2018

FIRST HALF-YEAR BUSINESS AND FINANCIAL UPDATE

curetis

Statement of the Board

The members of Curetis´ Management Board hereby declare that, to the best of their knowledge, the half-year financial statements included in this interim report, which have been prepared in accordance with IAS 34 "Interim Financial Reporting," give a true and fair view of Cuertis´ assets, liabilities, financial position and profit or loss, and the undertakings included in the consolidation taken as a whole, and the half-year management report included in this interim report includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9, of the Dutch Financial Supervision Act.

Amsterdam, the Netherlands, Holzgerlingen, Germany

September 28, 2018

Management Board

Oliver Schacht, PhD (Chief Executive Officer)

Johannes Bacher (Chief Operating Officer)

Dr. Achim Plum (Chief Business Officer)

Forward looking statement (disclaimer)

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

OPERATIONAL AND BUSINESS HIGHLIGHTS 2018 YTD

U.S. LAUNCH OF UNYVERO SYSTEM AND LRT APPLICATION CARTRIDGE WITH STRONG INITIAL TRACTION

- On 3 April 2018, the Unyvero Platform and the Unyvero LRT Lower Respiratory Tract Infection Application Cartridge received *De Novo* clearance from the U.S.-FDA with 29 out of 36 assays cleared, including assays for 19 of 20 pathogens and 10 antibiotic resistance markers.
- Following the FDA clearance, Curetis launched the Unyvero System and the Unyvero LRT Application Cartridge for lower respiratory tract infections at the ASM Microbe 2018 Congress in Atlanta, GA, USA on 7 June 2018.
- To drive the commercial roll-out of the Unyvero System and Unyvero LRT as a first application cartridge in the U.S., the Company has completed the set-up of its U.S. commercial operations setup and has a dedicated team of approximately 25 seasoned commercialization experts at its Curetis USA Inc. subsidiary in San Diego, CA, USA.
- Since the launch, the U.S. commercial team has initially qualified more than 125 accounts as potential first buyers of Unyvero out of a total of about 1,000 hospitals considered by Curetis to be initial targets for Unyvero LRT. Of those qualified accounts, more than 50 have been thoroughly vetted and many are expected to be converted to commercial accounts over the next several quarters with approximately ten accounts constituting near term opportunities currently at the contract negotiation stage. These initial ten accounts on average are expected to have Unyvero LRT cartridge volumes of 700 to 800 annually once they become commercial customers. The estimated Unyvero LRT cartridge volume potentials for the more than 50 accounts in advanced stages of qualification range from around 250 to over 1,600 p.a.

COMMERCIAL DEVELOPMENT

- In all EMEA direct markets combined revenues from cartridges and instruments grew by more than 257% comparing the first half 2018 with the first half of 2017. Total revenue was up by 36% compared to the first half of 2017.
- In August 2018, Curetis expanded its geographic presence into the Northern African and Latin American markets signing exclusive distribution partnerships with Future Horizon Scientific for Egypt, with Quimica Valaner S.A. for Mexico and with Biko S.A. for Uruguay. Each of the three new distribution partners intends to commercialize all five Unyvero application cartridges that are currently CE-IVD-marked, namely HPN, ITI, BCU, IAI and UTI. These partners in total have committed to purchasing a minimum of 45 instrument systems at Curetis' typical distributor transfer prices over the respective three-year contractual terms. In addition, they have committed to minimum purchases of several thousand Unyvero application cartridges over the terms of the agreements.
- With these additional distribution partnerships in place, Curetis to-date has 16 distribution partners signed-up that cover 29 countries. The Company is planning to further expand its distribution network and commercial reach through additional partnerships with suitably positioned distributors. Curetis believes it has a strong pipeline of further potential distribution partners covering additional markets that may lead to further near-term distribution agreements.

GLOBAL INSTALLED BASE

- Upon completion of a pharmaceutical partner's phase III clinical trial, Curetis in Q1-2018 exercised an option to buy back multiple Unyvero Systems deployed in this clinical trial and has concurrently taken a stronger focus on higher priority accounts and conversion efficiency throughout H1-2018, which has led to a re-deployment of Unyvero Analyzers resulting in a temporary decrease in the installed base

of Unyvero Analyzers to 162 Analyzers as of the end of the first half-year 2018, down by a net of 13 Analyzers compared to 175 Analyzers at year-end 2017. The Company expects to offset this decrease through future U.S. sales and the entry into additional distribution partnerships and has also identified a significant number of EMEA direct market opportunities for new Unyvero placements. Overall, the Company's more selective placement of Unyvero Systems has resulted in improved working capital management in H1-2018.

NEW PRODUCT LAUNCHES AND REGULATORY APPROVALS

- In April 2018, Curetis launched the CE-IVD marked Unyvero Urinary Tract Infection (UTI) Application Cartridge at ECCMID 2018. The UTI panel covers 103 diagnostic targets, including 88 pathogens (Gram-positive & Gram-negative, important fungi such as *Candida auris*) and 15 resistance markers (incl. emerging markers such as *mcr-1*). The Unyvero UTI Application Cartridge primarily targets urinary tract infections in patients with complicated and severe UTIs. This includes pregnant women, pediatric patients, and hospitalized patients with anatomical, structural and functional alterations, renal impairments and impaired immune status, as well as catheter-associated urinary tract infections (CAUTI), patients failing to respond to therapy, and urosepsis. The CE-IVD marking was based on a prospective multi-center study with a total of 443 patient samples analyzed that demonstrated an overall weighted average sensitivity of 95.6% at an overall weighted average specificity of 99.3% across the panel of microorganisms covered.
- In April 2018, the Unyvero HPN and BCU Application Cartridges were approved by the Singapore Health Sciences Authority (HSA) and fully registered as Class C IVD medical devices with the Singapore Medical Device Register. After having initially placed Unyvero Systems under the GN-27 exemption at early adopter sites, the approval allows Curetis' Singaporean distribution partner Acumen Research Laboratories Ltd. to initiate a more comprehensive roll-out in Singapore. Acumen and Curetis also intend to submit the Unyvero ITI and IAI Application Cartridges for HSA approval and registration.

CHINA MARKET ACCESS

- Working towards a China market clearance by the Chinese Food and Drug Administration (CFDA), analytical testing of the Unyvero Hospitalized Pneumonia (HPN) Application Cartridge by Curetis' partner in China, Beijing Clear Biotech (BCB), had been initiated in Q4-2017 under the auspices of the Beijing Institute of Medical Device Testing and was finalized in Q2-2018 with Unyvero HPN meeting all performance requirements for the entire panel. Analytical testing is a key requirement and precondition for BCB to initiate the prospective CFDA clinical trial in 2018.
- In November 2017, the Chinese State Council issued an "Opinion on Deepening the Reform of the Review and Approval System and Encouraging the Innovation of Drugs and Medical Devices". In Section 1(6) of such opinion the State Council states that "clinical trial data obtained from overseas multi-center trials may be used for an application for registration in China if the same conform to the relevant requirements for registration of drugs and medical devices in China". With the substantial clinical data available from the CE-IVD and U.S.-FDA studies, Curetis together with its partner BCB is currently exploring how this new guidance can actually help accelerate the CFDA approval process.

BUSINESS DEVELOPMENT

- In January 2018, Curetis and MGI (a BGI Group Company, Shenzhen, China) signed R&D collaboration and supply agreements focused on the Unyvero Lysator technology and instruments. Under the agreement, MGI can utilize Curetis' Lysator technology to develop and commercialize a universal automated solution for next generation sequencing (NGS)-based molecular microbiology that can process any sample type commonly obtained from patients for microbiological analysis. With the feasibility phase recently completed with all pre-defined performance criteria met, the collaboration has now entered the development phase for a first integrated product. Results from the collaboration

are expected to be presented at the ICG-13 Conference in Shenzhen, China, on 24-28 October 2018. Further potential areas of collaboration, including the development and near-term commercialization of an NGS-based molecular microbiology application, are currently being discussed.

- Going forward, Curetis aims to enter into further value-adding R&D and commercial partnerships with well-known industry players around the Unyvero Platform.

PRODUCT DEVELOPMENT

- To expand the label claim of its recently U.S.-FDA cleared Unyvero LRT Application Cartridge for lower respiratory tract infections, Curetis plans to file for the clearance of bronchoalveolar lavage (BAL) as a second sample type. To this end, Curetis will have a pre-submission meeting with the U.S.-FDA end of September 2018 to discuss submission requirements and details for a Unyvero LRT Application Cartridge optimized for BAL samples and including a further diagnostic target as compared to the LRT Application Cartridge currently marketed in the U.S.
- In addition, Curetis has continued the collection of retrospective samples for its U.S. trials for the Unyvero IJI invasive joint infection product to augment the planned prospective arm of the clinical trial. Curetis aims to finalize the U.S. clinical trial for the Unyvero IJI Application Cartridge in 2019.
- All other R&D programs and product development projects remain on track and in line with previous guidance. In particular, Curetis has advanced the development of its new analyzer module, Unyvero A30 *RQ* and expects CE-IVD-marking of the instrument as well as a first A30 *RQ* Application Cartridge in late 2019.

INVESTIGATOR-INITIATED CLINICAL STUDIES

- At ECCMID 2018 held in Madrid, Spain, on 21-24 April 2018, Curetis´ Unyvero products were featured in a number of contributions by independent research groups reflecting the increasing clinical adoption of Curetis´ innovative solutions for molecular microbiology. Three posters presented results from studies of the utility of the Unyvero HPN and LRT Application Cartridges in the rapid detection of pathogens in lower respiratory tract infections in hospitalized patients (Posters #P0567, #P0567 and #P0567). Three additional posters presented studies of the Unyvero ITI Application Cartridge for the detection of pathogens and their antibiotic resistances in periprosthetic joint infections, shoulder surgery infections and diabetic foot infections (Posters #P0712, #P0714 and #P0716).
- The potential of the Unyvero System and LRT Application Cartridge to positively impact clinical outcomes, support antibiotic stewardship, and create health economic benefits in the U.S. has been substantiated by several key contributions to the scientific programs of two important scientific conferences, CVS 2018 in May (8 May 2018; Poster #59) and ASM Microbe 2018 in June (Posters #263, #367; additional presentation in an Industry and Science Workshop hosted by Curetis USA Inc.).

SCIENTIFIC ADVISORY BOARD

- In April 2018, Curetis established a dedicated U.S. Scientific Advisory Board (SAB), further expanding its scientific network and clinical expertise to support U.S. adoption of the recently FDA-cleared Unyvero System and LRT Cartridge. Five renowned U.S. infectious disease experts have been appointed to the SAB: Debra Goff, Pharm.D. (The Ohio State University Wexner Medical Center, OH, USA), Donna Mildvan, M.D. (Icahn School of Medicine at Mount Sinai, NY, USA), Melissa Miller, Ph.D. (University of North Carolina at Chapel Hill School of Medicine, NC, USA), Frederick Nolte, Ph.D. (Medical University of South Carolina, SC, USA), and Robin Patel, M.D. (Mayo Clinic, MN, USA). The newly formed U.S. Scientific Advisory Board complements the Curetis Medical Advisory Board, which has been renamed the EU Scientific Advisory Board.

ARES GENETICS

- Curetis' subsidiary Ares Genetics received a funding commitment for its "The Digital Microbe" project with a total project volume of EUR 1.6 million by the Austrian Research Promotion Agency (FFG). This project is a substantial extension of the ARES Technology Platform and aims to develop deep machine learning tools and advanced bioinformatics algorithms for modeling, diagnostics and prediction of antibiotic resistances. In addition to the ongoing "The Digital Microbe" project, Ares Genetics has successfully completed its first FFG grant funded project "GEAR Platform", results of which were presented at the Curetis booth at ECCMID 2018.
- Further, Ares Genetics has been selected as a winner of the "GoSiliconValley" competition of the Austrian Economic Chambers (WKO). The award includes an incubator stay in Silicon Valley, CA, USA, which aims at facilitating U.S. market entry and access to U.S. venture and growth capital. In addition, Ares Genetics won 2nd place in the PerMediCon Award 2018 for its concept of translating next-generation sequencing (NGS) informed personalized medicine from cancer to antimicrobial resistance (AMR).
- In July 2018, the Ares Genetics launched the ARES & CO (Antibiotic REsistance Solutions by COoperative R&D) pharma partnering program. The program is supported and largely funded by the Vienna Business Agency and aims to establish an alliance for antibiotic stewardship with pharmaceutical companies and contract research organizations. The goal of the program is to counteract antibiotic resistance and to foster antibiotic stewardship by applying advanced data-driven solutions to antimicrobial drug development and life cycle management of existing antimicrobial drugs.
- All R&D programs related to the further development, expansion, and antibiotic resistance marker mining of ARES*db* and the further development of the ARES Technology Platform utilizing Artificial Intelligence approaches are on track.
- Going forward, ARES aims to expand existing and enter into further value-adding R&D and commercial partnerships with well-known industry players around ARES*db* and the ARES Technology Platform.

FINANCING

- In April 2018, Curetis raised EUR 4.1 million in a private placement of equity shares and issued 854,166 new shares. In addition, Curetis secured access to an additional USD 10 million equity facility offered by Global Corporate Finance (GCF) in New York allowing the Company solely at its request to raise capital over a period of up to 36 months subject to certain pre-agreed floor pricing.
- To further strengthen Curetis' efforts to secure non-dilutive funding, in June 2018, the Company contracted The Freemind Group LLC, Boston, MA, USA, as an advisor to identify grant opportunities in the U.S. and support the drafting and submission process. Several grant applications for potentially significant non-dilutive funding have already been submitted.
- Curetis in H1-2018 has continued and going forward will continue to assess all tactical and strategic financing options in the debt and equity capital markets globally and aims to raise additional growth capital as either equity or debt in 2018 to secure appropriate funding and cash for its continued operations for at least the next 12 months and to ensure it has the financial resources to continue as a going concern.
- Special reference is also made to Note 3.3 in this H1-2018 report which discusses the issue of Going Concern in more detail.

RISKS

Curetis corporate risk management program provides executive management with a periodic and comprehensive understanding of Curetis' key business risks and the specific management practices and countermeasures put in place to mitigate these risks. Curetis recognizes strategic, operational, commercial, financial (including capital markets and financing risks), market and competitive, intellectual property related and compliance /regulatory risk categories. The principal risks faced by Curetis during the first half of the financial year were substantially the same as those disclosed by Curetis at year-end 2017. A description of Curetis' risk management practices, principal risks and how they impact the business is provided in Curetis' 2017 Annual report. The updated integrated comprehensive analysis of the principal risks faced by Curetis will be included in the 2018 Annual report. Therefore the H1-2018 report should be read in conjunction with the Annual Report 2017. Specific attention is drawn to the material uncertainty with regards to Going Concern and the corresponding disclosure both in the Annual Report 2017 as well as in Note 3.3 below in this H1-2018 report.

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 agreements. Furthermore, Curetis considers transactions with key management personnel to be related party transactions. As of the balance sheet date on June 30, 2018 there have been no significant changes in the related party transactions from those described in Curetis' 2017 Annual Report.

ANNUAL GENERAL MEETING (AGM), SUPERVISORY BOARD, MANAGEMENT BOARD

- All items on the agenda of the AGM held in Amsterdam on 21 June 2018 were approved by shareholders. Oliver Schacht, Ph.D. and Dr. Achim Plum have been re-appointed as Managing Directors. Furthermore, Dr. Rudy Dekeyser and Dr. Werner Schaefer have been re-elected to the Supervisory Board. Further, the shareholders approved (i) three authorized capital increases to increase the Company's share capital (two authorizations of up to 10% and one of up to 50%), (ii), the proposed extension of the designation of the Management Board to limit or exclude pre-emptive rights on newly issued shares or rights to subscribe for shares, and (iii) an extension of authorization of the Management Board to repurchase shares as well as to issue new shares or grant rights to subscribe for shares in relation to strategic capital raising(s).
- Dr. Holger Reithinger, General Partner at venture capital company Forbion Capital Partners, has resigned from Curetis' Supervisory Board effective 30 April 2018. After Dr. Reithinger's resignation, the Supervisory Board now consists of six members.
- Christopher M. Bernard has informed the Company of his resignation as President and CEO of Curetis USA Inc. and as member of the Curetis N.V. Management Board, effective respectively 31 August 2018. The Company has accepted Mr. Bernard's resignation as President & CEO of Curetis USA Inc. as well as acknowledged the resignation as member of the Curetis N.V. Management Board and has appointed Chris D. Emery as President & CEO of Curetis USA Inc. effective 1 September 2018 ensuring a seamless transition in the leadership of Curetis USA Inc. Mr. Emery recently held the position of Chief Commercial Officer of Menarini Silicon Biosystems and brings more than 20 years of relevant commercial experience in the diagnostics and pharmaceutical industries with companies such as Abbott, Novartis, Combimatrix Diagnostics, Response Genetics, and LabCorp.

FIRST HALF-YEAR 2018 FINANCIAL HIGHLIGHTS

- **Revenues:** EUR 807 k (growing by about 36 % compared to EUR 595 k in the first half-year 2017). EMEA direct sales have grown by 257 % year over year.
- **Expenses:** EUR 12,443 k total cost of sales, distribution costs, administrative expenses and research & development expenses (vs. EUR 9,907 k in the first half-year 2017). The increase is in line with the operational and organizational growth, and driven by higher distribution costs, higher research & development expenses as well as G&A costs.
- **Operating loss:** EUR -11,365 k (vs. EUR -9,262 k in the first half-year 2017).
- **Net loss of the period**: EUR -11,561 k (vs. EUR -9,662 k in the half-year 2017).
- **Cash and cash equivalents**: EUR 11,646 k (vs. EUR 16,311 k as of 31 December 2017).
  Net cash burn in the first half-year 2018 was EUR -4,912 k. In April 2018, Curetis raised EUR 4.1 million in a private equity placement and issued 854,166 new shares and secured access to an additional USD 10 million equity facility offered by Global Corporate Finance (GCF) New York, NY, USA. Cash outflow from operations and investments totaled EUR 11,692 k in H1-2018.

The content of this interim report has not been audited or reviewed by an independent external auditor.

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 2018	six months ended 30 June 2017
Revenue [4]	807	595
Cost of sales [5]	-1,435	-1,052
Gross loss	**-628**	**-457**
Distribution costs [7]	-4,214	-3,846
Administrative expenses [8]	-2,111	-1,848
Research & development expenses [9]	-4,683	-3,161
Other income	271	50
Impairment losses / gains IFRS 9	0	0
Operating loss	**-11,365**	**-9,262**
Finance income	274	20
Finance costs	-496	-406
Finance result - net [10]	**-222**	**-386**
Loss before income tax	**-11,587**	**-9,648**
Income tax expenses	26	-14
Loss for the period	**-11,561**	**-9,662**
Other comprehensive income for the period, net of tax *	-171	117
**Total comprehensive loss for the period ** **	**-11,732**	**-9,545**

Loss per share attributable to the ordinary equity holders of the company	six months ended 30 June 2018	six months ended 30 June 2017
Basic	-0.73	-0.61
Diluted	-0.73	-0.61

[..] 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 2018 and 31 December 2017

Assets

in kEuro	30 June 2018	31 December 2017
Current assets	**20,348**	**24,009**
Cash and cash equivalents [11, 24]	11,646	16,311
Trade receivables [12, 24]	250	200
Inventories [13]	6,891	6,946
Other current assets [14]	1,561	552
Non-current assets	**11,156**	**11,506**
Intangible assets [15]	7,511	7,524
Property, plant and equipment [16]	3,193	3,566
Other non-current assets [17]	172	182
Other non-current financial assets [18, 24]	157	156
Deferred tax assets [19]	123	78
Total assets	**31,504**	**35,515**

[..] 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 2018 and 31 December 2017

Equity and Liabilities

in kEuro	30 June 2018	31 December 2017
Current liabilities	**3,180**	**2,926**
Trade and other payables [20, 24]	447	928
Provisions current (21]	54	124
Tax liabilities	26	24
Other current liabilities [22]	1,442	1,226
Other current financial liabilities [23, 24]	1,211	624
Non-current liabilities	**13,647**	**10,385**
Provisions non-current [21]	43	43
Other non-current financial liabilities [24, 25]	13,604	10,342
Total liabilities	**16,827**	**13,311**
Equity [26]	**14,677**	**22,204**
Share capital	164	155
Capital reserve	156,565	152,793
Other reserves	8,954	8,527
Currency translation differences	-30	143
Retained earnings	-150,976	-139,414
Total Equity and liabilities	**31,504**	**35,515**

[..] 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 2018	six months ended 30 June 2017
Loss after income tax	-11,561	-9,663
Adjustment for:		
- Net finance income / costs [10]	222	386
- Depreciation, amortization and impairments [15. 16]	618	694
- Changes in provisions [21]	-70	35
- Changes in equity settled stock options [26]	427	822
- Net exchange differences	-249	217
- Changes in deferred tax assets and liabilities	-45	0
Changes in working capital relating to:		
- Inventories [13]	55	-336
- Trade receivables and other receivables [12. 14. 17. 18]	-1,050	1,071
- Trade payables and other payables [20. 22. 23]	612	94
Effects of exchange rate differences not realized from consolidation	76	-100
Income taxes received (+) / paid (-)	-26	-14
Interest paid (-)	-471	-175
Net cash flow used in operating activities	**-11,462**	**-6,969**
Payments for intangible assets	-67	-51
Payments for property, plant and equipment	-163	-152
Interest received	0	6
Net cash flow used in investing activities	**-230**	**-197**
Proceeds from other non-current financial liabilities	3,000	10,000
Payments for finance lease liabilities	0	-48
Proceeds from issue of ordinary shares	4,100	0
Payments for financing costs for issue of ordinary shares	-320	0
Net cash flow provided by financing activities	**6,780**	**9,952**
Net decrease / increase in cash and cash equivalents	**-4,912**	**2,786**
Net cash and cash equivalents at the beginning of the year	16,311	22,832
Net decrease in cash and cash equivalents	-4,912	2,786
Effects of exchange rate changes on cash and cash equivalents	247	-217
Net Cash and cash equivalents at the end of the period	**11,646**	**25,401**

[..] 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 2017	**155**	**152,793**	**7,359**	**-28**	**-119,918**	**40,361**
Loss of H1-2017					-9,663	-9,663
Other comprehensive income				117		117
Total comprehensive income	**0**	**0**	**0**	**117**	**-9,663**	**-9,546**
Transactions with owners in their capacity as owners						
Equity stock option program 2016			822			822
Balance as of 30 June 2017	**155**	**152,793**	**8,181**	**89**	**-129,581**	**31,637**

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 H1-2018					-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**

For detailed information please see note 1.3 and 26.

CURETIS N.V.
NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS:

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 as well as having received FDA clearance for the Unyvero system and Unyvero LRT (Lower Respiratory Tract) infection cartridge:

- The Unyvero HPN (Hospitalized Pneumonia) cartridge for the detection of pathogens and antibiotic resistances to aid diagnosing pneumonia (in the USA FDA cleared under label LRT).
- 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).

Additional cartridges are currently in the development phase.

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. Curetis expects to drive development of A30 *RQ* analyzer towards completion with CE marking and a subsequent commercial launch in Europe expected in H2-2019. The new solution will accelerate the product pipeline and leverage synergies with R&D, (OEM) manufacturing and supply chain operations and commercial infrastructure that is already established.

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 2018 Curetis GmbH holds 100% of the shares of:

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

(together "the Curetis Group" or "the Group" or "Curetis").

The consolidated financial statements of the Group as of and for the period ended 30 June 2018 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 2018 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 13.0 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.

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 2017 have also been applied for the condensed financial statements as of 30 June 2018 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 2018, 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 28 September 2018. 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, 2017, 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 seldomly equal 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 still in development and not yet available to be used commercially. 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 21

  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.

- 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 9 – financial instruments

2.4.1. Transition on IFRS 9

The Group has applied the new IFRS 9 standard for financial instruments since January 1, 2018, whereby the exception granted by IFRS 9 Section 7.2.15 is applied for the transitional provisions for classification and measurement according to which the adjustment of prior year figures is not required.

On 1 January 2018 (the date of initial application of IFRS 9), the group´s management has assessed which business models apply to the financial assets held by the group and has classified its financial instruments into the appropriate IFRS 9 categories. Trade Receivables and Cash and cash equivalents that would have previously been classified as “loans and receivables” (LaR) are now classified at “amortized cost” (AC). The group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount of both classes at 1 January 2018 to be recognized in opening retained earnings.

Financial Liabilities are classified as “Financial Liabilities at amortized Costs” (FLAC) which will be continued under IFRS 9.

in kEuro	LaR	AC	Retained earnings
Opening Balance 31.12.2017	**16.667**	**0**	**0**
Reclassify trade receivables from LaR to AC	-200	200	
Reclassify cash and cash equivalents from LaR to AC	-16.311	16.311	
Reclassify rent deposits and pledged security deposits from LaR to AC	-156	156	
Opening Balance 01.01.2018	**0**	**16.667**	**0**

The group has two types of financial assets that are subject to IFRS 9´s new expected credit loss model:

- trade receivables
- debt instruments at amortized cost (i.e. cash and cash equivalents and rent deposits)

The group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Historical losses were very limited and therefore the expectation in further losses on trade receivables is low. Lifetime expected credit losses do not significantly exceed the impairment under IAS 39.

Other instruments are considered to have a low credit risk when the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. In that meaning, cash and cash equivalents are only placed at banks with credit ratings at investment grade. Rent deposits are trust assets that means that in case of a default of the counterparty the assets are separated from insolvency estate and are paid back primarily.

Considering the impairment of both categories, the impact is not material. Thus, the Group did not change the loss allowance as of 31 December, 2017. The recognized loss allowance contained only specific loss provisions which are assigned to state 3 of the new credit deterioration model.

		General Approach			Simplified Approach	
in kEuro	Impairment IAS 39	Stage 1	Stage 2	Stage 3	Stage 2	Stage 3
Opening Balance 31.12.	-2	0	0	0	0	0
Trade Receivables	2	0	0	0	0	-2
Cash and cash equivalents	0	0	0	0	0	0
Opening Balance 01.01.	0	0	0	0	0	-2

Curetis did not apply hedge accounting under IAS 39, therefore IFRS 9 has no impact on the recognition of hedging relationships.

2.4.2. IFRS 9 Financial Instruments – Accounting Policies applied from 1 January 2018

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group´s business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into one of the following measurement categories.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on the de-recognition is recorded directly in profit or loss and presented in finance income / expense. Impairment losses are presented as separate line item in the statement of profit or loss.

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets´ cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and presented in finance income / expense. Interest income from the financial assets are presented in other income / expenses and impairment expenses are presented as separate line item in the statement of profit or loss.

Assets that do not meet the criteria for amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net within finance income / expense in the period in which it arises.

From 1 January, 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to twelve-month expected losses. In case the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses.

For accounts receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, all accounts receivables have been grouped together as they share the same credit risk characteristics. Accounts receivables are written off when there I no reasonable expectation of recovery. One indicator that there is no reasonable expectation of recovery include, amongst others, when internal or external information indicate that the Group is unlikely to receive the outstanding contractual amount in full.

2.5. First time adoption of IFRS 15 – *Revenue from Contracts with Customers*

2.5.1. Transition on IFRS 15

The Group has adopted IFRS 15 *Revenue from Contracts with Customers* from 1 January 2018. In accordance with the transition provisions in IFRS 15, the group has adopted the new rules by applying the cumulative effect method. Accordingly, the information presented for 2017 has not been restated. Additionally, the impact of transition to IFRS 15 on retained earnings and on other financial statement line items is immaterial for Curetis.

2.5.2. IFRS 15 *Revenues from Contracts with Customers* - Accounting policies

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts* and related interpretations.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group´s various goods and services are set out below.

Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Type of sale / service	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy
Standard sale of Unyvero Application cartridges and Unyvero Systems in Germany (or other EMEA direct selling markets)	Curetis as of today does not have any written contract(s) with end-customers in EMEA direct selling markets that would stipulate any minimum quantities, prices, time frames or other contractual conditions. Curetis offers the delivery of its consumables (cartridges) and / or Unyvero Systems on the basis of individual offers. These offers also define the term of delivery, sales price and incoterms (inside Germany DDP / all other EMEA direct selling markets EXW Curetis). Invoices are usually payable within 14 – 30 days. No discounts to invoiced amounts are provided for Unyvero products. If the customer agrees with the offer he places an order at Curetis, hence the contract then gets commercial substance. Curetis will more likely than not collect the consideration to which it will be entitled to	Under IAS 18, revenue for such sales was recognized if significant risks and rewards of ownership was transferred to the customer. Under IFRS 15 revenue is recognized when a customer obtains control of the goods or service. Revenue recognition EMEA direct selling markets outside Germany: Curetis recognizes revenues at the same point in time that the products are picked up by a logistics provider / freight forwarder.

	in the exchange of the delivery of its products.	Revenue recognition EMEA direct selling markets in Germany: Curetis recognizes revenues at the same point in time that the products are delivered to the customer. No (major) impact for revenue recognition.
Sale of Unyvero-Systems to DiaMed Care	DiaMed Care is an external business partner of Curetis. DiaMed Care (DMC) operates as business and financing partner for different healthcare companies and buys hardware devices that are placed at commercial customer sites, where customers are typically not able to buy such expensive systems due to CapEx budget constraints at these customers. After the sale DMC rents the systems to the hospitals free of charge and gets as compensation a defined sales commission on cartridge sales that run on such DMC-owned systems. With each purchase contract Curetis sells a distinct Unyvero-System or pool of systems to DMC. All risks and opportunities are transferred to DMC with the sale. Curetis recognizes revenues for such sales at the moment when the contract is executed at that point in time the systems are already delivered as they are already installed at customer sites.	Under IAS 18, revenue for such sales was recognized if significant risks and rewards of ownership was transferred to the customer. Under IFRS 15 revenue is recognized when a customer obtains control of the goods or service. No (major) impact for revenue recognition.
Sales to distributors	Distributor agreements will be in written contractual form. The written agreement contains rights and duties to be fulfilled by both parties. Since Curetis has to deliver instruments and cartridges, the distributor contractually commits to purchasing as agreed upon minimum quantity of cartridges and instruments. Furthermore, the commercial substance criteria are met since the future cash flows can be	Up to date the track record of all existing distributor agreement showed in the past, that distributors frequently do not meet all of their minimum purchase obligations over time. As IFRS 15.54 indicates that management should use all reasonably available information to make its estimate regarding

	impacted by variable purchase orders above the annual purchase obligation. At contract closing, Curetis assumes the counterparty will probably settle payments. Payment terms are typically 30 to 90 days net and all products are delivered EXW.	variable considerations, Curetis´ management´s first approach when estimating the variable component of the transaction price is to only include already ordered products into the transaction price. Curetis is also of the opinion that the distributor agreement does not grant any enforceable rights to Curetis. Curetis will review this approach on a quarterly basis, as there may in the future be distributors that meet the contractual minimums what would consequently cause the re-calculation of the transfer-price. As a consequence of the above, Curetis recognizes revenues at the point in time whenever the company sells cartridges or instruments to the customer (time-point-related revenue recognition). No (major) impact for revenue recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Share-based payments

3.1.1. The Curetis GmbH (former AG) Phantom Stock Option Incentive Plan 2010 ("PSOP")

Curetis operated a share-based compensation plan, Curetis AG Phantom Stock Option Incentive Plan 2010 ("PSOP") under which the Company received services from employees and freelancers as consideration for Phantom Stock Options.

The PSOP had initially been classified as a cash-settled share-based payment (see note 26) with a vesting period of 4 years and a runtime period of 10 years. In case of a listing or exit event, the vesting period accelerates and the beneficiaries receive cash in the amount of the opening quotation less the strike price.

Consequently, on 11 November 2015, all PSOs automatically vested with the successful completion of the Curetis IPO. PSOP-Roll-Over-Agreements were signed in October 2015, which subjected participants to a lock-up period up to 13 November 2016 (see also note 25 of the consolidated financial statements 2017). It was agreed that the payment claims for beneficiaries entitled to more than 1,000 phantom stock options will be settled in the Company's shares and therefore this arrangement is classified as an equity-settled transaction. Payment claims for beneficiaries entitled to 1,000 or less phantom stock options were to be settled in cash and therefore classified as a cash-settled transaction.

The cash-settled portion has been settled (paid in 2016).

As at 30.06.2018 there are EUR 6,592,372 equity-settled shares outstanding. The PSOP Roll-Over has not yet occurred and Curetis and the beneficiaries are in constant dialog about the best possible path forward on this matter.

3.1.2. 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.

Significant areas requiring the use of management estimates relate to determination of the useful lives of property, plant and equipment, inventories, valuation, provisions, discounted cash flows for impairment testing, recognition of deferred tax assets and the determination of the fair value of certain financial instruments such as trade receivables, trade liabilities and other receivables & liabilities.

The uniform determination of the useful economic life for intangible assets and property, plant and equipment of Curetis is subject to the estimates made by the management.

Inventories are valued at the lower value of acquisition and manufacturing cost and net realizable value. The net realizable value is determined by subtracting the costs incurred up to completion from the expected sales price of the end product. If assumptions regarding future sales prices or end product market potentials are not appropriate, this may lead to a further need for write-off.

When accounting for provisions, management must make assumptions regarding the probability of expected future cash outflows for Curetis. Estimates regarding the amount and timing of probable economic outflows form the basis for the measurement of provisions. If the actual amount and the timing differ from estimates made, then this may affect the results of Curetis.

To test for impairment, the value-in-use is determined by means of the discounted cash flow method. Assumptions regarding general underlying data are to be made for this purpose. If there are any changes in these input factors, the recognition of an impairment may be necessary.

The calculation of deferred tax assets requires assumptions to be made with regard to the level of future taxable income and the timing of recovery of deferred tax assets. These assumptions take account of forecasting operating results and the impact on earnings of the reversal of taxable temporary differences. Since future business developments cannot be predicted with certainty and to some extent cannot be influenced by Curetis, the measurement of deferred tax assets is subject to risk and uncertainty.

In accordance with IFRS 2 – *Share based Payment*, the fair value of the options at grant date is recognized as an expense in the statement of profit and loss and other comprehensive income over the vesting period of delivery of work. Subsequently, the fair value of equity-settled stock options is not re-measured. The fair value of each option granted during the year is calculated using the binominal valuation model. This valuation model requires the input of subjective assumptions which are detailed in note 26.

3.3. Going concern

Curetis – as is typical in the biotech industry for development stage and early commercial stage companies - has been incurring net losses since its incorporation in 2014 and again in 2016 and 2017. In 2015, the Group incurred a profit for the first time (due to an extraordinary gain). The retained earnings of the Group remain negative and as of 30 June 2018 amounted to EUR 151.0 million.

For the period of 2018 and 2019, Curetis expects to continue incurring significant losses and also experience significantly higher cash burn than in 2017 due to the costly US commercial launch and roll out of Unyvero LRT (including the anticipated placement of approximately 60 to 80 Unyvero Analyzers within the first full year of US commercial launch) as well as continuing EMEA commercial operations and global R&D activities such as future Application Cartridge developments, FDA trials (e.g. BAL label claim extension for LRT as well as IJI trial), the A30 *RQ* platform and Ares Genetics development programs.

At 30 June 2018, Curetis had EUR 11.6 million in cash and cash equivalents remaining. Based on the EIB contract dated 12 December 2016, Curetis also has potential future access to additional tranches totaling up to EUR 12 million of non-dilutive debt capital via a senior, unsecured loan under the European Growth Finance Facility of the European Investment bank (EIB). Furthermore, Curetis has potential access to up to US$ 10 million under the GCF equity line, however, subject to certain mutually agreed floor pricing in respect of Curetis' volume weighted average Share price on Euronext in Amsterdam (which shall not be lower than €4.50, unless otherwise agreed between Curetis and GCF). Nonetheless, its current assets and cash are not sufficient to finance Curetis' operating activities for the 12 months after the signing date of these interim financial statements. Therefore going concern is dependent upon the success of Curetis in securing additional funding and access to cash as laid out below.

The Management Board of Curetis N.V. emphasizes and highlights that funding of Curetis' operations beyond one year after these financial statements will be significantly affected by its ability to grow product sales from direct commercialization in Europe and the U.S. as well as international distributor sales and partnering or licensing agreements to generate positive cash flows in the future. All of these items are subject to material risks and uncertainties.

These conditions indicate the existence of a material uncertainty which casts significant doubt regarding Curetis' ability to continue as a going concern and therefore Curetis may be unable to realize its assets and repay its liabilities in the normal course of business.

The following measures are aimed to enable Curetis to continue to operate as a going concern:

1. **EIB Debt Financing Facility Amendment**
   The EIB and Curetis have signed an amendment to the EIB debt financing agreement in April 2018 in terms of the conditions precedent and milestones such that a further EUR 3 million became immediately available upon FDA clearance of Unyvero LRT, in April 2018, which has been drawn down in June 2018. Another EUR 5 million will become available upon incremental equity financing raised totaling at least EUR 15 million. The remaining up to EUR 7 million will become available upon meeting certain milestones relating to commercial installed base and revenue goals by December 2019, which is another 12 month extension of the EIB draw down option period. For further information see Note 25.

2. **Various Equity Financing Options**

In line with earlier public communications, the Management board has started preparatory steps aimed at potentially raising additional equity capital funding, since the obtained FDA clearance for Unyvero LRT. To that end, the company has been in continuous dialog with and has engaged some of its brokers and banks to prepare for several possible financing scenarios in 2018.

Specifically, the use of two separate 10% authorization to issue shares, grant rights to subscribe for shares and exclude pre-emptive rights relating thereto, as well as an up to 50% shelf registration, all of which were approved at the AGM on June 21 2018. The authorization in respect of the shelf registration would allow Curetis to raise significant amounts of additional equity capital from institutional investors. Curetis has already used the first 10% authorization, but could potentially use the second 10% authorization for raising equity capital from some of its strategic collaboration partners via a ´PIPE´ (Private Investment in Public Equity) transaction process. In such transaction process Curetis could potentially issue new common shares to financial and / or corporate strategic investors, respectively and thereby raise additional equity capital.

Curetis' wholly owned subsidiary Ares Genetics GmbH (Vienna, Austria) is also assessing potential future venture capital or private equity financings for its stand-alone business plan by way of a share capital increase at the level of Ares Genetics GmbH.

The Company has also issued a press release on 4th September 2018 in which it stated: "This initiative is part of Curetis' ongoing assessment of strategic and tactical financing options to secure appropriate funding and cash for continued operations for at least the next 12 months, a strategy that was previously communicated in the publication of the FY 2017 results on April 30, 2018. While no firm decisions have been taken, the Company is considering making use of the shareholder resolutions authorizing the management board to raise additional capital from institutional investors through the non-preemptive issuance of shares."

As of the date of this Interim Report, Curetis has closed a EUR 4.1 million PIPE with several new US and European investors, including anchor investor Milaya now holding 6.6% of the shares of Curetis.

Curetis has also signed an additional USD 10 million equity financing line with US investor GCF as well as progressed discussions about possible future convertible financing opportunities with additional institutional investors.

Curetis' Management Board believes that successfully closing additional equity capital financing(s) and potentially making use of the AGM 2018 authorizations will be key to ensuring that liquidity planning allows for the implementation of the Curetis business plan. Indeed the Management Board believes that such possible future equity raise is the single most important element to ensuring sufficient financing and liquidity for Curetis going forward.

3. Non-Dilutive Grant Funding and Partnering

The company is also assessing further ways of adding non-dilutive financing and has successfully won several competitive research grants from the Austrian FFG and Vienna Business Agency. Furthermore, the business development efforts have already led to signing several agreements for R&D collaboration and commercialization of certain products with MGI (a BGI company). Additional deals are in advanced stages of negotiation and would potentially add further non-dilutive funding or allow the funding of certain R&D programs, manufacturing build-up and

commercialization of certain assets (e.g. the Unyvero A30 *RQ* platform) via collaborations and partnerships.

In the first six months ended 30 June 2018, Curetis has received grants of EUR 145 thousand, these are included in the "other operating income".

4. **Cost Reduction Scenarios**
   To the extent required, Curetis has also identified a series of individual measures that taken together would allow significantly reducing operating costs in R&D as well as Distribution Costs globally, depending on the amounts of additional cash raised and access to further capital under measures 1 to 3 above.

The Management Board has concluded, taking into account the current status of the discussions with several potential institutional investors and taking into account the intention to consummate such possible future equity financing transaction(s) and the progress which has been achieved towards that end, based on the assessment and various scenario analyses, that funding of our business operations for a period of at least 12 months after the signing date of these financial statements is achievable, subject to the successful completion of such future financing transaction(s). However, the Management Board is aware that the execution of Curetis' plans depends on factors that are not within its control, including the timing and pricing of any potential future equity raise, and therefore there is material uncertainty that such transactions will be completed at all or at prices or on terms favorable to Curetis. In the absence of any additional financing, the current cash available based on our recent average cash burn and estimated future cash burn rate, will run out in November 2018.

Overall, in conclusion of the assessments made, these financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if Curetis were 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 2018	six months ended 30 June 2017
Sale of Unyvero-Systems	369	229
Sale of cartridges	464	359
Sale of services	3	14
Discounts	-29	-7
Total revenues	**807**	**595**

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 2018	six months ended 30 June 2017
EMEA direct markets	514	144
USA	33	3
Asia	118	154
Rest of the world	142	294
Total revenues	**807**	**595**

All revenues are derived from a couple of dozen external customers, including hospitals as well as distribution partners.

Revenue increased from kEUR 595 in the first six months 2017 by kEUR 212 or 36% to kEUR 807 in the first six months 2018. This was mainly due to an increase in the sale of Unyvero-Systems to a business partner to whom Curetis sold commercial stage devices placed at customer sites. These customers have been converted to from demo- / evaluation-sites to buying customers in the Q4-2017 and H1-2018. These revenues shown under “EMEA direct markets” above include the sale of several commercial stage Unyvero systems in France (i.e. the EMEA direct sales territory) to business partner DiaMed Care in Germany. DiaMed Care is a third party company that provides sales related services and buys medical devices from companies that are used commercially.

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 2018, cost of sales amounted to kEUR 1,435 (first six months 2017: kEUR 1,052). Curetis manufactures cartridges and disposables at its manufacturing plant and purchases Unyvero-Systems from its OEM-supplier.

The increase of cost of sales in the first six months 2018 compared to the first six months 2017 mainly result from

- Higher total revenues and increased revenues from the sale of Unyvero-Systems which have proportionally higher cost-of-material than cartridge-sales.
- Higher marketability discounts for Unyvero-Systems (increased from kEUR 237 in the first six months 2017 to kEUR 396 in the first six months 2018).
- Higher cartridge demand for internal quality controls to ensure high quality level for our products.

Cost of sales exceed revenues as the cost of sales also include fixed and idle costs for the manufacturing plant.

6 Expenses by nature

in kEUR	six months ended 30 June 2018	six months ended 30 June 2017
Employee benefit expenses	6,174	5,302
Depreciation, amortization and impairment charges	618	694
Changes in inventories of finished goods and work in progress	-96	-102
Raw material, goods and consumables used	980	591
Facility expenses	289	246
Disposables for clinical trials and R&D-activities	328	266
3rd party services for clinical trials incl. US-FDA-trial	77	202
Marketing and travel expenses	868	806
Other consulting, advisory & 3rd party support	1,670	791
Other expenses	1,535	1,111
Total Cost of Sales, distribution costs, administrative expenses and research & development expenses	**12,443**	**9,907**

The Employee benefit expenses in the first six months 2018 include kEUR 366 (first six months 2017: kEUR 841) expenses recognized for the valuation of equity-settled share-based payment transactions. The increase of Employee benefit, especially without considering effects from share-based payments, is mainly due to the increase in number of employees.

7 Distribution costs

in kEUR	six months ended 30 June 2018	six months ended 30 June 2017
Personnel expenses	2,874	2,370
thereof from share-based payments equity-settled	*160*	*350*
Depreciation and Amortization	51	89
Other operating expenses	1,289	1,387
thereof marketing expenses	*712*	*653*
thereof travel expenses	*365*	*257*
thereof consulting, advisory & 3rd party service	*107*	*141*
TOTAL	**4,214**	**3,846**

Distribution costs include all individual sales and overhead sales costs. They include all expenses for personnel, marketing, materials and depreciation, in addition to other sales-related expenditures.

The increase of personnel expenses in the first six months ended 30 June 2018 compared to the same period in 2017 is due to the recruitment of additional sales and marketing employees, mainly to strengthen the international direct sales organization. The average number of FTEs employed in marketing and sales increased from 28.2 during the first six months 2017 to 39.3 during the first six months 2018 with most of that increased attributable to the build-up of the US commercial organization.

The increase in other operating expenses in the first six months 2018 compared to the first six months in 2017 is mainly due to expanded marketing activities including the US launch of the Unyvero LRT cartridges in Q2-2018 and further driven by increased staff and higher shipment costs for Unyvero-Systems.

8 Administrative expenses

in kEUR	six months ended 30 June 2018	six months ended 30 June 2017
Personnel expenses	885	883
thereof from share-based payments equity-settled	*101*	*195*
Depreciation and Amortization	44	60
Other expenses	1,182	905
thereof for remuneration of supervisory board	*174*	*119*
thereof from share-based payments equity-settled	*45*	*0*
thereof consulting, advisory & 3rd party service	*507*	*346*
TOTAL	**2,111**	**1,848**

The increase of other operating expenses in the first six months ended 30 June 2018 compared to the same period in 2017 is mainly due to

- higher remuneration for supervisory board due to additional members that joined the board at the AGM in mid 2017 and the valuation of granted equity settled stock options to the supervisory board members;

- higher recruiting expenses, which increased significantly from 35k EUR in the first six months 2017 to 184 kEUR in the first six months 2018 to hire key commercial positions and to strengthen the US-Team for the commercial ramp-up post FDA.

9 Research and Development expenses

in kEUR	six months ended 30 June 2018	six months ended 30 June 2017
Personnel expenses	2,193	1,799
thereof from share-based payments equity-settled	*105*	*151*
Depreciation and Amortization	354	361
Material expenses	139	128
Other expenses	1,997	873
thereof IP-fees and expenses for patent lawyers	*370*	*175*
thereof external services for clinical trial	*83*	*64*
thereof costs for laboratory demand	*278*	*137*
thereof consulting, advisory & 3rd party service	*890*	*179*
thereof other manufacturing expenses for cartridges used in R&D	*123*	*154*
TOTAL	**4,683**	**3,161**

The increase of personnel expenses in the first six months ended 30 June 2018 compared to the same period in 2017 is mainly due to the additionally hired employees.

Other expenses increased significantly in the first six months ended 2018 compared to the same period in 2017. This is mainly due to:

- Higher IP-fees and fees for patent lawyers due to additional patents especially in relation with the GEAR-platform.

- Higher consulting expenses and higher costs for 3rd party service providers especially resulting from the further outsourced development of the Unyvero A30 *RQ* system in the first six months 2018.

10 Finance result / costs net

in kEUR	six months ended 30 June 2018	six months ended 30 June 2017
Finance income	274	20
Finance cost	-496	-406
Finance result/costs net	**-222**	**-386**

In the six-month period ended 30 June 2018 the net finance result amounted to a loss of kEUR 222 (six-month period ended 30 June 2017 to a loss of kEUR 386), arising primarily from accrued interests for the 13 million Euro tranche drawn down from the EIB debt facility in Q2-2017 (10 million Euro) and Q2-2018 (3 million Euro). The finance income mainly arose from foreign currency exchange difference resulting from the exchange rate increase of USD.

in kEUR	six months ended 30 June 2018	six months ended 30 June 2017
Foreign exchange differences	249	-217
Interests for borrowings	-471	-174
Other finance income / finance costs	0	5
Finance result/costs net	**-222**	**-386**

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

11 Cash and cash equivalents

At 30 June 2018, cash and cash equivalents amounted to kEUR 11,646 (31 December 2017: kEUR 16,311). 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 of kEUR 11,462 during H1-2018, only partly compensated by a positive cash inflow from financing activities of kEUR 6,780.

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 2018	31 December 2017
Trade receivables, gross	252	202
less loss allowance (stage 3)	-2	-2
Trade receivables, net	**250**	**200**

13 Inventories

in kEUR	30 June 2018	31 December 2017
Raw materials	778	875
Semi-finished goods	97	46
Trade goods	7,678	7,285
Finished goods	92	47
Spare parts	177	66
Total inventories, gross	8,822	8,319
Valuation allowance	-1,931	-1,373
Total inventories, net	6,891	6,946

The valuation allowance of inventories recognized as an expense for the six-month period until 30 June 2018 and included in 'Cost of sales' amounted to kEUR 396 (6M-2017: kEUR 237).

Semi-finished goods comprise not yet completely assembled or manufactured parts of our disposables, such as reagent containers, base plates, PCR chambers, etc.

Trade goods comprise Unyvero Systems-components. The decrease compared to 31 December 2017 is due to sold systems of commercially converted accounts to a business partner.

14 Other current assets

As of 30 June 2018, other current assets comprise VAT receivables amounting to kEUR 192 (31 December 2017: kEUR 295). Furthermore, other current assets include prepaid expenses amounting to kEUR 209 as of 30 June 2018 (kEUR 170 as of 31 December 2017). Prepaid expenses mainly include lease payments, travel expenses, insurance fees, conference and exhibition fees, as well as deferred expenses in relation with potential future financing transactions (which will be settled with equity after execution).

The other current assets also comprise prepaid transaction costs for potential future financial transactions and the preparation of potential future capital increases planned for H2-2018 amounting to kEUR 1,043 as of 30 June 2018 (kEUR 0 as of 31 December 2017). After execution of such potential future capital increases as explained in note 3.3) these expenses would be deducted from equity within the capital reserve.

15 Intangible assets

in kEUR	Software	Licenses & Patents	Unyvero A30 technology	advance payments	Total
Balance as of 1 January 2017	65	2,455	5,000	-	7,520
Additions	83	-	-	27	110
Disposals	-	-	-	-	-
Amortization	-53	-53	-	-	-106
Reclassifications	-	-	-	-	-
Balance as of 31 December 2017	95	2,402	5,000	27	7,524
Cost	657	2,484	5,000	27	8,168
Accumulated amortization/impairments	-562	-82	-	-	-644
Balance as of 31 December 2017	95	2,402	5,000	27	7,524

Additions	17	1	-	50	68
Disposals	-	-	-	-	-
Amortization	-11	-70	-	-	-81
Reclassifications	-	-	-	-	-
Balance as of 30 June 2018	101	2,333	5,000	77	7,511
Cost	674	2,485	5,000	77	8,236
Accumulated amortization/impairments	-573	-152	-	-	-725
Balance as of 30 June 2018	101	2,333	5,000	77	7,511

Curetis acquired intangible assets against cash considerations and contractual regulation for future royalties and milestone payments. The initial measurement of the asset was measured at cost with the fair value of the lump-sum up-front payment made to the seller. No further payments were due under the contract since initial recognition of these intangible assets.

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 2017	30	3,443	793	199	4,465
Additions	-	1	232	90	323
Disposals	-	-2	-9	-	-11
Amortization	-7	-833	-371	-	-1,211
Reclassifications		-	-	-	-
Balance as of 31 December 2017	23	2,609	645	289	3,566
Cost	72	7,852	2,636	289	10,849
Accumulated depreciation/impairments	-49	-5,243	-1,991	-	-7,283
Balance as of 31 December 2017	23	2,609	645	289	3,566
Additions	-	2	107	54	163
Disposals	-	-	-70	-	-70
Amortization	-2	-349	-113	-	-464
Reclassifications	-	86	-	-86	-
Balance as of 30 June 2018	21	2,348	569	257	3,195

Cost	74	7,940	2,672	257	10,943
Accumulated depreciation/impairments	-53	-5,592	-2,103	-	-7,748
Balance as of 30 June 2018	21	2,348	569	257	3,195

All properties, plant and equipment are free from any rights held by third parties.

17 Other non-current assets

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

18 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 2018	31 December 2017
Rent deposit	64	64
Bank deposit	93	92
Total	**157**	**156**

Bank deposits of kEUR 93 (31 December 2017: kEUR 92) comprise kEUR 50 (31 December 2017: kEUR 50) for bank guarantees and kEUR 43 (31 December 2017: kEUR 42) permanent credit card deposits.

19 Deferred tax assets

Deferred tax assets increased from kEUR 78 as of 31 December 2017 to kEUR 123 as of 30 June 2018. The increase of tax assets is due to higher 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.

20 Trade and other payables

in kEUR	30 June 2018	31 December 2017
Trade and other payables	447	928
Total	**447**	**928**

The decrease in trade payables is due to higher study costs and higher R&D-development expenses incurred during fiscal year 2017 but invoiced in December 2017 that were not yet due at 31 December 2017 but were actually paid in the first quarter 2018.

21 Provisions

The following table provides a breakdown of provisions for other liabilities and charges by type of provision:

in kEUR	30 June 2018	31 December 2017
Asset retirement obligations	37	37
Other provisions	60	130
Balance	**97**	**167**
- of which: current	54	51
- of which: non-current	43	41

Curetis has a contractual obligation to dismantle the cleanrooms, in which it produces its cartridges, and to restore the rented building.

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

22 Other current liabilities

in kEUR	30 June 2018	31 December 2017
Accruals for vacation	430	322
Accruals for Employee Bonuses	441	345
Accruals for audit and preparation of financial statements	201	193
Other tax liabilities	134	151

Other liabilities	236	215
Balance	**1,442**	**1,226**

Other liabilities are mainly comprised of liabilities for other personnel expenses amounting to kEUR 173 as of 30 June 2018 (kEUR 148 as of 31 December 2017).

23 Other current financial liabilities

Other current financial liabilities include liabilities for outstanding invoices and deferred interests.

in kEUR	30 June 2018	31 December 2017
Liabilities for outstanding invoices	1,131	345
Provision for deferred interest	80	279
Balance	**1,211**	**624**

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

24 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 2018				31 December 2017			
	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	11,646	n/a *	n/a	LaR	16,311	n/a *	n/a
Trade Receivables	AC	250	n/a *	n/a	LaR	200	n/a *	n/a
Non-current Assets								
Other non-current financial assets	AC	157	157	2	LaR	156	156	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 2018				31 December 2017			
	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	447	n/a *	n/a	FLAC	928	n/a *	n/a
Other current financial liabilities	FLAC	1,211	n/a *	n/a	FLAC	624	n/a *	n/a
Non-current Liabilities								
Other non-current financial liabilities	FLAC	13,604	13,248	2	FLAC	10,342	10,368	2

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

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 hierarchy is defined as follows:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets and liabilities.
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair values of the Group's non-current other financial assets and the non-current financial liabilities were calculated based on cash flows discounted using market interest rates and a credit spread. The spread included in the calculation for the financial assets is derived by observable ratings of the counterparties (i.e. banks). The credit spread of the own credit risk is derived from the margin included in the interest rates of the own borrowings. The fair value of non-current financial assets and liabilities is included in level 2 of the fair value hierarchy, as the input factors for the fair value calculation are observable in the market.

25 Other non-current financial liabilities

In 2016 Curetis entered into a contract for an up to EUR 25 million senior, unsecured loan financing facility from the EIB (European Investment Bank). The financing in the first growth capital loan under the European Growth Finance Facility (EGFF), launched in November 2016. It is backed by a guarantee from the European Fund for Strategic Investment (EFSI). EFSI is an essential pillar of the Investment Plan for Europe (IPE), under which the EIB and the European Commission are working as strategic partners to support investments and bring back jobs and growth to Europe.

The funding can be drawn in up to five tranches within 24 months, each tranche is to be repaid upon maturity five years after draw-down. The flexible terms allow Curetis to fund up to 50% of its expected medium-term R&D project requirements (incl. R&D staff costs, external R&D operating expenses, corresponding capital expenditures for R&D, etc.) and will enable Curetis to fund the strategic expansion and enhancement of its Unyvero Platform and products.

In April 2017 Curetis drew down a first tranche of EUR 10 million and in June 2018 Curetis drew down a second tranche of EUR 3 million from this facility. Both tranches have an interest rate of 4% p.a. payable after each 12-month-period from the draw-down-date and another additional 6% p.a. that is deferred and payable at maturity together with the principal.

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 9.01%.

in kEUR	30 June 2018		31 December 2017	
	current	non-current	current	non-current
Loan from EIB	-	13,000	-	10,000
Deferred interest	80	604	279	342
Balance	**80**	**13,604**	**279**	**10,342**

26 Equity

At 30 June 2018 the share capital of kEUR 163,926 is divided into 16,392,577 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 2018 no revaluation reserve exists.

The capital reserve increase corresponding to the expenses accounted for the share-based payment of the ESOP 2016 (see note 3.1.2).

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
Grant date	1 July 2016	1 October 2016	1 January 2017	1 April 2017	1 July 2017
Granted stock options	570,000	45,000	42,500	5,000	110,000
Remaining contractual term of the option	8.00 years	8.25 years	8.50 years	8.75 years	9.00 years
Exercise price	6.45 Euro	6.41 Euro	6.42 Euro	5.81 Euro	4.93 Euro
Outstanding at 1 January 2018	493,889	25,000	42,500	5,000	110,000
Granted during the year	0	0	0	0	0

Forfeited during the year	0	2,500	0	0	15,000
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 2018	493,889	22,500	42,500	5,000	95,000
Exercisable at 30 June 2018	0	0	0	0	0

	Tranche 6	**Tranche 7**	**Tranche 8**		
Grant date	1 October 2017	1 January 2018	1 March 2018		
Granted stock options	123,500	25,000	102,000		
Remaining contractual term of the option	9.25 years	9.50 years	9.67 years		
Exercise price	4.98 Euro	3.86 Euro	6.51 Euro		
Outstanding at 1 January 2018	123,500	0	0		
Granted during the year	0	25,000	102,000		
Forfeited during the year	5,000	0	0		
Exercised during the year	0	0	0		
Expired during the year	0	0	0		
Cancelled during the year	0	0	0		
Outstanding at 30 June 2018	118,500	25,000	102,000		
Exercisable at 30 June 2018	0	0	0		

The beneficiaries of the granted options are as follows:

Beneficiary	**Tranche 1**	**Tranche 2**	**Tranche 3**	**Tranche 4**	**Tranche 5**
Oliver Schacht, CEO	100,000	0	0	0	0
Johannes Bacher, COO	100,000	0	0	0	0

Andreas Boos, CTO *	38,889	0	0	0	0
Dr. Achim Plum, CBO	100,000	0	0	0	0
Christopher Michael Bernard, Management Board	80,000	0	0	0	20,000
William Rhodes, Chairman of Supervisory Board	0	0	0	0	15,000
Nils Clausnitzer, Supervisory Board	0	0	0	0	15,000
Mario Corvetto, Supervisory Board	0	0	0	0	15,000
Holger Reithinger, Supervisory Board	0	0	0	0	0
Werner Schäfer, Supervisory Board	0	0	0	0	15,000
Prabhavati Fernandes. Supervisory Board	0	0	0	0	15,000
Other employees	75,000	22,500	42,500	5,000	0

Beneficiary	**Tranche 6**	**Tranche 7**	**Tranche 8**		
Oliver Schacht, CEO	0	0	0		
Johannes Bacher, COO	0	0	0		
Andreas Boos, CTO *	0	0	0		
Dr. Achim Plum, CBO	0	0	0		
Christopher Michael Bernard, Management Board	0	0	0		
William Rhodes, Chairman of Supervisory Board	0	0	0		
Nils Clausnitzer, Supervisory Board	0	0	0		
Mario Corvetto, Supervisory Board	0	0	0		
Holger Reithinger, Supervisory Board	0	0	0		

Werner Schäfer, Supervisory Board	0	0	0		
Prabhavati Fernandes. Supervisory Board	0	0	0		
Other employees	118,500	25,000	102,000		

*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.

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
Measurement date	5 July 2016 [1]	1 October 2016	1 January 2017	1 April 2017	1 July 2017
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 (€)	6.44	6.18	6.34	5.69	4.74
Weighted avg. exercise price	6.45	6.41	6.42	5.81	4.93
Expected dividend yield (%)	0.00	0.00	0.00	0.00	0.00
Risk-free interest rate (%)	-0.61	-0.61	-0,49	0.33	0.53
Expected volatility of the share price (%)	78.15	81.36	60.90	57.99	55.75
Option value (€)	3.94	3.86	3.14	2.74	2.20

	Tranche 6	Tranche 7	Tranche 8		
Measurement date	1 October 2017	1 January 2018	1 March 2018		
Expected life of the option on the grant date (years)	5.0	5.0	5.0		
Share price on the measurement date (€)	4.86	3.83	6.20		
Weighted avg. exercise price	4.98	3.86	6,51		
Expected dividend yield (%)	0.00	0.00	0.00		
Risk-free interest rate (%)	-0.28	-0.15	-0.01		
Expected volatility of the share price (%)	55.55	65.33	65.63		
Option value (€)	2.22	2.04	3.26		

[1] The 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.

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 2018 and the six-month period ended 30 June 2017 is shown in the following table:

In kEUR	**Six month period ended 30 June 2018**	**Six month period ended 30 June 2017**
Total expense arising from share-based payment transactions	**366**	**841**

The other reserves have been taken into account for the settlement of the payment claim (after lock-up-period) of the beneficiaries entitled to more than 1,000 phantom stock options (fair value of the equity-settled Roll-Over-Awards) (see note 3.1.1 for further details) and the equity settled stock options granted under the ESOP 2016 (see note 3.1.2 for further details).

The investment in the Curetis GmbH (former AG) shares in the standalone statement of financial position of Curetis N.V. is valued at the net equity value of Curetis GmbH (former AG) as at 30 June 2018. There are no differences between the equity as shown in the standalone interim financial statements and in the consolidated interim financial statements of Curetis N.V. as at 30 June 2018.

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, 2018 there have been no significant changes in the related party transactions from those described in Curetis´ 2017 Annual Report.

28 Events after the reporting date

Some of the events after 30 June 2018 – listed below in chronological order - have had material impact on the share price and liquidity in trading in Curetis shares. There have been a series of relevant news events during the ordinary course of business so far:

- Curetis Group company Ares Genetics launched the grant funded Ares & CO pharma partnering program
- Signed several new key distribution agreements covering Mexico, Uruguay and Egypt
- Curetis announced a change to its US leadership when Chris Emery took over as President & CEO upon resignation of Chris Bernard

- Curetis Group company Ares Genetics initiated the development of AI powered infectious disease tests and considers opportunities to raise private venture capital
- Curetis is considering making use of the shareholder resolutions authorizing the management board to raise additional capital from institutional investors from the non-preemptive issuance of shares. These resolutions were approved at the AGM on 21 June 2018 for up to 50% of issued capital for strategic financing(s).

Holzgerlingen, 28 September 2018
Curetis N.V.

Oliver Schacht, PhD
Chief Executive Officer (CEO)

Johannes Bacher
Chief Operating Officer (COO)

Dr. Achim Plum
Chief Business Officer (CBO)

CURETIS N.V.

FIRST HALF-YEAR 2018 BUSINESS AND FINANCIAL UPDATE

curetis

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