

medigene

Quarterly Statement Q1 2023

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OF MEDIGENE AG, PLANEGG/MARTINSRIED, FOR THE THREE MONTHS ENDED MARCH 31, 2023

DEAR SHAREHOLDERS,

Following a year marked by significant volatility in the capital markets for biotech companies, the first quarter of 2023 saw slightly improved investor sentiment despite further uncertainty in the global banking system initiated by the collapse of Silicon Valley Bank and takeover of Credit Suisse by UBS Group, both in March 2023.

Throughout this dynamic environment, Medigene AG has remained focused on executing our strategic plan and delivering value to our shareholders. We have been making significant progress expanding our capabilities and building differentiated TCR-T therapies that address the unmet needs in treating solid tumors.

During the quarter, we continued to advance our pipeline of T cell receptor engineered T cell (TCR-T) therapies for the treatment of patients with solid tumors. Our lead program, MDG1015, a third generation TCR-T therapy, is currently undergoing Investigational New Drug (IND) and Clinical Trial Application (CTA) enabling experiments, with the aim of having the IND / CTA approved in the 2nd half of 2024. In March 2023, we announced that the first MDG1015 pre-clinical data was accepted for presentation at the American Academy of Cancer Research in April 2023. This showed that T cells carrying a NY-ESO-1-specific T cell receptor (TCR) combined with our proprietary chimeric PD1-41BB switch receptor, have significantly increased anti-tumor activity, compared to T cells expressing the TCR alone. This highlights the potential for significant benefits of MDG1015 in improving long-term anti-tumor effects by mitigating the immunosuppressive tumor microenvironment that currently limit solid tumor therapies. Our second TCR-T therapy program in solid tumors, MDG10xx is being developed against several, as yet undisclosed targets and involving multiple HLAs. We expect to announce the first lead candidate TCR in the second half of this year.

As previously announced, we have strengthened and complemented the executive leadership team in the first quarter, with the addition of Pamela Keck as Head of Investor Relations & Corporate Communications and Dr. Kirsty Crame as Head of Clinical Research & Development to the company. During the quarter, Medigene participated in several investor conferences in Europe & the US, as well as presented at scientific conferences demonstrating our deep expertise and experience discovering and developing differentiated TCR-T therapies that can address current unmet needs for patients with solid tumors.

Our global strategic partnership with BioNTech, signed in February 2022, continues to make good progress. We also announced progress in the MAGE-A4 program that is partnered with 2seventy bio. This triggered a USD 3 million milestone payment from 2seventy bio, which we received in January of this year. These partnerships have provided important scientific validation of our technology and assets. As these programs move into clinical development, they will further provide clinical proof of concept alongside Medigene-owned programs. We continue to work with our existing partners to maximize these agreements, as well as explore new partnership opportunities to maximize the value of our current and future assets and technologies.

Just after the end of the first quarter, on April 3, Medigene entered into a Cooperative Research and Development Agreement with the National Cancer Institute to evaluate the use of Medigene's proprietary T cell receptors in novel cell constructs. Through this collaboration, we will expand the range of tools and technologies in our end-to-end technology platform and expect that this could lead to opportunities for multiple immune cell types in addition to our current work in T cells contributing to anti-tumor immune activity.

Also subsequent to the end of the quarter, as announced on May 2, we were delighted to announce that Medigene has partnered with Helmholtz Munich to acquire the exclusive, worldwide rights to the CD40L-CD28 costimulatory switch receptor. The CD40L-CD28 costimulatory switch receptor accelerates the expansion of our "Product Enhancement" technologies within our end-to-end platform and joins our existing PD1-41BB costimulatory switch receptor as a technology that has the potential to further enhance the anti-tumor activity of our TCR-T cells and improve their ability to overcome the immunosuppressive solid tumor microenvironment.

In terms of financials, we generated EUR 1.5 million in revenue in the first quarter of 2023 primarily from the partnership with BioNTech. Our R&D expenses for the quarter were EUR 2.3 million, reflecting our ongoing commitment to advancing our pipeline. We have also carefully managed our expenses to maintain strong liquidity of EUR 32.1 million, with cash & cash equivalents in the amount of EUR 21.1 million and time deposits of EUR 11.0 million as of the end of the quarter.

As such, and unchanged from previous guidance, I can confirm that we retain our expectations for a cash runway until the fourth quarter of 2024 based on current plans. We are confident that our partnerships will continue to progress, thus generating additional milestone payments and revenues for Medigene. Given the uncertainty of several factors both in our control and out of our control, we remain prepared to raise additional capital to extend our cash runway into 2025 and beyond, in order to support continued investment in our research and development activities. Management is diligently exploring all options and preparing accordingly.

Overall, we have executed well and remain confident in our ability to execute on our strategic plan and create additional value to our shareholders. We look forward and thank you for your continued support.

Sincerely,

Selwyn Ho

CEO

FINANCIAL GUIDANCE

Performance in the first quarter of 2023 was in line with the Executive Management Board's expectations. The Management Board therefore maintains its guidance for fiscal year 2023 published in the annual report 2022 on March 29, 2023, in its entirety. Accordingly, the Executive Management Board expects revenue in 2023 to be between EUR 5 and 7 million. The Company expects R&D costs ranging from EUR 13 to 16 million. Based on current planning, the Company is funded until the fourth quarter of 2024.