

CURETIS N.V.**CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the periods ended 30 June

in kEuro	six months ended 30 June 2019	six months ended 30 june 2018
Revenue	1,088	807
Cost of sales	-2,027	-1,435
Gross profit / gross loss	-939	-628
Distribution costs	-3,306	-4,214
Administrative expenses	-1,976	-2,111
Research & development expenses	-4,181	-4,683
Other income	121	271
Operating loss	-10,281	-11,365
Finance income	7	274
Finance costs	-747	-496
Finance result - net	-740	-222
Loss before income tax	-11,021	-11,587
Income tax expenses	-56	26
Loss for the period	-11,077	-11,561
Other comprehensive income for the period, net of tax *	16	-171
Total comprehensive loss for the period **	-11,061	-11,732

Loss per share attributable to the ordinary equity holders of the company	six months ended 30 June 2019	six months ended 30 june 2018
Basic	-0.51	-0.73
Diluted	-0.51	-0.73

[..] Bracketed numbers refer to the related notes to the financial statements, which form an integral part of these financial statements.

*Relates to exchange differences on translation of foreign operations, which may be recycled through profit and/or loss in the future

** Total comprehensive loss is solely attributable to owners of the company

CURETIS N.V.**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

As of 30 June 2019 and 31 December 2018

Assets

in kEuro	30 June 2019	31 December 2018
Current assets	13,926	18,095
Cash and cash equivalents	7,809	10,279
Trade receivables	196	323
Contractual assets	215	-
Inventories	4,715	6,734
Other current assets	991	759
Non-current assets	12,785	11,012
Intangible assets	7,354	7,425
Property, plant and equipment	3,738	3,196
Right of use assets	1,298	-
Other non-current assets	222	162
Other non-current financial assets	158	158
Deferred tax assets	15	71
Total assets	26,711	29,107

[..] Bracketed numbers refer to the related notes to the financial statements which form an integral part of these financial statements.

CURETIS N.V.**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

As of 30 June 2019 and 31 December 2018

Equity and Liabilities

in kEuro	30 June 2019	31 December 2018
Current liabilities	6,150	6,064
Trade and other payables	853	957
Provisions current	130	65
Tax liabilities	2	22
Other current liabilities	1,370	1,235
Other current financial liabilities	3,362	3,785
Current lease liabilities	433	-
Non-current liabilities	20,539	13,993
Provisions non-current	44	44
Other non-current financial liabilities	19,623	13,949
Non-current lease liabilities	872	-
Total liabilities	26,689	20,057
Equity	22	9,050
Share capital	226	209
Capital reserve	164,661	162,967
Other reserves	9,499	9,176
Currency translation differences	-128	-143
Retained earnings	-174,236	-163,159
Total Equity and liabilities	26,711	29,107

[...] Bracketed numbers refer to the related notes to the financial statements which form an integral part of these financial statements.

CURETIS N.V.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

For the periods ended 30 June

in kEuro	six months ended 30 June 2019	six months ended 30 June 2018
Loss after income tax for the period	-11,077	-11,561
Adjustment for:		
- Net finance income / costs [10]	740	222
- Depreciation, amortization and impairments [15. 16]	825	618
- Gain on disposal of fixed assets	5	0
- Changes in provisions [22]	65	-70
- Changes in equity settled stock options [26]	323	427
- Changes in deferred tax assets and liabilities	56	-45
Changes in working capital relating to:		
- Inventories [13]	2,019	55
- Trade receivables and other receivables [12. 14]	-380	-1,050
- Trade payables and other payables [21]	314	612
Income taxes received (+) / paid (-)	56	-26
Interest paid (-)	-530	-471
Net cash flow used in operating activities	-7,584	-11,289
Payments for intangible assets	-31	-67
Payments for property, plant and equipment	-1,054	-163
Interest received	1	0
Net cash flow used in investing activities	-1,084	-230
Proceeds from other non-current financial liabilities	5,000	3,000
Proceeds from current financial liabilities	1,385	0
Proceeds from issue of ordinary shares	1,711	4,100
Repayment of convertible loan	-1,711	0
Payments for financing costs for issue of ordinary shares	0	-320
Principle elements of leases paid	-203	0
Net cash flow provided by financing activities	6,182	6,780
Net decrease / increase in cash and cash equivalents	-2,486	-4,739
Net cash and cash equivalents at the beginning of the year	10,279	16,311
Net decrease in cash and cash equivalents	-2,486	-4,739
Effects of exchange rate changes on cash and cash equivalents	16	74
Net Cash and cash equivalents at the end of the period	7,809	11,646

[..] Bracketed numbers refer to the related notes to the financial statements which form an integral part of these financial statements.

CURETIS N.V.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For periods ended 30 June

in kEuro	Share capital	Capital reserve	Other reserve	Currency translation difference	Retained earnings	TOTAL equity
Balance at 1 January 2018	155	152,793	8,527	143	-139,414	22,204
Loss of the period					-11,561	-11,561
Other comprehensive income				-171		-171
Total comprehensive income	0	0	0	-171	-11,561	-11,732
Capital						
Transactions with owners in their capacity as owners						
Issue of ordinary shares	9	4,091				4,100
Transaction costs for the issue of ordinary shares		-319				-319
Equity stock option program 2016			427			427
Balance as of 30 June 2018	164	156,565	8,954	-28	-150,975	14,680

in kEuro	Share capital	Capital reserve	Other reserve	Currency translation difference	Retained earnings	TOTAL equity
Balance at 1 January 2019	209	162,967	9,176	-143	-163,159	9,050
Loss of the period					-11,077	-11,077
Other comprehensive income				15		15
Total comprehensive income	0	0	0	15	-11,077	-11,062
Capital						
Transactions with owners in their capacity as owners						
Issue of ordinary shares	17	1,694				1,711
Equity stock option program 2016			323			323
Balance as of 30 June 2019	226	164,661	9,499	-128	-174,236	22

For detailed information please see note 1.3 and 26.

1 General Information about the company

1.1. General information about the business and the commercial development of the company

Curetis N.V. (the Company) is the parent company of a commercial-stage molecular diagnostics (MDx) group focused on rapid infectious disease testing for hospitalized patients with the aim to improve the treatment of hospitalized, critically ill patients with suspected microbial infections.

The Group has developed the innovative Unyvero molecular diagnostic solution for comprehensive infectious disease testing. Curetis' proprietary application portfolio for its Unyvero system currently consists of several CE-marked applications:

- The Unyvero HPN (Hospitalized Pneumonia) cartridge for the detection of pathogens and antibiotic resistances to aid diagnosing pneumonia.
- The Unyvero ITI (Implant and tissue infections) cartridge for the detection of pathogens and antibiotic resistance markers in diagnosis of prosthetic joint infections, surgical site infections, infections associated with implants, infections of the deep skin and soft tissue, burn wounds as well as diabetic foot, cellulitis and others.
- The Unyvero BCU (Blood culture) cartridge for the detection of pathogens (bacteria and fungi) and antibiotic resistance markers in bloodstream infections.
- The Unyvero IAI (Intra-abdominal infections) cartridge for the detection of up to 130 targets, microorganisms (108) and antibiotic resistance markers (22).
- The Unyvero UTI (Urinary tract infections) cartridge for the detection of severe cases of urinary tract infections with up to 103 targets, microorganisms (88) and antibiotic resistance markers (15).

In addition to the existing Unyvero A50 multiplex platform, Curetis has started in 2016 to expand its product portfolio with the development of a low- and midplex analyzer, the new Unyvero A30 RQ for Unyvero integration or as a standalone operation. The Unyvero A30 RQ analyzer will aim at ca. 5 to 30 diagnostic targets with sensitive and quantitative real-time PCR technology within about 45-90 minutes time-to-result and just a few minutes of hands-on-time.

Furthermore, in Q4-2016 Curetis acquired the GEAR database from Siemens, which is the most comprehensive database on genetics of antibiotic resistance. In 2017, Curetis established Ares Genetics GmbH, a wholly-owned subsidiary of Curetis GmbH in Vienna, Austria. Ares Genetics is dedicated to maximize the R&D and related scientific and business opportunities of the GEAR assets for the entire Curetis Group.

1.2. Corporate Structure

The Company has one subsidiary, Curetis GmbH, Holzgerlingen, Germany where it holds 100% of the shares. As of 30 June 2019 Curetis GmbH holds 100% of the shares of:

- Curetis UK Ltd., London, UK (in liquidation)
- Curetis USA Inc., San Diego, CA, USA
- Curetis Schweiz GmbH, Zug, Switzerland (in liquidation)
- Ares Genetics GmbH, Vienna, Austria
- Curetis BeNeLux B.V. , Amsterdam, the Netherlands (dissolved 25.06.2019)
- Curetis France S.A.R.L., Strasbourg, France (dissolved 24.03.2019)

(together “the Curetis Group” or “the Group” or “Curetis”).

Due to active market development in some key European markets over the last few years, Curetis believes that there are opportunities for attractive partnerships in these markets and that the Company can benefit from a broader commercial base of suitable partners in these countries. The Company entered into a distribution agreement with A. Menarini Diagnostics, a major European diagnostics company which started to commercialize Unyvero products in a number of major European countries.

In order to implement these strategic priorities and adapt the organization accordingly, Curetis has executed a reorganization of its corporate structure. The planned measures included the closure and liquidation of the aforementioned subsidiaries of Curetis GmbH.

The consolidated financial statements of the Group as of and for the period ended 30 June 2019 comprise as such the Company and its wholly owned and controlled subsidiary Curetis GmbH, Holzgerlingen, Germany and the aforementioned subsidiaries of Curetis GmbH.

1.3. Historical financing transactions of the Companies

Curetis N.V. has been listed on Euronext Amsterdam and Brussels since 11 November 2015 under the ticker symbol CURE. The Group does not have an ultimate parent entity nor a controlling party. The statutory seat of Curetis N.V. is in Amsterdam, the Netherlands, the corporate headquarter is at Max-Eyth-Str. 42, 71088 Holzgerlingen, Germany.

The first Group entity was incorporated in 2007 (Curetis AG). From inception through 30 June 2019 the Group’s operations have been primarily funded through:

- EUR 63.7 million in equity investments from venture capital and private equity investors
- EUR 44.3 million of gross proceeds from the Group Initial Public Offering completed in November 2015 on Euronext Amsterdam and Brussels.

- EUR 18.0 million of non-dilutive debt financing tranche drawn down under the facility from the European Investment Bank (EIB)
- EUR 4.1 million of gross proceeds from a public investment in private equity (PIPE), executed in April 2018.
- EUR 5.0 million of gross proceeds from a financing facility of up to EUR 20 million through the issuance of convertible notes.
- EUR 8.9 million of gross proceeds from a second offering at Euronext Amsterdam and Brussels completed in November 2018.

Alongside the PIPE in April 2018 Curetis announced having put in place a USD 10 million equity line with GCF, a US based family office.

2 Accounting and valuation methods

The accounting and valuation methods that applied to the consolidated financial statements as of 31 December 2018 have also been applied for the condensed financial statements as of 30 June 2019 and can be found under <http://www.curetis.com/en/investors/financial-reports-and-conferences/financial-reports.html>.

2.1. Statement of preparation

These consolidated interim financial statements as of 30 June 2019, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Interpretations (IFRIC) as endorsed by the European Union (EU). This interim financial statement complies with IAS 34 “Interim Financial Reporting” and is approved for issuance by the Management Board on 18 September 2019. The same accounting policies and methods of computation are followed in the interim financial report as compared with the most recent annual consolidated financial statements prepared as of December 31, 2018, except for the principles resulting from the adoption of the new and revised standards as mentioned in section 2.4 following.

2.2. Basis of measurement

The interim financial statements have been prepared under the historical cost convention. The statement of profit or loss and other comprehensive income has been prepared in accordance with the function of expense method. The financial statements have been prepared on a going concern basis. These consolidated financial statements are presented in Euro – where appropriate – have been rounded to the nearest thousand (abbreviated kEUR).

2.3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom be equal to the actual results. Management also needs to exercise judgement in applying the group’s accounting policies.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following areas are areas where key assumptions concerning the future, and other key sources of estimations uncertainty at the end of the reporting period, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Estimated useful life of intangible assets – note 15

Unyvero A30 RQ (formerly Gyronimo) has not been amortized since its acquisition, as the platform is not yet available to be used. The carrying amount of this intangible asset is reviewed at each reporting date for any indication of impairment. Impairment is recognized if the carrying amount of an asset or the cash-generating unit (CGU) exceeds its estimated recoverable amount by using a discounted cash flow model.

- Estimates of provisions – note 22

When measuring provisions for warranty forward-looking assumptions and estimates and estimations are inputs into the calculation. The calculation is based on historical data but as Curetis is in an early commercial stage these assumptions may change in the future.

- Estimates of fair values of contingent liabilities and contingent purchase commitments

Some of the future purchase prices for raw materials, goods and services are based on quantities and contractual periods. When valuating these contingent liabilities and commitments the calculation is based on budgeted numbers and current assumptions of the future business development.

- Estimate of inventory obsolescence and inventory valuation – note 13

The obsolescence write-downs on inventories are estimated considering the expected lifetime and usage of a Unyvero-System. As so far Curetis has no reliable sales-track-record the write-downs are based on the best estimate considering technical aging and estimated sales prices for used systems.

2.4. First time adoption of IFRS 16 – Leases

Adopted as of current period

In January 2016, the IASB published the financial reporting standard IFRS 16 *Leases* which replaces IAS 17 *Leases* as well as the associated interpretations. The new standard became effective on 1 January 2019 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under the new lease standard, assets leased by the Company are being recognized as a right-of-use asset in the statements of financial position with a corresponding lease liability.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. The Group's activities as a lessor are not material; therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company adopted IFRS 16 using the simplified transition approach and did not restate comparative amounts for the year prior to first adoption.

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 "Determining Whether an Arrangement contains a Lease". Leases entered into before the date of initial application were not reassessed as to whether a contract is, or contains, a lease at the date of first-time application, but the assessment previously made under IFRIC 4 was retained.

The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration.

Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Lease contracts are typically negotiated for fixed periods, but may include extension options. These terms offer the Group the greatest possible operational flexibility. For determining the lease terms all facts and circumstances are included which offer an economic incentive to exercise extension options. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

2.4.1. Transition and impact assessment on IFRS 16

The company elected to adopt the practical expedient related to leases of all asset classes with a lease term of less than 12 months or for which the underlying asset is of low value and leases with a remaining lease term of less than 12 months at the transition date. In these cases, no right-of-use asset and lease liability is recognized. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The effect of the adoption of IFRS 16 to the statements of financial position as of 1 January 2019 is as follows:

In kEUR	
Assets	
Right-of-Use assets	1,494
Liabilities	
Lease liabilities	1,494

The adoption of IFRS 16 had no impact on the Company's sales. Lease expense has been replaced by depreciation and interest expense, which had an immaterial impact to the statement of operations for the six months ended 30 June 2019.

In addition, the cash flow from operating activities for the six months ended 30 June 2019 was positively impacted by approximately kEUR 224 as, under the new standard, cash payments for the principal portion of the lease liabilities are classified in the cash flow from financing activities rather than in the cash flow from operating activities.

The Company foresees no impact of the adoption of IFRS 16 on compliance with debt covenants.

2.4.2. Leases previously accounted for as operating leases

The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, with the exception of short-term leases and leases of low-value assets, as discussed above. The right-of-use assets and lease liabilities were recognized based on the present value of the remaining lease payments and discounted using the incremental borrowing rate implicit in the lease at the date of initial application. The company applied a discount rate of 1.9% for property and discount rate of 3.9% for all other asset classes. For these two lease categories, the company applied the practical expedient to apply a single discount rate for a portfolio of leases with similar characteristics.

The lease liabilities as of 1 January 2019 reconciles to the operating lease commitments as of 31 December 2018 as follows (the amounts in the table below include lease commitments for leases with extension options determined probable to exercise upon adoption):

in kEUR	
Operating lease commitments as of 31 December 2018	1,301
Impact of present value discount	-107
Short term leases excluded	-94
Impact of lease extensions entered into in 2019	394
IFRS 16 opening balance impact on lease liabilities as of 1 January 2019	1,494

2.4.3. Summary of new accounting policies

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Company is reasonably certain ownership of the leased asset will be obtained at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessment.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include, in-substance, fixed payments less any lease incentives, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments may also include an exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the company exercising the termination option.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a contract modification, change in the lease term, change in the in-substance fixed lease payments, or a change in the assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. When determining the lease term, Curetis considers all relevant facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Share-based payments

The employee Stock Option Plan 2016 (“ESOP”)

In July 2016 Curetis N.V. started to grant stock options according to the Employee Stock Option Plan 2016. The terms of this ESOP were adopted by the annual general shareholder meeting of Curetis N.V. on 16 June 2016. The stock option plan was designed in order to grant options to ordinary shares in the capital of Curetis N.V. to nominees. The purpose of the plan is the retention of current and the recruiting of new key employees, managing directors and supervisory directors, to spare liquidity, diminish employee turnover, alignment of shareholders’ interests with employees’ and directors’ interests and finally to increase interest of capital markets in the company by a shareholder value orientated compensation system. The stock options were classified as equity settled.

The fair value of the stock options is measured by using a binomial option pricing model taking into account the terms and conditions upon which the options were granted.

The expense resulting from the share-based payment transactions is recognized during the vesting period with a corresponding increase in equity. Furthermore, the amount recognized is based on the best available estimate of the number of equity instruments expected to vest and is revised, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates.

Valuation model, input parameters, recognized expenses and further details are stated in Note 26.

3.2. Use of assumptions and estimates

The preparation of interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period. Actual results could differ from those estimates. Except for the judgement and estimates mentioned in relation to the adoption of IFRS 16, the significant estimates and judgements in preparing the condensed combined interim financial statements, made by management in applying the accounting policies and the sources of estimation uncertainty, were the same as those applied to the Company’s combined financial statements for the year ended 31 December 2018.

3.3. Going concern

Since inception, the Company’s activities have consisted primarily of performing research and development to advance its technologies and more recently, establishing sales and distribution networks to commercialize its technology. Through 30 June 2019, the Company has not yet established a stable ongoing source of revenues sufficient to cover its operating costs and has funded its operations through proceeds from equity investments, collaboration and licensing agreements, grants and borrowings under various agreements with funding agencies, proceeds from the initial public offering, proceeds from follow-on offerings, Private investments in public equity (“PIPE”), and various other financing agreements. Since inception, the Company has incurred recurring losses (with the exception of 2015 due to an extraordinary

gain), including net losses of EUR 11.1 million and EUR 23.7 million for the six months ended 30 June 2019 and year ended 31 December 2018, respectively. As of 30 June 2019, the Company had an accumulated deficit of EUR 174.2 million, EUR 7.8 million in cash and cash equivalents, trade receivables of EUR 0.2 million.

The Company also realized the following inflows of funds from financing during 2019.

- EIB Debt Financing Facility has funded the EUR 5 million milestone tranche in June 2019, however, Curetis believes this was the last of the debt financing tranches that Curetis could or would access under the current EIB facility.
- Yorkville Convertible Notes facility withdrawal of EUR 1.5 million.

Despite the cost reduction measures already implemented in Europe and the USA, the Company expects to continue to generate operating losses in the foreseeable future, the existing current assets, including cash, as well as the aforementioned secured external funding sources are not sufficient to finance Curetis' operating activities for said 12 months after the signing date of these financial statements.

Substantial doubt regarding the Group's ability to continue as a going concern exists as of 18 September 2019, the issuance date of these unaudited interim financial statements. The Company's Management believes that if it can realize cash-inflow and funding measures, execute on strategy options, realize liquidity planning and implement these planned measures as needed, funding of our business operations for a period of at least 12 months after the issue date of these financial statements is achievable. Curetis is in the process of evaluating and progressing strategic and liquidity planning options to be able to raise additional capital and reduce costs, including:

- The negotiation and implementation of a strategic option and scenario that, if successful, would allow Curetis to access the capital markets and raise additional capital again.
- Curetis aims at accessing cash relating to entering into one or more licensing and partnering deal(s) around its Unyvero A30 RQ platform and Aresdb. A draft term sheet has been received for Unyvero A30 RQ and is currently under negotiation; however, none are currently committed or secured.
- Potentially putting on hold, delaying, or reducing further expenditures for certain R&D, commercialization and operational programs.

The Company has also engaged financial and other advisors to assist it in those efforts.

The Company will seek additional funding and to execute on these strategic business and commercial plans in order to reach its development and commercialization objectives. There are no assurances the Company will be able to obtain financing on acceptable or favorable terms, or at all, and the Company may not be able to execute on strategic business and commercial plans or to enter into collaborations or other arrangements. In the event the Company is unable to successfully raise additional capital during or before the fourth quarter of 2019, the Company will not have sufficient cash flows and liquidity to finance its business operations as currently contemplated. Accordingly, in such circumstances the Company would be compelled to immediately and significantly reduce general and administrative expenses, delay research and development projects, and product portfolio expansion or commercialization efforts until it is able to obtain sufficient financing, which could adversely affect its business prospects. If such sufficient financing

is not received on a timely basis, the Company would then need to pursue a plan to license or sell its assets, seek to be acquired by another entity, cease operations and/or seek bankruptcy protection.

The interim financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The interim financial statements do not reflect any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary if the Company is unable to continue as a going concern.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

4 Revenues

in kEUR	six months ended 30 June 2019	six months ended 30 June 2018
Sale of Unyvero-Systems	146	369
Sale of cartridges	428	464
Sale of services	517	3
Discounts	-3	-29
Total revenues	1,088	807

The Sale of service include 215 kEUR of revenues recognized for services provided but not yet billed, which are recorded as a contractual asset as of 30 June 2019.

In accordance with IFRS 8, Curetis is a single-segment entity. Revenues from external customers by territory, based on the destination of the customers are as follows:

in kEUR	six months ended 30 June 2019	six months ended 30 June 2018
EMEA	940	657
USA	82	32
Asia	66	118
Total revenues	1,088	807

All revenues are derived from external customers, including hospitals as well as distribution partners.

Revenue increased from kEUR 807 in the first six months 2018 by kEUR 281 or 35% to kEUR 1,088 in the first six months 2019. This was mainly due to an increase in revenues generated for Bio-IT and related R&D-Services.

5 Cost of sales

Cost of sales includes the total acquisition and manufacturing costs incurred for products, goods and services that are sold. In the first six months ended 30 June 2019, cost of sales amounted to kEUR 2,027 (first six months 2018: kEUR 1,435). Curetis manufactures cartridges and disposables at its manufacturing plant and purchases Unyvero-Systems from its OEM-supplier.

Cost of sales exceed revenues, as the cost of sales also include fixed and idle costs for the manufacturing plant as well as write-downs on Unyvero-Systems to reflect marketability discounts. Total write-downs on Unyvero-Systems in the six months ended 30 June 2019 amounted to kEUR 1,242 (six months ended 30 June 2018: kEUR 396).

6 Expenses by nature

in kEUR	six months ended 30 June 2019	six months ended 30 June 2018
Personnel expenses	4,893	6,174
Depreciation, amortization and impairment charges	825	618
Changes in inventories of finished goods and work in progress	-36	-96
Raw material, goods and consumables used	1,484	980
Facility expenses	315	289
Disposables for clinical trials and R&D-activities	431	328
3rd party services for clinical trials incl. US-FDA-trial	99	77
Marketing and travel expenses	657	868
Other consulting, advisory & 3rd party support	1,607	1,670
Other expenses	1,215	1,535
Total Cost of Sales, distribution costs, administrative expenses and research & development expenses	11,490	12,443

The personnel expenses in the first six months 2019 include kEUR 270 (first six months 2018: kEUR 366) expenses recognized for the valuation of equity-settled share-based payment transactions. The decrease of Employee benefit, is mainly due to the decrease in number of employees resulting from the strategic reorganization initiated in December 2018 and Q1-2019.

The other consulting, advisory & 3rd party support expenses include kEUR 50 (six months period ended 30 June 2018: kEUR 45) for the valuation of equity-settled share based payment transactions for supervisory-board members.

7 Distribution costs

in kEUR	six months ended 30 June 2019	six months ended 30 June 2018
Personnel expenses	1,997	2,874
<i>thereof from share-based payments equity-settled</i>	139	160
Depreciation and Amortization	46	51
Other operating expenses	1,263	1,289

<i>thereof marketing expenses</i>	555	712
<i>thereof travel expenses</i>	193	365
<i>thereof consulting, advisory & 3rd party service</i>	118	107
TOTAL	3,306	4,214

Distribution costs include all direct individual sales and marketing costs as well as overhead costs. These include all expenses for sales, marketing, public relations, and business development such as personnel, materials, depreciation, and other related expenditures.

The decrease of personnel expenses in the first six months ended 30 June 2019 compared to the same period in 2018 is due to the strategic restructuring of the sales organization by working together with a Pan-European Distributor and dissolving of the European direct sales organization as well as reduction in force in the USA. The average number of FTEs employed in marketing and sales decreased from 39.3 during the first six months 2018 to 21.6 during the first six months 2019.

8 Administrative expenses

<i>in kEUR</i>	<i>six months ended 30 June 2019</i>	<i>six months ended 30 June 2018</i>
Personnel expenses	745	885
<i>thereof from share-based payments equity-settled</i>	59	312
Depreciation and Amortization	218	44
Other expenses	1,013	1,182
<i>thereof for remuneration of supervisory board</i>	185	174
<i>thereof from share-based payments equity-settled</i>	50	45
<i>thereof consulting, advisory & 3rd party service</i>	491	507
TOTAL	1,976	2,111

Administrative expenses include personnel, depreciation and other costs of the central administrative areas, which are not related to production, sales or research and development.

The decrease of Personnel expenses in the first six months ended 30 June 2019 compared to the same period in 2018 is mainly due to the decreased average number of FTEs in the administrative departments, which decreased from 14.5 FTEs during the first six months ended 30 June 2018 to 13.0 FTEs during the first six months ended 30 June 2019.

9 Research and Development expenses

in kEUR	six months ended 30 June 2019	six months ended 30 June 2018
Personnel expenses	1,958	2,193
<i>thereof from share-based payments equity-settled</i>	66	105
Depreciation and Amortization	373	354
Material expenses	274	139
Other expenses	1,576	1,997
<i>thereof IP-fees and expenses for patent lawyers</i>	121	370
<i>thereof external services for clinical trial</i>	99	83
<i>thereof costs for laboratory demand</i>	115	278
<i>thereof consulting, advisory & 3rd party service</i>	785	890
<i>thereof other manufacturing expenses for cartridges used in R&D</i>	252	123
TOTAL	4,181	4,683

The decrease of personnel expenses in the first six months ended 30 June 2019 compared to the same period in 2018 is mainly due to fewer employees working in R&D.

Other expenses decreased in the first six months ended 2019 compared to the same period in 2018. This is mainly due to:

- Less IP-fees and fees for patent lawyers as most patents especially in relation with the GEAR-platform have been already issued in 2018.
- Lower costs for laboratory demand also in relation with less employees working in R&D

10 Finance result / costs net

In the six-month period ended 30 June 2019 the net finance result amounted to a loss of kEUR 740 (six-month period ended 30 June 2018 to a loss of kEUR 222), arising primarily from accrued interests for the combined EUR 18 million from all the tranches drawn down from the EIB debt facility, foreign currency exchange difference resulting from the exchange rate difference of USD vs. EUR and interests for the first tranche of the convertible notes facility (EUR 5 million).

in kEUR	six months ended 30 June 2019	six months ended 30 June 2018
Foreign exchange differences	0	249
Interests for borrowings	-625	-471
Interests and finance expenses for convertible notes	-102	0

Other finance income / finance costs	-13	0
Finance result/costs net	-740	-222

Interests for borrowings represent interest and financing charges paid/payable for financial liabilities not at fair value through profit or loss using the effective interest method.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

11 Cash and cash equivalents

At 30 June 2019, cash and cash equivalents amounted to kEUR 7,809 (31 December 2018: kEUR 10,279). These consist of bank balances and cash on hand. Cash & cash equivalents are at the company's free disposal, none of these amounts are pledged.

The decrease in cash and cash equivalents is mainly due to a negative cash outflow from operating activities and investing activities of kEUR 8,668 during H1-2019, only partly compensated by a positive cash inflow from financing activities of kEUR 6,161 such as EIB financing and convertible loan facility.

12 Trade receivables

The carrying amounts of the trade receivables approximate their fair values. Current trade receivables are non-interest bearing.

in kEUR	30 June 2019	31 December 2018
Trade receivables, gross	198	325
less loss allowance	-2	-2
Trade receivables, net	196	323

13 Inventories

in kEUR	30 June 2019	31 December 2018
Raw materials	759	838
Semi-finished goods	36	61
Trade goods	6,955	8,113
Finished goods	125	65
Spare parts	138	101
Total inventories, gross	8,013	9,178
Valuation allowance	-2,616	-2,444
Total inventories, net	5,397	6,734

The obsolescence write-downs on inventories is considered a significant estimate with inherent uncertainty. Given Curetis does not yet have a reliable sales-track-record, the write-downs are based on the best estimate considering technical aging and estimated sales volumes and prices for systems. If assumptions regarding future sales prices, volumes, useful life or product market potentials are not appropriate, this may lead to further need for write-off. A reduction in the estimated sales price. A reduction in the estimated sales price of 10% would result in an increase of obsolescence write-downs of kEUR 310, whereas an increase in the estimated sales price of 10% would result in a decrease of the obsolescence write-downs of kEUR 217. A reduction in the estimated useful life of the Unyvero system by 1 year would result in an increase of obsolescence write-downs of kEUR 630, Whereas an increase in the estimated useful life of the Unyvero systems by 1 year would result in a decrease of obsolescence write-downs of kEUR 592.

The change in write-off to net asset value of inventories recognized as an expense and included in 'Cost of Sales' in the six months ended 30 June 2019 amounted to kEUR 1,242 (2018: kEUR 396).

14 Other current assets

in kEUR	30 June 2019	31 December 2018
Advance on travel exp.	7	14
Rent Deposits	18	28
Income tax refunds	48	1
VAT receivables	305	404
Prepaid Expenses	440	200
Prepaid transaction exp. for future capital increases	115	99
Other current assets	58	13
TOTAL	991	759

Prepaid expenses mainly include lease payments, travel expenses, insurance fees and conference and exhibitions fees.

Prepaid transaction expenses for potential future financial transactions in relation with the convertible note facility amounting to kEUR 115 as of 30 June 2019 (31 December 2019 kEUR 99) will, after conversion of the corresponding note into shares, be deducted from equity within the capital reserve.

15 Intangible assets

	Software	Licenses & Patents	Unyvero A30 technology	advance payments	Total
in kEUR					
Balance as of 1 January 2018	95	7,402	-	27	7,524

Reclassification Unyvero A30	-	-5,000	5,000	-	-
Additions	34	1	-	84	119
Disposals	-	-	-	-	-
Amortization	-76	-142	-	-	-218
Balance as of 31 December 2018	53	2,261	5,000	111	7,425
Cost	691	7,485	-	111	8,287
Reclassification Unyvero A30	-	-5,000	5,000	-	-
Accumulated amortization/impairments	-638	-224	-	-	-862
Balance as of 31 December 2018	53	7,261	-	111	7,425
Additions	13	2	-	17	32
Disposals	-	-	-	-	-
Amortization	-32	-71	-	-	-103
Reclassifications	128	-	-	-128	-
Balance as of 30 June 2019	162	7,192	-	-	7,354
Cost	704	7,487	-	128	8,319
Reclassification Unyvero A30	-	-	-	-	-
Reclassifications	128	-	-	-128	-
Accumulated amortization/impairments	-670	-295	-	-	-965
Balance as of 30 June 2019	162	7,192	-	-	7,354

Intangible assets are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount for the licences and patents and for Unyvero A30 is defined by assessing the separately identifiable cash inflows which are largely independent of the cash inflows from other assets. For the Unyvero A30 RQ potential partnering and licensing deals have been taken into account in the calculation of the recoverable amount. As of 30 June 2019 the recoverable amounts of all intangible assets are higher than their carrying amount, hence no impairment losses have been taken into account.

In the six months ended 30 June 2019 kEUR 0 (six months ended 30 June 2018: kEUR 0) is included in 'Cost of Sales', in distribution costs kEUR 20 (six months ended 30 June 2018: kEUR 1), in R&D costs kEUR 78 (six months ended 30 June 2018: kEUR 75) and kEUR 6 (six months ended 30 June 2018: kEUR 5) in administrative expenses.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value may no longer be recoverable. Intangible assets not yet available for use (Unyvero A30 RQ) must be tested for impairment at least annually. An impairment loss is recognized for the amount by which

the asset's book value exceeds its recoverable amount. Impairments are reversed if and to the extent that the reasons for impairment no longer exist. The recoverable amount is defined as the higher of an asset's fair value less cost to sell and its value in use.

The material intangible assets do not generate separate cash flows. The acquired Gyronimo-asset (column 'Licenses & Patents' has meanwhile been renamed to Unyvero A30 RQ and will be developed by Curetis to a partnering-ready asset. The platform is still in development phase and the development takes place in the same team that had developed and continued to maintain the Unyvero A50-multiplex-plattform. Also in the future the only change will be that the existing Unyvero-Multiplex-Cash-generating-unit will be developed with the integration of Unyvero A30 RQ to a anyplex-plattform and hence will most likely still be only one cash generating unit. During the periodical impairment test carried out for the CGU Curetis Group (one-CGU-structure) no impairment has been identified.

16 Property, plant and equipment

in kEUR	Land and buildings	Machines and technical installation	Other tangible assets	Assets under con- struction	Total
Balance as of 1 January 2018	23	2,609	645	289	3,566
Additions	-	31	215	424	670
Disposals	-	-	-81	-	-81
Amortization	-8	-701	-250	-	-959
Reclassifications		417	-	-417	-
Balance as of 31 December 2018	15	2,356	529	296	3,196
Cost	72	8,300	2,770	296	11,438
Accumulated depreciation/impairments	-57	-5,943	-2,241	-	-8,241
Balance as of 31 December 2018	15	2,357	529	296	3,197
Additions	-	50	576	425	1,051
Disposals	-	-4	-11	-	-15
Amortization	-4	-340	-150	-	-494
Reclassifications	-	193	-	-193	-
Balance as of 30 June 2019	11	2,256	944	528	3,739
Cost	72	8,539	3,335	528	12,474
Accumulated depreciation/impairments	-61	-6,284	-2,391	-	-8,735
Balance as of 30 June 2019	11	2,255	944	528	3,739

Curetis did not own any of these assets und any lease programs in 2017 or 2018. All property, plant and equipment are free from any rights held by third parties.

17 Right-of-use assets

in kEUR	Real estates	IT- Equipment	car fleet	Total
Balance as of 1 January 2018	0	0	0	0
Initial recognition 01.01.2019	1,450	5	39	1,494
Additions	-	-	22	22
Disposals	-	-	-	-
Amortization	-208	-2	-9	-219
Balance as of 30 June 2019	1,242	3	52	1,297
Cost	1,450	5	61	1,516
Accumulated depreciation/impairments	-207	-2	-9	-218
Balance as of 30 June 2019	1,243	3	52	1,298

Refer to Note 2.4 for additional information on right-of-use assets.

18 Other non-current assets

Other non-current assets are mainly comprised of prepaid expenses for insurance contributions.

19 Other non-current financial assets

Other non-current financial assets solely include assigned accounts for rent and bank deposits as follows:

in kEUR	30 June 2019	31 December 2018
Rent deposit	64	64
Bank deposit	94	93
Total	158	157

Bank deposits of kEUR 94 (31 December 2018: kEUR 93) comprise kEUR 50 (31 December 2018: kEUR 50) for bank guarantees and kEUR 44 (31 December 2018: kEUR 43) permanent credit card deposits.

20 Deferred tax assets

Deferred tax assets decreased from kEUR 71 as of 31 December 2018 to kEUR 15 as of 30 June 2019. The decrease of tax assets is due to less eliminated interim gains, resulting from the sale of Unyvero-Systems from Curetis GmbH to Curetis USA. Curetis GmbH sold more Unyvero-Systems to its subsidiary in the USA to equip the company with devices post FDA clearance for the commercial ramp-up.

21 Trade and other payables

in kEUR	30 June 2019	31 December 2018
Trade and other payables	853	957
Total	853	957

22 Provisions

The following table provides a breakdown of provisions by type:

in kEUR	30 June 2019	31 December 2018
Asset retirement obligations	38	38
Other provisions	136	71
Balance	174	109
- of which: current	130	65
- of which: non-current	44	44

Curetis has a contractual asset retirement obligation to dismantle the cleanrooms at the end of the lease period, in which they produce their cartridges, and to restore the rented building.

Other provisions relate to various risks and commitments for warranty costs and dismantling provisions.

23 Other current liabilities

in kEUR	30 June 2019	31 December 2018
Accruals for vacation	387	362
Accruals for Employee Bonuses	355	10
Accrual for Severance / Restructuring	-	136

Accruals for employers liability & social insurance	69	119
Accruals for audit and preparation of financial statements	168	255
Other tax liabilities	118	174
Accrued received grant payments	194	-
Other liabilities	79	179
Balance	1,370	1,235

Other liabilities are mainly comprised liabilities for other personnel expenses amounting to kEUR 36 as of 30 June 2019 (kEUR 51 as of 31 December 2018).

24 Financial liabilities

Current financial liabilities consist of the Convertible notes that were issued to Yorkville Advisors (Yorkville) on 02 October 2018 by Curetis N.V. Under the first tranche, 500 notes are available for issuance, of which 350 notes were issued as of 02 October 2018 (subscription date) and 150 notes were issued in June 2019. Each note has a nominal value of kEUR 10 and a maturity of one year. The notes were issued at an 8% discount, due to a 4% commitment fee and a 4% subscription fee. The Company incurred kEUR 120 in issuance costs related to due diligence and legal fees.

The holders of the outstanding notes have the right to convert the notes in exchange for shares of Curetis N.V. at any time. The number of shares to be issued upon conversion of a note is determined by the nominal amount of the note divided by 93% of the last 10-day lowest VWAP (volume weighted average price) of the common stock share of Curetis N.V. on the conversion date. As of 30 June 2019, 198 notes had been converted to shares of Curetis N.V. and subsequent to that date an additional 152 notes have been converted.

In connection with the proposed acquisition of Curetis by OpGen, the remaining notes are expected to be converted into shares of OpGen, rather than of shares of Curetis N.V., subject to the consent of Yorkville. Curetis assumes that all notes will be converted within the original maturity of one year from the date of issuance and that the likelihood of executing the extension option is remote.

In June 2019 Curetis has drawn down a third tranche of EUR 5 million from the EIB (European Investment Bank). In line with all prior tranches, the majority of interest is also deferred into the bullet repayment structure upon maturity. In return for EIB waiving the condition precedent of a minimum cumulative equity capital raised of EUR 15 million to disburse this EUR 5 million tranche, the parties have agreed on a 2.1% participation percentage interest (PPI). Upon maturity of the tranche, i.e. not before around mid-2024 (and no later than mid-2025), EIB will be entitled to an additional payment that is equity-linked and equivalent to 2.1% of the then total valuation of Curetis. This right constitutes an embedded derivative, which is separated and measured at fair value with changes being accounted for through profit or loss.

Other non-current financial liabilities comprise the EIB debt facility and the deferred taxes, calculated with the effective interest method. The effective interest rate applied by the Company is 9.12% for the EUR 10

million tranche and 9.01% for the EUR 3 million tranche. For the EUR 5 million tranche an effective interest rate of 9.01% is applied.

Other current financial liabilities include liabilities for outstanding invoices.

in kEUR	30 June 2019	31 December 2018
Liabilities for outstanding invoices	408	334
Provision for deferred interest	88	342
Convertible notes	2,866	3,109
Balance	3,362	3,785

Gains from the reversal of other current financial liabilities that arose originally in previous years are recognized as other operating income.

in kEUR	30 June 2019	31 December 2018
Face value of notes issued	5,000	3,500
Conversion of notes	-1,980	-200
Interest expense	-39	-93
Transaction expenses	-115	-98
Other current financial liability convertible notes	2,866	3,109

25 Financial Instruments

For each class of financial instrument the fair value of financial assets and liabilities, together with their carrying amounts contained in the consolidated financial statements are shown in the following schedules.

in kEUR	30 June 2019				31 December 2018			
	Category in accordance with IFRS9	Carrying amount	Fair Value	Fair Value Level	Category in accordance with IAS 39	Carrying amount	Fair Value	Fair Value Level
Current Assets								
Cash and Cash Equivalents	AC	7,809	n/a *	n/a	AC	10,279	n/a *	n/a
Trade Receivables	AC	196	n/a *	n/a	AC	323	n/a *	n/a
Non-current Assets								
Other non-current financial assets	AC	158	158	2	AC	158	158	2

n/a*: For short-term financial instruments a fair value disclosure is not required as the carrying amount approximates the fair value.

in kEUR	30 June 2019				31 December 2018			
	Category in accordance with IFRS9	Carrying amount	Fair Value	Fair Value Level	Category in accordance with IAS 39	Carrying amount	Fair Value	Fair Value Level
Current Liabilities								
Trade and other Payables	FLAC	853	n/a *	n/a	FLAC	957	n/a *	n/a
Other current financial liabilities	FLAC	2,866 ⁽¹⁾	n/a *	n/a	FLAC	3,244	n/a *	n/a
Other current financial liabilities	FVTPL	496 ⁽²⁾	496	3	FVTPL	542	542	3
Non-current Liabilities								
Other non-current financial liabilities	FLAC	19,623	19,084	2	FLAC	13,949	13,546	2

n/a* = For short-term financial Instruments a fair value disclosure is not required as the carrying amount approximates the fair value.

(1) Consists of liabilities for outstanding invoices, Convertible notes and provision for deferred interest

(2) Consists of conversion rights related to Convertible notes

During the six months ended 30 June 2019, there were no reclassifications of financial assets or financial liabilities between the classes.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of the embedded derivative separated from the third tranche of the EIB loan was determined using observable inputs (Curetis N.V. share price, own credit spread) and assumptions for not observable inputs (exercise of conversion rights regarding the convertible notes; date of requesting for PPI payment within a 12 months period from about the due date of the third tranche of the EIB loan). These assumptions lead to the inclusion of the fair value within level 3 of the fair value hierarchy. The fair value of the compound embedded derivative separated from the convertible note is determined using observable inputs (Curetis N.V. share price, own credit spread) and assumptions about the rational economic behavior of the related parties which are not observable input parameters. These assumptions lead to the inclusion of the fair value within level 3 of the fair value hierarchy.

Secured liabilities and assets pledged as security

Curetis has pledged cash on bank accounts as rent deposit for lease agreements with a total value of kEUR 64 and for credit card deposits and bank guarantees with a total value of kEUR 94. For further information see note 18.

26 Equity

At 30 June 2019 the share capital of kEUR 225,720.62 is divided into 22,572,062 ordinary shares with a par value of 0.01 Euro.

The common shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

As of 30 June 2019 no revaluation reserve exists.

The capital reserve increase corresponding to the expenses accounted for the share-based payment of the ESOP 2016 (see note 3.1).

The following table illustrates the number and exercise prices of the movements in share options during the year, as well as the grant date and the remaining term of the options:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Grant date	1 July 2016	1 October 2016	1 January 2017	1 April 2017	1 July 2017	1 October 2017
Granted stock options	570,000	45,000	42,500	5,000	110,000	123,500
Remaining contractual term of the option	7.00 years	7.25 years	7.50 years	7.75 years	8.00 years	8.25 years
Exercise price	6.45 Euro	6.41 Euro	6.42 Euro	5.81 Euro	4.93 Euro	4.98 Euro
Outstanding at 1 January 2019	471,667	22,500	41,458	5,000	82,778	106,833
Granted during the year	0	0	0	0	0	0
Forfeited during the year	833	0	6,667	0	0	14,583
Exercised during the year	0	0	0	0	0	0
Expired during the year	0	0	0	0	0	0
Cancelled during the year	0	0	0	0	0	0
Outstanding at 30 June 2019	470,834	22,500	34,791	5,000	82,778	92,250
Exercisable at 30 June 2019	470,834	0	0	0	0	0

	Tranche 7	Tranche 8	Tranche 9	Tranche 10	Tranche 11	
Grant date	1 January 2018	1 March 2018	1 July 2018	1 October 2018	1 January 2019	
Granted stock options	25,000	102,00	90,500	110,000	322,000	
Remaining contractual term of the option	8.50 years	8.67 years	9.00 years	9.25 years	9.50 years	
Exercise price	3.86 Euro	6.51 Euro	4.62 Euro	3.29 Euro	1.40 Euro	
Outstanding at 1 January 2019	25,000	97,000	87,500	110,000	0	
Granted during the year	0	0	0	0	322,000	
Forfeited during the year	16,389	21,445	22,000	0	35,000	
Exercised during the year	0	0	0	0	0	
Expired during the year	0	0	0	0	0	
Cancelled during the year	0	0	0	0	0	
Outstanding at 30 June 2019	8,611	75,555	65,500	110,000	287,000	

Exercisable at 30 June 2019	0	0	0	0	0	
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The beneficiaries of the granted options are as follows:

Beneficiary	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Oliver Schacht, CEO	100,000	0	0	0	0	0
Johannes Bacher, COO	100,000	0	0	0	0	0
Andreas Boos, CTO *	38,889	0	0	0	0	0
Dr. Achim Plum, CBO	100,000	0	0	0	0	0
Christopher Michael Bernard, Management Board	80,000	0	0	0	20,000	0
William Rhodes, Chairman of Supervisory Board	0	0	0	0	15,000	0
Nils Clausnitzer, Supervisory Board	0	0	0	0	15,000	0
Mario Corvetto, Supervisory Board	0	0	0	0	15,000	0
Holger Reithinger, Supervisory Board	0	0	0	0	0	0
Werner Schäfer, Supervisory Board	0	0	0	0	15,000	0
Prabhavati Fernandes, Supervisory Board	0	0	0	0	15,000	0
Other employees	75,000	22,500	42,500	5,000	0	118,500

Beneficiary	Tranche 7	Tranche 8	Tranche 9	Tranche 10	Tranche 11	
Oliver Schacht, CEO	0	0	0	0	0	
Johannes Bacher, COO	0	0	0	0	0	
Andreas Boos, CTO *	0	0	0	0	0	
Dr. Achim Plum, CBO	0	0	0	0	0	
Christopher Michael Bernard, Management Board	0	0	0	0	0	
William Rhodes, Chairman of Supervisory Board	0	0	10,000	0	0	

Nils Clausnitzer, Supervisory Board	0	0	10,000	0	0	
Mario Corvetto, Supervisory Board	0	0	10,000	0	0	
Holger Reithinger, Supervisory Board	0	0	0	0	0	
Werner Schäfer, Supervisory Board	0	0	10,000	0	0	
Prabhavati Fernandes. Supervisory Board	0	0	10,000	0	0	
Other employees	25,000	102,000	37,500	110,000	322,000	

*Andreas Boos received as CTO of Curetis N.V. 100,000 equity stock options. Andreas Boos decided with effective date 31 August 2017 to step down from the Management Board of Curetis N.V. to focus on his role as Curetis GmbH's Managing Director and CTO and program director for the Unyvero Analyzer A30 RQ (former Gyronimo) platform development. Andreas has continued to serve as one of the managing directors of Curetis GmbH since 01 September 2017.

With his decision to step down from management board of Curetis N.V. 61,111 equity stock options of the 100,000 granted stock options forfeited on 31 August 2017.

Holger Reithinger resigned as of 30 April 2018 as Supervisory Board Member of Curetis N.V., consequently the 15,000 granted but not vested stock option forfeited at that point in time.

The AGM on 27th June 2019 approved the granting of additional stock options under the ESOP 2016 Plan to the members of the Management Board as well as Supervisory Board, respectively. These were granted effective 1st July 2019.

Vesting conditions

Each option will vest over a period of three years whereby the first third of any such option will vest at the first anniversary of the date of grant and the remaining two thirds of granted options will vest in monthly increments over the following twenty-four months.

Upon the occurrence of a termination of employment event after the first anniversary of the date of grant, the optionee's options shall either be forfeited, lapse or continue to be exercisable as set forth below:

- In case of termination for cause, both the options of such optionee that have vested (to the extent not exercised) and the options of such optionee that have not yet vested shall be forfeited at the date of termination for cause, unless agreed otherwise by the management board (with regard to optionees being managing directors or supervisory directors);
- In case of a termination without cause, the options of such optionee that have vested (to the extent not exercised) shall not be forfeited and the remaining part of the options of such optionee that have not yet vested shall be forfeited at the date of termination without cause.

Exercise of options

Vested options may not be exercised prior to the third anniversary of the date of grant and may be exercised until ten years from the date of grant or such shorter period of time remaining under the stock options plan. Options which have not been exercised prior to the end of the exercised period shall lapse automatically without any compensation whatsoever being due to the optionee.

Valuation model and input parameters

The fair value of the stock options is measured using a binominal option pricing model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the options granted in 2016, 2017 and the first six months of 2018 at the measurement date:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Measurement date	5 July 2016 ¹	1 October 2016	1 January 2017	1 April 2017	1 July 2017	1 October 2017
Expected life of the option on the grant date (years)	5.0	5.0	5.0	5.0	5.0	5.0
Share price on the measurement date (€)	6.44	6.18	6.34	5.69	4.74	4.86
Weighted avg. exercise price	6.45	6.41	6.42	5.81	4.93	4.98
Expected dividend yield (%)	0.00	0.00	0.00	0.00	0.00	0.00
Risk-free interest rate (%)	-0.61	-0.61	-0.49	-0.40	-0.19	-0.28
Expected volatility of the share price (%)	78.15	81.36	60.90	57.99	55.75	55.55
Option value (€)	3.94	3.86	3.14	2.69	2.15	2.22

	Tranche 7	Tranche 8	Tranche 9	Tranche 10	Tranche 11	
Measurement date	1 January 2018	1 March 2018	1 July 2018	1 October 2018	1 January 2019	
Expected life of the option on the grant date (years)	5.0	5.0	5.0	5.0	5.0	
Share price on the measurement date (€)	3.83	6.20	4.17	3.24	1.50	
Weighted avg. exercise price	3.86	6.51	4.62	3.29	1.40	
Expected dividend yield (%)	0.00	0.00	0.00	0.00	0.00	

Risk-free interest rate (%)	-0.15	-0.01	-0.28	-0.10	-0.30	
Expected volatility of the share price (%)	65.33	65.63	62.42	62.01	64.25	
Option value (€)	2.04	3.26	2.03	1.64	0.81	

¹The measurement date represents the acceptance date of the option

For stock option valuation the possibility of early exercise was considered in the binomial model. Early exercise is expected five years after the date of grant of the options. Management considered the following factors in estimating early exercise:

- The length of the vesting period has been considered since the share options cannot be exercised until the end of the 3-year vesting period – i.e. the expected option life of 5 years is 2 years after first possible exercise date.
- The Company has zero historical data points and no experience from past option programs. To date not a single ESOP has been exercised, but due to normal fluctuation as well as fluctuation triggered by the re-organization in December 2018 there have been multiple cases of forfeited ESOPs.

As a result, the Company does not have any actual data available regarding the average length of time that similar options have remained outstanding in the past or if the employee's level within the Company will impact the timing of exercise.

The risk-free interest rate is the implied yield currently available on German government issues with a remaining term equal to the term of the options.

The future volatility for the lives of the options was estimated based on historical volatilities of peer group companies.

The expense recognized during the six-month period ended 30 June 2019 and the six-month period ended 30 June 2018 is shown in the following table:

In kEUR	Six month period ended 30 June 2019	Six month period ended 30 June 2018
Expense arising from equity settled share-based payment transactions	323	366
Expenses arising from cash-settled share-based payment transactions	0	0
TOTAL expense arising from share-based payment transactions	323	366

The investment in Curetis GmbH (former Curetis AG) shares in the standalone statement of financial position of Curetis N.V. is valued at the net equity of Curetis GmbH (former AG) as of 30 June 2019. There are no differences between the Equity as shown in the standalone financial statements and in the consolidated financial statements of Curetis N.V. as of 30 June 2019.

The Group does not consider paying dividends as long as the result from operating activities in the consolidated statement of profit or loss and the cash flows from operating activities are negative.

27 Related parties

Curetis has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to service transactions and financing agreement. Furthermore, Curetis considers transactions with key management personnel to be related party transactions. As of the balance sheet date, 30 June, 2019 there have been no significant changes in the related party transactions from those described in Curetis' 2018 Annual Report.

28 Events after the reporting date

Subsequent to 30 June 2019:

- Curetis elected share settlement for excess entitlement under first tranche of Yorkville convertible notes
- Curetis N.V. entered into a definitive implementation agreement to combine its business with OpGen via the sale of Curetis GmbH to OpGen. See note 2.1 for further information.

Holzgerlingen, 18 September 2019
Curetis N.V.



Oliver Schacht, PhD
Chief Executive Officer (CEO)



Johannes Bacher
Chief Operating Officer (COO)



Dr. Achim Plum
Chief Business Officer (CBO)