



Mithra receives positive ruling on Patent Income Deduction

Liege, Belgium, 10 February 2020 – 7:30 CET – Mithra (Euronext Brussels: MITRA), a company dedicated to Women’s Health, today announces that it has received a positive ruling from the Belgian tax authorities, enabling Mithra to benefit from the Belgian Patent Income Deduction (PID)¹ on patent related income arising from Mithra’s E4-based products (Estelle®, Donesta®).

For the taxable period 2018-2021, this PID allows Mithra to deduct from taxable income, 80% of patent income relating to its products Estelle® and Donesta®. In the future, Mithra also expects to benefit from the Innovation Income Deduction (IID), the new regime introduced by the Belgian government, replacing the Patent Income Deduction, in order to stimulate innovation through research and development and to encourage the protection of such innovation. From July 2021 onwards, this IID will allow a company to deduct 85% of the net income derived from intellectual property rights.

Thanks to the utilization of the tax losses carried forward and these PID/IID deductions, Mithra should significantly reduce its effective tax rate to less than 5% for its E4-related pipeline, versus the Belgian commercial rate of about 30%². This low rate should apply to the majority of future E4-related sales earned by Mithra, including PeriNesta®.

Christophe Maréchal, Chief Financial Officer of Mithra Women’s Health, commented: “ *This tax ruling is a very important step for Mithra and its shareholders. Mithra has always focused on a strategy of consolidating its intellectual property. Thanks to the great innovation support provided by the Belgian government to the biotech sector, we can utilize IP-lined revenues related to R&D activities in a highly tax-efficient way.*”

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About Mithra

Mithra (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. Its three lead development candidates are built on Mithra’s unique native estrogen platform, Estetrol (E4):

¹ Mithra’s IP is defined under the Patent Deduction Regime, established in 2007. As of 1 July 2016, this was replaced by the new innovation income deduction regime (IID). For any qualifying IP applied for/acquired before 1 July 2016, an optional five-year grandfathering period is available to benefit from the old regime until 30 June 2021.

² The Belgian corporate tax rate is 29.58% from 2018 (tax year 2019) and 25% from 2020 (tax year 2021).

Estelle®, a new era in oral contraception, *PeriNesta®*, the first complete oral treatment for perimenopause and *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. Active in more than 85 countries around the world, Mithra has an approximate headcount of 250 staff members and is headquartered in Liège, Belgium. www.mithra.com

Important information

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

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