Interim Financial Report

21 September 2017

mithra
Women's Health

Interim Financial Report
as at 21 September 2017

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

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

mithra
Women's Health

Mithra Pharmaceuticals SA/NV,

A limited liability company (société anonyme / naamloze vennootschap) incorporated under Belgian law, with its registered office at rue Saint-Georges 5, 4000 Liège (enterprise number 0466.526.646)

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I. Interim management report

Letter to shareholders

Dear Shareholder,

The first six months of 2017 have been highly active, both in terms of pipeline progress and Mithra's corporate strategy.

In the key E4 (Estetrol)-based clinical programmes, we achieved a number of recruitment and development milestones for both Estelle® (E4 Freedom) and Donesta® (E4 Relief). For our innovative contraceptive product candidate Estelle®, this included the completion of recruitment for the European/Russian leg of the Phase III study as well as for an additional safety study. We remain on track to achieve top line results for Estelle® during Q3 2018 for the Europe/Russia study and during Q1 2019 for the US and Canada.

For Donesta®, our hormone therapy product candidate, recruitment should be finalized in the coming weeks, and top line results of the Phase II dose-finding study are still expected in Q1 2018.

We are pleased to have received orphan drug designation in Europe for our E4-based preclinical work in neonatal encephalopathy, a potentially life-threatening condition affecting thousands of newborn babies. Our work in this area demonstrates the potential of E4 beyond women's health, including neuroprotection.

In our Complex Therapeutics portfolio, a highlight in the first six months of 2017 was the receipt of GMP approval for the production of Myring™ in Europe at our CDMO research and manufacturing facility in Belgium. This was an important endorsement of the expertise and professionalism of the team at our state-of-the-art facility as well as a key preparatory step for the planned launch of Myring™ in 2018.

We also continued to develop Mithra's growing network of collaborations and alliances in women's health around the world. In particular, we signed an exclusive License & Supply agreement with Fuji Pharma for Donesta® in the Japanese and ASEAN markets. Fuji Pharma is already our partner in these regions for Estelle®, and their decision to drive the development and expansion of both the contraceptive and hormone treatment markets with our product candidates is a strong vote of confidence in their potential.

Furthermore, we signed an exclusive long-term agreement with Mayne Pharma, the second-largest supplier of oral contraceptives in the US market, covering commercialization of Myring™ in the US. With over 75% of revenues of the originator product, Nuvaring®, generated in the US, this is a key territory for Myring™ and represents an attractive commercial opportunity for both Mithra and our partner Mayne Pharma.

Towards the end of the first half, on June 23, we strengthened our financial position with a capital increase, raising EUR 26.1 million in a private placement. Both existing shareholders and new, specialized life sciences investors participated in the financing, demonstrating investor confidence in Mithra's accelerated strategy to become a fully-fledged biopharmaceutical company.

With a strengthened financial position, continued progress on all our key programs and accelerating partnering discussions, we look forward to the rest of 2017 with confidence. Thank you for your continued support as we work to transform women's health through innovation.

François Fornieri

1. Corporate information

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

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

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

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

Mithra has made important developmental progress in the first six months of 2017, both with regard to its E4 (Estetrol) unique natural estrogen platform and pipeline, and its Complex Therapeutics business. Moreover, in H1 2017, business development activity accelerated, with partnerships closed for Donesta® and Myring™. The Benelux business also continued to perform well.

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

Estelle® - Phase III in contraception

In H1 2017, Mithra announced a number of key milestones for Estelle®, Mithra's combined oral contraceptive (COC) candidate, composed of 15 mg Estetrol (E4) and 3 mg drospirenone (DRSP). Estelle® is currently in Phase III studies (*E4 Freedom*) in the EU/Russia and the US/Canada, and Mithra remains on track to report top line results in Q3 2018 and Q1 2019 respectively.

In February, recruitment was completed for the European Phase III study, with 1557 women aged 18-50 years enrolled, including 1350 aged 18-35 years. Post period end, Mithra announced in August that the first European study subject had successfully completed 13 cycles of Estelle® and the end of study physician visit.

In May, Mithra also initiated a pharmacokinetic (PK) ethnobridging study in Japanese women. Top line results from the PK study, which includes 96 subjects, are expected between Q4 2017 and Q1 2018. The study forms part of the partnership with Fuji Pharma for Estelle® in Japan & ASEAN.

An additional safety study into hemostatic, endocrine and metabolic parameters amongst 101 women also completed recruitment in June, with results expected in H1 2018. The study has the potential to corroborate earlier findings that indicate the potentially improved safety profile of Estelle® compared to current combined oral contraceptives (COCs).

In June, Phase IIb results on body weight and well-being were published in the peer-reviewed *European Journal of Contraception and Reproductive Health Care*[1]. The favorable body weight control observed in the FIESTA study could potentially be a key advantage of Estelle®, as research shows that this could play an important role in treatment compliance and continuation of COCs[2]. The article is a validation of the scientific community's support for Estelle's® potential, and underlines the need for an innovative, improved combined oral contraceptive for women.

[1] Article available online at http://www.tandfonline.com/doi/full/10.1080/13625187.2017.1336532

[2] Bitzer J, Paoletti AM. 2009. Clin Drug Investig.; 29(2):73-8.

After the end of the reporting period, in August, recruitment was completed for a PK substudy in the US, to determine the impact of demographic characteristics (including race, BMI and smoking) on the absorption, distribution and excretion of Estelle®. The FDA requires contraceptive study entry criteria to be more reflective of the real-world target population, and this PK substudy should provide valuable insights into the use of Estelle® in various subpopulations.

Donesta® - Phase II in menopause

In June, Mithra signed an exclusive License & Supply agreement for Donesta®, its next-generation hormone therapy candidate, with Fuji Pharma, the Japanese leader in women's health and Mithra's partner for Estelle®. Mithra is eligible for a low double-digit downpayment, pending certain development, regulatory and commercialization milestones, EUR 1.5 million of which was recognized in H1 2017. Moreover, the 20-year agreement is also expected to generate long-term supply revenues at the Mithra CDMO.

Recruitment for the Phase II dose-finding study is expected to be finalized in coming weeks, with at least 225 patients randomized over five treatment groups, including placebo. Mithra remains on track to report top-line results in Q1 2018.

E4 platform

There were also important developments in the broader E4 (Estetrol) platform. In June Mithra received orphan drug designation (ODD) from the European EMA for the treatment of life-threatening neonatal encephalopathy, based on promising preclinical data and the large unmet medical need. Results show the potential of E4 to address indications beyond women's health, including in neuroprotection.

The IP position was also strengthened in the beginning of the year, with a patent granted in the US in emergency contraception for E4 alone. A similar patent was already granted in Europe. In Australia, after the end of the reporting period in July, the Australian Patent Office, IP Australia, granted a patent for the E4 synthesis manufacturing process until 2032 (which the company also holds for other territories such as the US, Europe and Hong Kong), as well as for the use of E4 as an emergency contraceptive.

2.2. Complex Therapeutics

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

In May, Mithra received Good Manufacturing Practice (GMP) approval for the European production of Myring™ at Mithra's integrated R&D and manufacturing CDMO facility, a necessary step before the product can be launched in Europe after expiry of the patent of the originator product, Nuvaring®, in April 2018. The approval provides further validation of Mithra's manufacturing and development capabilities at its state-of-the-art CDMO.

After the end of the reporting period in July, Mithra submitted Myring™ for European market approval, in line with previously announced timelines. Myring™ is on track to be launched in Europe from Q2 2018.

In February, an exclusive long-term agreement was signed with Mayne Pharma, the second-largest supplier of oral contraceptives in the US market, covering commercialization in the US. Mithra received EUR 2.4 million upon signature, and under the agreement will receive milestone payments of at least EUR 10 million on Abbreviated New Drug Application (ANDA) approval from the FDA and on the commercial launch of the product. As the US accounts for over 75% of the revenues of more than USD 900 million generated by the originator product, Nuvaring®, this is a key territory for Myring™.

Mayne Pharma is expected to submit the US marketing authorization application in Q4 2017, with approval possible in H2 2018 and launch shortly thereafter.

In May, Mithra signed its first European licensing agreement for Myring™ with Gynial for the Austrian market.

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

French marketing approval for Tibelia® was received in May, completing the decentralized procedure with marketing authorizations now granted in 15 European countries. With launches in three countries, and three more to follow in the coming months, Tibelia® is expected to become an additional revenue driver for Mithra.

An exclusive agreement for Tibelia® in Canada was signed in June with an undisclosed Canadian partner. Tibelia® would be the first tibolone-based Hormone Therapy product available in Canada. The marketing authorization process is on track, with a potential marketing authorization anticipated between Q3 2018 & H1 2019.

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

For Zoreline®, Mithra expects to report on the PK results of the 1-month implant in H2 2017, while PK results of the 3-month formulation upgrade also are on track to report in the second half of 2017.

Mithra remains committed to finding a partner for co-development and commercialization, in line with the company's strategy to partner with leaders in women's health for its different product candidates.

2.3. Benelux business

Mithra continued to demonstrate its position as a leading player in the Benelux women's health market, with a market share in contraception (in number of cycles) of more than 41% in Belgium and over 30% in the Netherlands for contraception products.

Post period-end, Mithra further strengthened its market position by signing a contract with Procare for the exclusive distribution of Papilocare® in Belgium and Luxembourg. Papilocare® is a therapy for the prevention and treatment of Human Papillomavirus (HPV) dependent lesions, an unmet medical need. As of Q1 2018, the product will form part of Mithra's growing portfolio of higher-margin, specialized products in women's health, to complement Mithra's existing marketed branded generics and to leverage the existing commercial infrastructure.

3. Financial highlights

3.1. Income statement

Thousands of Euro	*30 June 2017*	*30 June 2016*
INCOME STATEMENT		
Revenues	**12.662**	**8.362**
Cost of sales	**(4.630)**	**(4.420)**
Gross profit	**8.032**	**3.942**
Research and development expenses	(25.502)	(16.829)
General and administrative expenses	(3.990)	(3.829)
Selling expenses	(2.357)	(4.521)
Other operating income	602	198
Total operating expenses	**(31.248)**	**(24.981)**
Operating Profit / (Loss) / REBITDA	**(23.215)**	**(21.039)**
Amortization costs	**(1.201)**	**(479)**
EBIT	**(24.416)**	**(21.518)**
Financial result	**4.342**	**(1.031)**
Share of profit/(loss) of associates	(76)	(22)
Profit / (Loss) before taxes	**(20.150)**	**(22.571)**
Income taxes	**1.358**	**2.977**
Net Profit / (Loss) for the period	**(18.792)**	**(19.595)**

The Group made a net loss of EUR 18.792k for the first half of 2017, compared to a net loss of EUR 19.595k for the first six months of 2016.

The Revenues of the Group increased in the first half of 2017 by 51.4% to EUR 12.662k (H1 2016: EUR 8.362k). The increase is mainly owing to license revenues from the first partnership agreements for Myring™ (with Mayne Pharma and Gynial; EUR 2.400k) and Donesta® (with Fuji Pharma; EUR 1.500k); increased sales in the Benelux markets (EUR 678k); and by a drop in sales in Germany (EUR 154k).

Cost of Sales remained largely stable, driving the increase in Gross Profit to EUR 8.032k from EUR 3.942k.

Total Operating Expenses of the Group have increased by 25% from EUR 24.981k in H1 2016 to EUR 31.248k in H1 2017. Research and development expenses (excluding payroll costs) increased in the first half 2017 by 51.7% to EUR 25.502k (H1 2016: EUR 16.829k). This increase is primarily due to increased R&D activity for the Phase III studies of Estelle® and the Phase II study of Donesta®.

This is partially compensated by decreased selling expenses, from EUR 4.521k to EUR 2.357k, which is mainly driven by reduced commercial operations in France and Germany, as the subsidiaries in these countries were put on hold in the second semester of 2016.

These effects resulted in a negative REBITDA of EUR 23.215k in 2017 compared to EUR 21.039k in 2016.

The net financial income of EUR 4.342k is mainly the result of the IFRS adjustment in the fair value of the contingent liabilities and the government advances (EUR 4.808k), in addition to finance costs of EUR 783k.

3.2. Cash flow statement

Thousands of Euro	*30 June 2017*	*30 June 2016*
Operating Loss	**(24.416)**	**(21.518)**
CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation and amortization	1.201	479
Share-based compensation	374	364
Taxes paid	(26)	(15)
Subtotal	**(22.868)**	**(20.690)**
Changes in Working Capital		
Increase/(decrease) in Trade payables and other current liabilities	2.135	6.122
(Increase)/decrease in trade and other receivables	(3.909)	766
(Increase)/decrease in inventories	1.057	(765)
(Increase)/decrease in other		
Net cash provided by/(used in) operating activities	**(23.585)**	**(14.567)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(38.092)	(4.711)
Proceeds from sale of tangible assets	-	7
Purchase of intangible assets	-	(2.187)
Prepayments	-	-
Acquisition of a subsidiary net of cash acquired	-	-
Investment in associates	-	-
Investment in other assets	(2)	(6)
Net cash provided by/(used in) investing activities	**(38.094)**	**(6.897)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on financial loans	-	(17.027)
Proceeds from financial loans	35.586	7.746
Interests paid and other financial charges	(312)	(192)
Interest and other financial income received	-	41
Dividends paid to owners	-	-
Proceeds from issuance of shares (net of issue costs)	25.398	-
Net cash provided by/(used in) financing activities	**60.673**	**(9.433)**
Net increase/(decrease) in cash & cash equivalents	**(1.005)**	**(30.897)**
Cash & cash equivalents at beginning of year	**45.750**	**96.794**
Cash and cash equivalents at end of period	**44.745**	**65.897**

At EUR 44.7 million, the current cash position is little changed compared to 31 December 2016 (EUR 45.8 million), despite significant investments in the advanced clinical pipeline. This is due to the Private Placement of EUR 26.1 million closed on 23 June 2017, which strengthened Mithra's financial profile, and to the revenues that have already been recognized for the partnership agreements closed in H1 2017 (EUR 3.9 million).

Business development activity will continue to accelerate in the near term, with a particular focus on partnerships for Estelle® in coming months, where discussions with several potential partners are currently advancing, both in Europe and other major markets.

4. Corporate Governance

During the first 6 months of 2017, Mithra appointed P4Management BVBA, represented by Christiane Malcorps, as independent director. P4Management BVBA was elected to join the compensation and nomination committee as replacement of P.SUINEN SPRL-S (which is also a member of the audit committee and represented by Philippe Suinen). Therefore the compensation and nomination committee currently is composed out of the following members: Alychlo NV (permanent representative: Marc Coucke) (Chair), P4Management BVBA (permanent representative: Christiane Malcorps) and Jacques Platieau. Christiane Malcorps has served as a member of Mithra's board of directors since 2016.

Also, the ordinary general meeting of the shareholders of May 18th, 2017 confirmed the appointment of AUBISQUE BVBA (permanent representative: Freya Loncin), EVA CONSULTING SPRL (permanent representative: Jean-Michel Foidart), AHOK BVBA (permanent representative: Koen Hoffman) and P4Management BVBA as directors, with AHOK BVBA and P4Management appointed as independent directors. Therefore, the company currently has 4 independent directors (AHOK BVBA, P4 Management BVBA, P.Suinen SPRL-S and Jacques Platieau).

5. Principal risks and uncertainties

The board of directors considers that the key risk factors summarized in section 1.9 of the 2016 annual report remain relevant, which is deemed to be reproduced here.

6. Related party transactions

Over the course of the first half of the 2017 financial year, no related party transactions were executed by Mithra.

II.
Interim condensed consolidated financial statements for the period ended 30 June 2017

II. Interim condensed consolidated financial statements for the period ended 30 June 2017

1. Interim consolidated statement of profit or loss

Thousands of Euro		*30 June 2017*	*30 June 2016*
CONSOLIDATED INCOME STATEMENT	Notes		
Revenues	**6.3**	**12.662**	**8.362**
Cost of sales		**(4.630)**	**(4.420)**
Gross profit		**8.032**	**3.942**
Research and development expenses		(25.502)	(16.894)
General and administrative expenses		(5.191)	(4.237)
Selling expenses		(2.357)	(4.527)
Other operating income		602	198
Total operating expenses		**(32.448)**	**(25.460)**
Operating Profit / (Loss)		**(24.416)**	**(21.518)**
Financial income		5.125	41
Financial expense		(783)	(1.071)
Financial result		**4.342**	**(1.031)**
Share of profit/(loss) of associates		(76)	(22)
Profit / (Loss) before taxes		**(20.150)**	**(22.572)**
Income taxes	**6.5**	**1.358**	**2.977**
Net Profit / (Loss) for the period		**(18.792)**	**(19.595)**
Attributable to			
Owners of the parent		(18.792)	(19.595)
Non-controlling interest			
Profit / (Loss) per share			
Basic earnings per share (euro)		(0,60)	(0,63)
Diluted earnings per share (euro)		(0,60)	(0,63)

2. Interim consolidated statement of other comprehensive income

Thousands of Euro (€)	*30 June 2017*	*30 June 2016*
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Net result for the period	**(18.792)**	**(19.595)**
Other comprehensive income	**(11)**	**(11)**
Currency translation differences	(11)	(11)
Total comprehensive income for the period	**(18.803)**	**(19.606)**
Attributable to		
Owners of the parent	(18.803)	(19.606)
Non-controlling interest	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(18.803)**	**(19.606)**

3. Interim consolidated statement of financial position

Thousands of Euro	*Notes*	*30 June 2017*	*31 December 2016*
ASSETS			
Intangible assets	6.7	78.943	79.130
Property, plant and equipment	6.8	53.982	16.961
Goodwill	6.7	5.233	5.233
Investments in associates	6.9	89	165
Deferred income tax assets		15.738	12.193
Other non-current assets		1.141	1.139
Non-current assets		**155.126**	**114.820**
Inventories		3.113	4.170
Trade & other receivables	6.10	11.865	7.955
Other Short Term deposits		-	43.600
Cash & cash equivalents		44.745	2.150
Current assets		**59.722**	**57.876**
TOTAL ASSETS		**214.849**	**172.696**

During the course of the first half 2017, the Group recorded EUR 37.021k of addition to the tangible fixed assets (see paragraph 6.8 and 6.15 for more information).

Thousands of Euro	*Notes*	*30 June 2017*	*31 December 2016*
EQUITY AND LIABILITIES			
Equity			
Share capital	6.12	24.817	22.613
Share premium	6.12	146.024	122.830
Retained earnings		(70.802)	(52.384)
Translation differences		(55)	(44)
Equity attributable to owners of the parent		**99.984**	**93.015**
Subordinated loans	6.13	8.379	6.431
Bank borrowings	6.13	978	1.061
Financial lease	6.15	33.230	-
Refundable government advances	6.13	4.542	8.255
Other loans & financial liabilities	6.13	30.450	32.495
Provisions	6.15	266	266
Deferred tax liabilities	6.5	5.630	3.469
Non-current liabilities		**83.476**	**51.977**
Current portion of long term financial debts	6.13	78	945
Short term financial debts	6.13	6.378	6.010
Other loans & financial liabilities		1.939	-
Trade payables and other current liabilities	6.11	17.817	15.682
Corporate income tax payable		91	73
Accrued charges & Deferred income		5.085	4.995
Current liabilities		**31.389**	**27.705**
TOTAL EQUITY AND LIABILITIES		**214.849**	**172.696**

The main evolution in the course of the first half 2017 is the recognition of the financial leases related to the phase 1 construction of the new CDMO facility (see paragraph 6.15).

4. Interim consolidated statement of changes in equity

Thousands of Euro	*Share capital*	*Share premium*	*Retained earnings*	*Share Based Payments*	*Foreign currency translation reserve*	*Total equity*
Balance as at 1 January 2016	**22.613**	**122.830**	**(18.646)**	**621**	**(24)**	**127.394**
Result for the period			(19.595)			(19.595)
Other comprehensive income for the period					(11)	(11)
Total comprehensive income for the period			**(19.595)**		**(11)**	**(19.606)**
Warrants				364		364
Balance as at 30 June 2016	**22.613**	**122.830**	**(38.241)**	**985**	**(35)**	**108.152**
Balance as at 1 January 2017	**22.613**	**122.830**	**(53.733)**	**1349**	**(44)**	**93.015**
Result for the period			(18.792)			(18.792)
Other comprehensive income for the period					(11)	(11)
Total comprehensive income for the period			**(18.792)**		**(11)**	**(18.803)**
Capital increase of 23 June 2017	2.204	23.194				25.398
Warrants				374		374
Balance as at 30 June 2017	**24.817**	**146.024**	**(72.525)**	**1.723**	**(55)**	**99.984**

5. Interim consolidated statement of cash flows

Thousands of Euro	*30 June 2017*	*30 June 2016*
Operating Loss	**(24.416)**	**(21.518)**
CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation and amortization	1.201	479
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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 2017 have been prepared in accordance with IFRS as adopted by the European Union.

The financial statements do not include all the information required for annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 31 December 2016. 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 18 September 2017.

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

6.1.2. Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2016.

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

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

6.1.3. Use of accounting adjustments, estimates and assumptions

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

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2016.

6.1.4. Changes in accounting policies and disclosures

At the date of these interim financial statements, the following Standards and Interpretations which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- IFRS 9 in respect of Financial Instruments which will be effective for the accounting periods beginning on or after 1 January 2018.

- IFRS 15 in respect of Revenue from Contracts with Customers which will be effective for accounting periods beginning on or after 1 January 2018.

- IFRS 16 in respect of Leases which is not yet endorsed by the EU as of 30 June 2017 but for which European Financial Reporting Advisory Group (EFRAG) has now completed its due process and has submitted its endorsement advice to the European Commission (EC).

- IAS 12 in respect of Income taxes – Amendments regarding the recognition of deferred tax assets for unrealized losses which is not yet endorsed by the EU as of 30 June 2017.

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

6.2. Business combinations and asset deals

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

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

- Signature of a share purchase agreement whereby 50% of the Novalon shares were acquired for a total consideration of EUR 9.400k

- Purchase of the worldwide rights relating to its two leading product developments (Zoreline® and Myring™) for a total consideration of EUR 8.500k

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

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

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

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

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

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

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

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

Novalon SA received non-dilutive financial support from the Walloon Region. The support has been granted in the form of refundable cash advances for a total amount of EUR 1.643k and EUR 2.959k at 31 December 2015 and 30 June 2016 respectively. It was estimated that the refundable advances have a fair value of EUR 357k at acquisition date.

The fair value of contingent payments relating to certain contractual obligations with respect to the acquired Zoreline® and Myring™ products is estimated at EUR 7.763k, of which EUR 500k was to be invoiced in 2016, and to be paid within a year of the invoicing date. This amount was paid after the reporting period, in July 2016. The remainder will be invoiced annually as from 2017 at the earliest.

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

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

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

During H1 2017, Mithra had no business combinations or asset deals to account for in its interim financial statements.

6.3. Segment information

At this moment, operating results are only being reviewed at global level within Mithra and hence, no distinction is being made in the evaluation between segments nor is any other segment information provided regularly to the chief operating decision maker. However, some key figures can be displayed geographically.

Geographical information on revenues

Thousands of Euro (€)	*30 June 2017*	*30 June 2016*
Belgium	6.969	6.056
The Netherlands	765	678
Luxembourg	192	212
Sales in other countries	4.692	1.415
Total	12.618	8.362

Non-Current assets

Thousands of Euro (€)	*30 June 2017*	*30 June 2016*
Belgium	146.587	93.993
Brazil	473	473
Luxembourg	13	16
The Netherlands	7.998	7.999
France	25	24
Germany	30	14
Total	155.126	102.518

The main non-current assets are located in Belgium, including the rights for Estelle®, except for the intellectual property rights acquired in the Netherlands (relating to all E4 indications, excluding the rights related to Estelle®), an operating license in Brazil and some minor assets in the Netherlands, Luxembourg and Germany.

6.4. Result for the period

The Group made a net loss of EUR 18.792k for the first half of 2017, compared to a net loss of EUR 19.595k for the first six months of 2016.

The Revenues of the Group increased in the first half of 2017 by 51.4% to EUR 12.662k (H1 2016: EUR 8.362k). The increase is mainly owing to license revenues from the first partnership agreements for Myring™ (with Mayne Pharma and Gynial; EUR 2.400k) and Donesta® (with Fuji Pharma; EUR 1.500k); increased sales in the Benelux markets (EUR 678k); and by a drop in sales in Germany (EUR 154k).

Cost of Sales remained largely stable, driving the increase in Gross Profit to EUR 8.032k from EUR 3.942k.

Total Operating Expenses of the Group have increased by 25% from EUR 24.981k in H1 2016 to EUR 31.248k in H1 2017. Research and development expenses (excluding payroll costs) increased in the first half 2017 by 51.7% to EUR 25.502k (H1 2016: EUR 16.829k). This increase is primarily due to increased R&D activity for the Phase III studies of Estelle® and the Phase II study of Donesta®.

This is partially compensated by decreased selling expenses, from EUR 4.521k to EUR 2.357k, which is mainly driven by reduced commercial operations in France and Germany, as the subsidiaries in these countries were put on hold in the second semester of 2016.

These effects resulted in a negative REBITDA of EUR 23.215k in 2017 compared to EUR 21.039k in 2016.

The net financial income of EUR 4.342k is mainly the result of the IFRS adjustment in the fair value of the contingent liabilities and the government advances (EUR 4.808k), in addition to finance costs of EUR 783k.

The financial income relates mainly to the IFRS adjustment in fair value of the contingent liabilities and the government advances (EUR 4.808k). This decrease of the fair value is the result of a realignment of the calculation methods of the fair values for all government advances and contingent liabilities (see paragraph 6.12).

The finance costs amount to EUR 783k. Tax income is mainly related to the further build-up of the deferred tax asset related to fiscal losses carried forward at the level of Mithra.

6.5. Income tax

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

The deferred tax liabilities increase of EUR 2.161k mainly related to the tax effects of the contingent liabilities on Novalon and a costs capitalization at the CDMO.

6.6. Earnings per share

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

Thousands of Euro	*30 June 2017*	*30 June 2016*
Result for the purpose of basic loss per share, being net loss	(18.793)	(19.595)

Number of shares	*30 June 2017*	*30 June 2016*
Weighted average number of shares for the purpose of basic loss per share	31.250.816	31.129.756
Basic loss per share (in Euro)	(0,60)	(0,63)
Diluted loss per share (in Euro)	(0,60)	(0,63)

On 23 June 2017, the Company closed a capital increase by way of a Private Placement and issued 3.112.975 new shares. The weighted average number of shares over the course of the first half of the year 2017 is 31.250.816.

6.7. Intangible assets and goodwill

The goodwill results entirely from the acquisition of Estetra (EUR 3.814k) and Novalon (EUR 1.420k). The finalization of the price allocation exercise on the acquisition of Novalon SA led to a decrease over the course of the half year 2016 in goodwill compared to December 2015.

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 applied on those intangible assets.

6.8. Property, plant and equipment

During the period, the Group recorded EUR 37.021k of additions to the tangible fixed assets which were mainly related to the construction of the first phase of the new production facility for the manufacturing of pharmaceutical products (Mithra CDMO). For this, the Group entered into several finance leases as explained in paragraph 6.15.

6.9. Investments in associates

Investments in associates include a 25.13% participation in Targetome which is accounted using the equity method and was reduced by EUR 76k resulting in a value of EUR 89k in our books.

6.10. Trade and other receivables

Trade and other receivables increased by EUR 3.909k which is mainly the result of an increase in recoverable VAT compared to December 2016 (EUR 1,358k) and receivables (EUR 1.500k) related to the first partnership agreement for Donesta® signed in June 2017.

6.11. Share capital

6.11.1. General

At 30 June 2017 and 30 June 2016, the Company's share capital was represented by the following number of shares (units).

Thousands of Euro	*30 June 2017*	*30 June 2016*
NUMBER OF SHARES		
Share capital	34.242.731	31.129.756

These shares are fully paid and have no nominal value.

6.11.2. Changes in capital

The change of the number of shares during each of the periods ending on 30 June 2017 is as follows:

Thousands of Euro	*Number of share*	*Issued capital*	*Share premium*	*Total*
At inception	**8.843**	**2.480**		**2.480**
Balance at 31 December 2012	**8.843**	**2.480**	**0**	**2.480**
Nil				
Balance at 31 December 2013	**8.843**	**2.480**	**0**	**2.480**
Capital increase of 22 September 2014	1.836	515	8.684	9.199
Capital increase of 14 November 2014	399	112	1.887	1.999
Balance at 31 December 2014	**11.078**	**3.107**	**10.571**	**13.678**
Transactions on 22 May 2015				
- Merger with Ardentia	7.050	10.571		10.571
- Incorporation in capital of share premium		9.829	(9.829)	-
- Incorporation in capital of retained earnings		5.555		5.555
- Reduction of capital	(6.805)	(15.384)		(15.384)
- Share split	18.671.627			-
- Capital increase by contribution in cash	5.836.233	4.273	50.331	54.604
- Capital increase by contribution in cash	5.836.233	4.273	50.331	54.604
Initial Public Offering on 1 July 2015				
Capital increase	**6.610.573**	**4.840**	**74.487**	**79.327**
Transaction costs for equity issue		(177)	(2.730)	(2.908)
Balance at 31 December 2015	**31.129.756**	**22.613**	**122.830**	**145.443**
Nil				
Balance at 31 December 2016	**31.129.756**	**22.613**	**122.830**	**145.443**
Capital increase of 23 June 2017	**3.112.975**	**2.204**	**23.194**	**25.398**
Balance at 30 June 2017	**34.242.731**	**24.817**	**146.024**	**170.841**

A capital transaction took place on 23 June 2017. The Group has placed 3.112.975 new shares with certain qualified and/or institutional investors. The new shares represented just below 10% of the Company's shares currently admitted to trading on Euronext Brussels (pre-transaction) and brought the total number of shares (post-transaction) to 34.242.731.

6.12. Borrowings

Thousands of Euro (€)	*30 June 2017*	*31 December 2016*
Bank borrowings	978	1.061
Subordinated loan	8.379	6.431
Financial lease	33.230	
Other loans	2.800	2.975
Refundable government advances	4.542	8.255
Other financial liabilities	27.650	29.520
Non-Current	**77.580**	**48.242**
Bank borrowings	6.378	5.671
Subordinated loan	78	83
Other loans	343	380
Refundable government advances		321
Other financial liabilities	1.596	500
Current	**8.395**	**6.955**
Total Borrowings	**85.975**	**55.197**

For the construction of the new CDMO building, the Group made new drawdowns under its subordinated debt facilities (EUR 1.943k) and a straight loan facility (EUR 624k) over the course of the first half 2017. The Innodem loans reported under "Other loans" have reduced by EUR 212k. 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 project is stopped, the Group can return rights to the results and the data generated in the project to the Service Public Wallonie (SPW), in which case the repayment obligation also terminates. The refundable advances have a fixed repayment part and a variable repayment scheme. The variable part is dependent on the success of the project (i.e. based on a percentage of turnover). It should be noted that, while the variable parts of these advances are only due upon commercialization, the fixed parts are due in any event. The fixed and variable parts (including interest payments) can never exceed the double of the initial received amount. The variable part to be repaid will depend on the performance of the product candidate.

Other non-current financial liabilities primarily include the fair value of the contingent liabilities for Estetra (EUR 22.246k) as well as the fair value of contingent payments relating to certain contractual obligations with respect to the acquired Zoreline® and Myring™ products (EUR 7.000k).

In 2017, an IFRS adjustment of the fair value of the contingent liabilities and the government advances has been made (EUR 4.808k; see paragraph 6.13.2). This decrease of the fair value is the result of a realignment of the discounting rates used for the fair values of all government advances and contingent liabilities. The WACC used for discounting is 12.33%. The probability of success of the studies and the net sales forecasts which could have a significant impact on the fair values were not reviewed.

The Group has recognized in H1 2017 financial leases of EUR 33.230k (see paragraph 6.15).

6.13. Financial instruments

6.13.1. Classes and fair value of financial instruments

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

6.13.2. Fair value hierarchy and measurements

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

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Financial Assets:

Trade & other receivables, Other short term deposits and Cash & cash equivalents items will typically be considered as Level 2, see section 3 for the fair values of these financial assets which do not differ from the book values.

Financial liabilities:

The following table presents the group's liabilities that are measured at fair value at 30 June 2017 and 31 December 2016:

Thousands of Euro (€)	*30 June 2017*	*31 December 2016*	
Non-Current liabilities	**32.192**	**37.775**	
Refundable government advances	4.542	8.255	Level 2
Other financial liabilities	27.650	29.520	Level 3
Current liabilities	**1.596**	**821**	
Refundable government advances		321	Level 2
Other financial liabilities	1.596	500	Level 3

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

Thousands of Euro (€)	*Refundable government advances*	*Other financial liabilities*	*Total*
Balance at 1 January 2017	**8.576**	**30.020**	**38.593**
Business combination and acquisition of assets			
New government advances			
Charged/(credited) to income statement	(4.034)	(774)	(4.808)
Settlements			
Balance at 30 June 2017	**4.542**	**29.246**	**33.785**

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

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

6.14. Share-based payments

By a decision of the extraordinary shareholders' meeting of 2 March 2015 the Company issued 1.089 warrants primarily to key management with an exercise price of EUR 5.645 per warrant. Warrants are conditional on the person completing a 4 year vesting period. These warrants are in principle exercisable as of 2019. The fair value of the 1.089 warrants at grant date was estimated at EUR 2.789k. The fair value of each option is estimated using the Black & Scholes model based on the following assumptions:

Number of warrants granted	1.089
Exercise price	EUR 5.646
Expected dividend yield	
Expected stock price volatility	45,30%
Risk-free interest rate	0,53%
Expected duration	8 years
Fair value	EUR 2.789k

All warrants are still outstanding at 30 June 2017. During the reporting period EUR 374k was charged to the statement of profit or loss.

6.15. Commitments and contingency

Rent and Lease commitments

On 17 November 2014, the company entered into finance leases for the construction and use of a production facility for the manufacturing of pharmaceutical products (Mithra CDMO). The leases were supposed to commence at the earliest of the operational qualification of the construction, or 31 October 2016. These leases were amended in 2016. The amendment consisted of a change for the entering into force of the leases until 30 April 2017, together with a grace period on the principal repayments until April 2019. The entering into force was finally 15 May 2017, date of the notarial deed. The total investment for phase I was supposed to amount to EUR 49.400k. Mithra committed to participate up to 32.87% in the financing of the construction through transferring the proceeds of a subordinated loan and grants that will be pre-financed by straight loans. The remainder is financed through two lease agreements: a lease contract of land and building with a term of 15 years for a total amount of EUR 24.900k and an equipment lease for a total amount of EUR 8.000k with a term of 7 years. The leasing of EUR 24.900k was amended during the course of 2016 and is now for EUR 25.164k. Those two amounts have been recognized on the balance as at 30 June 2017.

Additionally, on 20 May 2016, the company entered into new finance leases for the phase II construction of the production facilities for the manufacturing of pharmaceutical products for which the total investment was estimated at EUR 25.835k. The lease will commence at the earliest of the operational qualification of the construction or 30 April 2019. Similar to the phase I financing, Mithra committed to participate up to 35.04% in the financing of the construction through transferring the proceeds of a subordinated loan and of grants that will be pre-financed by straight loans. The remainder is financed through two lease agreements: a lease contract of land and building with a term of 15 years for a total amount of EUR 9.097k and an equipment lease for a total amount of EUR 7.685k with a term of 7 years.

Collaborative research and development arrangements

Mithra has signed an agreement with PRA Health Sciences as a Clinical Research Organization (CRO) for the Phase III clinical trials on its product candidate Estelle®, the combined oral contraceptive product candidate, composed of 15 mg of Estetrol (E4) and 3 mg of Droperinone (DRSP).

For the further conduct and finalization of the Phase II dose-finding study of its menopause product candidate Donesta®, Mithra decided in September 2016 to transition from Chiltern to Synteract HCR Inc. as CRO.

Organon/Merck patent dispute

Since 2008, Mithra has been involved in a legal proceeding against Organon NV and Merck Sharp & Dohme BV regarding an alleged patent infringement. Currently, Organon and Merck claimed provisional damages of EUR 1.000k while they estimate the actual loss on profit at EUR 2.465k. A judgment partially ruling in favor of Organon and Merck was rendered on 11 December 2015 and the Commercial Court appointed an expert to advise on the damages suffered by Organon and Merck because of the partial infringement. Mithra lodged an appeal for overturning the judgment. Therefore, the procedure is now pending before the Court of Appeal. No hearing date has been set yet. Note that a provision of EUR 266k in relation to this claim has been recognized in these consolidated financial statements based on management's best assessment.

6.16. Events after reporting period

Following 30 June 2017, two additional important steps were taken in the *E4 Freedom* Phase III studies with Estelle®. On August 9, Mithra announced that recruitment was completed for the PK sub-study in the US. This study in 500 women aged 16-50 aims to determine the impact of demographic characteristics (including race, BMI and smoking) on the absorption, distribution and excretion of Estelle®. The FDA increasingly requires contraceptive study entry criteria to be more reflective of the real-world target population, and this PK sub-study should provide valuable insights into the use of Estelle® in various subpopulations.

For the EU/Russian *E4 Freedom* study, on August 18, the first European study subject was announced to have successfully completed 13 study cycles with Estelle® and the end of study physician visit. With other women nearing completion of the study cycle as well, this provides an encouraging indication of the user acceptance and well-being of subjects using Mithra's novel COC product candidate.

Importantly, the two news items underline that *E4 Freedom* remains on track to yield top line Phase III results in Q3 2018 for Europe/Russia and in Q1 2019 for the US/Canadian leg of the study.

For Donesta®, Mithra's next generation hormone therapy candidate, recruitment is expected to be finalized in coming weeks for the Phase II dose-finding study of Donesta® in at least 225 patients randomized over five treatment groups, including placebo. Mithra remains on track to report top-line results in Q1 2018.

With regard to the Complex Therapeutics, Myring™ was submitted for European market approval on July 17. The regulatory submission was in line with previously announced time lines. Pending regulatory approval, Myring™ is on track to be launched in Europe from Q2 2018, following Nuvaring's™ patent expiration in April 2018. Mayne Pharma, Mithra's partner for the US launch of Myring™, is expected to submit the US marketing authorization application in Q4 2017, with approval possible in H2 2018 and launch shortly thereafter.

Post-period Mithra also continued to strengthen its IP, and in July 2017 the company announced a strengthened patent position for the Australian market, where a patent was granted for the E4 synthesis manufacturing process until 2032 (which the company also holds for other territories such as the US, Europe and Hong Kong), as well as for the use of E4 as an emergency contraceptive. In addition, an Australian patent for E4 in neuroprotection was received. Mithra equally holds this patent in territories such as Europe and the US.

Finally, with regard to its commercial Benelux business, Mithra remains market leader in Belgium & The Netherlands with a market share (in number of cycles) of more than 41% in Belgium and over 30% in the Netherlands for contraception products. Moreover, the company remains at the forefront of innovation with the introduction of new, pioneering products that offer solutions to patients' needs. Most recently, Mithra signed a contract with Procare for the exclusive distribution of Papilocare® in Belgium and Luxembourg. Papilocare® is a therapy for the prevention and treatment of Human Papillomavirus (HPV) dependent lesions, an unmet medical need. As of Q1 2018, the product will form part of Mithra's growing portfolio of higher-margin, specialized products in women's health. These innovative products will complement Mithra's existing marketed branded generics and leverage the existing commercial infrastructure.

III.
Statement of the responsible persons

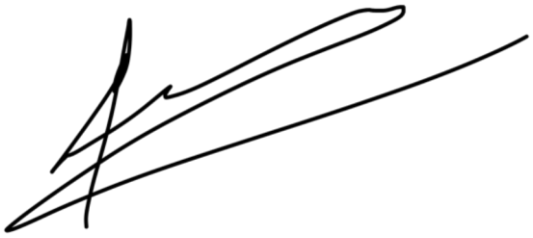
III. Statement of the responsible persons

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

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

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

On behalf of the Board of Directors



ALYCHLO NV, represented by
Marc Coucke, Chairman

YIMA SPRL, represented by
François Fornieri, Managing Director

CMM&C SPRL, represented by
Christophe Maréchal, CFO

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

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

Statutory auditor's report to the Board of Directors of MITHRA PHARMACEUTICALS SA on the review of consolidated interim financial information for the six-month period ended 30 June 2017

Introduction

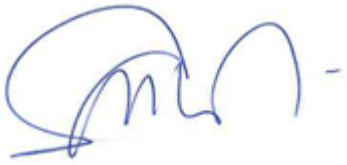
We have reviewed the accompanying interim consolidated statement of financial position of MITHRA PHARMACEUTICALS SA as of 30 June 2017 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the six-month period then ended, as well as the explanatory 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.



BDO Réviseurs d'Entreprises Soc. Civ. SCRL
Statutory auditor
Represented by Felix FANK

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