PRESS RELEASE

MolMed approves results at June 30th 2018, significantly improved compared to first half 2017:

- ***+36.9% Revenues from Sales, equal to Euro 12.2 million***
- ***Operating Result and Net Result further improved, respectively by 56.1% and 52.7%***
- ***Positive Net Financial Position of Euro 18.1 million (Euro 18.1 million as of December 31st 2017)***

In view of the difficulties in the initial stages of marketing of Zalmoxis®, MolMed is evaluating the most appropriate actions to undertake, also in relation to the existing license agreement.

Milan, July 30th 2018 – The Board of Directors of MolMed S.p.A. (MLMD.MI), medical biotechnology company focusing on research, development, manufacturing, and clinical validation of Cell & Gene therapies to treat cancer and rare diseases, met today under the chairmanship of Professor Claudio Bordignon, reviewed and approved the interim financial results at June 30th, 2018.

Riccardo Palmisano, MolMed's CEO, commented the first half 2018 business evolution as follows: *"In the first half of the year, MolMed confirmed improved results, with Revenues from sales up 36.9%, with Operating result and Net result up by 56.1% and 52.7% respectively, thanks in particular to GMP production for third parties. In the second quarter GMP services were further bolstered, both in the production of viral vectors, with the five-year agreement signed with the Boston Children's Hospital, and in the production of engineered cells, due to the extension of the agreement signed with Orchard Therapeutics for the development of therapies for rare diseases to include several products of their proprietary pipeline, besides to those included in the agreement with GSK and Tiget/Telethon. Further to these agreements closed in the first half of the year, a new relevant three-year contract with GSK followed in July, for the production of lentiviral vectors to be used in the oncology field. During the first half of the year, MolMed also continued its activities aimed at expanding the CAR proprietary pipeline with the introduction of new technological platforms and new therapeutic targets. In addition to the advancement of CAR CD44v6 project, close to the authorization request for the first in-man trial, two key agreements were concluded in order to expand the Company's CAR platform with new autologous and allogenic products: with Glycostem, so as to enter the field of allogeneic therapies with CAR NK, and with AbCheck, for the selection and development of new CARs, targeting both liquid and solid*

tumours".

Key financial results for the six months ended June, 30th 2018

(amounts in Euro thousand)	1st half 2018	1st half 2017	Variation	
	(a)	(b)	(a-b)	%
Operating Revenues	12,712	9,819	2,893	29.5%
Revenues	*12,234*	*8,935*	*3,299*	*36.9%*
Other revenue	*478*	*884*	*(406)*	*(45.9%)*
Operating costs	(15,563)	(16,320)	757	(4.6%)
Operating result	(2,851)	(6,501)	3,650	(56.1%)
Net financial income & charges	(234)	(21)	(213)	1,014.3%
Result for the period	(3,085)	(6,522)	3,437	(52.7%)

Operating Revenues in the first half 2018 are equal to Euro 12,712 thousand, increased by 29.5% compared to first half 2017 (Euro 9,819 thousand), thanks to Revenues from sales, equal to Euro 12,234 thousand (Euro 8,935 thousand in the first half 2017), up 36.9%, benefitting from:

- Revenues from development and manufacturing activities for third parties equal to Euro 10,010 thousand, increased by 26.1% compared to the previous year;
- Revenues of Euro 2,224 thousand, deriving from Zalmoxis® supply and distribution agreement with Dompé and from the sale of the product under AIFA funding scheme.

Contrary to expectations, sales have not yet started in Italy or in Germany following the difficulties faced in the initial phases of the commercialization of the product. This circumstance is currently subject to careful examination by MolMed in order to evaluate the appropriate actions to be taken, also in relation to certain divergences which have arisen in connection to the fulfilment of the marketing contract stipulated with Dompé, whose results to date are unpredictable.

This significant increase in Revenues from sales is partially offset by the reduced weight of the Other Revenue amount, totalling Euro 478 thousand (Euro 884 thousand in the first half 2017), due to a decrease in R&D public grants.

Operating Costs totalling Euro 15,563 thousand, decreased by 4.6% compared to the first six months of 2017 (Euro 16,320 thousand), mainly thanks to lower Service costs, and specifically to the reduction of:

- Business Development costs, lower by 86.8% compared to Euro 768 thousand in the same period of the previous year, mainly referred to consulting expenses for Zalmoxis® price & reimbursement dossier completed in 2017;
- Personnel costs, equal to Euro 6,216 thousand, decreased by 7.4% compared to Euro 6,714 thousand in the first half 2017, mainly due to the cancellation of the General Manager and of the Strategical Affairs Director positions;
- these decreases are partially offset by an increase of Purchases of raw materials and consumables costs, equal to Euro 2,852 thousand (Euro 2,424 thousand in the first half 2017), due to the progression of research and development activities on one of our products in the pipeline.

As a consequence of this trend, the Operating Result of the first half 2018, is negative for Euro 2,851 thousand, improved by 56.1% compared to the same period of the previous year (negative for Euro 6,501 thousand), confirming the trend recorded in first quarter 2018.

Net Financial Income and Charges are negative for Euro 234 thousand, including higher charges of Euro 213 thousand compared to the previous year, due to fees paid in relation to the utilization of the last *tranche* of the Standby Equity Facility (SEF).

As a consequence of the above mentioned changes, **Net Result** of the first half 2018 is negative for Euro 3,085 thousand, improved by 52.7% compared to the first half 2017 (loss of Euro 6,522 thousand).

During the first half 2018, **investments** amounted to Euro 483 thousand, for the set-up of new premises for the production and the purchase and renewal of manufacturing process equipment, as well as the renewal and optimization of the existing GMP system.

Net Financial Position as of June 30th 2018 is positive for Euro 18,098 thousand and consists solely of cash and cash equivalents and current financial receivables represented by corporate bond "available for sale", with no financial debt.

Key events occurred in the first half 2018

January, 15th: Zalmoxis® price & reimbursement dossier filed in Germany, making Zalmoxis® prescribable and reimbursable as of January 15th in one of the largest European market.

February, 8th: Dompé exercises the option right to undertake the market access and commercialization activities for Zalmoxis® in Switzerland, Turkey and Australia.

February, 15th: AIFA Determina on reimbursement regime and market price for the proprietary cell therapy Zalmoxis® published on the Official Gazette. The Determina will be effective from the fifteenth day subsequent to its publication on the Official Gazette.

April, 12th: MolMed and Orchard Therapeutics announce the beginning of their collaboration in the field of gene therapy for rare diseases.

May, 4th: signed a five-year Master Service Agreement and a related first Project Agreement with Boston Children's Hospital, for the supply of lentiviral vectors to be used for clinical application in rare diseases.

May, 17th: full results of NGR-hTNF trial in mesothelioma published by the leading research journal The Lancet Oncology.

May, 24th and 25th: 5th and last tranche of the share capital increase reserved to Société Générale ("SEF") requested and completed.

May, 30th: further data on the safety profile of MolMed's proprietary product CAR-T CD44v6 resulted from a study conducted by San Raffaele Hospital, published by the prestigious journal Nature Medicine.

May, 31st: announced the execution of a binding term sheet with Glycostem for the development and manufacturing of allogeneic CAR-NK therapies.

June, 4th: new and relevant data on the therapeutic potential of NGR-hTNF in brain lymphomas presented at the American Society of Clinical Oncology di Chicago (ASCO): an independent study showed multiple complete or partial regression of lymphoma in patients treated with NGR-hTNF in combination with standard chemotherapy.

June, 22nd: extended the collaboration in the field of gene therapy for rare diseases with Orchard Therapeutics.

June, 28th: signed a three-year Master Agreement for the development of new CARs targeting novel tumor antigens with AbCheck.

Furthermore, in the first half of 2018, following a number of submissions of authorization packages relating to the GMP Manufacturing area, which occurred between the end of 2017 and the beginning of 2018, authorization was granted by the competent authorities for Stream 1 (approximately 600 square meters) of the GMP Manufacturing area at new Bresso Facility for the production of viral vectors and genetically modified cells related to therapies for clinical research purposes.

Key events occurred after the period

July, 13rd: signed a new, three-year agreement for the development and supply of lentiviral vectors for the oncology field.

On July 27th, the Company also received notification of the adoption of European Commission decision on the Renewal of the Conditional Marketing Authorization of Zalmoxis®. On the same date the Company was also informed by EMA of the positive opinion for MolMed procedure to request the addition of Bresso facility as a production and batch control and release site for Zalmoxis®.

Business Outlook

With regard to the delay in the initial phase of marketing of Zalmoxis® and to certain divergences which have arisen on the fulfilment of the marketing contract stipulated with Dompé, previously highlighted, the Company will carefully consider appropriate actions to be taken in order to protect the value of the product.

With regards to CAR CD44v6 project, based on the preliminary activities completed in the period, the Company is confident to submit the authorisation request for the first in man trial on schedule.

During the ensuing months, the Company will continue the advancement of the activities already started in the second quarter of the year by way of agreements with Glycostem and AbCheck s.r.o., aimed at expanding the proprietary CAR pipeline, with the development of new therapeutic targets and the introduction of new technological platforms, also thanks to the enlargement of the internal preclinical research l capacity.

As regards NGR-hTNF, the Company will continue with interactions aimed at finding a potential partner.

Lastly, in the second half of the year the facility in Bresso will be become operational in line with the evolution of the portfolio of existing and future collaborations. Also in consideration of the new available areas, business development activities aimed at further enlarging the ongoing collaborations and signing new alliances in the development and manufacturing of cell & gene therapies for third parties, will be increased.

About MolMed

MolMed S.p.A. is a biotechnology company focused on research, development, manufacturing and clinical validation of innovative anticancer therapies. MolMed's product portfolio includes proprietary anti-tumor therapies in clinical and preclinical development: Zalmoxis® (TK) is a cell therapy based on donor T cells genetically engineered to enable bone marrow transplants from partially compatible donors for patients with high-risk hematological malignancies, eliminating post-transplant immunosuppression prophylaxis and inducing a rapid immune reconstitution. Zalmoxis® received Orphan Drug Designation and is currently in

Phase III in a high-risk population of acute leukemia patients, but has already obtained a Conditional Marketing Authorization by the European Commission in the second half of 2016 as well as reimbursement conditions in Italy at the end of 2017 and in Germany at the beginning of 2018. Still focusing on this cell & gene technology, the company is developing a therapy based on Chimeric Antigen Receptor (CAR), specifically the CAR-T CD44v6, an immune gene therapy project, currently in advanced preclinical development, potentially effective for hematological malignancies and several solid epithelial tumors. MolMed is also the first company in Europe to have obtained the GMP manufacturing authorization for cell & gene therapies for its proprietary products (Zalmoxis®) as well as for third parties and/or in partnership (Strimvelis, a GSK gene therapy for the ADA-SCID). With reference to GMP development and manufacturing activities for third parties, MolMed signed numerous partnership agreements with leading European and US companies. In the framework of innovative anticancer therapies, MolMed's pipeline also includes NGR-hTNF, a therapeutic agent for solid tumors investigated in a broad clinical program, involving more than 1,000 treated patients. MolMed, founded in 1996 as an academic spin-off of the San Raffaele Scientific Institute, is listed on the main market (MTA) of the Milan stock exchange managed by Borsa Italiana since March 2008. MolMed is headquartered and based in Milan, at the San Raffaele Biotechnology Department (DIBIT) and has an operating unit at OpenZone in Bresso.

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Attachments

- Half year Income Statement ended June 30th 2018
- Balance Sheet as of June 30th 2018
- Half year 2018 Cash Flow Statement
- Net Financial Position as of June 30th 2018
- Statement of changes in Equity as of June 30th 2018

Half year Income Statement ended June 30th 2018

(amounts in Euro thousand)	1st half 2018	1st half 2017
Revenues	12,234	8,935
Other revenue	478	884
Total operating revenues	**12,712**	**9,819**
Purchases of raw materials and consumables	(2,852)	(2,424)
Costs for services	(4,964)	(5,729)
Costs for use of third-party assets	(761)	(729)
Personnel costs	(6,216)	(6,714)
Other operating costs	(31)	(79)
Amortization and depreciation	(739)	(645)
Total operating costs	**(15,563)**	**(16,320)**
Operating result	**(2,851)**	**(6,501)**
Financial income	26	37
Financial charges	(260)	(58)
Net financial income (charges)	**(234)**	**(21)**
Pre-tax result	**(3,085)**	**(6,522)**
Income taxes	-	-
Profit (loss) for the period	**(3,085)**	**(6,522)**

Balance Sheet as of June 30th 2018

(amounts in Euro thousand)	June 30th, 2018	December 31st, 2017
ASSETS		
Tangible assets	11,440	11,860
Goodwill	77	77
Intangible assets	545	589
Financial assets	210	210
Tax receivables	0	2,182
Other assets	750	1,000
TOTAL NON-CURRENT ASSETS	**13,022**	**15,918**
Inventories	1,712	1,754
Trade receivables and other commercial assets	4,979	4,896
Tax receivables	1,121	1,079
Other receivables and sundry assets	1,941	1,326
Other financial assets	982	5,006
Cash and cash equivalents	17,116	13,105
TOTAL CURRENT ASSETS	**27,851**	**27,166**
TOTAL ASSETS	**40,873**	**43,084**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Capital	21,819	21,514
Share premium reserve	61,779	58,976
Other reserves	460	606
Retained earnings (accumulated losses)	(56,241)	(47,966)
Profit (loss) for the period/year	(3,085)	(8,497)
TOTAL SHAREHOLDERS' EQUITY	**24,732**	**24,633**
Liabilities for pensions and employee severance indemnity (TFR)	147	147
Trade payables	600	1,000
Other liabilities	3,444	3,611
TOTAL NON-CURRENT LIABILITIES	**4,191**	**4,758**
Trade payables	8,710	9,766
Other liabilities	3,240	3,927
TOTAL CURRENT LIABILITIES	**11,950**	**13,693**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**40,873**	**43,084**

Half year 2018 Cash Flow Statement

(amounts in Euro thousand)		1st half 2018	1st half 2017
Cash and cash equivalents		13,105	19,701
Opening cash and cash equivalents	**A**	**13,105**	**19,701**
Cash flow from operating activities:			
Profit (loss) for the period		(3,085)	(6,522)
Amortization/Depreciation of intangible/tangible assets		739	645
Change in liabilities for pensions and employee severance indemnity		-	(1)
Non-cash costs for stock options		76	68
Reversal of financial income and charges		234	21
Cash flow from operating activities before changes in working capital		**(2,036)**	**(5,789)**
Changes in current assets and liabilities:			
(Increase) decrease in inventories		42	(453)
(Increase) decrease in trade and other receivables		(740)	1,577
Increase (decrease) in trade and other payables		(1,056)	619
Increase (decrease) in other liabilities		(520)	(2,297)
Total changes in current assets and liabilities		**(2,274)**	**(554)**
(Increase) decrease in non-current tax receivables and other non current asset		2,432	-
Increase (decrease) in non current trade liabilities		(400)	(400)
Increase (decrease) in other liabilities and TFR paid		(167)	(167)
Interest paid		(199)	(2)
Total cash flow generated (absorbed) by operating activities	**B**	**(2,644)**	**(6,912)**
Cash flow from investing activities:			
Net (investment) divestment in tangible assets		(453)	(567)
Net (investment) divestment in intangible assets		(30)	(13)
Net (investment) in other financial assets		4,024	(5,006)
Interest received		6	1
Total cash flow generated (absorbed) by investing activities	**C**	**3,547**	**(5,335)**
Cash flow from financing activities:			
Increases in capital and share premium reserve		3,108	-
Total cash flow generated (absorbed) by financing activities	**D**	**3,108**	-
Cash flow generated (absorbed) during the period	**E=B+C+D**	**4,011**	**(12,247)**
Closing cash and cash equivalents	**A+E**	**17,116**	**7,454**

Net Financial Position as of June 30th 2018

(amounts Euro thousand)	June 30th, 2018	December 31st, 2017
Cash on hand	13	12
Other cash	17,103	13,093
Cash equivalents	-	-
A. Total cash and cash equivalents	**17,116**	**13,105**
B. Current financial receivables and other financial assets	**982**	**5,006**
Finance lease payables	-	-
Current financial Debts	-	-
C. Current financial debt	-	-
D. Net current financial position (A+B+C)	**18,098**	**18,111**
Finance lease payables	-	-
Non current financial Debts	-	-
E. Non-current financial debt	-	-
F. Net financial position (D+E)	**18,098**	**18,111**

Statement of changes in Equity as of June 30th 2018

(amounts in Euro thousand)	Capital	Share premium reserve	Other reserves	Stock option plan reserve	Actuarial valuation reserve	Retained earnings (accumulated losses)	Profit (loss) for the period	Total shareholders' equity
Balance at Jaunary 1st 2017	**20,313**	**49,347**	**223**	**251**	**(13)**	**(34,096)**	**(13,876)**	**22,149**
Allocation of prior year result						(13,876)	13,876	
Personnel costs for stock options 2016-2021				83				83
Other variations - stock options, Plan 2016-2021				(3)				(3)
Profit (loss) for the period					1		(6,522)	(6,521)
Balance at June, 30th 2017	**20,313**	**49,347**	**223**	**331**	**(12)**	**(47,972)**	**(6,522)**	**15,708**

(amounts in Euro thousand)	Capital	Share premium reserve	Other reserves	Stock option plan reserve	Actuarial valuation reserve	Retained earnings (accumulated losses)	Profit (loss) for the period	Total shareholders' equity
Balance at Jaunary 1st 2018	**21,514**	**58,976**	**223**	**396**	**(13)**	**(47,966)**	**(8,497)**	**24,633**
Allocation of prior year result						(8,497)	8,497	
Personnel costs for stock options 2016-2021				76				76
Decadence of stock options 2008 A				(222)		222		
Capital increase dedicated to SG	305	2,803						3,108
Profit (loss) for the period							(3,085)	(3,085)
Balance at June, 30th 2018	**21,819**	**61,779**	**223**	**250**	**(13)**	**(56,241)**	**(3,085)**	**24,732**