Interim financial report as at 30 June 2015

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Mithra Pharmaceuticals SA/NV,

a limited liability company (société anonyme / naamloze vennootschap) incorporated under Belgian law,

with its registered office at rue Saint-Georges 5, 4000 Liège (enterprise number 0466.526.646)

Interim financial report as at 30 June 2015

This report is prepared in accordance with article 13 of the Royal Decree of 14 November 2007.

Mithra Pharmaceuticals SA (hereinafter "Mithra" or the "Company") has prepared its interim financial report in French and in English. In case of discrepancies between both versions, the French version shall prevail.

I. Interim management report

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1. Corporate information

Mithra is a pharmaceutical company focused on the development, manufacturing and commercialization of proprietary, innovative and differentiated drugs and generic products dedicated to female healthcare.

Mithra specializes in four different domains: contraception and fertility, menopause and osteoporosis, vaginal infections and cancers.

Mithra is a limited liability company based in Rue Saint Georges 5, Liège, Belgium and has subsidiaries in France, Germany, the Netherlands, Luxembourg and Brazil.

The group launched its Initial Public Offering on Euronext Brussels on 30 June 2015.

2. Important events occurred during the first 6 months of the financial period

The board of directors of Mithra refers to section 9.9 of the prospectus relating to the IPO (i.e. business combination of Estetra SPRL, acquisition of Donesta Bioscience B.V., issuance of warrants, acquisition of additional shares in Novalon SA, changes in the share capital and merger with Ardentia Invest SA), which is deemed to be reproduced here.

3. Financial highlights

Thousands of Euro	*30 June 2015*	*30 June 2014*
INCOME STATEMENT		
Revenues	8,415	9,118
Cost of sales	(4,811)	(4,800)
Gross profit	**3,604**	**4,318**
Research and development expenses	(2,833)	(1,017)
General and administrative expenses	(3,513)	(2,672)
Selling expenses	(1,427)	(950)
Other operating income	192	525
Total operating charges	**(7,581)**	**(4,114)**
Operating Profit / (Loss) / REBITDA*	**(3,977)**	**204**
Non – recurring costs	**(2,511)**	**(1,040)**
Amortisation costs	**(282)**	**(354)**
EBIT	**(6,811)**	**(1,191)**
Financial result	**(928)**	**(99)**
Share of profit/(loss) of associates	(465)	(74)
Profit / (Loss) before taxes	**(8,204)**	**(1,364)**
Income taxes	**1,940**	**(66)**
Net Profit / (Loss) for the period	**(6,264)**	**(1,430)**

** Recurring EBITDA*

Thousands of Euro	30 June 2015	31 December 2014
ASSETS		
Non-current assets	53,788	7,517
Current assets	38,842	8,180
TOTAL ASSETS	**92,629**	**15,696**

Thousands of Euro	2015	2014
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent	54,170	5,524
Non-current liabilities	27,575	1,650
Current liabilities	10,885	8,523
TOTAL EQUITY AND LIABILITIES	**92,629**	**15,696**

The Revenues of the Group decreased with EUR 703k from EUR 9,118k to EUR 8,415k. This is due to a reduced sales level in Belgium, where the general contraception market has lost 3% of cycles meaning 189,500 cycles. However in this decreasing market, Mithra has been able to gain market share going from 45.4% in 2014 towards 46% in mid 2015 and winning an extra 30.480 cycles.

Furthermore it should be noted that due to VTE risks (Venous Thromboembolism), regulatory agencies try to stimulate the old generation pills (first and second generation). The pills of the earlier generation however are less expensive then the later generations (third and fourth generation), resulting in a reduced sales value level. Mithra is developing Estelle, an Estetrol based contraception, where, based on hemostasis biomarkers it has been proven in phase II that Estelle has a lower VTE risk comparable to the first and second generation and even lower.

As from April 2015 a number of generics have been reduced in price. The effect is applicable on most of Mithra's products today and has led to a lowered sales level as well.

In the first half year of 2015 Mithra did not yet sell license rights for its products, given its strategic choice to wait until further stages of the product and to maximize its license potential.

Due to the product-mix effect and due to the lower sales price, Mithra accounted for a loss in gross margin.

The operational expenses of the Group have increased with EUR 3,467k from EUR 4,114k in 2014 to EUR 7,581k in 2015. 53% or EUR 1,839k of this increase is related to an increase level of R&D expenses, where Mithra today under IFRS is expensing all its investments. Major reason of the increase is the addition of the Estetrol contraception project in Estetra, which amount for a loss of EUR 1,013k in the first 6 months of 2015 and which are not included in 2014.

27% or EUR 926k of this increase in operational expenses relates to G&A expenses. The rose from EUR 2,672k in first 6 months of 2014 to EUR 3,673k in same period of 2015. The reason of this increase is primarily due to changes in the group structure and the expansion of the management and back office team to support the further growth.

14% or EUR 477k of the increase in operational expenses relates to Selling expenses. The rise is to be allocated to the start-up activities of the sales organizations in Brazil, Germany and France.

These effects resulted in a REBITDA of – EUR 3,977k in 2015 compared to EUR 204k in 2014.

In the table above Mithra shows separately its non-recurring costs. These amount to EUR 2,244k in 2015 compared to EUR 1,040k in 2014. These costs mainly include exceptional and non-recurring IPO related charges. In 2015 these costs have increased, primarily due to the IPO in June 2015 for which the Group has recognized EUR 1,179k of costs in its income statement. The total cost of the IPO amounted to EUR 3,848k. The remainder is provided on Balance Sheet and will be accounted as a negative equity effect on July 1.

The finance costs include an IFRS adjustment in fair value of the milestone payments for Estetra, a reimbursement cost of an investment loan, as well as the interest costs.

The balance sheet as of June 30, 2015 shows a current asset position of EUR 38,842k. In this current asset a liquidity position of EUR 26,512k is included. This amount does not include the proceeds of the capital round of the IPO and the overallotment option, since they are only accounted as from July 1, 2015. Together with the IPO proceeds Mithra would account for a liquidity position of EUR 105,8 million. Also note that the equity position does not include the capital of the IPO and the over-allotment option.

4. Principal risks and uncertainties

The board of directors considers that the key risk factors summarized in section 1.1 of the prospectus relating to the IPO remain relevant for the remaining months of the 2015 financial year, which is deemed to be reproduced here.

5. Related party transactions

The board of directors of Mithra refers to section 13.2 of the prospectus relating to the IPO, which is deemed to be reproduced here, and the interim consolidated financial statements.

Over the course of the first half of the 2015 financial year, no other related party transactions were executed by Mithra.

II. Interim condensed consolidated financial statements for the period ended 30 June 2015

II. Interim condensed consolidated financial statements for the period ended 30 June 2015

1. Interim consolidated statement of profit or loss

Thousands of Euro	*Notes*	*30 June 2015*	*30 June 2014*
CONSOLIDATED INCOME STATEMENT			
Revenues		**8,415**	**9,118**
Cost of sales		**(4,811)**	**(4,800)**
Gross profit		**3,604**	**4,318**
Research and development expenses		(2,830)	(1,298)
General and administrative expenses		(5,817)	(3,212)
Selling expenses		(1,961)	(1,524)
Other operating income		192	525
Total operating charges		**(10,414)**	**(5,509)**
Operating Profit / (Loss)		**(6,811)**	**(1,191)**
Financial income		13	0
Financial expense		(941)	(99)
Financial result		**(928)**	**(99)**
Share of profit/(loss) of associates		(465)	(74)
Profit / (Loss) before taxes		(8,204)	(1,365)
Income taxes		**1,940**	**(66)**

Net Profit / (Loss) for the period	6.5	(6,264)	(1,430)
Attributable to			
Owners of the parent		(6,264)	(1,430)
Non-controlling interest		-	-
Profit / (Loss) per share			
Basic earnings per share (euro)		(0.32)	(0.10)
Diluted earnings per share (euro)		(0.32)	(0.10)

2. Interim consolidated statement of comprehensive income

		Period ended
	30 June	*30 June*
Thousands of Euro	*2015*	*2014*
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Net result for the period	**(6,264)**	**(1,430)**
Other comprehensive income	**(8)**	**-**
Currency translation differences	(8)	
Total comprehensive income for the period	**(6,272)**	**(1,430)**
Attributable to		
Owners of the parent	(6,272)	(1,430)
Non-controlling interest	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(6,272)**	**(1,430)**

3. Interim consolidated statement of financial position

Thousands of Euro	*Notes*	*30 June 2015*	*31 December 2014*
ASSETS			
Intangible assets	*6.8*	41,684	2,181
Property, plant and equipment	*6.9*	2,459	2,407
Goodwill	*6.8*	3,813	-
Investments in associates	*6.10*	3,154	2,119
Deferred income tax assets		2,415	563
Other non-current assets		262	247
Non-current assets		**53,788**	**7,517**
Inventories		3,382	1,763
Trade & other receivables	*6.11*	8,948	4,738
Cash & cash equivalents		26,512	1,678
Current assets		**38,842**	**8,180**
TOTAL ASSETS		**92,629**	**15,696**

Thousands of Euro	*Notes*	*2015*	*2014*
EQUITY AND LIABILITIES			
Equity			
Share capital	*6.12*	17,951	3,107
Share premium	*6.12*	51,073	10,572
Retained deficit		(14,847)	(8,154)
Translation differences		(8)	-
Equity attributable to owners of the parent		**54,170**	**5,524**
Subordinated loans	*6.13*	975	500
Financial loans	*6.13*	1,278	1,150
Refundable government advances	*6.13*	6,698	
Other financial liabilities	*6.13*	18,558	-
Provisions		66	-
Non-current liabilities		**27,575**	**1,650**
Current portion of long term financial debts	*6.13*	542	177
Short term financial debts	*6.13*	2,588	3,396
Trade payables and other current liabilities	*6.11*	7,748	4,640
Corporate income tax payable		7	311
Current liabilities		**10,885**	**8,523**
TOTAL EQUITY AND LIABILITIES		**92,629**	**15,696**

4. Interim consolidated statement of changes in equity

Thousands of Euro	*Notes*	*Share capital*	*Share premium*	*Retained earnings*	*Foreign currency translation reserve*	*Total equity*
Balance as at 1 January 2014		**5,041**	**-**	**(2,554)**		**2,488**
Result for the period				(1,430)		(1,430)
Other comprehensive income for the period						-
Total comprehensive income for the period				(1,430)		(1,430)
Dividends				(2,207)		(2,207)
Balance as at 30 June 2014		**5,041**	**-**	**(6,191)**	**-**	**(1,149)**
Balance as at 1 January 2015		**3,107**	**10,572**	**(8,154)**		**5,524**
Result for the period				(6,264)		(6,264)
Other comprehensive income for the period					(8)	(8)
Total comprehensive income for the period				**(6,264)**	**(8)**	**(6,272)**
Merger with Ardentia of 22 May 2015		10,571		4,883		15,454
Incorporation in capital		15,384	(9,830)	(5,554)		-
Reduction in capital		(15,384)				(15,384)
Capital increase of 22 May 2015		4,273	50,331			54,604
Share-based compensation				243		243
Balance as at 30 June 2015		**17,951**	**51,073**	**(14,847)**	**(8)**	**54,170**

5. Interim consolidated statement of cash flows

Thousands of Euro	*30 June 2015*	*30 June 2014*
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Loss	**(6,811)**	**(1,191)**
Depreciation and amortisation	642	370
Share-based compensation	243	-
Taxes paid	(217)	(371)
Subtotal	**(6,142)**	**(1,192)**
Changes in Working Capital		
Increase/(decrease) in Trade payables and other current liabilities	2,357	1,323
(Increase)/decrease in trade and other receivables	(5,417)	(201)
(Increase)/decrease in inventories	(1,619)	246
(Increase)/decrease in other	66	-
Net cash provided by/(used in) operating activities	**(10,755)**	**177**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(969)	(1,262)
Proceeds from sale of tangible assets	769	-
Purchase of intangible assets	(8,528)	(456)
Prepayments	1,369	17
Acquisition of a subsidiary net of cash acquired	(7,036)	
Investment in associates	(1,500)	-
Investment in other assets	(9)	13
Net cash provided by/(used in) investing activities	**(15,905)**	**(1,688)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on financial loans	(4,068)	(42)
Proceeds from financial loans	1,584	3,534
Interests paid	(627)	(99)
Interest and other financial income received	1	-
Dividends paid to owners	-	(2,207)
Proceeds from issuance of shares (net of issue costs)	54,604	-
Net cash provided by/(used in) financing activities	**51,494**	**1,186**
Net increase/(decrease) in cash & cash equivalents	**24,835**	**(324)**
Cash & cash equivalents at beginning of year	1,678	1,561
Cash and cash equivalents at end of period	**26,512**	**1,238**

6. Notes to interim condensed consolidated financial statements

6.1. Summary of significant accounting policies

6.1.1. Basis of presentation

The condensed consolidated financial statements for the six months ended 30 June 2015 have been

prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

The financial statements do not include all the information required for annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 31 December 2014. The condensed consolidated financial statements are presented in thousands of Euro (unless stated otherwise).

The condensed consolidated financial statements were approved for issue by the board of directors of of Mithra on September 3, 2015.

The condensed consolidated interim financial information has been reviewed, not audited, by the statutory auditor.

6.1.2. Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2014, except in relation to the matters discussed under section 3.1.4 below.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

6.1.3. Use of accounting adjustments, estimates and assumptions

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2014. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income for the interim period and the measurement of the new fair value instruments which required a significant amount of judgement.

6.1.4. Changes in accounting policies and disclosures

Standards and interpretations applicable for the annual period beginning on 1 January 2015

- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 January 2015)
- IFRIC 21 Levies (applicable for annual periods beginning on or after 17 June 2014)

The nature and the effect of these changes were taken into consideration, but the above amendments did not affect the interim condensed consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

6.2. Business combination - Estetra

In January 2015 Mithra acquired 100% of the shares of Estetra SPRL. Estetra SPRL was acquired to support Mithra's future organic growth of its commercial product portfolio. Management is in the process of completing the purchase price allocation exercise on its acquisition of Estetra SPRL. The tables below contain the provisional amounts as management completes its acquisition accounting i.e. identification and recognition of the acquisition-date fair value of assets acquired and liabilities assumed. The final measurement of the acquired net assets may differ from that presented in the disclosure.

The total consideration for the Estetra SPRL shares includes a payment of EUR 1 to the Watson Actavis Group and initial payments of EUR 7,470k to the former Uteron Pharma Shareholders, including Mr. Fornieri who is entitled to 20.26% (directly and indirectly) of the total consideration.

An additional consideration to the former Uteron Pharma shareholders of EUR 25,000k and $ 25,000k is due if certain milestones relating to the development and commercialisation of the products and sales targets are met. After the IPO one part of the milestones becomes immediately due for an amount of EUR 2,500k. Furthermore, royalties are due on future sales. These royalties are included in the contingent consideration.

The total consideration can be summarised as follows:

Thousands of Euro	*Nominal amount*	*Fair value*
Cash	970	970
Deferred consideration (payable in cash)	6,500	6,500
Contingent consideration arrangement	47,112*	20,756**
	54,582	**28,226**

** includes $ 25,000k. Nominal amount to be increased with the nominal amount of future variable royalty payments*

*** includes the fair value of the estimated royalty payments*

Following table shows the assets acquired and liabilities assumed at the date of acquisition.

Thousands of Euro	**Estetra SPRL**
Current assets	**500**
- Cash and & cash equivalents	434
- Trade and other receivables	66
Non-current assets	**30,725**
Property, plant and equipment	33
Intangible assets	30,686
Other non-current assets	6
Liabilities	**(6,813)**
Trade and other payables	(751)
Government loans	(6,062)
Total identifiable net assets	**24,412**
Goodwill	3,814
TOTAL	**28,226**

The intangible assets represent the Entrepreneurial Right, which is the collection of assets that allows Estetra to further develop and commercialise the Estelle products. This therefore includes the research done so far, the (running) applications for patents, other developments that would result in a first advantage to commercialise the Estelle products and other related knowledge and know-how. The amortisation is calculated using the straight line method to allocate the cost of these intangibles over their estimated useful life of 10 years, starting at the moment the assets are available for use.

Estetra SPRL received non-dilutive financial support from the Walloon Region. The support has been granted in the form of refundable cash advances for a total amount of EUR 8,673k at 31 December 2014. It is estimated that the refundable advances have a fair value of EUR 6,062k at acquisition date.

Goodwill represents the unexpressed value of the workforce and expected synergies arising from the acquisition.

The fair value of the total consideration and of the net assets acquired was determined by using a probability weighting approach that considered the possible outcomes based on assumptions related to the timing and probability of the product launch date, discount rates matched to the timing of the first payments, and probability of success rates and discount adjustments on the related cash flows. The purchase price allocated to the intangible assets was based on management's forecasted cash inflows and outflows and using an excess earnings method to calculate the fair value of assets purchased with consideration to other factors.

A significant increase (decrease) in the probability of the product launch (date) would result in a higher (lower) fair value of the assets acquired and contingent consideration liability. A significant increase (decrease) in the discount rate would result in a lower (higher) fair value of the contingent consideration liability and the net assets acquired. A significant increase (decrease) in the probability of the success rate would result in a higher (lower) fair value of the contingent consideration liability and the net assets acquired.

No deferred tax effects were recorded in consideration of temporary differences arising from the difference between the fair values of assets acquired and liabilities assumed at the acquisition date and their tax bases because Estetra SPRL has unused tax losses and tax credits in excess of any deferred tax liability that would result, and the probability criterion for recognizing a net deferred tax asset is not met at the acquisition date.

Estetra currently has no revenues. From the date of acquisition, Estetra's net loss as included in the consolidation amounts to EUR 1,012k.

If Estetra had been acquired at the beginning of 2014, the contribution to the 2014 net result of the group would have been a loss of EUR 7,105k, adding to the 2014 group loss and giving a total of EUR 10,060k.

6.3 Segment information

As at 30 June 2015, operating results are only being reviewed at global level within Mithra and hence, no distinction is being made in the evaluation between segments nor is any other segment information provided regularly to the chief operating decision maker.

6.4. Result for the period

The Group made a net loss of EUR 6,246k for the first half of 2015, compared to a net loss of EUR 1,430k for the first six months of 2014.

R&D expenses for the Group were EUR 2,830k for the first half of 2015, compared to EUR 1,298k for the comparable period in 2014. This planned increase is mainly due to the acquisition of Estetra and the increased efforts on the different R&D programs including the further development of the CDMO center.

G&A and Selling expenses of the Group were EUR 5,817k and EUR 1,961k in the first half of 2015, compared to EUR 3,212k and EUR 1,524k in the first half of 2014. This increase is primarily due to changes in the group structure, the costs of going public and the expansion of the management and back office team to support the further growth.

The finance costs include the adjustment in fair value of the milestone payments for Estetra, the penalty for the early reimbursement of an investment loan for its office building, as well as the interest costs on its financial debts during the first six months of the year.

6.5. Income tax

The Group calculates the period income tax expense using the tax rate that is expected to be applicable to the expected total annual earnings.

For Mithra, a deferred tax asset was set up for an amount of EUR 2,415k on 30 June 2015, of which EUR 1,913k was recognized in the first six months of 2015.

6.6. Earnings per share

Basic loss per share is calculated by dividing the net result attributable to shareholders by the weighted average number of shares outstanding during the year.

Thousands of Euro	*2015 Q2*	*2014 Q2*
Result for the purpose of basic loss per share, being net loss	(6,264)	(1,430)
	2015 Q2	*2014 Q2*
Number of shares		
Weighted average number of shares for the purpose of basic loss per share	***19,623,334***	***14,995,200***
Basic loss per share (in Euro)	(0.32)	(0.10)
Diluted loss per share (in Euro)	(0.32)	(0.10)

In March 2015, the Company issued 1,089 warrants to key management and personnel. Given the fact that Mithra recorded losses over the reported periods, the dilutive impact of the warrants issued on the earnings per share is currently positive as the loss per share would be diluted and therefore decreased.

On 22 May 2015, the Company decided to split 1 share into 1,650 shares, which is reflected in the above Earnings per share calculation.

6.7. Intangible assets and goodwill

As explained in section 9.9.1 of the prospectus relating to the IPO, the Group acquired Estetra in January 2015 resulting in an increase of intangible assets (EUR 30,686k) and goodwill (EUR 3,813k).

During the period, Mithra also acquired by means of the acquisition of Donesta BV the titles and intellectual property rights relating to Estetrol (excluding the rights related to Estelle) for an amount of EUR 8,000k and three former Watson Actavis projects (Colvir, Vaginate and Alyssa). The latter were acquired for 1 Euro each to be increased with the refundable government advances relating to Colvir for an amount of EUR 782k and a milestone payment of EUR 500k. The milestone payment is considered as contingent payment based on future performance and will be accounted for as an adjustment to the cost of the intangible if and when the contingent liability becomes a liability.

6.8. Property, plant and equipment

During the period, the Group recorded EUR 969k of additions to the tangible fixed assets including EUR 563k regarding prepayments for its new production facility for the manufacturing of pharmaceutical products. For this plant the Group entered into a finance lease. The lease will commence at the earliest of the operational qualification of the construction or 31 October 2016. The total investment is budgeted to amount to EUR 35,300k. Mithra has committed to participate up to 30% in the financing of the construction through transferring proceeds of a subordinated loan and of grants that are pre-financed by straight loans. At 30 June 2015, Mithra had borrowed EUR 563k to fund construction of the facility.

6.9. Investments in associates

At 31 December 2014, Mithra held 25% of the shares of its associate Novalon SA, a public limited liability company with registered office at Rue Saint-Georges 5, 4000 Liège. In March 2015, Mithra acquired an additional 25% for an amount of EUR 1,500k (the other 50% being held by third parties). After the transaction, neither Mithra, nor any other shareholder, is able to determine on its own the strategic path of Novalon SA. Consequently none of the shareholders controls Novalon on its own. The shareholders agreed to share control. Joint control exits because decisions about the relevant activities require unanimous consent of both parties. Novalon is therefore presented as a joint venture and accounted for using the equity method of accounting.

6.10. Trade and other receivables

Trade and other receivables include EUR 2,809k prepaid expenses attributable to issuing new shares during the Initial Public Offering of the Company. These expenses will be deducted from the proceeds of the capital increase when they are received. As most of these fees were not yet paid at 30 June 2015, the amount is also included in the trade payables and other current liabilities, which explains their increase compared to 31 December 2014.

6.11. Share capital

6.11.1 General

At 30 June 2015 and 30 June 2014, the Company's share capital was represented by the following number of shares (units).

Thousands of Euro	2015 Q2	2014 Q2
Number of shares		
Share capital	24,519,183	9,088
Share capital after share split of 22 May 2015	24,519,183	14,995,200

These shares are fully paid and have no nominal value.

6.11.2 Changes in capital

The change of the number of shares during each of the periods ending on 30 June 2015 and 31 December 2014 is as follows:

Thousands of Euro	Number of shares	Issued capital	Share premium	Total
At inception	8,843	2,480		2,480
Nil				
Balance at 31 December 2012	**8,843**	**2,480**	**0**	**2,480**
Nil				
Balance at 31 December 2013	**8,843**	**2,480**	**0**	**2,480**
Capital increase of 22 September 2014	1,836	515	8,684	9,199
Capital increase of 14 November 2014	**399**	**112**	**1,887**	**1,999**
Balance at 31 December 2014	11,078	3,107	10,571	13,678
Transactions on 22 May 2015				
- Merger with Ardentia	7,050	10,571		10,571
- Incorporation in capital of share premium		9,829	(9,829)	-
- Incorporation in capital of retained earnings		5,555		5,555
- Reduction of capital	(6,805)	(15,384)		(15,384)
- Share split	18,671,627			-
- Capital increase by contribution in cash	5,836,233	4,273	50,331	54,604
Balance at 30 June 2015	**24,519,183**	**17,951**	**51,073**	**69,024**

The following capital transactions took place in the period 1 January 2015 until 30 June 2015:

- By resolution of an extraordinary general shareholders' meeting of Mithra held on 22 May 2015, share capital was increased by a merger with Ardentia, against issuance of 7,050 new common shares without nominal value at an issue value of EUR 0.19 per new share. An amount of EUR 10,571k was booked as capital increase and an amount of EUR 4,883k was booked as an increase in retained earnings. The merger was followed by an incorporation of share premium for EUR 9,829k and of retained earnings for EUR 5,555k, then bya reduction in capital of EUR 15,384k, voiding 6,805 shares.
- By resolution of an extraordinary general shareholders' meeting of Mithra held on 22 May 2015, share capital was increased by a contribution in cash, against issuance of 5,836,233 new common shares without nominal value at an issue value of EUR 0.19 per new share. An amount of EUR 4,273k was booked as capital increase and an amount of EUR 50,331k was booked as an increase in share premium.
- By resolution of an extraordinary general shareholders' meeting of Mithra held on 22 May 2015 a share split was performed dividing 11,323 shares in to 18,682,950 shares with no changes in voting rights or participation in the result.
- By resolution of an extraordinary general shareholders' meeting of Mithra held on 22 May 2015, a merger with Mithra RDP was performed without issuance of new shares.
- By resolution of an extraordinary general shareholders' meeting held on 22 May 2015, a merger with Mithra IBD was performed without issuance of new shares.

6.12. Borrowings

Thousands of Euro	*2015 Q2*	*2014*
Non-current	**27,508**	**1,650**
Bank borrowings	1,277	1,150
Subordinated loans	975	500
Refundable government advances	6,698	
Other financial liabilities	18,558	-
Current	**3,130**	**3,572**
Bank borrowings	415	3,183
Refundable government advances	215	
Other financial liabilities	2,500	389
TOTAL BORROWINGS	**30,638**	**5,222**

In January 2015, the Group acquired Estetra for a total consideration of EUR 28,226k. At 30 June EUR 7,470k was paid to the former Uteron Pharma shareholders, while EUR 2,500k was paid after the reporting period which is reported as other current financial liabilities in the 30 June interim financial statements. At June 30 2015, the contingent consideration outstanding amounts to EUR 18,557k and is reported as other non-current financial liabilities. The long term portion of the outstanding government loans amounts to EUR 6,698k.

During the period the Group replaced its long term investment credit for the office building (EUR 641k) with a new investment credit (EUR 884k). The new loan bears interest at variable market rates and is repayable within 8 years.

For the construction of the new CDMO building the Group obtained EUR 475k subordinated debt and EUR 88k of straight loans at the end of June 2015. The subordinated debt bears interest at fixed rates of 5.5% and 6.5% and is repayable within 15 years after 2019.

The straight loans outstanding at 31 December 2014 (EUR 3,000k) and the related party debt (EUR 385k) have been reimbursed in the first six months of 2015.

6.13. Financial instruments

6.13.1. Classes and fair value of financial instruments

All financial instruments, except the contingent consideration for the Estetra business combination and refundable government advances have been carried at amortized cost. Given the current nature of the financial assets and liabilities involved, and given the difficulty to determine the Company's fair value of specific borrowings, the Company considers that the carrying amounts of the relating financial instruments approximate their fair values.

6.13.2. Fair value hierarchy and measurements

IFRS 7 requires disclosure of financial instruments that are measured at fair value at the balance sheet date level of the following fair value measurement hierarchy:

- Level 1: quoted prices for similar instruments
- Level 2: directly observable market input other than Level 1 inputs
- Level 3: inputs not based on observable market data

The following table presents the group's assets and liabilities that are measured at fair value at 30 June 2015:

30 June 2015 (thousands of Euro)	*Level 1*	*Level 2*	*Level 3*
Non-current			**25,256**
Refundable government advances			6,698
Other financial liabilities			18,558
Current			**2,715**
Refundable government advances			215
Other financial liabilities			2,500

Following table shows the roll forward of the level 3 financial instruments:

Thousands of Euro	*Refundable government advances*	*Other financial liabilities*	*Total*
Opening balance 1 January 2015	-	-	-
Business combination and acquisition of assets	6,844	28,226	35,070
In profit or loss	69	302	371
Settlements		(7,470)	(7,470)
Closing balance 30 June 2015	**6,913**	**21,058**	**27,971**

The fair value of the refundable government advances and contingent payments has been determined using a probability weighting approach based on the discounted cash flows as described above.

A 0.5% decrease in the discount rate would result in a higher fair value of the contingent consideration liability of EUR 713k and EUR 246k of the government advances .

A 10% increase in the probability of the success rate for Phase II would result in a higher fair value of the contingent consideration liability of EUR 2,031k and EUR 352k of the government advances.

A 10% increase in the probability of the success rate for Phase III would result in a higher fair value of the contingent consideration liability of EUR 6,093k and EUR 1,056k of the government advances.

6.14. Share-based payments

By a decision of the extraordinary shareholders' meeting of 2 March 2015 the Company issued 1,089 warrants primarily to key management with an exercise price of EUR 5,645.56 per warrant. Warrants are conditional on the person completing 4 years of service (vesting period). These warrants are exercisable as of 2019. The fair value of the 1,089 warrants at grant date is estimated at EUR 2,789k. The fair value of each option is estimated using the Black & Scholes model based on the following assumptions:

Number of warrants granted	1,089
Exercise price	5,646
Expected dividend yield	-
Expected stock price volatility	45.30%
Risk-free interest rate	0.53%
Expected duration	8 years
Fair value	2,789

All warrants are still outstanding at 30 June 2015. During the reporting period EUR 242k was charged to the statement of profit or loss.

6.15. Commitments and contingency

Mithra has signed on 16 July 2015 an agreement with PRA Health Sciences as a Clinical Research Organisation (CRO) for the upcoming phase III clinical trials on its product candidate Estelle, a combined oral contraceptive, composed of 15 mg of Estetrol (E4) and 3 mg of Droperinone (DRSP) for a total budget of 60 million EUR. The study will cover a two year period after the start.

In addition, next to the finance lease agreement of the production plant, the Group1 entered into a long term finance lease agreement on 9 April 2015 for the equipment of its CDMO facility. The total investment amounts EUR 12,500k. The lease will start at the latest at 30 October 2016 with a term of 7 years.2

Apart from the above described additional commitments, there were no significant changes in commitments and contingencies compared to the previous reporting period.

6.16. Events after reporting period

The Initial Public Offering of Mithra on Euronext Brussels was successfully completed after 30 June 2015 raising 79.3 million in gross proceeds from the issuance of 6,610,573 new shares at the offer price of EUR 12 per share (including the proceeds from the over-allotment option).

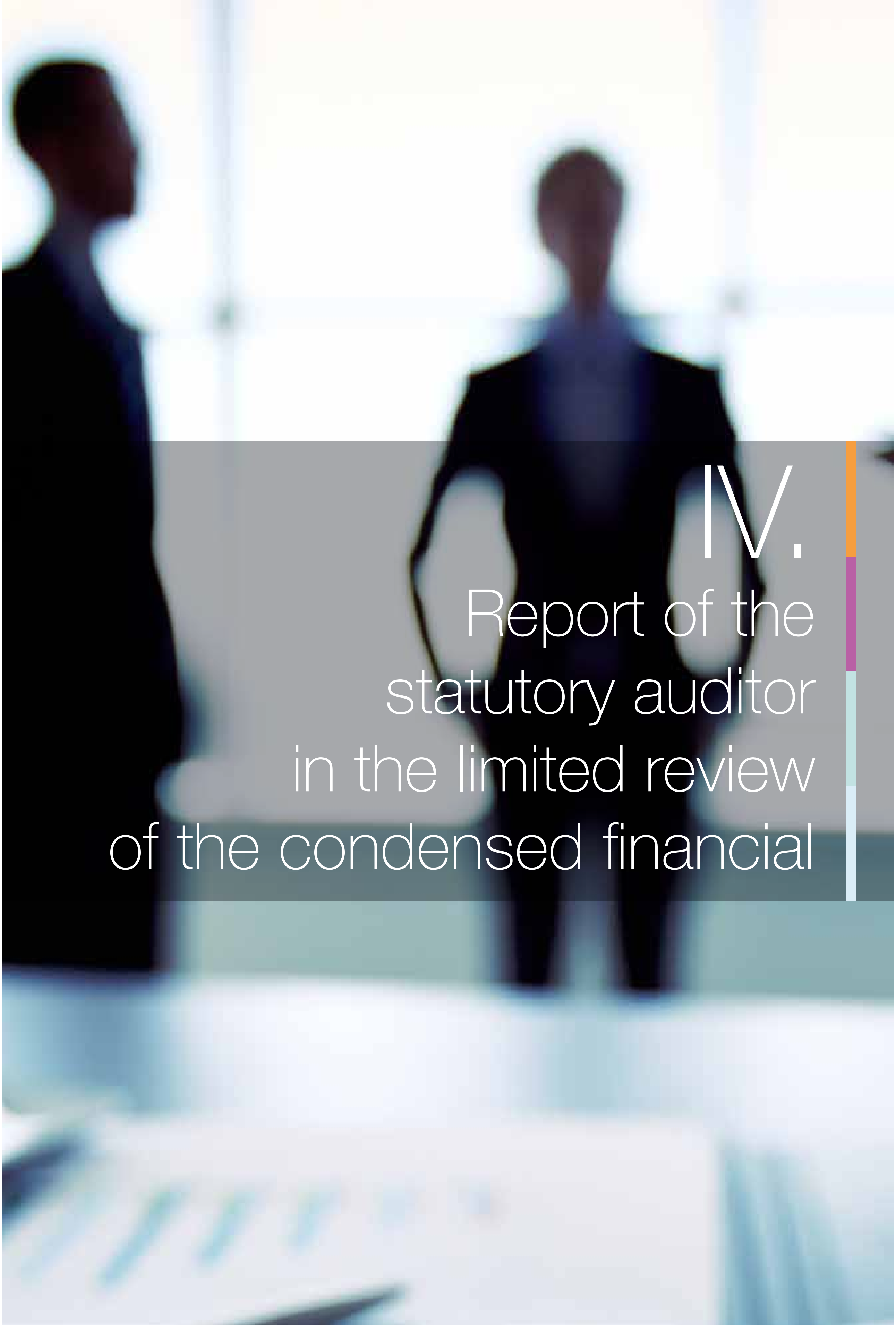
III. Statement of the responsible persons

III. Statement of the responsible persons

The board of directors of Mithra, represented by all its members, declares that, to its knowledge:

- the condensed financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, the financial position and the results of Mithra and of its consolidated entities; and

- the interim management report contains an fair description of the important events and main transactions between related parties which occurred during the first 6 months of the financial period and on their incidence on the condensed financial statements, as well as a description of the main risks and uncertainties for the remaining months of the financial period.



IV. Report of the statutory auditor in the limited review of the condensed financial

IV. Report of the statutory auditor in the limited review of the condensed financial statements

Statutory auditor's report to the Board of Directors of MITHRA PHARMACEUTICALS SA on the review of consolidated interim financial information for the six-month period ended 30 June 2015

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of MITHRA PHARMACEUTICALS SA as of 30 June 2015 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Signed by Felix Fank

For all additional information,
please address to:

Press

Julie Dessart
Chief Communication Officer
+32 4 349 28 22
+32 475 86 41 75
press@mithra.com

Investor Relations

François Fornieri, CEO/
Steven Peters, CFO/
Julie Dessart, CCO/
Jean-Manuel Fontaine, PRO
+32 4 349 28 22
investorrelations@mithra.com

www.mithra.com

Contact

Rue Saint-George 5
4000 Liège
Belgium
+32 (0)4 349 28 22
info@mithra.com

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