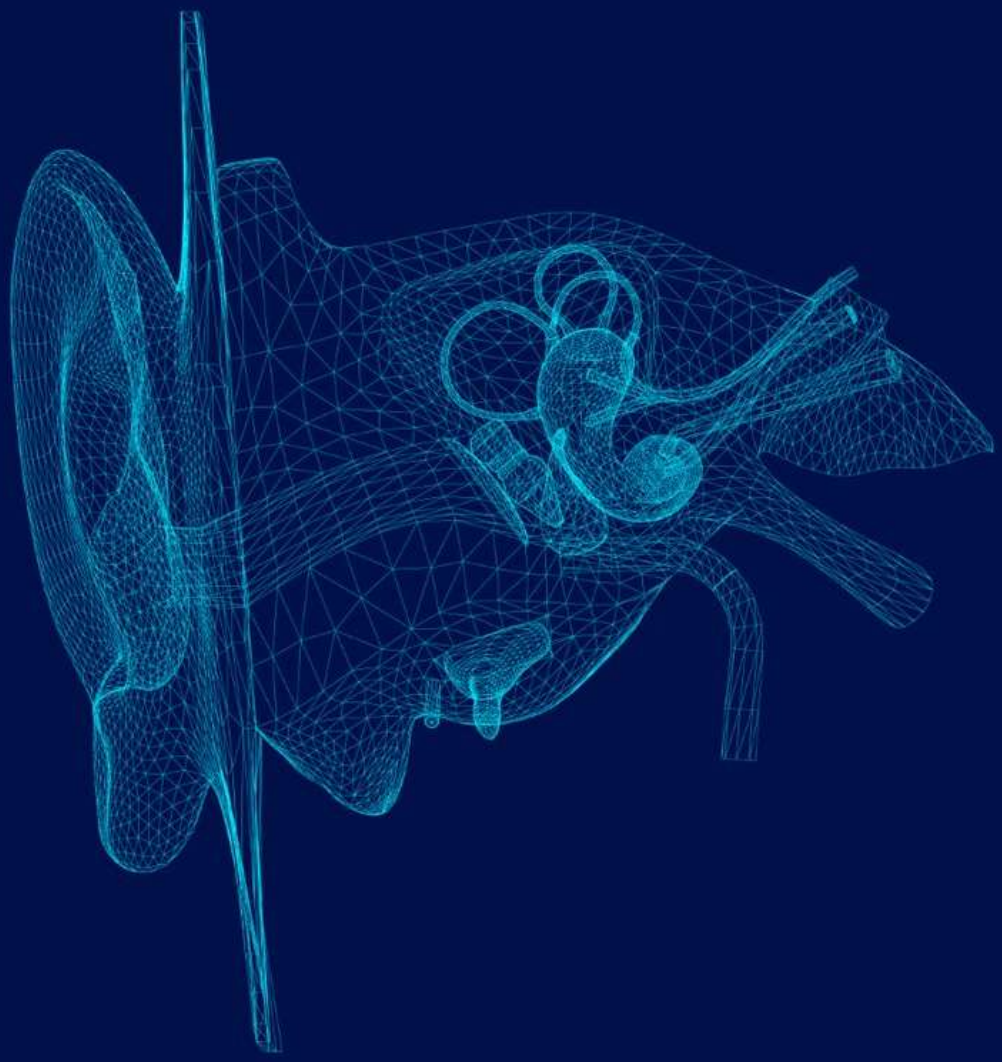
Half-Year Report

As of June 30, 2024



A French *société anonyme* (French limited company)
with share capital of €30,050,122.60

Registered office: 375 rue du Professeur Joseph Blayac

34080 Montpellier

Sensorion

CONTENTS

Table of Contents

"This is a translation into English of the Half-Year Report of the Company issued in French. In case of discrepancy, the French version prevails."

Sensorion: Half-year Business Report

H1 2024

1 Statement of the person responsible for the half-year report as of June 30, 2024

I certify that, to my knowledge, the financial statements presented for the past six months were prepared in accordance with applicable accounting standards and give a fair view of the assets, financial position and results of the Group, and that the half-year business report on pages 3 to 11 presents a fair overview of major events that occurred during the first six months of the year, their impact on the financial statements, the main transactions between related parties and a description of the principal risks and uncertainties for the remaining six months of the year.

Executed in Montpellier on September 17th, 2024

Nawal Ouzren
Chief Executive Officer of Sensorion

2 Business Report

Sensorion (the **"Company"**) is a pioneering clinical-stage biotech company, which specializes in the development of novel therapies to restore, treat and prevent hearing loss disorders, a significant global unmet medical need.

Sensorion has built a unique R&D technology platform to expand its understanding of the pathophysiology and etiology of inner ear related diseases, enabling it to select the best targets and mechanisms of action for drug candidates.

It has two gene therapy programs aimed at correcting hereditary monogenic forms of deafness, developed in the framework of its broad strategic collaboration focused on the genetics of hearing with the Institut Pasteur. SENS-501 (OTOF-GT) targets deafness caused by mutations of the gene encoding for otoferlin and is currently developed in a Phase 1/2 clinical study, and *GJB2*-GT targets hearing loss related to mutations in *GJB2* gene to potentially address important hearing loss segments in adults and children. The Company is also working on the identification of biomarkers to improve diagnosis of these underserved illnesses.

Sensorion's portfolio also comprises clinical-stage small molecule programs for the treatment and prevention of hearing loss disorders. Sensorion's clinical-stage portfolio includes one Phase 2 product: SENS-401 (Arazasetron) progressing in a Phase 2 proof of concept clinical study of SENS-401 in Cisplatin-Induced Ototoxicity (CIO) and, with partner Cochlear Limited, in a study of SENS-401 in patients scheduled for cochlear implantation. A Phase 2 study of SENS-401 was also completed in Sudden Sensorineural Hearing Loss (SSNHL) in January 2022.

In May 2024, Sensorion incorporated Sensorion Limited, a wholly owned subsidiary in the United Kingdom, with the object to support local activities for Sensorion

2.1 Summary of the Half-year Financial Statements as of June 30, 2024

The condensed half-year financial statements as of June 30, 2024 are prepared in accordance with IAS 34 "Interim Financial Reporting," as adopted by the European Union, which allows the presentation of a selection of explanatory notes.

2.1.1 Condensed interim income statement

In KEuros – IFRS Standards	**30.06.2024**	**30.06.2023**
Operating income	**3 332**	**2 647**
Research and Development expenses	14 660	12 271
General and Administrative expenses	3 791	2 572
Total operating expenses	**18 451**	**14 844**
Operating profit/ (loss)	**(15 119)**	**(12 196)**
Financial profit/ (loss)	1 323	130
Pre-tax current income	**(13 796)**	**(12 066)**

Corporate income tax	(98)	(222)
Net profit/ (loss)	**(13 895)**	**(12 288)**

2.1.2 Simplified Balance Sheet

STATEMENT OF FINANCIAL POSITION
(Amounts in Keuros)

	30.06.2024	31.12.2023
ASSETS		
Non-current assets	**3 536**	**3 236**
Other current assets	10 649	6 293
Cash and cash equivalents	87 344	36 974
Total current assets	**97 993**	**43 267**
TOTAL ASSETS	**101 529**	**46 503**
LIABILITIES		
Equity		
Share capital	30 050	18 708
Premiums	103 878	73 190
Reserves	-36 546	-36 544
Net income (loss)	-13 895	-22 063
Cumulative exchange differential	-25	-15
Total equity	**83 462**	**33 276**
Non-current liabilities	3 897	2 950
Current liabilities	14 170	10 278
TOTAL LIABILITIES AND EQUITY	**101 529**	**46 503**

2.2 Significant Events during the First Half of 2024

2.2.1 Financing

As of end-June 2024 the Company's share capital totaled €30,050,122.60, i.e., 300,501,226 shares with a nominal value of €0.10 each.

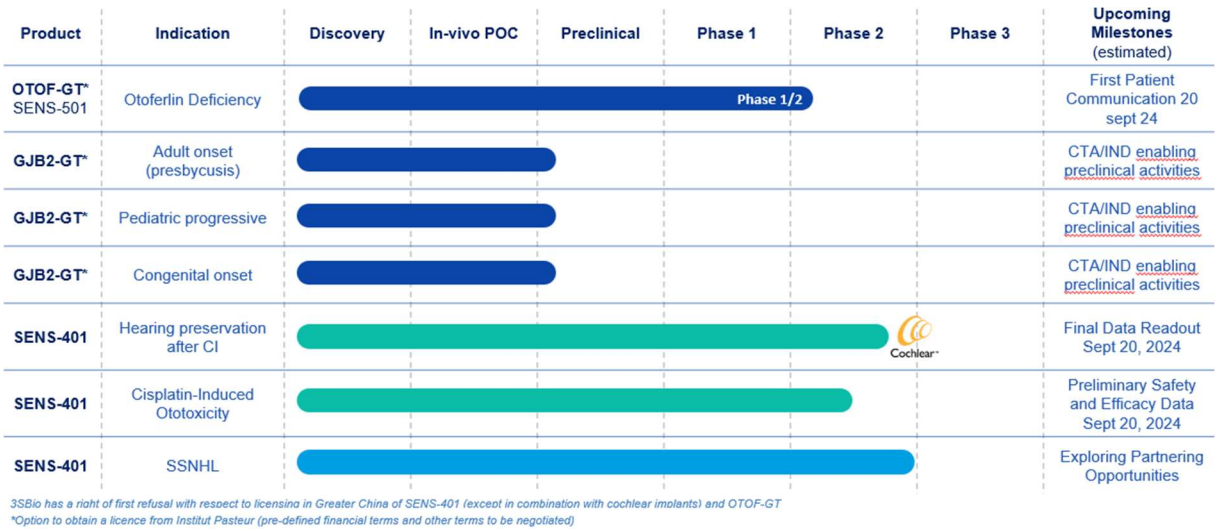
The Group's available cash totaled €87,344K as of June 30, 2024, compared to €36,974K as of December 31, 2023.

Based on its expenditure forecasts and taking into account cash on hand as of June 30, 2024, , the Group deems that it is in a position to finance its activities until the end of 2025.

2.2.2 Research and Development

During the first half of 2024, Sensorion continued to develop innovative therapies to restore hearing, treat and prevent hearing loss, to potentially transform the patients' quality of hearing.

Pipeline overview



Business highlights

Gene Therapy programs

Sensorion continues to advance its gene therapy programs, developed as part of its collaboration with the Institut Pasteur, initiated in 2019 and extended for an additional 5-year period in January 2024. The framework agreement for a research partnership grants Sensorion an exclusive option to obtain an exclusive license to develop and commercialize gene therapy drug candidates for the restoration of hearing. The Company has notably made progress in its lead gene therapy program, SENS-501, with a first patient recruited and injected.

- **SENS-501 (OTOF-GT): several milestones achieved with Clinical Trial Application (CTA) approval in Europe and First Patient In (FPI) and injected. FPI communication planned at the World Congress of Audiology (WCA), Paris, France, on September 19-22, 2024**

Sensorion's SENS-501 (OTOF-GT) dual AAV vector gene therapy development product aims at restoring hearing in patients with mutations in OTOF gene who suffer from severe to profound sensorineural prelingual non syndromic hearing loss. The otoferlin is a protein expressed in the inner hair cells (IHC) present in the cochlea and is critical for the transmission of the signal to the auditory nerve. Otoferlin related hearing loss is responsible for up to 8% of all cases of congenital hearing loss, with around 20,000 people affected in the US and Europe[1]. Sensorion's lead gene therapy program, SENS-501, has been developed as part of its collaboration focused on the genetics of hearing with the Institut Pasteur which was initiated in 2019 and extended for an additional 5-year period on January 5, 2024. Sensorion's gene therapy product, SENS-501, received the Orphan Drug Designation from the

[1] Rodríguez-Ballesteros M, *et al.,* A multicenter study on the prevalence and spectrum of mutations in the otoferlin gene (OTOF) in subjects with nonsyndromic hearing impairment and auditory neuropathy. Hum Mutat. 2008 Jun;29(6):823-31. doi: 10.1002/humu.20708. PMID: 18381613.

European Commission in 2022 and the US Food and Drug Administration (FDA) granted Rare Pediatric Disease Designation (RPDD) and Orphan Drug Designation to SENS-501 in 2022.

Following the positive feedback from European regulatory agencies, Sensorion has submitted a Clinical Trial Application (CTA) to initiate Audiogene, a Phase 1/2 clinical trial of SENS-501 in July 2023 addressing the use of both the gene therapy product and the injection device system. This injection device is intended to administer the gene therapy product into the cochlea for the Phase 1/2 clinical trial. Additionally, Sensorion successfully produced in 2023 the clinical SENS-501 batches (200L of each vector) according to GMP (Good Manufacturing Practices) requirements. The production will cover the needs of the Phase 1/2 gene therapy clinical trial.

On January 19, 2024, Sensorion announced the approval to initiate the Phase 1/2 clinical trial of SENS-501, Audiogene, in Europe (in France as first country). The CTA approval follows extensive preclinical studies assessing the safety and efficacy of SENS-501 and successful manufacturing of the gene therapy Drug Product for the clinical trial. Audiogene aims to evaluate the safety, tolerability, and efficacy of intra-cochlear injection of SENS-501 for the treatment of OTOF gene-mediated hearing impairment in paediatric patients aged 6 to 31 months at the time of gene therapy treatment. Targeting the first years of life, the time period when the auditory system plasticity is optimal, will maximize the chances of these young children with pre-lingual hearing loss to acquire normal speech and language. The design of the study consists of two cohorts of two doses followed by an expansion cohort at the selected dose. While the safety will be the primary endpoint for the dose escalation cohort, the auditory brainstem response (ABR) will be the primary efficacy endpoint of the dose expansion cohort.

Audiogene will also assess the clinical safety, performance, and usability of the administration device system developed by Sensorion.

Sensorion will communicate preliminary safety data about the first patient at the WCA, on September 20, 2024, and is on track for the recruitment of the first cohort by end of 2024. The recruitment completion of the two first cohorts of patients is expected in H1 2025.

OTOCONEX, the Company's Natural History Study to document the natural course of disease progression in otoferlin deficiency patients and in children with hearing loss related to *GJB2* mutations, is running across Europe and plays an important role in identifying patients as early as possible.

- ***GJB2*-GT: progressing CTA/IND-enabling studies towards Clinical Trial Applications Submission in H2 2025**

Sensorion's *GJB2* gene therapy program, developed in collaboration with the Institut Pasteur, has the potential to address three forms of hearing loss related to *GJB2* mutations: early onset of presbycusis in adults, progressive forms of hearing loss in children, and pediatric congenital deafness. Although the types of *GJB2* mutations in children and adults may differ, gene therapy offers potential solutions for both.

On April 6, 2023, Sensorion announced the candidate selection for *GJB2*-GT during its R&D Day focusing on gene therapy. The candidate is designed with a specific adeno-associated virus (AAV) capsid and includes specific regulatory sequences to safely target key cells in the ear that normally express *GJB2*.

Sensorion has developed the non-GMP process development of the *GJB2* candidate up to 50L scale. Process and analytical methods are under transfer to the CDMO for the GMP production of the clinical batch. Sensorion is advancing the candidate into CTA/IND-enabling activities for anticipated submission in H2 2025.

The Company plans on providing updates on preclinical activities related to GJB2-GT including Proof-of-Concept data at the European Society of Cell & Gene Therapy (ESGCT), taking place on October 22-25, 2025, Rome, Italy.

SENS-401

Sensorion is developing SENS-401 (Arazasetron) in two Proof of Concept Phase 2a clinical trials. The first one is designed to assess SENS-401 for residual hearing preservation during cochlear implantation in partnership with Cochlear Limited, and the second one is a proof-of-concept trial in Cisplatin-Induced Ototoxicity (CIO).

SENS-401 is an orally available small molecule that aims to protect and preserve inner ear tissue from damage responsible of hearing impairment. SENS-401 has been granted Orphan Drug Designation by the EMA in Europe for the treatment of sudden sensorineural hearing loss (SSNHL), and by the FDA in the U.S. for the prevention of platinum-induced ototoxicity in pediatric population.

- **Milestones achieved for SENS-401 in the prevention of residual hearing loss after cochlear implantation with primary endpoint achieved and positive secondary efficacy endpoints data. Full final data readout at the WCA, on September 20, 2024**

Sensorion is advancing its small molecule SENS-401 in a multicentric, randomized, controlled open-label a Phase 2a trial aimed at evaluating the presence of SENS-401 in the cochlea (perilymph) after 7 days of twice-daily oral administration in adult patients prior to cochlear implantation due to moderately severe to profound hearing impairment. Patients start treatment with SENS-401 7 days before implantation and continue to receive SENS-401 for a further 42 days.

On February 1, 2024, Sensorion announced the completion of patient inclusion in the Phase 2a POC clinical trial. Out of the 33 selected patients, 28 patients have been recruited and randomized in the study (the other 5 patients did not meet the inclusion criteria). Following this announcement, Sensorion communicated on March 11, 2024, that a total of 25 patients have been implanted with a cochlear implant: 16 in the treated arm and 9 in the control non-treated arm. The presence of SENS-401 in the perilymph at a level compatible with potential therapeutic efficacy has been confirmed in 100% of the patients sampled, 7 days after the start of the treatment, confirming that the primary endpoint was met.

The Company plans on communicating the results of the final analysis during the World Congress of Audiology (WCA), being held in Paris, France, on September 19-22, 2024.

- **SENS-401 in Cisplatin-Induced Ototoxicity advances with patient recruitment progressing at a steady pace and positive DSMB recommendation**

Cisplatin and other platinum compounds are essential chemotherapeutic agents for many malignancies. Unfortunately, platinum-based therapies cause ototoxicity, or hearing loss, which is permanent, irreversible and particularly harmful to 50-60% of adult patients and 90% of pediatric patients who survive cancer.

The NOTOXIS Proof-of-Concept (POC) Phase 2a trial is a multicenter, randomized, controlled, open-label study designed to assess the efficacy of SENS-401 in preventing cisplatin-induced ototoxicity in adult patients with neoplastic disease, four weeks after completion of cisplatin-based chemotherapy. The trial assesses several endpoints, including the rate and severity of ototoxicity, changes in pure tone audiometry (PTA) (dB) throughout the study compared to before cisplatin treatment, and tolerability.

Eligible participants are randomized on Day 1 to either Arm A or Arm B in ratio 1:1. In Arm A, patients receive 43.5mg of oral SENS-401 one week before the start of the chemotherapy, continues throughout the entire chemotherapy duration, and extends for up to four weeks post-chemotherapy. This study is

conducted in comparison to a control group of patients receiving chemotherapy alone, Arm B. The patients entering the study are to receive high doses of cisplatin, exceeding 70mg/m2 per treatment cycle and totaling at least 210 mg/m2 over the course of their chemotherapy regimen.

On December 18, 2023, Sensorion announced that over one-third of the required study population has been recruited and that preliminary safety data for patients exposed to a daily dose of 43.5 mg SENS-401 administered b.i.d. for up to 11 weeks indicated a favorable profile.

Sensorion's management team will report preliminary safety and efficacy data of the Phase 2a POC clinical trial of SENS-401 CIO at the World Congress of Audiology, to be held on September 19-22, 2024, in Paris, France.

Expected future milestones and estimated timelines:

- September 2024 – SENS-401 in combination with cochlear implantation: Final Data readout
- September 2024 – SENS-401 in Cisplatin-Induced Ototoxicity: Preliminary safety and efficacy data
- September 2024 – SENS-501: FPI initial safety data
- October 2024 (ESGCT) – GJB2-GT: Update on Proof-of-Concept efficacy and safety data
- H2 2024 – SENS-501: Enrollment completion of the first cohort in Audiogene
- H1 2025 – SENS-501: Enrollment completion of the second cohort in Audiogene
- H1 2025 – SENS-401 in Cisplatin-Induced Ototoxicity: Patient recruitment completion
- H2 2025 – *GJB2*-GT: Clinical Trial Applications filing

Strengthening the Board of Directors and the Management Team

On January 25, 2024, Sensorion announced the nomination of Dr. Federico Mingozzi as board member. Dr. Federico Mingozzi previously worked at Spark Therapeutics, where he served as Chief Science and Technology Officer. Federico brings over 25 years of experience in gene therapy, immunology, as well as biochemistry and molecular biology in academia and industry. He is well known for his significant contributions to the development of gene therapies for the treatment of various diseases. Furthermore, he has played a key role in advancing our understanding of the interactions between gene therapy vectors and the host immune system, as well as in the formulation of strategies to overcome immune responses to anti-AAV vectors.

On June 27, 2024, Sensorion appointed Laurene Danon as Chief Financial Officer. Laurene brings to Sensorion more than 15 years of experience in investment banking and international equity capital markets. A graduate of HEC, she began her career in London with the investment bank J.P. Morgan, in corporate finance advisory, before specializing in equity capital markets at J.P. Morgan and later at Jefferies International. Prior to joining Sensorion, she founded the strategic advisory firm Concorde Advisory, where she supported and managed the execution of strategic corporate finance projects for her clients. In total, Laurene has led executions for 70 transactions totaling over $35 billion raised. Laurene was well known to the Sensorion team, having advised the Company on recent capital increases.

Strengthening of Sensorion's capital

On February 9, 2024, Sensorion completed a €50.5million offering reserved to specific categories of investors through the issuance of 88,594,737 new ordinary shares of the Company at a price per new share of €0.57 to the benefit of Redmile Group, Invus and Sofinnova Partners, existing shareholders,

and leading US Healthcare Specialists funds including Aquilo Capital, as well as two large investment management firms.

The Company intends to use the net proceeds from this reserved offering, which amount to circa €47 million (based on the aggregate subscription price), to fund the Company's R&D activities (overing GJB2 CTA submission and the first two cohorts of the Audiogene Phase 1/2 clinical trial) as well as for other R&D and corporate overhead expenses.

On April 8, 2024, Sensorion announced a €15 million offering reserved to specific categories of investors through the issuance of 24,574,694 new ordinary shares of the Company at a price per new share of €0.63 to the benefit of existing shareholders including Redmile Group, Invus, Sofinnova Partners and a large investment management firm.

The Company intends to use the net proceeds from this reserved offering, which amount to c. €14.8 million (based on the aggregate subscription price), to fund the Company's R&D activities until the end of 2025, covering GJB2 CTA submission and the first two cohorts of the Audiogene Phase 1/2 clinical trial, as well as for other R&D and corporate overhead expenses. This financing enabled the Company to extend its cash runway through the end of 2025.

Scientific communications

Sensorion presented at various scientific congresses in H1 2024, including:

- On January 29, 2024, Sensorion announced its participation in the Association for Research in Otolaryngology (ARO) Annual Meeting. The following presentations were made during the conference: "SENS-501 Gene Therapy for Autosomal Recessive Non-Syndromic Deafness 9 (DFNB9)", "Assessment of an Adeno Associated Vector-Based Gene Therapy (*GJB2*-GT) for the Non-Syndromic Deafness 1 (DFNB1) in Cynomolgus Monkeys", "Early Players Involved in Both Cisplatin-Induced Ototoxicity and SENS-401 Protection in Intact Organ Cultures", "Surgical Approach for a Safe Intra-Cochlear Injection of AAVs in Macaca Fascicularis" and "Preclinical Development of SENS-501 as a Treatment for the Autosomal Recessive Non-Syndromic Deafness 9 (DFNB9) Using an Adeno Associated Vector-Based Gene Therapy".

- On March 15, 2024, Sensorion announced its participation in the Annual Bioprocessing Summit Europe. On this occasion, Christine Le Bec, PhD, Head of CMC Gene Therapy, chaired a session entitled "Advancing Technical Development of Gene Therapies", on March 19, 2024. Christine also made the following presentation "Manufacturing Challenges and Control Strategies for Dual AAV Vectors", on March 19, 2024.

- On April 26, 2024, Sensorion announced its participation in the Annual Society of Gene and Cell Therapy (ASGCT). On this occasion, Rafik Boudra, Group Leader Technology & innovation Platform at Sensorion, presented the following poster on May 10, 2024, at 12pm ET, in the Exhibit Hall: Preclinical Development of SENS-501 as a Treatment for the Autosomal Recessive Non-Syndromic Deafness 9 (DFNB9) Using an Adeno Associated Vector-Based Gene Therapy.

- On June 20, 2024, the Company announced the presentation of SENS-401 results at the International Conference on Cochlear Implants and Other Implantable Technologies. On this occasion, Professor Stephen O'Leary, M.D., Ph.D., presented the results of the Phase 2a clinical trial of SENS-401 in the prevention of residual hearing loss after cochlear implantation, of which he is the principal investigator. His presentation was entitled: "Early Preservation of Residual Hearing Six Weeks Post Cochlear™ Nucleus® CI622 Implantation and Detection of

SENS-401 in Perilymph: Findings from a Phase IIa Clinical Trial Investigating Repeated Oral Administration of SENS-401 in Implant Patients".

2.3 Post-closing Events

On July 15, 2024, Sensorion announced that new clinical data and analysis of results from the SENS-401 Phase 2a clinical trial after cochlear implantation had been presented at the 17th International Conference on Cochlear Implants and Other Implantable Technologies (CI2024) on July 13, 2024, in Vancouver, Canada, by the study investigator, Professor Stephen O'Leary, M.D., Ph.D. The study design included a number of secondary endpoints, notably the change of hearing threshold from baseline to the end of the treatment period in the implanted ear at several frequencies. Study entry criteria required patients to have a pure tone audiometry (PTA) threshold of 80 dB or better (i.e., ≤80 dB) at 500 Hz, defined as indicating a minimal level of residual hearing. The descriptive results show that the administration of SENS-401 reduced hearing loss following cochlear implantation. Six weeks post cochlear implantation (corresponding to end of SENS-401 treatment), the data indicate that the mean hearing loss induced by the surgery at 500 Hz is 19 dB for patients treated with SENS-401 (N=16) compared to 32 dB for control group of SENS-401 untreated patients (N=8). Similar clinically meaningful difference is observed for the mean of the three following frequencies (250, 500 and 750 Hz) with 16 dB in the SENS-401 treated group compared to 31 dB in the control group. These good descriptive results remained clinically meaningful over time and up to the last study visit fourteen weeks after cochlear implantation and confirm the key role of SENS-401 in preserving residual hearing.

On July 23, 2024, Sensorion announced that the independent Data Safety Monitoring Board (DSMB) had undertaken a review of the safety data for the patients participating in the NOTOXIS POC Phase 2a clinical trial. The DSMB has recommended the continuation of the study and confirmed the absence of any concern as to the safety of SENS-401 when administered in adult patients receiving a daily dose of 43.5 mg, administered twice daily, over a period of up to 23 weeks. The patient enrolment continues to progress at a steady pace, in 13 clinical centers open to date.

On September 2, 2024, Sensorion announced its participation in the World Congress of Audiology (WCA), taking place in Paris, France, on September 19-22, 2024. On this occasion, the Company will lead a Symposium on medical advances in the field of hearing loss entitled "Are we at the dawn of a hearing revolution?". The event will be hosted by Professor Natalie Loundon, ENT Surgeon in the pediatric Hospital Necker Enfants malades, Paris, France.

On September 11, 2024, Sensorion received the European Medicines Agency decision agreeing on a Pediatric Investigation Plan (PIP) for SENS-501. A PIP is a development plan aimed at ensuring that the necessary data are obtained to support the marketing authorization of a medicine in the pediatric population in the European Union. All applications for marketing authorization for new medicines require the results of studies as described in an agreed PIP.

The Company has been notified by the French tax authorities of an investigation related to the application of legislation relating to the tax on salaries for fiscal years 2020, 2021 and 2022. A tax reassessment proposal was subsequently received by the Company on 6th May 2024, for a total claim of €505k relating to fiscal years 2021 and 2022 (including €66k in penalties and late payment compensation). The Company contested this reassessment in a formal observation letter sent to the tax authorities on 9 July 2024. On 30th August 2024, the French tax authorities confirmed their previously stated position. As such, a provision was recognised in the H1 2024 accounts, for an amount of €505k

for the 2020-2022 period, and for €888k, estimated by the Company for FY 2023 and H1 2024. The Company challenges the position of the tax authorities and intends to continue discussion with tax authorities with a view to limit the impact of the reassessment on the Company.

2.4 Going concern

The Board of Directors decided to apply the going concern assumption. As of the semi-annual closing of accounts on June 30, 2024, the Company had sufficient net working capital to meet its cash needs.

As of the date of this semi-annual financial report, based on its expenditure forecasts, the Group deems that it is in a position to finance its activities until the end of 2025.

2.5 Main risks factors

The risk factors are described in detail in section 1 of the annual financial report for the year ended December 31, 2023, which is available on Sensorion's website www.sensorion.com. The Company is not aware of any changes in these risk factors. Copies of the annual report are available free of charge at Sensorion's headquarters, 375 rue du Prof. Joseph Blayac, 34080 Montpellier. It may also be consulted on Sensorion's website (www.sensorion-pharma.com).

3 Half-year Financial Statements as of June 30, 2024 and Notes to the Half-year Financial Statements

See attached document

4 Statutory auditor's review report on the consolidated interim financial information

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense cedex

Tél. : +33 (0) 1 46 93 60 00
www.ey.com/fr

Sensorion

Period from January 1 to June 30, 2024

Statutory auditor's review report on the condensed half-yearly consolidated financial statements

To the Chief Executive Officer,

In our capacity as statutory auditor of Sensorion and in accordance with your request, we have performed a review of the accompanying condensed half-yearly consolidated financial statements of Sensorion for the period from January 1 to June 30, 2024.

The preparation of these condensed half-yearly consolidated financial statements is the responsibility of your Board of Directors. Our role is to express a conclusion on these condensed half-yearly consolidated financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - a standard of IFRS as adopted by the European Union applicable to interim financial information.

Paris-La Défense, September 20, 2024

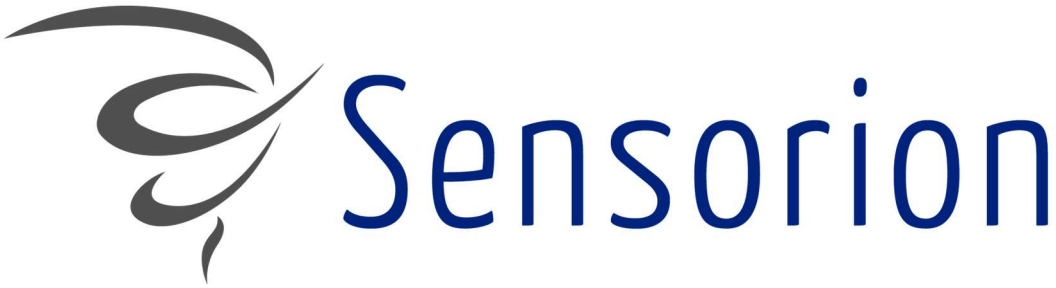
The Statutory Auditor
French original signed by
ERNST & YOUNG Audit

Cédric Garcia

S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Société de Commissaires aux Comptes
Société d'expertise comptable inscrite au Tableau
de l'Ordre de la Région Paris - Ile-de-France

Siège social : 1-2, place des Saisons - 92400 Courbevoie - Paris-La Défense 1



A French *société anonyme* (French limited company) with share capital of €30,050,122.60

Registered office : 375 rue du Professeur Joseph Blayac

34080 Montpellier

5 Condensed consolidated financial statements as of June 30, 2024 in accordance with IAS 34

STATEMENT OF FINANCIAL POSITION
(Amounts in thousands of euros)

	Note	6/30/2024	12/31/2023
ASSETS			
Non-current assets			
Intangible Assets	**3**	621	506
Property, Plant and Equipment	**4**	2 023	1 939
Use rights	**5**	723	683
Non-current financial assets	**6**	169	108
Total non-current assets		**3 536**	**3 236**
Currents assets			
Accounts receivables		234	-
Other current assets	**7**	10 415	6 293
Cash and cash equivalents	**8**	87 344	36 974
Total current assets		**97 993**	**43 267**
TOTAL ASSETS		**101 529**	**46 503**
LIABILITIES			
Equity			
Share capital	**9**	30 050	18 708
Additional paid-in-capital	**9**	103 878	73 190
Reserves		(36 546)	(36 544)
Net income		(13 895)	(22 063)
Cumulative exchange differential		(25)	(15)
Total equity		**83 462**	**33 276**
Non-current liabilities			
Non-current conditional advances	**10**	861	875
Long term debts	**10**	890	1 241
Non-current rental liabilities	**5**	463	553
Non-current provisions	**11**	1 683	281
Total non-current liabilities		**3 897**	**2 950**
Current liabilities			
Current conditional advances	**10**	190	238
Short term debt		759	753
Current rental liabilities	**5**	241	321
Trade payable and related accounts	**12.1**	7 692	3 688
Other current liabilities	**12.2**	5 288	5 278
Total current liabilities		**14 170**	**10 278**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**101 529**	**46 503**

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of euros)

	Note	As of June 30 2024	As of June 30 2023
Operating revenue			
Other revenue		3 332	2 647
Total revenue	**14**	**3 332**	**2 647**
Operating expenses			
Research and development		14 660	12 271
Overhead expenses		3 791	2 572
Total expenses	**15**	**18 451**	**14 844**
Operating income		**(15 119)**	**(12 196)**
Financial income		1 387	186
Financial expenses		(65)	(56)
Financial income	**17**	**1 323**	**130**
Pre-tax current income		**(13 796)**	**(12 066)**
Corporate income tax		(98)	(222)
Net profit (loss)		**(13 895)**	**(12 288)**
Other non-recyclable items of comprehensive income			
Actuarial gains/losses on pension plans		59	(23)
Comprehensive income		**(13 835)**	**(12 311)**
Weighted average number of shares		264 379 735	79 785 067
Net earnings per share		**(0,05)**	**(0,15)**
Diluted earnings per share		**(0,05)**	**(0,15)**

CASH FLOW STATEMENT
(Amounts in thousands of euros)

	Note	As of June 30 2024	2023
Cash flows associated with operational activities			
Net income for the period		(13 895)	(12 288)
Reconciliation of net income and cash used for operating activities			
Depreciation/amortization and impairment			
Amortizations and depreciations		1 963	476
Expenses on share-based payments	**16**	391	69
Other items excluded from cash and cash equivalents		(543)	12
Lease agreement		51	
Provisions for risks and charges		-	-
Provisions for pension liabilities		66	36
Operating cash flow before financial income and taxes		**(11 967)**	**(11 694)**
Change in trade receivables		(234)	-
Change in other receivables		(4 024)	(174)
Change in suppliers		3 892	750
Change in other current liabilities		347	682
Net cash flow associated with operational activities		**(11 986)**	**(10 436)**
Cash flows associated with investment activities			
Acquisitions of property, plant and equipment		(351)	(413)
Acquisitions of intangible assets		(194)	(51)
Acquisitions of financial assets		(61)	(3)
Acquisitions of financial assets		-	-
Change in payables to suppliers of fixed assets		112	-
Net cash flow from investment activities		**(493)**	**(466)**
Cash flows associated with investment activities			
Increase/(decrease) of financial liabilities		(350)	(404)
Collection/(disbursement) of repayable advances		(95)	(323)
Payment of lease liabilities		(240)	(211)
Interest expense		-	(11)
Interest paid		(18)	
Warrants subscription		1 756	-
Change in sundry debtors (uncashed warrants)		(74)	
Capital increase		61 872	125
Net cash flow from financing activities		**62 852**	**(824)**
Impact of changes in exchange rates		(1)	(31)
Cash and cash equivalent at the start of the period		36 974	26 204
Cash and cash equivalent at the end of the period		87 344	14 447
(Decrease)/Increase in cash position		**50 370**	**(11 757)**

STATEMENT OF CHANGES IN EQUITY
(Amounts in thousands of euros)

	Share capital						
	Number of shares	**Amount**	**Additional paid-in-capital**	**Reserves**	**Other non-recyclable items of comprehensive income**	**Net income**	**Total equity**
As of January 1, 2023	**79 937 938**	**7 994**	**50 676**	**(13 660)**	**85**	**(23 209)**	**21 885**
Appropriation of net income				(23 209)		23 209	-
Capital increase	107 142 856	10 714	19 286				30 000
Issuance of stock warrants (BSA)			3 490				3 490
Expenses deducted from additional paid-in capital			(261)				(261)
Neutralization of treasury shares				(23)			(23)
Neutralization of boni/mali of treasury shares				17			17
Recalculation of reimbursable advances				6			6
Actuarial gains/losses					(40)		(40)
Net profit (loss)						(22 063)	(22 063)
IFRS16 restatement				(51)			(51)
Exchange differential				18			18
Share-based payments				298			298
As of December 31, 2023	**187 080 794**	**18 708**	**73 190**	**(36 604)**	**45**	**(22 063)**	**33 275**
Appropriation of net income			(21 598)	(466)		22 063	-
Capital increase	113 420 432	11 342	54 729				66 071
Issuance of stock warrants (BSA)			1 756				1 756
Expenses deducted from additional paid-in capital			(4 198)				(4 198)
Neutralization of treasury shares				(22)			(22)
Neutralization of boni/mali of treasury shares				45			45
Actuarial gains/losses					59		59
Net profit (loss)						(13 895)	(13 895)
IFRS16 restatement				(10)			(10)
Exchange differential				(10)			(10)
Share-based payments				391			391
As of June 30 , 2024	**300 501 226**	**30 050**	**103 878**	**(36 676)**	**105**	**(13 895)**	**83 462**

6. NOTES TO THE FINANCIAL STATEMENTS

Note 1: Significant events

1. The Company

Sensorion (the **"Company"**) is a pioneering clinical-stage biotech company, which specializes in the development of novel therapies to restore, treat, and prevent hearing loss disorders, a significant global unmet medical need. Sensorion has built a unique R&D technology platform to expand its understanding of the pathophysiology and etiology of inner ear related diseases, enabling it to select the best targets and mechanisms of action for drug candidates.

It has two gene therapy programs aimed at correcting hereditary monogenic forms of deafness, developed in the framework of its broad strategic collaboration focused on the genetics of hearing with the Institut Pasteur. SENS-501 (OTOF-GT) currently being developed in a Phase 1/2 clinical trial, targets deafness caused by mutations of the gene encoding for otoferlin and GJB2-GT targets hearing loss related to mutations in GJB2 gene to potentially address important hearing loss segments in adults and children. The Company is also working on the identification of biomarkers to improve diagnosis of these underserved illnesses.

Sensorion's portfolio also comprises clinical-stage small molecule programs for the treatment and prevention of hearing loss disorders. Sensorion's clinical-stage portfolio includes one Phase 2 product: SENS-401 (Arazasetron) progressing in a planned Phase 2 proof of concept clinical study of SENS-401 in Cisplatin-Induced Ototoxicity (CIO) and, with partner Cochlear Limited, in a study of SENS-401 in patients scheduled for cochlear implantation. A Phase 2 study of SENS-401 was also completed in Sudden Sensorineural Hearing Loss (SSNHL) in January 2022.

In May 2024, Sensorion incorporated Sensorion Limited, a wholly owned subsidiary in the United Kingdom, with the object to support local activities for Sensorion

2. Financing

As of end-June 2024 the Company's share capital totaled €30,050,122.60, i.e., 300,501,226 shares with a nominal value of €0.10 each.

The Group's available cash totaled €87n344K as of June 30, 2024, compared to €36,975K as of December 31, 2023.

Based on its expenditure forecasts and taking into account cash on hand as of June 30, 2024, the Group deems that it is in a position to finance its activities until the end of 2025.

3. Research and development

Business highlights

Gene Therapy programs

Sensorion continues to advance its gene therapy programs, developed as part of its collaboration with the Institut Pasteur, initiated in 2019 and extended for an additional 5-year period in January 2024. The framework agreement for a research partnership grants Sensorion an exclusive option to obtain an exclusive license to develop and commercialize gene therapy drug candidates for the restoration of hearing. The Company has notably made progress in its lead gene therapy program, SENS-501, with a first patient recruited and injected.

- **SENS-501 (OTOF-GT): several milestones achieved with Clinical Trial Application (CTA) approval in Europe and First Patient In (FPI) and injected. FPI communication planned at the World Congress of Audiology (WCA), September 19-22, 2024, in Paris, France**

Sensorion's SENS-501 (OTOF-GT) dual AAV vector gene therapy development product aims at restoring hearing in patients with mutations in OTOF gene who suffer from severe to profound sensorineural prelingual non syndromic hearing loss. The otoferlin is a protein expressed in the inner hair cells (IHC) present in the cochlea and is critical for the transmission of the signal to the auditory nerve. Otoferlin related hearing loss is responsible for up to 8% of all cases of congenital hearing loss, with around 20,000 people affected in the US and Europe[2]. Sensorion's lead gene therapy program, SENS-501, has been developed as part of its collaboration focused on the genetics of hearing with the Institut Pasteur which was initiated in 2019 and extended for an additional 5-year period on January 5, 2024. Sensorion's gene therapy product, SENS-501, received the Orphan Drug Designation from the European Commission in 2022 and the US Food and Drug Administration (FDA) granted Rare Pediatric Disease Designation (RPDD) and Orphan Drug Designation to SENS-501 in 2022.

Following the positive feedback from European regulatory agencies, Sensorion has submitted a Clinical Trial Application (CTA) to initiate Audiogene, a Phase 1/2 clinical trial of SENS-501 in July 2023 addressing the use of both the gene therapy product and the injection device system. This injection device is intended to administer the gene therapy product into the cochlea for the Phase 1/2 clinical trial. Additionally, Sensorion successfully produced in 2023 the clinical SENS-501 batches (200L of each vector) according to GMP (Good Manufacturing Practices) requirements. The production will cover the needs of the Phase 1/2 gene therapy clinical trial.

On January 19, 2024, Sensorion announced the approval to initiate the Phase 1/2 clinical trial of SENS-501, Audiogene, in Europe (in France as first country). The CTA approval follows extensive preclinical studies assessing the safety and efficacy of SENS-501 and successful manufacturing of the gene therapy Drug Product for the clinical trial. Audiogene aims to evaluate the safety, tolerability, and efficacy of intra-cochlear injection of SENS-501 for the treatment of OTOF gene-mediated hearing impairment in paediatric patients aged 6 to 31 months at the time of gene therapy treatment. Targeting the first years

[2] Rodríguez-Ballesteros M, *et al.,* A multicenter study on the prevalence and spectrum of mutations in the otoferlin gene (OTOF) in subjects with nonsyndromic hearing impairment and auditory neuropathy. Hum Mutat. 2008 Jun;29(6):823-31. doi: 10.1002/humu.20708. PMID: 18381613.

of life, the time period when the auditory system plasticity is optimal, will maximize the chances of these young children with pre-lingual hearing loss to acquire normal speech and language. The design of the study consists of two cohorts of two doses followed by an expansion cohort at the selected dose. While the safety will be the primary endpoint for the dose escalation cohort, the auditory brainstem response (ABR) will be the primary efficacy endpoint of the dose expansion cohort.

Audiogene will also assess the clinical safety, performance, and usability of the administration device system developed by Sensorion.

Sensorion will communicate preliminary safety about the first patient at the WCA, on September 20, 2024, and is on track for the recruitment of the first cohort by end of 2024. The recruitment completion of the two first cohorts of patients is expected in H1 2025.

OTOCONEX, the Company's Natural History Study to document the natural course of disease progression in otoferlin deficiency patients and in children with hearing loss related to *GJB2* mutations, is running across Europe and plays an important role in identifying patients as early as possible.

- ***GJB2*-GT: progressing CTA/IND-enabling studies towards Clinical Trial Applications Submission in H2 2025**

Sensorion's *GJB2* gene therapy program, developed in collaboration with the Institut Pasteur, has the potential to address three forms of hearing loss related to *GJB2* mutations: early onset of presbycusis in adults, progressive forms of hearing loss in children, and pediatric congenital deafness. Although the types of *GJB2* mutations in children and adults may differ, gene therapy offers potential solutions for both.

On April 6, 2023, Sensorion announced the candidate selection for *GJB2*-GT during its R&D Day focusing on gene therapy. The candidate is designed with a specific adeno-associated virus (AAV) capsid and includes specific regulatory sequences to safely target key cells in the ear that normally express *GJB2*.

Sensorion has developed the non-GMP process development of the *GJB2* candidate up to 50L scale. Process and analytical methods are under transfer to the CDMO for the GMP production of the clinical batch. Sensorion is advancing the candidate into CTA/IND-enabling activities for anticipated submission in H2 2025.

The Company plans on providing updates on preclinical activities related to GJB2-GT including Proof-of-Concept data at the European Society of Cell & Gene Therapy (ESGCT), taking place on October 22-25, 2025, Rome, Italy.

SENS-401

Sensorion is developing SENS-401 (Arazasetron) in two Proof of Concept Phase 2a clinical trials. The first one is designed to assess SENS-401 for residual hearing preservation during cochlear implantation in partnership with Cochlear Limited, and the second one is a proof-of-concept trial in Cisplatin-Induced Ototoxicity (CIO).

SENS-401 is an orally available small molecule that aims to protect and preserve inner ear tissue from damage responsible of hearing impairment. SENS-401 has been granted Orphan Drug Designation by the EMA in Europe for the treatment of sudden sensorineural hearing loss (SSNHL), and by the FDA in the U.S. for the prevention of platinum-induced ototoxicity in pediatric population.

- **Milestones achieved for SENS-401 in the prevention of residual hearing loss after cochlear implantation with primary endpoint achieved and positive secondary efficacy endpoints data. Full final data readout at the WCA, on September 20, 2024**

Sensorion is advancing its small molecule SENS-401 in a multicentric, randomized, controlled open-label a Phase 2a trial aimed at evaluating the presence of SENS-401 in the cochlea (perilymph) after 7 days of twice-daily oral administration in adult patients prior to cochlear implantation due to moderately severe to profound hearing impairment. Patients start treatment with SENS-401 7 days before implantation and continue to receive SENS-401 for a further 42 days.

On February 1, 2024, Sensorion announced the completion of patient inclusion in the Phase 2a POC clinical trial. Out of the 33 selected patients, 28 patients have been recruited and randomized in the study (the other 5 patients did not meet the inclusion criteria). Following this announcement, Sensorion communicated on March 11, 2024, that a total of 25 patients have been implanted with a cochlear implant: 16 in the treated arm and 9 in the control non-treated arm. The presence of SENS-401 in the perilymph at a level compatible with potential therapeutic efficacy has been confirmed in 100% of the patients sampled, 7 days after the start of the treatment, confirming that the primary endpoint was met.

The Company plans on communicating the results of the final analysis during the World Congress of Audiology (WCA), being held in Paris, France, on September 19-22, 2024.

- **SENS-401 in Cisplatin-Induced Ototoxicity advances with patient recruitment progressing at a steady pace and positive DSMB recommendation**

Cisplatin and other platinum compounds are essential chemotherapeutic agents for many malignancies. Unfortunately, platinum-based therapies cause ototoxicity, or hearing loss, which is permanent, irreversible and particularly harmful to 50-60% of adult patients and 90% of pediatric patients who survive cancer.

The NOTOXIS Proof-of-Concept (POC) Phase 2a trial is a multicenter, randomized, controlled, open-label study designed to assess the efficacy of SENS-401 in preventing cisplatin-induced ototoxicity in adult patients with neoplastic disease, four weeks after completion of cisplatin-based chemotherapy. The trial assesses several endpoints, including the rate and severity of ototoxicity, changes in pure tone audiometry (PTA) (dB) throughout the study compared to before cisplatin treatment, and tolerability.

Eligible participants are randomized on Day 1 to either Arm A or Arm B in ratio 1:1. In Arm A, patients receive 43.5mg of oral SENS-401 one week before the start of the chemotherapy, continues throughout the entire chemotherapy duration, and extends for up to four weeks post-chemotherapy. This study is conducted in comparison to a control group of patients receiving chemotherapy alone, Arm B. The patients entering the study are to receive high doses of cisplatin, exceeding 70mg/m2 per treatment cycle and totaling at least 210 mg/m2 over the course of their chemotherapy regimen.

On December 18, 2023, Sensorion announced that over one-third of the required study population has been recruited and that preliminary safety data for patients exposed to a daily dose of 43.5 mg SENS-401 administered b.i.d. for up to 11 weeks indicated a favorable profile.

Sensorion will report preliminary safety and efficacy data of the Phase 2a POC clinical trial of SENS-401 CIO at the World Congress of Audiology, to be held on September 19-22, 2024, in Paris, France.

Expected future milestones and estimated timelines:

- September 2024 – SENS-401 in combination with cochlear implantation: Final Data readout
- September 2024 – SENS-401 in Cisplatin-Induced Ototoxicity: Preliminary safety and efficacy data
- September 2024 – SENS-501: FPI initial safety data
- October 2024 (ESGCT) – GJB2-GT: Update on Proof-of-Concept efficacy and safety data
- H2 2024 – SENS-501: Enrollment completion of the first cohort in Audiogene
- H1 2025 – SENS-501: Enrollment completion of the second cohort in Audiogene
- H1 2025 – SENS-401 in Cisplatin-Induced Ototoxicity: Patient recruitment completion
- H2 2025 – *GJB2*-GT: Clinical Trial Applications filing

Strengthening the Board of Directors and the Management Team

On January 25, 2024, Sensorion announced the nomination of Dr. Federico Mingozzi as board member. Dr. Federico Mingozzi previously worked at Spark Therapeutics, where he served as Chief Science and Technology Officer. Federico brings over 25 years of experience in gene therapy, immunology, as well as biochemistry and molecular biology in academia and industry. He is well known for his significant contributions to the development of gene therapies for the treatment of various diseases. Furthermore, he has played a key role in advancing our understanding of the interactions between gene therapy vectors and the host immune system, as well as in the formulation of strategies to overcome immune responses to anti-AAV vectors.

On June 27, 2024, Sensorion appointed Laurene Danon as Chief Financial Officer. Laurene brings to Sensorion more than 15 years of experience in investment banking and international equity capital markets. A graduate of HEC, she began her career in London with the investment bank J.P. Morgan, in corporate finance advisory, before specializing in equity capital markets at J.P. Morgan and later at Jefferies International. Prior to joining Sensorion, she founded the strategic advisory firm Concorde Advisory, where she supported and managed the execution of strategic corporate finance projects for her clients. In total, Laurene has led executions for 70 transactions totaling over $35 billion raised. Laurene was well known to the Sensorion team, having advised the Company on recent capital increases.

Strengthening of Sensorion's capital

On February 9, 2024, Sensorion completed a €50.5million offering reserved to specific categories of investors through the issuance of 88,594,737 new ordinary shares of the Company at a price per new share of €0.57 to the benefit of Redmile Group, Invus and Sofinnova Partners, existing shareholders,

and leading US Healthcare Specialists funds including Aquilo Capital, as well as two large investment management firms.

The Company intends to use the net proceeds from this reserved offering, which amount to circa €47 million (based on the aggregate subscription price), to fund the Company's R&D activities (overing GJB2 CTA submission and the first two cohorts of the Audiogene Phase 1/2 clinical trial) as well as for other R&D and corporate overhead expenses.

On April 8, 2024, Sensorion announced a €15 million offering reserved to specific categories of investors through the issuance of 24,574,694 new ordinary shares of the Company at a price per new share of €0.63 to the benefit of existing shareholders including Redmile Group, Invus, Sofinnova Partners and a large investment management firm.

The Company intends to use the net proceeds from this reserved offering, which amount to c. €14.8 million (based on the aggregate subscription price), to fund the Company's R&D activities until the end of 2025, covering GJB2 CTA submission and the first two cohorts of the Audiogene Phase 1/2 clinical trial, as well as for other R&D and corporate overhead expenses. This financing will enable the Company to extend its cash runway through the end of 2025.

Scientific communications

Sensorion presented at various scientific congresses in H1 2024, including:

- On January 29, 2024, Sensorion announced its participation in the Association for Research in Otolaryngology (ARO) Annual Meeting. The following presentations were made during the conference: "SENS-501 Gene Therapy for Autosomal Recessive Non-Syndromic Deafness 9 (DFNB9)", "Assessment of an Adeno Associated Vector-Based Gene Therapy (*GJB2*-GT) for the Non-Syndromic Deafness 1 (DFNB1) in Cynomolgus Monkeys", "Early Players Involved in Both Cisplatin-Induced Ototoxicity and SENS-401 Protection in Intact Organ Cultures", "Surgical Approach for a Safe Intra-Cochlear Injection of AAVs in Macaca Fascicularis" and "Preclinical Development of SENS-501 as a Treatment for the Autosomal Recessive Non-Syndromic Deafness 9 (DFNB9) Using an Adeno Associated Vector-Based Gene Therapy".

- On March 15, 2024, Sensorion announced its participation in the Annual Bioprocessing Summit Europe. On this occasion, Christine Le Bec, PhD, Head of CMC Gene Therapy, chaired a session entitled "Advancing Technical Development of Gene Therapies", on March 19, 2024. Christine also made the following presentation "Manufacturing Challenges and Control Strategies for Dual AAV Vectors", on March 19, 2024.

- On April 26, 2024, Sensorion announced its participation in the Annual Society of Gene and Cell Therapy (ASGCT). On this occasion, Rafik Boudra, Group Leader Technology & innovation Platform at Sensorion, presented the following poster on May 10, 2024, at 12pm ET, in the Exhibit Hall: Preclinical Development of SENS-501 as a Treatment for the Autosomal Recessive Non-Syndromic Deafness 9 (DFNB9) Using an Adeno Associated Vector-Based Gene Therapy.

- On June 20, 2024, the Company announced the presentation of SENS-401 results at the International Conference on Cochlear Implants and Other Implantable Technologies. On this occasion, Professor Stephen O'Leary, M.D., Ph.D., presented the results of the Phase 2a clinical trial of SENS-401 in the prevention of residual hearing loss after cochlear implantation, of

which he is the principal investigator. His presentation was entitled: “Early Preservation of Residual Hearing Six Weeks Post Cochlear™ Nucleus® CI622 Implantation and Detection of SENS-401 in Perilymph: Findings from a Phase IIa Clinical Trial Investigating Repeated Oral Administration of SENS-401 in Implant Patients”

4. Post-closing events

On July 15, 2024, Sensorion announced that new clinical data and analysis of results from the SENS-401 Phase 2a clinical trial after cochlear implantation had been presented at the 17th International Conference on Cochlear Implants and Other Implantable Technologies (CI2024) on July 13, 2024, in Vancouver, Canada, by the study investigator, Professor Stephen O'Leary, M.D., Ph.D. The study design included a number of secondary endpoints, notably the change of hearing threshold from baseline to the end of the treatment period in the implanted ear at several frequencies. Study entry criteria required patients to have a pure tone audiometry (PTA) threshold of 80 dB or better (i.e., ≤80 dB) at 500 Hz, defined as indicating a minimal level of residual hearing. The descriptive results show that the administration of SENS-401 reduced hearing loss following cochlear implantation. Six weeks post cochlear implantation (corresponding to end of SENS-401 treatment), the data indicate that the mean hearing loss induced by the surgery at 500 Hz is 19 dB for patients treated with SENS-401 (N=16) compared to 32 dB for control group of SENS-401 untreated patients (N=8). Similar clinically meaningful difference is observed for the mean of the three following frequencies (250, 500 and 750 Hz) with 16 dB in the SENS-401 treated group compared to 31 dB in the control group. These good descriptive results remained clinically meaningful over time and up to the last study visit fourteen weeks after cochlear implantation and confirm the key role of SENS-401 in preserving residual hearing.

On July 23, 2024, Sensorion announced that the independent Data Safety Monitoring Board (DSMB) had undertaken a review of the safety data for the patients participating in the NOTOXIS POC Phase 2a clinical trial. The DSMB has recommended the continuation of the study and confirmed the absence of any concern as to the safety of SENS-401 when administered in adult patients receiving a daily dose of 43.5 mg, administered twice daily, over a period of up to 23 weeks. The patient enrolment continues to progress at a steady pace, in 13 clinical centers open to date.

On September 11, 2024, Sensorion received the European Medicines Agency decision agreeing on a Pediatric Investigation Plan (PIP) for SENS-501. A PIP is a development plan aimed at ensuring that the necessary data are obtained to support the marketing authorization of a medicine in the pediatric population in the European Union. All applications for marketing authorization for new medicines require the results of studies as described in an agreed PIP.

On September 2, 2024, Sensorion announced its participation in the World Congress of Audiology (WCA), taking place in Paris, France, on September 19-22, 2024. On this occasion, the Company will lead a Symposium on medical advances in the field of hearing loss entitled “Are we at the dawn of a hearing revolution?”. The event will be hosted by Professor Natalie Loundon, ENT Surgeon in the pediatric Hospital Necker Enfants malades, Paris, France.

The Company has been notified by the French tax authorities of an investigation related to the application of legislation relating to the tax on salaries for fiscal years 2020, 2021 and 2022. A tax

reassessment proposal was subsequently received by the Company on 6th May 2024, for a total claim of €505k relating to fiscal years 2021 and 2022 (including €66k in penalties and late payment compensation). The Company contested this reassessment in a formal observation letter sent to the tax authorities on 9 July 2024. On 30th August 2024, the French tax authorities confirmed their previously stated position. As such, a provision was recognised in the H1 2024 accounts, for an amount of €505k for the 2020-2022 period, and for €888k, estimated by the Company for FY 2023 and H1 2024. The Company challenges the position of the tax authorities and intends to continue discussion with tax authorities with a view to limit the impact of the reassessment on the Company.

5. Going Concern

The Board of Directors decided to apply the going concern assumption. As of the semi-annual closing of accounts on June 30, 2024, the Company had sufficient net working capital to meet its cash needs.

As of the date of this semi-annual financial report, based on its expenditure forecasts, the Group deems that it is in a position to finance its activities until the end of 2025.

Note 2: General policies and declaration of compliance

The balance sheet date of the condensed semi-annual financial statements is June 30.

The financial statements are presented in thousands of euros.

The condensed semi-annual financial statements were submitted to the Board of Directors on September 17, 2024.

In accordance with European Regulation no. 1606/2002 adopted on July 19, 2002 by the European Parliament and European Council, the Company's consolidated financial statements as of June 30, 2024 were prepared in compliance with International Financial Reporting Standards (IFRS), as approved by the European Union at the reporting date of these consolidated financial statements.

The IFRS standards as adopted by the European Union differ in certain respects from the IFRS standards published by the IASB. However, the Company has ensured that the financial information for the periods presented would not have been materially different if the IFRS standards as published by the IASB had been applied.

International standards include the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The condensed consolidated semi-annual financial statements as at 30 June 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union, which allows presenting a selection of explanatory notes.

The accompanying notes do not contain all information required for complete annual financial statements and should be read in conjunction with the 2023 financial statements.

All standards adopted by the European Union are available on the European Commission's website at the following address:

https://eur-lex.europa.eu/FR/legal-content/summary/international-financial-reporting-standards-ifrss.htm

The new IFRS standards applicable to the half-yearly financial statements for the period ended June 30, 2024, have no impact on the Group's financial statements.

Consolidation method

The Group applies IFRS 10 "Consolidated Financial Statements," IFRS 11 "Joint Arrangements," and IFRS 12 "Disclosure of Interests in Other Entities."

IFRS 10, which sets out the accounting requirements for consolidated financial statements, establishes a single consolidation model that identifies control as the requisite criterion for consolidating an entity. An investor exercises control over an investee if it holds power over the investee, is exposed to variable returns from the investee or has rights to such variable returns due to its involvement with the investee, and has the ability to use its power over the investee to affect the amount of such returns.

Subsidiaries are those entities over which the Group exercises control.

Subsidiaries are fully consolidated as of the year ending December 31, 2021, the date on which the Group obtained control. Intragroup balances and transactions are eliminated.

Group companies

As of June 30, 2024, the Group comprises the following entities:

Companies	Country	Group control in %
Sensorion SA	France	Parent company
Sensorion Inc.	United States	100%
Sensorion Australia Pty Ltd	Australia	100%
Sensorion Limited	United Kingdom	100%

Note 3: Intangible Assets

Intangible assets break down as follows:

INTANGIBLE ASSETS

(Amounts in thousands of euros)

	6/30/2024	12/31/2023
Patents, licenses, trademarks	1,436	1,236
Software	115	109
Total historical cost	**1,551**	**1,345**
Accumulated amortization of patents, licenses, trademarks	822	735
Accumulated amortization of software	108	104
Accumulated amortization	**930**	**839**
Net total	**621**	**506**

Acquisitions of intangible assets primarily comprise capitalized costs of filing and maintaining patents and clinical equipment purchases.

No impairment losses in application of IAS 36 were recognized in the financial years presented.

Note 4: Property, Plant and Equipment

property, plant and equipment break down as follows:

	1/1/2024	Increases	Decreases	6/30/2024
Industrial and laboratory equipment	2,342	671	-	3,012
Building fixtures and fittings	340	-	-	340
Computer equipment	208	15	-	222
Office furniture	22	-	-	22
Advances and deposits	391	142	477	56
Gross total	**3,302**	**827**	**477**	**3,653**
Accumulated amortization of industrial and laboratory equipment	1,155	227	-	1,382
Accumulated amortization of building fixtures and fittings	41	17	-	58
Accumulated amortization of computer equipment	146	22	-	168
Accumulated amortization of office furniture	22	-	-	22
Total accumulated amortization	**1,364**	**266**	**-**	**1,630**
Net total	**1,939**			**2,023**

	1/1/2023	Increases	Decreases	12/31/2023
Industrial and laboratory equipment	2,110	235	4	2,342
Building fixtures and fittings	340	-	-	340
Computer equipment	173	34	-	208
Office furniture	22	-	-	22
Advances and deposits	-	391	-	391
Gross total	**2,645**	**661**	**4**	**3,302**
Accumulated amortization of industrial and laboratory equipment	811	343	0	1,155
Accumulated amortization of building fixtures and fittings	7	34	-	41
Accumulated amortization of computer equipment	103	43	-	146
Accumulated amortization of office furniture	22	-	-	22
Total accumulated amortization	**943**	**421**	**0**	**1,364**
Net total	**1,702**			**1,939**

Property, plant and equipment comprise laboratory and technical equipment, as well as computer equipment and furniture.

Note 5: Leases

Rights of use break down as follows:

USE RIGHTS

(Amounts in thousands of euros)

Real estate	6/30/2024	12/31/2023
Leases	1,582	1,968
Gross total	**1,582**	**1,968**
Amortization	859	1,285
Total amortization	**859**	**1,285**
Net total	**723**	**683**

Movements relevant to lease rights of use during the period break down as follows:

(Amounts in thousands of euros)

Opening amount	683
Contract reassessment	263
New contract	-
Amortization	(224)
Closing amount	723

Breakdown of debts related to lease liabilities (in thousands of euros):

As of June 30, 2024	Non current	Current	Total
Real estate lease liabilities	463	241	705
Gross total	**463**	**241**	**705**

As of December 31, 2023	Non current	Current	Total
Real estate lease liabilities	553	321	874
Gross total	**553**	**321**	**874**

Movements relevant to debts relating to lease liabilities break down as follows:

(Amounts in thousands of euros)

Opening amount	874
Debt revaluation	71
Lease debt new contract	-
Debt repayment	(240)
Closing amount	705

As of June 30, 2024, real estate rights of use were measured at a gross amount of €1,582K and a net amount of €723K.

As of June 30, 2024, their residual term was three years.

Depreciation allowances on rights of use totaled €224Kin the first half of 2024, repayments of principal owed on lease liabilities totaled €223K, and financial interest amounted to €8K. The cancellation of the associated lease liability disbursed over the first half of 2024 totaled €248K.

No finance lease transactions were entered into during the first six months of the period. No sublease agreements were in effect during the first six months of the period.

The Company's leases do not include any restrictions or covenants.

Expenses recognized for short-term leases and leases of low-value assets not restated in accordance with IFRS 16 were not material in the first half.

Note 6: Non-Current Financial Assets

Non-current financial assets comprise only the security deposit paid in connection with the lease of the Company's premises.

Note 7: Other Current Assets

Other current assets break down as follows:

OTHER CURRENT ASSETS
(Amounts in thousands of euros)

	6/30/2024	12/31/2023
Advances and down payments	56	38
State, Research Tax Credit	6,604	4,391
State, VAT	1,752	929
Liquidity agreement	32	9
Prepaid expenses	1,635	740
Other	334	186
Net total	**10,415**	**6,293**

Note 8: Cash and cash equivalents

The cash and cash equivalents item break down as follows:

CASH AND CASH EQUIVALENTS
(Amounts in thousand of euros)

	6/30/2024	12/31/2023
Cash	12,111	1,491
Term deposits	75,233	35,483
Net total	**87,344**	**36,974**

Note 9: Capital

9.1 Capital Issued

As of June 30, 2024, the share capital totaled €30,050,122.60 (thirty million, fifty thousand, one hundred and twenty-two euros and sixty cents). It is divided into 300,501,226 fully subscribed shares with a nominal value of €0.10 each.

This number excludes share warrants (BSAs), founders' warrants (BSPCEs) and stock options (SOs) granted to certain individuals who may or may not be Company employees.

All shares confer on their holders the right to a proportional share of the Company's results and net assets.

The table below shows the history of the capital during the three periods presented:

Balance of Capital as of June 30, 2024

Date	Types of transactions	Capital	Issue premium	Number of shares	Nominal value
	Balance as of January 1, 2023	**7 993 793,80 €**	**50 577 247,21 €**	**79 937 938**	0,10 €
August 8, 2023	Capital increase by issuance of ordinary shares	10 714 285,60 €	19 285 714,08 €	107 142 856	0,10 €
	Expenses deducted from additional paid-in capital		-261 243,16 €		
	Balance as of December 31, 2023	**18 708 079,40 €**	**69 601 718,13 €**	**187 080 794**	0,10 €
February 15, 2024	Capital increase by issuance of ordinary shares	8 859 473,70 €	41 639 526,39 €	88 594 737	0,10 €
April 8, 2024	Capital increase by issuance of ordinary shares	2 457 469,40 €	13 024 587,82 €	24 574 694	0,10 €
June 20, 2024	Capital increase by issuance of warrants	23 000,00 €	59 027,00 €	230 000	0,10 €
June 20, 2024	Imputation of retained earnings on share premium		-21 597 734,09 €		
June 20, 2024	Capital increase by issuance of options	2 100,10 €	5 460,26 €	21 001	0,10 €
	Expenses deducted from additional paid-in capital		-4 198 451,13 €		
	Balance as of June 30, 2024	**30 050 122,60 €**	**98 534 134,38 €**	**300 501 226**	0,10 €

The issue premium is understood to mean, excluding the share subscription warrants account for €5,344K.

9.2 Share warrants, founders' warrants and stock option

The Company issued share warrants (BSAs) and founders' warrants (BSPCEs) as follows:

Share warrants:

Type	Date	Number of instruments issued	Number of instruments exercised	Number of instruments lapsed	Number of outstanding instruments	Number of potential shares
BSA 2011	4/30/2014	1 000	-	1 000	-	-
BSA 2016	5/19/2017	15 000	-	15 000	-	-
BSA 2018	4/29/2019	30 000	-	-	30 000	30 000
BSA 2020	2/2/2021	2 000	-	-	2 000	2 000
BSA 2021	1/3/2022	70 000	-	-	70 000	70 000
BSA 2022	5/31/2022	326 085	-	-	326 085	326 085
BSA 2022	3/15/2023	660 000	220 000	-	440 000	440 000
BSA 2023	5/24/2023	1 070 595	15 001	-	1 055 594	1 055 594
BSA 2023	1/24/2024	250 000	-	-	250 000	250 000
BSA 2024	6/20/2024	270 268	-	-	270 268	270 268
Total as of 6/30/2024		**2 694 948**	**235 001**	**16 000**	**2 443 947**	**2 443 947**

General conditions for exercising warrants:

BSA warrants issued on April 30, 2014 (obsoletes)

Each BSA warrant entitles its holder to subscribe for ten ordinary shares at a subscription price of €2.40 per share.

The BSA warrants issued on April 30, 2014 were issued at a price of €2.40 per warrant.

The warrants could be exercised for ten full years from the date they were granted, without any continued employment or performance conditions. They are now obsoletes.

BSA warrants issued on May 19, 2017(obsoletes)

Each BSA warrant entitles its holder to subscribe for one ordinary share at a subscription price of €4.31 per share.

The warrants could be exercised until May 18, 2024. The following conditions for exercising the warrants apply:

- 16.67% on May 19, 2018
- 16.67% on May 19, 2019
- 16.67% on May 19, 2020
- 25% in the event of an external growth operation before May 31, 2020
- 25% if the Company's market capitalization exceeds €175 million

They are now obsoletes.

-

BSA warrants issued on April 29, 2019

Each BSA warrant entitles its holder to subscribe for one ordinary share at a subscription price of €1.20 per share.

The warrants may be exercised until April 28, 2026. The following conditions for exercising the warrants apply:

- 35% in the event an agreement is signed with Institut Pasteur
- 22.5% if the Company obtains financing of €12.5 million before July 31, 2019 - Part 1
- 22.5% if the Company obtains financing of €12.5 million before December 31, 2019 - Part 2
- 10% if a partnership on SENS-401 is approved before December 31, 2020
- 10% if a partnership on SENS-111 is approved before December 31, 2020

BSA warrants issued on February 02, 2021

Each BSA warrant entitles its holder to subscribe for one ordinary share at a subscription price of €1.7273 per share.

The warrants may be exercised until February 01, 2028. The following conditions for exercising the warrants apply:

- 33.33% on February 01, 2022
- 33.33% on February 01, 2023

- 33.33% on February 01, 2024

BSA warrants issued on January 03, 2022

Each BSA warrant entitles its holder to subscribe for one ordinary share at a subscription price of €1.8404 per share.

The warrants may be exercised until January 02, 2029. The following conditions for exercising the warrants apply:

- 33.33% on January 03, 2023
- 33.33% on January 03, 2024
- 33.33% on January 03, 2025

BSA warrants issued on May 31, 2022

Each BSA warrant entitles its holder to subscribe for one ordinary share at a subscription price of €0.46 per share.

The warrants may be exercised until May 30, 2029. The following conditions for exercising the warrants apply:

- 33.33% on May 31, 2023
- 33.33% on May 31, 2024
- 33.33% on May 31, 2025

BSA warrants issued on March 15, 2023

Each BSA warrant entitles its holder to subscribe for one ordinary share at a subscription price of €0.36 per share.

The warrants may be exercised until March 15, 2030. The following conditions for exercising the warrants apply:

- 33.33% on March 15, 2024
- 33.33% on March 15, 2025
- 33.33% on March 15, 2026

BSA warrants issued on May 24, 2023

Each BSA warrant entitles its holder to subscribe for one ordinary share at a subscription price of €0.2827 per share.

The warrants may be exercised until May 24, 2030. The following conditions for exercising the warrants apply:

- 33.33% on May 24, 2024
- 33.33% on May 24, 2025
- 33.33% on May 24, 2026

BSA warrants issued on January 24, 2024

Each BSA warrant entitles its holder to subscribe for one ordinary share at a subscription price of €0.47 per share.

The warrants may be exercised until January 24, 2031. The following conditions for exercising the warrants apply:

- 33.33% on January 24, 2025
- 33.33% on January 24, 2026
- 33.33% on January 24, 2027

BSA warrants issued on June 20, 2024

Each BSA warrant entitles its holder to subscribe for one ordinary share at a subscription price of €0.74 per share.

The warrants may be exercised until June 20, 2031. The following conditions for exercising the warrants apply:

- 33.33% on June 20, 2025
- 33.33% on June 20, 2026
- 33.33% on June 20, 2027

BSPCE warrants:

Type	Date	Price per share	Number of instruments issued	Number of instruments exercised	Number of instruments lapsed	Number of outstanding instruments	Number of potential shares
BSPCE 2014-2	6/17/2014	2.40 €	100	-	100	-	-
BSPCE 2014-M	11/20/2014	2.40 €	13,600	-	-	13,600	136,000
BSPCE 2016	5/19/2017	4.31 €	13,500	-	13,500	-	-
BSPCE 2017	5/30/2017	4.31 €	195,000	-	195,000	-	-
BSPCE 2017	5/30/2018	2.50 €	16,500	-	7,500	9,000	9,000
BSPCE 2018	4/29/2019	1.20 €	386,000	-	25,000	361,000	361,000
BSPCE 2019	9/6/2019	1.28 €	305,110	-	10,000	295,110	295,110
Total as of 6/30/2024			**929,810**	**-**	**251,100**	**678,710**	**801,110**

General conditions for exercising warrants:

The BSPCE warrants may be exercised within 10 years from the date of issue.

The BSPCE warrants issued between June 17, 2014 and November 20, 2014 entitle their holders to subscribe for ten ordinary shares at a subscription price of €2.40 per share.

The BSPCE 2016 warrants issued on May 19, 2017 entitle their holders to subscribe for one ordinary share at a subscription price of €4.31 per share.

The BSPCE 2017 warrants issued on May 30, 2017 entitle their holders to subscribe for one ordinary share at a subscription price of €4.31 per share.

The BSPCE 2017 warrants issued on May 30, 2018 entitle their holders to subscribe for one ordinary share at a subscription price of €2.50 per share.

The BSPCE 2018 warrants issued on April 29, 2019 entitle their holders to subscribe for one ordinary share at a subscription price of €1.20 per share.

The BSPCE 2019 warrants issued on September 6, 2019 entitle their holders to subscribe for one ordinary share at a subscription price of €1.28 per share.

SOs:

	Date	Price per share	Number of instruments issued	Number of instruments exercised	Number of instruments lapsed	Number of outstanding instruments
SO 2020	5/20/2020	0.76 €	100,000	-	-	100,000
SO 2020	7/30/2020	0.90 €	145,000	-	-	145,000
SO 2020	8/22/2020	1.20 €	100,000	-	-	100,000
SO 2020	2/2/2021	1.73 €	37,900	-	2,000	35,900
SO 2021	8/11/2021	1.81 €	1,594,855	-	-	1,594,855
SO 2021	2/3/2022	1.10 €	73,320	-	4,000	69,320
SO 2023	3/15/2023	0.36 €	2,090,800	21,001	32,500	2,037,299
SO 2023	12/20/2023	0.46 €	255,000	-	-	255,000
SO 2023-2	4/10/2024	0.74 €	3,745,000	-	-	3,745,000
Total as of 6/30/2024			**8,141,875**	**21,001**	**38,500**	**8,082,374**

General conditions for exercising warrants:

On May 20, 2020, the ss's Board of Directors awarded 100,000 stock options to a single beneficiary. These options entitle their holder to subscribe for one ordinary share at a subscription price of €0.76 per share.

These options may be exercised until May 19, 2027 without any conditions.

On July 30, 2020, the Company's Board of Directors awarded 165,000 stock options to six beneficiaries. These options entitle their holder the right to subscribe to one ordinary share at a subscription price of €0.9027 per share.

These options may be exercised until July 29, 2027. The following conditions for exercising the warrants apply:

- 33.33% if the SENS 401 phase II study is completed by June 30, 2021
- 11.11% from July 30, 2021
- 11.11% from July 30, 2022
- 16.7% if the OTOF project clinical study request is submitted before December 31, 2022
- 11.11% from July 30, 2023
- 16.7% if the USHER project clinical study request is submitted before December 31, 2024

In the end, only presence conditions were retained for this plan, i.e. 1/3 on 30 July 2021, 1/3 on 30 July 2022 and 1/3 on 30 July 2023.

On August 22, 2020, the Company's Board of Directors awarded 100,000 stock options to a single beneficiary. These options entitle their holder the right to subscribe to one ordinary share at a subscription price of €1.197 per share.

These options may be exercised until August 20, 2027. The following conditions for exercising the warrants apply:

- 33.33% from August 22, 2021
- 33.33% from August 22, 2022
- 33.33% from August 22, 2023

On February 02, 2021, the Company's Board of Directors awarded 47.370 stock options. These options entitle their holders the right to subscribe to one ordinary share at a subscription price of €1.7273 per share.

These options may be exercised until February 01, 2028. The following conditions for exercising the warrants apply:

- 33.33% from February 01, 2022
- 33.33% from February 01, 2023
- 33.33% from February 01, 2024

On August 11, 2021, the Company's Board of Directors awarded 1,814,855 stock options. These options entitle their holders the right to subscribe to one ordinary share at a subscription price of €1.8143 per share.

These options may be exercised until August 10, 2028. The following conditions for exercising the warrants apply:

- 33.33% from August 11, 2022
- 33.33% from August 11, 2023
- 33.33% from August 11, 2024

On February 03, 2022, the Company's Board of Directors awarded 85.120 stock options. These options entitle their holders the right to subscribe to one ordinary share at a subscription price of €1.1012 per share.

These options may be exercised until February 02, 2029. The following conditions for exercising the warrants apply:

- 33.33% from February 03, 2023
- 33.33% from February 03, 2024
- 33.33% from February 03, 2025

On March 15, 2023, the Company's Board of Directors awarded 2,100,800 stock options. These options entitle their holders the right to subscribe to one ordinary share at a subscription price of €0.36 per share.

These options may be exercised until March 15, 2030. The following conditions for exercising the warrants apply:

- 33.33% from March 15, 2024
- 33.33% from March 15, 2025
- 33.33% from March 15, 2026

On December 20, 2023, the Company's Board of Directors awarded 255.000 stock options. These options entitle their holders the right to subscribe to one ordinary share at a subscription price of €0.46 per share.

These options may be exercised until December 20, 2030. The following conditions for exercising the warrants apply:

- 33.33% from December 20, 2024
- 33.33% from December 20, 2025
- 33.33% from December 20, 2026

On April 10, 2024, the Company's Board of Directors awarded 3,745,000 stock options. These options entitle their holders the right to subscribe to one ordinary share at a subscription price of €0.8086 per share.

These options may be exercised until April 10, 2031. The following conditions for exercising the warrants apply:

- 33.33% from April 10, 2025
- 33.33% from April 10, 2026
- 33.33% from April 10, 2027

Note 10: Borrowings and financial liabilities

10.1 Reimbursable Advances

As of June 30, 2024, reimbursable advances made by public authorities are covered by a contract with Bpifrance Financement.

The portion of conditional advances to be repaid in more than one year is recognized in non-current liabilities, and the portion to be repaid within one year is recognized in current liabilities.

The table below shows the breakdown of liabilities in the balance sheet (in thousands of euros):

Amounts in thousands of euros	PATRIOT
Balance sheet liability 12/31/2023	831
Receipts	0
Debt rescheduling	0
Deferred income	0
Repayments	0
Financial expenses	30
Balance sheet liability 6/30/2024	861

Bpifrance Financement granted Sensorion a refundable advance in connection with its contribution to the "PATRIOT" competitiveness clusters fundamental R&D project.

This subsidy of a maximum amount of €4,833,248 breaks down as follows:

First payment upon signing the contract: €724,000 (payment received in August 2020)
- Key stage 1: €526,000 paid in August 2023
- Key stage 2: €259,136 paid in August 2023
- Key stage 3: €2,167,864 as of February 1, 2025,
- Key stage 4: €430,000 as of February 1, 2028,
- Balance of the subsidy: €726,248 as of February 1, 2029.

The refundable advance will be refund according to the following provisional schedule:

- as of July 31, 2031: €1,250,000
- as of July 31, 2032: €1,250,000
- as of July 31, 2033: €1,250,000
- as of July 31, 2034: €1,250,000

After refund of the refundable advance, Sensorion could make additional payments for a period of five years of up to €2,450,000 depending on the achievement of a cumulative turnover of €40,000,000.

Additional payment due to be received by the Company after 30 June 2024 were not factored into the calculation of the conditional advance and the corresponding revenue recognised in the income statement: the Company indeed considers receipt of those as not probable.

10.2 Zero-Interest Innovation Loan

On January 13, 2017, the Company received a zero-interest innovation loan (PTZI), which was granted jointly by Bpifrance Financement and the Occitanie region. This loan of €950,000 is repayable in 20 quarterly installments of €47,500. The first installment was reimbursed on December 31, 2019 and the second installment was reimbursed in September 2020 following a six-month deferral of all payments to Bpifrance pursuant to the COVID-19 measures implemented by the French government. A third installment was reimbursed in December 2020.
The Company repaid €95,000 during the first half of 2024.

As of June 30, 2024, the balance of this loan totaled €190,000.

10.3 Innovation Loan R&D

The Company received an innovation loan R&D issued by Bpifrance Financement in the amount of €1,000,000 as part of strengthening of cash flow linked to the COVID-19 crisis. The annual interest rate is 2.25%. A financial expense is recognized on a straight-line basis over a period of 5 years.

The loan will be repaid according to the following provisional schedule:

- December 31, 2021: €50,000, repaid in 2021
- December 31, 2022: €200,000, of which €50,000 were repaid in January 2023
- December 31, 2023: €200,000, of which €50,000 were repaid in January 2024
- December 31, 2024: €200,000, of which €50,000 were repaid in April 2024
- December 31, 2025: €200,000
- December 31, 2025: €150,000

10.4-3 Government Guaranteed Loans

The Company received two Government Guaranteed Loans (GGL) in the context of the COVID-19 crisis.

On October 1, 2020, the Company obtained a GGL from Société Générale for an amount of €1,500,000. This loan is repayable in 48 installments starting on October 24, 2022. The annual interest rate is 0.58%. As of June 30, 2024, the balance of this loan totaled €843,750.

On October 8, 2020, the Company obtained a GGL from CIC for an amount of €500,000.
This loan is repayable in 48 installments starting on November 05, 2022. The annual interest rate is 0.70%.
As of June 30, 2024, the balance of this loan totaled €293,366.

10.5 Maturity of Financial Liabilities

FINANCIAL LIABILITIES
(Amount in thousands of euros)

As of June 30, 2024	Gross amount	Less than one year	From one to five years	More than 5 years
Non-current conditional advances	861	-	-	861
Non-current rental liabilities	463	-	463	-
Long term debts	890	-	890	-
Current conditional advances	190	190	-	-
Short term debts	759	759	-	-
Current rental liabilities	241	241	-	-
Total financial liabilities	**3 405**	**1 190**	**1 353**	**861**

FINANCIAL LIABILITIES
(Amount in thousands of euros)

As of December 31, 2023	Gross amount	Less than one year	From one to five years	More than 5 years
Non-current conditional advances	875	-	44	831
Non-current rental liabilities	553	-	553	-
Long term debts	1,241	-	1,241	-
Current conditional advances	238	238	-	-
Short term debts	753	753	-	-
Current rental liabilities	321	321	-	-
Total financial liabilities	**3,981**	**1,312**	**1,838**	**831**

Note 11: Non-Current Provisions

Non-current provisions break down as follows:

NON-CURRENT PROVISIONS
(Amounts in thousands of euros)

	6/30/2024	12/31/2023
Pension liabilities	285	279
Provision for tax risk	1,393	-
Other provisions	4	-
Net total	**1,683**	**279**

Retirement allowances obligation

	Amounts (k€)
As of January 1, 2023	(166)
Cost of services rendered (operating expense)	(67)
Financial interest	(6)
Allowances paid	-
Actuarial gains/losses	(40)
As of December 31, 2023	**(279)**
Cost of services rendered (operating expense)	(61)
Financial interest	(4)
Allowances paid	-
Actuarial gains/losses	59
As of June 30, 2024	**(285)**

As part of the retirement estimate, the following assumptions were used for all categories of employees:

	6/30/2024	12/31/2023
Social charges rate	45,00%	45,00%
Salary increase	4,00%	4,00%
Discount rate	3,61%	3,17%

- Retirement age: 67 years old (executives) 64 years old (non-executives)
- Departure terms: voluntary departure
- Mortality table: TGH-TGF 05
- Collective bargaining agreement: Collective bargaining agreement for the pharmaceutical industry
- Degressive staff turnover based on age

These discount rates are taken from IBOXX Corporates AA rates (indexo.com).

No retirement was recorded over the two financial years presented.

Note 12: Trade payables and other current liabilities

12.1 Trade payables and related accounts

No discounting was applied to trade payables because none of the amounts have payment terms exceeding one year at the end of each period presented.

Trade payables and related accounts break down as follows:

TRADE PAYABLES AND RELATED ACCOUNTS

(Amounts in thousands of euros)

	6/30/2024	12/31/2023
Trade payables and related accounts	7,692	3,688
Net total	**7,692**	**3,688**

12.2 Other current liabilities

Other current liabilities break down as follows:

OTHER CURRENT LIABILITIES

(Amounts in thousands of euros)

	6/30/2024	12/31/2023
Social security liabilities	1 634	1 802
Tax liabilities	499	298
Other debts	70	8
Prepaid income	3 083	3 170
Net total	**5 286**	**5 278**

Prepaid income includes advances received in connection with a joint venture agreement with Sonova, the award of a grant in advance, and revenue generated by discounting repayable advances.

Note 13: Financial instruments recorded on the balance sheet

FINANCIAL INSTRUMENTS RECORDED ON THE BALANCE SHEET AND EFFECT RESULT

(Amounts in thousands of euros)

As of June 30, 2024	Balance sheet value	Term deposits	Fair valur through profit and loss	Loans and receivables	debt at amortized cost
FINANCIAL ASSET					
Non-current financial assets	169			169	
Other current assets	10 415			10 415	
Cash and cash equivalent	87 344	75 233	12 111		
Total financial assets	**97 928**	**75 233**	**12 111**	**10 583**	**-**
FINANCIAL LIABILITIES					
Non-current conditional advances	861				861
Long term debts	1 353				1 353
Non-current provisions	1 683				1 683
Current conditional advances	190				190
Short term debts	1 000				1 000
Trade payables and related accounts	7 692				7 692
Other current liabilities and deferred income	5 288				5 288
Total financial liabilities	**18 067**	**-**	**-**	**-**	**18 067**

FINANCIAL INSTRUMENTS RECORDED ON THE BALANCE SHEET AND EFFECT RESULT

(Amounts in thousands of euros)

As of December 31, 2023	Balance sheet value	Term deposits	Fair valur through profit and loss	Loans and receivables	debt at amortized cost
FINANCIAL ASSET					
Non-current financial assets	108			108	
Other current assets	6,293			6,293	
Cash and cash equivalent	36,974	35,483	1,491		
Total financial assets	**43,375**	**35,483**	**1,491**	**6,401**	**-**
FINANCIAL LIABILITIES					
Non-current conditional advances	875				875
Long term debts	1,794				1,794
Non-current provisions	281				281
Current conditional advances	238				238
Short term debts	1,074				1,074
Trade payables and related accounts	3,688				3,688
Other current liabilities and deferred income	5,278				5,278
Total financial liabilities	**13,227**	**-**	**-**	**-**	**13,227**

Note 14: Operating revenue

Operating revenue breaks down as follows:

OTHER REVENUE

(Amounts in thousand of euros)

	6/30/2024	6/30/2023
Research tax credit	2 307	2 112
Grants	491	411
Collaboration contract	337	31
Reimbursable advances	197	93
Total net	**3 332**	**2 647**

Note 15: Operating expenses

Research and development costs break down as follows:

R&D COSTS

(Amounts in thousands of euros)

	6/30/2024	6/30/2023
Payroll expense	3,171	2,453
Preclinical and clinical studies	8,860	8,273
Patent royalties	73	63
Fees	401	368
Real estate leases and tenancy charges	131	117
Research supplies	451	428
Conventions, Travel costs	208	83
Provision allowances and depreciation/amortization	506	414
Provision payroll tax	898	-
Other	(38)	73
Total net	**14,660**	**12,271**

A breakdown of overhead expenses by type is shown below:

OVERHEAD EXPENSES

(Amounts in thousands of euros)

	6/30/2024	6/30/2023
Payroll expense	1,547	974
Fees	1,076	1,136
Entertainment and travel expenses	78	90
Public relation/web	99	36
Bank fees	19	13
Directors' fees	173	76
Provision allowances and depreciation/amortization	63	63
Postage and telecommunication costs/data room	27	25
Real estate leases and tenancy charges	9	21
Insurance	8	13
Administrative supplies, minor equipment	8	7
Provision payroll tax	496	-
Other	188	118
Net total	**3,791**	**2,572**

Payroll expense

The Company employed 61 persons on June 30, 2024, compared with 50 persons on June 30, 2023.

Note 16: Share-based payments

Share-based payments relate to all warrants (BSPCE and BSA warrants) and stock options (SOs) awarded to employees, non-employee members of the Board of Directors and Company's consultants.

In accordance with IFRS 2 "Share-Based Payment," these instruments are measured at fair value on the grant date. This fair value is determined by applying the model B&S.

The table below provides the calculation results:

	June 30, 2024			June 20, 2023		
In thousdans of euros	R&D	G&A	Total	R&D	G&A	Total
BSA		**(3)**	**(3)**		**(7)**	**(7)**
2/2/2021		(0)	**(0)**		(0)	**(0)**
1/3/2022		(3)	**(3)**		(7)	**(7)**
SO	**(181)**	**(207)**	**(388)**	**(42)**	**(19)**	**(62)**
7/30/2020				(5)		**(5)**
8/22/2020					(6)	**(6)**
2/2/2021	(0)	(0)	**(0)**	(1)	(1)	**(2)**
8/11/2021		(71)	**(71)**	0	(172)	**(172)**
12/19/2021		0	**0**		189	**189**
2/3/2022	(1)	(0)	**(1)**	(3)	(0)	**(4)**
5/31/2022		0	**0**		7	**7**
3/15/2023	(36)	(44)	**(79)**	(32)	(37)	**(70)**
12/20/2023	(19)		**(19)**			
4/10/2024	(125)	(92)	**(217)**			
Total	**(181)**	**(210)**	**(391)**	**(42)**	**(27)**	**(69)**

The main assumptions used to determine the expense resulting from share-based payments by applying the Black-Scholes warrant valuation model are as follows:

- Risk-free interest rate: -0.60% to 2.78%
- Dividends: none
- Volatility: between 56% and 72% corresponding to the average historical volatility of a panel of comparable listed companies
- Maturity: between 3.5 and 7 years.

The assumptions used to establish the cost of plans awarded in previous years that continue into the current year were disclosed in the financial statements for the years in which the plans were awarded.

Detailed information on the number of options by category and strike price is provided in Note 9.2.

Note 17: Financial Income and Expenses

Financial income and expenses break down as follows:

FINANCIAL INCOME AND EXPENSES

(Amounts in thousands of euros)

	6/30/2024	6/30/2023
Financial income	1,387	186
Financial expenses	(65)	(56)
Net total	**1,323**	**130**

Note 18: Related-Party Transactions

The remuneration shown below, which was paid to the members of the Company's Board of Directors, was expensed during the periods presented:

RELATIONSHIP WITH RELATED PARTIES

(Amounts in thousands of euros)

	6/30/2024	6/30/2023
Wages and treatments	696	546
Social charges	259	196
Remuneration of Director's activities	173	76
Consulting fees	-	23
Share-based payments	171	22
Net total	**1 299**	**863**

Note 19: Corporate taxes

The tax expense at the end of June 2024 is corporate income tax for the amount of 96,771 for Sensorion Australia.

Note 20: Distribution of Share Capital and Information on the Exercise of Share Warrants (BSAs), Business Founders' Share Warrants (BSPCEs), and Stock Options (SOs)

	Number of shares	% of capital held	Number of shares resulting from the exercise of BSPCE founders' warrants, share warrants and stock options	Number of fully diluted shares	% of fully diluted capital held
Invus Public Equities LP / Artal International	80,980,547	26.95%		80,980,547	24.6%
Redmile Group LLC	66,052,590	21.98%	17,857,143	83,909,733	25.45%
Sofinnova Partners	54,337,460	18.08%		54,337,460	16.48%
WuXi AppTec	5,249,608	1.75%		5,249,608	1.59%
3SBio	4,055,150	1.35%		4,055,150	1.23%
Innobio	3,499,874	1.16%		3,499,874	1.06%
SONOVA AG	2,941,176	0.98%		2,941,176	0.89%
Cochlear	533,755	0.18%		533,755	0.16%
Management, employees, directors	162,667	0.05%	10,036,432	10,199,099	3.09%
Treasury shares	138,848	0.05%		138,848	0.04%
Floating (including former officers and directors)	82,554,552	27.47%	1,300,999	83,855,551	25.43%
Total	**300,506,227**	**100.00%**	**29,194,574**	**329,700,801**	**100.00%**

Note 21: Result per share

Basic result

The basic result per share is calculated by dividing the net profit attributable to the shareholders of the company by the weighted average number of ordinary and preferably shares in circulation during the year. The weighted average number of shares is 264,379,735 as of June 30, 2024 and 79,785,067 as of June 30, 2023.
The weighted average number of shares outstanding is equal to the number of shares adjusted for treasury shares, as there was no change in the number of shares during the period.

EARNINGS PER SHARE

	6/30/2024	6/30/2023
Loss of the year (in thousands of euros)	(13 895)	(12 288)
Weighted average number of shares outstanding	264 379 735	79 785 067
Net loss per share (in euros)	**(0,05)**	**(0,15)**

These instruments conferring deferred equity rights are considered anti-dilutive because they lead to an increase in earnings per share. These instruments are presented in detail in Note 16. Thus, diluted result per share is identical to basic result per share.

Note 22: Off-Balance Sheet Commitments

Commitments given:

The Company has not identified any material off balance sheet commitments as of June 30, 2024.

Commitments received:

The Company received a 90% guarantee from the French government on two guaranteed loans totaling €1,800,000.