

MolMed: the Board of Directors approves the results for the three months ended March 31, 2020 that closes with a net income of 0.6 million Euro.

- *CDMO Revenues in the amount of 9.0 million Euro, shows a 14.1% increase compared to 7.9 million Euro in the first quarter of 2019;*
- *EBITDA amounted to a positive 1.4 million Euro compared with 0.1 million Euro in the first quarter of 2019;*
- *Net income at 0.6 million Euro versus a net loss of 0.7 million Euro in the first quarter of 2019;*
- *Cash at 8.4 million Euro compared with 9.9 million Euro at December 31st, 2019.*

Milan (Italy), May 11th, 2020 – The Board of Directors of MolMed S.p.A. (MLMD.MI) (the “Company”), a biotechnology company with a focus on clinical research, development, manufacturing and validation of gene and cell therapies for the treatment of cancer and rare diseases, at today's meeting, chaired by Dr. Carlo Incerti, has reviewed and approved the results of the first quarter of 2020.

Riccardo Palmisano, Chief Executive Officer of MolMed, commented on the results of the first quarter of 2020 and on the business development of the Company: *“The first quarter of 2020 closed with a 14% growth in revenue from activities carried out on behalf of third parties: this was another quarter showing an increase in revenue and, for the first time in the history of the Company, a net income of 0.6 million Euro was reported. These results were achieved thanks to changes made to the business strategies and to the expansion of the activities carried out on behalf of third parties, which resulted in the acquisition of two new international customers in the first quarter of 2020. But these were not the only reasons. In fact the dedication of all the employees, who were fully supported by the Company in terms of their personal safety, provided a crucial contribution during this pandemic emergency caused by COVID-19.*

Encouraged by these results, we will continue implementing our technological investment plans aimed at increasing the provision of services on the behalf of third parties both in quantitative (large scale) and qualitative (new services) terms, with the awareness that the current emergency may have, even if only indirectly, an impact on the trend of our business.

In fact, the Company is committed to manage and to continue to manage this contingent situation related to the COVID-19 emergency in full compliance with the provisions issued by the central government and the regional authorities. During the first quarter, manufacturing activities did not slow down, the pharmaceutical plants of Bresso and Olgettina remained open and fully functional, with no significant interruptions either in manufacturing activities or in other activities related to the supply chain. However, the decision of some customers to suspend the clinical trials in progress may have, in the absence of any future changes, a negative impact on the revenue from activities carried out on the behalf of third parties, especially in the second half of

2020, and could produce lower operating results compared with the forward looking trend of the last few quarters.

As regards the CD44v6 CAR T multicentric clinical trial, also as a consequence of the spreading of the pandemic and its impact on the management of patients with acute myeloid leukemia (AML) and multiple myeloma (MM) (who require the availability of intensive care facilities for the trial) in addition to the logistic management of the biological samples in this period of overloaded laboratory work, the Company has decided to suspend the enrollment for the period from May 1st to October 31st, 2020, in agreement with the clinical sites participating in the study.

Main economic and financial results of the quarter ended March 31st, 2020

(amounts Euro thousand)	1 st quarter 2020	1 st quarter 2019	Change	Change %
Revenues from development and manufacturing activities	9,006	7,891	1,115	14.1%
Other revenue	72	27	45	166.7%
Total operating revenues	9,078	7,918	1,160	14.7%
Total operating costs (amortization and depreciation excluded)	(7,642)	(7,849)	207	(2.6%)
EBITDA	1,436	69	1,367	1981.2%
Amortization	(748)	(720)	(28)	3.9%
Total amortization and deprecitaion	(748)	(720)	(28)	3.9%
EBIT	688	(651)	1,339	(205.7%)
Net financial income (charges)	(45)	(21)	(24)	114.3%
Pre-tax result	643	(672)	1,315	(195.7%)
Income taxes	(50)	-	(50)	100.0%
Profit (loss) for the period	593	(672)	1,265	(188.2%)

In the first quarter of 2020, the growth trend in **operating revenues** continued, with an increase of 14.7% when compared with the first quarter of 2019. This is thanks to the expansion in the customer base and the increase in work performed on behalf of existing customers. Revenues from development and manufacturing activities on behalf of third parties passed from 7,891 thousand Euro, at March 31st, 2019, to 9,006 thousand Euro, at March 31st, 2020, recording an 14.1% increase.

Operating costs less depreciation and amortization fell slightly by 2.6% from 7,849 thousand Euro, at March 31st, 2019, to 7,642 thousand Euro, at March 31st, 2020. The variance is to be primarily attributed to (i) the lower expenses for raw materials, consumables and reagents of 5.9% and (ii) a decrease in the expenses related to external services by 8.0%. These differences followed the strategic corporate decisions that have led to a revision of the proprietary pipeline in the onco-hematology area along with the abandonment of research and development investments on autologous CAR T and allogeneic CAR NK, as well as the withdrawal of the *Conditional Marketing Authorization* for Zalmoxis.

EBITDA showed a 1,367 thousand Euro increase, from 69 thousand Euro, in the first quarter of 2019, to 1,436 thousand Euro, in the first quarter of 2020. This was largely attributable to the growth in revenues and margins associated with development and manufacturing activities on behalf of third parties—an area in which the Company is a global leader, as showed by the international standing of its customers, their loyalty, and the several projects it works on. In the meantime, a revision of proprietary research projects has made it possible

to contain research and development costs, thus with a decrease in operating charges, net of depreciation, amortization and impairment by 2.6%.

The **Net Result** shows a net income of 593 thousand Euro, a net improvement of +188.2% compared with the first quarter of 2019.

The **Net Financial Position**, at March 31st, 2020, if compared with the figure at December 31, 2019, shows a decrease of 1,205 thousand Euro, going from 1,375 thousand Euro to 170 thousand Euro. The net financial position is computed in accordance with the indications of the accounting principle IFRS 16 "Leases" which provides for the exposure between financial and non-current financial payables of payables to lenders for financial leases for Euro 8,230 thousand. Net of the effects of the accounting standard IFRS 16, the net financial position, at March 31, 2020, would have been 8,400 thousand Euro, compared to 9,904 thousand Euro at December 31, 2019. The variance is due to the cash consumption necessary for operational management of society.

The Manager in charge of the financial reporting of MolMed S.p.A., Mr. Salvatore Calabrese, declares, pursuant to art. 154-bis, paragraph 2 of Italian Legislative Decree 58/1998 (TUF - Consolidated Finance Act), that the accounting information contained in this press release, is consistent with the entries in the accounting books and records. This press release includes some "alternative performance indicators" not set forth in the IFRS-EU accounting standards, the meaning and content of which, in line with the CESR/05-178b recommendation, published on 3 November 2005, are the following:

- *EBITDA (Gross Operating Margin): Operating profit(loss), before the costs of a non-monetary nature, such as depreciation, amortization and impairment of current and non-current assets.*
- *EBIT (Net Operating Result): defined as the difference between income and other receivables, and the costs related to material consumption, costs for services, costs for the use of third party assets, personnel costs and depreciation, amortization and impairment. It represents the margin realized before financial operations and taxes;*
- *Net Financial Position: the algebraic sum of cash and cash equivalents, financial credits and other financial assets and current and non-current financial liabilities.*

This press release is also available on the Company's website <http://www.molmed.com>



Information on MolMed

MolMed S.p.A. is a biotechnology company focused on research, development, manufacturing and clinical validation of novel cell and gene therapies. MolMed is also the first company in Europe to have obtained authorization for GMP manufacturing for the gene and cell therapy markets, for both its own products and on behalf of third parties and/or in partnership (Strimvelis, gene therapy of Orchard for the treatment of ADA-SCID). As regards GMP research and manufacturing activities on the behalf of third parties, MolMed has executed a number of partnership agreements with primary European and American companies. MolMed continues to carry out activities for the clinical development of its proprietary product CAR-T CD44v6 which has received in March 2019 authorization for trials on human subjects with onco-hematological indications (AML and MM), after completion of a broad phase of pre-clinical development. MolMed, established in 1996 as an academic spin-off of Istituto Scientifico San Raffaele, has been listed since March 2008 on the MTA (Mercato Telematico Azionario - Italian Stock Exchange) managed by Borsa Italiana, and has its registered office in Milan, at the Biotechnology Department of Ospedale San Raffaele and an operating site at Bresso, at the OpenZone campus.

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Annexes

- Income statement – first quarter of 2020
- Net financial position at March 31st, 2020

Income statement – first quarter of 2020

(amounts in Euro thousand)

	1 st quarter 2020	1 st quarter 2019
Revenues	9,006	7,891
Other revenue	72	27
Total operating revenues	9,078	7,918
Purchases of raw materials and consumables	(1,652)	(1,755)
Costs for services	(2,517)	(2,736)
Costs for use of third-party assets	(24)	(11)
Personnel costs	(3,401)	(3,312)
Other operating costs	(48)	(35)
Amortization and depreciation	(748)	(720)
Total operating costs	(8,390)	(8,569)
Operating result	688	(651)
Financial income	2	25
Financial charges	(47)	(46)
Net financial income (charges)	(45)	(21)
Pre-tax result	643	(672)
Income taxes	(50)	-
Profit (loss) for the period	593	(672)

Net financial position at March 31st, 2020

(amounts Euro thousand)

	March 31 st , 2020	December 31 st , 2019
Cash on hand	2	3
Other cash	8,398	9,901
A. Total cash and cash equivalents	8,400	9,904
B. Current financial receivables and other financial assets	-	-
Current financial Debts	(1,204)	(1,204)
C. Current financial debt	(1,204)	(1,204)
D. Net current financial position (A+B+C)	7,196	8,700
Non current financial Debts	(7,026)	(7,325)
E. Net current financial position (D+E)	(7,026)	(7,325)
F. Net financial position (D+E)	170	1,375
G. IFRS 16 effect - current	1,204	1,204
H. IFRS 16 effect - non current	7,026	7,325
I. Posizione finanziaria netta (F+G+H) - esclusi effetti applicazione IFRS 16	8,400	9,904