THERAMetrics holding AG

Condensed consolidated interim financial statements for the half-year ended 30 June 2014

(unaudited)

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THERAMetrics holding AG

Consolidated interim balance sheet (in TEUR)

TEUR	Notes	30 June 2014	31 December 2013
ASSETS			
Property, plant and equipment	6	2'448	687
Goodwill	4.2	21'334	24'551
Intangible assets		1'868	2'202
Loans and other non-current assets		28	45
Deferred tax assets		54	55
Non-current assets		**25'732**	**27'540**
Inventories		43	37
Work in progress		1'526	2'150
Trade receivables		4'164	3'491
Tax receivables		319	553
Other financial assets		(0)	21
Other current assets and other receivables		1'098	819
Cash and cash equivalents		1'313	773
		8'463	**7'844**
Non-current assets held for sale	6	-	2'136
Current assets		**8'463**	**9'980**
Total assets		**34'195**	**37'520**
EQUITY AND LIABILITIES			
Share capital	7	3'242	3'242
Reserves	8	21'466	14'227
Accumulated (losses)/gains		(8'848)	(1'023)
Equity attributable to owners of the Parent Company		**15'861**	**16'446**
Non-controlling interests		**310**	**375**
Total equity		**16'170**	**16'821**
Non-current borrowing	9	3'068	2'636
Defined benefit obligation		1'265	1'098
Deferred tax liabilities		558	669
Other non-current liabilities		93	49
Non-current liabilities		**4'984**	**4'452**
Trade payables		4'930	6'183
Current borrowings	9	4'309	4'262
Other financial liabilities		13	46
Tax payables		216	503
Other current payables and liabilities		3'573	4'169
		13'041	15'163
Liabilities directly associated with non-current assets held for sale	6	-	1'084
Current liabilities		**13'041**	**16'247**
Total equity and liabilities		**34'195**	**37'520**

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

THERAMetrics - Adaptive Research for Life Sciences -

THERAMetrics holding AG

Consolidated interim statement of comprehensive income (in TEUR)

TEUR	Notes	1.1. - 30.6.2014	1.1. - 30.6.2013
CONTINUING OPERATIONS			
Revenue	5.2	8'231	9'810
Material cost		(165)	(364)
Costs for services		(5'479)	(5'652)
Leasing expense		(417)	(520)
Personnel expense		(5'300)	(4'874)
Other operating expense		(500)	(799)
EBITDA		**(3'630)**	**(2'399)**
Amortisation and depreciation expense		(4'249)	(404)
Operating result		**(7'879)**	**(2'803)**
Finance income		86	144
Finance expense		(260)	(433)
Result before income taxes		**(8'052)**	**(3'091)**
Income taxes		42	418
Result for the period		**(8'010)**	**(2'673)**
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX			
Remeasurement of defined benefit obligation		(74)	64
Total items that will not be reclassified subsequently to profit or loss		**(74)**	**64**
Currency translation differences		(195)	(67)
Profit/(loss) on cash flow hedges		14	(6)
Total items that may be reclassified subsequently to profit or loss		**(181)**	**(73)**
Total other comprehensive income for the year, net of income tax		**(255)**	**(9)**
Total comprehensive income for the period		**(8'265)**	**(2'682)**
Result attributable to:			
Owners of the Parent Company		(7'938)	(2'731)
Non-controlling interests		(72)	57
		(8'010)	**(2'673)**
Total comprehensive income attributable to:			
Owners of the Parent Company		(8'199)	(2'740)
Non-controlling interests		(66)	57
		(8'265)	**(2'682)**
Basic and diluted earnings per share	**12**	**(0.014)**	**(0.012)**

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

THERAMetrics holding AG

Consolidated interim cash flow statement (in TEUR)

TEUR	1.1. - 30.6.2014	1.1. - 30.6.2013
Result for the period	(8'010)	(2'673)
Adjustments for:		
- Taxes charged	(42)	(418)
- Depreciation expense	1'032	404
- Other impairment losses	3'217	-
- Finance expenses	80	433
- Finance income	(86)	(144)
- Interest payments received	-	-
- Interest expenses paid	(38)	-
- Income tax paid	(152)	-
- Changes in pension obligations	93	(35)
- (Increase)/decrease in deferred tax assets	1	(11)
- Increase/(decrease) in deferred tax liablities	(111)	(845)
- Decrease in provisions	(52)	-
Changes in working capital:		
- (Increase)/decrease in inventory	(6)	33
- (Increase)/decrease in work in progress	624	977
- (Increase)/decrease in trade receivables	(673)	2'354
- (Increase)/decrease in tax receivables	234	(833)
- (Increase)/decrease in other receivables and accruals	(258)	(21)
- Increase/(decrease) in trade payables	(1'253)	(2'672)
- Increase/(decrease) in tax liabilities	(177)	(174)
- Increase/(decrease) in other payables and accrued liabilities	(544)	(631)
- (Increase)/decrease in other non-current assets	17	42
- Increase/(decrease) in other non-current liabilities	44	(49)
- Increase/(decrease) Other financial liabilities	(33)	(55)
Cash flow from operating activities	**(6'094)**	**(4'320)**
Purchase of property, plant and equipment	(38)	-
Proceeds from sale of property, plant and equipment	50	37
Purchase of intangible assets	(329)	-
Proceeds from sale of intangible assets	7	-
Cash flow from investing activities	**(310)**	**37**
Capital increase, net of transaction costs	7'428	-
Stock options exercised after reverse acquisition	-	
Increase/(decrease) in short term financial liabilities	(667)	2'452
Increase/(decrease) in long term financial liabilities	-	2'551
Proceeds from sale of own shares	180	
Cash flow from financing activities	**6'941**	**5'003**
Net increase in cash and cash equivalents	537	720
Cash and cash equivalents at beginning of period	773	699
Net effect of currency translation on cash and cash equivalents	3	(31)
Cash and cash equivalents at end of period	**1'313**	**1'388**

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

THERAMetrics holding AG

Consolidated interim statement of changes in equity (in TEUR) - *unaudited*

TEUR	Share capital	Reserves	Accumulated gain/loss	Attributable to owners of the Parent Company	Non-controlling interests	Total
Balance at 1 January 2013	**578**	**(97)**	**8'808**	**9'289**	**535**	**9'824**
Result for the period			(2'731)	(2'731)	57	(2'673)
Other comprehensive income for the period, net of income tax		(73)	64	(9)	-	(9)
Total comprehensive income for the period	**-**	**(73)**	**(2'667)**	**(2'740)**	**57**	**(2'682)**
Acquisition of minority interests in PREUR			(252)	(252)	(121)	(373)
Balance at 30 June 2013	**578**	**(170)**	**5'889**	**6'297**	**471**	**6'769**
Balance at 1 January 2014	**3'242**	**14'227**	**(1'023)**	**16'446**	**375**	**16'821**
Result for the period			(7'938)	(7'938)	(72)	(8'010)
Other comprehensive income for the period, net of income tax		(187)	(74)	(261)	6	(255)
Total comprehensive income for the period	**-**	**(187)**	**(8'012)**	**(8'199)**	**(66)**	**(8'265)**
Gain on sale of own shares			180	180		180
Paid-in capital for upcoming increase of share capital		7'428		7'428		7'428
Broker fee from GEM transaction			7	7		7
Balance at 30 June 2014	**3'242**	**21'466**	**(8'848)**	**15'861**	**310**	**16'170**

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

Notes to the consolidated interim financial statements *(condensed and unaudited)*

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 CH-6371 Stans, Switzerland. The company changed its name from mondoBIOTECH holding AG to THERAMetrics holding AG as at 20 June 2013.

As at 13 September 2013 Pierrel S.p.A and Fin Posillipo S.p.A, the major shareholders of Pierrel Research International AG ("PRINT") subscribed to the major part of the capital increase resolved by the General Meeting of 20 June 2013) with contribution in kind of 100% of PRINT shares. Since this business combination TMX legally owns 100% of PRINT and its subsidiaries. Due to the fact that the former owners of PRINT are the majority owners of TMX after this business combination, the transaction was treated as reverse acquisition in accordance with IFRS 3 "Business Combinations". In line with the requirements of IFRS 3 regarding reverse acquisitions, these consolidated financial statements are shown as a continuation of the consolidated financial statements of PRINT retrospectively adjusted to reflect the legal capital of TMX which is still the legal parent company. The consolidated financial statements are presented in EURO as this is the major currency in which revenues are denominated. The functional currency of the Company is the Swiss Franc ("CHF").

THERAMetrics holding AG is the parent company of a global tech-based contract research and development organization ("TCRDO") which offers a full range of technological services and solution to life science and pharmaceutical companies through the entire value chain of the drug discovery and development process. Current activities focus on the provision of clinical research and scientific marketing and trial services, which account for 90% of our revenues. Additionally, we are active in the discovery and development of new pharmaceutical product candidates ("MPCs") and the repurposing of existing drugs into new therapeutical indications. THERAMetrics is also further developing its bio-mathematical platform for drug rescuing and repurposing DRR2.0, with the aim of improving and expanding its currently offered services and activities.

At the beginning of this business year, the Company started implementing an efficiency improvement program, with the aim of reducing costs. This efficiency improvement program includes the simplification of THERAMetrics' group structure through a reorganization of the same. In a first step of the reorganization, on 23 June 2014 Pierrel Research International AG, Thalwil, ("PRINT") has been merged into its parent company TMX. As of such effective date, all assets and liabilities, as well as all rights and duties, of PRINT have been transferred to TMX. All subsidiaries of the merged PRINT are therefore also now directly held by TMX. In connection with the merger, on 16 July 2014 TMX has incorporated a new fully-owned Swiss subsidiary, THERAMetrics (Switzerland) GmbH, located in Thalwil. This new subsidiary will conduct the operational business of the former PRINT.

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 2013 annual report and are neither audited nor reviewed.

3 Summary of significant accounting policies

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 2013 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 2014, and will be adopted in the 2014 annual financial statements.

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

	New, amended and revised Standards and Interpretations
IFRS 10	The amendments to IFRS 10 introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to IFRS 10, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is required to: - obtain funds from one or more investors for the purpose of providing them with professional investment management services; - commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and - measure and evaluate performance of substantially all of its investments on a fair value basis. Consequential amendments to IFRS 12 and IAS 27 (as revised in 2011) have been made to introduce new disclosure requirements for investment entities. The application of these new requirements had no impact on the consolidated financial statements.
IAS 32	The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial

	New, amended and revised Standards and Interpretations
	liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The application of these new requirements had no impact on the consolidated financial statements.
IAS 36	The amendments to IAS 36 reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. The application of these new requirements had no impact on the consolidated financial statements.
IAS 39	The amendments to IAS 39 make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the partiers. In order to apply the amendments and continue hedge accounting, novation to a central counterparty must happen as a consequence of laws and regulations or the introduction of laws or regulations. The application of these new requirements had no impact on the consolidated financial statements.
IFRIC 21	IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The application of these new requirements had no impact on the consolidated financial statements.

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

The Company remains subject to various risks and uncertainties, including but not limited to the timing of achieving profitability, the uncertainty of the outcome of the reorganization, and the repositioning of the business. The Company's ability to continue operations as currently conducted depends on its ability to achieve and sustain positive cash flows. This casts a doubt on the Company's ability to continue as a going concern. Nevertheless, these consolidated financial statements have been prepared on a going concern basis for the reason indicated below.

In the Annual General Meeting on 18 June 2014, the shareholders approved an ordinary capital increase of up to 399,344,635 new shares. This capital increase was completed on 12 September 2014 and resulted in 255,299,017 new shares being issued at 0.08 CHF per share. Total proceeds of the increase were TEUR 16'934 (TCHF 20'424) including TEUR 4'324 (TCHF 5'215) of new cash, TEUR 3'456 (TCHF 4'209) from the set-off of liabilities, and TEUR 9'120 (TCHF 11'000) from the conversion of amounts already paid in by Fin Posillipo. See Footnote 17: Subsequent Events for more information on the terms and outcome of this increase.

Additionally, the subsidiary Pierrel Research Italy S.p.A. is currently negotiating a re-structuring of a loan facility granted by Banca Popolare di Milano S.c.a.r.l. (TEUR 2'275), with a rescheduling of the payment plan according different terms and conditions which are still under evaluation. While the Board of Directors believes that negotiations will be concluded positively, if this does not occur there is the risk that the company might have to make an early repayment of the loan in the second half of the year 2014, including future interests and additional costs. In such event, if the company were not able to meet such payment obligations, Banca Popolare di Milano could also call a guarantee granted by PRINT and execute a pledge over the shares of the subsidiary Pierrel Research Italy S.p.A..

With the completion of the capital increase described above, and in light of the ongoing restructuring and cost savings efforts, the Board of Directors is confident to be able to continue its operations.

Going forward, the Company will focus its operation on its core strengths as follows:

- The development of various options for the commercialization of our bio-mathematical platform for drug rescuing and repurposing DRR2.0. The Company is already in discussions with different interested life sciences companies to define commercial terms of potential collaborations.

- Phase I and II clinical trials. These are less cash intensive and have shorter revenue cycles compared to Phase III and IV projects, which tend to be cash intensive with longer revenue cycles. A new business development team will be built to focus on these projects.

- Growing the IMP business, which the Company believes has solid growth potential.

In addition, the Company will focus on licensing most of its intellectual property.

4.2 Key sources of estimation uncertainty

Impairment of goodwill

As at 31 December 2013 the amount of TEUR 24’551 represents the total goodwill after the reverse acquisition of TMX by the former shareholders of PRINT. As of 30 June 2014, this amount has been written down by TEUR 3’217 to TEUR 21’334 as a result of the latest impairment assessment.

Determining whether goodwill is impaired requires management to estimate the recoverable value of the cash generating unit (CGU) to which the goodwill is attributable. If the recoverable value of the cash generating unit is lower than the carrying amount of the cash generating unit to which the goodwill has been allocated, impairment is recorded. Any reduction in the value of the goodwill cannot be written back in future years.

TEUR	**30 June 2014**	**31 December 2013**
Cost	24'551	24'551
Accumulated impairment losses	(3'217)	-
Balance at end of period	**21'334**	**24'551**

The company’s only business segment identified as a cash-generating unit is the TCRDO segment.

In consideration of the operating loss in the first half of 2014, the Company considered that there are indications of impairment of non-current assets related to the field TCRDO and therefore has carried out an impairment test on them. In this regard it should be noted that the carrying amount was calculated equal to the Net Invested Capital ("NIC") as of 30 June 2014, including the goodwill to be measured, while the recoverable amount has been determined through the use of the model "unlevered Discounted Cash Flow".

Estimating the value was made by discounting the expected operating cash flows at a rate equal to the weighted average cost of capital (Weighted Average Cost of Capital or "WACC"). The WACC takes into account both capital third of equity. The cost of equity is derived from the expected rate of return on investments by investors of the company. The cost of debt is based on interest-bearing loans that the company faces. The specific risk sector is built by applying the specific factors "beta", reviewed annually by management based on the latest available market data. For the purposes of calculating the value of the cash-generating unit TCRDO, the Company used the projected 2014-2016 operating cash flows of the unit. These cash flows were calculated net of taxes by applying the current tax rate in Switzerland: 24%.

In addition, since there is no evidence to suggest a limited duration of the CGU, the Company calculates a residual value (so-called "Terminal value") over the period of the projection, applying the formula of perpetuity assuming an annual growth rate of 2.0% (2013: 2%). This rate considers the international context and expected inflation, as well as the related growth expectations of the international pharmaceutical market. For the calculation of value in use a weighted average cost of capital (WACC) estimated at 9.34% (2013: 9.73%) has been used.

The recoverable amount resulting from an impairment test was lower than the carrying value of the assets of the CGU, resulting in the write-down of TEUR 3'217.

It should also be noted that the allocation of the acquisition price has not yet been completed. As such, the goodwill amount is subject to change.

5 Segment information

5.1 Description of segment

The Company has only one operating segment: the TCRDO business. Therefore management has only disclosed segment information regarding geographical areas.

The TCRDO segment consists of a full service contract research organization providing regulatory consulting, pharmacovigilance and marketing services, and operational services for clinical trial (Phase I – IV) to test new molecules and drugs, and focusing on the discovery and development of MPCs ("Medicinal Product Candidates") and the repurposing/repositioning drugs into new therapeutical indications, through bio-mathematical algorithm.

5.2 Geographical information

The company's revenue by location of operations and information about its non-current assets by location of assets are detailed below:

TEUR	Revenue		Non-current assets	
	1.1. - 30.6.2014	1.1. - 30.6.2013	30 June 2014	31 December 2013
Europe	8'020	9'733	25'722	27'537
Americas	211	74	10	3
Rest of the World (*)		3		
	8'231	**9'810**	**25'732**	**27'540**

(*) In the FY 2013, Switzerland was included in Rest of the World. We have reclassified this amount to Europe for the current presentation.

6 Non-current assets held for sale

In June 2013 the Company decided to sell its building in Essen, Germany. As management believed the building could be sold within a year, the carrying amount of TEUR 2'136 has been reclassified as non-current asset held for sale as at 31 December 2014. Due to the reclassification of the building, the related borrowing of TEUR 1'084 with Sparkasse has been reclassified as liability associated with non-current assets held for sale as at 31 December 2013.

As of 30 June 2014 the asset has not sold and therefore no longer meets the criteria for a classification as an asset held for sale. Thus, the building has been reclassified back to Property, Plant and Equipment as established under IFRS 5. The related borrowing has also been reclassified accordingly to short (TEUR 488) and long-term borrowings (TEUR 379).

7 Share capital

TEUR	Number of common shares		Nominal value of share capital	
	1.1. - 30.6.2014	1.1 - 31.12.2013	1.1. - 30.6.2014	1.1 - 31.12.2013
Balance at beginning of the period	399'344'635	69'728'377	3'242	578
Issuance of common shares	-	329'616'258	-	2'664
Balance at end of the period	**399'344'635**	**399'344'635**	**3'242**	**3'242**

7.1 Issued share capital

At 30 June 2014 the issued share capital remained unchanged from 31 December 2013 at TEUR 3'242 (TCHF 3'993), consisting of 399'344'63 registered shares with a par value of CHF 0.01.

Of the registered shares, 2'787'110 shares have been issued out of the conditional capital of the Company following exercise of stock options by employees and consultants. These additional shares are however not yet reflected in the Company's articles of incorporation or the commercial register. These updates will be made before 31 December 2014.

In September 2014, the Company executed an ordinary capital increase which created 255'299'017 new common shares with a nominal value of 0.01 CHF per share. See Footnote 4.1: Going Concern as well as in Footnote 16: Subsequent Events for details of this capital increase.

7.2 Authorized share capital

On 18 June 2014, the Annual General Meeting of the Company decided that the Board of Directors is authorized, at any time until 18 June 2016, to increase the share capital by a maximum amount of CHF 1’980’000 by issuing up to 198’000’000 registered shares to be fully paid up with a par value of CHF 0.01 each. This decision superseded previous decisions regarding authorized share capital.

7.3 Conditional share capital

As of the date of these Financial Statements, the Company's has the following conditional share capital: (i) CHF 121'466.01 for the issuance of up to 12’146'601 shares for the exercise of employees, directors and consultants stock options (Article 3b para 1 of the Articles of Association), which have been and are being issued under an existing stock option plan; (ii) CHF 250'000 for the issuance of up to 25'000'000 shares for the exercise of employees, directors and consultants stock options (Article 3d of the Articles of Association), which may be issued under future stock option plans; and (iii) CHF 14'694’130 of the issuance of up to 146'941'300 shares in connection with bonds, financial instruments or other option rights (Article 3b para 2 of the Articles of Association).

As a part of the sales and purchase agreement signed with BPI and Global Emerging Markets Group (“GEM”) on 17 July 2012, GEM was given a call option entitling to subscribe for 10’000’000 shares at an exercise price of CHF 0.20 (EUR 0.16) and a call option entitling to subscribe for 4’000’000 shares at an exercise price of CHF 0.38 (EUR 0.31) at any time during a 3-year exercise period ending on 16 July 2015. None of the call options were exercised as of 30 June 2014 (31 December 2013: none) and are still outstanding. If both options are executed, the conditional share capital will be consequently reduced by TEUR 11 (TCHF 14) and the share capital increased consequently. The options granted to GEM did not have an accounting impact in 2014 and 2013. In January/February 2014 the exercise prices were adjusted to EUR 0.11 (CHF 14) for the first part of the call options and EUR 0.22 (CHF 0.267) for the second part of the call options.

7.4 Treasury shares

As of 30 June 2014, the Company held 1’250’000 shares in treasury (31 December 2013: 2’005’649). In July 2014 all of these shares were sold to the market.

7.5 Significant shareholders

The following significant shareholders are known to the company:

	30.06.2014		31.12.2013	
	Number of shares	%	Number of shares	%
PIERREL S.p.A.	219'989'968	55.3%	232'045'803	58.4%
FIN POSILLIPO S.p.A	2'005'000	0.5%	72'406'405	18.2%
BIOPHARMAinvest AG	17'384'338	4.4%	18'634'338	4.7%
Others	158'715'329	39.9%	74'252'440	18.7%
Total shares outstanding	**398'094'635**	**100.0%**	**397'338'986**	**100.0%**
Treasury shares	1'250'000		2'005'649	
Total shares	**399'344'635**		**399'344'635**	

8 Reserves

TEUR	30 June 2014	31 December 2013
Share premium	21'579	14'151
Legal reserve	41	41
Cash flow hedging reserve	(7)	(20)
Foreign currency translation reserve	(147)	55
Total	**21'466**	**14'227**

8.1 Share premium

TEUR	1.1. - 30.6.2014	1.1. - 31.12.2013
Balance at beginning of year	14'151	-
Capital increase in PRINT prior to reverse acquisition (i)	-	5'235
Capital increase by convertible loan (ii)	-	1'967
Reverse acquisition PRINT (iii)	-	5'998
Reserve for future capital increase already contributed (iii)	7'428	951
Balance at end of period	**21'579**	**14'151**

(i) In June 2013, prior to the reverse acquisition of PRINT, Fin Posillipo S.p.A. undertook to participate in an ordinary share capital increase of PRINT. On 1 July 2013, PRINT issued by way of an ordinary share capital increase 231’549 new registered shares, with a nominal value of CHF 1.00 each, which were entirely subscribed by Fin Posillipo S.p.A. against payment of EUR 5’250’000 in cash. In this respect, the share capital in PRINT was increased through contribution of TEUR 5’235 (net of transaction costs).

(ii) As of 13 September 2013, the convertible loan granted by BPI of TEUR 2’107 (CHF 2’608, including the accrued interests at the date) was converted into nominal share capital of TEUR 140 resulting in a share premium of TEUR 1’967. Upon conversion 17’384’338 shares were issued.

(iii) On 11 December 2013 Fin Posillipo S.p.A, one of the Company’s main shareholders, announced its intention to subscribe to new shares of the Company and accordingly made its first instalment payments totalling TEUR 951 in 2013. This was followed by additional instalment payments of TEU 7’428 during the first six months of 2014. These instalment payments are presented as *reserve paid for share not yet issued* until they are converted to shares as part of a legal capital increase. Such an increase was executed in September 2014. See Footnote 16: Subsequent Events for details.

9 Borrowings

TEUR	Notes	30 June 2014	31 December 2013
Bank loans	6	379	-
Leasing liabilities		18	27
Other borrowings	13.3	2'671	2'609
Total non-current borrowings		**3'068**	**2'636**
Current borrowings			
Credit facilities		605	689
Current portion of non-current bank loans	6 and 15.1	2'763	2'275
Leasing liabilities		56	63
Other borrowings	13.3	885	1'235
Total current borrowings		**4'309**	**4'262**
Total borrowings		**7'377**	**6'898**

10 Fair value measurement

At 30 June 2014, the only assets or liabilities measured at fair value are the interest rate swap derivative contract of TEUR 13 (31.12.2013 TEUR 46) which is a level 2 fair value measurement as well as the other financial assets of TEUR 0 (31.12.2013 TEUR 21) which are a level 3 fair value measurement.

For all other financial assets and liabilities their carrying amount at amortised cost approximates fair value.

11 Income tax recognised in other comprehensive income

Due to the ongoing loss situation in the respective subsidiaries, no deferred tax assets were recognised in relation to the items recognised through other comprehensive income.

12 Earnings per share

TEUR	1.1. - 30.6. 2014	1.1. - 30.6.2013
Loss for the year attributable to the equity holders of the Parent Company	(5'719)	(2'731)
Weighted average number of shares for the purposes of EPS	397'716'811	232'054'375
Basic and diluted earnings per share (in EUR)	**(0.014)**	**(0.012)**

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 2014 and 2013, the number of shares outstanding varied as a result of different transactions on the share capital structure of the Company.

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. Further, the warrants granted to GEM "out of the money" and are therefore not considered in the calculation of the diluted loss per share.

The 11'141 issued call options entitling to subscribe for an option share at a strike price of CHF 15.00 at any time during a 3-years exercise period, which expired on 22 February 2013, did not have any dilutive effect because they were "out of the money".

The comparatives for the period 1.1.- 30.6.2013 have been adjusted retrospectively to reflect the effect of the reverse acquisition.

13 Related party transactions

13.1 Compensation for executive management

TEUR	1.1 - 30.6.2014	1.1 - 30.6.2013
Fees, salaries and other short-term employe benefits	157	291
Other long-term benefits		114
Total compensation for executive management	**157**	**405**

The highest amount paid to an individual during this period was CHF 132'599.

13.2 Compensation for members of the board of directors

TEUR	1.1 - 30.6.2014	1.1 - 30.6.2013
For serving as board members and for services beyond the normal scope of their offices	148	108
Total compensation for members of the board of directors	**148**	**108**

13.3 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:

TEUR	Due from related parties		Due to related parties	
	30.06.2014	31.12.2013	30.06.2014	31.12.2013
Shareholders				
Fin Posillipo S.p.A. (i)	-	-	2'665	2'603
Pierrel S.p.A (ii)	-	-	885	885
Fellow subsidiaries				
Pierrel Pharma S.r.l (iii)	313	318	-	4
Others				
TWIGA	12	12	-	-
Bootes S.r.l.	-	-	6	6
Farmacie Petron S.r.l.	-	-	20	-
PETRONE GROUP S.r.l.	-	-	8	-
	325	**330**	**3'584**	**3'498**

(i) On 10 June 2013, the Company's subsidiary Pierrel Research International AG entered into two loan agreements with Fin Posillipo S.p.A. and Bootes S.r.l, pursuant to which PRINT was granted loans in the total amount of TEUR 2'500. On 3 July 2013, the second loan agreement was transferred to Fin Posillipo S.p.A. subrogated into the loan agreement previously entered into between Bootes S.p.A. and PRINT for a total amount of TEUR 250. The loans bear an annual interest of 5% p.a. and are due for repayment, together with the accrued interest, on 10 June 2015. Pierrel Research International AG has the right to repay the loan earlier.

(ii) On 26 March 2013, PRINT, Pierrel Research Italy S.p.A., Pierrel S.p.A., Twiga Europe S.p.A. and Mr Luigi Visani have entered into an agreement regarding the settlement of a certain payments due by PRINT and various PRINT group companies to Mr. Visani, the former CEO of PRINT, and Twiga Europe S.A., a service company owned by Mr. Visani, for Mr Visani's and Twiga Europe's past activities as well as for a loan granted to PRINT by Mr Visani. Pursuant to the agreement, on 9 September 2013 Pierrel S.p.A. has undertaken towards PRINT to assume the payments due to Mr Visani and Twiga Europe S.p.A. in a total amount of TEUR 885, including accrued interest at the date. Following assumption of the aforementioned debt by Pierrel S.p.A. on 9 September 2013, the company has a liability towards Pierrel S.p.A. in the aforementioned amount.

(iii) The payables toward Pierrel Pharma S.r.l. refer to the activities of regulatory and pharmacovigilance performed by the controlled Pierrel Research USA Inc. and some studies performed by PRINT for the registration in Europe of the dental anesthetic Orabloc®.

14 Non-cash transactions

There were no significant non-cash transactions during the first six months of 2014 or 2013.

15 Commitments and contingent liabilities

15.1 Commitments

The shares of Pierrel Research Europe GmbH, Essen, are pledged in connection with a loan granted to Pierrel S.p.A. by Unicredit.

The loan granted by Banca Popolare di Milano to Pierrel Research Italy S.p.A. (“PRITA”) is secured by a pledge ofthe shares of Pierrel Research International and by a guarantee (fideiussione) of the Company. The residual loan as of 30 June 2014 is TEUR 2’275.

The loan granted by Sparkasse Witten, Germany to Pierrel Research Europe GmbH (“PREUR”) is secured by a mortgage on the office building owned by PREUR in Essen. The residual amount of the loan as of 30 June 2014 is TEUR 867.

15.2 Litigation

In April 2014 the Company was informed by the then-CEO of the controlled Pierrel Research Europe GmbH (PREUR), Ms M. Stevens, that she received notification from the German authorities related to her suspected delayed filing of insolvency. Since this investigation relates to Ms. Stevens personally and not to the Company, management is not privy to the details of the investigation and has not received any such information at this point.

On 31 July 2013, the subsidiary Pierrel Research Italy S.p.A. and the owner of the former premises of Pierrel Research Italy S.p.A. signed an agreement resolving an ongoing court dispute in connection with the early termination of the aforementioned lease. Pursuant to the agreement, Pierrel Research Italy S.p.A. undertook to pay a total of TEUR 160 to the former landlord. TEUR 35 were paid at the signing of the settlement agreement, whereas the remaining TEUR 125 will be paid in 11 monthly instalments beginning on 1 August 2013 and ending on 30 June 2014. At the date of preparation of the consolidated financial statements the subsidiary Pierrel Research Italy SpA has paid the total amount .

15.3 Other contingent liabilities

Prior to the reverse acquisition, with effect as of 13 September 2013, TMX' subsidiary PRINT entered into an agreement with Mr. Ruggero Gramatica, the former CEO of TMX until the end of September 2013, pursuant to which it was granted an exclusive, world-wide, perpetual license for the use, development and exploitation of the mathematical model and for the definition of an eCRO platform in the field of drug discovery and clinical analysis. The license is sub-licensable and transferable to any subsidiary of PRINT. The license is subject to the obligation of PRINT to make certain investments in the licensed technology in the next years and to commercially use such technology. As a consideration for the license, PRINT shall pay royalties which are exclusively based upon the generated revenues. No payments were due as of 30 June 2014 or as of 31 December 2013.

16 Subsequent events

16.1 Ordinary capital increase

On 10 December 2013, the Company announced a capital increase out of the existing authorized capital, by private placement of up to 70 million shares, with a nominal value of CHF 0.01 each and an issue price of CHF 0.11 per share and by excluding the subscription rights of the shareholders. On the same date, Fin Posillipo S.p.A. committed to subscribe for up to 30 million new registered shares and subsequently, on 18 February 2014, it further committed to subscribe the additional, still outstanding 40 million.

In Q2 2014, it was decided to forego this capital increase from authorized capital and, at the Annual General Meeting on 18 June 2014, the shareholders approved the issuance of new shares under an ordinary capital increase. This capital increase was completed on 12 September 2014 and resulted in 255,299,017 new shares being issued at 0.08 CHF per share. Total proceeds of the increase were TEUR 16’934 (TCHF 20’424) as follows:

NEW INVESTMENTS FROM:	LEGAL PROCEEDS	CASH PROCEEDS	SET-OFF OF LIABILITIES
current shareholders	1'382	1'382	
new investors	1'112	1'112	
Fin Posillipo			
- capital already paid in	9'120	9'120	
- conversion of loans and payables	2'882	-	2'882
- new cash	1'783	1'783	
Pierrel SpA			
- conversion of loans and payables	573	-	573
- new cash	82	82	
	16'934	13'479	3'455

NOTE: Of the TEUR 13’478 in cash proceeds, TEUR 9’120 from Fin Posillipo was prepaid and received before the capital increase.

Outstanding shares after the capital increase total 654’643’652; an increase of 255’299’017 over the 30 June 2014 amount of 399’344’635.

Significant shareholders after the capital increase are as follows:

	12.09.2014		**30.6.2014**	
	Number of shares	**%**	**Number of shares**	**%**
PIERREL S.p.A.	229'368'089	35.0%	219'989'968	55.3%
FIN POSILLIPO S.p.A	209'510'206	32.0%	2'005'000	0.5%
BIOPHARMAinvest AG	17'384'338	2.7%	17'384'338	4.4%
Others	198'381'019	30.3%	158'715'329	39.9%
Total shares outstanding	**654'643'652**	**100.0%**	**398'094'635**	**100.0%**
Treasury shares	-		1'250'000	
Total shares	**654'643'652**		**399'344'635**	

16.2 Closing of the monastery in Stans

On 1 July 2014, the subsidiary the Company agreed with the canton of Nidwalden on the voluntary early termination of the usage agreement related to the monastery in Stans and has, therefore, changed its registered office from Stans, Murgstrasse 18, to Stans, Dorfplatz 6.

16.3 THERAMetrics (Switerland) GmbH

On 16 July 2014, THERAMetrics (Switzerland) GmbH was incorporated with the objective of continuing the operations of the former Pierrel Research International AG, which was merged into THERAMetrics holding AG on 23 June 2014.

16.4 Potential Business Combination with Intelligent Pharma S.L.

In July 2014, the Company entered into a non-binding agreement for a business combination with Intelligent Pharma S.L., a company located in Barcelona (Spain) which develops and commercializes computational technologies for drug discovery. Discussions are currently ongoing.

17 Approval of financial statements

These consolidated financial statements were approved by the Board of Directors on 24 September 2014.