

Inspired by Women

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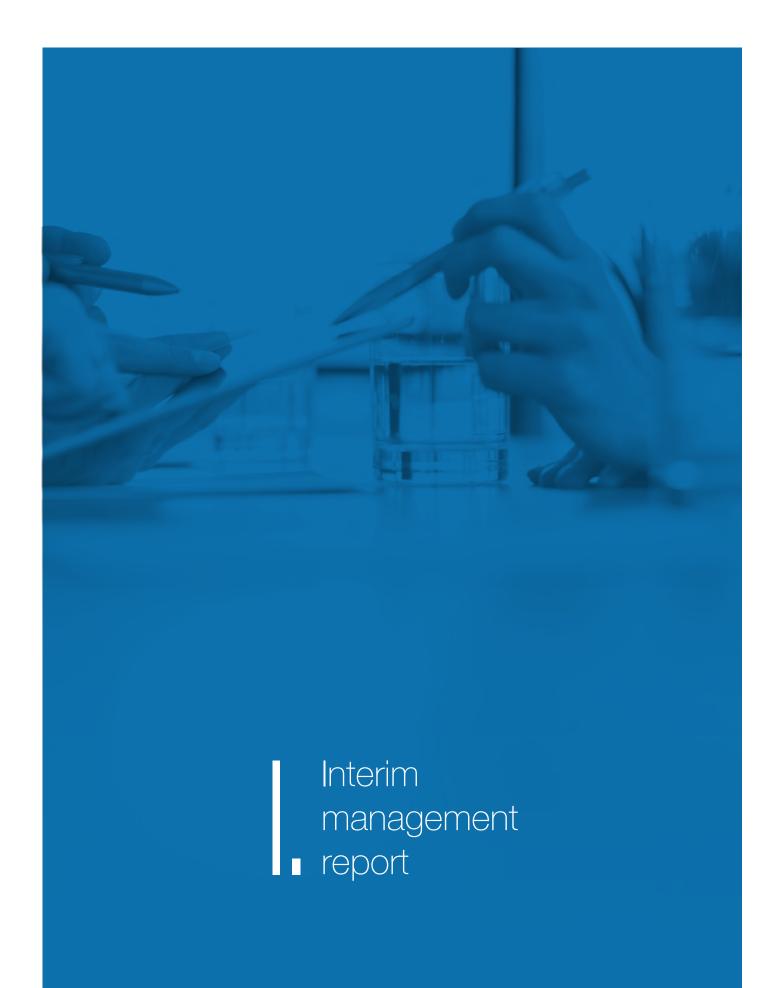
Mithra Pharmaceuticals SA/NV,

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 2016

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

1. Corporate information

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

Mithra specialises 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

Mithra has taken several important steps in its development and valuation plan during the first six months of 2016. In its lead R&D programs based on Estetrol, Estelle in oral contraception and Donesta in the menopause indication, certain vital milestone moments have passed in this period.

In the development of Estelle®, Mithra announced positive food effect results early 2016. The study demonstrated that the concomitant food intake with a single dose of Estelle in women resulted in a decrease for Estetrol and Drosperinone rate of absorption (cmax) while the extent of exposure (AUC) of both Estetrol and Drosperinone was not impacted. This study was mandatory before the introduction at the FDA of the IND for the US trial in June 2016. In July 2016 the European, Canadian and the US regulatory authorities have authorized the start of the extended phase III trial on both continents. Mithra announced that the first patient has been screened at the end of H1 2016 in an EU center.

In the development of Donesta® the company has started it's phase II dose finding study in Europe and has enrolled its first 5 patients. The main objective of these Phase II clinical trials regarding the Donesta® product candidate is to define the minimum effective dose to treat vasomotor menopausal symptoms, namely hot flushes. In total, 5 doses will be tested in this blinded study, among which one placebo. These doses will be tested on a panel of 225 women for 12 weeks of treatment.

To strengthen its IP strategy, Mitha has filed a patent applications of its sublingual forms based on E4. This new potential patent can enlarge the patent protection period and avoids generic penetration. This good progress on the different E4 programs resulted in the meantime in a Loi signed with the Japanese women health market leader Fuji Pharma. Both parties have demonstrated in June 2016 their intention to conclude on a binding license and supply agreement for one or more indications on Estetrol before end of the year.

In view of the construction of its CDMO, Mithra is entering a final stage, and will be completing the construction of its facility in the coming months, which will be within the expected timing and budget. An inauguration is foreseen by end of September. The CDMO will host different development and production programs, o.a. Mithra's owned complex long acting drugs, Zoreline® and Myring.

For Zoreline®, Mithra announced an update of the Zoreline® project and shared the final interim result of the pharmacodynamics study (PD) for the 3 month implant. This PD study results showed a non-responders level of more than 8 patients which was out of the specification for the trial. During this period also a pharmacokinetics has been started and results are expected by end of 2016.

In view of the Myring development the company made good progress and started the production of its first technical and clinical batches. This event is expected within timing to make sure that the product can be launched at the moment of patent expiry of the original Nuvaring.

Also on the registrations of its own Tibolone product, Tibelia[®], Mithra announced the green light it received for obtaining the European MA's. In the meantime 4 countries have granted an MA. Based on these results, Mithra announced the signature of a license and supply agreement with Gedeon Richter in 6 European countries.

Finally, on top of the steady progress in the development plans, Mithra continues to confirm its market leadership position in Contraception in Belgium (in number of cycles). For June 2016 the company published its best selling month (based on IMS sales data) ever.

3. Financial highlights

Revenues 8.362 8.418		30 June	30 June
Revenues 8.362 8.418 Cost of sales (4.420) (4.811) Gross profit 3.942 3.604 Research and development expenses (16.829) (2.833) General and administrative expenses (3.829) (3.553) Selling expenses (4.521) (1.427) Other operating income 198 192 Total operating charges (24.981) (7.621) Operating Profit / (Loss) / REBITDA (21.040) (4.017) Non - recurring costs (2.511) Amortisation costs (479) (282) EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	Thousands of Euro	2016	2015
Cost of sales (4.420) (4.811) Gross profit 3.942 3.604 Research and development expenses (16.829) (2.833) General and administrative expenses (3.829) (3.553) Selling expenses (4.521) (1.427) Other operating income 198 192 Total operating charges (24.981) (7.621) Operating Profit / (Loss) / REBITDA (21.040) (4.017) Non - recurring costs (2.511) Amortisation costs (479) (282) EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	INCOME STATEMENT		
Gross profit 3.942 3.604 Research and development expenses (16.829) (2.833 General and administrative expenses (3.829) (3.553 Selling expenses (4.521) (1.427 Other operating income 198 192 Total operating charges (24.981) (7.621) Operating Profit / (Loss) / REBITDA (21.040) (4.017) Non - recurring costs (2.511) Amortisation costs (479) (282) EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	Revenues	8.362	8.415
Research and development expenses (16.829) (2.833) General and administrative expenses (3.829) (3.553) Selling expenses (4.521) (1.427) Other operating income 198 192 Total operating charges (24.981) (7.621) Operating Profit / (Loss) / REBITDA (21.040) (4.017) Non - recurring costs (2.511) Amortisation costs (479) (282) EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	Cost of sales	(4.420)	(4.811)
General and administrative expenses (3.829) (3.553 Selling expenses (4.521) (1.427 Other operating income 198 192 Total operating charges (24.981) (7.621) Operating Profit / (Loss) / REBITDA (21.040) (4.017) Non - recurring costs (2.511) Amortisation costs (479) (282) EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	Gross profit	3.942	3.604
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Other operating income 198 192 Total operating charges (24.981) (7.621) Operating Profit / (Loss) / REBITDA (21.040) (4.017) Non - recurring costs (2.511) Amortisation costs (479) (282) EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)		, ,	(3.553)
Total operating charges (24.981) (7.621) Operating Profit / (Loss) / REBITDA (21.040) (4.017) Non - recurring costs (2.511) Amortisation costs (479) (282) EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	Selling expenses	(4.521)	(1.427)
Operating Profit / (Loss) / REBITDA (21.040) (4.017) Non - recurring costs (2.511) Amortisation costs (479) (282) EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	Other operating income	198	192
Non – recurring costs (2.511) Amortisation costs (479) (282) EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	Total operating charges	(24.981)	(7.621)
Amortisation costs (479) (282) EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	Operating Profit / (Loss) / REBITDA	(21.040)	(4.017)
EBIT (21.518) (6.811) Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	Non – recurring costs		(2.511)
Financial result (1.031) (928) Share of profit/(loss) of associates (22) (465)	Amortisation costs	(479)	(282)
Share of profit/(loss) of associates (22) (465)	EBIT	(21.518)	(6.811)
Share of profit/(loss) of associates (22) (465)	Financial result	(1.031)	(928)
Profit / (Loss) before taxes (22.572) (8.204)		, ,	(465)
	Profit / (Loss) before taxes	(22.572)	(8.204)
Income taxes 2.977 1.940	Income taxes	2.977	1.940
Net Profit / (Loss) for the period (19.595) (6.264)	Net Profit / (Loss) for the period	(19.595)	(6.264)

	30 June	31 December
Thousands of Euro	2016	2015
ASSETS		
Non-current assets	103.298	96.498
Current assets	78.191	109.089
TOTAL ASSETS	181.490	205.587
Thousands of Euro	2016	2015
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent	108.152	127.394
Non-current liabilities	46.383	43.653
Current liabilities	26.955	34.540
TOTAL EQUITY AND LIABILITIES	181.490	205.587

The Group made a net loss of EUR 19.595k for the first half of 2016, compared to a net loss of EUR 6.264k for the first six months of 2015.

The Revenues of the Group decrease by EUR 53k from EUR 8.415k to EUR 8.362k. The decrease is mainly explained by a drop in sales in the Netherlands (EUR 376k) which was partly compensated by increased sales in the Belux (EUR 109k) markets.

First licence sales for Tibolone as well as the shift towards the Belux and German market drive the increase in gross margin from 43% to 47%.

The operational expenses of the Group have increased with EUR 17.360k from EUR 7.621 in 2015 to EUR 24.981k in 2016. The main driver for this increase is the ramp-up in expenditure (excluding payroll costs) for the Estetrol contraception and menopause projects as well as the costs related to the launch of the CDMO.

The increase in G&A expenses is primarily due to changes in the group structure and the expansion of the management and back office team to support the further growth.

The costs associated to the launch of the German and French sales organizations drive the increase in selling costs by EUR 3.094k.

These effects resulted in a REBITDA of - EUR 21.040k in 2016 compared to EUR 4.017k in 2015.

During 2015 non-recurring costs amounted to EUR 2,511k, mainly composed of the costs related to the IPO in 2015. During 2016 no exceptional costs were booked.

The finance costs primarily includes the costs related to the IFRS adjustment in fair value of the milestone payments for Estetra, contractual obligations of Novalon and fair values of the government advances.

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 and section 1.11 of the 2015 annual report remain relevant, 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 section 9.28 of the 2015 annual report.

Over the course of the first half of the 2016 financial year, no other related party transactions were executed by Mithra.



II. Interim condensed consolidated financial statements for the period ended 30 June 2016

1. Interim consolidated statement of profit or loss

		30 June	30 June
Thousands of Euro	Notes	2016	2015
CONSOLIDATED INCOME STATEMENT			
Revenues		8.362	8.415
Cost of sales		(4.420)	(4.811)
Gross profit		3.942	3.604
Research and development expenses		(16.894)	(2.830)
General and administrative expenses		(4.237)	(5.817)
Selling expenses		(4.527)	(1.961)
Other operating income		198	192
Total operating charges		(25.460)	(10.414)
Operating Profit / (Loss)		(21.518)	(6.811)
Financial income		41	13
Financial expense		(1.071)	(941)
Financial result		(1.031)	(928)
Share of profit/(loss) of associates		(22)	(465)
Profit / (Loss) before taxes		(22.572)	(8.204)
Income taxes		2.977	1.940

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(19.606)	(6.272)
Non-controlling interest		-	-
Owners of the parent		(19.606)	(6.272)
Attributable to			
Total comprehensive income for the period		(19.606)	(6.272)
Currency translation differences		(11)	(8)
Other comprehensive income		(11)	(8)
Net result for the period		(19.595)	(6.264)
CONSOLIDATED STATEMENT OF COMPREHENSIVE	INCOME		
Thousands of Euro		2016	2015
		<i>30 June</i>	30 June
			Period ended
2. Interim consolidated statement of comprehens	sive income		
Diluted earnings per share (euro)		(0.63)	(0,32)
Profit / (Loss) per share Basic earnings per share (euro)		(0.63)	(0,32)
Non-controlling interest		(19.090)	(0.204)
Attributable to Owners of the parent		(19.595)	(6.264)
Net Profit / (Loss) for the period	6.5	(19.595)	(6.264)
Net Profit / (Loss) for the period	6.5	(19 595)	

3. Interim consolidated statement of financial position

		<i>30 June</i>	31 December
Thousands of Euro	Notes	2016	2015
ASSETS			
Intangible assets	6.7	80.119	78.234
Property, plant and equipment	6.8	8.098	3.573
Goodwill	6.7	5.233	8.016
Investments in associates	6.9	176	198
Deferred income tax assets		8.533	5.345
Other non-current assets		1.139	1.133
Non-current assets		103.298	96.498
Inventories		3.562	2.797
Trade & other receivables	6.10	8.732	9.498
Other Short Term deposits		60.000	89.000
Cash & cash equivalents		5.897	7.794
Current assets		78.191	109.089
TOTAL ASSETS		181.490	205.587

Thousands of Euro	Notes	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital	6.11	22.613	22.613
Share premium	6.11	122.830	122.830
Retained deficit		(37.256)	(18.024)
Translation differences		(35)	(24)
Equity attributable to owners of the parent		108.152	127.394
Subordinated loans	6.12	2.811	1.602
Bank borrowings	6.12	1.142	1.428
Refundable government advances	6.12	8.517	8.513
Other loans	6.12	30.153	26.153
Provisions		266	266
Deferred tax liabilities		3.494	5.692
Non-current liabilities		46.383	43.563
Current portion of long term financial debts	6.12	592	404
Short term financial debts	6.12	3.548	17.450
Trade payables and other current liabilities		22.765	16.643
Corporate income tax payable		50	43
Current liabilities		26.955	34.540
TOTAL EQUITY AND LIABILITIES		181.490	205.587

4. Interim consolidated statement of changes in equity

	Share	Share	Retained	Share Based	Foreign currency translation	Total
Thousands of Euro	capital	premium	earnings	Payements	reserve	equity
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	(0.000)	4.883			15.454
Incorporation in capital	15.384	(9.830)	(5.554)			(15.004)
Reduction in capital	(15.384)	F0 001				(15.384)
Capital increase of 22 May 2015	4.273	50.331		0.40		54.604
Share-based compensation				243		243
Balance as at 30 June 2015	17.951	51.073	(15.089)	243	(8)	54.170
Balance as at 1 January 2016	22.613	122.830	(18.646)	621	(24)	127.394
Result for the period			(19.595)			(19.595)
Other comprehensive income for the period					(11)	(11)
Total comprehensive income						
for the period			(19.595)		(11)	(19.606)
Share-based compensation				364		364
Balance as at 30 June 2016	22.613	122.830	(38.241)	985	(35)	108.152

5. Interim consolidated statement of cash flows

	<i>30 June</i>	30 June
Thousands of Euro	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Loss	(21.518)	(6.811)
Depreciation and amortisation	479	642
Share-based compensation	364	243
Taxes paid	(15)	(217)
Subtotal	(20.690)	(6.142)
Changes in Working Capital		
Increase/(decrease) in Trade payables and other current liabilities	6.122	2.357
(Increase)/decrease in trade and other receivables	766	(5.417)
(Increase)/decrease in inventories	(765)	(1.619)
(Increase)/decrease in other	-	66
Net cash provided by/(used in) operating activities	(14.567)	(10.755)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(4.711)	(969)
Proceeds from sale of tangible assets	7	769
Purchase of intangible assets	(2.187)	(8.528)
Prepayments	-	1.369
Acquisition of a subsidiary net of cash acquired	-	(7.036)
Investment in associates	-	(1.500)
Investment in other assets	(6)	(9)
Net cash provided by/(used in) investing activities	(6.897)	(15.905)

	30 June	30 June
Thousands of Euro	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on financial loans	(17.027)	(4.068)
Proceeds from financial loans	7.746	1.584
Interests paid	(192)	(627)
Interest and other financial income received	41	1
Dividends paid to owners	-	-
Proceeds from issuance of shares (net of issue costs)	-	54.604
Net cash provided by/(used in) financing activities	(9.433)	51.494
Net increase/(decrease) in cash & cash equivalents	(30.897)	24.835
Cash & cash equivalents at beginning of year	96.794	1.678
Cash and cash equivalents at end of period	65.897	26.512

6.6 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 2016 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 2015. 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 Mithra on 24 August 2016.

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 2015.

The new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2016, do not impact the group's interim consolidated financial statements.

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 2015.

6.1.4. Changes in accounting policies and disclosures

The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC are effective for the current annual period:

- > Annual Improvements to IFRSs 2010-2012 Cycle (issued by the IASB in December 2013)
- > Annual Improvements to IFRSs 2012-2014 Cycle (issued by the IASB in September 2014)
- > IFRS 11 Joint Arrangements Amendments regarding the accounting for acquisitions of an interest in a joint operation (May 2014)
- > IAS 1 Presentation of Financial Statements Amendments resulting from the disclosure initiative (December 2014)
- > IAS 16 Property, Plant and Equipment Amendments regarding the clarification of acceptable methods of depreciation and amortization (May 2014)
- > IAS 16 Property, Plant and Equipment Amendments bringing bearer plants into the scope of IAS 16 (June 2014)
- > IAS 19 Employee Benefits Amendments relating to Defined Benefit Plans: Employee Contributions (November 2013)
- > IAS 27 Consolidated and Separate Financial Statements Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (August 2014)
- > IAS 38 Intangible Assets Amendments regarding the clarification of acceptable methods of depreciation and amortization (May 2014)
- > IAS 41 Agriculture Amendments bringing bearer plants into the scope of IAS 16 (June 2014)

The adoption of these new standards and amendments has not led to major changes in the Group's accounting policies.

6.2. Business combination - Novalon

During 2016 Management completed its purchase price allocation exercise on its acquisition of Novalon SA. Note that the figures included in the tables below shows some changes compared to provisional amounts which were disclosed as part of the 2015 Annual report. The main changes compared to the previous version relates to the fair values on the government advances, deferred taxes and goodwill.

In December 2015 Mithra has acquired the complete ownership of Novalon SA and the relating worldwide distribution rights through a number of transactions:

- > Signature of an share purchase agreement whereby 50% of the Novalon shares were acquired for a total consideration of €9.400k
- > Purchase of the worldwide rights relating to its two leading product developments (Zoreline and Myring) for a total consideration of €8.500k

The fair value of the total consideration can be summarized as follows:

Thousands of Euro	Total
SPA 50% of Novalon shares	9.400
Worldwide rights Zoreline and Myring	8.500
Consideration	17.900

Prior to this acquisition the Group already owned a minority stake in Novalon, in line with the rules for step-up acquisitions the previous held interest was remeasured at fair value which results in a gain of EUR 3.717k during 2015.

Thousands of Euro	Novalon SA
At 1 January 2014	-
Acquisition 25% share	2.000
Loss of the period (25%) - equity accounting	(35)
At 31 December 2014	1.965
Step-up from 25% to 50%	1.500
Capital increase	300
Loss of the period - equity accounting till Dec 2015	(2.709)
At 8 December 2015 - at acquisition	1.056
Gain as a result of step-up accounting under IFRS	3.717
Consideration paid for step-up to 100%	17.900
Total participation Novalon 31/12/2015	22.673

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

Thousands of Euro	Novalon SA
Current assets	684
- Cash and & cash equivalents	242
- Trade and other receivables	442
Non-current assets	37.205
Property, plant and equipment	71
Intangible assets	36.262
Other non-current assets	871
Liabilities	(16.636)
Trade and other payables	(1.523)
Current accounts	(3.698)
Deferred tax liabilities	(3.295)
Fair value contractual obligations	(7.763)
Government loans	(357)
Total identifiable net assets	21.253
Goodwill	1.420
TOTAL	22.673

The intangible assets represent the Entrepreneurial Right, which is the collection of assets that allows Novalon to further develop and commercialise the Zoreline and Myring products. The amortisation is calculated using the straight line method to allocate the cost of these intangibles over their estimated useful life of 7 years, starting at the moment the assets are available for use.

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

Novalon SA 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 1.643k and EUR 2.959k at 31 December 2015 and 30 June 2016 respectively. It was estimated that the refundable advances have a fair value of EUR 357k at acquisition date.

The fair value of contingent payments relating to certain contractual obligations with respect to the acquired Zoreline and Myring products is estimated at EUR 7.763k, of which EUR 500k is due in 2016 (July 2016), while the remainder is only payable annually as from 2017 at the earliest.

The fair value of the net assets acquired was determined by using a probability weighting approach (considering both scientific and commercial success) 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 commercial and scientific 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.

Deferred taxes relate to temporary differences arising from the difference between the fair values of assets acquired and liabilities assumed at the acquisition date and their tax bases.

6.3 Segment information

At this moment, 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. However, some key figures can be displayed geographically.

Thousands of Euro		2016 Q2
Belgium		6.056
The Netherlands		678
Luxembourg		212
Sales other countries		1.415
Total		8.362
Thousands of Euro	2016 Q2	Dec 2015
Belgium	93.993	87.979
Brazil	473	465
Luxembourg	16	20
The Netherlands	7.999	7.998
France	24	25
Germany	14	12
Total	102.518	96.498

The main non-current assets are located in Belgium, except for the intellectual property rights (relating to Estetrol, excluding the rights related to Estelle®) acquired in the Netherlands, an operating license in Brazil and some minor assets in the Netherlands, Luxemburg and Germany.

6.4. Result for the period

The Group made a net loss of EUR 19.595k for the first half of 2016, compared to a net loss of EUR 6.264k for the first six months of 2015.

R&D expenses for the Group were EUR 16.894k for the first half of 2016, compared to EUR 2.830k for the comparable period in 2015. This increase is mainly due to the expenditure for the Estetrol based projects as well as the result of the acquisition of Novalon as the 2015 results of Novalon were shown under the share of loss of associates.

G&A and Selling expenses of the Group were EUR 4.237k and EUR 4.527k in the first half of 2016, compared to EUR 5.817k and EUR 1,961k in the first half of 2015. The drop in G&A expenses is primarily explained by costs related to the IPO in 2015. The increase in selling expenses is primarily due to start-up costs for the German and French sales subsidiaries.

The finance costs primarily includes the costs related to the IFRS adjustment in fair value of the milestone payments for Estetra, contractual obligations of Novalon and fair values of the government advances.

Tax income is mainly related to the further build-up of the deferred tax asset related to fiscal losses carried forward at the level of Mithra.

6.5. Income tax

Income taxes primarily consist of deferred taxes. The deferred tax asset mainly relates to fiscal losses carried forward at the level of Mithra and to a lesser extent timing differences as a result of differences in accounting principles at the level of the Company. Management is convinced that Mithra will generate sufficient profits in the future in order to be able to recover the fiscal losses carried forward and justify the recognition of the deferred tax asset.

The deferred tax liabilities result from the Novalon transaction and primarily relates to temporary differences arising from the difference between the fair values of assets acquired at the acquisition date and their tax bases.

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	2016 Q2	2015 Q2
	(2.0.505)	(5.05.1)
Result for the purpose of basic loss per share, being net loss	(19.595)	(6.264)
	2016 Q2	2015 Q2
Number of shares		
Weighted average number of shares for the purpose of basic loss per share	31.129.756	19.623.334
Basic loss per share (in Euro)	(0,63)	(0,32)
basic loss per share (in Euro)	(0,03)	(0,32)
Diluted loss per share (in Euro)	(0,63)	(0,32)

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

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6.7. Intangible assets and goodwill

The goodwill results entirely from the acquisition of Estetra (EUR 3.814k) and Novalon (EUR 1.420k). The finalization of the price allocation exercise on its acquisition of Novalon SA. lead to a decrease in goodwill compared to December 2015.

Intangible assets primarily include intangible assets related to the acquisition of Estetra (EUR 30.686k),

Novalon (EUR 36.262k) and the Donesta asset deal (EUR 8.000k). Other intangible assets consist mainly of a portfolio of acquired product exploitation rights, market access fees and an operating license for the Brazilian market. The rights were acquired from 1999 to now from different pharmaceutical companies. The intangibles also include intellectual property rights for a new formulation of Tibolone.

6.8. Property, plant and equipment

During the period, the Group recorded EUR 4.711k of additions to the tangible fixed assets which were mainly related to prepayments for its new production facility for the manufacturing of pharmaceutical products. For this plant and related equipment the Group entered into several finance leases finance lease as explained in paragraph 6.15.

6.9. Investments in associates

Investments in associates include a 25,13% participation in Targetome which is accounted using the equity method.

6.10. Trade and other receivables

Trade and other receivables decrease by EUR 766k which mainly the result of a decrease in recoverable VAT compared to December 2015.

6.11. Share capital

6.11.1 General

At 30 June 2016 and 30 June 2015, the Company's share capital was represented by the following number of shares (units).

Thousands of Euro	2016 Q2	2015 Q2
Number of shares		
Share capital	31.129.756	24.519.183

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 2016 and 31 December 2015 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
Initial Public Offering on 1 July 2015				
Capital increase	6.610.573	4.840	74.487	79.327
Transaction costs for equity issue		(177)	(2.730)	(2.908)
Balance at 31 December 2015	31.129.756	22.613	122.830	145.443
Nil				
Balance at 30 June 2016	31.129.756	22.613	122.830	145.443

No capital transactions took place in the period 1 January 2016 until 30 June 2016.

6.12. Borrowings

Thousands of Euro	2016 Q2	2015
Non-current	42.623	37.695
Bank borrowings	1.142	1.428
Subordinated loans	2.811	1.602
Refundable government advances	8.517	8.513
Other financial liabilities	30.153	26.153
Current	4.139	17.855
Bank borrowings	2.980	17.106
Refundable government advances	226	214
Other financial liabilities	933	534
TOTAL BORROWINGS	46.762	55.550

For the construction of the new CDMO building the Group obtained EUR 2.394k subordinated debt and EUR 2.821k of straight loans at the end of June 2016. The subordinated debt bears interest at fixed rates of 5.5% and 6.5% and is repayable within 15 years after 2019.

The Group has also been awarded grant support from the Walloon region. Payment of awarded amounts that have not yet been received is subject to the achievement of certain milestones. Grants are subject to certain obligations. In case such obligations are not complied with, the grants could be suspended, reviewed or reclaimed. The Group has the obligation to continue the development of the relevant project. In case such project is stopped, the Group can return rights to the results and the data generated in the project to the Service Public Wallonne (SPW), in which case the repayment obligation also terminates. The Company's main ongoing grant programmes are either refundable advances and some subsidies.

The refundable advances have a fixed repayment part and variable repayment scheme. The variable part is dependent on the success of the project (i.e. based on a percentage on turnover). It should be noted that, while the variable parts of these advances are only due upon commercialisation, the fixed parts are due in any event. The fixed and variable part can never exceed the double of the initial received amount. The final to be repaid variable part will depend on the performance of the product candidate. In case of a subsidy, the amounts are non-refundable.

Other non-current financial liabilities primarily include the fair value of the contingent consideration for Estetra (EUR 19.516k) as well as the fair value of contingent payments relating to certain contractual obligations with respect to the acquired Zoreline and Myring products (EUR 7.487k). During 2016 a new LT financing was concluded for a total amount of EUR 3.500k which explained the increase during 2016.

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 combinations, contingent assets and liabilities for contractual obligations at Novalon and refundable government advances have been carried at amortized cost. Given the current nature of the other 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 2016

30 June 2016 (thousands of Euro)	Level 1	Level 2	Level 3
Non-current			35.393
Refundable government advances			8.390
Other financial liabilities			27.003
Current			726
Refundable government advances			226
Other financial liabilities			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 2016	8.726	26.653	35.379
New government advances	261	-	261
In profit or loss	15	850	865
Impact finalisation PPA	(386)		(386)
Closing balance 30 June 2016	8.616	27.503	36.119

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

A small fluctuation in the discount rate used or probability used would significantly impact the fair value of the contingent liabilities.

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 Expected dividend yield	5.646
Expected stock price volatility Risk-free interest rate Expected duration	45,30% 0,53% 8 years
Fair value	2,789

All warrants are still outstanding at 30 June 2016. During the reporting period EUR 364k was charged to the statement of profit or loss.

6.15. Commitments and contingency

Rent and Lease commitments

On 17 November 2014, the company has entered into a finance lease for the construction and use of a production facility for the manufacturing of pharmaceutical products. The lease will commence at the earliest of the operational qualification of the construction or 31 October 2016. The total investment will amount to EUR 49.400k. Mithra has committed to participate up to 30% in the financing of the construction through transferring the proceeds of a subordinated loan and of grants that will be pre-financed by straight loans. The remainder is financed through 2 lease agreements: a lease contract with a term of 15 years for a total amount of EUR 24.900k and a lease for a total amount of EUR 12.500k with a term of 7 years.

On 20 may 2016, the company finalized the financing of the Phase 2 Constructions of the production facilities for the manufacturing of pharmaceutical products. The building lease will commence at the earliest of the operational qualification of the construction or 30 April 2019. The total investment will amount to EUR 25.835K. Similar to the phase 1 financing, Mithra has committed to participate up to 32% in the financing of the building lease and has committed up to participate up to 38% in the financing of the machinery lease through transferring the proceed of a subordinated loan and of grants that will be pre-financed by straight loans. The remainder is financed through 2 lease agreements: a lease contract with a term of 15 years and 6 months for a total amount of EUR 9.097k and a lease for a total amount of EUR 7.685k with a term of 7 years and 6 months.

Collaborative research and development arrangements

During 2015 Mithra has signed 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 EUR 60 million. The study will cover a two year period after the start.

Mithra signed also an agreement with Chiltern as CRO (Clinical Research Organization) for the Phase II dose-finding study of its project Donesta® for a total budget of EUR 4.6 million. The Donesta program was presented and validated in Q2 2015 by several national EU and US regulatory agencies

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

Organon/Merck patent dispute

Since 2008, the Group is involved in a legal proceeding against Organon NV and Merck Sharp & Dohme BV regarding a patent infringement. Currently, Organon and Merck claim provisional damages of EUR 1,000,000 while they estimate the actual loss on profit at EUR 2,465,507. Note that a provision in relation to this claim has been recognized in these consolidated financial statements based on management's best assessment.

Contrel dispute

A pending litigation exists between Mithra and Contrel Europe, based on a collaboration agreement between the two parties dated 31 January 2005 in respect of the product Femilis Slim that was under development by Contrel. In May 2009, Mithra initiated proceedings against Contrel Europe on the basis of the noncompliance by Contrel with this agreement, with a view to having the court order the forced execution of the agreement. In the framework of this agreement, Mithra has set out the importance of the product in question, which targeted a market of potentially tens of millions. However, Mithra's primary aim was to ensure that the contract was executed. Contrel Europe, in the course of the procedure, initiated a counterclaim, provisionally valued at EUR 1.00, in which it in turn alleged breaches of contract by Mithra (based, amongst other things, on the allegation that Mithra would have prioritized the development of Levosert (in the same sphere of application) over the development of Femilis Slim, which Mithra disputes). In January 2014, the litigation was sent to the judicial list, where it will remain until either of the parties would choose to reactivate it.

6.16. Events after reporting period

On July 22, Mithra announced that, after the earlier EU and Canada approval of Phase III for Estelle, it also received green light from the FDA. This green light paves the way for the clinical trial of Mithra's estetrol based product candidate in contraception and this in both continents.

Mithra Pharmaceuticals announced the appointment of Marc Coucke as chairman of the Board of Directors. Other changes also occured in the Board of Directors of Mithra Pharmaceuticals: Koen Hoffman, CEO of Value Square and former CEO of KBC Securities, was appointed independent director and will become chairman of the audit committee of Mithra; Freya Loncin, General Counsel Alychlo, was appointed new non-executive director; Professor Jean-Michel Foidart, co-founder of Mithra and current co-chairman of the Scientific Committee of Mithra Pharmaceuticals, was appointed non-executive director.

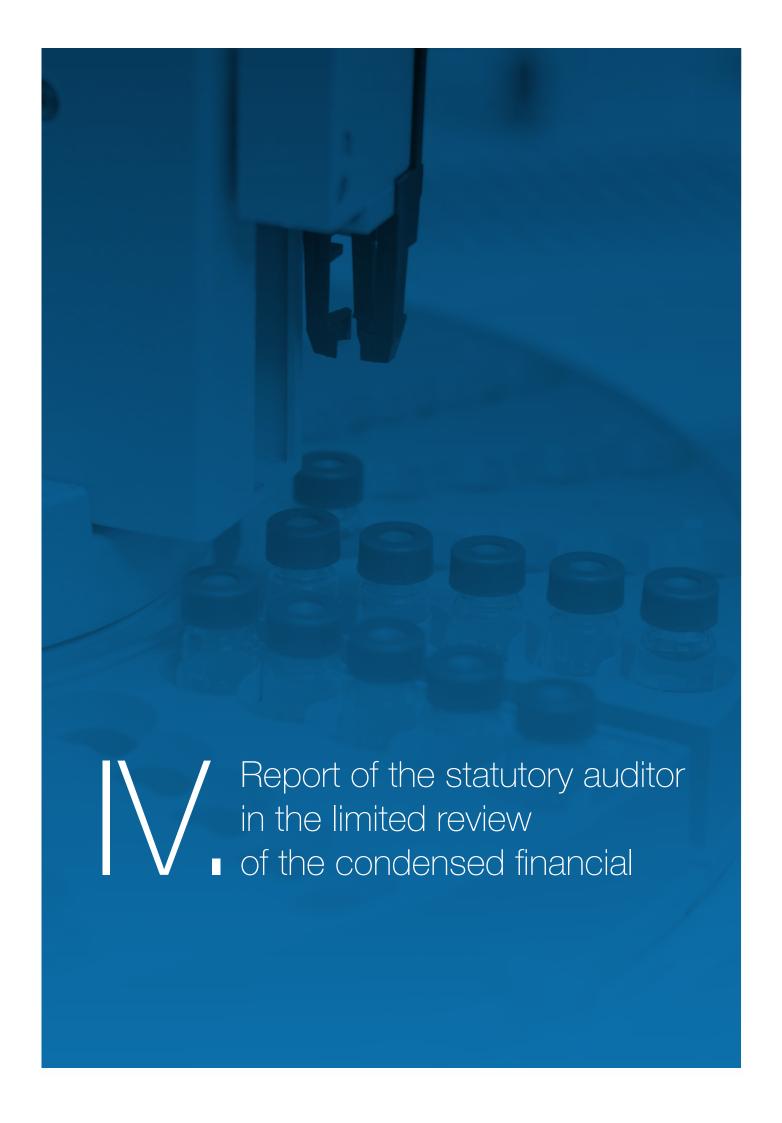
Only two months after its Loi with Fuji Pharma, Mithra signed its first major partnership agreement for Estelle. This partnership is in line with Mithra's strategy to partner out its lead Estetrol-based products for territories outside of the EU and US. Fuji Pharma obtained the rights to commercialize Estelle®, Mithra's oral contraceptive product candidate based on Estetrol, in Japan and ASEAN, representing a total market of EUR 330 million. The 20-year partnership agreements, which include exclusive supply by Mithra from its CDMO, generate upfront milestones of up to EUR 26 million, of which EUR 10 million is paid at signature.



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 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 2016

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of MITHRA PHARMACEUTICALS SA as of 30 June 2016 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

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