

MITHRA ACQUIRES RIGHTS OF MYRING AND ZORELINE AND CLOSES FIRST DISTRIBUTION DEAL

- **Mithra buys 50% of Novalon SA**
- **Mithra (Novalon) buys back rights relating to Zoreline and Myring (therapeutic equivalent products of branded products having realized, in 2014, worldwide sales in excess of 1.6 billion EUR) from GSP**
- **Mithra (Novalon) concludes its first commercialisation partnership for Zoreline for selected countries**

Liège, Belgium, 08 December 2015 – REGULATED INFORMATION- Mithra and GSP are pleased to announce that they have entered into a number of transactions by which Mithra has acquired the complete ownership of Novalon SA, the company which develops the projects Zoreline® and Myring, which are therapeutic equivalents to branded products which, in 2014, realized aggregate worldwide sales in excess of 1.6 billion EUR, as well as global rights to these products. In parallel, they have entered into the first distribution deal for selected countries in respect of Zoreline®.

Novalon is a Belgian based company focused on the development of therapeutically equivalent (“generic”) products that are complex to develop and manufacture.

Mithra has now acquired a further 50% of Novalon SA (in addition to its existing holding of 50%) for an amount of 9.4 million euro and now fully owns Novalon.

In 2012, Novalon sold defined worldwide rights relating to its two leading product developments (Zoreline and Myring) to the Irish based company Generic Speciality Pharma (GSP). Mithra has now also purchased the rights owned by GSP. GSP will continue to support Mithra in its future commercial activities and will receive, (i) in respect of Zoreline 8.5 million euro upon signing, additional instalments of up to 4 million euro and single digit royalties; and (ii) in respect of Myring, an upfront payment of EUR 1.5 million payable in tranches as from 2017 and a percentage on gross margin capped at EUR 800,000 for the period ending 5 years after its launch in the US and EUR 400,000 for the following five years.

Simultaneously Mithra has concluded its first commercialisation partnership on Zoreline. As a result GSP will be granted exclusive product distribution rights in selected countries (which include Australia, Canada, the UK and the Nordics) and will pay up to 5.5 million euro for these rights. A long term finished product supply agreement has been entered into between Mithra/Novalon and GSP for the supply of Zoreline in respect of these countries.

Stijn Van Rompay (GSP) : « *With this transaction GSP demonstrates its continued confidence in the development capabilities of Mithra and the international commercial potential of Zoreline and Myring. We have strengthened our relationship with Mithra and it's our conviction that the projects have a promising future* »



François Fornieri, CEO of Mithra Pharmaceuticals: « *This acquisition primarily allows us to assure the future of our research projects, but also provides us with comfort regarding the production phase in our future CDMO at Flémalle. By way of these transactions, Mithra reinforces its position in the cancer market and gains the perspective to be able to enter into further distribution deals for the two products out of its innovative portfolio which are closest to market. The Company expects to start commercializing Zoreline® in H2 2017 and Myring when NuvaRing® comes off-patent in 2018.* »

Mithra becomes the owner of global rights on two new and promising products, without dipping into the cash earmarked for the development of Mithra's two lead products, Estelle® and Donesta®.

Background of the transaction

In the Company's IPO prospectus, these two projects (and the structuring of Novalon) were described as follows "Zoreline® and Myring are developed by Novalon (owned 50% by Mithra), which is not controlled by Mithra. In addition, Novalon is dependent on its exclusive, worldwide collaborative partner GSP for the commercialisation of Zoreline® and Myring®, which has the exclusive rights to undertake such commercialisation and seek commercial partners, and which shall, as a result, share 50/50 in the profits thereof. Therefore the Company has a **25% effective interest** in the commercialisation income realised by GSP on behalf of Novalon on these product candidates. The Company intends to commercialise these product candidates under a license from GSP for selected Mithra markets (Mithra would realise sales in these territories 100% for its own account, and purchases the product from GSP (via Novalon), at a price which will be determined between GSP and Mithra in the final license agreement). This means that **this process is not controlled by the Company or even by Novalon directly.**" (emphasis added)

The present transaction therefore clearly resolves this situation, by having as a result that the last stages of development are now entirely controlled by Mithra, and the commercialisation is, likewise, clearly controlled by a single party (GSP for Zoreline for those countries for which it is the exclusive partner, Mithra for the rest).

Mithra will henceforth be solely responsible for the development costs of Novalon. As indicated in the Prospectus, it had already included 7.5% of the use of net proceeds of its IPO (based on an offering at the mid-point of the price range, i.e., assuming approximately EUR 65.5 million net proceeds) for its *pro rata* part (50%) of these development cost, and will finance the remainder, amongst other sources, from the amounts raised in the IPO in excess of this assumption as well as other non-dilutive sources of funding.

As set out in the Prospectus, GSP's rights in respect of the products were acquired in 2012, in return for the high risk funding needed by Novalon at that time to progress the development before any certainty of success was obtained (EUR 3,000,000 in the aggregate). As Zoreline has now completed full enrollment for its final trial (with lower than expected drop-outs), the projects have meanwhile obtained favourable results of all development steps undertaken so far, which is valorized in this deal.

As also indicated in its Prospectus, Mithra had already early in 2015 increased its stake in Novalon from 25% to 50% at a price of EUR 1.5 million. Since that transaction, Novalon has completed enrolment in its final study for Zoreline (3 month formulation), with a lower than expected drop-out (142 patients with only 3% drop-out), the construction of the CDMO where the products will be produced is ahead of schedule and the business development around the products has advanced. All

of these factors, in addition to a customary premium for a 50% stake which grants complete control to Mithra, motivates the price paid for these shares.

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About Mithra

Mithra Pharmaceuticals SA, founded in 1999 as a spin-off of the University of Liège by Mr. François Fornieri and Prof. dr. Jean-Michel Foidart, is a pharmaceutical company focused on women's health. Mithra's mission is to support and assist women at every stage of their life, thereby improving their overall quality of life. As such the Company aims to become a worldwide leader in women's health by developing, manufacturing and commercialising proprietary, innovative and differentiated drugs and generic products in four therapeutic fields of women's health, fertility and contraception, menopause and osteoporosis, vaginal infections and cancers.

Mithra has a total headcount of approximately 85 staff members and is headquartered in Liège, Belgium. Further information can be found at: www.mithra.com

About GSP

Generic Speciality Pharma (GSP) is focussed on the development and commercialisation of niche, complex and added value generics. GSP has commercial activities (together with its partners that include most of the largest generics companies) in over 60 countries.

About Zoreline®

Zoreline® is a biodegradable implant designed to be therapeutically equivalent to Zoladex®. 2 product strengths are under development: a 1-month treatment (indicated for the treatment of a specific type of breast cancers and benign gynaecological conditions such as endometriosis or uterine fibroids) and a 3-month treatment (indicated for prostate cancer). Although the base product patents have expired, Zoladex® generated sales of in excess of 900 million euro in 2014 and

generic equivalents are still not available on any market. Novalon is currently investigating the 3-month treatment in a clinical trial (that successfully completed enrolment early December 2015) and expects to be able to submit the file for regulatory approval in 2016. The first Marketing Authorisation is expected in 2017.

About Myring

Myring is a vaginal ring providing contraception and is designed to be therapeutically equivalent to Nuvaring®. The worldwide sales of Nuvaring® amount to 720 million euros in 2014 and it is expected the patents will expire in major parts of the world in 2018.

Important information

The contents of this announcement include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes", "estimates," "anticipates", "expects", "intends", "may", "will", "plans", "continue", "ongoing", "potential", "predict", "project", "target", "seek" or "should", and include statements the Company makes concerning the intended results of its strategy. By their nature, forward-looking statements involve risks and uncertainties and readers are cautioned that any such forward-looking statements are not guarantees of future performance. The Company's actual results may differ materially from those predicted by the forward-looking statements. The Company undertakes no obligation to publicly update or revise forward-looking statements, except as may be required by law.