affluent MEDICAL
IMPLANTS FOR LIFE

HALF-YEAR FINANCIAL REPORT

AT 30 JUNE 2024

French corporation (société anonyme) with a Board of Directors and a share capital of €3,934.802.10
Registered office: 320 avenue Archimède – Les Pléiades III – Bâtiment B – 13100 Aix-en-Provence, France
837 722 560 RCS Aix-en-Provence Trade and Companies Register

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GENERAL COMMENTS

Definitions

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

- The terms “Company” or “Affluent Medical” mean Affluent Medical, French corporation (société anonyme) whose registered office is located at 320, avenue Archimède – Les Pléiades III – Bâtiment B – 13100 Aix-en-Provence, France, registered with the Aix-en-Provence Trade and Companies Register under number 837 722 560;
- The term “Group” means the Company and its subsidiaries and sub-subsidiaries majority-controlled by Affluent Medical:
  - Kephalios, a simplified joint stock company whose registered office is located at 320, avenue Archimède – Les Pléiades III – Bâtiment B – 13100 Aix-en-Provence, France, registered with the Aix-en-Provence Trade and Companies Register under number 531 557 650;
  - Kardiozis, a simplified joint stock company whose registered office is located at 320, avenue Archimède – Les Pléiades III – Bâtiment B – 13100 Aix-en-Provence, France, registered with the Aix-en-Provence Trade and Companies Register under number 532 628 336;
  - Epygon, a simplified joint stock company whose registered office is located at 320, avenue Archimède – Les Pléiades III – Bâtiment B – 13100 Aix-en-Provence, France, registered in the Aix-en-Provence Trade and Companies Register under number 539 455 238;
  - Epygon Italy, a limited liability company (Società a Responsabilità Limitata) whose registered office is located at via Ribes 5 – 10010 Colleretto Giacosa (TO), Italy, registered in the Turin Trade and Companies Register under number 11311520016;
  - MyoPowers Medical Technologies France, a simplified joint stock company with its registered office at 18, rue Alain Savary, 25000 Besançon, France, registered in the Besançon Trade and Companies Register under number 799 927 355;
  - Medev Europa, a limited liability company (Societate Cu Raspundere Limitata) whose registered office is located at Bucureşti Sectorul 4, Bulevardul Régina Maria, Nr. 32, Parter Biroul NR. 3, Modul, Romania, registered with the National Office of the Romanian Trade Register under number J40/524/2020 and unique identification code 42124756.
- “Financial Report” means this half-year financial report at 30 June 2024;
- “Universal Registration Document” means the universal registration document filed with the French Financial Markets Authority (Autorité des marchés financiers – AMF) on 30 April 2024 under visa number D.24-0381 and its amendment filed on 12 July 2024 with the French Financial Markets Authority (Autorité des marchés financiers - AMF) under visa number D.24-0381-A01.

About Affluent Medical

Affluent Medical is a French player in MedTech, founded by Truffle Capital, with the aim of becoming a global leader in the treatment of structural heart diseases, which are the leading cause of death worldwide, and of urinary incontinence, which today affects one in four adults.
Affluent Medical develops innovative, next-generation, minimally invasive, adjustable and biomimetic implants to restore essential physiological functions in these areas. The major technologies developed by the Company are currently in the pre-clinical and clinical study phase.
Kalios^{TM}, the first mitral annuloplasty device, should be the first medical device to be marketed.
Subject to obtaining financing to finance its strategy and positive results from the ongoing clinical studies, the Company aims to gradually market its products from the end of 2025 / early 2026.

For more information, please visit: www.affluentmedical.com

1. STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

1.1 Person responsible for the half-year financial report

Sébastien Ladet, Chief Executive Officer of AFFLUENT MEDICAL.

1.2 Statement of the person responsible

(Art. 222-3 - 4° of the General Regulation of the French Financial Markets Authority - AMF)

“I certify, to the best of my knowledge, that the condensed financial statements for the past half-year have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies in the scope of consolidation, and that the half-year activity report (appearing on pages 6 to 17 of this half-year financial report) presents an accurate picture of the significant events that occurred during the first six months of the financial year and their impact on the financial statements, of the main transactions between related parties and that it describes the main risks and uncertainties for the remaining six months of the financial year.”

Aix-en-Provence, France, 26 September 2024.

Sébastien Ladet, Chief Executive Officer of AFFLUENT MEDICAL.

2. ACTIVITY REPORT AT 30 JUNE 2024

2.1 Company's activity and results during the first half of 2024

2.1.1 Activity

The Affluent Medical Group is developing next-generation minimally invasive medical devices, at a clinical stage, with the aim of saving the lives and improving the quality of life of millions of patients around the world affected by severe pathologies in the urological and structural heart fields.

Affluent Medical has a portfolio of products or technologies to regulate urethral, cardiac or aortic flows by restoring the natural physiology of patients, while simplifying the surgical procedure (optimal precision, speed and safety) and reducing the total cost of short-term and long-term care:

- three best-in-class innovative implantable prostheses at the clinical development stage:
    - Artus: artificial sphincter for the treatment of severe urinary incontinence restoring the complete control of the bladder, by closing or opening the urinary flow at the will of the patient using a simple remote control and designed both for men and women;
    - Kalios: the only ring designed for mitral valve repair optimised for minimally invasive cardiac surgery and allowing multiple post-operative readjustments via the transcatheter route – without invasive reoperation. It is therefore a unique hybrid technology; and
    - Epygon: the only physiological mitral valve bioprosthesis implanted via a transcatheter route capable of mimicking the native mitral valve.
- the Kardiozis technology based on thrombogenic fibres that fits on an endoprosthesis (stent-graft) for the treatment of the abdominal aortic aneurysm and ensures a natural embolisation allowing to reduce the risk of endoleaks generating a risk of rupture of the aneurysm.

The Company was incorporated on 23 February 2018 as a holding company to hold stakes in four operating companies. Affluent Medical directly holds 100% of the capital and voting rights of Epygon, Kardiozis, Kephalios and MyoPowers and indirectly holds 100% of Epygon Italia SRL and Medev Europa SRL. The Company indirectly holds 40% of the share capital and voting rights of the two Chinese companies, Shanghai Epygon Medical Technology Co. Ltd and Shanghai MyoPowers Medical Technology Co. Ltd, as part of joint ventures entered into with Shanghai Zuquan Investment Management Company Limited (see Section 6.1 of the Universal Registration Document).

The Group's research and development (R&D), pre-clinical and clinical activities have mobilised most of its resources, enabling significant progress in the validation of the medical devices and technologies presented in more detail in Chapter 5 "*Overview of business activities*" in the Universal Registration Document. It should be noted that all R&D, pre-clinical and clinical costs are recognised as operating expenses in the financial year in which they are incurred. The Group also devotes a sizeable percentage of its resources to protecting its intellectual property by filing international patent applications at an early stage.

Since the creation of Affluent Medical, the Group's cumulative consolidated losses have amounted to nearly €93.5 million, mainly related to R&D expenses and pre-clinical and clinical trials as well as overheads and operating expenses. Operating expenses dedicated to R&D, pre-clinical and clinical activities, regulatory affairs and quality, and excluding general administrative expenses, represent approximately 84% of the Company's total expenses at 30 June 2024 and 87% at 30 June 2023.

As R&D, pre-clinical and clinical expenses are recognised as operating expenses for the financial year in which they are incurred, the developed projects require growing financial needs and generate operating losses. Affluent Medical's first operating revenues will be generated when the developed projects reach the commercialisation or license agreement stage, which could generate revenues in the form of lump sums or royalties (refer to section 5.1.1 of the Universal Registration Document).

2.1.1 Other operating income

The Company's other operating income mainly consists of the research tax credit recorded by the Company during the periods presented:

Grants (Amounts in thousands euros)	**30/06/2024 6 months**	**30/06/2023 6 months**	**Change**
Research tax credit (RTC)	649	582	67
Various grants	12	8	4
Total other operating income	**661**	**590**	**71**

2.1.2 Operating expenses

OPERATING EXPENSES (Amounts in thousands euros)	**30/06/2024 6 months**	**30/06/2023 6 months**	**+0Change**
Purchases consumed	(918)	(1,037)	119
External expenses	(3,721)	(2,828)	(893)
Personnel expenses	(3,691)	(2,996)	(695)
Amortisation, depreciation and provisions	(1,192)	(1,206)	14
Other	52	52	-
Total operating expenses	**(9,470)**	**(8,015)**	**(1,455)**

Operating expenses increased by €1,455 thousand in the first half of 2024 compared with the first half of 2023 to stand at €9,470 thousand, mainly due to:

- an increase in fees of €893 thousand, of which approximately €200 thousand incurred as part of the agreements with Edwards, approximately €250 thousand related to the start of the Artus clinical study, €150 thousand related to the development of Kalios as well as costs related to training on Epygon.
- an increase in personnel expenses of €695 thousand in connection with the strengthening of teams in the first half of 2024 (average workforce of 66 people) compared with the first half of 2023 (average workforce of 52 people).

The change in purchases consumed between the first half of 2023 and the first half of 2024 breaks down as follows:

Purchases consumed (Amounts in thousands euros)	**30/06/2024 6 months**	**30/06/2023 6 months**	**Change**
Purchase of studies	(628)	(768)	141
Non-stocked purchases of materials and supplies	(273)	(250)	(24)
Purchases of goods, raw materials, supplies and other provisions	(17)	(19)	(17)
Total purchases consumed	**(918)**	**(1,037)**	119

Purchases consumed consist of:

- subcontracting purchases which mainly include expenses related to external studies, subcontracting and scientific consulting;
- subcontracting for the manufacture of prototypes; and
- costs related to administrative supplies, electricity and equipment, particularly laboratory supplies.

The level of the Group's expenses depends on the stage of completion of clinical and pre-clinical trials.

During the first half of 2024, purchases consumed decreased by €119 thousand compared with the first half of 2023. This decrease is mainly due to the decline in external research expenses of -€141 thousand. Several pre-clinical studies were conducted in 2023, which led to an increase in purchases of studies.

The change in external expenses between the first half of 2023 and the first half of 2024 breaks down as follows:

External expenses (Amounts in thousands euros)	**30/06/2024 6 months**	**30/06/2023 6 months**	**Change**
Fees	(2,981)	(2,080)	901
Missions and receptions	(251)	(251)	-
Miscellaneous	(489)	(497)	(8)
Total external expenses	**(3,721)**	**(2,828)**	**893**

The change in external expenses between the two periods is mainly related to consulting, engineering and recruitment fees, up by €901 thousand between the two periods.

The change in personnel expenses between the first half of 2023 and the first half of 2024 breaks down as follows:

Personnel expenses (Amounts in thousands euros)	**30/06/2024 6 months**	**30/06/2023 6 months**	**Change**
Employee compensation	(2,323)	(1,918)	405
Social security charges	(903)	(748)	155
Pension commitments	(21)	(24)	(3)
Share-based payments	(444)	(306)	138
Total personnel expenses	**(3,691)**	**(2,996)**	**695**

The €405 thousand increase in personnel expenses between the first half of 2023 and the first half of 2024 (excluding the impact of IFRS 2 – Share-based payments) is explained by the gradual strengthening of the Group's workforce in research and development, clinical activities and management functions.

The Group had an average workforce of 66 employees in the first half of 2024 compared with 52 employees in the first half of 2023. Most of the staff is assigned to research and development activities, divided between its research laboratories in Aix-en-Provence, Besançon and Colleretto Giacosa in Italy.

Personnel expenses include the expense relating to share-based payments (IFRS 2) for equity instruments granted to employees or corporate officers in the amount of €444 thousand at 30 June 2024 and €306 thousand at 30 June 2023, i.e. an increase of €138 thousand between the two periods.

The change in amortisation, depreciation and provisions between the first half of 2023 and the first half of 2024 breaks down as follows:

Amortisation, depreciation and provisions (Amounts in thousands euros)	**30/06/2024 6 months**	**30/06/2023 6 months**	**Change**
Amortisation of intangible assets	(925)	(924)	(1)
Depreciation of property, plant and equipment (excluding right-of-use)	(95)	(103)	8
Depreciation of property, plant and equipment (right-of-use)	(182)	(179)	(3)
Provisions	-	-	-
Reversals of provisions	11	-	11
Total amortisation, depreciation and provisions	**(1,192)**	**(1,206)**	**14**

Amortisation, depreciation and provisions are mainly related to:

- internally developed technologies amortised over 15 years and recovered during the business combination in 2018. The provision amounted to €0.9 million over the two periods;
- property, plant and equipment (excluding rights-of-use) for €95 thousand in 2024 and €103 thousand in 2023, i.e. a decrease of €8 thousand;
- rights-of-use recognised in accordance with IFRS 16 – Leases for €182 thousand in 2024 and €179 thousand in 2023, i.e. a decrease of €3 thousand.

2.1.3 Net finance income (expense)

The net finance expense was stable overall at -€638 thousand at 30 June 2024, compared with a loss of -€633 thousand at 30 June 2023.

FINANCIAL INCOME AND EXPENSES (Amounts in thousands euros)	**30/06/2024**	**30/06/2023**
Net borrowing cost	**(747)**	**(686)**
Income from cash and cash equivalents	-	-
Interest expenses	(740)	(678)
Effect of accretion	(7)	(8)
Other financial income and expenses	**109**	**53**
Foreign exchange income	8	-
Change in fair value of derivative liabilities	100	53
Other	1	-
Net finance income (expense)	**(638)**	**(633)**

The net finance income (expense) for the financial years presented is strongly negative given the financing set up between 2020 and 2024.

The net finance expense for the first half of 2024 in particular breaks down as follows:

- accrued interest of €618 thousand (€610 thousand in the first half of 2023) on repayable advances (Mivana and PIAVE Artus);

- accrued interest of €38 thousand on current account advances received in May 2024 from certain shareholders;
- interest paid in the amount of €63 thousand (€27 thousand in the first half of 2023) in connection with the pre-financing of research tax credit receivables;
- financial interest on leases restated in accordance with IFRS 16, of €21 thousand (€19 thousand in the first half of 2023);
- accretion of repayable advances in accordance with IAS 20 – Accounting for government grants and disclosures of government assistance for €7 thousand (€8 thousand in the first half of 2023); and
- changes in the fair value of derivative liabilities in accordance with IFRS 9 – Financial instruments for +€100 thousand (+€53 thousand in the first half of 2023).

Foreign exchange gains and losses, which are not material, are also recognised in net finance income (expense).

2.1.4 Group cash flows

The table below presents selected items from the consolidated cash flow statement presented in section 3 of this Financial Report:

(In thousands of euros – Selected items from the condensed half-year consolidated financial statements prepared in accordance with IFRS standards)	30/06/2024 6 months	30/06/2023 6 months
Cash flows from operating activities	**(3,700)**	**(8,531)**
Of which free cash flow	(7,151)	(5,897)
Of which change in working capital requirement (-)	3,476	(2,609)
Of which taxes paid	(26)	(25)
Cash flows from investing activities	**(64)**	**(34)**
Of which acquisitions of fixed assets	(64)	(34)
Of which financial investments	-	-
Cash flows from financing activities	**3,023**	**12,531**
Of which capital increase net of capital increase costs	3,431	12,781
Of which repayment of advances and innovation loans	(100)	(150)
Of which leaseback collection	111	
Of which repayment of State-guaranteed loans	(369)	(309)
Of which redemption of non-convertible bonds	-	(190)
Of which gross financial interest paid	(108)	(35)
Of which other movements related to the pre-financing of the research tax credit	238	609
Of which repayment of lease liabilities	(180)	(175)
Other cash flows from financing activities (liquidity contract)	-	-
Changes in foreign exchange rates	**-**	**-**
Change in cash and cash equivalents	**(741)**	**3,096**

Cash consumption during the first half of 2024, including operating flows (-€3,700 thousand), acquisitions of fixed assets (-€64 thousand), and financing flows (+€3,023 thousand), amounted to -€741 thousand compared with cash generation of €3,096 thousand over the same period in 2023.

Cash consumption related to operational activities is mainly related to the Group's medical device development activities in line with the stage of completion of clinical and pre-clinical studies.

Cash generation related to financing activities mainly comprised the following over the six months ended 30 June 2024:

- the capital increase net of fees for €3,431 thousand;
- relative net movements in pre-financed research tax credit (RTC) for +€238 thousand;
- the repayment of State-guaranteed loans for €369 thousand;
- the repayment of innovation loans for €100 thousand;
- the repayment of the debt relating to lease obligations for €180 thousand; and
- collection of a leaseback on a fixed asset for an amount of €100 thousand.

For the six months ended 30 June 2023, the financing flows mainly consisted of:

- the collection of the pre-financed research tax credit (RTC) for +€609 thousand;
- the repayment of maturities for the Kreos Capital loan in the amount of €602 thousand;
- the repayment of the accrued interest on the Head Leader bond issue for €190 thousand; and
- the repayment of the debt relating to lease obligations for €175 thousand.

2.2 Consequences of the conflict in Ukraine on the financial statements at 30 June 2024

The war in Ukraine has significant economic and financial consequences worldwide.
The sanctions targeting Russia have significant repercussions for companies with activities or business ties with Russia.
At 30 June 2023, 31 December 2023 and 30 June 2024, the Company had no activity or business relationship with Russia.

2.3 Management and administrative bodies

2.3.1 Composition of the Board of Directors

At the date of this report, and following (i) the renewal by the Annual General Meeting of 24 June 2024 of the terms of office of all directors, except for LCEA Sàrl, represented by Vincent Bourgeois, which had not expired, and (ii) the renewal of the term of office as Chairman of the Board of Directors of Michel Therin by decision of the Board of Directors of the same date, the composition of the Company's Board of Directors is as follows:

Chairman:	Michel Therin
Directors:	Truffle Capital represented by Philippe Pouletty Patrick Coulombier Dominique Carouge Claire Corot Ellen Roche Soad El Ghazouani LCEA SARL, represented by Vincent Bourgeois

2.3.2 Composition of the Board's observers

At the date of this report, and following the renewals approved by the Annual General Meeting of 24 June 2024, the composition of the Company's Board observers is as follows:

- Sustainable Development Partner International, represented by Jean-François Le Bigot,
- Christian Latremouille,
- Daniel Hayoz.

2.3.3 Composition of Committees

At the date of this report, and in accordance with the deliberations of the Board of Directors of 24 June 2024, the composition of the Committees created by the Company's Board of Directors is as follows:

Audit Committee:

- Dominique Carouge (Chairman),
- Claire Corot.

Compensation and Governance Committee:

- Truffle Capital represented by Philippe Pouletty (Chairman),
- Michel Therin
- Patrick Coulombier.

Strategy Committee:

- Philippe Pouletty (Chairman);
- Claire Corot;
- Michel Therin.

2.3.4 Management

At the date of this report, the Company's management is as follows:

Chief Executive Officer	Sébastien Ladet
Chief Financial Officer	Christophe de Vregille
Chief Medical Officer and Clinical Affairs Director	Doctor Christophe Giot
Director of Development	Benjamin Renault
Marketing Director	Céline Buard
Director of Surgical Affairs	Professor François Laborde
Quality Director	Claire André
Industrialisation Director	Olivier Belamy
Human Resources Manager	Mélanie Cantal
Director of Regulatory Affairs	Eric Jague

2.4 Significant events since 1 January 2024

Since the beginning of 2024, Affluent Medical has made substantial new advances for each of its three medical devices.

2.4.1 Kalios™: 510(k) pre-submission file filed with the FDA

A 510(k) or De Novo is a pre-market submission made to the FDA to demonstrate that the device being evaluated is as safe and effective as another comparable device already on the market.

In the first quarter of 2024, Affluent Medical held a meeting with the FDA to discuss their comments. The encouraging observations of this meeting will be taken into account as part of Kalios™'s market access strategy in accordance with US regulations.

An additional pre-submission to the FDA is planned for Q3 2024 to finalise the validation of the regulatory strategy.

Affluent Medical's objective is to be able to market Kalios in the US after obtaining marketing authorisation from the FDA, planned for the end of 2025/2026.

Affluent Medical benefits from intellectual protection for its Kalios device until 2037 with various components protected both on the ring, the fact that it can be adjustable and the surgical method for its placement.

2.4.2 Epygon: Exceptional performance of the Epygon valve at one year

An article on the success of the first implantation in humans of its Epygon transcatheter mitral valve entitled "A Mono-Leaflet, Low-Profile Transcatheter Mitral Prosthesis – First-in-Human Implantation" was published in the prestigious American Journal of the American College of Cardiology: Cardiovascular Interventions.

In February 2024, the first patient was followed up at one year and the transoesophageal echocardiographic examination revealed excellent performance of the valve, without mitral regurgitation or parovalvular leakage.

Finally, a survey of more than 60 interventional cardiologists and cardiac surgeons revealed that 70% of interventional cardiologists would refer their patients to cardiac surgeons, stressing the importance of the differentiation of the Epygon valve to preserve the natural vortex (circulation of blood in the heart).

2.4.3 Artus: success of the first implantation in humans of the Artus artificial Sphincter for the treatment of stress urinary incontinence

A first human implantation of the minimally invasive medical device Artus for the treatment of urinary incontinence as part of the European pilot study was announced in March 2024.

This first implantation of the Artus artificial urinary Sphincter was successfully carried out by Prof. Roman Zachoval, MD, PhD, Head of the Urology Department at Thomayer University Hospital in Prague, Czech Republic, on a 68-year-old man suffering from severe urinary incontinence. The device will be activated six weeks after implantation as soon as the wound has healed after surgery. By the second half of 2024, Affluent Medical intends to treat ten men in the pivotal study and to initiate trials in women by the end of 2024.

2.4.4 Capital increase of €3.5 million

At the end of January 2024, Affluent Medical announced the completion of a capital increase of €3.5 million with its main shareholders (Truffle Capital, LCEA, Ginko Invest, Denos and Hayk Holding), in the form of a capital increase without shareholders' preferential subscription rights in favour of a category of beneficiaries. The transaction allows the Company to finance its operational needs, in particular by covering the costs of regulatory support for interactions with the FDA concerning Kalios™, the initiation of the pilot study in humans for Artus and the continuation of the pilot study for Epygon.

2.4.5 Reaffirmed confidence of reference shareholders through the granting of current account advances

In order to enable it to finance its short-term operational needs, Affluent Medical completed a new bridge financing of €3.5 million with its main shareholders in April 2024. This financing took the form of current account advances, enabling the Company to extend its financial horizon to the end of July 2024 and to explore various additional financing options.
The shareholders who took part in this financing were as follows: Truffle Capital and Ginko Invest.

2.5 Significant events since the balance sheet date on 30 June 2024

On 11 July 2024, the Company entered into several agreements with Edwards Lifesciences ("Edwards") relating to its structural cardiology products (Kalios™ adjustable mitral ring) and technologies (mitral valve technology). Under the terms of these agreements, Affluent Medical received an initial cash payment of €15 million.

The agreements are as follows:

- **An initial payment of €5 million for an exclusive option to purchase Kephalios**, the wholly-owned subsidiary of Affluent Medical developing the innovative Kalios™ adjustable mitral ring, based on the results of its clinical trial. Operational activities for the development of Kalios™ will continue to be managed exclusively by Affluent Medical during the life of the option.

- **An initial payment of €5 million for the worldwide and non-exclusive license of the intellectual property of Affluent on the biomimetic cardiac mitral valve replacement technology, limited to open heart surgery**. Affluent Medical may receive additional future royalties on all products that may be marketed using the licensed patents during the life of said patents. Affluent Medical retains all of its patent rights to the transcatheter valves, including those on its Epygon mitral valve currently in clinical development.

- **A payment of €5 million for a stake in Affluent** . The subscription was carried out via a capital increase with cancellation of shareholders' preferential subscription rights through an offer reserved for categories of beneficiaries (the "Capital Increase"). The unit subscription price of €1.38 (of which €0.10 in nominal value and €1.28 in issue premium) per new share represents a 15% discount to the volume-weighted average price of the Company's shares over the 20 trading days preceding 11 July 2024. Following this transaction, Edwards became a shareholder of Affluent Medical with 9.21% of the share capital. FPCI Truffle Medeor and Ginko Invest also participated in the capital increase by offsetting their shareholder current account advances granted to Affluent Medical in April 2024 (see section 2.4 of the half-year financial report). Following the capital increase, 6,190,831 new ordinary shares were issued for a total cumulative amount, including the issue premium, of €8,543,346.78. At the end of this transaction, the share capital of Affluent Medical was composed of 39,336,524 shares.

In addition, the Company received positive feedback from the FDA (Federal Drug Administration) on the US market access strategy for Kalios, the adjustable mitral ring, as a class 2 device, without requiring additional patients to be added to the Optimize II clinical trial.

Concerning the Artus device, the first remote-controlled mechanical urinary sphincter, the Dry pilot clinical trial is progressing, with five patients currently implanted at the end of August and encouraging initial performance results. The Company aims to finalise the implantation of 10 patients during the last quarter of 2024.

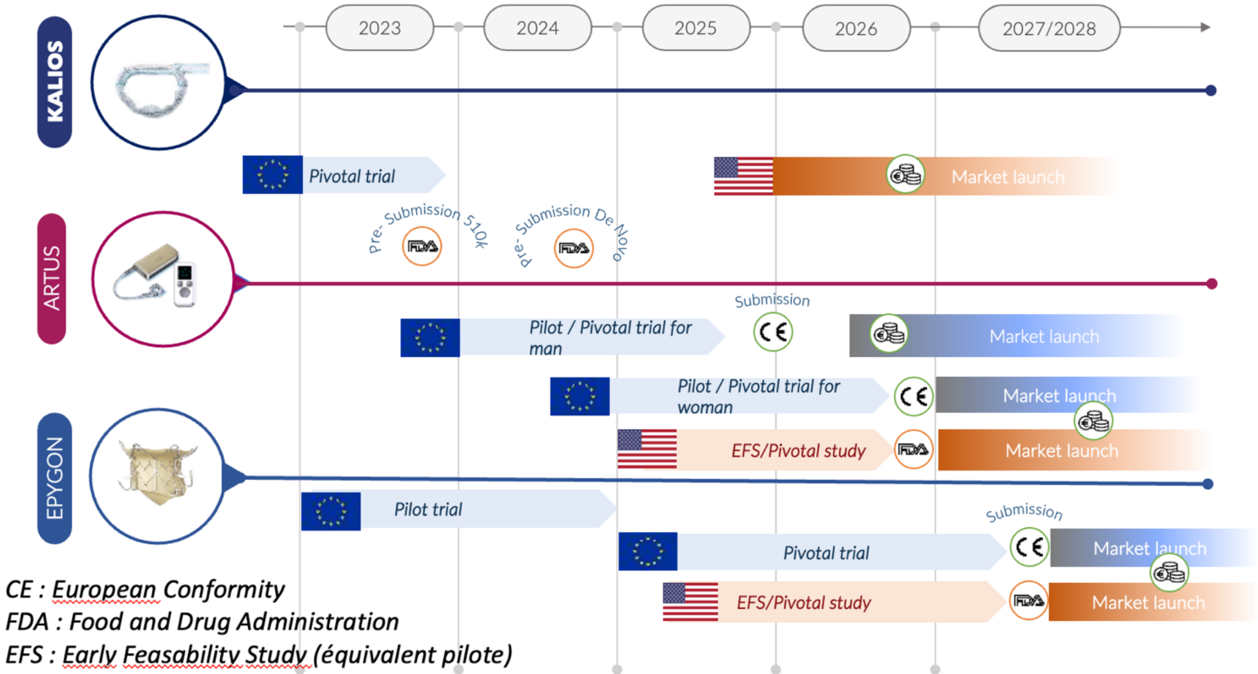
Lastly, the Company recently secured €1.1 million in non-dilutive financing, mainly in the form of grants, for the development of its Epygon transcatheter valve.

At its meeting of 24 September 2024, the Board of Directors noted the final completion of a capital increase of a nominal amount of €1,149.70, resulting from the exercise, between 1 July and 31 August 2024, of 11,458 BSPCEs (founders' share warrants) and 312 BSARs (redeemable share subscription warrants), bringing the share capital to €3,934,802.10.

2.6 Developments and outlook

The Company continues to develop its medical devices and its business development activities in order to market its products within the expected timeframes.

The next key steps in the development of the Kalios, Artus and Epygon medical devices, updated to include the elements described above, are as follows:



Source: Affluent Medical

2.7 Risk factors and related-party transactions

2.7.1 Risk factors

The risk factors are of the same nature as those set out in chapter 3 “*Risk factors*” of the Universal Registration Document filed with the AMF on 30 April 2024 and in chapter 2 “*Risk factors*” of its amendment filed on 12 July 2024 with the AMF and do not present any significant changes at the date of publication of the half-year financial report.

The Company does not anticipate any change in these risks during the second half of 2024.

2.7.2 Related-party transactions

Transactions between consolidated companies have been eliminated in the consolidation process. In addition, in the normal course of its business, the Group has business relationships with certain non-consolidated or equity-accounted companies for non-material values.

3. CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS STANDARDS FOR THE SIX MONTHS ENDED 30 JUNE 2024

Consolidated statement of financial position

Consolidated statement of financial position (in thousands of euros)	Notes	30/06/2024	31/12/2023
ASSETS			
Goodwill	3	32,203	32,203
Other intangible assets	4.1	16,061	16,987
Tangible assets (including right-of-use assets)	4.2	1,422	1,596
Investments in companies accounted for under the equity method	5	-	-
Other non-current financial assets	6	102	97
Total non-current assets		**49,789**	**50,883**
Other current receivables	7	5,561	4,135
Cash and cash equivalents	8	915	1,658
Total current assets		**6,476**	5,793
Total Assets		**56,265**	**56,676**
LIABILITIES AND EQUITY			
Equity			
Capital	9	3,315	3,090
Premiums		89,312	86,105
Translation reserve		22	22
Other items in comprehensive income		96	53
Reserves and earnings		(66,681)	(57,745)
Equity – attributable to shareholders of Affluent Medical		**26,064**	31,525
Non-controlling interests		**-**	**-**
Total shareholders' equity		**26,064**	31,525
Non-current financial liabilities	11	13,626	14,411
Non-current lease liabilities	11.4	633	646
Employee benefits commitments	12	82	103
Non-current provisions	13	-	11
Deferred tax liabilities	20	1,458	1,562
Total non-current liabilities		**15,799**	**16,733**
Current financial liabilities	11	2,930	1,744
Current lease liabilities	11.4	312	333
Trade payables	14	4,046	3,373
Other current liabilities	14	6,847	2,600
Derivative liabilities	11	267	368
Total current liabilities		**14,402**	8,418
Total Liabilities and equity		**56,265**	**56,676**

Consolidated income statement

Consolidated income statement (in thousands of euros)	Notes	30/06/2024 6 months	30/06/2023 6 months
Revenue		-	-
REVENUE		**-**	**-**
Other operating income	16	661	590
OPERATING EXPENSES			
Purchases consumed		(918)	(1,037)
External expenses	17.1	(3,721)	(2,828)
Personnel expenses	17.2	(3,691)	(2,996)
Taxes and duties		(36)	(49)
Provisions net of reversals		11	-
Other current operating income and expenses	17.3	89	101
Depreciation and amortisation	4	(1,202)	(1,206)
CURRENT OPERATING INCOME		**(8,807)**	**(7,425)**
Other non-current operating income and expenses	18	**-**	**-**
OPERATING INCOME before share of net income of equity affiliates		**(8,807)**	**(7,425)**
Share of income of equity affiliates	5	-	-
OPERATING INCOME after share of net income of equity affiliates		**(8,807)**	**(7,425)**
Net borrowing cost	19	(739)	(686)
Other financial income and expenses	19	1	-
Change in fair value of derivative liabilities	19	100	53
Profit (loss) before tax		**(9,445)**	**(8,058)**
Income tax	20	77	78
Net income (loss) for the period		**(9,368)**	**(7,980)**
Of which attributable to shareholders of Affluent Medical		(9,368)	(7,980)
Of which non-controlling interests		-	-

		30/06/2024	30/06/2023
Basic earnings per share (€/share)	21	**(0.29)**	**(0.29)**
Diluted earnings per share (€/share)	21	**(0.29)**	**(0.29)**

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income (in thousands of euros)	30/06/2024 6 months	30/06/2023 6 months
Net income (loss) for the period	**(9,368)**	**(7,980)**
Actuarial differences	43	22
Tax effect related to these items	-	-
Items that cannot be reclassified to profit or loss	**43**	**22**
Consolidation translation differences	-	-
Items that can be reclassified in profit or loss	**-**	**-**
TOTAL Other comprehensive income (net of tax)	43	**22**
Consolidated statement of comprehensive income	**(9,325)**	**(7,958)**
Of which attributable to shareholders of Affluent Medical	*(9,325)*	*(7,958)*
Of which non-controlling interests	-	-

Change in consolidated equity

Change in consolidated equity	Note	*Capital Affluent Medical SA*	Share capital	Capital related premiums	Reserves and earnings	Translation reserve	Other items in comprehensive income	Equity – attributable to shareholders of Affluent Medical	Total non-controlling interests	Total shareholders' equity
		Number of shares	*In thousands of euros*							
At 31 December 2022		***20,750,202***	**20,750**	**83,672**	**(70,634)**	**22**	**22**	**33,832**	**-**	**33,832**
Net income (loss) at 30 June 2023		-	-	-	(7,980)	-	-	(7,980)	-	(7,980)
Other items in comprehensive income		-	-	-	-	-	22	22	-	22
Comprehensive income		**-**	**-**	**-**	**(7,980)**	**-**	**22**	**(7,958)**	**-**	**(7,958)**
Capital increase		*10,149,256*	10,149	3,552	-	-	-	13,701	-	13,701
Capital increase costs		-	-	(886)	-	-	-	(886)	-	(886)
Net movements in treasury shares		-	-	-	30	-	-	30	-	30
Share-based compensation		-	-	-	306	-	-	306	-	306
Net gains and losses on treasury shares		-	-	-	(50)	-	-	(50)	-	(50)
At 30 June 2023		***30,899,458***	**30,899**	**86,338**	**(78,328)**	**22**	**44**	**38,975**	**-**	**38,975**
At 31 December 2023		***30,901,648***	***3,090***	***86,105***	***(57,744)***	***22***	***53***	***31,527***	***-***	***31,527***
Net income (loss) at 30 June 2024		-	-	-	*(9,368)*	-	-	*(9,368)*	-	*(9,368)*
Other items in comprehensive income		-	-	-	-	*0*	*43*	*43*	-	*43*
Comprehensive income		**-**	**-**	**-**	***(9,368)***	***0***	***43***	***(9,326)***	**-**	***(9,326)***
Capital increase		*2,244,045*	*224*	*3,276*	-	-	-	*3,501*	-	*3,501*
Capital increase costs		-	-	*(70)*	-	-	-	*(70)*	-	*(70)*
Net movements in treasury shares		-	-	-	*15*	-	-	*15*	-	*15*
Share-based compensation		-	-	-	*444*	-	-	*444*	-	*444*
Net gains and losses on treasury shares		-	-	-	*(29)*	-	-	*(29)*	-	*(29)*
At 30 June 2024		***33,145,693***	***3,315***	***89,312***	***(66,682)***	***22***	***96***	***26,064***	**-**	***26,064***

Consolidated cash flow statement

Consolidated cash flow statement Amounts in thousands of euros	Notes	30/06/2024 6 months	30/06/2023 6 months
Cash flows from operating activities			
Net income (loss) for the period		**(9,368)**	**(7,980)**
Elimination of amortisation of intangible and tangible assets, provisions and reversals of provisions	4, 13	1,210	1,230
Gains or losses on disposal of assets		-	-
Share-based payment expense		444	306
Interest expense, accrued interest, impact of amortised cost and accretion of advances		740	678
Change in fair value of derivatives	11.3	(100)	(53)
Share of income of equity affiliates	5	-	-
Income tax expense (including deferred tax)	20	(77)	(78)
Gross cash flow before net borrowing cost and taxes		**(7,151)**	**(5,897)**
(-) Change in working capital requirement		**3,476**	**(2,609)**
Including increase (decrease) in other non-current financial assets	6	(18)	(14)
Including increase (decrease) in other receivables	7	(1,426)	(760)
Including increase (decrease) in trade payables	14	674	(1,184)
Including increase (decrease) in tax and social security debts	14	643	(708)
Including increase (decrease) in other liabilities	14	3,604	57
Taxes paid		**(26)**	**(25)**
Cash flows from operating activities		**(3,702)**	**(8,531)**
Cash flows from investing activities			
Acquisitions of intangible assets		-	(13)
Acquisitions of tangible assets	4.2	(64)	(21)
Cash flows from investing activities		**(64)**	**(34)**
Cash flows from financing activities			
Capital increase net of capital increase costs		3,431	12,781
Leaseback collection		111	
Repayment of advances and innovation loans		(100)	(150)
Repayment of State-guaranteed loans	11.1	(369)	(309)
Redemption of convertible bonds		-	(190)
Gross financial interest paid		(108)	(35)
Other movements related to the pre-financing of the research tax credit	11.5	238	609
Repayment of lease liabilities	11.4	(180)	(175)
Other cash flows from financing activities (liquidity contract)		-	-
Cash flows from financing activities		**3,023**	**12,531**
Impact of exchange rate fluctuations		-	-
Increase (decrease) in cash		**(743)**	**3,966**
Opening cash and cash equivalents		1,657	2,579
Closing cash and cash equivalents		914	6,545
Increase (decrease) in cash		**(743)**	**3,966**

Cash and cash equivalents (including bank overdrafts)	Notes	30/06/2024	30/06/2023
Cash and cash equivalents	8	915	6,548
Bank overdrafts	8	(1)	(3)
Closing cash and cash equivalents (including bank overdrafts)		**914**	**6,545**

Notes to the condensed half-year consolidated financial statements

(Unless otherwise indicated, the amounts mentioned in these notes are in thousands of euros, except for data relating to shares. Some amounts may be rounded for the purpose of calculating the financial reporting contained in the consolidated financial statements. As a result, the totals in some tables may not correspond exactly to the sum of the previous figures.)

Note 1: Information on the Company and its business

The information below constitutes the notes to the condensed half-year consolidated financial statements prepared in accordance with IFRS standards as at 30 June 2024 and 30 June 2023.

1.1 The Company and its business

Affluent Medical is a French player in MedTech founded by Truffle Capital with the aim of becoming one of the European leaders in the treatment of heart and vascular diseases, which are the leading cause of death worldwide, and of urinary incontinence, which today affects one in four adults.
Affluent Medical develops innovative, next-generation minimally invasive implants to restore essential physiological functions in these areas. Affluent Medical's four medical devices are currently in the pre-clinical or clinical phase and the commercial launch of the first medical device is expected by 2025.

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13100 Aix en Provence, France
Trade and Companies Register number: 837 722 560 RCS Aix-en-Provence.

Affluent Medical SA is hereinafter referred to as the "Company". The group formed by Affluent Medical SA and its subsidiaries and sub-subsidiaries is hereinafter referred to as the "Group".

1.2 Significant events of the first half of 2024

Since the beginning of 2024, Affluent Medical has made substantial new advances for each of its three medical devices.

Kalios™: 510(k) pre-submission file filed with the FDA

A 510(k) or De Novo is a pre-market submission made to the FDA to demonstrate that the device being evaluated is as safe and effective as another comparable device already on the market.

In the first quarter of 2024, Affluent Medical held a meeting with the FDA to discuss their comments. The encouraging observations of this meeting will be taken into account as part of Kalios™'s market access strategy in accordance with US regulations.

An additional pre-submission to the FDA is planned for Q3 2024 to finalise the validation of the regulatory strategy.

Affluent Medical's objective is to be able to market Kalios in the US after obtaining marketing authorisation from the FDA, planned for the end of 2025/2026.

Affluent Medical benefits from intellectual protection for its Kalios device until 2037 with various components protected both on the ring, the fact that it can be adjustable and the surgical method for its placement.

Epygon: Exceptional performance of the Epygon valve at one year

An article on the success of the first implantation in humans of its Epygon transcatheter mitral valve entitled “A Mono-Leaflet, Low-Profile Transcatheter Mitral Prosthesis – First-in-Human Implantation“ was published in the prestigious American Journal of the American College of Cardiology: Cardiovascular Interventions.

In February 2024, the first patient was followed up at one year and the transoesophageal echocardiographic examination revealed excellent performance of the valve, without mitral regurgitation or parovalvular leakage.

Finally, a survey of more than 60 interventional cardiologists and cardiac surgeons revealed that 70% of interventional cardiologists would refer their patients to cardiac surgeons, stressing the importance of the differentiation of the Epygon valve to preserve the natural vortex (circulation of blood in the heart).

Artus: success of the first implantation in humans of the Artus artificial Sphincter for the treatment of stress urinary incontinence

A first human implantation of the minimally invasive medical device Artus for the treatment of urinary incontinence as part of the European pilot study was announced in March 2024.

This first implantation of the Artus artificial urinary Sphincter was successfully carried out by Prof. Roman Zachoval, MD, PhD, Head of the Urology Department at Thomayer University Hospital in Prague, Czech Republic, on a 68-year-old man suffering from severe urinary incontinence. The device will be activated six weeks after implantation as soon as the wound has healed after surgery. By the second half of 2024, Affluent Medical intends to treat ten men in the pivotal study and to initiate trials in women by the end of 2024.

Capital increase of €3.5 million

At the end of January 2024, Affluent Medical announced the completion of a capital increase of €3.5 million with its main shareholders (Truffle Capital, LCEA, Ginko Invest, Denos and Hayk Holding), in the form of a capital increase without shareholders’ preferential subscription rights in favour of a category of beneficiaries. The transaction allows the Company to finance its operational needs, in particular by covering the costs related to the regulatory support of interactions with the FDA concerning KaliosTM, the initiation of the pilot study in humans for Artus and the continuation of the pilot study for Epygon.

Reaffirmed confidence of reference shareholders through the granting of current account advances

In order to enable it to finance its short-term operational needs, Affluent Medical completed a new bridge financing of €3.5 million with its main shareholders in April 2024. This financing took the form of current account advances, enabling the Company to extend its financial horizon to the end of July 2024 and to explore various additional financing options (see note 24).

The shareholders who took part in this financing were as follows: Truffle Capital and Ginko Invest.

Note 2: Accounting principles, rules and methods

2.1 Principles applied to the preparation of the financial statements

Declaration of conformity

In accordance with European Regulation 1606/2002 of 19 July 2002 on international standards, the Company’s half-year consolidated financial statements at 30 June 2024 were approved in accordance with the applicable international accounting standards as adopted by the European Union (hereinafter the “IFRS”). These standards include the International Accounting Standards (IAS/IFRS), the interpretations of the Standards Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) as published by the International Accounting Standards Board (IASB) at 30 June 2024 and applicable to date.

The condensed half-year consolidated financial statements have been prepared in accordance with IAS 34, the IFRS standard as adopted by the European Union, relating to interim financial reporting. As these are condensed financial statements, they do not include all the information required by IFRS standards and should be read in conjunction with the Company's financial statements for the financial year ended 31 December 2023 (the "annual financial statements").

Principles applied to the preparation of the financial statements

The Company's consolidated financial statements have been prepared in accordance with the historical cost principle, with the exception of certain categories of assets and liabilities in accordance with the provisions of IFRS. The categories concerned are mentioned in the following notes.

Going concern

The Company focuses on the invention and development of new medical devices. The Company's deficit position during the financial years presented is not unusual in relation to the stage of development of its products.

The Company has succeeded in financing its activities to date mainly through:

- successive raisings of capital;
- the issue of convertible and non-convertible bonds;
- State-guaranteed loans;
- repayable advances and grants;
- the repayment of research tax credit receivables by the French State; and
- the IPO on the regulated market of Euronext Paris concomitant with a capital increase.

The Company will need additional funds to pursue its development plan and this may also depend on the achievement of development milestones, obtaining favourable clinical results and/or obtaining regulatory authorisations or commercial success.

On the closing date of these financial statements, the Board of Directors believes that the Company will be able to cover the financing needs of the operations planned until July 2025 based on the following:

- consolidated net cash and cash equivalents at 30 June 2024 (including current bank overdrafts), which amounted to €915 thousand;
- the signature of agreements with Edwards Lifesciences Holding, Inc. in July 2024 which made it possible to receive an initial cash payment of €15 million (see note 24);
- forecasts of cash consumption by the Company's operations for the second half of 2024, which will be devoted to continuing the development, clinical studies and preparation for industrialisation of the three devices developed by the Group.

The going concern principle was adopted by the Board of Directors in view of the aforementioned data and assumptions, the commitments made, and the measures implemented by Management to ensure financing for the Company beyond July 2025.

As such, the Company is examining the best financing options to support the next stages of its development. Affluent Medical plans to carry out a capital increase in the coming months. Such an operation would be intended to finance the ongoing clinical programmes, and could benefit from the support of its reference shareholders.

At the closing date, the Company's management believes that it should be able to find adequate financing. However, the Company cannot guarantee that it will be able to obtain it.

Accounting methods

The accounting principles used are identical to those used for the preparation of the annual IFRS consolidated financial statements for the financial year ended 31 December 2023, except for the application of the following new standards, amendments to standards and interpretations adopted by the European Union, mandatory for the Company at 1 January 2024:

- Amendments to IAS 1 *Presentation of financial statements*: Classification of assets as current or non-current and Classification of liabilities as current or non-current – Deferral of the effective date, and *Non-current liabilities with covenants*, published by the IASB respectively on 23 January 2020, 15 July 2020 and 31 October 2022;
- Amendments to IFRS 16 *Leases*: Lease-back lease liability, published by the IASB on 22 September 2022;
- Amendments to IAS 7 *Statement of cash flows* and IFRS 7 *Financial instruments: Disclosures: financing agreements with suppliers,* published by the IASB on 25 May 2023.

These new texts published by the IASB and adopted by the European Union had no significant impact on the Group's financial statements.

The newly published standards, amendments and interpretations that may be relevant to the Company's activities but which have not yet been adopted by the European Union are as follows:

- Amendments to IAS *21 The effects of changes in foreign exchange rates : non convertibility published* by the IASB on 15 August 2023 and whose application is for financial years beginning on or after 1 January 2025;
- Amendments to the classification and measurement of financial instruments: amendments to IFRS 9 *Financial instruments* and IFRS 7 *Financial instruments: Disclosures,* published by the IASB on 30 May 2024 and whose application is for financial years beginning on or after 1 January 2026; and
- IFRS 18 *Presentation and disclosure in financial statements*, published by the IASB on 9 April 2024 and whose application is for financial years beginning on or after 1 January 2027.

The Company does not anticipate any significant impact of these standards, amendments to standards and interpretations on its financial statements at the date of adoption.

Change in accounting method

With the exception of the new texts identified above, the Company did not make any changes in accounting methods during the first half of 2024.

2.2 Consolidation scope and methods

Scope

According to IFRS 10 – *Consolidated financial statements*, subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which the Group acquires control. They are deconsolidated from the date on which control ceases to be exercised.

Entities controlled directly by the parent company and indirectly through other controlled entities are fully consolidated.

IFRS 11.16 – *Partnership*, defines joint ventures as a joint arrangement in which the partners that exercise joint control over the entity have rights to the net assets of the entity. Investments in joint ventures are accounted for using the equity method.

The scope of consolidation is as follows:

	Country	30/06/2024			31/12/2023			30/06/2023		
		% Group interest	% control	Method	% interest	% control	Method	% interest	% control	Method
AFFLUENT MEDICAL SA	France	Parent company								
EPYGON SAS	France	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
KEPHALIOS SAS	France	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
KARDIOZIS SAS	France	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
MYOPOWERS MEDICAL TECHNOLOGIES FRANCE	France	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
EPYGON Italie SRL	Italy	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
MEDEV EUROPA SRL (1)	Romania	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%	FC
SHANGHAI EPYGON MEDICAL TECHNOLOGY	China	40.00%	40.00%	E	40.00%	40.00%	E	40.00%	40.00%	E
SHANGHAI MYOPOWERS MEDICAL TECHNOLOGY	China	40.00%	40.00%	E	40.00%	40.00%	E	40.00%	40.00%	E

(1) Company without operational activity created in 2020.
FC: Full consolidation
E: Equity method

2.3 Presentation currency

The Group's financial statements are prepared in euros (EUR).

2.4 Translation of financial statements in foreign currencies

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

EXCHANGE RATE (for 1 EUR)	30/06/2024		31/12/2023		30/06/2023	
	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
Romanian Leu LEI/RON	4.9743	4.9773	4.9467	4.9756	4.9342	4.9635
Yuan Ren Min Bi – RMB	7.8011	7.7748	7.6600	7.8509	7.4894	7.8983

2.5 Use of judgements and estimates

To prepare the condensed half-year consolidated financial statements, the main judgements made by management and the main assumptions used are the same as those applied when preparing the annual financial statements for the financial year ended 31 December 2023.
These estimates are based on the going concern assumption and are based on the information available at the time of their preparation.

2.6 Consequences of the conflict in Ukraine

The war in Ukraine launched by Russian forces on 24 February 2022 has significant economic and financial consequences worldwide.
The sanctions targeting Russia have significant repercussions for companies with activities or business ties with Russia.
At 30 June 2023, 31 December 2023 and 30 June 2024, the Company had no activity or business relationship with Russia.

Note 3: Goodwill

Goodwill is allocated to four cash-generating units, generally corresponding to a company:

Goodwill (Amount in thousands of euros)	30/06/2024	31/12/2023
EPYGON SAS	10,722	10,722
KARDIOZIS SAS	5,422	5,422
KEPHALIOS SAS	8,698	8,698
MYOPOWERS MEDICAL TECHNOLOGIES FRANCE	7,361	7,361
TOTAL	**32,203**	**32,203**

There were no indications of impairment during the periods presented in accordance with IAS 36**.**

The Group had performed an annual goodwill impairment test at 31 December 2023.

For the purposes of the annual goodwill impairment test, the Group is divided into four cash generating units (CGUs) or groups of CGUs, which generally correspond to one company.

The key assumptions used by the Company as part of its annual goodwill impairment test at 31 December 2023 are based on:

- development plans drawn up on the basis of market studies and analyses including estimates in terms of:
    - clinical trial development cycle,
    - dates of marketing of medical devices,
    - market penetration, or
    - setting up partnerships;
- discount rates (WACC) applied to the forecasts of around 13% for MYOPOWERS and KEPHALIOS, 13.5% for KARDIOZIS and 15% for EPYGON;
- perpetual growth rates of the operating normative flow beyond the eight-year projection for MYOPOWERS, 12 years for EPYGON and KARDIOZIS, 14 years for KEPHALIOS of around 2%.

At 31 December 2023, based on internal valuations, the Group had concluded that the recoverable amount of the CGUs tested exceeded their book value. The Group's management believes that any reasonable change in the key assumptions mentioned above would result in the recoverable amount of the CGUs being significantly lower than their book value.
In particular:

- an increase in the discount rate of 100 basis points would not give rise to a risk of impairment;
- a decrease in long-term growth rates of 100 basis points would not give rise to a risk of impairment;
- a one-year delay in the market launch date and a decrease in revenue or market penetration estimates by 10% would not generate any risk of impairment.

Note 4: Intangible and tangible assets

4.1 Intangible assets

INTANGIBLE ASSETS (Amounts in thousands euros)	Patents and similar rights	Software and other intangible assets	Total
Gross value			
Statement of financial position at 31 December 2023	**28,501**	**159**	**28,660**
Acquisition	-	-	-
Disposal and reclassification	-	-	-
Statement of financial position at 30 June 2024	**28,501**	**159**	**28,660**
Depreciation			
Statement of financial position at 31 December 2023	**11,514**	**159**	**11,673**
Increase	926	-	926
Decrease	-	-	-
Statement of financial position at 30 June 2024	**12,440**	**159**	**12,599**
NET BOOK VALUE			
Statement of financial position at 31 December 2023	**16,987**	**-**	**16,987**
Statement of financial position at 30 June 2024	**16,061**	**-**	**16,061**

There were no indications of impairment during the periods presented in accordance with IAS 36**.**

Patents and similar rights consist of technologies developed in-house, details of which are given below:

INTERNALLY DEVELOPED TECHNOLOGIES (Amounts in thousands euros)	30/06/2024	31/12/2023
Gross values		
EPYGON	9,786	9,786
KARDIOZIS	2,223	2,223
KEPHALIOS	8,207	8,207
MYOPOWERS	8,280	8,280
Total	**28,496**	**28,496**
Depreciation		
EPYGON	4,186	3,226
KARDIOZIS	941	867
KEPHALIOS	3,488	3,218
MYOPOWERS	3,839	3,579
Total	**12,454**	**11,531**
Net book value		
EPYGON	5,600	5,920
KARDIOZIS	1,282	1,356
KEPHALIOS	4,719	4,989
MYOPOWERS	4,441	4,701
Total	**16,042**	**16,965**

4.2 Tangible assets

TANGIBLE ASSETS (Amounts in thousands euros)	Buildings (right-of-use)	Plant and equipment	Plant and equipment (right-of-use)	IT equipment	IT equipment (right-of-use)	Other tangible assets	Office equipment (right-of-use)	Transport equipment (rights-of-use)	Assets in progress	Total	Of which rights of use
Gross value											
At 31 December 2023	**1,515**	**900**	**296**	**97**	**127**	**894**	**14**	**78**	**-**	**3,921**	**2,030**
Acquisition	-	8	-	2	35	51	-	-	3	99	35
Disposal and reclassification	-	(111)	111	-	-	-	-	-	-	-	111
At 30 June 2024	**1,515**	**797**	**407**	**99**	**162**	**945**	**14**	**78**	**3**	**4,020**	**2,176**
Depreciation											
At 31 December 2023	**778**	**580**	**203**	**74**	**51**	**561**	**4**	**73**	**-**	**2,325**	**1,109**
Increase	73	33	6	3	103	56	-	-	-	274	182
Decrease	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2024	**851**	**612**	**209**	**78**	**154**	**617**	**4**	**73**	**-**	**2,598**	**1,291**
Net book value											
At 31 December 2023	**737**	**320**	**93**	**23**	**76**	**332**	**10**	**5**	**-**	**1,596**	**921**
At 30 June 2024	**664**	**184**	**198**	**22**	**8**	**327**	**10**	**5**	**3**	**1,422**	**886**

There were no indications of impairment during the periods presented in accordance with IAS 36.

Rights-of-use

In the first half of 2024, the Company set up a lease-back agreement with an option to purchase heartbeat simulation equipment (used as training for the implantation procedure) for €111 thousand. Given the existence of an option to purchase, the disposal does not constitute a sale under IFRS 15. The Company has therefore continued to recognise the asset and records the payments received as a financial liability.

Note 5: Investments in companies accounted for under the equity method

VALUE OF INVESTMENTS IN EQUITY AFFILIATES (Amounts in thousands euros)	JV SHANGHAI EPYGON	JV SHANGHAI MYOPOWERS	Total investments in equity affiliates
Statement of financial position at 31 December 2023	**-**	**-**	**-**
Share of income of equity affiliates	-	-	-
Translation differences	-	-	-
Statement of financial position at 30 June 2024	**-**	**-**	**-**

The 100% data relating to joint ventures are as follows:

DATA ON JOINT VENTURES (Amount in thousands of euros)	30/06/2024			31/12/2023		
	JV SHANGHAI EPYGON	JV SHANGHAI MYOPOWERS	Total	JV SHANGHAI EPYGON	JV SHANGHAI MYOPOWERS	Total
Revenue	-	-	**-**	-	-	-
Operating income	(1,331)	(788)	**(2,119)**	(2,315)	(1,233)	**(3,548)**
Net income (loss)	(1,331)	(788)	**(2,119)**	(2,315)	(1,233)	**(3,548)**
Percentage held	**40.00%**	**40.00%**	**40.00%**	**40.00%**	**40.00%**	**40.00%**
Theoretical share of net income of equity affiliates	(532)	(315)	(847)	(473)	(319)	(792)
Share of net income of equity affiliates (1)	-	-	-	-	-	-

(1) The Company recognises the share of income from the joint ventures Shanghai Epygon Medical Technology Co., Ltd, and Shanghai MyoPowers Medical Technology as follows:

- when the share of the investor in the losses of a joint venture exceeds the book value the Group ceases to recognise its share of subsequent losses;
- when the share is reduced to zero, additional losses are not subject to a provision;
- if the investee subsequently generates profits, the Group will only resume recognition of its share of the profits when this share is equal to or greater than its share of the net unrecognised losses.

The equity value was determined on the basis of the share of equity.

On the basis of the balance sheet items for the two joint ventures available at 31 December 2021, and in view of the expenses incurred by the two joint ventures in the 2022 financial year, the 2023 financial year and the first half of 2024, the Company decided to use an equity value of zero at both 31 December 2023 and 30 June 2024.

Note 6: Financial assets

OTHER NON-CURRENT FINANCIAL ASSETS (Amount in thousands of euros)	RTC pre-financing guarantee holdback	Other deposits and guarantees	Liquidity contract	TOTAL
Statement of financial position at 31 December 2023	**18**	**26**	**53**	**97**
Increases	18	-	-	18
Decreases	-	-	(13)	(13)
Statement of financial position at 30 June 2024	**36**	**26**	**40**	**102**

Following its IPO on the Euronext Paris market, the Company signed a liquidity contract with a specialised institution to limit the intra-day volatility of the Affluent Medical share.
In this context, the Company has entrusted this institution with €400 thousand to take buy or sell positions on the Company's shares.
The shares acquired under this contract are recognised as treasury shares at their acquisition cost.

The result of the disposal of these treasury shares is recorded in equity.
The cash reserve related to the liquidity contract is presented in "other non-current financial assets".

Note 7: Other receivables

OTHER RECEIVABLES (Amounts in thousands euros)	30/06/2024	31/12/2023
Research tax credit (1)	1,856	1,527
Value added tax (2)	2,253	1,735
Prepaid expenses (3)	974	653
Advances and payments on account	137	81
Miscellaneous	342	139
Total other current receivables	**5,561**	**4,135**

(1) Research tax credit (RTC)

- Estimated RTC at 30 June 2024: €649 thousand
- 2023 RTC: €1,207 thousand, of which part of the receivable was pre-financed during the first half of 2024 (see Note 11).

(2) Value added tax

- As part of the progress of expenses in the launch of the Group's products, the Company recognises a VAT credit at the various closings presented.

(3) Prepaid expenses are related to the Group's day-to-day business and mainly concern fees**.**

Note 8: Cash and cash equivalents

CASH AND CASH EQUIVALENTS (Amounts in thousands euros)	30/06/2024	31/12/2023
Bank accounts	915	1,658
Cash equivalents	-	-
Total cash and cash equivalents	**915**	**1,658**

Note 9: Capital

Composition of share capital

COMPOSITION OF SHARE CAPITAL	30/06/2024	31/12/2023
Capital (in thousands of euros)	3,315	3,090
Number of ordinary shares	33,145,693	30,901,648
Nominal value (in euros)	€0.1	€0.1

The number of Company shares does not include share subscription warrants (“BSA”), founders’ share warrants (“BSPCE”) granted to employees, executives, Board members and external service providers and not yet exercised.

Change in share capital

During the first half of 2024, the Company’s share capital changed as follows:

- share capital increase in January 2024 for €3,500 thousand, resulting in the issue of 2,243,588 shares (€224 thousand in share capital and €3,276 thousand in issue premiums);
- exercise of 22,448 BSARs resulting in the issue of 457 shares for an amount of €0.9 thousand (€0.05 thousand in share capital and €0.85 thousand in issue premiums).

The Company’s share capital was €3,314,569.30 at 30 June 2024.

Redeemable share subscription warrants (BSARs)

As part of the capital increase of 6 March 2023, each new share issued was accompanied by a redeemable share subscription warrant (BSAR).

The BSARs may be exercised at any time from the date of issue until 31 December 2025.
BSARs that have not been exercised at the end of this exercise period will automatically lapse and lose all value.

Eight redeemable share subscription warrants give the right to subscribe for one new ordinary share of the Company, subject to the payment of a strike price of:

- €1.50 between the issue date of the BSARs and the nine months following this issue date (inclusive) (i.e. 5 December 2023); then
- €1.95 between the day following the nine months following the issue date of the BSARs (i.e. 6 December 2023) and the maturity date of the BSARs set at 31 December 2025 after their issue date.

This exercise parity may be adjusted following transactions that the Company may perform, from the date of issue of the BSARs, in order to maintain the rights of holders of BSARs.

The Company may, at its sole option, at any time from the issue of the BSARs until the end of their exercise period on 31 December 2025, proceed with early redemption of all outstanding BSARs remaining in circulation at a unit price of €0.01; however, such early redemptions will only be possible if the volume-weighted average of the Affluent Medical share over the ten trading sessions preceding the date of publication of the early redemption notice multiplied by the applicable exercise parity exceeds 140% of the strike price of the BSARs on that date. In the event that the Company redeems the BSARs at a price of €0.01, BSAR holders may avoid such a redemption by exercising their BSARs on the basis of the strike price per new share set on such date before the set redemption date and thus benefit economically from the exercise of the BSARs.

Capital management policy

The Group's policy is to maintain a sufficient financial base to preserve the confidence of investors and creditors and to support the future growth of the Company.

Following the Company's initial public offering on the regulated market of Euronext Paris, the Company signed a liquidity contract on 14 June 2021 in order to limit the intra-day volatility of the Company's share. In this context, the Company has entrusted Kepler Cheuvreux with €400 thousand to take buy or sell positions on the Company's shares.

The Company made several additional payments in respect of the liquidity contract:

- €130 thousand in August 2021;
- €35 thousand in 2022; and
- €35 thousand in July 2023.

At 30 June 2024, under this agreement, 133,211 treasury shares were recognised as a deduction from equity and €40 thousand in respect of the cash account were recorded as non-current financial assets.

Issue fees

Ancillary costs directly attributable to the issuing of shares or stock options are recognised, net of tax, as a deduction from equity.

As part of the capital increase of January 2024, the Company incurred expenses of €245 thousand, of which €236 thousand was recorded at 31 December 2023 and €9 thousand in the first half of 2024 as a deduction from the issue premium.

As part of the capital increase of July 2024, the Company incurred expenses of €61 thousand recorded in the first half of 2024 as a deduction from the issue premium.

Dividends

The Company did not pay any dividends during the financial years presented.

Note 10: Share-based payments

10.1 Share subscription warrants (BSAs)

The table below summarises the data relating to the plans issued as well as the assumptions used for valuation in accordance with IFRS 2:

		Characteristics of the plans			*Assumptions*			
Type	Date of grant	Number of warrants granted	Contractual expiry date	Strike price	*Expected term*	*Volatility*	*Risk-free rate*	Initial total IFRS 2 valuation (in thousands of euros) (Black & Scholes)
BSA 2018-1	09/04/18	1,644	10 years	€5.00	6 years	34.36%	0.07%	**2**
BSA 2018-2	09/04/18	131,520	10 years	€5.00	6 years	34.36%	0.07%	**169**
BSA 2020-1	08/07/20	32,080	10 years	€5.89	6 years	39.94%	-0.60%	**58**

Change in the number of outstanding warrants

Number of outstanding share subscription warrants						
Type	Date of grant	31/12/2023	Issued	Exercised	Lapsed	30/06/2024
BSA 2018-1	09/04/18	1,644	-	-	-	1,644
BSA 2018-2	09/04/18	65,760	-	-	-	65,760
BSA 2020-1	08/07/20	32,080	-	-	-	32,080
TOTAL		**99,484**	-	-	**-**	**99,484**

The vesting conditions (performance and service conditions) defined for each share subscription warrant (BSA) plan have not changed since 31 December 2023.

10.2 Founders' share warrants (BSPCE)

The table below summarises the data relating to the plans issued as well as the assumptions used for the valuation under IFRS 2:

		Characteristics of the plans			*Assumptions*			
Type	Date of grant	Number of warrants granted	Contractual expiry date	Strike price	Expected term	Volatility	Risk-free rate	Initial total IFRS 2 valuation (in thousands of euros) (Black & Scholes)
BSPCE-2018-1	09/04/18	1,339,866	10 years	€5.00	6 years	34.36%	0.07%	2,195
BSPCE2018-2	09/04/18	961,741	10 years	€5.00	6 years	34.36%	0.07%	1,576
BSPCE2019-2	10/07/19	300,600	10 years	€6.10	6 years	35.63%	-0.54%	599
BSPCE2019-3	01/10/19	200,400	10 years	€6.10	6 years	35.92%	-0.70%	399
BSPCE2020-2	07/12/20	226,300	10 years	€5.89	6 years	38.69%	-0.73%	467
BSPCE2021-1	20/07/21	125,000	10 years	€6.93	6 years	34.08%	-0.66%	276
BSPCE2021-2	20/07/21	30,000	10 years	€6.93	6 years	34.08%	-0.66%	66
BSPCE2021-3	20/07/21	70,000	10 years	€6.93	6 years	34.08%	-0.66%	155
BSPCE2021-4	20/07/21	250,000	10 years	€6.93	6 years	34.08%	-0.66%	552
BSPCE 2021-5	20/07/21	30,000	10 years	€6.00	6 years	34.08%	-0.58%	66
BSPCE 2021-6	20/07/21	476,500	10 years	€6.00	6 years	34.08%	-0.58%	865
BSPCE-2022-1	17/10/22	360,000	10 years	€1.75	6 years	43.57%	2.11%	266
BSPCE-2022-2	17/10/22	480,000	10 years	€1.75	6 years	43.57%	2.11%	364
BSPCE-2022-3	17/10/22	120,000	10 years	€1.75	6 years	43.57%	2.11%	93
BSPCE 2023-1	06/12/22	83,000	10 years	€1.71	6 years	42.13%	-0.58%	60

		Characteristics of the plans			*Assumptions*			
Type	**Date of grant**	**Number of warrants granted**	**Contractual expiry date**	**Strike price**	**Expected term**	**Volatility**	**Risk-free rate**	**Initial total IFRS 2 valuation (in thousands of euros) (Black & Scholes)**
BSPCE-2023-2	11/05/23	120,000	10 years	€1.50	6 years	42.36%	2.19%	209
BSPCE-2023-3	11/05/23	290,000	10 years	€1.50	6 years	42.36%	2.19%	209
BSPCE 2023-4	05/12/23	353,124	5 years	€1.20		45.20%	2.27%	86
BSPCE-2023-5	05/12/23	265,000	10 years	€1.20		45.20%	2.27%	123
BSPCE-2023-6	05/12/23	150,000	10 years	€1.20		45.20%	2.27%	71
BSPCE-2023-7	05/12/23	220,000	10 years	€1.20		45.20%	2.27%	113
BSPCE-2023-8	05/12/23	25,000	10 years	€1.20		45.20%	2.27%	13
BSPCE 2024-1	24/04/24	165,726	10 years	€1.85		42.80%	2.60%	101
BSPCE 2024-2	24/04/24	331,452	10 years	€1.85		42.80%	2.60%	202
BSPCE 2024-3	24/04/24	125,000	10 years	€1.85		42.80%	2.60%	76
BSPCE 2024-4	24/04/24	75,000	10 years	€1.85		42.80%	2.60%	46
BSPCE 2024-5	24/04/24	165,726	10 years	€1.85		42.80%	2.60%	101
BSPCE 2024-6	24/04/24	165,726	10 years	€1.85		42.80%	2.60%	101

<u>Change in the number of founders' share warrants (BSPCEs) in circulation</u>

Number of outstanding options						
Type	**Date of grant**	**31/12/2023**	**Issued**	**Exercised**	**Lapsed**	**30/06/2024**
BSPCE 2018-1(1)	09/04/18	93,708	-	-	-	93,708
BSPCE 2018-2(1)	09/04/18	73,980	-	-	-	73,980
BSPCE 2019-2	10/07/19	50,100	-	-	-	50,100
BSPCE 2019-3(1)	01/10/19	200,400	-	-	-	200,400
BSPCE 2020-2(1)	07/12/20	16,843	-	-	(16,843)	-
BSPCE 2021-1(1)	07/12/20	-	-	-	-	-
BSPCE 2021-2(1)	07/12/20	-	-	-	-	-
BSPCE 2021-3(1)	07/12/20	-	-	-	-	-
BSPCE 2021-4(1)	07/12/20	-	-	-	-	-
BSPCE 2021-5	07/12/20	30,000	-	-	-	30,000
BSPCE 2021-6(1)	07/12/20	20,437	-	-	-	20,437
BSPCE-2022-1	17/10/22	360,000	-	-	-	360,000
BSPCE-2022-2	17/10/22	145,000	-	-	-	145,000
BSPCE-2022-2	17/10/22	185,000	-	-	-	185,000
BSPCE-2022-2	17/10/22	150,000	-	-	-	150,000
BSPCE-2022-3	17/10/22	105,000	-	-	(15,000)	90,000
BSPCE-2022-3	17/10/22	15,000	-	-	-	-
BSPCE 2023-1	06/12/22	83,000	-	-	-	83,000
BSPCE-2023-2	11/05/23	105,000	-	-	-	105,000
BSPCE-2023-3	11/05/23	290,000	-	-	-	290,000
BSPCE 2023-4	05/12/23	353,124	-	-	-	353,124
BSPCE-2023-5	05/12/23	280,000	-	-	-	280,000
BSPCE-2023-6	05/12/23	150,000	-	-	(71,719)	78,281
BSPCE-2023-7	05/12/23	220,000	-	-	-	220,000
BSPCE-2023-8	05/12/23	25,000	-	-	-	25,000
BSPCE 2024-1	24/04/24	-	165,726	-	-	165,726
BSPCE 2024-2	24/04/24	-	331,452	-	-	331,452
BSPCE 2024-3	24/04/24	-	125,000	-	-	125,000
BSPCE 2024-4	24/04/24	-	75,000	-	-	75,000
BSPCE 2024-5	24/04/24	-	165,726	-	-	165,726
BSPCE 2024-6	24/04/24	-	165,726	-	-	165,726
TOTAL		**2,951,592**	**1,028,630**	-	-	**3,868,440**

The vesting conditions (performance and service conditions) defined for each founders' share warrant (BSPCE) plan have not changed since 31 December 2023.

The **BSPCE$_{2024-1}$** plan has a performance condition linked to the signature of an agreement concerning the Kalios product.

The **BSPCE$_{2024-2}$** plan has a vesting period for 70.0% of the rights spread over 48 months from the signature of an agreement concerning the Kalios product, and 30.0% subject to performance conditions linked to the achievement of specific milestones in the development of clinical trials for the Kalios, Epygon and Artus programmes.

The **BSPCE$_{2024-3}$** plan has a vesting period of 48 months: 1/4 after 12 months following the signature of an agreement concerning the Kalios product then 1/48th over the following 36 months.

The **BSPCE $_{2024-4}$** plan has a vesting period for 70.0% of the rights spread over 48 months: 1/4 after 12 months following the signature of an agreement concerning the Kalios product, then 1/48th over the following 36 months, and 30.0% subject to performance conditions linked to the achievement of specific milestones in the development of the clinical trials for the Kalios, Epygon and Artus programmes.

The **BSPCE$_{2024-5}$** and **BSPCE$_{2024-6}$** plans have a vesting period for 70.0% of the rights spread over 48 months: 1/48th per month following the signature of an agreement concerning the Kalios product, and 30.0% subject to performance conditions linked to the achievement of specific milestones in the development of the clinical trials for the Kalios, Epygon and Artus programs.

10.3 Grant of free shares ("ABS")

The table below summarises the data relating to the plans issued as well as the assumptions used for the valuation under IFRS 2:

		Characteristics of the plans			*Assumptions*			
Type	**Date of grant**	**Number of warrants granted**	**Contractual expiry date**	**Strike price**	**Expected term**	**Volatility**	**Risk-free rate**	**Initial total IFRS 2 valuation (in thousands of euros) (Black & Scholes)**
ABS $_{2021-1}$	20/07/2021	4,050	N/A	N/A	N/A	N/A	N/A	28
ABS $_{2023-1}$	17/10/2023	1,300	N/A	N/A	N/A	N/A	N/A	2

At 30 June 2024, no free shares were in the process of vesting.

10.4 Expenses recognised in accordance with IFRS 2 during the periods presented

The Company recorded an expense relating to share-based payments of €444 thousand at 30 June 2024 and €342 thousand at 30 June 2023.
The cumulative expense amounted to €6,315 thousand at 30 June 2024 and €5,445 thousand at 30 June 2023.

Note 11: Loans and financial liabilities

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES (Amounts in thousands euros)	30/06/2024	31/12/2023
Repayable advances and innovation loan	12,729	13,140
State-guaranteed loans	895	1,268
Other loans and liabilities	3	3
Non-current financial liabilities	**13,627**	**14,411**
Non-current lease liabilities	633	646
Non-current derivative liabilities	-	-
Total non-current financial liabilities	**14,260**	**15,057**
Repayable advances	1,640	704
Interest-free loan	744	740
Pre-financing of research tax credit receivables	546	299
Bank overdrafts	1	1
Current financial liabilities	**2,931**	**1,744**
Current lease liabilities	312	333
Current derivative liabilities	267	368
Total current financial liabilities	**3,510**	**2,445**
Total financial liabilities	**17,770**	**17,502**

Redemption value/balance sheet value reconciliation

(amounts in thousands of euros)	Redemption value		Conversion option recognised under equity	Bifurcation of derivatives liabilities	Accrued interest	Amortised cost	Balance sheet value at 30/06/2024
	31/12/2023	30/06/2024					
Lease liabilities	978	945	-	-	-	-	945
Repayable advances	13,871	14,389	-	-	-	(20)	14,368
State-guaranteed loans	1,975	1,606	-	-	-	32	1,638
Pre-financing of the RTC	299	537	-	-	-	8	546
Derivative liabilities	368	267	-	-	-	-	267
Other loans and liabilities	3	2	-	-	-	-	3
Bank overdrafts	1	1	-	-	-	-	1
Total financial liabilities	**17,495**	**17,756**	-	-	-	20	**17,770**

Statement of changes in financial liabilities

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES (Amounts in thousands euros)	31/12/2023	Collection	Repayment	Impact of amortised cost	New financial liability for rights-of-use	Termination of IFRS 16 contracts	Fair value	Accrued interest	Allocation of security deposits	Transfers between non-current and current liabilities	30/06/2024
Repayable advances and innovation loan	13,140	-	-	-	-	-	-	618	-	(1,029)	12,729
State-guaranteed loans	1,268	-	-	-	-	-	-	-	-	(374)	895
Other loans and liabilities	2	-	-	-	-	-	-	-	-	-	2
Non-current financial liabilities	**14,411**	-	-	-	-	-	-	618	-	(1,402)	13,626
Non-current lease liabilities	646	111	-	-	35	-	-	-	-	(159)	633
Derivative liabilities	-	-	-	-	-	-	-	-	-	-	-
Non-current financial liabilities	**15,057**	111	-	-	35	-	-	618	-	(1,561)	14,259
Repayable advances and innovation loan	704	-	(100)	7	-	-	-	-	-	1,029	1,640
State-guaranteed loans	740	-	(369)	(1)	-	-	-	-	-	374	744
Pre-financing of the RTC	**299**	537	(299)	8	-	-	-	-	-	-	546
Other loans and liabilities	-	-	-	-	-	-	-	-	-	-	-
Bank overdrafts	**1**	-	-	-	-	-	-	-	-	-	1
Current financial liabilities	**1,744**	537	(768)	14	-	-	-	-	-	1,402	2,930
Current lease liabilities	333	-	(180)	-	-	-	-	-	-	159	312
Derivative liabilities	368	-	-	-	-	-	(100)	-	-	-	267
Current financial liabilities	**2,445**	537	(948)	14	-	-	(100)	-	-	1,561	3,509
Total financial liabilities	**17,502**	648	(948)	14	35	-	(100)	618	-	-	17,770

11.1 Repayable advances and innovation loan

CHANGE IN REPAYABLE ADVANCES AND THE INNOVATION LOAN (Amounts in thousands euros)	BPI Innovation AFFLUENT MEDICAL	Project MIVANA – EPYGON	Project MIVANA – KEPHALIOS	Project PIAVE ARTUS – MYOPOWERS		Total
At 31 December 2023	**723**	**3,612**	**1,377**	**8,132**		**13,844**
(+) Collection	-	-	-	-	-	-
(-) Repayment	(100)	-	-	-	-	(100)
Accrued interest	-	244	103	271	-	618
Grants	-	-	-	-	-	-
Financial expenses	7	-	-	-	-	7
At 30 June 2024	**630**	**3,856**	**1,480**	**8,403**	-	**14,368**

Breakdown of repayable advances and innovation loans by maturity, in redemption value

MATURITIES OF REPAYABLE ADVANCES AND INNOVATION LOANS, IN REDEMPTION VALUE (Amounts in thousands euros)	BPI Innovation AFFLUENT MEDICAL	Project MIVANA – EPYGON	Project MIVANA – KEPHALIOS	Project PIAVE ARTUS – MYOPOWERS	Total
At 30 June 2024	**650**	**3,856**	**1,480**	**8,403**	**14,389**
Share at less than one year	200	-	-	1,462	1,662
Share between 1 and 2 years	200	377	147	1,949	2,672
Share between 2 and 3 years	200	628	244	1,949	3,021
Share between three and four years	50	753	293	1,042	2,139
Share between four and five years	-	753	293	836	1,883
Share at more than five years	-	1,345	503	1,165	3,013

11.1.1 BPI Innovation loan

On 8 April 2020, the Company entered into a contract with Bpifrance for a loan of €1,000 thousand with a single payment and bearing interest at 1.14% for the “development of a disruptive medical device (adjustable mitral ring) to combat recurrent mitral insufficiency”.

The Company received a total of €1,000 thousand in connection with this contract and met the conditions for the success of this project.

Following the success of the project, the repayment schedule is as follows: €50 thousand per quarter from 30 September 2023 to 30 June 2027 (20 payments).

Under IFRS, the fact that the loan bears the payment of a lower annual interest than the market amounts to considering that the Company has benefited from a loan at a rate more favourable than market conditions. The difference between the amount of the loan at historical cost and that of the loan discounted at a marginal debt ratio (3.10%) is considered as a grant received from the State.

11.1.2 "MIVANA project" repayable advance

On 28 September 2015, the companies KEPHALIOS and EPYGON, in partnership with the entities MDB TEXINOV and IFTH (French Institute of Textile and Clothing) entered into a contract with Bpifrance for:

- repayable advances of a maximum amount of €5,458 thousand (including €4,512 thousand for AFFLUENT MEDICAL Group companies) with payments in several instalments depending on the achievement of a "key milestone" and not bearing interest for the "development of innovative medical devices and techniques derived from the textile industry for the creation of a national cardiovascular sector";
- grants of a maximum of €3,122 thousand (including €1,957 thousand for AFFLUENT MEDICAL Group companies).

The aid granted by Bpifrance breaks down into grants and repayable advances.

Contract between EPYGON and Bpifrance
EPYGON received a total of €2,319 thousand in connection with this contract and met the conditions for the success of key steps 1, 2 and 3, out of a total of four key steps.

Following the success of the key steps 1, 2 and 3, the repayment schedule is as follows:

- €500 thousand at 30 June 2023 (one payment);
- €800 thousand at 30 June 2024 (one payment);
- €1,100 thousand at 30 June 2024 (one payment);
- €1,350 thousand at 30 June 2025 (one payment).

During the 2021 financial year, EPYGON renegotiated with Bpifrance to reschedule the repayments initially planned. In this context, Bpifrance has agreed to postpone the end date of repayments by 18 months, which will follow the following schedule:

- €500 thousand at 31 December 2024 (one payment);
- €800 thousand at 31 December 2024 (one payment);
- €1,100 thousand at 31 December 2025 (one payment);
- €1,350 thousand at 31 December 2026 (one payment).

The contract between Bpifrance and EPYGON provides for an additional payment once the company has repaid all the advances received. The Company undertakes, for a period of 5 (five) consecutive years after the date of termination of said repayment and once it has reached a cumulative amount of revenue excluding tax equal to or greater than €20,000,000 (twenty million euros), to pay 2% (two percent) of the annual revenue generated by the exploitation of the products developed thanks to the project.

- The amount of additional payments is capped at the sum of €6,000,000 (six million euros).
- The total period including fixed sum repayments and additional amounts is limited to 15 (fifteen) years.

During the 2023 financial year, EPYGON renegotiated with Bpifrance to reschedule the planned repayments by two years according to the following schedule:

- €377 thousand at 31 December 2025 (one payment);
- €628 thousand at 31 December 2026 (one payment);
- €753 thousand at 31 December 2027 (one payment);
- €753 thousand at 31 December 2028 (one payment).

Contract between KEPHALIOS and Bpifrance

KEPHALIOS received a total of €892 thousand in connection with this contract and met the conditions for the success of key steps 1, 2 and 3, out of a total of four key steps.

Following the success of the key steps 1, 2 and 3, the repayment schedule is as follows:

- €100 thousand at 30 June 2023 (one payment);
- €250 thousand at 30 June 2024 (one payment);
- €350 thousand at 30 June 2024 (one payment);
- €450 thousand at 30 June 2025 (one payment).

During the 2021 financial year, KEPHALIOS renegotiated with Bpifrance to reschedule the repayments initially planned. In this context, Bpifrance has agreed to postpone the end date of repayments by 18 months, which will follow the following schedule:

- €100 thousand at 31 December 2024 (one payment);
- €250 thousand at 31 December 2024 (one payment);
- €350 thousand at 31 December 2025 (one payment);
- €450 thousand at 31 December 2026 (one payment).

In addition to the provisional fixed repayment schedule, KEPHALIOS must pay an annuity equal to:

- 30% (thirty percent) of the proceeds, excluding taxes, of the concession of intellectual property rights resulting from the project, received during the previous calendar year;
- 30% (thirty percent) of the proceeds generated by the sale of intellectual property rights arising from the project, as well as from the sale of prototypes, pre-series and models produced as part of the project.

The sums due to Bpifrance under the terms of this paragraph will be deducted as a priority and in accordance with the final instalment and, as appropriate, the preceding instalments.

The contract concluded between Bpifrance and KEPHALIOS provides for the payment of an additional payment once the company has repaid in full the advances received. The company undertakes, for a period of 5 (five) consecutive years after the date of termination of said repayment and once it has reached a cumulative amount of revenue excluding tax equal to or greater than €10,000,000 (ten million euros), to pay 2% (two percent) of the annual revenue generated by the exploitation of the products developed thanks to the project.

- The amount of additional payments is capped at the sum of €3,000,000 (three million euros).
- The total period including fixed sum repayments and additional amounts is limited to 15 (fifteen) years.

During the 2023 financial year, KEPHALIOS renegotiated with Bpifrance to reschedule the planned repayments initially by two years according to the following schedule:

- €147 thousand at 31 December 2025 (one payment).
- €244 thousand at 31 December 2026 (one payment).
- €293 thousand at 31 December 2027 (one payment).
- €293 thousand at 31 December 2028 (one payment).

11.1.3 "PIAVE ARTUS project" repayable advance

On 21 July 2016, MYOPOWERS entered into a contract with Bpifrance for a repayable advance of a maximum amount of €7,796 thousand with payments in several tranches depending on the achievement of "key steps" and not bearing interest for the "development of an artificial urinary sphincter for the treatment of severe stress urinary incontinence".

The aid granted by Bpifrance breaks down into a grant for €201 thousand and a repayable advance for €7,796 thousand.

The company received a total of €6,188 thousand in connection with this contract and met the conditions for success of key steps 1 and 2.

The repayment schedule is as follows: €2,055 thousand per year from 1 September 2024 to 1 September 2026 (four payments).

In May 2021, MYOPOWERS renegotiated with BPI to postpone the due dates of the next key steps and the start of repayment of the advance.
The repayment start date of the advance has been postponed to 31 December 2024 and should follow the following repayment schedule:

- €1,949 thousand at 1 January 2025 (one payment);
- €1,949 thousand at 1 January 2026 (one payment);
- €1,949 thousand at 1 January 2027 (one payment);
- €2,451 thousand at 1 January 2028 (one payment).

As part of the implementation of the repayable advance for the PIAVE ARTUS project (see Note 11.1.4), MYOPOWERS will have to pay, in addition to the projected fixed repayment schedule, if applicable, an annuity equal to:

- 45% (forty-five percent) of the proceeds, excluding taxes, of the concession of intellectual property rights resulting from the project, received during the previous calendar year;
- 45% (forty-five percent) of the proceeds generated by the sale of intellectual property rights arising from the project, as well as from the sale of prototypes, pre-series and models produced as part of the project.

The sums due to Bpifrance under the terms of this paragraph will be deducted as a priority and in accordance with the final instalment and, as appropriate, the preceding instalments.

The contract entered into between Bpifrance and MYOPOWERS provides for the payment of an additional payment once the company has repaid in full the advances received. The company undertakes, for a period of 4 (four) consecutive years after the date of termination of said repayment and once it has reached a cumulative amount of revenue excluding tax equal to or greater than €20,000,000 (twenty million euros), to pay 1% (one percent) of the annual revenue generated by the exploitation of the products developed thanks to the project.

- The amount of additional payments is capped at the sum of €4,000,000 (four million euros).
- The total period including fixed sum repayments and additional amounts is limited to 15 (fifteen) years.

11.2 State-guaranteed loans

Accounting principles

The Group benefits from State-guaranteed loans (*prêts garantis par l'État – PGE*).
These loans were initially recorded at fair value, which corresponds to the cash received, and subsequently recognised using the amortised cost method.
The effective interest rate was determined on the basis of the best estimate of the expected repayment date taking into account the extension option that the Company intends to exercise.
During 2020, the Group took out four State-guaranteed loans and during 2021 it took out three new State-guaranteed loans to strengthen its cash position in the context of the Covid-19 pandemic.

At 30 June 2024 and 31 December 2023, State-guaranteed loans with a maturity of less than one year were classified as current financial liabilities, the balance is kept in non-current financial liabilities.

Change in State-guaranteed loans

CHANGE IN STATE-GUARANTEED LOANS (Amounts in thousands euros)	BNP Paribas		Société Générale			CIC	Bpifrance	Total
	Affluent Medical		Epygon	Kardiozis	Kephalios	MyoPowers	Affluent Medical	
At 31 December 2023	**611**	**173**	**58**	**102**	**569**	**319**	**176**	**2,008**
(+) Collection	-	-	-	-	-	-	-	-
(-) Repayment	(128)	(25)	(11)	(20)	(111)	(49)	(25)	(369)
(+/-) Accrued interest	(2)	(1)	-	-	2	-	-	(1)
At 30 June 2024	**481**	**147**	**47**	**83**	**460**	**270**	**150**	**1,638**

Breakdown of State-guaranteed loans by maturity, in redemption value

MATURITIES OF STATE-GUARANTEED LOANS, IN REDEMPTION VALUE (Amounts in thousands euros)	BNP Paribas		Société Générale			CIC	Bpifrance	Total
	Affluent Medical		Epygon	Kardiozis	Kephalios	MyoPowers	Affluent Medical	
At 30 June 2024	**473**	**145**	**45**	**80**	**448**	**264**	**150**	**1,606**
Share at less than one year	257	51	23	40	224	99	50	**742**
Share between one and five years	216	94	23	40	224	166	100	**864**
Share at more than five years	-	-	-	-	-	-	-	-

11.2.1 State-guaranteed loans: BNP Paribas

On 6 April 2020, AFFLUENT MEDICAL contracted a State-guaranteed loan with optional amortisation over five years with French bank BNP Paribas under the following conditions:

- Amount of the financing: €1,000 thousand
- Term: 12 months
- Annual interest rate: 0%
- Repayment: an annual payment of the principal and interest in arrears after a deferred period of 12 months.

This loan benefits from a guarantee from the French State, under the "FDG State Coronavirus" guarantee fund, of up to 90%.
In February 2021, the Company negotiated an additional amortisation period of 12 months which will be followed by a repayment over four years. The applicable annual interest rate is 1% with a guarantee cost of €21 thousand.

On 15 April 2021, AFFLUENT MEDICAL contracted a State-guaranteed loan with optional amortisation over five years with the French bank BNP Paribas under the following conditions:

- Amount of the financing: €200 thousand
- Term: 12 months
- Annual interest rate: 0.00%
- Repayment: an annual payment of the principal and interest in arrears after a deferred period of 12 months.

This loan benefits from a guarantee from the French State, under the "FDG State Coronavirus" guarantee fund, of up to 90%.
In February 2022, the Company deferred the amortisation period by 12 months which will be followed by a repayment over four years. The applicable annual interest rate is 0.75% with a cost of the State guarantee premium of €4 thousand.

11.2.2 State-guaranteed loans: Société Générale
On 5 June 2020, EPYGON contracted a State-guaranteed loan with optional amortisation over five years with French bank Société Générale under the following conditions:

- Amount of financing: €90 thousand
- Term: 12 months
- Annual interest rate: 0.25%
- Repayment: an annual payment of the principal and interest in arrears after a deferred period of 12 months.

This loan benefits from a guarantee from the French State, under the "FDG State Coronavirus" guarantee fund, of up to 90%.
In March 2021, the company negotiated an additional amortisation period of 12 months which will be followed by a repayment over four years. The applicable annual interest rate is 0.58% with a cost of the State guarantee premium of €2 thousand.

On 5 June 2020, KARDIOZIS contracted a State-guaranteed loan with optional amortisation over five years with French bank Société Générale under the following conditions:

- Amount of financing: €160 thousand
- Term: 12 months
- Annual interest rate: 0.25%
- Repayment: an annual payment of the principal and interest in arrears after a deferred period of 12 months.

This loan benefits from a guarantee from the French State, under the "FDG State Coronavirus" guarantee fund, of up to 90%.
In March 2021, the company negotiated an additional amortisation period of 12 months which will be followed by a repayment over four years. The applicable annual interest rate is 0.58% with a cost of the State guarantee premium of €3 thousand.

On 5 June 2020, KEPHALIOS contracted a State-guaranteed loan with optional amortisation over five years with French bank Société Générale under the following conditions:

- Amount of financing: €890 thousand
- Term: 12 months
- Annual interest rate: 0.25%
- Repayment: an annual payment of the principal and interest in arrears after a deferred period of 12 months.

This loan benefits from a guarantee from the French State, under the “FDG State Coronavirus” guarantee fund, of up to 90%.
In March 2021, the company negotiated an additional amortisation period of 12 months which will be followed by a repayment over four years. The applicable annual interest rate is 0.58% with a cost of the State guarantee premium of €19 thousand.

11.2.3 State-guaranteed loans: CIC

On 5 February 2021, MYOPOWERS contracted a State-guaranteed loan with optional amortisation over five years with French bank CIC under the following conditions:

- Amount of the financing: €395 thousand
- Term: 12 months
- Annual interest rate: 0.00%
- Repayment: an annual payment of the principal and interest in arrears after a deferred period of 12 months.

This loan benefits from a guarantee from the French State, under the “FDG State Coronavirus” guarantee fund, of up to 90%.
In November 2021, the company negotiated an additional amortisation period of 12 months which will be followed by a repayment over four years. The applicable annual interest rate is 0.70% with a cost of the State guarantee premium of €8 thousand.

11.2.3 State-guaranteed loans: Bpifrance

On 6 May 2021, AFFLUENT MEDICAL contracted a State-guaranteed loan with optional amortisation over five years with French bank Bpifrance under the following conditions:

- Amount of the financing: €200 thousand
- Term: 12 months
- Annual interest rate: 2.35%
- Repayment: an annual payment of the principal and interest in arrears after a deferred period of 12 months.

This loan benefits from a guarantee from the French State, under the “FDG State Coronavirus” guarantee fund, of up to 90%.
In February 2022, the Company deferred the amortisation period by 12 months which will be followed by a repayment over four years. The applicable annual interest rate is 3.35%, including the State guarantee premium.

11.3 Bonds and convertible bonds

The bonds were fully redeemed at 31 December 2023 and 30 June 2024.

11.3.1 KREOS non-convertible bond

On 26 October 2018, the Company entered into a venture loan agreement with Kreos Capital in the form of a framework agreement organising the issue of a bond loan for an amount of up to €12 million through the issue of one tranche of €4 million and two tranches of up to €4 million each, and the issue of 196,722 share subscription warrants (BSA2018-KREOS).

The venture loan agreement provides for the pledge of the Company’s assets (including a share of the Company’s intellectual property) for the benefit of Kreos Capital.

Each tranche bears interest at 10% per year. All tranches of non-convertible bonds issued are repayable in 36 monthly instalments with a repayment period of six months.

Under the terms of the agreement, the Company has the option to redeem or buy back non-convertible bonds at any time, provided that it notifies Kreos Capital at least 30 days in advance. The repayment will be equal to (1) the amount of the principal remaining due, increased by (2) the sum of the interest that the Company would have paid over the remaining term of the tranche in question, discounted at the rate of 4% per annum.

Tranche A was issued at the signing of the contract on 29 October 2018, and Tranche B on 1 June 2019. Tranche C will not be drawn down as the deadline of 30 September 2019 has been exceeded and the required conditions are not met.

A guarantee deposit of €256 thousand (€128 thousand per tranche) was retained by Kreos Capital on the payments made. It will be deducted from the last monthly payment. It is presented in "Other non-current financial assets".

Each BSA2018-KREOS gives the right to subscribe to a number of shares N such that N = 6.10/SP with SP as defined below.
The Strike Price (SP) is set at the lower of i) the sum of €6.10 and ii) the lowest price used during the various capital increases that took place between the date of issue of the BSA2018-KREOS warrants and the date of exercise, less a discount of 20%.
The exercise period of each share subscription warrant begins on the issue date and ends on the earliest of: i) the 10th anniversary of the issue date; ii) the date of transfer of ownership of more than 80% of the shares as described in the Shareholders' Agreement; or iii) the fifth anniversary of the Company's IPO.

Accounting treatment
In accordance with IFRS 9, non-convertible debt is measured using the amortised cost method.

After analysis, the share subscription warrants attached to Tranche A (BSA2018-KREOS) were recognised as derivative liabilities and measured at fair value with changes in this fair value recorded in profit or loss in accordance with IFRS 9.

The fair value has been determined by using the Black-Scholes pricing model with the following main assumptions:

Share subscription warrants issued to KREOS	**Tranche A**		
	Upon issue (26/10/2018)	**31/12/2023**	**30/06/2024**
Number of share subscription warrants	65,574	65,574	65,574
Strike price	€4.71	€1.08	€1.08
Contractual term	5.05	2.37	1.87
Volatility	34.92%	44.70%	49.04%
Risk-free rate	-0.19%	2.45%	2.80%
Value of the derivative (in thousands of euros)	**147**	**184**	**134**
Change in fair value during the period (in thousands of euros)			**(50)**

Share subscription warrants issued to KREOS	**Tranche B**		
	Upon issue 01/06/2019	**31/12/2023**	**30/06/2024**
Number of share subscription warrants	65,574	65,574	65,574
Strike price	€4.71	€1.08	€1.08
Contractual term	6.96	2.37	1.87
Volatility	36.57%	44.70%	49.04%
Risk-free rate	-0.51%	2.45%	2.80%
Value of the derivative (in thousands of euros)	**144**	**184**	**134**
Change in fair value during the period (in thousands of euros)			**(50)**

During the 2022 financial year, the Company redeemed the full amount of the non-convertible bond loan. Security deposits were allocated to the last instalment.

At 30 June 2024, 65,574 share subscription warrants (BSA) issued to KREOS in respect of tranche A (valued as a derivative liability for €134 thousand) and 65,574 share subscription warrants (BSA) issued to KREOS in respect of tranche B (valued as a derivative liability for €134 thousand) remain outstanding.

Releases of the first-ranking security interests, put in place as part of the Venture Loan, over the Company's main tangible and intangible assets, in particular its goodwill, the intellectual property rights relating to its main medical devices, and a pledge over the Company's bank accounts and receivables, occurred in the first half of 2024.

11.4 Debt related to lease liabilities

Change in lease liabilities

CHANGE IN LEASE LIABILITIES (Amount in thousands of euros)	**Debt related to lease liabilities**
At 31 December 2023	**978**
(+) Increase	146
(-) Repayment	(180)
(-) Early termination of contract	-
At 30 June 2024	**945**

During the first half of 2024, lease liabilities decreased by €180 thousand, corresponding to the repayment of leases on a straight-line basis recognised under IFRS 16.

Breakdown of financial liabilities by maturity, in redemption value

CURRENT AND NON-CURRENT LEASE LIABILITIES (amount in thousands of euros)	**Debt related to lease liabilities**
At 30 June 2024	**945**
Share at less than one year	312
Share between one and five years	633
Share at more than five years	

11.5 Pre-financing of RTC receivables

At 31 December 2023 and 30 June 2024, a portion of the RTC receivables was pre-financed by the Predirec Innovation 3 securitisation mutual fund, with Neftys Conseil as the arranger. As a result, the Group recognised the following items:

- a debt, for the amount payable to Neftys upon receipt of the RTC;
- a financial asset, for the amount of deductions made by Neftys on the receivables sold (equivalent to a guarantee deposit);
- a current asset, for the amount of the receivable due by the French State.

In accordance with IFRS 9, the amount of the debt due to Neftys was calculated using the amortised cost method for each year:

- 2022 RTC: €299 thousand at 31 December 2023
- 2023 RTC: €546 thousand at 30 June 2024.

CHANGE IN PRE-FINANCING OF RESEARCH TAX CREDIT RECEIVABLES (Amount in thousands of euros)	Pre-financing of RTC receivables
At 31 December 2023	**299**
(+) Increase	537
(-) Decrease	(299)
(+) Financial expenses	8
At 30 June 2024	**546**
Share at less than one year	546

Note 12: Employee benefits commitments

EMPLOYEE BENEFITS COMMITMENTS (Amounts in thousands euros)	30/06/2024	31/12/2023	30/06/2023
Italian employees	82	95	92
French employees	0	9	11
Employee benefits commitments	**82**	**103**	**103**

12.1 Italian employees

The main actuarial assumptions used to assess retirement benefits are as follows:

ACTUARIAL ASSUMPTIONS FOR PENSION COMMITMENT – Italy	30/06/2024	31/12/2023	30/06/2023
Retirement age	Age 67		
Discount rate (IBOXX AA Corporates)	3.7%	3.16%	3.10%
Mortality table	ISTAT SIM/F table 2021	ISTAT SIM/F table 2021	ISTAT SIM/F table 2019
Salary adjustment rate	6.60%	6.80%	6.74%
Turnover	7.00%	7.00%	3.00%

The provision for pension commitments has changed as follows:

EMPLOYEE BENEFITS COMMITMENTS IN ITALY (Amounts in thousands euros)	30/06/2024	31/12/2023	30/06/2023
Opening of the period	**95**	**86**	**86**
Cost of services rendered	14	32	16
Financial cost	1	3	1
Benefits paid	-	(9)	-
Actuarial difference	(28)	(17)	(11)
Close of the period	**82**	**95**	**92**

12.2 French employees

The main actuarial assumptions used to assess retirement benefits are as follows:

ACTUARIAL ASSUMPTIONS FOR PENSION COMMITMENTS France		30/06/2024	31/12/2023	30/06/2023
Retirement age		Voluntary departure between the ages of 65 and 67		
Collective agreements	Kephalios	Chemical Industries 3108		
	Other French entities	Executive: Metallurgy Industries (management) 3025 Non-executive: Metallurgy (Industries) 3126		
Discount rate (IBOXX AA Corporates)		3.70%	3.20%	3.65%
Mortality table		INSEE 2019		
Salary adjustment rate		2.00%		
Turnover	Kephalios	Medium		
	Other French entities	High		
Social security charges rate		45%		

The provision for pension commitments has changed as follows:

EMPLOYEE BENEFITS COMMITMENTS IN FRANCE (Amounts in thousands euros)	30/06/2024	31/12/2023	30/06/2023
Opening of the period	9		**15**
Cost of services rendered	5	7	6
Financial cost	-	-	-
Compensation paid	-	-	-
Actuarial difference	(14)	(13)	(11)
Changes in scope	-	-	-
Close of the period	0	9	11

Note 13: Provisions

PROVISIONS (Amounts in thousands euros)	31/12/2023				
	Amount at start of the period	Provisions	Reversals	Changes in scope	Amount at end of the period
Provisions for risks	-	-	-	-	**-**
Provisions for litigation	11	-		-	11
Provisions for risks and contingencies	**11**	-	-	-	11

PROVISIONS (Amounts in thousands euros)	30/06/2024				
	Amount at start of the period	Provisions	Reversals	Changes in scope	Amount at financial year-end
Provisions for risks	-	-	-	-	**-**
Provisions for litigation	11	-	(11)	-	**-**
Provisions for risks and contingencies	**11**	**-**	**(11)**	**-**	**-**

In a summons of 12 June 2019, the company Implantica Marketing Limited brought an action for patent infringement before the Paris Court of Justice against the Company and MyoPowers. The company claims that the development of the Artus medical device reproduces certain claims made by the French part of a European patent belonging to it, and seeks compensation for the damage it claims to have suffered. It therefore seeks that the Company and MyoPowers be ordered to pay the sum of €2,000,000 in provisional damages and €500,000 in respect of its alleged moral damage.

Following its summons on 12 June 2019, Implantica Marketing Limited asked the judge to order provisional and protective measures against the Company and MyoPowers pending judgement on the merits. The Company and MyoPowers responded by challenging the validity of the patent claimed by Implantica Marketing Limited and the materiality of the infringement.

In a decision dated 4 June 2020, the judge accepted that there were serious doubts as to the validity of the patent invoked, which expired on 8 February 2021, and consequently refused Implantica Marketing Limited's request for a provisional prohibition on the development of the Artus medical device. Implantica was ordered to pay €50,000 which has been paid. Following this incident, the proceedings on the merits resumed. The Company and MyoPowers have made several claims, in particular to demonstrate the invalidity of the patent invoked by Implantica Marketing Limited and, consequently, the absence of infringement. The case was heard on 6 December 2021 and, by decision dated 31 March 2022, the Paris Court of First Instance annulled the allegedly infringing claims of the French part of the European patent invoked by Implantica and ordered Implantica to pay €50,000, which has now been paid. Implantica appealed this decision and filed its first appeal on 30 September 2022. The Company and MyoPowers responded. Other elements were filed by Implantica during the second half of 2023 to which the Company and MyoPowers responded.

The hearing of the Paris Court of Appeal in the context of the action of Implantica Marketing Limited against Affluent Medical and MyoPowers was held in February 2024.

By decision of 26 April 2024, the Paris Court of Appeal upheld the judgement of the Paris Judicial Court of 31 March 2022, dismissing all of Implantica's claims and ordering it to pay the Company €50,000 in respect of the article 700 of the French Civil Procedure Code.

The Group is also involved in other labour disputes that are not very significant.

Note 14: Other current and non-current liabilities

OTHER CURRENT AND NON-CURRENT LIABILITIES (Amounts in thousands euros)	**30/06/2024**	**31/12/2023**
Trade payables and related accounts	4,046	3,373
Tax and social security payables	3,013	2,371
Current deferred income	167	80
Current tax liability	71	112
Other debts	59	38
Non-Group current accounts	3,537	-
Total other current liabilities	**10,893**	**5,973**

Deferred income relates in particular to the spreading of grants received under the PIAVE ARTUS and MIVANA projects. They were classified as other current liabilities for the portion of grants to be received within one year and as other non-current liabilities for longer term grants.

Note 15: Financial assets and liabilities and impact on profit or loss

(Amounts in thousands euros)	31/12/2023		Value – statement of financial position under IFRS 9	
Balance sheet line items	**Book value**	**Market value**	**Fair value through profit or loss**	**Amortised cost**
Non-current financial assets	97	97	-	97
Other current receivables	4,135	4,135	-	4,135
Cash and cash equivalents	1,658	1,658	1,658	-
Total of balance sheet headings concerning an asset item	**6,014**	**6,014**	1,658	4,356
Current financial liabilities	1,744	1,744	-	1,744
Current lease liabilities	333	333	-	333
Non-current financial liabilities	14,411	14,411	-	14,411
Non-current lease liabilities	646	646	-	646
Other current liabilities	2,600	3,183	-	3,183
Derivative liabilities	368	368	368	-
Total of balance sheet headings concerning a liability item	**20,101**	**20,101**	**368**	**19,733**

(Amounts in thousands euros)	30/06/2024		Value – statement of financial position under IFRS 9	
Balance sheet line items	**Book value**	**Market value**	**Fair value through profit or loss**	**Amortised cost**
Non-current financial assets	102	102	-	102
Other current receivables	5,561	5,561	-	5,561
Cash and cash equivalents	915	915	915	-
Total of balance sheet headings concerning an asset item	**6,579**	**6,579**	**915**	**5,664**
Current financial liabilities	2,930	2,930	-	2,930
Current lease liabilities	312	312	-	312
Non-current financial liabilities	13,626	13,626	-	13,626
Non-current lease liabilities	633	633	-	633
Other current liabilities	6,847	6,847	-	6,847
Derivative liabilities	267	267	267	-
Total of balance sheet headings concerning a liability item	**24,615**	**24,615**	**267**	**24,348**

Note 16: Other operating income

OTHER OPERATING INCOME (Amounts in thousands euros)	30/06/2024	30/06/2023
Research tax credit (RTC)	649	582
Grants	12	8
Total other operating income	**661**	**590**

Other operating income is primarily made up of research tax credits for French companies amounting to €649 thousand at 30 June 2024 and €582 thousand at 30 June 2023.

Note 17: Operating expenses

Operating expenses dedicated to R&D, pre-clinical and clinical activities, regulatory affairs and quality, and excluding general administrative expenses, represent approximately 84% of the Company's total expenses at 30 June 2024 and 87% at 30 June 2023.

17.1 External expenses

External expenses (Amounts in thousands euros)	30/06/2024	30/06/2023
Fees	(2,981)	(2,080)
Missions and receptions	(251)	(251)
Maintenance and repairs	(183)	(140)
Advertising, publications, public relations	(17)	(51)
Transportation	(38)	(54)
Rentals and rental expenses	(28)	(38)
Insurance premiums	(38)	(41)
Studies, research, subcontracting, documentation and seminars	(27)	(39)
Miscellaneous	(158)	(188)
Total external expenses	**(3,721)**	**(2,828)**

17.2 Personnel expenses

Personnel expenses (Amounts in thousands euros)	30/06/2024	30/06/2023
Employee compensation	(2,323)	(1,918)
Social security charges	(903)	(748)
Pension commitments	(21)	(24)
Share-based payments	(444)	(306)
Total personnel expenses	**(3,691)**	**(2,996)**

The Company's average workforce was 66 at 30 June 2024 compared with 52 at 30 June 2023.

17.3 Other current operating income and expenses

Other current operating income and expenses (Amounts in thousands euros)	30/06/2024	30/06/2023
Net book value of assets sold	-	-
Income from assets sold	-	-
Other miscellaneous expenses and income	89	101
Other current operating income and expenses	**89**	**101**

Note 18: Other operating income and expenses

The Group did not recognise any other non-current operating income or expenses during the periods ended 30 June 2023 and 2024.

Note 19: Net finance income (expense)

FINANCIAL INCOME AND EXPENSES (Amounts in thousands euros)	30/06/2024	30/06/2023
Net borrowing cost	**(747)**	**(686)**
Income from cash and cash equivalents	-	-
Interest expenses	(740)	(678)
Effect of accretion	(7)	(8)
Other financial income and expenses	**109**	**(31)**
Foreign exchange income	8	-
Change in fair value of derivative liabilities (1)	100	53
Other	1	-
Net finance income (expense)	**(638)**	**(633)**

The interest expense under IFRS 16 amounted to €21 thousand at 30 June 2024 and €19 thousand at 30 June 2023.

(1) See note 11.3.1 KREOS non-convertible bond

Note 20: Income tax

In accordance with the principles described in the note to the financial statements ended 31 December 2023 and the mechanism for capping tax losses carried forward, no deferred tax assets have been recognised in addition to deferred tax liabilities in the consolidated financial statements of the Group at 30 June 2024.

Deferred tax assets are recognised for tax losses carried forward when it is more likely than not that the Company will have future taxable profits against which these unused tax losses can be offset.

Deferred tax assets recognised in the amount of deferred tax liabilities are presented as a deduction from these in the consolidated statement of financial position.

Note 21: Earnings per share

BASIC EARNINGS PER SHARE	30/06/2024	30/06/2023
Net income for the year (in thousands of euros)	(9,368)	(7,980)
Weighted average number of shares outstanding over the period	32,787,894	27,253,890
Weighted average number of shares for diluted earnings over the period	32,787,894	27,253,890
Basic earnings per share (€/share)	(0.29)	(0.29)
Diluted earnings per share (€/share)	(0.29)	(0.29)

In accordance with IAS 33, the earnings per share on the diluted basis presented above is identical to the basic earnings per share because incorporating the effects of dilution would result in an improved earnings per share on a diluted basis compared to basic earnings per share.

At 30 June 2024, the Company's dilutive instruments consisted of:

- share subscription warrants attached to KREOS non-convertible bonds, see Note 11.3.1;
- share subscription warrants and founders' share warrants granted to employees, members of the Board of Directors, external service providers, see Notes 10.1 and 10.2.

Note 22: Related parties

22.1 Compensation due to corporate officers

Executive compensation breaks down as follows:

Compensation of corporate officers (Amounts in thousands euros)	30/06/2024	30/06/2023
Fixed compensation	173	135
Variable compensation paid	30	23
Consulting fees	-	-
Benefits in kind	2	-
Directors' fees	26	52
Share-based payments	231	118
TOTAL	**463**	**328**

Note 23: Commitments given and received

Off-balance sheet commitments have not changed significantly since 31 December 2023.

Note 24: Post-closing events

On 11 July 2024, the Company entered into several agreements with Edwards Lifesciences (“Edwards”) relating to its structural cardiology products (Kalios™ adjustable mitral ring) and technologies (mitral valve technology). Under the terms of these agreements, Affluent received an initial cash payment of €15 million.

The agreements are as follows:

- **An initial payment of €5 million for an exclusive option to purchase Kephalios**, Affluent’s wholly-owned subsidiary developing the innovative Kalios™ adjustable mitral ring, based on the results of its clinical trial. Operational activities for the development of Kalios™ will continue to be managed exclusively by Affluent during the life of the option.

- **An initial payment of €5 million for the worldwide and non-exclusive license of the intellectual property of Affluent on the biomimetic cardiac mitral valve replacement technology, limited to open heart surgery**. Affluent may receive additional future royalties on all products that may be marketed using the licensed patents during the life of said patents. Affluent retains all of its patent rights to the transcatheter valves, including those on its Epygon mitral valve currently in clinical development.

- **A payment of €5 million for a stake in Affluent** . The subscription was carried out via a capital increase with cancellation of shareholders’ preferential subscription rights through an offer reserved for categories of beneficiaries (the “Capital Increase”). The unit subscription price of €1.38 (of which €0.10 in nominal value and €1.28 in issue premium) per new share represents a 15% discount to the volume-weighted average price of the Company's shares over the 20 trading days preceding 11 July 2024. Following this transaction, Edwards became a shareholder of Affluent Medical with 9.21% of the share capital. FPCI Truffle Medeor and Ginko Invest also participated in the capital increase by offsetting their shareholder current account advances granted to Affluent in April 2024 (see section 2.4 of the half-year financial report). Following the capital increase, 6,190,831 new ordinary shares were issued for a total cumulative amount, including the issue premium, of €8,543,346.78. At the end of this transaction, the share capital of Affluent is composed of 39,336,524 shares.

In addition, the Company received positive feedback from the FDA (Federal Drug Administration) on the US market access strategy for Kalios, the adjustable mitral ring, as a class 2 device*,* without requiring additional patients to be added to the Optimize II clinical trial.

Concerning the Artus device, the first remote-controlled mechanical urinary sphincter, the Dry pilot clinical trial is progressing, with five patients currently implanted at the end of August and encouraging initial performance results. The Company aims to finalise the implantation of 10 patients during the last quarter of 2024.

Lastly, the Company recently secured €1.1 million in non-dilutive financing, mainly in the form of grants, for the development of its Epygon transcatheter valve.

In addition, at its meeting of 24 September 2024, the Board of Directors noted the final completion of a capital increase of a nominal amount of €1,149.70, resulting from the exercise, between 1 July and 31 August 2024, of 11,458 BSPCEs (founders’ share warrants) and 312 BSARs (redeemable share subscription warrants), bringing the share capital to €3,934,802.10.

4. STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL REPORTING

Statutory Auditors' report on the half-year financial reporting
(Period from 1 January 2024 to 30 June 2024)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly- sur-Seine Cedex, France

EXPERTEA AUDIT
60, boulevard Jean Labro
13016 Marseille, France

Statutory Auditors' report on the half-year financial reporting
(Period from 1 January 2024 to 30 June 2024)

Dear Shareholders
AFFLUENCE MEDICAL
320, avenue Archimède
Les Pléiades III, Bâtiment B
13100 Aix en Provence, France

In accordance with the mission entrusted to us by your General Meeting, and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- performed the limited review of the condensed half-year consolidated financial statements of AFFLUENT MEDICAL, relating to the period from 1 January 2024 to 30 June 2024, as attached to this report;
- verified the information given in the half-year activity report.

These condensed half-year consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

I - Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France.

A limited review consists mainly of meeting with the members of management in charge of accounting and financial aspects and implementing analytical procedures. This work is less extensive than that required for an audit conducted in accordance with the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, are free from material misstatement obtained during a limited review is a moderate assurance, lower than that obtained in the context of an audit.

Based on our limited review, we did not identify any material misstatements likely to call into question the compliance of the condensed half-year consolidated financial statements with IAS 34, the IFRS standard as adopted in the European Union, relating to interim financial reporting.

II - Specific verification

We have also verified the information provided in the half-year activity report on the condensed half-year consolidated financial statements subject to our limited review.

We have no matters to report as to their fair presentation and their consistency with the condensed half-year consolidated financial statements.

Signed in Neuilly-sur-Seine and Marseille, on 25 September 2024

The Statutory Auditors

PricewaterhouseCoopers Audit

Thierry Charron

EXPERTEA AUDIT

Jérôme Magnan