MOLOGEN AG
THE POWER OF IMMUNOTHERAPIES

QUARTERLY STATEMENT

Quarterly statement for the first quarter of 2019, dated 9 May 2019

MOLOGEN AG: successful capital measures, continuation of ongoing studies and new Chief Executive Officer in the first quarter of 2019

- Ongoing preclinical and clinical studies with lead compound lefitolimod and next-generation molecules EnanDIM® progressed as planned
- Top line data for phase III IMPALA study expected as soon as summer 2019
- Successful capital measures secure the financing of the Company until the end of 2019
- Dr Stefan Manth new CEO of MOLOGEN AG as of 1 May 2019

Berlin, 9 May 2019 **– Bio-pharmaceutical company MOLOGEN AG (ISIN DE000A2LQ900/SIN A2LQ90) today presented its results for the first quarter of fiscal year 2019: two capital measures have already been successfully implemented in the reporting period. The preclinical and clinical studies with MOLOGEN's lead product candidate lefitolimod as well as its next-generation molecules EnanDIM® for various cancer indications and HIV are progressing according to plan. Personnel changes took place on the Executive Board in the first three months of the current financial year: on 1 May 2019, Dr Stefan M. Manth took up his post as the new Chief Executive Officer (CEO) of MOLOGEN AG.**

"We have effectively mastered some key tasks in the first three months of the current financial year. We secured the funding of our Company until the end of 2019 and presented further promising data on our ongoing studies with lefitolimod and its next-generation molecules EnanDIM®. The evaluation of the phase III IMPALA pivotal study with our lead compound lefitolimod, which is expected to be available this summer, will be particularly interesting. The results are expected to be decisive for the Company's future," commented Dr Stefan M. Manth, the new Chief Executive Officer (CEO) of MOLOGEN AG.

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Significant events in the reporting period

- **Clinical studies with lefitolimod progressed as planned – top line data for IMPALA study expected as early as summer 2019**
  The clinical studies with the lead product candidate lefitolimod have continued to advance as planned: the top line data of the phase III IMPALA pivotal study in the indication metastatic colorectal cancer will be available in summer 2019, which is earlier than expected.

- **Start of TITAN study financed by Gilead Sciences**
  In the first quarter, MOLOGEN and its partner the Aarhus University Hospital in Denmark prepared for the phase IIa TITAN study in the indication HIV, expected to start in the second quarter of 2019. In the study, MOLOGEN's TLR9 agonist lefitolimod will be investigated in combination with innovative virus-neutralizing antibodies developed by the Rockefeller University in New York, USA. In addition, plans for another combination study with a renowned US center are at an advanced stage.

- **Further oncology studies being planned**
  Carrying out an exploratory study in the indication colorectal cancer is planned for 2019. The objective is to investigate the effect of lefitolimod on the tumor microenvironment of patients. Two combination studies with other immuno-oncological approaches in solid tumors are also in an advanced stage of planning and could begin in 2019, provided the necessary funding is obtained.

- **First promising data from pre-clinical studies with lefitolimod's next-generation molecules EnanDIM®**
  A summary presentation of the EnanDIM® family, including the molecular design, mode of action and preclinical data, was published in the renowned *Journal for ImmunoTherapy of Cancer* at the start of 2019. The available data support the assumption that lefitolimod and EnanDIM® successfully create a beneficial modulation of the tumor microenvironment and, having a favorable safety profile, could potentially make an ideal partner for immuno-oncological combination approaches. The preclinical development of a first candidate from the EnanDIM® family progressed as planned and the start of the clinical phase is expected for the end of 2019.

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- **Further implementation of strategy for out-licensing of lefitolimod**
  The primary strategic aim continues to be the out-licensing or sale of the lead product candidate lefitolimod. The Company is in discussions with potential cooperation and licensing partners, while at the same time conducting preparatory activities for the potential approval of lefitolimod.

- **Successful issuance of convertible bond**
  Back in January 2019, the Company successfully placed in full convertible bond 2019/2027 with an issue volume of €2.7 million. The conversion price was set at €2.0805

- **Creditors' meeting approved amendment to the bond terms and conditions**
  At a meeting on 28 February 2019, the creditors of convertible bond 2017/2025 voted on the agreement reached with the principal bondholder at the end of October and the associated amended bond conditions. The resolutions proposed by the Company were accepted by a large majority. Accordingly, the creditors' meeting adopted the new conversion price of €2.46 and new conversion ratio of 4.065 as well as an amendment of the provisions on termination rights.

Significant events after the reporting period

- **Successful capital increase secures funding until the end of the year – annual financial statements published after this capital measure**
  In April 2019, MOLOGEN successfully concluded a cash capital increase from authorized capital with subscription rights, which was significantly oversubscribed and generated gross proceeds of around €4.2 million. As a result, the financing of the Company has been provisionally secured until the end of 2019. The funds raised are primarily to be used for ongoing business operations and the financing of the IMPALA study, in particular.

  In March 2019, the Company decided to finalize and publish the annual financial statements for 2018 only after the capital increase was completed. The annual financial statements for 2018 published on 30 April 2019 were issued an unqualified audit opinion by an independent auditor.

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- **Shareholder request to convene an extraordinary shareholder meeting have been withdrawn**

  In April 2019, MOLOGEN announced that the requests to convene an extraordinary general meeting, previously announced by two shareholders, had been withdrawn towards the Company. The Company had invited to the extraordinary shareholder meeting on 26 February 2019, but initially cancelled and postponed the invitation with an ad-hoc notification dated 24 February 2019.

- **Personnel changes on Executive Board**

  Dr Ignacio Faus, who had been CEO since August 2018, departed from his post prematurely on 31 March 2019. The assignment of Chief Financial Officer, Walter Miller, also ended with the scheduled expiration of his contract at the end of March 2019. On 1 May 2019, Dr Stefan M. Manth took on both the position of CEO as well as the tasks of the CFO, having previously been Deputy Chairman of the Supervisory Board of MOLOGEN AG since 2014. He switched immediately from the Supervisory Board to assume his new office. A successor for the vacant position on the Supervisory Board following Dr Manth's move to the Executive Board will be announced in due course.

Financial performance and financial position

- No notable revenues (Q1 2018: €3.0 million)
- Decline in R&D expenditure to €2.2 million (Q1 2018: €2.9 million)
- EBIT of €-3.6 million significantly below the level of the reference period (Q1 2018: €-0.7 million)
- Average cash utilized per month of €1.3 million (Q1 2018: €1.6 million per month)
- Cash and cash equivalents totaled €6.5 million (3/31/2018: €8.0 million)

Overall, the Company's financial performance and financial position have developed according to plan. The cash and cash equivalents available on the reporting date provide for the short-term financial needs of the Company.

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- **Results of operations**

  In the first three months of 2019, low revenues amounting to €0.023 million were generated from the sale of goods and services for research (Q1 2018: €3.0 million). The revenue generated in the same period of the previous year essentially resulted from an initial payment in connection with a licensing contract concluded with ONCOLOGIE Inc., a drug development company from the USA; other operating income amounted to €0.1 million (Q1 2018: €0.3 million), mainly resulting from project-specific grants of €0.1 million.

  At €1.2 million, cost of materials and costs for external services were below the previous year's figure (Q1 2018: €1.7 million) and were primarily incurred in connection with carrying out clinical studies; of this, €1.2 million was attributable to costs for external services (Q1 2018: €1.7 million). Costs for raw materials, supplies and goods totaled €0.08 million in the reporting period (Q1 2018: €0.02 million).

  At €1.0 million, other operating expenses were at about the same quarter of the previous year (Q1 2018: €0.9 million); this essentially includes expenses for business development, patents, expenses for legal and consulting costs as well as general administrative expenses.

  At €1.4 million, personnel expenses were on par with the same quarter of the previous year (Q1 2018: €1.4 million).

  Owing to interest expenses from the issuance of convertible bonds, finance income was negative in the first three months of 2019, at €-0.2 million (Q1 2018: €-0.1 million).

  Of the total expenses, €2.2 million was used for R&D projects; therefore the expense is below the figure in the same period of the previous year (Q1 2018: €2.9 million). These expenses were above all incurred in connection with conducting the IMPALA clinical study plus notable expenses for preclinical studies with EnanDIM®; the prior year's figure had still included expenses for the IMPULSE clinical study.

  In the first quarter of 2019, EBIT amounted to €-3.6 million and was therefore significantly down on the comparable figure in the previous year of €-0.7 million, which had included the initial payment from a licensing contract with ONCOLOGIE Inc.

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- **Net assets and financial position**

  As of 31 March 2019, the balance sheet total amounted to €7.9 million (12/31/2018: €9.4 million). As of 31 March 2019, assets essentially comprised cash and cash equivalents amounting to €6.5 million (12/31/2018: €8.0 million). The decrease is attributable to the scheduled cash utilization within the scope of operating activities. Overall, cash burn amounted to €4.2 million (Q1 2018: €4.6 million).

  In the reporting period, MOLOGEN was always in a position to comply with all its financial obligations.

  At €3 thousand, the volume of the investments made in the first three months of 2019 was lower than scheduled depreciation and amortization in the same period (€34 thousand). At €0.1 million as of 31 March 2019, non-current assets were significantly exceeded the level on the previous year's reporting date (12/31/2018: €0.02 million). This difference is attributable to the initial application of the financial reporting standard in accordance with IFRS 16.

  Shareholders' equity amounted to €-2.6 million (12/31/2018: €-0.9 million). As in the previous year, this generated a negative equity ratio.

  As of 31 March 2019, current liabilities amounted to €4.4 million and were therefore slightly lower than the level on the previous year's reporting date (12/31/2018: €4.7 million).

  Other financial liabilities amounted to €4.7 million as of 31 March 2019 (12/31/2018: €5.8 million) and were especially due to the conclusion of short-term service contracts for the IMPALA clinical trial that commenced in fiscal year 2014 and for the development of EnanDIM®.

- **Liquidity development**

  In the first three months of 2019, cash and cash equivalents used for operating activities in the amount of €4.2 million were down on the figure in the reference period (Q1 2018: €4.6 million) and were largely committed to research and development.

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Cash flows from investing activities were at a continuously low level of €3 thousand (Q1 2018: €1 thousand).

Cash flows from financing activities amounted to €2.7 million (Q1 2018: €6.3 million). Inflows in the reporting period were attributable to the issuance of a convertible bond (€2.7 million).

Monthly cash consumption amounted to an average of €1.3 million per month in the first quarter of 2019 and was therefore lower than the value of €1.6 million per month in the same period of the prior year.

Financial outlook for full year 2019

The statements made in the management report of the annual financial statements as of 31 December 2018 on the objectives in the areas of research and development, cooperations and partnerships, earnings and liquidity development as well as personnel remain valid
(cf. Annual Report 2018, page 56 et sec.).

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KEY FIGURES (IFRS)

In EUR '000	Q1 2019 Unaudited	Q1 2018 Unaudited	Change in %
Results of operations			
Revenues	23	3,000	-99
R&D expenses	-2,171	-2,910	25
Personnel expenses	-1,409	-1,357	-4
Profit (loss) from operations (EBIT)	-3,588	-711	-405
Profit (loss) for the period/comprehensive income	-3,795	-851	-346
Basic earnings per share (in EUR)	-0.39	-0.02	-1.850
Diluted earnings per share (in EUR)	-0.31	-0.01	-3.000
Statement of cash flows			
Cash flows from operating activities	-4,249	-4,571	7
Cash flows from investing activities	-3	-1	-200
Cash flow from financing activity	2,707	6,325	-57
Balance sheet figures (IFRS)			
In EUR '000	**31 Mar 2019 Unaudited**	**31 Dec 2018 audited**	**Change in %**
Cash and cash equivalents	6,476	8,021	-19
Current liabilities	4,356	4,749	-8
Non-current liabilities	6,182	5,553	11
Shareholders' equity	-2,618	-945	-177
Equity ratio in %	-33	-10	-230
Total assets	7,920	9,357	-15
Employees as at 31 Mar	47	50	-6
MOLOGEN shares as at 31 Mar			
Total issued shares	10,063,554	9,271,632	8
Stock price (XETRA closing price), EUR	2.35	1.60	47

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MOLOGEN AG
MOLOGEN AG is a biopharmaceutical Company and a pioneer in the field of immunotherapy on account of its unique active agents and technologies. Alongside a focus on immuno-oncology, MOLOGEN develops immunotherapies for the treatment of infectious diseases.

The focus of the development work is on the product family of DNA-based TLR9 agonists. This includes the lead compound lefitolimod and the next-generation molecule family EnanDIM®.

The immunotherapeutic agent lefitolimod is the Company's lead compound and is currently being investigated in a pivotal trial. It is regarded as the best-in-class TLR9 agonist. Treatment with lefitolimod triggers a broad and strong activation of the immune system. On account of this mode of action, lefitolimod could potentially be used in various indications. Lefitolimod is currently being developed within the framework of a pivotal study for first line maintenance therapy for colorectal cancer. Key data of the phase II IMPULSE study in extensive-stage small cell lung cancer (ES-SCLC) and the data from the extension phase of the TEACH study in HIV have been published.
In addition, lefitolimod is currently being investigated in a phase I combination study with the checkpoint inhibitor ipilimumab (Yervoy®) in various cancer indications. Along with various checkpoint inhibitors, lefitolimod, which is being investigated as part of a phase III clinical trial currently, is one of the few near-to-market product candidates in the field of immuno-oncology.
MOLOGEN's pipeline focus is on new innovative immunotherapies to treat diseases for which there is a great medical demand in particular.

MOLOGEN AG is a publicly listed Company, headquartered in Berlin. The shares (ISIN, DE000A2LQ900/SIN: A2L Q90) are listed in the Prime Standard of the German Stock Exchange.

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QUARTERLY STATEMENT

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