

MolMed: Board of Directors approved interim results for the six months ended 30 June 2019. Revenue from sales, Operating Result and Net Result significantly increased compared to IH18:

- *Operating Revenue and Revenue from Sales respectively of Euro 16.4 million and Euro 16.3 million, grew by 28.8% and 63.0%;*
- *Operating Result and Net Result reported a loss of Euro 1.9 million, respectively reduced by 33.5% and 37.7% compared to IH18.*

Milan (Italy), July 29th 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 the six months ended 30 June 2019.

Riccardo Palmisano, MolMed’s CEO, commented on results and business trend of IH19: *“We are very satisfied with the results obtained in IH19, which showed an improvement derived from the expansion of MolMed’s customer portfolio, including the entry of GSK with its own oncology project, and from a higher use of our facilities, with a growth in both development and cell and vector production services.*

With regards to R&D activities on proprietary products, following the authorization process, clinical study with CAR-T CD44v6 in blood tumors, acute myeloid leukemia (AML) and multiple myeloma (MM) have started, with the first eligible patient expected to be included in the trial in the upcoming months. Also the pre-clinical research and development activities for the proprietary CAR platform both autologous and allogeneic (CAR NK) on different solid and liquid tumor targets are continuing according to the defined development plans.

In relation to Zalmoxis™ - as previously disclosed - the Company has started the interactions with the Regulatory Authorities to define the next steps in the future development of the product and in the conduction of the clinical trial named TK008, as a result of the decision of the Company to suspend the enrollment of new patients that followed the preliminary results of the interim analysis on the above mentioned trial.

Thanks to the results achieved and to the growing interest that the cell & gene field is generating at a global level, we look to the following months of 2019 with confidence and optimism”.

Key financial results for the three months ended 30 June 2019

<i>(amounts in Euro thousand)</i>	1st half 2019	1st half 2018	Variation	
	(a)	(b)	(a-b)	%
Operating Revenues	16,376	12,712	3,664	28.8%
<i>Revenues for service from third parties</i>	16,313	10,010	6,303	63.0%
<i>Revenues from Zalmoxis™</i>	-	2,224	(2,224)	(100.0%)
<i>Other revenue</i>	63	478	(415)	(86.8%)
Operating costs	(18,273)	(15,563)	(2,710)	(17.4%)
Operating result	(1,897)	(2,851)	954	(33.5%)
Net financial income & charges	(25)	(234)	209	(89.3%)
Result for the period	(1,922)	(3,085)	1,163	(37.7%)

Operating revenues in IH19 amounted to Euro 16,376 thousand, with an increase of Euro 3,664 thousand, +28.8% compared to IH18.

Revenues from services from third parties were Euro 16,313 thousand, showing an increase of Euro 6,303 thousand, +63.0% compared to IH18. This result was achieved with the expansion of the customer portfolio, in particular with the entrance of the GSK oncology project, and the growth of existing customers' product portfolio.

This increase in turnover from services from third parties more than offset the lack of contribution to sales revenues that were reported in IH18 and deriving from milestones for Zalmoxis™ for Euro 2,000 thousand and from the sale of the product under the AIFA fund for Euro 224 thousand.

Operating costs were Euro 18,273 thousand, increased by Euro 2,710 thousand or by 17.4%. This change is mainly due to an increase in: (i) purchases of raw material and consumables, and in particular reagents, used in development and manufacturing activities for Euro 854 thousand, following the increase of services and manufacturing activities to third parties (ii) service costs for Euro 902 thousand, mainly due to higher external R&D activities for the proprietary pipeline and to costs for technical, clinical and regulatory consulting services and collaborations. The increase in operating costs shows also an increase of personnel costs of Euro 654 thousand as a result of a higher average number of employees, amounting at 215 units in IH19 compared to 195 units in IH18.

Operating result was a loss of Euro 1.897 thousand, improved of Euro 954 thousand or by 33.5% compared to the loss of IH18. Operating result reflects the Company's dual business model, with a different contribution from R&D activities, whose related costs are fully recognized in the period they are incurred and the return, by nature not certain, is expected in forthcoming years, and services activities for third parties, that, with their profitability, contribute in the reduction of losses and to support the sustainability of the Company's business.

Net Financial Income and Expenses is also improved, from a negative result of Euro 234 thousand as of 30 June 2018, to a negative result of Euro 25 thousand, despite the recognition of interest charge of Euro 45 thousand, as a results of the application, commencing on January 1st 2019, of IFRS16. The first half of the



previous year also included financial charges of Euro 155 thousand due to fees paid in relation to the utilization of the last tranche of the Standby Equity Facility (SEF).

Net Result, significantly improved compared to IH18 (+37.7%) showed a loss of Euro 1,922 thousand, compared to a loss of Euro 3,085 thousand in the same period of the previous year.

Investments in tangible and intangible assets were Euro 619 thousand, mainly related to the continuous enlargement of the new Bresso facility (Milan) and 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 30 June 2019 was Euro 4,391 thousand and included cash and cash equivalent, current financial receivables from corporate bonds and lease payables (current and not current) recognized with the application of the IFRS16, which came into effect on January 1st 2019.

Without the application of IFRS16 accounting standard, Net Financial Position would be Euro 13,517 thousand.

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 is the first company in Europe to have obtained the GMP manufacturing authorization for cell & gene therapies ex vivo 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.

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. 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, whose innovative spacer incorporated in the CAR protein received in May 2019 the confirmation of grant, is potentially effective also in



PRESS RELEASE

several epithelial solid tumors. MolMed is also developing a pipeline based on NK (Natural Killer) cells, following a research agreement signed in 2018 with Glycostem. 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

- Half year Income Statement ended 30 June 2019
- Balance Sheet as of 30 June 30 2019
- Half year 2019 Cash Flow Statement
- Net Financial Position as of 30 June 2019
- Statement of changes in Equity as of 30 June 2019

Half year Income Statement ended 30 June 2019

<i>(amounts in Euro thousand)</i>	1st half 2019	1st half 2018
Revenues	16,313	12,234
Other revenue	63	478
Total operating revenues	16,376	12,712
Purchases of raw materials and consumables	(3,706)	(2,852)
Costs for services	(5,866)	(4,964)
Costs for use of third-party assets	(70)	(761)
Personnel costs	(6,870)	(6,216)
Other operating costs	(84)	(31)
Amortization and depreciation	(1,677)	(739)
Total operating costs	(18,273)	(15,563)
Operating result	(1,897)	(2,851)
Financial income	51	26
Financial charges	(76)	(260)
Net financial income (charges)	(25)	(234)
Pre-tax result	(1,922)	(3,085)
Income taxes	-	-
Profit (loss) for the period	(1,922)	(3,085)

Balance Sheet as of 30 June 30 2019

(amounts in Euro thousand)

	June 30th, 2019	December 31st, 2018
ASSETS		
Tangible assets	20,441	11,701
Intangible assets	532	546
Financial assets	210	210
Tax receivables	0	1,719
Other assets	250	500
TOTAL NON-CURRENT ASSETS	21,433	14,676
Inventories	2,103	1,718
Trade receivables and other commercial assets	7,052	5,470
Tax receivables	2,892	1,742
Other receivables and sundry assets	1,020	622
Other financial assets	990	959
Cash and cash equivalents	12,527	15,507
TOTAL CURRENT ASSETS	26,584	26,018
TOTAL ASSETS	48,017	40,694
LIABILITIES AND SHAREHOLDERS' EQUITY		
Capital	21,819	21,819
Share premium reserve	61,754	61,754
Other reserves	212	212
Retained earnings (accumulated losses)	(60,190)	(56,067)
Profit (loss) for the period/year	(1,922)	(4,123)
TOTAL SHAREHOLDERS' EQUITY	21,673	23,595
Liabilities for pensions and employee severance indemnity (TFR)	143	143
Trade payables	-	200
Financial debts	7,930	
Other liabilities	3,243	3,611
TOTAL NON-CURRENT LIABILITIES	11,316	3,954
Trade payables	9,879	9,620
Financial debts	1,196	
Other liabilities	3,953	3,525
TOTAL CURRENT LIABILITIES	15,028	13,145
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	48,017	40,694

Half year 2019 Cash Flow Statement

<i>(amounts in Euro thousand)</i>		1st half 2019	1st half 2018
Cash and cash equivalents		15,507	13,105
Opening cash and cash equivalents	A	15,507	13,105
Cash flow from operating activities:			
Profit (loss) for the year		(1,922)	(3,085)
Amortization pro-quota Bresso		(167)	(167)
Amortization of Asset		1,477	739
IFRS16 Effects		(626)	-
Receivable depreciation		200	-
Non monetary costs		-	76
Reversal of non monetary financial income and charges		(34)	41
Cash flow from operating activities before changes in working capital		(1,072)	(2,396)
Changes in current assets and liabilities:			
(Increase) decrease in inventories		(385)	42
(Increase) decrease in trade and other receivables		(3,130)	(740)
Increase (decrease) in trade and other payables		259	(1,056)
Increase (decrease) in other liabilities		429	(520)
Total changes in current assets and liabilities		(2,827)	(2,274)
(Increase) decrease in non-current tax receivables		1,969	2,432
Increase (decrease) in non current trade liabilities		(200)	(400)
Increase (decrease) in other liabilities and TFR paid		(200)	-
(Increase) decrease in other financial activities		(31)	4,024
Total cash flow generated (absorbed) by operating activities	B	(2,361)	1,386
Cash flow from investing activities:			
Net (investment) divestment in tangible assets		(547)	(453)
Net (investment) divestment in intangible assets		(72)	(30)
Total cash flow generated (absorbed) by investing activities	C	(619)	(483)
Cash flow from financing activities:			
Increases in capital and share premium reserve		-	3,108
Total cash flow from financing activities	D		3,108
Cash flow generated (absorbed) during the period	E=B+C+D	(2,980)	4,011
Closing cash and cash equivalents	A+E	12,527	17,116

Net Financial Position as of 30 June 2019

<i>(amounts Euro thousand)</i>	June 30th, 2019	December 31st, 2018
Cash on hand	8	8
Other cash	12,519	15,499
Cash equivalents	-	-
A. Total cash and cash equivalents	12,527	15,507
B. Current financial receivables and other financial assets	990	959
Finance lease payables	(1,196)	-
Current financial Debts	-	-
C. Current financial debt	(1,196)	-
D. Net current financial position (A+B+C)	12,321	16,466
Finance lease payables	(7,930)	-
Non current financial Debts	-	-
E. Non-current financial debt	(7,930)	-
F. Net financial position (D+E)	4,391	16,466
G. Finance lease payables current (ex IFRS 16)	1,196	-
G. Finance lease payables non current (ex IFRS 16)	7,930	-
D. Net current financial position (F+G+H) excepted IFRS 16 effects	13,517	16,466

Statement of changes in Equity as of 30 June 2019

(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 January 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

(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 Jdecember 31, 2018	21,819	61,754	223	(11)	-	(56,067)	(4,123)	23,595
IFRS 16 first adoption								
Balance at January 1st 2019	21,819	61,754	223	(11)	-	(56,067)	(4,123)	23,595
Allocation of prior year result						(4,123)	4,123	
Profit (loss) for the period							(1,922)	(1,922)
Balance at June, 30th 2019	21,819	61,754	223	(11)	-	(60,190)	(1,922)	21,673

* MolMed has decided to apply IFRS 16 prospectively from January 2019, therefore without restatement of the comparative data