

# **THERAMetrics holding AG**

**Condensed consolidated interim financial  
statements for the half-year ended 30 June 2016**  
*(unaudited)*

# Table of content

## **THERAMetrics holding AG (condensed consolidated interim financial statements)**

Consolidated balance sheet	3
Consolidated statement of comprehensive income	4
Consolidated cash flow statement	5
Consolidated statement of changes in equity	6
Notes to the consolidated financial statements	7

THERAMetrics holding AG

Consolidated interim balance sheet (in TCHF)

TCHF	Notes	30 June 2016	31 December 2015 restated
<b>ASSETS</b>			
Property, plant and equipment	6	12	12
Goodwill	7	18'797	18'745
Intangible assets	8	3'632	3'800
Loans and other non-current assets		4	-
<b>Non-current assets</b>		<b>22'445</b>	<b>22'557</b>
Trade receivables	9	161	21
Tax receivables		48	57
Other current assets and other receivables		92	174
Cash and cash equivalents		131	334
		<b>432</b>	<b>586</b>
Assets of disposal group classified as held for sale	14	-	7'069
<b>Current assets</b>		<b>432</b>	<b>7'655</b>
<b>Total assets</b>		<b>22'877</b>	<b>30'212</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	10	6'548	6'548
Reserves	11	35'336	32'446
Accumulated losses		(25'368)	(21'291)
<b>Total equity</b>		<b>16'516</b>	<b>17'703</b>
Non-current borrowing	12	-	2'075
Defined benefit obligation		436	446
Deferred tax liabilities		678	705
<b>Non-current liabilities</b>		<b>1'114</b>	<b>3'226</b>
Trade payables	13	1'456	414
Current borrowings	12	3'397	2'542
Tax payables		1	18
Other current payables and liabilities		393	751
		<b>5'247</b>	<b>3'725</b>
Liabilities directly associated with disposal group classified as held for sale	14	-	5'558
<b>Current liabilities</b>		<b>5'247</b>	<b>9'283</b>
<b>Total equity and liabilities</b>		<b>22'877</b>	<b>30'212</b>

Comparative information in the consolidated interim balance sheet was restated as the presentation currency was changed from EUR to CHF.

The accompanying notes form an integral part of the consolidated financial statements.

THERAMetrics holding AG

Consolidated interim statement of comprehensive income (in TCHF)

TCHF	Notes	1.1. - 30.6.2016	1.1. - 30.6.2015 restated
<b>CONTINUING OPERATIONS</b>			
Revenues	5	335	187
Service expense	15	(971)	(480)
Personnel expense		(206)	(104)
Other administrative expense		(28)	-
<b>EBITDA</b>		<b>(870)</b>	<b>(397)</b>
Amortisation and depreciation expense		(180)	(180)
<b>Operating loss</b>		<b>(1'050)</b>	<b>(577)</b>
Finance income		1	-
Finance expense		(143)	(595)
<b>Loss before income taxes</b>		<b>(1'192)</b>	<b>(1'172)</b>
Income taxes		28	34
<b>Loss for the period from continuing operations</b>		<b>(1'164)</b>	<b>(1'138)</b>
<b>DISCONTINUED OPERATIONS</b>			
Loss for the period from discontinued operations	16	(3'452)	(2'344)
<b>Loss for the period</b>		<b>(4'616)</b>	<b>(3'482)</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX</b>			
Remeasurement of defined benefit obligation		(99)	19
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(99)</b>	<b>19</b>
Currency translation differences		2'874	300
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>2'874</b>	<b>300</b>
<b>Total other comprehensive income for the year, net of income tax</b>		<b>2'775</b>	<b>319</b>
<b>Total comprehensive income for the period</b>		<b>(1'841)</b>	<b>(3'163)</b>
<b>EARNINGS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS</b>			
Basic and diluted earnings per share (in CHF)	17	(0.007)	(0.005)
<b>EARNINGS PER SHARE FROM CONTINUING OPERATIONS</b>			
Basic and diluted earnings per share (in CHF)	17	(0.002)	(0.002)

Comparative information in the consolidated interim statement of comprehensive income was restated as income and expense related to the sold CRO business are shown as discontinued operations. Further, the presentation currency was changed from EUR to CHF.

The accompanying notes form an integral part of the consolidated financial statements.

THERAMetrics holding AG

Consolidated interim cash flow statement (in TCHF)

TCHF	1.1. - 30.6.2016	1.1. - 30.6.2015 restated
<b>Cash flow from operating activities</b>	<b>(2'376)</b>	<b>(2'151)</b>
Purchase of property, plant and equipment	(2)	(4)
Purchase of intangible assets		(317)
Cash outflow from disposal of subsidiaries	(344)	-
<b>Cash flow from investing activities</b>	<b>(346)</b>	<b>(321)</b>
Repayment of borrowings	(57)	(462)
Proceeds from borrowings	1'094	118
Proceeds from sale of own shares	637	-
<b>Cash flow from financing activities</b>	<b>1'674</b>	<b>(344)</b>
Net (decrease)/increase in cash and cash equivalents	(1'048)	(2'816)
Cash and cash equivalents at beginning of period	1'194	5'006
Net effect of currency translation on cash and cash equivalents	(15)	(955)
<b>Cash and cash equivalents at end of period</b>	<b>131</b>	<b>1'235</b>
<i>thereof recognised within assets held for sale</i>	-	706
<i>thereof recognised as cash and cash equivalents</i>	<i>131</i>	<i>529</i>

Comparative information in the consolidated interim cash flow statement was restated as the presentation currency was changed from EUR to CHF.

The accompanying notes form an integral part of the consolidated financial statements.

THERAMetrics holding AG

Consolidated interim statement of changes in equity (in TCHF)

TCHF	Share capital	Reserves	Accumulated loss	Attributable to owners of the Parent Company	Non-controlling interests	Total
<b>Balance at 1 January 2015 (restated)</b>	<b>6'546</b>	<b>33'102</b>	<b>(13'288)</b>	<b>26'360</b>	<b>(12)</b>	<b>26'348</b>
Loss for the period	-	-	(3'482)	(3'482)	-	(3'482)
Other comprehensive income for the period, net of income tax	-	(3'185)	19	(3'166)	-	(3'166)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(3'185)</b>	<b>(3'463)</b>	<b>(6'648)</b>	<b>-</b>	<b>(6'648)</b>
Liquidation of subsidiary	-	-	(10)	(10)	10	-
<b>Balance at 30 June 2015 (restated)</b>	<b>6'546</b>	<b>29'917</b>	<b>(16'761)</b>	<b>19'702</b>	<b>(2)</b>	<b>19'700</b>
<b>Balance at 1 January 2016 (restated)</b>	<b>6'548</b>	<b>32'446</b>	<b>(21'291)</b>	<b>17'703</b>	<b>-</b>	<b>17'703</b>
Loss for the period	-	-	(4'616)	(4'616)	-	(4'616)
Other comprehensive income for the period, net of income tax	-	2'874	(99)	2'775	-	2'775
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>2'874</b>	<b>(4'715)</b>	<b>(1'841)</b>	<b>-</b>	<b>(1'841)</b>
Sale of own shares (note 11)	-	-	637	637	-	637
Recognition of share based payments	-	17	-	17	-	17
<b>Balance at 30 June 2016</b>	<b>6'548</b>	<b>35'337</b>	<b>(25'369)</b>	<b>16'516</b>	<b>-</b>	<b>16'516</b>

Comparative information in the consolidated interim statement of changes in equity was restated as the presentation currency was changed from EUR to CHF.

The accompanying notes form an integral part of the consolidated financial statements.

## Notes to the consolidated interim financial statements

### 1 General information

THERAMetrics holding AG ("TMX" or "the Company") is a Swiss stock corporation listed on the SIX Swiss Exchange whose registered office is Dorfplatz 6, 6370 Stans, Switzerland.

On 15 June 2016, the Company exited the contract research organization (CRO) industry by selling its significant CRO subsidiaries effective 31 May 2016. The Company's smaller CRO subsidiaries have no activity and are in the process of being liquidated.

Prior to the sale of the CRO business, the Company was the parent of a global CRO, which offered technological services and solutions to life sciences and pharmaceutical companies through the entire value chain of drug discovery and development.

#### ***Merger with Relief Therapeutics and related financing facility with GEM***

On 15 July 2016, the Company acquired Relief Therapeutics SA of Geneva, changed its name from THERAMetrics holding AG to Relief Therapeutics Holding AG, and moved its legal seat from Stans to Zurich. The combined company will focus on the development and/or licensing of its portfolio of medicinal products candidates (MPC), and at the same time continue the commercial development of its drug rescuing and repurposing platform DRR2.0.

Financing for the combined entity is being provided by a CHF 25 million share subscription facility (SSF) with GEM Global Yield Fund LLC (GEM). The SSF was signed in December 2015 and is valid for three years. Additionally, GEM has provided the Company with a one-year letter of financial support (valid until the 2017 shareholder meeting), confirming their intention to provide the Company with the liquidity it needs to meet its obligations as they come due.

Based on the SSF and the letter of financial support, the financial statements have been drawn up on the assumption of going concern (see note 4.1 for further details).

The consolidated financial statements are presented in CHF. In the 2015 annual financial statements the presentation currency was EURO. The presentation currency was changed because the main subsidiaries with functional currency EUR were sold and the remaining significant entities of the Group have functional currency CHF.

The functional currency of subsidiaries is generally the local currency of the respective entity.

### 2 Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2015 annual report and are neither audited nor reviewed.

### 3 Summary of significant accounting policies

#### **3.1 Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year**

The consolidated financial statements of the Group have been prepared using the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2015 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2016, and will be adopted in the 2016 annual financial statements.

The nature and impact of each new standard and interpretation adopted by the company is detailed below.

	<b>New, amended and revised Standards and Interpretations</b>
IFRS 11	Amends IFRS 11 Joint Arrangements to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to: <ul style="list-style-type: none"><li>- apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11</li><li>- disclose the information required by IFRS 3 and other IFRSs for business combinations.</li></ul> The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).
IAS 1	The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial report

	<b>New, amended and revised Standards and Interpretations</b>
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	<b>New, amended and revised Standards and Interpretations</b>
IAS 16/ IAS 38	The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in limited circumstances.
Various	<p><b>Annual Improvements 2012-2014 Cycle</b></p> <p>Makes amendments to the following standards:</p> <p>IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued</p> <p>IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements</p> <p>IAS 19 — Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid</p> <p>IAS 34 — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference</p>

### 3.2 Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not adopted the following Standards and Interpretations that have been issued but are not yet effective. They will be effective on or after the dates described below.

	<b>New, amended and revised Standards and Interpretations</b>	<b>Effective from</b>
IFRS 2	Amends IFRS 2 Share-based Payment to clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.	Annual periods beginning on or after 1 January 2018
IFRS 9	IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirement for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.	Annual periods beginning on or after 1 January 2018
IFRS 15	<p>The new Standard IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.</p> <p>The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue.</p> <p>Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.</p>	Annual periods beginning on or after 1 January 2018
IFRS 16	<p>The new Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17 Leases and its associated interpretative guidance.</p> <p>IFRS 16 applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer.</p> <p>Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). In contrast, the Standard does not include significant changes to the requirements for accounting by lessors.</p>	Annual periods beginning on or after 1 January 2019



	<b>New, amended and revised Standards and Interpretations</b>	<b>Effective from</b>
IAS 7	Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	Annual periods beginning on or after 1 January 2017
IAS 12	Amends IAS 12 Income Taxes to clarify the following aspects: <ul style="list-style-type: none"> <li>- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.</li> <li>- The carrying amount of an asset does not limit the estimation of probable future taxable profits.</li> <li>- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.</li> <li>- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.</li> </ul>	Annual periods beginning on or after 1 January 2017

The Group is currently assessing whether these changes will impact the consolidated financial statements in the period of initial application. Except for IFRS 9, IFRS 15 and IFRS 16, which will be applicable in 2018 and/or 2019, the Group does not expect any significant impact from the new or amended Standards mentioned above.

#### **4 Summary of critical accounting judgements and key sources of estimation uncertainty**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, expenses and related disclosures. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

##### **4.1 Critical judgements in applying accounting policies**

###### ***Going concern***

As described in Note 1 to these financial statements, the Company recently sold its loss-making CRO business and subsequently combined businesses with Relief Therapeutics SA. In connection with that combination, the Company secured a three-year CHF 25 million share subscription facility ("SSF") from GEM Global Yield Fund, supplemented by a letter of financial support valid until the 2017 annual shareholders' meeting. Additionally, the company is in negotiations with a group of investors to provide up to CHF 7 million in 3-year convertible loan notes, which it aims to finalize in Q4 2016.

The SSF gives TMX the right, but not the obligation, for a period of up to 36 months, to issue and sell up to CHF 25 million of its shares to GEM. GEM will acquire ordinary registered shares of TMX upon the Company's exercise of draw-down notices. Each draw-down is conditional upon trading volumes and share prices. Specifically, a draw down cannot exceed 700% of the average trading volume during the 15 trading days immediately preceding the date of a draw-down. The purchase price per share is 90% of the closing bid price for a TMX share during the 15 trading days immediately following a draw-down notice.

Although management is confident that the sources of financing described above will provide sufficient funding for the foreseeable future, there remains a risk that one or more of the sources could prove insufficient to provide the funds needed. In such a case, there would be significant doubts about the Company's ability to continue as a going concern.

Because management remains confident that the sources of financing will prove reliable and that the liquidity of the company is therefore secured, these financial statements have been prepared on the going concern basis.

##### **4.2 Key sources of estimation uncertainty**

Key source of estimation uncertainty were the same as those applied to the consolidated financial statements of the year ended 31 December 2015.

## **5 Segment information**

### **5.1 Description of segment**

As described in Note 1, during 2015 the Company announced its intention to divest of the contract research part of its operations which has been done in the second quarter of 2016. The other parts of its single operating segment, being the IP rights as well as the DRR2.0 platform, continue. As the contract research part of the business was sold in 2016 and therefore recognised as discontinued operation, the continuing operations still only show one segment being the residual drug development and discovery business.

### **5.2 Geographical information**

As the Group currently only operates in Switzerland, no separate geographical information is presented.

## **6 Property, plant and equipment**

There were no major additions or disposals in the first half of 2016.

## **7 Goodwill**

The Group only consists of one cash generating unit ("CGU"). Hence, the entire goodwill is allocated to this CGU. An impairment test of goodwill was performed by the Group on goodwill for a total amount of TCHF 18'797 at 31 December 2015.

In consideration of the fact that development plans remained unchanged in the first half of the financial year 2016 and the set-up for further development activities will improve upon merging with Relief, the Company considered that there is no indication of impairment of non-current assets and therefore has not carried out an impairment test on them.

## **8 Intangible assets**

There were no major additions or disposals in the first half of 2016. The decrease is due to amortisation of intangible assets.

## **9 Trade receivables**

None of the trade receivables are overdue or impaired.

## **10 Share capital**

### **10.1 Issued share capital**

At 30 June 2016 the issued share capital remained unchanged from 31 December 2015 at TCHF 6'548, consisting of 654'783'652 registered shares with a par value of CHF 0.01.

### **10.2 Authorized share capital**

At 30 June 2016, the Company had authorized, but not yet issued, nominal share capital of TCHF 9'250, consisting of 925'000'000 registered shares with a par value of CHF 0.01 each, that the Board of Directors is authorized to issue at any time until 25 May 2018.

### **10.3 Conditional share capital**

The conditional share capital of TMX as at 30 June 2016 was TCHF 9'250, consisting of 925'000'000 registered shares with a par value of CHF 0.01 each, of which 25'000'000 to be used for share options for members of the Board of Directors and Executive Management, 250'000'000 to be used for share options for employees and consultants and 650'000'000 to be used for the exercise of conversion option rights granted in connection with bonds, notes or similar debt instruments issued by the Company.

#### 10.4 Significant shareholders

The following significant shareholders are known to the company:

	30.06.2016		31.12.2015	
	Number of shares	%	Number of shares	%
PIERREL S.p.A.	179'372'543	27.4%	200'237'756	30.6%
FIN POSILLIPO S.p.A	210'600'151	32.2%	180'135'833	27.5%
Others	264'810'958	40.4%	274'410'063	41.9%
<b>Total shares</b>	<b>654'783'652</b>	<b>100.0%</b>	<b>654'783'652</b>	<b>100.0%</b>

#### 11 Treasury shares

In the first half of the financial year 2016, the Group sold its remaining 20'841'131 treasury shares for a total net consideration of TCHF 637. As at 30 June 2016, the Group did not hold any treasury shares.

#### 12 Borrowings

As of 30 June 2016, current borrowings relate to a fully-subordinated convertible loan signed 29 October 2015. The liability includes CHF 3.3 million of principal, plus TCHF 97 of accrued interest at 5% per annum. Originally, all borrowings were to be repaid, together with accrued interest, by mandatory conversion into shares of TMX on 1 March 2016. Subsequent to year-end, the conversion date was extended to 30 June 2016. The loan was finally converted on 15 July 2016. TCHF 3'165 of the total liability of TCHF 3'397 is owed to Fin Posillipo S.p.A., a major shareholder. (See note 19 for disclosure of Related Party transactions.)

The loan from Banca Popolare die Milano (TEUR 2'080), of which TCHF 2'059 was shown as non-current and TCHF 238 was shown as current, was transferred to Fin Posillipo SpA as part of the CRO sale. For further information, refer to notes 1, 14 and 16.

#### 13 Trade payables

In the first half of the financial year 2016, trade payables mainly increased due to amounts outstanding to a deconsolidated entity.

#### 14 Disposal group classified as held for sale

##### 14.1 Disposal of CRO business

The Company has sold its largest contract research subsidiaries to another CRO. The Company's remaining CRO subsidiaries have no operations and are in the process of being liquidated. For further details on the disposal refer to notes 1 and 16.

#### 14.2 Reclassified assets and liabilities

The non-current assets held for sale and the liabilities associated with non-current assets held for sale were reclassified from the following categories of assets and liabilities:

TCHF	30 June 2016	31 December 2015 restated
Property, plant and equipment	-	237
Goodwill	-	1'625
Intangible assets	-	4
Loans and other non-current assets	-	12
Deferred tax assets	-	63
<b>Non-current assets</b>	<b>-</b>	<b>1'941</b>
Inventories	-	23
Work in progress	-	1'259
Trade receivables	-	1'690
Tax receivables	-	769
Other current assets and other receivables	-	527
Cash and cash equivalents	-	860
<b>Current assets</b>	<b>-</b>	<b>5'128</b>
<b>Assets classified as non-current assets held for sale</b>	<b>-</b>	<b>7'069</b>
	-	-
Non-current borrowing	-	1
Defined benefit obligation	-	567
Deferred tax liabilities	-	467
<b>Non-current liabilities</b>	<b>-</b>	<b>1'035</b>
Trade payables	-	2'726
Current borrowings	-	159
Tax payables	-	689
Other current payables and liabilities	-	949
<b>Current liabilities</b>	<b>-</b>	<b>4'523</b>
<b>Liabilities associated with non-current assets held for sale</b>	<b>-</b>	<b>5'558</b>

#### 15 Service expense

TCHF	2016	2015 restated
Maintenance expense	10	1
Consulting service expense (i)	926	446
Travel and accommodation expense	35	34
<b>Total cost for services</b>	<b>971</b>	<b>481</b>

- (i) The increase in consulting service expense mainly relates to third party consulting fees in connection with the restructuring of the Group.

## 16 Discontinued Operations

### 16.1 Description of discontinued operations

The Company has sold its largest contract research subsidiaries to another CRO. The Company's remaining CRO subsidiaries have no operations and are in the process of being liquidated. Closure of these subsidiaries is not expected to have a material financial impact on the Company.

### 16.2 Analysis of result for the period from discontinued operations

The result of the discontinued operations included in the consolidated statement of comprehensive income is set out below. The comparative result and cash flows from discontinued operations have been represented to include these operations as classified as discontinued operations in the current period.

TCHF	2016	2015 restated
<b>DISCONTINUED OPERATIONS</b>		
Revenues	3'665	7'715
Other income	176	563
Service expense	(2'079)	(5'635)
Material expense and change in WIP	(243)	(133)
Personnel expense	(2'065)	(3'939)
Other administrative expense	(267)	(449)
<b>EBITDA</b>	<b>(813)</b>	<b>(1'878)</b>
Amortisation and depreciation expense	(14)	(685)
<b>Operating result</b>	<b>(827)</b>	<b>(2'563)</b>
Gain from sale of property, plant and equipment	-	16
Finance income	1	634
Finance expense	(33)	(30)
<b>Result before income taxes</b>	<b>(859)</b>	<b>(1'943)</b>
Income taxes	(2)	(401)
<b>Loss for the period</b>	<b>(861)</b>	<b>(2'345)</b>
Loss on disposal of CRO business	(2'591)	-
<b>Result for the period from discontinued operations</b>	<b>(3'452)</b>	<b>(2'345)</b>

TCHF	2016	2015 restated
<b>CASH FLOWS FROM DISCONTINUED OPERATIONS</b>		
Net cash flows from operating activities	(529)	(1'151)
Net cash flows from investing activities	(341)	-
Net cash flows from financing activities	-	(344)
<b>Cash flows from discontinued operations</b>	<b>(870)</b>	<b>(1'495)</b>

## 17 Earnings per share

TCHF	2016	2015 restated
Loss for the period attributable to the equity holders of the Parent Company	(4'616)	(3'482)
Liss: Loss for the period from discontinued operations	3'452	2'344
Earnings from continuing operations (for basic and diluted earnings per share)	(1'164)	(1'138)
Weighted average number of shares for the purposes of EPS	639'308'136	654'643'652
<b>Basic and diluted earnings per share (in CHF)</b>		
From continuing operations	(0.002)	(0.002)
From discontinued operations	(0.005)	(0.003)
<b>Total basic and diluted earnings per share (in CHF)</b>	<b>(0.007)</b>	<b>(0.005)</b>

Basic and diluted losses per shares are calculated by dividing the net loss attributable to the shareholders by the weighted average shares outstanding during the period. In 2016 and 2015, the number of shares outstanding varied as a result of different transactions on the share capital structure of the Company as well as transactions with treasury shares.

The options granted as part of the EAP have not been considered in the calculation of the diluted loss per share as their effect is anti-dilutive.

## 18 Disposal of CRO business

On 15 June 2016, the Company sold its largest CRO subsidiaries to Accelovance, Inc.. As part of the transaction, Accelovance also assumed management of the Company's clinical programs in the United States and took over outstanding trade payables (totalling TEUR 1'071 (TCHF 1'183)) of TMX's U.S. operating subsidiary. In a separate but contemporaneous transaction, Fin Posillipo S.p.A., a major shareholder of the Company, assumed the Company's existing bank debt with Banca Popolare di Milano in exchange for Accelovance shares the Company received under the transaction. Also in a separate but contemporaneous transaction, Fin Posillipo acquired the TMX's manufacturing and logistics subsidiary THERAMetrics CSS S.r.l. for TEUR 1'000 (TCHF 1'104) in cash.

### 18.1 Consideration received

TCHF	2016
Consideration received in cash and cash equivalents	1'104
Consideration received in shares of buyer	2'264
Trade payables due to third parties taken over by buyer	1'183
<b>Total consideration received</b>	<b>4'551</b>

**18.2 Analysis of assets and liabilities over which control was lost**

<b>TCHF</b>	<b>2016</b>
<b>Non-current assets</b>	
Property, plant and equipment	233
Goodwill	1'657
Intangible assets	6
Loans and other non-current assets	8
Deferred tax assets	97
<b>Current assets</b>	
Inventories	22
Work in progress	1'331
Trade receivables	2'298
Tax receivables	1'132
Other current assets and other receivables	373
Cash and cash equivalents	1'448
<b>Non-current liabilities</b>	
Defined benefit obligation	(478)
Deferred tax liabilities	(503)
<b>Current liabilities</b>	
Trade payables	(1'270)
Current borrowings	(163)
Tax payables	(981)
Other current payables and liabilities	(750)
<b>Net assets disposed of</b>	<b>4'460</b>

**18.3 Loss on disposal of CRO business**

<b>TCHF</b>	<b>2016</b>
Consideration received	4'551
Net assets disposed of	(4'460)
Cumulative exchange loss in respect of the net assets of the subsidiary on loss of control (1)	(2'682)
<b>Loss on disposal</b>	<b>(2'591)</b>

(1) The cumulative exchange loss on disposal of the CRO business is the result of changing the reporting currency from EUR to CHF.

**18.4 Net cash outflow on disposal of CRO business**

<b>TCHF</b>	<b>2016</b>
Consideration received in cash and cash equivalents	1'104
Less: cash and cash equivalent balances disposed of	(1'448)
<b>Net cash outflow on disposal of CRO business</b>	<b>(344)</b>

## 19 Related party balances and transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the company and other related parties are disclosed below.

The following table shows balances due to/from related parties at the end of the period:

TCHF	Due from related parties		Due to related parties	
	30.06.2016	31.12.2015 restated	30.06.2016	31.12.2015 restated
<b>Shareholders</b>				
Fin Posillipo S.p.A. (i)	-	-	3'165	2'079
Pierrel S.p.A	-	-	3	-
<b>Others</b>				
Therapeutics CSS	-	-	577	-
Farmacie Petrone Srl	-	-	-	35
PETRONE GROUP	-	-	4	2
Bootes S.r.l. (ii)	-	-	-	149

- (i) The amount owed to Fin Posillipo relates to the convertible loan described in note 12.  
(ii) Since the sale of the CRO business Bootes S.r.l. is no longer considered a related party.

As part of the Company's exit from the CRO business, it sold one subsidiary, THERAMetrics CSS Srl ("CSS") to Fin Posillipo SpA, a major shareholder, for TEUR 1'000 (TCHF 1'104). The proceeds from the sale of CSS were used to provide additional capitalization to certain other CRO subsidiaries, a condition precedent for their sale to a third-party.

Also related to the Company's the exit from the CRO business, the Company received shares in the company that bought the major CRO subsidiaries. Immediately following the receipt of those shares (valued at TEUR 2'050 (TCHF 2'264)) the Company sold them to Fin Posillipo SpA for Fin Posillipo's assumption of the Company's TEUR 2'080 (TCHF 2'297) loan with Banca Popolare di Milano. The difference of TCHF 33 was given to Fin Posillipo by way of a short-term promissory note and, as such, no gain or loss was recognized for this transaction.

## 20 Fair value measurement

Unchanged to 31 December 2015 there are no assets or liabilities measured at fair value. For all financial assets and liabilities their carrying amount at amortised cost approximates fair value.

## 21 Non-cash transactions

Except for the non-cash transactions during the sale of CRO business (refer to note 14 for further details) there were no significant non-cash transactions during the first six months of 2016 or 2015.

## 22 Commitments and contingent liabilities

### *Litigation*

At 30 June 2016, the Company is not party to any legal, administrative or arbitral proceedings, the outcome of which, if adverse to the Company, may be material to its business, financial condition and results of operation taken as a whole.

### *Contingent Liabilities*

The contract for the sale of the Company's major CRO subsidiaries, dated 15 June 2016, contains representation and warranties, as well as clauses for working capital true-ups, which could result in additional financial claims being made against the Company. Since the likelihood of such claims cannot be estimated or measured, there is no provision for such claims in the 30 June 2016 balance sheet.



## **23 Subsequent events**

### ***Combination with Relief Therapeutics***

On 15 July 2016, the Company acquired Relief Therapeutics SA of Geneva, changed its name from THERAMetrics holding AG to Relief Therapeutics Holding AG, and moved its legal seat from Stans to Zurich. For further details, refer to note 1.

The acquisition was carried out by way of an exchange of 5'750 Company shares for each Relief share. As a result, the Company issued 1'196'937'250 new shares to Relief shareholders.

Also on 15 July 2016, the Company converted its CHF 3.3 million convertible loan into 84'906'473 newly issued shares.

After the issuance of shares for the two transactions described above, the company's issued share capital increased from 654'783'652 shares to 1'936'627'375 shares, each with a nominal (par) value of CHF 0.01.

## **24 Approval of financial statements**

These consolidated financial statements were approved by the Board of Directors on 21 September 2016.