mithra
Women's Health

Interim Financial Report
As at 30 June 2018

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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.

mithra
Women's Health

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)

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I. Interim management report

Letter to shareholders

Dear shareholders, colleagues and partners,

Mithra has achieved a series of milestones in the first six months of 2018 both in terms of pipeline progress and corporate strategy that provide a sound and promising platform for the company's future.

In the key E4 (Estetrol)-based clinical programs, we have made substantial progress in the development of our product candidates Estelle® (E4 Freedom) and Donesta® (E4 Relief).

For our innovative contraceptive product candidate Estelle®, this includes:

- *Positive hemostasis sub-study results which corroborate earlier findings and delineate the unique safety profile of Estelle®.*

- *Positive top-line results for Estelle® from the European/Russian leg of the Phase III study (announced post-period end). The study successfully met and exceeded its primary efficacy endpoint (with an efficacy rate of 99.5%) and achieved key secondary endpoints including outstanding bleeding profile, cycle control, quality of life and safety and tolerability. These results strengthen the evidential basis of E4 as true novel estrogen and support the potential of Estelle® as a novel combined oral contraceptive for women. We remain on track to announce top-line results from the US/ Canada Phase III study of Estelle® in Q1 2019.*

Positive results were also announced for our next-generation hormone therapy product candidate, Donesta®. The Phase IIb study achieved its primary efficacy objective and demonstrated a meaningful and statistically significant reduction in the frequency of Vasomotor Symptoms (VMS). Furthermore, the data confirm the clean safety profile, in line with previous findings, and show encouraging cardiovascular safety data, supported by hemostatic, glucose and lipid markers. We are preparing initiation of the Phase III study to further confirm these results and therefore help bring to market this next-generation hormonal therapy with an improved benefit/risk profile.

Mithra has also applied for additional patents to further strengthen and extend the existing intellectual property estate for Estelle®, Donesta® and E4, based on the positive hemostasis data which differentiates Estelle® from the most commonly prescribed combined oral contraceptives and the positive results of Donesta® in the Phase IIb study delineating an improved benefit/risk profile for our next-generation hormone therapy candidate.

In our Complex Therapeutics portfolio, an important highlight was the receipt of the first Marketing Authorization (MA) for Myring™ in Europe, enabling launch in the United Kingdom. Additional European MA's have been granted in Latvia and Hungary and more are expected in the next few months.

Filing acceptance of Myring™ by the US FDA was another regulatory highlight in the first half, endorsing the expertise and professionalism of the team at our state-of-the-art CDMO facility and demonstrating the commitment of our partner Mayne Pharma to launch Myring™ in the US in H1 2019. Mayne Pharma is the second-largest supplier of oral contraceptives in the US. With over 75% of the revenues of the originator product, NuvaRing®, generated in the US, this is a key territory for Myring™ and represents a highly attractive commercial opportunity.

On the partnering front, we are expanding our commercial collaboration and alliance network and continue to deliver on our strategy to partner with Women's Health leaders around the world. In particular, we finalized an agreement with Hyundai in South Korea and signed with Searchlight Pharma in Canada for the future commercialization of Estelle®. Post period end, we signed a landmark contract with Gedeon Richter for the future commercialization of Estelle® in Western and Eastern Europe and Russia. These deals will involve upfront, milestone and sales-related royalties, with manufacturing executed at Mithra's CDMO facility in Belgium. These agreements will also contribute to Estelle®'s growing geographical footprint in Women's Health.

Additional contracts have also been signed for our Complex Therapeutics assets, reflecting significant interest in our polymer-based assets and technological expertise. Deals were closed for Myring™ in Denmark and Russia with Orifarm and Alvogen respectively. An exclusive license was signed for Tibelia® with Mediner for the Hungarian market and with Pei Li Pharm for Taiwan (announced post-period end).

We were also proud to further validate the attractiveness of our integrated R&D and manufacturing facility, Mithra CDMO, through a contract signed with worldwide full-service provider and sourcing leader Midas Pharma for the development of sterile injectables at our site in H1 2018.

Towards the end of the first half, we strengthened our financial position with a capital increase of EUR 77,5 million in gross proceeds by means of a private placement. The success of this financial operation resulted from an oversubscribed order book and reflects the attractiveness of Mithra to Tier 1 and specialist healthcare investors.

The proceeds will enable the Company to deliver on the next steps to market for Estelle® and Donesta®, provide additional strategic and financial flexibility and help maximize our partnering potential.

We also pursued our corporate strategy to maximize the value of our non-core assets with the post-period divestment of the Belux commercial portfolio to fast-growing OTC and specialty healthcare company Ceres Pharma. Mithra received EUR 20 million upon signature and is entitled to an additional potential EUR 20 million in earn-outs. This divestment further reinforces our financial position and enables R&D to be focused on our key-value-driving assets, supporting Mithra's goal of becoming a dedicated biopharmaceutical company.

With a strong financial position, continued further progress on our key programs and accelerating partnering discussions, we look forward to the rest of 2018 with confidence. Thank you for your support as we continue our work to transform women's health through innovation.

François Fornieri
On behalf of YIMA SPRL
CEO

1. Corporate information

Mithra (Euronext: MITRA) is dedicated to providing innovation and choice in women's health, with a particular focus on fertility, contraception and menopause. Mithra's goal is to develop new and improved products that meet women's needs for better safety and convenience. Its two lead development candidates - a fifth generation oral contraceptive, Estelle®, and a next generation hormone therapy, Donesta® - are built on Mithra's unique native estrogen platform, E4 (Estetrol). Mithra also develops, manufactures and markets complex therapeutics and offers partners a complete spectrum of research, development and specialist manufacturing at its Mithra CDMO.

Mithra was founded in 1999 as a spin-off of the University of Liège by Mr. François Fornieri and Prof. Dr. Jean-Michel Foidart, and is a limited liability company headquartered in Rue Saint Georges 5, Liège, Belgium.

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

2. First half year review and relevant post-period events

Mithra has achieved a series of important milestones in the first six months of 2018, both with regards to its E4 (Estetrol) unique native estrogen platform and pipeline and its Complex Therapeutics business. In H1 2018 and post-period Mithra continued to develop new partnerships and deliver on its corporate strategy to focus on the Company's key value drivers. Mithra also strengthened its financial position in order to provide a sound platform for the Company's future growth.

2.1. E4 (Estetrol) unique native estrogen platform and pipeline

Estelle® - Phase III in contraception

In H1 2018, Mithra announced a number of key milestones for Estelle®, Mithra's combined oral contraceptive (COC) candidate, composed of 15 mg Estetrol (E4) and 3 mg drospirenone (DRSP).

Estelle® is currently in Phase III studies (E4 Freedom) in Europe/Russia and the US/Canada, and post period end we announced positive top-line results from the European and Russian leg of the study. The Company remains on track to report top-line results from the US/Canada Phase III study in Q1 2019.

In March, Mithra announced it had completed the minimum 10,000 cycles of Estelle® required for the US/Canada study. Mithra also completed recruitment for the European and Russian Phase III study, with 1,557 women aged 18-50 enrolled, including 1,350 aged 18-35.

Also in March, Mithra announced positive results from its Phase II hemostasis study of Estelle®. The study is an important sub-study running in parallel to the ongoing Phase III Estelle® (E4 Freedom) pivotal trials. The results were presented at the International Society of Gynecological Endocrinology Conference (ISGE) in Florence[1]. The aim of the study was to analyse a series of parameters that are widely accepted as surrogate markers of coagulation (blood clotting) and fibrinolysis (breakdown of clots). The markers help determine the risk profile of a novel COC (combined oral contraceptive) for deep venous thrombosis (DVT) and pulmonary embolism, which are well-documented side effects of certain commonly prescribed contraceptive pills.

LNG (levonogestrel) was included as a comparator as required by the regulatory agencies. This 'second generation' contraceptive option is known to have a limited impact on hemostasis parameters. Mithra elected to include Yaz® as an additional comparative arm, given the well-documented elevated DVT risk for current DRSP-based COCs relative to LNG-based products. As Estelle® also contains DRSP, a direct comparison with Yaz® is of great interest. Moreover, with peak sales EUR 1.2 billion, the Yaz® family still is the best-selling contraceptive pill in value, and Estelle®'s benchmark for commercialization.

[1] http://isge2018.isgesociety.com/

Analysis across a range of parameters pointed to minimal changes in markers of coagulation and fibrinolysis even when compared to LNG (levonogestrel)-based COC, which was included as a comparator as a regulatory requirement. Moreover, the results indicated that the combination of DRSP (drospirenone)-based pill Estelle® with E4 did not lead to the higher hemostatic impact found with Yaz®. Yaz® is a direct competitor to Estelle® and the benchmark for Estelle®'s commercialization.

These results corroborate earlier findings, delineate the unique safety profile and contribute to the potential of Estelle® as a 'fifth generation pill', combining the quality of life offered by DRSP with a safer hemostatic profile.

Based on the positive data from the hemostasis Phase II sub-study, Mithra applied for an additional patent to further strengthen and extend the existing Estelle and E4® intellectual property estate. If granted, the patent would extend the existing E4 intellectual property estate, which comprises patents relating to the E4 synthesis process (until 2032) and E4 as a potential new emergency option.

In April, Mithra announced it had signed a binding Heads of Terms agreement with Searchlight Pharma, a rapidly growing Women's Health company, for an exclusive license to commercialize Estelle® in Canada. Under the terms of the agreement, Mithra is eligible to receive up to EUR 15 million in upfront payments. Mithra will also manufacture Estelle® for Searchlight at its CDMO facility and will receive guaranteed annual recurring revenues based on Minimum Annual Quantities (MAQ). Mithra forecasts the agreement could achieve sales-related revenues of at least EUR 50 million for Mithra, based on market assumptions. The license and supply agreement was finalized with Searchlight Pharma on 24 May 2018.

In June, Mithra announced it had signed a binding Heads of Terms agreement with Hyundai Pharm, a South Korean Women's Health leader, for an exclusive license to commercialize Estelle® in South Korea. Under the terms of the agreement Mithra is eligible to receive milestone payments, MAQ and further sales-related royalties. Mithra will also produce Estelle® for the South Korean market at its CDMO facility. Post-period end, on 23 September 2018, Mithra finalized the exclusive licence and supply agreement.

Post period in August, Mithra announced positive top-line results for the Phase III Estelle® study in Europe and Russia. The study successfully met its primary endpoint and achieved key secondary endpoints including outstanding bleeding profile, cycle control, quality of life and safety and tolerability. The data support Estelle® as a novel; next-generation combined oral contraceptive for women with an improved benefit/risk profile. Topline results from the parallel Phase III study of Estelle® in the US/Canada are on track to be announced in Q1 2019.

The primary endpoint was contraceptive efficacy measured by the number of pregnancies per 100 women per 12 months of exposure (Pearl Index; PI) among the women aged 18-35 years old at study entry. Results showed a PI of 0.48 (confidence interval 0.15-1.11) during 13,688 cycles (1 cycle= 28 days), with reported sexual activity and in the absence of other contraceptive methods. The PI indicates a 99.5% efficacy rate over one year of use, exceeding the efficacy goals of the study. A PI and its difference with the upper limit of the confidence interval below 1 is a regulatory requirement of the European Medicines Agency (EMA)[2].

Key secondary endpoints were also achieved including cycle control and bleeding profile, which are essential to women's compliance. An excellent regular bleeding pattern was shown, comparable to that of Ethinyl-Estradiol (EE) containing oral contraceptives.

The safety, acceptability and general well-being of the subjects (measured by two validated questionnaires) were also analyzed. Results from the MDQ (menstrual distress questionnaire) and QOL (quality of life) questionnaire showed that Estelle® is well tolerated by women, while their overall quality of life is maintained.

Moreover, the safety profile did not demonstrate unexpected events. The global safety assessment will be communicated in detail once the Phase III US/Canada study has been completed.

Post period, in September, Mithra and Gedeon Richter Plc. announced that they had entered into a landmark license and supply agreement to commercialize Estelle®[3] in Europe and Russia. Under the terms of the agreement Richter

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[2] EMEA/CPMP/EWP/519/98 Rev 1

[3] Richter will commercialize the product under a different brand name.

will make, upon signature of the contract, an upfront payment totaling EUR 35 million. Additional milestone payments amounting to EUR 20 million will be made depending on the progress of the regulatory process of the product. Potential additional sales-related milestones will be payable to Mithra subsequent to the launch of the product. Moreover, Mithra will receive guaranteed annual recurring revenues based on minimum annual quantities (MAQ), in addition to tiered royalties from high single-digit to substantial double-digits on net sales.

Donesta® - Phase II in menopause

In April, Mithra announced positive top-line results from the E4 Relief Phase II study of Donesta® for the treatment of Vasomotor Symptoms (VMS), in particular hot flushes relief, in post-menopausal women. Donesta® is Mithra's next-generation hormone therapy (HT) product candidate with oral administration of Estetrol (E4). The study successfully met it primary and key secondary objectives and confirmed Donesta® promising safety profile.

The results show that 15 mg E4 is highly efficacious for relieving some of the most bothersome and frequent symptoms of menopause, while offering a promising safety profile. This highlights the potential of Donesta® as a unique next-generation hormone therapy and provides a solid foundation for the next stage of clinical development. If approved, Donesta® could offer a true novel and differentiated therapy with an improved benefit/risk profile for women globally confronted with a range of menopausal symptoms.

Based on the positive data from the Phase IIb dose-finding study, Mithra applied for an additional patent to further strengthen and extend the existing Donesta® intellectual property estate. If granted, the patent would further extend the existing Donesta® intellectual property estate.

In May, Mithra announced additional positive efficacy and safety data from the Phase IIb study for Donesta®. These data reinforced the previously announced positive Phase IIb study results and also demonstrated an encouraging cardiovascular safety profile and lower bone turnover versus placebo[4].

In June, Mithra presented the Phase IIb study results for Donesta® at the 16th World Congress on Menopause in Vancouver, Canada.

The global menopause market currently stands at USD 8.6 billion and is expected to grow to approximately USD 16 billion by 2025, driven by growing awareness for Women's Health issues, the unmet medical need in menopause, and the aging population, in addition to market expansion with the introduction of new treatment options that provide a safer alternative to currently available therapies[5].

2.2. Complex Therapeutics

Myring™ - hormonal contraceptive vaginal ring made of ethylene vinyl acetate copolymers (EVA)

In March, Mithra announced that the Abbreviated New Drug Application (ANDA) for its vaginal ring for contraception, Myring™[6], had been accepted for filing by the US Food and Drug Administration (FDA). The ANDA was submitted by Mithra's partner for the US commercialization of the vaginal ring, Mayne Pharma (ASX:MYX). The acceptance by the FDA was an important regulatory step, as it reconfirms the pathway towards launch of the product candidate expected in H1 2019.

Myring™ is an intra-vaginal hormonal contraceptive delivery device combining etonogestrel and ethinyl estradiol over a 3-week period, and is developed to be fully bioequivalent to Merck's NuvaRing®. NuvaRing® had total US sales of approximately USD 830 million for the 12 month period ending 31 January 2018[7]. The US market represents over

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[4] As measured by a decrease in both the CTX-1 and osteocalcin markers with E4 use vs placebo. The effect is most pronounced for the 15 mg dose (near-significant for CTX-1 and significant at $p < 0.05$ for osteocalcin)

[5] Transparency Market Research 2017

[6] Mayne Pharma will market Myring™ under a different trademark name in the US

[7] According to IQVIA, as provided by Mayne Pharma

75% of the annual global sales of NuvaRing®, making this a key territory for the product. NuvaRing® went off patent in April 2018, and no generic version has been approved in the US to date.

The exclusive long-term license and supply agreement with Mayne Pharma was first announced in 2017. Mithra received a EUR 2.4 million down payment and is eligible to receive further milestones of at least EUR 7.6 million from approval by the US FDA through to commercial launch of the product. Following launch, Mithra anticipates important financial contributions from the production of the vaginal ring at Mithra's CDMO facility. Based on recent market intelligence, Mayne Pharma is well placed to be among the first to enter the US market, which would potentially entitle Mithra to additional milestone payments.

In March, Mithra announced it had granted an exclusive license and supply agreement to Alvogen for the commercialization of Myring™[8] in Russia. This agreement follows previous partnerships with Mayne Pharma, Gynial and Adamed for the US, Austria and the Czech Republic, respectively. Under the terms of the agreement, following Marketing Authorization (MA), Alvogen will have the right to sell the contraceptive vaginal ring in Russia, a market worth approximately EUR 13 million[9]. Alvogen is a key player in women's health in Russia and Central and Eastern Europe. In addition to a down payment and milestone payment, Mithra anticipates revenues following commercial launch, as Mithra will exclusively manufacture and supply the product to Alvogen from its CDMO facility.

In June, Mithra announced an exclusive license and supply agreement with Orifarm for the commercialization of Myring™[10] in Denmark. The Danish market is worth approximately EUR 0.75 million[11]. Orifarm is a Danish fast-growing supplier to the Nordic countries with an established business among pharmacies and hospitals. The launch of the vaginal ring in Denmark will enable Orifarm to grow its footprint in Women's Health in its key market. In addition to down payments and milestone payments, Mithra will receive revenues for the exclusive manufacturing and supply of Myring™ to Orifarm.

Post period, in July, Mithra received its first Marketing Authorization (MA) for Myring™ in the United Kingdom, following approval by the MHRA (Medicines and Healthcare Products Regulatory Agency). The UK market is worth approximately EUR 1.2 million[12] with no generic competition on the market as yet. The ring will also be produced at Mithra's CDMO.

Under the same decentralized procedure, MAs for Latvia and Hungary were also granted, with additional MAs expected in Europe (Croatia, the Czech Republic, Poland, Slovakia and Slovenia) as well as the US in H2 2018/early 2019.

Tibelia® – generic version of tibolone (Livial®) for use in Hormone Therapy (HT)

In July, Mithra announced an exclusive license and supply agreement with Mediner for the commercialization of Tibelia®[13] in Hungary, a market worth approximately EUR 0.6 million[14]. Mediner is a Hungarian-based company offering a broad portfolio of in-licensed products to its home market, with a key focus on gynecology. In addition to license fees, Mithra is eligible for annual revenues over the duration of the 10-year contract.

Post period, in September, Mithra announced an exclusive license and supply agreement with Pei Li Pharm for the commercialization of Tibelia®[15] in Taiwan, a menopause market worth approximately EUR 4.1 million[16].

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[8] MyringTM will be marketed under a different trademark name in Russia
[9] NuvaRing® (Merck) sales IMS Analytics Q3 2017
[10] MyringTM will be marketed under a different trademark name in Denmark
[11] Estimation provided by Orifarm (no IMS available)
[12] CAGR (2013-2017): +6.6%
[13] Tibelia® will be marketed under a different name by Mediner
[14] IMS Health 2017. CAGR in volume (2013-2017): +5%
[15] Tibelia® will be marketed under a different name by Pei Li Pharm
[16] IMS Health 2017

Zoreline® – generic version of goserelin (Zoladex®) for prostate & breast cancer and benign gynecological conditions

In Q1 2018, Mithra received the positive results of its 1-month PK/PD pilot study for Zoreline®, Mithra's product candidate for branded Zoladex® (AstraZeneca). Zoladex® is a biodegradable, injectable luteinizing hormone-releasing agonist, used to treat prostate cancer, breast cancer and benign gynecological disorders. The product exists as a 1- and 3-month implant, containing 3.6 mg and 10.8 mg of goserelin, respectively.

The Zoreline® PK study demonstrated the safety profile of the 1-month (3.6mg) implant compared to Zoladex®, with results in line with regulatory requirements. Furthermore, the data collected in 58 patients also provides important information on the similar PD activity (efficacy) of the 1-month treatment in Zoladex® and Zoreline®.

Mithra is continuing to work on the reformulation of the 3-month implant, with PK results on track for Q4 2018, and is currently evaluating further steps for development. Pending positive results of the 3-month product candidate.

Mithra could potentially move into a pivotal clinical PD study for both the 1- and 3-month formulations.

Supported by the positive 1-month results, Mithra remains committed to finding a partner to co-develop and commercialize Zoreline®, in line with the Company's strategy to partner with leaders in women's health for its different product candidates.

2.3. Business Update

In May, Mithra announced it had closed a contract with Midas Pharma for the development of a sterile injectable product at Mithra's CDMO in Belgium. Midas Pharma, based in Germany, is a full-service provider and a leader in the sourcing and supply of intermediates, Active Pharmaceutical Ingredients, Finished Dosage Forms and dossiers for finished products. The company is present in 10 countries and works with generic pharma players, big pharma companies as well as biotech firms. Financial terms of the contract were not disclosed. Following the umbrella agreement signed with GSP in 2017, this new contract with a highly regarded partner in the field is a further endorsement of the Mithra CDMO.

In May, Mithra raised EUR 77.5 million in gross proceeds by means of a private placement of 2,672,414 new shares through an accelerated bookbuild offering. Mithra intends to use the net proceeds of the Private Placement to:

- Fund optimal clinical development for the Company's key assets:
    - Financing of the post-Phase III regulatory steps for the oral contraceptive Estelle®
    - Initiation of the Phase III development program for Donesta®, Mithra's VMS product candidate, with the rapid advancement of the preparatory/bridging studies followed by the initiation of recruitment for the Donesta Phase III trials. In order to maximize the market potential of Donesta, Mithra intends to launch both an E4 monotherapy trial and a combination trial (E4 + progestin)
- Give the Company increased strategic and financial flexibility to further progress partnering discussions for the commercialization of Estelle and (co)development of Donesta®
- Fund general corporate purposes.

Post period, in July, Mithra announced that it had signed a comprehensive Belux partnership with Ceres Pharma, a Belgian-based company focused on over-the-counter (OTC) and specialist healthcare. The agreement covers the sale of the women's health branded generics business in Belgium and Luxembourg as well as license and supply agreements for a number of Mithra's products and product candidates developed in-house, including licenses[17] for the commercialization in Belux of Tibelia®, Myring™ and Estelle®.

[17] Semi-exclusive license on Estelle, exclusive license on Myring, semi-exclusive license on Tibelia, exclusive license on Daphne, in Belux

Under the terms of the agreement, Mithra received an immediate payment of EUR 20 million. Pending certain sales milestones, Mithra is eligible to receive an additional EUR 20 million in earn-outs over the next five years. In addition, to the extent that Mithra remains responsible for the co-marketing of certain products, Ceres Pharma will pay a low double-digit service fee on net sales.

For Mithra, the sale of the branded generics business realized the value of an increasingly non-core asset, as the Company continues to become a fully-focused innovative biopharma company. More particularly, following the successful results from the Phase IIb study of Donesta® (menopause) and with the pivotal Estelle® Phase III studies (contraception) drawing to an end, the agreement enables Mithra to focus on these two potential blockbusters.

3. Financial highlights

3.1. Income statement

CONTINUING OPERATIONS

Thousands of Euro	*30 June 2018*	*30 June 2017*
INCOME STATEMENT		
Revenues	**6,718**	**5,477**
Cost of sales	**(687)**	**(1,366)**
Gross profit	**6,031**	**4,111**
Research and development expenses	(18,342)	(25,502)
General and administrative expenses	(4,377)	(3,990)
Selling expenses	(761)	(966)
Other operating income	4,413	602
Total operating expenses	**(19,067)**	**(29,856)**
Operating Profit / (Loss) / REBITDA*	**(13,037)**	**(25,745)**
Depreciation and amortization expenses	**(1,363)**	**(1,201)**
EBIT	**(14,401)**	**(26,946)**
Financial result	**(28,933)**	**4,342**
Share of profit/(loss) of associates	-	(76)
Loss before taxes	**(43,334)**	**(22,680)**
Income taxes	**7,800**	**2,218**
Net Loss for the period	**(35,534)**	**(20,462)**

DISCONTINUED OPERATIONS

Thousands of Euro		*30 June 2018*	*30 June 2017*
CONSOLIDATED INCOME STATEMENT	Notes		
Revenues	**6.18**	**5,906**	**7,184**
Cost of sales		**(2,933)**	**(3,264)**
Gross profit		**2,973**	**3,921**
Selling expenses		(1,458)	(1,391)
Total operating expenses		**(1,458)**	**(1,391)**
Operating Profit / (Loss) /EBITDA		**1,516**	**2,530**
Depreciation and amortization expenses		-	-
EBIT		**1,516**	**2,530**
Financial result		**0**	**0**
Profit before taxes		**1,516**	**2,530**
Income taxes		**(429)**	**(860)**
Net Profit for the period		**1,087**	**1,670**

GROUP TOTAL (INCLUDING DISCONTINUED OPERATIONS)

Thousands of Euro	*30 June 2018*	*30 June 2017*
CONSOLIDATED INCOME STATEMENT		
Revenues	**12,624**	**12,662**
Operating Profit / (Loss)/ EBITDA	**(11,522)**	**(23,215)**
Depreciation and amortization expenses	**(1,363)**	**(1,201)**
EBIT	**(12,885)**	**(24,416)**
Financial result	**(28,933)**	**4,342**
Loss before taxes	**(41,818)**	**(20,150)**
Income taxes	**7,371**	**1,358**
Net Loss for the period	**(34,448)**	**(18,792)**

In the Financial highlights section, we use a REBITDA reference where the result of the discontinued operations have been excluded. For this reason, as for the section Interim condensed consolidated financial statements, we have isolated the discontinued operations related to the sale of the Benelux activities to Ceres Pharma. For more details please refer to Notes 6.18 Discontinued Operations.

The Group made a net loss of EUR 34,448k for the first half of 2018, compared to a net loss of EUR 18,792k for the first six months of 2017.

The Revenues of the Group remain stable in the first half of 2018 at EUR 12,624k (H1 2017: EUR 12,662k). Although stable, we see an increase of the license revenues (EUR 1,785k) related to the partnership agreements from EUR 3,900k in H1 2017 to EUR 5,685k in H2 2018 (mainly for Estelle® with Libbs for EUR 5,000k and with Searchlight for EUR 500k); and a decrease of sales in the Benelux markets (EUR 1,737k), mainly due to brand switches, a later launch than expected for Laclimella and Papilocare, and the termination of contract for some distributed products. We also reported a further drop in sales in Germany and France (EUR 64k). We remind that the French activities were sold in December 2017; and the German company is on hold and reported an insignificant amount of sales revenues as we don't develop a sales and distribution organization anymore.

Cost of Sales decreased by EUR 1,010k, driving the increase in Gross Profit from EUR 8,032k to EUR 9,004k.

Total Operating Expenses of the Group have decreased by 34% from EUR 31,248k in H1 2017 to EUR 20,524k in H1 2018. Research and development expenses (excluding payroll costs) decreased in the first half 2018 by 28% to EUR 18,342k (H1 2017: EUR 25,502k). This decrease is primarily due to decreased R&D activity for the Phase III studies of Estelle® and the Phase II study of Donesta® both nearing completion. R&D expenses for Donesta® should increase in the second semester 2018 in light of Phase III study expenses.

This decrease in R&D expenses together with an increase in Other operating income, from EUR 602k to EUR 4,413k, which is mainly explained by tax credit 2018 estimations and by refundable government advances recognition mechanism, resulted in an improved negative EBITDA of EUR 12,885k in 2018 compared to EUR 23,215k in 2017.

Higher expected future revenues related to Estelle® captured in our business plan led to an increase of fair value for the contingent consideration payable reported for Estelle® (EUR 68,319k in June 2018 compared to EUR 41,811k in 2017); an IFRS adjustment in the fair values which was the main driver of the net financial expenses of EUR 28,933k, a non-cash element in the income statement; together with the amortized cost of government advances and interest payables.

* REBITDA is an alternative performance measure calculated by excluding the non-recurring items from EBITDA from our consolidated statement of income prepared in accordance with IFRS. We consider one-off items and exceptional items as non-recurring items. For more details please refer to Notes 6.19 Alternative Performance measure.

3.2. Cash flow statement

GROUP TOTAL (INCLUDING DISCONTINUED OPERATIONS)

Thousands of Euro		*30 June 2018*	*30 June 2017*
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Loss		**(12,885)**	**(24,416)**
Depreciation and amortization		1.,363	1,201
Development costs capitalization	6.7.	(3,424)	-
Tax credit	6.5.	(597)	-
Share-based compensation	6.14.	217	374
Taxes paid		-	(26)
Subtotal		**(15,325)**	**(22,868)**
Changes in Working Capital			
Increase/(decrease) in Trade payables and other current liabilities	6.12.	(14,142)	2,135
(Increase)/decrease in trade receivables and other receivables	6.10.	16,066	(3,909)
(Increase)/decrease in inventories		(2,534)	1,057
Increase/(decrease) in other deferred revenue and others		(4,681)	-
Net cash provided by/(used in) operating activities		**(20,617)**	**(23,585)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of tangible fixed assets	6.8.	(776)	(4,862)
Proceeds from sale of tangible assets		-	-
Payment for acquisition of intangible fixed assets	6.7.	(219)	-
Contingent liabilities payments		(3,190)	-
Investment in other assets		-	(2)
Net cash provided by/(used in) investing activities		**(4,185)**	**(4,863)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on financial loans	6.12.	(303)	-
Proceeds from financial loans & government advances	6.12.	903	2,355
Interests paid		(1,427)	(312)
Proceeds from issuance of shares (net of issue costs)	6.11	75,196	25,398
Net cash provided by/(used in) financing activities		**74,370**	**27,442**
Net increase/(decrease) in cash & cash equivalents		**49,568**	**(1,005)**
Cash & cash equivalents at beginning of year		**36,190**	**45,750**
Cash and cash equivalents at end of period		**85,757**	**44,745**

CONTINUING OPERATIONS

Thousands of Euro	*30 June 2018*	*30 June 2017*
Cash flow from operating activities	(22,133)	(26,115)
Cash flow from investing activities	(4,185)	(4,862)
Cash flow from financing activities	74,370	27,442
Cash flow from continuing operations (net increase/decrease)	**48,052**	**(3,536)**

For additional information, please refer to Note 6.18 Discontinued operations.

At EUR 85.8 million, Mithra's current cash position has significantly improved compared to 31 December 2017 (EUR 36.2 million), despite significant investments in the advanced clinical pipeline. This is due to the Private Placement of EUR 77.5 million closed on 30 May 2018, which strengthened Mithra's financial profile, and to the revenues that have been collected over H1 2018 for the partnership agreements (EUR 6 million from Libbs).

4. Corporate Governance

4.1. Capital and shares

On 30 June 2018, Mithra held 37,639,495 ordinary shares duly composing the share capital of Mithra which amounted on that very date to EUR 27,555,760.70 as per Belgian GAAP. All shares are equal and common (each having the same rights) and are fully paid up. The shares do not have a nominal value but reflect the same fraction of the Company's share capital which is denominated in Euro. Each share entitles its holder to one vote. The total number of voting rights as at 30 June 2018 was 37,639,495 ordinary shares.

The number of existing shares and the number of voting rights remain unchanged since 30 June 2018 and to the date of this report.

Since our annual report published on the 16th of April 2018, Mithra launched a capital increase through authorized capital by means of private placement which took place on the 4th of June 2018 implying an increase of EUR 1,956,474.29 to the share capital and EUR 75,543,531.71 to the share premium account. This share capital increase resulted in the issuance of 2,672,414 new shares, which have been admitted to trading on the regulated market of Euronext Brussels, on the "MITRA" ticker.

4.2. Shareholders & Shareholder structure

Based on the transparency declarations that the Company has received and the aforementioned capital increase which completed on the 4 June 2018, the significant shareholders of the Company (i.e. above 3% of the outstanding voting rights) as at 30 June 2018 are:

Shareholder	Address	Number of voting rights	% of voting rights
François Fornieri[1]		10,606,757	28.18 %
Marc Coucke[2]		6,201,573	16.48 %
Meusinvest SA	Rue Lambert-Lombard, 3, B-4000 Liège, Belgium	5,410,551	14.37 %
Bart Versluys[3]		1,543,696	4.10 %
Ogesip Invest SA	Boulevard du Roi Albert II, 37, B-1030 Bruxelles, Belgium	1,181,700	3.14 %
Free float		12,695,218	33.73 %

1. François Fornieri holds warrants entitling him to subscribe 1,023,000 additional shares of Mithra as from 1st January 2019.
2. Marc Coucke holds his shareholding partially through Alychlo NV and Mylecke Management Art & Invest NV, which he both controls.
3. Bart Versluys holds his shareholding through himself and Scorpiaux BVBA, controlled by him.

All percentages are calculated on the basis of the current total number of voting rights.

4.3. Change and/or renewal in the composition of corporate bodies

During the first 6 months of 2018, the Company decided to renew the mandate of BDO *Réviseurs d'entreprises* (agreement number B0023) having its registered seat at 1953 Zaventem, Da Vincilaan, 9 box E6, Elsinore Building, RPR Bruxelles, YVA, BE 0431.088.289, represented by Mr Cédric Antonelli, for a three-year period, expiring at the general meeting of 2021 deliberating on the annual accounts closed on the 31st of December 2020.

The composition of the Nomination and Remuneration Committee has changed since 17 May 2018. As of that date, Alychlo NV has resigned from its position as member and chair of the Nomination and Remuneration Committee. In that respect, Meusinvest SA (Mr. Gaëtan Servais) has been appointed as a member of the Nomination and Remuneration Committee and Mr. Jacques Platieau has been elected as chairman of the Committee. Therefore the Nomination and Remuneration Committee is currently composed of the following members: Mr. Jacques Platieau, P4MANAGEMENT SPRL (Mrs. Christiane Malcorps), and Meusinvest SA (Mr. Gaëtan Servais).

Post period, the Board of Directors of the Company reviewed, based on the recommendation of the Nomination and Remuneration Committee who gathered on the 2nd July 2018 and on the 11th September 2018, the composition of the Executive Committee.On the date of this report, the Executive Committee is composed as follows:

Name	Function
YIMA SPRL (permanent representative: Mr. François Fornieri)	Chief Executive Officer, Chief Business Development Officer (Chair)
CMM&C SPRL (Mr. Christophe Maréchal)	Chief Financial Officer (CFO)
MIDICO BVBA (Mr. Michaël Dillen)	Chief Legal Officer (CLO)
Novafontis SPRL (Mr. Jean-Manuel Fontaine)	Public Relations Officer (PRO)
RLD CONSULT SPRL (Mr. Geoffroy Dieu)	Chief Production Officer (CPO)
Alius Modi SPRL (Mrs. Valérie Gordenne)	Chief Scientific Officer (CSO)
BGL Consulting SPRL (Mr. Benjamin Brands)	Chief Supply Chain Officer (CSCO)
Mr. Patrick Kellens	Chief Information Officer (CIO)

On 1 March 2018, Mr. Rudi Meurs left his function as Chief Production Officer (CPO) and was replaced by RLD Consult SPRL (Mr. Geoffroy Dieu). In May 2018, Sunzi SPRL (Mrs. Julie Dessart) left her position as Chief Communications Officer (CCO) but remained within the Company relating to specific consulting assignments. . Post period, Mrs. Sofie Van Gijsel has left the Company on the 31st August 2018. The Company is currently looking to find a replacement for her position. On 11 September 2018, Mr. Patrick Kellens was appointed as Chief Information Officer (CIO). He is employed under an employment contract.

Due to the recentralization of the activities of Mithra around the R&D business, the Board decided that the role of Chief Marketing Officer was no longer essential in light of the current goals of the Company. Therefore, Travel and Communication Consultancy ("TACC") BVBA (Mr. Jan Van der Auwera) is no longer member of the Executive Committee.

Additionally, the Board of Directors decided to create the new position of Chief Supply Chain Officer (CSCO) due to the advanced development of various projects and of the central position of the Company's CDMO facility. BGL Consulting SPRL (Mr. Benjamin Brands) has been appointed in this position.

5. Principal risks and uncertainties

The Board of directors considers that the key risk factors summarized in section 1.9 of the 2017 annual report remain relevant, which is deemed to be reproduced here.

6. Related party transactions

Over the course of the first half of the 2018 financial year, no related party transactions were executed by Mithra.

II.
Interim condensed consolidated financial statements for the period ended 30 June 2018

II. Interim condensed consolidated financial statements for the period ended 30 June 2018

1. Interim consolidated statement of income statement (unaudited)

CONTINUING OPERATIONS

Thousands of Euro		*30 June 2018*	*30 June 2017*
CONSOLIDATED INCOME STATEMENT	Notes		
Revenues	**6.3, 6.15**	**6,718**	**5,477**
Cost of sales		**(687)**	**(1,366)**
Gross profit		**6,031**	**4,111**
Research and development expenses		(19,401)	(25,502)
General and administrative expenses		(4,511)	(5,191)
Selling expenses		(932)	(966)
Other operating income		4,413	602
Total operating expenses		**(20,431)**	**(31,057)**
Operating Loss		**(14,401)**	**(26,946)**
Financial income		238	5,125
Financial expense	**6.13**	(29,172)	(783)
Financial result		**28,933**	**4,342**
Share of (loss)/profit of associates and joint ventures accounted for using the equity method		-	(76)
Loss before taxes		**(43,334)**	**(22,680)**
Income taxes	**6.5**	**7,800**	**2,218**
Net Loss for the period		**(35,534)**	**(20,462)**
Attributable to			
Owners of the parent		(35,534)	(20,462)
Non-controlling interest			

DISCONTINUED OPERATIONS

Thousands of Euro		*30 June 2018*	*30 June 2017*
CONSOLIDATED INCOME STATEMENT	Notes		
Revenues	**6.18**	**5,906**	**7,184**
Cost of sales		**(2,933)**	**(3,264)**
Gross profit		**2,973**	**3,921**
Selling expenses		(1,458)	(1,391)
Total operating expenses		**(1,458)**	**(1,391)**
Operating Profit		**1,516**	**2,530**
Financial result		**0**	**0**
Profit before taxes		**1,516**	**2,530**
Income taxes		**(429)**	**(860)**
Net Profit for the period		**1,087**	**1,670**

GROUP TOTAL (INCLUDING DISCONTINUED OPERATIONS)

Thousands of Euro		*30 June 2018*	*30 June 2017*
CONSOLIDATED INCOME STATEMENT			
Revenues	**6.3, 6.15, 6.18**	**12,624**	**12,662**
Operating Loss		**(12,885)**	**(24,416)**
Financial result	**6.13**	**(28,933)**	**4,342**
Loss before taxes		**(41,818)**	**(20,150)**
Income taxes	**6.5**	**7,371**	**1,358**
Net Loss for the period		**(34,448)**	**(18,792)**
Earnings per share (euro):			
Continuing operations		(1.02)	(0.65)
Discontinued operations		0.03	0.05
Group Total Basic loss per share		(0.99)	(0.60)
Group Total Diluted loss per share (euro)		(0.99)	(0.60)

2. Interim consolidated statement of other comprehensive income (unaudited)

Thousands of Euro	*30 June 2018*	*30 June 2017*
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Net loss for the period	**(34,448)**	**(18,792)**
Other comprehensive income	**(9)**	**(11)**
Currency translation differences	(9)	(11)
Total comprehensive income for the period	**(34,457)**	**(18,803)**
Attributable to		
Owners of the parent	(34,457)	(18,803)
Non-controlling interest	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(34,457)**	**(18,803)**

3. Interim consolidated statement of financial position (unaudited)

Thousands of Euro	*Notes*	*30 June 2018*	*31 December 2017*
ASSETS			
Goodwill	6.7	5,233	5,233
Intangible assets	6.7	80,943	80,385
Property, plant and equipment	6.8	63,891	59,519
Deferred income tax assets		31,086	22,718
Other non-current assets		3,636	2,644
Non-current assets		**184,790**	**170,500**
Inventories		6,675	4,141
Trade & other receivables	6.10	17,815	33,881
Cash & cash equivalents		85,757	36,190
Assets held for sale	6.18	434	-
Current assets		**110,681**	**74,212**
TOTAL ASSETS		**295,471**	**244,712**

Thousands of Euro	*Notes*	*30 June 2018*	*31 December 2017*
EQUITY AND LIABILITIES			
Equity			
Share capital	6.11	26,925	25,036
Share premium	6.11	221,587	148,279
Accumulated deficit		(120,606)	(86,374)
Translation differences		(68)	(59)
Equity attributable to equity holders of the parent		**127,837**	**86,882**
Subordinated loans	6.12	13,638	11,158
Bank borrowings	6.12	36,489	37,578
Refundable government advances	6.12	8,959	7,785
Other loans	6.13	71,923	46,727
Provisions	6.16	266	266
Deferred tax liabilities	6.5	2,949	2,099
Non-current liabilities		**134,223**	**105,612**
Current portion of financial debts	6.12	104	167
Short term financial debts	6.12, 6.13	16,149	16,070
Trade payables and other current liabilities		10,032	24,174
Corporate tax payable		124	(4)
Accrued charges & Deferred income		7,001	11,811
Current liabilities		**33,411**	**52,217**
TOTAL EQUITY AND LIABILITIES		**295,471**	**244,712**

4. Interim consolidated statement of changes in equity (unaudited)

Thousands of Euro	*Share capital*	*Share premium*	*Retained earnings*	*Foreign currency translation reserve*	*Share Based Payments*	*Total equity*
Balance as at 1 January 2017	**22,613**	**122,830**	**(53,733)**	**(44)**	**1,349**	**93,015**
Result for the period			(18,792)			(18,792)
Other comprehensive income for the period				(11)		(11)
Total comprehensive income for the period			**(18,792)**	**(11)**		**(18,803)**
Capital increase of 23 June 2017	2,204	23,194				25,398
Warrants					374	374
Balance as at 30 June 2017	**24,817**	**146,024**	**(72,525)**	**(55)**	**1,723**	**99,984**
Balance as at 1 January 2018	**25,036**	**148,279**	**(88,744)**	**(59)**	**2,370**	**86,882**
Result for the period			(34,448)			(34,448)
Other comprehensive income for the period				(9)		(9)
Capital increase of 30 May 2018	1,956	75,544				77,500
Transaction costs for equity issue	(68)	(2,236)				(2,304)
Share-based payments					217	217
Balance as at 30 June 2018	**26,925**	**221,587**	**(123,191)**	**(68)**	**2,586**	**127,837**

5. Interim consolidated statement of cash flows (unaudited)

GROUP TOTAL (INCLUDING DISCONTINUED OPERATIONS)

Thousands of Euro		*30 June 2018*	*30 June 2017*
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Loss		**(12,885)**	**(24,416)**
Depreciation and amortization		1.,363	1,201
Development costs capitalization	6.7.	(3,424)	-
Tax credit	6.5.	(597)	-
Share-based compensation	6.14.	217	374
Taxes paid		-	(26)
Subtotal		**(15,325)**	**(22,868)**
Changes in Working Capital			
Increase/(decrease) in Trade payables and other current liabilities	6.12.	(14,142)	2,135
(Increase)/decrease in trade receivables and other receivables	6.10.	16,066	(3,909)
(Increase)/decrease in inventories		(2,534)	1,057
Increase/(decrease) in other deferred revenue and others		(4,681)	-
Net cash provided by/(used in) operating activities		**(20,617)**	**(23,585)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of tangible fixed assets	6.8.	(776)	(4,862)
Proceeds from sale of tangible assets		-	-
Payment for acquisition of intangible fixed assets	6.7.	(219)	-
Contingent liabilities payments		(3,190)	-
Investment in other assets		-	(2)
Net cash provided by/(used in) investing activities		**(4,185)**	**(4,863)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on financial loans	6.12.	(303)	-
Proceeds from financial loans & government advances	6.12.	903	2,355
Interests paid		(1,427)	(312)
Proceeds from issuance of shares (net of issue costs)	6.11	75,196	25,398
Net cash provided by/(used in) financing activities		**74,370**	**27,442**
Net increase/(decrease) in cash & cash equivalents		**49,568**	**(1,005)**
Cash & cash equivalents at beginning of year		**36,190**	**45,750**
Cash and cash equivalents at end of period		**85,757**	**44,745**

CONTINUING OPERATIONS

Thousands of Euro	*30 June 2018*	*30 June 2017*
Cash flow from operating activities	(22,554)	(26,115)
Cash flow from investing activities	(4,185)	(4,863)
Cash flow from financing activities	74,370	27,442
Cash flow from continuing operations (net increase/decrease)	**47,630**	**(3,536)**

For additional information, please refer to Note 6.18 Discontinued operations.

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 2018 have been prepared in accordance with IFRS 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 2017. 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 11 September 2018.

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 2017.

The new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2018 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 2017. The segment information section has been amended to report separately the product sales and the out-licensing sales, please refer to Note 6.3. Segment Information.

6.1.4. Changes in accounting policies and disclosures

During the current financial period, the Group has adopted all the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB as adopted by the European Union and effective for the accounting year starting on January 1, 2018. The Group has not applied any new IFRS requirements that are not yet effective as per June 30, 2018.

The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC as adopted by the European Union are effective for the financial period.

- IFRS 1 First-time Adoption of International Financial Reporting Standard — Amendments resulting from Annual Improvements 2014-2016 Cycle (December 2016)

- IFRS 2 Share-based Payment — Amendments to clarify the classification and measurement of share-based payment transactions (June 2016)
- IFRS 4 Insurance Contracts – Amendments regarding the interaction of IFRS 4 and IFRS 9 (September 2016)
- IFRS 9 Financial Instruments — Classification and Measurement (Original issue July 2014, and subsequent amendments)
- IAS 28 Investments in Associates and Joint Ventures – Amendments resulting from Annual Improvements 2014-2016 Cycle (December 2016)
- IAS 39 Financial Instruments: Recognition and Measurement — Amendments for continuation of hedge accounting (fair value hedge of interest rate exposure) when IFRS 9 is applied (November 2013)
- IAS 40 Investment Property: Amendments to clarify transfers or property to, or from, investment property (December 2016)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (December 2016)

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

Summary of Standards and Interpretations issued but not yet effective in the current period

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued by the IASB and the IFRIC but are not yet effective as per June 30, 2018 and/or not yet adopted by the European Union as per June 30, 2018 and for which the impact might be relevant:

- Annual Improvements to IFRSs 2015-2017 Cycle (December 2017) *
- IFRS 9 Financial Instruments – Amendments regarding prepayment features with negative compensation (October 2017) *
- IFRS 16 Leases (Original issue January 2016) - This standard provides a basis for the accounting of leasing contracts by lessees and lessors. The standard will be applicable for annual periods beginning on or after 1 January 2019. We identified the following leases on which there will be an impact of IFRS 16 for Mithra;
  - Manufacturing equipment
  - More or less 80 company cars rental contracts
  - Rental agreements for the rent of office buildings

  The Group does not expect to anticipate the implementation of the standard.
- IFRS 17 Insurance Contracts (Original issue May 2017) *
- IAS 19 Employee Benefits – Amendments relating to Plan Amendment, Curtailment or Settlement (February 2018) *
- IAS 28 Investments in Associates and Joint Ventures – Amendments regarding long-term interests in Associates and Joint-Ventures (October 2017) *
- IFRIC 23 Uncertainty over Income Tax Treatments (June 2017) *
- Amendments to References to the Conceptual Framework in IFRS Standards (March 2018)*

* Not yet endorsed by the EU as of June 30, 2018

Except for the impact of the IFRS 16 implementation which we are currently investigating, none of the other new standards, interpretations and amendments, which are effective for periods beginning after January 1, 2018 which have been issued by the IASB and the IFRIC but are not yet effective as per June 30, 2018 and/or not yet adopted by the European Union as per June 30, 2018, are expected to have a material effect on the Group's future financial statements.

Discontinued operations

To qualify as discontinued operations, a component of Mithra group must have been classified as held for sale and represent a separate major line of business or is a part of a single coordinated plan to dispose of a separate major line of business. BeLux Business within Product sales area is classified as discontinued operation and reported as held for sale. Non-current assets or disposal groups that are classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

6.1.5. Financial Risk Management

a) Market risk

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

For further details, since there are no significant changes, please refer to section 9.3.1. Financial risk factors a) Market risk from Annual Report 2017

b) Credit risk

Credit risk relates to the risk that a counterparty will fail to fulfil their contractual obligations with the result that the Group would suffer a loss. The Group's policy focuses on only working with creditworthy counterparties and, where necessary, requiring adequate securities.

For further details, since there are no significant changes, please refer to section 9.3.1. Financial risk factors b) Credit risk from Annual Report 2017.

c) Liquidity risk

Thanks to the successful IPO, and the capital increases, the Group maintains sufficient cash to conduct its clinical trials. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

The liquidity risk mainly relates to the non-current debts. The non-current debts primarily relate to contingent and deferred consideration payable in relation to historical acquisitions. We refer to section 6.2 on business combinations from Annual Report 2017 which describes the timing and conditions linked to these liabilities.

The maturity analysis of the bank borrowings and subordinated debts as well as the trade and other payables, the contingent considerations for Myring™ and Zoreline® and refundable government advances are shown below. Please note that the contingent considerations for Myring™ and Zoreline® and refundable government advances were not included in the below table as per 31 December 2017:

Thousands of Euro (€)	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 30 June 2018	**11,084**	**19,564**	**9,994**	**42,736**	**82,708**	**166,086**
Subordinated Loan & Bank Borrowings[18]	158	11,699	1,524	4,402	9,739	27,522
Finance lease liabilities[19]	394	1.837	4,126	12,379	26,277	45,013
Contingent considerations Myring and Zoreline & Refundable government advances[20]	500	6,029	4,344	25,955	46,692	83,519
Trade and other payables	10,032	-	-	-	-	10,032
At 31 December 2017	**36,135**	**9,111**	**2,699**	**12,569**	**12,569**	**93,983**
Subordinated Loan & Bank Borrowings	149	9,111	1,330	3,985	9,362	23,986
Finance lease liabilities	-	-	1,369	8,585	24,106	34,059
Trade and other payables	24,174	-	-	-	-	35,986

The EUR 9,596k CDMO Straight Loan (refer to Note 6.12 Borrowings) is reported as current on the balance sheet, but the liquidity risk is not relevant as repayments are conditioned to the granting of "subsidies" by Société Publique Wallonne (SPW). For the subordinated loans, an agreement on a reimbursement schedule still needs to be found with the SRIW before end of H2 2018.

Moreover, we computed the variable part of the refundable government advances and contingent considerations for Myring™ and Zoreline® based on the existing business plan at 30 June 2018. The fixed part of the refundable government advances is of course independent of these assumptions.

The contingent consideration for Estetra has been excluded from the table above, as it depends on the market share that Estelle® can obtain. Based on updated management estimates of the potential market share, the contingent consideration represents between circa 3 and 4% of the potential partner's realized revenues.

The following table shows the potential aggregate amount of the Estetra contingent consideration over a period up to and including 2040:

Assumed partner (COC) market share:	*Total contingent consideration Millions of Euro (€)*
5 %	300-400
7,5 %	500-650
10 %	650-850
15 %	950-1300

The difference between the above table and the amounts in the detail 6.12. Borrowings and 6.13. Financial instruments arises from the fact that the amounts above are undiscounted meaning that no discount rate neither probabilities of success of research and commercialization have been applied to them.

[18] Note that the interest payments were taken into account as per 30 June 2018 pursuant to IFRS 7.b11d which was not the case as per 31 December 2017.
[19] Idem (18)
[20] Idem (18)

The contingent considerations relating to the asset deal Donesta are not reported in the table above, for more details please refer to 9.5.2. Donesta Bioscience BV from the Annual Report 2017.

For more details on borrowings and other financial liabilities, refer to notes 6.12. (Borrowings) and 6.13. (Financial instruments).

d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to be in a position to provide returns for shareholders in the future and benefits for other stakeholders and to obtain over time an optimal capital structure to reduce the cost of capital.

For further details, since there are no significant changes, please refer to section 9.3.1. Financial risk factors d) Capital risk management from Annual Report 2017 and section 4.1 of this Interim Financial Report.

6.2. Business combinations and asset deals

During H1 2018, Mithra had no business combinations or asset deals to account for in its interim financial statements.

6.3. Segment information

As of December 2017, due to the increasing volume of new licensing deals, operating activities since 2017 are being reviewed at two levels: Benelux business for product sales and Out-licensing business for partnership deals within Mithra. A distinction is being made in the information provided regularly to the chief operating decision maker, François Fornieri. Moreover, some key figures can be displayed geographically within the Benelux business model.

Geographical information:

Thousands of Euro (€)	June 2018	June 2017
Discontinued operations	**5,906**	**7,184**
Product sales	**5,906**	**7,184**
Belgium	5,709	6,992
Luxembourg	197	192
Continuing operations	**6,718**	**5,477**
Product Sales	**1,033**	**1,578**
The Netherlands	306	765
Others countries	727	813
Out-licensing	**5,685**	**3,900**
Out-licensing (worldwide)	5,685	3,900
Total Revenues	**12,624**	**12,662**

For more details on the sales and license fees, please refer to section 6.15. Revenue and other operating income.

For more details about the discontinued operations, please refer to Note 6.18 Discontinued operations.

In the first semester 2018, one major customer representing 40% of total Net Sales has been identified in the "out-licensing" segment. No other customer represented more than 10% of total revenue.

Non-Current assets

Thousands of Euro (€)	*30 June 2018*	*31 December 2017*
Continuing operations		
Belgium	176,306	162,005
Brazil	469	478
Luxembourg	6	9
The Netherlands	7,998	7,998
France	0	0
Germany	9	10
Total Continuing operations Non-Current assets	**184,790**	**170,500**
Discontinued operations		
Belgium (Assets held for sale)	434	-
Total Discontinued operations Non-Current assets	**434**	-

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 and some minor assets in Brazil, Luxemburg and Germany.

6.4. Result for the period

The Group made a net loss of EUR 34,448k for the first half of 2018, compared to a net loss of EUR 18,792k for the first six months of 2017.

The Revenues of the Group remain stable in the first half of 2018 at EUR 12,624k (H1 2017: EUR 12,662k). Although stable, we see an increase of the license revenues (EUR 1,785k) related to the partnership agreements from EUR 3,900k in H1 2017 to EUR 5,685k in H2 2018 (mainly for Estelle® with Libbs for EUR 5,000k and with Searchlight for EUR 500k); and a decrease of sales in the Benelux markets (EUR 1,737k), mainly due to brand switches, a later launch than expected for Laclimella and Papilocare, and the termination of contract for some distributed products. We also reported a further drop in sales in Germany and France (EUR 64k). We remind that the French activities were sold in December 2017; and the German company is on hold and reported an insignificant amount of sales revenues as we don't develop a sales and distribution organization anymore.

Cost of Sales remained largely stable, driving the increase in Gross Profit from EUR 8,032k to EUR 9,004k.

Total Operating Expenses of the Group have decreased by 33% from EUR 32,448k in H1 2017 to EUR 21,889k in H1 2018. Research and development expenses (excluding payroll costs) decreased in the first half 2018 by 30% to EUR 19,401k (H1 2017: EUR 25,502k). This decrease is primarily due to decreased R&D activity for the Phase III studies of Estelle® and the Phase II study of Donesta® both nearing completion. R&D expenses for Donesta® should increase in the second semester 2018 in light of Phase III study expenses.

This decrease in R&D expenses together with an increase in Other operating income, from EUR 602k to EUR 4,413k, which is mainly explained by tax credit 2018 estimations and by refundable government advances recognition mechanism, resulted in an improved negative EBIT of EUR 12,885k in 2018 compared to EUR 24,416k in 2017.

The net financial expenses of EUR 28,933k is mainly the result of the IFRS adjustment in the fair value of the contingent consideration payable and in the amortized cost of government advances, in addition to interest payable.

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 as well as explained by the temporary difference arising from the recognition of a deferred tax asset on the fair values of the Estetra earn-out for EUR 7,654 k in H1 2018.

Higher expected future revenues related to Estelle® captured in our business plan led to an increase of fair value for the contingent consideration payable reported for Estelle® (EUR 68,319k in June 2018 compared to EUR 41,811k in 2017); an IFRS adjustment in the fair values which was the main driver of the net financial expenses of EUR 28,933k, a non-cash element in the income statement; together with the amortized cost of government advances and interest payables.

In this section Interim condensed consolidated financial statements, we have isolated the discontinued operations related to the sale of the Belux activities to Ceres Pharma. For more details please refer to Notes 6.18 Discontinued Operations.

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 a near 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 assets increase of EUR 8,368k mainly related to the tax effects arising from the recognition of a deferred tax asset on the fair values of the Estetra earn-out for EUR 7,654 k in the first semester. Indeed, the estimation of management changed mainly because of its higher estimate for future sales revenues.

The deferred tax asset relates also to fiscal losses carried forward at the level of Mithra, Estetra and Novalon and to the temporary difference arising from the differences in accounting principles at the level of Mithra, Estetra and Novalon. Management is convinced that these companies will generate sufficient profits in a near future in order to be able to recover the fiscal losses carried forward and justify the recognition of the deferred tax asset.

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 period.

FOR CONTINUING OPERATIONS:

Thousands of Euro	*30 June 2018*	*30 June 2017*
Result for the purpose of basic loss per share, being net loss	(35,534)	(20,462)

Number of shares	*30 June 2018*	*30 June 2017*
Weighted average number of shares for the purpose of basic loss per share	34,735,780	31,250,816
Basic loss per share (in Euro)	(1.02)	(0.65)
Diluted loss per share (in Euro)	(1.02)	(0.65)

FOR DISCONTINUED OPERATIONS:

Thousands of Euro	*30 June 2018*	*30 June 2017*
Result for the purpose of basic benefit per share, being net benefit	1,087	1,670

Number of shares	*30 June 2018*	*30 June 2017*
Weighted average number of shares for the purpose of basic benefit per share	34,735,780	31,250,816
Basic benefit per share (in Euro)	0.03	0.05
Diluted benefit per share (in Euro)	0.03	0.05

On 4 June 2018, the Company closed a capital increase by way of a Private Placement and issued 2,672,414 new shares. The weighted average number of shares over the course of the first half of 2018 is 34,735,780.

6.7. Intangible assets and goodwill

The goodwill results entirely from the acquisition of Estetra (EUR 3,814k) and Novalon (EUR 1,420k).

Intangible assets primarily include intangible assets related to the acquisition of Estetra (EUR 30,686k), Novalon (EUR 38.257k) and the Donesta® asset deal (EUR 8,000k). Other intangible assets consist mainly of a portfolio of acquired product 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 for use in Tibelia®. No impairment was booked on those intangible assets.

The increase in intangible assets during 2018 is primarily explained by the development costs capitalization in Estetra related to the project "E4 synthesis" (for EUR 1,013k), which have entered into the development phase since 2017.

6.8. Property, plant and equipment

During the period, the Group recorded EUR 4,963k of additions to the tangible fixed assets which were mainly related to the construction of the first and second phase of the new production facility for the manufacturing of pharmaceutical products (Mithra CDMO) and also explained by the development costs capitalization at the CDMO facility. The machines acquired for the CDMO facility are not yet available for use, and were not in consequence depreciated over the period. In order to finance these machines, the Group entered into several financial leases as explained in Note 6.12.

6.9. Investments in associates

Investments in associates included a 25.13% participation in Targetome which was accounted using the equity method resulting in a value of EUR 89k in our books at 30 June 2017.

End of 2017, the Board of Directors of Targetome decided to terminate its activities. Further decisions regarding the future of the Company are expected so that its value was derecognized in 2017.

6.10. Trade and other receivables

Trade and other receivables decreased by EUR 16,066k which is mainly the result of the collection of the milestone invoice to Libbs and invoices to GSP related to the injectable contracts and milestones on the development of Zoreline which were unsettled as at 31 December 2017 (EUR 10.9 million as per press release dated 2nd March 2018), the clearing of recoverable VAT reported as at 31 December 2017 (EUR 5.3 million) which together with the new recoverable VAT recognized over the first semester had a net impact of EUR 3,9 million).

6.11. Share capital

6.11.1. General

On 30 June 2018 and 31 December 2017, the Company's share capital was represented by the following number of shares (units).

	30 June 2018	31 December 2017
Number of shares (issued and fully paid-up)	**37,639,495**	**34,967,081**

These shares are fully paid and have no nominal value.

There are no shares categories within the company; i.e. all shares entitle their owner to the same rights. There are no treasury shares as at end of June 2018.

There are some shares reserved for issuance under options, which are warrants to be exercised as from 1st January 2019.

6.11.2. Changes in capital

The change in the number of shares during each of the periods ending on 30 June 2018 is as follows:

Thousands of Euro	*Number of shares*	*Issued capital*	*Share premium*	*Total*
Balance at 31 December 2015	**31,129,756**	**22,613**	**122,830**	**145,443**
Nil				
Balance at 31 December 2016	**31,129,756**	**22,613**	**122,830**	**145,443**
- Incorporation in capital of private placement	3.,112.975	1,957	24,177	26,134
- Capital increase by subscription rights	724,350	530	1,948	2,479
- Transaction costs for equity issue		(65)	(676)	(741)
Balance at 31 December 2017	**34,967,081**	**25,036**	**148,279**	**173,315**
- Incorporation in capital of private placement	2,672,414	1,956	75,544	77,500
- Transaction costs for equity issue		**(67)**	**(2,236)**	**(2,304)**
Balance at 30 June 2018	**37,639,495**	**26,924**	**221,586**	**248,511**

A capital transaction was initiated on 31 May 2018. The Company offered 2,672,414 new shares to certain qualified and/or institutional investors including Tier 1 investors. As, the offered new shares represented less than 20% of the Company's total shares currently admitted to trading on Euronext Brussels (pre-transaction) and brought the total number of shares (post-transaction) to 37,639,495, there was no legal obligation for the Company to issue a Prospectus.

6.12. Borrowings

Thousands of Euro (€)	*30 June 2018*	*31 December 2017*
Subordinated loan	**13,638**	**11,158**
Bank borrowings	**36,489**	**37,578**
Borrowings	3,258	3,519
Financial Lease	33,230	34,059
Refundable government advances	**8,959**	**7,785**
Other loans	**71,923**	**46,727**
Capital grants	495	495
Other financial liabilities	71,428	46,232
Non-Current	**131,008**	**103,247**
Subordinated loan	104	104
Short term bank loans	9,766	8,826
Other borrowings	379	379
Refundable government advances	764	493
Other financial liabilities	5,240	6,434
Current	**16,253**	**16,236**
Total Borrowings	**147,262**	**119,483**

For the construction of the new CDMO building, the Group made new drawdowns under its subordinated debt facilities (EUR 2,522k) and a straight loan facility (EUR 936k) over the course of the first half 2018. The Innodem loans reported under "Borrowings" have reduced by EUR 175k. The subordinated debt bears interest at fixed rates of 5.5% and 6.5% and is repayable within 15 years after 2019.

The Group still has refundable government advances granted by the Walloon region. Payment of awarded amounts that have not yet been received is subject to the achievement of certain milestones. Refundable advances are subject to certain obligations. In case such obligations are not complied with, the refundable advances could be suspended, reviewed or reclaimed. The Group has the obligation to continue the development of the relevant project. In case such a project is stopped, the Group can return rights to the results and the data generated in the project to the Service Public Wallonie (SPW), in which case the repayment obligation also terminates. The refundable advances have a fixed repayment part and a variable repayment scheme. The variable part is dependent on the success of the project (i.e. based on a percentage of turnover). It should be noted that, while the variable parts of these advances are only due upon commercialization, the fixed parts are due in any event. The fixed and variable parts (including interest payments) can never exceed the double of the initial received amount. The variable part to be repaid will depend on the performance of the product candidate.

Other financial liabilities (current and non-current) primarily include the fair value of the contingent liabilities for Estetra (EUR 68.319k) as well as the fair value of contingent payments relating to certain contractual obligations with respect to the acquired Zoreline® and Myring™ products (EUR 8,348k), refer to note 6.13.2.

In June 2018, as usual the refundable government advances have been measured at amortized cost (EUR 9,723k for current and non-current). The amounts of refundable government advances measurements have increased compared to December 2017 since we updated the future sales expectations on the related projects. We also increased the probability of commercial success for Myring™ which had an impact on the amounts. For more detail about refundable government advances, please refer to the Note 9.16.2 refundable government advances of the Annual Report 2017.

6.13. Financial instruments

6.13.1. Classes and fair value of financial instruments

All financial instruments, except the refundable government advances that are carried at amortized costs, are carried at fair value. Given the current nature of the other financial assets and liabilities involved, 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: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Financial Assets:

Trade & other receivables, Other short term deposits and Cash & cash equivalents items will typically be considered as Level 2. Cfr notes 9.12, 9.13 and 9.14 from Annual Report 2017 for the fair values of these financial assets which do not differ from the book values.

Financial liabilities:

The following table presents the Group's liabilities that are measured at fair value at 30 June 2018 and 31 December 2017:

Thousands of Euro (€)	*30 June 2018*	*31 December 2017*	
Non-Current liabilities	**71,428**	**46,232**	
Other financial liabilities	71,428	46,232	Level 3
Current liabilities	**5,240**	**6,434**	
Other financial liabilities	5,240	6,434	Level 3

The following table shows the roll forward of the Level 2 and 3 financial liability instruments:

Thousands of Euro (€)	*Other financial liabilities*
Balance at 1 January 2018	**52,665**
Business combination and acquisition of assets	
Charged/(credited) to income statement	27,193
Settlements	(3,190)
Balance at 30 June 2018	**76,668**

The fair value of the contingent payments has been determined using a probability weighting approach based on the discounted cash flows. A risk-adjusted discounted cash flow model was used, where all future cash flow are probabilized using statistical data gathered from the biotech sector and then discounted using the updated WACC applicable to Mithra.

Contingent considerations relating to intangible assets		Probability of sucess		
	Amount fair valued	**Phase 2**	**Phase 3**	**WACC**
Estelle®	68,319	100%	38%	14.37%
	Amount fair valued	**R&D**	**Commercial**	
Zoreline®	4,565	30%	55%	14.37%
Others	3,783	90%	75%	14.37%
Total contigent considerations	**76,668**			

The increase of fair value for the contingent consideration for Estetra (EUR 68,319k in June 2018 compared to EUR 41,811k in 2017) is the result of higher expected future revenue, notably due to an update of the sales forecasts done in S1 2018, the change of the business plan in order to capture the updated management's estimates related to the generic market development as from year 2028 and the discount rate update (less significant).

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 per warrant. Warrants are conditional on the person completing a 4 year vesting period. These warrants are in principle exercisable as of 2019. The fair value of the 1.089 warrants at grant date was 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	EUR 5,646
Expected dividend yield	
Expected stock price volatility	45.30%
Risk-free interest rate	0.53%
Expected duration	8 years
Fair value	EUR 2,789k

In 2017, there has been an exercise of 439 subscription rights (warrants) at the end of November. These warrants were settled during the vesting period which was accounted for as an acceleration of vesting by immediately recognizing the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

650 warrants are still outstanding at 30 June 2018. During the reporting period EUR 217k was charged to the statement of profit or loss.

6.15. Revenue and other operating income

Revenue

The Group's revenue consists of product sales and license revenues as follows:

Thousands of Euro (€)	June 2018	June 2017
Discontinued operations	**5,906**	**7,184**
Product sales	**5,906**	**7,184**
Belgium	5,709	6,992
Luxembourg	197	192
Continuing operations	**6,718**	**5,477**
Product Sales	**1,033**	**1,578**
The Netherlands	306	765
Others countries	727	813
Out-licensing	**5,685**	**3,900**
Out-licensing (worldwide)	5,685	3,900
Total Revenues	**12,624**	**12,662**

For more details about the discontinued operations, please refer to Note 6.18 Discontinued operations.

The Revenues of the Group remain stable in the first half of 2018 at EUR 12,624k (H1 2017: EUR 12,662k). Although stable, we see an increase of the license revenues (EUR 1,785k) related to the partnership agreements from EUR 3,900k in H1 2017 to EUR 5,685k in H2 2018 (mainly for Estelle® with Libbs for EUR 5,000k and with Searchlight for EUR 500k); and a decrease of sales in the Benelux markets (EUR 1,737k), mainly due to brand switches, a later launch than expected for Laclimella and Papilocare, and the termination of contract for some distributed products. We also reported a further drop in sales in Germany and France (EUR 64k). We remind that the French activities were sold in December 2017; and the German company is on hold and reported an insignificant amount of sales revenues as we don't develop a sales and distribution organization anymore.

The Group has adopted IFRS 15 early for the preparation of its consolidated financial statements 2017. IFRS 15 Revenue from Contracts with Customers (applied by the Group as from 1 January 2017) establishes a new comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition standards, including IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 18 Transfers of Assets from Customers and IFRIC 13 Customer Loyalty Programmes. The Group chooses to apply IFRS 15 using the full retrospective approach (being to restate comparative figures with the IFRS 15 requirements) and has conducted a detailed analysis of its contracts and concluded that adoption of IFRS 15 does not affect revenues that were reported for the half year ended 30 June 2017.

Here below is a disclosure applying IFRS 15 versus IAS 18 that shows that there are no differences that impact the revenue recognition at 30 June 2017:

Thousands of Euro (€)	30 June 2017		
	Under IAS 18	Restated under IFRS 15	Difference
Product sales	8,762	8,762	-
Out-Licensing revenue	3,900	3,900	-
Total revenues	**12,662**	**12,662**	-

Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- Detail how the nature, amount, timing are affected by the change of method from IAS 18 to IFRS 15; and
- Enable users to understand the relationship with revenue segment information provided in note 9.6 from the Annual Report 2017.

Disaggregation of revenue June 2018 from continuing operations:

Thousands of Euro (€)	Product sales	Out-licensing	**30 June 2018**
Primary Geographic Markets			
Europe	306	185	
Outside Europe	727	5,500	
Total	**1,033**	**5,685**	
Product type			
Product sales	1,033	-	
License grant	-	5,685	
Manufacture and supply	-	-	
R&D services	-	-	
Total	**1,033**	**5,685**	
Timing of transfer of goods and services			
Point in time	1,033	5,685	
Over time	**-**	**-**	
Total	**1,033**	**5,685**	

Disaggregation of revenue June 2017:

Thousands of Euro (€)	Product sales	Out-licensing	30 June 2017
Primary Geographic Markets			
Europe	765	-	
Outside Europe	813	3,900	
Total	1,578	3,900	
Product type			
Product sales	1,578	-	
License grant	-	3,900	
Manufacture and supply	-	-	
R&D services	-	-	
Total	1,578	3,900	
Timing of transfer of goods and services			
Point in time	1,578	3,900	
Over time	-	-	
Total	1,578	3,900	

The main reasons for the increase in revenue from continuing operations is the out-licensing revenue that the Company could recognize over the first semester 2018 following IFRS 15 methodology for the Estelle® deals with (i) Libbs for EUR 5,000k and with (ii) Canadian market leader Searchlight Pharma for EUR 500k. The total revenue of licensing agreements at 30 June 2018 includes additional smaller deals and amounts to EUR 5,685k compared to EUR 3,900k in 2017. Additional payments were received related to licensing agreements for which revenue recognition was deferred to future periods.

Revenue from out-licensing contracts

Amounts received or milestones to be received in the near future have been recognized as revenue to the extent that it is highly probable that no reversal will be done in the future.

Most of the out-licensing contracts have a single performance obligation which is the grant of the license. Some contracts also contain other performances such as manufacture and supply obligations, which are distinct of the license.

An analysis has been conducted in order to determine whether the single performance obligation was satisfied or not as at 30 June 2018.

Summary table for revenue recognition and amounts deferred per type of payments:

Year ended 31 December 2017	Revenue recognized	Balance in Deferred Income
Non-refundable downpayments	500	1,110
Milestones payments	5,185	8,190
Sales	-	-
Total	**5,685**	**9,300**

The deferred income is the result of some amounts already invoiced to partners but not recognized in revenue as the related performance obligations were not yet completed as at 30 June 2018. The details are as follows:

- Estelle® deal for a total of EUR 4,500k to be recognized when the Phase III study will be entirely achieved;
- Downpayments related to R&D services still to be performed for EUR 1,110k;
- Milestones received in the context of the Zoreline® license agreement, amounts being contingent to the regulatory approvals in the different countries of the partner's territory.

As at 30 June 2018, no significant financing component was identified on any of the existing customer contracts.

6.16. Commitments and contingency

Rent and Lease commitments

On 17 November 2014, the Company entered into finance leases for the construction and use of a production facility for the manufacturing of pharmaceutical products (Mithra CDMO). The leases were to commence at the earliest of the operational approval of the construction, or on 31 October 2016. These leases were amended in 2016. The amendment consisted of a change in the entering into force of the leases until 30 April 2017, together with a grace period on the principal repayments until April 2019. The total investment for Phase I was expected to amount to EUR 49,400k. Mithra committed to participate in the financing of up to 32.87% of the construction costs by transferring the proceeds of a subordinated loan and grants that would be pre-financed by straight loans. The remainder would be financed through two lease agreements: a lease contract of land and buildings with a term of 15 years for a total amount of EUR 24,900k, and an equipment lease for a total amount of EUR 8,000k with a term of 7 years. The leasing total of EUR 24,900k was amended during the course of 2016 to EUR 25,164k.

Additionally, on 20 May 2016, the Company entered into new finance leases for the Phase II construction of the production facilities for the manufacturing of pharmaceutical products for which the total investment was estimated at circa. EUR 25,835k. The leases will commence at the earliest of the operational approval of the construction or on 30 April 2019. Similar to the Phase I financing, Mithra committed to participate in the financing of up to 35.04% of the construction costs by transferring the proceeds of a subordinated loan and of grants that would be pre-financed by straight loans. The remainder is financed through two lease agreements: a lease contract of land and buildings with a term of 15 years for a total amount of EUR 9,097k and an equipment lease for a total amount of EUR 7,685k with a term of 7 years.

A new lease contract has been signed for a machine for the contraceptive ring bonding system in March 2018 for a total amount of EUR 1,397 K for 36 months. The lease should be recognized during the second half 2018 when the machine will be delivered.

As from 2019, the Group will implement the norm IFRS 16 which implies that all our lease commitments should be transferred and disclosed on the balance sheet. We identified the following leases on which there will be an impact of IFRS 16 for Mithra;

- Manufacturing equipment
- More or less 80 company cars rental contracts
- Rental agreements for the rent of office buildings.

Collaborative research and development arrangements

Mithra has signed an agreement with PRA Health Sciences as a Clinical Research Organization (CRO) for the Phase III clinical trials on its product candidate Estelle®, a combined oral contraceptive, composed of 15 mg of Estetrol (E4) and 3 mg of dropirenone (DRSP) for a total budget of EUR 60 million to be paid by Mithra.

For the finalization of the Phase II dose-finding study of Donesta®, Mithra decided to transition from Chiltern to Syntaract as CRO (Clinical Research Organization).

Organon/Merck patent dispute

Since 2008, Mithra has been involved in a legal proceeding against Organon NV and Merck Sharp & Dohme BV regarding an alleged patent infringement. Currently, Organon and Merck have claimed provisional damages of EUR 1,000,000 while they estimate the actual loss on profit at EUR 2,465,507. A judgment partially ruling in favor of Organon and Merck was rendered on 11 December 2015 and the Commercial Court appointed an expert to advise on the damages suffered by Organon and Merck because of the partial infringement. Mithra lodged an appeal to overturn the judgment. The procedure is now pending before the Court of Appeal. No hearing date has been set yet. 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, arising from a dispute 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 non-compliance 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 set out the importance of the product in question, which targeted a market of potentially tens of millions of Euros. 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 1in 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 choose to reactivateit.

6.17. Events after reporting period

On 30 July, Mithra announced that it had signed a comprehensive Belux partnership with Ceres Pharma, a Belgian-based company focused on over-the-counter (OTC) and specialist healthcare. The agreement covers the sale of the Women's Health branded generics business in Belgium and Luxembourg as well as license and supply agreements for a number of Mithra's products and product candidates developed in-house, including licenses[21] for the commercialization in Belux of Tibelia®, Myring™ and Estelle®.

Under the terms of the agreement, Mithra received an immediate payment of EUR 20 million. Pending certain sales milestones, Mithra is eligible to receive an additional EUR 20 million in earn-outs over the next five years. In addition, to the extent that Mithra remains responsible for the co-marketing of certain products, Ceres Pharma will pay a low double-digit service fee on net sales.

For Mithra, the sale of the branded generics business realized the value of an increasingly non-core asset, as the Company continues to become a fully-focused innovative biopharma company. More particularly, following the successful results from the Phase IIb study of Donesta® (menopause) and with the pivotal Estelle® Phase III studies (contraception) drawing to an end, the agreement enables Mithra to focus on these two potential blockbusters.

6.18. Discontinued operations

On 30 July 2018, Mithra announced the signature of the deal with Ceres in order to sell the Belux activities. The divestment of the Belux portfolio is in line with Mithra's strategy to realize the value of its non-core assets and fully focus on its key value-driving pipeline.

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[21] Semi-exclusive license on Estelle, exclusive license on Myring, semi-exclusive license on Tibelia, exclusive license on Daphne, in Benelux

As from end of June 2018, the Company had the intention to sell these assets and it became highly probable to close a deal in this respect. As consequence, the Group presents the related activities as "discontinued operations" according to IFRS 5 (Non-current assets held for sale and Discontinued operations).

The agreement covers the sale of Mithra's portfolio of in-licensed branded generics in Women's Health. This business, which mainly concerns distribution licenses for contraceptives, generated revenues of around EUR 14 million in 2017 in Belgium and Luxembourg. Also included are License and Supply Agreements (LSAs) for a number of Mithra's products and product candidates developed in-house, such as licenses[22] for the commercialization in the Belux territories of Tibelia®, Myring™ and Estelle®.

Income statement for discontinued operations

Thousands of Euro		*30 June 2018*	*30 June 2017*
CONSOLIDATED INCOME STATEMENT	Notes		
Revenues	**6.15**	**5,906**	**7,184**
Cost of sales		**(2,933)**	**(3,264)**
Gross profit		**2,973**	**3,921**
Selling expenses		(1,458)	(1,391)
Total operating expenses		**(1,458)**	**(1,391)**
Operating Profit / (Loss)		**1,516**	**2,530**
Financial result		**0**	**0**
Profit / (Loss) before taxes		**1,516**	**2,530**
Income taxes		**(429)**	**(860)**
Net Profit / (Loss) for the period		**1,087**	**1,670**

Assets and liabilities held for sale

Thousands of Euro	*Notes*	*30 June 2018*
ASSETS		
Non-current assets		**434**
TOTAL ASSETS		**434**

Cash flow statement from discontinued operations

Thousands of Euro	*30 June 2018*	*30 June 2017*
Cash flow from operating activities	1,516	2,530
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Cash flow from discontinued operations (net increase/decrease)	**1,516**	**2,530**

[22] Idem 21

6.19. Alternative performance measure

Mithra decided to use some alternative performance measures (APMs) that are not defined in IFRS but that provide helpful additional information to more clearly asses how the business has performed over the period. Mithra decided to use REBITDA in order to provide information on recurring items but this measure should not be viewed in isolation or as an alternative to the measures presented in accordance with IFRS.

REBITDA is an alternative performance measure calculated by excluding the discontinued operations, the non-recurring items and the depreciations & amortizations from EBIT (operating loss) from the consolidated statement of income prepared in accordance with IFRS. The Group considers one-off items and exceptional items as non-recurring items.

Refer to note 3.1 on Financial Highlights for the reconciliation to EBIT.

III.
Statement of the responsible persons

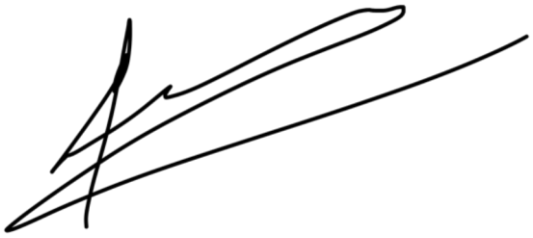
III. Statement of the responsible persons

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 a 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.

On behalf of the Board of Directors



ALYCHLO NV, represented by
Marc Coucke, Chairman

YIMA SPRL, represented by
François Fornieri, Managing Director

CMM&C SPRL, represented by
Christophe Maréchal, CFO

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

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

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 2018

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of MITHRA PHARMACEUTICALS SA as of 30 June 2018 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.

Battice, September 25th, 2018

BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory auditor
Represented by Cédric ANTONELLI

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