Media Release
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MorphoSys Signs Regional License Agreement for Antibody MOR202 with I-Mab

- MorphoSys to receive a USD 20 million upfront payment and entitled to tiered, double digit royalties on net sales of MOR202 plus milestone payments of up to USD 100 million from I-Mab
- I-Mab receives exclusive development and commercialization rights to MOR202 in China, Taiwan, Hong Kong and Macao
- I-Mab Biopharma (a fully owned affiliate of I-Mab) management has extensive experience that is particularly well-suited to developing MOR202 for the Greater Chinese market
- MorphoSys increases its financial guidance for 2017: revenues of EUR 63 to 66 million and EBIT of EUR -66 to -71 million expected

MorphoSys AG (FSE: MOR; Prime Standard Segment, TecDAX; OTC: MPSYY) and I-Mab announced today that they have entered into an exclusive regional licensing agreement to develop and commercialize MOR202 in China, Taiwan, Hong Kong and Macao. MOR202 is MorphoSys's proprietary investigational antibody against CD38, for which recruitment of a European Phase 1/2a clinical study in relapsed/refractory multiple myeloma has been concluded.

Under the terms of the agreement, I-Mab Biopharma will assume exclusive responsibility for all subsequent development and commercialization of MOR202 in the agreed territory. MorphoSys receives an immediate upfront payment of USD 20 million. MorphoSys will be entitled to receive additional success-based clinical and commercial milestone payments from I-Mab of up to approximately USD 100 million, as well as tiered double-digit royalties on net sales of MOR202 in the territory.

In connection with the license agreement with I-Mab, MorphoSys has increased its financial guidance. For the year 2017, MorphoSys now expects revenues in the range from EUR 63 to 66 million (up from previously EUR 46 to 51 million) and earnings before interest and taxes (EBIT) of EUR -66 to -71 million (up from previously EUR -75 to -85 million). Guidance for revenues and EBIT includes royalty income on Tremfya® sales in Q3 2017, but does not include any royalty income on Tremfya® sales in Q4 2017. Following the partnering of MOR202, proprietary R&D expenses will be in the range from EUR 96 to 100 million (previously EUR 85 to 95 million).

I-Mab Biopharma intends to start clinical development of MOR202 to treat patients with multiple myeloma in China next year.

"Our deal with I-Mab is the first step in our plan to secure the development and commercialization of MOR202. In I-Mab, we have found an ideal partner with a highly dedicated and experienced team who are committed to developing MOR202 as fast as possible for the Chinese market", commented Dr. Simon Moroney, Chief Executive Officer of MorphoSys AG.

"We are very excited to partner with MorphoSys to develop this highly differentiated investigational oncology medicine for unmet needs in China. This partnership marks a latest addition to our China

portfolio of clinical stage assets, which parallels with our global immuno-oncology portfolio of innovative biologics", said Jingwu Zang, founder and CEO of I-Mab Biopharma.

About MOR202 and the ongoing phase 1/2a study in multiple myeloma

The investigational drug MOR202 is a human HuCAL antibody directed against CD38, a highly expressed and validated target in multiple myeloma. Preclinical findings also support an anti-CD38 approach in other therapeutic fields beyond multiple myeloma including solid tumors and autoimmune diseases. MOR202 is currently in a phase 1/2a, open-label, multi-center, dose-escalation clinical study conducted in several sites in Germany and Austria. The study is evaluating the safety and preliminary efficacy of MOR202 with low dose dexamethasone and in combination with the immunomodulatory drugs (IMiDs) pomalidomide (POM) and lenalidomide (LEN) plus DEX in patients with relapsed/refractory multiple myeloma. The primary endpoints of the trial are the safety, tolerability and recommended dose of MOR202 with DEX and in combination with the IMiDs. Secondary outcome measures are pharmacokinetics and preliminary efficacy based on overall response rate, duration of response, time-to-progression, and progression-free survival.

About Multiple Myeloma:

Multiple myeloma (MM), a cancer derived from plasma cells, ranks second among hematological malignancies in many countries. In China, there would be an estimated 27,800 new cases each year and a total of 200,000 cases. With the acceleration of the aging process in China, it is predicted that MM, with a rapid growth in incidence, will become one of the more significant diseases that affect people's health. Patients who are refractory to the existing treatments have a very poor prognosis. MOR202 could be a highly differentiated innovative medicine for the treatment of multiple myeloma.

About MorphoSys:

MorphoSys is committed to developing exceptional new treatments for patients suffering from serious diseases. A leader in the field of therapeutic antibodies today, MorphoSys is driven by the ambition of creating the most valuable pipeline of biopharmaceuticals in the biotechnology industry. Based on its proprietary technology platforms, MorphoSys, together with its partners, has built a therapeutic pipeline of more than 110 programs in R&D, around a quarter of which is currently in clinical development.

In its proprietary development segment, MorphoSys, alone or with partners, is developing new therapeutic candidates, mainly focusing on cancer and inflammation. In its partnered discovery segment, MorphoSys uses its technologies to discover new drug candidates for pharmaceutical partners and participates from the programs' further development success, through success-based payments and royalties. MorphoSys is listed on the Frankfurt Stock Exchange under the symbol MOR. For regular updates about MorphoSys, visit http://www.morphosys.com.

About I-Mab:

I-Mab is a dynamic and fast-growing global player committed to developing innovative biologics in the areas of immuno-oncology and immuno-inflammation through internal R&D capabilities and global partnerships. I-Mab's pipeline is driven by the company's development strategy to address unmet needs in China and to bring innovative assets to the world. Following the recent Series B financing of $150 million and rapid growth in internal R&D capabilities, I-Mab is now well positioned to advance its China portfolio of multiple Phase 2 and Phase 3 innovative clinical assets and its global portfolio of first-in-class and best-in-class assets in China and/or US in 2018. I-Mab's long-term commitment is to deliver transformational medicines to patients globally with a focus on unmet needs in China. More information: http://www.i-mabbiopharma.com/en/

This communication contains certain forward-looking statements concerning the MorphoSys group of companies, The forward-looking statements contained herein represent the judgment of MorphoSys as of the date of this release and involve risks and uncertainties. Should actual conditions differ from the Company's assumptions, actual results and

actions may differ from those anticipated, MorphoSys does not intend to update any of these forward-looking statements as far as the wording of the relevant press release is concerned.

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