
mithra
Women's Health
Half Year
Results
30 June 2019

Interim Financial Report
as at 30 June 2019

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

1. Corporate presentation

Mithra (Euronext: MITRA) is dedicated to providing innovation and choice in women's health, with a particular focus on contraception and menopause. Mithra's goal is to develop new and improved products that meet women's needs for better safety and convenience, throughout their life span. Its three lead development candidates - a fifth generation oral contraceptive Estelle®, the first complete oral treatment for perimenopause PeriNesta® and next-generation hormone therapy Donesta® - are built on Mithra's unique native estrogen platform, E4 (Estetrol). Mithra also develops and manufactures 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 milestones in the first six months of 2019 both with regards to its E4 (Estetrol) unique native estrogen pipeline and its Complex Therapeutics business. Following the positive results of the phase III study, the filing preparation for approval of Estelle® with the regulatory authorities should be completed by the end of 2019. In H1 2019 and post period end, Mithra accelerated preparations for the Phase III study of Donesta®, which will be launched in the second semester. Mithra also continued to develop new key partnerships for all its products and strengthened its financial position in order to provide a solid platform for the Company's future growth.

2.1. Estetrol (E4) unique native estrogen pipeline

Estelle®, the fifth generation oral contraceptive

In H1 2019, 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).

In January, Mithra announced positive topline results of Estelle® Phase III study in the United States/Canada ("E4 Freedom"). The primary efficacy endpoint indicates excellent contraceptive efficacy, with a Pearl Index (PI) of 2.41[1] per 100 women (98% efficacy rate), in line with expectations and similar to a recently FDA approved combined hormonal contraceptive (Annovera™[2]) and one of the best-selling Combined Oral Contraceptives (COC) in the U.S. (Lo-loestrin®[3]) with USD 527.7 million sales (15% yoy growth[4]). Key secondary endpoints (same as the one for the EU/RU study) were also achieved. These results confirm the unique benefit/risk profile of Mithra's innovative contraceptive, as well as the previous data from the Estelle® Phase II study on hemostasis and ovarian function.

In March, Mithra announced that it had signed a 20-year binding Head of Terms agreement with ITROM Pharmaceutical Group (ITROM) for the commercialization of Estelle® in the Middle East. Under the terms of the agreement, ITROM will distribute Estelle® in MENA[5] territories (Saudi Arabia, United Arab Emirates, Bahrain, Kuwait, Qatar, Oman, Lebanon and Jordan) where the COC market is estimated at EUR 30 million a year[6]. This agreement represents a deal worth up to EUR 55 million over the period.

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[1] European definition
[2] Registered trademark of Therapeutics MD
[3] Registered trademark of Allergan Plc
[4] Allergan plc 2018 full year earnings release
[5] Middle East and North Africa
[6] IQVIA Q3 2017: KSA, UAE, Lebanon, Jordan, Kuwait

In August (post period end), Mithra announced that it had entered into an exclusive license and supply agreement with Dexcel Pharma for the commercialization of Estelle® in Israel. Mithra will receive a down payment and recurring revenues based on minimum annual quantities (MAQ). Moreover, Mithra will manufacture Estelle® at its Contract Development and Manufacturing Organization facility (CDMO) in Belgium.

Also in August, Mithra announced that it had obtained a key additional patent for Estelle® for the dysmenorrhea[7] indication in Japan. Mithra considers Japan as one of its priority target territories for Estelle®, mainly due to the attractively priced and large market profile. Mithra already has a business partner - Fuji Pharma - for the commercialization of Estelle® in Japan and in the ASEAN countries, with a potential deal value of EUR 450 million over the period.

This additional patent opens the door for the dysmenorrhea market, which is four times larger than the contraceptive market, particularly thanks to the attractive reimbursement rate. Together, the contraception and dysmenorrhea markets in Japan account for at least EUR 270 million a year[8]. The issuance of this patent covering the management of dysmenorrhea extends Estelle's IP protection in Japan until 2037. In addition, Mithra will apply for a patent term extension based on its marketing authorization for Estelle® in Japan, which should extend the patent life for a maximum of 5 years. The patent application covering dysmenorrhea has also been filed in about 20 countries, mainly in Asia and Latin America where the dysmenorrhea market is particularly attractive in terms of sales volume and pricing.

Following the positive results of Phase III, Mithra is currently compiling the data for the filing with the regulatory authorities that should be completed by the end of 2019. Mithra will also continue its partnering discussions for the exclusive license and commercialization rights, in particular in the U.S., as well as in other key international markets.

PeriNesta®, the first complete oral treatment for perimenopause

In January, Mithra announced the expansion of its E4 development program with a third E4-based product candidate, PeriNesta®, for the underserved perimenopausal market. Perimenopause affects women between late reproductive and menopausal age, and is characterized by persistent irregular menstrual cycles, extreme fluctuations in hormonal levels, frequent anovulation and the appearance of VMS[9]. PeriNesta® (E4 15 mg/DRSP 3 mg/Vit) has the potential to be the first product on the market to meet the needs of women during this phase of life. It would offer women experiencing perimenopause an improved benefit-risk contraceptive solution and address the first menopausal symptoms like hot flushes.

PeriNesta® will be the subject of a limited safety study with a comparable formulation to E4 15mg/DRSP 3 mg in women aged around 50 years with vasomotor symptoms. The cost of the study will be low thanks to the extensive clinical data available. Mithra has also filed an additional patent application based on the existing data generated in previous clinical studies. This patent would strengthen and extend the E4 intellectual property estate for menopause and perimenopause until 2039.

This new blockbuster potential represents a significant new business opportunity while requiring limited additional investment. Up to 35 million patients each year in the U.S. and three major European markets make up this underserved market[10]. This represents a multi-billion EUR market value with no existing approved product on the market addressing the dual need of contraception and hot flushes relief and other menopausal symptoms during perimenopause. Pending regulatory agency approvals, Mithra should be in a position to target market authorizations in 2023.

[7] Dysmenorrhea refers to the symptom of painful menstruation
[8] IQVIA 2017
[9] Climacteric. 2012 Apr;15(2):105-14. doi: 10.3109/13697137.2011.650656. Epub 2012 Feb 16
[10] IQVIA 2019 market analysis (US, France, UK, Germany)

The next-generation hormone therapy Donesta®

The results of the Phase II study of Donesta® confirmed the potential of Donesta® as a next generation hormone therapy with a better benefit/risk profile. After these promising results, the Company announced early 2019 plans to accelerate preparations for its proposed Phase III E4 monotherapy study of Donesta® in menopause. This worldwide randomized, multicenter, double-blind, partial, placebo-controlled Phase III trial will evaluate the efficacy and safety of E4 for the treatment of moderate to severe VMS in postmenopausal women. Mithra appointed leading specialist Contract Research Organization (CRO) ICON Plc (NASDAQ: ILCR) to manage the study.

The start of patient recruitment for this phase III with E4 monotherapy is planned for the second half of 2019 pending approvals. The global menopause market currently stands at USD 12.6 billion and is expected to grow to approximately USD 16 billion by 2025[11].

With a strong cash position, a backlog of contracts with regulatory milestones to be collected in the near term, and a very promising out-licensing activity, Mithra is able to fund trials and complete the development of both the perimenopause and menopause programs itself. Depending on regulatory approvals, Mithra believes it could achieve marketing authorization for both candidates in 2023. Ongoing patent applications would protect Donesta® and PeriNesta™ intellectual property rights until 2039. Furthermore, Mithra remains focused on establishing the best commercial partnerships for these product candidates and to further accelerate commercial licensing agreements in menopause and in perimenopause in the U.S. and in the main European markets.

Estetrol platform

In March, Mithra presented the results of a new study on Estetrol at the 101st Annual Meeting of the Endocrine Society (ENDO 2019) held in New Orleans (U.S.) During the late breaking news session of this key international conference in endocrinology, Mithra presented the most recent findings on E4's mode of action. The results of this study delineate further E4's unique profile as an estrogen with selective actions in tissues, demonstrating the absence of specific membrane receptor effects. This additional data strengthens E4's unique character and the innovation of the E4 research platform. The specificity of E4 activity with lower hepatic effects should ultimately translate into safer clinical use across a broad range of indications, starting with contraception, perimenopause and menopause.

In April, Mithra announced that it had received Orphan Drug Designation (ODD) from the Food and Drug Administration (FDA) for the use of E4 in Neonatal Encephalopathy (NE). In addition to its three late-stage E4-based product candidates for contraception, perimenopause and menopause, Mithra is developing E4's potential in other therapeutic areas, particularly in neuroprotection for the treatment of hypoxic ischemic encephalopathy (HIE), a life-threatening form of neonatal asphyxia that affects 30,000 newborns each year in Europe and the United States[12]. The FDA granted Orphan Drug designation for E4 in the treatment of HIE based on promising preclinical results, in particular in pathophysiology, general well-being and motor functions. Mithra had already obtained this Orphan Drug Designation from the European Medicines Agency (EMA) in June 2017 and the non-clinical program is moving forward. Given its significant mortality and morbidity in newborns and the lack of available therapeutic alternatives, the development of a new E4-based treatment could meet a serious unmet medical need.

11 *IQVIA analysis 2019*
12 Kurinczuk et al. Early Hum Dev 2010; 86: 329-338, 2010.

2.2. Portofolio of complex therapeutics

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

To date, Mithra has licensed Myring™ to industry leaders in 11 international markets, including the United States, Austria, the Czech Republic, Russia, Denmark, Chile, MENA territories, Australia/New Zealand, South America, Germany and Israel. All contracts provide for the production of vaginal contraceptives at the Mithra CDMO facility in Belgium, which has tripled its production capacity to meet orders placed and the expected market increase. Further contracts are expected to follow in the next months, including in Europe, where Mithra will have 23 marketing authorizations granted.

In February, Mithra announced an exclusive 20-years license and supply agreement with ITROM for the commercialization of its combined hormonal contraceptive vaginal ring in the MENA territories[13], where the hormonal contraceptive market is worth EUR 37.5 million[14]. This agreement represents a deal worth at least EUR 6 million over the period.

In February, Mithra announced that its Mithra CDMO had successfully produced its first commercial batch of Myring™ for the European market. This first order of the vaginal contraceptive ring will be sold in the Czech Republic, a market worth approximately EUR 1.3 million[15].

In April, Mithra granted an exclusive 10-year license and supply agreement to Megalabs for the commercialization of its vaginal contraceptive ring in Latin America and South America (Argentina, Paraguay and the Dominican Republic). In Argentina alone, the market for contraceptive rings accounts for EUR 1.4 million a year[16], and is rapidly growing.

In May, Mithra announced that it had entered into an exclusive license and supply agreement with Hormosan for the commercialization of Myring™ in Germany. Hormosan is a subsidiary of the innovation-driven pharmaceutical company Lupin Group. Under the terms of this 5-year agreement, Hormosan will distribute Myring™ in Germany, which is the largest European market in terms of volume. With 3 million vaginal rings sold per year, the German contraceptive vaginal rings market is worth EUR 27 million per year[17]. Globally, this agreement could generate revenues of at least EUR 2.5 million for Mithra.

Post-period end, in August, Mithra granted an exclusive license to Dexcel Pharma for the commercialization of Myring™ in Israel. Under the terms of the agreement, Mithra will receive a down payment and recurring revenues based on minimum annual quantities (MAQ). Moreover, Mithra will manufacture hormonal rings at its Contract Development and Manufacturing Organization facility in Belgium.

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

Tibelia® is currently marketed in about ten countries through existing license and supply agreements.

In March, Mithra granted a license and supply agreement to Saval Pharmaceuticals, a leading pharmaceutical company based in Chile, to commercialize Tibelia® in Chile. Under the terms of the 7-year agreement, Saval will distribute Tibelia®, which has a tibolone market worth approximately EUR 3.2 million per year[18].

13 Middle East and North Africa: Saudi Arabia, United Arab Emirates, Bahrain, Kuwait, Qatar, Oman, Lebanon and Jordan
14 IQVIA Q3 2017, excluding Bahrain, Qatar and Oman
15 IMS Analytics Q3 2017
16 IQVIA Q3 2017, CAGR 19% (2012-2017).
17 IQVIA Q4 2018
18 IQVIA Q3 2017 CAGR +2.6% (2013-2017)

In May, the Canadian Health authorities (Health Canada) granted the Marketing Authorization for Tibelia®, indicated for the short-term treatment of vasomotor symptoms due to estrogen deficiency in postmenopausal women, more than one year after menopause. There are currently no tibolone-based products on the market in Canada (originator and generic included) for the relief of postmenopausal symptoms and prevention of osteoporosis in post-menopausal women. With the approval from Health Canada, Tibelia® will be launched as a new treatment option for these indications in Canada. The introduction of Tibelia® on the North American continent plays a crucial role in the international commercial expansion strategy in key attractive markets like the United States.

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

Having previously announced positive pharmacokinetic (PK) results for the one-month and three-month formulation of Zoreline®, Mithra initiated a pivotal clinical phamacodynamic study on the three-month formulation in the first half of 2019, as planned. The patient recruitment phase is expected to be completed by the end of 2019.

Zoreline® represents a significant business opportunity, with total sales of Zoladex® worldwide of USD 693 million in 2017[19]. No generic version of Zoladex® has been approved to date, except for a few Eastern European countries.

2.3. Mithra CDMO[20]

Thanks to its tripled production capacity and the acquisition of new equipment, Mithra's Research, Development and Manufacturing Platform is continuing to deploy its range of services, both in the Injectables division and for other complex therapeutics.

In February, Mithra CDMO started the commercial manufacturing process of its vaginal contraceptive ring Myring™ with a first batch for the European market (Czech Republic). Post-period end, the Mithra CDMO also started the manufacturing for further commercial batches for the European market. In addition, Mithra has produced new test batches of Myring™ for the commercialization by Mayne Pharma in the U.S. from 2020 and is currently manufacturing Estelle® validation batches for both the U.S. and EU filing.

In February, Mithra signed a contract with CEVA Animal Health, leading global veterinary pharmaceutical group. For this first veterinarian project, Mithra will develop a hormonal device for the fertility market. This new polymer-based device would bring innovation and an additional competitive edge to our partner while expanding Mithra's polymer based technology expertise.

In April, Mithra entered into a new agreement with Generic Specialty Pharma (GSP) for the development and supply of a sterile hormonal injectable product at Mithra CDMO. This contract follows the first collaboration agreement concluded with GSP in 2017 for the development of four injectable products and confirms GSP's confidence in the technological know-how of Mithra CDMO in this complex field.

2.4. Corporate information

In January, Mithra was awarded BelMid Company of the Year 2018 by Euronext Brussels at its annual New Year's Ceremony held in Brussels and presented by the Belgian Minister of Finance, Alexander De Croo. This prize is awarded to a company that has demonstrated the highest relative increase in market capitalization year-over-year.

19 IQVIA Q3 2017
20 Contract Development and Manufacturing Organization

In April, Mithra won the essenscia Innovation Award 2019, the most prestigious prize for industrial innovation in Belgium. Selected amongst a hundred candidates, Mithra was elected "Most innovative company 2019" for the development of its contraceptive pill Estelle®. Beside innovation, the essenscia Innovation Award takes into account various criteria, such as the strategy for intellectual property management, the environmental impact and the value added for the Belgian economy. Capping more than 20 years of research and development, this award was presented by her Royal Highness, the Princess Astrid, during a ceremony at the Palace of the Academies in Brussels.

In May, Mithra informed the shareholders during its Ordinary and Extraordinary Shareholders Meeting about Mithra Group future restructuring. Post-period end, Mithra completed the restructuring of the Group in accordance with what had been exposed to the Ordinary and Extraordinary Shareholders Meeting (see note 6.17)

In H1 2019, Mithra strengthened its Management Team with key appointments: Mrs. Alexandra Deschner as Investor Relations Officer, Mrs. Maud Vanderthommen as Communication Manager, Dr. Graham Dixon as Chief Scientific Officer and Mr. Renaat Baes as Plant Manager.

During the first half of the year and post-period end, the expertise of the R&D team has been considerably consolidated, particularly in the Medical Affairs and Regulatory departments, in order to prepare for the next stages of development of the Mithra portfolio. Since the beginning of 2019, the number of staff has increased significantly from 190 to 250 (+30%), and further job creation is expected in the coming months.

3. Financial highlights

3.1. Income statement

Figures presented below are management figures

Thousands of Euro	*Six months ended 30 June 2019*	*Six months ended 30 June 2018*
INCOME STATEMENT		
Revenues	**19,563**	**6,718**
Cost of sales	**(2,021)**	**(687)**
Gross profit	**17,542**	**6,031**
Research and development expenses	(19,167)	(18,342)
General and administrative expenses	(4,335)	(4,160)
Selling expenses	(605)	(761)
Other operating income	1,695	4,413
Total operating expenses	**(22,413)**	**(18,852)**
REBITDA*	**(4,871)**	**(12,821)**
EBITDA from discontinued operations	4,935	1,516
Share-based payments expenses	(2,594)	(217)
EBITDA	**(2,530)**	**(11,522)**
Depreciation	(2,460)	(1,363)
Loss from Operations	**(4,990)**	**(12,885)**
Financial income	52	238
Change in fair value[21] of contingent consideration payable	(98,901)	(27,225)
Financial expense	(6,830)	(1,947)
Loss before taxes	**(110,669)**	**(41,818)**
Income taxes	20,922	7,371
Net Loss for the period	**(89,747)**	**(34,448)**

Strong revenue growth (+191%) with significantly improved EBITDA.

Revenues from continued operations increased by 191% to EUR 19.5 million (from EUR 6.7 million in H1 2018) mainly due to licensing revenues of EUR 15 million recognized from partnership agreements with Gedeon Richter signed in 2018.

REBITDA[22] has been improved to EUR -4,871k in H1 2019 compared to EUR -12,821k in H1 2018 – reduced by 62%.

[21] Contingent consideration payables which is reported under Other financial liabilities, is fair valued through profit or loss.

[22] REBITDA is an alternative performance measure disclosing earnings from continuing operations before interest, financial income, tax, amortization and depreciation and adjusted for the (non-cash) change in fair value of contingent consideration payable and the (non-cash) equity settled share-based payment expense.

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EBITDA[23] significantly improved to EUR -2,530k in H1 2019 compared to EUR -11,522k in H1 2018 – reduced by 78%.

The light increase in operating expenses compared to 2018 is offset by a significant improvement in Gross Profit from continued operations (EUR 17,542k in 2019 compared to EUR 6,031k in 2018) which, together with an increase in EBITDA from discontinued operations (EUR 4,935k in 2019 compared to EUR 1,516k in 2018) mainly explained by the recognition of contingent consideration receivable related to the Ceres deal, resulted in an improved Operating Loss of EUR -4,990k in 2019 compared to EUR -12,885k in 2018.

The financial expense of EUR -6,830k is mainly the result of the IFRS adjustment in the amortized cost of government advances for EUR -4.9 million (reported in the consolidated income statement under financial expenses, non-cash elements). The remaining part of the financial expenses is related to the interests paid for EUR -1.9 million.

The loss before taxes at EUR -110,669k in H1 2019 is driven by an increase in the fair value of contingent consideration liabilities (earn outs) for EUR -98.9 million. Both the increase in the amortized cost of government advances and the change in the fair value of contingent consideration liabilities (earn outs) are non-cash elements, and their increases are explained by the increase of probability of success of obtaining a marketing authorization for Estelle® from 38% to 78%, reflecting the regulatory progress post positive results of Phase III during the first half of the year.

Primarily due to these non-cash elements impacting below the Operating result, the Group reported a Net Loss for the 6 months ending 30 June 2019of EUR -89,747k compared to EUR -34,448k for the 6 months ending 30 June 2018.

[23] EBITDA is an alternative performance measure disclosing earnings before interest, financial income, tax, amortization and depreciation and the change in fair value of contingent consideration payable.

4. Corporate Governance

4.1. Capital and shares

Since the last annual report and during the six months to 30 June 2019, due to the exercise of warrants (15 warrants on 30 January 2019 and 15 warrants on 24 April 2019), two increases of capital took place. Share capital was increased by EUR 36.238,96 from the exercise of warrants held by management.

On 30 June 2019, there were in total 37,688,995 ordinary shares duly composing the statutory share capital of Mithra which amounted to EUR 27,591,999.66 on that date. 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 carried by ordinary shares was 37,688,995 as at 30 June 2019.

Since our annual report published on April 8, 2019, following a conversion of warrants on April 24, 2019, the share capital has been modified.The share capital of Mithra amounts to EUR 27,591,999.66.

The number of existing shares and the number of voting rights remain unchanged since 30 June 2019 and to the date of this report.

4.2. Shareholders & Shareholder structure

Based on the transparency declarations that the Company has received, the significant shareholders of the Company (i.e. holding more than 3% of the outstanding voting rights) as at 30 June 2019 are:

Shareholder	Address	Number of voting rights	% of voting rights
François Fornieri[1]		10,618,757	28.17 %
Marc Coucke[2]		6,201,573	16.46 %
NOSHAQ SA	Rue Lambert-Lombard, 3, B-4000 Liège, Belgium	5,410,551	14.36 %
Bart Versluys[3]		1,699,496	4.51 %
Ogesip Invest SA	Boulevard du Roi Albert II, 37, B-1030 Bruxelles, Belgium	1,181,700	3.13 %
Free float		12,576,918	33.37 %

1. François Fornieri holds warrants entitling him to subscribe 1,023,000 additional shares of Mithra.
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.

The most recent transparency declarations are available on the company's website (www.mithra.com).

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

The composition of the Nomination and Remuneration Committee and the Board of Directors has changed since 26 February 2019. As of that date, based on the recommendation of the Nomination and Remuneration Committee who gathered on the 16 January 2019, Mr. Jacques Platieau has resigned from its position as chair of the Nomination and Remuneration Committee and member of the Board of Directors and been replaced by his company, Castors Development S.A. Castors Development S.A is represented in the Nomination and Remuneration Committee and in the Board of Directors by Mr Jacques Platieau. This resignation and cooptation take effect from 1September 2018. S.A. Castors Development is considered as an independent director under Article 526ter of the BCC.

Based on the recommendation of the Nomination and Remuneration Committee that took place on the 4th April 2019, the Ordinary and Extraordinary General Meeting appointed and/or renewed the followed directors on the Board of Directors for a term of 2 years until the General Meeting to be held in 2021:

Name	Position	Nature of mandate	Audit Committee	Nom & Rem Committee
Selva Luxembourg SA	Christian Moretti	Non-executive		
CG Cube SA	Guy Debruyne	Non-executive		
Noshaq SA	Gaëtan Servais	Non-executive	Member	Member
Alychlo NV	Marc Coucke	Non-executive-President		
P Suinen SPRL	Philippe Suinen	Independent	Member	
Castors Development SA	Jacques Platieau	Independent		Chair
Ahok BVBA	Koen Hoffman	Independent	Chair	
Aubisque BV	Freya Loncin	Non-executive		
P4Management BVBA	Christiane Malcorps	Independent		Member
Patricia Van Dijck	/	Independent		
Eva consulting SPRL	Jean-Michel Foidart	Executive		
YIMA SPRL	François Fornieri	Executive		
INVESTPARTNER SCRL	Joanna Tyrekidis	Non-executive		

On 23 April 2019, the Board of Directors appointed Mrs Fanny Storms as Compliance Officer as described in Corporate Governance Charter and in the Dealing Code.

The members of the Executive Committee as of 30 June 2019 are listed in the table below:

Name	Function
YIMA SPRL (Mr François Fornieri)	Chief Executive Officer, Chief Business Development Officer (President)
Eva consulting SPRL (Mr. Pr. J.M Foidart)	Chair of the Scientific Advisory Board
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)
DF Lifescience SPRL (Mr Graham Dixon)	Chief Scientific Officer (CSO)
BGL Consulting SPRL (Mr Benjamin Brands)	Chief Supply Chain Officer (CSCO)
Mr Patrick Kellens	Chief Information Officer (CIO)
Viribus Valorem SPRL (Ms Alexandra Deschner)	Investor Relations Officer (IRO)

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee having gathered on 16 January 2019, ratified the nomination of VIRIBUS VALOREM SPRL, represented by Alexandra Deschner as Investor Relations Officer (IRO). VIRIBUS VALOREM SPRL is a member of the Executive Committee.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee having gathered on 16 January 2019, ratified the nomination of Mrs Maud Vanderthommen, as Communication Manager under an employment contract. The Communication Manager is no longer a member of the Executive Committee.

During the Nomination and Remuneration Committee having gathered on 16 January 2019, RLD Consult SPRL represented by Geoffroy Dieu left his function as Chief Production Officer (CPO). RLD Consult SPRL left the Company on 15 April 2019 and was replaced by a new Plant Manager, MAREBA BVBA, represented by Mr Renaat Baes. The Plant manager is not a member of the Executive Committee.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee having gathered on 4 April 2019, ratified the nomination of DF Lifescience SPRL represented by Graham Dixon as Chief Scientific Officer (CSO). He also assumes the function of Medical Officer (MO). Dr. Graham Dixon is member of the executive committee.

5. Principal risks and uncertainties

The Board of directors considers that the key risk factors summarized in section 1.9 of the 2018 annual report remain relevant and which are not reproduced here.

6. Related party transactions

Over the course of the first half of the 2019 financial year, no significant transactions with related parties were entered into by Mithra. However, some significant amounts in the income statement arise from previous transactions, namely the share-based payment vesting costs (refer to Note 6.13) and the gain on sale of disposal (refer to Note 6.18).

II.
Interim condensed consolidated financial statements for the six months ended 30 June 2019

II. Interim condensed consolidated financial statements for the six months ended 30 June 2019

1. Interim consolidated statement of income statement (unaudited)

CONTINUING OPERATIONS

Thousands of Euro		*30 June 2019*	*30 June 2018*
CONSOLIDATED INCOME STATEMENT	Notes		
Revenues	**6.3, 6.14**	**19,563**	**6,718**
Cost of sales		**(2,021)**	**(687)**
Gross profit		**17,542**	**6,031**
Research and development expenses		(20,944)	(19,401)
General and administrative expenses		(7,539)	(4,511)
Selling expenses		(679)	(932)
Other operating income		1,695	4,413
Total operating expenses		**(27,467)**	**(20,431)**
Loss from Operations		**(9,926)**	**(14,401)**
Change in fair value of contingent consideration payable[24]	6.12	(98,901)	(27,225)
Financial income		52	238
Financial expense	6.12	(6,830)	(1,947)
Loss before taxes		**(115,604)**	**(43,334)**
Income taxes	**6.5**	**22,318**	**7,800**
Net Loss for the period		**(93,285)**	**(35,534)**
Weighted average number of share for the purpose of basic loss per share		**37,462,950**	**34,735,780**
Basic loss per share (in Euro)		(2.49)	(1.02)
Diluted loss per share (in Euro)		(2.49)	(1.02)

[24] Fair value is computed on the contingent consideration payables which are reported under Other financial loans

DISCONTINUED OPERATIONS[25]

Thousands of Euro		*30 June 2019*	*30 June 2018*
CONSOLIDATED INCOME STATEMENT	Notes		
Revenues	**6.14**	**0**	**5,906**
Cost of sales		**0**	**(2,933)**
Gross profit		**0**	**2,973**
Selling expenses		0	(1,458)
Other operating income		583	-
Gain on sale of disposal group		4,352	-
Total operating expenses/income		**4,935**	**(1,458)**
Profit from Operations		**4,935**	**1,516**
Financial result		**(1)**	**0**
Profit before taxes		**4,935**	**1,516**
Income taxes		**(1,397)**	**(429)**
Net Profit for the period		**3,538**	**1,087**

GROUP TOTAL

Thousands of Euro		*30 June 2019*	*30 June 2018*
CONSOLIDATED INCOME STATEMENT			
Revenues	**6.3, 6.14, 6.18**	**19,563**	**12,624**
Gross Profit		**17,542**	**9,004**
Loss from Operations		**(4,990)**	**(12,885)**
Change in fair value of contingent consideration payable[26]		(98,901)	(27,225)
Financial income		52	238
Financial expense	**6.12**	(6,830)	(1,947)
Loss before taxes		**(110,669)**	**(41,818)**
Income taxes	**6.5**	20,922	7,371
Net Loss for the period		**(89,747)**	**(34,448)**
Attributable to			
Owners of the parent		(89,747)	(34,448)
Non-controlling interests		-	-

The accompanying notes are an integral part of these financial statements.

[25] Please refer to note 6.18 Discontinued operations
[26] Fair value is computed on the contingent consideration payables which are reported under Other financial loans

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

Thousands of Euro	*30 June 2019*	*30 June 2018*
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Net loss for the period	**(89,747)**	**(34,448)**
Other comprehensive loss	**24**	**(9)**
Currency translation differences	24	(9)
Total comprehensive income for the period	**(89,723)**	**(34,457)**
Attributable to		
Owners of the parent	(89,723)	(34,457)
Non-controlling interests	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(89,723)**	**(34,457)**

The accompanying notes are an integral part of these financial statements.

3. Interim consolidated statement of financial position (unaudited)

Thousands of Euro	*Notes*	*30 June 2019*	*31 December 2018*
ASSETS			
Property, plant and equipment	6.8	21,658	84,396
Right-of-use assets		69,172	-
Goodwill	6.7	5,233	5,233
Other Intangible assets	6.7	85,502	81,907
Deferred tax assets		49,532	27,045
Contract assets	6.14	29,418	14,350
Other non-current assets	6.14	8,605	3,435
Non-current assets		**269,120**	**216,366**
Inventories		14,110	10,945
Contract assets	6.14	1,000	1,000
Trade and other receivables	6.9	8,697	12,468
Cash and cash equivalents		77,466	118,949
Current assets		**101,274**	**143,362**
TOTAL ASSETS		**370,394**	**359,728**

Thousands of Euro	*Notes*	*30 June 2019*	*31 December 2018*
EQUITY AND LIABILITIES			
Equity			
Share capital	6.10	26,961	26,925
Additional paid-in-capital	6.10	221,720	221,587
Accumulated deficit		(184,710)	(97,557)
Translation differences		(38)	(62)
Equity attributable to equity holders of the parent		**63,933**	**150,893**
Subordinated loans	6.11	12,279	14,222
Other loans	6.11	7,204	53,148
Lease liabilities	6.11, 6.15	47,728	-
Refundable government advances	6.11	14,330	10,252
Other financial liabilities	6.12	184,558	88,620
Provisions	6.16	607	266
Contract liabilities	6,14	4,017	4,017
Deferred tax liabilities	6.5	3,403	2,202
Non-current liabilities		**274,126**	**172,727**
Current portion of Subordinated loan	6.11	901	173
Current portion of Other loans	6.11	6,290	12,405
Current portion of Lease liabilities	6.11, 6.15	4,329	-
Current portion of Refundable government advances	6.11	1,266	668
Current portion of Other financial liabilities	6.12	5,472	7,007
Trade payables, Accrued charges & other current liabilities		13,693	15,520
Corporate tax payable		386	334
Current liabilities		**32,335**	**36,109**
TOTAL EQUITY AND LIABILITIES		**370,394**	**359,728**

The accompanying notes are an integral part of these financial statements.

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

Thousands of Euro	*Share capital*	*Additional paid-in-capital*	*Retained earnings*	*Foreign currency translation reserve*	*Share Based Payments*	*Total equity*
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**
Balance as at 1 January 2019	**26,925**	**221,587**	**(101,107)**	**(62)**	**3,551**	**150,893**
Result for the period			(89,747)			(89,747)
Other comprehensive income for the period				24		24
Capital increase warrants 30 January 2019	18	67				85
Capital increase warrants 24 April 2019	18	67				85
Share-based payments					2,594	2,594
Balance as at 30 June 2019	**26,961**	**221,720**	**(190,854)**	**(38)**	**6,144**	**63,933**

The accompanying notes are an integral part of these financial statements.

5. Interim consolidated statement of cash flows (unaudited)

GROUP TOTAL (INCLUDING DISCONTINUED OPERATIONS)

Thousands of Euro		*30 June 2019*	*30 June 2018*
CASH FLOWS FROM OPERATING ACTIVITIES			
Result from operations		**(4,990)**	**(12,885)**
Depreciation and amortisation		2,460	1.,363
Gain on sale of disposal group		(4,352)	-
Tax credit	6.14.	(517)	(597)
Share-based payments	6.13.	2,594	217
Subtotal		**(4,805)**	**(11,901)**
Changes in Working Capital			
Increase/(decrease) in Trade payables and other current liabilities	6.11.	(2,174)	(18,186)
(Increase)/decrease in trade receivables and other receivables	6.9.	(15,643)	16,066
(Increase)/decrease in inventories		(3,165)	(2,534)
Increase/(decrease) in corporate tax payables and others		(52)	(637)
Net cash provided by/(used in) operating activities		**(25,735)**	**(17,192)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of tangible fixed assets	6.8.	(7,025)	(3,187)
Payment for acquisition of intangible fixed assets	6.7.	(3,754)	(1,232)
Other financial liabilities payments		(4,500)	(3,190)
Net cash provided by/(used in) investing activities		**(15,279)**	**(7,609)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on loans & government advances	6.11.	(10,679)	(303)
Proceeds from loans & government advances & subsidies	6.11.	12,466	903
Repayments of lease liabilities		(621)	-
Interests paid		(1,804)	(1,427)
Proceeds from issuance of shares (net of issue costs)	6.10	170	75,196
Net cash provided by/(used in) financing activities		**(469)**	**74,370**
Net increase/(decrease) in cash & cash equivalents		**-41,483**	**49,568**
Cash & cash equivalents at beginning of year		**118,949**	**36,190**
Cash and cash equivalents at end of period		**77,466**	**85,757**

CONTINUING OPERATIONS

Thousands of Euro	*30 June 2019*	*30 June 2018*
Cash flow from operating activities	(30,670)	(22,554)
Cash flow from investing activities	(15,279)	(4,185)
Cash flow from financing activities	(469)	74,370
Cash flow from continuing operations (net increase/decrease)	**46,418**	**47,630**

The accompanying notes are an integral part of these financial statements.

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 2019 have been prepared in accordance with IAS 34, Interim Financial Reporting as adopted for use in 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 2018. 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 17 September 2019.

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

Comparative figures 2018

Compared to the published 2018 annual report, the figures as at 31 December 2018 were adjusted in terms of presentation, in order to further improve the readability and comparability of the financial information. More specifically, the items "Contract assets" and "Contract liabilities" appear now on the face of the consolidated statement of financial position.

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 2018, with the exception of the initial application of IFRS 16, Leases.

The new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2019 do not impact the Group's interim consolidated financial statements except for IFRS 16 for the accounting of leasing contracts which has been applied since 1 January 2019.

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 judgments, 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 2018.

Nevertheless, as from 2019, the fair value measurement of contingent consideration receivable is also considered as a significant estimates. In this respect, the expected value method is applied, based on probability weighted amounts within several possible scenarios. This valuation methodology require judgments about the different possible scenarios and their respective probability, as well as about the discount rate applied to the expected cash flows.

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, 2019. The Group has not applied any new IFRS requirements that are not yet effective as per June 30, 2019.

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.

- Annual Improvements to IFRSs 2015-2017 Cycle (December 2017)
- IFRS 9 Financial Instruments – Amendments regarding prepayment features with negative compensation (October 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)
- 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 as from 1 January 2019.

Adjustments recognized on adoption of IFRS 16

The Group adopted IFRS 16, Leases, on 1 January 2019 using the modified retrospective approach. Consequently, the cumulative effect of adopting IFRS 16 has been recognized as an adjustment to the opening balance of retained earnings as at 1 January 2019, with no restatement of comparative figures.

On adoption date, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. The right-of-use assets were measured at the amount equal to the lease liability on that date.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- For leases that were classified as finance leases applying IAS 17, carry-forward of the carrying amount of the lease asset on lease liability immediately before the date of initial application measured applying IAS 17 as the carrying amount of the right-of-use asset and the lease liability at the date of initial application;
- application of a single discount rate to a portfolio of lease with similar characteristics;
- exclusion of initial direct costs from measuring the right-of-use asset at the date of initial application; and
- use of hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On January 1, 2019, the Group recognized an additional lease liability of €853k primarily relating to offices and company cars, and an increase in right-of-use assets and cars. No effect resulted on the balance of accumulated deficit on 1 January 2019.

Thousands of Euro (€)	
Operating leases commitments disclosed – 31 December 2018	**684**
Adjustment as a result of different treatment of extension options	**182**
Additional operating leases commitments within IFRS 16 scope	**866**
Discounting effect @incremental borrowing rate	(13)
IFRS 16 additional lease liability (discounted) recognized at transition date – 1 January 2019	**853**
IFRS 16 additional lease liability (non-current) – 1 January 2019	531
IFRS 16 additional lease liability (current) – 1 January 2019	322

The discounting effect is relatively small as the incremental borrowing rate was defined at 1.44% and because the average remaining contract duration is rather short.

Accounting for leases under IFRS 16

The Group leases various offices and cars. Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

We apply IFRS 16 to all contracts in force at 1 January 2019 and previously identified as leases in accordance with IAS 17 and IFRIC 4.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease term covers the non-cancellable period for which the Group has the right to use an underlying asset, together with both:

(a) periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and

(b) periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, the nature of the expenses related to those leases changes as we recognize a depreciation of the right-of-use assets and an interest expense on the lease liabilities. The depreciation is done on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Except for IFRS 16 as described above, 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, 2019 and/or not yet adopted by the European Union as per June 30, 2019 and for which the impact might be relevant:

- Amendments to References to the Conceptual Framework in IFRS Standards (March 2018) *
- IFRS 3 Business Combinations – Amendments to clarify the definition of a business (October 2018) *
- IFRS 17 Insurance Contracts (Original issue May 2017) *
- IAS 1 Presentation of Financial Statements – Amendments regarding the definition of material (October 2018) *
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material (October 2018) *

* Not yet endorsed by the EU as of June 30, 2019

None of these upcoming Standards, Interpretations and Amendments, are expected to have a material effect on the Group's future financial statements that IASB and IFRIC published after the 1st January 2019 but not yet effective and/or approved by the EU on 30 June 2019.

6.2. Business combinations and asset deals

There were no business combinations or asset deals during H1 2019.

6.3. Segment information

Due to the increasing volume of new license granting deals, operating activities are reviewed at trois levels since 2017: Benelux business for product sales, out-licensing business for partnership deals within Mithra and Others for the R&D services rendered to third parties. Hence, a distinction is being made in the information provided regularly to the chief operating decision maker, François Fornieri.

Thousands of Euro (€)	30 June 2019	30 June 2018
Discontinued operations	**-**	**5,906**
Product sales	-	5,906
Out-licensing	-	-
Others	-	-
Continuing operations	**19,563**	**6,718**
Product Sales	2,430	1,033
Out-licensing	15,865	5,685
Other	1,268	-
Total Revenues	**19,563**	**12,624**

For more details on the Product sales and out-licensing fees and geographical sales, please refer to section 6.14. Revenue and other operating income.

In 2019, one major customer representing 77% (Gedeon Richter) of total revenue 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 2019*	*31 December 2018*
Belgium	231,683	193,997
Brazil	6	6
Luxembourg	6	6
The Netherlands	7,998	7,998
Germany	7	8
Total Non-Current assets	**239,702**	**202,016**

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 89,747k for the first six months of 2019, compared to a net loss of EUR 34,448k for the first six months of 2018.

The Revenues of the Group increased in the first half of 2019 to EUR 19,563k (from EUR 12,624k in H1 2018), mainly driven by license revenues related to our partnership agreements which increased by EUR 10,180k from EUR 5,685k in H1 2018 to EUR 15,865k in H1 2019 (mainly for Estelle® with Gedeon Richter for EUR 15,000k and with Searchlight for EUR 500k). The discontinued product sales decreased as a consequence of the Ceres asset deal, but important to note that the Product sales from continuing operations have increased. In "Others" (note 6.3) have been reported the revenue recognized from the injectables activities. We also reported a further drop in sales in Germany. We remind that 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 increase of revenue together with a decrease in the cost of Sales drove the increase in Gross Profit from EUR 9,004k in 2018 to EUR 17,542k in 2019.

Total of R&D expenses, G&A and selling expenses, have increased by 13% (EUR 3,330k) in H1 2019.

Research and development expenses increased in the first half 2019 by 8% to EUR 20,944k (H1 2018: EUR 19,401k). This increase is primarily due to increased R&D activity for the Phase III studies of Donesta®. R&D expenses for Donesta® should continue to increase in the second half of 2019.

The G&A increased, mainly due to booking entries related to share-based payment expenses of EUR 2,594k in H1 2019, a non-cash element.

The increase in Operating expenses is however offset and explained by the discontinued operations for which we recognized a gain of EUR 4,352k in H1 2019 related to a contingent consideration receivable for a gain on sale of disposal (Ceres).

All this resulted in an improved operating loss of EUR -4,990k in 2019 compared to EUR -12,885k in 2018.

The financial expense of EUR -6,830k is mainly the result of the increase in the amortized cost of government advances for EUR -4.9 million (reported in the consolidated income statement under financial expenses). The remaining part of the financial expenses is related to the interests paid for EUR -1.9 million.

The loss before taxes at EUR -110,669k in H1 2019 is driven by an increase in the fair value of contingent consideration liabilities (earn outs) for EUR -98.9 million. Both the increase in the amortized cost of government advances and the change in the fair value of contingent consideration liabilities (earn outs) are non-cash elements, and their increases are explained by the increase of probability of success of obtaining a marketing authorization for Estelle® from 38% to 78%, reflecting the regulatory progress post positive results of Phase III during the first half of the year..

The group recorded a tax income of EUR 20,922k for the six months that results from an increase of the deferred tax asset from prior year-end which is to be offset against taxable income in the future. Taken this tax income into consideration, the net loss for half year ended 2019 was EUR 89,747k (loss of EUR 34,447k for H1 2018) on a consolidated basis.

In the 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 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.

The increase in deferred tax assets of EUR 22,487k are mainly related to the tax effects arising from the fair value of the Estetra earn-outs from EUR 16,989k end of 2018 to EUR 36,207k in the first half 2019, a total increase of EUR 19,218k.

Those figures are taking into account our internal business plan which includes the launch of our blockbuster Estelle, which has already successfully completed Phase III trials and is in the pre-submission period, and ensures the generation of sufficient profits in the near future. The below table summarizes the Net deferred tax position:

Thousands of Euro (€)	*30 June 2019*	*31 December 2018*
Losses carried forward	103,203	74,917
Temporary differences	81,313	24,454
Effective tax rate	*25%*	*25%*
Net deferred tax position	**46,129**	**24,843**

These items are linked to Belgian tax regime, which is why the Group has valued the deferred tax position based on an effective tax rate of 25%. The tax losses carried forward, as well as the temporary differences, are expected to be used within the next 5 years, taking into account the forecasted cash flows under current tax strategy.

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 2019*	*30 June 2018*
Result for the purpose of basic loss per share, being net loss	(93,285)	(35,534)

Number of shares	*30 June 2019*	*30 June 2018*
Weighted average number of shares for the purpose of basic loss per share	37,462,950	34,735,780
Basic loss per share (in Euro)	(2.49)	(1.02)
Diluted loss per share (in Euro)	(2.49)	(1.02)

FOR DISCONTINUED OPERATIONS:

Thousands of Euro	*30 June 2019*	*30 June 2018*
Result for the purpose of basic profit per share, being net profit	3,538	1,087

Number of shares	*30 June 2019*	*30 June 2018*
Weighted average number of shares for the purpose of basic profit per share	37,462,950	34,735,780
Basic profit per share (in Euro)	0.094	0.03
Diluted profit per share (in Euro)	0.094	0.03

The weighted average number of shares over the course of the first half of 2019 is 37,462,950.

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 2019 (for EUR 3,754k) is primarily explained by the development costs capitalization in Estetra related to the project “E4 synthesis” (for EUR 2,428k), which have entered into the development phase since 2018, and by the additional fee regarding the license rights acquired from GSP in 2019 for EUR 1,000k, for the CDMO development activities.

6.8. Property, plant and equipment

During the period, the Group recorded EUR 7,025k of additions to the tangible fixed assets which were mainly related to machinery and equipment of the new production facility (Myring equipment) for the manufacturing of pharmaceuticals products (Mithra CDMO) and their related development costs. The machines acquired for the CDMO facility are not yet available for use, and depreciation has accordingly not started as of 30 June 2019. In order to finance these machines, the Group entered into several leases as explained in Note 6.11.

6.9. Trade and other receivables

Trade and other receivables decreased by EUR 3,770k which is mainly the result of the settlement of client invoices during the first semester and VAT proceeds.

Please refer to note 6.1.1. Basis of presentation – Comparative figures 2018 to understand the reclassification done on the face of the consolidated statement of financial position. For more details about contract assets please refer to the Note 6.14 Revenue and other operating income.

6.10. Share capital

6.10.1. General

On 30 June 2019 and 31 December 2018, the Company's share capital was represented by the following number of shares (units).

	30 June 2019	31 December 2018
Number of shares (issued and fully paid-up)	**37,688,995**	**37,639,495**

These shares are fully paid and have no nominal value.

There are no share 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 2019.

There were warrants to be exercised respectively as from 1st January 2019, as from 6th November 2020 and as from 29th January 2021. If and when the warrants will be exercised, the corresponding number of shares will be issued, leading to a capital increase.

6.10.2. Changes in capital

The change in the number of shares during each of the periods ending on 30 June 2019 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**
Balance at 31 December 2016	**31,129,756**	**22,613**	**122,830**	**145,443**
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 31 December 2018	**37,639,495**	**26,924**	**221,586**	**248,511**
-Capital increase by subscription rights	**49,500**	**36**	**133**	**169**
Balance at 30 June 2019	**37,688,995**	**26,961**	**221,720**	**248,680**

The following capital transactions took place between 1 January 2019 and 30 June 2019:

- A capital increase took place following the exercise of 15 warrants (the "Warrant Plan 2015") representing EUR 84,690. An amount of EUR 18,119.48 was contributed to the Share capital of Mithra in cash, and the

remaining amount of EUR 66,570.52 was contributed on the share premium account of the Company. This exercise of 15 warrants led to the issuance of 24,750 shares (1 warrant giving its holder the right to acquire 1,650 shares) that have been admitted to trading on the regulated market of Euronext Brussels with the "MITRA" ticker. As a result, the share capital of Mithra amounts to EUR 27,573,880.18 EUR.

- A capital increase took place following the exercise of 15 warrants (the "Warrant Plan 2015") representing EUR 84,690. An amount of EUR 18,119.40 was contributed to the Share capital of Mithra in cash, and the remaining amount of EUR 66,570.60 was contributed on the share premium account of the Company. This exercise of 15 warrants led to the issuance of 24,750 shares (1 warrant giving its holder the right to acquire 1,650 shares) that have been admitted to trading on the regulated market of Euronext Brussels with the "MITRA" ticker on 9 May 2019. As a result, the share capital of Mithra amounts to EUR 27,591,999.58 EUR.

By decision of the Ordinary and Extraordinary General Meeting of May 16, 2019, the General Meeting has decided to renew the powers granted to the Board of Directors to increase the share capital of the Company within the framework of the authorized capital even after receipt by the Company of the communication of a Public takeover bid and for an amount of EUR 17,597,657.00. This authorization has a duration of three years expiring at the Ordinary General Meeting of the year 2022.

6.11. Financial liabilites

An overview of the borrowings is shown below.

			As at 30 June 2019			As at 31 December 2018
Thousands of Euro (€)	*Total*	*Current*	*Non-Current*	*Total*	*Current*	*Non-Current*
Subordinated loans	**13,180**	**901**	**12,279**	**14,395**	**173**	**14,222**
Other loans	**13,494**	**6,290**	**7,204**	**65,553**	**12,405**	**53,148**
Bank loans	13,048	6,290	6,758	14,966	10,270	4,697
Financial loans	-	-	-	50,141	2,135	48,006
Capital grants	446	-	446	446	-	446
Lease liabilities	**52,056**	**4,329**	**47,728**	**-**	**-**	**-**
Refundable government advances	**15,595**	**1,266**	**14,330**	**10,921**	**668**	**10,252**
Other financial liabilties	**190,031**	**5,472**	**184,558**	**95,627**	**7,007**	**88,620**
Total Borrowings	**284,356**	**18,257**	**266.099**	**186,496**	**20,253**	**166,242**

For the construction of the new CDMO building, the Group made new drawdowns under its bank loans (EUR 6,900k)) over the course of the first half 2019 which offset partially a reimbursement of another straight loan facility (EUR 8,671k) to ING. This ING facility was secured by "subsidies" by Société Publique Wallonne (SPW), partially collected triggering the repayment. A part of the facility is still outstanding for the amount of the subsidy still to be collected (EUR 1083k). The Innodem loans also reported under "Bank loans" 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 abandoned, 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 on revenue earned by Mithra, 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 179.452k) as well as the fair value of contingent payments relating to certain contractual obligations with respect to the acquired Zoreline® and Myring™ products (EUR 10,574k), refer to note 6.12.2.

The refundable government advances are measured at amortized cost using the cumulative catch-up method (EUR 15,595k for current and non-current). The carrying amounts of refundable government advances has increased compared to December 2018 as the probability of success of obtaining a marketing authorization for Estelle® increased from 38% to 78% while the amounts expected to be repayable to the government are unchanged. For more detail about refundable government advances, please refer to the Note 9.16.2 refundable government advances of the Annual Report 2018.

Probability of success

Product/projects related to the refundable advances	Phase 2	Phase 3	WACC	Discount rate used for the fixed part
Estelle®	100%	78%	13.88%	2.27%
Donesta®	100%	38%	13.88%	2.27%

	R&D	Commercial	WACC	Discount rate used for the fixedpart
Zoreline®	80%	55%	13.88%	2.27%
Others	90%	75%	13.88% /12.48%	2.27%
Total refundable government advances				

6.12. Financial instruments

6.12.1. 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.

6.12.2. 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)

Unrecognized fair value measurements:

Financial Assets:

The Fair value of Trade & other receivables, Other short term deposits and Cash & cash equivalents and contract assets does not materially differ from carrying amounts. Fair value would typically be measured as Level 2. Ref. notes 9.16, 9.17 and 9.14 from Annual Report 2018 for the fair values of these financial assets which do not differ from the book values.

Financial liabilities:

For a significant part of the loans and contract liabilities, the fair values are not materially different to their carrying amounts, since the interest payable on those loans is close to current market rates because they are recent or the loans have short maturities. Furthermore, if the spread between fair value and carrying amount increases too much, the Group intends to negotiate updated terms in order to align them with market conditions.

Recognized fair value measurements:

Financial Assets:

For the contingent consideration receivable related to the Ceres deal recognized at fair value through P&L at 30 June 2019, we remind under the local GAAP, the carrying amount is 0 as it is not booked until the trigger event is reached. Please refer to 6.18 Discontinued operations. We considered a level 3 under the fair value measurement hierarchy.

Thousands of Euro (€)	*Other non-current assets*
Balance at 1 January 2019	**-**
Charged/(credited) to income statement	4,352
Balance at 30 June 2019	**4,352**

Knowing that several earn out payments will be due to Mithra depending on the financial performance of the assets sold, the fair value of the contingent consideration receivable has been computed based on two different scenarios materializing possible outcomes of the contractual provisions. In the first scenario, the Group expects to get one milestone of EUR 5 million from Ceres by 2023 while in the second scenario, the Group expects to receive two milestones for a total of EUR 10 million by 2023. The expected value is then based on the probability weighted amounts within both possible scenarios and a discount rate is finally applied to the expected cash flows.

Financial liabilities:

Under the local GAAP, contingent consideration payables are valued at their carrying amount, which is 0 as it is not booked until the trigger event is reached. For the measurement of the fair value under IFRS, please refer to the table below where the group Other financial liabilities are reported. We considered a level 3 under the fair value measurement hierarchy.

The following table presents the Group's liabilities that are measured at fair value at 30 June 2019 and 31 December 2018:

Thousands of Euro (€)	*30 June 2019*	*31 December 2018*	
Non-Current Other financial liabilities	184,558	88,620	Level 3
Current Other financial liabilities	5,472	7,007	Level 3

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

Thousands of Euro (€)	*Other financial liabilities*
Balance at 1 January 2019	**95,627**
Charged/(credited) to income statement	98,904
Settlements	(4,500)
Balance at 30 June 2019	**190,031**

The fair value of the contingent payments has been determined using a probability weighting approach applied to 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.

H1 2019 assumptions:

		Probability of success at 30 June 2019		
Contingent considerations relating to intangible assets	**Amount fair value**	**Phase 2**	**Phase 3**	**WACC**
Estelle®	179,452	100%	78%	13.10%

	Amount fair valued	**R&D**	**Commercial**	
Zoreline®	7,089	80%	55%	13.10%
Others	3,490	90%	75%	13.10%
Total contigent considerations	**190,031**			

2018 assumptions:

		Probability of success at 31 Decenber 2018		
Contingent considerations relating to intangible assets	**Amount fair value**	**Phase 2**	**Phase 3**	**WACC**
Estelle®	84,541	100%	38%	14.39%

	Amount fair valued	**R&D**	**Commercial**	
Zoreline®	7,992	80%	55%	14.39%
Others	3,093	90%	75%	14.39%
Total contigent considerations	**95,627**			

The increase of fair value for the contingent consideration for Estelle® (EUR 179,452k in June 2019 compared to EUR 84,541k in 2018) is the result of the increase of probability of success of obtaining a marketing authorization for Estelle® to 78% and, to a lesser extent, to the revision of the discount rate applied.

The table below presents an analysis of the sensitivity of the liability to a change in one of the key inputs, being the probability of success :

	Probability of success			WACC
Thousands of Euro (€)	38%	78%	100%	
Fair value Earn-out Estetra	89,546	179,452	228,901	13.10%

The contingent consideration payable related to Estelle® has been computed based on the currently applicable agreement, without any changes compared to prior periods. It may change going forward, as an amendment is under negotiations with the former IP owners.

6.13. Share-based payments

By a decision of the extraordinary shareholders' meeting of 2 March 2015 the Company issued 1089 warrants essentially to key management with an exercise price of EUR 5,646 per warrant. Warrants are conditional on the person completing 4 years of service (vesting period). These warrants were exercisable as from 2019.

620 warrants of the 2015 Warrant Plan are still outstanding as of the date of this report.

In November 2017, there was an exercise of 439 subscription rights (warrants). 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.

On 5 November 2018, Mithra's extraordinary general meeting approved the issuance of a maximum of 1,881,974 warrants under the "Warrant Plan 2018", for the benefit of key employees, members of the management team and certain directors with an exercice price of EUR 24.05 or EUR 24.09 depending on the status (employee or not) of the beneficiary. The warrants have a term of five years from their date of issuance. They are generally not transferable and, in principle, cannot be exercised prior to the date of the grant's second anniversary (i.e. 6 November 2020 subject to exercice conditions). All of the offered warrants are subject to a service condition of two years. Furthermore, a portion of 30% of these offered warrants were subject to additional market and non-market vesting conditions. The market condition, upon which the vesting is dependent from the share market price, was included in the fair value calculation at grant date (see the discount applied in the table below). Out of the maximum of 1,881,974 warrants, a total of 1,336,034 warrants have been offered and accepted.

The fair value of the 1.089 warrants at grant date was estimated to be EUR 2,789k.

The fair value of the 1,336,034 warrants at grant date was estimated at EUR 6,705k for the warrants definitely acquired and EUR 2,918k for the remaining 30% subject to vesting conditions and at EUR 753k for warrants acquired at 100%.

The fair value of each option is estimated using the Black & Scholes model based on the following assumptions:

	Plan 2015	**Plan 2018 (Grant 1 - 70%)**	**Plan 2018 (Grant 1 - 30%)**	**Plan 2018 (Grant 2 - 100%)**
Number of warrants granted	1,089 *(1,650 shares)	866,837	371,502	97,695
Exercise price per warrant	EUR 5,646	EUR 24.05-24.09	EUR 24.05-24.09	EUR 24.09-25.72
Expected dividend yield	-	-	-	-
Expected stock price volatility	45.30%	37.50%	37.50%	37.50%
Risk-free interest rate	0.53%	0.36%	0.36%	0.36%
Expected duration	8 years	5 years	5 years	5 years
Fair value at grant date	EUR 2,789k	EUR 6,705k	EUR 2,918k	EUR 753k
Discount related to market condition	-	-	14.37%	-

During the period, a charge of EUR 2,594k has been recognized at the consolidated statement of income.

On 30 January 2019, a capital increase took place following the exercise of 15 warrants pursuant to the 2015 warrant plan and corresponding to 24,750 shares.

On 29 April 2019, a capital increase took place following the exercise of 15 warrants pursuant to the 2015 warrant plan and corresponding to 24,750 shares.

Post-period, 35,000 warrants were offered and accepted. This brings the amount of warrants offered and accepted under the plan 2018 to 1,371,034.

6.14. Revenue and other operating income

Revenue

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

Thousands of Euro (€)	30 June 2019	30 June 2018
Discontinued operations	**-**	**5,906**
Product sales	-	5,906
Out-licensing	-	-
Others	-	-
Continuing operations	**19,563**	**6,718**
Product Sales	2,430	1,033
Out-licensing	15,865	5,685
Other	1,268	-
Total Revenues	**19,563**	**12,624**

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

The Revenues of the Group increased in the first half of 2019 to EUR 19,563k (from EUR 12,624k in H1 2018), mainly driven by license revenues related to our partnership agreements which increased by EUR 10,180k from EUR 5,685k in H1 2018 to EUR 15,865k in H1 2019 (mainly for Estelle® with Gedeon Richter for EUR 15,000k and with Searchlight for EUR 500k). The discontinued product sales decreased as a consequence of the Ceres asset deal. However, product sales from continuing operations have increased. In "Others" have been reported the revenue recognized from the injectables activities. We also reported a further drop in sales in Germany. We remind that 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.

Disaggregation of revenue

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

- Detail the nature, amount, timing as requested by IFRS 15; and
- Enable users to understand the relationship with revenue segment information provided in note 6.3 Segment information.

Disaggregation of revenue at June 2019 from continuing operations:

Thousands of Euro (€)	30 June 2019		
	Product sales	Out-licensing	Others
Primary Geographic Markets			
Europe	1,003	15,100	1,268
Outside Europe	1,427	765	-
Total	**2,430**	**15,865**	**1,268**
Product type			
Product sales	2,430	-	-
License grant	-	15,865	-
Manufacture and supply	-	-	-
R&D services	-		1,268
Total	**2,430**	**15,865**	**1,268**
Timing of transfer of goods and services			
Point in time	2,430	15,865	114
Over time	**-**	-	1,154
Total	**2,430**	**15,865**	**1,268**

Disaggregation of revenue at June 2018 from continuing operations:

Thousands of Euro (€)	30 June 2018		
	Product sales	Out-licensing	Others
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	-

The main reason for the increase in revenue from continuing operations is the out-licensing revenue that the Company was able to recognize over the first semester 2019 for the Estelle® deals with (i) European market leader Gedeon Richter for EUR 15,000k and with (ii) Canadian market leader Searchlight Pharma for EUR 500k. The total revenue from licensing agreements at 30 June 2019 includes additional smaller deals and amounts to EUR 17,133k compared to EUR 5,685k in 2018. Some payments were received that related to licensing agreements for which revenue recognition was deferred to future periods (see Contracts liabilities here below).

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 to the license grant.

An analysis has been conducted in order to determine whether the single performance obligation was satisfied as at 30 June 2019.

Please refer to note 6.1.1. Basis of presentation – Comparative figures 2018 to understand the reclassification done on the face of the consolidated statement of financial position.

The tables below presents the roll forward of the related contract assets and contract liabilities:

Contract assets	*Thousands of Euro (€)*
Balance at 1 January 2019	**15,350**
Change in an estimate of the transaction price	16,068
Reclassification to receivables	(1,000)
Balance at 30 June 2019	**30,418**

As at 30 June 2019, the balance takes into account unbilled revenue for EUR 30.4 million, among which EUR 20 million related to Gedeon Richter (increased by EUR 15 million compared to 2018), EUR 7,6 million related to Mayne Pharma (unchanged), and EUR 500 k related to Searchlight Pharma over six months period ended June 2019. The total H1 2019 is to be compared to EUR 15.3 million end of 2018.

Contract liabilities	*Thousands of Euro (€)*
Balance at 1 January 2019	**4,017**
Change in an estimate of the transaction price	-
Reclassification to revenue	-
Balance at 30 June 2019	**4,017**

The contract liabilities 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 2019. The details are as follows:

- Down-payments related to R&D services still to be performed for EUR 350k EUR. EUR 760k have been recognized in 2018 so that EUR 350k are still booked in contract liabilities.

- Milestones received in the context of the Zoreline license agreement (EUR 3.6 million), whose recognition is contingent upon obtaining regulatory approval in the different countries of the partner territory.

As at 30 June 2019, no significant financing component was identified on any of the existing customer contracts.

Other operating income from continuing operations

	30 June	
Thousands of Euro (€)	2019	2018
R&D Tax credit	517	597
Other revenues	1,178	3,816
Other operating income	**1,695**	**4,413**

In June 2019, "Other revenues" mainly refers to refundable government advances recognition mechanism (EUR 710k) and to exemption from the withholding tax on professional income (EUR 203k).

For explanation on the item "R&D tax credit", refer to note 9.2.21 as we applied for an investment deduction mechanism for energy efficient investments and R&D investments which have no impact or reduce the impact on the environment.

6.15. Leases

Thousands of Euro (€)	
Assets	
Right-of-use assets at 01 January 2019	853
Assets subject to finance lease under IAS 17, previously reported as property, plant and equipment	68,450
Additions	1,660
Subsidies booked	(414)
Depreciation right-of-use assets	(1,377)
Net carrying amount of right-of-uses assets at 30 June 2019	**69,172**
Liabilities	
Lease liabilities (current and non-current)	853
Finance lease liabilities under IAS 17, previously reported as other loans	50,165
Additions	1,660
Capital payments	(621)
Net carrying amount of lease liabilities at 30 June 2019	**52,060**
Lease service part	(83)

Our weighted average incremental borrowing rate applied to the lease liabilities on 30 June 2019 was 1.44%.

The difference as of January 1st, 2019 between "Assets subject to finance lease under IAS 17, previously reported as property, plant and equipment (EUR 68.4 million)" and "Finance lease liabilities under IAS 17, previously reported as other loans (EUR 50.1 million)" are explained by the main following elements: subordinated loans (EUR 14 million) and subsidies (EUR 4 million).

6.16. Commitments

Collaborative research and development arrangements

Mithra has signed an agreement with a Clinical Research Organization (CRO), ICON Plc (NASDAQ : ILCR), leader in the sector, to manage the Phase III study Donesta® in Monotherapy E4 for menopause.

Organon/Merck patent dispute

Since 2008, Mithra is involved in a legal proceeding against Organon NV (now Merck Sharp and Dohme BV). The proceeding concerns the alleged patent infringement caused by the commercialization by Mithra and its partner DocPharma BVBA (now Mylan) of a generic drug named Heria. Currently, Organon claimed provisional damages of EUR 2,770k including actual loss on profit, cost for establishing the infringement, attorney's fees and expert's expenses. A first instance judgement, was rendered on 11 December 2015 that concluded in a partial infringement of Organon's patent. An expert was appointed by the Commercial Court to advise on the damages suffered by Organon and Merck because of the partial infringement. A provisional expert damage report evaluates damages of EUR 647K. Despite Mithra and DocPharma having appealed the judgement and based on the provisional execution of first instance judgement, the judicial expert pursues his mission. Therefore, 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.

6.17. Events after reporting period

In August 2019, Mithra announced that it has entered into two exclusive license and supply agreements with Dexcel Pharma for the commercialization in Israel of two major products in contraception: the combined oral pill Estelle® and the hormonal ring Myring™. Under the terms of these agreements, Mithra will receive a down payment and recurring revenues based on minimum annual quantities (MAQ). Moreover, Mithra will manufacture both products at its Contract Development and Manufacturing Organization facility in Belgium.

In August 2019, Mithra announced that it has received an additional patent for Estelle® in Japan in the dysmenorrhea[27] indication. Mithra considers Japan as one of its priority target territories for Estelle®, mainly due to the attractively priced and quite large market profile. This additional patent opens the door for the dysmenorrhea market, which is four times larger than the contraceptive market, particularly thanks to the attractive reimbursement rate. Together, the contraception and dysmenorrhea markets in Japan account for at least EUR 270 million a year[28]. The issuance of this patent covering the management of dysmenorrhea extends Estelle's IP protection in Japan until 2037. In addition, Mithra will apply for a patent term extension based on its marketing authorization for Estelle® in Japan, which should extend the patent lifetime for a maximum of 5 years.

Post period end, Mithra continued the internal reorganization within the Group in accordance with what was stated at the Ordinary and Extraordinary Shareholders' Meeting. It formalized the first part of the operations: the contribution of two Branch Unit to respectively (i) Estetra SPRL for E4 activities and (ii) Novalon SA for Complex therapeutics activities as of July 31, 2019, both fully owned subsidiaries of Mithra.

In H1 2019, Mithra strengthened its Management Team with key appointments: Ms. Alexandra Deschner as Investor Relations Officer, Ms. Maud Vanderthommen as Communication Manager, Dr Graham Dixon as Chief Scientific Officer and Mr Renaat Baes as Plant Manager.

During the first half of the year and post-period end, the expertise of the R&D team has been considerably consolidated, particularly in the Medical Affairs and Regulatory departments, in order to adjust as closely as possible to the next stages of development of the entire Mithra portfolio. Since the beginning of 2019, the number of staff has increased significantly from 190 to 250 (+30%), and further job creation is expected in the coming months.

6.18. Discontinued operations

On 30 July 2018, Mithra announced the signature of a 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.

27 Dysmenorrhea refers to the symptom of painful menstruation
28 IQVIA 2017

The agreement covers the sale of Mithra's portfolio of in-licensed branded generics in Women's Health. Also included are License and Supply Agreements (LSAs) for a number of Mithra's products and product candidates developed in-house, such as licenses for the commercialization in the Belux territories of Tibelia®, Myring™ and Estelle®.

Income statement for discontinued operations

Thousands of Euro		*30 June 2019*	*30 June 2018*
CONSOLIDATED INCOME STATEMENT	Notes		
Revenues	**6.14**	**-**	**5,906**
Cost of sales		**-**	**(2,933)**
Gross profit		**-**	**2,973**
Selling expenses		-	(1,458)
Other operating income		583	-
Gain on sale of disposal		4,352	-
Total operating expenses		**4,935**	**(1,458)**
Operating Profit		**4,935**	**1,516**
Financial result		**(1)**	**0**
Profit before taxes		**4,935**	**1,516**
Income taxes		**(1,397)**	**(429)**
Net Profit for the period		**3,538**	**1,087**
Attributable to			
Owners of the parent		3,538	1,087
Non-controlling interest		-	-

In 2019, we recognized a contingent consideration receivable at fair value for EUR 4,352k according to pending milestones as per the Ceres contract, as Mithra is eligible for an additional total of EUR 20 million in earn-outs over the course of the next five years. A portion of the total contingent consideration receivable relates to the sale of the generic portfolio, meaning that it is accounted for as complementary "Gain on sale of disposal" (being fair valued at each closing date). The rest of the milestones may generate future out-licensing revenue related to the semi-exclusive Estelle license granted on the Belux territory.

The Belux business, which had sales of EUR 5.9 million on H1 2018 was disposed of to Ceres on 31 July 2018. Since that date, and pending all market authorizations that are formally transferred to Ceres, Mithra is acting as an agent of Ceres, so that revenue is reported net of the related cost of goods sold.

Cash flow statement from discontinued operations

Thousands of Euro	*30 June 2019*	*30 June 2018*
Cash flow from operating activities	4,935	1,516
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Cash flow from discontinued operations (net increase/decrease)	**4,935**	**1,516**

6.19. Alternative performance measures

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

EBITDA is an alternative performance measure which represents Earnings before financial income and expense, tax, amortization, depreciation and impairment and changes in the fair value of contingent consideration payable.

REBITDA is an alternative performance measure which represents EBITDA adjusted for (non-cash) equity-settled shared-based payment expense and EBITDA from discontinued operations.

Refer to note on Financial Highlights and table below for the reconciliation to operating loss:

	Six months ended 30 June	
Thousands of Euro (€)	*2019*	*2018*
Loss from continued operations	**(9,926)**	**(14,400)**
Depreciation	2,460	1,363,
Exceptional results	-	-
Share-based payments	2,594	217
REBITDA	**(4,872)**	**(12,821)**
Discontinued EBITDA	4,935	1,516
Share-based payments	(2,594)	(217)
EBITDA	**(2,531)**	**(11,522)**

III.
Statement of the responsible persons

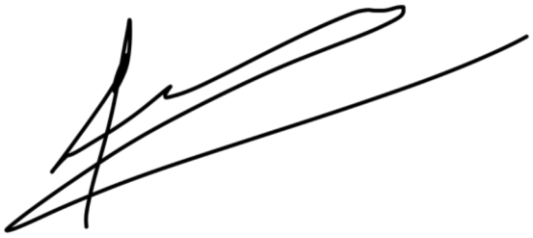
III. Statement of the responsible persons

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.
Statutory auditor’s report to the Board of Directors on the review of consolidated interim financial information

IV. Statutory auditor's report to the Board of Directors on the review of consolidated interim 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 2019

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of MITHRA PHARMACEUTICALS SA as of 30 June 2019 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 18th, 2019

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

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