Obseva

nature meets nurture

Q3 2021 interim report

Interim Condensed Consolidated IFRS Financial Statements for the three-month and nine-month periods ended September 30, 2021

Unaudited Condensed Consolidated Balance Sheets

(in USD '000)	Notes	September 30, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	4	62,884	31,183
Other receivables		3,428	397
Prepaid expenses		5,746	5,388
Total current assets		**72,058**	**36,968**
Non-current assets			
Right-of-use assets		730	1,425
Furniture, fixtures and equipment		62	151
Intangible assets	5	24,503	26,608
Other long-term assets		283	295
Total non-current assets		**25,578**	**28,479**
Total assets		**97,636**	**65,447**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Other payables and current liabilities		7,347	10,760
Accrued expenses		10,723	10,248
Current lease liabilities		698	696
Total current liabilities		**18,768**	**21,704**
Non-current liabilities			
Non-current lease liabilities		383	952
Non-current borrowings	6	25,623	25,300
Post-employment obligations		8,116	8,218
Other long-term liabilities		577	919
Total non-current liabilities		**34,699**	**35,389**
Shareholders' equity			
Share capital		6,948	4,878
Treasury shares		(630)	(304)
Share premium		424,561	356,822
Reserves		31,014	26,353
Accumulated losses		(417,724)	(379,395)
Total shareholders' equity	7	**44,169**	**8,354**
Total liabilities and shareholders' equity		**97,636**	**65,447**

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

Unaudited Condensed Consolidated Statements of Comprehensive Loss

(in USD '000, except per share data)	Notes	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Operating income other than revenue		**20,098**	**3**	**20,108**	**11**
OPERATING EXPENSES					
Research and development expenses	8	(11,531)	(20,125)	(41,532)	(52,690)
General and administrative expenses		(7,035)	(3,514)	(15,114)	(9,414)
Total operating expenses		**(18,566)**	**(23,639)**	**(56,646)**	**(62,104)**
OPERATING INCOME / (LOSS)		**1,532**	**(23,636)**	**(36,538)**	**(62,093)**
Finance income		128	184	702	292
Finance expense		(822)	(918)	(2,423)	(2,619)
NET INCOME / (LOSS) BEFORE TAX		**838**	**(24,370)**	**(38,259)**	**(64,420)**
Income tax (expense) / benefit	9	(19)	(14)	(70)	5
NET INCOME / (LOSS) FOR THE PERIOD		**819**	**(24,384)**	**(38,329)**	**(64,415)**
Net earnings / (loss) per share					
Basic	10	0.01	(0.49)	(0.52)	(1.35)
Diluted	10	0.01	(0.49)	(0.52)	(1.35)
OTHER COMPREHENSIVE LOSS					
Items that will not be reclassified to profit and loss					
Remeasurements on post-employment benefit plans		—	—	—	—
Items that may be reclassified to profit or loss					
Currency translation differences		—	—	—	—
TOTAL OTHER COMPREHENSIVE LOSS		**—**	**—**	**—**	**—**
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		**819**	**(24,384)**	**(38,329)**	**(64,415)**

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

Unaudited Condensed Consolidated Statements of Cash Flows

(in USD '000)	Notes	Nine-month period ended September 30, 2021	2020
NET LOSS BEFORE TAX FOR THE PERIOD		**(38,259)**	**(64,420)**
Adjustments for:			
Depreciation and impairment expense		621	542
Post-employment cost / (benefit)		374	(19)
Share-based compensation expense		4,661	6,132
Income tax paid		—	(39)
Other operating income		(20,095)	—
Finance result, net		1,720	2,326
(Increase) / decrease in other receivables		(2,896)	232
Increase in prepaid expenses and other long term-assets		(357)	(824)
(Decrease) / increase in other payables and current liabilities		(3,790)	5,889
Increase in accrued expenses and other long-term liabilities		474	1,476
NET CASH FLOWS USED IN OPERATING ACTIVITIES		**(57,547)**	**(48,705)**
Net proceeds from disposal of intangible assets		22,200	—
Payments for plant and equipment		(14)	—
NET CASH FLOWS FROM INVESTING ACTIVITIES		**22,186**	**—**
Proceeds from issue of shares		49,049	33,763
Payment of share issuance costs		(1,683)	(1,755)
Proceeds from exercise of warrants		22,117	—
Principal elements of lease payments		(508)	(465)
Interest paid		(1,725)	(1,751)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**67,250**	**29,792**
Net increase / (decrease) in cash and cash equivalents		31,889	(18,913)
Cash and cash equivalents as at January 1,		**31,183**	**69,370**
Effects of exchange rate changes on cash and cash equivalents		(188)	140
Cash and cash equivalents as at September 30,		**62,884**	**50,597**

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

Unaudited Condensed Consolidated Statements of Changes in Equity

(in USD '000)	Share capital	Treasury shares	Share premium	Reserves	Accumulated losses	Total
January 1, 2020	**3,812**	**(313)**	**320,955**	**21,912**	**(297,411)**	**48,955**
Loss for the period	—	—	—	—	(64,415)	(64,415)
Other comprehensive loss	—	—	—	—	—	—
Total comprehensive loss	**—**	**—**	**—**	**—**	**(64,415)**	**(64,415)**
Issuance of shares - EIP 2013	14	—	2,053	(2,053)	—	14
Issuance of shares - Underwritten Offering	510	—	19,407	—	—	19,917
Issuance of shares - ATM program	—	347	13,150	—	—	13,497
Share issuance costs	—	—	(1,914)	—	—	(1,914)
Share-based remuneration	—	—	—	6,132	—	6,132
September 30, 2020	**4,336**	**34**	**353,651**	**25,991**	**(361,826)**	**22,186**
January 1, 2021	**4,878**	**(304)**	**356,822**	**26,353**	**(379,395)**	**8,354**
Loss for the period	—	—	—	—	(38,329)	(38,329)
Other comprehensive loss	—	—	—	—	—	—
Total comprehensive loss	—	—	—	—	**(38,329)**	**(38,329)**
Issuance of treasury shares	1,515	(1,515)	—	—	—	—
Issuance of shares - ATM program	—	1,189	47,860	—	—	49,049
Share issuance costs	—	—	(1,683)	—	—	(1,683)
Exercise of warrants	555	—	21,562	—	—	22,117
Share-based remuneration	—	—	—	4,661	—	4,661
September 30, 2021	**6,948**	**(630)**	**424,561**	**31,014**	**(417,724)**	**44,169**

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

Notes to the Unaudited Condensed Consolidated Financial Statements

1. General information

ObsEva SA (the "Company") was founded on November 14, 2012, and its address is 12 Chemin des Aulx, 1228 Plan-les-Ouates, Geneva, Switzerland. The terms "ObsEva" or "the Group" refer to ObsEva SA together with its subsidiaries included in the scope of consolidation (note 2.3).

The Group is focused on the development and commercialization of novel therapeutics for serious conditions that compromise women's reproductive health and pregnancy. The Group has a portfolio of three mid- to late-stage development in-licensed compounds (linzagolix, ebopiprant and nolasiban) being developed in four indications. The Group has no currently marketed products.

These condensed consolidated financial statements are presented in dollars of the United States (USD), rounded to the nearest thousand except share and per share data, and have been prepared on the basis of the accounting principles described in note 2.

These condensed consolidated financial statements were authorized for issue by the Audit Committee of the Company's Board of Directors (the "Board of Directors") on November 1, 2021.

2. Accounting principles and scope of consolidation

2.1 Basis of preparation and accounting principles

These unaudited three-month and nine-month interim condensed consolidated financial statements (the "condensed consolidated financial statements") are prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (the "IASB").

Accounting policies

Accounting policies used in the preparation and presentation of these condensed consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2020 (the "annual financial statements"), which should be read in conjunction with these condensed consolidated financial statements as they provide an update of previously reported information.

Going concern

The Company has incurred recurring losses since inception, including net losses of USD 38.3 million for the nine-month period ended September 30, 2021. As of September 30, 2021, the Company had accumulated losses of USD 448.3 million, out of which USD 30.6 million were offset with share premium. The Company expects to continue to generate operating losses in the foreseeable future, even though certain spending associated with its ongoing clinical trials has been and may be further delayed as a result of the COVID-19 pandemic. As of September 30, 2021, the Company had cash and cash equivalents of USD 62.9 million and subsequent to September 30, 2021, the Company received additional proceeds as part of the convertible note financing agreement (the "Note Agreement") the Company entered into with certain funds and accounts managed by JGB Management, Inc. (see Note 12 – *Events after the reporting period* for additional information regarding the convertible note financing). The Note Agreement is structured to provide USD 135 million in borrowing capacity, available in nine tranches, with the first tranche being funded at the initial closing in October 2021. The subsequent tranches under the Note Agreement will be available subject to the Company meeting certain conditions, including, among others, that the Company's volume-weighted average price is not below USD 3.00 per share for five or more trading days during the 30 days prior to a tranche funding date (the "Minimum Stock Price"). The availability of future funding under the Note Agreement is dependent on whether the Minimum Stock Price condition will be met at future tranche dates. Accordingly, these future proceeds from the Note Agreement were not considered in the Company's going concern assessment. Without such funding considered, the Company's current cash and cash equivalents will not be sufficient to fund its operations and meet all of its obligations as they fall due for at least one year from the date of the issuance of these unaudited condensed consolidated financial statements and, as a result, there is substantial doubt regarding the Company's ability to continue as a going concern. These unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The future viability of the Company is dependent on its ability to raise additional capital to finance its future operations. The Company will seek additional funding through public or private financings, debt financing or collaboration agreements. The sale of additional equity may dilute existing shareholders and newly issued shares may contain senior rights and preferences compared to currently outstanding common shares. Issued debt securities may contain covenants and limit the Company's ability to pay dividends or make other distributions to shareholders. The inability to obtain funding, as and when needed, would have a negative impact on the Company's financial condition and ability to pursue its business strategies. If the Company is unable to obtain the required funding to run its operations and to develop and commercialize its product candidates, the Company could be forced to delay, reduce or eliminate some or all of its research and development programs, product

portfolio expansion or commercialization efforts, which could adversely affect its business prospects, or the Company may be unable to continue operations. Management continues to explore options to obtain additional funding, including through collaborations with third parties related to the future potential development and/or commercialization of its product candidates. However, there is no assurance that the Company will be successful in raising funds, closing a collaboration agreement, obtaining sufficient funding on terms acceptable to the Company, or if at all, which could have a material adverse effect on the Group's business, results of operations and financial conditions.

2.2 Use of estimates and assumptions

The preparation of unaudited condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the interim financial statements. The Company bases the estimates on historical experience and on various other assumptions that the Company believes are reasonable, the results of which form the basis for making judgments about the carrying value of assets, liabilities and equity and the amount of revenues and expenses. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the condensed consolidated financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate during the period in which the circumstances change.

2.3 Scope of consolidation

The Company consolidates the financial operations of its three fully-owned subsidiaries, ObsEva Ireland Ltd, which is registered in Cork, Ireland and organized under the laws of Ireland, ObsEva Europe B.V., which was incorporated in June 2021 and is registered and organized under the laws of Netherlands, and ObsEva USA Inc., which is registered and organized under the laws of Delaware, USA. ObsEva Ireland Ltd and ObsEva Europe B.V. had no operations and no results of operations to report as of September 30, 2021 and 2020.

3. Fair value estimation and financial instruments

The carrying value less impairment provision of receivables and payables approximate their fair values due to their short-term nature.

All financial assets and liabilities, respectively, are held at their amortized cost.

The Group's financial assets and liabilities consist of cash and cash equivalents, other receivables, other payables and accruals which are classified as loans and receivables at amortized cost according to IFRS 9.

4. Cash and cash equivalents

(in USD '000)	September 30, 2021	December 31, 2020
Bank deposits	62,884	69,370
Interest bearing deposits	—	—
Total cash and cash equivalents	**62,884**	**69,370**

5. Intangible assets

As at September 30, 2021, the Group holds a number of licenses to develop and commercialize several biopharmaceutical product candidates, the value of which is recorded at USD 24.5 million (December 31, 2020: USD 26.6 million).

In July 2021, the Company entered into an agreement with Organon & Co. ("Organon") to develop and commercialize ebopiprant. Under the terms of the agreement, Organon gained exclusive worldwide rights to develop, manufacture and commercialize ebopiprant. In consideration for entering into this agreement, the Company is entitled to receive tiered double-digit royalties on commercial sales as well as up to USD 500 million in upfront and milestone payments including USD 25 million that was paid at signing, up to USD 90 million in development and regulatory milestones and up to USD 385 million sales-based milestones. This transaction resulted in the derecognition of the license to develop and commercialize ebopiprant, initially recognized for USD 2.1 million as an intangible asset.

6. Borrowings

In August 2019, the Company entered into a loan and security agreement with Oxford Finance for a term loan of up to USD 75.0 million, subject to funding in three tranches. The Company received gross proceeds of USD 25.0 million, net of transaction costs of USD 0.3 million, from the first tranche of the credit facility upon entering into the agreement and has used the funds for its various clinical trials programs. The Company could not draw the second tranche of USD 25.0 million due to the failure to meet the primary

endpoint of the Phase 3 IMPLANT 4 clinical trial of nolasiban. Pursuant to an amendment to the loan and security agreement signed in April 2020, the third tranche of USD 25.0 million was available to be drawn at any time between April 7, 2020 and August 1, 2024 upon request of the Company and at the lender's discretion.

The credit facility was secured by substantially all of the Company's assets, including the Company's intellectual property. Each tranche bore interest at a floating interest rate of thirty day U.S. LIBOR, plus 6.25%, or a minimum of 8.68% per year in total. The Company was required to make monthly interest-only payments on each tranche through the amortization start date on August 1, 2022. The credit facility was to mature on August 1, 2024, at which date a final fee payment of 6.75% of each funded tranche would have been due, resulting in an effective interest rate of 10.32% per year. The credit facility contained customary conditions to borrowings and events of default and contains various negative covenants limiting the Company's ability to, among other things, transfer or sell certain assets, allow changes in business, ownership or business locations, consummate mergers or acquisitions, incur additional indebtedness, create liens, pay dividends or make other distributions and make investments. As of September 30, 2021, the Company was in compliance with its covenants.

As discussed below under *Note 12 – Events after the reporting period*, in October 2021 the Company entered into a new convertible note financing arrangement structured to provide up to USD 135.0 million in borrowing capacity, and used the funds received in the first tranche at closing to repay all amounts outstanding under the credit facility with Oxford Finance. Upon payoff, the credit facility was terminated and the security interests in the Company's assets that secured the credit facility were released.

7. Shareholders' equity

In 2020, the Company sold a total of 5,995,897 treasury shares at an average price of USD 2.82 per share, as part of its prior ATM program with Jefferies LLC ("Jefferies"). These multiple daily transactions generated total gross proceeds of USD 16.9 million. Directly related share issuance costs of USD 0.5 million were recorded as a deduction in equity. In March 2021, the Company terminated its prior ATM program with Jefferies and entered into a new ATM program with SVB Leerink LLC ("SVB Leerink").

In January and February 2021, the Company announced the issuance of 6,020,248 and 11,591,124 common shares, respectively, at par value of 1/13 of a Swiss franc per share. The shares were fully subscribed for by a fully-owned subsidiary of the Company, and listed on the SIX Swiss Exchange accordingly. The shares were initially held as treasury shares.

During the nine-months ended September 30, 2021, the Company sold a total of 13,949,613 treasury shares at an average price of USD 3.51 per share, as part of its prior and current ATM programs. These multiple daily transactions generated total gross proceeds of USD 49.0 million. Directly related share issuance costs of USD 1.5 million were recorded as a deduction in equity.

In addition, during the first quarter of 2021, the Company received proceeds of USD 22.1 million from the exercise of 6,448,240 warrants included in the units sold in the Company's underwritten public offering in September 2020.

As at September 30, 2021, the total outstanding share capital of USD 6.9 million, fully paid, consists of 85,220,471 common shares, including 7,249,010 treasury shares. As at December 31, 2020, the total outstanding share capital of USD 4.9 million, fully paid, consists of 61,160,859 common shares, including 3,608,281 treasury shares. All shares have a nominal value of 1/13 of a Swiss franc, translated into USD using historical rates at the issuance date.

8. Research and development expenses

Due to the difficulty in assessing when research and development projects would generate revenue, the Group expenses all research and development costs to the profit and loss accounts. Research and development expenses consist of costs incurred in performing research and development activities, including salaries and bonuses, stock-based compensation, employee benefits, facilities costs, laboratory supplies, depreciation, manufacturing expenses as well as external costs of vendors engaged to conduct preclinical development activities and clinical trials.

9. Income tax

The Group is subject to income taxes in various jurisdictions, including primarily in Switzerland and the United States.

Since January 1, 2020, the Company is subject in Switzerland to a municipal and cantonal income tax rate of 14.0% and to a federal tax rate of 8.5% on its profits after tax. It is entitled to carry forward any loss incurred for a period of seven years and can offset such losses carried forward against future taxes. In 2015, the Company was granted by the State Council of the Canton of Geneva an exemption of income and capital tax at municipal and cantonal levels for the period from 2013 until 2022. Because of this exemption, and the fact that the Company has incurred net losses since its inception, no income tax expense at the municipal, cantonal or federal levels was recorded in the Company for the three-month and nine-month periods ended September 30, 2021 and 2020. Additionally, due to the uncertainty as to whether it will be able to use its net loss carryforwards for tax purposes in the future, no deferred taxes have been recognized on the balance sheet of the Company as of September 30, 2021 and December 31, 2020.

The Company's U.S. subsidiary is a service organization for the Group and is therefore subject to taxes on the revenues generated from its services to the Group that are charged based upon the U.S. subsidiary's cost-plus arrangement with the Group. The profits of the U.S. subsidiary during the three-month and nine-month periods ended September 30, 2021 and 2020 were each subject to a total U.S. income tax rate of 27.3% based on both the U.S. federal and state tax rates.

10. Earnings per share

As of September 30, 2021 and 2020, the Company has one category of shares, which are common shares. The basic loss per share is calculated by dividing the loss of the period attributable to the common shares by the weighted average number of common shares outstanding during the period as follows:

	Three-month period ended September 30, 2021	Nine-month period ended September 30, 2021
Net income / (loss) attributable to shareholders (in USD '000)	819	(38,329)
Weighted average number of common shares outstanding	77,971,008	74,152,705
Basic and diluted earnings / (loss) per share (in USD)	**0.01**	**(0.52)**

	Three-month period ended September 30, 2020	Nine-month period ended September 30, 2020
Net loss attributable to shareholders (in USD '000)	(24,384)	(64,415)
Weighted average number of common shares outstanding	50,086,923	47,848,862
Basic and diluted loss per share (in USD)	**(0.49)**	**(1.35)**

For the nine-month period ended September 30, 2021, 9,188,388 shares issuable upon the exercise of stock-options, which would have an anti-dilutive impact on the calculation of the diluted earnings per share, were excluded from the calculation, while these shares were considered and had no impact on the calculation for the three-month period ended September 30, 2021. For the three-month and nine-month periods ended September 30, 2020, 5,446,230 shares issuable upon the exercise of stock-options, which would have an anti-dilutive impact on the calculation of the diluted earnings per share, are excluded from the calculation.

11. Segment information

The Group operates in one segment, which is the research and development of innovative women's reproductive, health and pregnancy therapeutics. The marketing and commercialization of such therapeutics depend, in large part, on the success of the development phase. The Chief Executive Officer of the Company reviews the consolidated statements of operations of the Group on an aggregated basis and manages the operations of the Group as a single operating segment. The Group currently generates no revenue from the sales of therapeutics products, and the Group's activities are not affected by any significant seasonal effect.

The geographical analysis of non-current assets is as follows:

(in USD '000)	September 30, 2021	December 31, 2020
Switzerland	25,488	27,936
USA	90	543
Total non-current assets	**25,578**	**28,479**

The geographical analysis of operating expenses is as follows:

(in USD '000)	Three-month period ended September 30,		Nine-month period ended September 30,	
	2021	2020	2021	2020
Switzerland	17,131	23,070	52,016	60,427
USA	1,435	569	4,630	1,677
Total operating expenses	**18,566**	**23,639**	**56,646**	**62,104**

12. Events after the reporting period

JGB Financing Agreement
In October 2021, the Company entered into a convertible note financing agreement (the "Note Agreement") with certain funds and accounts managed by JGB Management, Inc. which is structured to provide up to USD 135 million in borrowing capacity, available in nine tranches of notes. The first tranche, for a funded amount of USD 30 million, was received at the initial closing and primarily used to retire the previously existing credit facility with Oxford Finance. The subsequent tranches under the Note Agreement will be available subject to the Company meeting certain conditions, including among others, the Company's volume-weighted average price is not below USD 3.00 per share for five or more trading days during the 30 days prior to the tranche funding dates stated in the Note Agreement. All principal and interest under the notes will be convertible into the Company's common shares at an initial conversion price of USD 3.20 per share. The conversion price is subject to adjustment under certain circumstances in accordance with the terms of the notes. The notes will bear interest at a rate of 9.5% per year, and will be issued with an original issue discount of 4.75%. Each tranche of notes will mature three years from the date of issuance, unless earlier converted or prepaid in accordance with their terms. In connection with each tranche, the Company will also issue warrants to purchase its common shares in an amount equal to 20% of the funded amount for such tranche, including a warrant to purchase 1,634,877 common shares that was issued at the initial closing of the first tranche. The warrants will have an exercise price of USD 3.67 per share and a four-year term from the date of issuance.

The Note Agreement is secured by an account control agreement in favor of the lender, and the Company is obligated to maintain a minimum cash amount of USD 25.0 million in such deposit account, subject to additional incremental increases totaling USD 27.0 million in aggregate depending on the amount of debt outstanding under the Note Agreement. The notes include affirmative and negative covenants applicable to the Company and its subsidiaries. The affirmative covenants include, among other things, requirements to file certain financial reports with the Securities and Exchange Commission, maintain insurance coverage and satisfy certain requirements regarding deposit accounts. In addition, subject to certain exceptions, the notes contain customary negative covenants limiting its ability to, among other things, transfer or sell certain assets, consummate mergers or acquisitions, allow changes in business, incur additional indebtedness, create liens, pay dividends or make other distributions and make investments. Upon the occurrence and during the continuance of an event of default, JGB Management, Inc. may declare all outstanding principal and accrued and unpaid interest under the notes immediately due and payable and exercise the other rights and remedies provided for under the notes, the Note Agreement and related loan documents.

There were no other material events after the balance sheet date.

Financial Review

Overview

We are a biopharmaceutical company focused on the development and commercialization of novel therapies to improve women's reproductive health. We are advancing a pipeline of orally-administered innovative new chemical entities, or NCEs, for the treatment of symptoms associated with uterine fibroids, endometriosis, preterm labor and improvement of clinical pregnancy and live birth rates in women undergoing IVF. We have assembled a strong management team with extensive experience in successfully developing and commercializing therapeutics in our target market. Our goal is to build the leading women's reproductive health company focused on conditions where current treatment options are limited and significant unmet needs exist.

Our portfolio currently consists of three in-licensed NCEs in development for four indications intended to address areas that we believe present significant unmet medical needs:

Linzagolix for management of uterine fibroids and endometriosis.
We are developing linzagolix as a novel, oral gonadotropin releasing hormone, or GnRH, receptor antagonist, for the treatment of uterine fibroids and endometriosis in pre-menopausal women.

We have conducted two Phase 3 clinical trials of linzagolix in patients with heavy menstrual bleeding associated with uterine fibroids, PRIMROSE 1 (conducted in the United States) and PRIMROSE 2 (conducted in Europe and the United States). In both trials, patients were administered linzagolix doses of 100 mg or 200mg, both with and without hormonal add back therapy (ABT; estradiol 1 mg and norethindrone acetate 0.5 mg), or placebo. The primary endpoint for both trials was response rate, with response defined as reduction in heavy menstrual bleeding due to uterine fibroids as measured by the alkaline hematin method.

The primary endpoint at week 24 was successfully met in both PRIMROSE 1 and PRIMROSE 2. Furthermore, we believe that based on pooled week 52 clinical data from these two Phase 3 trials linzagolix has the potential for a best-in-class profile, with a pooled response rate of 89.3% in women receiving linzagolix 200 mg with ABT, and 56.4% in women receiving linzagolix 100 mg without ABT. In December 2020, we reported Week 76 results for PRIMROSE 2 (6 months after stopping linzagolix treatment). These results showed continued pain reduction, continued improvement in additional secondary efficacy endpoints, and evidence of bone mineral density, or BMD, recovery after treatment completion at 52 weeks. In May 2021, we reported Week 76 results for PRIMROSE 1. These results were consistent with findings from PRIMROSE 2, showing that off-treatment pain scores remained lower than baseline across all treatment arms. Improvements in other clinically relevant secondary endpoints, including hemoglobin levels and quality of life also persisted off-treatment, supporting the durability of the treatment effect of linzagolix. Furthermore, as observed in PRIMROSE 2, the PRIMROSE 1 DXA bone density scan results at Week 76 showed evidence of BMD recovery.

In November 2020, we submitted a Marketing Authorization Application, or MAA, to the European Medicines Agency, or EMA, for the treatment of uterine fibroids in adult women of reproductive age. Our application has been validated by the EMA, as announced in January 2021, and we expect to receive a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) for linzagolix in the fourth quarter of 2021, with formal product approval expected to follow shortly thereafter. If approved by the European Commission, linzagolix will be the only GnRH antagonist with flexible dose regimen options, with and without hormonal ABT, offering individualized treatment for the management of uterine fibroids. In September 2021, we submitted a New Drug Application, or NDA, to the U.S. Food and Drug Administration, or FDA, for linzagolix for the treatment of uterine fibroids. The NDA submission includes the positive PRIMROSE 1 and PRIMROSE 2 full data package including week 52 data and post treatment follow-up data up to week 76 for both trials. If approved by the FDA, linzagolix will be the only GnRH antagonist with flexible dose regimen options, with or without hormonal ABT, offering individualized treatment for the management of uterine fibroids including doses with and without concomitant ABT.

We are currently conducting an observational study (PRIMROSE 3) of bone mineral density in women who completed at least 20 weeks of treatment in either of the PRIMROSE 1 or 2 studies. Women who enroll in the study will undergo DXA scanning every six months for a total of 24 months following treatment completion in a PRIMROSE study. The objectives of the study are to describe BMD changes up to 24 months following previous treatment with placebo or linzagolix 100 mg or 200 mg with or without hormonal ABT in the context of the PRIMROSE 1 and 2 studies and to evaluate BMD recovery in these women.

In addition to linzagolix for uterine fibroids, we are presently conducting a Phase 3 clinical trial for the treatment of endometriosis associated pain, EDELWEISS 3 (conducted in Europe and in the United States), which was initiated in May 2019. This Phase 3 trial enrolled approximately 450 patients with endometriosis associated pain, with a co-primary endpoint of patients' response on both dysmenorrhea (menstrual pain) and non-menstrual pelvic pain. This trial includes a 75 mg once daily dose without hormonal ABT (1mg E2 / 0.5mg NETA) and a 200 mg once daily dose with concomitant ABT. Subjects who have completed the initial six-month treatment period for the EDELWEISS 3 trial will have the option to enter a 6-month treatment extension (the EDELWEISS Extension trial). We have completed enrollment for the EDELWEISS 3 trial and expect primary endpoint data in the fourth quarter of 2021.

In January 2021, we announced our decision to discontinue the related EDELWEISS 2 clinical trial, due to challenges with patient screening and enrollment, as well as the persisting difficult environment of the ongoing COVID-19 pandemic.

In June 2021, we presented 52-week data from the two pivotal Phase 3 trials (PRIMROSE 1 and 2) of linzagolix for the treatment of uterine fibroids together with clinical data from a pilot study on linzagolix for the treatment of severe adenomyosis at the European Society of Human Reproduction and Embryology (ESHRE) Virtual 37th Annual Meeting.

In October 2021, we announced a strategic relationship with Syneos Health® (Nasdaq:SYNH), the only fully integrated biopharmaceutical solutions organization, to commercialize linzagolix.

Ebopiprant for the treatment of preterm labor

In July 2021, we and Organon & Co., or Organon, entered into an agreement whereby Organon licensed the global development, manufacturing and commercial rights to ebopiprant (formerly OBE022), an oral and selective prostaglandin F2α receptor antagonist, for preterm labor in weeks 24 to 34 of pregnancy. Organon intends to work with the scientific and medical communities and regulatory authorities in major markets, including the United States, to advance the clinical development and registration of ebopiprant. Under the terms of the agreement, Organon gained exclusive worldwide rights to develop, manufacture and commercialize ebopiprant. We are entitled to receive tiered double-digit royalties on commercial sales as well as up to $500 million in upfront and milestone payments, including $25 million that was paid at signing, up to $90 million in development and regulatory milestones and up to $385 million sales-based milestones.

Nolasiban for the improvement of pregnancy and birth rates in women undergoing embryo transfer following in-vitro fertilization.

In January 2020, we and Hangzhou YuYuan BioScience Technology Co., Ltd., or YuYuan, entered into a sublicense agreement to develop and commercialize Nolasiban, an oral oxytocin receptor antagonist, to improve clinical pregnancy and live birth rates in women undergoing in-vitro fertilization, or IVF, in the People's Republic of China. Under the terms of the agreement, YuYuan has the exclusive rights to develop and commercialize nolasiban in China and will fund all development and registration activities in China, starting with the commitment to conduct Phase 1 trials and a Phase 2 proof-of-concept trial in China. We retain all rights to the product outside of China and have agreed to collaborate with YuYuan on its global development. Our development and commercialization partnership with YuYuan continues with steering committee meetings to define the development plan for nolasiban in China for women undergoing embryo transfer following IVF.

We were founded in November 2012 and our operations to date have included organizing and staffing our company, raising capital, in-licensing rights to linzagolix, ebopiprant and nolasiban and conducting nonclinical studies and clinical trials. To date, we have not generated any revenue from product sales as none of our product candidates have been approved for commercialization. We have historically financed our operations mostly through the sale of equity. From inception through September 30, 2021, we raised an aggregate of $438.8 million of net proceeds from the sale of equity securities and $25.0 million from the issuance of debt instruments.

We have never been profitable and have incurred significant net losses in each period since our inception. Our net losses were $38.3 million and $64.4 million for the nine-month periods ended September 30, 2021 and September 30, 2020, respectively. As of September 30, 2021, we had accumulated losses of $448.3 million, out of which $30.6 million were offset with share premium. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We used $57.5 million and $48.7 million of cash in operations in the nine-month periods ended September 30, 2021 and September 30, 2020, respectively, and we anticipate that our expenses will remain significant in connection with our ongoing activities as we:

- continue to invest in the clinical development of our product candidates and specifically in connection with our ongoing EDELWEISS 3 and PRIMROSE clinical trials, and any additional clinical trials, nonclinical studies and pre-commercial activities that we may conduct for product candidates;
- hire additional research and development and general and administrative personnel;
- maintain, expand and protect our intellectual property portfolio;
- identify and in-license or acquire additional product candidates;
- prepare for the commercialization of certain product candidates, and
- continue to incur additional costs associated with operating as a public company.

We will need substantial additional funding to support our operating activities as we advance our product candidates through clinical development, seek regulatory approval and prepare for and invest in future commercialization of these candidates, if approved. Adequate funding may not be available to us on acceptable terms, or at all. We are also exploring various alternatives for the future potential development and commercialization of our product candidates, including through collaborations with third parties.

We have no manufacturing facilities, and all of our product manufacturing is contracted out to third parties. We currently utilize third-party contract research organizations, or CROs, to carry out our clinical development and trials. We intend for our commercialization efforts to be largely contracted out to third parties, including through our strategic relationship with Syneos Health®.

COVID-19 Business Update

With the global spread of the ongoing COVID-19 pandemic which continues to date, we have implemented a number of plans and policies designed to address and mitigate the impact of the COVID-19 pandemic on our employees and our business. We continue to closely monitor the COVID-19 situation and will evolve our plans and policies as needed going forward. In March 2020, some of our workforce transitioned to working remotely. If the COVID-19 pandemic continues to persist for an extended period and begins to impact essential distribution systems, we could experience disruptions to our supply chain and operations, and associated delays in the manufacturing of clinical trial supply.

We may continue to experience a disruption or delay in our ability to initiate trial sites and enroll and assess patients. In January 2021, we announced our decision to discontinue our EDELWEISS 2 clinical trial, due to challenges with patient enrollment, as well as the persisting difficult environment of the ongoing pandemic. Enrollment delays may further occur for ongoing trials, and we are working closely with our vendors to manage our supply chain activities and mitigate any potential disruptions to our clinical trial supplies as a result of the COVID-19 pandemic. In addition, we rely on CROs or other third parties to assist us with clinical trials, and we cannot guarantee that they will continue to perform their contractual duties in a timely and satisfactory manner as a result of the COVID-19 pandemic. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business and operations, or the business and operations of our strategic partners, will depend on future developments that are highly uncertain, including the duration and spread of the pandemic, and the actions taken to contain it, such as the impact and effectiveness of current and any future governmental measures implemented in response thereto, or new information that may emerge concerning COVID-19.

Strategic Licensing Agreements

Linzagolix

In November 2015, we entered into the Kissei license and supply agreement with Kissei Pharmaceutical Co., Ltd., or Kissei. Pursuant to the Kissei license and supply agreement we received an exclusive license to develop, manufacture and commercialize products, or the Product, containing the compounds which is a specified GnRH antagonist and covered by certain licensed patent rights, or the Compound, throughout the world except for specified Asian countries. We arranged to exclusively acquire from Kissei the material necessary to produce linzagolix.

In consideration for the license, we made an initial $10.0 million upfront payment. In addition, we agreed to make aggregate milestone payments of up to $63.0 million upon the achievement of specified developmental milestones, such as the initiation of clinical trials and receipt of regulatory approvals. In connection with the initiations of the Phase 3 clinical programs for linzagolix in (i) uterine fibroids in the second quarter of 2017 and (ii) endometriosis in the third quarter of 2019, two milestone payments of $5.0 million each were made. With respect to any products we commercialize under the Kissei license and supply agreement, we agreed to make further payments of up to an additional $125.0 million to Kissei upon the achievement of specified commercial milestones.

In October 2021, we amended our exclusive license and supply agreement with Kissei for linzagolix such that first commercial sales milestones for the EU and the US will now be extended over a 5-year period. In addition, North American royalty payments were lowered to tiered single digit royalties on net sales plus a supply price for the active pharmaceutical ingredient (API).

Pursuant to the Kissei license and supply agreement, and related amendments, we have agreed to exclusively purchase the active pharmaceutical ingredient for linzagolix from Kissei. During the development stage, we are obligated to pay Kissei a specified supply price. For territories excluding North America, following the first commercial sale of licensed product, we are obligated to pay Kissei a royalty in the low twenty percent range as a percentage of net sales. This payment includes Kissei's supply of the active pharmaceutical ingredient until the latest of (i) the date that the valid claim of a patent for the Product has expired, (ii) the expiration of our regulatory exclusivity period, or (iii) 15 years from the first commercial sale of such product on a country-by-country and product-by-product basis. For North America, following the first commercial sale of licensed product, we are obligated to pay Kissei a royalty in the tiered single digit royalties on net sales plus a supply price for the API. During the term, we are restricted from developing, marketing and selling GnRH agonists and GnRH antagonists other than the Compound to the extent allowed by applicable laws.

Ebopiprant

Merck Serono

In June 2015, we entered into the 2015 license agreement with Merck Serono, which we amended in July 2016, pursuant to which we received a worldwide exclusive license to develop, manufacture and commercialize compounds covered by the licensed patent rights, including ebopiprant. In consideration for the license, we issued 325,000 Series A preferred shares to Merck Serono in September 2016 upon the initiation of a Phase 1 clinical trial for a licensed product. With respect to any products we commercialize under the 2015 license agreement, we agreed to pay Merck Serono royalties based on a mid-single-digit percentage of annual net sales of each product, subject to specified reductions, until the later of (i) the date that all of the patent rights for that product have expired, as determined on a country-by-country and product-by-product basis or (ii) ten years from the first commercial sale of such product on a country-by-country and product-by-product basis.

Organon

In July 2021, we entered into an agreement with Organon, pursuant to which we granted to Organon exclusive rights to develop, use, register, import, export, manufacture, market, promote, distribute, offer for sale and commercialize ebopiprant worldwide. In consideration for entering into the agreement, Organon has agreed to make up to $500 million in upfront and milestone payments, including $25 million that was paid at signing, up to $90 million in development and regulatory milestones and up to $385 million sales-based milestones. In addition, Organon has agreed to pay us tiered double-digit royalties on annual net sales of all products, subject to specified reductions, until, on a country-by-country and product-by-product basis, the latest of (i) the expiration of the last valid claim covering such product in such country, (ii) expiration of regulatory exclusivity for such product in such country, and (iii) ten years from the first commercial sale of such product in such country.

Nolasiban

Ares Trading

In August 2013, we entered into the 2013 license agreement with Ares Trading S.A., an affiliate of Merck Serono, or Merck Serono, pursuant to which we received a worldwide exclusive license to develop, manufacture and commercialize compounds covered by the licensed patent rights, including nolasiban. In consideration for the license, we issued 914,069 Series A preferred shares to Merck Serono at the time of our Series A financing, which had a fair-value of $4.9 million based on an exchange rate of $1.00 for CHF 0.9244 as of the date of the transaction. With respect to any products we commercialize under the 2013 license agreement, we agreed to pay Merck Serono royalties based on a high-single-digit percentage of annual net sales of each product, subject to specified reductions, until the later of (i) the date that all of the patent rights for that product have expired, as determined on a country-by-country and product-by-product basis, or (ii) ten years from the first commercial sale of such product on a country-by-country and product-by-product basis.

YuYuan

In January 2020, we entered into a sublicense agreement, or the 2020 sublicense agreement, with YuYuan, pursuant to which we granted to YuYuan an exclusive sublicense under certain of our patents, trademarks and know-how to use, register, import, develop, market, promote, distribute, offer for sale and commercialize nolasiban for use in humans in the People's Republic of China, including Hong Kong and Macau. In consideration for entering into the 2020 sublicense agreement, YuYuan has agreed to make aggregate milestone payments of up to $17.0 million upon the achievement of specified development, regulatory and first sales milestones and aggregate milestone payments of up to $115.0 million upon the achievement of additional, tiered sales milestones. In addition, YuYuan has agreed to pay tiered royalties on net sales at percentages ranging from high-single digit to low-second decile, subject to specified reductions, until the later of the expiration of the last valid claim covering the product in China and ten years from the first commercial sale of the product in China.

Components of Results of Operations

Revenue and other operating income

To date, we have not generated any revenue from product sales and we do not expect to generate revenue unless and until we successfully complete development and obtain regulatory approval for one or more of our product candidates.

Other operating income consists primarily in gains on disposal of intangible assets that we recognize when entering into certain agreements with partners for the development and/or commercialization of the product candidates we have been developing.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred in connection with our research and development activities and consist mainly of direct research and development costs, which include: costs associated with the use of CROs and consultants hired to assist on our research and development activities; personnel expenses, which include salaries, benefits and share-based compensation expenses for our employees; expenses related to regulatory affairs and intellectual property; manufacturing costs in connection with conducting nonclinical studies and clinical trials; and depreciation expense for assets used in research and development activities. Research and development costs are generally expensed as incurred. However, costs for certain activities, such as manufacturing and nonclinical studies and clinical trials, are generally recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and collaborators.

Our employee, consultant and infrastructure resources are typically utilized across our multiple research and development programs. We track outsourced research and development costs by product candidate or nonclinical program, but we do not allocate personnel costs, other internal costs or external consultant costs to specific product candidates.

From inception through September 30, 2021, we have incurred $369.7 million in research and development expenses to advance the development of our product candidates. The following table provides a breakdown of our outsourced research and development expenses that are directly attributable to the specified product candidates for the three-month and nine-month periods ended September 30, 2021 and September 30, 2020, respectively.

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2021	2020	2021	2020
	(in thousands) (unaudited)			
Linzagolix	$ (7,005)	$ (15,567)	$ (28,230)	$ (37,334)
Ebopiprant	(245)	(494)	(511)	(1,487)
Nolasiban	(748)	(122)	(1,869)	(1,317)
Total outsourced research and development expenses	$ (7,998)	$ (16,183)	$ (30,610)	$ (40,138)

We expect our research and development expense will remain significant for the foreseeable future as we and our partners seek to advance the development of our product candidates through clinical trials and toward regulatory submissions. At this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development of our product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from sales of our product candidates. This is due to the numerous risks and uncertainties associated with developing such product candidates, including:

- the number of clinical sites included in the trials;
- the length of time required to enroll suitable patients;
- the number of patients that ultimately participate in the trials;
- the number of doses patients receive;
- the duration of patient follow-up;
- the duration, severity and impact on our operations of the COVID-19 pandemic;
- the results of our clinical trials; and
- regulatory requirements in support of potential approvals.

In addition, the probability of success for any of our product candidates will depend on numerous factors, including competition, manufacturing capability and commercial viability. A change in the outcome of any of these variables with respect to the development of any of our product candidates would significantly change the costs, timing and viability associated with the development of that product candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel expenses, including salaries, benefits and share-based compensation expense, related to executive, finance, accounting, business development, legal and human resource functions. General and administrative expense also includes facility costs not otherwise included in research and development expenses, legal fees related to corporate matters, fees for accounting and consulting services (including pre-commercialization activities), and costs of director and officer insurance.

We anticipate that our general and administrative expenses will remain significant in the future to support continued research and development activities and to prepare for the commercialization of linzagolix. We also anticipate that we will keep incurring material accounting, audit, legal, regulatory and compliance costs, as well as investor and public relations expenses, associated with operating as a public company.

Finance Result, Net

Finance result, net, consists mainly of interest expense associated with our lease liabilities and debt instruments, as well as foreign exchange gains and losses.

Taxation

We are subject to corporate taxation in various locations, mainly in Switzerland and the United States.

In 2015, the Canton of Geneva granted us a ten-year tax holiday for all income and capital taxes on a communal and cantonal level commencing in fiscal year 2013 and valid through to 2022, subject to our Swiss domiciliation and compliance with certain reporting provisions. We remain subject to Swiss federal income tax on our profits after tax but have only incurred net losses since our inception. We are entitled under Swiss laws to carry forward any losses incurred for a period of seven years and can offset such losses carried forward against future taxes. As of December 31, 2020, we had tax loss carryforwards totaling $392.5 million. We do not believe it is probable that we will generate sufficient profits to avail ourselves of these tax loss carryforwards.

Our US subsidiary, as a service organization to the group under cost plus arrangement, was the only entity to generate income tax expenses during these periods.

Analysis of Results of Operations

Comparison of the three-month periods ended September 30, 2021 and September 30, 2020

Other operating income

Other operating income in the three-month period ended September 30, 2021 amounted to $20.1 million (nil in the three-month period ended September 30, 2020) as a result of the $25 million proceeds from the agreement with Organon to develop and commercialize ebopiprant, net of transaction costs and derecognition of the related intangible asset.

Operating Expenses

Research and Development Expenses

	Three-month period ended September 30,		
	2021	2020	Change
	(in thousands) (unaudited)		
Research and development expenses by product candidate			
Linzagolix	$ (7,005)	$ (15,567)	$ 8,562
Ebopiprant	(245)	(494)	249
Nolasiban	(748)	(122)	(626)
Unallocated expenses			
Staff costs	(2,724)	(3,350)	626
Other research and development costs	(809)	(592)	(217)
Total research and development expenses	$ (11,531)	$ (20,125)	$ 8,594

Research and development expenses decreased by $8.6 million in the three-month period ended September 30, 2021 compared to the three-month period ended September 30, 2020, primarily due to lower expenditures in our linzagolix programs, as (i) our PRIMROSE 1 and PRIMROSE 2 trials reached completion at the end of 2020, and (ii) our EDELWEISS 2 trial was discontinued in the first quarter of 2021.

General and Administrative Expenses

	Three-month period ended September 30, 2021	2020	Change
		(in thousands) (unaudited)	
Staff costs	$ (2,345)	$ (1,686)	$ (659)
Professional fees	(3,810)	(1,053)	(2,757)
Other general and administrative costs	(880)	(775)	(105)
Total general and administrative expenses	$ (7,035)	$ (3,514)	$ (3,521)

General and administrative expenses in the three-month periods ended September 30, 2021 increased by $3.5 million compared to the three-month period ended September 30, 2020, primarily due to increased professional fees resulting from the preparation for the expected commercialization of linzagolix and related regulatory submissions, as well as legal fees resulting from licensing and financing transactions.

Finance Result, Net

	Three-month period ended September 30, 2021	2020	Change
		(in thousands) (unaudited)	
Interest expense	$ (703)	(693)	$ (10)
Foreign exchange gain / (loss)	10	$ (41)	51
Finance result, net	$ (693)	$ (734)	$ 40

Finance result, net in the three-month periods ended September 30, 2021 and September 30, 2020 primarily consisted of interest expense associated with our lease liabilities and debt instruments, as well as foreign exchange loss and gain, respectively.

Comparison of the nine-month periods ended September 30, 2021 and September 30, 2020

Other operating income

Other operating income in the nine-month period ended September 30, 2021 amounted to $20.1 million (nil in the nine-month period ended September 30, 2020) as a result of the $25 million proceeds from the agreement with Organon to develop and commercialize ebopiprant, net of transaction costs and derecognition of the related intangible asset.

Operating Expenses

Research and Development Expenses

	Nine-month period ended September 30, 2021	2020	Change
		(in thousands) (unaudited)	
Research and development expenses by product candidate			
Linzagolix	$ (28,230)	$ (37,334)	$ 9,104
Ebopiprant	$ (511)	(1,487)	976
Nolasiban	$ (1,869)	$ (1,317)	(552)
Unallocated expenses			
Staff costs	(8,762)	(10,705)	1,943
Other research and development costs	(2,160)	(1,847)	(313)
Total research and development expenses	$ (41,532)	$ (52,690)	$ 11,158

Research and development expenses decreased by $11.2 million in the nine-month period ended September 30, 2021 compared to the nine-month period ended September 30, 2020 primarily due (i) a $1.9 million decrease in staff costs including lower share-based

compensation, as well as (ii) a $9.1 million decrease in expenses related to our linzagolix programs, as (i) our PRIMROSE 1 and PRIMROSE 2 trials reached completion at the end of 2020, and (ii) our EDELWEISS 2 trial was discontinued in the first quarter of 2021.

General and Administrative Expenses

	Nine-month period ended September 30, 2021	2020	Change
		(in thousands) (unaudited)	
Staff costs	$ (6,140)	$ (5,117)	$ (1,023)
Professional fees	(6,317)	(2,405)	(3,912)
Other general and administrative costs	(2,657)	(1,892)	(765)
Total general and administrative expenses	$ (15,114)	$ (9,414)	$ (5,700)

General and administrative expenses increased by $5.7 million in the nine-month period ended September 30, 2021 compared to the nine-month period ended September 30, 2020 primarily due to (i) increased professional fees of $3.9 million resulting from the preparation of expected commercialization of linzagolix and related regulatory submissions, and (ii) a $1.0 million increase in staff costs as a result of new hires to prepare for the commercialization of linzagolix.

Finance Result, Net

	Nine-month period ended September 30, 2021	2020	Change
		(in thousands) (unaudited)	
Interest expense	$ (2,049)	(2,032)	$ (17)
Foreign exchange gain / (loss)	329	$ (295)	624
Finance result, net	$ (1,720)	$ (2,327)	$ 607

Finance result, net in the nine-month periods ended September 30, 2021 and September 30, 2020 primarily consisted of interest expense associated with our lease liabilities and debt instruments, as well as foreign exchange gain and loss, respectively.

Liquidity and Capital Resources

As of September 30, 2021, we had $62.9 million in cash and cash equivalents.

Since our inception, we have not generated any revenue and have incurred net losses and negative cash flows from our operations. We have funded our operations primarily through the sale of equity securities. From inception through September 30, 2021, we raised an aggregate of $438.8 million of net proceeds from the sale of equity securities. In August 2019, we borrowed $25.0 million under our prior senior secured term loan credit facility, or the Credit Facility Agreement, with Oxford Finance, or Oxford.

During the year ended December 31, 2020, we sold a total of 5,995,897 treasury shares at an average price of $2.82 per share under our prior at-the-market, or ATM program with Jefferies LLC, or Jefferies. These multiple daily transactions generated total gross proceeds of $16.9 million. Directly related share issuance costs of $0.5 million were recorded as a deduction in equity. In March 2021, we terminated our prior ATM program with Jefferies and entered into a new ATM program with SVB Leerink LLC, or SVB Leerink.

In September 2020, we completed an underwritten public offering of 6,448,240 units at an effective price of $2.869 per unit, with each unit comprised of one common share (or pre-funded warrant) and one 15-month purchase warrant to purchase one common share at an exercise price of $3.43 per share. In addition to the securities sold in the underwritten offering, our former Chief Executive Officer, Ernest Loumaye purchased 516,352 units at an effective price per unit of $2.905, with each unit comprised of one common share and one 15-month purchase warrant to purchase one common share at an exercise price of $3.43 per share, in a concurrent private placement. The net proceeds from the offering and concurrent private placement were approximately $18.4 million, after deducting underwriting discounts, commissions and other offering expenses.

During the nine-month period ended September 30, 2021, we sold a total of 13,949,613 treasury shares at an average price of $3.51 per share, as part of our prior and current ATM programs, and received net cash proceeds of $47.5 million after deducting $1.5 million of directly-related issuance costs. We also received proceeds of $22.1 million from the exercise of 6,448,240 warrants included in the

units sold in the Company's underwritten public offering in September 2020. Per their terms, these warrants were exercised at a price of $3.43 per share.

In August 2019, we entered into the Credit Facility Agreement with Oxford for a term loan of up to $75.0 million, subject to funding in three tranches. We received gross proceeds of $25.0 million from the first tranche of the credit facility upon entering into the agreement and applied the funds in part toward the conduct of our various clinical trials programs. The Oxford credit facility was fully retired in October 2021 upon the initial closing of the new convertible note financing agreement referenced below.

In October 2021, we entered into a convertible note financing agreement with certain funds and accounts managed by JGB Management, Inc. which is structured to provide up to $135 million in borrowing capacity, available in nine tranches. The first tranche, for a funded amount of $30 million, was received at the initial closing and primarily used to retire the existing debt facility with Oxford. We will receive gross proceeds of $9.525 million from the second tranche, $16.725 million from the third tranche and $13.125 million from each remaining tranche thereafter. The last four tranches may be drawn at our option. The availability of each tranche will be subject to our meeting certain conditions. The second tranche will be funded 135 days following the initial closing and each subsequent tranche will be funded 90 days after the preceding tranche. All principal and interest under the notes is convertible into our common shares at an initial conversion price of $3.20 per share. The conversion price is subject to adjustment under certain circumstances in accordance with the terms of the notes. The notes will bear interest at a rate of 9.5% per year, and will be issued with an original issue discount of 4.75%. Each tranche of notes will mature three years from the date of issuance, unless earlier converted or prepaid in accordance with their terms. In connection with each tranche, we will also issue warrants to purchase our common shares in an amount equal to 20% of the funded amount for such tranche, including a warrant to purchase 1,634,877 common shares that was issued at the initial closing. The warrants will have an exercise price of $3.67 per share and a four-year term from the date of issuance.

In July 2021, we also received gross proceeds of $25 million after entering into an agreement with Organon, pursuant to which we granted to Organon exclusive rights to develop and commercialize ebopiprant worldwide. We are also entitled to receive tiered double-digit royalties on commercial sales as well as up to $500 million in upfront and milestone payments, including the $25 million that was paid at signing, up to $90 million in development and regulatory milestones and up to $385 million sales-based milestones

Our primary uses of cash are to fund operating expenses, primarily research and development expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses. As of September 30, 2021, other than our Credit Facility Agreement with Oxford, we had no other ongoing material financing commitments, such as lines of credits or guarantees.

We expect our expenses to remain significant in connection with our ongoing activities, particularly as we continue the research and development of, continue or initiate clinical trials of, and seek marketing approval for, our product candidates. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to program sales, marketing, manufacturing and distribution to the extent that such sales, marketing and distribution are not the responsibility of potential collaborators. Furthermore, we expect to continue to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

We have incurred recurring losses since inception, including net losses of $38.3 million for the nine-month period ended September 30, 2021. As of September 30, 2021, we had accumulated losses of $448.3 million, out of which $30.6 million were offset with share premium. We expect to continue to generate operating losses in the foreseeable future, even though certain spending associated with our ongoing clinical trials has been and might be further delayed as a result of the COVID-19 pandemic. As of September 30, 2021, we had cash and cash equivalents of $62.9 million and subsequent to September 30, 2021, we received additional proceeds as part of the convertible note financing agreement (the "Note Agreement") we entered into with certain funds and accounts managed by JGB Management, Inc. The Note Agreement is structured to provide $135 million in borrowing capacity, available in nine tranches, with the first tranche being funded at the initial closing in October 2021. The subsequent tranches under the Note Agreement will be available subject to us meeting certain conditions, including, among others, that our volume-weighted average price is not below $3.00 per share for five or more trading days during the 30 days prior to a tranche funding date (the "Minimum Stock Price"). The availability of future funding under the Note Agreement is dependent on whether the Minimum Stock Price condition will be met at future tranche dates. Accordingly, these proceeds from the Note Agreement were not considered in our going concern assessment. Without such funding considered, our current cash and cash equivalents will not be sufficient to fund our operations and meet all of our obligations as they fall due for at least one year from the date of the issuance of these unaudited condensed consolidated financial statements and, as a result, there is substantial doubt regarding our ability to continue as a going concern. That said, it is our expectation to be able to draw, as scheduled, the future funding under the Note Agreement, which, if available and drawn, would allow to fund our operating expenses into mid-2023. We have based these estimates on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect. Additional details in respect to our going concern

assumptions are provided in note 2.1 to our Unaudited Condensed Consolidated Financial Statements included in this Q3 interim report. Our future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of our ongoing and future nonclinical studies and clinical trials for linzagolix and nolasiban;
- the cost and timing of ongoing and future manufacturing activities including active pharmaceutical ingredient and drug product pharmaceutical development and clinical trial supplies production for linzagolix and nolasiban;
- the timing and amount of milestone and royalty payments we are required to make under our in-license agreements;
- the timing and amount of milestone and royalty payments we are entitled to receive under our out-license/sublicense agreements;
- the extent to which we in-license or acquire other product candidates and technologies;
- the extent to which we sublicense, divest or discontinue our product candidates;
- the number and development requirements of other product candidates that we may pursue;
- the costs, timing and outcome of regulatory review of our product candidates;
- any impact of the ongoing COVID-19 pandemic on our operations and on global capital markets, which may affect our ability to access our ATM program or conduct other offerings;
- the costs and timing of future commercialization activities, including drug manufacturing, marketing, sales and distribution, for any of our product candidates for which we receive marketing approval;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- our ability to establish strategic collaborations; and
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims.

Identifying potential product candidates and conducting nonclinical studies and clinical trials is a time-consuming, expensive and uncertain process that takes many years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Our revenue, if any, will be derived from sales of products or the rights thereto. Even though we have submitted an MAA to the EMA and an NDA to the FDA for linzagolix (100mg and 200mg) for the treatment of women with uterine fibroids and our application has been validated by the EMA, we cannot assure you that linzagolix will receive regulatory approval or, if linzagolix was to receive regulatory approval, that the commercialization of linzagolix would be successful. We may be unable to commercialize our product candidates and derive revenue from sales of products, on a timely basis or at all.

Until such time that we can generate substantial product revenue, if ever, we may finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, shareholder ownership interest may be diluted, and the terms of any additional securities may include liquidation or other preferences that adversely affect the rights of shareholders. Debt financing, such as our convertible note financing agreement and others, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or to grant licenses on terms that may not be favorable to us.

If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts, or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

The following table shows a summary of our cash flows for the nine-month periods ended September 30, 2021 and September 30, 2020:

	Nine-month period ended September 30,	
	2021	2020
	(in thousands) (unaudited)	
Cash and cash equivalents at beginning of period	$ 31,183	$ 69,370
Net cash used in operating activities	(57,547)	(48,705)
Net cash from investing activities	22,186	—
Net cash from financing activities	67,250	29,792
Effect of exchange rates	(188)	140
Cash and cash equivalents at end of period	$ 62,884	$ 50,597

Operating Activities

Net cash used in operating activities consists of net loss before tax adjusted for changes in net working capital, or current assets less current liabilities, and for non-cash items such as depreciation and amortization and the value of share-based compensation.

During the nine-month period ended September 30, 2021, cash used in operating activities was $57.5 million, primarily as the result of our net loss before tax of $38.3 million, as adjusted for non-cash items and changes in net working capital. Non-cash items amounted to $14.4 million and mainly consisted of other non-operating gain, partially offset by share-based payments. Changes in net working capital included primarily a $3.8 million decrease in other payables and current liabilities as well as a $2.9 million increase in other receivables both due to the invoicing schedules of our main vendors and the progress made on our clinical trials.

During the nine-month period ended September 30, 2020, cash used in operating activities was $48.7 million, primarily as the result of our net loss before tax of $64.4 million, as adjusted for non-cash items and changes in the net working capital. Non-cash items amounted to $8.9 million and mainly consisted of share-based payments. Changes in the net working capital included primarily a $5.9 million increase in other payables and current liabilities as well as a $1.5 million increase in accrued expenses both due to the invoicing schedules of our main vendors and the progress made on our trials.

Investing Activities

During the nine-month period ended September 30, 2021, net cash from financing activities consisted primarily of the proceeds from our agreement with Organon to develop and commercialize ebopiprant, that resulted in the derecognition of the related intangible asset.

Financing Activities

During the nine-month periods ended September 30, 2021 and September 30, 2020, net cash from financing activities consisted primarily of the proceeds from the sales of treasury shares under our prior and current ATM programs, respectively, as well as, in 2021, from the exercise of warrants, which were partially offset by the principal elements of lease payments as well as interest expense associated with our credit facility and leases.

Main Contractual Obligations and Commitments

Under our license agreements with Kissei and Merck Serono, we may be required to pay royalties in the future. In addition, pursuant to the Kissei license and supply agreement, we have agreed to make aggregate milestone payments of up to $63.0 million upon the achievement of specified developmental milestones, such as the initiation of clinical trials and receipt of regulatory approvals, out of which $10.0 million were already paid as of September 30, 2021. With respect to any product we commercialize under the Kissei license and supply agreement, we have agreed to make additional aggregate milestone payments of up to $125.0 million to Kissei upon the achievement of specified commercial milestones.

We enter into contracts in the normal course of business with CROs for clinical trials, nonclinical studies, manufacturing and other services and products for operating purposes. These contracts generally provide for termination upon notice, and we believe that our non-cancelable obligations under these agreements are not material.

Off-Balance Sheet Arrangements

As of the date of this discussion and analysis, and during the periods presented, we did not have any off-balance sheet arrangements.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated interim financial statements, which we have prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB).

With the exception of the recent accounting pronouncements described below, the accounting policies used in the preparation and presentation of these consolidated interim financial statements are consistent with those used in the consolidated financial statements for the year ended December 31, 2020, which should be read in conjunction with these consolidated interim financial statements and management's discussion and analysis as they provide an update of previously reported information.

The preparation of our consolidated interim financial statements requires us to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the interim financial statements. We base our estimates and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates.

Recent Accounting Pronouncements

The adoption of International Financial Reporting Standards (IFRS) as issued by the IASB and interpretations issued by the IFRS interpretations committee that are effective for the first time for the financial year beginning on or after January 1, 2021 had no material impact on our financial position.

Cautionary Statement Regarding Forward-Looking Statements

Forward-looking statements appear in a number of places in this discussion and analysis and include, but are not limited to, statements regarding our intent, belief or current expectations. Many of the forward-looking statements contained in this discussion and analysis can be identified by the use of forward-looking words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "ongoing", "objective", "plan", "potential", "predict", "should", "will" and "would", or the negative of these and similar expressions. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to:

- the success, cost, timing and potential indications of our product candidates' development activities and clinical trials, including our ongoing and future trials of linzagolix and nolasiban;
- our or our partners' ability to obtain and maintain regulatory approval of our product candidates, including linzagolix and nolasiban, in any of the indications for which we or our partners plan to develop them, and any related restrictions, limitations or warnings in the label of an approved product;
- the results of ongoing or future clinical trials, including of linzagolix and nolasiban;
- our ability to obtain funding for our operations, including funding necessary to complete the clinical trials of any of our product candidates, and the terms on which we are able to raise that additional capital;
- the availability of funds under our convertible note financing agreement or any future financing arrangement;
- our plans to research, develop and commercialize our product candidates;
- the timing of our regulatory filings for our product candidates;
- the clinical utility of our product candidates;
- the size and growth potential of the markets for our product candidates;
- our commercialization, marketing and manufacturing capabilities and strategy;
- our expectations regarding our ability to obtain and maintain intellectual property protection for our product candidates and our ability to operate our business without infringing on the intellectual property rights of others;
- the timing and amount of milestone and royalty payments we are required to make under our in-license agreements;
- the timing and amount of milestone and royalty payments we are entitled to receive under our out-license/sublicense agreements;
- our ability to attract and retain qualified employees and key personnel;
- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- the activities of our competitors and the success of competing therapies that are or become available;
- our plans to in-license or acquire additional product candidates;
- how long we will qualify as an emerging growth company or a foreign private issuer;
- our estimates regarding future revenue, expenses and needs for additional financing;
- our ability to build our commercialization organization;
- the duration, severity and impact on our operations and clinical trials of the COVID-19 pandemic;
- regulatory developments in the United States and foreign countries; and
- other risks and uncertainties, including those listed in the 2020 Annual Report filed with the SIX Swiss Exchange.

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

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