 2016, a stock-option previously granted to this date gives right to subscribe 2 shares.

(2) Being specified that PSOU are under vesting period.

Breakdown of charges recognized during the periods presented

(Amounts in thousands of EUR)		06/30/2017	
Grant date	Total expense at opening	Expense 06/30/2017	Total expense at 06/30/2017
C - Shares granted to board members 11/2015	391.4	70.4	461.8
Performance share option unit (PSOU) 06/2016	477.4	236.7	714.1
Performance share option unit (PSOU) 01/2017	-	14.4	14.4
Performance share option unit (PSOU) 02/2017	-	6.5	6.5
Stock-options 02/2017-1	-	22.0	22.0
Stock-options 02/2017-2	-	4.1	4.1
Total	**868.7**	**354.1**	**1,222.8**

(Amounts in thousands of EUR)		06/30/2017	
Grant date	Total expense at opening	Expense 06/30/2016	Total expense at 06/30/2016
C - Shares granted to board members 11/2015	164.2	120.8	284.9
Performance share option unit (PSOU) 06/2016	-	231.2	231.2
Total	**164.2**	**352.0**	**516.2**

Note 7: Other current liabilities and deferred income

7.1 Trade payables

The level of trade payables is consistent with the expenses incurred by the Company as part of the phase 2b study.

7.2 Other current liabilities

OTHER CURRENT LIABILITIES (Amounts in thousands of EUR)	06/30/2017	12/31/2016
Personnel and related accounts	832.0	636.9
Social security and other social organizations	320.8	374.2
Other	44.8	119.9
Advances received from Servier - ANGEL-MS study	3,718.8	3,839.3
Total other current liabilities	**4,916.4**	**4,970.3**

7.3 Deferred income

DEFERRED INCOME (Amounts in thousands of EUR)	06/30/2017	12/31/2016
Deferred income on Servier contract (2) - non-current	5.8	5,295.4
Total non-current deferred income	**5.8**	**5,295.4**
Deferred income on Servier contract (2) - current	6,782.5	4,531.5
Other deferred income	6.3	-
Total current deferred income	**6,788.8**	**4,531.5**

Note 8: Income

INCOME (amounts in thousands of EUR)	06/30/2017	06/30/2016
Development Collaboration Agreement with Laboratoires Servier	3,038.6	3,434.4
ANGEL-MS Study	240.0	-
Total income	**3,278.6**	**3,434.4**

Development Collaboration agreement with Laboratoires Servier

On November 28, 2014, GeNeuro signed a "Development Collaboration and Option for a License Agreement" (for the world excluding the USA and Japan) with Laboratoires Servier, France, for its lead compound in the field of multiple sclerosis.

As part of this agreement, GeNeuro received in December 2014 an up-front payment of K€ 8,000 before withholding taxes of K€ 400.

On November 13, 2015, the Company received a notification from Laboratoires Servier that, given the successful achievement of the stage of development as identified in the contract, it would exercise its Option 1 to fund the conduct of the Phase 2b clinical trial of GNbAC1 for an estimated aggregate amount of € 29.5 million. In this context, GeNeuro received a first milestone payment of € 17.5 million, before withholding taxes of K€ 25, on December 28, 2015. In accordance with IAS 18, this payment of € 17.5 million is recorded as income in the income statement, according to services rendered as part of Phase 2b clinical trial, realized under the direction and the responsibility of GeNeuro, and is therefore spread throughout this clinical trial, from 2015 to 2018.

Given the progress of this clinical trial (materialized by the progress of the matching costs), the Company has recorded income of, respectively, K€ 3,039 during the first semester if 2017 and K€ 3,434 during the first semester 2016. The decrease in income between these two periods results from the rate of progress of the study.

ANGEL-MS study

Concerning the ANGEL-MS clinical trial, the Company acts as an agent. As a result, income derived from rebillings to Servier of the trial's costs (K€ 3,581 for the first half of 2017) is recorded in reduction of the research and development expenses. The Company has also recorded income of K€ 240 during the first half of 2017 corresponding essentially to management fees for this study.

8.1 Other income

Other income corresponds primarily, for K€ 36, to sub-rental income derived from the sub-leasing of its former premises, under a contract running until February 2019.

Note 9: Breakdown of expenses and income per function

9.1 Research and Development

RESEARCH AND DEVELOPMENT (Amounts in thousands of EUR)	06/30/2017	06/30/2016 restated
Studies and research	(10,157.1)	(4,870.0)
Reimbursment of Study ANGEL-MS by Servier	3,580.5	-
Intellectual property	(260.6)	(53.6)
Travel, assignments, entertainment and marketing expenses	(157.0)	-
Raw materials and consumables	(49.4)	(9.1)
Rental expenses	(165.5)	(61.9)
Professional fees	(80.1)	(32.7)
Payroll expense	(1,960.2)	(1,245.4)
Amortization and depreciation	(20.7)	(12.0)
Share based payment expense	(139.6)	(97.4)
Other	(34.6)	(9.1)
Research and Development Expenses	**(9,444.3)**	**(6,391.2)**
Research tax credit	669.0	299.2
Other subsidies	2.8	0.2
Subsidies	**671.8**	**299.4**

(1) Concerning the ANGEL-MS study, the Company acts as an Agent for this study. As a result, the income related to the recharge of costs to Servier is recorded in reduction of the research and development expenses.

9.2 General and administrative expenses

GENERAL AND ADMINISTRATIVE EXPENSES (Amounts in thousands of EUR)	06/30/2017	06/30/2016
Travel and assignments expenses	(336.2)	(168.5)
Office expenses	(32.0)	(15.3)
Rental expenses	(104.8)	(38.8)
Professional fees	(550.6)	(116.9)
IPO costs	-	(1,764.2)
Payroll expense	(1,097.0)	(779.0)
Tax expense	(53.3)	(7.9)
Insurance expense	(27.1)	(5.1)
Postal and telecom expenses	(34.0)	(22.7)
Communication expenses	-	(8.1)
Amortization and depreciation	(12.3)	(6.7)
Share based payment expense	(236.6)	(273.0)
Other	(24.2)	(10.6)
General and administrative expenses	**(2,508.1)**	**(3,216.8)**

Note 10: Financial income (expenses), net

FINANCIAL INCOME (EXPENSES), NET (Amounts in thousands of EUR)	06/30/2017	06/30/2016
Interests on term deposits	-	9.0
Other financial income	0.1	8.1
Financial income	**0.1**	**17.1**
Other financial expenses	(8.0)	(3.5)
Foreign exchange losses	(10.2)	(41.8)
Financial expenses	**(18.2)**	**(45.3)**
Financial income (expenses), net	**(18.1)**	**(28.2)**

Note 11: Earnings per share

BASIC EARNINGS (LOSSES) PER SHARE	06/30/2017	06/30/2016 restated
Weighted average number of outstanding shares	14,589,253	13,151,575
Number of potentially dilutive shares from exercise of options	117,000	118,000
Net income for the period (in thousands of EUR)	(7,981.9)	(5,907.7)
Basic earnings (losses) per share (EUR/share)	**(0.55)**	**(0.45)**
Diluted earnings (losses) per share (EUR/share)	**(0.55)**	**(0.45)**

Note 12: Related parties

12.1 Compensation due to members of the Board and Directors

One executive from the Company is also a member of the Board of Directors.

Aggregate compensation of executives was as follows (in K€):

COMPENSATION DUE TO MEMBERS OF THE BOARD AND DIRECTORS (Amounts in thousands of EUR)	06/30/2017	06/30/2016
Fixed compensation due	877.2	831.2
Variable compensation due	193.5	192.7
Benefits in kind	19.6	13.5
Employer contribution to pension scheme and other social contributions	232.6	170.4
Share-based payments	317.7	352.0
Attendance fees	40.1	27.5
TOTAL	**1,680.6**	**1,587.2**

The Company has signed agreements with three members of its Board of Directors, of which two were concluded in 2015 and one in 2016. As provided by these contracts and in compensation for the services provided, the Company has recorded a charge of K€ 40 during the first half of 2017 and of K€ 28 during the first half of 2016, as mentioned in the table above under "attendance fees".

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

All elements have been fully paid, except for the share-based payments compensation being computed according to IFRS2 and for the variable compensation.

The variable components of compensation were defined on the basis of performance criteria.

12.2 Advance agreement with an officer

On May 3, 2016, the Company signed a salary advance agreement for an amount of K€ 53 (KCHF 58) with one of its officers, with a final maturity in June 2018.

Note 13: Off-balance-sheet commitments

The off-balance-sheet commitments have not changed significantly since December 31, 2016.

Note 14: Liquidity risk

Since its incorporation, the Company has primarily funded is growth through issuances of shares to shareholders, with additional funds provided by research collaborations and research tax credits ("CIR" in France). The Company never had recourse to bank loans. 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 flows from operating activities amounted to negative K€ 11,291 and negative K€ 6,842 for the six months ended June 30, 2017 and June 30, 2016, respectively.

As at June 30, 2017, the Company's cash & cash equivalents and short term deposits amounted to K€ 23,097.

As disclosed in Note 2, the Board of Directors believes that the Company has sufficient financial ressources to cover its operating costs for at least the next 12 months and, as a result, is presenting the condensed consolidated financial statements of the Company on a going-concern basis.

Note 15: Post-balance sheet events

On August 28, 2017, the Company announced the first results, at 6-months, of its CHANGE-MS study, which show that GNbAC1 is well tolerated but that there is no there is no statistical difference at 6-months between GNbAC1 and placebo in the study's primary endpoint. The Company is continuing to analyse data to better understand potential therapeutic benefits of GNbAC1 given its innovative mode of action, which could support the hypothesis that the therapeutic action is slower than with other existing treatments.

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 interim consolidated financial statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in net equity, cash flow statement and notes) (pages 8 to 21) of GeNeuro SA for the period from 1 January 2017 to 30 June 2017. The Board of Directors is responsible for the preparation and presentation of this interim consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this 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".

PricewaterhouseCoopers SA

Michael Foley Pierre-Alain Dévaud

Genève, 28 September 2017

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