ANNUAL REPORT 2021

mithra
Women's Health

Transforming women's health through innovation

Contents

1.

Letter to shareholders

> WE ARE PROUD OF THIS SUCCESS WHICH DEMONSTRATES OUR COMPANY'S ABILITY TO MARKET INNOVATIVE PRODUCTS IN A FIELD WHERE THE NEED FOR ALTERNATIVES IS REAL.

Dear Shareholders,

The year 2021 has been historic for Mithra in many ways, most notably the obtention of market authorizations for our first estetrol-based product, the Estelle® contraceptive pill, with a worldwide commercial launch to follow. A recognition for a biotech such as Mithra, coming to crown years of research and hard work. We are proud of this achievement, which demonstrates our company's ability to bring innovative products to market in an area where there is a real need for alternatives. 2021 also marked the strategic repositioning of our second product candidate, Donesta®, which aims to provide a global response to the needs of millions of menopausal women.

Our flagship asset, estetrol

In the first half of 2021, Mithra received marketing authorisations for Estelle® from the major regulatory agencies, the FDA (US), the EMA (Europe) and Health Canada (Canada). In the United States, the world's largest contraceptive market, our partner Mayne Pharma began marketing at the end of June 2021 under the brand name Nextstellis®. It is under this same brand name that the pill was launched in Canada at the end of August. For the European market, our partner Gedeon Richter has opted for a sequenced launch in the different countries under the brand name Drovelis®. To date, Drovelis® is available in 17 European countries including the main markets of Germany and Italy. Although the commercial launch took place in the context of a pandemic, limiting access to health care professionals, the first sales figures, as well as the various marketing indicators, are promising.

Convinced of estetrol's potential to address major estrogen deficiency symptoms affecting a majority of postmenopausal women, we decided to broaden the scope of the clinical programme for our next generation hormone treatment Donesta® and to launch three additional studies addressing symptoms other than only hot flushes. With estetrol's unique profile, we believe we can offer women a safe and effective alternative that addresses a range of symptoms that greatly affect women's quality of life. At the beginning of 2022, we were very pleased to obtain positive efficacy results for our phase III Donesta®, reinforcing our confidence in the strong potential of this product candidate.

Complex therapeutics and CDMO

The commercialization of Myring®, our contraceptive vaginal ring, continued internationally with launches in Canada, Chile, France and Italy, the fourth largest market worldwide. Today, our ring is marketed in 13 countries, representing a total market of more than 267 million euros and nearly 18 million rings per year.

Mithra also acquired full licensing and distribution rights for Zoreline® in key territories such as China, Australia and Canada, which are expected to account for over 70% of the market by 2025. This strategic acquisition gives Mithra 100% worldwide rights to the Zoreline® subcutaneous implant, which is used to treat prostate cancer, breast cancer and other gynaecological indications.

Our Mithra CDMO has also inaugurated a new manufacturing unit entirely dedicated to the production of filling and finishing of complex injectable liquids and biological products in vials, pre-filled syringes. This high added value activity reinforces the strategic position of our CDMO at European level for the coming years.

Governance and corporate social responsibility

At our General Meeting of Shareholders, our Board of directors was renewed and now includes 10 directors with varied and complementary profiles, allowing Mithra to have diverse expertise. We are particularly proud to see this board achieve perfect parity with 5 women directors and 5 men directors, as well as 5 independent and 5 non-independent directors.

Conscious of our role and influence on society, we have decided to launch our social responsibility strategy in 2021 through the creation of a Sustainability Committee and the selection of commitment axes and sustainable development goals defined by the United Nations. Our various achievements and aspirations are detailed in a new section of this annual report.

Outlook

Based on our positive results earlier this year, we are in a better position than ever to conclude a global licensing agreement for our product candidate Donesta®. On the commercial side, we should also be able to secure a licensing agreement for our contraceptive pill in China this year, as well as marketing authorisation for our vaginal contraceptive ring Myring® in the US.

In Research & Development, our core business, we plan to launch 3 additional studies in the Donesta® clinical programme to measure the activity of our product on three major menopausal symptoms, namely vulvovaginal atrophy, skin and hair quality. Our estetrol portfolio will also begin its first diversification beyond women's health, with the launch of a clinical programme in neonatal hypoxic-ischaemic encephalopathy, for which estetrol has orphan drug status.

We look forward to launching Estelle® in new markets and to boosting sales through a major promotional campaign planned for mid-year, particularly in the US. Donesta® is emerging as a product candidate capable of targeting a wider market and we will do our utmost to maximise its potential. We are more convinced than ever that our estetrol portfolio is innovative, not to say revolutionary. We would like to thank all our operational teams for having succeeded in this incredible challenge of obtaining marketing authorizations for Estelle® and reshaping the Donesta® clinical programme to live up to its promise.

We would also like to take this opportunity to thank you, dear shareholders, for your trust and unwavering support over the past years. Although recent global events have disrupted the environment in which we operate, rest assured that innovation and value creation remain our focus. We look forward to achieving further major accomplishments in 2022.

Ajit Shetty,
Chairman of the Board

Leon Van Rompay,
Chief Executive Officer

2021 Highlights

February

- Appointment of Leon Van Rompay as Chief Executive Officer.
  Mr. Van Rompay has more than 40 years of experience in the international pharmaceutical industry.

March

- First marketing authorization for the contraceptive pill Estelle® obtained in Canada.
- Launch of Myring® in Italy, the fourth largest market in the world, under the brand name Kirkos® by Farmitalia
- Positive opinion for Estelle® from the Committee for Medicinal Products for Human Use (CHMP) of EMA.

April

- FDA approval for Estelle® for commercialization in the US by Mayne Pharma.
- Presentation of Mithra's new production line dedicated to injectable products to Walloon's Health Minister, Christie Morreale.

May

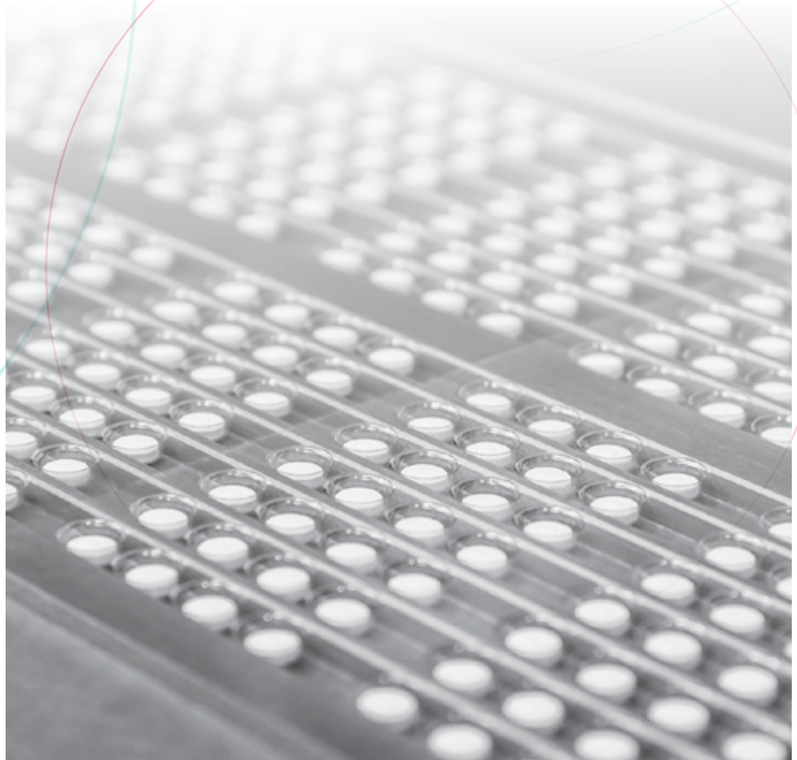
- Appointment of a new Board of Directors for a two-year-mandate. For the first time, this board achieves perfect parity with 5 women directors and 5 men directors, as well as 5 independent and 5 non-independent directors.
- Approval of Estelle® in whole Europe.
- FDA marketing exclusivity for Estelle® as a new chemical entity.

June

- Launch of Estelle® under the trademark Nextstellis® in the United States. Estetrol is the first new estrogen introduced in the US in over 50 years
- Acquisition of full licensing and distribution rights for the Zoreline® implant as well as a successful renegotiation of the earnouts for Zoreline® and Myring® - two Complex Therapeutics in Mithra's portfolio.

July

- Partnership with the Belgian biotech ExeVir for the manufacturing of innovative Covid-19 treatments at Mithra CDMO's new Injectable Facility.
- Mobilization of Mithra staff members to support Walloon victims of the devastating floods through two main actions : a financial donation to the Belgian Red Cross and the onsite gathering of a volunteers' crew to work side by side to help those affected.



August

- Commercial launch of Nextstellis® by Searchlight Pharma on the Canadian market. E4 is the first new estrogen in a COC in the Canadian market in more than half a century.

September

- Approval delivered from the Russian Medicines Agency (Roszdravnadzor) on the registration application of Estelle® in Russia.
- Completion of recruitment for Donesta® Phase III clinical program in the United States and Canada.

- Topline results of the Coronesta Phase II study in the safety and efficacy assessment of estetrol for the treatment of hospitalized patients with moderate Covid-19.

October

- Launch of Estelle® in Belgium under the brand name Drovelis® by Gedeon Richter Pharma and under the brand name Lydisilka® by Ceres Pharma.

November

- Mithra's R&D and manufacturing center welcomes investors and analysts to give a strategic update of its pipeline during its Investor Day.
- Extension of the Donesta® Clinical Program with three new studies carried out on estetrol's effect on symptoms significantly impacting postmenopausal women's quality of life: vulvovaginal atrophy, skin health and hair quality.
- Diversification of the R&D pipeline through rights' acquisition option relating to a development program led by the Belgian company BCI Pharma on innovative kinase inhibitors notably indicated for the treatment of female cancers and endometriosis.
- Approval of Estelle® under the trademark Nextstellis® in Australia.
- Opening of the European Society of Gynecology congress by Mithra and Gedeon Richter Pharma.

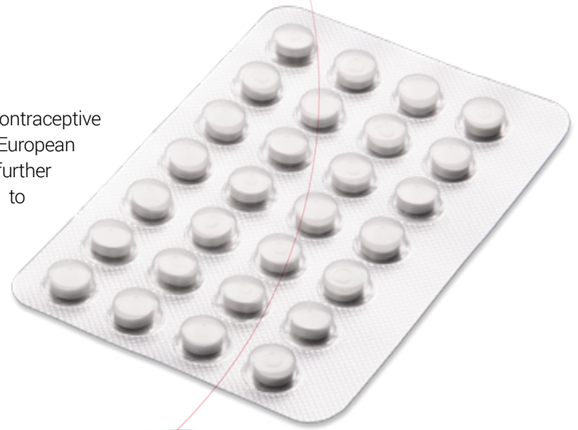
December

- Presentation of data about Estelle®'s clinical trials at the 30th World Congress on Controversies in Obstetrics, Gynecology and Infertility.

2022 Outlook

Estelle®'s commercial rollout

In 2021, the worldwide launch of first estetrol-based product, the contraceptive pill Estelle® took place in the United States, Canada and a dozen of European countries. We are confident that our innovative pill will continue to further increase its market penetration in these territories and expand to additional regions, namely in Europe (Czech Republic, Portugal, Switzerland, UK as well as Nordic countries) and Australia. New marketing authorizations are also anticipated in 2022, as well as additional regulatory submissions in Latin America.



Final stretch for Donesta® Clinical Program

Early 2022, we received our first top line clinical phase 3 results of Donesta®, which have confirmed the tremendous potential as an innovative hormone therapy to treat many symptoms of estrogen loss simultaneously or sequentially throughout the entire menopausal period. These positive efficacy results enable us to step up our contacts with interested partners for the signature of a License & Supply agreement. We look forward to advancing our clinical development, including the initiation of three additional studies (vulvovaginal atrophy, skin and hair quality) aimed at reshaping Donesta®'s profile as a hormone therapy targeting a broad range of major menopausal symptoms. The primary safety results are anticipated for end 2022 in the United States/Canada and for end H1 2023 in Europe.

Geopolitical situation in Eastern Region

Since the beginning of the conflict in Ukraine, we are monitoring closely the geopolitical situation in order to anticipate potential impact on Mithra's and partners activities, in particular Estelle® launch in Russia foreseen in H2 2022, a region which only represents 1% in terms of revenues for 2022.

On the R&D side, we are currently analyzing the situation regarding the potential impact on the recruitment for the additional European Donesta® study (C301) that should be completed by the end of H1 2022. About 10% of the recruitment sites are located in Russia and we have activated a mitigation plan in order to replace these sites with other sites in the United States and Europe and to avoid any delay in the submission to the European Medicines Agency.

Launch of E4-clinical program in neuroprotection

In addition to its two E4-based products for contraception 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. This R&D program will enter clinical trials in H1 2022 with a phase 1 study to collect safety, tolerability and pharmacokinetic data with Mithra's E4-based formulation on adults. Results are anticipated in H2 2022.

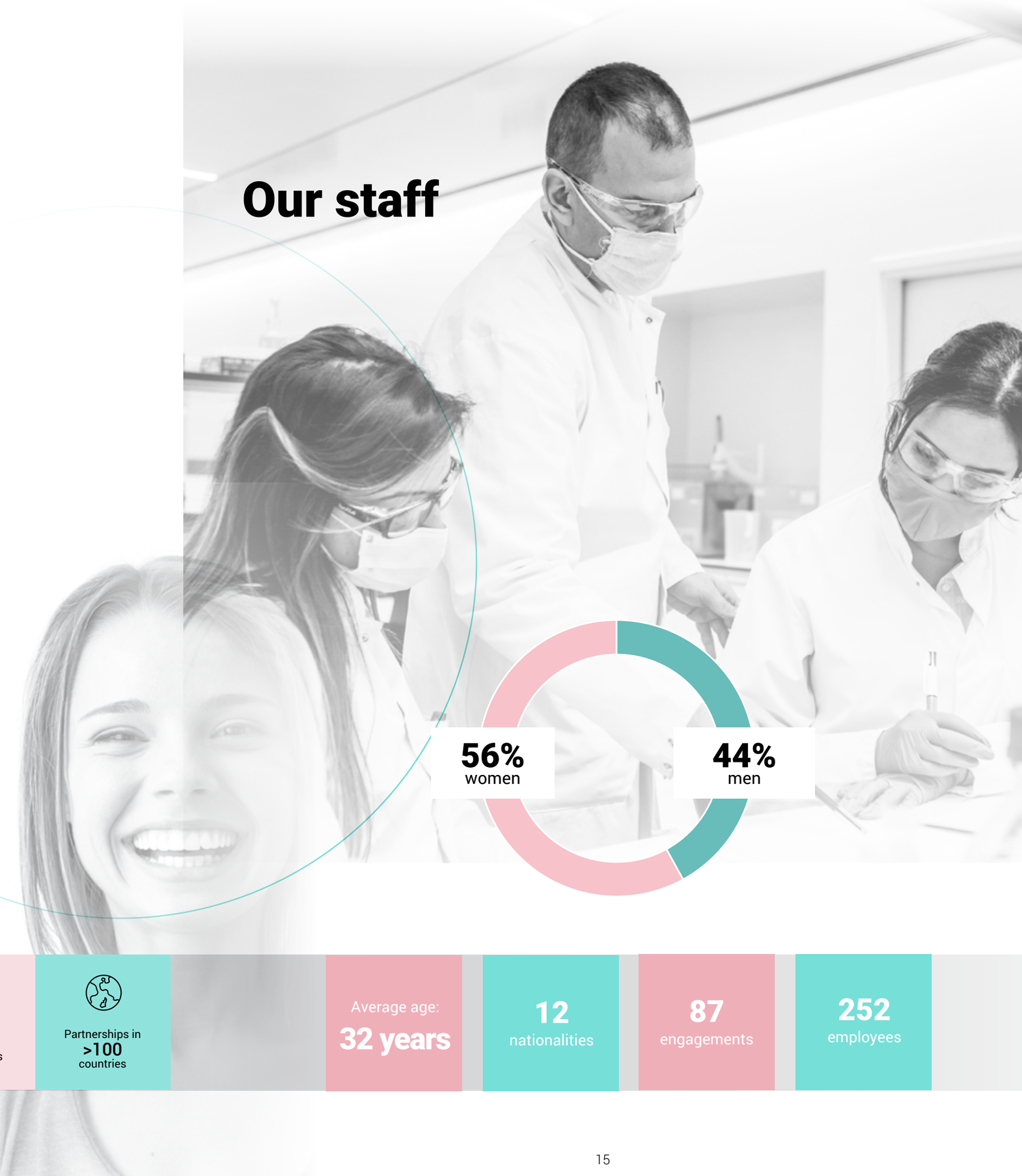
Further expansion of contraceptive Myring®

Following the successful launches of our vaginal contraceptive ring Myring® in key regions such as Italy and Canada in 2021, we plan to further expand market coverage with additional launches in the second half of the year. We are moving closer to approval for Myring® in the United States, the world's largest market, hopefully later in the calendar year 2022.

Mithra, inspired by women

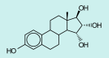
For over twenty years Mithra has dedicated its researches so as to redefine women's health, transform their daily lives in an innovative way and unlock emerging opportunities in healthcare with a focus on contraception and menopause.

Thanks to the commitment of nearly 350 collaborators, Mithra stands by its goals to meet women's needs at all stages in their lives through the of new products offering better efficacy, safety and convenience.



Our staff

Founded in **1999**



Breakthrough innovation with the unique hormone **Estetrol (E4)**

Specialists in **Women's Health**

IPO in 2015

MITRA LISTED EURONEXT

> 350 collaborators

Partnerships in **>100** countries

Average age: **32 years**

12 nationalities

87 engagements

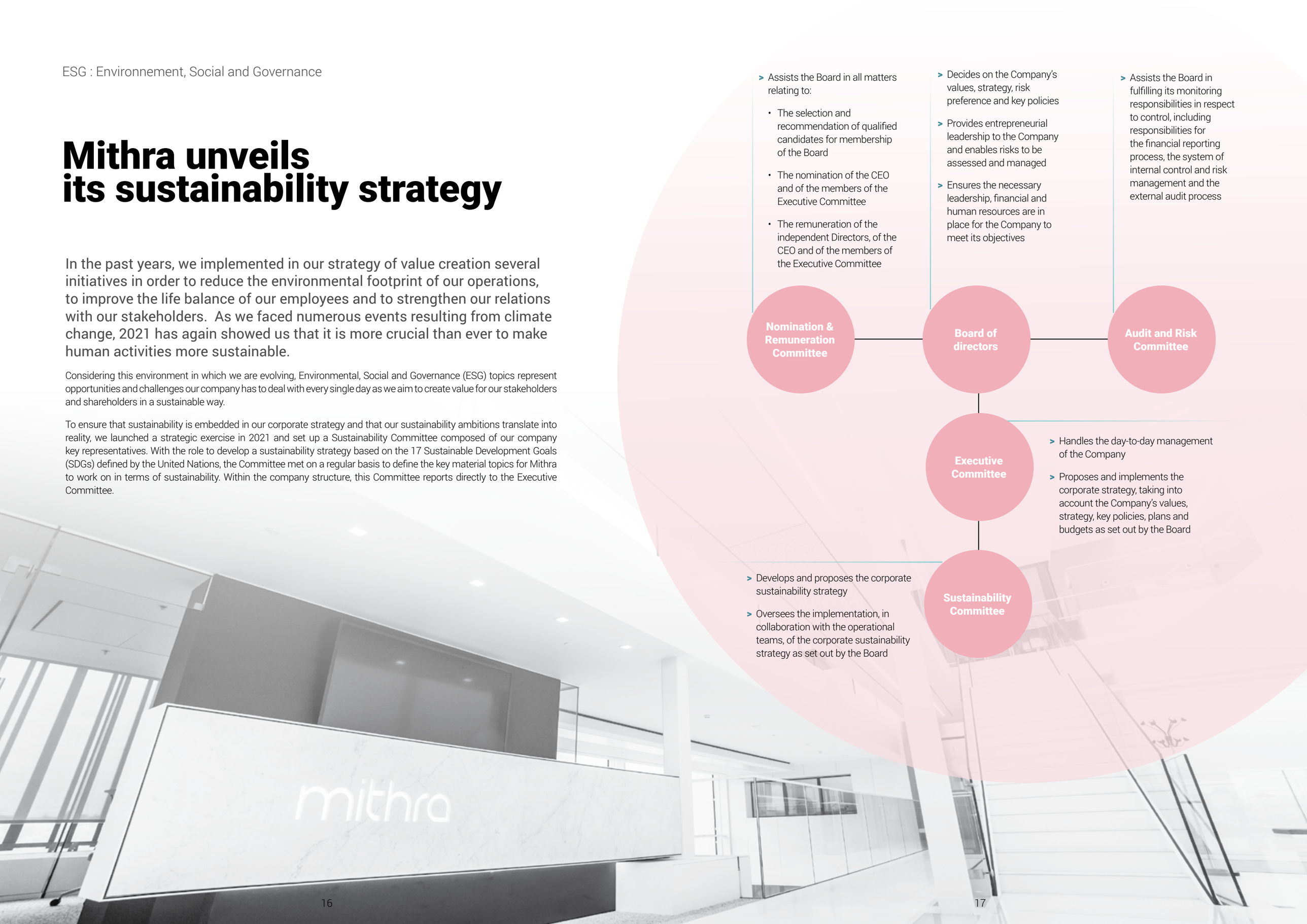
252 employees

Mithra unveils its sustainability strategy

In the past years, we implemented in our strategy of value creation several initiatives in order to reduce the environmental footprint of our operations, to improve the life balance of our employees and to strengthen our relations with our stakeholders. As we faced numerous events resulting from climate change, 2021 has again showed us that it is more crucial than ever to make human activities more sustainable.

Considering this environment in which we are evolving, Environmental, Social and Governance (ESG) topics represent opportunities and challenges our company has to deal with every single day as we aim to create value for our stakeholders and shareholders in a sustainable way.

To ensure that sustainability is embedded in our corporate strategy and that our sustainability ambitions translate into reality, we launched a strategic exercise in 2021 and set up a Sustainability Committee composed of our company key representatives. With the role to develop a sustainability strategy based on the 17 Sustainable Development Goals (SDGs) defined by the United Nations, the Committee met on a regular basis to define the key material topics for Mithra to work on in terms of sustainability. Within the company structure, this Committee reports directly to the Executive Committee.



Nomination & Remuneration Committee

- Assists the Board in all matters relating to:
  - The selection and recommendation of qualified candidates for membership of the Board
  - The nomination of the CEO and of the members of the Executive Committee
  - The remuneration of the independent Directors, of the CEO and of the members of the Executive Committee

Board of directors

- Decides on the Company's values, strategy, risk preference and key policies
- Provides entrepreneurial leadership to the Company and enables risks to be assessed and managed
- Ensures the necessary leadership, financial and human resources are in place for the Company to meet its objectives

Audit and Risk Committee

- Assists the Board in fulfilling its monitoring responsibilities in respect to control, including responsibilities for the financial reporting process, the system of internal control and risk management and the external audit process

Executive Committee

- Handles the day-to-day management of the Company
- Proposes and implements the corporate strategy, taking into account the Company's values, strategy, key policies, plans and budgets as set out by the Board

Sustainability Committee

- Develops and proposes the corporate sustainability strategy
- Oversees the implementation, in collaboration with the operational teams, of the corporate sustainability strategy as set out by the Board

Our contribution to the Sustainable Development Goals

To build our sustainability strategy, we first carried out what is called an SDG mapping and assessment with the support of an experienced external consultant. This exercise enabled us to identify and assess the links between Mithra's operations and products and the 17 United Nations Sustainable Development Goals.

The objective of this analysis was to build our sustainability strategy on a referenced framework, in order to allow our shareholders and stakeholders to compare Mithra's impact to that of other companies, based on international recognized standards. Our aim was also to ensure that our strategy focused on the goals to which we can most contribute.

We can contribute to 9 SDGs

Our detailed SDG mapping showed that, out of the 17 SDGs, there are 9 SDGs we have a link with.

Most significant SDGs

Out of these nine SDGs, the most significant SDGs Mithra relates to and can contribute to are:
Good health and well-being (SDG 3), Decent work and economic growth (SDG 8) and Responsible consumption and production (SDG 12).

We contribute to SDG 3, i.e. "Ensure healthy lives and promote well-being for all at all ages", and among other targets, to target 3.7, i.e. "By 2030, ensure universal access to sexual and reproductive health care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes".

We contribute to SDG 8, i.e. "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all", and for example to target 8.5, i.e. "By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value".

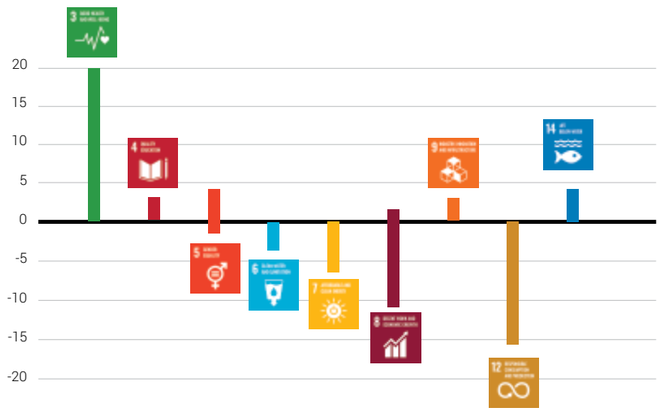
We also contribute to SDG 12, i.e. "Ensure sustainable consumption and production patterns", and for example to target 12.2, i.e. "By 2030, achieve the sustainable management and efficient use of natural resources".

Our contribution to these 9 SDGs

Our SDG assessment showed that we contribute positively to Good health and well-being (SDG 3), to Quality education (SDG 4), to Gender equality (SDG 5) and to Industry, innovation and infrastructure (SDG 9).

We contribute positively to Good health and well-being (SDG 3) and to Gender equality (SDG 5) because, as a biotech company specialized in women's health, improving the health, quality of life and well-being of women is at the heart of our priorities. As we strive to develop innovative solutions, we enhance scientific research and encourage innovation, thereby contributing to Industry, innovation and infrastructure (SDG9). As for Quality education (SDG4), we contribute to achieving it as allowing our collaborators to develop their knowledge and skills is of utmost importance for us.

Our assessment also revealed that our impact on Clean water and sanitation (SDG 6), on Affordable and clean energy (SDG 7), on Decent work and economic growth (SDG 8) and on Responsible consumption and production (SDG 12) is less positive. This is mainly due to the environmental footprint of our operations. As for our impact on Life below water (SDG 14), it is positive if we only consider our products, and not our operations.



Genesis of our sustainability strategy

The results of our SDG mapping and assessment led us to develop a sustainability strategy that broadens our primary mission of improving women's life. We want to improve people's life, not only the life of our patients but also the life of our collaborators, while reducing our environmental footprint. Our goal is also to achieve clear and transparent communication on our sustainability objectives, initiatives and key performance indicators.

Key material topics

Our sustainability strategy is based on five key material topics and thirteen subtopics.

These topics and subtopics were identified by conducting a materiality assessment, which is the process of identifying and assessing the potential environmental, social and governance issues that could affect your business to then define the topics that matter most to your internal and external stakeholders. These topics then inform company strategy, targets and reporting.

On the basis of our SDG mapping and assessment and guided by our external consultant, our Sustainability Committee brainstormed to identify and assess the environmental, social and governance topics that were most relevant for Mithra. Together we listed the potential topics and selected the most relevant ones, which each member of the Committee then prioritized. This exercise led to a prioritization matrix and to a list of priority topics.

The members of our Executive Committee have been involved in our materiality assessment and it is our ambition to collect the feedback from our external stakeholders at a later stage.

1. Patients

Innovate to develop safe solutions that address the unmet needs of our patients in order to improve their daily life

- Responsible R&D
- Product safety & quality
- Access to healthcare

2. Planet

Reduce the environmental impact of our solutions and operations

- Environmental impact of operations
- Product ecotoxicity

3. People

Improve the health and well-being of our collaborators, ensuring they have the chance to develop their skills and equal opportunities irrelevant of gender

- Talent management & development
- Attractiveness & turn-over
- Equal opportunities irrelevant of gender
- Health and well-being at work

4. Ethics and integrity

Create an environment that ensures we apply the highest ethical standards, in terms of governance, communication and sourcing

- Governance & business ethics
- Responsible communication
- Responsible sourcing

5. Women empowerment

Support impactful and meaningful projects that aim to help women gain well-being and empowerment

- Women empowerment & community involvement

1. Patients

As a company dedicated to women's health, our mission has always been to offer women innovative solutions that address their needs and offer them better efficacy, safety and quality of life.

Responsible Research & Development

At Mithra, we value innovation and expertise to pursue our mission of a better health for women. Our ambition is to develop innovative solutions that address their current and future unmet needs and that offer an improved benefit-risk profile, for them as well as for the environment.

To this end, we invested 76.6 million euros into research and development in 2021, submitted 21 abstracts and published 4 manuscripts in scientific journals. To ensure that our Research & Development teams stay at the cutting edge in science, we also attended no less than 9 international scientific congresses.

Product safety and quality

The safety of our patients is of utmost importance to us. Our goal is to ensure that our products are safe and efficient for all patients, both during clinical trials and once they are commercialized.

To prevent all risks associated with product safety and quality, we already comply with all the guidelines issued by the regulatory authorities. Besides these strict regulations, we have decided to add three new ambitious targets:

1. **Succeed all GxP[1] inspections and customer audits (no critical observations)**
2. **Digitalize Mithra's quality system by end 2022**
3. **Increase our suppliers and partners global quality oversight to 30% by end 2022 and to 100% by end 2025**

1 *Common term for all good practices used in the pharmaceutical sector*

Safety and quality reporting

	2021 (reference year)
Rate of successful audits (no critical observations)	100%
Number of recalls issued	1 minor recall
SOP in place for suppliers and partners monitoring	No
Compliance monitoring adverse event reports – 15 days	100%
Compliance monitoring adverse event reports – 90 days	100%
Compliance monitoring periodic safety update reports	100%

Achievements and initiatives

To ensure that we keep offering efficient and safe drugs to our patients, a series of initiatives were launched. A quality plan for 2022 has been defined and is currently being implemented. This plan includes the implementation of a digital quality management system (eQMS) that will help improve information trackability (e.g. by reducing document loss and human errors), leading ultimately to the improved quality of our products. This digitalization project will be fully operational by the end of 2022. Our quality team will also be reinforced and one of our collaborators will be fully dedicated to the global quality oversight of our suppliers and partners (i.e. drug products suppliers, finished products suppliers, packaging suppliers and commercial partners) and will be in charge, a.o. of suppliers and partners quality audits, periodical quality reviews, potential deviation follow-ups, changes management and quality KPI follow-ups.

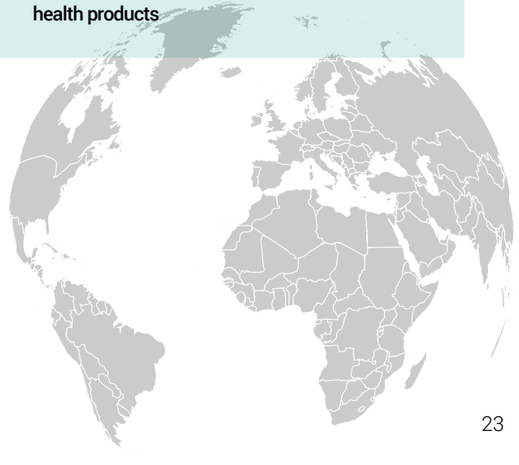
We are also proud to say that all adverse events reports were submitted on time. Compliance to these timelines is very important as it provides assurance that marketing authorization holders have adequate systems in place for the safety monitoring of medicines on the market. All periodic safety update reports (PSURs) were also submitted on time. These reports are pharmacovigilance documents intended to provide an evaluation of the benefit-risk balance of a medicinal product at defined time points during the post-authorization phase. Each marketing authorization holder is responsible for submitting PSURs for its own products and should submit PSURs to the EMA according to defined timelines. An appropriate quality system should be in place in order to avoid failure to comply with these timelines.

Access to healthcare

Beyond the efficacy, safety and quality of products, biotechnological and pharmaceutical companies also have the social responsibility to make their products available to the greatest number of people. Even if access to healthcare is a core responsibility of public authorities, this challenge is managed in partnership with the biotech and pharma companies who must pay attention to their pricing, distribution and affordability policies.

At Mithra, we strive towards universal access to our medicines in sexual and reproductive health. To achieve this ambitious goal, we have set a series of targets:

1. **Increase the geographical availability of our products to 70 new countries by 2030, of which 30% of developing countries**
2. **Contribute to healthcare cost containment and stay within the 15% price range of other similar products of the same category, for reproductive health products**



Our access to medicines reporting

	2021 (reference year)
Number of countries in which our products are available	24
Number of developing countries in which our products are available	3
Number of products available that target WHO priority therapeutic areas	2
Board level representation for Access to Healthcare issues	No
CSR or other committee oversees Access to Healthcare issues	Yes
Number of orphan drugs available on the market	0
Number of orphan drugs in the pipeline	1
Price difference as compared to market for reproductive health products	Maximum 15%

Our two main commercialized health solutions target reproductive health, an area defined as a priority by the World Health Organization (WHO). Our monthly contraceptive vaginal ring, Myring®, is already available in 13 countries. As for our innovative contraceptive pill Estelle®, which was launched in 2021, it is already available in 11 countries. Together with our partners, we are planning to launch Estelle® in 19 additional countries in 2022.

2. Planet

Heatwaves, droughts, floods, earthquakes… The signs of human-induced climate change become more and more visible each day. As our planet and nature face disruption and as human well-being is threatened, urgent actions are required to reduce the risks associated with climate change. As a company, we must play our part and reduce the environmental impacts that result from our operations and products.

Environmental impact of operations

To reduce the environmental footprint of our operations and protect the planet, we have set four ambitious targets:

1. **Reduce our Greenhouse Gas Emissions by 55% by 2030**
2. **Increase our share of renewable energy to 70% by 2030**
3. **Reduce our water consumption by 20% by 2030**
4. **Reduce our waste production by 20% by 2030**

Environmental reporting

	2021 (reference year)
GHG emissions (tons of CO_2 equivalents)	3.887
Energy consumption (MWh)	11.509
Share of energy from renewable sources (%)	4
Water consumption (m^3)	25.468
Waste production (tons)	79

Climate protection activities

To ensure we meet our ambitious targets of environmental footprint reduction, we have launched a series of initiatives. A few of them are listed below.

Our R&D and manufacturing platform, Mithra CDMO, was already equipped with 1850 solar panels that covered 9% of our electricity consumption. To increase our share of energy from renewable sources, a brand-new field of 2748 solar panels was installed. These panels will be operational in May 2022 and will cover around 28% of our electricity consumption, tripling our share of energy from renewable sources.

Mithra currently employs more than 300 collaborators, based on two sites. Even though the implementation of structural homeworking has already helped reduce the environmental impact of our fleet, we are committed to further reducing it but also to offer mobility solutions that answer to the new ways of working and meet our collaborators' needs. To this end, our human resources team is currently developing a mobility project which should be launched end 2022 (more details on this project in the 'People' section of this report).

Product ecotoxicity

Either naturally or synthetically produced, estrogens are commonly found in the aquatic environment. Every year, more than 700 kg of the synthetic estrogen ethinylestradiol (EE2), which is present in almost all combined contraceptive pills, are discharged into wastewater. These endocrine disruptors can influence the sexual differentiation of fishes and disrupt aquatic ecosystems.

Mithra is mindful of the environmental footprint of its solutions. We are committed to monitor and reduce the environmental impact of our solutions and will therefore conduct an environmental risk assessment for all new Mithra product candidates, so as to determine their PEC/PNEC ratio[2].

In the case of Estelle®, the studies conducted on a representative fish species showed that estetrol, at environmental predicted concentrations, presented none of the adverse effects induced by the natural estrogens estrone and estradiol and by the synthetic estrogen ethinylestradiol, i.e. reduced egg production, decreased testicular growth, delayed maturation, development of male and female genital glands in males, and even feminization. The results also indicated that estetrol did not accumulate in living organisms and was likely to disappear rapidly from both water and sediment. The PEC/PNEC ratio of estetrol is therefore below 1 and we are proud to say that the positive environmental profile of estetrol is highlighted in Estelle®'s leaflet in Europe and Canada: "Environmental risk assessment studies with estetrol including the Japanese medaka fish extended one generation reproduction test indicated that the predicted environmental exposure to estetrol will not affect the aquatic ecosystem". As we wanted to characterize the environmental profile of the E4/DRSP combination of our contraceptive pill Estelle® and not only the environmental profile of estetrol alone, a complementary ecotoxicity study is currently being conducted at the University of Namur.

2 The PEC/PNEC ratio is the ratio between the Predicted Environmental Concentration and the Predicted No Effect Concentration. If the PEC/PNEC ratio of a product is below 1, it means that the use of this product will have no effect on the environment.

3. People

Our collaborators work each day with the ambition to bring patients efficient and safe solutions that will improve their quality of life.

As we embarked on our sustainability journey, human resources management remained one of our top priorities. Our ambition is to support our collaborators and ensure their work-life balance. On top of this, it is critical that we offer them both the chance to develop their talents and equal opportunities no matter their gender.

To achieve this goal, we defined, during our materiality assessment, four specific subtopics to work on:

1. **Talent management and development**
2. **Attractiveness and turnover**
3. **Equal opportunities irrelevant of gender**
4. **Health and well-being at work**

> Talent management & continuous development

To deliver on our ambition of bringing patients efficient and safe solutions, we largely depend on the skills of our collaborators to innovate. It is therefore key that our talents have the opportunity to develop their knowledge and skills.

At Mithra, our goal is to ensure the continuous talent development of all our collaborators. Our strategy regarding talent management and development aims at increasing the number of training hours per employee.

With our HR team, we are currently working on the development of an internal mobility plan that will be fully implemented by the end of 2022 and on the development of a talent development plan for all employees that will be fully implemented by end 2023. Our talent development plan will for example include the systematization of our mentorship program.

We have defined several Key Performance Indicators that we will monitor as of this year, namely the total number of training hours, the total amount of training expenditure, the percentage of employees who had a performance appraisal, the number of internal position changes and the number of internal promotions. We have also defined three KPIs that are more related to our R&D collaborators, i.e. the number of scientific publications, presentations and abstracts, the number of research projects involving the academic world and the number of academic investigators involved in our clinical trials.

> Attractiveness & turnover

To achieve our mission and ensure the excellence and specificity of our expertise, we must be in a position to attract the talents we need and to retain our employees.

As Mithra operates in a highly specialized sector and therefore in a highly competitive industry in terms of talents, it is vital that we offer a fulfilling and caring work environment with a sense of purpose, a shared vision and common values.

We are determined to keep making Mithra a safe and caring company that supports its collaborators and strive for their well-being. Our target is to align our staff turnover on the chemistry & life science sector staff turnover, by reducing it to 20% by 2025 and to between 10% and 15% by 2030.

Our attractiveness and turnover performance

While we remain a biotech company, our staff is expanding. It grew by 95% in the last three years and by 215% in the last five years. We hired 87 new collaborators in 2021 and 18 new hires are planned in 2022.

> “I WAS LUCKY ENOUGH TO JOIN MITHRA AHEAD OF THE COMMERCIAL LAUNCH OF MYRING® AND TO EXPERIENCE THE TRANSITION FROM AN R&D PROJECT TO A COMMERCIAL PRODUCT: IT WAS REALLY AN EXCITING CHALLENGE! AT MITHRA, I LOVE THE IMPACT WE CAN HAVE AND HOW MUCH OUR INPUT IS VALUED IN DECISION-MAKING. I FEEL VERY USEFUL AND I REALLY APPRECIATE BEING ABLE TO CONTRIBUTE TO SHAPING PROJECTS. IN OUR COMPANY, THERE IS ALWAYS AN OPPORTUNITY FOR DEVELOPMENT AND EVOLUTION AND IT IS REWARDING.”

Maud De Fays
Operational Excellence Manager

	2021 (reference year)
Number of employees	252
Number of new hires	87
Staff turnover rate (%)	26,7
Staff voluntary turnover rate (%)	86
Staff involuntary turnover rate (%)	14
Average length of service (years)	2,7

To measure our attractiveness and turnover performance, we also defined other KPIs besides the ones listed above, e.g. the number of applications received. These KPIs are monitored as of this year.

Our initiatives

To attract and retain talents, we upgraded our employee benefits program. Early 2021, our program included life and hospitalization insurance as well as parental leave. A series of new benefits were recently added, such as dental and ambulatory healthcare insurance for all employees as well as a seniority leave.

Our HR team is now working on several initiatives that will be launched in 2022 and 2023. These initiatives include a benchmark project, a cafeteria plan and a mobility project.

The benchmark project was kicked off in July 2021. As our organization grows quickly and as we evolve in a highly competitive sector in terms of talents, we felt it was time to deep dive into our remuneration and extra-legal packages, both internally and externally. The main objective of this project is to align our salaries on those of the market, which will allow us to both attract the right candidates and retain our employees.

Building further on the benchmark project, our human resources team also plans to develop, at the end of 2022, a cafeteria plan to optimize even more our salaries and compensation packages. Our goal with this project is to meet the various generational and personal needs of our employees and to offer them more flexibility and individuality when it comes to their wage. This project will also help us attract, retain and motivate current and future employees and will improve our employer branding.

Finally, our human resources and procurement teams kicked off in the first quarter of 2022 a mobility project around the Belgian government's mobility plan, with the ambition to reshape our current company car fleet with more sustainable and environmentally friendly alternatives.

3.

Equal opportunities irrelevant of gender

At Mithra, we work every day with the ambition to improve women's life. It is only normal that we guarantee gender equality to our collaborators.

Our goal is to achieve gender parity at all levels of the company and to offer equal salary for equal function.

To achieve this goal, we have defined two ambitious targets:

1. **Raise the number of women in management to 50% by 2030**
2. **Reduce the gender pay gap to 0% by 2030**

Our performance in terms of gender equality

	2021 (reference year)
Women in whole company (%)	56
Women in management[3] (%)	23,9
Women in Executive Committee [4] (%)	14
Gender pay gap (%)	5,92

In 2021, our Board of directors was renewed for a two-year mandate, achieving for the very first time a perfect gender parity, with five female directors and five male directors. We are now developing monitoring tools which will allow us to develop an action plan ensuring that gender parity is also achieved for all function levels within our company.

Safety, health and well-being at work

In 2021, the Covid-19 pandemic still very much ruled our lives. As they too struggled through these challenging and uncertain times, our collaborators showed great resilience and kept giving the best of themselves.

To support our employees in their mission, we are committed to offer them a safe and caring environment that ensures their safety and both their physical and mental well-being. At Mithra, the safety, health and well-being of our collaborators are of paramount importance and are considered as priority objectives.

As a responsible company, our ambition is to achieve the highest level of safety and health, by limiting the risk of occupational accidents and diseases, and to create a pleasant working environment for our employees.

Our target is to reach for zero accident and to reduce absenteeism.

To ensure we achieve our target, we already launched a series of initiatives to strengthen the health and well-being programme we already had in place. With our Prevention Advisor, we were of course already committed to respect the regional, national and European legislations related to safety and health and to integrate them at all levels of the company. As such, as part of their onboarding program, all new employees were already required to take a safety self-training. They also received a safety welcome brochure that they could check at any time.

Besides this, in October 2021, we conducted, via an online questionnaire and with the help of our partner Mensura[5], a survey on well-being at work. The objective was to get feedback from our collaborators so as to determine how Mithra scored in terms of well-being indicators, namely with regards to motivation, stress, absenteeism and work-life balance, to try and reduce the psychological risks associated with work. The first results of this quantitative survey showed that Mithra is within the benchmark of the other Belgian companies Mensura conducted a survey for. The survey also indicated that our employees are highly motivated, and they are not planning to leave Mithra anytime soon. A point of attention that our collaborators raised through this survey is however their work-life balance, a well-being indicator that is of paramount importance and that we are currently trying to improve (see below). This quantitative survey is now being followed by qualitative interviews with specific groups. Once these interviews are completed, an action plan will be defined along with an implementation planning.

To improve the work-life balance of our collaborators and their overall well-being, we also implemented a hybrid working model. When Covid-19 forced us into lockdown back in March 2020, we adapted and implemented homeworking to ensure the continuity of our activities. With the lifting of most health restrictions, we have recently moved to a structural homeworking regime that enables our employees whose function allows it to better juggle between their work and life needs.

Born from a common desire of the communication and human resources departments to develop a positive approach to work, we also have a Happy Team that is currently made of eight employees from different departments with the following purpose: coordinating internal activities and various initiatives in order to promote cohesion and well-being at work. From the organization of breakfasts to an outdoor staff day, the collection of waste around the workplace to a series of fundraisers to raise awareness of causes that are close to our hearts, the Happy Team has the joy of Mithra collaborators as its creed.

The initiatives that we launched and implemented so far are evaluated by our Committee for Prevention and Protection at Work. Created in January 2021 following Mithra's first social elections in 2020 and with representatives from the unions, the management and our Prevention Advisor, this Committee is dedicated to contributing to our collaborators' safety, health and well-being.

3 Management is defined as CEO N-2
4 Our Executive Management Team is composed of our Chief Executive Officer, our Chief Executive Officer/Chief Business Development Officer under leave of absence, our Chair of the Scientific Advisory Board, our Chief Financial Officer, our Chief Legal Officer, our Chief Scientific Officer, our Chief Supply Chain Officer, our Chief Manufacturing Officer, our Chief Business Development Officer, our Chief Human Resources Officer, our Group Investor Relations Manager, our Group Communication Manager, our Group Quality Manager and our Group IT Manager
5 Belgian external service for Prevention and Protection at Work

4. Ethics and integrity

At Mithra, we strive to create an environment that ensures we apply the highest ethical standards, whether in terms of governance, communication or sourcing.

Governance & business ethics

We attach great value to good corporate governance and to business ethics and we are aware that these topics are of utmost importance for all our stakeholders. With our corporate governance charter, our dealing code and our business code of conduct as amended from time to time to reflect the most recent legal updates, we are confident to be well equipped to ensure the proper governance of our company.

Our objective at Mithra is to guarantee that we are compliant with all governance and business regulations in place to create an environment where everyone is committed to the application of the highest ethical standards.

To achieve this objective, we have defined two targets:

1. **Increase transparency on oversight of management (ownership and control), on conflicts of interests, on equal treatment between major and minor shareholders and on business ethics compliance**
2. **Systematize training on compliance and ethical standards as part of the overall training programme**

To achieve these targets, we already launched a series of initiatives. Since 2021, for example, in addition to the governance documents sent to our staff members when they join our company and in addition to the training of our Directors and Executive Committee members, our compliance officer has systematised the compliance and ethical standards training for everyone. As such, as part of their onboarding process, new collaborators will receive a compliance training that will include a test. We have defined the percentage of collaborators who pass (score of minimum 80%) the test on ethical standards as a KPI that we will monitor as of 2022.

Our governance and business ethics performance

	2021 (reference year)
Corporate Governance Charter	In place and available on our website
Dealing Code	In place and available on our website
GDPR policy	In place and available on our website + GDPR Committee in place
Business Code of Conduct *(Bribery and anti-corruption policy)*	In place and available on our website
Independent Chairman of the Board of Directors	Yes
Split of the roles of CEO and Chairman of the Board	Yes

	Independency	**Gender parity**
Board of directors	5/10 (50%)	5 Men : 50% 5 Woman : 50%
Executive committee	-	8 Men : 89% 1 Women : 11%
Audit committee	2/3 (67%)	3 Men : 100% 0 Women : 0%
Nomination and remuneration committee	2/3 (67%)	2 Men : 67% 1 Women : 33%

Responsible communication

As a stock listed company, our duty is to ensure a fair and transparent communication towards all our shareholders and stakeholders. To achieve this, we have set five targets:

1. **Improve our financial disclosures**
2. **Improve our non-financial disclosures**
3. **Increase access to Management for our shareholders**
4. **Increase our number of roadshows**
5. **Increase our number of events with retail shareholders**

To measure our progress in terms of communication, we have defined several KPIs:

	2021 (reference year)
Number of roadshows attended	5
Number of institutional investors conferences attended	8
Number of retail investors conferences attended	2
Access to Executive Committee members (CEO, CFO, CBO & CSO) (number of days/year)	13
MSCI rating	BBB

While Mithra does not fall under the scope of the Non-Financial Reporting Directive (NFRD), we have decided to develop and implement a corporate social responsibility strategy in 2021 so as to improve our non-financial disclosures for all our stakeholders and prepare our teams to the upcoming requirements of the Corporate Sustainability Reporting Directive (CSRD).

Responsible sourcing

In addition to the classic quality and price criteria, we are committed to apply a due diligence with all partners and suppliers to avoid violations of human rights and workers' rights, negative environmental impacts and unfair practices.

Our ambition is to embed a responsible sourcing policy in our daily purchase practices.

To achieve this objective, we have defined two ambitious targets:

1. **Ensure 50% of Mithra's direct and indirect purchases are ethically sourced by 2025**
2. **Ensure 75% of Mithra's direct and indirect purchases are ethically sourced by 2030**

We have defined several KPIs and, as of 2022, we will report on the percentage of direct purchases that are ethically sourced, on the percentage of indirect purchases that are ethically sourced and on the percentage of suppliers and partners that were ethically screened.

Our supply chain team is currently working on developing a questionnaire that will be integrated in our quality questionnaire and that will be sent to our current and future partners and suppliers so as to ensure they have sustainability and compliance policies in place. We will first focus on our partners and suppliers involved in the E4 project and we will tackle the partners and suppliers involved in our other projects at a later stage.

5. Women empowerment

In 2020 women represented 49 % of the world population. Yet, women are also too often victims of abuses, violence or discrimination. So much so that gender equality has been defined as one of 17 Sustainable Development Goals by the United Nations.

At Mithra, women are at the heart of everything we do. We work each day with the ambition to develop solutions that meet their needs for efficient and safe solutions. Beyond our day to day activities, we want to extend our commitment to women and support impactful and meaningful projects that empower them.

Our objective is to improve access to information about women's health and to develop a sponsorship strategy that is coherent with our core business.

Launched in 2016 by Mithra with the goal to provide reliable information about women's health, Gyn&Co is a reference website focusing exclusively on female health. With articles, videos and advice from gynecologists and women's health specialists, the website attracts nearly 4 million regular readers each year. Thanks to its 360° approach to the questions that women may ask themselves whatever their age or the hormonal stage they are going through, Gyn&Co is a real wealth of information that is keen to expose female taboos.

GYN&CO
Toute la santé féminine

At the occasion of the International Women's Rights Day 2022, we decided to give more visibility on Gyn&Co to projects launched by women for women, such as the Belgian non-profit organization "Toi mon endo". This association works daily to raise awareness among women and their entourage about endometriosis, a disease that affects nearly one in ten menstruating women.

Because women's health is at heart of our mission and because 1 in 8 women in Belgium is affected by breast cancer, it also seemed more than obvious for us to participate in the Think Pink campaign in October 2021. After one month of activities to raise as much money as possible to support the association, we were proud to say we raised a significant amount to help fight breast cancer.

For several years now, Mithra has been supporting the Belgian basketball club "Les Castors de Braine" whose female team plays in the first Belgian national division and has held the Belgian championship title since 2014. As unequal pay is still a fact in all professional fields, including in sports, where top female athletes are generally paid less than their male counterparts, it is our ambition to help change the situation with this partnership.

In 2022, we are also supporting the Belgian Ladies Open golf tournament, which will take place from May 27 to 29 at Naxhelet golf course. More than just another international female golf tournament, this round of the Ladies European Tour wants to show that golf is accessible to all (with free admission and free golf initiations) and especially to women. It fits perfectly into the Golf Power campaign, launched in 2021 by the Belgian French-speaking Golf Association, which was then the first Belgian sports federation to commit to more women in sports.

Research & Development

Research & Development

Today, Mithra counts two complementary platforms: its portfolio of innovative products based on Estetrol (E4) and its portfolio of complex therapeutics. The whole supported by the Mithra CDMO, a technological platform offering a wide range of services going from pharmaceutical development to commercial manufacturing.

Estetrol in women's health and beyond

Estetrol (E4) is a native estrogen produced by the human fetus, passing in maternal blood at relatively high levels during pregnancy. Thanks to its unique mode of action, tolerance and safety profile, E4, synthesized from plant sources, could represent a major breakthrough in several therapeutic areas of women's health and beyond, such as neuroprotection in newborns and wound healing.

Estelle®

> Contraception

Combined Oral Contraceptive launched in 2021.

Donesta®

> Menopause

Next generation of hormone therapy addressing menopausal symptoms.

Neuroprotection

Treatment of hypoxic ischemic encephalopathy (HIE), a life-threatening form of neonatal asphyxia.

Wound healing

Treatment enabling faster and more effective healing.

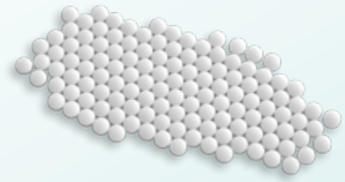
Complex therapeutics

Mithra has a unique expertise in the development of complex and innovative products in the fields of contraception, menopause and hormone-dependent cancers. It is one of the few companies in the world that masters polymer technology, used for vaginal rings, implants or intra-uterine devices. This technology ensures a controlled release of the drug over a period of time with a minimum of side effects

Myring®

> Contraception

Contraceptive vaginal ring made of ethylene-vinyl acetate (EVA) copolymers, releasing a combination of hormones.



Tibelia®

> Menopause

Tablet composed of tibolone, a synthetic steroid used for hormone therapy in menopause.

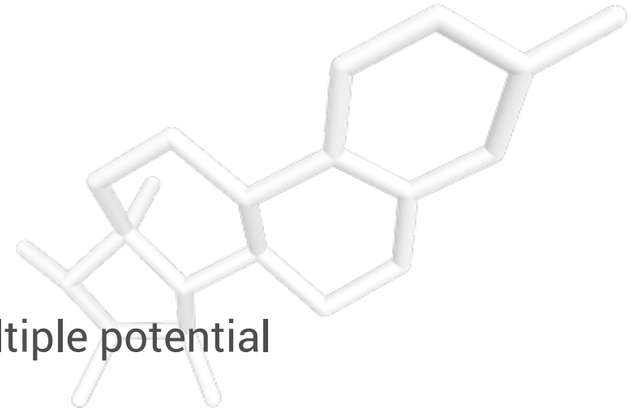
Zoreline®

> Hormone-dependent cancers

Biodegradable subcutaneous implant indicated for prostate and breast cancer and gynecological indications (endometriosis, uterine fibroids, etc.).

	Product	Indication	Phase 1	Phase 2	Phase 3	Market approval
ESTETROL	**Estelle®**	***Contraception***				
	Donesta®	***Menopause***				US : H1 2024 EU : H2 2024
		Neuroprotection	Launch Phase 1 H1 2022			
		Wound healing	Pre-clinical development			

			Formulation / Clinical	Filing	Market approval
COMPLEX THERAPEUTICS	**Myring®**	***Contraception***			EU / RoW: Commercialized
					US: H2 2022
	Tibelia®	***Menopause***			Commercialized
	Zoreline®	***Oncology***			2025

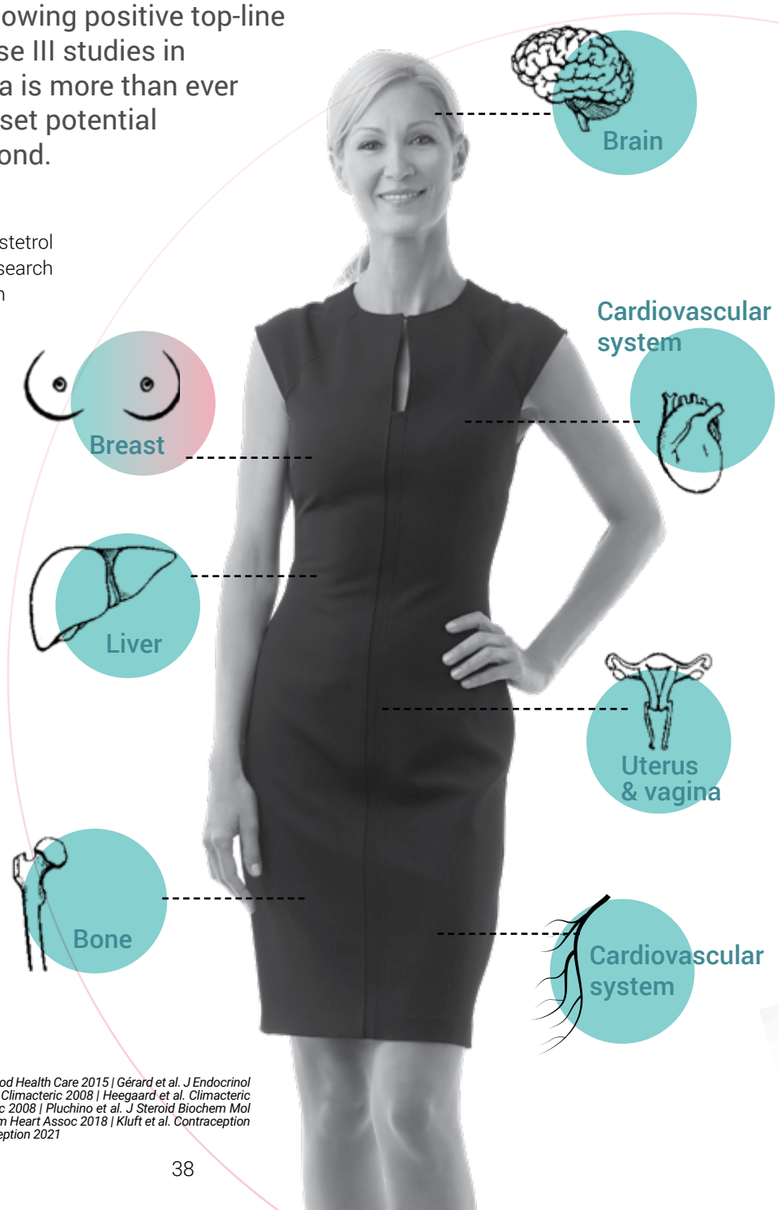


Estetrol (E4)

A new chemical entity with multiple potential

Recognized as a new active substance in both Europe and the United States, Mithra's core asset, estetrol (E4), has successfully achieved its first major milestone by obtaining the green light from the EMA and FDA Authorities for its first E4-based product, the contraceptive Estelle®. Following positive top-line results from Donesta® phase III studies in menopausal women, Mithra is more than ever confident of its flagship asset potential in women's health and beyond.

The many potential applications of estetrol (E4) have been at the core of Mithra's research for many years. Produced by the human fetus during pregnancy, this estrogen passes in the maternal blood at high levels. Estetrol shows a favorable safety profile and a specific mode of action compared to other estrogens. Thanks to its improved benefit/risk profile, estetrol could represent a major breakthrough in various therapeutic areas like contraception and menopause, but could also address unmet needs in other fields such as neonatal encephalopathy.



** In presence of Estradiol (E2); ** Sex Hormone Binding Globulin*

Visser et al. Climacteric 2008 | Mawet et al. Eur J Contracept Reprod Health Care 2015 | Gérard et al. J Endocrinol 2015 | Abot et al. EMBO Mol Med 2014 | Coelingh Bennink et al. Climacteric 2008 | Heegaard et al. Climacteric 2008 | Holinka et al. Biol Reprod. 1980 | Holinka et al. Climacteric 2008 | Pluchino et al. J Steroid Biochem Mol Biol 2014 | Tskitishvili et al. Exp Neurol 2014 | Guivarc'h et al. J Am Heart Assoc 2018 | Kluft et al. Contraception 2017 | Douxfils et al. Contraception 2020 | Klipping et al. Contraception 2021

> MITHRA CONTINUES TO BOOSTER ITS IP PORTFOLIO INCLUDING WITH FILING NEW PATENT APPLICATIONS BUT ALSO BY REGISTERING TRADEMARKS, DESIGNS AND PROTECTING ITS KNOW-HOW.

History of estetrol

Egon Diczfalusy discovers the hormone estetrol (E4) in 1965 at the Karolinska Institute in Stockholm, Sweden. In 2001, working at Pantarhei Biosciences, the Dutch researcher Herjan Coelingh Bennink decides to further explore this native hormone present in high-concentrations by pregnant women only. Pantarhei launch pre-clinical and phase I and IIa studies in women's health and oncology. In 2009, Mithra and Pantarhei launched a joint venture to accelerate the development of a combined oral contraceptive containing E4 and a progestin. In 2013, Mithra takes over Pantarhei's shares and, two years later, acquires the worldwide rights of E4 in various uses as of contraception and menopause while Pantarhei keeps the rights for pursuing their work in oncology and veterinary use. Since 2015, Mithra conducted various studies on contraception, menopause and other applications beyond women's health.

Favorable safety profile

- Similar to other estrogens, E4 has also a beneficial and positive impact on the cardiovascular system, brain, bone and endometrium
- Unlike other estrogens, E4 has a limited impact on the liver and breast

Breast: mixed activity on breast cell proliferation, migration and invasion*, limited impact on breast at therapeutic dose

Liver:

- minimal impact on SHBG** synthesis
- minimal impact on synthesis of coagulation factors (lower risk of VTE)
- limited lipid impact (including triglycerides)

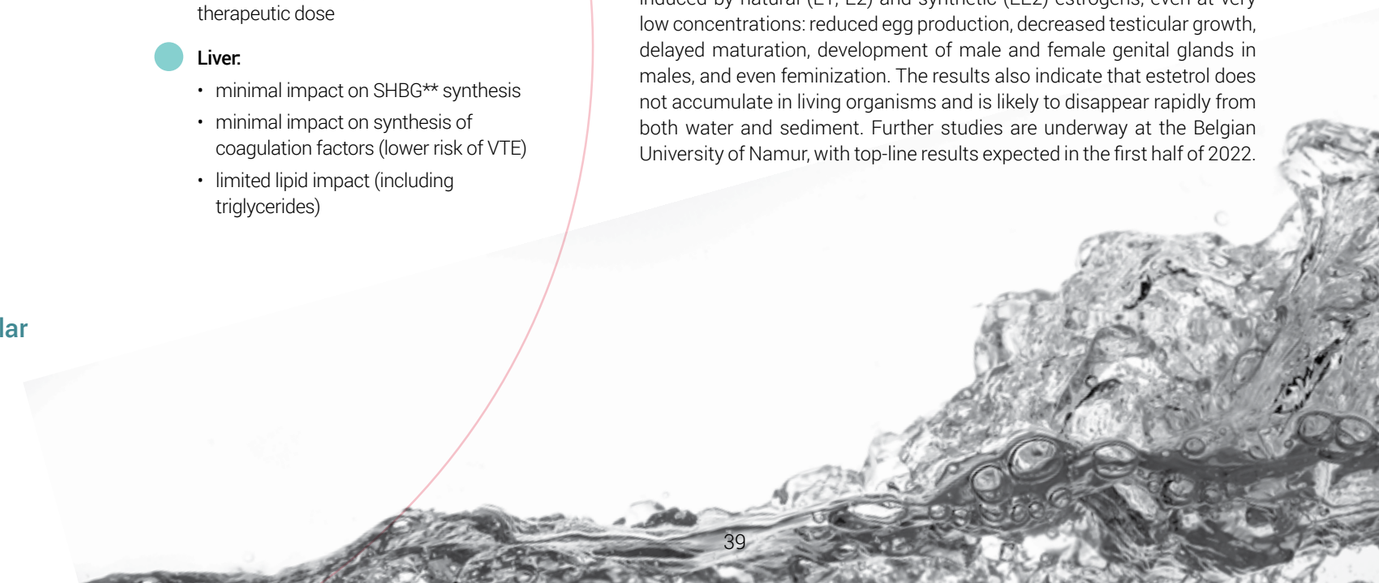
A new active substance

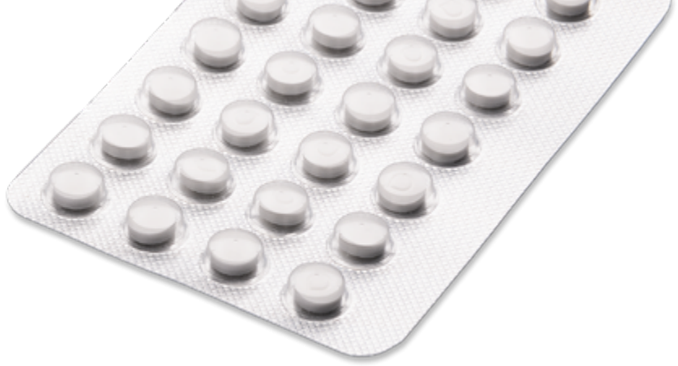
By the end of 2020, the European Medicines Agency qualified estetrol as a New Active Substance. This is the first time in more than 80 years that a new active substance, in this case a new estrogen, has appeared in the field of contraceptive solutions. A few months later, the US Food and Drug Administration followed Its European counterpart and granted marketing exclusivity as a new chemical entity.

Environmentally-friendly profile

Either naturally produced by the human body or synthetically, estrogens are commonly found in the aquatic environment. Every year, more than 700kg of the synthetic estrogen EE2, which is present in almost all combined contraceptive pills, are discharged into wastewater. These endocrine disruptors can influence the sexual differentiation of fish and disrupt aquatic ecosystems.

In 2020, the results of an environmental assessment study indicated the interesting ecological profile of estetrol. In these trials conducted on a representative fish species, estetrol showed none of the adverse effects induced by natural (E1, E2) and synthetic (EE2) estrogens, even at very low concentrations: reduced egg production, decreased testicular growth, delayed maturation, development of male and female genital glands in males, and even feminization. The results also indicate that estetrol does not accumulate in living organisms and is likely to disappear rapidly from both water and sediment. Further studies are underway at the Belgian University of Namur, with top-line results expected in the first half of 2022.





Estelle®

Worldwide commercial launch

2021 represents an historical turning point for Mithra with the worldwide commercial launch of its first estetrol-based product Estelle®, leading to a cash collection of two major out-licensing milestones for an amount of EUR 24 million and product sales of EUR 13.4 million. In 2022, Estelle® is expected to increase its market penetration, with additional launches in a range of additional regions, including Europe and Australia.

STILL AROUND EUR 290 MILLION CASH TO BE COLLECTED FOR ESTELLE® OUT-LICENSING AND SALES RELATED MILESTONES.

The first six months of 2021 have been historical for Mithra, with the achievement of a huge milestone by obtaining marketing authorizations for its first E4-based product Estelle®. The market authorizations received today address more than 80% of the world contraceptive global market which is estimated around EUR 7.5 Bn.

In addition to the US, Canada, Europe, Russia, Australia has received its market authorization end of 2021 and our partner Mayne Pharma is anticipating commercial launch in the second half of 2022. Additional Market Authorizations are expected in 2022, in particular in Brazil, the largest South American market with a value close to EUR 450 million.

2021

- **8 MARCH** — First authorization from the Canadian Authorities — International Women's Rights Day
- **26 MARCH** — Positive opinion of the CHMP of the European Medicines Agency
- **15 APRIL** — FDA approval
- **20 MAY** — European approval
- **27 MAY** — FDA marketing exclusivity
- **21 JUNE** — US commercial launch under the trademark Nextstellis®
- **1 JULY** — Launch of Drovelis® phased European commercialization
- **19 AUGUST** — Canadian launch under the trademark Nextstellis®
- **16 SEPTEMBER** — Approval in Russia
- **29 NOVEMBER** — Approval in Australia

WHEN SPEAKING WITH PATIENTS ABOUT THEIR CONTRACEPTIVE OPTIONS, ONE OF THE MOST COMMON CONCERNS IS SIDE EFFECTS. NEXTSTELLIS® IS A NEW INNOVATIVE CONTRACEPTIVE THAT HAS BEEN SHOWN IN CLINICAL TRIALS TO BE NOT ONLY SAFE AND EFFECTIVE BUT ALSO WELL TOLERATED WITH A DESIRABLE BLEEDING PROFILE AND A MINIMAL IMPACT ON TRIGLYCERIDES, CHOLESTEROL AND GLUCOSE, AS WELL AS WEIGHT, AND ENDOCRINE MARKERS.

Mitchell Creinin,
Professor and Director of Family Planning
at the University of California

In 2021, our commercial partners have been working hard on increasing Estelle®'s awareness among Healthcare Professionals and achieved encouraging figures despite the headwind caused by the Covid-19. From a financial perspective, the approval of Estelle, directly followed by its commercial launch in the United States, Canada and a dozen of European countries (Austria, Germany, France, Luxemburg, Hungary, Italy, Slovakia, Poland, Czech Republic and Belgium), has enabled Mithra to more than double our revenues in 2021 compared to last year, with EUR 13.4 million. In 2022, Estelle® should be launched in additional European countries like Czech Republic, Portugal, Switzerland, UK, Nordic countries and Australia.

Donesta®

An innovative hormone therapy targeting several major menopausal symptoms

Convinced of the potential of E4 on other major estrogen deficiency symptoms affecting a majority of postmenopausal women, Mithra decided to extend its Donesta® Clinical Program, while repositioning its second E4-based product candidate as a global alternative for millions of menopausal women.
Early 2022, positive top-line results from Phase 3 Studies demonstrated a meaningful reduction in vasomotor symptoms from baseline and compared to placebo, confirming the promising potential of Donesta®.

Launched in late 2019, the Donesta® Phase III clinical program called “E4 Comfort” aims to recruit approximately 2,300 postmenopausal women (40-65 years) and includes 2 pivotal studies: one in North America (United States/Canada – C302); and a second spread over Europe, Latam, Russia and North America (C301). Both studies are worldwide randomized, multicenter, double-blind, placebo-controlled trials.

The studies’ primary objective is to measure the effect of treatment on frequency and severity of moderate to severe VMS (i.e. hot flushes), with different doses of estetrol (15 mg and 20 mg), in menopausal women at 4 and 12 weeks of treatment. Many parameters such as the impact on breast density, endometrial safety, health-related quality of life and lipids, glucose metabolism and hemostasis parameters are also among the secondary objectives of these studies.

Women spend **+/- 40% of their life time** in menopause

About **25 million women** pass through menopause each year

> OUR FIRST TOP LINE CLINICAL PHASE III RESULTS OF OUR DONESTA® HAVE CONFIRMED THE TREMENDOUS POTENTIAL AS AN INNOVATIVE HORMONE THERAPY TO TREAT MANY SYMPTOMS OF ESTROGEN LOSS SIMULTANEOUSLY OR SEQUENTIALLY THROUGHOUT THE ENTIRE MENOPAUSAL PERIOD. WE LOOK FORWARD TO ADVANCING OUR CLINICAL DEVELOPMENT, INCLUDING THE INITIATION OF THREE ADDITIONAL STUDIES AIMED AT BROADENING THE SCOPE AND THE VALUE OF DONESTA® IN LINE WITH OUR NEW BUSINESS DEVELOPMENT STRATEGY.
>
> **Leon Van Rompay, CEO**

Positive top-line results

In January 2022, Mithra announced positive top-line results from “E4 Comfort” studies. Both studies demonstrated a meaningful reduction in VMS frequency and severity from baseline and compared to placebo. At week 12, the results showed a reduction up to 80% in the frequency of hot flushes when compared to baseline. Regarding the severity, this reduction was up to 56% compared to baseline. All co-primary efficacy endpoints were statistically (all $p<0.01$) met in both studies, except for a borderline non-significant result for the severity criteria at week 4 in the C302 study, which reached and exceeded statistical significance by week 5 ($p<0.01$).

Both studies also showed that the number and severity of hot flushes continued to decrease week after week until the end of the study, i. e. 3 months of treatment. Secondary endpoints evaluated at 3 months in the C301 study suggest a very positive impact of Donesta® on the quality of life (hot flushes, mood swings, anxiety, sleep, joint pain, skin & hair quality, libido,…) as measured by validated patient-reported outcome questionnaire. For C302 study, results for secondary endpoints at 3 and 12 months are expected end 2022.

2022 milestones

The Donesta® Phase III Clinical Program is still ongoing with patients completing a treatment duration for 52 weeks. The recruitment of 300 additional non-hysterectomised women for the European Donesta® study (C301) should be completed by the end of H1 2022. Following the geopolitical situation in Eastern Europe, Mithra has activated a mitigation plan in order to switch the planned Russian recruitment sites with other sites.

The primary safety data are anticipated at the end 2022 for the American study and for end H1 2023 for the European study. Depending on the evolution of the Covid-19 situation, the potential impact of the geopolitical situation in Eastern Europe on recruitment, the study results and regulatory authorizations, Mithra believes it could achieve marketing authorization for Donesta® in H1 2024 for the United States and in H2 2024 for Europe.

Additional studies

Convinced of the potential of E4 on other major estrogen deficiency symptoms affecting a majority of postmenopausal women, Mithra decided to broaden the scope of its Clinical Program by launching three additional studies:

1. **A Phase 3 study** on the effect of E4 on **vulvovaginal atrophy** (vaginal dryness, pain during intercourse, urinary tract infections)
2. **A Phase 2 study** on the effect of E4 on **skin texture**, quality and appearance;
3. **A Phase 2 study** on the effect of E4 on **hair texture**, quality and appearance.

These three additional studies funded by Mithra for an amount of approximately EUR 20 million will be launched in 2022, depending on regulatory agencies' feedback.

Comfort

Large unmet medical need

As presented during Mithra's Investor Day held in November 2021, a quantitative market research program surveying over 1000 prescribers and women confirmed a large unmet medical need in the menopause market. One in two women currently do not seek medical treatment because of their safety concerns of current hormonal treatment. The research confirmed that women suffer from bothersome symptoms beyond hot flushes and highlighted the significant opportunity for a novel, safe hormone therapy to treat menopausal symptoms beyond VMS. The global menopause market is currently worth nearly USD 10 billion and is expected to reach around USD 17 billion by 2027.

> FOLLOWING THE PUBLICATION OF THE WHI STUDY IN 2001, MORE THAN 65% OF WOMEN DECIDED TO STOP THEIR HORMONAL TREATMENT FOR FEAR OF DEVELOPING BREAST CANCER OR A CARDIOVASCULAR DISEASE. WHILE THIS CORRELATION WAS CATEGORICALLY DENIED BY THE SCIENTIFIC COMMUNITY AS EARLY AS 2006, ONLY 1 IN 10 POSTMENOPAUSAL WOMEN IN THE WORLD TODAY CHOOSE TO TAKE HORMONAL TREATMENT TO RELIEVE THE MANY SIDE EFFECTS IMPACTING BOTH THEIR PRIVATE AND PROFESSIONAL LIVES. WE ARE CONVINCED THAT THANKS TO ITS SAFETY PROFILE, DONESTA® CAN OFFER A REAL COMPLETE ALTERNATIVE TO SIGNIFICANTLY IMPROVE THESE WOMEN'S QUALITY OF LIFE AND THEREFORE BE A GAMECHANGER.
>
> **Graham Dixon, CSO**

Only 1 in 10 menopausal women take hormone therapy

Blockbuster market with around **47 million new entrants each year** globally

By 2030, the world population of menopausal and postmenopausal women is projected to **increase by over 1.2 billion**

Two clinical programs beyond women's health

In addition to its two E4-based product for contraception 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.

Estetrol has orphan drug status in Europe and US for the treatment of hypoxic ischemic encephalopathy (HIE). This severe form of neonatal asphyxia affects approximately 30,000 newborns each year in Europe and the United States. It is caused by a reduced blood or oxygen supply to the baby's brain before, during or just after birth.

Nearly one in four affected infants will die before leaving the neonatal intensive care unit. Among surviving infants, there are severe neurological problems and long-term disability are observed. Currently, infants are treated with therapeutic hypothermia or 'cooling' to reduce brain damage, but this treatment has limited efficacy and comes at high cost. Given its significant mortality and morbidity in newborns and the lack of available therapeutic alternatives, the development of a new Estetrol-based treatment could address a real unmet medical need.

> GIVEN ITS SIGNIFICANT MORTALITY AND MORBIDITY IN NEWBORNS AND THE LACK OF AVAILABLE THERAPEUTIC ALTERNATIVES, THE DEVELOPMENT OF A NEW ESTETROL-BASED TREATMENT COULD ADDRESS A REAL UNMET MEDICAL NEED.

In 2021, we have developed an intravenous formulation for this neuroprotection indication. The results of a confirmatory large animal study done in pigs will be available in the first semester 2022. We are also in the final stages of preparation for a PK study using Mithra's E4-based formulation in adults healthy volunteers. This Phase I study is expected to be initiated in H1 2022, with results anticipated in H2 2022.

Estetrol for wound healing

In 2021, Mithra has also developed a topical formulation for the wound healing indication. An interesting indication, as there are no EMA-approved pharmaceutical products for treatment of wounds. We aim to start our program by focusing on acute wounds or surgical wounds. We anticipate being in the clinic with this project in 2023, with a proof-of-concept study in these acute wounds.

> THE INNOVATIVE CLASS OF TYROSINE KINASES INHIBITORS REPRESENTS THE THIRD FASTEST GROWING THERAPEUTIC CLASS IN 2020, WITH A 17% INCREASE IN REVENUES TO USD 40.3 BILLION.

Diversification of asset-based pipeline in a fast-growing market

Considering its advanced asset-based pipeline, which has seen two major commercial launches over the past two years (Estelle® and Myring®), Mithra is strengthening its leadership position in women's health by acquiring a new innovative development axis in a fast-growing market: inhibitors of tyrosine kinases, notably indicated in the treatment of cancer and endometriosis.

In November 2021, Mithra acquired the rights relating to two development programs led by the Belgian company BCI Pharma on innovative inhibitors of CSF1R kinase.

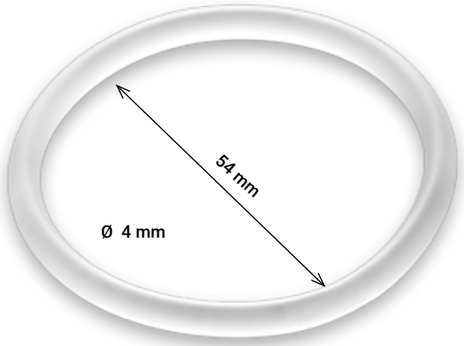
These CSF1R inhibitors are part of a new innovative class of immune-modulatory drugs with established clinical tolerability and proven efficacy. They act on the CSF1 receptor which is involved in many inflammatory processes and is over expressed in many pathologies, in particular cancers, neurological disorders and autoimmune diseases.

Under the terms of the contract, Mithra has an option to acquire patents covering CSF1R inhibitor series with upfront payment of EUR 2.25 million on execution of option, following the first results conducted by BCI Pharma.

Mithra will fund the preclinical and clinical development with a focus on female cancers and endometriosis, while potentially targeting other orphan indications, such as metastatic breast cancer (TNBC). Currently in the preclinical stage, BCI Pharma should initiate clinical development in 2023, with marketing authorizations expected for 2031.

Myring®

The hormonal contraceptive vaginal ring



Successfully launched in 2019, the Myring® contraceptive vaginal ring continues its commercial expansion in several key regions. Additional launches are expected in 2022, in particular in the United States, the largest global market.

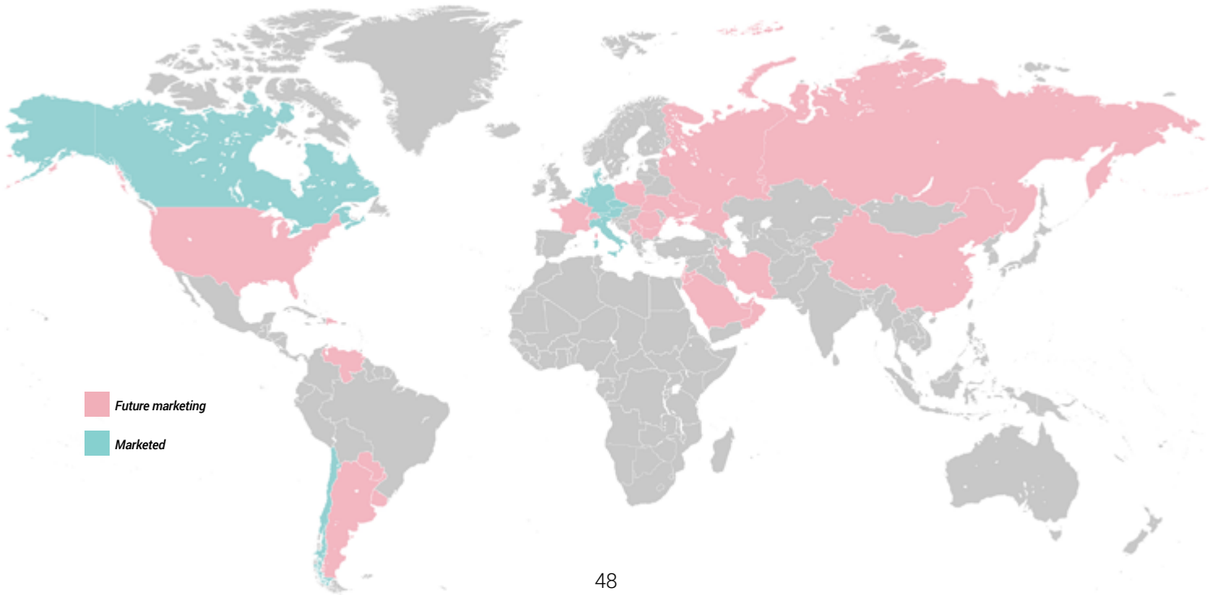
In 2021, we succeeded to launch our vaginal contraceptive ring in additional European countries, like Poland, France and in particular in Italy, the fourth largest worldwide contraceptive rings market with 2 million vaginal rings sold per year. In addition to Chile and Switzerland, Myring® is also available in Canada as the first generic product.

The approval of the American regulatory authorities is awaited for the second half of 2022, for commercialization in the United States by Mayne Pharma. Additional commercial launches are also planned in Venezuela, Israël, United Arab Emirates, Saudi Arabia, Paraguay, Argentina and Dominican Republic.

Buyout of all earnouts

In 2021, Mithra strengthened its development strategy with the complete buyout of all remaining contingent payments obligation (earnouts) linked to Myring® and Zoreline®. In line with the strategy of renegotiating the Estelle® earnouts in 2019, Mithra succeeded to further reduce the fair value of its contingent payments obligation reported under "Other financial liabilities" on its balance sheet. Under the terms of this agreement signed with SVR Invest BV, Mithra bought back all contingent payments linked to these two products for an amount of EUR 8.5 million compared to the EUR 8.8 million booked as at fair value on December 2020.

Myring® is a flexible contraceptive vaginal ring, made of ethylene vinyl acetate copolymers, and is bioequivalent to NuvaRing®.



Tibelia®

Menopause & osteoporosis

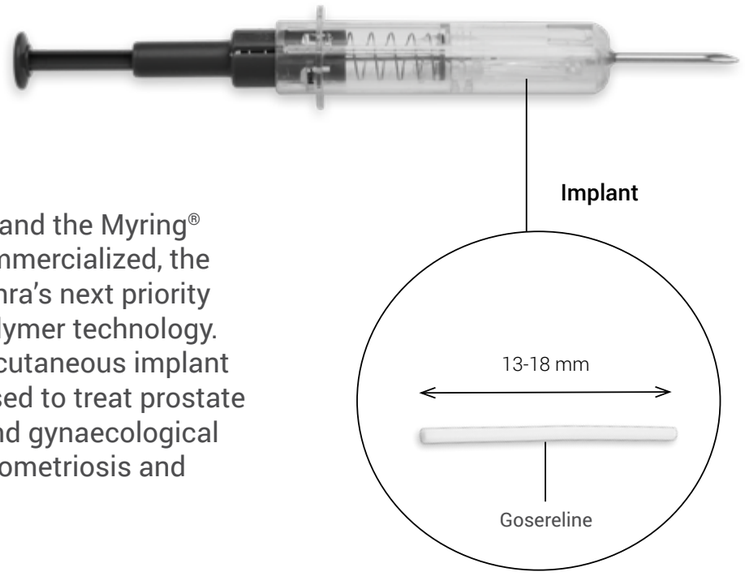
New commercial agreements in 2021:
> Venezuela (Dampe)
> Malaysia (Eurodrug)

Tibelia® is a complex oral formulation composed of tibolone, a synthetic steroid for use in hormone therapy. Developed by Mithra as a bioequivalent version of Livial®, Tibelia® relieves menopausal symptoms and prevents osteoporosis in postmenopausal women at high risk of future fractures and intolerant to other drugs.

In 2021, Mithra has further expanded its global coverage with commercial launches in Chile, Switzerland, Netherlands and United Arab Emirates. In a global market estimated at EUR 97 million, Tibelia® is now marketed in about 40 countries and will be available this year in 6 additional territories: South Africa, Moldavia, Bulgaria, Italy, Taiwan and Kingdom of Saudi Arabia.

Zoreline®

Hormone-dependent cancer



After the Tibelia® tablet and the Myring® vaginal ring, already commercialized, the Zoreline® implant is Mithra's next priority project based on the polymer technology. This biodegradable subcutaneous implant based on goserelin is used to treat prostate cancer, breast cancer and gynaecological indications such as endometriosis and uterine fibroids.

Mithra obtained all wide spend to Zoreline® during the course of last year. We have been spending the time developing a PK/PD model which uses the animal data and the clinical data we have already generated in order to optimize the final formulations, which will be a one-month and the three-month injectable depot. We expect the PK/PD study, which will be the definitive study to gain approval to start in half one next year.

> THE DEVELOPMENT OF LONG-ACTING HORMONAL PRODUCTS HAS BEEN AT THE HEART OF MITHRA'S EXPERTISE SINCE THE BEGINNING. WE WERE THE FIRST AND THE ONLY ONE TO SUCCEED IN DEVELOPING A GENERIC OF THE IUD MIRENA®, BEFORE DEVELOPING SUCCESSFULLY THE TIBELIA® TABLET AND THE MYRING® CONTRACEPTIVE RING. IN THE PAST TWO YEARS, WE HAVE MADE SIGNIFICANT PROGRESS IN THE DEVELOPMENT OF BOTH FORMULATIONS OF ZORELINE® AND WE STRONGLY BELIEVE IN THE CAPACITY OF OUR TEAMS TO BRING ZORELINE® TO THE WORLDWIDE MARKET AS FIRST GENERIC.
>
> **Graham Dixon, CSO**

Global licensing rights

In June 2021, Mithra successfully acquired full licensing and distribution rights for Zoreline® held by SVR invest for an amount of EUR 8.5 million. Mithra holds 100 % of worldwide licensing territorial rights (vs 50% previously), including important territories such as China, Canada and Australia, that should represent more than 70% of market opportunity by 2025. This acquisition allows Mithra to significantly increase its margin in some of the most attractive geographies outside of Mithra's former territorial scope. As confirmed by a group of independent experts, this agreement holds significantly more value for Mithra than remaining in the as-is scenario, balanced by the earn-outs extinction and the positive return on investment expected for Zoreline® on a global scale.

Significant business opportunity

Zoreline® represents a significant business opportunity in a market dominated by the branded Zoladex®, with annual worldwide revenues of nearly EUR 733 million (4.22 million in volume). Zoladex® has been off patent for around 20 years and no generic version has been approved to date, except in a few Eastern European countries, which demonstrates the complexity of the development of such a drug.

> WE ARE VERY PLEASED WITH THIS RENEGOTIATION WHICH ENABLES MITHRA TO EXTINGUISH ALL CONTINGENT PAYMENTS AND TO OWN THE FULL COMMERCIAL RIGHTS OF ZORELINE® FOR KEY COUNTRIES THAT SHOULD REPRESENT THE MAJORITY OF THE GLOBAL MARKET OPPORTUNITY BY 2025, IN PARTICULAR CHINA WHICH IS WORTH MORE THAN 33% OF THE MARKET OPPORTUNITY.
>
> **Jean-Manuel Fontaine, CBO**

Two formulations

- One-month implant containing 3.6 mg of goserelin, mainly for combined therapies in breast cancer
- Three-month implant containing 10.8 mg of goserelin, to be used primarily in the field of prostate cancer

Mithra CDMO

Bridging expertise for successful pharmaceutical development

Mithra CDMO has continued its expansion in 2021 with the accreditation of a new manufacturing facility fully dedicated to fill & finish production of complex liquid injectables and biologicals in vials, pre-filled syringes or cartridges. Thanks to this high value-added expertise, Mithra's R&D and manufacturing platform strengthens its position in the European CDMO ecosystem.

Mithra CDMO offers a complete spectrum of solutions from early drug development, clinical batches and commercial manufacturing, with an unique expertise on complex polymeric products (vaginal ring, implants,..). Since July 2021, Mithra CDMO is also operating a new manufacturing facility fully dedicated to fill & finish production of complex liquid injectables and biologicals in vials, pre-filled syringes or cartridges.

An integrated R&D and manufacturing platform specialized in sterile injectables and polymeric forms

- 15,000 m² facilities in Liège (Belgium)
- Expertise in polymeric forms and sterile injectables
- Dedicated R&D and production areas
- Full drug development services
- Pilot, clinical & commercial batches
- GMP standards compliance (EMA / FDA)

Sterile injectables

- State of the art and flexible injectables facility providing end-to-end Fill and Finish services
- Complex liquid products (higher viscosity, oxygen sensitive, oily solutions, potent products…)
- Large molecule biological products (MAbs, proteins, …)
- Fill & Finish in different formats (vials, pre-filled syringes, cartridges)
- Small to medium batches (pre-clinical, clinical and commercial stage)
- Up to 8 million units/year
- Aseptic processing, sterile filtration, final sterilization …

Collaboration with ExeVir Bio

Following the accreditation of the injectable facility, Mithra CDMO concluded a new collaboration to utilize its fill and finish capabilities for ExeVir's innovative therapies. The Belgian biotech ExeVir develops novel llama-derived antibody therapies for potential treatment and prevention of Covid-19.

The selection of Mithra CDMO for the filling operations of ExeVir's innovative Covid-19 therapeutic confirms its confidence in Mithra's technological know-how and state-of-the-art infrastructure.

> WE ARE VERY PLEASED TO COLLABORATE WITH MITHRA CDMO WHICH HAS BUILT A CUTTING-EDGE NEW FILL AND FINISH MANUFACTURING FACILITY. BEING ABLE TO COLLABORATE WITH GREAT PARTNERS IN EUROPE SUCH AS MITHRA ARE NOT ONLY KEY TO OUR SUCCESS, BUT ALSO HELPS THE GROWTH OF THE BIOTECH ECOSYSTEM IN BELGIUM AND ACROSS EUROPE.
>
> **Torsten Mummenbrauer,**
> **CEO of ExeVir Bio**

28%
green energy produced by 5000 solar panels

Financial highlights

Figures presented below (in thousands of euro) are management figures

	Year ended 31 December	
	2021	***2020***
Revenues	22,668	9,030
Cost of sales	(15,724)	(3,457)
Gross profit	**6,945**	**5,573**
Research and development expenses	(76,577)	(69,310)
General and administrative expenses	(10,021)	(8,126)
Selling expenses	(1,541)	(1,251)
Other operating income	4,809	6,574
REBITDA[1]	**(76,385)**	**(66,540)**
Share-based payments expenses	(1,065)	(7,267)
EBITDA[2]	**(77,450)**	**(73,807)**
Depreciation	(10,426)	(6,136)
Non-recurring items	-	(3,734)
Loss from operations[3]	**(87,875)**	**(83,678)**
Change in the fair value of contingent consideration payable	(19,265)	(18,114)
Net fair value gains/(losses) on financial assets at fair value through profit or loss[4]	(6,351)	(4,925)
Financial income	2,838	1,782
Financial expenses	(13,116)	(5,987)
Loss before taxes	**(123,769)**	**(110,922)**
Income taxes	6,895	18,835
Net loss for the period	**(116,875)**	**(92,086)**

1 EBITDA is an alternative performance measure calculated by excluding the depreciation and amortization from EBIT (loss from operations) from the consolidated statement of profit or loss prepared in accordance with IFRS (please refer to note 9.34).
2 REBITDA is an alternative performance measure calculated by excluding the non-recurring items and the depreciation & amortization from EBIT (loss from operations) from the consolidated statement of profit or loss prepared in accordance with IFRS (please refer to note 9.34)
3 Fair values are computed on the contingent considerations payables which are reported under Other financial liabilities – Estelle® (please refer to note 9.17)
4 The fair value loss on financial assets is mainly made of the charge of EUR 8.0 million related to contingent receivable with CERES, partially compensated by a fair value gain on contract assets (re-evaluation of Mayne's shares up to their issuance in May 2021) for EUR 1.6 million (please refer to note 9.17)

Revenues
22.7
million

Product sales Estelle®
13.4
million

- Revenues at EUR 22.7 million compared to EUR 9.0 million in 2020, mainly driven by EUR 13.4 million first product sales of Estelle® in the US, Canada and Europe; and an out-licensing revenue of EUR 3.7 million following the acquisition of full global licensing and distribution rights for Zoreline® allowing a deferred revenue to be recognized.
- Cash collection of two major Estelle® out-licensing milestones with Mayne (USD 11 million) and Gedeon Richter (EUR 15 million), without impact on revenue as already recognized in 2019 as per IFRS15. Still around EUR 290 million cash to be collected for Estelle® out-licensing and sales related milestones.
- R&D expenses (excluding depreciation, as presented in the alternative performance measure) stand at EUR 76.6 million compared to EUR 69.3 million in 2020. These R&D expenses are the result of the ramp-up of activities under the Phase III Donesta®.
- EBITDA stands at EUR -77.5 million compared to EUR -73.8 million at 2020. The variance is mainly explained by operating expenses increase, notably R&D expenses, compensated by gross profit increase and other operating income decrease.
- Below EBITDA, a net fair value loss on financial assets of EUR -6.4 million has been recognized. This loss is mainly explained by a charge of EUR 8 million related to a contingent receivable with Ceres Pharma, partly compensated by a gain on contract assets (related to the Mayne US deal).
- Reception of 85.8 million ordinary shares (an Estelle® out-licensing milestones for the US territory) allowing the Company to become the first shareholder (with 9.57%) of Mayne Pharma Group Ltd, an Australia-listed company on ASX.
- Complete buyout of all earnouts linked to Myring® and Zoreline®, cancelling related amounts reported in the balance sheet in December 2020 (EUR 8.8 million) and thus facilitates Mithra's equity story. This deal also allowed the Company to increase the value of Zoreline® IP rights on our balance sheet by EUR 8.5 million.
- As contractually agreed, an instalment of EUR 25 million was paid to former owners of Uteron Pharma . This payment contributed to further decrease the liability reported at fair value on the balance sheet (from EUR 115.7 million in December 2020 to EUR 110.0 million in December 2021).
- EUR 32.9 million net cash position, on the top of which the following facilities are available :
  - EUR 100 million flexible equity financing agreement contracted with Goldman Sachs International in February 2022 with a first drawing request exercised on 4 February 2022 for an amount of EUR 10 million;
  - EUR 41 million as per December 31, 2021 in the framework of LDA capital commitment agreement (the Company has agreed with Goldman Sachs during any drawing period to not issue any put option notice under the LDA capital facility). Following the put option issued on 20 December 2021, a capital increase for an amount of EUR 8.1 million was completed on 14 February 2022 leading to an amount available under the LDA capital commitment of around EUR 33 million.
- New credit line concluded for an amount of EUR 15 million. This additional financing facility and the previously contracted credit line (EUR 20 million) are fully drown as per year end.
- Equity stands at EUR 33.8 million, reduced compared to December 2020 (EUR 157.7 million) by the total comprehensive loss for the period (EUR 134.2 million), partially compensated by two capital increases for a total amount of EUR 9.2 million (LDA capital and exercise of subscription rights).

Mithra share

Mithra (Euxonext: MITRA) is listed on Euronext Brussels and is part of the BEL Mid index. The group is also part of the BEL Health Care and Euronext 150 indices.

In 2021, the average share price was € 21.32 per share. The highest level was € 28 on 30 March 2021 and the lowest level € 17.8 on 24 September 2021. With a market capitalization of € 880 million as of 31.12.2021 and an average daily volume published by Euronext of 60,465 shares, Mithra has sufficient liquidity to be on the radar of major institutional investors.

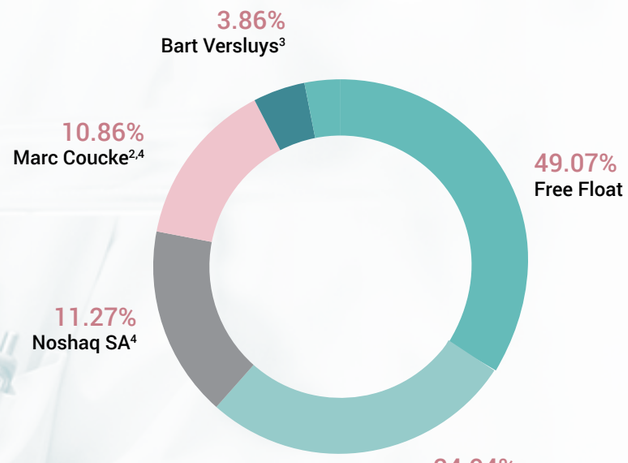
30 March 2021

24 September 2021

Shareholding structure

This graph shows our shareholder structure as of December 31, 2021, based on the transparency declarations made by shareholders.

Notification obligations are required by Belgian law or according to Mithra's articles of association, when the shareholding exceeds the thresholds of 3%, 5% or any multiple of 5%.



Total number of shares with voting rights:

44,051,259

1 *François Fornieri holds warrants entitling him to subscribe 952,790 additional shares of Mithra through Yima SRL, a company fully owned by François Fornieri.*
2 *Marc Coucke holds his shareholding partially through Alychlo NV which he controls.*
3 *Bart Versluys holds his shareholding through Scorpiaux BVBA, controlled by Bart Versluys.*
4 *François Fornieri, Alychlo NV and Noshaq SA jointly hold 300,000 warrants (share lending warrants)*

2022 Financial Calendar

March 8
2021
Annual results

April 15
2021
Annual Report

May 19
Annual General Meeting of Shareholders

September 23
2022
Half Year Results

Analysts

As of December 31, 2021, Mithra was covered by seven sell-side analysts who publish regular reports on the stock. Besides the regular individual exchanges, Mithra organizes two webinars at the time of the publication of its half-year/annual results, and an Investor Day. The Management of the company participates in these conference calls in order to present the financial and strategic performances of the company. These conferences are accessible to all the investors and available in replay on Mithra website.

Berenberg	Degroof Petercam	ING	KBC
Beatrice Allen	Laura Roba	Maxime Stranart	Thomas Vranken
Kempen	Kepler Cheuvreux	Portzamparc	
Alexandru Cogut	Daan Vandenberk	Mohamed Kaabouni	

Our financial community

Institutional investors

Mithra interacts with the institutional investors during roadshows and conferences to which the members of the Executive Management take part with the person in charge of the investor relations. These international roadshows and conferences allow to establish a dialogue and to meet the community of institutional investors in order to present Mithra's strategy and its financial performances.

Individual investors

Each investor has the possibility to subscribe to a newsletter on the Company's corporate website in order to receive press releases. The investor relations can be reached at investorrelations@mithra.com and answers all questions and requests for information.

IN 2021

Participation in 8 conferences and 5 roadshows, during which the Executive Management met investors located in Europe, UK and US.

Mithra organized an Investor Day on 29 November 2021. During this event, attended by institutional shareholders and sell-side analysts, Mithra unveiled its new strategy for its product candidate Donesta® and announced a diversification of the R&D pipeline through rights' acquisition option relating to a development programs led by the Belgian company BCI Pharma on innovative kinase inhibitors.

Board of Directors

With a proven expertise in all the fields covering pharmaceutical products development, Mithra's new Board of Directors can rely on 10 Directors with varied and complementary profiles. For the first time, the Board achieves perfect gender parity with 5 women directors and 5 men directors as well 5 independent and 5 non-independent directors.

Ajit Shetty,

Chairman,
Independent Director

Mr. Ajit Shetty holds an MSc and PhD in Metallurgy from Cambridge University and an MBA from Carnegie-Mellon University.

He started his career in 1976 at Janssen Pharmaceutica, where he held various positions in Finance and Business Development. He was instrumental in developing Janssen into a worldwide multinational within Johnson & Johnson. He served as President of Janssen USA from 1984 to 1990, before becoming Executive Vice President Finance of Janssen Belgium. From 1999 to 2008, he served as Managing Director of Janssen and as Chairman from 2004, while also serving on the Johnson & Johnson Operating Committee.

Elected "Manager of the Year" in Flanders in 2004, he was made a baron by King Albert II of Belgium in 2007. He is chairman of the Flemish Institute for Biotechnology (VIB) and a member of the board of directors of various pharmaceutical companies in Belgium, the United States and China. He is also a trustee of Carnegie-Mellon University.

An Cloet

Independent Director

Ms. An Cloet holds a Master's degree in Pharmacy from the University of Leuven and a Degree in Business and Administration from the University of Louvain.

She has over 25 years of pharmaceutical experience in multiple therapeutic domains, in particular women's health (contraception, osteoporosis, fertility). She built her career within MSD, where she has held various positions in Business Development, Marketing and Corporate Strategy. Since 2019, Ms Cloet is External Affairs Director at MSD Belux.

Patricia van Dijck

Independent Director

Ms. Patricia van Dijck holds a degree in medicine and a specialization in clinical biology and pharmaceutical medicine from the Catholic University of Louvain (UCL).

She began her career in the pharmaceutical industry in 1996 as an International Medical Advisor at UCB. She then became Medical Director at Lundbeck, before being appointed Managing Director in 2007. In 2011, Mrs. van Dijck joined Novartis Belux as Head of Market Access & Public Affairs, before joining the mother company in Basel in 2014 as Head Patient Access Excellence. Since 2018, she has been working for GSK Belux as Market Access & Public Affairs Director.

Erik Van den Eynden

Independent Director

Mr. Erik Van Den Eynden graduated in Economics at the University of Antwerp and has more than 30 years of experience in the banking sector.

He joined ING in 1990, where he held various commercial and management positions, including District Manager, Head of MidCorporates & Institutionals, CEO of ING Insurance Belgium & Luxembourg. From 2017 to 2020, he held the position of CEO of ING Belgium. In March 2021, Mr. Van den Eynden became CEO of the Straco Investment Group active in real estate project development, investments and private equity.

Liesbeth Weynants

Independent Director

Ms. Liesbeth Weynants holds a master's degree in law from the University of Leuven and is specialized in pharmaceutical and regulatory law with a focus on the life sciences sector.

She has extensive expertise in intellectual property and patent law for innovative medicines (AbbVie, Allergan, Biogen, Boehringer Ingelheim, Celgene, J&J, Lundbeck, Merck, Novartis, Sanofi…) and is currently Managing Partner at the law firm Hoyng Rokh Monegier as well as Professor of Intellectual Property Law at the VUB.

Board of Directors

François Fornieri

Non-Executive Director

Mr. François Fornieri is a chemical engineer (ISIL) with a Master's degree in Management (HEC). He has over 30 years of experience in the pharmaceutical industry.

He began his career at Sanofi, before joining the Marketing department of the Bayer-Schering group. In 1999, he founded Mithra and ensures the direction of the company during nearly 20 years. He is also the co-founder of Uteron Pharma, which he sold to the American group Watson-Actavis (2010-2013). Elected "Manager of the Year" in Wallonia in 2011, Mr. Fornieri is also an Officer of the Walloon Order of Merit and won the Essenscia Innovation Award in 2019.

Valérie Gordenne

Non-Executive Director

Ms. Valérie Gordenne holds a Master's degree in Pharmacy from the University of Liège.

She has over 20 years of experience in pharmaceutical Research & Development with extensive leadership experience in full drug development across a range of therapeutic areas, in particular in women's health (CSO Mithra, CEO Novalon, General Manager Odyssea). Through the management of various functions and activities, she has developed a deep operational and strategic knowledge and expertise in drug development. She is currently Chief Scientific Officer at Auxin Surgery, CEO of the start-up Odix and advisor in regulatory affairs.

Gaëtan Servais

Non-Executive Director

Mr. Gaëtan Servais graduated in economics from the University of Liege, where he started his career as a research assistant.

In 1995, he joined the Federal Planning Bureau as an expert and later the Economic and Social Council of the Walloon Region. In 2001, he became Chief of Staff for several ministers of the Walloon government. Since 2007, he has been CEO of the Liège-based investment fund Noshaq, which offers financing solutions for the creation and growth of companies.

Amel Tounsi

Non-Executive Director

Ms. Amel Tounsi holds a PhD in Biomedical and Pharmaceutical Sciences from the University of Louvain.

She has a broad experience in cell-therapy development. During her career in the biotech sector (Celyad, Texere, Analis, Masthercell), she acquired a strong expertise in Business Development and Company Development strategy. Since January 2021, she works as an Investment Manager at the Liège-based investment fund Noshaq.

Jean-Michel Foidart

Executive Director

Professor Jean-Michel Foidart graduated in Gynecology from the University of Liège and also obtained a PhD in cell biology and biochemistry, before directing its Department of Gynecology-Obstetrics.

Co-founder of Mithra, he is the author of more than 1300 publications on women's health and experimental oncology. Professor Foidart holds the Francqui Chair, Doctor Honoris Causa of the Pierre and Marie Curie University of Paris and the Paul Sabatier University of Toulouse. He is Officer of the Order of Leopold II, Commander, Grand Officer of the Order of the Crown, Professor Extraordinary, Honorary of the ULg and Perpetual Secretary of the Royal Academy of Medicine of Belgium. He was also General Secretary of the European Society of Gynecology and member of multiple editorial boards of international peer-reviewed journals.

Management committee

Leon Van Rompay
Chief Executive Officer

Jean-Michel Foidart
President of the Scientific Council

Christophe Maréchal
Chief Financial Officer

Laurence Schyns
Chief Human Resources Officer

Graham Dixon
Chief Scientific Officer

Cedric Darcis
Chief Legal Officer

Jean-Manuel Fontaine
Chief Business Officer

Renaat Baas
CDMO Site Director

Benjamin Brands
Chief Supply Chain Officer

Maud Vanderthommen
Group Communication Manager

Benoît Mathieu
Group Investor Relations Manager

Stijn Vlaminck
Group IT Manager

Frederic Constant
Group Quality Manager

2.

1. Report of the Board of directors

1.1. Analysis of results/operations

The net loss for the year 2021 was EUR 116,875k (loss of EUR 92,086k for 2020) on a consolidated basis.

The operating loss of EUR 87,875k in 2021 compared to the operating profit EUR 83,678k in 2020 is mainly explained by the decrease of revenues and the increase of R&D activity.

The loss before taxes amounts at EUR 123,769k in 2021, the gap between operating loss and loss before taxes is mainly the result of the increase in interest charges and fair value losses.

1.1.1. Total income

Group revenues increased to EUR 22,668k in 2021 (EUR 9,030k in 2020) and are mainly driven by product sales and by our first deliveries of Estelle® (EUR 13.4 million) to our European, US and Canadian partners. Sales from generic products in our portfolio, at EUR 3.8 million, remained steady compared to last year.

Out-licensing revenue, at EUR 4.6 million, are essentially Zoreline® milestones (EUR 3.7 million), previously invoiced and paid, that could be recognized in line with the agreement signed with SVR Invest BV for the full global licensing and distribution rights for the Zoreline® implant. EUR 0.5 million relates to performance obligation achieved in the framework of Mayne Pharma agreement for Estelle® Australia. Otherwise, no new significant partnership was signed during 2021 and no other triggering event on our portfolio of signed contracts, implying that no additional performance obligations (and related revenues) could be recognized in our accounts

1.1.2. Research and development expenses

R&D expenses increased by 9% in 2021 to EUR 85,243k (2020: EUR 78,458k) due to the ramp up of the Donesta® Phase III "E4 Comfort" clinical program. R&D expenses for Donesta® should continue to increase in the first half of 2022.

1.1.3. General and administrative expenses and selling expenses

G&A and selling expenses decreased by 17%, essentially due to a much lower impact of share-based payments accounting entries (charge of EUR 1.1 million compared to EUR 7.3 million in 2020), while the ramp-up of activities was important over the period.

1.1.4. Other operating income

Other operating income decreased by 27% mainly because in 2020 additional grants from the Walloon Region (of EUR 2,252k) have been recognized.

1.1.5. Change in fair value of contingent consideration payable, financial assets at fair value through profit and loss

Estelle® approval and positive top-line results from Donesta® phase 3 studies led to a review of the different scenarios and probabilities related to the financial liability against former owners of Uteron Pharma, hence the EUR 19.3 million change in fair value charge recorded in 2021 accounts.

The fair value loss on financial assets is mainly made of the charge of EUR 8.0 million related to contingent receivable with CERES, partially compensated by a fair value gain on contract assets (reevaluation of Mayne's shares up to their issuance in May 2021) for EUR 1.6 million.

1.1.6. Financial income

Financial income increased by EUR 1,056k and are mainly explained by the impact of the remeasurement of refundable government advances from the Walloon Region measured at amortized cost.

1.1.7. Financial expense

Financial expenses significant increase by EUR 7,129k is mostly driven by the interest charges of the EUR 125 million convertible bond negotiated in December 2020.

1.1.8. Branches

The Company has no branches. Refer to detailed table about the group structure in note 9.31.

1.2. Statement of financial position analysis

Total assets decreased to EUR 421,918k as of 31 December 2021 (EUR 521,985k at the end of previous year).

1.2.1. Non-current assets

As of 31 December 2021, the Statement of financial position shows a total of EUR 322,528k in Non-current assets, the largest of which are Other intangible assets (EUR 104,954k), Deferred tax assets (EUR 63,456k), Right-of-use assets (EUR 69,322k) and Property, plant and equipment (EUR 38,354k).

Tangible fixed assets (Property, plant and equipment and the Right-of-use assets) increased by EUR 8,183k, mainly relating to machinery and equipment in the production facility for the manufacturing of pharmaceuticals products (Mithra CDMO) and their related development costs for machine settings and improvement.

Other intangible assets consist mainly of a portfolio of acquired product rights, market access rights and internally generated intangible assets. The Net book value relates mainly to IP rights such as Estelle® for EUR 29,663k, Myring® for EUR 11,425k, Zoreline® for EUR 32,882k and Donesta® which qualified as an asset deal, for EUR 8,000k. Over 2021, the increase of EUR 15,949k is explained by the acquisition of full licensing and distribution rights of Zoreline® held by SVR Invest, including important territories such as China, Canada and Australia for an amount of EUR 8.5 million (in addition to the initial book value amount of EUR 24,400k) and of a capitalization of development costs related to the project "E4 synthesis" (for EUR 5.5m) and the project Estelle® (for EUR 3.0m) arising from development. Following the reception of Estelle® Marketing authorization, intellectual property rights and internally generated research and development for this project are now considered as available for use and depreciated (for EUR 1m).

Deferred tax assets increased by EUR 12,551k mainly due to the recognition of additional assets arising from available tax losses carried forward.

Since 2020, the Group uses derivative financial instruments to manage its exposure to foreign exchange rate risk arising from operational activities (cash flow hedges). In 2021, EUR has weakened significantly against the USD, with the foreign currency spot rate decreasing, which has caused the fair value of foreign exchange derivative hedges to decrease from EUR +9 065k to EUR -4,683k at 31 December 2021 (major amount hence recorded at fair value in the Derivatives financial liabilities).

The increase of Investment in equity securities mainly explained by the reception of 85.8 million ordinary shares (an Estelle® out-licensing milestones for the US territory) allowing the Company to become the first shareholder (with 9.57%) of Mayne Pharma Group Ltd, an Australia-listed company on ASX.

In 2021, Other non-current assets decrease is mainly the result of the fair value loss on financial assets which is made of the charge of EUR 8.0 million related to contingent receivable with CERES compensated by the increase of the R&D tax credit.

1.2.2. Current assets

As of 31 December 2021, the Statement of financial position shows a total of EUR 99,389k in Current assets, mainly Inventories for EUR 43,852k (EUR 8,470k higher than previous year) in the context of Estelle® commercial launch as from June 2021.

Contract assets decreased by EUR 38,950k mainly because of cash collection of two major Estelle® out-licensing milestones with Mayne (USD 11 million) and Gedeon Richter (EUR 15 million) and because of the reception of 85.8 million ordinary shares of Mayne Pharma Group Ltd, without impact on revenue as already recognized in 2019 as per IFRS 15.

Cash decreased to EUR 32,872k from EUR 138,675k in 2020, mainly explained by operating expenses increase, notably R&D expenses related to the activities under the Phase III Donesta®, by the payment of an instalment of EUR

25 million to former owners of Uteron Pharma and by the complete buyout of all earnouts linked to Myring® and Zoreline® with a first payment of EUR 8.5 million.

1.2.3. Equity

Total Equity at year-end decreased to EUR 33,840k from EUR 157,737k in 2020, mainly due to the total comprehensive loss for the period (EUR 134,175k), partially compensated by two capital increases for a total amount of EUR 9.2 million (LDA capital and exercise of subscription rights).

1.2.4. Non-current liabilities

Current liabilities slightly decreased to EUR 292,285k at the end of 2021, compared to EUR 293,500k in 2020.

Contract liabilities decreased as a result of the recognition of the out-licensing revenue, at EUR 3.7 million related to Zoreline® milestones, previously invoices and paid, in line with the agreement signed with SVR Invest BV for the full global licensing and distribution rights for the Zoreline® implant.

This impact on Non- current liabilities is partially offset by the increase of the Derivative financial liabilities because of the foreign currency spot rate (EUR/USD) decreasing which has caused the fair value of foreign exchange derivative hedges to decrease from EUR +9 065k to EUR -4,683k at 31 December 2021.

1.2.5. Current liabilities

Current liabilities increased to EUR 95,793k at the end of year 2021, compared to EUR 70,747k in 2020, primarily due the increase of the current portion of other loans which include new credit line concluded for an amount of EUR 15 million. This additional financing facility and the previously contracted credit line (EUR 20 million) for a total of EUR 35 million have been fully drown during 2021. This has been partially offset by the decrease in the current portion of other financial liabilities, linked to the evolution of Estelle® contingent consideration payable. This liability decreased following the payment of an instalment of EUR 25 million to former owners of Uteron Pharma, compensated by a change in fair value (EUR 19.3m).

1.3. Cash flow analysis

Full year cash flow of the group amounts to EUR -105,824k :

- *Cash flow from operating activities* of EUR -74,387k for 2021.
- *Cash flow from investing activities* of EUR -54,682k : The acquisition of tangible assets relates predominately to the capitalization of development costs in the framework of CDMO facility and equipment and its production zones. The acquisition of intangible assets consists in the capitalization of development costs related to the project "E4 synthesis" and the project Estelle®. The Other financial liabilities payments are mainly composed of the complete buyout of all earnouts linked to Myring® and Zoreline® with a first payment of EUR 8.5 million and of an instalment of EUR 25 million paid to former owners of Uteron Pharma.
- *Cash flow from financing activities* amounts to EUR 23,245k : during the year, the Group has secured capital increases for a total amount of EUR 9.2 million (LDA capital and exercise of subscription rights). A new credit line was concluded for an amount of EUR 15 million. This additional financing facility and the previously contracted credit line (EUR 20 million) are fully drown as per year end. At the opposite, the lease reimbursement and interest payments amount to EUR 9,479k.

In consideration of the conservative assumptions mentioned in the note 1.12 Going concern, the Board of directors has analyzed the financial statements and accounting policies and, made the assessment that the current cash position of EUR 32.9 million at 31 December 2021 strengthened by post-year end flexible equity financing agreement contracted with Goldman Sachs International for EUR 100 million and a capital increase for an amount of EUR 8.1 million completed on 14 February 2022 under the LDA capital agreement facility will allow the Group to keep up with operating expenses and capital expenditure requirements at least until April 2023 (twelve months at least after the issuance of this report).

1.4. Corporate governance statement

1.4.1. Introduction

This Corporate Governance Statement is included in the Company's report of the Board of directors on the statutory accounts for the financial year ended on 31 December 2021 in accordance with Article 3:6, §2 of the Belgian Companies and Associations Code.

On 17 May 2019, the Belgian royal decree of 12 May 2019 designating the corporate governance code to be complied with by listed companies was published in the Belgian Official Gazette. On the basis of this royal decree, Belgian listed companies are required to designate the new 2020 Belgian Corporate Governance Code (the "2020 Code") as reference code within the meaning of Article 3:6, §2 of the Belgian Companies and Associations Code of 23 March 2019, as amended (the "Belgian Companies and Associations Code"). The 2020 Code applies compulsorily to reporting years beginning on or after 1 January 2020 (compulsory application).

The 2020 Code is available on the website of the Belgian Corporate Governance Committee (www.corporategovernancecommittee.be).

1.4.2. Reference code

The Corporate Governance of the Company is organized pursuant to the Belgian Companies and Associations Code, the Company's articles of association and the Company's Corporate Governance Charter.

The Company's Corporate Governance Charter was adopted by the Board of directors on 20 April 2020 and updated on 22 April 2020. It was drafted in accordance with the recommendations set out in the 2020 Code.

For the financial year ended on 31 December 2021, the Company complied to a large extent with the provisions of the 2020 Code, except for the following deviation which the Company believed was justified in view of the Company's specific situation. In line with the "comply-or-explain" principle of said 2020 Code, the Company did not fully comply with the following provision:

Provisions 4.10 to 4.16 of the 2020 Code: The Company decided not to appoint a formal internal auditor because of the size of the Company. However, the Risk and Audit committee regularly evaluates the need for this function and/or commissions external parties to conduct specific internal audit missions and report back to Board of directors.

The Company's Corporate Governance Charter, together with the articles of association of the Company, are available on the Company's website (www.mithra.com), mentioning the date of the most recent update, in a clearly recognizable part of the Company's website under the heading "Investors", separate from the commercial information.

1.4.3. Share capital & shares

On 31 December 2021, the share capital of the Company amounts to EUR 32,249,706.40 and is fully paid-up. It is represented by 44,051,259 ordinary shares, each representing a fractional value of (rounded) EUR 0.7321 and representing one 44,051,259th of the share capital[1]. The Company's shares do not have a nominal value. The Company's shares are admitted to listing and trading on the regulated market of Euronext Brussels, under the ticker "MITRA".

In addition to the outstanding shares, the Company has a number of subscription rights, that are exercisable into ordinary shares, consisting of:

- 1,394,900 outstanding share options, issued by the Company on 5 November 2018 to the benefit of members of the staff, as well as consultants of the Company, subject to the terms and conditions that are determined by the Board of directors, entitling their holders thereof to subscribe for 1 share upon exercise of 1 relevant share option (the "2018 Share Options");

[1] Post period, on 14th February 2022, the share capital of the Company amounts is EUR 32,573,434.43 and is fully paid-up. It is represented by 44,493,450 ordinary shares, each representing a fractional value of (rounded) EUR 0.7321 and representing one 44,493,450th of the share capital. On 21th March, the share capital of the Company amounts is EUR 32,849,581.09 and is fully paid-up. It is represented by 44,870,648 ordinary shares, each representing a fractional value of (rounded) EUR 0.7321 and representing one 44,870,648th of the share capital.

- subscription rights exercisable for a maximum number of 690,000 new shares of the Company at an exercise price of EUR 27.00 per ordinary share (subject to customary adjustments), issued by the Company on 22 July 2020 to the benefit of LDA Capital Limited, subject to the terms and conditions, entitling LDA Capital Limited to subscribe for 1 share upon exercise of 1 relevant subscription right (the "LDA Warrants");
- subscription rights exercisable for a maximum number of 300,000 new shares of the Company at an exercise price of EUR 27.00 per ordinary share (subject to customary adjustments), issued by the Company on 7 September 2020 to the benefit of certain shareholders of the Company, subject to the terms and conditions, entitling their holders to subscribe for 1 share upon exercise of 1 relevant subscription right (the "Share Lending Warrants");
- 390,717 outstanding share options, issued by the Company on 20 November 2020 to the benefit of members of the personnel of the Company, subject to the terms and conditions that are determined by the Board of directors, entitling their holders thereof to subscribe for 1 share upon exercise of 1 relevant Share Option (the "2020 Share Options"). On the date of the present report, a total of 316,000 warrants have already been granted to members of the personnel, while 74,717 remaining;
- On 10 December 2020, the Company issued senior unsecured convertible bonds due 17 December 2025 for an amount of EUR 125 million. The convertible bonds are convertible into ordinary shares of the Company at an initial conversion price of EUR 25.1917, representing a 25.00% premium above the reference price of EUR 20.1533, being the volume weighted average price of a Company's share on Euronext Brussels from market open to the close of trading on 10 December 2020. The convertible bonds were issued in dematerialised form in the denomination of EUR 100,000 each. Unless previously converted, redeemed or purchased and cancelled, the convertible bonds will be redeemed at par on the stated maturity date, which is expected to be 17 December 2025. The number of ordinary shares potentially to be issued based on this operation amount to 4,96 million.
- The Master Confirmation Agreement dated 4s February 2022 between the Company and Goldman Sachs International provides that should a change of control occur, an adjustment on the economics of the contract shall occur. This Adjustment shall be determined by the Calculation Agent based on the 2006 ISDA Definitions and the definitions and provisions of the 2002 ISDA Equity Derivatives Definitions rules in each case as published by the International Swaps and Derivatives Association, Inc, using customary mechanisms. Should the Adjustment be rejected by the Company following a change of control, it may in some circumstances cause a termination of the Master Confirmation Agreement.

Form and transferability of the shares

The shares of the company can take the form of dematerialized shares. All the company's shares are fully paid-up and are freely transferable. On 31 December 2021, all of the 44,051,259 existing shares have been admitted to trading on the regulated market of Euronext Brussels.

Currency

The company's shares do not have a nominal value, but each reflects the same fraction of the Company's share capital, which is denominated in euro.

Voting rights attached to the shares

Each shareholder of the company is entitled to one vote per share. Shareholders may vote by proxy, subject to the rules described in the Company's articles of association.

Voting rights can be mainly suspended in relation to shares:

- which are not fully paid up, notwithstanding the request thereto of the Board of directors of the Company;
- to which more than one person is entitled or on which more than one person has rights in rem (*droits réels*) on, except in the event a single representative is appointed for the exercise of the voting right vis-à-vis the Company;
- which entitle their holder to voting rights above the threshold of 3%, 5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, in the event that the relevant shareholder has not notified the Company and the FSMA at least 20 calendar days prior to the date of the general shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and

- of which the voting right was suspended by a competent court or the FSMA.

Pursuant to the Belgian Companies and Associations Code, the voting rights attached to shares owned by the Company, or a person acting in its own name but on behalf of the Company, or acquired by a subsidiary of the Company, as the case may be, are suspended.

Dividends and dividend policy

All of the shares of the Company entitle the holder thereof to an equal right to participate in dividends in respect of the financial year ending on 31 December 2021 and future years. All of the shares participate equally in the Company's profits (if any). Pursuant to the Belgian Companies and Associations Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual general shareholders' meeting, based on the most recent statutory audited financial statements, prepared in accordance with Belgian GAAP and based on a (non-binding) proposal of the Company's Board of directors. The Belgian Companies and Associations Code and the Company's articles of association also authorise the Board of directors to declare interim dividends without shareholder approval. The right to pay such interim dividends is, however, subject to certain legal restrictions.

Additional financial restrictions and other limitations may be contained in future credit agreements.

1.4.4. Shareholders & shareholder structure

Shareholders structure

The table below provides an overview of the shareholders that notified the Company of their shareholding in the Company pursuant to applicable transparency disclosure rules, as of 31st of December 2021.

Shareholder	*% of voting rights*[1]
Mr François Fornieri[2, 4]	24.94%[5]
Mr Marc Coucke[3 4]	10.86%
NOSHAQ (Meusinvest SA) [4]	11.27%
Scorpiaux B	3.86%
Ogesip Invest SA	2.68%

1. The percentage of voting rights is calculated as per the closing date and taking into account the total number of outstanding shares of the Company as of such date.
2. François Fornieri holds in direct and through Yima SRL warrants entitling him to subscribe still 952,790 additional shares of Mithra.
3. Marc Coucke holds his shareholding partially through Alychlo NV, which he controls.
4. François Fornieri, Alychlo NV and Noshaq SA jointly hold 300,000 warrants (share lending warrants).
5. Post period, on 23 March 2022, the shareholding is adapted as follow: Mr François Fornieri, 24,97%; Mr Marc Coucke, 9,24 %; NOSHAQ SA, 11,31%; Scorpiaux 3,79 %; Ogesip SA invest, 2.63%.

No other shareholders, alone or in concert with other shareholders, notified the Company of a participation or an agreement to act in concert in relation to 3% or more of the current total existing voting rights attached to the voting securities of the Company.

The most recent transparency declarations, including the abovementioned declarations, are available on the Company's website www.mithra.com.

Shareholders' arrangements

To the Board of directors' best knowledge, no shareholders' agreement exists among shareholders of the Company with respect to the Company.

1.4.5. Board of directors

Composition of the board

The Company has opted for a "one tier" governance structure whereby the Board of directors is the ultimate decision-making body, with the overall responsibility for the management and control of the Company and is authorized to carry out all actions that are considered necessary or useful to achieve the Company's object. The Board of directors has all powers except for those reserved to the general shareholders' meeting by law or by the Company's articles of association. The Board of directors acts as a collegiate body.

Since the 20th May 2021 (the last Ordinary Shareholders' Meeting[3]), the Board of directors consisted of ten (10) members (with a minimum of three (3) members set out in the articles of association), of which one (1) is Executive Director and nine (9) are Non-Executive Directors, including five (5) Independent Directors in the meaning of the Article 7:87 of the Belgian Companies and Associations Code.

Since this Ordinary Shareholders' Meeting, the Company has continued to comply with the requirement of gender diversity and Article 2.1 of the Company's Corporate Governance Charter. Indeed, the Board of directors currently has five (5) female directors.

On 21st January 2021, in accordance with the Internal Governance Code, the Board of directors has decided to entrust the position of CEO *ad interim* to Mr Christophe Maréchal until further decision by the Board. Moreover, according to article 7:95 of the BCC and article 19 of the Company's articles of association and taking into account the need for the Company to ensure continuity of management, the directors of the Company have consented to set in motion the temporary succession plan provided for in Schedule D, section C, "In case of temporary unavailability (no longer than 6 months leave)" of the Company's Corporate Governance Charter. Members of the Executive Committee have been until further decision by the Board, able to function in different silos depending on their area of expertise. These responsibilities have been carried out under the supervision of Christophe Maréchal who assumed *ad interim* the CEO's task and responsibilities as per the Charter of the Company.

On 3 February 2021, the Board of directors accepted that Yima SRL (represented by Mr. François Fornieri) takes a step back as CEO, until further notice and for a maximum period of 12 months, following his indictment in the context of an external file not related to Mithra. As a result hereof, the Board of directors has decided to appoint Van Rompay Management BV (represented by Mr. Leon Van Rompay) as CEO *ad interim* until further notice.

On 15 October 2021, Yima SRL (represented by Mr. François Fornieri) decided, in consultation with the Board of directors, to remain on the sidelines of his executive functions, as long as the legal case related to insider trading is pending. As the founder and principal shareholder of the Company, he continues to fully fulfill his role as a member of the Board of directors and to support the strategy of the Company from this seat. Following the decision of Mr. Fornieri, Mithra's Board of directors confirmed Van Rompay Management BV (represented by Mr. Leon Van Rompay) as Chief Executive Officer.

The roles and responsibilities of the Board of directors, its composition, structure and organization are described in detail in Company's articles of association and Company's Corporate Governance Charter (available on the Company's website, www.mithra.com). The Company's Corporate Governance Charter specifies the criteria that Directors must satisfy in order to qualify as Independent Directors.

Since the General Shareholders' Meeting of 20 May 2021, directors are appointed for a maximum term of two years, which is renewable.

The composition of Mithra's Board of directors was as follows during the financial year 2021:

Name	*Position*	*Term* [1]	*Nature of Mandate*	*Board of directors Committee Membership*	*Attendance*[2] *to 2021 Board meetings*
Yima SRL (permanent representative: Mr. François Fornieri)	Director	2023	Non-Executive	-	12/12
Sunathim BV (permanent representative: Mr. Ajit Shetty)	Director	2023[3]	Chair[6] Independent	Nomination and Remuneration Committee	12/12 (6/6)
TicaConsult BV (permanent representative: Mr. Erik Van Den Eynden)	Director	2023[3]	Independent	Risk and Audit committee (Chair)	12/12 (8/8)
Noshaq SA (permanent representative: Mr. Gaëtan Servais)	Director	2023	Non-Executive	Risk and Audit committee	12/12 (8/8)
Eva Consulting SRL (permanent representative: Mr. Jean-Michel Foidart)	Director	2023	Executive	-	12/12
Mrs. Patricia van Dijck	Director	2023	Independent	Nomination and Remuneration Committee (Chair)[4]	12/12 (4/4)
Mrs. Amel Tounsi	Director	2023	Non-Executive	Nomination and Remuneration Committee	6/6 (4/4)
Alius Modi SRL (permanent representative: Mrs. Valérie Gordenne)	Director	2023	Non-Executive	Risk and Audit committee	6/6 (4/4)
Mrs. An Cloet	Director	2023	Independent	-	6/6
Mrs. Liesbeth Weynants	Director	2023	Independent	-	5/6
Selva Luxembourg SA (permanent representative Mr. Christian Moretti)	Director	2021[5]	Non-executive	-	6/6 (2/2)
Ahok BVBA (permanent representative Mr. Koen Hoffman)	Director	2021[5]	Independent	Audit committee (Chair) [5]	6/6 (4/4)

1. The term of the mandate of the Director will expire immediately after the Annual General Shareholders' Meeting held in the year set forth next to the Director's name.
2. The number of meetings attended by each Director should take into account the nomination of new Directors during the financial year.
3. On 25 November 2020, seven (7) directors resigned. Between the 1st January and the 19th May 2021, the Board of directors included two co-opted directors to fill in the vacancy seats pursuant to provision 7:88 §1 of the BCAC:
    - Sunathim BV (represented by Mr. Ajit Shetty) was co-opted by the Board of directors as Independent Director, until the General Shareholders' Meeting of 2021;
    - Mr. Erik Van Den Eynden was co-opted by the Board of directors as Independent Director. On 22 December 2020, at the request of Mr. Erik Van Den Eynden, the Board of directors agreed to replace him by TicaConsult BV (represented by Mr. Erik Van Den Eynden).

4. As of 25th November 2020 until 14th June 2021, Mrs. Van Dijck was Chair *ad interim* of the Board of directors. Sunathim BV (permanent representative: Mr. Ajit Shetty) succeeded her as of 14th June 2021.
5. These two mandates were not renewed at the ordinary General Meeting of May 20, 2021. Selva Luxembourg SA (permanent representative Mr. Christian Moretti) and Ahok BVBA (permanent representative Mr. Koen Hoffman) participate in all Board meetings (and committee meetings at the request of the Chairs) as observers.
6. Since a resolution of the Board of directors of June 14, 2021.

More detailed information on the Board of directors' responsibilities, duties, composition and operation can be found on the Company's website (www.mithra.com) in the Company's articles of association and Corporate Governance Charter.

Activity report

In 2021, twelve Board meetings have been held (in case two distinct meetings take place successively, the two meetings have not been taken into account hereinabove).

The Board meetings were mainly related to the financial results and financial reporting, including the half-year and financial statements and budget, the Company's financing strategy and related capital transaction, Supply strategy and R&D progress, important agreements or (expected) acquisitions and divestments, and continuous evaluation of the structure and the strategy of the Company.

In addition, the Board of directors met to resolve on various (conditional) capital increases or transaction, the grant of additional share options and the reinforcement of the Executive Management Team.

Performance evaluation of the board

Under the lead of the Chair and assisted by the Nomination and Remuneration Committee (and possibly also by external experts) the Company's Board of Directors will conduct, every 3 years, a self-evaluation in respect of its size, composition, performance and those of its Committees, as well as in respect of its interaction with the executive management. The evaluation shall have the following objectives:

- Assessing how the Board or the relevant Committee operates;
- Checking that the important issues are suitably prepared and discussed;
- Evaluating the actual contribution of each Director's work, the Director's presence at Board and Committee meetings and his constructive involvement in discussions and decision-making; and
- Checking the Board's or Committee's current composition against the Board's or Committee's desired composition.

The Non-Executive Directors shall annually assess their interaction with the Executive Management Team. In this respect, Non-Executive Directors shall meet at least once a year in absence of the CEO and the other executive directors, if any. No formal Board decision can be taken at such meeting.

There is a periodic evaluation of the contribution of each director aiming at adapting the composition of the Board of directors. At the time of their re-election, the directors' commitments and contributions are evaluated within the Board of directors, and the Board of directors ensures that any appointment or re-election allows an appropriate balance of skills, knowledge and experience to be maintained. The same applies at the time of appointment or re-election of the Chairs (of the Board of directors and of the Board committees).

The Board shall act on the results of the performance evaluation by recognising its strengths and addressing its weaknesses. Where appropriate, this will involve proposing new members for appointment, proposing not to re-elect existing members or taking any measure deemed appropriate for the effective operation of the Board.

This evaluation took place in fiscal year 2018 and will be renewed in fiscal year 2022-2023 (the evaluation has been postponed to the year 2022-2023 to correspond with the renewal of the Board of directors). The Board always acts on the results of the performance evaluation by recognizing its strengths and addressing its weaknesses. Where appropriate, this could involve proposing new members for appointment, proposing not to re-elect existing members or taking any measure deemed appropriate for the effective operation of the Board of Directors.

1.4.6. Risk and Audit committee

The Board of directors has set up a Risk and Audit committee, in line with the Belgian Companies and Associations Code.

More detailed information on the Risk and Audit committee's responsibilities can be found in the Company's Corporate Governance Charter, which can be found on Mithra's website (www.mithra.com).

The Chair of the Risk and Audit committee reports to the meeting of the Board of directors subsequent to each meeting of the Risk and Audit committee on its activities, conclusions, recommendations and resolutions. On an

annual basis, the Chair of the Risk and Audit committee also reports to the Board of directors on the Risk and Audit committee's performance.

Composition

The Risk and Audit committee is composed of three (3) members, which are exclusively Non-Executive Directors. At least one of its members should be an independent Director in the meaning of article 7:87 of the Belgian Companies and Associations Code.

At least one of its members has the necessary expertise with regard to accounting and auditing. The Board of Directors ensures that the Risk and Audit committeee has the necessary and sufficient expertise with regards to accounting, audit and finance, in order to fulfil its role in an adequate manner. The Chair of the Risk and Audit committee is not the Chair of the Board of directors. The CEO and CFO can attend the meetings in an advisory and non-voting capacity. At least twice a year, the Risk and Audit committeee meets the Statutory Auditor in order to discuss questions regarding its mandate, the audit procedure and, in particular, the potential weaknesses identified in the control.

The following Directors are members of the Risk and Audit committeee: TicaConsult BV (permanent representative: Mr. Erik Van Den Eynden), Noshaq SA (permanent representative: Mr. Gaëtan Servais), Alius Modi SRL (permanent representative: Mrs. Valérie Gordenne). Before the General Meeting of May 20, 2021, the Committeee was composed of Ahok BVBA (permanent representative Mr. Koen Hoffman), TicaConsult BV (permanent representative: Mr. Erik Van Den Eynden), and Noshaq SA (permanent representative: Mr. Gaëtan Servais). TicaConsult BV (permanent represenative: Mr. Erik Van Den Eynden) and Ahok BV (permanent representative: Mr. Koen Hoffman) were both Independent Directors.

Activity report

The Risk and Audit committee met eight (8) times in 2021. The statutory auditor was present at 2 of these eight meetings.

The main topics discussed were the interim half-year and annual financial information and figures, the budget, the statutory auditor's external audit, internal control, risk management and compliance including the implementation of a Business Code of Conduct, the review of the equity transactions. The opinion of the Risk and Audit committee has also been specifically requested on transactions where there were conflicts of interest.

Attendance was as follows: Ahok BV (permanent representative: Mr. Koen Hoffman): 4/4, Noshaq SA (permanent representative: Mr. Gaëtan Servais): 8/8, TicaConsult BV (permanent representative: Mr. Erik Van Den Eynden): 8/8, and Alius Modi (permanent representative: Mrs. Valérie Gordenne): 4/4 . The number of meetings attended by each Director should take into account the expiration of the term of the mandate of certain Directors during the year as well as the nomination of new Directors during the financial year.

1.4.7. Nomination and remuneration committee

The Board of directors has set up a remuneration committee, in line with the Belgian Companies and Associations Code. As the remuneration committee also performs the task of a nomination committee, it is called the nomination and remuneration committee.

More detailed information on the nomination and remuneration committee's responsibilities can be found in the Company's Corporate Governance Charter, which can be found on Mithra's website (www.mithra.com). In principle, the nomination and remuneration committee will meet at least two (2) times per year.

Composition

The nomination and remuneration committee is composed of three members, which are exclusively non-executive directors. The majority of its members are independent directors in the meaning of article 7:87 of the Belgian Companies and Associations Code.

The nomination and remuneration committee has the necessary expertise in terms of remuneration policy, which is evidenced by the experience and the previous roles of its members.

The following Directors are members of the nomination and remuneration committee: Mrs. Patricia van Dijck, Mrs. Amel Tounsi, Sunathim BV (permanent representative: Mr. Ajit Shetty). Mrs. Patricia van Dijck and Sunathim BV (permanent representative: Mr. Ajit Shetty) are both Independent Directors. Before the General Meeting of

May 20, 2021, the Committee was composed of Mrs. Patricia van Dijck, Sunathim BV (permanent representative: Mr. Ajit Shetty) and Selva Luxembourg SA (permanent representative Mr. Christian Moretti). Mrs. Patricia van Dijck and Sunathim BV (permanent representative: Mr. Ajit Shetty) were both Independent Directors.

The CEO is invited to attend the meetings of the Nomination and Remuneration Committee in an advisory and non-voting capacity. He does not attend discussions concerning his own remuneration.

The Chair of the Nomination & Remuneration Committee reports to the Board subsequent to each Committee meeting on its activities, conclusions, recommendations and resolutions. The Chair of the Nomination & Remuneration Committee shall, on an annual basis, report to the Board on the Nomination & Remuneration Committee's performance. Every three (3) years, the Nomination & Remuneration Committee reviews its terms of reference and its own effectiveness and recommends any necessary changes to the Board.

Activity report

The Nomination & Remuneration Committee met six (6) times in 2021.

The main topics discussed were the preparation of the remuneration report, the performance of the CEO and other members of the Executive Management Team, their appointment, resignation, and remuneration (including the grant of subscription rights), the composition of the Executive Management Team, the assessment of the contractual conditions giving right to bonuses to the CEO, the implementation of a new Corporate Governance Charter and the renewal of the Board of directors.

Attendance was as follows: Mrs. Patricia van Dijck (6/6), Mrs. Amel Tounsi (4/4), Sunathim BV (permanent representative: Mr. Ajit Shetty) (6/6) and Selva Luxembourg SA (permanent representative Mr. Christian Moretti) (2/2).The number of meetings attended by each Director should take into account the expiration of the term of the mandate of certain Directors during the year as well as the nomination of new Directors during the financial year.

Executive Management

By a decision of 15 June 2015, the Board of directors of the Company set up an Executive Management Team. The Executive Management Team is an advisory committee of the Board of directors.

The Executive Management Team's mission is to discuss and consult with the Board and advise the Board on the day-to-day management of the Company in accordance with the Company's values, strategy, general policy and budget, as determined by the Board.

While exercising its advisory responsibilities, the Executive Management Team shall be guided by the interests of the Company and its business.

More detailed information on the Executive Management Team's responsibilities can be found in the Company's Corporate Governance Charter, which can be found on Mithra's website. (www.mithra.com).

Composition

The Executive Management Team is currently composed of fourteen (14) members: the Chief Executive Officer (CEO)[1] the Chief Executive Officer (CEO) / under leave of absence[2], The Chief Financial Officer (CFO), the Chief Legal Officer (CLO), the Chief Scientific Officer (CSO), the Chief Supply Chain Officer (CSCO), the Chief Manufacturing Officer (CMO)[3], Chief Business Officer (CBO), the Chief Human Resources Officer (CHRO), the Group Quality Manager, the Group Communication Manager, the Group Investor Relations Manager (IRO), the Group IT Manager (GITM) and the Chair of the Scientific Advisory Board.

The Executive Management Team is chaired by the CEO of the Company. Furthermore, the Chair may invite additional personnel to attend a meeting of the Executive Management Team.

The members of the Executive Committee as of the date of this report are listed in the table below:

Name	*Function*
Van Rompay Management BV (permanent representative: Mr. Leon Van Rompay)[1]	Chief Executive Officer (CEO)
Yima SRL (permanent representative: Mr. François Fornieri)[1]	Chief Executive Officer under leave of absence, Chief Business Development Officer under leave of absence
Eva Consulting SRL (permanent representative: Mr. Jean-Michel Foidart)	Chair of the Scientific Advisory Board
CMM&C SRL (permanent representative: Mr. Christophe Maréchal) [1]	Chief Financial Officer (CFO)
M. Cédric Darcis	Chief Legal Officer (CL0)
GD Lifescience SRL (permanent representative: Mr Graham Dixon)	Chief Scientific Officer (CSO)
BGL Consulting SRL (permanent representative: Mr. Benjamin Brands)	Chief Supply Chain Officer (CCO)
MAREBA BVBA (permanent representative: Mr Renaat Baes)	Chief Manufacturing Officer (CMO)[2]
Novafontis SRL (permanent representative: Mr. Jean-Manuel Fontaine)	Chief Business Officer (CBO)
Acta Group SA (permanent representative : Ms. Laurence Schyns) [5]	Chief Human Resources Officer (CHRO),
Mr. Benoît Mathieu	Group Investor Relations Manager
Mrs. Maud Vanderthommen	Group Communication Manager
Mr. Frédéric Constant	Group Quality Manager
T Mundi BV (permanent representative : Stijn Vlaminck)[3]	Group IT Manager
IARA SRL (permanent representative : Mrs. Jessica Salmon)[4]	Corporate Controlling Officer and Executive Deputy

1. On 21st January 2021, in accordance with the Internal Governance Code, the Board of directors has decided to entrust the position of CEO *ad interim* to Mr Christophe Maréchal until further decision by the Board. Moreover, according to article 7:95 of the BCC and article 19 of the Company's articles of association and taking into account the need for the Company to ensure continuity of management, the directors of the Company have consented to set in motion the temporary succession plan provided for in Schedule D, section C, "In case of temporary unavailability (no longer than 6 months leave)" of the Company's Corporate Governance Charter. Members of the Executive Committee have been until further decision by the Board, able to function in different silos depending on their area of expertise. These responsibilities have been carried out under the supervision of Christophe Maréchal who assumed ad interim the CEO's task and responsibilities as per the Charter of the Company. On 3 February 2021, the Board of directors accepted that Yima SRL (represented by Mr. François Fornieri) takes a step back as CEO, until further notice, for a maximum period of 12 months, following his indictment in the context of an external file not related to Mithra. As a result, hereof, the Board of directors has decided to appoint Leon Van Rompay as CEO ad interim until further notice.

   On 15 October 2021, Yima SRL (represented by Mr. François Fornieri) decided, in consultation with the Board of directors, to remain on the sidelines of his executive functions, as long as the legal case related to insider trading is pending. As the founder and principal shareholder of the company, he will continue to fully fulfill his role as a member of the Board of directors and to support the strategy of the Company from this seat. Following the decision of Mr. Fornieri, Mithra's Board of directors confirmed Leon Van Rompay as Chief Executive Officer.For further information, please see the press releases published by the Company on 21 January 2021, 4 February 2021 and 15 October 2021 on its website (https://investors.mithra.com/en/press-releases/).
2. Post Period, on 3 March 2022, upon recommendation of the Nomination and Remuneration Committee, the Board of directors changed the job title of the CMO in order to become the CDMO Site Director of the Company.
3. Post period, on 1st February 2022, under request of T Mundi BV (permanent representative: Stijn Vlaminck), the performance of its duties have been transferred to the company Hof Vlaminck SCS (permanent representative: Stijn Vlaminck).
4. On 12th April 2021, the Board of directors ratified the termination of the consultancy contract between IARA SRL and the Company with effect from 23th March 2021.
5. The Board of directors validated this appointment by a resolution of March 5, 2022 on the recommendation of the Nomination and Remuneration Committee of the same day

Activity report

In 2021, The Executive Management Team met regularly and at least once every month. The CEO reported and advised the Board on the day-to-day management at every meeting.

1.4.8. Diversity and inclusiveness

Article 7:86 of the Belgian Companies and Associations Code provides that at least one third of the members of the Board of directors should be of the opposite gender. In order to calculate the required number of Directors of a different gender, fractions must be rounded to the nearest whole number. These gender diversity requirements are applicable to the composition of the Board of directors of companies, the securities of which are listed, for the first time as from the first day of the sixth year following the date they became publicly listed. If, for any reason whatsoever, the composition of the Board of directors does not or no longer meets the conditions laid down here above, the first General Shareholders' Meeting that follows shall constitute a Board of directors that meets these requirements.

Since the Annual General Shareholders' Meeting of 16 May 2019, the Company complied with the gender diversity requirements set by article 7:86 of the Belgian Companies and Associations Code (and Article 2.1 of the CBGE). The Board of directors still comply with the requirement of gender diversity as. The Board of directors currently has five (5) female directors (representing a ratio of 50.00% female Directors against 50.00% male Directors). In the future, the Company undertakes to take gender diversity into consideration when renewing the members of its Board of directors and when filling new positions.

1.4.9. Principal characteristics of internal control and risk management

The Company operates a risk management and control framework in accordance with the Belgian Companies and Associations Code and the 2020 Code. The Group is exposed to a wide variety of risks within the context of its business operations that can result in its objectives being affected or not achieved. Controlling those risks is a core task of the Board of directors (including the Risk and Audit committee), the Executive Management Team and all other employees with managerial responsibilities.

The Executive Management Team leads the Company within the framework of prudent and effective control, which enables it to assess and manage risks. The Executive Management Team develops, maintains and ongoingly improves (including with the support of external advisers) adequate internal control and risk management procedures so as to offer a reasonable assurance concerning the realization of goals, the reliability of the financial information, the observance of applicable laws and regulations and to enable the execution of internal control and risk management procedures.

The Executive Management Team is an advisory committee to the Board of directors and the CEO on the day-to-day management of the Company. Each member of the Executive Management Team has individually been made responsible for certain aspects of the day-to-day management of the Company and its business (in case of the CEO, by way of a delegation from the Board of directors; in case of the other Executive Management Team members, by way of a formal delegation of authority from the CEO). In the case that any decision to be taken by a member of the Executive Management Team could be material to the Company (or falls outside the scope of the delegation of authority), it shall be presented and discussed at a meeting of the Executive Management Team. The Executive Management Team meets several times per month.

During those Executive Management Team meetings, there is a follow-up on the progress of various Group projects, clinical studies, business development deals, and other material matters.

The process of gathering financial information is organized on a monthly (work in progress), quarterly, half-year and annual basis, and reports of such information are made available to the CEO and the Risk and Audit committee. The finance team (strengthened during 2021 due to the ram-up of our activities) produces the accounting figures and reports under the supervision of the CFO. The accounts are kept by an ERP (formally Dynamics AX migrated to D365 upgraded version early 2021). The cash and working capital are monitored on a continuous basis.

The quality of the internal control and risk management is assessed during the course of the financial year and on an ad hoc basis with internal audits (supply chain, IT, PO validation workflows, working capital management, etc.) carried out on the basis of potential risks identified. The conclusions are shared and validated with the Risk and Audit committee. During the financial year, the Risk and Audit committee undertakes reviews of the half-year closures and specific accounting treatments. It reviews the disputes and puts all the questions it deems relevant to the Auditor, to the CFO or to the Executive Management Team of the Company.

During the period under review, the Company has mandated Ernst & Young ("EY") in order to audit the Company's current governance policies with the view of assisting the Company to set up optimized governance policies suited for a fully-fledged commercial Company. Most of the conclusions of this audit are very positive for the Company, minor areas of improvement are being implemented.

The Risk and Audit committee assists the Board of directors in the execution of its task to control the Executive Management Team.

Control environment

The Executive Management Team has organized the internal control environment, which is monitored by the Risk and Audit committee. The Risk and Audit committee decided not to create an internal audit role, since the scope of the business does not justify a full-time role.

The role of the Risk and Audit committee is to assist the Board of directors in fulfilling its monitoring responsibilities, as stipulated in the Company's Corporate Governance Charter and the Business Code of Conduct. These responsibilities include the financial reporting process, internal control and risk management systems (including the Company's process for monitoring compliance with laws and regulations) and the external audit process.

Dealing code

With a view to preventing market abuse (insider dealing and market manipulation), the Board of directors has established a dealing code. The dealing code describes the declaration and conduct obligations of Directors, executives and workers of the Group with respect to transactions in shares and other financial instruments of the Company. The dealing code sets limits on carrying out transactions in shares and other financial instruments of the Company and allows dealing by the above-mentioned persons only during certain windows.

1.4.10. Statutory auditor

BDO Réviseurs d'Entreprises SCRL, with registered office at Rue de Waucomont 51, , 4651 Herve, Belgium, member of the Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren, represented by Cédric Antonelli, auditor, has been renewed as Statutory Auditor of the Company on 20 May 2021 for a term of three (3) years ending immediately after the Shareholders Meeting to be held in 2024 which will deliberate and resolve on the financial statements for the financial year ended on 31 December 2023. BDO Réviseurs d'Entreprises SCRL is a member of the Belgian Institute of Certified Auditors ("Institut des Réviseurs d'Entreprises") (membership number B00023).

The Statutory Auditor as the auditor responsible for the audit of the consolidated financial statements, confirms annually in writing to the Risk and Audit committee his or her independence from the Company, discloses annually to the Risk and Audit committee any additional services provided to the Company, and discusses with the Risk and Audit committee the threats to his or her independence and the safeguards applied to mitigate those threats as documented by him or her.

During the past fiscal year, in addition to its usual activity, the Statutory Auditor performed additional activities on behalf of the Company mainly for the issuance of special reports, for participation to meeting of the Risk and Audit committee and for participation to special projects.

In 2021, the Company spent EUR 211,344 for fees related to the activities of the auditor, split as follows:

In Euro (€)	
Auditor's fees for statutory and consolidated financial statements	158,000
Fees for exceptional services or special missions (audit related)	31,522
Tax consultancy (audit related)	-
Fees for exceptional services or special missions (external to audit)	-
Tax consultancy (external to audit)	21,822
Total	**211,344**

1.4.11. Information that has an impact in case of public takeover bids

No takeover bid has been instigated by third parties in respect of the Company's equity during the current financial year.

The Company provides the following information in accordance with Article 34 of the Belgian Royal Decree dated 14 November 2007:

Share capital and shares

The share capital of the Company amounts to EUR 32,249,706.40 and is fully paid-up. It is represented by 44,051,259 ordinary shares, each representing a fractional value of (rounded) EUR 0.7321 and representing one 44,051,259th of the share capital. The Company's shares do not have a nominal value[2].

Restrictions, either legal or prescribed by the articles of association, on the transfer of shares

Other than the applicable Belgian legislation on the disclosure of significant shareholdings and the Company's articles of association, there are no restrictions on the transfer of shares.

Special control rights

There are no holders of any shares with special control rights.

Possible control mechanism provided for in a shareholding system of the personnel, when control rights are not exercised directly by the personnel

There are no share option plans for the personnel other than the share option plans disclosed elsewhere in this report. These share option plans contain provisions on accelerated vesting in case of change of control.

Restrictions, either legal or prescribed by the articles of association, on voting rights

Each shareholder of the Company is entitled to one vote per share. Voting rights may be suspended as provided in the Company's articles of association and the applicable laws and articles.

Agreements between shareholders that may result in restrictions the transfer of securities and/or the exercise of voting rights

There are no agreements between shareholders which are known by the Company that may result in restrictions on the transfer of securities and/or the exercise of voting rights.

Rules governing the appointment and replacement of Board members and the amendment of the issuer's articles of association

The rules governing appointment and replacement of Board members and amendment to articles of association are set out in the current versions of the Company's articles of association and the Company's Corporate Governance Charter.

Powers of the Board of directors

The powers of the Board of directors, more specifically with regard to the power to issue or redeem shares are set out in the Company's articles of association. The Board of directors was not granted the authorization to purchase its own shares "*to avoid imminent and serious danger to the Company*" (i.e., to defend against public takeover bids). The Board of directors is however authorised to dispose of listed shares or certificates, in accordance with article 7:218 of the Belgian Companies and Associations Code (this authorisation extends to disposals made by its direct subsidiaries, as defined in article 3:22 of the Belgian Companies and Associations Code).

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[2] This is the share capital of the Company as of December 31, 2021. Post period, on 14th February 2022, the share capital of the Company amounts EUR 32,573,434.43 and is fully paid-up. It is represented by 44,493,450 ordinary shares, each representing a fractional value of (rounded) EUR 0.7320 and representing one 44,493,450th of the share capital. On 21th March, the share capital of the Company amounts is EUR 32,849,581.09 and is fully paid-up. It is represented by 44,870,648 ordinary shares, each representing a fractional value of (rounded) EUR 0.7320 and representing one 44,870,648th of the share capital.

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Change of control clauses

At the date of this report, the Company is a party to the following significant agreements which, upon a change of control of the Company or following a takeover bid can enter into force or, subject to certain conditions, can be, as the case may be, amended, terminated by the other parties thereto or give the other parties thereto (or beneficial holders with respect to bonds) a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements:

- The asset purchase agreement dated July 28th, 2018 by means of which the Company sold its generic division to Ceres Pharma NV. The terms of this agreement provide a change of control clause under which, in the event of Change of Control on the level of Mithra Pharma, all of the earn-outs which are not yet due by CERES PHARMA at that moment shall be reduced with 50%.
- The agreement of 30th September 2019 between the Company and the former shareholders of Uteron Pharma concerning the Company's remaining payment obligations in connection with the earn-outs agreement. Under the terms of this agreement, any outstanding earn-out amount shall become immediately and fully payable early in case of Change of Control within the meaning of the aforementioned provision within the Company.
- A put option agreement entered into on 23 April 2020 by the Company, LDA Capital Limited, LDA Capital, LLC, and three existing shareholders of the Company (i.e., François Fornieri, Alychlo NV and Noshaq SA) (the "Put Option Agreement") provides (amongst other things) that it may be terminated forthwith during the commitment period (as defined in the Put Option Agreement) by LDA Capital Limited by giving written notice of such termination to the Company if there has been a material change in ownership (which has been defined as any sale or disposal of shares of the Company or other transaction or event which results in the officers and Directors of the Company on the date of the Put Option Agreement owning, directly or indirectly, less than five % the Company's shares in issue from time to time); and
- On 17 December 2020, the Company issued 4.250 per cent. convertible bonds for a total principal amount of EUR 125,000,000 million due on 17 December 2025. Conditions 5(b)(x) and 6(d) of the terms and conditions of the convertible bonds provide that, if a change of control over the Company occurs, the conversion price of the convertible bonds will be adjusted in proportion to the already elapsed time since the closing date (i.e. 17 December 2020) and the bondholders may request the early redemption of their convertible bonds at their principal amount, together with the accrued and unpaid interests.
- Furthermore, as aforementioned, the share option plans of the 2015 Share Options, 2018 Share Options, the LDA warrant plan, the Share Lending Warrants and 2020 Share options issued by the Company also contain take-over protection provisions pursuant to which, in the event of a liquidity event resulting from a public bid or otherwise, that modifies the (direct or indirect) control (as defined under Belgian law) exercised over the Company, the share options holders shall have the right to exercise their share options, irrespective of exercise periods/limitations provided by the plan.
- The Master Confirmation Agreement dated 4th February 2022 between the Company and Goldman Sachs International provides that should a change of control occur, an adjustment on the economics of the contract shall occur. This Adjustment shall be determined by the Calculation Agent based on the 2006 ISDA Definitions and the definitions and provisions of the 2002 ISDA Equity Derivatives Definitions rules in each case as published by the International Swaps and Derivatives Association, Inc, using customary mechanisms. Should the Adjustment be rejected by the Company following a change of control, it may in some circumstances cause a termination of the Master Confirmation Agreement.

Agreements between the Company and the members of its Board or its personnel

At the date of this report, there is no agreement between the Company and the members of its Board or its personnel, which provide for indemnities if the Board members resign or have to cease their functions without a valid reason or if the employment of the members of the personnel is terminated due to a public takeover bid.

As mentioned and described in the remuneration report, post period, on 23th November 2021, the Board of directors approved a bonus plan. Insofar as needed and applicable (considering its limited financial importance for the company), this bonus plan provides, among other things, that, in case of a transaction leading inter alia to a change of control over the Company and/or its affiliates, members of the management team and certain other managers shall be entitled to a bonus of an aggregate amount of 0.75% of the aggregate purchase price of the shares sold in the transaction.

1.4.12. Remuneration report

As prescribed by provision 3:6, §3 of the CCA, please find below the remuneration report pursuant to financial year 2021 prepared by the Nomination and Remuneration Committee. It will be submitted to the General Meeting of Shareholders.

The Remuneration and Nomination Committee confirms that, for the duration of the financial year 2021, the members of the Board of directors and the executive Committee, were subject to a remuneration policy compliant with the Corporate Governance Charter which has been amended in April 2020 to reflect the new provisions of the CCA as well as the Code of Corporate Governance 2020 (CBGE 2020). The Board of directors upon recommendation of the Nomination and Remuneration Committee prepared a remuneration policy in accordance with provision 7:89 of the CCA which has been approved by the General Meeting of 22 May 2021's.

The Directors as well as the members of the Executive Management Team are paid by Mithra Pharmaceuticals SA, parent company of the Mithra Group even though, members can perform tasks for the subsidiaries of the Group.

Directors

Procedure applied in 2021 in order to comply with the remuneration policy and to determine the individual remuneration

In 2021 still, the Nomination and Remuneration Committee recommended the level of remuneration for Directors, including the Chairman of the Board, which is subject to approval by the Board of directors and, subsequently, by the Annual Shareholders Meeting.

The Nomination and Remuneration Committee benchmarked the Directors' compensation against peer companies. The level of remuneration should be sufficient to attract, retain and motivate Directors who match the profile determined by the Board.

Apart from their remuneration, all Directors will be entitled to a reimbursement of out-of-pocket expenses actually incurred as a result of their participation in meetings of the Board of directors.

The level of remuneration of the Directors was determined at the occasion of the Company's Initial Public Offering on 8 June 2015 and explained in the Prospectus issued by the Company in that context. The Company's policy with respect to the remuneration of its Directors has been further detailed in its 2020 Corporate Governance Charter. Those principles have been used by the Board of directors, upon recommendation of the Nomination and Remuneration Committee, to draft a remuneration policy proposal which has been submitted to the General Meeting on 20th May 2021. The remuneration of the Directors has been disclosed to the Company's shareholders in accordance with the applicable laws and regulations.

The Directors' mandate may be terminated *ad nutum* (at any time) without any form of compensation. There are no employment or service agreements that provide for notice periods or indemnities between the Company and the members of the Board of directors, who are not members of the Executive Management Team. This information has been further detailed in the draft remuneration policy which has been submitted for approval to the last General Meeting (which can be found on Mithra's website (www.mithra.com).

Remuneration policy applied during 2021

The remuneration package for the Non-Executive Directors (whether or not independent) approved by the Shareholders Meeting of 8 June 2015 is made up of a fixed annual fee of EUR 20,000. The fee is supplemented with a fixed annual fee of EUR 5,000 for membership of each committee of the Board of directors, and an additional fixed annual fee of EUR 20,000 for the Chairman of the Board. Changes to these fees will be submitted to the Shareholders Meeting for approval.

There is no performance-related remuneration for Non-Executive Directors. Therefore, the percentage for those non-executive Directors is 100% of fix remuneration.

Apart from the above remuneration for Non-Executive Directors (whether or not independent), all Directors will be entitled to a reimbursement of out-of-pocket expenses incurred as a result of participation in meetings of the Board of directors.

The total amount of the remuneration and the benefits paid in 2021 to the Non-Executive Directors (in such capacity) was EUR 194,170 (gross, excluding VAT), split as follows:

Name	*Nature*	*Remunerations*[3]	*As member of a committee*	*As chairman of the board*
YIMA SRL	Non-exec	-	-	-
NOSHAQ SA	Non-exec	20,000	5,000	-
Ahok BVBA[2]	Independent	8,333	2,083	-
Alius Modi SRL	Non-exec	11,667	2,500	-
A. Tounsi	Non-exec	11,667	2,500	-
P. van Dijck[1]	Independent	20,000	5,000	10,000
A. Cloet	Independent	11,667	-	-
L. Weynants	Independent	11,667	-	-
Selva Luxembourg SA[2]	Non-exec	8,333	2,083	-
Sunathim BV	Independent	20,000	5,000	11,667
TicaConsult BV	Independent	20,000	5,000	-

1. Mrs. Patricia Van Dijck was appointed as *ad interim* chairman of the Board on the 25th November 2020 until June 2021. Sunathim BV (permanent representative: Mr. Ajit Shetty) succeeded her as of 20th May 2021.
2. These two mandates were not renewed at the ordinary General Meeting of May 20, 2021. Selva Luxembourg SA (permanent representative Mr. Christian Moretti) and Ahok BVBA (permanent representative Mr. Koen Hoffman) participate now in all Board meetings as observers.
3. The Remuneration attended by each Director should take into account the nomination of new Directors during the financial year.

The table below provides an overview of the shares and warrants held by the current members of the Board on the 31st of December 2021.

Share / Warrantholder	*Shares*	*%*[3]	*Warrants**	*%*	*Shares and Warrants*	*%*
YIMA SRL (permanent representative: Mr François Fornieri) (CEO)	0.00	0	952,790	47,15%	952,790	2.06
Mr François Fornieri (permanent representative of YIMA SRL)	10,984,330	24.93	150,000	7,42	11,134,330	24,17
AHOK BVBA (permanent representative : Mr Koen Hoffman)	0.00	0.00	0	0.00	0	0.00
Koen Hoffman (permanent representative of Ahok BVBA) (together with Ahok BVBA)	0.00	0.00	0	0.00	0	0.00
NOSHAQ SA (permanent representative: Gaëtan Servais)	4,965,848	11.27	75,000	3,71	5,040,848	10.94
Gaëtan Servais (permanent representative of NOSHAQ SA)	0.00	0.00	0	0.00	0	0.00
Eva Consulting SRL (permanent representative : Jean-Michel Foidart)	0.00	0.00	52,695	2,6	52,695	0.11
Mr Jean-Michel Foidart (permanent representative of Eva Consulting SRL) (together with Eva Consulting SRL)	20,370	0.04	0	0.00	20,370	0.00
Mrs Patricia Van Dijck	0.00	0.00	0	0.00	0	0.00

[3] On the 31st of December 2021

Selva Luxembourg SA (permanent representative M. Christian Moretti)	689,655	0,01	0	0.00	689,655	1.49
Christian Moretti (permanent representative of de Selva Luxembourg SA)	0.00	0.00	0	0.00	0	0.00
Sunathim BV (permanent representative Ajit Shetty)	0.00	0.00	0	0.00	0	0.00
Mr Ajit Shetty (permanent representative of Sunathim BV)	780	0.00	0	0.00	0	0.00
TicaConsult BV (permanent representative Mr Erik Van Den Eynden)	0.00	0.00	0	0.00	0	0.00
Mr Erik Van Den Eynden (permanent representative of TicaConsult BV)	0.00	0.00	0	0.00	0	0.00
Alius Modi SRL (permanent representative Valérie Gordenne)	0.00	0.00	0	0.00	0	0.00
Valérie Gordenne (permanent representative of Alius Modi BV)	37,500	0.08	0	0.00	37,500	0.08
Mrs Amel Tounsi	0.00	0.00	0	0.00	0	0.00
Mrs An Cloet	0.00	0.00	0	0.00	0	0.00
Mrs Liesbeth Weynants	0.00	0.00	0	0.00	0	0.00
Subtotal	16,698,483	36.33	1,230,485	60.88	17,928,968	38.91**

* corresponds to the amount of shares following warrant conversion.
**the figures in this table are based on unilateral statements made by the Directors.

During the fiscal year 2021, the Executive-Director perceived its remuneration as a fix amount and there was no remuneration by means of warrants. No variable remuneration were paid.

Executive Management team

Procedure applied in 2021 in order to comply with the remuneration policy and to determine the individual remuneration

The remuneration of the members of the Executive Management Team is determined by the Board of directors upon recommendation of the Nomination and Remuneration Committee and subsequent to the CEO's recommendation to this Committee (except for his own remuneration). The Company strives to be competitive in the European market.

Remuneration policy applied during 2021

The level and structure of the remuneration of the members of the Executive Management Team is such that qualified and expert professionals can be recruited, retained and motivated taking into account the nature and scope of their individual responsibilities.

The remuneration of the members of the Executive Management Team currently consists of the following elements:

- Each member of the Executive Management Team is entitled to a basic fixed remuneration designed to fit responsibilities, relevant experience and competences, in line with market rates for equivalent positions;
- Each member of the Executive Management Team currently participates in, and/or in the future may be offered the possibility to participate in a stock based incentive scheme or stock option in accordance with the recommendations set by the Nomination and Remuneration Committee, upon the recommendation by the CEO to such committee (except in respect of his own remuneration) and after (in respect of future stock

based incentive schemes) prior shareholder approval of the scheme itself by way of a resolution at the Annual Shareholders Meeting;

- Each member of the Executive Management Team is entitled to a number of fringe benefits (to the exception, however, of those managers engaged on the basis of service agreements), which may include participating in a defined contribution pension or retirement scheme, disability insurance and life insurance, a company car, and/or a lump-sum expense allowance according to general Company policy.

The Company's policy with respect to the remuneration of its Executive Management team has been further detailed in its 2020 Corporate Governance Charter. Those principles have been used by the Board of directors, upon recommendation of the Nomination and Remuneration Committee, to draft a remuneration policy that was approved by the General Meeting of 20th May 2021.

In addition to the 2015 Warrant Plan, in order to include new members of the Executive Management team, a short- and long-term performance-based remuneration and incentive scheme has been elaborated within the Nomination and Remuneration Committee, validated by the Board of directors and formally approved by the Extraordinary General Meeting of shareholders on 5 November 2018 (Warrant Plan 20218). Such scheme is based on objectives which are, in accordance with Article 520bis of the BCC (article 7:90 of the CCA), pre-determined by an explicit decision of the Board of directors and were chosen so as to link rewards to corporate and individual performance, thereby aligning on an annual basis the interests of all members of the Executive Management Team with the interests of the Company and its shareholders and benchmarked with the practices in the sector.

Following the implementation of the BCCA, the Board of directors decided to issue a new warrant plan (Warrant Plan 2020) within the framework of the authorized capital for members of its personnel. The purpose of the Warrant Plan 2020 is to create a share option plan for the members of the personnel in accordance with the provisions of the BCCA. The number of share options issued under this plan, 390,717 warrants is the same as the number of share options which have not yet been granted under the Warrant Plan 2018 which was created in November 2018 in accordance with the provisions of the (old) Belgian Companies Code. Therefore, the Board of directors also decided to no longer grant an equal number of outstanding share options under the Warrant Plan 2018 that have not yet been granted to the selected participants of the Warrant Plan 2018. This Warrant Plan 2020 has a longevity period of 10 years and is not subject to vesting conditions.

The amount of remunerations and benefits paid in 2021 to the CEO and the other members of the Executive Management Team, (gross, excluding VAT) is shown in the table below:

Thousands of Euro (€)	*Total*	*Of which CEO*
Basic remuneration	2,937	440
Variable Remuneration	260	-
Group Insurance (pension, invalidity, life)	16	-
Other benefits (car, cell phone, hospitalization)	46	-
Total	**3,259**	**440**

Only the members of the Executive Management Team which performed their services through an employment contract had a Group Insurance scheme which covered pension benefits throughout the year 2021. The Group insurance amounted to 4% of this yearly gross remuneration (3% in charge of the Company and 1% in his own charge) and was cashable when the employee would reach 65 years old. In case the employee would leave the Company, he would keep the collected amounts and the Group insurance would cease to his profit.

The table below provides an overview of the shares and warrants held by the members of the Executive Management Team, including the Executive Director on 31 December 2021 (i.e. the CEO). The share-based payment costs related to warrants held by the members of the Executive Management Team represent EUR 154k, out of the total share-based payment costs of EUR 1,064k included in the net loss for the period.

Shares / Warrants holder	*Shares*	*%*	*Warrants*	*%*	*Shares and Warrants*	*%*
Van Rompay Management BV (permanent representative: Mr. Leon Van Rompay) [1] (CEO)	0	0.00	0	0	0	0
YIMA SRL[2] **(permanent representative: Mr. François Fornieri**	0.00	0.00	952,790	47.15	952,790	2.06
Mr. François Fornieri (permanent representative of YIMA SRL) [2]	10,984,330	24.93	150,000	7.42	11,134,330	24.17
Mr. Christophe Maréchal (representative of and together with CMM&C SRL BVBA)	0	0.00	235,502	11.65	235,502	0.51
Mr. Jean-Michel Foidart (representative of and together with Eva Consulting SRL)	20,370	0.05	0	0.00	20,370	0.04
Mr. Benjamin Brands (representative of and together with BGL Consulting SRL)	0	0.00	67,695	3.35	67,695	0.15
Mr. Jean-Manuel Fontaine (representative of and together with Novafontis SA)	28	0.00	52,695	0.02	52,723	0.11
Mr. Graham Dixon (representative of and together with GD Lifescience SRL)	0	0.00	25,000	1.24	25,000	0
Mr. Cédric Darcis	0	0.00	52,695	0.03	52,695	0.11
Mr. Renaat Baes (representative of and together with MAREBA SRL)	0	0.00	35,000	0.01	35,000	0.07
Mrs. Maud Vanderthommen	0	0.00	15,000	0.00	15,000	0.03
Subtotal	11,004,728	24,98	1,586,377	70,87%	12,591,105	27.33%
Total	44,051,259	100.00%	2,020,900	100.00%	46,072,159	100.00%

1. On 3 February 2021, the Board of directors decided to appoint Van Rompay Management BV (represented by Mr. Leon Van Rompay) as CEO ad Interim until further notice. On 15 October, the Board of directors has confirmed the appointment of Mr. Leon Van Rompay as Chief Executive Officer of the company. For further information, please see the press releases published by the Company on 4 February 2021 and 15 October on its website (https://investors.mithra.com/en/press-releases/).
2. On 3 February 2021, the Board of directors accepted that Yima SRL (represented by Mr. François Fornieri) take a step back as CEO, until further notice, for a maximum of 12 months. Consequently, for the time being, François Fornieri (through Yima SRL or in any other way) does not exercise any executive function within the Mithra Group. On 15 October, YIMA SRL (represented by Mr. François Fornieri have decided, in consultation with the Board of directors to remain on the sidelines of his executive functions, as long as its legal case related to insider trading is pending. For further information, please see the press release published by the Company on 4 February 2021 and 15 October on its website (https://investors.mithra.com/en/press-releases/).

The Company has put in place five warrants plans since its incorporation, three of which are performance-related for the Executive Management Team amongst others.

First, the Extraordinary Shareholders Meeting of the Company of 2 March 2015 approved, upon proposal of the Board of directors, the issuance of warrants giving right to subscribe for 1,796,850 shares, which, on a fully-diluted basis, represented 5.56% additional Shares at the time.

These warrants (1089) have been granted free of charge. All warrants have been accepted by the relevant beneficiaries. Each warrant entitled its holder to subscribe for 1,650 Shares of the Company at a subscription price of EUR 5,646.00 per 1,650 Shares (a part corresponding to the par value of the existing Shares on the day the warrants are exercised will be allocated to the share capital). The balance will be booked as an issue premium.

These warrants can be exercised as from 1 January 2019 and have a term of 8 years as from the date of grant. Upon expiration of the term, they become null and void.

As part of that plan, on 30th of January 2019, an increase of capital took place following the exercise of 15 warrants pursuant the 2015 Warrant Plan ("2015 Warrant Plan") corresponding to a contribution of EUR 84,690. In accordance with the 2015 Warrant Plan, the exercise period started on January 1, 2019. An amount of EUR 18,119.48 was therefore contributed in cash to the share capital of Mithra and the balance of EUR 66,570.52 was allocated to the Company's "share premium" account. This exercise of 15 warrants led to the issue of 24,750 shares (1 warrant being equivalent to 1,650 shares) which on February 15th, 2019 were admitted to trading on the regulated market. As a result, Mithra's share capital on January 30, 2019 amounted to EUR 27,573,880.18 corresponding to 37,664,245 ordinary shares.

A second increase took place on 24 April 2019, following the exercise of 15 warrants pursuant the 2015 Warrant Plan ("2015 Warrant Plan") corresponding to a contribution of EUR 84,690. An amount of EUR 18,119.40 was therefore contributed in cash to the share capital of Mithra and the balance of EUR 66,570.52 was allocated to the Company's "share premium" account. This exercise of 15 warrants resulted in the issue of 24,750 shares (1 warrant being equivalent to 1,650 shares) which, on May 9, 2019, were admitted to listing on the regulated market. As a result, Mithra's share capital at 24 April 2019 amounted to EUR 27,591,999.58 corresponding to 37,688,995 fully paid-up ordinary shares. The shares have no par value but represent the same fraction of the Company's share capital, which is denominated in euros. Each share entitles its holder to one voting right. The number of voting rights held by the shareholders was 37,688,995 at 30 June 2019.

Finally, on 21 May 2021, the third capital increase took place following the exercise of 620 warrants from the 2015 Warrant Plan corresponding to a contribution of EUR 3.500.520. An amount of EUR 748,836 was therefore contributed in cash to the share capital of the Company and the balance of EUR 2.751.684 was allocated to the Company's share premium account. This exercise of 620 warrants resulted in the issue of 1,023,000 shares (1 warrant being equivalent to 1,650 shares) which, on 14 May 2021 were admitted to listing on the regulated market. As a result, Mithra's share capital at May 21 amounted to EUR 32,019,708;40 corresponding to 43,737,097 fully paid-up ordinary shares. The shares have no par value but represent the same fraction of the Company's share capital, which is denominated in euros. Each share entitles its holder to one voting right.

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. The warrants are expiring five years (maximum holding period) after the 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. as from 6 November 2020 subject to exercise conditions). The warrants are subject to vesting conditions which have all been met in 2019. Each warrant gives the right to subscribe to one new Mithra share. Should the warrants be exercised, Mithra will apply for the listing of the resulting new shares on Euronext Brussels. The warrants as such will not be listed on any stock exchange market.

Out of the maximum of 1,881,974 warrants which have been issued, a number of 1,394,000have been offered and accepted by beneficiaries until the period under review.

Following the implementation of the new BCCA, the Board of directors decided to issue a new warrant plan (Warrant Plan 2020) within the framework of the authorized capital for members of its personnel. The purpose of the Warrant Plan 2020 is to create a share option plan for the members of the personnel in accordance with the provisions of the BCCA. The number of share options issued under this plan, 390,717 warrants, is the same as the number of share options which have not yet been granted under the Warrant Plan 2018 which was created in November 2018 in accordance with the provisions of the (old) Belgian Companies Code of 7 May 1999. Therefore, the Board of directors also decided to no longer grant an equal number of outstanding share options under the Warrant Plan 2018 that have not yet been granted to the selected participants of the Warrant Plan 2018. The Warrant Plan 2020 has a longevity period of 10 years and is not subject to vesting conditions.

Additionally, a number of 1,394,900 of new warrants (representing 1,394,900 new shares) shall in principle be exercisable, as from 6 November 2020 subject to exercise conditions pursuant to the Warrant Plan 2018. The amount of 390,717 warrants issued as per the Warrant Plan 2020, representing 390,717 new shares are immediately exercisable upon grant. Up to date an amount of 316,000 warrants has been granted per this 2020 Warrant Plan.

In 2021, ten (10) members of the Executive Management Team (including CEO) perform their functions based on a service agreement, whereas four (4) members of the Executive Management Team are engaged based on an employment agreement. Both sorts of contracts can be terminated at any time, subject to certain pre-agreed notice periods, which may, at the discretion of the Company, be replaced by a corresponding compensatory payment.

The service agreement with the CEO, Van Rompay Management BV, sets out a notice period (or notice indemnity *in lieu* of notice period) of 1 month.

The members of the Executive Management Team perceive part of their remuneration as a fix amount and part of their remuneration in the form of warrants.

The grant of warrants to members of the Executive Management Team has been duly justified in all the issued warrant plan and is performance related driven in order to keep the Executive Management Team interested in the long-term performance of the Company. The purpose is to attract high qualified profiles to help the Company achieve its goals.

Remuneration evolution

In the last five years, the performance of the Company scaled up as the Company progressively signed license and supply agreements as the clinical studies for its product portfolio were moving forward. Notably the Company has performed significantly well in 2018 and 2019 signing several landmark deals and cashing in important milestones payments.

In 2021, the Company did not sign any significant deals reducing its EBIT.

Upon recommendation of the Nomination and Remuneration Committee, on 23th November 2021, the Board of directors approved a bonus plan, which aims at motivating and retaining management. Among other things, this bonus plan provides that:

a) in case of a transaction leading *inter alia* to a change of control over the Company and/or its affiliates, members of the executive management team and certain other managers shall be entitled to a bonus of an aggregate amount of 0.75% of the aggregate purchase price of the shares sold in the transaction; or

b) should such transaction as mentioned in a) above have not yet occurred, in case the Company's market capitalization exceeds EUR 1,5 billion for a period of 30 consecutive trading days, members of the executive management team shall be entitled to a bonus of 2% of the average amount by which the market capitalization exceeds EUR 1,5 billion during the relevant period. The bonus mentioned in b) above shall only become payable once.

Remuneration of Executive Committee, Employees and Company Performance over 5 years.

The below table is a summary of the evolution of total remuneration of the CEO, Executive Committee, the average employee cost compared to company performance over the last five years.

Thousands of Euro (€)	***2017***	***2018***	***2019***	***2020***	***2021***
Remuneration of CEO	795	1,225	1,009	919	440
Change year on year		54%	-18%	-9%	-52%
Remuneration of the Executive Management Team	2,529	2,353	2,537	2,538	3,259
Change year on year		-7%	8%	0%	28%
Company performance					
R&D expenses	48,185	35,713	57,073	78,458	85,243
Change year on year		-26%	60%	37%	9%
Cash and cash equivalents at end of period	36,190	118,949	49,720	138,675	32,872
Change year on year		229%	-58%	179%	-76%
Average share price	9.80	25.70	26.40	20.40	21.32
Change year on year		162%	3%	-23%	5%
FTE during the year	93	118	160	206	238
Change year on year		27%	36%	29%	16%
Average cost of employees on FTE basis					
Average cost per FTE	70.67	67.49	69.20	67.91	75.32
Change year on year		-4%	3%	-2%	11%

[4] The number of management members has evolved over time. While the executive management team included 10 members in 2020, it includes 14 members in 2021.

For further explanations with respect to the personnel benefit on a consolidated basis, please refer to section 9.21.

Total Remuneration of CEO versus Lowest Remunerated Employee

The below table shows a comparison of the 2021 remuneration of our CEO (in €), to the 2021 remuneration of the lowest paid fulltime Company employee (in €). The remuneration includes fixed and variable remuneration as well as employee benefits, excluding employer social security charge.

	2021
Ratio of total remuneration of CEO versus lowest remunerated employee	1:16

During fiscal year 2021, the lowest remuneration of the Company's employee amounted to a yearly gross amount of EUR 27,396 whereas the highest remuneration granted at management level goes to the CEO, with a yearly gross amount of EUR 439,717.

Claw-back provisions

There are no provisions allowing the Company to reclaim any variable remuneration paid to Executive Management based on incorrect financial information. This point is currently under revision with the draft remuneration policy proposal which is subject to the General Meeting's approval.

Miscellaneous

In general, the company has no intention to compensate in a subjective or discretionary manner.

1.5. Transactions within the authorized capital

By virtue of the resolution of the ordinary and extraordinary general shareholders' meeting of the Company held on 20 May 2021, as published by excerpt in the Annexes to the Belgian Official Gazette of 27 May 2021 under number 0332497, the Board of directors of the Company has been granted certain powers to increase the Company's share capital in the framework of the authorised capital. The powers under the authorised capital have been set out in Article 7 of the Company's Articles of Association.

In the framework of this authorisation granted by the ordinary and extraordinary general shareholders' meeting, the Board of directors has been authorised to increase, in one or more transactions, the share capital of the Company within the limits provided by law, in particular by issuing convertible bonds and subscription rights, with a maximum amount of EUR 32,019,708. 40 (excluding issue premium, as the case may be). The Board of directors is specifically authorised to use this authorisation for the following transactions:

- Share capital increases or issuances of convertible bonds or subscription rights with disapplication or limitation of preferential subscription rights of the shareholders.
- Share capital increases or issuances of convertible bonds or subscription rights with disapplication or limitation of preferential subscription rights of shareholders to the benefit of one or more specific persons, other than members of the personnel of the Company and its subsidiaries.
- Share capital increases effected by incorporation of reserves.

The capital increases that can be effected according to the aforementioned authorisation may take any form whatsoever, in particular contributions in cash or in kind, with or without issue premium, and also by incorporation of reserves and/or issue premiums and/or profits carried forward, to the extent permitted by law.

The aforementioned authorisation is valid for a period of five (5) years as of the date of the publication of the relevant resolution of the extraordinary general shareholders' meeting in the Annexes to the Belgian Official Gazette, *i.e.*, starting on 27 May2021 and until27 May 2024.

So far, the Board of directors has used its powers under the (renewed) authorised capital only once post period, on the 4 February 2022 in relation to the potential issuance of new shares to the benefit of Goldman Sachs International for an aggregate amount of EUR 100,000,000 (including issue premium) pursuant to the Equity Financing Agreement executed on the same date. The first drawing request, exercised on 4 February 2022, amounts to EUR 10 million. The second drawing request, exercised on 21 March 2022, amounts to EUR 5 million.

During the period under review, the Company used the previous authorization with respect to the use of the authorized capital granted to the Board of directors on the extraordinary general meeting dated 29 November 2019

as published in the Annexes to the Belgian Official Gazette on the 30 December 2019 under the number 19168869 for the following:

- On 2 July 2021, the Company launched a second Put Option Notice pursuant to the Put Option Agreement entered into with LDA Capital Ltd which materialized in a capital increase resulting in the issuance on the 10 November 2021 of 314,162 new shares to the benefit of LDA Capital for an aggregate amount of EUR 229,998 (excluding issue premium);

On 20 December 2021, the Company launched a third Put Option Notice pursuant to the Put Option Agreement entered into with LDA Capital which materialized in a capital increase resulting in the issuance on the 14 February 2022 (post period) of 442,191 new shares to the benefit of LDA Capital for an aggregate amount of EUR 323,728.03 (excluding issue premium).

1.6. Acquisition of own securities

Neither Mithra Pharmaceuticals SA nor any direct affiliate or any nominee acting in his own name but on behalf of the Company or of any direct affiliate, have acquired any of the Company's shares. Mithra Pharmaceuticals SA has not issued profit-sharing certificates or any other certificates.

1.7. Use of financial instruments by the Group as per art. 3:6 CCA

The Group uses derivative financial instruments to manage its exposure to foreign exchange risk arising from operating activities (cash flow hedge). Mithra's risk management objective is to hedge the US Dollars (USD) foreign currency exposure arising from the Estelle® license and supply agreement in USD between Mithra and Mayne Pharma LLC. Mithra has a transactional USD exposure of 217 million USD in 2021 arising from the regulatory and sales related license milestones under the Mayne Pharma agreement. This exposure is hedged by forward exchange contracts maturing in the period 2020-2025 and entered into by Mithra Pharmaceuticals SA and Estetra SRL.

The Group uses debt instruments. In December 2020, the Group negotiated a EUR 125 million senior unsecured convertible bonds due 17 December 2025. The Bonds will be convertible into ordinary shares of the company. The Bonds were issued at 100% of their principal amount and bear a coupon of 4.250% per annum, payable semi-annualy in arrear in equal instalments on 17 December and 17 June of each year, beginning on 17 June 2021.

1.8. Circumstances that could considerably affect the development of the Group

The Group has a business structure; built on:

(i) a development portfolio which includes the development of Estetrol-based product candidates in the menopause indications as well as other potential indications such as wound healing, NHIE, and of Complex Therapeutics;

(ii) the CDMO development and manufacturing facility, which will manufacture an important part of its innovative products, but also provides services for customer in terms of development and manufacturing of third parties' products), and

(iii) a commercialized portfolio of our former Estetrol-based product candidate Estelle® in the field of oral contraception in several regions (Canada, US, Europe, United-Kingdom, Iceland, Norway, Australia and Russia), branded generics, OTC products in several regions.

(iv) a diversification of the R&D pipeline through rights' acquisition option relating to a development programs led by the Belgian company BCI Pharma on innovative kinase inhibitors notably indicated for the treatment of female cancers and endometriosis.

Therefore, the risk factors related to each of these pillars are presented separately (as each has a different set of risks associated with it). As Mithra has transitioned towards a commercial biopharma company in 2021, most focus is on the development portfolio and products' commercial launch.

The Group's exposure to price risk, credit risk, liquidity risk and cash flow risk are detailed in note 9.3 (Financial Risk Management).

(i) **Except Estelle®, no Estetrol-based product candidates have been formally registered nor commercialised and the lead product candidate Estelle® is currently approved in Canada, the US, in Europe, United-Kingdom, Iceland, Norway, Australia and Russia. Some of these events took place following the analysed period. Therefore, the successful development of the Group's Estetrol-based other product candidates remains uncertain. Estetrol-based product candidates must undergo pre-clinical and clinical testing supporting the clinical development thereof, the results of which, are uncertain and could substantially delay, which in turn could substantially increase costs, or prevent the Estetrol-based product candidates from reaching the market.**

Except Estelle® in the abovementioned countries, the Group's other Estetrol-based product candidates have not been approved nor commercialised.

In parallel, the agencies could require a number of additional studies to be conducted other than the pivotal studies which are not expected to have a significant impact on any (potential) marketing authorisation approval, although these will play a role in determining the labelling and leaflet restrictions the product candidate would have upon approval (if any). Donesta® is currently in Phase III of clinical trial for use in menopausal hormone therapy. The data currently available would seem to suggest that Estetrol decreases hot flushes in a dose-dependent manner. However larger populations will be necessary to optimally see a difference in the results between the different Estetrol doses tested and the placebo group as well as to confirm the minimum effective dose of E4 and longer treatment periods as recommended by regulatory guidance (12 months) will complete the safety assessment of the product in post-menopausal population .

Despite the recent positive opinion/approval on Estelle® in the abovementioned regions, all Estetrol-based product candidates will be subject to extensive (pre-)clinical trials supporting the clinical development thereof to demonstrate safety and efficacy in humans (which will take several years) before they can apply for the necessary regulatory approval to enter the market and potentially obtain marketing authorisation with the relevant regulatory authorities. The Group does not know whether future clinical trials will begin on time, will need to be redesigned or will be completed on schedule. For Estelle® the activities announced during the current reporting period were completed with the filing activities and the obtention of the first market authorizations in significant countries. As for Donesta® and the ongoing Phase 3 clinical trials, providing precise timing estimates for the development and registration (if any) of Donesta® beyond the Phases of clinical development is thus difficult to predict.

At any stage of development, the triggering of certain contingent payments and "royalty payments", may be discontinued based on review of available pre-clinical and clinical data, the estimated costs of continued development, market considerations and other factors such as the development of Estetrol-based product candidates.

Any further delays in completing clinical trials or negative results will delay the Group's ability to generate revenues from product sales of Estetrol-based product candidates, if any. This could have a material adverse effect on the Group's business, prospects, financial condition and results of operation.

(ii) **The Group is, for its future development and pipeline, currently heavily focused on, and investing in, the development of its Estetrol-based product candidates. Its ability to realise substantial product revenues and, eventually, profitability in line with the investments envisaged will mostly depend on its ability to successfully develop, register and commercialise Estetrol-based product candidates.**

The Group's E4 pipeline currently comprises Estelle®, an original innovative product already approved in significant parts of the globe and one other product candidates which would, upon their marketing authorisation, be joining the list of original innovative products. The Group is dedicating the majority of its available cash resources to the development of this innovative Estetrol-based product candidates. If the Group would be unsuccessful in developing, commercialising and/or partnering this innovative original product, this would materially impact the revenue and profitability potential of the Group. In that case, the nature of the Group's pipeline would comprise the commercialisation of the Estelle®, capable of generating a future return investment, but also of the development (either directly or indirectly) of Complex Therapeutics and Injectables, both of the later present market opportunities of a level which is significantly lower than the opportunity offered by the development of innovative original products. Both activities have a profile which is more limited in terms of funding needs and growth potential compared to the development of innovative product candidates.

(iii) **In order to successfully develop, register and commercialise its Estetrol-based product candidates, the Group will need to successfully pursue the continuous and successful transition from an initial focus on development and commercialisation of generic products to a dedicated to in the development and commercialisation of innovative and original product candidates.**

The Group has, to date, received series of market authorisations for Estelle® and the product is being commercialized progressively around the worldin significant parts of the globe (see above) for Estelle® but is only starting its commercialisation. It still needs to pursue the development of its other E4-based products such as its development programs in Menopause, Wound Healing, Neonatal Encephalopathy Donesta®. Such development, registration and commercialisation present significant new challenges.

In preparation, the Group has expanded and continues to expand its organisation and has attracted and continues to attract a number of experienced collaborators in this new field of development. However, the Group may not be able to successfully integrate their experience and know-how, and to continue to further successfully expand its organisation and successfully conclude every development step. A failure to successfully do so could cause delays in the clinical development and/or the regulatory approval process, which could ultimately delay or even prevent the commercialisation of the Group's innovative product candidates. This could have a material adverse effect on the Group's business, prospects, financial condition and operations.

(iv) Complex therapeutics Zoreline® currently under development by the Group has not yet received any regulatory approval. Myring® received regulatory approval for Europe and Canada but is still waiting for it in the US. Complex Therapeutics must undergo bioequivalence or pharmacodynamics or any other studies, which could be subject to delays, which in turn could substantially increase costs, or prevent these generic products from reaching the market on time.

All complex therapeutics will be subject to bioequivalence or pharmacodynamics or other studies (as deemed fit by the relevant regulatory agencies), to demonstrate that the generic product is bioequivalent to the previously approved drug, before they can receive the necessary regulatory approval to enter the market. In 2016, Myring® was the first complex therapeutic solution produced by Mithra to demonstrate bioequivalence; for the other products (including Zoreline®), this is not yet the case. Any delays in completing studies, will delay the Group's ability to generate revenues from product sales of complex therapeutical solutions products if any. In case the Group would come late in the market, dependent on the market as of the point when three to five generics have been approved, it will suffer from significantly reduced market share, revenues and cashflows for the relevant generic product.

(v) The strategy chosen by the Group to diversify its R&D portfolio by triggering an option to purchase relating to a development program led by the Belgian company BCI Pharma on innovative kinase inhibitors notably indicated for the treatment of female cancers and endometriosis could not deliver on the Group's expectations.

This project diversifies the portfolio in terms of chemistry and indication. It also provides the opportunity to obtain composition of matter IP on the compounds themselves. The project might not deliver in the cancer or endometriosis indications. However other opportunities to valorize the program exist in therapeutic indications outside of womens health eg pain, inflammatory disease, neurodegenerative disorders. In addition, two distinct chemical series are being proposed to reduce the risk in only one series.

(vi) The Group's products may not obtain regulatory approval when expected, if at all, and even after obtaining approval, the drugs will be subject to ongoing regulation.

Upon completion of the relevant studies, the Group's products must obtain marketing approval from the European Medicines Agency (EMA), the US Food and Drug Administration (FDA) or competent regulatory authorities in other jurisdictions before the products can be commercialised in a given market, and each such approval will need to be periodically renewed. Each regulatory agency may impose its own requirements and may refuse to grant or may require additional data before granting marketing approval even if marketing approval has been granted by other agencies. Changes in regulatory approval policies or enactment of additional regulatory approval requirements may delay or prevent the products from obtaining or renewing marketing approval. Also, post-approval manufacturing and marketing of the Group's products may show different safety and efficacy profiles to those demonstrated in the data on which approval to test or market said products was based. Such circumstances could lead to the withdrawal or suspension of approval. All of this could have a material adverse effect on the Group's business, prospects, financial condition and results of operation.

(vii) The Group, being only commercially present in selected regions, will need to rely on additional commercial partners for the distribution of its products in other regions.

The Group's product candidates are being developed, like Estelle® in significant parts of the globe (see above), with the intention to be commercialized throughout the world. The Company has no commercial organisation in place to launch its product candidates in these markets on its own.

Until now the Group has never marketed a product outside of the Benelux and has therefore limited experience in the fields of sales, marketing and distribution in other markets. The Group does currently not intend to deploy itself a sales and distribution organisation elsewhere in the world and will rely for the distribution of its products on license and supply deals with commercial partners.

The Company has not contracted with any new major partners with respect to its product portfolio. Some partners have been identified and some are still to be, but there can be no assurance that the Group will ever find an agreement with them and even identify such un-identified partners. Therefore, its products might not be commercialised in all the markets the Group currently intends to commercialise its products. The Group's dependence on partners for the commercialisation of its products in certain regions results in a number of risks (including, but not limited to, less control over the partner's use of resources, timing, success, marketing of competing products by the partner, impact of future business combinations, ability to address COVID turmoil).

The Company has entered into several partnerships involving its CDMO's expertise namely in the injectables' industry, the latest of which concerning a manufacturing collaboration for innovative COVID-19 treatment.

The Company has entered into partnerships regarding sourcing of raw materials including essential active pharmaceutical ingredients such as E4.Therefore the possibility for the Company to meet its production's commitments towards their counterparts depends on its sourcing arrangements and its partners compliance with their own obligations, commitments which may have been impacted by COVID or any other drawbacks that the Company's partners may have faced during these challenging economical times. Notably, the Company has been informed by its E4 sourcing partner that they would have difficulties delivering the contractually defined quantities for the year 2021/2022 to the Company. In order to mitigate these potential delivery delays from our E4 sourcing partner, the Company has secured other alternatives in order to diversify its E4 supply sources and to meet the increasing sales forecasts of its commercial partners.

(viii) The pharmaceutical industry is highly competitive and subject to rapid technological changes. If the Group's current or future competitors develop equally or more effective and/or more economical technologies and products, the Group's competitive position and operations would be negatively impacted

The market for pharmaceutical products is highly competitive. The Group's competitors in the Women's Health market include many established pharmaceutical, biotechnology and chemical companies, such as Bayer, MSD, Pfizer, Therapeutics MD, Exeltis and Allergan, many of which have substantially larger financial, research and development, marketing and personnel resources than the Group and could, therefore, more quickly adapt to changes in the marketplace and regulatory environment. Competitors may currently be developing or may in the future develop technologies and products that are more effective, safe or economically viable than any current or future technology or product of the Group. Competing products may gain faster or broader market acceptance than the Group's products (if and when marketed) and medical advances or rapid technological development by competitors may result in the Group's product candidates becoming non-competitive or obsolete before the Group is able to recover its research and development and commercialisation expenses. This could have a material adverse effect on the Group's business, prospects, financial condition and results of operation.

(ix) The Group's patents and other intellectual property rights may not adequately protect its technology and products, which may impede the Group's ability to compete effectively.

The success of the Group will depend in part on its ability to obtain, maintain and enforce its patents and other intellectual property rights for technologies and products in all territories of interest to the Group. The Group directly holds various families of patents for the E4/DRSP pill Estelle® E4/DRSP pill and the menopause product candidate Donesta®, menopause product candidate. For the Estelle® contraceptive product,

Extensions of the indication patent end date have been requested (and some are already granted) for US, Canada and some European countries based on the first Marketing authorization of E4/DRSP in those territories. The patent families covering the use of Estetrol in menopause will expire in 2022 in Europe and Canada and in 2025 in the United States. For the Donesta® product candidate, new several patent applications have been filed to strengthen the protection of the product and product candidate, the outcome and scope of which are still undetermined. The Group also holds five families protecting different synthesis pathways for E4, whose main patents expire in 2032. The Group will also seek to protect market exclusivity once marketing authorization is granted (where applicable) through market/data exclusivity systems (between three and ten years maximum depending on the territory).

The success of the Group will depend in part on its ability to obtain, maintain and enforce its patents and other intellectual property rights for technologies and products in all territories of interest to the Group. The Group's patents and other intellectual property rights may not adequately protect its technology and products, which may impede

the Company's ability to compete effectively. The Group relies on a combination of patent(s) (applications), trademarks, designs and trade secrets, and uses of non-disclosure, confidentiality and other contractual agreements to protect its technology. The Group generally seeks patent protection where possible to reinforce its protection around its technology and products.

However, the Group may be unable to adequately protect the intellectual property rights and trade secrets relating to its products. The Group cannot be certain that patents will be issued with respect to the Group's pending or future patent applications. In addition, the Group does not know whether any issued patents will be upheld as valid or proven enforceable against alleged infringers or whether they will prevent the development of competitive patents or provide meaningful protection against competitors.

ESTELLE®, DONESTA®, MYRING® and ZORELINE® are registered trademarks of Mithra Pharmaceuticals or an affiliate thereof.

(x) The Group has a history of operating losses, is accumulating deficits and may never become profitable.

The Group has experienced operating losses since 2012 (EUR 116.9 million during the period of 2021). These losses have resulted principally from costs incurred in research & development and from general and administrative costs associated with the operations. In the future, the Group intends to continue the clinical trial program for its candidate products, conduct pre-clinical trials in support of clinical development and regulatory compliance activities that, together with anticipated general and administrative expenses will result in the Group incurring further significant and increased expenses for the next several years as a result of these activities.

There can be no assurance that the Group will ever earn significant revenues or achieve profitability resulting from its research and development activities.

The Group is also subject to the following risks, in addition to the risks mentioned above:

- The commercial success of the Company's products will depend on attaining significant market acceptance among physicians, patients, healthcare payers and the medical community.
- The Company's supply of innovative E4 products will depend on the production resources chosen by the Company.
- The Company may be exposed to product liability, no-fault liability or other claims and the risk exists that the Company may not be able to obtain adequate insurance or that the related damages exceed its current and future insurance cover.
- The Company may require access to additional funding in the future and if the Company fails to obtain such funding, the Company may need to delay, scale back or eliminate the development and commercialisation of some of its products.
- The Company may infringe on the patents or intellectual property rights of others and may face patent litigation, which may be costly and time consuming.
- The Company's patents and other intellectual property rights may not adequately protect its technology and products, which may impede the Company's ability to compete effectively.
- The Company's success depends on its key people, and it must continue to attract and retain key employees and consultants.
- The Company must effectively manage the growth of its operations and the integration of acquisitions recently made or to be made in the future may not occur successfully.
- The Company has obtained significant grants and subsidies (mostly in the form of "avances récupérables" refundable government advances). The terms of certain of these agreements may hamper the Company in its flexibility to choose a convenient location for its activities.

- The Company has to comply with high standards of manufacturing in accordance with GMPs and other manufacturing regulations. In complying with these regulations, the Company must expend significant time, money and effort in the areas of design and development, testing, production, record-keeping and quality control to assure that the products meet applicable specifications and other regulatory requirements. The failure to comply with these requirements could result in an enforcement action against the Company, including the seizure of products and shutting down of production. The Company may also be subject to audits by the Competent Authorities. If the Company fails to comply with GMPs or other applicable manufacturing regulations, the Company's ability to develop and commercialize the products could suffer significant interruptions and delay.

(xi) The Company or third parties upon whom the Company depends may be adversely affected by natural disasters and/or global health pandemics, and/or war conflicts in Eastern Europe, and its business, financial condition and results of operations could be adversely affected.

COVID-19 – Impact

The occurrence of unforeseen or catastrophic events, including extreme weather events and other natural disasters, man-made disasters, or the emergence of epidemics or pandemics, depending on their scale, may cause different degrees of damage to the national and local economies and could cause a disruption in the Company's operations and have a material adverse effect on its financial condition and results of operations. Man-made disasters, pandemics, and other events connected with the regions in which the Company operates could have similar effects. If a natural disaster, health pandemic, or other event beyond its control occurred that prevented the Company from using all or a significant portion of its office and/or lab spaces, damaged critical infrastructure, such as its manufacturing facilities or its manufacturing facilities of its third-party contract manufacturers, or that otherwise disrupted operations, it may be difficult for the Company to continue its business for a substantial period of time.

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of the date of this Annual Report, Belgium, where the Company operates, has been impacted by temporary closures. The length or severity of this pandemic is currently being mitigated by the Government but whether or not new outbursts linked to the developments of new variants cannot be predicted. The Company has mitigated the potential impacts from COVID-19 and its variants on the planned development activities of the Company but cannot exclude further COVID-19 impact materialization on development or commercial activities (delays in the recruitment of patients, patient concerns linked to hospital environment, slower commercial launch ramp-up of Estelle® due to COVID-19 restrictions, or material absences in teams).

Indeed, with COVID-19 and its variants still active in the United States and Europe, the business operations of the Company could be delayed or interrupted, particularly if a large portion of its employees become ill or customers being less accessible. COVID-19 may also affect employees of third-party organizations located in affected geographies that the Company relies upon to carry out its clinical trials. The spread of COVID-19, or another infectious disease, could also negatively affect the operations at its third-party suppliers, which could result in delays or disruptions in the supply of drug product used in its clinical trials. In addition, the Company is taking temporary precautionary measures intended to help minimize the risk of the virus to its employees, increasing hygiene measures in compliance with governmental requests.

Further, timely enrollment in clinical trials is reliant on clinical trial sites which may be adversely affected by global health matters, including, among other things, pandemics such as COVID-19. For example, many of the Company's clinical trial sites are located in regions currently being afflicted by COVID-19. Some factors from the COVID-19 outbreak that the Company believes will adversely affect enrollment in its trials at least on a temporary basis include:

- the diversion of healthcare resources away from the conduct of clinical trial matters to focus on pandemic concerns, including the attention of physicians serving as Company's clinical trial investigators, hospitals serving as its clinical trial sites and hospital staff supporting the conduct of its clinical trials;
- limitations on travel that interrupt key trial activities, such as clinical trial site initiations and monitoring;
- interruption in global shipping affecting the transport of clinical trial materials, such as investigational drug product used in our trials; and
- employee absences that delay necessary interactions with local regulators, ethics committees and other important agencies and contractors.

The impact of COVID-19 on its business linked to the outburst of new variants is uncertain at this time and will depend on future developments, which are uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact,

among other things, but prolonged closures or other business disruptions may negatively affect its operations and the operations of its agents, contractors, consultants or collaborators, which could have a material adverse impact its business, results of operations and financial condition.

Natural Flood – Impact

The Company's premises' (Head Quarter and CDMO) have not been impacted by the natural flood which took place in the Liege area on the 15 and 16 July 2021.

Conflicts – in Eastern Europe

The Company continues to monitor the geopolitical situation in Eastern Europe and risk assessment on Mithra's and partners activities, in particular Estelle® launch in Russia foreseen in H2 2022. On the R&D side, the Company is currently analyzing the situation regarding the potential impact on the recruitment for the additional European Donesta® study (C301) that should be completed by the end of H1 2022 as the Company had several active sites in Russia. However, at this date of this report the Company is confident that it shall be able to recruit the accurate number of patients in the other geographic regions selected for the study. If needed, the Company will activate a mitigation plan in order to switch the planned Russian recruitment sites with other sites.

From a business perspective the conflict between Ukraine and Russia should have a limited impact on budgeted 2022 revenue (about 1%). Russia and Ukraine represent a small percentage of EU overall business and the events should not disrupt GR/Mithra commercially. Mithra continues to monitor the situation closely.

1.9. Research and development

We are committeed to fully exploiting the potential of E4 (Estetrol) as well as our technologic platform in Complex Therapeutics to develop a diverse and broad portfolio of therapeutic treatments focused on Women's Health. Additionally, the Company has diversified its R&D portfolio by acquiring an option to purchase development programs led by the Belgian company BCI Pharma on innovative kinase inhibitors notably indicated for the treatment of female cancers and endometriosis.

With regard to E4, most focus is on Mithra's late-stage product candidates, Estelle® for contraception with market authorization approval obtained in all key geographic areas and Donesta® for menopause (Phase III) with top lines efficacy results obtained post period in January 2022. Furthermore, Mithra is exploring additional indications in Women's Health , as well as indications beyond Women's Health, such as, wound healing and neuroprotection.

In January 2020, an ecotoxicity study revealed that Estetrol had a more environmentally friendly profile compared to other estrogens. Additional comparative studies are ongoing at the University of Namur to deepen this finding. In November 2020, the Company received the qualification of Estetrol as a "New Active Substance" (NAS) by the European Medicines Agency (EMA). This is the first NAS designation in contraception in over 80 years and the achievements of many years of work for the Company. In 2021, the Company received market authorizations for Estelle® in key geographic areas such as Canada, Europe, US, Russia and Australia. Moreover, the label was revised with a new wording on the expected low impact of E4 on the environment.

Post period, the Company obtained efficacy top line results for the Phase III E4Comfort program of oral hormonal therapy Donesta® (menopause) which demonstrated a meaningful reduction in vasomotor symptoms from baseline and compared to placebo. The positive efficacy data strongly move forward the Clinical Program, recently extended with 3 additional studies to further broaden the scope of Donesta® as a global alternative for millions of menopausal women (i) a phase 3 study on the effect of E4 on Vulvovaginal atrophy, (ii) a Phase 2 study on the effect of E4 on skin texture, quality, (iii) a Phase 2 study on the effect on hair texture, quality and appearance.

The safety profile of Donesta® has been confirmed by end-year independent Data Safety Monitoring Board (DSMB), which recommended to continue the Phase III Clinical Program as planned. in March 202, the DSMB further confirmed an expected pharmacological profile during the trial from initiation until the safety evaluation of 2213 subjects treated. The Primary safety results anticipated for end 2022 in the United States/Canada and for end H1 2023 in Europe. The Company is on track to target marketing authorization in 2024. Indeed, in September 2021, the Company announced a slight delay in the Donesta® program conducted in Europe mostly due to a higher level of drop out than excepted linked to patient's reticence to visit hospitals because of COVID-19 and amongst others to perform medical visits as recommended by the protocol. Therefore, the Company decided to recruit up to 300 additional non-hysterectomized patients to address the regulatory requirements to obtain approval for use in the non-hysterectomized women which represents more than 70% of the market. .

The clinical program on Estetrol's effect in Covid-19 treatment did not show any difference of E4 from placebo on the primary study endpoint, but E4 was well-tolerated with no apparent safety signals in the patient population. This Phase II "Coronesta" trial aimed to study the action of Estetrol on the immune, inflammatory and vascular response of patients (male/female) infected with Covid-19. As the results did not differ from placebo, the Company decided not to perform complimentary researches. .

Regarding PeriNesta®, the Company held several discussions and meetings with the scientific community and the European and American regulatory agencies. As announced in March 2021, the Company also decided to work on alternative development strategies in addition to the initial scenario.

Following a strategic meeting held on September 20 & 21, 2021, the Board of directors analyzed both regulatory agencies' feedback as for the initial development project of PeriNesta®, as well as the additional budget required to achieve this development in accordance with the regulatory expectations compared to the initial EUR 20 million. Accordingly, the Board decided that the initial PeriNesta® development project was no longer timely nor a priority for the Company and that alternative scenarios based on Estelle® and Donesta® could potentially target this perimenopausal market without incurring substantial development costs. Therefore, the targeted market authorization initially planned for 2023 is no longer achievable in this opportunistic development project. With this pipeline covering contraception and menopause, Mithra will explore in parallel the most judicious way to meet the specific needs of women during the transitional phase of perimenopause.

Further strengthening Estetrol Intellectual Property portfolio thanks to a new patent extending the 35 patent-family filed by Mithra. Exclusivity of Estelle® and Donesta® product candidates is extended until 2036 in Europe. A similar application is currently being examined in the United States.

For the Complex Therapeutics, Mithra launched Myring® in Europe and has provided to the FDA the additional data requested for the US launch after receipt of a complete response letter in October 2021.

At the same time, the Company continue to advance our research work on Zoreline® formulations, having obtained supportive PK results in 2018. This unfortunately did not extend to the all key pharmacodynamic parameters of suppression of sex hormone levels. However, based on this study, the company has learned that a subsequent clinical study with a prototype 3-month formulation is now used in a PD modelling to optimize the release profiles of both the 1 month and 3-month formulations. Formulation development is now almost complete and the final formulations to be tested in humans will be performed based on data from a rabbit model. It is anticipated that a clinical study for the 1-month study will be initiated in 1H 2023. Approval is still expected in 2025.

Furthermore, Mithra will pursue the budgeted investments to further advance the technological CDMO facility in terms of performance, applicability and scale; in order to offer third-parties the opportunity to develop sterile injectables; and to prepare the polymeric forms and hormonal tablets zones for the production of its proprietary products.

Moreover, Mithra is strengthening its leadership position in women's health by acquiring a new innovative development axis in a fast-growing market: inhibitors of tyrosine kinases, notably indicated in the treatment of cancer and endometriosis. Mithra acquired the rights relating to two development programs led by the Belgian company BCI Pharma on innovative inhibitors of CSF1R kinase. These CSF1R inhibitors are part of a new innovative class of immune-modulatory drugs with established clinical tolerability4 and proven efficacy. They act on the CSF1 receptor which is involved in many inflammatory processes and is over expressed in many pathologies, in particular cancers, neurological disorders and autoimmune diseases. The innovative class of tyrosine kinases inhibitors represents the third fastest growing therapeutic class in 2020, with a 17% increase in revenues to USD 40.3 billion.

Under the terms of the contract, Mithra has an option to acquire patents covering CSF1R inhibitor series with upfront payment of EUR 2.25 million on execution of option, following the first results conducted by BCI Pharma. Mithra will fund the preclinical and clinical development with a focus on female cancers and endometriosis, while potentially targeting other orphan indications, such as metastatic breast cancer (TNBC). Currently in the preclinical stage, BCI Pharma should initiate clinical development in 2023, with marketing authorizations expected for 2031.

In addition, Mithra intends to initiate new discovery programs which might lead to the development and commercialization of drug candidates; and is committeed to seek, maintain and expand the know-how, technologies and intellectual property position.

1.10. Conflicting interests of directors (Art. 7:96 of the CCA)

The Directors report that during the financial year under review two decisions have been taken that fall within the provisions of Art. 7:96 of the CCA. As required by the law, those minutes parts of the relevant meetings of the Board of directors relating to such conflicts of interest are reproduced hereunder.

Furthermore, during the same financial year, there has been no transaction or other contractual relationship between the Group, and a Director or Executive Manager other than those that fall within the provisions of Art. 7:96 of the CCA or that have been disclosed under "related party transactions" set out below pursuant to Art. 7:97 of the CCA.

Meeting of the Board of directors of 3 February 2021 *(free translation of minutes from French)*

The following directors are participating in person or by video conference at the February 3, 2021 meeting of the Board of directors of Mithra Pharmaceuticals SA (the "Company") : (…)

STATEMENTS OF THE INTERIM PRESIDENT:

The meeting began at 8:30 p.m. with Ms. Patricia van Dijck, acting as Chair *ad interim* of the Board of directors. She declared that the meeting was duly convened as an emergency. She stated that the urgency had been properly justified in the notice of meeting in accordance with the requirements of the Company's Articles of Association and Corporate Governance Charter, and that no justification for sending out notices of meeting was required, as all directors were present at the meeting. This was confirmed by the Board of directors.

The *ad interim* of the Board of directors states that the agenda for the meeting is as follows:

1. Submission of, and discussion on, the Nomination and Remuneration Committee's (the "CNR") opinion on Suspension (as defined below);

2. Discussion of the suspension of Yima SRL's appointment as managing director, and of the management agreement entered on September 3, 2015 between Yima SRL (represented by Mr. François Fornieri) and the Company, as amended on July 12, 2018 (collectively, the "Management Agreement"), with immediate effect until further notice and decision of the Board of directors (the "Suspension");

3. Discussion of, and approval or ratification of, the Suspension and the agreement to be entered into between Yima SRL, Mr. François Fornieri and the Company regarding the Suspension (the "Suspension Agreement")

PRIOR DECLARATIONS OF INDIVIDUAL DIRECTOR

Prior declarations of Yima SRL

Prior to the deliberations and decisions of the Board of directors, Yima SRL (whose permanent representative is Mr. François Fornieri), director of the Company, made the following declarations in accordance with Article 7:96 of the CCA.

Yima SRL has informed the Board of directors that the agenda includes, *inter alia*, the Suspension, as well as the approval of the Suspension Agreement. The Suspension relates, among other things, to a reduction in the fees of Yima SRL. Yima SRL has informed the Board of directors that, for the above-mentioned reasons, it may be in a situation of conflict of interest within the meaning of Article 7:96 of the CCA. Yima SRL will also inform the Company's auditor of the above, in accordance with Article 7:96 of the CCA. Accordingly, Yima SRL has informed the Board of directors that it will not take part in the further deliberations and decisions of the Board of directors regarding agenda items 1, 2 and 3.

Yima SRL did not participate in the deliberations and decisions of the Board of directors referred to in the first three items on the agenda.

PRIOR DECLARATIONS OF THE OTHER DIRECTORS

None of the other directors declare that they have an interest in the decisions to be taken by the Board of directors that would require the application of the procedure provided for in articles 7:96 and/or 7:97 of the CCA.

DELIBERATION AND DECISIONS

On the proposal of the Chairman *ad interim*, the Board of directors commenced deliberations on the items on the agenda.

The Chairman *ad interim* clarifies that the Board of directors of the Company is convened following the indictment of Mr. François Fornieri in connection with functions he previously performed in a company outside Mithra, the decision of the Board of directors of January 21, 2021 (whereby the CFO was appointed as CEO *ad interim*), and various

previous contacts between directors. The decisions to be taken concern the management and governance of the Company as well as the continuity of operations

Deliberation and decisions on agenda items 1 through 3

The Chair *ad interim* then submitted the Suspension Agreement to the members of the Board of directors who had not declared a conflict of interest. The Suspension Agreement is attached to the minutes of the meeting as an Appendix.

The Chairman of the CNR, Mr. Christian Moretti, then presented the recommandation of the CNR regarding the Suspension.

All directors, with the exception of Yima SRL, read the details of the Chair, the Suspension Agreement and the recommendation of the CNR on the Suspension, as well as the prior statements of Yima SRL pursuant to Article 7:96 of the Companies and Associations Code.

The CNR has conducted an assessment of the consequences for the Company of the indictment of Mr. François Fornieri with respect to the interests of the Company, its shareholders and other stakeholders.

Following the indictment, third parties with financial, business or other relationships, as well as shareholders, investors and other stakeholders, have questioned the Company or expressed their concerns. The indictment of Mr. Fornieri and the ongoing investigations of him are of significant concern to the above-mentioned persons and institutions and other stakeholders. The CNR therefore believes that the Suspension is in the best interests of the Company, its shareholders and other stakeholders.

In light of the foregoing, the CNR has subsequently negotiated the agreement to be entered into between Yima SRL, Mr. François Fornieri and the Company relating to the Suspension. The principal terms of this agreement can be summarized as follows:

- The exercise by Yima SRL of its mandate of Managing Director of the Company (and of any comparable mandate within the Company's subsidiaries) will be suspended, until further notice and decision of the Board of directors, for a maximum of 12 months.

- During the Suspension, the Company intends to appoint an i*nterim* CEO, who will be temporarily responsible for the day-to-day management of the Company and its subsidiaries.

- During the Suspension, the Company, at the intervention or prior request of the CEO *ad interim*, may solicit Yima SRL for the provision of "senior advisor" consultancy services, excluding the exercise of any executive or management function. These consultancy services will be remunerated by a fee for a basic monthly amount of EUR 20,000, excluding VAT, increased by EUR 2,000, excluding VAT, per day of actual consultancy (on the basis of 8 working hours per day). The Company will also reimburse the expenses incurred by Yima SRL for the provision of such consultancy services.

The Suspension Agreement also contains certain other undertakings of Yima SRL that will continue to apply during the Suspension Period, as well as certain practical terms of the collaboration.

The directors have noted the proposals and recommendations of the CNR and confirm that they are of the view that the Suspension and the provisions of the Suspension Agreement are in the best interests of the Company, its shareholders and other stakeholders.

After considering the recommandation of the CNR on the Suspension, and after deliberation, the members of the Board of directors, with the exception of Yima SRL, have unanimously:

(a) VOTED to approve the Suspension, and accordingly to suspend the delegation of managing director of Yima SRL, as well as the execution of the Management Agreement, effective immediately, until further notice, for a maximum of 12 months, pursuant to the Suspension Agreement.

(b) DECIDED to approve the Suspension Agreement.

Meeting of the Board of directors of 23 November 2021 *(free translation of minutes from French)*

On November 23, 2021, at 6:35 p.m., the Board of directors (hereinafter the "Board") of MITHRA PHARMACEUTICALS SA (hereinafter the "Company") met in person (rue de l'Expansion 57, 4400 Flémalle) as well as by means of a conference call.

AGENDA

1. Approval of the minutes of the September 21, 2021 meeting;

2. Report of the Nomination and Remuneration Committee;

3. Report of the Risk and Audit committee;

4. Finance Item;

PRIOR DECLARATIONS OF INDIVIDUAL DIRECTOR

(…)

2. Report of the Nomination and Remuneration Committee;

2.1. Bonus Plan

The management, including the CEO, present at the meeting left the room.

Eva Consulting SRL represented by Professor Jean-Michel Foidart indicates that as a potential beneficiary of the bonus plan, he could benefit directly from the resolution to be taken by the Board. He is therefore affected by a conflict of interest situation within the meaning of article 7:96 of the CCA and consequently leaves the meeting in order not to attend the deliberations and decision-making in this case. The Board recognized that article 7:96 of the CCA was applicable to this decision.

DELIBERATION AND DECISIONS

Before leaving the room with all the management present at the meeting, the CLO, in collaboration with the Chair of the Nomination and Remuneration Committee, took care to explain in summary the Bonus Plan that was elaborated and communicated to the Board in accordance with the Remuneration Policy applicable to the Company and approved by its AGM in 2021 (Appendix II).

(….)

In view of the discussions, the Chairman concluded that the plan meets the approval of the Board, subject to three points:

(…)

Subject to the three points mentioned above, the Board agrees.

Decision: On the recommendation of the Nomination and Remuneration Committee, the Board approves the proposed bonus plan (Annex II) with the exception of the following three points:

(…)

With respect to the three points mentioned above, the Board invites the Nomination and Remuneration Committee to formulate a new proposal acceptable to the Board. Management is also invited to further explain to the Board the reasons for not approving the plan at the Annual General Meeting. All three points will be decided at a future Board meeting.

(….) [4]

4. Finance item ;

4.2. Sale of NOSHAQ participations

PRIOR DECLARATIONS OF INDIVIDUAL DIRECTORS

Prior to any deliberation or discussion on this item, G. Servais and A. Tounsi indicate, as CEO of NOSHAQ and employee of NOSHAQ, that they have an indirect financial interest in the realization of the decision to be taken on this item. In accordance with Section 7:96 of the CCA, they withdrew from the Committee meeting so as not to take part in the deliberation and vote on this decision. The Board recognized that section 7:96 of the CCA was applicable to this operation.

The CLO explained that, in accordance with the request of the Board of directors formulated last April, the transfer of the 11 participations held by Mithra in the NOSHAQ Company was conditional upon the insertion of a price revision

[4] These three items were decided upon at the Board of Directors meeting of 3 December 2021.

clause of 60 months in the share transfer agreement. A proposal of clause was communicated in this direction to NOSHAQ on which it marked its agreement in principle.

Decision: After analysis of the clause proposed by the management and on the recommendation of the Risk and Audit committee, the Board accepts this transfer of NOSHAQ shares under the conditions set out in the letter proposed by the Company's legal department (Annex 3) and in particular the insertion, in the transfer agreement, of a price revision clause. The Board also gives a mandate to the CLO of the Company with power of delegation to finalize the sale operations, including the drafting of the sale agreement and the signature thereof.

1.11. Independence and expertise of at least one member of the Audit committee

As previously disclosed, the Risk and Audit Committte is composed of the following three members: (i) one of which satisfy to the independence criterias as set forth by provision 7:87, §1st CCA and (ii) all of them meet the expertise requirement of that very article:

TicaConsult BVBA (Erik Van Den Eynden) has more than 30 years' experience in banking. After joining ING (formerly BBL) in 1990, he held various commercial and management positions throughout the bank, including director of a branch district, CEO of ING Insurance Belgium, Luxembourg & Variable Annuities Europe, head of MidCorporates and Institutionals at ING in Belgium and most recently CEO of ING in Belgium from 2017 to 2020. He holds a degree in economics from the University of Antwerp.

TicaConsult BVBA also satisfies the independence criteria as prescribed by provision 7:87, §1st CCA.

NOSHAQ SA (standing representative: Mr Gaëtan Servais) - Mr Servais is a graduate in economics from the University of Liège, where he began his career as a research assistant. In 1995, Mr Servais joined the Federal Plan Budget as an expert and, following this, the Economic and Social Council of the Walloon Region. From 2001, he was private secretary to a number of Ministers in the Walloon Government. Since 2007, has been CEO of Meusinvest, a financial company whose business is structured into a number of subsidiaries in order to best meet the financing needs for small to medium enterprises (SME) located in the Province of Liège.

Alius Modi SRL (Valérie Gordenne) has more than twenty-three (23) years of experience in pharmaceutical Research & Development with extensive leadership experience in full development across a range of therapeutic areas (women health: oncology, contraception, menopause) and product application (implantable (biodegradable) devices, oral form, sterile injectable). She has developed a deep operational and strategic knowledge and expertise in drug development through the management of various functions and activities (Chemistry, manufacturing & controls (CMC), clinical supply manufacturing, market supply manufacturing, Global drug supply (clinical & market supply distribution), Quality management (FDA, EU, ANVISA …(pre-approval) inspection), Regulatory Affairs (IB, IMPD, IND, Briefing package, interactions with FDA, EMA, Health Canada), e-CTD submission and post approval variations, Clinical development (phase I to IV), Intellectual property and trademarks). Mrs. Gordenne held various scientific and management positions throughout the pharmaceutical field, including Chief Scientific Officer of the Company between January 2015 and March 2019.

1.12. Going concern assessment

End of 2021, Mithra has a total of EUR 336.6 million accumulated losses on its balance sheet and realized a consolidated net loss of EUR 116.9 million for the year ended 31 December 2021. Based on going concern accounting principles, the Board is to justify the going concern during twelve months following the issuance of the report. Based on their assessment, the Management and Board of directors consider it appropriate to prepare the financial statements on a going concern basis. Indeed, the assessment is based on following assumptions such as expected R&D clinical results and further business deals (mainly Donesta deal foreseen in H2 2022) as well as on the monitoring of our funding activities, noting that a total amount of EUR 100 million flexible equity financing agreement contracted with Goldman Sachs International in February 2022 are currently available with a first drawing request exercised on 4 February 2022 for an amount of EUR 10 million and a second one exercised on 21 March 2022 for an amount of EUR 5 million.

In consideration of those above-mentioned conservative assumptions, the Board of directors has analyzed the financial statements and accounting policies and, made the assessment that the current cash position of EUR (32.9 million) at 31 December 2021 strengthened by post-year end flexible equity financing agreement contracted with Goldman Sachs International for EUR 100 million and a capital increase for an amount of EUR 8.1 million completed on 14 February 2022 under the LDA capital agreement facility will allow the Group to keep up with operating expenses

and capital expenditure requirements at least until April 2023 (twelve months at least after the issuance of this report).

1.13. Appropriation of results

Mithra Pharmaceuticals SA, the parent Company, ended the financial year 2021 with a net loss of EUR 883,844.

The Board of directors proposed to appropriate the loss of the year of EUR 883,844 to accumulated loss. This brings the total amount of retained losses to EUR 121,559,662.

1.14. Important events after the reporting period

Post-period, in January 2022, the Company announced positive top-line results from Donesta® phase 3 studies for the treatment of vasomotor symptoms in post-menopausal women. Donesta® demonstrated a meaningful reduction in vasomotor symptoms from baseline and compared to placebo. All co-primary efficacy endpoints were statistically (all $p<0.01$) met in C301 (Europe, Latam and Russia) and in C302 (North America) studies, except for a borderline non-significant result for the severity criteria at week 4 in the C302 study, which reached and exceeded statistical significance by week 5 ($p<0.01$). Both studies also showed that the number and severity of hot flushes continued to decrease week after week until the end of the study, i. e. 3 months of treatment. Secondary endpoints evaluated at 3 months in the C301 study suggest a very positive impact of Donesta® on the quality of life.

In February 2022, Mithra announced the commercial launch of its vaginal contraceptive ring Myring® under the brandname Haloette® in Canada, a market which is worth approximately CAD $11.5 million (EUR 8 million) a year and represented exclusively by the originator Nuvaring®.

Also, in February 2022, the Company entered into a 2-year equity financing agreement with Goldman Sachs International ("GSI"), pursuant to which the Company can at its sole discretion require GSI to provide funding to the Company for an aggregate amount of up to EUR 100,000,000 in return for issuing GSI with call options over the Company's ordinary shares. The Company will access this funding through several drawings, which must be at least 22 trading days apart. On the same day, Mithra exercised its first drawing request which amounted to EUR 10 million. Further to Mithra's first drawing request, GSI has elected to exercise a call option for an amount of EUR 5 million. This call option will result in the issuance of 377,198 shares of the Company. In March, Mithra decided to exercise a second drawing request for an amount of EUR 5 million

Since the beginning of the conflict in Ukraine in February 2022, Mithra has been monitoring the geopolitical situation in order to manage the potential impact on Mithra's and partners activities, in particular Estelle® launch in Russia foreseen in H2 2022. On the R&D side, the Company has activated a mitigation plan in order to switch the planned Russian recruitment sites with other sites for the additional European Donesta® study (C301), which should be completed by the end of H1 2022.

There were no other subsequent events that occur between 2021 year-end and the date when the financial statements have been authorized by the Board for issue.

1.15. Grant of discharge to the directors and the statutory auditor

You are requested, for Mithra Pharmaceuticals SA, in accordance with the law and the Articles of Association, to grant discharge to the Directors and the Statutory Auditor for the duties carried out by them during the financial year ending 31 December 2021.

This report will be deposited according to the legal requirements and can be consulted at the Company's address.

Liege, 15 April 2022

For the Board of directors,

Sunathim BV
(with Mr. Ajit Shetty as Permanent Representative)

Chairman of the Board of Director

Van Rompay Management BVBA

(with Mr. Leon Van Rompay as Permanent Representative)

Managing Director

2. Responsibility statement

We hereby certify that, to the best of our knowledge, the consolidated financial statements as of 31 December 2021, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and the legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and loss of the Group and the undertakings included in the consolidation taken as a whole, and that the management report includes a fair review of the development and the performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board of Directors

Sunathim BV, Président
(represented by M. Ajit Shetty)
Chairman of the Board of Directors

Van Rompay Management SRL,
(represented by Leon Van Rompay)
Managing Director

CMM&C SRL, represented by
Christophe Maréchal, CFO

3. Auditor report

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF MITHRA PHARMACEUTICALS SA FOR THE YEAR ENDED 31 DECEMBER 2021 (CONSOLIDATED FINANCIAL STATEMENTS)

In the context of the statutory audit of the consolidated financial statements of MITHRA PHARMACEUTICALS SA ('the Company') and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditor's report. It includes our report of the consolidated financial statements and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 20 May 2021, following the proposal formulated by the board of directors and issued upon recommendation of the Audit Committee and upon presentation by the works' council. Our statutory auditor's mandate expires on the date of the General Meeting deliberating on the financial statements closed on 31 December 2023. We have performed the statutory audit of the consolidated financial statements of MITHRA PHARMACEUTICALS SA for 7 consecutive years.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterized by a consolidated statement of financial position total of 421.918 (000) EUR and for which consolidated income statement and other comprehensive income shows a loss for the year of 116 875 (000) EUR.
In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December 2021, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the consolidated financial statements' section in this report. We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the administrative body and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Contingent consideration valuation

Description of the matter

As a result of the acquisitions of Estetra SRL in 2015, the consolidated financial statements include a contingent consideration towards the previous owners. Additionally, during the second semester of 2019, an amendment to the sellers of Estetra (Uteron) agreement was signed with significant impacts. As disclosed in the notes 9.15.3 to the consolidated financial statements, this contingent liability is reported at fair value in the statement of financial position.

We consider this area a key audit matter requiring high auditor's attention because of the fact that the valuation of the contingent consideration is complex, contains key judgmental areas and is strongly affected by assumptions with regards to expected future cash flows, cash position, discount rate and market conditions.
Procedures performed

Our audit procedures included, among others, the following:

- We have analyzed and reviewed the Company's fair value calculation including the significant underlying assumptions and checked whether an adequate valuation model was applied;
- We have analyzed the consistency of the underlying data used in the valuation model and compared these with the latest Board approved business plan;
- We consulted a valuation expert in our firm to assess the methodology, clerical accuracy and discount rate as applied;
- We have performed an assessment of the reasonableness of key assumptions, notably expected future cash flows and cash position, probabilities applied to the different scenario's and discount rate;
- We reviewed the sensitivity analysis prepared by management to understand the effect of a change in assumptions;
- We reviewed the completeness and adequacy of the disclosures to the consolidated financial statements.

Deferred tax assets

Description of the matter

As described in the notes 9.24.2 to the consolidated financial statements, the Group accounts for deferred tax assets on its tax losses carried forward and on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the IFRS financial statements to the extent that it is probable that future taxable profits will be realized for which unused tax losses and tax credits can be used. We consider this area a key audit matter requiring high auditor's attention because of its significance to the financial statements and the critical judgment made to assess the recoverability of the deferred tax assets.

Procedures performed

Our audit procedures included, among others, the following:

- We have reconciled the total amount of tax losses carried forward available to the Group to supporting evidence;
- We have reviewed the taxable impact of the relevant IFRS accounting entries;
- We consulted a tax expert in our firm to assess the methodology and clerical accuracy in the prepared tax plan;

- We have challenged the judgment made by the management about taxable profits in the foreseeable future, taking into account the tax strategy of the Group;
- We have reviewed the accounting entries;
- We reviewed the completeness and adequacy of the disclosures as included in disclosures to the consolidated financial statements.

Financial funding

Description of the matter

As described in the notes 9.4.1 to the consolidated financial statements, the Company has disclosed that based on its current scope of activities, the Group estimates that its treasury position as of 31 December 2021 is sufficient to cover its cash requirements at least until April 2023, so that there is no going concern issue as of today.

This area was important to our audit given the important estimates linked to the high expected cash burn ratio on short term, based on the group's assessment of R&D clinical results, related business deals and funding activities, including the conditions linked to the new flexible equity financing agreement contracted after year-end.
Procedures performed

Our audit procedures included, among others, the following:

- We obtained the business plan and the cash forecast for the year 2022 and 2023 and reviewed it for reasonableness;
- We challenged the assumptions underlying this budget and cash forecast, especially with respect to the level of expected revenues, the financing possibilities, the operating expenses and other cash outs;
- We compared the total of expected licence revenues included in the budget and cash forecast with those expected from existing agreements;
- We analyzed the financing instruments signed after closing date. We discussed with management any potential future financing possibilities and assessed their reasonableness;
- We verified the adequacy and completeness of the disclosures as included in the notes 9.4.1 of the financial statements.

Responsibilities of the administrative body for the drafting of the consolidated financial statements

The administrative body is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory provisions applicable in Belgium, and for such internal control as the administrative body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the administrative body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the administrative body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or

in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of the consolidated financial statements in Belgium. However, a statutory audit does not guarantee the future viability of the Group, neither the efficiency and effectiveness of the management of the Group by the administrative body. Our responsibilities regarding the continuity assumption applied by the administrative body are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
  Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;

- Conclude on the appropriateness of the administrative body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also provide the audit committee with a statement that we respected the relevant ethical requirements relating to independence, and we communicate with them about all relationships and other issues which may influence our independence, and, if applicable, about the related measures to guarantee our independence.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report, unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the administrative body

The administrative body is responsible for the preparation and the contents of the director's report on the consolidated financial statements and for the other information included in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

In the context of our mission and in accordance with the Belgian standard (version revised 2020) which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report on the consolidated financial statements and the other information included in the management report on the consolidated financial statements, as well as to report on these elements.

Aspects relating to the director's report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the director's report, this report is consistent with the consolidated financial statements for the same financial year, and it is prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the director's report on the consolidated financial statements (Chapter 1 Report of the Board of Directors) contains any material misstatements, i.e. any information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement concerning independence

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements and our audit firm remained independent of the Group during the terms of our mandate.
- The fees related to additional services which are compatible with the statutory audit as referred to in article 3:65 of the Code of companies and associations were duly itemised and valued in the notes to the consolidated financial statements.

European Single Electronic Format (ESEF)

In accordance with the standard on auditing the conformity of financial statements with the European Single Electronic Format (hereinafter "ESEF"), we also audited the conformity of the ESEF format with the regulatory technical standards established by Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The managing body is responsible for preparing, in accordance with ESEF requirements, the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter "digital consolidated

financial statements") included in the annual financial report.

It is our responsibility to obtain sufficient and appropriate supporting information to conclude that the format and mark-up language of the digital consolidated financial statements comply in all material aspects with the ESEF requirements under the Delegated Regulation.

Based on our work, we believe that the format and the marking of information in the official French version of the digital consolidated financial statements included in the annual financial report of MITHRA PHARMACEUTICALS SA as at 31 December 2021 comply in all material aspects with the ESEF requirements under the Delegated Regulation.

Other statements

This report is in compliance with the contents of our additional report to the Audit Committee as referred to in article 11 of regulation (EU) No 537/2014.

Battice, April 14, 2022

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

4. Consolidated statement of profit and loss

Thousands of Euro (€)	*Notes*	*Year ended 31 December 2021*	*2020*
Revenue	9.5	22,668	9,030
Cost of sales	9.20, 9.21	(15,724)	(3,457)
Gross profit		**6,945**	**5,573**
Research and development expenses	9.20, 9.21	(85,243)	(78,458)
General and administrative expenses	9.20, 9.21	(12,515)	(15,933)
Selling expenses	9.20, 9.21	(1,871)	(1,434)
Other operating income	9.19	4,809	6,574
Loss from operations		**(87,875)**	**(83,678)**
Change in fair value of contingent consideration payable	9.15, 9.17	(19,265)	(18,114)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	9.17	(6,351)	(4,925)
Financial income	9.23	2,838	1,782
Financial expenses	9.23	(13,116)	(5,987)
Loss before taxes		**(123,769)**	**(110,922)**
Income taxes	9.24	6,895	18,835
NET LOSS FOR THE PERIOD		**(116,875)**	**(92,086)**

Result for the purpose of basic loss per share, being net loss		**(116,875)**	**(92,086)**
Weighted average number of shares for the purpose of basic loss per share		43,429,809	40,988,235
Basic loss per share (in Euro)	**9.25**	**(2.69)**	**(2.25)**
Diluted loss per share (in Euro)	9.25	(2.69)	(2.25)

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

5. Consolidated statement of comprehensive loss

Thousands of Euro (€)	*Notes*	*Year ended 31 December 2021*	*2020*
Net loss for the period		(116,875)	(92,086)
Other comprehensive income or (loss)		**(17,300)**	**3,000**
Items that may be reclassified to profit or loss:			
Currency translation differences		-	(66)
Gains/(losses) on cash flow hedges	9.17	(14,390)	10,415
Income taxes relating to these items		3,597	(2,576)
Items that will not be reclassified to profit or loss:			
Changes in the fair value of equity investments at fair value through other comprehensive income or loss	9.17	(6,508)	(4,772)
Total comprehensive loss for the period		**(134,175)**	**(89,086)**
Attributable to			
Owners of the parent		(134,175)	(89,086)
Non-controlling interests		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(134,175)	(89,086)

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

6. Consolidated statement of financial position

Thousands of Euro (€)	*Notes*	*As at 31 December 2021*	*2020*
ASSETS			
Property, plant and equipment	9.7	38,354	29,921
Right-of-use assets	9.8	69,322	69,572
Goodwill	9.9	5,233	5,233
Other intangible assets	9.6	104,954	89,005
Deferred income tax assets	9.24	63,456	50,905
Contract assets	9.18	49	200
Derivatives financial assets	9.17	-	6,184
Investment in equity securities	9.17	31,898	18,088
Other non-current assets	9.10	9,263	14,401
Non-current assets		**322,528**	**283,509**
Inventories	9.11	43,852	35,382
Contract assets	9.18	12,522	51,472
Derivatives financial assets	9.17	100	2,881
Trade and other receivables	9.12	10,044	10,052
Other short-term deposits		-	14
Cash and cash equivalents	9.13	32,872	138,675
Current assets		**99,389**	**238,475**
TOTAL ASSETS		421,918	521,985

Thousands of Euro (€)	*Notes*	*As at 31 December 2021*	*2020*
EQUITY AND LIABILITIES			
Share capital	9.14	32,250	31,271
Additional paid-in-capital	9.14	340,769	332,535
Other reserves	9.14	(2,545)	13,690
Accumulated deficit	7	(336,633)	(219,759)
Equity attributable to equity holders		**33,840**	**157,737**
Subordinated loans	9.15	11,629	12,610
Other loans	9.15	113,608	111,898
Lease liabilities	9.15	42,353	44,282
Refundable government advances	9.15	12,769	15,195
Other financial liabilities	9.15, 9.17	102,675	101,180
Derivatives financial liabilities	9.17	2,897	-
Contract liabilities	9.18	-	3,706
Provisions	9.28	266	266
Deferred tax liabilities	9.24	6,089	4,363
Non-current liabilities		**292,285**	**293,500**
Current portion of subordinated loans	9.15	1,314	1,002
Current portion of other loans	9.15	45,253	10,475
Current portion of lease liabilities	9.15	6,561	7,315
Current portion of refundable government advances	9.15	1,617	1,259
Current portion of other financial liabilities	9.15, 9.17	15,829	23,424
Derivatives financial liabilities	9.17	1,886	-
Trade and other payables	9.16	23,331	27,272
Current liabilities		**95,793**	**70,747**
TOTAL EQUITY AND LIABILITIES		**421,918**	**521,985**

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

7. Consolidated statement of changes in equity

Thousands of Euro (€)	*Share capital*	*Additional paid-in-capital*	*Other reserves*	*Accumulated deficit*	*Total equity*
Notes	9.14.1	9.14.1	9.14.2		
Balance as at 1 January 2020	**28,649**	**258,898**	**3,423**	**(127,673)**	**163,298**
Net loss for the period				(92,086)	(92,086)
Currency translation differences			(66)		(66)
Gains/(losses) on cash flow hedges			7,838		7,838
Changes in the fair value of equity investments at fair value through other comprehensive income or loss			(4,772)		(4,772)
Total comprehensive loss for the period	**-**	**-**	**3,000**	**(92,086)**	**(89,086)**
Capital increase of 23 June 2020, net of transaction costs	2,505	60,813			63,318
LDA capital increase of 5 August 2020, net of transaction costs	117	1,733			1,850
Value of conversion rights on convertible bonds, net of transaction costs		11,091			11,091
Share-based payments expense			7,267		7,267
Balance as at 31 December 2020	**31,271**	**332,535**	**13,690**	**(219,759)**	**157,737**
Balance as at 1 January 2021	**31,271**	**332,535**	**13,690**	**(219,759)**	**157,737**
Net loss for the period				(116,875)	(116,875)
Gains/(losses) on cash flow hedges			(10,792)		(10,792)
Changes in the fair value of equity investments at fair value through other comprehensive income or loss			(6,508)		(6,508)
Total comprehensive loss for the period	**-**	**-**	**(17,300)**	**(116,875)**	**(134,175)**
Capital increase exercise of subscription rights 6 May 2021	749	2,752			3,501
LDA capital increase of 10 November 2021, net of transaction costs	230	5,483			5,713
Share-based payments expense			1,065		1,065
Balance as at 31 December 2021	**32,250**	**340,769**	**(2,545)**	**(336,634)**	**33,840**

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

8. Consolidated statement of cash flow

Thousands of Euro (€)	*Notes*	*2021*	*As at 31 December 2020*
CASH FLOWS FROM OPERATING ACTIVITIES			
Result from operations		(87,875)	(83,678)
Adjustments for:			
Depreciation, amortization and impairment charges	9.6, 9.7, 9.8	10,426	9,767
R&D tax credit	9.19	(2,185)	(1,864)
Share-based payments	9.26	1,065	7,267
Realized foreign exchange gains/(losses)	9.23, 5	(1,247)	2,769
Grant income	9.19	(356)	(2,833)
Gain on derecognition of contingent consideration payable		(366)	-
Subtotal		**(80,538)**	**(68,572)**
Increase/(decrease) in trade and other payables	9.16	(2,048)	521
(Increase)/decrease in trade and other receivables	9.12	(341)	2,186
(Increase)/decrease in inventories	9.11	(8,470)	(19,105)
(Increase)/decrease in contract assets and liabilities	9.18	17,010	4,945
Net cash (used in)/ provided by operating activities		**(74,387)**	**(80,025)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of tangible fixed assets	9.7	(11,483)	(10,645)
Proceeds from disposal of tangible fixed assets	9.7	-	23
Payment for acquisition of intangible fixed assets	9.6	(9,699)	(5,585)
Other financial liabilities payments	9.17	(33,500)	-
Net cash (used in)/ provided by investing activities		**(54,682)**	**(16,207)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of subordinated loans and other loans	9.15	(49,845)	(36,431)
Repayment of refundable government advances	9.15	(804)	(927)
Proceeds from subordinated loans and other loans	9.15	83,600	35,556
Proceeds from refundable government advances and other grants	9.15	41	5,835
Lease payments	9.15	(7,193)	(3,475)
Interests paid	9.23	(11,765)	(3,503)
Proceeds from issuance of shares (net of issue costs)	9.14	9,213	65,731
Proceeds from issuance of convertible bonds (net of transaction costs)	9.14, 9.17	-	122,401
Net cash (used in)/provided by financing activities		**23,245**	**185,187**
Net increase/(decrease) in cash and cash equivalents		**(105,824)**	**88,954**
Cash and cash equivalents at beginning of year		138,675	49,720
Effects of exchange rate changes on cash and cash equivalents		21	-
Cash and cash equivalents at end of period		**32,872**	**138,675**

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

9. Notes to the consolidated financial statements

9.1. General information

Mithra Pharmaceuticals SA (Euronext MITRA) is a Belgian biotech company dedicated to transforming Women's Health by offering new choices through innovation, with a particular focus on contraception and menopause. Mithra's goal is to develop products offering better efficacy, safety and convenience, meeting women's needs throughout their life span. Mithra explores the potential of the unique native estrogen estetrol in a wide range of applications in women health and beyond. After having successfully launched the first estetrol-based product in 2021, the contraceptive pill Estelle®, Mithra is now focusing on its second product Donesta®, the next-generation hormone therapy. Mithra also develops and manufactures complex therapeutics in the areas of contraception, menopause and hormone-dependent cancers. It offers partners a complete spectrum of research, development and specialist manufacturing at its technological platform Mithra CDMO.

Mithra Pharmaceuticals SA is a limited liability company (Société Anonyme) governed by Belgian law with its registered office at Rue Saint-Georges 5, 4000 Liège, Belgium.

Significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following events and transactions during the reporting period:

- Estelle® obtained its Marketing authorization in Canada (March), the United States (April), Europe (May) and Russia (September). Thanks to these authorizations, commercial launch of Estelle® has already successfully occurred in the United States and Canada, under the trademark Nextstellis®, and in several European countries under the trademark Drovelis®.

  Note : For more details about the operations during this period, please refer to 9.15 Financial liabilities, to 9.6 Other intangible assets and to 9.5 Segment information and revenue

- In June, Mithra signed an agreement with SVR Invest BV for the buy-back of all contingent payments linked to Myring® and Zoreline® as well as for the acquisition of the full global licensing and distribution rights for the Zoreline® implant.

  Note : For more details about the operations during this period, please refer to 9.15 Financial liabilities, to 9.6 Other intangible assets and to 9.5 Segment information and revenue

- To date, Mithra expects that its existing treasury position will be sufficient, based on the current scope of activities, to fund operating expenses and capital expenditure requirements at least until twelve months following the issuance of the report. The current cash position of EUR 32.9 million at 31 December 2021 strengthened by post-year end flexible equity financing agreement contracted with Goldman Sachs International for EUR 100 million and a capital increase for an amount of EUR 8.1 million completed on 14 February 2022 under the LDA capital agreement facility will allow the Group to keep up with operating expenses and capital expenditure requirements at least until April 2023.

Note : For more details about the operations during this period, please refer to 9.4.1 Going concern assessment and to 9.3.1 c Liquidity risk

9.2. Summary of Significant Accounting Policies

The consolidated financial statements are presented in thousands of euro (unless stated otherwise). The consolidated financial statements for the financial year ended 31 December 2021 have been authorized for issue by the Board of Directors of 12 April 2022. The financial statements have been prepared on historical cost basis. Any exceptions to the historical cost price method are disclosed in the accounting policies described hereafter.

9.2.1. Basis of presentation

The financial statements have been prepared on a going concern basis and in accordance with the main accounting principles set out in this section. The Group is expecting losses in the coming years, which is inherent to the current stage of the Group's business life cycle as a biotech company. In this respect, the following underlying assumptions have been used:

- The continued positive evolution of the development of products and timely market approvals in countries where the products will be filed;
- The availability of additional financial resources to deal with the remaining development expenses and to fund the cash requirements in the first years of commercialization of the different products.
- The consolidated financial statements were prepared in accordance with IFRS as adopted by the European Union ("EU").

9.2.2. Significant accounting policies

The 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 2020 and are consistent with them.

Following Estelle® Marketing authorization, intellectual property rights and internally generated research and development for this project are now considered as available for use. Amortization is calculated using the straight-line method to allocate the cost of these intangibles on the longest of the patent protection life and the useful life of the product. The estimated useful life and amortization method are reviewed at the end of each reporting period.

The new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2021 do not impact the Group's consolidated financial statements.

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

9.2.3. Use of accounting judgments, estimates and assumptions

When preparing the 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, estimate and assumptions applied in the financial statements, including the key sources of estimation uncertainty, are disclosed in note 9.4, Critical accounting estimates and judgments.

9.2.4. 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, 2021. The Group has not applied any new IFRS requirements that are not yet effective as of December 31, 2021.

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

- IFRS 3 Business Combinations – Amendments to clarify the definition of a business (October 2018)
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform - Phase 1 (September 2019)
- 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)
- Amendments to References to the Conceptual Framework in IFRS Standards (March 2018)

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 December 31, 2021 and/or not yet adopted by the European Union as per December 31, 2021 and for which the impact might be relevant:

- Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient*
- A number of narrow - scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16*
- Amendments to IAS 1, Presentation of financial statements', on classification of liabilities*
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8*
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction*
- IFRS 17, 'Insurance contracts', as amended in December 2021*

  * Not yet endorsed by the EU as of December 31, 2021

None of the other new standards, interpretations and amendments, which are effective for periods beginning after January 1, 2021 which have been issued by the IASB and the IFRIC but are not yet effective as per December 31, 2021 and/or not yet adopted by the European Union as per December 31, 2021, are expected to have a material effect on the Group's future financial statements.

9.2.5. Basis of consolidation

a) Subsidiaries

The consolidated financial statements include all the subsidiaries over which the Group has control,

Control is achieved when the investor

- has power over the investee;
- is exposed or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

If facts and circumstances indicate that there are changes to one or more of the three elements of control listed above, the investor shall reassess whether it controls the investee.

Subsidiaries are fully consolidated from the date on which control is transferred to the group, they are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group (refer to note 9.2.6)

Intercompany transactions and balances, as well as unrealised gains on transactions between group companies are eliminated, Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset, Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Any non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position, respectively.

b) Associates

An associate is an entity over which the Group has significant influence, Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net asset of the joint arrangement, Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or joint venture is initially recognised at cost and adjusted for the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds its interest in that associate or joint venture, the Group discontinues recognising its share of further losses.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 (Impairment of Assets), by comparing its recoverable amount with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

9.2.6. Business combinations

The Group applies the acquisition accounting method to account for business combinations. Identifiable assets acquired, and liabilities and contingent liabilities assumed, are, with limited exceptions, measured initially at their fair values at the acquisition date. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Group. This includes the fair value of any contingent consideration. Where the consideration transferred, together with the non-controlling interest, exceeds the fair value of the net assets, liabilities and contingent liabilities acquired, the excess is recorded as goodwill. The costs of acquisition are charged to the income statement in the period in which they are incurred.

Where not all of the equity of a subsidiary is acquired, the non-controlling interest is recognised either at fair value or at the non-controlling interest's share of the net assets of the subsidiary, on a case-by-case basis. Changes in the Group's ownership percentage of subsidiaries are accounted for within equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

9.2.7. Segment information

An operating segment is a component of an entity:

- which exercises operating activities with which profits are being gained and with which costs can be made (including profits and costs from transactions with other components of the entity);
- of which the operational results are being judged regularly by the highest function of the entity who can take important operational decisions in order to make decisions regarding the allocation of resources and to evaluate the financial results of the segment and;
- for which separate financial information is available. That is engaged either in providing specific products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

9.2.8. Foreign currency translation

The Group's consolidated financial statements are presented in Euros, which is also the parent company's functional currency.

Foreign currency transactions are translated into the functional currency of each entity using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period the entity shall (a) translate the foreign currency monetary items at closing rate, (b) translate non-monetary items measured at historical cost in a foreign currency, using the exchange rate of the transaction date, (c) translate non-monetary items measured at fair value in a foreign currency using the exchange rates at the date the fair value was determined. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement within 'financial income or cost'.

On consolidation, assets and liabilities including related goodwill of components of the Group, are translated into Euros at the financial year's closing rate. Exchange adjustments arising when translating the financial statements of foreign subsidiaries, and those arising on loans to or from a foreign operation for which settlement is neither planned nor likely to occur and which therefore form part of the net investment in the foreign operation, are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

9.2.9. Intangible assets

a) Research & development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised to the extent that all conditions for capitalisation have been satisfied as specified in IAS 38:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

This recognition is conventional when a regulatory filing has been made in a major market and the approval from the regulators is considered as highly probable. Some of its products which are capitalised as from current year do not require any regulatory approval.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

b) Acquired intangible assets

Separately acquired intangible assets are shown at historical cost. Contingent payments based on future performance are an attribute of a fair value measurement throughout the life of the asset. The contingent payments will be disclosed as a contingent liability. When the contingent liability becomes a liability the re-measurement at the end of each reporting period shall be accounted for as an adjustment to the cost of intangible assets to the extent that it relates to future benefits and reporting periods. Intellectual property rights, patents, licenses, know-how and software with a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of these intangibles over their estimated useful lives of 7 to 10 years and starts at the moment the assets are available for use.

In the event an asset has an indefinite life, this fact is disclosed along with the reasons for being deemed to have an indefinite life.

Intangible assets acquired in a business combination, including in-process research and development, are initially measured as explained in paragraph 9.2.6

9.2.10. Property, plant and equipment

Property, plant and equipment is carried at historical cost, less subsequent depreciation. Historical costs are capitalized and include expenditure that is directly attributable to the acquisition of the assets, expenditure for bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner, including the in-house development costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, here the CDMO platform, form part of the cost of that asset. Other borrowing costs are recognised as an expense. Borrowing costs are interest and other costs that Mithra CDMO incurs in connection with the borrowing of funds.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance expenses are charged to the profit and loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Buildings and components: 15-30 years
- Machinery: 5-15 years
- Vehicles: 3-5 years
- Furniture and equipment: 5-8 years
- ICT and other equipment: 3-5 years

Specific machines are depreciated using unit of production depreciation method.

The acquisition value of the assets have been analysed by component and specific useful lives and residual values were applied to each of them. The residual value of the building is estimated to correspond to the cost of the structure of the building. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating income or expenses' in the income statement.

9.2.11. Impairment of tangible, intangible assets and of goodwill

Assets with an indefinite useful life are tested for impairment annually and at each reporting date, and whenever there is an indication that the asset might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of fair value less costs to sell and value in use. To determine fair value less cost to sell, the forecasted future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. A cash-generating unit is the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash flows from other assets or Group of assets. An impairment loss is immediately recognised as an expense. Intangible and tangible assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income. An impairment loss recognised for goodwill shall not be reversed in a subsequent period

9.2.12. Inventories

The inventories mainly consist of raw material, semi-finished goods and finshed goods.

Trade goods are valued at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Write-offs are performed based on the shelf life of the products.

Regarding pre-launch inventory, we record them once the product has attained a stage in the development process of having been subject to a market authorization application filing and has a well characterized manufacturing process. In addition, we must have an internal sales forecast that includes an assessment that sales will exceed the manufacturing costs plus the expected cost to distribute the product. Finally, product stability data must exist so that we can assert that capitalized inventory is anticipated to be sold, based on the sales projections noted above, prior to anticipated expiration of a product's shelf life. If approval for these product candidates is not received, or approval is not received timely compared to our estimates for product shelf life, we will write-off the related amounts of pre-launch inventory in the period of that determination.

9.2.13. Trade receivables

Tradereceivablesare amounts due from customers for merchandise sold or services performed in the ordinary course of business and are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method less allowance for expected credit losses.

9.2.14. Other Short-term investments

Term deposits with an initial term of more than three months are held to maturity and measured at amortized cost.

9.2.15. Cash and cash equivalents

Cash and cash equivalentsare carried in the balance sheet at nominal value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks. In the balance sheet, bank overdrafts, if any, are included in borrowings in current liabilities.

9.2.16. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Equity instruments issued by the Company are recorded in the amount of the proceeds received, net of direct issue costs.

9.2.17. Convertible bond

The Group issued a Euro-denominated bond in December 2020, convertible into a fixed number of equity instruments (conversion price of EUR 25.1917). It is deemed as a "compound instrument", comprising both a liability and an equity component:

- The issuer's obligation to pay interest and, potentially, to redeem the bond in cash, is a financial liability; and

- The holder's right to call for shares of the issuer is an equity instrument.

The economic effect of issuing such an instrument is substantially the same as simultaneously issuing a debt instrument with an early settlement provision and warrants to purchase ordinary shares or issuing a debt instrument with detachable share purchase warrants.

The liability and equity components are accounted for separately, and the liability and equity components shown separately in the statement of financial position. This treatment is commonly referred to as "split accounting". On initial recognition of a compound instrument such as a convertible bond, IAS 32 requires the issuer to:

(a) Identify the various components of the instrument;

(b) Determine the fair value of the liability component (see below); and

(c) Determine the equity component as a residual amount, essentially the issue proceeds of the instrument less the liability component determined in (b) above.

The liability component of the convertible bond is measured first, at the fair value of a similar liability that does not have an associated equity conversion feature. The Group has also an option to redeem the bond under certains conditions (soft call option). This call meets the definition of an embedded derivative but was not accounted for as a separate derivative because the repayment price is equal to the amortized cost of the host debt instrument and therefore under one of the exceptions in IFRS 9. Indeed, it is to be considered to be 'closely related' to the debt host contract and consequently, no separate accounting is required for the call option.

In practical terms, the measurement at the fair value of a similar liability that does not have an associated equity conversion feature is done by determining the net present value of all potential contractually determined future cash flows under the instrument (principal and interest), discounted at the rate of interest applied by the market at the time of issue to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option. The fair value of any embedded non-equity derivative features is then determined and included in the liability component. Thereafter, the liability component is accounted for in accordance with the requirements of IFRS 9 for the measurement of financial liabilities.

The equity component is recorded as the difference between the fair value of the compound instrument (the total issue proceeds of the bond) and the liability component as determined above. The methodology of "split accounting" in IAS 32 has the effect that no gain or loss arises from the initial recognition of the separate components of the instruments.

After initial recognition, the classification of the liability and equity components of the convertible bond is not revised, for example as a result of a change in the likelihood that a conversion option will be exercised. The amount originally credited to equity is subsequently neither remeasured or reclassified to profit or loss. The effective interest rate (6.89%) shown in profit or loss for the convertible bond is equivalent to the rate that would have been paid for non-convertible debt increased by the transaction costs, while coupon is fixed at 4.25%. In effect, the dilution of shareholder value represented by the embedded conversion right is shown as an interest expense.

9.2.18. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

9.2.19. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the term of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

9.2.20. Current and deferred income tax

The tax expense or credit for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

9.2.21. Leases liabilities

The Group leases various offices and cars.

The Group has applied 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.

The Group measures its right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. Therefore, 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.

9.2.22. Revenue recognition

Net sales encompass revenue recognised resulting from transferring control over products sold to customers.

- In addition, the Group has entered into a number of contracts through which it "out-licenses" to customers the IP[5] it developed related to drugs that have not yet received regulatory approval. Generally, under the terms of the license, the licensee can further develop the IP, and manufacture and/or sell the resulting commercialized product. The Group typically receives an upfront fee, milestone payments for specific clinical or other development-based outcomes, and sales-based milestones or royalties as consideration for the license. Some arrangements also include ongoing involvement by the Group, who may provide R&D[6] and/or manufacturing services relating to the licensed IP.
- Licenses coupled with other services, such as R&D, must be assessed to determine if the license is distinct (that is, the customer must be able to benefit from the IP on its own or together with other resources that are readily available to the customer, and the Group's promise to transfer the IP must be separately identifiable from other promises in the contract). If the license is not distinct, then the license is combined with other goods or services into a single performance obligation. Revenue is then recognised as the Group satisfies the combined performance obligation.
- If the license is distinct, revenue is recognised at the point in time the license is granted to the extent that the license provides the customer a "right to use" of a company's IP as it then exists. Revenue from a distinct license is recognized over time if and only if the license is qualified as "right to access", which is the case when the three following criteria are met:

  a) The entity (is reasonably expected to) undertakes activities that will significantly affect the IP to which the customer has rights;

  b) The customer's rights to the IP expose it to the positive/negative effects of the activities that the entity undertakes in (a);

  c) No goods or services are transferred to the customer as the entity undertakes the activities in (a).
- Milestone payments represent a form of variable consideration as the payments are contingent on the occurrence of future events. Milestone payments are estimated and included in the transaction price based on either the expected value (probability-weighted estimate) or most likely amount approach. The most likely amount is the most predictive for milestone payments with a binary outcome (i.e., the Group receives all or none of the milestone payment). Variable consideration is only recognised as revenue when the related performance obligation is satisfied, and the company determines that it is highly probable that there will not be a significant reversal of cumulative revenue recognised in future periods. This then results in a catch up of revenue at that moment for any performance obligations satisfied until that moment.
- Sales-based royalties received in connection with the license of IP, also called variable supply prices represent a form of variable consideration as the payments are contingent on the occurrence of future events which is customer's subsequent sales. Variable supply prices payments are estimated and included in the transaction price based when the order is made available to the customer (Ex Works sales), the Group's performance obligation is fully fulfilled. Variable income can therefore be recognized at the same time as fixed income if it is considered highly probable (in the relatively short term (<1 year).
- For R&D services agreement where no license is granted, revenue is recognised over time using the output methods for determining the stage of completion of the services.
- For manufacturing and supply agreements, revenue is recognised at a point in time when the transfer of control over the related products is achieved.
- The Group takes advantage of the practical expedients (i) not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customers is one year or less and (ii) to expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

[5] Intellectual property

[6] Research and development

Contract assets and liabilities

- Contract assets arise when the Group recognises revenue in excess of the amount billed to the customer and the right to payment is contingent on conditions other than simply the passage of time, such as the completion of a related performance obligation.
- Contract liabilities represent the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

9.2.23. Government grants and advances

Government grants are recognised as revenue on a systematic basis over the periods in which the entity recognises the related costs as expenses for which the grants are intended to compensate.

Refundable advances are accounted for as interest free loans for which the benefit of the below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial fair value of the loan and the proceeds received. Accordingly, when estimating the liability, the Company (i) determines its best-estimate of the period during which it will benefit from the advance and (ii) determines the amount of the liability as the difference between the nominal amount of the loan and its discounted and risk-adjusted value using a market rate for a liability with similar risk profile to the Company. The liability is subsequently measured at amortised cost using the cumulative catch-up approach under which the carrying amount of the liability is adjusted to the present value of the future estimated cash flows, discounted at the liability's original effective interest rate. The resulting adjustment is recognised within profit or loss. When there is reasonable assurance that the Company will comply with the conditions attaching to the grant, and that the grant will be received, the benefit is accounted for in deduction of the related research and development expenses that it is intended to compensate.

Repayment of refundable advances may be forgiven in certain circumstances. The liability component of refundable advances is treated as a government grant and taken to income only when there is reasonable assurance that the entity will meet the terms for forgiveness of the advance.

9.2.24. Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share- based payment transactions are set out in note 9.26.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity- settled share-based payment reserve.

If the entity cancels or settles a grant of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the entity accounts for the cancellation or settlement as an acceleration of vesting and shall recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

The Group currently does not have cash-settled share-based payment arrangements.

Regarding non-employee share-based payment awards, there are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever can be more reliably measured. The measurement date for equity-classified non-employee share-based payment awards is the earlier of the date at which:

- A commitment for performance by the counterparty is reached, and
- The date at which the counterparty's performance is complete.

9.2.25. R&D tax credit

Companies that invest in research and development of new environmentally friendly products and advanced technologies can benefit from increased investment incentives or a tax credit following Belgian tax law, according to each company's choice. The tax credit may be calculated either as a one-off credit or spread over the depreciation period. Excess tax credit is carried forward, and the remaining balance after five years is refunded, which may result in a cash benefit. The tax credit applies to tangible and intangible fixed assets used for R&D of new products and technologies that do not have a negative impact on the environment (green investments), including R&D expenses capitalized under Belgian GAAP.

The tax credit should be claimed in the year in which the investment takes place.

Regarding the accounting treatment, the Group follows IAS 20 after assessing its situation carefully because the tax credit can be directly settled in cash and some conditions not related to taxes for receiving the tax credit exist. Tax credit is presented as other operating income in the Consolidated Statement of Income.

9.2.26. Investments in equity securities

The group has elected to recognise changes in the fair value of certain investments in equity securities in Other comprehensive income (for those that are strategic investments, not held for trading). The changes are accumulated through other comprehensive income to Other reserves within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

9.2.27. Derivative financial instruments and hedging activities

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk arising from operational activities (cash flow hedges). The Group's policy is not to enter into speculative transactions, Derivative financial instruments are initially recognized at fair value and are subsequently revalued to fair value at each reporting date.

a) Derivatives qualifying for cash flow hedging

For qualifying hedge relationships, the Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge.

The effective portion of changes in the fair value of derivative financial instruments qualifying as cash flow hedges is recognized in the cash flow hedge reserve within equity. Gains or losses relating to the ineffective portion are recognized in the income statement. Amounts deferred in equity are subsequently released to the income statement in the periods in which the hedged item impacts the income statement. However, if a committed or forecast transaction is no longer expected to occur, then the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

b) Derivatives which do not qualify for hedging

Changes in fair value of derivative financial instruments that do not qualify for hedge accounting are immediately recognized in the income statement.

9.3. Financial risk management

9.3.1. Financial risk factors

a) Market risk

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

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, but the current interest rate environment in Europe is stable, with interest rates even being negative. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Group policy is to maintain the majority of its long-term borrowings in fixed rate instruments. All borrowings are euro denominated.

Based on the simulations performed, the impact on post tax profit and equity of a 1% shift would not be significant.

Foreign exchange risk

The Group is materially exposed to both the USD and the AUD. Any future exchange rate risks that might materially expose the Group will be monitored closely. If appropriate, adequate mitigating actions will be taken.

The main part of the exposure to US dollar at year-end 2021 is related to a significant backlog of license milestones to be collected in the coming years under the US License and Supply contract signed with Mayne Pharma (216.960k USD of regulatory and sales related milestone payments). A milestone payment of 8.750k USD had already been collected at inception of the contract and immediately converted into Euros. As a result of receiving FDA approval for Estelle® in 2021, an additional milestone payment of 11 .000k USD has been collected and converted into Euros with the partial settlement of derivative financial instruments. These two milestones were no longer carrying a US dollar exposure at year end as they were collected and converted in Euros.

Since 2020, the Group uses derivative financial instruments to manage its exposure to foreign exchange rate risk arising from operational activities (cash flow hedges). Mithra's risk management objective is to hedge the USD exposure arising from the Estelle® license and supply agreement contracted in USD between Mithra and Mayne Pharma LLC. This exposure is hedged with FX forwards maturing in the period 2020-2025.The derivative financial instruments are initially recorded at fair value on balance sheet and are subsequently revalued to fair value through OCI at each reporting date. Positive fair values are reported as assets, negative fair values as liabilities, and as current/non-current based on maturities of hedging contracts.

The maturity table for the outstanding foreign currency hedges (forward sale of USD against EUR) is the following:

Time to maturity	Hedged Amounts (kUSD)	Average Hedge Rate
- < 1 year	106,960	1.17
- 1-2 years	30,000	1.21
- 2-5 years	80,000	1.25
Total	216,960	1.20

If USD was to weaken against EURO implying a 10% increase of the forward rate, compared to year-end USD forward rates used for the fair value measurement, these fair values of hedging contracts would be expected to increase from EUR -4,683k to EUR 12,143k. In case of 10% strengthening of USD forward rates against EURO, fair values would be expected to decrease to EUR -25,247k.

Example with a 10% weakening USD :

Forward rates recalculated at 31/12/21	MTM's at 31/12/21 in EUR	Fwd rates -10%	MTM's 10% USD weakening in EUR	Delta in EUR
1.1378	-361,224	1.2516	238,002	-599,227
1.1373	-515,689	1.2511	363,554	-879,243
1.1375	64,425	1.2513	2,062,384	-1,997,958
1.1380	35,882	1.2518	1,111,117	-1,075,235
1.1521	-1,009,389	1.2673	2,936,087	-3,945,476
1.1741	-713,011	1.2915	1,609,858	-2,322,869
1.1982	-1,032,655	1.3181	2,002,075	-3,034,730
1.2241	-1,150,981	1.3465	1,819,640	-2,970,621
	-4,682,643		**12,142,716**	**-16,825,359**

Since end of 2020, EURO has weakened significantly towards USD, with the foreign currency spot rate decreasing from 1,19 to 1,13. This has caused the market value of FX derivative hedges to decrease from EUR 3 574k at 31 December 2020 to EUR -4 683k at 31 December 2021. The average hedge rates are made of an FX spot element which was quoted on the trading date to which our counterparties (banks) added CVA (Credit Valuation Adjustment) and KVA (Capital Valuation Adjustment) elements. For the fair value calculations, the FX spot element and other adjustments at the year-end closing were also considered.

The US License and Supply contract was also structured with consideration received in the form of Mayne Pharma's ordinary shares. Mayne Pharma issued 4.95% of their outstanding shares to Mithra when signing the contract (a financial asset at fair value through other comprehensive income at year-end) and a further 4.65% has been issued after reception of FDA approval in 2021 (reception of 85.8 million ordinary shares) allowing the Company to become the first shareholder (with 9.57%) of Mayne Pharma Group Ltd, an Australia-listed company on ASX.

Contract asset related to the second part of Mayne shares receivable was reversed and the EUR 20.3 million (value of shares at the emission date with 0,37 AUD/share on ASX) booked under equity securities.

These two equity tranches represent 168.872.626 ordinary shares of Mayne Pharma which at year-end at 0.3 AUD/share on the Australian Stock Exchange (ASX) would represent AUD 49.8 million compared to AUD 58,2 million last year.

This Australian dollar exposure was still not hedged at year-end as the share price has continued to be very volatile. It was then complex to determine an underlying Australian dollar amount to be hedged, and to apply in consequence a net investment hedge accounting treatment (using FX forward contracts).This exposure will of course be closely monitored and a net investment strategy (potentially on part of the underlying value) might be considered in the future.

Price risks

The Group is exposed to price risks since 2019. The main part of the exposure to price risks at year-end 2021 was related to a significant backlog of license milestones to be collected in the coming years under the US License and Supply contract signed with Mayne Pharma (up to 216.960k USD of regulatory and sales related).

Mithra will receive down payment and milestone fees in equity & cash of at least around USD 290 million. In addition to that, a transfer price comprising fixed and variable components based on a percentage of high double-digit net sales over a 20-year period.

The reception of 85.8 million ordinary shares (an Estelle® out-licensing milestones for the US territory), allowing the Company to become the first shareholder (with 9.57%) of Mayne Pharma Group Ltd, an Australia-listed company on ASX, reduced the global price risks from last year because the share's price is conditioned to the stock market price conditions since Mayne Pharma is quoted on the Australian Stock Exchange (ASX).

b) Credit risk

Credit risk relates to the risk that a counterparty will fail to fulfil their contractual obligations with the result that the Group would suffer a loss. The Group's policy focuses on only working with creditworthy counterparties and, where necessary, requiring adequate securities. Information about the creditworthiness of counterparties is provided by independent rating agencies and, if this is not available, the Group uses information that is publicly available as well as its own internal records. Credit risk is managed by the financial department of the parent company by means of individual follow-up of credit per counterparty and credit insurance coverage.

An aging analysis of the debtor is also evaluated on a regular basis for potential doubtful debts. An analysis of trade receivables at 31 December 2021 and 31 December 2020 is shown below.

Thousands of Euro (€)					*Past due but not impaired*	
Year	*Carrying amount*	*Neither impaired nor past due*	*0-60 days*	*61-90 days*	*91-120 days*	*>120 days*
2021	6,952	2,749	2,591	1,092	520	0
2020	6735	6,096	450	122	15	52

IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on trade receivables and contract assets. In particular, the Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss allowance for all trade receivables. The Group allows an average debtor's payment period of 30 days after invoice date. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. In assessing the credit risk characteristics, the group takes into account any indicators of impairment up until the reporting date, and it apply a definition of default that is consistent with the definition used for internal credit risk management purposes and consider qualitative factors where appropriate. Given the current nature of trade receivables, the loss allowance provision as at year-end is zero.

It is management's opinion that at the above reporting dates no further provision for doubtful debts was required.

The above table shows the analysis of trade receivables out of contract assets, which are neither impaired nor past due.

The overall collectability risk for the remaining debt can be considered as immaterial as per management's computation following IFRS 9.

The credit risk on cash investments or cash available on banks accounts is limited given that the counterparties are banks with high credit scores attributed by international rating agencies. The financial institutions have credit ratings varying from A to AA- (upper-medium grade) and are thus considered as low credit risk.

c) Liquidity risk

Thanks to the successful IPO, subsequent capital increases, convertible bond, the capital commitment line with LDA Capital Limited for up to EUR 50 million, committeed bank loans of EUR 35 million for which maturities have been extended until March 2023 (fully drawn), and an additional financing agreement contracted in 2022 with Goldman Sachs for EUR 100 million (of which EUR 60 million could be drawn in 2022), the Group maintains sufficient cash to finance its business development strategy, and to carry on its R&D expenses. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

The liquidity risk mainly relates to non-current borrowings. The non-current debts primarily relate to contingent and deferred consideration payable in relation to historical acquisitions.

The maturity analysis of non-derivative financial liabilities is shown below.

Thousands of Euro (€)	*Less than 3 months*	*Between 3 months and 1 year*	*Between 1 and 2 years*	*Between 2 and 5 years*	*Over 5 years*	*Total*
At 31 December 2021	**26,796**	**22,996**	**105,761**	**301,637**	**53,141**	**510,330**
Subordinated loans & other loans	903	1,931	38,225	8,970	12,347	62,376
Convertible bonds	-	5,313	5,313	135,625		146,250
Lease liabilities	2,562	5,217	6,331	16,577	21,893	52,579
Contingent consideration payable & refundable government advances	-	10,536	55,892	140,465	18,901	225,794
Trade and other payables	23,331	-	-	-	-	23,331
At 31 December 2020	**55,939**	**19,118**	**41,565**	**253,415**	**184,510**	**554,548**
Subordinated loans & other loans	5,056	1,771	2,763	7,202	12,356	29,149
Convertible bonds		5,313	5,313	140,938		151,563
Lease liabilities	3,611	5,662	7,201	18,911	28,113	63,499
Contingent consideration payable & refundable government advances	20,000	6,373	26,289	86,364	144,041	283,066
Trade and other payables	27,272	-	-	-	-	27,272

In December 2020, the Group has completed a placement of EUR 125 million senior unsecured convertible bonds due 17 December 2025. The annual coupon of 4.250% is included in the table above.

Post year-end, the maturities of straight loans ING & BELFIUS, presented under subordinated loans & other loans for an amount of EUR 35 million as per December 31, 2021, have been extended to March 31, 2023.

The contingent consideration for Estetra has been included for the remaining cash payments of 185 million knowing that there is still uncertainty about the payment period given the evolution of the group's cash position. The difference between the above table and the amounts detailed in sections 9.16. Financial liabilities and 9.18. Financial instruments are due to the fact that the amounts above are undiscounted meaning that no discount rate neither probabilities of success of research nor commercialisation have been applied to them.

Moreover, we computed the variable part of the refundable government advances and contingent consideration payable based on the existing business plan at 31 December 2021. The fixed part of the refundable government advances is of course independent of these assumptions.

For more details on borrowings and other financial liabilities, refer to notes 9.15. (Financial liabilities) and 9.17. (Financial instruments). As the amounts included in the maturity tables are the contractual undiscounted cash flows, including principal and interest payments, these amounts will not reconcile to the amounts disclosed in the balance sheet.

d) Capital risk management

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

The Group makes the necessary adjustments in the light of changes in the economic circumstances, risks associated to the different assets and the projected cash needs of the current and projected research activities. The current cash situation and the anticipated cash burn / generation are the most important parameters in assessing the capital structure. The Company objective is to maintain the capital structure at a level to be able to finance its activities for at least twelve months. Cash income from new partnerships is taken into account and, if needed and possible, the Company can issue new shares or enter into financing agreements.

9.4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below.

9.4.1. Going concern

The financial statements have been prepared on a going concern basis and in accordance with the main accounting principles set out above.

End of 2021, Mithra has a total of EUR 336.6 million accumulated losses on its balance sheet and realized a consolidated net loss of EUR 116.9 million for the year ended 31 December 2021. Based on going concern accounting principles, the Board is to justify the going concern during twelve months following the issuance of the report. Based on their assessment, the Management and Board of directors consider it appropriate to prepare the financial statements on a going concern basis. Indeed, the assessment is based on following assumptions such as expected R&D clinical results and further business deals (mainly Donesta deal foreseen in H2 2022) as well as on the monitoring of our funding activities, noting that a total amount of EUR 100 million flexible equity financing agreement contracted with Goldman Sachs International in February 2022 are currently available with a first drawing request exercised on 4 February 2022 for an amount of EUR 10 million and a second one exercised on 21 March 2022 for an amount of EUR 5 million.

In consideration of those above-mentioned conservative assumptions, the Board of directors has analyzed the financial statements and accounting policies and, made the assessment that the current cash position of EUR 32.9 million at 31 December 2021 strengthened by post-year end flexible equity financing agreement contracted with Goldman Sachs International for EUR 100 million and a capital increase for an amount of EUR 8.1 million completed on 14 February 2022 under the LDA capital agreement facility will allow the Group to keep up with operating expenses and capital expenditure requirements at least until April 2023 (twelve month at least after the issuance of this report).

9.4.2. Out-licensing contracts with customers

Revenue from license granting contracts should be accounted for based on the substance of the agreements between the entity and its business partners. IFRS 15 requires management to exercise its judgment, notably in the following key areas:

a) Determine if the license is distinct from any other performance obligations in the contract;

b) Determine the transaction price, including estimates of any agreed variable consideration, taking into account the constraining limit of the “highly probable” criteria;

c) Determine if a performance obligation is satisfied at the reporting date.

Management makes its judgments taking into account all information available about the clinical status of the underlying projects at the reporting date and the legal analysis of the contracts performed by its legal counsel. Please refer to 9.18 Contract assets and liabilities.

9.4.3. R&D capitalisation

R&D capitalisation involves a great deal of judgment linked to evaluating whether all conditions to capitalized development costs have been met. The judgment relates mainly to criteria such as the technical feasibility of a project and the economic benefits that will result from the project. This analysis is done on a project basis and with the involvement of internal project managers. Please refer to 9.6 Other intangible assets.

9.4.4. Estimated impairment

The Group tests annually whether goodwill and indefinite useful life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 9.2.11. This involves the identification of potential impairment indicators and the use of significant assumptions including future cash flows, discount rate and probabilities of success. These estimates are performed taking into account all information available about the clinical status of the underlying project, some external benchmarks and the relevant market economic conditions at reporting date. Please refer to note 9.6. Other Intangible Assets and 9.9 Goodwill & IP R&D for the impairment testing performed for those assets.

9.4.5. Income taxes

Significant judgment is required in determining the tax income or expense. The Group is subject to income taxes in different jurisdictions and there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Measurement of the deferred tax asset related to the tax loss carry-

forward involves significant judgement, notably related to the foreseeable future taxable profits. We refer to section 9.24 Income tax.

9.4.6. Measurement of provisions

Significant judgement is required in the estimation of present obligations that arise from past events including legal claims and other items. These judgments are based on the Group's prior experiences and are the best estimate of the Group's liability for these issues.

9.4.7. Useful life and residual value

An estimation of the residual values and useful life of tangible assets and intangible assets is required to be made at least annually. Judgement is required in estimating the useful life of fixed asset categories. The residual value is the best estimate of the amount that would be obtained from the disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. Both residual value and useful life of tangible assets are determined based upon discussions with local engineers. Please refer to note 9.6 Other Intangible Assets and 9.9 Goodwill & IP R&D.

9.4.8. Fair value measurement of contingent consideration payable and consideration receivable

Monetary contingent consideration that the acquirer is due to pay or receive is within the scope of IFRS 9.

Valuation methods, usually discounted cash flow analysis, are used to determine the fair value of some of the Company's liabilities that are not traded in an active market. These valuation methods require judgement; the main assumptions and variables used are future cash flows per projects, likelihood of approval (LOA), discount rate and long-term growth rate. These assumptions are based on external benchmarks, management's estimates based on experience of the entity and on internal analysis.

Also, as from 2019, the fair value measurement of contingent consideration receivable is considered to be a significant estimate. In this respect, the expected value method is applied, based on probability weighted amounts within several possible scenarios. This valuation methodology requires judgments about the different possible scenarios and their respective probability, as well as about the discount rate applied to the expected cash flows. Please refer to note 9.17.3 Financial Assets and Liabilities accounted for at fair value. Measurement of refundable cash advances

The remeasurement of refundable cash advances using the cumulative catch up method requires periodic re-estimation of the contractual cash flows required to repay the liability towards the Walloon Region. Management revise periodically the business plan of each products concerned and the probability of success of related clinical trials. Please refer to note 9.15.2 Refundable government advances.

9.4.9. Derivative financial instruments qualifying for cash hedge accounting

Management judgment is required in the estimation about the fulfilment of the effectiveness requirements for an arrangement to qualify for hedge accounting. For qualifying hedge relationships, the Group documents at the inception of the transaction the relationship between the hedging instruments and the hedged transactions, as well as its risk management objective and strategy for undertaking the hedge.

The effective portion of changes in the fair value of derivative financial instruments qualifying as cash flow hedges are deferred to equity, while gains or losses relating to the ineffective portion are recognized in the income statement. Please refer to note 9.17.3 Financial Assets and Liabilities accounted for at fair value.

9.5. Segment information and revenue

9.5.1. Description of segments

The Group has identified three reportable segments of its business: Product sales for the sales related to Mithra's complex therapeutic products (Myring®), E4 products and the remaining portfolio of generic products, Out-licensing business for partnership deals and Other 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, being the Chief Executive Officer.

9.5.2. Revenue

Thousands of Euro (€)	*Year ended 31 December 2021*	*2020*
Product Sales	17,207	3,576
Out-licensing	4,642	5,446
Other	819	8
Total revenues	**22,668**	**9,030**

Group revenue, at EUR 22.7 million more than doubled compared to last year (EUR 9.0 million) thanks to our first Estelle® product sales (EUR 13.4 million) in the US, Europe and Canada while sales of other product in our portfolio remained steady.

Out-licensing is mainly driven by a EUR 3.7 million deferred revenue, previously invoiced and paid, that was recognized following the acquisition of full global licensing and distribution rights for Zoreline®.

9.5.3. Disaggregation of revenue

The tables below show the segment information for the reportable segments for the year ended 31 December 2021 and 2020, as well as the basis on which revenue is recognized:

	Year ended 31 December 2021		
Thousands of Euro (€)	*Product sales*	*Out-licensing*	*Others*
Primary Geographic Markets			
Belgium	875	-	137
Europe (excl. Belgium)	4,609	3,995	682
Outside Europe	11,723	647	-
Total	**17,207**	**4,642**	**819**
Product type			
Generics	3,841	4,144	-
E4 contraception	13,366	498	-
E4 Menopause	-		-
Others	-		819
Total	**17,207**	**4,642**	**819**
Timing of transfer of goods and services			
At a point in time	17,207	4,642	819
Over time	-	-	-
Total	**17,207**	**4,642**	**819**

			Year ended 31 December 2020
Thousands of Euro (€)	*Product sales*	*Out-licensing*	*Others*
Primary Geographic Markets			
Belgium	1,878	-	-
Europe (excl. Belgium)	704	924	8
Outside Europe	994	4,522	-
Total	**3,576**	**5,446**	**8**
Product type			
Generics	3,576	(43)	-
E4 contraception	-	4,967	-
E4 Menopause	-	-	-
Others	-	522	8
Total	**3,576**	**5,446**	**8**
Timing of transfer of goods and services			
At a point in time	3,576	5,446	8
Over time	-	-	-
Total	**3,576**	**5,446**	**8**

9.6. Other intangible assets

Thousands of Euro (€)	*Operating license*	*Intellectual property rights*	*Software licences*	*Development costs*	*Total*
Costs					
At 31 December 2019	3,471	78,406	1,834	7,627	91,336
Additions	-	-	791	4,794	5,586
Disposals	-	-	-	-	-
At 31 December 2020	3,471	78,406	2,625	12,421	96,923
Additions	100	9,250	734	8,515	18,599
Disposals	-	-	-	-	-
At 31 December 2021	**3,571**	**87,656**	**3,359**	**20,936**	**115,522**
Accumulated amortisation					
At 31 December 2019	3,165	-	497	186	3,848
Amortisation expense and impairment	96	3,450	325	199	4,070
At 31 December 2020	3,261	3,450	822	385	7,918
Amortisation expense and impairment	88	1,486	442	634	2,650
At 31 December 2021	**3,349**	**4,936**	**1,264**	**1,019**	**10,568**
Net book value					
At 31 December 2019	305	78,406	1,337	7,441	87,490
Cost	3,471	78,406	2,625	12,421	96,923
Accumulated amortisation and impairment	3,261	3,450	822	385	7,918
At 31 December 2020	209	74,956	1,804	12,036	89,005
Cost	3,571	87,656	3,359	20,936	115,522
Accumulated amortisation and impairment	3,349	4,936	1,264	1,019	10,568
At 31 December 2021	**222**	**82,720**	**2,095**	**19,917**	**104,954**

Other intangible assets consist mainly of a portfolio of acquired product rights, market access fees and development costs. This section primarily includes the intellectual property rights acquired for Estelle®, Zoreline®, Myring® and the

Donesta® asset deal, as well as development costs in the framework of E4 activity (the project "E4 synthesis" and the project Estelle® with the development costs which occurred after the application for market authorization, and now relating to phase IV).

The main additions of the financial year 2021 are:

- Internally generated E4 assets arising from development for EUR 8.5 million;
- Acquisition of full licensing and distribution rights of Zoreline® held by SVR Invest, including important territories such as China, Canada and Australia for an amount of EUR 8.5 million;
- Rights' acquisition option (EUR 0.8 million financial commitment) relating to a development programs led by the Belgian company BCI Pharma on innovative kinase inhibitors notably indicated for the treatment of female cancers and endometriosis;
- Softwares and IT capital expenditures.

Following Estelle® Marketing authorization, intellectual property rights and internally generated research and development for this project are now considered as available for use. Amortization is calculated using the straight-line method to allocate the cost of these intangibles on the longest of the patent protection life and the useful life of the product. The estimated useful life and amortization method are reviewed at the end of each reporting period.

Most of intellectual property rights, except Estelle®, are not yet amortised because they are not yet available for use. Myring® intellectual property rights is also considered as not fully available for use. Product sales occurred since product launch in some countries in Europe in 2020 and in Canada and Chile in 2021. However, major market targeted for this product is USA.

During the period of development, the assets are tested for impairment. No impairments indicators have been identified on Other intangible assets.

Intellectual property rights

Thousands of Euro (€)	*2021*	*2020*	*Clinical Status*
Intangible Estelle®	29,663	30,686	Commercialized in US, Europe & Canada
Donesta® asset deal	8,000	8,000	Phase 3 ongoing
Intangible Zoreline®	32,882	24,382	New formulations are being assessed on animals
Intangible Myring®	11,425	11,425	UE: commercialized US: application for market authorization filed
Others	750	463	N/A (Kinase innovative inhibitors rights' acquisition option against BCI Pharma)
Total	**82,720**	**74,956**	

9.7. Property, plant and equipment

Thousands of Euro (€)	*Land and buildings*	*Fixtures and equipment*	*Motor Vehicles*	*Total*
Cost				
At 31 December 2019	2,775	25,530	111	28,416
Additions	542	8,437	-	8,979
Disposals	-	(5)	(17)	(22)
At 31 December 2020	3,317	33,962	94	37,373
Additions	1,162	10,375	-	11,536
Disposals	-	-	(15)	(15)
At 31 December 2021	**4,479**	**44,337**	**79**	**48,894**
Accumulated depreciation				
At 31 December 2019	829	4,000	85	4,914
Amortisation expense	222	2,322	(7)	2,537
At 31 December 2020	1,051	6,322	78	7,451
Amortisation expense	179	2,912	(3)	3,089
At 31 December 2021	**1,230**	**9,234**	**75**	**10,540**
Net book value				
At 31 December 2019	1,946	21,530	26	23,502
Cost	3,317	33,962	94	37,373
Accumulated amortisation	1,051	6,322	78	7,451
At 31 December 2020	2,266	27,639	16	29,921
Cost	4,479	44,337	79	48,894
Accumulated amortisation	1,230	9,234	75	10,540
At 31 December 2021	**3,248**	**35,102**	**4**	**38,354**

Property, plant and equipment increased by EUR 8,433k, mainly relating to machinery and equipment in the production facility for the manufacturing of pharmaceuticals products (Mithra CDMO) and their related development costs for machine settings and improvement. During the financial year, the Company invested in the installation of additional solar panels to reduce the environmental impact of its facility.

9.8. Lease – Right-of-use assets

Thousands of Euro (€)	*Land and Buildings*	*Fixtures and equipment*	*Vehicles*	*Total*
Cost				
At 31 December 2019	47,364	27,882	919	76,165
Additions	379	3,416	469	4,264
Grants related to assets	-	(1,724)	-	(1,724)
Disposals	-	-	-	-
At 31 December 2020	47,743	29,573	1,388	78,704
Additions	123	2,616	1,736	4,475
Disposals	-	-	(262)	(262)
At 31 December 2021	**47,866**	**32,189**	**2,862**	**82,918**
Accumulated depreciation				
At 31 December 2019	4,813	404	413	5,630
Amortisation expense	2,487	510	504	3,501
At 31 December 2020	7,300	915	917	9,132
Amortisation expense	2,304	1,717	443	4,464
At 31 December 2021	**9,604**	**2,632**	**1,360**	**13,596**
Net book value				
At 31 December 2019	42,551	27,478	506	70,535
Cost	47,743	29,573	1,388	78,704
Accumulated amortisation	7,300	915	917	9,132
At 31 December 2020	40,443	28,658	471	69,572
Cost	47,866	32,189	2,862	82,918
Accumulated amortisation	9,604	2,632	1,360	13,596
At 31 December 2021	**38,263**	**29,557**	**1,502**	**69,322**

Thousands of Euro (€)	*As at 31 December 2021*	*2020*
Interest expense on lease liabilities	(2,174)	(2,241)
Expense relating to leases of low-value assets or short-term leases	(322)	(83)

9.9. Goodwill & IP R&D

Goodwill results entirely from the acquisition of Estetra (EUR 3,814k) and Novalon (EUR 1,420k) performed in 2015.

Goodwill are allocated to CGU's that are tested for impairment[7] at least annually. In the year of acquisition of Estetra and Novalon, management confirmed the validity of the expected cash flow approach used when acquiring the businesses, breaking down the risks and using all expectations about possible cash flows and discounting the expected value at a different rate depending on the CGU (CGU Myring 12,56%, CGU Zoreline, 14,78% and CGU Estelle 11,28%).

Regarding the recoverable value of Estelle®, no probability of success of R&D/commercial stage is needed anymore since the commercial launch occurred in June 2021, thus no impairment loss was identified. The same conclusion applies for Donesta® and the Novalon products.

More specifically, the assets related to Estetra and Novalon products are tested for impairment in groups of assets described as three different cash-generating units (CGUs), being Estelle®, Myring® and Zoreline®.

Thousands of Euro (€)	*2021*	*2020*
CGU value Estelle®	33,476	34,500
CGU value Zoreline®	33,876	25,376
CGU value Myring®	11,851	11,851
Total	**79,203**	**71,727**

For the reconciliation with the total amount of IP R&D please refer to note 9.6, "Other intangible assets", the difference with the CGU total is the amount of the Goodwill (Estelle EUR 3,814k and Myring and Zoreline for EUR 1,420k).

In 2021, the increase is explained by the acquisition of full licensing and distribution rights of Zoreline® held by SVR Invest, including important territories such as China, Canada and Australia for an amount of EUR 8.5 million.

Also, since the reception of US Estelle® Marketing authorization in early 2021, the Company began to amortize the related intellectual property rights and internally generated research and development, as this project is considered as available for use as from this date.

The recoverable amounts are based on the fair value less cost to sell methodology which use some risk-adjusted discounted cash flow models for a period of 10 years. If any terminal value is included, further cash flows are extrapolated using a negative long-term growth rate. Probabilities of success are also different by CGU and are updated based on latest information about clinical results; The discount rate applied was updated following the specific product covered by the IP rights; Each model/product has its own WACC in 2021. Management's assessment is that the recoverable amounts exceeds their carrying value and that no impairment is required.

Assumptions 2021:

Intangible assets tested	*Probability of sucess in 2021*		
	Phase 2	***Phase 3***	***WACC***
Estelle®	100%	100%	11.28%
	R&D	***Commercial***	***WACC***
Zoreline®	80%	55%	14.78%
Myring®	90%	75%	12.56%

Assumptions 2020:

Intangible assets tested	*Probability of sucess in 2020*		
	Phase 2	***Phase 3***	***WACC***
Estelle®	100%	90%	11,72%
	R&D	***Commercial***	***WACC***
Zoreline®	80%	55%	14,80%
Myring®	90%	75%	13,09%

A sensitivity analysis has been performed on the impairment testing. Mithra performed the sensitivity test by increasing the discount rate by 1 percentage point for Estelle, this did not result in any impairment losses.

For Myring®, Mithra tested the asset by applying a delay of six months for US approval reception from the FDA, this did not result in any impairment losses while no FDA approval at all (under a worst-case scenario) would result in an impairment loss of EUR 11,9 million on the intangible assets (and EUR 7.6 million on the contract assets).

For Zoreline®, we tested a reasonable change in the assumptions relating to the Pos of 80% (R&D) and 55% (commercial). A drop in the cumulative probability (R&D / commercial) from 44% to 27% does not change the test conclusions.

9.10. Other non-current assets

		As at 31 December
Thousands of Euro (€)	*2021*	*2020*
R&D tax credit receivable	8,123	5,628
Advance payments	1,100	550
Other long-term receivables	40	224
Contingent consideration receivable	-	7,999
Total other non-current assets	**9,263**	**14,401**

In 2021, we can notice a decrease of Other non-current assets mainly explained by :

- An increase of the R&D tax credit receivable which is tax incentive for R&D investments that have no impact or reduce the impact on the environment (please refer to Note 9.19);
- A decrease of contingent consideration receivable against Cerese Pharma : further to the acquisition of Ceres Pharma by Naxicap Partners and latest financial info received from Ceres, it is currently deemed unlikely that necessary financial performance of the assets sold will be met in order to receive the contingent consideration receivables of two times EUR 5 million (discounted) by 2023. Obviously, expected financial performance of the assets sold will be followed closely and regularly and part or whole of the contingent consideration receivable may very well be reinstated if considered as likely.

9.11. Inventories

		As at 31 December
Thousands of Euro (€)	*2021*	*2020*
Raw materials & consumables	38,887	32,442
Semi-finished goods	5,032	2,915
Finished goods	5	25
Total at cost	**43,924**	**35,382**
Cumulated amounts written off at the beginning of the period	-	(150)
Reversal of write-down of inventories credited to expense in the period	-	150
Cumulated amounts written off at the end of the period	(72)	-
Total net carrying amount	**43,852**	**35,382**

Inventories increased to EUR 43,852k from EUR 35,382k in 2020, mainly because of the commercial launch of Estelle® which represents 84% of the total inventory in 2021.

9.12. Trade and other receivables

		As at 31 December
Thousands of Euro (€)	*2021*	*2020*
Trade receivables	4,640	5,287
Recoverable VAT	1,681	2,389
Prepayments	2,312	1,568
Other	1,410	809
Total trade and other receivables	**10,044**	**10,053**

Trade and other receivables are steady compared to previous closing. Prepayments as of December 31, 2021 relate to advance payments to ICON for Donesta Phase III. The section other includes a receivable following the disposal of equity shares of NOSHAQ for a total amount of EUR 565k, leading to a financial capital gain of EUR 367k (please refer to the note 9.29 Related party transactions).

9.13. Cash and cash equivalents

Thousands of Euro (€)	*As at 31 December 2021*	*2020*
Cash at bank and in hand	32,872	138,675
Total cash and cash equivalents	**32,872**	**138,675**

9.14. Equity

9.14.1. Share capital and additional paid-in capital

At 31 December 2021 and 31 December 2020, the Company's share capital was represented by the following number of shares (units), all fully paid up and without nominal value:

	As at 31 December 2021	*2020*
Number of shares (issued and fully paid)	44,051,259	42,714,097

The shares have no nominal value, but they represent the same fraction of the Company's capital, which is denominated in euros. Each share entitles its holder to one voting right.

In addition, the Company has still a number of subscription rights, that are exercisable into ordinary shares. We refer to note 9.26 Share-based payments.

The change in the number of shares during the periods ending on 31 December 2021 and on 31 December 2020 is as follows:

Thousands of Euro (€)	*Number of shares*	*Share capital*	*Additional paid-in capital*	*Total*
Balance at 31 December 2019	39,133,245	28,649	258,898	287,547
- Capital increase	3,580,852	2,622	62,546	65,168
- Value of conversion rights on convertibles bonds	-	-	11,091	11,091
Balance at 31 December 2020	42,714,097	31,271	332,535	363,806
- Capital increases	1,337,162	979	8,235	9,214
Balance at 31 December 2021	**44,051,259**	**32,250**	**340,769**	**373,020**

During the period under review, two capital increases took place :

- On 6 May 2021 with the issuance of 1,023,000 new shares for a total amount of EUR 3,500,520 as the result of the exercise of 620 subscription rights (warrants) pursuant to the warrant plan initiated on March 2, 2015. There are no more outstanding warrants arising from this 2015 Warrant Plan.
- On 2 July 2021, the Company launched a second Put Option Notice pursuant to the Put Option Agreement entered into with LDA Capital Ltd which materialized in a capital increase resulting in the issuance on the 10 November 2021 of 314,162 new shares to the benefit of LDA Capital for an aggregate amount of EUR 229,998 (excluding issue premium);

9.14.2. Other reserves

The table below presents the breakdown of other reserves within equity:

Thousands of Euro (€)	*Share-based payment reserve*	*Financial assets at FVOCI and foreign currency translation reserves*	*Cash flow hedge reserve*	*Total other reserves*
Balance as at 1 January 2020	**8,448**	**(5,024)**	**-**	**3,424**
Currency translation differences		(66)		(66)
Gains/(losses) on cash flow hedges			7,838	7,838
Changes in the fair value of equity investments at fair value through other comprehensive income or loss		(4,772)		(4,772)
Total comprehensive loss for the period	**-**	**(4,838)**	**7,838**	**3,000**
Share-based payments expense	7,267			7,267
Balance as at 31 December 2020	**15,714**	**(9,862)**	**7,838**	**13,690**
Balance as at 1 January 2021	**15,714**	**(9,862)**	**7,838**	**13,690**
Gains/(losses) on cash flow hedges			(10,792)	(10,792)
Changes in the fair value of equity investments at fair value through other comprehensive income or loss		(6,508)		(6,508)
Total comprehensive loss for the period	**-**	**(6,508)**	**(10,792)**	**(17,300)**
Share-based payments expense	1,065			1,065
Balance as at 31 December 2021	**16,779**	**(16,370)**	**(2,954)**	**(2,545)**

▪ Share-based payment reserve

Please refer to note 9.26.

▪ Financial assets at fair value through other comprehensive income or loss

The group has elected to recognize changes in the fair value of certain investments in equity securities in Other comprehensive income or loss, as explained in note 9.17 Financial Instruments. These changes are accumulated through other comprehensive income or loss and other reserves within equity. The group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

As at December 31, 2021, the other reserves contain the cumulative changes in fair value of financial assets through other comprehensive income or loss (Mayne shares) for EUR 16.4 million.

▪ Cash flow hedge reserve

In the first quarter of 2020, the Group entered into derivative financial instruments to manage its exposure to foreign exchange rate risk arising from operational activities (cash flow hedges). The effective portion of changes in the fair value of derivative financial instruments qualifying as cash flow hedges is deferred to equity. Amounts deferred in equity are subsequently released to the income statement in the periods in which the hedged transaction impacts the income statement.

As at December 31, 2021, the cash flow hedge reserve contains the cumulative changes in fair value of hedge instruments for EUR 3.0 million. Please refer to note 9.3 Financial Risk Management.

9.15. Financial liabilities

An overview of the financial liabilities is shown below.

						As at 31 December
			2021			2020
Thousands of Euro (€)	*Total*	*Current*	*Non-Current*	*Total*	*Current*	*Non-Current*
Subordinated loans	12,943	1,314	11,629	13,612	1,002	12,610
Other loans	158,861	45,253	113,608	122,373	10,475	111,898
Bank loans	*45,150*	*40,187*	*4,963*	*10,713*	*5,162*	*5,551*
Convertible bonds	*113,711*	*5,066*	*108,645*	*111,310*	*5,313*	*105,997*
Capital grants	-	-	-	*350*	-	*350*
Lease liabilities	48,914	6,561	42,353	51,597	7,315	44,282
Refundable government advances	14,386	1,617	12,769	16,454	1,259	15,195
Sub-total liabilities arising from financing activities	**235,105**	**54,746**	**180,359**	**204,036**	**20,051**	**183,985**
Other financial liabilities	118,504	15,829	102,675	124,604	23,424	101,180
Derivatives financial liabilities	4,783	1,886	2,897	-	-	-
Total financial liabilities	**358,392**	**72,461**	**285,931**	**328,640**	**43,475**	**285,165**

Here is the roll forward of liabilities arising from financing activities over the year 2021:

Thousands of Euro (€)	*2020*	*Cash flows*		*Non-cash changes*				*2021*
		Inflow	Outflow	Additions	Reclassification	Classification of part of the proceeds in grant income	Amortized costs adjustments	
Subordinated loans	13,612		(669)					12,943
Other loans	122,373	83,600	(54,503)	-	(61)	(261)	7,714	158,861
Bank loans	*10,713*	*83,600*	*(49,163)*					*45,150*
Convertible bonds	*111,310*		*(5,313)*				*7,714*	*113,711*
Capital grants	*350*	-	*(28)*	-	*(61)*	*(261)*	-	-
Lease liabilities	51,597		(7,193)	4,510				48,914
Refundable government advances	16,454	181	(804)		61	(140)	(1,365)	14,386
Total	**204,036**	**83,781**	**(63,170)**	**4,510**	**-**	**(401)**	**6,349**	**235,105**

During 2021, new credit line was concluded for an amount of EUR 15 million. This additional financing facility and the previously contracted credit line (EUR 20 million, available since 2020) were fully drown end of 2021.

The debt component of convertible bond issued in December 2020 is the present value of all cash flows (coupons and redemption) discounted. Cash outflow for this debt consists in an interest payment during the period.

Here is the roll forward of liabilities arising from financing activities over the year 2020:

Thousands of Euro (€)	*2019*	*Cash flows*		*Non-cash changes*				*2020*
		Inflow	Outflow	Additions	Classification of part of the proceeds in equity	Classification of part of the proceeds in grant income	Amortized costs adjustments	
Subordinated loans	12,769	1,238	(395)					13,612
Other loans	12,812	156,776	(36,054)		(11,091)		(70)	122,373
Bank loans	*12,392*	*34,375*	*(36,054)*					*10,713*
Convertible bonds	*-*	*122,401*			*(11,091)*			*111,310*
Capital grants	*420*						*(70)*	*350*
Lease liabilities	52,474	-	(3,475)	2,598				51,597
Refundable government advances	13,877	2,752	(927)			(581)	1,333	16,454
Total	**91,933**	**160,766**	**(40,851)**	**2,598**	**(11,091)**	**(581)**	**1,263**	**204,036**

9.15.1. Subordinated loans, other loans and lease liabilities

The detailed breakdown and the characteristics of the subordinated loans, the other loans and the lease liabilities as follows:

Thousands of Euro (€)		Fixed / Variable	Maturity	*2021*	*2020*
NON-CURRENT					
Subordinated loans (non-current)				**11,629**	**12,610**
Unsecured subordinated loans				0	62
Development Brazilian/Dutch subsidiary	4.95%	Fixed	2022	0	62
Secured subordinated loans				11,629	12,548
CDMO Phase 1	4.00%	Fixed	2035	7,628	8,214
CDMO Phase 2	4.00%	Fixed	2034	4,001	4,334
Other loans (non-current)				**113,608**	**111,548**
Investment loans	2.00%	Fixed	2023	712	222
Working capital funding	5.24%	Fixed	2023	56	137
Convetible bond	6.89%	Fixed	2025	108,645	105,997
Belfius	1.89%	Fixed	2027	2,588	3,163
CBC Covid	1.50%	Fixed	2024	90	162
Innodem	2.57%	Fixed	2026	1,517	1,867
Lease liabilities (non-current)				**42,353**	**44,282**
Leasing "Intégrale" (Immo Phase I)	5.40%	Fixed	2032	19,736	21,568
Leasing « Intégrale » (Immo Phase II)	5.75%	Fixed	2034	7,492	8,033
Leasing ING Lease (solar panels)	3.00%	Fixed	2026	213	259
Leasing CBC Lease	2.00%	Fixed	2021	0	314
Dettes ING Lease	0.745%	Variable	2026	5,135	2,551
Leasing ING Lease (Phase 2)	3.00%	Fixed	2026	4,574	5,673
Leasing ING Lease (Phase I)	3.14%	Fixed	2026	4,118	5,483
Other lease liabilities	1.33%-1.44%	Fixed	Variable	1,086	402
Total non-current				**167,590**	**168,440**

Please note that the convertible bond interest rate, 6.89%, is the effective interest rate, so including the conversion into interest expense of the embedded conversion right and the transaction costs, while the coupon of the bonds is fixed at 4.25%.

Thousands of Euro (€)	Interest rate %	Fixed / Variable	Maturity	*2021*	*2020*
CURRENT					
Subordinated loans (current)				**1,314**	**1,002**
Unsecured subordinated loans				62	83
Development Brazilian/Dutch subsidiary	4.95%	Fixed	2022	62	83
Secured subordinated loans				1,252	919
CDMO Phase 1	4.00%	Fixed	2035	586	586
CDMO Phase 2	4.00%	Fixed	2034	666	333
Other loans (current)				**45,253**	**10,475**
Straight Loans ING & CBC		Variable	2022	4,000	4,000
Straight Loans ING & BELFIUS		Variable	2023	35,000	
Working capital funding	5.24%	Fixed	2023	81	108
Investment loans	2.00%	Fixed	2023	110	77
Convetible bond	6.89%	Fixed	2025	5,066	5,313
Belfius	1.89%	Fixed	2027	575	575
CBC Covid	1.50%	Fixed	2024	71	53
Innodem	2.57%	Fixed	2026	350	350
Lease liabilities (current)				**6,561**	**7,315**
Leasing "Intégrale" (Immo Phase I)	5.40%	Fixed	2032	2,284	1,810
Leasing « Intégrale » (Immo Phase II)	5.75%	Fixed	2034	675	535
Leasing ING Lease (solar panels)	3.00%	Fixed	2026	46	48
Leasing CBC Lease	2.00%	Fixed	2021	314	504
Leasing ING Lease (Phase 2)	3.00%	Fixed	2026	1,095	1,054
Leasing ING Lease (Phase I)	3.14%	Fixed	2026	1,360	1,310
Other lease liabilities	1.33%-1.44%	Fixed	Variable	787	2,054
Total current				**53,128**	**18,793**

Post year-end, the maturities of straight loans ING & BELFIUS, presented under current portion of other loans for a total amount of EUR 35 million as per December 31, 2021, have been extended to March 31, 2023.

Straight loans are secured with pledges on receivables, receivable pledge mandates and mortgage mandates in respect of the office building owned by the Company.

Convertible bond :

The 17 December 2020, Mithra issued EUR 125 million in senior unsecured convertible bonds due 17 December 2025. The bonds are convertible into ordinary shares of the company at an initial conversion price of EUR 25.1917, representing a 25% premium above the reference price of EUR 20.1533, being the volume weighted average price of a share on Euronext Brussels from market open to the close of trading on 10 December 2020. The Bonds are issued at 100% of their principal amount and bear a coupon of 4.250% per annum, payable semi-annually in arrear in equal instalments on 17 December and 17 June of each year, beginning on 17 June 2021.

The convertible bond was initially presented in the balance sheet as follows:

Other loans (debt component of convertible bond)	
Balance at 1 January 2020	**-**
Issued amount (convertible bond)	125,000
Equity component (Additional paid-in capital - Value of conversion rights on convertible bonds)	(11,334)
Debt transaction costs	(2,447)
Interests	92
Balance as at 31 December 2020	**111,310**

The initial fair value of the liability portion of the bond was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option and recognised in shareholders' equity, and not subsequently remeasured.

At the date of issuance, the debt component for a total of EUR 111,310k is the present value of all cash flows (coupons and redemption) discounted at the yield of an equivalent straight bond of 6.4%. Each period the carrying amount increases by the difference between the interest expense (6.4%) and the cash coupon payment. During the financial year ended 2021, the movement is as follows:

Other loans (debt component of convertible bond)	
Balance as at 1 January 2021	**111,310**
Amortized costs adjustments	7,714
Interest payments	(5,313)
Balance at 31 December 2021	**113,711**

The equity component for EUR 11,334k is deemed to be the residual amount initially computed by substracting the debt component from the issue amount (recorded in additional paid-in capital). The equity component is not revalued. The effective interest rate shown in profit or loss for a simple convertible bond is equivalent to the rate that would have been paid for non-convertible debt and including transaction costs, thus here 6.89%.

9.15.2. Refundable government advances

The Group has also been awarded refundable advances support from the Walloon Region. Payment of awarded amounts that have not yet been received is subject to the achievement of certain milestones. Grants are subject to certain obligations. In case such obligations are not complied with, the grants could be suspended, reviewed or reclaimed. The Group has the obligation to continue the development of the project subject to the grant. In case such project is abandoned, the Group should return rights to the results and the data generated in the project to the Société Publique Wallonne (SPW), in which case the repayment obligation also lapses. The Company's ongoing grant programs are mainly refundable advances.

The refundable advances have a fixed repayment part and variable repayment scheme. The variable part is dependent on the success of the project (*i.e.* based on a percentage 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 part can never exceed the double of the initial received amount. The final variable part to be repaid will depend on the performance of the product candidate.

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Refundable government advances Estetra	8,525	9,992
Other refundable government advances	5,861	6,462
Total refundable government advances	**14,386**	**16,454**

The below table gives the details of refundable governments advances granted to the group and repayments done in 2021:

Thousands of Euro (€)	*Amount of grant*	*Decision year on fixed repayments part*	*% of fixed repay-ment part*	*% applied on turnover for variable repayment part*	*Maximum repayment amount*	*Amount reimbursed in 2021*
AR 6875 and 6139 - Estelle	8,220	1/12/2012	30%	0,60%	200%	405
AR 6926 - Estelle	2,009	1/12/2012	30%	0,20%	200%	69
AR 7492 - Donesta	2,898	1/12/2015	30%	0,10%	200%	120
AR 1510597 - Septime	206	1/7/2016	30%	0,01%	200%	3
AR 8322 - Eco E4	178	9/30/2022	30%	0,01%	200%	
AR 7551 - Bio Synthesis	747	1/12/2015	30%	0,26%	200%	
AR 6137 - Zoreline	1,826	1/12/2009	30%	3,30%	200%	84
AR 7410 - Zoreline	5,265	1/12/2015	30%	2.65%	200%	
AR 8792 - Zoreline	2,925	12/23/2019	30%	1,46%	200%	
AR 7585 - Development EVA	1,188	1/11/2016	30%	0,21%	200%	5
AR 6138 - Drosperinone Novalon	626	1/12/2009	30%	0,50%	200%	23
AR 8359 - E4 & Covid-19	2,105	4/30/2021	30%	0,98%	200%	20
AR 8433 - E4 & Covid-19	723	4/30/2021	30%	0,34%	200%	54
AR 1710127 - Estepig	208	1/12/2017	30%	0,01%	200%	
AR 7411 - Co-extrusion CDMO	441	1/12/2015	30%	0,40%	200%	22
AR 8522 - E4 Neuro	209	9/30/2022	30%	0.30%	200%	
Total	**29,774**					**804**

The net positive amortized costs adjustment of EUR 1,365k has been recorded to the amounts of refundable government advances since we updated our forecasts of sales from the related projects, the related income and expenses have been reported in the Financial income and expenses line.

Mithra does not consider conducting further clinical developments in the field of COVID-19 (press release 24-09-2021). The Phase II Study conducted in 2020 and 2021, partly funded by refundable government advances, demonstrates further support to the unique safety profile of Estetrol with these first data in comorbid patients, both male and female. However, no direct revenue from any COVID-19 product will occur, so the variable repayment debt related to these advances is no longer relevant.

The determination of the amount to be paid to the Walloon Region under the signed agreement is subject to a high degree of uncertainty as it depends on the amount of the future sales that Mithra will generate in the future.

Probability of success

Product/projects related to the refundable advances	*Phase 2*	*Phase 3*	*WACC*	*Discount rate used for the fix part*
Estelle®	100%	100%	13.88% /11.50%	2.27%
Donesta®	100%	38%	13.88%	2.27%
Covid-19	0%	0%	13.16%	2.27%

Product/projects related to the refundable advances	*R&D*	*Commercial*	*WACC*	*Discount rate used for the fix part*
Zoreline®	80%	55%	13.88% /13.16%/14.7%	2.27%
Others	90%	75%	13.88% /12.48%/13.16%	2.27%

A sensitivity analysis of the carrying amount of refundable advances has been done in case of adverse changes in assumptions. Mithra tested reasonable sensitivity to changes in the business plan and a simulated increase of up

to 3 percentage point in the discount rate used would not change the findings of the Group's analysis. A sensitivity to changes in the business plan and a simulated increase of up to 30 percentage point in the probability of success of would not change the findings of the Group's analysis neither.

Sensitivity analysis for refundable advances in thousands of Euro (€):

Business plan evolution	Probability of success				
	-30%	*-15%*	*0%*	*15%*	*30%*
-5%	13,030	13,578	14,126	14,674	15,222
-3%	13,126	13,678	13,828	13,978	14,530
0%	13,270	13,828	14,386	14,944	15,503
3%	13,414	13,978	14,944	15,911	16,475
5%	13,510	14,078	14,646	15,215	15,783

Since 2021, Estelle (AR 6139, 6926, 6875) probability of success achieved 100% and Covid (8359, 8433) probability of success, as well as revenue, amount to zero. In the previous sensitivity analysis, those parameters were fixed.

9.15.3. Other financial liabilities

As at December 31, 2021, other financial liabilities at fair value relates only to Estelle® (EUR 110,004k).

In June 2021, the Group renegotiated the earnouts relating to Zoreline® and Myring®, with the complete buyout of all remaining contingent payments obligation, cancelling related amounts reported in the balance sheet in December 2020 at fair value (EUR 8.8 million). In this context, Zoreline® financial liability following the acquisition of full licensing and distribution rights is accounted at amortized cost (EUR 8.5 million liability spread over the next four years).

The decrease of the fair value of Estelle® contingent consideration is mainly explained by the payment of an instalment of EUR 25 million to former owners of Uteron Pharma during the financial year 2021 partially offset by the EUR 19.3 million change in fair value charge recorded in 2021 accounts after the review of the different scenarios and probabilities related to the financial liability.

	Year ended 31 December					
	2021			*2020*		
	Total	*Current*	*Non-Current*	*Total*	*Current*	*Non-Current*
Estelle ®	110,004	11,329	98,675	115,739	22,917	92,821
Myring ®	-	-	-	3,137	507	2,630
Zoreline ®	8,500	4,500	4,000	5,729	-	5,729
Total Other financial liabilities	**118,504**	**15,829**	**102,675**	**124,604**	**23,424**	**101,180**

A sensitivity analysis has been performed on the fair value of the contingent considerations, see note 9.17 Financial instruments.

9.16. Trade payables and other current liabilities

	As at 31 December	
Thousands of Euro (€)	*2021*	*2020*
Trade accounts payable	16,915	23,325
Invoices to receive	4,253	1,927
VAT payable	-	36
Salaries and social security payable	1,219	1,309
Accrued charges	631	675
Other debts	312	-
Trade payables and other current liabilities	**23,331**	**27,272**

9.17. Financial instruments

9.17.1. Presentation of financial assets and liabilities

The following table presents the Company's financial assets and financial liabilities measured and recognized or unrecognized at fair value at 31 December 2021 :

Thousands of Euro (€)	*Balance at 31 December 2021*	*Recognised fair value measurements*	*Fair value measure-ment hierarchy*	*Unrecognised fair value measure-ments*
Financial assets				
Financial assets at fair value through profit and loss				
Other non-current assets – contingent consideration receivable	-	-	Level 3	-
Contract assets – Mayne shares receivable	-	-	Level 1	-
Derivatives financial assets	-	-	Level 2	-
Financial assets at fair value through other comprehensive income				
Investments in equity securities	31,898	31,898	Level 1	-
Derivatives financial assets	100	100	Level 2	-
Financial assets at amortised cost				
Other non-current assets - other than above	9,263	-	-	9,263
Contract assets – other than above	12,571	-	-	12,571
Trade and other receivables	10,044	-	-	10,044
Cash and cash equivalents	32,872	-	-	32,872
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Other financial liabilities - Estelle ®	110,004	110,004	Level 3	-
Financial liabilities at fair value through other comprehensive				
Derivatives financial liabilities	4,783	4,783	Level 2	-
Financial liabilities at amortised cost				
Subordinated loans	12,943	-	-	12,943
Other loans - Convertible bond	113,711	-	-	113,711
Other loans - others	45,150			
Lease liabilities	48,914	-	-	48,914
Refundable government advances	14,386	-	-	14,386
Trade and other payables	23,331	-	-	23,331
Other financial liabilities - Zoreline ®	8,500			8,500

The following table presents the Company's financial assets and financial liabilities measured and recognized or unrecognized at fair value at 31 December 2020 :

Thousands of Euro (€)	*Balance as at 31 December 2020*	*Recognised fair value measurements*	*Fair value measurement hierarchy*	*Unrecognised fair value measurements*
Financial assets				
Financial assets at fair value through profit and loss				
Other non-current assets – contingent consideration receivable	7,999	7,999	Level 3	-
Contract assets – Mayne shares receivable	18,670	18,670	Level 1	-
Derivatives financial assets	14	14	Level 2	-
Financial assets at fair value through other comprehensive income				
Investments in equity securities	18,088	18,088	Level 1	-
Derivatives financial assets	9,051	9,051	Level 2	-
Financial assets at amortised cost				
Other non-current assets - other than above	6,402	-	-	6,402
Contract assets – other than above	33,002	-	-	33,002
Trade and other receivables	10,052	-	-	10,052
Other short-term deposits	14	-	-	14
Cash and cash equivalents	138,675	-	-	138,675
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	124,604	124,604	Level 3	-
Financial liabilities at amortised cost				
Subordinated loans	13,612	-	-	13,612
Other loans - Convertible bond	111,310	-	-	111,310
Other loans - others	11,063			11,063
Lease liabilities	51,597	-	-	51,597
Refundable government advances	16,454	-	-	16,454
Trade and other payables	27,272	-	-	27,272

9.17.2. Financial assets and liabilities not accounted for at fair value

- Financial assets:

The fair value of trade and other receivables, other short-term deposits and cash and cash equivalents does not materially differ from their carrying amounts. Fair value would typically be measured as Level 2. The fact that their carrying value approximates their fair value is due to the short maturity of these assets.

- Financial liabilities:

For a significant part of the loans, 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. For Lease liabilities the incremental borrowing rate has been determined at transition to IFRS 16 on 1 January 2019.

9.17.3. Financial assets and liabilities accounted for at fair value

Fair value hierarchy :

Fair values are measured according to the following hierarchies:

- 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 :

There are four categories of financial assets: Contingent consideration receivables, Contract assets, Derivative financial assets and Investments in equity securities.

Thousands of Euro (€)	*Fair value measurement hierarchy*	*Assets recognized or disclosed at fair value*
Other non-current assets – contingent consideration receivable	Level 3	-
Contract assets – Mayne shares receivable	Level 1	-
Derivatives financial assets	Level 2	100
Investments in equity securities	Level 1	31,898
Balance at 31 December 2021		**31,998**

Other non-current assets – contingent consideration receivable

Thousands of Euro (€)	*Other non-current assets – contingent consideration receivable*
Balance as at 1 January 2021	**7,999**
Fair value loss through profit of loss	(7,999)
Balance at 31 December 2021	**-**

Further to the acquisition of Ceres Pharma by Naxicap Partners and latest financial info received from Ceres, it is currently deemed unlikely that necessary financial performance of the assets sold will be met in order to receive the contingent consideration receivables of two times EUR 5 million (discounted) by 2023.

Obviously, expected financial performance of the assets sold will be followed closely and regularly, part or whole of the contingent consideration receivable may very well be reinstated if considered as likely by 2023.

Contract assets – Mayne shares receivable

Regarding the contract assets, the variability associated with the Mayne share price gives rise to an embedded derivative so that in accordance with IFRS 9, the receivable should be classified as fair value through profit or loss.

As a result of receiving FDA approval for Estelle®, Mayne Pharma issued 85.8 million ordinary shares to the intention of the Company. Contract assets related to Mayne shares receivable were reversed and the EUR 20.3 million (value of shares at the emission date) booked under equity securities.

Until the issuance of shares in May 2021, the variability of Mayne share price led to a gain through profit or loss of EUR 1.6 million.

The roll forward of contract assets related to Mayne shares is as follow:

Thousands of Euro (€)	*Contract assets – Mayne shares receivable*
Balance as at 1 January 2021	**18,670**
Fair value gain through profit or loss	1,648
Share issuance - transfer to investments in equity securities	(20,318)
Balance at 31 December 2021	**-**

Derivatives financial assets

The Group entered into derivative financial instruments to manage its exposure to foreign exchange rate risk arising from operational activities (cash flow hedges). The effective portion of changes in the fair value of derivative financial instruments qualifying as cash flow hedges is deferred to equity. Amounts deferred in equity are subsequently released to the income statement in the periods in which the hedged transaction impacts the income statement.

Thousands of Euro (€)	*Derivatives financial assets*
Balance as at 1 January 2021	**9,065**
Fair value loss through profit of loss	(14)
Fair value loss through other comprehensive income	(8,951)
Balance at 31 December 2021	**100**

Investments in equity securities

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognize in this category. These are strategic investments and the group considers this classification to be more relevant.

Changes in Investments in equity securities relating to Mayne shares are explained by the issuance of the second tranche of shares and decreases in Mayne's share price as well as the AUD / EUR conversion rate as of December 31, 2021.

Thousands of Euro (€)	*Investments in equity securities*
Balance as at 1 January 2021	**18,088**
Share issuance - transfer from contract assets	20,318
Fair value loss through other comprehensive income	(6,508)
Balance at 31 December 2021	**31,898**

Financial liabilities :

There are two categories of financial liabilities: Other financial liabilities and Derivative financial liabilities. We considered a level 2 or 3 under the fair value measurement hierarchy.

Thousands of Euro (€)	*Fair value measurement hierarchy*	*Liabilities recognized or disclosed at fair value*
Other financial liabilities	Level 3	110,004
Derivatives financial liabilities	Level 2	4,783
Balance at 31 December 2021		**114,787**

Other financial liabilities

The roll forward of other financial liabilities measured at fair value is as follow:

Thousands of Euro (€)	*Other financial liabilities*
Balance as at 1 January 2021	**124,604**
Payments related to Estelle ®	(25,000)
Payment related to Zoreline ® and Myring ®	(8,500)
Gain on derecognition of contingent consideration payable	(366)
Fair value loss through profit of loss	19,266
Balance at 31 December 2021	**110,004**

As at December 31, 2021, other financial liabilities at fair value relates only to Estelle®. In June 2021, the Group renegotiated the earnouts relating to Zoreline® and Myring®, with the complete buyout of all remaining contingent payments obligation. In this context, Zoreline® financial liability following the acquisition of full licensing and distribution rights is accounted at amortized cost (EUR 8.5 million liability spread over the next four years).

The fair value of the contingent payments has been determined using a probability weighting approach applied to discounted cash flows. When relevant, a risk-adjusted discounted cash flow model was used where all future cash flows are probabilized and then discounted.

2021 assumptions for Estelle:

Contingent considerations relating to Estelle®	*Total cash-out until 2028*	*Partial cash-out until 2028*	*Net Present Value*
Alternative 1	50%	50%	98,542
Alternative 2	**67%**	**33%**	**110,004**
Alternative 3	75%	25%	116,888
Alternative 4	100%	0%	132,927

2020 assumptions for Estelle:

Contingent considerations relating to Estelle®	*Total cash-out until 2028*	*Partial cash-out until 2028*	*Net Present Value*
Alternative 1	50%	50%	107,921
Alternative 2	**60%**	**40%**	**115,739**
Alternative 3	70%	30%	125,087

Alternatives 1, 3 and 4 are not used for the measurement of the liability but are to be used for disclosing sensitivity of the value to the probability factors used (a level 3 input).

The increase of fair value for the contingent consideration for Estelle® (EUR 110,004k in December 2021 compared to 115,739k in 2020) is explained by cash out flow of EUR 25,000k, compensated by change in fair value (loss through profit or loss) of EUR 19,266k. Indeed, Estelle® approval and positive top-line results from Donesta® phase 3 studies led to a review of the different scenarios and probabilities related to the financial liability against former owners of Uteron Pharma. Additionally, the WACC updated in 2021 (11.34%) is slightly lower than the one used for previous closings (11.87% in 2020).

Derivatives financial liabilities

The Group entered into derivative financial instruments to manage its exposure to foreign exchange rate risk arising from operational activities (cash flow hedges). The effective portion of changes in the fair value of derivative financial instruments qualifying as cash flow hedges is deferred to equity. Amounts deferred in equity are subsequently released to the income statement in the periods in which the hedged transaction impacts the income statement.

Thousands of Euro (€)	*Derivatives financial liabilities*
Balance as at 1 January 2021	**-**
Fair value loss through other comprehensive income	4,783
Balance at 31 December 2021	**4,783**

9.18. Contract assets and liabilities

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 from the license grant.

An analysis has been conducted in order to determine whether the single performance obligation was satisfied as at 31 December 2021.

9.18.1. Contract assets

The tables below present the roll forward of the related contract assets:

Thousands of Euro (€)	
Balance as at 1 January 2021	**51,672**
Fair value gain through profit or loss	1,648
Share issuance - transfer to investments in equity securities	(20,318)
Revenue billed during the period already recognized in previous years	(24,688)
Currency translation differences	285
Revenue recognized during the period	3,972
Balance at 31 December 2021	**12,571**

As a result of receiving FDA and EMA approval for Estelle®, previously unbilled revenue was invoiced, leading to a cash collection about EUR 24.5 million. Additionally, Mayne Pharma issued 85.8 million ordinary shares to the benefit of the Company. Contract asset related to Mayne shares receivable was reversed and the EUR 20.3 million (value of shares at the emission date) booked under equity securities.

Revenue recognized during the period is mostly "variable supply price" on Estelle® products (EUR 3.5 million) that were delivered in 2021 and on which royalties will be due by our partners in the next quarters according to their own sales of Estelle® on their markets.

Besides the above, the balance of contract assets as at 31 December 2021 considers unbilled milestones revenue for EUR 9.1 million, among which EUR 7.6 million relates to Mayne Pharma for Myring™, 1 million relates to Gedeon Richter for Estelle® in Latin America and EUR 0.5 million relates to performance obligation achieved in the framework of Mayne Pharma agreement for Estelle®.

9.18.2. Contract liabilities

The contract liabilities were the result of amounts already invoiced (and paid by customer) in the context of Zoreline® license agreement but not recognized in revenue as the related performance obligations were not yet satisfied as at 31 December 2020.

The table below presents the roll forward of the contract liabilities:

Thousands of Euro (€)	
Balance as at 1 January 2021	**3,706**
Recognition as revenue	(3,706)
Balance at 31 December 2021	**-**

Zoreline® milestones, could be recognized in line with the agreement signed with SVR Invest BV in June 2021 for the full global licensing and distribution rights for the Zoreline® implant, terminating the former agreement with GSP and delivering Mithra from any performance obligation. Indeed, the renegotiation of earnouts relating to Complex Therapeutics extinguished the previous performance obligation of the Company. Please refer to the note 9.5.2.

9.19. Other operating income

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
R&D tax credit	2,566	1,864
Grant income	357	2,833
Other revenues	1,886	1,877
Other operating income	**4,809**	**6,574**

Other operating income is mostly composed of R&D tax credit and grant income. Please refer to note 9.15.2. Refundable government advances for more info on grants income. Other revenues at EUR 1.9 million remained stable while R&D tax credit increase is directly related to higher R&D expenses related to Donesta Phase III clinical study.

9.20. Expenses by nature

A breakdown of the expenses by nature of the costs of goods sold, research and development costs, general and administrative and selling costs is summarized below.

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Costs by nature		
Trade goods, raw materials and consumables	16,142	5,836
Employee benefit expenses	13,917	17,372
External service providers	66,299	58,368
Corporate branding expenses	378	695
Depreciation, amortization and impairment charges	10,426	9,873
Commissions	12	70
Operating lease payments	322	83
IT expenses	1,686	971
Maintenance and repair expenses	1,513	1,086
Other expenses	4,657	4,929
Total costs by nature	**115,352**	**99,282**
Costs by type		
Cost of sales	15,724	3,457
Research and development expenses	85,243	78,458
General and administrative expenses	12,515	15,933
Selling expenses	1,871	1,434
Total costs by type	**115,352**	**99,282**

Total costs increased by EUR 16.1 million over the year ended December 31, 2021, which represents an increase of 16.2% compared to 2020. This variance primarily relates to :

- An increase in trade goods, raw materials and consumables following commercial launch of Estelle® in June 2021;
- A decrease in employee benefit expenses: we refer to the note 9.21.
- An increase in external service providers charges, mainly explained by the ramp up of the Donesta® Phase III "E4 Comfort" clinical program;
- An increase in IT and Maintenance and repair expenses to improve work efficiency and to support the development of our activities.

Depreciation, amortization and impairment charges are steady although during 2021, we can notice an increase in depreciation of property, plant and equipment and right-of-use assets following production zones accreditation in Mithra CDMO facility and an increase in amortization of other intangible assets following reception of Estelle®

Marketing authorization (intellectual property rights and internally generated research and development for this project are now considered as available for use). Those variations are offset by the impairment charges of EUR 3.5 million booked in 2020.

9.21. Employee benefit expenses

The costs related to personnel (before deduction of own cost capitalized) can be summarised as follows:

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Wages, salaries, fees & bonuses	16,728	13,648
Pension costs: defined contribution plan	385	342
Share-based payments	1,065	7,267
Total	**18,178**	**21,257**

In 2021, wages and salaries are increasing because of the hiring of new employees over the year while share-based payments are significantly decreasing regarding 2020, for more detail please refer to the note 9.26 Share-based payments.

A part of the employee benefit expenses (EUR 4.2 million) have been capitalized in Assets mainly relating to employees from CDMO working on machinery/equipment settings and improvement in the production facility for the manufacturing of pharmaceuticals products, for more detail please refer to the note 9.7 Property, plant and equipment.

In 2021, the Group employed 248 full time employees at year-end (229 full time employees in 2020) which can be allocated to the following departments:

	As at 31 December	
Number of employees	*2021*	*2020*
Research and development staff	52	51
Other G&A and Production staff	197	178
Total	**248**	**229**

9.22. Retirement benefit schemes

The Group offers several post-employment, death, disability and healthcare benefit schemes. All employees have access to these schemes. The death, disability and healthcare benefits granted to employees of the Group are covered by external insurance companies, where premiums are paid annually and charged to the income statement as they become payable.

The post-employment pension plans granted to employees of the Group are defined contribution plans. A defined contribution plan is a pension plan under which the Group pays a fixed contribution into a separate entity. The contribution obligations to the defined contribution plans are expensed by the Group in the income statement as they were incurred. Although defined contribution plans in Belgium are legally subject to a minimum guaranteed return of 1.75% on employer contributions and employee contributions, the post-employment pension plans are accounted for as defined contribution plans, since the legally required return is guaranteed by the external insurance company. Any liability that may currently result is immaterial.

9.23. Financial income and expense

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Interest income	-	-
Unrealized foreign exchange gains	201	
Realized foreign exchange gains	149	1,612
Gain on share disposals	367	-
Remeasurement of refundable government advances	1,782	
Other financial income	339	171
Total financial income	**2,838**	**1,782**

Financial income increased by EUR 1,056k. During the year ended December 2021, financial income mainly relates to :

- The positive impact of the remeasurement of refundable government advances measured at amortized cost. Mithra does not envisage to conduct further clinical developments in the field of COVID-19 (press release 24-09-2021). The Phase II Study conducted in 2020 and 2021, partly funded by refundable government advances, demonstrates, further support the unique safety profile of Estetrol with these first data in comorbid patients, both male and female. However, no direct revenue from any COVID-19 product will occur, so the variable repayment debt related to these advances is no longer relevant (please refer to note 9.14. Equity).
- The gain on share disposals following the selling back of NOSHAQ SA shares, at a price agreed in the historic shareholder agreement (please refer to note 9.29 Related party transactions).

Previous year, financial income was primarily driven by realized exchange gain on foreign USD hedging contract (EUR 862k recorded in profit or loss accounts) and other realized exchange gains.

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Interest payments	(11,765)	(3,503)
Remeasurement of refundable government advances	(310)	(1,355)
Unrealized foreign exchange losses	50	(828)
Realized foreign exchange losses	(741)	(242)
Other financial expenses	(350)	(59)
Total financial expense	**(13,116)**	**(5,987)**

Financial expenses primarily include interest payments. The increase is mostly driven by the interest charges of the EUR 125 million convertible bond negotiated in December 2020 (please refer to note 9.14. Equity).

9.24. Income tax

The tax expenses consist of:

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Current tax income / (expense)	(315)	(35)
Deferred tax income/(expense) related to temporary differences and tax losses	7,211	18,871
Withholding tax income / (expense)	(1)	(1)
Total	**6,895**	**18,835**

The income taxes in 2020 and 2021 are the result of temporary differences and tax losses carried forward and is thus a non-cash item.

The Group reported a total deferred tax asset of EUR 6,895k as at 31 December 2021, this deferred tax is to be set off against future taxable income.

The consolidated unused tax losses carried forward at 31 December 2021 amounted to 119 million euros.

9.24.1. Reconciliation effective versus theoretical taxes

The tax result for the year can be reconciled as follows:

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Income / Loss (-) before tax	(123,769)	(110,922)
Country's statutory tax rate	25%	25%
Tax expenses / income (-) (theoretical)	(30,942)	(27,730)
Tax expenses / income (-) in income statement (effective)	(6,895)	(18,835)
Difference in tax expenses / income (-) to explain	24,048	8,896
- Tax credit for R&D investments	2,076	2,727
- Temporary differences for which no deferred tax income was recognized	8,248	(3,193)
- Tax losses for which no deferred tax income was recognised	2,141	10,154
- Share-based payment expenses	266	1,817
- Withholding taxes	(1)	1
- Temporary differences with different tax rates	10,164	(2,179)
- Other	1,154	(431)
Total	**24,048**	**8,896**

9.24.2. Deferred tax assets

A detailed overview of the deferred tax asset is shown below:

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Deferred tax asset to be recovered after more than 12 months	63,456	50,905
Deferred tax assets	**63,456**	**50,905**

The increase of EUR 12,551 k is mainly explained by the increase of tax losses in 2021 in the subsidiaries of the Group, all located in Belgium and subject to Belgian Tax law.

Management is convinced that such companies 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 particularly for Estetra thanks to out-licensing contract negotiations related to Donesta® and to the sales related to Estelle® that will generate much profits in the coming years.

Here are the critical judgments used for the recognition of the deferred tax assets:

i. Total amount of historical tax losses available was exceeding 300 million, knowing that about 60% of these losses are valued within the DTAs (mainly Estetra and Novalon), we considered a balance of 40% as non-recoverable in the future.

ii. Beginning of the commercial launch of Donesta expected to occur end of 2024 with a strong growth from 2025 to 2027. The commercial launch of Zoreline expected for 2025.

iii. Tax losses carried forward expected to be consumed within a 7-year horizon (end of 2028) for the subsidiaries Estetra and Novalon, taking into account that we consider using the tax consolidation mechanism available between Belgian companies on an annual basis.

Through the utilization of the tax losses carried forward and these PID/IID deductions, Mithra expects to significantly reduce its effective tax rate to less than 5% for its E4 product pipeline, compared to 25% for the standard Belgian commercial tax rate. This low rate is expected to apply to the majority of future income related to E4-based products.

The movement in the deferred tax asset is as follows*:

	Temporary Differences			
Thousands of Euro (€)	*Contingent consideration*	*Other*	*Tax Losses*	*Total*
At 1 January 2020	17,913	(1,754)	18,272	34,431
(Charged) / credited to income statement	9,053	(4,283)	11,703	16,474
At 31 December 2020	26,966	(6,037)	29,975	50,905
(Charged) / credited to income statement	(1,132)	(1,968)	15,652	12,551
At 31 December 2021	25,834	(8,005)	45,627	63,456

*Charges/credited to income statement amounts in 2021 including EUR 3,597 k coming from cash flow hedges which is booked under other comprehensive income.

9.24.3. Deferred tax Liabilities

The deferred tax liabilities (EUR 6,089k in 2021 and EUR 4,363k in 2020) result from temporary differences arising from the difference between the fair values of assets acquired at the acquisition date and their tax bases, DTA and DTL are offset by legal entity.

9.25. Result per share

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

The basic and diluted earnings per share are identical due to inclusion of potential ordinary share will result in an anti-dilutive effect:

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Result for the purpose of basic loss per share	(116,875)	(92,086)
Weighted average number of shares for the purpose of basic loss per share	43,429,809	40,988,235
Basic loss per share (in Euro)	(2.69)	(2.25)
Diluted loss per share (in Euro)	(2.69)	(2.25)

Please refer to the section 9.31 for a description of share transactions that occurred after the end of the reporting period and that were not retrospectively adjusted in the calculation of result per share.

9.26. 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 5,646 per warrant. Warrants are conditional on the person completing 4 years of service (vesting period). These warrants are exercisable as of 2019. The fair value of the 1.089 warrants at grant date is estimated at EUR 2,789k.

During 2019 two capital increases have taken place due to the exercise of warrants (15 warrants on January 30, 2019 and 15 warrants on April 24, 2019).

On January 30, 2019, a capital increase took place following the exercise of 15 warrants within the 2015 Warrant Plan ("2015 Warrant Plan") corresponding to a contribution of EUR 84,690. In accordance with the 2015 Warrant

Plan, the exercise period started on January 1, 2019. An amount of EUR 18,119.48 was therefore contributed in cash to the share capital of Mithra and the balance of EUR 66,570.52 was allocated to the Company's "share premium" account. This exercise of 15 warrants resulted in the issue of 24,750 shares (1 warrant being equivalent to 1,650 shares) which on February 13, 2019 were admitted to listing on the regulated market. As a result, Mithra's share capital on January 30, 2019 amounted to EUR 27,573,880.18 corresponding to 37,664,245 ordinary shares.

A second capital increase took place on April 24, 2019, following the exercise of 15 warrants from the 2015 Warrant Plan ("2015 Warrant Plan") corresponding to a contribution of EUR 84,690. An amount of EUR 18,119.40 was therefore contributed in cash to the share capital of Mithra and the balance of EUR 66,570.52 was allocated to the Company's "share premium" account. This exercise of 15 warrants resulted in the issue of 24,750 shares (1 warrant being equivalent to 1,650 shares) which, on May 9, 2019, were admitted to listing on the regulated market. As a result, Mithra's share capital at April 24, 2019 amounted to EUR 27,591,999.58 corresponding to 37,688,995 fully paid-up ordinary shares. The shares have no par value but represent the same fraction of the Company's share capital, which is denominated in euros. Each share entitles its holder to one voting right.

Finally, on 21 May 2021, the third capital increase took place following the exercise of 620 warrants from the 2015 Warrant Plan corresponding to a contribution of EUR 3.500.520. An amount of EUR 748,836 was therefore contributed in cash to the share capital of the Company and the balance of EUR 2.751.684 was allocated to the Company's share premium account. This exercise of 620 warrants resulted in the issue of 1,023,000 shares (1 warrant being equivalent to 1,650 shares) which, on 14 May 2021 were admitted to listing on the regulated market. As a result, Mithra's share capital at May 21 amounted to EUR 32,019,708;40 corresponding to 43,737,097 fully paid-up ordinary shares. The shares have no par value but represent the same fraction of the Company's share capital, which is denominated in euros. Each share entitles its holder to one voting right.

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 exercise 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 as from the 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. at the earliest 6 November 2020 subject to exercise 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 grant date fair value calculation (see the discount applied in the table below). This condition was met during financial year 2019. Out of the maximum of 1,881,974 warrants which have been issued, a number of 1,394,900 warrants (corresponding to 1,394,900 new shares) were offered and accepted by the beneficiaries. The remaining warrants are unused as the Board of directors undertook not to offer them by issuing the Warrant Plan 2020 pursuant to the CCA.

Roll forward of the number of warrants :

	Year ended 31 December			
Number of warrants	*Weighted average exercise price (in Euro)*	*2021 Number of warrants*	*Weighted average exercise price (in Euro)*	*2020 Number of warrants*
Outstanding and granted as of 1st January	18.8	2,701,520	15.68	1,307,825
Granted	19.0	10,000	24.80	1,393,695
Forfeited		-		-
Exercised	5,646.0	-620		-
Expired		-		-
As of 31 December	**24.30**	**2,710,900**	**18.77**	**2,701,520**

Regarding warrant Plan 2018, out of the maximum of 1,881,974 warants, a total of 1,394,900 warrants have been offered and accepted, As the exercise price is different for management companies and for employees, we've determined two different fair value amounts. The fair value of the warrants at grant date is estimated at EUR 13,994k. The fair value of each option is estimated using the Black & Scholes model based on the following assumptions: (i) first we valued separately the warrants granted to the management co's and those granted to the employees, (ii)

secondly, we also valued separately the warrants that are subject to vesting conditions from those who were already definitely acquired by the beneficiaries upon grant,

The fair value of the 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, at EUR 4,370k for warrants acquired at 100% and at EUR 2,189k for warrants granted to LDA lenders and LDA (see below).

In July and September 2020, the Company summoned two Extraordinary General Meetings during which the issuance of two warrant plans were approved: (i) a warrant plan for the benefit of LDA Capital Ltd, under which a maximum of 690,000 warrants were to be issued pursuant to the transaction announced by the Company on April 23, 2020 and (ii) another warrants plan for the benefit of reference shareholders ("Share Lending Warrants") for a maximum of 300,000 warrants.

The first plan is accounted for using IFRS 2 because 690,000 warrants exercisable at EUR 27 with an expiry date of 23 April 2023, were issued to LDA Capital as part of the EUR 50 million standby equity funding facility costs. Upon signing the Put Option Agreement on 23 April 2020, it provided Mithra the flexibility to draw down capital as required at their election and accordingly, a vesting period of 3 years was considered due to the capital commitment made for this period, at the end of which the full warrants will become exercisable (knowing that the warrants become exercisable within this period in proportion of the funding ratio). As such, EUR 220k from the total fair value (EUR 1,581k) of the options granted at that date was expensed in the profit and loss statement for the year ended 31 December 2020, the remaining part will be taken into expenses until the end of the 3 years of vesting period.

Same treatment has been applied on the second plan ("Share Lending Warrants") in compensation for their service of supporting the construction of this financing deal by lending their shares for each of the future equity transactions to be executed. As such, EUR 68k from the total fair value (EUR 608k) of the options granted at that date was expensed in the profit and loss statement for the year ended 31 December 2020, the remaining part will be taken into expenses until the end of the 3 years of vesting period.

In 2021, 10,000 warrants have been offered and accepted to management companies. As such, EUR 89k (the total fair value) of the options granted at that date was expensed in the profit and loss statement for the year ended 31 December 2021.

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

	Plan 2018 (Grant 1 - 70%)	Plan 2018 (Grant 1 - 30%)	Plan 2018 (Grant 2 - 100%)	Plan 2018 (Grant 3 - 100%)
Number of warrants granted	866,837.00	371,502.00	97,695.00	67,528.00
Exercise price per warrant	EUR 24.05-24.09	EUR 24.05-24.09	EUR 24.09-25.72	EUR 25.5-27.5
Expected dividend yield	-	-	-	-
Expected stock price volatility	38%	38%	38%	38%
Risk-free interest rate	0%	0%	0%	0%
Expected duration	5 years	5 years	5 years	5 years
Fair value at grant date	EUR 6,705k	EUR 2,918k	EUR 753k	EUR 586k
Discount related to market condition	-	0.1437	-	

	Plan 2018 (Grant 4 - 100%)	Plan 2020 (LDA)	Plan 2020 (LDA)	Plan 2020 (Mgmt Grant 1)	Plan 2020 (Mgmt Grant 2)
Number of warrants granted	87,695.00	690,000.00	300,000.00	316,000.00	10,000
Exercise price per warrant	EUR 16.54	EUR 27	EUR 27	EUR 17.87	EUR 18.96
Expected dividend yield	-	-	-	-	-
Expected stock price volatility	37,50%	37,50%	37,50%	37,50%	37,50%
Risk-free interest rate	0,36%	0,36%	0,36%	0,36%	0,36%
Expected duration	5 years	3 years	3 years	10 years	10 years
Fair value at grant date	EUR 479k	EUR 1,581k	EUR 608k	EUR 2,552k	EUR 87k

The annualized standard deviation in the stock price has been determined based on historical estimate while the risk-free interest rate has been determined based on a government bond with maturity closest to option expiration.

During the period 2021, a charge of EUR 1,065k has been recognized at the consolidated statement of income (in General and administrative expenses).

9.27. Contingencies and arbitrations

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 commercialisation by Mithra and its partner DocPharma BVBA (now Mylan) of a generic drug named Heria. Currently, Organon is claiming for provisional damages of EUR 2,770k including actual loss of profit as well as the reimbursement of 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 Commercial Court to advise on the damages suffered by Organon and Merck because of the partial infringement. A final report of the judicial expert dated November 22, 2019 assessed that damage at EUR 551k. That amount is, however, questionable in the light of several objective factors. The case is pending at the appeal level and the hearing has not yet been fixed.

A provision of EUR 266k has been recorded in the accounts in accordance with management's assessment of the liability that can result.

Conditional payments

For more details on contingent consideration payments, reference is made to section 9.17.4.

The contingent considerations relating to the asset deal Donesta® are not accounted for based on accounting policy 9.2.6.

As the acquisition of Donesta® qualified as an asset deal – because the definition of a business as defined in IFRS 3 was not met – the transaction was measured initially at cost. Subsequently the intangible assets will be measured at their cost less any accumulated amortisation and any accumulated impairment losses. The transaction price further contains several instalments which, since the date of acquisition, are considered as a contingent price based on future performance, hence this measurement is more an attribute of fair value measurement throughout the life of the asset than being representative of the cost model upon initial recognition of the asset. Hence, the contingent payments are disclosed as a contingent liability for an amount of EUR 12,000k, with any liability being re-measured at the end of each reporting period as an adjustment to the cost of intangible assets to the extent that it relates to future reporting periods.

9.28. Commitments

Collaborative research and development arrangements

In September 2019, Mithra contracted with ICON Plc to manage the pivotal Phase III trial of Donesta® to demonstrate the long-term efficacy and safety of Estetrol in the relief of vasomotor symptoms in postmenopausal and hysterectomized women in the US. The expenses needed to conclude the study are currently forecasted at approximately EUR 12 million.

On November 6, 2019, the Company also entered into a contract with ICON Plc for a similar study in Europe and the rest of the world. The expenses needed to conclude the study are currently forecasted at approximately EUR 24 million.

9.29. Related party transactions

The Company has implemented processes to enable its compliance with provision 7:97 CCA. During this fiscal year 2021, on 24 June 2021, the Company carried on a transaction with related parties in accordance with section 7:97 of the companies and association code. For further information, please see the press release dated 24 June 2021.

Additionally, the Company has no reporting event linked to the application of article 7:97 §6 CCA.

For fiscal year 2021, the related parties with which other transactions have occurred, but who were at the time of the decision or the conclusion of the operations were below the materiality threshold as foreseen by provision 7:97 CCA are as follows:

- YIMA SRL (an entity controlled by François Fornieri, a Director of the Company during part of the reporting period);
- NOSHAQ SA (an entity which is our shareholder, and a Director of the Company);
- Le Bocholtz SA (an entity controlled by François Fornieri, a Director of the Company);
- Eva Consulting SRL (an entity controlled by M. Jean-Michel Foidart), a Director and member of the key management of the Company;
- JAZZ A LIEGE ASBL, (an entity in which Mr Gaëtan Servais (permanent representative of NOSHAQ SA, director of the Company) acted as Director);
- Eklo ASBL (ex C.I.D.E. – SOCRAN ASBL), an entity in which Mr Gaëtan Servais (permanent representative of NOSHAQ SA, director of the Company) indirectly acts as Director);
- François Fornieri (permanent representative of YIMA SRL, director of the Company); Jean-Michel Foidart (permanent representative of Eva consulting SRL, Director of the Company and member of the key management of the Company).
- Protection Unit SA an entity in which Mr François Fornieri (managing director of the Company) is shareholder and where NOSHAQ Partners SCRl (director of the Company) is director.

Transactions between the Company and its subsidiaries, which are related parties, are eliminated in the consolidated accounts and no further information is provided here in this Section. However, the associate Targetome has been included as a related party.

Assets acquired from related parties

In 2021, Mithra did acquired assets from SVR Invest SRL as related parties as indicated above, please refer to note 9.5 Segment Information, 9.6 Other intangible assets and 9.15 Financial liabilities.

Assets sold to related parties

In November 2021, Mithra sold its 11 participations held in the NOSHAQ Company to NOSHAQ SA for a total amount of EUR 565,221.05. This sale was subject to the conclusion of a formal agreement wherein an anti-embarrassment clause in favor of Mithra should certain designated transactions would occur on the NOSHAQ SA shares within a given time période, please refer to note 9.23. Financial income and expense.

Key management compensation

Refer to the table below for the compensations paid to key management:

Thousands of Euro (€)	*Total*	*Of which CEO*
Basic remuneration	2,937	440
Variable Remuneration	260	-
Group Insurance (pension, invalidity, life)	16	-
Other benefits (car, cell phone, hospitalization)	46	-
Total	**3,259**	**440**

Sales/Purchase of other services and goods

Thousands of Euro (€)	*Type of services*	*2021*	*2020*
Total services rendered to entities controlled by or with significant influence from key management / directors		**40**	**-**
F. Fornieri	Recharge of misc. Expenses	40	-
Total services purchased from entities controlled by or with significant influence from key management / directors		**1,482**	**547**
Alychlo NV	Share lending facility	51	17
Bocholtz	Membership	2	4
Eklo Asbl	Research studies	50	
Corporate Unit	Services	1	-
Millésime Chocolat		1	-
JAZZ A LIEGE ASBL	Sponsoring	63	5
Noshaq SA	Share lending facility	101	34
Protection Unit	Guarding	304	302
SVR Invest SRL	Interest charge	267	-
YIMA SRL	Rental services builiding Foulons	141	168
YIMA SRL	Non-executive consulting services	450	-
YIMA SRL	Share lending facility	51	17

On top of the above, an amount of EUR 25.0 million was paid during the course of 2021 to ex Uteron shareholders who include, amongst others, Mr F. Fornieri, Mr JM. Foidard and L. Van Rompay, please refer to note 9.17 Financial instruments.

As per IAS 24 definition of "related parties transaction", the Company purchased services in the form of share lending facility from the below reference shareholders. In exchange for their services, the Company has granted warrants to those shareholders in proportion to their sharelending.

- François Fornieri (permanent representative of YIMA SRL, director of the Company);
- Alychlo NV (en entity controlled by Marc Coucke, a director of the Company);
- Noshaq SA (en entity in which Gaetan Servais is permanent representative, a director of the Company)

For more details, please refer to note 9.26 Share-based payments.

Aggregated trade receivable / payable balance due from / to related parties

Thousands of Euro (€)	*2021*	*2020*
Receivables from entities controlled by or with significant influence from key management / directors	-	39
Payables to entities controlled by or with significant influence from key management / directors	80	160
Payables to other related parties	-	-

Loans to or from related parties and other debts from related parties

Thousands of Euro (€)	*2021*	*2020*
Loan from / to entities controlled by key management / directors	-	-

Transactions with non-executive Directors

The total amount of the remunerations and the benefits paid in 2021 to the non-executive directors (in such capacity) was EUR 194.170 (gross, excluding VAT), split as follows:

Name	*Nature*	*Remunerations*[3]	*As member of a committee*	*As chairman of the board*
YIMA SRL	Non-exec	-	-	-
NOSHAQ SA	Non-exec	20,000	5,000	-
Ahok BVBA[2]	Independent	8,333	2,083	-
Alius Modi SRL	Non-exec	11,667	2,500	-
A. Tounsi	Non-exec	11,667	2,500	-
P. van Dijck[1]	Independent	20,000	5,000	10,000
A. Cloet	Independent	11,667	-	-
L. Weynants	Independent	11,667	-	-
Selva Luxembourg SA[2]	Non-exec	8,333	2,083	-
Sunathim BV	Independent	20,000	5,000	11,667
TicaConsult BV	Independent	20,000	5,000	-

9.30. Events after the reporting period

Post-period, in January 2022, the Company announced positive top-line results from Donesta® phase 3 studies for the treatment of vasomotor symptoms in post-menopausal women. Donesta® demonstrated a meaningful reduction in vasomotor symptoms from baseline and compared to placebo. All co-primary efficacy endpoints were statistically (all p<0.01) met in C301 (Europe, Latam and Russia) and in C302 (North America) studies, except for a borderline non-significant result for the severity criteria at week 4 in the C302 study, which reached and exceeded statistical significance by week 5 (p<0.01). Both studies also showed that the number and severity of hot flushes continued to decrease week after week until the end of the study, i. e. 3 months of treatment. Secondary endpoints evaluated at 3 months in the C301 study suggest a very positive impact of Donesta® on the quality of life.

In February 2022, Mithra announced the commercial launch of its vaginal contraceptive ring Myring® under the brandname Haloette® in Canada, a market which is worth approximately CAD $11.5 million (EUR 8 million) a year and represented exclusively by the originator Nuvaring®.

Also, in February 2022, the Company entered into a 2-year equity financing agreement with Goldman Sachs International ("GSI"), pursuant to which the Company can at its sole discretion require GSI to provide funding to the Company for an aggregate amount of up to EUR 100,000,000 in return for issuing GSI with call options over the Company's ordinary shares. The Company will access this funding through several drawings, which must be at least 22 trading days apart. On the same day, Mithra exercised its first drawing request on 4 February 2022 which amounted to EUR 10 million. Further to Mithra's first drawing request, GSI has elected to exercise a call option for an amount of EUR 5 million. This call option will result in the issuance of 377,198 shares of the Company. On 21 March 2022, Mithra decided to exercise a second drawing request for an amount of EUR 5 million according to the terms of the equity funding agreement signed with Goldman Sachs International ("GSI").

Post year-end, the maturities of straight loans ING & BELFIUS, presented under current portion of other loans for a total amount of EUR 35,000k as per December 31, 2021, have been extended to March 31, 2023.

Since the beginning of the conflict in Ukraine in February 2022, Mithra has been monitoring the geopolitical situation in order to manage the potential impact on Mithra's and partners activities, in particular Estelle® launch in Russia foreseen in H2 2022. On the R&D side, the Company has activated a mitigation plan in order to switch the planned Russian recruitment sites with other sites for the additional European Donesta® study (C301), which should be completed by the end of H1 2022.

There were no other subsequent events that occur between 2021 year-end and the date when the financial statements have been authorized by the Board for issue.

9.31. Mithra Pharmaceuticals companies consolidation scope

Mithra Pharmaceuticals SA is the parent company with its registered office at Rue Saint-Georges 5, 4000 Liège, Belgium.

9.31.1. Subsidiaries

The Group's financial statements consolidate those of the following undertakings[8] :

The Company has the following subsidiaries		*2021 ownership %*	*2020 ownership %*
Mithra Recherche et Développement SA		**100%**	**100%**
Registered office	Rue Saint-Georges 5 4000 Liège		
Incorporation Date	6/13/2013		
Company registration n°	534.909.666		
Neuralis SA		**100%**	**100%**
Registered office	Rue Saint-Georges 5 4000 Liège		
Incorporation Date	1/7/2013		
Company registration n°	0535.840.470		
Mithra Lëtzebuerg SA		**100%**	**100%**
Registered office	Boulevard de la Petrusse 124, L-2330 Luxembourg		
Incorporation Date	12/27/2012		
Company registration n°	LU25909011		
Mithra Pharmaceuticals CDMO SA		**100%**	**100%**
Registered office	Rue Saint-Georges 5 4000 Liège		
Incorporation Date	41438		
Company registration n°	534.912.933		
Mithra Pharmaceuticals GmbH		**In the process of liquidation**	**In the process of liquidation**
Registered office	Promenade 3-9 Raumm 22 DE - 52076 Aachen Germany		
Incorporation Date	12/27/2013		
Company registration n°	DE 295257855		
WeCare Pharmaceuticals BV		**100%**	**100%**
Registered office	Lagedijk 1-3, NL -1541 KA Koog aan de Zaan		
Incorporation Date	9/23/2013		
Company registration n°	NL08165405B01		
Novalon SA		**100%**	**100%**
Registered office	Rue Saint-Georges 5 4000 Liège		
Incorporation Date	11/17/2005		
Company registration n°	877.126.557		
Estetra SRL		**100%**	**100%**
Registered office	Rue Saint Georges, 5 4000 Liège		

[8] Please note that the shareholding percentage is considered at a consolidated level. Therefore, the 100% are held by the Company or one of its subsidiaries.

Incorporation Date	1/9/2009		
Company registration n°	818.257.356		
Donesta Bioscience BV		**100%**	**100%**
Registered office	Boslaan 11 3701 CH Zeist The Netherlands		
Incorporation Date	12/23/2011		
Company registration n°	54167116		

9.31.2. Associates

The following associate is accounted for using the equity method in the Group's financial statements:

The Company has the following associate	*2021 ownership %*	*2020 ownership %*
Targetome SA		

The Company has decided to terminate the companies' activities and to initiate the legal proceedings related to the liquidation of the company so that its value was derecognized. Measures are being taken in this direction.

9.32. Disclosure audit fees

In Euro (€)	
Auditor's fees for statutory and consolidated financial statements	158,000
Fees for exceptional services or special missions (audit related)	31,522
Tax consultancy (audit related)	-
Fees for exceptional services or special missions (external to audit)	-
Tax consultancy (external to audit)	21,822
Total	**211,344**

9.33. Condensed statutory financial statements of Mithra SA

In accordance with Art. 3:17 of the CCA, the condensed statutory standalone financial statements of Mithra Pharmaceuticals SA are presented. These condensed statements have been drawn up using the same accounting principles for preparing the complete set of statutory financial statements of Mithra Pharmaceuticals SA at and for the year ending 31 December 2021 in Belgian GAAP.

The statutory auditor, BDO Réviseurs d'entreprises, has issued a clean audit opinion on the statutory financial statements as at 14 April 2022.

The management report, the statutory financial statements of Mithra Pharmaceuticals SA and the report of the statutory auditor will be filed with the appropriate authorities and are available at the Company's registered offices.

Thousands of Euro (€)

Asset	*2021*	*2020*
Fixed assets	**149,959**	**139,552**
Intangible fixed assets	1,254	1,224
Tangible fixed assets	1,718	1,943
Financial fixed assets	146,986	136,386
Current assets	**310,112**	**306,504**
Other long-term receivables	55	66
Inventories	-	12
Trade and other receivables	289,428	178,931
Cash at bank and in hand	17,043	123,111
Deferred charges and accrued income	3,587	4,384
Total assets	**460,071**	**446,056**

Thousands of Euro (€)

Liabilities	*2021*	*2020*
Equity	**249,882**	**241,538**
Capital	32,250	31,271
Share premium account	338,594	330,345
Reserves	598	598
Accumulated losses	(121,560)	(120,676)
Provisions	**266**	**266**
Amounts payable after more than one year	**159,273**	**165,451**
Current liabilities	**50,384**	**38,489**
Current portion of long-term debts	6,178	26,193
Amounts payable within one year	44,207	12,297
Deferred charges and accrued income	266	313
Total Liabilities	**460,071**	**446,056**

Thousands of Euro (€)

Summary income statement	*2021*	*2020*
Operating income	**15,855**	**17,930**
Turnover	15,677	16,682
Other operating income	178	1,248
Operating charges	**(14,047)**	**(16,874)**
Cost of goods sold	(142)	(463)
Services and other goods	(10,037)	(11,698)
Remuneration, social security costs and pensions	(3,223)	(2,947)
Depreciations of and amounts written off formation expenses, intangible and tangible fixed assets	(601)	(298)
Other operating charges	(43)	(1,468)
Operating profit	1,808	1,056
Financial result	**(2,680)**	**(22,353)**
Financial income	4,819	2,152
Recurrent financial charges	(7,154)	(4,428)
Non recurrent financial charges	(345)	(20,077)
Profit/(loss) for the year before taxes	**(872)**	**(21,297)**
Taxes	(12)	(1)
Profit (loss) for the period available for appropriation	**(884)**	**(21,298)**

Thousands of Euro (€)

Capital statement	*2021*	*2020*
A. Capital		
1. Issued capital		
- At the end of the previous year	31,271	28,649
- Changes during the year	979	2,622
- At the end of this year	32,250	31,271
2. Capital representation		
2.1 Shares without par value		
- Bearer and dematerialised	44,051,259	42,714,097
B. Own shares	-	-
C. Commitmentes to issue shares	-	-
D. Autorised capital not issued	-	-

9.34. 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.

REBITDA is an alternative performance measure calculated by excluding the non-recurring items and the depreciation & amortization from EBIT (loss from operations) from the consolidated statement of profit or loss prepared in accordance with IFRS. The Group considers share-based payments as non-recurring item above EBITDA and one-off item, impairment charges on Other intangible assets in 2020, as non-recurring item below EBITDA.

EBITDA is an alternative performance measure calculated by excluding the depreciation and amortization from EBIT (loss from operations) from the consolidated statement of profit or loss prepared in accordance with IFRS.

Financial Highlights (management figures) are presented as follows in the first part of this annual report :

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Revenue	22,668	9,030
Cost of sales	(15,724)	(3,457)
Gross profit	6,945	5,573
Research and development expenses	(76,577)	(69,310)
General and administrative expenses	(10,021)	(8,126)
Selling expenses	(1,541)	(1,251)
Other operating income	4,809	6,574
REBITDA	(76,385)	(66,540)
Share-based payments expenses	(1,065)	(7,267)
EBITDA	(77,450)	(73,807)
Depreciation	(10,426)	(6,136)
Non-recurring items	-	(3,734)
Loss from operations	(87,875)	(83,678)
Change in fair value of contingent consideration payable	(19,265)	(18,114)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	(6,351)	(4,925)
Financial income	2,838	1,782
Financial expenses	(13,116)	(5,987)
Loss before taxes	(123,769)	(110,922)
Income taxes	6,895	18,835
NET LOSS FOR THE PERIOD	**(116,875)**	**(92,086)**

Please refer to the table below for the reconciliation to loss from operations as presented within consolidated statement of profit or loss :

	Year ended 31 December	
Thousands of Euro (€)	*2021*	*2020*
Loss from operations	(87,875)	(83,678)
Depreciation	10,426	6,136
Non-recurring items – impairment charges on Other intangible assets	-	3,734
Share-based payments	1,065	7,267
REBITDA	**(76,385)**	**(66,540)**
Share-based payments	(1,065)	(7,267)
EBITDA	**(77,450)**	**(73,807)**

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