

ESPERITE N.V. (ESP) publishes its half-year report. Revenues, results and consolidated equity were impacted by adverse market conditions on the stem cell business.

## CEO, Frédéric Amar, has converted part of his loan notes into 2.5 million shares to support the business and L1 Capital has continued financing the Company.

Amsterdam, The Netherlands – 30 June 2019

Esperite NV (Euronext: ESP, "Esperite" or "the Group") has published its financial results (unaudited) for the period of six months ended June 30, 2018 showing a decrease in total revenue to EUR 5,3 million, and cost of sales maintained at 58 %.

The negative EBITDA of EUR -4,8 million was balanced by the external financing which is expected to support the on-going development.

CryoSave is continuing to consolidate its distribution network and reduce its cost base.

Even though, the restructuring and consolidation of the different activities have lead to a reduction of the current OPEX, provisions for VAT claims have been made in Bulgaria leading to a stable OPEX figure of EUR 7,9 million.

Despite that, the predictive medicine and R&D activities remain promising.

Genoma Swiss Biotechnology's unique proprietary technology allowed the Group to launch successfully a new development of its new Diagnostic System for Genetic Clinical Laboratories, AGAATA Dx, which now offers CE-IVD diagnostic tests in oncology especially for breast cancer and colorectal cancer and has machine learning capabilities.

The Cell Factory has launched its second generation of EV drugs for future treatment of stroke and Crohn disease.

Frédéric Amar, CEO of Esperite Group, declares: "Esperite has continued to experience turbulent headwind. Our goal is to focus on our unique and advanced technology in predictive medicine."

Amsterdam, The Netherlands - 30 June 2019

About ESPERITE

*ESPERITE* Group, listed at Euronext Amsterdam and Paris, is a leading international company in regenerative and predictive medicine established in 2000.

To learn more about the *ESPERITE* Group, or to book an interview with CEO Frederic Amar: +31 575 548 998 - ir@esperite.com or visit the websites at www.esperite.com, www.genoma.com and www.cryo-save.com.

## **Financial Review**

(all amounts in millions of Euro)

## Revenue

Consolidated revenue decreased by 36 % to EUR 5,3 million due to adverse market conditions on the stem cell business and lack of financial resources to develop at a higher pace the predictive medicine entities of the Group.

## Result

Gross profit margin is now 58 % compared to 59% over the same period last year.

Operating expenses stand at EUR 7,9 million like last year because Cryo Save Bulgaria has booked a provision of EUR 1.4 million for a VAT claim challenged in Court by the local fiscal authorities.

Research and development cost are mostly capitalized.

EBITDA for the first half year decreased from EUR -3,0 million negative over the first half year of 2017 to EUR -4.8 million negative over the same period in 2018.

Thanks to the new financing, the Group was still able to finance this result.

The sale of the loss making subsidiary Cryo Save Labs as well as the write off of the negative net equity of several subsidiaries has generated extra depreciations and finance costs of EUR 3,3 million over the period.

## **External financing**

On 8 March 2017, Esperite secured external financing of up to EUR 9 million with L1 Capital to support its commercial activity and development of innovative technologies. The total financing can reach up to EUR 13 million upon exercise of share subscription warrants by the investor.

On the first half of 2018, L1 Capital has provided Esperite with 8 tranches of financing amounting to Euro 3.75 million. No warrant has been exercised.

## **Financial Position**

Total assets amount to EUR 28,2 million. Properties, plants and equipment decreased by EUR 3,7 million. Trade and other receivables decrease from EUR 7,1 million to EUR 5,7 million due to decreased revenue levels.

Total liabilities amount to EUR 31,2 million. They include EUR 11,3 million of long term differed revenue from the regenerative medicine activity and EUR 12,8 million of trade payables.

Equity decreased by EUR 4 million, to EURO -3 million. The net loss amounting to EUR – 9 million was partially offset by equity investment from L1 Capital and several loan conversions.

## **Cash Flow**

The operational cash flow decreased mainly due to the operational losses incurred in the period under review.

The cash flow from financing activities relates to the investments made by L1 Capital.

## Principal risks and uncertainties

Pages 28 - 39 of Esperite's Financial Annual report 2017 include an extensive overview of the Group's principal risks and uncertainties, which are also applicable for the first six months of 2018.

## **Declaration of Management**

The Chief Executive Officer declares that, as far as he is are aware and to the best of his knowledge, the financial statements in this half year report, made up according to the applicable standards for financial statements, give a true and fair view of the equity, financial position and the results of the Group and its consolidated companies. The CEO further declares that this report to the shareholders gives a true and fair view on the information that has to be contained therein.

Amsterdam, The Netherlands, 30 June 2019

Frederic Amar, Chief Executive Officer

# **Condensed consolidated interim financial statements**

These condensed consolidated interim financial statements are unaudited.

#### Condensed consolidated statement of income

in thousands of euro

For the s	six months	ended 3	30 June
-----------	------------	---------	---------

2018   2017     Revenue   5.302   8.289     Cost of sales   (2.228)   (3.384)     Gross profit   3.074   4.905     Marketing and sales expenses   2.325   2.957     Research and development expenses   73   -     General and administrative expenses   73   -     General and administrative expenses   7.902   7.884     EBITDA   (4.828)   (2.979)     Depreciation and amortization   (842)   (2.579)     Operating result   (5.670)   (5.558)     Finance income   (2.491)   4.004     Finance costs   (826)   2.337     Net finance (costs)/income   (3.317)   1.667     Result for deconsolidation   3.445   (8987)     Result for the period   (8.947)   (2.985)     Attributable to:   -   -   -     Equity holders of the Company   (8.946)   (2.985)     Attributable to:   -   1   (34)     Result for the period   (8.946)	For the six months ended 50 Julie		
Cost of sales   (2.228)   (3.384)     Gross profit   3.074   4.905     Marketing and sales expenses   2.325   2.957     Research and development expenses   73   -     General and administrative expenses   73   -     General and administrative expenses   7.902   7.884     EBITDA   (4.828)   (2.979)     Depreciation and amortization   (842)   (2.579)     Operating result   (5.670)   (5.58)     Finance income   (2.491)   4.004     Finance income   (2.491)   4.004     Finance (costs)/income   (3.317)   1.667     Results relating to equity-accounted investees   (89)   (893)     Result for deconsolidation   3.445   (535)     Income tax expense/(gain)   (41)   2.450     Kesult for the period   (8.946)   (2.985)     Attributable to:   -   -     - Equity holders of the Company   (8.947)   (2.951)     - Non-controlling interest   1   (34)		2018	2017
Gross profit3.0744.905Marketing and sales expenses2.3252.957Research and development expenses73-General and administrative expenses73-Total operating expenses7.9027.884EBITDA(4.828)(2.979)Depreciation and amortization(842)(2.579)Operating result(5.670)(5.558)Finance income(2.491)4.004Finance costs(826)2.337Net finance (costs)/income(3.317)1.667Results relating to equity-accounted investees(89)Result before taxation(8.987)(535)Income tax expense/(gain)(41)2.450Attributable to: Equity holders of the Company(8.946)(2.985)Attributable to:1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents)(33,1)(21,3)- Basic(33,1)(21,3)	Revenue	5.302	8.289
Marketing and sales expenses2.3252.957Research and development expenses73-General and administrative expenses7.9027.884EBITDA(4.828)(2.979)Depreciation and amortization(842)(2.579)Operating result(5.670)(5.58)Finance income(2.491)4.004Finance costs(826)2.337Net finance (costs)/income(3.317)1.667Results relating to equity-accounted investees(89)Results from deconsolidation3.445Result before taxation(8.987)(535)Income tax expense/(gain)(41)2.450Attributable to: Equity holders of the Company(8.947)(2.985)Attributable to:1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents)-(33,1)(21,3)	Cost of sales	(2.228)	(3.384)
Research and development expenses73General and administrative expenses5.5044.927Total operating expenses7.9027.884EBITDA(4.828)(2.979)Depreciation and amortization(842)(2.579)Operating result(5.670)(5.558)Finance income(2.491)4.004Finance costs(826)2.337Net finance (costs)/income(3.317)1.667Results relating to equity-accounted investees(89)Result before taxation(8.987)(535)Income tax expense/(gain)(41)2.450Result for the period(8.946)(2.985)Attributable to:1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents)(33,1)(21,3)	Gross profit	3.074	4.905
General and administrative expenses   5.504   4.927     Total operating expenses   7.902   7.884     EBITDA   (4.828)   (2.979)     Depreciation and amortization   (842)   (2.579)     Operating result   (5.670)   (5.558)     Finance income   (2.491)   4.004     Finance costs   (826)   2.337     Net finance (costs)/income   (3.317)   1.667     Results relating to equity-accounted investees   (89)   (899)     Results from deconsolidation   3.445   (8.987)   (535)     Income tax expense/(gain)   (41)   2.450   (2.951)     Attributable to:   -   -   Equity holders of the Company   (8.947)   (2.951)     - Non-controlling interest   1   (34)   (3.946)   (2.985)     Earnings per share (in euro cents)   -   8asic   (33,1)   (21,3)	Marketing and sales expenses	2.325	2.957
Total operating expenses 7.902 7.884   EBITDA (4.828) (2.979)   Depreciation and amortization (842) (2.579)   Operating result (5.670) (5.558)   Finance income (2.491) 4.004   Finance costs (826) 2.337   Net finance (costs)/income (3.317) 1.667   Results relating to equity-accounted investees (89)   Results from deconsolidation 3.445   Result before taxation (8.987) (535)   Income tax expense/(gain) (41) 2.450   Attributable to: - -   - Equity holders of the Company (8.947) (2.951)   - Non-controlling interest 1 (34)   Result for the period (8.946) (2.985)   Earnings per share (in euro cents) - 2.985)	Research and development expenses	73	-
EBITDA (4.828) (2.979)   Depreciation and amortization (842) (2.579)   Operating result (5.670) (5.558)   Finance income (2.491) 4.004   Finance costs (826) 2.337   Net finance (costs)/income (3.317) 1.667   Results relating to equity-accounted investees (89) (898)   Results from deconsolidation 3.445 (5.55)   Income tax expense/(gain) (41) 2.450   Attributable to: . .   - Equity holders of the Company (8.947) (2.951)   - Non-controlling interest 1 (34)   Result for the period (8.946) (2.985)   Earnings per share (in euro cents) . (33,1) (21,3)	General and administrative expenses	5.504	4.927
Depreciation and amortization(842)(2.579)Operating result(5.670)(5.558)Finance income(2.491)4.004Finance costs(826)2.337Net finance (costs)/income(3.317)1.667Results relating to equity-accounted investees(89)Results relating to equity-accounted investees(89)Results relating to equity-accounted investees(89)Results from deconsolidation3.445Result before taxation(8.987)Income tax expense/(gain)(41)2.450Result for the period(8.946)Attributable to: Equity holders of the Company(8.947)- Non-controlling interest1(34)(8.946)Result for the period(8.946)Cayes)Earnings per share (in euro cents)- Basic(33,1)(21,3)	Total operating expenses	7.902	7.884
Operating result   (5.670)   (5.558)     Finance income   (2.491)   4.004     Finance costs   (826)   2.337     Net finance (costs)/income   (3.317)   1.667     Results relating to equity-accounted investees   (89)     Results rom deconsolidation   3.445     Result before taxation   (8.987)   (535)     Income tax expense/(gain)   (41)   2.450     Result for the period   (8.946)   (2.985)     Attributable to:   -   -     - Equity holders of the Company   (8.947)   (2.951)     - Non-controlling interest   1   (34)     Result for the period   (8.946)   (2.985)     Earnings per share (in euro cents)   -   3.41)   (21,3)	EBITDA	(4.828)	(2.979)
Finance income(2.491)4.004Finance costs(826)2.337Net finance (costs)/income(3.317)1.667Results relating to equity-accounted investees(89)Results from deconsolidation3.445Result before taxation(8.987)Income tax expense/(gain)(41)2.450Result for the period(8.946)Attributable to:- Equity holders of the Company(8.947)- Non-controlling interest1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents)- Basic(33,1)(21,3)	Depreciation and amortization	(842)	(2.579)
Finance costs(826)2.337Net finance (costs)/income(3.317)1.667Results relating to equity-accounted investees(89)Results from deconsolidation3.445Result before taxation(8.987)Income tax expense/(gain)(41)2.450Result for the period(8.946)Attributable to:- Equity holders of the Company(8.947)- Non-controlling interest1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents)- Basic(33,1)(21,3)	Operating result	(5.670)	(5.558)
Net finance (costs)/income(3.317)1.667Results relating to equity-accounted investees(89)Results from deconsolidation3.445Result before taxation(8.987)Income tax expense/(gain)(41)2.450Result for the period(8.946)Attributable to:- Equity holders of the Company(8.947)- Non-controlling interest1(34)Result for the period(8.946)2.985)Earnings per share (in euro cents)- Basic(33,1)(21,3)	Finance income	(2.491)	4.004
Results relating to equity-accounted investees(89)Results from deconsolidation3.445Result before taxation(8.987)Income tax expense/(gain)(41)2.450Result for the period(8.946)Attributable to:- Equity holders of the Company(8.947)- Non-controlling interest1(8.946)(2.985)Earnings per share (in euro cents)- Basic(33,1)(21,3)	Finance costs	(826)	2.337
Results from deconsolidation3.445Result before taxation(8.987)(535)Income tax expense/(gain)(41)2.450Result for the period(8.946)(2.985)Attributable to:(8.946)(2.951)- Equity holders of the Company(8.947)(2.951)- Non-controlling interest1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents)(33,1)(21,3)	Net finance (costs)/income	(3.317)	1.667
Result before taxation(8.987)(535)Income tax expense/(gain)(41)2.450Result for the period(8.946)(2.985)Attributable to:(8.947)(2.951)- Equity holders of the Company(8.947)(2.951)- Non-controlling interest1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents)(33,1)(21,3)	Results relating to equity-accounted investees		(89)
Income tax expense/(gain)(41)2.450Result for the period(8.946)(2.985)Attributable to: Equity holders of the Company(8.947)(2.951)- Non-controlling interest1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents) Basic(33,1)(21,3)	Results from deconsolidation		3.445
Result for the period(8.946)(2.985)Attributable to: Equity holders of the Company(8.947)(2.951)- Non-controlling interest1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents)- Basic(33,1)(21,3)	Result before taxation	(8.987)	(535)
Attributable to:- Equity holders of the Company(8.947)(2.951)- Non-controlling interest1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents)- Basic(33,1)(21,3)	Income tax expense/(gain)	(41)	2.450
- Equity holders of the Company(8.947)(2.951)- Non-controlling interest1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents)- Basic(33,1)(21,3)	Result for the period	(8.946)	(2.985)
- Non-controlling interest1(34)Result for the period(8.946)(2.985)Earnings per share (in euro cents) - Basic(33,1)(21,3)	Attributable to:		
Result for the period(8.946)(2.985)Earnings per share (in euro cents)- Basic(33,1)(21,3)	- Equity holders of the Company	(8.947)	(2.951)
Earnings per share (in euro cents) - Basic (33,1) (21,3)	- Non-controlling interest	1	(34)
- Basic (33,1) (21,3)	Result for the period	(8.946)	(2.985)
	Earnings per share (in euro cents)		
- Diluted (33,1) (21,3)	- Basic	(33,1)	(21,3)
	- Diluted	(33,1)	(21,3)

#### Condensed consolidated statement of comprehensive income

in thousands of euro

For the six months ended 30 June

	2018	2017
Result for the period	(8.947)	(2.985)
Other comprehensive income		
Foreign currency translation differences	(21)	31
Other comprehensive income for the period	(21)	31
Total comprehensive income for the period	(8.968)	(2.954)
Attributable to:		
- Equity holders of the Company	(8.968)	(2.920)
- Non-controlling interest		(34)
Total comprehensive income for the period	(8.968)	(2.954)

## Condensed consolidated statement of financial position

in thousands of euro, before allocation of net result

in thousands of euro, before anocation of net result		
	30 June 2018	31 Dec 2017
Intangible assets	14.403	14.871
Property, plant and equipment	3.094	6.752
Investments in equity accounted investees	-	165
Derivatives - Trance warrants		-
Deferred tax assets	1.780	1.943
Trade and other receivables	1.465	1.962
Total non-current assets	20.908	25.683
Inventories	248	256
Trade and other receivables	5.685	7.130
Current tax assets	15	120
Cash and cash equivalents	1.336	694
Total current assets	7.284	8.200
Total assets	28.192	33.883
Equity		
Issued share capital	3.316	1.922
Share premium reserve	50.321	46.130
Legal reserve	272	272
Revaluation reserve	(4.593)	-
Translation reserve	(1.949)	(1.907)
Retained earnings	(49.954)	(45.015)
Equity attributable to equity holders of the Company	(2.587)	1.400
Non-controlling interest	(430)	(430)
Total equity	(3.017)	970
Liabilities		
Borrowings	4.551	5.661
Provision for negative equity investees		-
Deferred revenue	11.347	11.347
Net employee defined benefit liabilities	689	689
Deferred tax liabilities	522	568
Other liabilities	74	92
Total non-current liabilities	17.183	18.357
Borrowings	3	459
Derivative Tranche warrant	-	-
Trade and other payables	12.841	13.041
Deferred revenue	1.000	1.000
Current tax liabilities	182	54
Total current liabilities	14.026	14.554
Total liabilities	31.209	32.911
Total equity and liabilities	28.192	33.883

## Condensed consolidated statement of changes in equity

#### in thousands of euro

For the six months ended 30 June 2018

	Issued share capital	Other reserves	Shareholders' equity	Non-controlling interest	Total Equity
At 1 January 2018	1 922	-522	1 400	-430	970
Exchange differences on translating foreign operations	-	21	21	-	21
Other comprehensive income	-	21	21	-	21
Result for the period	-	-8 947	-8 947		-8 947
Total comprehensive income	1 922	-9 448	-7 526	-430	-7 956
Transactions with owners:					
* Issue of shares	1 394	3 545	4 939	-	4 939
* Share-based payments	-		-	-	-
* Convertible loan bond	-	-	-	-	-
* Other	-		-	-	-
Total transactions with equity holders of the Company	1 394	3 545	4 939	-	4 939
At 30 June 2018	3 316	-5 903	-2 587	-430	-3 017

#### For the six months ended 30 June 2017

	Issued share capital	Other reserves	Shareholders' equity	Non-controlling interest	Total Equity
At 1 January 2017	1 038	5 901	6 939	-268	6 671
Exchange differences on translating foreign operations	-	31	31	-	31
Other comprehensive income	-	31	31	-	31
Result for the period	-	-2 951	-2 951	-34	-2 985
Total comprehensive income	-	-2 920	-2 920	-34	-2 954
Transactions with owners:					
* Issue of shares	349	2 963	3 312	-	3 312
* Share-based payments	-	57	57	-	57
* Convertible loan bond	-	-	-	-	-
* Other	-	82	82	-	82
Total transactions with equity holders of the Company	349	3 102	3 451	-	3 451
At 30 June 2017	1 387	6 083	7 470	-302	7 168

For the six months ended 30 June 2018 2017   Cash flows from operating activities Cash flows from operating activities (2.985)   Adjustments for: - -   - Income tax expense (41) 2.449   - Finance income 2.491 (4.004)   - Gain/Jloss on sale of disposals of PP&E - -   - Depreciation and amotization 842 1.475   - Impairment loss on assets - 1014   - Share based payment transactions - 577   - Results from deconsolidating - (3.445)   - (Increase)/decrease in (non) current tarde and other receivables 1.942 1.300   (Increase)/decrease in non current tax assets (105) 109   Increase//decrease in nony current tax assets (116) 116)   Net cash from operations (3.073) (1.313)   Interest received (9) - -   Interest received (97) (307)   Interest paid - - -   Net cash from operating activities (160) - -   Purchase of property, plant and equipment	Condensed consolidated statement of cash flows		
Cash flows from operating activities   (8.946)   (2.985)     Adjustments for:   -   -     Income tax expense   (41)   2.449     Finance cots   826   2.337     Finance income   2.491   (4.004)     - Gain/Jloss on sale of disposals of PP&E   -   -     Depreciation and amortization   842   1.475     Impairment loss on assets   -   1.014     - Share based payment transactions   -   57     - Results relating to equity-accounted investees   -   89     - Results from deconsolidating   -   (3.445)     (Increase)/decrease in (non) current trade and other receivables   1.942   1.300     (Increase)/decrease in inventories   8   2.18     (Increase)/decrease in urrent tax assets   (105)   109     Increase/(decrease) in (non) current liabilities   (2.18)   99     Increase/(decrease) in (non) current liabilities   (3.073)   (1.313)     Increase/(decrease) in (non) current liabilities   (3.073)   (1.313)     Increase/(decrease) in cony current liabilities <t< th=""><th>For the six months ended 30 June</th><th>2018</th><th>2017</th></t<>	For the six months ended 30 June	2018	2017
Result for the period(8.946)(2.985)Adjustments for: Income tax expense(41)2.449Finance costs8262.337- Finance income2.491(4.004)- (Gain)/loss on sale of disposals of PP&E Depreciation and amortization8421.475- Impairment loss on assets-1.104- Share based payment transactions57 Results from deconsolidating-(3.445)(Increase)/decrease in inventories89-Results from deconsolidating-(3.445)(Increase)/decrease in inventories82.18(Increase)/decrease in inventories82.18(Increase)/decrease in inventories82.18(Increase)/decrease in inventories1.9421.300Increase/(decrease) in (non) current trade and other receivables1.942(Increase)/decrease in inventories82.18(Increase)/decrease in inventories82.18(Increase)/decrease in inventories(3.073)(1.313)Increase/(decrease) in (non) current liabilities1.28(116)Net cash from operations(3.1073)(1.313)Interest received(97)(3.073)Increase received(97)(3.073)Purchase of property, plant and equipment(169)Cash flows from financing activities-Cash flows from financing activities-Repayment of borrowings <td>(in thousands of euro)</td> <td></td> <td></td>	(in thousands of euro)		
Adjustments for: Income tax expense(41)2.449- Finance costs8262.337- Finance income2.491(4.004)- (Gain/Jloss on sale of disposals of PP&E Depreciation and amortization8421.475- Impairment loss on assets-1.104- Share based payment transactions-57- Results relating to equity-accounted investees-89- Results relating to equity-accounted investees1.9421.300(Increase)/decrease in (non) current trade and other receivables1.9421.300(Increase)/decrease in (non) current trade and other receivables1.9421.300(Increase)/decrease in uventories82.181.99Increase/(decrease) in (non) current trade and other receivables1.9421.300(Increase)/decrease in uventories82.1899Increase/(decrease) in (non) current trade and other receivables1.9421.300(Increase)/decrease in current tax assets(105)109109Increase/(decrease) in (non) current tax liabilities(218)99Increase/(decrease) in (non) current tax liabilities(218)99Increase/(decrease) in cons current tax liabilities(3.073)(1.131)Increase received(97)(38)4Purchase of property, plant and equipment-(169)Cash flows from financing activitiesRepurchase of non-current assetsInsue of shares <t< td=""><td>Cash flows from operating activities</td><td></td><td></td></t<>	Cash flows from operating activities		
- Income tax expense(41)2.449- Finance costs8262.337- Finance income2.491(4.004)- (Gain)/loss on sale of disposals of PP&E Depreciation and amoritzation8421.475- Impairment loss on assets-1.104- Share based payment transactions-57- Results relating to equity-accounted investees-89- Results from deconsolidating-(3.445)(Increase)/decrease in (non) current trade and other receivables1.9421.300(Increase)/decrease in (non) current trade and other receivables1.9421.300(Increase)/decrease in (non) current tax assets(105)109Increase/(decrease) in current tax sasets(105)109Increase/(decrease) in current tax liabilities128(116)Net cash from operating activities(3.133)(1.313)Interest received4674Income taxes received(97)(38)Net cash from operating activities(3.133)(1.277)Cash flows from investing activitiesAcquisition spending-(160)Purchase of property, plant and equipment-(165)Cash flows from financing activitiesIssue of sharesIssue of sharesIssue of sharesIssue of sharesIssue of sharesIssue of shares<	Result for the period	(8.946)	(2.985)
Finance costs8262.337- Finance income2.491(4.004)- (Gain)/loss on sale of disposals of PP&E Depreciation and amortization8421.475- Impairment loss on assets-1.104- Share based payment transactions-57- Results relating to equity-accounted investees-89- Results relating to equity-accounted investees-89- Results from deconsolidating(4.828)(2.923)Movements in working capital-1.300(Increase//decrease in inventories82.18(Increase//decrease in current trade and other receivables109109Increase//decrease in inventories(3.073)(1.15)Increase//decrease in inventories(3.073)(1.16)Net cash from operations(3.073)(1.13)Interest received46-74Increase//decrease) in current tax liabilities(3.133)(1.277)Cash from operating activities(3.133)(1.277)Cash from operating activitiesAcquisition spending-(656)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsSuper SharesInterest receivedNet cash from operating activitiesCash from operating activities- <t< td=""><td>Adjustments for:</td><td></td><td>-</td></t<>	Adjustments for:		-
- Finance income2.491(4.094)- (Gain)/loss on sale of disposals of PP&E Depreciation and amortization8421.475- Impaiment loss on assets-1.104- Share based payment transactions-57- Results relating to equity-accounted investees-89- Results from deconsolidating-(3.445)(Increase)/decrease in (non) current trade and other receivables1.9421.300(Increase)/decrease in inventories8218(Increase)/decrease) in (non) current tax assets(105)109Increase/(decrease) in (non) current liabilities128(116)Net cash from operations(3.073)(1.313)Increase/(decrease) in (non) current liabilities128(160)Net cash from operating activities(3.133)(1.277)Cash from operating activities(3.133)(1.277)Cash from spending-(180)Purchase of property, plant and equipment-(169)Cash from financing activitiesNet cash (used in)/generated by investing activitiesRepurchase of own sharesIssue of shares<	- Income tax expense	(41)	2.449
- (Gain)/loss on sale of disposals of PP&E	- Finance costs	826	2.337
Peperciation and amortization8421.475Impairment loss on assets1.104- Share based payment transactions57- Results relating to equity-accounted investees89- Results from deconsolidating(3.445)(Hac28)(2.923)Movements in working capital(1.05)(Increase)/decrease in (non) current trade and other receivables1.942(Increase)/decrease in current tax assets(105)(Increase)/decrease in current tax assets(105)Increase/(decrease) in (non) current liabilities128(Increase)/decrease in current tax liabilities(3.073)Increase/(decrease) in current tax liabilities(3.073)Interest paid(9)Interest received(97)(38)Net cash from operating activitiesAcquisition spending(1.05)Purchase of property, plant and equipment(169)Cash flows from financing activities(3.07)Disposals of non-current assets(655)Cash (used in)/generated by investing activities(3.07)Net cash (used in)/generated by investing activities(3.07)Issue of shares-Issue of shares-Repurchase of own shares-(32)(32)Net cash generated by/(used in) financing activities3.750Net cash generated by/(used in) financing activities(3.1)Net cash generated by/(used in) financing activities(3.1)Net cash generated by/(used in) financing activities(3.1)Net cash generated by/(us	- Finance income	2.491	(4.004)
- Impairment loss on assets - 1.104 - Share based payment transactions - 57 - Results relating to equity-accounted investees - 89 - Results from deconsolidating - (3.445) (4.828) (2.923) Movements in working capital (Increase)/decrease in (non) current trade and other receivables 1.942 1.300 (Increase)/decrease in inventories 8 218 (Increase)/decrease in current tax assets (105) 109 Increase/(decrease) in (non) current liabilities (218) 99 Increase/(decrease) in current tax liabilities (218) 99 Increase/(decrease) (3.073) (1.313) Interest paid (9) Net cash from operating activities (3.133) (1.277) Cash flows from investing activities (3.133) (1.277) Cash flows from financing activities (6.56) Cash flows from financing activities (3.750) (1.931) Proceeds form borrowings (32) Net cash generated by/(used in) financing activities (3.750) (1.931) Proceeds form borrowings (32) Net cash generated by/(used in) financing activities (3.750) (1.931) Net increase/(decrease) in cash and cash equivalents (1.752) Cash and cash equivalents at 1 January (694) 910 Deconsolidation Genoma SA (118) Exchange differences on cash and cash equivalents (35) (31)	- (Gain)/loss on sale of disposals of PP&E	-	-
- Share based payment transactions - 57 - Results relating to equity-accounted investees - 89 - Results from deconsolidating - (3.445) (4.828) (2.923) Movements in working capital (Increase)/decrease in (non) current trade and other receivables 1.942 1.300 (Increase)/decrease in inventories 8 2.18 (Increase)/decrease in current tax assets (105) 109 Increase/(decrease) in (non) current tiabilities (218) 99 Increase/(decrease) in (non) current tax liabilities (218) 99 Increase/(decrease) in current tax liabilities (3.133) (1.313) Interest paid (9) - Interest received 46- 74 Income taxes received (97) (38) Net cash from operating activities (3.133) (1.277) Cash flows from investing activities Acquisition spending - (180) Purchase of property, plant and equipment - (169) Capitalized internally developed intangibles and purchase of other intangibles -) (307) Disposals of non-current assets Net cash (used in)/generated by investing activities Repurchase of own shares Issue of shares 3.750 1.933 Proceeds form borrowings - (32) Net cash generated by/(used in) financing activities 3.750 1.931 Proceeds form borrowings - (32) Net cash generated by/(used in) financing activities (3.17) Net cash generated by/(used in) financing activities (3.17) Net cash generated by/(used in) financing activities (3.19) Net cash generated by/(used in) financing activities (3.19) Net increase/(decrease) in cash and cash equivalents (118) Exchange differences on cash and cash equivalents (25) (31)	- Depreciation and amortization	842	1.475
- Results relating to equity-accounted investees-89- Results from deconsolidating-(3.445)(4.828)(2.923)Movements in working capital-(Increase)/decrease in (non) current trade and other receivables1.9421.300(Increase)/decrease in inventories8218(Increase)/decrease in current tax assets(105)109Increase/(decrease) in (non) current tax liabilities218(116)Net cash from operations(3.073)(1.313)Interest paid(9)-Increase/(decrease) in current tax liabilities(3.133)(1.277)Cash flows from investing activities(3.133)(1.277)Cash flows from investing activities(3.133)(1.277)Cash flows from investing activities-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash from operated by investing activitiesRepurchase of own sharesIssue of sharesIssue of sharesIssue of sharesIssue of sharesRepurchase of own sharesRepurchase of own sharesReparement of borrowingsReparement of borrowingsNet cash generated by/(used in) financing activi	- Impairment loss on assets	-	1.104
- Results from deconsolidating   - (3.445)     (Increase)/decrease in (non) current trade and other receivables   1.942   1.300     (Increase)/decrease in inventories   8   218     (Increase)/decrease in current tax assets   (105)   109     Increase//decrease) in (non) current liabilities   (2.83)   99     Increase//decrease) in (non) current liabilities   (2.18)   99     Increase/(decrease) in current tax liabilities   (2.18)   99     Increase/(decrease) in current tax liabilities   (2.18)   99     Increase/(decrease) in current tax liabilities   (3.073)   (1.313)     Interest received   (30)   -   -     Income taxes received   (97)   (38)     Net cash from operating activities   (3.073)   (1.277)     Cash flows from investing activities   -   -     Acquisition spending   -   (169)     Purchase of property, plant and equipment   -   (655)     Cash flows from financing activities   -   -     Repurchase of own shares   -   -     Issue of shares	- Share based payment transactions	-	57
(4.828)(2.923)Movements in working capital(Increase)/decrease in (non) current trade and other receivables1.9421.300(Increase)/decrease in inventories8218(Increase)/decrease in current tax assets(105)109Increase/(decrease) in (on) current liabilities(218)99991010Increase/(decrease) in current tax liabilities(218)10911116Net cash from operations(3.073)(1.313)111111Interest paid(9)-111111Income taxes received46-74127128(116)Net cash from operating activities(3.133)(1.277)128111277Cash flows from investing activities(3.133)(1.277)1271330111277Cash flows from investing activities-(180)-(180)Purchase of property, plant and equipment-(169)10910Cash flows from financing activities1307Disposals of non-current assetsNet cash (used in)/generated by investing activitiesRepurchase of own sharesIssue of shares3.7501.933Issue of shares3.7501.901Net cash generated by/(used in) financing activities3.7501.901	- Results relating to equity-accounted investees	-	89
Movements in working capital(Increase)/decrease in (non) current trade and other receivables1.9421.300(Increase)/decrease in inventories8218(Increase)/decrease in current tax assets(105)109Increase/(decrease) in (non) current liabilities(218)99Increase/(decrease) in current tax liabilities128(116)Net cash from operations(3.073)(1.313)Interest paid(9)-Inceme taxes received46-74Income taxes received(97)(38)Net cash from operating activities(3.133)(1.277)Cash flows from investing activities(3.133)(1.277)Cash flows from investing activities(180)-Acquisition spending-(180)Purchase of property, plant and equipment-(169)Cash flows from financing activitiesNet cash (used in)/generated by investing activitiesRepurchase of own sharesIssue of shares3.7501.933-Proceeds form borrowings(32)Net cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)-Exchange differences on cash and cash equivalents25(31)	- Results from deconsolidating	-	(3.445)
(Increase)/decrease in (non) current trade and other receivables1.9421.300(Increase)/decrease in inventories8218(Increase)/decrease in current tax assets(105)109Increase/(decrease) in (non) current liabilities21899Increase/(decrease) in current tax liabilities218(116)Net cash from operations(3.073)(1.313)(1.313)Interest paid(9)-(180)Income taxes received(97)(38)(1277)Cash from operating activities(3.133)(1.277)Cash flows from investing activities(180)-(169)Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash flows from financing activitiesRepurchase of own sharesIssue of sharesIssue of sharesRepayment of borrowings(32)1.931Proceeds form borrowings(32)1.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)		(4.828)	(2.923)
(Increase)/decrease in inventories8218(Increase)/decrease in current tax assets(105)109Increase/(decrease) in (non) current liabilities(218)99Increase/(decrease) in current tax liabilities(218)(116)Net cash from operations(3.073)(1.313)Interest paid(9)-Income taxes received46-74Income taxes received(97)(38)Net cash from operating activities(3.133)(1.277)Cash flows from investing activities(3.133)(1.277)Cash flows from investing activities(169)(307)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activities(656)(566)Cash flows from financing activities3.7501.933Proceeds form borrowingsRepayment of borrowings(32)1.931Net cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)(118)Exchange differences on cash and cash equivalents25(31)	Movements in working capital		
And the constraint of the constr	(Increase)/decrease in (non) current trade and other receivables	1.942	1.300
Increase/(decrease) in (non) current liabilities(218)99Increase/(decrease) in current tax liabilities128(116)Net cash from operations(3.073)(1.313)Interest paid(9)-Interest received46-74Income taxes received(97)(38)Net cash from operating activities(3.133)(1.277)Cash flows from investing activities(3.133)(1.277)Cash flows from investing activities(3.133)(1.277)Cash flows from investing activities(180)Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activitiesRepurchase of own sharesIssue of shares3.7501.933-Proceeds form borrowingsNet cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	(Increase)/decrease in inventories	8	218
Increase/(decrease) in current tax liabilities128(116)Net cash from operations(3.073)(1.313)Interest paid(9)-Interest received46-74Income taxes received(97)(38)Net cash from operating activities(3.133)(1.277)Cash flows from investing activities(3.133)(1.277)Cash flows from investing activities(180)-Acquisition spending-(180)Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activities-(656)Cash flows from financing activitiesRepurchase of own sharesIssue of shares3.7501.933Proceeds form borrowingsNet cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	(Increase)/decrease in current tax assets	(105)	109
Net cash from operations(3.073)(1.313)Interest paid(9)-Interest received46-74Income taxes received(97)(38)Net cash from operating activities(3.133)(1.277)Cash flows from investing activities(3.133)(1.277)Cash flows from investing activities-(180)Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activities-(655)Cash flows from financing activitiesRepurchase of own sharesIssue of shares3.7501.933Proceeds form borrowingsRepayment of borrowingsNet increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Increase/(decrease) in (non) current liabilities	(218)	99
Interest paid(9)Interest received46-74Income taxes received1ncome taxes received(97)(38)Net cash from operating activitiesAcquisition spending(1.277)Cash flows from investing activitiesAcquisition spending-Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)Obigosals of non-current assets-Net cash (used in)/generated by investing activities-Repurchase of own shares-Issue of shares3.750Issue of shares3.750Net cash generated by/(used in) financing activities3.750Net cash generated by/(used in) financing activities3.750Net increase/(decrease) in cash and cash equivalents617Cash and cash equivalents at 1 January694Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Increase/(decrease) in current tax liabilities	128	(116)
Interest received46-74Income taxes received(97)(38)Net cash from operating activities(3.133)(1.277)Cash flows from investing activities(180)Acquisition spending-(180)Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activities-(656)Cash flows from financing activitiesRepurchase of own sharesIssue of shares3.7501.933Proceeds form borrowingsRepayment of borrowings(32)-Net cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Net cash from operations	(3.073)	(1.313)
Income taxes received(97)(38)Net cash from operating activities(3.133)(1.277)Cash flows from investing activities(180)Acquisition spending-(169)Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activities-(656)Cash flows from financing activities-(656)Repurchase of own sharesIssue of sharesRepayment of borrowingsNet cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Interest paid	(9)	-
Net cash from operating activities(3.133)(1.277)Cash flows from investing activities(1.277)Acquisition spending-(180)Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activities-(656)Cash flows from financing activities-(656)Cash flows from financing activitiesRepurchase of own sharesIssue of sharesIssue of shares3.7501.933Proceeds form borrowingsRepayment of borrowingsNet cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Interest received	46-	74
Cash flows from investing activitiesAcquisition spending-(180)Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activities-(656)Cash flows from financing activities-(656)Repurchase of own sharesIssue of sharesProceeds form borrowingsRepayment of borrowingsNet cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Income taxes received	(97)	(38)
Acquisition spending-(180)Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activities-(656)Cash flows from financing activities-(656)Cash flows from financing activitiesRepurchase of own sharesIssue of sharesRepayment of borrowingsNet cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Net cash from operating activities	(3.133)	(1.277)
Purchase of property, plant and equipment-(169)Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activities-(656)Cash flows from financing activities-(656)Cash flows from financing activitiesRepurchase of own sharesIssue of sharesProceeds form borrowingsRepayment of borrowings(32)Net cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)(118)Exchange differences on cash and cash equivalents25(31)	Cash flows from investing activities		
Capitalized internally developed intangibles and purchase of other intangibles-)(307)Disposals of non-current assetsNet cash (used in)/generated by investing activities-(656)Cash flows from financing activitiesRepurchase of own sharesIssue of shares3.7501.933Proceeds form borrowingsRepayment of borrowingsNet cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)(118)Exchange differences on cash and cash equivalents25(31)	Acquisition spending	-	(180)
Disposals of non-current assetsNet cash (used in)/generated by investing activities-(656)Cash flows from financing activitiesRepurchase of own sharesIssue of shares3.7501.933Proceeds form borrowingsRepayment of borrowings(32)Net cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)(118)Exchange differences on cash and cash equivalents25(31)	Purchase of property, plant and equipment	-	(169)
Net cash (used in)/generated by investing activities- (656)Cash flows from financing activitiesRepurchase of own sharesIssue of shares3.750Proceeds form borrowingsRepayment of borrowingsRepayment of borrowings(32)Net cash generated by/(used in) financing activities3.750Net increase/(decrease) in cash and cash equivalents617Cash and cash equivalents at 1 January694Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Capitalized internally developed intangibles and purchase of other intangibles	-)	(307)
Cash flows from financing activitiesRepurchase of own shares-Issue of shares3.750Issue of shares3.750Proceeds form borrowings-Repayment of borrowings-Net cash generated by/(used in) financing activities3.750Net increase/(decrease) in cash and cash equivalents617Cash and cash equivalents at 1 January694Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Disposals of non-current assets	-	-
Repurchase of own shares-Issue of shares3.750Issue of shares3.750Proceeds form borrowings-Repayment of borrowings(32)Net cash generated by/(used in) financing activities3.750Net increase/(decrease) in cash and cash equivalents617Cash and cash equivalents at 1 January694Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Net cash (used in)/generated by investing activities	-	(656)
Issue of shares3.7501.933Proceeds form borrowingsRepayment of borrowings(32)Net cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Cash flows from financing activities		
Proceeds form borrowings - -   Repayment of borrowings (32)   Net cash generated by/(used in) financing activities 3.750 1.901   Net increase/(decrease) in cash and cash equivalents 617 (32)   Cash and cash equivalents at 1 January 694 910   Deconsolidation Genoma SA (118)   Exchange differences on cash and cash equivalents 25 (31)	Repurchase of own shares	-	-
Repayment of borrowings(32)Net cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Issue of shares	3.750	1.933
Net cash generated by/(used in) financing activities3.7501.901Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Proceeds form borrowings	-	-
Net increase/(decrease) in cash and cash equivalents617(32)Cash and cash equivalents at 1 January694910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Repayment of borrowings		(32)
Cash and cash equivalents at 1 January <b>694</b> 910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents <b>25</b> (31)	Net cash generated by/(used in) financing activities	3.750	1.901
Cash and cash equivalents at 1 January <b>694</b> 910Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents <b>25</b> (31)			_
Deconsolidation Genoma SA(118)Exchange differences on cash and cash equivalents25(31)	Net increase/(decrease) in cash and cash equivalents	617	(32)
Exchange differences on cash and cash equivalents <b>25</b> (31)	Cash and cash equivalents at 1 January	694	910
	Deconsolidation Genoma SA		(118)
Cash and cash equivalents at 30 June 1.336 729	Exchange differences on cash and cash equivalents	25	(31)
	Cash and cash equivalents at 30 June	1.336	729

## Notes to the condensed consolidated interim financial statements 2018

(in thousands of euro, unless indicated otherwise)

#### 1. Reporting entity

Esperite N.V. the 'Company' or 'the Group' is a public group incorporated under the laws of The Netherlands. The address of its registered office and principal place of business is Herengracht, 282,1016 Amsterdam, The Netherlands.

#### 2. Basis of preparation

#### **2.1 Statement of compliance**

The Group's condensed consolidated interim financial statements as at and for the six months ended 30 June 2018 were approved for publication by the Board of Directors on 30 June 2019.

The condensed consolidated interim financial statements of the Group as at and for the six months ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting. As permitted by IAS 34, these statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2017. In addition, the notes to the condensed consolidated interim financial statements are presented in a condensed format.

For further details on the principle accounting policies of the Company, we refer to our website, <u>www.esperite.com</u>.

## 2.2 Going Concern

Management is of the opinion that the application of the going concern assumption for the 2017 financial statements is appropriate for this period under review. In this respect reference is made to page 13 of the Financial Annual Report 2017.

#### 3. Significant accounting policies

The significant accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2017.

Insofar as applicable, the Group has applied all published IFRS standards, amendments and interpretations that came into effect on 1 January 2018. These standards and interpretations had no material impact on the Group. No published IFRS standards and interpretations that were not yet applicable for reporting periods that commence on 1 January 2018 have been applied early.

#### 4. Change in accounting estimates

In the first six months of 2018 the Group did not change any accounting estimate, which materially impacted the reported figures.

## 5. Use of estimates and judgements

The preparation of interim financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimated and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In preparing these condensed consolidated interim financial statements, the significant judgements made by Management in applying the Groups' accounting policies and the key sources of estimation

uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2017.

## 6. Seasonality

The interim operations of the Company are not impacted by seasonal or cyclical patterns.

## 7. Intangible assets

## Impairment testing of goodwill and intangible assets

The Group performs its annual impairment test in the last quarter of the year and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2017.

The Group considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. At the end of June 2018, the market capitalization of the Group was above the book value of its equity.

## Sensitivity to changes in assumptions

With regard to the assessment of value-in-use there are no significant changes to the sensitivity information disclosed in the annual consolidated financial statements for the year ended 31 December 2017.

## 8. Taxation

Income tax expense reported for the six month period ended 30 June 2018 is recognized based on Management's best estimate of the weighted average annual effective income tax rate for the territories for which a tax expense is expected for the full financial year, applied to the pre-tax income of the interim period.

Estimates and judgment by Management are required in determining the Group's deferred tax liabilities, amongst other corporate income tax. The calculation of the tax position is partly based on the interpretations of applicable tax laws in the jurisdictions in which the Group operates. Although the Group believes the tax estimates are reasonable, there is no assurance that the final determination of the tax liabilities will not be materially different from what is reflected in the statement of income and balance sheet. Should additional taxes be assessed these could have a material effect on the Group's results of operation or financial condition.

#### 9. Earnings per share

For the six months ended 30 June	2018	2017
Basic earnings per share (in euro cents)	(33,1)	(21,3)
Diluted earnings per share (in euro cents)	(33,1)	(21,3)

Basic earnings per share (EPS) are calculated by dividing net result attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

The diluted earnings per share is equal to the basic earnings per share because the impact of warrants and granted share options would have an anti-dilutive effect.

#### 10. Equity, share options, treasury shares and dividend

Equity

Due to the external financing concluded in the period under review convertible bonds have been issued for L1 Capital for an amount of EUR 3,75 million. As per 30 June 2018 they all have been converted. Regarding this conversion 7.898.708 shares have been issued. The total number of outstanding shares amounts to 33.159.050.

#### Share options

During the period under review no options were granted. under the existing stock option plan.

#### Treasury shares

The Company has no own shares in treasury at 30 June 2018 (31 December 2017: 0).

Dividend

Following the shareholder resolution on 8 January 2018, the Company paid no dividend for the year 2017.

#### **11.** Contingent liabilities or contingent assets

Regarding contingent liabilities and assets reference is made to note 54 of the Financial Annual Report 2017 of the Group.

## 12. Related party transactions

Frederic Amar, has agreed that his notes, for a total amount of EUR 2,025,000 were to be repaid by the issuance of new unsecured convertible loans. The new notes will mature on 31 December 2019, unless earlier converted or repurchased, they will not be listed and are subject to shareholders approval.

Frederic Amar offered to support Esperite by acquiring the loss making Belgium company Cryo Save Labs (CSL) with a structure he controls, taking such burden without receiving any asset and liability guarantee.

Esperite has accepted on 10 January, 2018 to sell all the shares of CSL to a company controlled by him by issuing a convertible loan note of EUR 2.5 million at a conversion price of EUR 0.50. Esperite did not provide any asset and liability guarantee to the buyer of CSL.

#### 13. Events after the reporting period

There are no events to report in this respect.