MOLOGEN AG
THE POWER OF IMMUNOTHERAPIES

HALF-YEAR REPORT
AS AT 30 JUNE 2018

HIGHLIGHTS

New studies being prepared, timeframe established for evaluation of IMPALA

- Clinical trials with lead product candidate lefitolimod:
  - IMPALA: Data-based prediction for the primary analysis date of the IMPALA study deviates only moderately from the previous forecast and enables a significantly higher degree of planning security
  - IMPULSE: Final evaluation of the exploratory phase II study confirms positive signals from initial evaluation in predefined subgroups
  - New studies in different indications in preparation, e.g. TITAN in HIV

Further funding and partnering:

- MOLOGEN & ONCOLOGIE sign licensing and co-development contract; first licensing revenue of €3 million
- Financing capabilities restored: reverse stock split concluded in July (at a ratio of 5:1)
- R&D expenditure below the same period of the previous year, as finalization of two studies
- EBIT was significantly higher than in the same period of the previous year due to the first licensing revenue

Dr Ignacio Faus (PhD) new CEO since 1 August 2018: in charge of Business Development, Investor Relations & Corporate Communications, Partnering, Production and Strategy

Dr Michael Schultz new member of Supervisory Board since 8 June 2018

KEY FIGURES (IFRS)

*economic view / minus = neg. impact on business, plus = pos. Impact

In million €	**Q2 2018**	**Q2 2017**	**Change %**	**H1 2018**	**H1 2017**	**Change %**
Revenues	0.0	0.0	n.a.	3.0	0.0	n.a.
Profit (loss) from operations (EBIT)	-3.8	-5.4	30%	-4.5	-10.5	57%
Expense structure						
Personnel expenses	1.3	1.4	4%	2.7	2.6	-4%
Research & Development expenses	2.7	4.1	34%	5.6	8.0	30%
Earnings per share in € (basic)	-0.11	-0.16	31%	-0.13	-0.31	58%
Cash flows from operating activities	-1.9	-5.2	64%	-6.5	-11.2	42%
	30 Jun 2018	**31 Dec 2017**	**Change %**			
Cash and cash equivalents	6.2	6.5	-4%			
Shareholders' equity	-3.3	-4.9	33%			
Equity ratio	-41%	-60%	32%			
Total assets	8.0	8.1	-1%			
Number of employees	52	52	0%			

CONTENTS

INTERIM MANAGEMENT REPORT

for the period from 1 January to 30 June 2018

- Continuation of clinical trials with lefitolimod and implementation of Next Level strategy driven forward
  - New studies in preparation, e.g. TITAN in HIV
  - Strong preclinical TME data of lefitolimod and EnanDIM® presented
- Strategic milestone reached: MOLOGEN and ONCOLOGIE sign licensing and development cooperation contract for lefitolimod
- Funding measures implemented in the first half of 2018 secure short-term liquidity:
  - Framework agreement for up to €12 million in convertible bonds, of which €1 million has already been drawn
  - Converted cash capital increase with gross proceeds of around €5 million
- First revenues from license agreement and inflow amounting to €3.0 million
- R&D expenses down year on year: conclusions of two studies
- At €-4.5 million, EBIT up on previous year owing to the first income from licensing contracts

In the first half year 2018, the focus of operational activities remained on the lead compound, the TLR9 agonist lefitolimod. Further progress was made in the preparatory activities for the potential approval of the immunotherapeutic agent. The clinical trials with lefitolimod also moved forward. The pivotal study IMPALA in colorectal cancer continued unchanged as planned. In April 2018 an initial data-based forecast for the expected date for the primary analysis of the pivotal IMPALA study was announced. Based on patient data collected up to April 2018 and using adequate statistical methodology, the time point for the primary analysis has now been predicted for April 2020. This statistical forecast involves a degree of uncertainty, reflected in the 95% confidence interval of plus/minus five months, meaning that the analysis will very likely be conducted between end of 2019 and summer 2020. The exploratory IMPULSE phase II study in SCLC, of which key data have been announced already in April 2017, has been finally evaluated in the first quarter 2018. In the HIV indication, detailed study results from the expansion phase, which was primarily evaluated in August 2017, were presented at the Conference on Retroviruses and Opportunistic Infections (CROI) in Boston. The further development strategy in this indication envisages the use of lefitolimod in the context of combination therapies. In addition, a combi-

nation study already funded by Gilead Sciences is currently in the planning phase and should start in 2018. The study called TITAN, like the previous TEACH study, is to be carried out again in cooperation with the Aarhus University Hospital (see also Annual Report 2017 on p. 26). Progress continues to be made in patient recruitment for the phase I combination study with the checkpoint inhibitor Yervoy® in collaboration with MD Anderson Cancer Center at the University of Texas, USA. The first part of the study to evaluate the safety of the combination therapy and ascertain the highest tolerable dosage of lefitolimod is expected to be completed in 2018. The study will then continue in 2019 to gain further exploratory insights into the combination of lefitolimod with checkpoint inhibitors.

In February 2018 MOLOGEN and ONCOLOGIE signed a licensing and co-development agreement for lefitolimod. This contract covers the development, manufacturing and commercialization of lefitolimod in the markets of China including Hong Kong, Macao, Taiwan and Singapore as well as a potential global development cooperation. To mark the conclusion of the contract, MOLOGEN received a first payment of €3 million. In addition, development and sales-related milestone payments as well as royalties and an equity investment were agreed. MOLOGEN has therefore achieved one of its most important strategic targets. Further partnerships are expected to follow.

With €5.6 million the expenses for research and development (R&D) were below the same period of the previous year (H1 2017: €8.0 million). EBIT was at €-4.5 million and significantly higher than the €-10.5 million recorded in the same period of the previous year. As of 30 June 2018, cash and equivalents totaled €6.2 million (12/31/2017: €6.5 million).

General conditions

Overall economic development

- Positive development of global economy continues in the first half of 2018
- IMF forecasts growth of 3.9% for the global economy in 2018
- Brexit remains a risk for the Eurozone

According to the World Economic Outlook (as at April 2018) published by the International Monetary Fund (IMF), the global economic upswing dates back to mid-2016. The IMF states that global growth is on track to reach 3.9% in both 2018 and 2019, which is broadly in line with the estimates of the previous year.

This evaluation takes into account the tax reform in the USA, with the assumption that this will lead to positive short-term output effects for the USA and the global economy. However, the global economy continues to be exposed to a variety of risks, not least owing to the ongoing trade disputes.

For the USA, the IMF predicts an improvement in gross domestic product (GDP) of 2.9% up to the end of 2018 and 2.7% by the end of 2019. Developments in China and India are rated positively by the IMF. For India, economic growth in excess of 7% is predicted for 2018, while the economies in China and ASEAN-5 are expected to grow by 6.6% and 5.3%, respectively.

Russia and Brazil have overcome their 2017 recessions, although growth was less dynamic again in the fourth quarter of 2017. For 2018, the IMF is predicting GDP will rise 1.7% in Russia and 2.3% in Brazil.

The IMF projects that GDP in the Eurozone will pick up slightly in 2018, by 2.4%. However, the Brexit process continues to be a risk factor for the economy.

Development of the pharmaceutical and biotechnology industries

- Sales for drugs expected to increase to up to US$1.5 trillion worldwide in the next decade
- Oncology: annual sales growth of around 12% expected up to 2024
- Cancer immunotherapies are revolutionizing the treatment of tumor diseases

The pharmaceutical industry continues to grow, not least owing to the fact that the world population is growing and progressively aging. According to a report from the Quintiles IMS Institute, total spending on medicines worldwide is forecast to reach US$1.5 trillion by 2021 and will grow at a compound annual rate of between 4% and 7% over the next five years.

Sharp rise in incidence of cancer expected

In its World Cancer Report 2014, the World Health Organization (WHO) predicted that incidences of cancer would increase significantly. According to Cancer Research UK, the number of new cases will be around 23.6 million each year up to 2030. This is above all attributable to the aging population in industrialized countries.

Oncology therefore remains an important focus of research for pharmaceutical and biotech companies. The interest of “traditional” pharmaceutical companies in biotech companies is growing, because this is one of the top growth drivers in the pharmaceutical sector as a whole. According to the latest report from KPMG, the fields of oncology, personalized medicine and digital health are above all behind business combinations (M&A) in the life sciences industry.

Cancer immunotherapies show promise

For MOLOGEN, an area that looks particularly promising is the emerging field of cancer immunotherapies. This has increasingly become a main focus of cancer research over the last two decades. Important new treatment methods were introduced in the past few years and should become part of regular medical care over the coming years. For the first time in many years, a significant prolongation of survival was observed in some cancers for a subgroup of patients which received treatment with these new treatment approaches. The combination of immunotherapies has already yielded more positive results and first combination studies are successively being approved by the health authorities. Although many of these promising new treatments are still in the clinical development stage, industry analysts consider the area of oncology to be a rapidly growing segment, with sales amounting to billions anticipated in the next few years.

Oncology market volume estimated at US$200 billion for 2024

The market share of prescription drugs and biotech products is expected to increase from 27% in 2018 to 31% by 2024.

According to a recent study by market research company EvaluatePharma, total sales with pharmaceutical products are projected to exceed US$1 trillion by 2024. For the current 2018 financial year, EvaluatePharma is anticipating sales amounting to US$868 billion. This equates to an increase of 5.2% on the previous year's sales of US$825 billion. The market research company forecasts a market volume in the oncology segment of more than US$200 billion for 2024, compared with US$103 billion in 2017. Accordingly, the institute is projecting annual sales growth of around 12%. With an expected sales share of approximately 18% up to 2024, oncology is therefore the therapeutic area with the highest growth rates and the indication with the strongest sales worldwide.

At present, 74% of this market volume in the therapeutic area of oncology is accounted for by the U.S., Japan and the five largest European countries. Rising prevalence rates in the "pharmerging markets" such as Brazil, China, India and Russia ensure that the therapeutic area is also becoming increasingly important in these markets and is now ranked fourth. The focus of global product developments is increasingly focusing on personalized medicine, niche products and "ultra-orphan drugs" which address rare or very rare diseases. Investment by the pharmaceutical industry in innovative cancer therapies remains high: its share in the total of all pre-clinical and phase I product developments is more than 30%.
New opportunities are likewise arising for the biotechnology sector due to increased demand for innovative drugs and treatment methods, above all in the area of oncology.

EvaluatePharma has determined that the percentage of sales from biotechnology products (bioengineered vaccines and biologics) within the world's top 100 prescription and over the counter medicines is set to increase to 52% in 2024. In 2017, these sales accounted for only 49%. In the wider global market for prescription pharmaceuticals, EvaluatePharma is assuming that sales of biotechnology products will total 31% by 2020, which corresponds to growth of four percentage points versus the share in 2018.

High market potential in area of infectious diseases – especially HIV

The latest UNAIDS data from 160 countries shows that the number of people with HIV on antiretroviral therapy has increased over the last two years and reached almost 21 million in 2017. This is six million more than the target of 15 million set by General Assembly of the United Nations in 2011. Between 2003 and 2017, annual AIDS-related deaths declined by 48%. In the region of the world most strongly affected – eastern and southern Africa – the number of patients has more than doubled since 2010 and exceeded 12 million by mid-2017. AIDS-related deaths in the region fell by 62% from 2004 to 2016.

Up to mid-2017, approximately 1.8 million new HIV infections were recorded worldwide, which equates to around 36.7 million people being infected with HIV overall.

Long-term positive market prospects

Although the overall trend is towards growth, the biotechnology industry continues to face significant challenges. It can take ten years or more before a drug is successfully launched on the market. This often necessitates several productive rounds of funding, with the follow-up funding after the foundation phase often being the most difficult for many biotechnology companies.

A further problem is also the broadening of market shares for generics, as well as stricter laws and approval regulations. New trends can be observed as pharmaceutical companies react to expiring patents and shrinking product pipelines. They are developing new business segments, while also investing more heavily in the development of niche products and personalized medicine. There is also increased activity in the area of mergers and co-operations, including at international level.

Overall, it is evident that new opportunities are arising for the biotechnology sector due to increased demand for innovative drugs and treatment methods, above all in the area of oncology.

In this context, the market prospects for MOLOGEN can be rated as very positive in the long term.

Business performance

Within the first half year the focus of MOLOGEN's activities continued to be on the further implementation of the Next Level strategy and the continuation of the clinical studies with the lead compound lefitolimod. In addition, planning for further clinical trials with lefitolimod has already begun, e.g. with the TITAN study in the indication HIV.

In addition, strong TME data were obtained on the successor molecules EnanDIM®, which were presented in April at the AACR (American Association for Cancer Research) in Chicago, Illinois, U.S. In murine tumor models, monotherapy with EnanDIM® resulted in beneficial modulation of the tumor microenvironment (TME) translating into highly promising anti-tumor effects with highly increased survival rates.

First licensing deal for lead compound lefitolimod

In February 2018 MOLOGEN reached an important milestone with the signing of a licensing and co-development agreement for lefitolimod with the American ONCOLOGIE. The cancer drug company, with headquarter in Boston, Massachusetts, U.S. and operational unit Shanghai, China, aims to develop novel personalized immuno-oncology drugs. This contract covers the development, manufacturing and commercialization of lefitolimod in the markets of China including Hong Kong, Macao, Taiwan and Singapore as well as a potential global development cooperation. MOLOGEN received a first payment of €3 million. (See Annual Report 2017 on p. 44 for more details).

Financing and Annual General Meeting 2018

The Company continued to focus on further sustainable financing in the first half year of 2018. In the first quarter, three measures were taken accordingly:

First, MOLOGEN carried out a second capital increase in the course of the exercise of the share purchase agreement with the US investor Global Corporate Finance (GCF), which was concluded in October 2017. The share capital of the Company was increased to €34,770,755 by issuing 200,000 new no-par-value bearer shares. (before reverse stock split at a ratio of 5:1 in July 2018). The new shares were placed privately with GCF, as was the case during the first exercise in December 2017. The placement price was €2.225 per new share. As a result of this second exercise, MOLOGEN received gross proceeds of

€445,000 in 2018, which together with the first exercise results in a total amount of €1,049,450.

This was followed by a capital increase with subscription rights amounting to €5 million from authorized capital, which was successfully concluded and fully placed in March 2018. In this context, 2,357,368 new shares were placed with national and international investors at a subscription price of €2.12 per share, raising the share capital of the Company to €37,129,146 (before reverse stock split at a ratio of 5:1 in July 2018).

On 20 February MOLOGEN entered into an agreement with Luxembourg-based financing provider European High Growth Opportunities Securitization Fund (EHGO), (the "Investor"), a fund advised by Alpha Blue Ocean Advisors (ABO), pursuant to which the Company can, over the period of two years from today, require the Investor to subscribe for convertible bonds of the Company in an aggregate amount of up to €12 million. The bonds will be issued in up to 24 tranches of €500,000 each at the Company's request (see Annual Report 2017, p. 97 for more details). MOLOGEN exercised tranches on 1 and 20 March 2018 each amounting to €500 thousand. These have already been fully converted by EHGO (before reverse stock split at a ratio of 5:1 in July 2018). The Company therefore received liquid funds of around €6.5 million in the reporting period.

The capital measures and the additionally concluded framework agreements in the fourth quarter of 2017 and the first quarter of 2018 have presumably secured the financing of the Company until the end of 2018.

Annual General Meeting 2018

The reverse stock split at a ratio of 5:1 which was resolved at the Company's Annual General Meeting on 8 June 2018 was recorded in the Commercial Register relevant to the Company on 9 July 2018. Since 18 July 2018, the converted bearer instruments have been trading on the Frankfurt Stock Exchange under the new ISIN DE000A2LQ900 (WKN: A2L Q90). In addition to calling in four no-par shares to even out the existing share capital, stock was consolidated, which reduced the number of shares issued from 37,686,439 to 7,537,287 shares. The Company's new share capital consequently amounts to €7,537,287, divided into 7,537,287 bearer shares. As a result of the share consolidation,

MOLOGEN is again financially viable and the previously agreed financing instruments can be further implemented.

Shareholders also voted in favor of all other draft proposals at the Annual General Meeting by a large majority. The resolutions included the election of Dr Michael Schultz as a new member of the Supervisory Board. He is an independent expert and consultant to pharmaceutical and biotechnology companies. Furthermore, the decision to create a new authorized capital 2018 and a conditional capital 2018 was also ratified (cf. p. 40 f of this report). The creation of this capital allows MOLOGEN to carry out the required capital measures, such as the capital increase with subscription rights from authorized capital which is planned for the second half of the year.

New Chief Executive Officer (CEO)

The Supervisory Board has appointed Dr Ignacio Faus as member of the Executive Board and new Chief Executive Officer (CEO) of MOLOGEN AG with effect from 1 August 2018. He is responsible for the areas of Business Development, Investor Relations & Corporate Communications, Partnering, Production and Strategy. The current CEO of MOLOGEN AG, Dr Mariola Soehngen, resigned from her post as of 31 July 2018 and will be leaving the Executive Board with effect from the end of 31 October 2018. Dr Soehngen had informed the Supervisory Board on 20 April 2018 that she would not be renewing her contract as CEO and member of the Executive Board of MOLOGEN AG once it expires on 31 October 2018 for personal reasons.

Research and Development (R&D)

In the field of Research & Development MOLOGEN primarily drove forward its clinical studies within the first six months 2018: the pivotal phase III study IMPALA in the indication colorectal cancer and the clinical phase I combination study with a checkpoint inhibitor. In the indication HIV (Human Immunodeficiency Virus), a further clinical trial entitled TITAN is expected to begin in 2018, which will – as is the case with TEACH – be carried out by Aarhus University Hospital in Denmark and other prominent international centers. This will be funded by Gilead Sciences, Foster City, California, USA, a leading pharmaceutical Company in the field of HIV. For the exploratory Phase II IMPULSE study in small-cell lung cancer (SCLC) the final evaluation was carried out in the first quarter 2018. Essentially, the results of the initial evaluation of the exploratory phase II study in SCLC could be

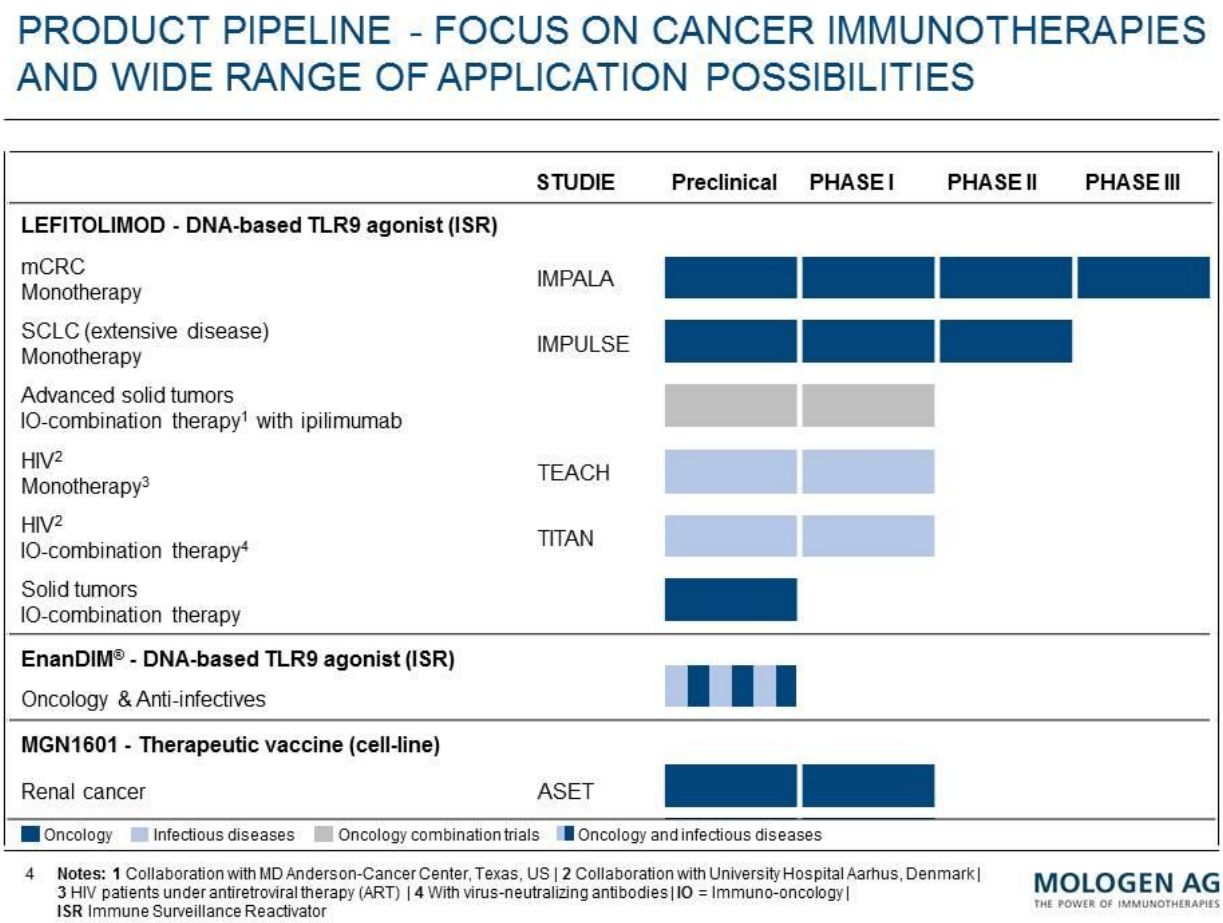
confirmed by the data of the final evaluation, in particular the statements on the predefined subgroups. A corresponding article was submitted for publication in a renowned journal.

In addition, promising results from pre-clinical studies with lefitolimod were presented during the reporting period; for example, in January 2018 at the Annual Gastrointestinal Cancers Symposium (ASCO GI) in San Francisco. Monotherapy with lefitolimod resulted in beneficial modulation of the tumor microenvironment (TME) associated with decreased tumor growth in a colorectal cancer model. This finding of an advantageous lefitolimod-induced modulation of the TME represents a strong support for the potential of the compound as a cancer immunotherapeutic agent.
With regard to the successor molecules EnanDIM®, MOLOGEN has also presented strong preclinical TME data, i.a. at the Annual Meeting of the AACR 2018 in Chicago, Illinois, U.S. in April this year.

Research and development (R&D) expenditures

Expenditures for research and development (R&D) of €5.6 million were below the level of the same period of the previous year (H1 2017: €8.0 million). Mainly expenses for the implementation of the pivotal Phase III IMPALA study incurred during the reporting period, while the comparable prior-year figure includes expenses for the conduct of further studies. At €-4.5 million, EBIT was significantly higher than the previous year's figure of €-10.5 million.

Product pipeline



MOLOGEN's product pipeline is focused on the close-to-market lead compound lefitolimod and the follow-up molecules EnanDIM®. Furthermore, this pipeline contains a cell-based therapeutic vaccine (MGN1601). For the time being, the further development of this compound is being shelved in the wake of the portfolio review that was carried out in 2016.
Based on study data available so far, all drug candidates have demonstrated good tolerability and safety. For lefitolimod and EnanDIM®, the expected effects of immune surveillance reactivation are increasingly being confirmed.

TLR9 agonists lefitolimod and EnanDIM®

Lefitolimod is an immunotherapeutic agent and the most advanced TLR9 agonist in MOLOGEN's portfolio. In the period under review, the immunotherapeutic agent was tested in the IMPALA trial as well as in a combination study with the checkpoint inhibitor Yervoy® (ipilimumab). 2017 key data of the phase II study IMPULSE in SCLC have been published and the final evaluation in the first quarter 2018 confirmed the data. Furthermore,

key results of the TEACH study in HIV have been announced. A further clinical study in this indication is planned for 2018.

In the reporting period also pre-clinical data of the lead compound were presented, showing that lefitolimod induces a modulation of the tumor micro environment. This supports the potential of lefitolimod as an ideal partner for immune-oncological combination therapies. The lefitolimod-induced signaling cascade provides rational for the combination of lefitolimod with checkpoint inhibitors.

Phase III pivotal study for colorectal cancer (IMPALA)

The patient enrollment that started in September 2014 was concluded in May 2017. More than 540 patients from approximately 120 centers in eight European countries, including the five largest European pharmaceutical markets, participate in the study.
The study protocol of the IMPALA study foresees the conduct of the primary analysis when a prospectively defined amount of data on overall patient survival is available. Based on patient data collected up to April 2018 and using adequate statistical methodology, the time point for the primary analysis has now been predicted for April 2020. This statistical forecast involves a degree of uncertainty, reflected in the 95% confidence interval of plus/minus five months. This translates into a time window from year-end 2019 to summer 2020 in which the time point for the analysis will fall with a high probability. Hence, the now data-based prediction deviates only moderately from the previous forecast and enables a significantly higher degree of planning security regarding the time point for the read-out of the phase III study with the lead product candidate lefitolimod in colorectal cancer. It is planned, in due course, to repeat this type of analysis in order to review the current analysis and, if necessary, to further specify.

IMPALA (**I**mmunomodulatory **M**GN1703 in **P**atients with **A**dvanced Colorecta**l** C**a**rcinoma with tumor reduction during induction treatment) is an international phase III multicentric, randomized, non-blinded, two-arm clinical pivotal study. The study includes patients with metastatic colorectal cancer who have responded to standard first-line treatment. Lefitolimod is subsequently administered as maintenance therapy. The primary endpoint is overall survival and secondary study endpoints include progression-free survival, safety and tolerability, as well as Quality of Life (QoL).

Exploratory phase II study in small-cell lung cancer (IMPULSE)

The study comprised 102 patients who are suffering from an extensive stage small cell lung cancer (SCLC) and whose tumors have responded to the standard first-line therapy with chemotherapeutics.

The first findings of the study were presented in April 2017. The final evaluation in February 2018 did not deliver any notable differences to the initial evaluation. Even though the primary endpoint of improving Overall Survival (OS) in the overall study population was not achieved in this very challenging indication, the results of this lung cancer study do provide significant guidance for defining patient populations that – even beyond this study – are most likely to benefit from lefitolimod. IMPULSE showed encouraging signals for an OS benefit in two predefined subsets of patients: (1) In patients with a low number of activated B cells, an important immune parameter (hazard ratio 0.53, 95% confidence interval 0.26-1.08). (2) In patients with reported chronic obstructive pulmonary disease (COPD), a common underlying disease for lung cancer (hazard ratio 0.48, 95% confidence interval 0.20-1.17). Furthermore, the final analysis confirmed the favorable safety profile and the mode of action of lefitolimod.

Extension phase Ib/IIa study in HIV (TEACH)

TEACH (**T**oll-like receptor 9 **e**nhancement of **a**ntiviral immunity in **c**hronic **H**IV infection) is an early exploratory phase Ib/IIa study of lefitolimod in HIV-infected patients under antiretroviral therapy (ART). The Company announced the key results of the extension phase of the TEACH study in August 2017.

The study, a co-operation with the Aarhus University Hospital in Denmark, was extended based on the positive results seen in the initial study phase. In the extension phase lefitolimod alone on top of antiretroviral therapy (ART) did not show the desired effect on the viral reservoir. Nevertheless, this study provides important positive findings with regard to the effects of the reactivation of the immune system, also in HIV. These data together with the favorable safety profile of lefitolimod now confirmed also in HIV form the basis for our future development strategy for lefitolimod in combination therapies. The Company is confident that lefitolimod can be an important component of therapeutic approaches aiming to cure HIV, e.g. monoclonal antibodies or vaccines.

The recently financed TITAN combination study is a crucial element of this strategy: In January 2017, the Danish Aarhus University received a grant of US$2.75 million from the biopharmaceutical company Gilead Sciences, Inc, Foster City, U.S.. The grant will fund a planned clinical trial in HIV positive patients using ART in which MOLOGEN's TLR9 agonist will be investigated in combination with innovative virus-neutralizing antibodies. The antibodies have been developed by the Rockefeller University in New York, U.S.. MOLOGEN will provide lefitolimod for the study. Currently preparations are being made to start the TITAN study in 2018.

Combination study ISR lefitolimod with checkpoint inhibitor Yervoy® in collaboration with MD Anderson Cancer Center

The collaboration agreement with the MD Anderson Cancer Center at the University of Texas (MD Anderson) relates to cooperation on a phase I study. In this study, lefitolimod is being tested in combination with the commercially available immunotherapeutic agent Yervoy® (ipilimumab) in patients with advanced solid malignancies. This is the first time that lefitolimod will be evaluated in combination with a checkpoint inhibitor. If lefitolimod enhances the efficacy of immune checkpoint blockades, and/or positively influences the side effects profile, this could expand the potential range of applications of the compound. This study has been initiated based on the idea that the combination of these two immunotherapies could have synergistic effects by a broader activation of the immune system. The combination of various cancer immunotherapies has shown promising results in other studies.

The aim of the study entitled "A Phase I Trial of Ipilimumab (Immunotherapy) and MGN1703 (TLR Agonist) in Patients with Advanced Solid Malignancies" is to initially ascertain the highest tolerable dose of lefitolimod that can be given in combination with Yervoy® (ipilimumab) to patients with advanced tumors. The safety of this drug combination will also be studied. Furthermore, this study aims to evaluate the efficacy of a combination of these two therapies in an expansion phase. The combination of lefitolimod and a checkpoint inhibitor is of particular interest: lefitolimod is a TLR9 agonist that can trigger the body's own immune system to fight cancer on a targeted basis by reactivating immune surveillance. Yervoy®, from Bristol-Myers Squibb Co., is a recombinant, human monoclo-

nal antibody and immune checkpoint inhibitor, which is already approved to treat patients with unresectable or metastatic melanoma.
MD Anderson is conducting the trial at its Cancer Center in Texas, USA, and the first patients were enrolled in June 2016. MOLOGEN is providing lefitolimod and funding for the study.

EnanDIM®

EnanDIM® represents a new generation in immunoactivating TLR9 agonists and is therefore a follow-up compound to MOLOGEN TLR9 technology with a longer period of patent protection. EnanDIM® is expected to trigger a broad immune activation while being well tolerated. It is our expectation that the mechanisms of action of EnanDIM® molecules should facilitate their application in a range of cancer indications, either as a monotherapy or in combination with additional immune-oncological treatments, such as checkpoint inhibitors. Moreover, compounds from the EnanDIM® family may also be used in the area of infectious diseases – such as HIV.

In the period under review, MOLOGEN published strong EnanDIM® TME Data. In murine tumor models, monotherapy with EnanDIM® resulted in beneficial modulation of the tumor microenvironment (TME) translating into remarkable anti-tumor effects with highly increased survival rates. In two cancer models complete tumor regression in the majority of mice was observed. Importantly, in a subsequent re-challenge study all surviving mice rejected tumor cells, which indicates a sustained anti-tumor memory of the immune system. Hence, the data provide an excellent basis for further development of EnanDIM® in cancer.

Financial performance and financial position

- First proceeds from licensing agreements in the amount of €3.0 million,
- Decline in R&D expenditure to €5.6 million (H1 2017: €8.0 million);
- As a result, EBIT at €-4.5 million and therefore significantly up on the same period of the previous year (H1 2017: €-10.5 million)
- Average cash utilized per month of €1.1 million (H1 2017: €1.9 million per month)
- Cash and cash equivalents totaled €6.2 million (12/31/2017: €6.5 million)

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

Results of operations

In the first six months of 2018, revenues of €3.0 million have been realized (H1 2017: €0.04 million). Other operating income amounted to €0.72 million (H1 2017: €0.04 million), of this the majority was attributable to the receipt of grants in the amount of €0.7 million.

At €3.6 million, cost of materials and costs for external services were down on the previous year's figure (H1 2017: €5.9 million) and were primarily incurred in connection with carrying out clinical trials, of this €3.5 million was attributable to costs for external services (H1 2017: €5.8 million). Costs for raw materials, supplies and goods totaled €0.09 million in the reporting period (H1 2017: €0.07 million).

At €1.9 million, other operating expenses were below with the prior year period (H1 2017: €2.0 million).

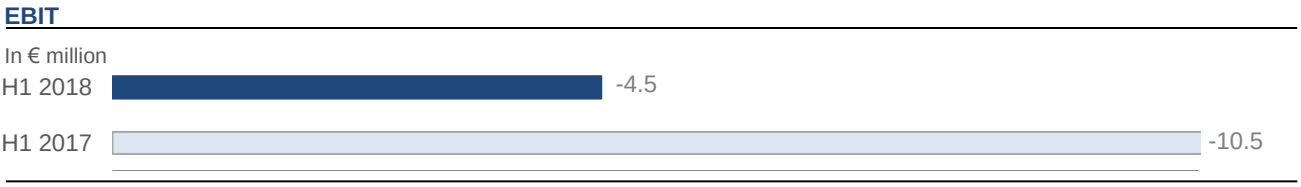
Personnel expenses of €2.7 million were on the level of same period of last year (H1 2017: 2.6 Mio. €).

At €17 thousand, scheduled depreciation and amortization of assets was down year on year (H1 2017: €25 thousand).

Finance income in the first half year of 2018 amounted to €-0.3 million, matching that in first six months of the prior year (H1 2017: €-0.3 million). In the reporting period, interest expenses were essentially accrued in relation with the issuance of a convertible bond.

Of the total expenses, €5.6 million was used for research and development projects (H1 2017: €8.0 million) and was primarily attributable to expenses incurred in connection with conducting the IMPALA and IMPULSE clinical trials.

At €-4,5 million, EBIT for the first half year of 2018 was significantly up on the same period of the previous year owing to the first income from licensing contracts (H1 2017: €-10.5 million).



Net assets and financial situation

At €8.0 million, the balance sheet total was on a par with the level at year-end 2017 (12/31/2017: €8.1 million).

As of 30 June 2018, assets essentially comprised cash and cash equivalents amounting to €6.2 million (12/31/2017: €6.5 million).

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

At €2 thousand, the volume of the investments made in the first half year of 2018 was lower than scheduled depreciation and amortization in the same period (€17 thousand). At €0.03 million as of 30 June 2018, non-current assets were below with the level on the previous year's reporting date (12/31/2017: €0.04 million).

Equity and liabilities consist of current and non-current liabilities as well as shareholders' equity. Non-current liabilities include liabilities from the issuance of a convertible bond in the amount of €5.5 million (12/31/2017: €5.4 million). Current liabilities totaling €5.8 million essentially includes liabilities to service providers and suppliers (12/31/2017: €7.5 million). Shareholders' equity amounted to €-3.3 million (12/31/2017: €-4.9 million). The equity ratio consequently increased to -41% (12/31/2017: -60%). This increase is essentially attributable to the capital measures as well as the lower rise in the balance sheet loss.

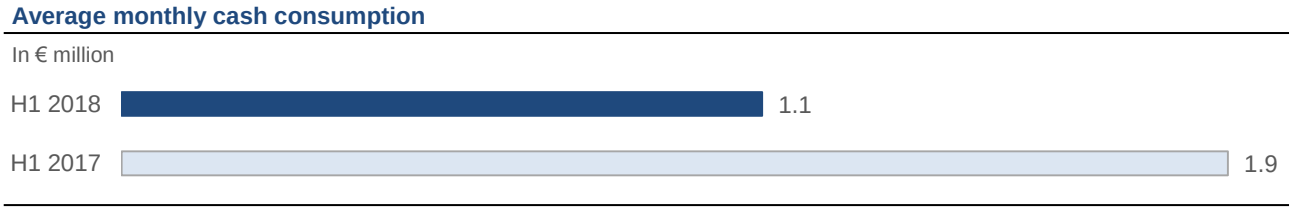
Other financial liabilities amounted to €9.5 million as of 30 June 2018 (12/31/2017: €11.8 million) and were especially due to the conclusion of short-term service contracts for the IMPALA clinical trial that commenced in fiscal year 2014.

Liquidity development

In the first half year of 2018, cash and cash equivalents used for operating activities in the amount of €6.5 million were down on the previous year's value (H1 2017: €11.2 million) and were mostly committed to research and development.

Cash flows from investing activities were at a low level of €2 thousand (reference period: €-20 thousand). Cash flows from financing activities amounted to €6.2 million (H1 2017: €4.8 million). Inflows in the reporting period were attributable to capital increases (€5.3 million) and the issuance of convertible bonds (€1.0 million).

Monthly cash consumption amounted to an average of €1.1 million per month in the first half year of 2018 and was therefore lower than the value of €1.9 million in the same period of the prior year.



Forecast, risk and opportunity report

Forecast

The statements made in the Management Report for fiscal year 2017 on the objectives in the areas of research and development, cooperations and partnerships, earnings and liquidity development as well as personnel remain valid, with the exception of the following amendments (cf. Annual Report 2017, page 55 et. seq).

Because some of the activities were launched later, especially in the area of contract manufacturing, the Company is now anticipating that financing requirements in fiscal year 2018 will remain comparable to or lower than the level of the previous year.

Opportunities and risk report

The opportunities and risks, including their assessment, as presented in the Management Report for fiscal year 2017 essentially remain unchanged (cf. Annual Report 2017, page 57 et seq.). In particular, this applies to the considerable uncertainty in relation to the

planned funding measures outlined in the report. In an environment of further decreasing and low interest rates, it continues to be challenging to sufficiently secure the future financing via the capital market. The funding instrument with Global Corporate Finance (CGF) is therefore effectively not usable at present as the liquidity in trading with the shares is not sufficiently high. However, the line of funding through convertible bonds of up to €12 million can still be exploited. The cash balance, which had declined further as at the reporting date, has reduced the Company's operational scope and means that additional financial inflows will soon be required. Should these not materialize, the Company will be forced to reduce or stop its activities at short notice. The survival of the Company could be jeopardized if it is not able to secure further funding in general.

Interim Statement as at June 30, 2018

STATEMENT OF COMPREHENSIVE INCOME (IFRS)

for the period from 1 January to 30 June 2018

€ '000	**H1 2018**	**H1 2017**	**Q2 2018**	**Q2 2017**
	unaudited	**unaudited**	**unaudited**	**unaudited**
Revenues	3,000	36	0	0
Other operating income	724	37	459	21
Cost of materials	-3,595	-5,864	-1,859	-2,871
Personnel expenses	-2,700	-2,612	-1,343	-1,386
Depreciation and amortization	-17	-25	-8	-9
Other operating expenses	-1,910	-2,030	-1,036	-1,121
Profit (loss) from operations	**-4,498**	**-10,458**	**-3,787**	**-5,366**
Cost of financing	-287	-284[1]	-147	-155[1]
Finance income	0	0	0	0
Profit (loss) before taxes	**-4,785**	**-10,742[1]**	**-3,934**	**-5,521[1]**
Tax result	0	0	0	0
Profit (loss) for the period/ comprehensive income	**-4,785**	**-10,742[1]**	**-3,934**	**-5,521[1]**
Loss carried forward	-145,055	-125,774	-145,906	-130,995
Accumulated deficit	**-149,840**	**-136,516[1]**	**-149,840**	**-136,516[1]**
Basic earnings per share (in €)	-0.13	-0.31	-0.11	-0.16
Diluted earnings per share (in €)	-0.11	-0.27[1]	-0.09	-0.13[1]

[1] The figures for the previous year were adjusted in accordance with IAS 1.45 in conjunction with IAS 8.14 et seq.

STATEMENT OF FINANCIAL POSITION (IFRS)

as of 30 June 2018

€ '000	**30 Jun 2018**	**31 Dec 2017**
	unaudited	**audited**
ASSETS		
Non-current assets	**29**	**44**
Intangible assets	8	17
Property, plant and equipment	21	27
Current assets	**8,006**	**8,061**
Cash and cash equivalents	6,212	6,523
Trade receivables	0	13
Inventories	707	16
Other current assets	1,086	1,508
Income tax receivables	1	1
Total assets	**8,035**	**8,105**
EQUITY AND LIABILITIES		
Non-current liabilities	**5,510**	**5,474**
Deferred income	23	55
Other non-current liabilities	5,487	5,419
Current liabilities	**5,800**	**7,502**
Trade payables	3,408	4,400
Other current liabilities and deferred income	2,376	3,093
Liabilities to banks	16	9
Shareholders' equity	**-3,275**	**-4,871**
Issued capital	37,686	34,295
Deposits made to implement the agreed capital increase*	0	275
Capital reserve	108,879	105,614
Accumulated deficit	-149,840	-145,055
Total assets	**8,035**	**8,105**

* Entered in the Commercial Register on 11 January 2018.

STATEMENT OF CASH FLOWS (IFRS)

for the period from 1 January to 30 June 2018

€ '000	H1 2018	H1 2017
	unaudited	unaudited
Cash flows from operating activities		
Loss for the period before taxes	-4,785	-10,742[1]
Depreciation and amortization of fixed assets	17	25
Profit (loss) from the disposal of fixed assets	0	-33
Other non-cash expenses and income	99	137[1]
Change in trade receivables, inventories and other assets	-256	-76
Change in trade payables and other liabilities	-1,835	-761
Interest expenses/income	287	284[1]
Income tax expenses/income	0	0
Income tax payments	0	1
Net cash used in operating activities	**-6,473**	**-11,165**
Cash flows from investing activities		
Proceeds from the disposal of fixed assets	0	34
Cash payments to acquire property, plant and equipment	-1	-13
Cash payments to acquire intangible assets	-1	-1
Interest received	0	0
Net cash used in investing activities	**-2**	**20**
Cash flow from financing activity		
Cash proceeds from issue of share capital (authorized capital)	5,275	0
Cash proceeds from issuance of convertible bond (following deduction of expenses relating to equity component)	1,000	4,989
Interest paid	-111	-203
Net cash used in investing activities	**6,164**	**4,786**
Effect of exchange rate changes on cash	**0**	**-8**
Total changes in liquidity (cash flow)	**-311**	**-6,367**
Cash and cash equivalents at the start of the reporting period	**6,523**	**20,520**
Deposits with a term of more than three months at the start of the reporting period	0	0
Cash and cash equivalents at the end of the reporting period	**6,212**	**14,153**
Deposits with a term of more than three months at the end of the reporting period	0	0
Cash and cash equivalents at the end of the reporting period	**6,212**	**14,153**

[1] The figures for the previous year were adjusted in accordance with IAS 1.45 in conjunction with IAS 8.14 et seq.

STATEMENT OF CHANGES IN EQUITY (IFRS)

as of 30 June 2018

In € '000 except share data	**Issued capital**		**Deposits made to implement the agreed capital increase***	**Capital reserve**	**Statement of financial position**	**Shareholders' equity**
	Number of ordinary shares	Share capital				
As of 31 December 2016 (audited)	**33,947,251**	**33,947**	**0**	**103,664**	**-125,774**	**11,837**
Exercised conversion right of convertible bond (with proportionate consideration of the equity component posted at the time of issue)	309,615	310		40		**350**
Equity component of convertible bonds				1,440[1]		**1,440[1]**
Value of services rendered by employees (according to IFRS 2)				132		**132**
Profit (loss) for the period					-10,742[1]	**-10,742[1]**
As of 30 June 2017 (unaudited)	**34,256,866**	**34,257**	**0**	**105,276[1]**	**-136,516**	**3,017[1]**
As of 31 December 2017 (audited)	**34,295,343**	**34,295**	**275**	**105,614**	**-145,055**	**-4,871**
Capital increase in exchange for cash contributions	2,832,368	2,832		2,718		**5,550**

Deposits made to implement the agreed capital increase*			-275			**-275**
Exercised conversion right of convertible bond (with proportionate consideration of the equity component posted at the time of issue)	558,728	559		443		**1,002**
Value of services rendered by employees (according to IFRS 2)				104		**104**
Profit (loss) for the period					-4,785	**-4,785**
As of 30 June 2018 (unaudited)	**37,686,439**	**37,686**	**0**	**108,879**	**-149,840**	**-3,275**

* Entered in the Commercial Register on 11 January 2018.

[1] The figures for the previous year were adjusted in accordance with IAS 1.45 in conjunction with IAS 8.14 et seq.

CONDENSED NOTES

according to IFRS for the period from 1 January to 30 June 2018

A. General information on the Company

Mologen AG (hereinafter: MOLOGEN) is a stock corporation as defined under the law of the Federal Republic of Germany with its headquarters in Berlin (Fabeckstraße 30, 14195 Berlin, Germany). It was founded on 14 January 1998 and is registered in the Commercial Register of the Local Court at Berlin-Charlottenburg under the number HRB 65633 B. The shares of the Company are listed on the Regulated Market (Prime Standard) at the Frankfurt Stock Exchange under ISIN DE0006637200 (ISIN DE000A2LQ900 from 18 July 2018).

The objective of the Company is the research, development and marketing of products in the area of molecular medicine. In particular, this encompasses application-related clinical research and development for biomolecular tumor therapy (immune surveillance reactivators). The main focus of research is the dSLIM® technologies patented by MOLOGEN. These facilitate the use of DNA as a drug for diseases that were previously untreatable or for which treatment is insufficient. As a currently inactive project, the Company also has a cell-based therapeutic tumor vaccine.

B. General information on the financial statements

These condensed interim financial statements of MOLOGEN have been audited. They were prepared in accordance with IFRS as applied as at the reporting date, 30 June 2018, and as adopted by the European Union (EU) and in accordance with the IAS 34 (Interim Financial Reporting), and they should be read together with MOLOGEN's audited financial statements as at 31 December 2017, which were prepared in accordance with IFRS as adopted by the EU. The accounting and measurement methods continued unchanged from 31 December 2017.

No accounting standards that were established for the first time or had been changed for the reporting period had any material effect on MOLOGEN's interim financial statements.

The reporting period for these condensed interim financial statements is the period from 1 January 2018 to 30 June 2018. The reference period for these condensed interim financial statements for statement of cash flows and statement of changes in equity is the period from 1 January 2017 to 30 June 2017. The reference period for these condensed interim financial statements for the statement of comprehensive income is the period from 1 January 2017 to 30 June 2017 and the period from 1 April 2017 to 30 June 2017. The reference reporting date for these condensed interim financial statements for the statement of financial position is 31 December 2017.

The functional and presentation currency in the financial statements is the Euro (€). To improve readability, numbers are rounded and stated in thousands of Euro (€ '000), unless otherwise specified.

The Company applies the going concern principle in the valuation of assets and liabilities. The cash and cash equivalents available to the Company as of the reporting date of 30 June 2018 are not sufficient to cover the expected expenditure and investments relating to the further development of the product pipeline, especially the running of the current clinical trials, as planned, particularly beyond the next three months. The Executive Board is confident that the funding which is required in future to bring lead compounds all the way to successful launch on the market can be secured through funding measures on the capital market and partnering activities (e.g. out-licensing). However, owing to the liquidity situation and the negative shareholders' equity recognized as of the reporting date of 30 June 2018, there are still considerable uncertainties in connection with the planned measures (such as the unpredictability of the capital market environment). If the Company does not successfully raise funding at favorable conditions or to an adequate level, it may be forced to reduce expenditure on current business activities by postponing, limiting or discontinuing activities of one or more product candidates on more than just a temporary basis. In the medium term, this could significantly impact the development of the Company and, in the event of sustained funding difficulties in the future, it could also pose a potential threat for the continued existence of the Company.

In the interim statement as of 30 June 2018, the figures for the previous year in the statement of comprehensive income, statement of cash flows and statement of changes in equity were adjusted in line with IAS 1.45 in conjunction with IAS 8.14 et seq. This adjustment was required on account of a correction in the accounting for convertible bond WSV 2017/25. In the published interim report as of 30 June 2017, the recognized equity component of WSV 2017/25 was too low. As a result, the associated effective interest figure was also too low. Following the correction, interest expenses for the period from 1 January 2017 to 30 June 2017 (H2 2017) increased by €51 thousand. In H2 2017, the net loss for the period consequently rose from €10,691 thousand to €10,742 thousand. In the statement of changes in equity, the capital reserve as of 30 June 2017 increased by €1,244 thousand to €105,276 thousand.

MOLOGEN still does not prepare segment reporting. In relation to this, please refer to the explanations presented in the Notes in accordance with IFRS for fiscal year 2017.

C. Selected notes to the statement of comprehensive income

Cost of materials

€ '000	**H1 2018**	**H1 2017**	**Q2 2018**	**Q2 2017**
Costs for raw materials, supplies and goods	91	67	70	44
Expenses for services from third parties	3,504	5,797	1,789	2,827
	3,595	**5,864**	**1,859**	**2,871**

The reduction in the cost of materials on the reference period is due to the decline in expenses for services from third parties. This decline is essentially owing to the conclusion of the IMPULSE and TEACH studies.

Personnel expenses

€ '000	**H1 2018**	**H1 2017**	**Q2 2018**	**Q2 2017**
Wages and salaries	2,314	2,206	1,156	1,157
Social insurance contributions	282	274	136	147
Stock options granted (according to IFRS 2)	104	132	51	82
	2,700	**2,612**	**1,343**	**1,386**

Personnel expenses are on a par with the level in the reference period.

Research and development (R&D)

The resources available to the Company are primarily used directly on research and development projects. As in the same period of the previous year, no development costs subject to mandatory capitalization as defined in IAS 38 were incurred.

€ '000	**H1 2018**	**H1 2017**	**Q2 2018**	**Q2 2017**
R&D expenses	5,574	7,967	2,692	4,060

Other operating expenses

Other operating expenses decreased by €120 thousand compared with the prior-year period. This decline is essentially attributable to the reduced consulting costs for business development as well as lower expenses for legal and consulting costs. Conversely, expenses in relation to administration costs were up.

Earnings per share (EPS)

Basic earnings per share is calculated by dividing the total comprehensive income attributable to ordinary shareholders by the weighted average number of ordinary shares in circulation during the financial year.

Diluted EPS is calculated by dividing the modified total comprehensive income (if converted method) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would arise from the conversion of all dilutive potential ordinary shares into ordinary shares.

	H1 2018	H1 2017	Q2 2018	Q2 2017
Earnings attributable to ordinary shareholders in the Company (€ ‘000)	-4,785	-10,742	-3,934	-5,521
Weighted average number of ordinary shares for calculating basic EPS (thousands)	36,283	34,056	37,670	34,165
Dilution effect from the issuance of stock options and convertible bonds (thousands)	4,470	4,509	4,470	4,509
Weighted average number of ordinary shares including dilution effect (thousands)	40,753	38,565	42,140	38,674
Basic EPS in €	-0.13	-0.31	-0.10	-0.16
Diluted EPS in €	-0.11	-0.27	-0.09	-0.13

D. Selected notes to the statement of financial position as of 30 June 2018

Assets

Intangible assets/property, plant and equipment

Intangible assets in the amount of €1 thousand were acquired during the reporting period (H1 2017: €1 thousand). Investment in property, plant and equipment amounted to €1 thousand (H1 2017: €13 thousand). There was no evidence that would necessitate an unplanned impairment loss in the reporting period.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances. Current bank balances yield variable rates of interest. Short-term investments always have maturities of up to three months, which are determined depending on the Company's cash needs at the time. They have fixed interest rates. As at the reporting date, the value of cash and short-term investments totaled €6,212 thousand (12/31/2017: €6,523 thousand). This is calculated based on the nominal value of the holdings in Euros and the value of an account denominated in a foreign currency as measured at the exchange rate on 30 June 2018.

Other current assets and income tax receivables

€ '000	**30 Jun 2018**	**31 Dec 2017**
Reimbursements from VAT	647	288
Income tax receivables	1	1
Other receivables and assets	439	1,220
	1,087	**1,509**

No impairment losses were recorded against other assets during the reporting period or the 2017 financial year. Other receivables comprise advance payments amounting to €236 thousand made in connection with the conducting of clinical trials (previous year: €922 thousand).

Equity and liabilities

Non-current liabilities

Non-current liabilities include liabilities to third parties from the issuance of a convertible bond and deferred income.

Convertible bond

Further financing measures in the first half of 2018 were carried out in February 2018 with the Luxembourg-based financing provider European High Growth Opportunities Securitization Fund (EHGO). Pursuant to this agreement, MOLOGEN can, over a period of two years beginning in March 2018, require the investor to subscribe for its convertible bonds in an aggregate amount of up to €12 million. Over the first half of 2018, MOLOGEN exercised tranches on 1 and 20 March 2018, each amounting to €500 thousand. These have already been fully converted by EHGO.

€ '000	
Gross proceeds from the issuance of convertible bonds in fiscal year 2016	2,540
Gross proceeds from the issuance of convertible bonds in fiscal year 2017	5,000
Gross proceeds from the issuance of convertible bonds in the first half of 2018	1,000
Gross proceeds from the issuance of convertible bonds (total)	**8,540**
of which liability component of the convertible bond at date of issue	*6,668*
of which equity component of the convertible bond at date of issue	*1,871*
Expenses for the liability component in connection with the issuance of convertible bonds (total)	-167
of which in the first half of 2018	-94
Expenses for the equity component in connection with the issuance of convertible bonds (total)	-29
of which in the first half of 2018	*0*
Interest expense (total)	-858
of which in the first half of 2018	*-281*
of which effective interest rate in the first half of 2018	-70
Conversion of bonds in fiscal year 2016	0
Conversion of bonds in fiscal year 2017	-393
Conversion of bonds in the first half of 2018	-1,002
Liability component of convertible bonds as of 30 June 2018	**5,487**

For further information on ascertaining the fair value of the equity component, please refer to the explanations in the Notes to the audited financial statements as of 31 December 2017.

Deferred income

The amount reported as deferred income of €23 thousand (12/31/2017: €55 thousand) relates to an expenditure grant that MOLOGEN received in the course of a funded project in fiscal year 2017 amounting to €22 thousand (12/31/2017: €54 thousand) and government grants for assets of €1 thousand (12/31/2017: €1 thousand).

Current liabilities

€ '000	30 Jun 2017	31 Dec 2017
Trade payables	3,408	4,400
Deferred income	1,419	2,084
Liabilities from income and church tax	0	92
Liabilities to banks	16	9
Financial liabilities from interest (WSV)	110	107
Other liabilities	847	810
	5,800	**7,502**

Trade payables principally result from services in relation to clinical studies.

The amount reported as deferred income of €1,419 thousand (12/31/2017: €2,084 thousand) relates to an expenditure grant MOLOGEN received in the course of a funded project in fiscal year 2017. This expenditure grant is reported under non-current and current deferred income according to the estimated costs involved.

Shareholders' equity

The composition of shareholders' equity and the development of its components are presented in the statement of changes in equity.

Issued capital

MOLOGEN's share capital of €37,686,439, which is divided into 37,686,439 ordinary bearer shares with no-par value (no-par value shares), each with a notional share of €1.00 in the share capital, is reported as issued capital.

Authorized and conditional capital

The Company had the following authorized and conditional capital as of 30 June 2018:

In €	30 Jun 2018	31 Dec 2017	Change
Authorized capital	14,141,257	16,698,625	-2,557,368
Conditional capital 2010	610,151	610,151	0
Conditional capital 2011	238,393	238,393	0
Conditional capital 2012	209,234	209,234	0
Conditional capital 2013-1	328,672	328,672	0
Conditional capital 2014-1	4,468,800	4,470,235	-1,435
Conditional capital 2014-2	176,051	176,051	0
Conditional capital 2015	700,649	700,649	0
Conditional capital 2017-1	8,634,855	9,192,148	-557,293
Conditional capital 2017-2	700,000	700,000	0

Capital reserve

Owing to the conversion of the partial bonds under convertible bond 2017/25 and the two tranches of the convertible bonds by EHGO into 558,728 no-par value shares in the first half of 2018, the capital reserve increased by €443 thousand – with proportionate consideration of the equity component posted at the time of issue.

Pursuant to IAS 32.37, the costs accruing for equity procurement (relates to the capital increase under the Share Subscription Facility with GCF as well as the capital increase with subscription rights from authorized capital) in the amount of €167 thousand were reported in the capital reserve, which consequently increased by a total of €2,718 thousand.

In the period under review, the application of IFRS 2 (Share-based Payment) resulted in additions to capital reserves in the amount of €104 thousand (H1 2017: €132 thousand).

€ '000	**30 Jun 2018**	**31 Dec 2017**
Overall capital reserve	108,488	105,601
Capital reserve from the issuance of bonds with conversion and/or option rights	1,873	1,873
Exercise of conversion rights	488	46
Employee compensation in equity instruments	7,501	7,397
Costs of equity procurement	-9,471	-9,303
	108,879	**105,614**

E. Notes to the statement of cash flows

The statement of cash flows shows how MOLOGEN's cash and cash equivalents changed during the reporting period through cash inflows and outflows. In accordance with IAS 7, distinctions are made between cash flows from operating, investing and financing activities.

F. Notes on the employee participation programs

The Company has set up several share-based employee participation programs. More detailed comments on the employee participation programs are available in the Annual Report 2017 (Section F of the Notes to the IFRS individual annual financial statements). No new stock option program was set up during the reporting period.

The following table shows the number and weighted average exercise price (WAEP) as well as the development of the stock options during the reporting period.

	WAEP per option in €	**Number of stock options (units)**
As of 1/1/2018	**6.17**	**1,254,597**
Granted [a)]	0	0
Forfeited	3.42	4,470
Exercised [b)]	-	0
Expired	8.51	46,017
As of 6/30/2018	**6.09**	**1,204,110**
Exercisable as of 6/30/2018 [c)]	9.71	500,020

a) It was not possible to determine the weighted average fair value of the stock options granted in the reporting period.

b) It was not possible to determine the weighted average share price at the time of exercising share options in the reporting period.

c) This only takes into account whether the vesting period of the stock options has already expired. All other contractual conditions, such as fulfillment of the performance targets, are disregarded.

The weighted average remaining contractual duration of the stock options outstanding as of 30 June 2018 is 3.56 years. The exercise prices for the options outstanding at the end of the reporting period range from €3.14 to €13.91.

G. Other financial liabilities and contingent liabilities

€ ‘000	**Current**	**Non-current**	**Total**
Financial liabilities from lease agreements	194	92	**286**
Other financial liabilities	6,022	3,227	**9,249**

There were no contingent liabilities as defined in IAS 37 as of 30 June 2018.

H. Notes on the type and management of financial risks

Information on the risks arising from financial instruments and on financial risk management can be found in the Annual Report 2017 (Section H of the Notes to the IFRS individual annual financial statements). No additional risks have been added to those described there.

I. Other information

Information on affiliated persons and companies

Susanne Klimek has resigned from her post as a member of the Supervisory Board effective 30 April 2018 and did not stand for re-election. In view of this, Dr Michael Schultz was legally appointed as a new member of the Supervisory Board, until the election could be held at the Annual General Meeting. Dr Michael Schultz was duly elected as a new member of the Supervisory Board at the Annual General Meeting on 8 June 2018. He is an independent expert and consultant in the pharmaceutical and biotechnology industries.

Information on significant events after the reporting date of 30 June 2018

Significant events after 30 June 2018

Reverse stock split concluded in July (at a ratio of 5:1)

The reverse stock split at a ratio of 5:1 which was resolved at the Company's Annual General Meeting on 8 June 2018 was recorded in the Commercial Register relevant to the Company on 9 July 2018. As of 9 July, the share capital therefore amounted to €7,537,287.00 and is divided into 7,537,287 no-par value shares. Since 18 July 2018, the converted bearer instruments have been trading on the Frankfurt Stock Exchange under the new ISIN DE000A2LQ900 (WKN: A2L Q90).

Executive Board changes

On 30 July 2018 the Supervisory Board has appointed Dr Ignacio Faus as member of the Executive Board and new Chief Executive Officer (CEO) of MOLOGEN AG with effect from 1 August 2018. He is responsible for the areas of Business Development, Investor Relations & Corporate Communications, Partnering, Production and Strategy. The current CEO of MOLOGEN AG, Dr Mariola Soehngen, resigned from her post as of 31 July 2018 and will be leaving the Executive Board with effect from the end of the day on 31 October 2018. Dr Soehngen had informed the Supervisory Board on 20 April 2018 that she would not be renewing her contract as CEO and member of the Executive Board of MOLOGEN AG once it expires on 31 October 2018 for personal reasons.

Authorized and conditional capital

The resolutions adopted by the Annual General Meeting on 8 June 2018 relating to the creation of authorized and conditional capital were entered in the Commercial Register relevant to the Company on 9 July 2018.

The Annual General Meeting of 8 June 2018 authorized the Executive Board to create a new authorized capital 2018. The Executive Board was authorized, until 7 June 2023 and with the approval of the Supervisory Board, to increase the share capital of the Company one or more times, by issuing new ordinary bearer shares with no-par value against contributions in cash and/or in kind by a total of no more than €3,768,643.00 (authorized capital 2018) and, in doing so, to define an earnings participation start date that differs from law in accordance with Section 23 Para. 2 of the Articles of Association.

By resolution of the Annual General Meeting on 8 June 2018, conditional capital 2018 in the amount of €1,507,457 divided into 1,507,457 no-par value shares was also created. Conditional capital 2018 is to be used for granting shares to the holders or creditors of convertible bonds and/or option bonds (or a combination of these instruments) which are issued by the Company or group companies under the management of the Company up to 7 June 2023 as authorized pursuant to the resolution of the Annual General Meeting on 8 June 2018 and which grant conversion or option rights to new ordinary bearer shares of the Company and/or determine a conversion or option obligation or pre-emptive tender right.

Furthermore, conditional capital of up to €700,000 was repealed through the issuance of up to 700,000 new ordinary bearer shares with no par value (no-par value shares), each with a notional share of €1.00 in the share capital (conditional capital 2017-2).

Lastly, conditional capital totalling up to €610,151.00 (conditional capital 2010) was cancelled.

The complete wording of the resolutions has been included in the Articles of Association dated 9 July 2018 and published on the Company website.

On entering the resolutions in the Commercial Register, authorized and conditional capital are adjusted as follows, pursuant to the Articles of Association:

In €	**9 Jul 2018**	**31 Dec 2017**	**Change**
Authorized capital	3,768,643	16,698,625	-13,204,982
Authorized capital 2010	0	610,151	-610,151
Conditional capital 2011	238,393	238,393	0
Conditional capital 2012	209,234	209,234	0
Conditional capital 2013-1	328,672	328,672	0
Conditional capital 2014-1	4,469,393	4,470,235	-842
Conditional capital 2014-2	176,051	176,051	0
Conditional capital 2015	700,649	700,649	0
Conditional capital 2017-1	0	9,192,148	-9,192,148
Conditional capital 2017-2	0	700,000	-700,000
Conditional capital 2018	1,507,457	0	1,507,457

Approval of the Interim Financial Statements

These interim financial statements were adopted by the Executive Board on 31 July 2018 and released for publication.

Berlin, 31 July 2018

MOLOGEN AG

Dr Mariola Soehngen Dr Matthias Baumann Walter Miller

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles on interim reporting, the interim financial statements give a true and fair view of the assets, liabilities, financial and profit and loss situation of the Company, and the interim management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principle opportunities and risks associated with the expected development of the Company in the remainder of the fiscal year.

Berlin, 31 July 2018

Executive Board of MOLOGEN AG

Dr Mariola Soehngen Dr Matthias Baumann Walter Miller

FINANCIAL CALENDAR 2018

25 April 2018
Annual Financial Statement
and Annual Report 2017

15 May 2018
Quarterly Statement
as of 31 March 2018

8 June 2018
Annual General Meeting

9 August 2018
Half-Year Report
as of 30 June 2018

8 November 2018
Quarterly Statement
as of 30 September 2018

FOR FURTHER INFORMATION PLEASE CONTACT

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DISCLAIMER

This information contains forward-looking statements based on current assumptions and estimates by the Company management of MOLOGEN AG. Forward-looking statements are characterized by the use of words such as expect, intend, plan, predict, assume, believe, estimate, and similar formulations. These statements are not to be understood as in any way guaranteeing that these expectations will turn out to be accurate. Future performance and the results achieved by MOLOGEN AG depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors, such as the future economic environment and the behavior of competitors and others involved in the marketplace, are outside the control of MOLOGEN AG and cannot be accurately estimated in advance. MOLOGEN neither plans nor undertakes to update any forward-looking statements.

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