MolMed: Board of Directors approves first quarter 2019 financial results.

- *Revenue from services to third parties amounts to Euro 7.9 million, with an increase of 42.6% when compared to Euro 5.5 million of Q1/2018;*
- *Net Result equal to a loss of Euro 0.67 million, reduced by 46.2% when compared to a loss of Euro 1.25 million of Q1/2018;*
- *Cash as of March 31st 2019 amounts to Euro 15.11 million, compared to Euro 16.47 million as of December 31st 2018.*

Milano (Italia), May 13th 2019 – The Board of Directors of MolMed S.p.A. (MLMD.MI) (the "Company"), a biotechnology company focused on research, development, production and clinical validation of gene and cell therapies for the treatment of cancer and rare diseases, met today under the chairmanship of Mr. Carlo Incerti, reviewed and approved the interim financial results as of March 31st, 2019, reported on a voluntary basis[1].

Riccardo Palmisano, MolMed's CEO, commented on results and business trend of Q1 2019: "*An excellent start of the year that confirms the continuous organic growth observed during 2018 and the leadership role of MolMed in the cell & gene field, also thanks to the ability to satisfy a more and more complex demand for services, and compete in the global market. We are very satisfied with the results obtained in the first quarter, with an increase in turnover of 42.6% and a reduction in net loss of 46.2% when compared to the first quarter of 2018, also with the continuous investments to support medium and long-term growth. In light of these results and of an international market that is strongly rewarding the cell & gene sector, we look with great optimism to the next months of 2019.*

During the first quarter, we achieved important results both in the third parties manufacturing business - renewing and extending the agreements with Rocket Pharmaceuticals Ltd. (Nasdaq: RCKT) and Genenta Science - and in the R&D of proprietary products, with the publication in Germany of the negotiated reimbursement price for Zalmoxis® and with the authorization to commence the phase I/II clinical study on the CAR-T CD44v6. In a global scenario where the CDMO activities occupy an increasing important role also in light of the growing demand for services and market consolidation, we recorded a first quarter financial results in line with our expectations for 2019. Our goals for 2019 remain double-digit growth on sales from development and manufacturing services to third parties, the identification of a new commercial partner for Zalmoxis®, the beginning of the phase I / II clinical study on haematological tumors (AML and MM) for the CAR-T CD44v6 and the development of the new CAR pipeline, with the publication of the first pre-clinical data by the end of the year".

[1] MolMed S.p.A. following the continuity with the practice adopted up to now and with the aim of ensuring continuity in the information to the market, communicates, on a voluntary basis, the additional periodic financial information referred to in Article 82-ter of Consob Regulation 11971/99. Please note that the Legislative Decree 25/2016, implementing the Directive 2013/50 / EU, eliminated the obligation to publish the interim management report, previously envisaged by paragraph 5 of art. 154-ter of Legislative Decree 58/1998.

Key financial results for the three months ended March 31st 2019

(amounts in Euro thousand)	1st quarter 2019 (a)	1st quarter 2018 (b)	Variation (a-b)	Variation %
Operating Revenues	7.918	5.809	2.109	36,3%
Revenues from sales	*7.891*	*5.534*	2.357	42,6%
Other revenue	*27*	*275*	(248)	(90,2%)
Operating costs	(8.569)	(7.063)	(1.506)	21,3%
Operating result	(651)	(1.254)	603	(48,1%)
Net financial income & charges	(21)	6	(27)	(450,0%)
Result for the period	(672)	(1.248)	576	(46,2%)

Operating revenues in the first quarter 2019 amount to Euro 7,918 thousand and present an increase of Euro 2,109 thousand (+36.3%) when compared to the first quarter of 2018. In particular, **Revenue from services to third parties**, equal to Euro 7,891 thousand (Euro 5,534 thousand in the first quarter 2018), present an increase of Euro 2,357 thousand or +42.6%. Increase in Revenue from services to third parties is mainly due to the enlargement of our client portfolio. Following the resolution of the license and distribution agreement with Dompé Farmaceutici S.p.A. for Zalmoxis®, in Q1 2019 there were no revenues from the proprietary product (Euro 1,149 thousand in Q1 2018).

Operating costs are equal to Euro 8,569 thousand, present an increase of Euro 1,506 thousand or +21.3% when compared to the first quarter of 2018 (Euro 7,063 thousand), mainly due to:

- an increase of purchases of raw material costs for Euro 681 thousand or +62.4%, from Euro 1,092 thousand, as of March 31st 2018, to Euro 1,773 thousand as of March 31st 2019, following an increase of services and manufacturing activities to third parties;
- an increase of service costs by Euro 731 thousand (+36.8%), due to the combined effect of higher external development costs related to the proprietary pipeline for Euro 384 thousand, higher license and patent fees for Euro 113 thousand and increased maintenance costs for Euro 60 thousand.

Operating result presents a loss of Euro 651 thousand, reduced by Euro 603 thousand or -48.1%, when compared to the loss of the same period of the previous year (Euro 1,254 thousands).

Net Financial Income and Expenses is negative by Euro 21 thousand, worsened of Euro 27 thousand when compared to the same period of the previous year, following the application, commencing on January 1st 2019, of the IFRS16 accounting standard on lease expense recognition.

Net Result shows a loss of Euro 672 thousand, significantly reduced (46.2%) compared to the first quarter of 2018 (Euro 1,248 thousand).

Investments in tangible and intangible assets are equal to Euro 454 thousand, and are mainly related to the continuous enlargement of the new Bresso facility (Milan) and, secondly, to the ordinary renewal of the laboratory equipment and purchase of new equipment to be used in the industrial process, as well as to revamping and optimization of the existing GMP facility.

Net Financial Position as of March 31st 2019 is equal to Euro 5,686 thousand and includes cash and cash equivalent, current financial receivables from corporate bonds and the financial liability recognized with the application of the IFRS16 accounting standard, which came into effect on January 1st 2019 and provides for the accounting in the Financial Position of the lease payables installments still to be paid. The application of the application accounting standard, determines a decrease of Net Financial Position equal to Euro 9,422 thousand. Without the application of IFRS16 the net financial position would have been Euro 15,108 thousand, compared to Euro 16.466 thousand as of December 31st 2018.

Business Outlook

During 2019, with reference to the proprietary product Zalmoxis®, the Company foresees to obtain from EMA the confirmation of the Conditional Marketing Authorization (CMA), for which the interactions have already started, and to proceed with the enrollment of patients for pivotal randomized Phase III trial (TK008) for the treatment of high risk leukemia, remaining particularly active into the search and identification of a new partner with the aim to restart the commercial development of Zalmoxis® in the shortest possible time.

With reference to the CAR-T CD44v6 project, following the authorization to the clinical trial received by AIFA at the end of March, the Company plans to start clinical trials on humans with the commencement, subject to the set-up of the involved clinical centers, of the first clinical study of Phase I / II in hematological tumors (AML and MM).

The business plan on research also foresees to continue the activities for the development of the products portfolio of the CAR pipeline, started in 2018 with the agreements with Glycostem and AbCheck, in the onco-hematology field. In this area the Company continues the investigations with the new CARs on different therapeutic targets, also with the introduction of innovative technological platforms, in particular with the development of CAR NK (Natural Killer), allogeneic CARs developed from healthy donors lymphocytes.

***

The Official Manager responsible for preparing the Company's financial reports, Salvatore Calabrese, herewith attests, pursuant to Article 154-bis, paragraph 2 of the Legislative Decree 58/1998 ("Testo Unico della Finanza"), that the accounting disclosure contained in this press release matches documentary evidence, corporate books, and accounting records.

***

This press release is available on the company's website http://www.molmed.com.

About MolMed

MolMed S.p.A. is a clinical stage biotech company focused on research, development, manufacturing and clinical validation of innovative therapies. MolMed's product portfolio includes proprietary anti-tumor therapies in both 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®, that 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 and in Germany at the beginning of 2018. Still focusing on this cell & gene technology, the Company is developing a new therapeutic platform based on Chimeric Antigen Receptor (CAR), both autologous and allogeneic; the most advanced product, CAR-T CD44v6, which in March 2019 received the authorization to start human clinical trials in onco-hematologic indications (AML and MM), following an extensive pre-clinical phase; the product is potentially effective also in several epithelial solid tumors. With regards to allogeneic CARs, MolMed is developing a pipeline based on NK (Natural Killer) cells, following a research agreement signed in 2018 with Glycostem. 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, an Orchard 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 field of innovative oncological therapies MolMed pipeline also includes NGR-hTFN, a therapeutic agent for the treatment of solid tumors. 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.

For further information:

Ilaria Candotti
Investor Relations & Communication Manager
MolMed S.p.A.
+39 02 21277.205
investor.relations@molmed.com

Tommasina Cazzato
Press Office
Community Group
+39 345 7357751
tommasina.cazzato@communitygroup.it

Appendices

- Income Statement for the quarter ended March 31st 2019
- Net Financial Position as of March 31st 2019

Income Statement for the quarter ended March 31st 2019

(amounts in Euro thousand)	1st quarter 2019	1st quarter 2018
Revenues from sales	7,891	5,534
Other income	27	275
Total operating revenues	**7,918**	**5,809**
Purchases of raw materials and consumables	(1,773)	(1,092)
Costs for services	(2,718)	(1,987)
Costs for use of third-party assets	(11)	(376)
Personnel costs	(3,312)	(3,188)
Other operating costs	(35)	(51)
Amortization, depreciation and write-downs	(720)	(369)
Total operating costs	**(8,569)**	**(7,063)**
Operating result	**(651)**	**(1,254)**
Financial income	25	19
Financial charges	(46)	(13)
Net financial income (charges)	**(21)**	**6**
Pre-tax result	**(672)**	**(1,248)**
Income taxes	-	-
Profit (loss) for the period	**(672)**	**(1,248)**

Net Financial Position as of March 31st 2019

(amounts in Euro thousand)	March 31, 2019	December 31, 2018
Cash on hand	8	8
Other cash	14,123	15,499
Cash equivalents	-	
A. Total cash and cash equivalents	**14,131**	**15,507**
B. Current financial receivables and other financial assets	**977**	**959**
Finance lease payables - IFRS 16	(1,224)	-
Current financial debt	-	-
C.Current financial debt	**(1,224)**	**-**
D. Net current financial position (A+B+C)	**13,884**	**16,466**
Finance lease payables - IFRS 16	(8,198)	-
Non current financial debt	-	-
E. Non-current financial debt	**(8,198)**	**-**
F. Net financial position (D+E)	**5,686**	**16,466**
IFRS 16 application - current	1,224	-
IFRS 16 application - non current	8,198	-
Net current financial position (F+G+H) ex IFRS 16	**15,108**	**16,466**