ANNUAL REPORT 2014

probiodrug

PROBIODRUG AG

EUR 23.2 million

Amount raised by Probiodrug AG

EUR 15.25

IPO Price

6,765,898

Outstanding shares

KEY FIGURES

In EUR k, unless otherwise stated	2014 unconsolidated	2013 unconsolidated*	2013 consolidated	2012 consolidated	2011 consolidated
Earnings, Financial and Net Assets Position					
Revenues	0	0	0	6	21
Operating profit/loss	−11,267	−9,701	−9,651	−10,558	−14,269
Net loss for the period	−11,437	−9,807	−9,929	−18,720	−16,307
Equity (end of the year)	15,971	−4,304	−4,224	5,365	14,945
Equity ratio (end of the year) (in %)	74.4	0	0	53.6	78.3
Balance sheet total (end of the year)	21,480	6,281	6,374	10,005	19,093
Cash flows from operating activities (year)	−10,589	−8,459	−8,526	−12,040	−14,321
Cash flows from operating activities (average)	−882	−705	−711	−1,003	−1,193
Cash flows from financing activities (net)	25,762	5,346	5,346	9,197	18,641
Cash and cash equivalents at the end of period	20,920	4,421	4,879	7,726	9,295
Personnel					
Total number of employees (incl. Board of management) (end of the year)	13	16	16	34	79
Average number of employees (incl. Board of management)	12.0	19.3	20.0	53.8	83.0
Probiodrug-Share					
Earnings per share (basic/diluted) (in EUR)	−2.35	−2.30	−0.39	−0.77	−0.78
Number of shares issued (end of the year)	6,766	25,529	25,529	25,529	22,694

* Financial statements 2014 were prepared for Probiodrug AG, since the subsidiary Ingenium was sold in July 2014. For comparison reasons 2013 financials are shown in a nonconsolidated manner, leaving out Ingenium. In order to enable comparisons with the financial statements published before we here show for 2013 consolidated and unconsolidated numbers.

PROBIODRUG AT A GLANCE

Probiodrug AG is a biopharmaceutical company dedicated to the research and development of new therapeutic products for the treatment of Alzheimer's disease ("AD").

Headquartered in Halle, Germany, Probiodrug was founded in 1997 by Prof Dr Hans-Ulrich Demuth and Dr Konrad Glund and successfully developed a novel therapeutic concept for diabetes – the DP4 inhibitors / gliptins. Today Probiodrug's aim is to become a leading company in the development of Alzheimer's treatments and to thereby provide a better life for patients.

Probiodrug has identified a new therapeutic concept linked to disease initiation and progression. The development approaches are targeting pyroglutamate-Abeta (pGlu-Abeta) as a therapeutic strategy to fight AD.

PRODUCT PIPELINE

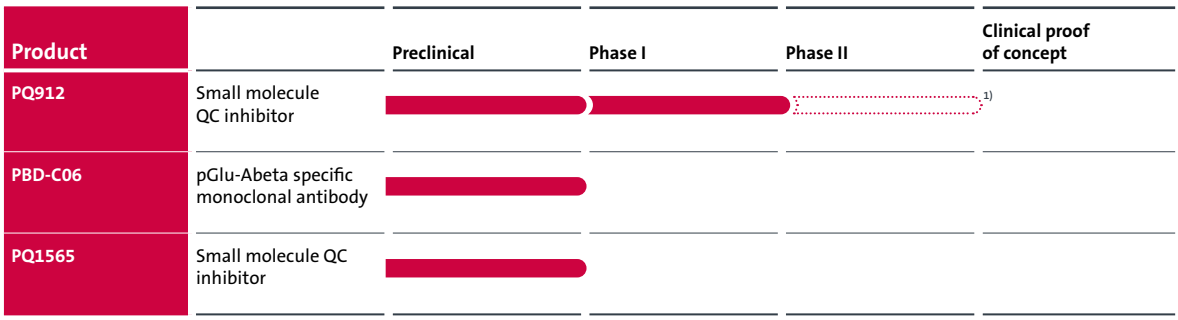
Probiodrug's drug candidates specifically target toxic pyroglutamate-Abeta (pGlu-Abeta) via two complementary modes of action: (i) inhibition of Glutaminyl Cyclase (QC), thus inhibiting the production of pGlu-Abeta; and (ii) clearing existing pGlu-Abeta from the brain. Probiodrug's current development pipeline consists of the following product candidates:

- PQ912 is Probiodrug's lead product candidate, currently in a Phase 2a study. PQ912 is a specific inhibitor of Glutaminyl Cyclase, which has shown therapeutic benefit in Alzheimer animal models.

- PBD-C06 is a monoclonal antibody, currently in preclinical research. PBD-C06 targets pGlu-Abeta, aiming to selectively clear the brain from pGlu-Abeta while leaving non-toxic forms of Abeta untouched.

- PQ1565 is a QC-inhibitor, currently in late preclinical research. The product candidate has shown attractive drug-like properties in preclinical studies.

FOCUSED ON PROPRIETARY PRODUCT PIPELINE



[1] Study initiated, first patient enrolled

CONTENTS

TO OUR SHAREHOLDERS

OUR FIELD OF ACTIVITY — Over 35 million people worldwide live with AD, a number which is expected to double by 2030.

1

LETTER TO THE SHAREHOLDERS

DEAR SHAREHOLDERS,

2014, the year that saw our stock market debut, was extraordinarily eventful and we would like to take this opportunity to present our achievements for the year as well as our plans for the future of your company.

On 27 October 2014, we celebrated the successful listing of Probiodrug AG on Euronext Amsterdam. For us as well as our colleagues, this was not only a significant corporate milestone, but also personally a very exciting event of the past year. We are especially proud of the fact that the listing of Probiodrug was the first successful IPO by a German biotech company in Europe in almost a decade. It would not have been possible without the support of our shareholders and, in particular, the commitment and dedication of our employees, advisors and partners. We would therefore like to take this opportunity to thank all our colleagues for this momentous achievement.

As a result of the IPO, Probiodrug is now in a much stronger financial position than it was a year ago. The proceeds received from the IPO have provided us with a good capital base to support the execution of our business and development strategy, and in particular to finance the further clinical and preclinical development of our lead candidate PQ912 and the progression of our other product candidates PBD-C06 and PQ1565.

Probiodrug pursues a novel, differentiated approach to treat Alzheimer's Disease with these product candidates, by targeting toxic pyroglutamate-Abeta (pGlu-Abeta). Many first-generation disease-modifying approaches in Alzheimer's Disease aim to reduce Abeta-plaques, a well-known hallmark of Alzheimer's Disease, or normal Abeta. The

"We believe our clearly differentiated approach presents a major opportunity for AD patients and will generate significant value for our shareholders."

KONRAD GLUND
CEO

majority of such approaches have not yet been successful. However, in a recent Phase Ib trial with a specific immunotherapy in early AD patients a significant reduction of amyloid plaques and a significant slowing of cognitive impairment has been shown. This, for the first time, confirms clinically the link between Abeta toxicity and dementia. This outcome is also encouraging for Probiodrug's targeted treatment approach. Probiodrug identified a specific enzyme, called Glutaminyl Cyclase (QC), which is instrumental for the production of the toxic Abeta variant pGlu Abeta. We have since developed small-molecule inhibitors addressing this enzyme QC as a novel target to inhibit the production of the toxic pGlu Abeta. PQ912, a highly specific and potent QC inhibitor, is the first molecule in its class in clinical development for Alzheimer's Disease. Since Probiodrug was the first company linking QC to Alzheimer's Disease, we could file, and in the meantime got granted in major markets, broad medical use patents for the use of inhibitors of QC for the treatment and prevention of neurodegenerative disorders, in particular Alzheimer's Disease.

"The successful listing was a landmark for us: we are now in a stronger position to advance the development of our lead product PQ912 and our pipeline."

HENDRIK LIEBERS
CFO

During 2014, we have taken major steps forward in the development of our product candidates. In 2015, our efforts will be focused primarily towards the advancement of PQ912. This product candidate was shown to be safe and well tolerated and revealed a high level of QC-inhibition in the spinal fluid in a Phase 1 study with 200 healthy young and elderly volunteers. We intend to continue to develop this product through Phase 2a clinical studies and beyond and have enrolled the first patient in March 2015, with initial data expected to be available by mid-2016.

We also intend to progress in parallel two more product candidates further: our anti-pGlu-Abeta-antibody PBD-C06 and PQ1565, another small molecule inhibitor of QC. Both products are in preclinical research.

Apart from the development of our product candidates we also plan to expand and further strengthen our intellectual property position on QC-inhibitors and antibodies against pGlu-ABeta by filing patent applications in major commercially relevant jurisdictions.

Our approach is quite unique and clearly differentiated from other Alzheimer disease therapeutic concepts, so that we intend to explore synergies through combinations with other therapies. Furthermore, we aim to evaluate the potential of the anti-pGlu-Abeta approach for other indications, such as Down Syndrome or age-dependent macular degeneration (AMD).

"We are very excited about the initiation of the Phase 2 study of our lead product PQ912 and believe that it offers a promising approach to treat AD."

INGE LUES
CDO

An eventful, exciting and successful year lies behind us, ladies and gentlemen, and we are confident that many successful years are ahead of us. For now, we would like to sincerely thank you, our shareholders, for the trust and commitment you have placed in Probiodrug AG. We are confident of our ability to increase the value of our company substantially in the foreseeable future. We would also like to thank again our employees, advisors and partners for their dedication and tireless commitment to the success of our products. Pursuing novel therapeutic approaches and bringing new innovative drugs to patients is an exciting and sometimes challenging business – this is what our industry was made for. And this is what we are fully committed to.

Best wishes,

KONRAD GLUND
CHIEF EXECUTIVE OFFICER

HENDRIK LIEBERS
CHIEF FINANCIAL OFFICER

INGE LUES
CHIEF DEVELOPMENT OFFICER

REPORT OF THE SUPERVISORY BOARD

OF PROBIODRUG AG, HALLE (SAALE) ON THE FINANCIAL YEAR 2014

DR ERICH PLATZER
CHAIRMAN OF THE SUPERVISORY BOARD

COOPERATION OF SUPERVISORY BOARD AND MANAGEMENT BOARD

In the past financial year the supervisory board closely supported the strategic further development of the company as well as substantial individual measures and provided advice to and supervised the executive management on a regular basis. The work of the supervisory board, the basic principles of adopting resolutions and the work of its committees were governed by the rules of procedures of the supervisory board as amended on September, 30th, 2014. In doing so, the supervisory board could always satisfy itself of the lawful, purposeful and proper condition of the measures. Within the reporting period, the management board informed the supervisory board in detail and comprehensively in the meetings on the business development, the financial situation of the company, the intrinsic progress of the research and development programs as well as the financial and investment planning. In addition, the management board submitted monthly reports on the financial reporting and reported in a detailed manner on events of particular importance, particularly on the financing of the company, the details of the initial public offering at Euronext in Amsterdam in 2014 and the status of the development programs. Moreover, the chairman of the supervisory board coordinated with the management board on substantial facts on a continuous basis. The supervisory board was always and in due time involved in all material and relevant topics. Also in 2014 the cooperation with the management was open and constructive. All relevant topics and strategic decisions or decisions, where consent was needed, were intensely discussed and mutually agreed.

SUPERVISORY BOARD MEETINGS

In 2014, the supervisory board convened in seven meetings. In those meetings the main issues were the financing and the upcoming initial public offering. In addition, eleven telephone conferences took place.

Also apart from the supervisory board meetings the chairman of the supervisory board had himself informed by the management board on a regular basis on the current development of the business situation, significant business events and the measures for the preparation of the initial public offering at Euronext, Amsterdam.

COMMITTEES

Within the supervisory board two committees were formed: the Audit Committee and the Compensation Committee. Members of the Audit Committee are Dr von der Osten, Dr Birner and Dr Neermann, chairperson is Dr von der Osten. All members have the required expertise and independence. The Audit Committee convened three times in 2014. In doing so, the members of the Audit Committee mainly discussed and reviewed the audit of the financial statements according to German GAAP (HGB) and the audit of the financial statements according to IFRS. Members of the Compensation Committee are Dr Platzer, Prof. Frank and Dr Litzka, chairperson is Dr Platzer. The Compensation Committee also convened three times in 2014. The main topic was the discussion and preparation of the contracts for the executive management.

The committees reported to the whole supervisory board on their activities.

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

The supervisory board audited the annual financial statements and the management report of the company for the financial year 2014. The auditor elected by the general shareholders' meeting as of August 25, 2014 for the financial year 2014, KPMG AG Wirtschaftsprüfungsgesellschaft, provided the unqualified certification of the annual financial statements including the accounting as well as the management report.

The documents subject to auditing and the audit reports of the auditor were delivered to each member of the supervisory board. The auditor attended the balance sheet meeting of the supervisory board on March 16, 2015 and reported on the substantial results of its audit.

The supervisory board took note of and gave its consent to the auditor's report. The result of the audit of the supervisory board fully corresponds with the result of the audit of the annual financial statements. The supervisory board does not see any reason for raising any objections against the executive management and the submitted annual financial statements.

In the meeting of March 16, 2015, the supervisory board endorsed the annual financial statements of Probiodrug AG prepared by the management board. The annual financial statements are thus approved.

CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY

Also within the reporting year 2014 the members of the supervisory board devoted themselves again to the German Corporate Governance Codex. The management board and the supervisory board issued a declaration of conformity pursuant to sec. 161 AktG (German Stock Corporations Act) available permanently on the website of Probiodrug AG. In addition, in its corporate governance report, the management board also an behalf of the supervisory board reported on the corporate governance with Probiodrug.

STAFF CHANGES ON THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

During the reporting period there have been two staff changes on the supervisory board. Dr Polack resigned from his supervisory board office as of July 7, 2014. The supervisory board thanks Dr Axel Polack for his longtime highly committed work for the company.

In the general shareholders' meeting of August 25, 2014, the supervisory board members were newly elected for a term of office until the end of the general shareholders' meeting deciding on the approval of the actions in the financial year 2014. Dr Birner was elected as a new member of the supervisory board.

By way of resolution of August 25, 2014, the supervisory board elected Dr Platzer as chairman and Dr von der Osten as deputy chairman.

By way of resolution of September 30, 2014, the supervisory board appointed Dr Inge Lues as member of the management board effective as of November 1, 2014 for the period until October 31, 2017. Also by way of resolution of September 30, 2014, the terms of office of the previous management board members Dr Hendrik Liebers and Dr Konrad Glund were renewed for a period of three years until November 30, 2017.

The supervisory board thanks the management board and all the employees of Probiodrug AG for their commitment and their performance, particularly for the mastering of the numerous challenges in connection with the initial public offering.

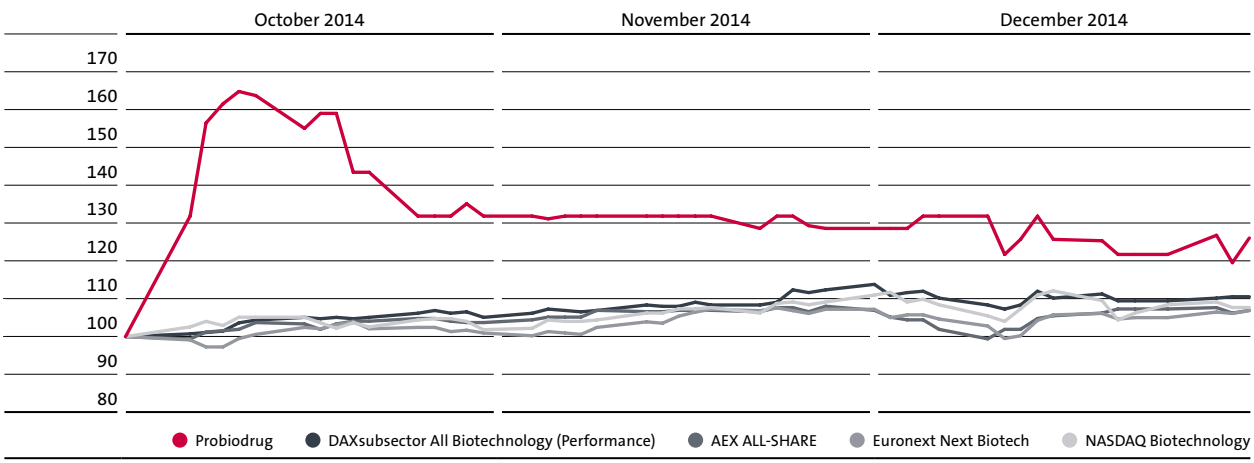
Halle (Saale), in March 2015
for the Supervisory Board:

DR ERICH PLATZER
VORSITZENDER DES AUFSICHTSRATES / CHAIRMAN OF THE SUPERVISORY BOARD

THE PROBIODRUG SHARE

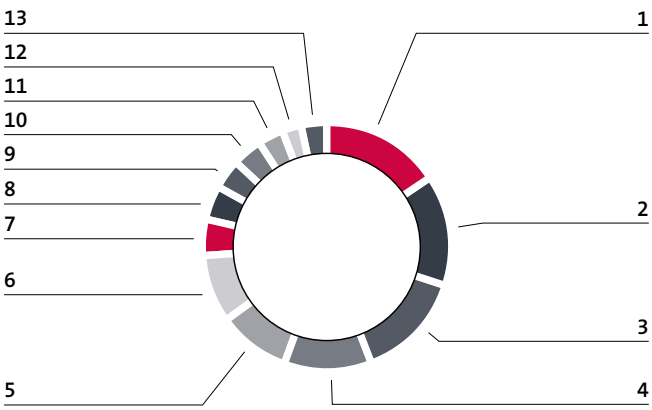
RELATIVE PERFORMANCE OF PROBIODRUG SHARE IN 2014

T02



SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2014

T03



		in %
1	BB Biotech AG	15.7
2	Edmond de Rothschild Investment Partners	14.4
3	IBG Group	14.1
4	HBM Healthcare Investments	11.4
5	TVM Capital	9.5
6	Life Science Partners	8.7
7	Founder/Management	4.7
8	LBBW	4.5
9	Biogen Idec	4
10	JP Morgan Asset Management	3.9
11	Funds advised by Wellington Management	3.1
12	Supervisory Board	2.6
13	Others	3.4
	Total	100

EUROPEAN STOCK MARKET TURNS TOWARDS BIOTECH

For the first time in years, the stock market has once again been a financing alternative for biotechnology companies: in 2014, the European biotech industry has seen a strong stock market. According to BIOCOM, a leading information specialist for biotechnology and life sciences in Europe, a total of EUR 2.4 billion was invested in listed biotech companies in Europe - an increase of 25% compared to the previous year (2013: EUR 1.9 billion). The number of biotech IPOs tripled to 15. A total of 150 biotech companies with a market capitalisation of EUR 66 billion are now listed on the 15 most important stock exchanges in Europe. In the aftermath of the crisis years 2011 and 2012, all indicators now show signs of an upswing throughout all trading centres.

The DAX Biotechnology subindex, which tracks the German biotech industry and is an important benchmark for Probiodrug, started 2014 at 154.77 points, reached a year high of 192.54 points at the beginning of December and ended the year at 186.56 points. This implies an annual growth of approximately 21% for 2014. During the same period, the US NASDAQ Biotechnology Index showed an increase of almost 34%. For the Netherlands, the Euronext Next Biotech is the most relevant benchmark for Probiodrug. It started the year at 1048.03 index points and closed at 1450.70 index points, an increase of 38%.

PROBIODRUG SHARE

At Probiodrug's IPO the shares were placed at a price of EUR 15.25 and on 27 October 2014 trading started on Euronext, Amsterdam. The share price subsequently reached its year-high of EUR 24.99 on 30 October 2014, then consolidated to EUR 19.15 on 31 December 2014, an increase of more than 25% on the IPO price. Probiodrug had a market capitalisation of just under EUR 130 million at the end of 2014. → T02

KEY FIGURES OF THE PROBIODRUG SHARE AS OF 31 DECEMBER 2014 T04

International Securities Identification Number (ISIN)	DE0007921835
German Securities Identification Number (WKN)	792183
Ticker Symbol:	PBD
Type of shares:	Bearer shares
Number of shares:	6,765,898
Stock exchange:	Euronext Amsterdam
Liquidity Provider:	Kempen & Co.
First day of trading:	27 October 2014
IPO Price (in EUR)	15.25
Annual high (Euronext) (in EUR)	24.99
Annual low (Euronext) (in EUR)	18.50
Closing price on the reporting date (Euronext) (in EUR)	19.15
Market capitalisation (in EUR million)	129.6

RELIABLE INVESTORS

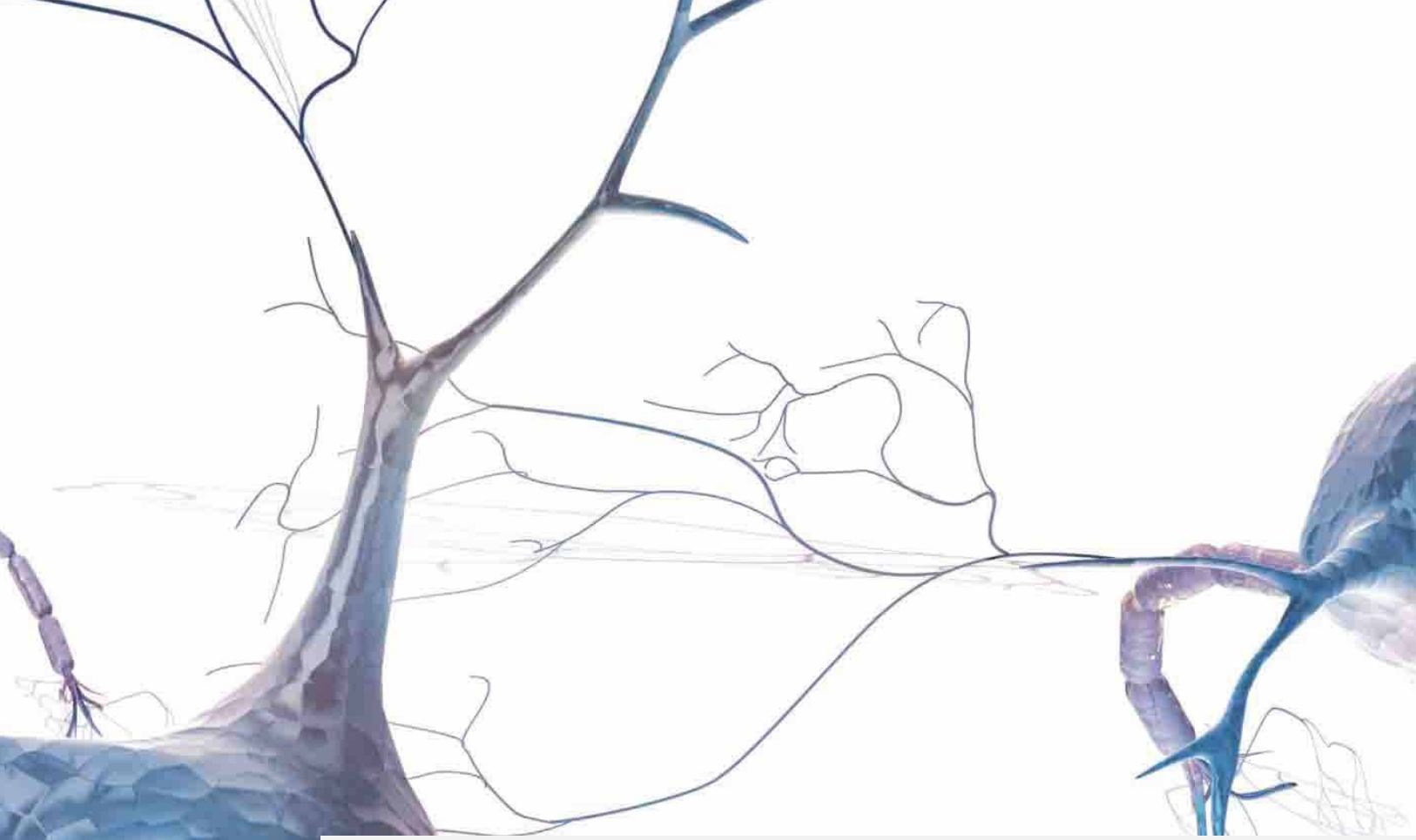
Probiodrug continues to enjoy the confidence of several blue chip investors, who together subscribed for a little more than two-thirds of the offered shares in October 2014, contributing EUR 15.7 million to the financing outcome. Among these are: BB Biotech AG, Edmond de Rothschild Investment Partners, IBG Group, HBM Healthcare Investments, TVM Capital, Life Science Partners and Biogen Idec. In the course of the IPO Probiodrug was able to attract further well-known institutional investors as e.g. JP Morgan Asset Management. → T03

SETTING UP OUR INVESTOR RELATIONS ACTIVITIES

After the successful IPO in the second half of 2014, the Management Board expanded investor relations activities. In addition to the reporting requirements associated with our listing on Euronext, Probiodrug posts additional relevant information on the company website (www.probiodrug.de) in the interest of prompt communication with all stakeholders.

Konrad Glund, our CEO, is heading our investor relations activities and is supported by Hume Brophy, an international communications firm. Contact details for media enquiries etc. can be found in the publishing information.

Analysts from the following banks and investment firms cover and analyze the shares of Probiodrug AG: Kempen & Co and Petercam. → Further information can be found in the investor relations section on our HOMEPAGE.



MANAGEMENT REPORT

OUR AMBITION — Our aim is to become a leading company in the development of Alzheimer's treatments and to provide a better life for patients.

2

2.1 BUSINESS, GENERAL ENVIRONMENT AND CORPORATE GOVERNANCE

(a) GROUP STRUCTURE AND BUSINESS ACTIVITIES

We are a biopharmaceutical company that focuses on the research and development and the potential future commercialization of new therapeutic products for the treatment of Alzheimer's disease ("AD"). The Company is developing a proprietary, focused pipeline of product candidates against AD.

The Company was founded for an indefinite period of time by a memorandum of association dated 1 August 1997 in the legal form of a limited partnership with a limited liability company as general partner under German law (Gesellschaft mit beschränkter Haftung & Companies Kommanditgesellschaft, GmbH & Co. KG) with the name ProBioTec Gesellschaft für Arzneimittelforschung mbH & Co. KG. In December 1997, the general partner ProBioTec Gesellschaft für Arzneimittelforschung und Verwaltung GmbH, a limited liability company under German law (Gesellschaft mit beschränkter Haftung, GmbH), having its registered seat in Halle /Saale, acquired and continued the Company's business operations while ProBioTec Gesellschaft für Arzneimittelforschung mbH & Co. KG was dissolved. In July 1998, the legal name of the Company was changed to Probiodrug Gesellschaft für Arzneimittelforschung mbH. In 2001, the Company's legal form was changed from a limited liability company into a stock corporation under German law (Aktiengesellschaft).

The Company is registered with the name Probiodrug AG with the commercial register of the local court (Amtsgericht) of Stendal under the registration number HRB 213719. Its commercial name is Probiodrug. The Company's registered office and business address is Weinbergweg 22, 06120 Halle/Saale, Germany.

The Management of the Company currently consists of three members: Dr Konrad Glund (Dipl. Biochemiker [degreed biochemist]) – CEO, Chairperson, Dr Hendrik Liebers (Dipl.-Biologe [degreed biologist], Dipl.-Kaufmann [degreed businessman]) – CFO, and Dr Inge Lues (Dipl.-Biologe [degreed biologist]) – CDO.

The Company has one subsidiary, Probiodrug Inc., Dover, Delaware which is not yet operational. Until July 2014, the Company had a further subsidiary, Ingenium Pharmaceuticals GmbH ("Ingenium") that was operational and had been acquired in 2007. Ingenium's business was the creation of novel animal models and the research of CDK 9 inhibitors as anti-inflammatory drugs. CDK 9 is a cyclin-dependent protein kinase and as a component of a multiprotein complex involved in the regulation of several cellular processes. The major assets of Ingenium were sold in 2013 to AstraZeneca and the shares of Ingenium were transferred to a third party in July 2014 without any further obligations of the Company.

(b) CORPORATE GOVERNANCE REPORT

The management board and the supervisory board expressly support the German Corporate Governance Code and the goals and objectives it pursues and the Company largely complies with its requirements. In accordance with section 3.10 of the German Corporate Governance Code, we report below on corporate governance as practised at Probiodrug. The declaration on corporate governance (Erklärung zur Unternehmensführung) in accordance with sec. 289a of the German Commercial Code (HGB) can be found in the management report relating to the Annual Financial Statements 2014 in the Annex "Financial Reports". In addition, the joint Compliance Statement (Entsprechungserklärung) acc. to sec. 161 German Stock Corporation Act (AktG) of the management board and the supervisory board of Probiodrug is published on the Company's website under www.probiodrug.de.

In the following the management board and the supervisory board report on the Corporate Governance at Probiodrug pursuant to sec. 3.10 of the German Corporate Governance Code.

IMPLEMENTATION OF THE GERMAN CORPORATE GOVERNANCE CODE

As a result of the initial public offering of Probiodrug at the Euronext in Amsterdam on 27 October 2014, the Corporate Governance Code has been applicable to Probiodrug directly since that date.

REASONABLE CONTROL AND RISK MANAGEMENT

For the company management, a continuous and systematic management of the entrepreneurial chances and risks is of essential importance. For this reason, Probiodrug implemented a control and risk management. The management board reports to the supervisory board on a regular basis of the current developments in the company. In the Audit Committee the supervision of the effectiveness of the accounting processes as well as the supervision of the independence of the auditor are in the focus.

OBJECTIVES OF THE SUPERVISORY BOARD REGARDING ITS COMPOSITION

The supervisory board shall be composed in such a manner that its members – individually and collectively – have the required knowledge, skills and experience for the proper performance of their tasks. The supervisory board intends to take into consideration the following objectives relating to its composition:

- Experience in pharmacological research and research into the Alzheimer's disease and similar diseases
- Experience in public capital market law
- Due to the international alignment of the company, the members of the supervisory board should also have U.S. experience.
- Avoidance of substantial and not just temporary conflicts of interests and reasonable handling of other conflicts of interests
- Fixing of an age limit of 75 years, i.e. when a member of the supervisory board reaches the age of 75 during the term of office, he/she is supposed to withdraw from the supervisory board upon the end of the general shareholders' meeting after having reached the age of 75.

As these requirements make it difficult to find a sufficient number of qualified members for the supervisory board, the supervisory board did not determine any fixed diversity quota, in particular no fixed female quota.

AVOIDANCE OF CONFLICTS OF INTEREST

Within the reporting year there were no consultancy or other service and work agreements in place between the supervisory board members and the company. There have not been any conflicts of interests of management board or supervisory board members subject to immediate disclosure to the supervisory board.

TRANSACTIONS IN SECURITIES SUBJECT TO REPORTING AS WELL AS SHAREHOLDINGS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

Pursuant to sec. 15a WpHG (German Securities Trading Act), the members of the management board and the supervisory board or persons close to them are obligated to disclose transactions subject to reporting and shares in the company or financial instruments relating thereto if the value of the transactions reaches or exceeds the amount of EUR 5,000.00 within one calendar year. Since the initial public offering of the company at the Euronext, Amsterdam, no transactions have been reported to the company. The management board members hold interests in the company as follows:

Dr Konrad Glund: 144,550 shares (2.14 %)
Dr Hendrik Liebers: 31,658 shares (0.47 %)
Dr Inge Lues: 3,178 shares (0.05 %)

D&O Insurance

The company took out pecuniary loss liability insurance (D&O insurance) for the members of the management board with a reasonable retained amount pursuant to sec. 93 para. 2 sentence 3 AktG.

The company took out pecuniary loss liability insurance for the supervisory board as well. No retained amount was provided for in this case. As until now the supervisory board members do not receive any remuneration with one exception, a retained amount for the supervisory board members would entail an unreasonable result in financial terms. If the supervisory board members should receive remuneration eventually, too, the pecuniary loss liability insurance is to be adjusted accordingly.

For further details on corporate governance, please refer to the management report relating to the Annual Financial Statements 2014 (see Annex "Financial Reports")

(c) RESEARCH AND DEVELOPMENT PROCESS

Whereas in the past the Company did its research mainly with in-house resources, the Company transformed its business model successfully into a development company with high levels of outsourcing resulting in flexibility and cost-efficiency. At the same time, the Company kept the access to the established formerly in-house scientific AD experts through advisory contracts. According to its needs, the Company has retained and extended the number of very committed senior industry experts for the program who ensure that the Company has access to the expertise for all relevant functions needed for a competent and efficient clinical and non-clinical development of its product candidates. The Company's expertise also includes translational preclinical and clinical development aspects with specific emphasis on the development and use of innovative exploratory biomarkers and effective clinical study designs. In the past, it was difficult to find the right AD patients for clinical studies as there were no relevant biomarkers to identify AD at an early stage. The Company, however, believes it is in a good position to identify early stage AD patients by using the right combination of measures and markers in order to get reliable results in the further clinical development of PQ912. The Company has deep and longstanding expertise in building and managing networks of international advisors on both the science and the clinical aspects of AD. The Company has created and maintained strong credibility over the years with the scientific community, with clinicians,

and with many pharmaceutical companies that pursue therapies for the central nervous system and neurodegenerative diseases such as AD.

(d) CORPORATE STRATEGY AND OBJECTIVES

Probiodrug's overall objective is to become a leading company in developing AD treatments and to thereby provide a better life for patients with AD, and possibly other indications that may be successfully treated by Probiodrug's product candidates. To commercialize a potentially successful treatment, Probiodrug continuously reviews its model, wether it is appropiate for a biotechnology company at this stage and size, such as entering into collaborative, partnering or licensing arrangements in respect of its product candidates.

The key elements of our strategy to achieve this goal are the following:

Continue to develop PQ912 through Phase 2a clinical studies and beyond

Probiodrug plans to carry out a Phase 2a study for its lead product candidate PQ912 and has initiated this study in March 2015. In this study, Probiodrug will obtain both additional safety data as well as initial efficacy data on short-term memory effects in treatment-naive patients with mild cognitive impairment or mild dementia known to be associated with Alzheimer's Disease.

Once Phase 2a has been completed, Probiodrug may go directly to a pivotal study in case there are clear positive signals of PQ912 with regard to cognitive domains, neuronal connectivity readout as measured by electroencephalography ("EEG") or rested state functional Magnetic resonance imaging ("rsfMRI") or molecular Biomarkers ("BM"). In case the Phase 2a exploratory objectives do not yield clear results, i.e. no clear effect is observed in any of the cognition, BM or EEG readouts, Probiodrug intends to execute a Phase 2b study to evaluate the efficacy in a longer treatment period. In the latter case, a Phase 2b proof of concept study, with about 600 patients over 18 months with interim analysis is envisaged by Probiodrug.

Advance development of PBD-C06 and PQ1565 to the clinical stage

We will also progress the development of our other two product candidates, i.e. the antibody PBD-C06 and the other small molecule PQ1565 that inhibits QC-activity. Both product candidates are still in the preclinical research and formal preclinical studies have yet to be entered into.

Enter into partnerships with biotechnology and pharmaceutical companies

For the development of PQ912 beyond Phase 2a, as well as for the other product candidates, Probiodrug intends to seek out and enter into partnerships with biotechnology and pharmaceutical companies. Such partnerships can provide significant clinical and technical expertise as well as financial support and would allow Probiodrug not only to continue to focus on the development of its product candidates but also to pursue the possibilities of developing other product candidates and to explore the efficacy of its product candidates in other indications.

Expand Probiodrug's intellectual property position in QC-inhibitors

Probiodrug continuously expands its intellectual property position on QC-inhibitors and antibodies against pGlu-Abeta by filing patent applications in major commercially relevant jurisdictions and, where deemed appropriate, contests any infringements.

Explore benefits of combination therapies between Probiodrug's product candidates and other products

As the mode of action of Probiodrug's product candidates is different from existing AD therapies and AD therapies in development in the industry generally and the safety profile of our lead product candidate PQ912 to date has been attractive, Probiodrug is well positioned to explore synergies of combination strategies with other therapies. Therefore, Probiodrug explores the rationale to combine its own product candidates PQ912, PQ1565 and PBDC06 with other therapies such as BACE inhibitors. It has already been shown preclinically that a combination of a BACE inhibitor with a pGlu-Abeta specific antibody revealed a synergistic effect, i.e. the effect of the combination is bigger than the sum of the effect of the single compound, in Alzheimer's Disease -like animal models. Probiodrug also aims to explore possible synergies by applying a combination of PQ912 and PBD-C06 as well as evaluating the potential of the Anti-pGlu-Abeta approach for other indications, such as the Down syndrome or age-dependent macular degeneration (AMD).

Probiodrug aims to make use of Investor-Initiated Studies to explore the application of its product candidates to these, and possibly other, indications for which a biological rationale exists.

2.2 OVERVIEW OF THE COURSE OF BUSINESS

(a) MACROECONOMIC DEVELOPMENT AND DEVELOPMENTS IN THE PHARMA AND BIOTECHNOLOGY INDUSTRY

The general environment with respect to Alzheimer's research developed positively in 2014. There were, in part, significant collaborations in the pharmaceutical industry in the Alzheimer area, implying an increasing interest in the development of research and development pipelines in this area. Noteworthy are the collaborations involving BiogenIdec and Eisai (March 2014) as well as that of Lilly and AstraZeneca (September 2014). From the perspective of the investors, this development, along with the initial positive clinical data for example from BiogenIdec, led to an increase in interest in the indication Alzheimer. In conjunction with the promising data already generated by Probiodrug as well as the general positive stock market environment for biotechnology companies, this led to the Company's successful initial public offering on the Euronext in Amsterdam in October 2014.

From the perspective of the industry, there continues to be an unchanged high level of interest in novel treatment approaches which make innovative pharmacological interventions possible for diseases such as Alzheimer's which are still insufficiently treated thereby prospectively making attractive reimbursement possible. However, as a consequence, high validation and thereby risk optimising requirements are a prerequisite for a (lucrative) partnership.

(b) SIGNIFICANT CORPORATE EVENTS OF THE COMPANY

The milestones of the corporate development of Probiodrug were the sale of Ingenium without obligations remaining with Probiodrug after the business of Ingenium was completely sold in 2008 and in 2013, the conversion of all outstanding bonds from the Convertible Bond 2013 and the Convertible Bond 2014 into shares as well as the preparation and performance of the IPO. For further details of the aforementioned events please see the management report for the Annual Financial Statements (Annex "Financial Reports").

Dr Inge Lues was appointed as member of the Management Board as Chief Development Officer effective 1 November 2014. Dr Lues, an experienced advisor of biotech companies and former Head of Global Drug Discovery and Non-Clinical Development Pharma at Merck KGaA, joined Probiodrug as Research & Development advisor in 2008 and has acted as Chief Development Officer since 2013. As a member of the Management Board she is responsible for all research and development activities of Probiodrug.

The contracts of the management board members Dr Glund and Dr Liebers, with a term through 30 November 2014, were revised and have a term through 30 November 2017. In July 2014, Dr Polack resigned from the supervisory board. On 25 August 2014 the shareholders' meeting elected Dr Birner as a new member of the supervisory board and re-elected all other supervisory board members. The term of all supervisory board members ends with the shareholders' meeting which resolves upon the exoneration of the supervisory board for the year 2014.

(c) SIGNIFICANT OPERATIONAL EVENTS OF THE COMPANY

Probiodrug successfully completed the Phase 1 clinical study of PQ912. PQ912 is the first QC-inhibitor tested in humans. It was evaluated in 200 healthy volunteers in a clinical Phase 1 study in Europe to determine safety and tolerability as well pharmacokinetic and pharmacodynamic parameters. It has been demonstrated that PQ912 was safe and very well tolerated after single administration in a dose range of 10 mg up to 3600 mg and after twice a day administration up to a dose of 500 mg in non-elderly and 800 mg in elderly subjects. No serious adverse events were reported in the Phase 1 study. Maximal tolerated dose was not achieved. The pharmacokinetics was dose-proportional at lower doses of PQ912 and 2 times over-proportional at higher doses. Plasma and CSF concentrations of PQ912 were higher in elderly than in non-elderly subjects suggesting a decrease in clearance with age. PQ912 was determined to have a half-life of 2.2 hours in plasma and, importantly, 6 hours in CSF as an indicator for the half-life in the brain. Exposure in CSF was about 30% of the unbound fraction in plasma. Increasing compound levels in plasma and CSF correlated tightly with the degree of

inhibition of QC-activity. By day 11 of dosing with 300 and 400 mg bid PQ912 observed mean concentrations in CSF corresponded to a target engagement of 70% in younger and elderly subjects, respectively. Increasing doses of PQ912 lead to increasing drug level in the brain and in CSF. A given concentration in brain and CSF leads to a certain inhibition of QC-activity. The estimated CSF exposure achievable with twice daily 800 mg in elderly subjects was on average 90%.

Probiodrug made significant progress in preparing the Phase 2a "SAPHIR" clinical study of PQ912, including the 3 month toxicology studies and the implementation of a biomarker panel. The phase 2a clinical trial 'Safety and Tolerability of PQ912 in Subjects with Early Alzheimer's disease (SAPHIR)' is a randomized, double-blind multi-center study which plans to enrol a total of 110 patients with early stage Alzheimer's disease. SAPHIR will be led by internationally renowned experts in AD in five European countries at 14 sites. The primary endpoint of the trial is the safety and tolerability of PQ912 compared with placebo over a three-month treatment period. Additionally, a set of exploratory read-outs comprising cognitive tests, functional assessments by EEG and functional MRI and new molecular biomarkers in CSF will be used to evaluate the compound's effect on the pathology of the disease. First data of the SAPHIR study are expected mid-2016.

In March 2015 the first patient has been enrolled at the Alzheimer Center, VU Medical Center (VUmc), Amsterdam. The Company's lead monoclonal antibody molecule, PBD-C06, selectively targeting pGlu-Abeta, has been successfully humanized and also de-immunized to avoid detection by the patient's endogenous immune system. Experiments are running to identify the optimal immunoglobulin isotype. Probiodrug is also advancing PQ1565, a second QC-inhibitor from the same structural class as PQ912. Regulatory toxicology studies are in preparation and production of this molecule is currently being scaled up.

Probiodrug made also progress in further strengthening its IP position – so patent no. 8,809,010 B2 has been issued by the U.S. Patent and Trademark Office, covering a broad method of prophylactically treating AD, comprising administering a therapeutically effective amount of at least one inhibitor of QC or a pharmaceutical composition comprising a therapeutically effective amount of at least one inhibitor of QC to a subject in need thereof. Also patent no. CA 2,524,009 has been granted in Canada. Claims of this patent cover the use of QC inhibitors for the prevention and treatment of AD.

2.3 RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

The financial statements of Probiodrug as at 31 December 2014 were prepared on a voluntarily basis in accordance with the International Financial Reporting Standards (IFRS/IAS) of the International Accounting Standards Board as well as in accordance with the Interpretations of the International Financial Reporting Interpretations Committee/Standing Interpretations Committee (IFRIC/SIC), as endorsed by the European Union for mandatory application as of the balance sheet date. As all shares of Ingenium were sold, these are the first stand-alone (unconsolidated) financial statements for Probiodrug prepared in accordance with IFRS. The previously published financial statements (2011 – 2013) were prepared and presented as consolidated financial statements in accordance with IFRS. Unconsolidated financial statements 2014 were prepared for Probiodrug AG, since the subsidiary Ingenium was sold in July 2014. For comparison reasons 2013 financials are shown in a nonconsolidated manner, leaving out Ingenium. In order to enable comparisons with the financial statements published for 2011 – 2013 the Key Figures contain the unconsolidated as well as the consolidated numbers for 2013.

(a) RESULTS OF OPERATIONS

The statement of comprehensive income of Probiodrug for the year 2014 is set forth below:

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY 2014 TO 31 DECEMBER 2014 IFRS

T05

		01.01.–31.12.
	2014	2013
I. Profit or Loss	EUR k	EUR k
Revenue	0	0
Cost of sales	0	0
Gross profit	**0**	**0**
Research and development expenses	–8,087	–8,004
General and administrative expenses	–3,430	–2,444
Other operating income	250	747
Operating loss	**–11,267**	**–9,701**
Interest income	36	9
Interest expense	–206	–115
Financial loss	**–170**	**–106**
Loss before tax	**–11,437**	**–9,807**
Income tax expense	0	0
Net loss for the period	**–11,437**	**–9,807**
II. Other comprehensive profit (loss)		
items not to be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit pension liability	–405	35
Total other comprehensive profit (loss)	**–405**	**35**
III. Comprehensive loss	**–11,842**	**–9,772**
Earnings per share in EUR (basic and diluted)	–2.35	–2.30

REVENUES

No revenues were realised in 2014 (2013: EUR 0).

COST OF SALES

No research and development services were sold in financial year 2014, therefore no cost of sales incurred (2013: EUR 0).

RESEARCH AND DEVELOPMENT EXPENSES

In financial year 2014 research and development expenses amounted to EUR 8,087k (2013: EUR 8,004k).

GENERAL AND ADMINISTRATIVE EXPENSES

The general and administrative expenses of EUR 3,430k (2013: EUR 2,444k) comprise personnel costs and costs of materials as well as amortisation and depreciation attributable to the administrative area and other operating expenses. The increase reflects primarily the costs in connection with the preparation for the IPO and the legal requirements Probiodrug had to meet afterwards.

OTHER OPERATING INCOME

The other operating income amounted to EUR 250k (2013: EUR 747k) which is driven primarily by a release of provisions of EUR 190k (2013: EUR 88k).

OPERATING LOSS

The resulting operating loss amounts to EUR 11,267k (2013: EUR 9,701k).

FINANCIAL LOSS

The financial loss amounts to EUR 170k (2013: EUR 106k) with the increase driven by the costs incurred with a venture loan line, secured during the IPO preparation.

INCOME TAX

No income tax expenses had to be recognized for 2014 (2013: EUR 0).

NET LOSS

The corresponding net loss amounts to EUR 11,437k (2013: EUR 9,807k).

OTHER COMPREHENSIVE LOSS

The other comprehensive loss amounts to EUR 405k (2013: gain of EUR 35k), reflecting remeasurements of the net defined benefit pension liability.

COMPREHENSIVE LOSS

The resulting comprehensive loss amounts to EUR 11,482k (2013: EUR 9,772k).

(b) FINANCIAL POSITION

The statement of financial position of Probiodrug for the year 2014 is set forth below:

STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2014

ASSETS
IFRS

T06

	12/31/2014	12/31/2013
	EUR k	EUR k
A. Noncurrent assets		
I. Intangible assets	82	101
II. Plant and equipment	101	321
III. Financial assets	3	3
Total noncurrent assets	**186**	**425**
B. Current assets		
I. Other short-term financial assets	101	1,238
II. Tax refunds	3	9
III. Other assets	270	188
IV. Cash and cash equivalents	20,920	4,421
Total current assets	**21,294**	**5,856**
Total assets	**21,480**	**6,281**

EQUITY AND LIABILITIES
IFRS

T07

	12/31/2014	12/31/2013
	EUR k	EUR k
A. Equity		
I. Share capital	6,766	25,529
II. Legal reserve	228	228
III. Additional paid-in capital	21,980	52,180
IV. Other reserves for remeasurement of the pensions	−604	−199
V. Retained earnings	−12,399	−82,042
Total equity	**15,971**	**−4,304**
B. Noncurrent liabilities		
I. Investment grants	0	11
II. Pensions	929	535
III. Provisions	0	719
Total noncurrent liabilities	**929**	**1,265**
A. Current liabilities		
I. Investment grants	11	13
II. Tax liabilities	2,543	2,445
III. Provisions	795	41
IV. Convertible bonds	0	5,346

EQUITY AND LIABILITIES
IFRS

	12/31/2014	12/31/2013
	EUR k	EUR k
V. Trade payables	1,036	1,314
VI. Other current liabilities	195	161
Total current liabilities	**4,580**	**9,320**
Total liabilities	**5,509**	**10,585**
Total equity and liabilities	**21,480**	**6,281**

ASSETS

The assets amount to EUR 21,480k (2013: EUR 6,281k), consisting mainly of cash and cash equivalents of EUR 20,920k (2013: EUR 4,421k).

EQUITY

The equity amounts to EUR 15,971k (2013: EUR –4,304k), corresponding to an equity ratio of 74.4%.

NONCURRENT LIABILITIES

The noncurrent liabilities amounts to EUR 929k (2013: EUR 1,265k), consisting completely of the net commitment (defined benefit liability) of the pension commitments (defined benefit obligations) of EUR 929k (2013: EUR 535k).

CURRENT LIABILITIES

The current liabilities amount to EUR 4,580k (2013: EUR 9,320k), consisting primarily of the tax liabilities of EUR 2,543k (comprising the Company's payment obligations as a result of the tax audit for the period 2002 through 2005 including interest for late payment EUR 1,341k) and trade payable. The trade payables amounted to EUR 1,036k (2013: EUR 1,314k) resulting from of the ordinary conduct of business. They have a remaining term of up to one year. All convertible bonds of the Company were converted into equity, so that this position amounts to EUR 0 (2013: EUR 5,346k).

(c) OVERALL ASSESSMENT OF ECONOMIC POSITION

There are currently only a few factors which could, in the short-term, endanger the continuity of Probiodrug in the financial year 2015. Overall, the Company is well positioned. The cash and cash equivalents as at 31 December 2014 provide for the Company's financing beyond the upcoming twelve months. Management believes that additional cash inflows can be generated. If the currently planned assumptions with respect to liquidity do not prove to be viable, based on the current cash reach, there could prospectively be a risk that the financing of the Company is insufficient.

2.4 EMPLOYEES

As at 31 December 2014, including the management board, Probiodrug had 13 (2013: 16) employees, of which 54% were female. In 2014 there was an average of 12 employees (2013: 19). In 2014 Probiodrug incurred personnel expenses (excluding non-cash expenses for the stock option programme) of EUR 1.45 million (2013: EUR 1.78 million). This was primarily due to the reduction in staff as a result of the reorganisation, which began in 2012 and was completed in 2013, to adjust the Company and personnel structure to the focused development strategy.

2.5 INDUSTRIAL PROPERTY RIGHTS

A robust patent portfolio is a decisive success factor for Probiodrug. Probiodrug has a very experienced patent management which further strengthened and strategically optimised the patent portfolio in 2014. In order to ensure focus on the sustainable value drivers as well as to optimise costs and benefits, Probiodrug continuously reviews its patent portfolio and patent applications. Furthermore, in 2014, the entire intellectual property portfolio around CDK 9 was transferred to AstraZeneca in conjunction with the sale of this program.

As at 31 December 2014, 43 patent families were held (31 December 2013: 42). The focussing of the patent portfolio in non-core areas was off-set by new applications in the development relevant areas. As such, Probiodrug's overall patent position was further improved.

2.6 REPORT ON RISKS AND OPPORTUNITIES

(a) OPPORTUNITIES

The main opportunities for Probiodrug and its shareholders are based on an increasing interest in AD, the generation of additional positive data, licensing agreements due to Probiodrug's very comprehensive and well positioned patent portfolio as well as takeovers and M&A opportunities with Probiodrug as a target.

(b) RISKS

On the other hand, Probiodrug is exposed to various individual risks which are described in detail in the management report relating to the Annual Financial Statements 2014 (see Annex "Financial Report"). The occurrence of these risks can, individually or in the aggregate, with the incurrence of other risks respectively other circumstances, have a material adverse effect on the business activities, the realisation of significant Company goals and/or Probiodrug's refinancing and could have substantial negative implications on the Company's net assets, financial position and results of operations. In the worst case this could force the Company to file for insolvency. Giving consideration to all of the risks mentioned in the management report, there are currently only a few factors which could, in the short-term, endanger the continuity of Probiodrug in the financial year 2015. Overall, the Company is well positioned. The cash and cash equivalents as at 31 December 2014 provide for the Company's financing beyond the upcoming twelve months. Management believes that additional cash inflows can be generated. If the currently planned assumptions with respect to liquidity do not prove to be viable, based on the current cash reach, there could prospectively be a risk that the financing of the Company is insufficient.

(c) RISK MANAGEMENT

Probiodrug AG has an active, systematic risk management on the basis of which risks are to be identified, monitored and, on the basis of appropriate measures, minimised. Probiodrug's current business risks are primarily in the research and development of novel active pharmaceutical ingredients, the protection of intellectual property, the cooperation with a network of service providers and partners, maintaining equity as well as in the Company's mid- to long-term financing. These risks are continuously assessed so as to optimise the Company's opportunities/risks position.

For further details on the opportunities, the risks and the risk management please refer to the management report relating to the Annual Financial Statements 2014 (Annex "Financial Reports").

2.7 REPORT ON POST-BALANCE SHEET DATE EVENTS

There were no events of particular significance subsequent to the balance sheet date.

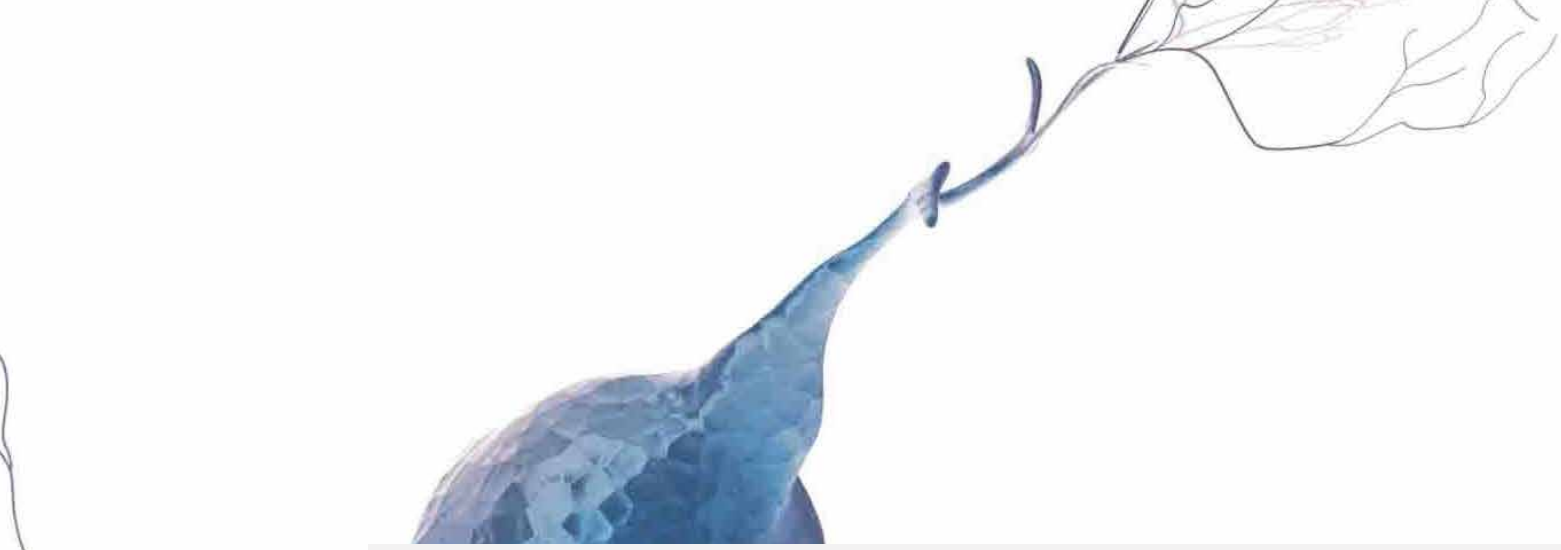
2.8 COMPANY OUTLOOK

The mid-term focus of Probiodrug's business activities can be summarised as follows:

- Further preclinical and clinical testing of the development candidate PQ912 in the area of QC inhibition, in particular execution of the first patient study in 2015/ 2016,
- Securing further supporting data and intellectual property protection for the therapeutic concept of QC inhibition as a fundamental novel approach for the treatment of Alzheimer's and other diseases,
- Further progression of the therapeutic concept of the anti pGlu-Abeta specific anti-bodies (PBD-CO6) as well as that of PQ1565, an additional QC inhibitor,
- Further increasing visibility and acceptance as an important prerequisite for an industrial transaction,
- Optimising external cooperations to increase the breadth and speed of the research and development processes as well as the involvement of key opinion leaders.

As a result of the additional costs being incurred for development activities which are not yet off-set by any sales, the Company also projects a net loss for the financial year 2015 by trend approximately comparable with that of 2014.

The Company is well positioned in the development of new therapeutic concepts for the treatment of AD. The successfully completed initial public offering has further solidified this positioning. By successful further program development, Probiodrug will lay the groundwork for a mid-term option for a lucrative industrial partnership or an M&A transaction as well as the further generation of a substantial company value.



FINANCIAL REPORTS

OUR UNIQUE APPROACH — Probiodrug pursues a differentiated approach to treat AD by targeting toxic pGlu Abeta. Our lead product PQ912 is the first molecule in its class in clinical development for AD.

3

PART I

A. NON-CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2014

ASSETS T08

	Notes	12/31/2014	12/31/2013
		EUR k	EUR k
A. Noncurrent assets			
I. Intangible assets	3.3/6.1	82	101
II. Plant and equipment	3.4/6.2	101	321
III. Financial assets	3.6	3	3
Total noncurrent assets		**186**	**425**
B. Current assets			
I. Other short-term financial assets	6.3	101	1,238
II. Tax refunds	6.4	3	9
III. Other assets	6.5	270	188
IV. Cash and cash equivalents	3.9/6.6	20,920	4,421
Total current assets		**21,294**	**5,856**
Total assets		**21,480**	**6,281**

EQUITY AND LIABILITIES

T09

	Notes	12/31/2014	12/31/2013
		EUR k	EUR k
A. Equity			
I. Share capital	6.7	6,766	25,529
II. Legal reserve	6.7.1	228	228
III. Additional paid-in capital	6.7.2	21,980	52,180
IV. Other reserves for remeasurement of the pensions	6.7.3	−604	−199
V. Retained earnings	6.7.4	−12,399	−82,042
Total equity		**15,971**	**−4,304**
B. Noncurrent liabilities			
I. Investment grants	3.11/6.8.1	0	11
II. Pensions	3.12/6.8.2	929	535
III. Provisions	3.13/6.8.3	0	719
Total noncurrent liabilities		**929**	**1,265**
C. Current liabilities			
I. Investment grants	3.11	11	13
II. Tax liabilities	6.9.1	2,543	2,445
III. Provisions	3.13/6.9.2	795	41
IV. Convertible bonds	6.9.4	0	5,346
V. Trade payables	6.9.3	1,036	1,314
VI. Other current liabilities	6.9.5	195	161
Total current liabilities		**4,580**	**9,320**
Total liabilities		**5,509**	**10,585**
Total equity and liabilities		**21,480**	**6,281**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1, 2014 TO DECEMBER 31, 2014

T10

	Notes	01.01.–31.12. 2014	2013
I. Profit or Loss		EUR k	EUR k
Revenue	5.1	0	0
Cost of sales	5.2	0	0
Gross profit		**0**	**0**
Research and development expenses	5.3	−8,087	−8,004
General and administrative expenses	5.4	−3,430	−2,444
Other operating income	5.6	250	747
Operating loss		**−11,267**	**−9,701**
Interest income		36	9
Interest expense		−206	−115
Financial loss		**−170**	**−106**
Loss before tax		**−11,437**	**−9,807**
Income tax expense	5.7	0	0
Net loss for the period		**−11,437**	**−9,807**
II. Other comprehensive profit (loss)			
items not to be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit pension liability		−405	35
Total other comprehensive profit (loss)		**−405**	**35**
III. Comprehensive loss		**−11,842**	**−9,772**
Earnings per share in EUR (basic and diluted)	6.7.5	−2.35	−2.30

CASH FLOW STATEMENT

T11

	Notes	Year Ended December 31, 2014	2013
		EUR k	EUR k
Net loss for the period		−11,437	−9,807
Net interest expense	3.16	170	106
Non-cash losses from impairment write-downs		0	50
Depreciation and amortization		94	314
Loss (gain) on disposal of plant and equipment		6	−144
Release of deferred investment grants	6.8.1	−13	−43
Other non-cash expense		1,008	305
Interest paid		− 90	0
Interest received		36	9
Income taxes paid		− 1	−2
Income taxes received		6	11
Changes in working capital			
Changes in inventories		0	18
Changes in other assets		−130	43
Changes in pension liabilities		−29	8
Changes in provisions		35	218
Changes in trade payables		−278	642
Changes in other liabilities		34	−187
Cash flows from operating activities		**−10,589**	**−8,459**
Proceeds from disposal of plant and equipment		574	43
Proceeds from disposal of intangible assets		3	0
Acquisition of plant and equipment		−2	−4
Acquisition of intangible assets		−10	−61
Proceeds from loans		761	0
Cash flows from investing activities		**1,326**	**−22**
Proceeds from stock issue	6.7	23,244	0
Transaction costs of equity transaction		−1,758	0
Proceeds from convertible bonds issue	3.14/6.7	4,276	5,346
Cash flows from financing activities		**25,762**	**5,346**
Net increase in cash and cash equivalents		**16,499**	**−3,135**
Cash and cash equivalents at the beginning of period		**4,421**	**7,556**
Cash and cash equivalents at the end of period		**20,920**	**4,421**

STATEMENT OF CHANGES IN EQUITY

T12

	Notes	Share capital	Legal reserve	Additional paid-in capital	Other reserves for the remeasurement of pensions	Retained earnings	Total equity
		EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
January 1, 2013		**25,529**	**228**	**51,875**	**−234**	**−72,235**	**5,163**
Income and expenses recognized directly in equity	6.8.2	0	0	0	35	0	35
Net result for the period		0	0	0	0	−9,807	−9,807
Comprehensive result for the period		0	0	0	35	−9,807	−9,772
Stock issue		0	0	0	0	0	0
Stock option compensation		0	0	305	0	0	305
Transaction costs of equity transaction		0	0	0	0	0	0
		0	0	305	35	−9,807	−9,467
December 31, 2013		**25,529**	**228**	**52,180**	**−199**	**−82,042**	**−4,304**
Income and expenses recognized directly in equity	6.8.2	0	0	0	−405	0	−405
Net result for the period		0	0	0	0	−11,437	−11,437
Comprehensive result for the period		0	0	0	−405	−11,437	−11,842
Conversion of convertible bonds		5,921	0	3,701	0	0	9,622
Simplified share capital reduction		−26,208	0	−54,872	0	81,080	0
Stock issue		1,524	0	21,720	0	0	23,244
Stock option compensation		0	0	1,008	0	0	1,008
Transaction costs of equity transaction		**0**	**0**	**−1,757**	**0**	**0**	**−1,757**
		−18,763	0	−30,200	−405	69,643	20,275
December 31, 2014		**6,766**	**228**	**21,980**	**−604**	**−12,399**	**15,971**

B. NOTES TO THE IFRS FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR FROM 01 JANUARY TO 31 DECEMBER 2014

1. Company Information

The Probiodrug Group, which, at beginning of the year, included the parent company, Probiodrug AG, Halle (hereinafter also referred to as "Probiodrug" or the "Company"), and the subsidiary, Ingenium Pharmaceuticals GmbH, Munich (hereinafter also referred to as Ingenium), has activities in the areas of research and development, preclinical and clinical trials. In July 2014 all of the shares of Ingenium were sold, so that after this date only Probiodrug AG remains as reporting entity.

Probiodrug AG was formed by virtue of the Articles of Association dated 25 July 1997 and is recorded in the commercial register of the district court of Stendal under commercial registry number 213719. The Company's legal seat is Weinbergweg 22, 06120 Halle, Germany.

The product pipeline currently includes a number of research and development programs with a focus on the primary program, the inhibition of the enzyme Glutaminylcyclase or QC for the treatment of Alzheimer's disease and other diseases.

2. Financial Statement

2.1 Basis of preparation of the financial statements

The financial statements of Probiodrug as at 31 December 2014 were prepared on a voluntary basis in accordance with International Financial Reporting Standards (IFRS/IAS) of the International Accounting Standards Board as well as in accordance with the Interpretations of the International Financial Reporting Interpretations Committee/Standing Interpretations Committee (IFRIC/SIC), as endorsed by the European Union for mandatory application as of the balance sheet date. As all shares of Ingenium were sold, these are the first stand-alone financial statements for Probiodrug (unconsolidated) prepared in accordance with IFRS. The financial statements 2011 – 2013 were prepared and presented as consolidated financial statements in accordance with IFRS.

An explanation as to how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Company is provided in note 12. This note includes reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under HGB (German GAAP; previous GAAP) to those periods and the date of transition under IFRSs.

The financial statements are presented in thousands of Euro (EUR k).

Unless otherwise noted, all amounts are in thousands of Euro (EUR k). Amounts have been rounded. As a result, rounding differences may occur.

In accordance with IAS 1, the statement of comprehensive income was prepared classifying the expenses by function; the balance sheet classification was based on due date.

The financial statements were prepared on the basis of amortised acquisition costs.

2.2 Foreign currency translation

The functional currency is the euro which therefore is the reporting currency for the financial statements.

Monetary assets and liabilities in a foreign currency are initially recorded at the mean average exchange rate in effect on the date of the transaction and later at the rate in effect on the balance sheet date. Differences resulting from foreign currency translation are recorded in the statement of comprehensive income.

3. Summary of significant accounting policies

3.1 Changes in accounting policies

The accounting policies applied principally corresponded to those applied in the prior years.

With an effective date of 1 January 2014 the following new and amended Standards and interpretations were required to be applied for the first time:

- IFRS 10 „Consolidated Financial Statements" (1 January 2014)
- IFRS 11 " Joint Arrangements" (1 January 2014)
- IFRS 12 "Disclosure of Interests in Other Entities" (1 January 2014)
- Amendments to IFRS 10 – 12: Transition Guidance (1 January 2014)
- Amendments to IFRS 10, 12, IAS 27: Investment Entities (1 January 2014)
- Amendments to IAS 27 "Separate Financial Statements (1 January 2014)
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" (1 January 2014)
- Amendments to IAS 32 "Financial Instruments: Offsetting Financial Assets and Financial Liabilities" (1 January 2014)
- Amendments to IAS 36 "Recoverable Amount – Disclosure for Non-Financial Assets" (1 January 2014)
- Amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting" (1 January 2014)

The new and amended Standards have no effect respectively are without significant consequences for Probiodrug.

3.2 Determination of fair values

A number of the accounting policies and disclosures in the notes make it necessary to determine the fair value of financial and non-financial assets and liabilities. IFRS 13, „Fair Value Measurement", establishes a uniform standard definition for measurement at fair value. Fair value is defined as the price at the measurement date that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. Where appropriate, further information as to the assumptions made in the determination of the fair value is included within the specific disclosures for the respective line items of the balance sheet as well as the statement of comprehensive income.

3.3 Intangible assets

The intangible assets acquired by Probiodrug are recorded at acquisition cost less accumulated amortisation as well as any impairment losses which may have been recorded.

The amortisation is recorded on the straight-line basis over the expected useful life.

The expected useful life ranges from three to five years.

Costs incurred for research are recorded as an expense in the period in which they are incurred. In accordance with IAS 38 (Intangible assets), development costs are recorded as an asset if a number of conditions are satisfied. The conditions to be satisfied for the recognition of development costs as an asset in accordance with IAS 38.57 were not satisfied as the medicinal products are subject to approval and this approval is subject to the results of future studies which cannot be anticipated with reasonable certainty.

Intangible assets are assessed to identify any impairment in value if any facts or changes in circumstances provide an indication that the carrying amount of the asset may not be recoverable. As soon as the carrying amount of an asset exceeds the recoverable value, impairment is recognised in the statement of comprehensive income.

3.4 Plant and equipment

Plant and equipment is recorded at acquisition costs less scheduled accumulated depreciation as well as any accumulated impairment losses which may have been recorded. Depreciation is recorded on the straight-line basis over the useful life.

The useful life for operating and office equipment ranges from three to ten years; for laboratory equipment from five to 14 years.

An assessment is made as to the need for an impairment of plant and equipment when circumstances arise or if there are changes in circumstances which indicate that the carrying amount of an asset may not be recoverable. As soon as the carrying amount of an asset exceeds the recoverable value, an impairment is recognised in profit or loss.

3.5 Impairment of noncurrent assets

The intangible assets as well as plant and equipment are assessed for impairment when there is an indication of impairment of the asset in question.

An impairment expense is recognised when the carrying amount of an asset or a cash generating unit exceeds the recoverable value as of the balance sheet date. The recoverable value is the higher of the amount representing the fair value less costs of disposal and the value in use. The value in use is the present value of the future cash flows which are expected to be derived from the value of the asset respectively from the cash generating unit. The fair value thereby reflects the best possible estimate of the amount which an independent third party would pay as of the balance sheet date for the cash generating unit. In contrast, the value in use is the (risk adjusted) present value of the future cash flows which can realistically be expected to be generated from the continued use of the cash generating unit.

3.6 Financial assets

The financial assets include shares of BIO Mitteldeutschland GmbH, Halle. The measurement of the shares is based on acquisition costs as there is no active market for the shares on the basis of which a price can be determined and a fair value cannot reliably be determined.

3.7 Taxes

The statement of comprehensive income presents the actual tax income and expense which is expected along with deferred tax income and expense. Actual tax refund claims and taxes payable for the current period are measured at the amount of the refund which is expected from the fiscal authorities respectively at the payment amount which is expected to be made to the fiscal authorities. The calculation of the amount is based on the tax rates and tax legislation in effect as at the balance sheet date.

Deferred taxes are accounted for on the basis of the balance sheet oriented approach. Deferred taxes are recorded for temporary differences between the IFRS carrying amounts of assets and liabilities and the tax basis of assets and liabilities. In addition, deferred tax assets are recorded for tax loss carry forwards. The measurement of deferred taxes is on the basis of tax rates expected to be in effect when the temporary differences reverse respectively when the loss carry forwards are expected to be used. Deferred tax assets which cannot be offset against deferred tax liabilities are only recorded to the extent that it is probable that future taxable income will be available to allow for the realisation of the deferred tax asset. As the generation of future profits cannot be projected with reasonable certainty, deferred tax assets were only recognised to the extent that deferred tax liabilities exist. Deferred tax assets and liabilities are offset if the right to offset tax assets and liabilities exist and relate to the same entity subject to income taxes and involve the same fiscal authority.

3.8 Financial assets and liabilities

A financial asset or a liability is recognised when the entity becomes a party to the contractual provisions of the instrument.

All financial assets or liabilities are measured at fair value when they are initially recognised.

Within Probiodrug, non-derivative financial instruments are classified in the categories „loans and receivables“ as well as „fair value through profit or loss“.

Subsequent to their initial recording, financial assets included in the category „loans and receivables“ are measured at amortised cost less any valuation adjustments which may have been recorded. Concrete information as to their uncollectibility leads to the write-off of the receivables and assets affected.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Due to their short-term nature, trade receivables are non-interest bearing and are measured at their nominal value less valuation adjustments due to expected uncollectibility. As such, the amounts recorded reflect the fair values.

In case of financial liabilities not classified as financial liability through profit or loss the fair value is reduced by directly attributable transaction costs. The financial liabilities of Probiodrug comprise, among others, trade payables and other liabilities, lines of credit, loans and convertible bonds. Subsequent to their initial recording, the financial liabilities are measured at amortised cost. The noncurrent financial liabilities are measured at amortised costs applying the effective interest method. Financial liabilities are closed out when the contractual obligation has been met, is waived or expired.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances which are recorded at their nominal values. Cash and cash equivalents comprise cash and bank balances with an initial term of three months or less.

3.10 Stock option programs and phantom stock option program

In financial years 2008, 2010, 2013 and 2014, Probiodrug granted equity settled share based payments in the form of option rights to employees and other beneficiaries. The stock option programs allow the employees or the other beneficiaries to acquire the Company's shares. The share based payment transaction is recorded at fair value in accordance with IFRS 2. The fair value of the stock options granted is recorded as personnel expense or, if the options are granted to beneficiaries who are not considered employed persons, as other expenses with a corresponding increase in equity (additional paid-in capital). The fair value of the option rights granted is determined when the rights are granted. The resulting personnel expense is allocated over the vesting period of the underlying option rights. The personnel expenses recorded are adjusted to reflect the actual number of option rights earned. The fair value of equity-settled share-based payments to other beneficiaries is measured at the fair value of the goods or service received.

In addition, in financial year 2008, phantom stock options were issued. In specific cases, after a lock-up period, the holders are entitled to a cash payment amounting to the difference between the market value of a preferred share of the Series A attained for a preferred share in conjunction with an IPO, a merger or the takeover of Probiodrug and the exercise price of a preferred share. In 2010 further phantom stock options were issued to members of the management board and the supervisory board. These provide for a cash payment amounting to the difference between the exercise price of a common share and the price which is attained for a common share in conjunction with an IPO, a merger or the takeover of Probiodrug or the sale of significant assets of Probiodrug (exit event). Additional phantom stock options were issued to an external advisor in 2013. The conditions correspond with those of the phantom stock options issued in 2010.

The fair value of the phantom stock options was determined at the respective balance sheet date. The changes in comparison with the prior year were recorded within profit or loss and are reflected within the noncurrent provisions.

3.11 Project subsidies and investment grants

Project subsidies and investment grants are government grants in accordance with IAS 20. Subsidies which directly relate to expenses already incurred in connection with research and development activities are recorded in the statement of comprehensive income within other operating income.

In accordance with the allowed alternative treatments set forth in IAS 20, asset related subsidies (Joint Agreement for the Improvement of Regional Economic Structures subsidies [GA-subsidies], and investment subsidies InvZulG) are presented as deferred income and are amortised to income over the average useful life of the subsidised asset.

Investment subsidies are recorded when the Company receives the funds or when there is sufficient probability that the conditions associated with the subsidies will be met and the subsidies are granted.

3.12 Pensions

A company pension scheme can either be in the form of defined benefit plans or defined contribution plans. With respect to defined contribution plans the company does not have any obligations other than the payment of the contribution amount. The contributions are recorded within personnel expense when they are due. These plans include the employer portion of the statutory pension scheme. In the case of defined benefit plans, the company is obliged to make payments of the benefits due to both active and former employees under the plan.

The actuarial valuation of the pension commitments (defined benefit plans) is accounted for using the projected unit credit method in accordance with IAS 19. The measurement of the pension provision is based on actuarial calculations. The discount rate used represents the market yield at the end of the reporting period for high quality fixed rate corporate bonds.

The pension expense to be recorded is determined on the basis of the relevant data at the beginning of the financial year but has a value date at the end of the year. Actuarial gains and losses are immediately recorded in equity in other comprehensive income. The fair value of the plan assets (insurance amount) is deducted from the gross pension obligation (IAS 19.63). The corresponding plan assets (insurance amount) reduce the amount of the obligation as the income resulting from the insurance policy can only be used to make payments to the beneficiaries. As a result of their being pledged to the beneficiaries, even in the case of insolvency, they are not available to the company's creditors.

On the one hand the remeasurement comprises the actuarial gains and losses resulting from the measurement of the gross pension obligation of defined benefit plans while on the other hand it includes the difference between the realised return on plan assets and the expected return at the beginning of the period based on the discount rate of the corresponding gross defined benefit obligation. Actuarial gains and losses result from changes in actuarial assumptions respectively from deviations between previous actuarial assumptions and actual developments. All remeasurement effects are directly recorded in other comprehensive income without an impact on profit and loss.

The expense resulting from the funding of the pension provision is recorded within the costs of the functional area. The net interest expense associated with defined benefit plans is presented in the financial result.

3.13 Provisions

Provisions are recorded for present obligations which result from past events for which the timing of the future payment is uncertain.

Provisions are only recorded if:

- a legal or factual obligation to a third party exists as a result of a past event,
- it is probable that an outflow of resources will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best possible estimate of the expenditure required to settle the current obligation.

Provisions with a term in excess of one year are recorded at their discounted settlement amount giving consideration to expected cost increases. The discount rate used reflects current market interest rate and the risks specific to the liability.

3.14 Convertible bonds

In 2013 and 2014 Probiodrug issued convertible bonds to a selected group of individuals/investors. In accordance with IAS 32.28, if holders of convertible bonds can elect either payment in cash or in shares it must be determined if a compound financial instrument which must be broken down into a component for the repayment of the bond and a separately recorded equity component (option right) exists. The issue terms stipulate that the convertible bonds do not have an equity component as, in all cases, conversion is mandatory and in some cases Probiodrug was required to deliver a variable number of shares while in some cases a fixed number was required.

In accordance with IAS 32, there is a financial liability associated with contracts if, among others, the company could be required to deliver a variable number of equity instruments. Therefore, the convertible bonds are financial liabilities in accordance with IAS 32. They are classified as other liabilities and measured at amortised cost using the effective interest rate method in accordance with IAS 39. Since the conversion into a variable number of shares could occur at any time according to the contractual terms, the instrument did not accrue any interest. The fair value of the convertible bonds at the time of issuance was equal to the transaction price.

In August 2014 all convertible bonds were converted into shares of the Company.

3.15 Revenue and expense realisation
The Company recognises revenues from the awarding of limited-term licenses as well as from the provision of other services.

Revenues from the awarding of limited-term licenses are recognised in the appropriate period based on the underlying stipulations of the contract if it is sufficiently probable that Probiodrug will collect the agreed upon consideration.

Revenues for the provision of research services for the benefit of third parties are realised in the period in which the Company provides the research services.

Other operating income from the sale of assets is recognised when the significant underlying risks and rewards are transferred and no further ownership rights exist and the collection of payment appears reasonably certain. In conjunction herewith, contractually agreed upon conditions precedent are taken into consideration.

Operating expenses are recorded in the period when the goods or services are received or when the expenses were incurred.

Interest income is recognised proportionately over time; interest expense incurred is recognised depending on the contractual obligations where relevant using the effective interest method or, where applicable, proportionally over time.

3.16 Financial profit/loss
Interest income and financing expense are recognised in the appropriate period giving consideration to the effective interest method. In addition to interest income and interest expense, the financial result may include income from securities and gains and losses from financial instruments which are recorded in profit or loss. In addition, net interest expense associated with pension provisions is included.

3.17 Income tax
The actual currently expected income tax revenue and expense relating to the annual results as well as the deferred income tax income and expense are recorded in the statement of comprehensive income.

Expected payments on taxable income are, in principle, determined on the basis of the tax rates in effect for corporation tax and trade tax.

3.18 Earning per share
The earnings per share were determined in accordance with IAS 33. In the calculation of the earnings per share, the results for the period attributable to the shareholders are divided by the weighted average number of shares outstanding.

3.19 Published standards the application of which is not yet obligatory
As at the date of the publication of the financial statements, additional IFRS and IFRICs were issued which have already been partially endorsed by the EU, but are not required to be applied as at the balance sheet date. The initial required application date for the new, changed and revised Standards/Interpretations presented below is in the future. Probiodrug intends to apply these Standards when their application becomes obligatory. The initial date of application is noted below:

Endorsed by the EU:

- IFRIC 21 „Levies“ (1 July 2014)
- Improvements to IFRS 2011 – 2013: Changes to IFRS 1, IFRS 3, IFRS 13 and IAS 40 (1 January 2015)
- Amendments to IAS 19 “Defined Benefits Plans: Employee Contributions” (1 February 2015)
- Improvements to IFRS 2010 – 2012: Changes to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 (1 February 2015)

Not yet endorsed by the EU:

- IFRS 14 “Regulatory Deferral Accounts (1 January 2016)
- Amendments to IFRS 10, 12; IAS 28: Consolidation (1 January 2016)
- Amendments to IFRS 10 and IAS 28: Guidelines on the recognition of unrealised gains or losses from transactions with assets between an investor and an associate or joint venture (1 January 2016)
- Amendments to IFRS 11 „Accounting for Acquisitions of Interests in Joint Operations (1 January 2016)
- Amendments to IAS 1: Disclosures (1 January 2016)
- Amendments to IAS 16 and 38 „Clarification of Acceptable Methods of Depreciation and Amortization“ (1 January 2016)
- Amendments to IAS 16 and 41 „Agriculture: Bearer Plants“ (1 January 2016)
- Amendments to IAS 27: Approval of the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in the separate financial statements of an investor (1 January 2016)
- Improvements to IFRS 2012 – 2014: Changes to IFRS 5, IFRS 7, IAS 19 and IAS 34 (1 January 2016)
- IFRS 15 “Revenue from Contracts with Customers (1 January 2017)
- IFRS 9 „Financial Instruments“ (1 January 2018)

It is not expected that the initial application of the changes listed will have a significant impact on the financial statements. However, there may be changes in the scope of disclosures in the notes.

4. Significant discretionary decisions, estimates and assumptions

The preparation of the financial statements in accordance with IFRS makes it necessary for discretionary decisions to be made and estimates to be carried out which influence the measurement of assets and liabilities recognised, the disclosure of contingent liabilities and other commitments as at the balance sheet date as well as the presentation of income and expense.

Estimates and assumptions

The estimates and assumptions primarily relate to estimates and assumptions in connection with the managements’ assessment of the entity´s ability to continue as a going concern, the determination of the economic useful lives of intangible assets and plant and equipment, allowances for doubtful receivables as well as estimates of expected uses of provisions. The estimates are based on past experience as well as other information relating to the transactions recorded.

The value of non-financial assets is reduced if the carrying amount of an asset or the asset´s cash generating unit exceeds its recoverable value. The recoverable value of an asset or a cash generating unit is the higher of the fair value less costs of disposal and the value in use. The discounted cash flow method is used for the calculation.

The measurement of the pension provision is based on actuarial assumptions with respect to demographic developments, pension increases as well as the determination of the discount rate.

The calculation of the fair value of the provision for phantom stock options issued gave consideration to the factors described in section 6.7.6.2 „Phantom stock option program“.

With respect to the determination of the fair value of financial instruments, we refer to section 9 „Disclosures with respect to financial instruments“.

Furthermore, the assumptions and estimates made are dependent on the realisability of future tax relief. Deferred tax assets for deductible temporary differences and tax loss carry forwards are only recorded to the extent that there are deferred tax liabilities which can be off-set respectively for which it is probable that future taxable income will result which can be used for the realisation of the deferred tax relief.

The estimates may differ from the actual amounts recorded in subsequent periods. Changes in assumptions or estimates to be made are recognised in the statement of comprehensive income at the time that they become known. The circumstances in existence at the time of preparation of the consolidated financial statements are considered as well as the future development in the industry-related environment with respect to the expected future business development of Probiodrug.

5. Explanations on individual line items within the statement of comprehensive income

5.1 Revenues

No revenues were realised in 2014 (2013 EUR 0k).

5.2 Cost of sales

This line item includes personnel costs, costs of materials and purchased services including personnel costs for research and development services. No research and development services were sold in financial year 2014.

5.3 Research and development expenses

In financial year 2014 research and development expenses amounted to EUR 8,087k (2013: EUR 8,004k).

5.4 General and administrative expenses

The general and administrative expenses of EUR 3,430k (2013: EUR 2,444k) comprise personnel costs and costs of materials as well as amortisation and depreciation attributable to the administrative area and other operating expenses.

5.5 Supplementary disclosures regarding the cost of sales method

The expenses during the financial year include scheduled amortisation and depreciation of plant and equipment as well as intangible assets amounting to EUR 94k (2013: EUR 314k) as well as personnel related expenses amounting to EUR 2,463k (2013: EUR 2,189k).

5.6 Other operating income

The other operating income is broken down as follows:

T13

	01.01. - 31.12.2014	01.01. - 31.12.2013
Other operating income	EUR k	EUR k
Income from the release of provisions	190	88
Release of the investment grants	13	44
Expenditures relating to research grants	9	453
Other	38	162
Total	**250**	**747**

5.7 Income taxes

The income tax relating to the current period includes both current and deferred taxes. Current income tax expense is based on the respective legal regulations. No income taxes were realised in 2014 and 2013.

For the determination of deferred taxes, a corporation tax rate of 15 % plus a solidarity surcharge of 5.5 % as well as the trade income tax rate of 15.75 % was used for all reporting periods. Based on this, the effective tax rate as at 31 December 2014 used to determine the deferred tax assets and liabilities amounted to 31.58 % (31 December 2013: 31.58 %).

The significant differences between the expected and the actual income tax expense in the reporting period and the comparative years are explained below:

T14

EUR k	01.01. - 31.12.2014	01.01. - 31.12.2013
Loss before income tax	−11,437	−9,807
Income tax rate	31.58%	31.58%
Expected income tax	3,612	3,097
Change in deferred tax assets not recorded	−3,817	−3,143
Non-periodic effects	0	0
Non-deductible expenses/non-taxable income	175	−40
Other differences	30	86
Reported income tax benefit/expense	**0**	**0**

The deferred tax assets and deferred tax liabilities are attributable to temporary differences between the carrying amount of the following assets and liabilities in the IFRS financial statements and the carrying amount for tax purposes:

T15

	Deferred tax assets				Deferred tax liabilities				Total			
EUR k	31.12. 2014	31.12. 2013			31.12. 2014	31.12. 2013			31.12. 2014	31.12. 2013		
Intangible assets	0	0			0	0			0	0		
Plant and equipment	0	0			0	0			0	0		
Pension liabilities	4	4			0	0			4	4		
Other provisions	0	0			4	4			−4	−4		
Loss carry forwards	0	0			0	0			0	0		
Total	**4**	**4**			**4**	**4**			**0**	**0**		
Net amount	−4	−4			−4	−4			0	0		
Total deferred taxes	**0**	**0**	**0**		**0**	**0**			**0**	**0**		

As at 31 December 2014, deferred tax assets attributable to tax loss carry forwards and differences in measurement amounted to EUR 28,011k (31.12.2013: EUR 24,195k), of which EUR 4k (31.12.2013: EUR 4k) was offset against the deferred tax liabilities. The remaining deferred tax assets were not recorded as their use is not sufficiently probable.

As at 31 December 2014, Probiodrug had corporate income tax loss carry forwards of EUR 88,093k and trade tax loss carry forwards of EUR 87,852k. The tax losses can be carried forward for an unlimited time.

Changes in the deferred tax assets and liabilities presented on the balance sheet consist of the following:

T16

EUR k	01.01.2014	Change with an impact on the profit or loss	Change without an impact on the profit or loss	31.12.2014
Pension liabilities	4	0	0	4
Other provisions	−4	0	0	−4
Total	0	0	0	0

T17

EUR k	01.01.2013	Change with an impact on the profit or loss	Change without an impact on the profit or loss	31.12.2013
Intangible assets	−197	197	0	0
Pension liabilities	114	−110	0	4
Other provisions	−4	0	0	−4
Loss carry forwards	87	−87	0	0
Total	0	0	0	0

6. Explanations on individual line items of the balance sheet

6.1 Intangible assets

The intangible assets developed as follows:

T18

	Other intangible assets
	EUR k
Acquisition costs as at 1 January 2014	256
Additions	10
Disposals	−13
Acquisition costs as at 31 December 2014	**253**
Amortisation as at 1 January 2014	155
Additions	26
Disposals	−10
Amortisation as at 31 December 2014	**171**
Carrying value as at 1 January 2014	101
Carrying value as at 31 December 2014	**82**

T19

	Other intangible assets
	EUR k
Acquisition costs as at 1 January 2013	347
Additions	61
Disposals	−152
Acquisition costs as at 31 December 2013	**256**
Amortisation as at 1 January 2013	280
Additions	26
Disposals	−151
Amortisation as at 31 December 2013	**155**
Carrying value as at 1 January 2013	67
Carrying value as at 31 December 2013	**101**

Amortisation is included in the statement of comprehensive income within research and development expenses and general and administrative expenses.

6.2 Plant and equipment

As a result of the restructuring of the Company in 2013 which led to a reduction of the space occupied and the discontinuation of research activities, there were more substantial disposals of plant and equipment.

Plant and equipment developed as follows:

T20

	Leasehold improvements	Other equipment, factory and office equipment	Total
	EUR k	EUR k	EUR k
Acquisition costs as at 1 January 2014	181	2,130	2,311
Additions	0	2	2
Disposals	0	−1,644	−1,644
Acquisition costs as at 31 December 2014	**181**	**488**	**669**
Depreciation as at 1 January 2014	145	1,845	1,990
Additions	8	60	68
Disposals	0	−1,490	−1,490
Depreciation as at 31 December 2014	**153**	**415**	**568**
Carrying value as at 1 January 2014	36	285	321
Carrying value as at 31 December 2014	**28**	**73**	**101**

T21

	Leasehold improvements	Other equipment, factory and office equipment	Total
	EUR k	EUR k	EUR k
Acquisition costs as at 1 January 2013	280	4,032	4,312
Additions	0	5	5
Disposals	−99	−1,907	−2,006
Acquisition costs as at 31 December 2013	**181**	**2,130**	**2,311**
Depreciation as at 1 January 2013	236	3,150	3,386
Additions	8	280	288
Disposals	−99	−1,585	−1,684
Depreciation as at 31 December 2013	**145**	**1,845**	**1,990**
Carrying value as at 1 January 2013	44	882	926
Carrying value as at 31 December 2013	**36**	**285**	**321**

6.3 Other short term financial assets

As at 31 December 2014 the other short-term financial assets amounted to EUR 101k (31.12.13 EUR 1.238k). The previous year figure included EUR 507k in receivables from the sale of fixed assets and EUR 728k in receivables from Ingenium.

6.4 Tax refunds

The claims to income tax refunds amounting to EUR 3k (31.12.2013: EUR 9k) comprise claims to corporate income tax refunds as well as the solidarity surcharge.

6.5 Other current assets

Other current assets are presented below:

T22

In EUR k	31.12.2014	31.12.2013
Subsidies receivable	0	26
Receivables from		
prepayments	78	96
value added taxes	186	42
other	6	24
Total	**270**	**188**

6.6 Cash and cash equivalents

The cash and cash equivalents comprise:

T23

In EUR k	31.12.2014	31.12.2013
Cash-on-hand and bank balances	20,920	4,421
Total	**20,920**	**4,421**

6.7 Equity

The development of Probiodrug's equity in financial years 2013 and 2014 is presented in the statement of changes in equity.

T24

	Common shares	Preferred shares A	Preferred shares B	Preferred shares B2
In issue as at 1 January 2013	**3,414,375**	**3,095,837**	**16,183,950**	**0**
Issued for cash	–	–	2,834,767	0
In issue as at 31 December 2013	**3,414,375**	**3,095,837**	**19,018,717**	**0**
Conversion of convertible bonds	–	–	–	5,921,229
Conversion of preferred shares into common shares	28,035,783	–3,095,837	–19,018,717	–5,921,229
Simplified share capital reduction	–26,208,465	–	–	–
Issued for cash	1,524,205	–	–	–
In issue as at 31 December 2014	**6,765,898**	**0**	**0**	**0**

As at 31 December 2014 Probiodrug's share capital comprises 6,765,898 registered no par common shares. The computational nominal amount per share is EUR 1.00.

In August 2014, convertible bonds totalling EUR 9,622,000 were converted in "B2" shares with a total value of EUR 5,921,229. The remaining difference of EUR 3,700,771 increased the additional paid-in capital. The increase of the share capital was accomplished by issuing 3,289,845 shares from the contingent capital 2013/1 and 2,631,384 shares from the contingent capital 2014/1. The conversion increased the share capital from EUR 25,528,929 to EUR 31,450,158. By resolution of the supervisory board on 22 August 2014, section 4 (share capital) of the articles of association was changed. The corresponding entry was made in the commercial register on 28 August 2014. On 25 August 2014 the general meeting converted all preferred shares into common shares at a ratio of 1:1 and adjusted section 4 of the Articles of Association accordingly. The corresponding entry was made in the commercial register on 5 September 2014.

On 8 September 2014 an extraordinary shareholders' meeting resolved a simplified share capital reduction in a ratio of 6:1. In consequence, the share capital decreased from EUR 31,450,158 by EUR 26,208,465 to EUR 5,241,693. The entry in the commercial register was made on 17 September 2014.

By virtue of a resolution dated 23 October 2014, Probiodrug's management board – with the approval of the supervisory board on 23 October 2014 – resolved to increase the share capital from EUR 5,241,693 by EUR 1,475,409 to EUR 6,717,102 referring to the resolution of the shareholders' meeting on 9 October 2014 to increase the share capital by up to EUR 1,696,720 to a share capital of up to EUR 6,938,413 until 31 December 2014. By resolution of the shareholders' meeting on 23 October 2014, section 5 (share capital) of the articles of association was changed. The corresponding entry was made in the commercial register on 29 October 2014.

By virtue of a resolution dated 12 November 2014, Probiodrug's management board – with the approval of the supervisory board on 12 November 2014 – resolved to increase the share capital from EUR 6,717,102 by EUR 48,796 to EUR 6,765,898 by

using the authorised capital 2014/1. The new shares participate in earnings beginning on 1 January 2014. The entry was made in the commercial register on 14 November 2014.

Contingent capital

Contingent capital 2008/I
As at 31 December 2014 the contingent capital 2008/I amounts to EUR 11,300 (31.12.2013 EUR 67,800). On 8 September 2014 an extraordinary shareholders' meeting resolved a reduction of the contingent capital I/2008 from EUR 67,800 to EUR 11,300 as a consequence of the simplified share capital reduction. Of this amount, EUR 10,422 (31.12.2013 EUR 67,120) is reserved as a result of the issuance of option rights.

The contingent capital 2008/I serves to redeem the option rights which were distributed in conjunction with Stock Option Program 2007. A new issuance of options on the basis of this program is no longer possible.

The contingent capital increase will only be carried out to the extent that the beneficiaries of the stock options make use of their buying option. The new shares resulting from the exercise of the stock options will participate in earnings from the beginning of the financial year in which the rights are exercised. In addition to employees of the Company and affiliated companies for whom as per section 194 (3) of the AktG [German Stock Corporation Act] no disclosures are required, the following members of the management board are permitted to acquire the following number of shares:

Dr Konrad Glund, Halle, up to 912 common shares,

Dr Hendrik Liebers, Leipzig, up to 2,128 common shares.

Contingent capital 2008/II
As at 31 December 2014, the contingent capital 2008/II amounts to EUR 16,950. On 8 September 2014 an extraordinary shareholders' meeting resolved a reduction of the contingent capital 2008/II from EUR 101,700 to EUR 16,950 as a consequence of the simplified share capital reduction. Of this amount EUR 15,666 (31.12.2013 EUR 100,815) is reserved as a result of the distribution of option rights.

The contingent capital 2008/II serves to secure the option rights distributed in conjunction with Stock Option Program 2007. A new distribution of options as part of this program is no longer possible.

The contingent capital increase will only be carried out to the extent that the beneficiaries of these stock options make use of their buying options. The new shares resulting from the exercise of the stock options will participate in earnings from the beginning of the financial year in which the rights are exercised. In addition to employees of the Company and affiliated companies for whom, as per section 194 (3) of the AktG no disclosures are required, the following members of the management board are permitted to acquire the following number of shares:

Dr Konrad Glund, Halle, up to 1,368 preferred shares of the Series A (now common shares),

Dr Hendrik Liebers, Leipzig, up to 3,192 preferred shares of the Series A (now common shares).

Contingent capital 2010/I
As at 31 December 2014, the contingent capital 2010/I amounted to EUR 85,901. On 8 September 2014 an extraordinary shareholders' meeting resolved a reduction of the contingent capital 2010/I from EUR 1,236,967 to EUR 85,901 as a consequence of the simplified share capital reduction. Of this amount, EUR 85,899 (31.12.2013 EUR 515,403) are reserved as a result of the issuance of options.

The contingent capital 2010/I was established by virtue of the resolution of the general meeting of the shareholders on 18 May 2010. The Company's share capital was contingently increased by a nominal value of up to EUR 1,236,967 by the issuance of up to 1,236,967 registered common shares subject to transfer restrictions. The contingent capital increase

provides for the redemption of stock options in accordance with section 192 (2) No. 3 of the AktG which were issued in conjunction with Stock Option Program 2010 (in the version of the resolutions of the general meeting of the shareholders on 18 May 2010). The authorisation of the management board to issue new options was, by resolution of the general meeting of the shareholders on 31 October 2012, limited through 31 October 2013. A new issuance of options under this program is no longer possible.

The contingent capital increase will only be carried out to the extent that the beneficiaries of the stock options make use of their buying rights. The new shares resulting from the exercise of the stock options will participate in earnings from the beginning of the financial year in which the rights are exercised. In addition to employees of the Company and affiliated companies for whom, as per section 194 (3) of the AktG no disclosures are required, the following members of the management board are permitted to acquire the following number of shares:

Dr Konrad Glund, Halle, up to 28,633 common shares,

Dr Hendrik Liebers, Leipzig, up to 28,633 common shares.

Contingent capital 2013/I (rescinded)
By resolution of the general meeting of the shareholders on 22 July 2013, the Company's share capital was contingently increased (contingent capital 2013/I) by EUR 4,307,692 to secure the conversion rights respectively conversion obligations associated with the convertible bonds which were issued on the basis of a resolution of the general meeting of the shareholders on the same day. The supervisory board's approval for the issuance of convertible bonds was granted on 22 July 2013.

From the contingent capital 2013/I, in August 2014 3,289,845 were shares issued as a result of the conversion of convertible bonds into shares. The remaining contingent capital 2013/I of EUR 1,017,847 was rescinded by the shareholders' meeting on 25 August 2014.

Contingent capital 2014 (rescinded)
By resolution of the general meeting of the shareholders on 16 May 2014, the Company's share capital was contingently increased (contingent capital 2014/I) by EUR 3,692,300 to redeem the conversion rights respectively conversion obligations associated with the convertible bonds which were issued on the basis of a resolution of the general meeting of the shareholders on the same day. The supervisory board's approval for the issuance of convertible bonds was granted on 30 April 2014.

In August 2014 2,631,384 shares were issued from the contingent capital 2014/I as a result of the conversion of convertible bonds into shares. The remaining contingent capital 2014/I of EUR 1,060,916 was rescinded by the shareholders' meeting on 25 August 2014.

Contingent capital 2014/I
The contingent capital 2014/I was established by virtue of the resolution of the general meeting of the shareholders on 29 September 2014. The Company's share capital was contingently increased by a nominal value of up to EUR 410,018 by the issuance of up to 410,018 registered common shares subject to transfer restrictions. The contingent capital increase provides for the redemption of stock options in accordance with section 192 (2) No. 3 of the AktG which were issued in conjunction with Stock Option Program 2014 (in the version of the resolutions of the general meeting of the shareholders on 29 September 2014). The authorisation of the management board to issue new options is, by resolution of the general meeting of the shareholders on 29 September 2014, limited through 31 December 2016.

The contingent capital increase will only be carried out to the extent that the beneficiaries of the stock options make use of their buying rights. The new shares resulting from the exercise of the stock options will participate in earnings from the beginning of the financial year in which the rights are exercised. In addition to employees of the Company and affiliated companies for whom, as per section 194 (3) of the AktG no disclosures are required, the following members of the management board are permitted to acquire the following number of shares:

Dr Konrad Glund, Halle, up to 104,834 common shares,

Dr Inge Lues, Seeheim-Jugenheim, up to 104,834 common shares and

Dr Hendrik Liebers, Leipzig, up to 104,833 common shares.

Authorised capital

Authorised capital 2011/II (rescinded)
The authorised capital 2011/II was established by resolution of the general meeting of the shareholders on 20 September 2011. Probiodrug's management board was authorised, with the approval of the supervisory board, to increase the Company's share capital by issuing up to an additional 207,807 new registered no-par value preferred shares of the Series (B) in one or a number of steps in consideration for cash of up to EUR 207,807 in the period through 31 December 2013. No increase in capital was carried out using authorised capital 2011/II.

The authorised capital 2011/II of EUR 207,807 was rescinded by the shareholders' meeting on 25 August 2014.

Authorised capital 2014/1
The authorised capital 2014 was established by resolutions of the extraordinary meetings of the shareholders on 9 October 2014 and 23 October 2014. Probiodrug's management board is authorised, with the approval of the supervisory board, to increase the Company's share capital by issuing up to an additional 3,358,551 new registered common shares in consideration for cash or a contribution in kind of up to EUR 3,358,551 in the period through 30 September 2019.

By virtue of a resolution dated 12 November 2014, Probiodrug's management board – with the approval of the supervisory board dated 12 November 2014 – resolved to increase the share capital by EUR 48,796 by using the authorised capital 2014/1. The remaining authorised capital 2014 as at 31 December 2014 amounts to EUR 3,309,755.

6.7.1 Legal reserve
The legal reserve in accordance with section 150 (1) and (2) of the AktG amounts to EUR 228k.

6.7.2 Additional-paid-in capital
As at 31 December 2014 the additional paid-in-capital amounted to EUR 21,980k (31.12.2013: EUR 52,180k).

In 2013 the additional paid-in-capital increased by allocation over the vesting period of the fair value of the equity instruments granted for the issuance of options rights in conjunction with Stock Option Program 2007 amounting to EUR 10k and for the Stock Option Program 2010 in the amount of EUR 305k.

In 2014 convertible bonds of EUR 9,622k were converted into common shares in the amount of 5,921k. The remaining difference of EUR 3,701k increased the additional paid-in capital.

Further in 2014, as a result of a stock issuance for cash in 2014, the additional paid-in-capital increased by EUR 21,720k as a result of cash payments made into the additional paid-in-capital. Transaction costs reduced the additional paid-in capital by EUR 1,757k.

In addition, the additional paid-in-capital increased by the allocation over the vesting period of the fair value of the equity instruments granted for the issuance of options rights in conjunction with stock option program 2014 amounting to EUR 1,008k.

By resolution of the management of Probiodrug, the additional paid-in capital was reduced by EUR 54,872k to increase the retained earnings.

6.7.3 Other reserves for the remeasurement of pensions
The line item „Other reserves for the remeasurement of pensions" with a balance of EUR –604k (31.12.2013: EUR –199k) comprises the remeasurement of the gross defined benefit pension obligations as well as the return on the plan assets which

exceeds or falls short of the interest on the plan assets which is directly recorded in other comprehensive income without an impact on the profit and loss (refer to sections 3.15 and 6.10.2).

There was no need to take account of income tax effects.

6.7.4 Retained earnings

The retained earnings include the cumulative results which amount to EUR –12,399k (31.12.2013 EUR –82,042k).

6.7.5 Earning per share

As at 31 December 2014, Probiodrug's share capital consisted of 6,765,898 shares (31.12.2013: 25,528,929). All shares are registered no par value common shares. The calculated nominal amount per share is EUR 1.00.

The net loss attributable to Probiodrug's shareholders amounted to EUR –11,437k in financial year 2014 (2013: EUR –9,807k).

The earnings per share were calculated as follows:

T25

	2014	2013
Number of shares in issue as of 1.1 adjusted by the simplified share capital reduction in the ratio 6:1	4,254,822	4,254,822
Average number of shares in issue as at 31.12	4,862,215	4,254,822
Results for the period in EUR k	**–11,437**	**–9,807**
Earnings per share EUR (basic/diluted)	**–2.35**	**–2.30**

There were no dilution effects on the earnings per share. The basic earnings per share from continuing operations amounted to EUR –2.35 (2013: EUR –2.30).

6.7.6 Stock options

6.7.6.1 Stock option programs

Stock option program ESOP 2007

At the end of 2007, the ESOP 2007 was launched. Options were issued in 2008. In total, 201,420 options were issued of which 120,852 options were for preferred shares and 80,568 options were for common shares. Through 1 January 2013 37,845 options had been forfeited.

No additional options were issued in financial years 2013 and 2014. 6,900 options were forfeited in 2014. As a consequence of the simplified share capital reduction in the ratio 6:1, the stock options decreased by 130,587 options. As at 31 December 2014, 26,088 options were outstanding. In August 2014 all preferred shares were converted into common shares at a ratio of 1:1.

A stock option gives the holder the right to acquire a no-par value, registered common share respectively preferred share of the Company (option right). The exercise price for the acquisition of a new preferred share amounted to EUR 7.03 and changed to EUR 42.18 due to the simplified share capital reduction while the exercise price for a new common share amounted to EUR 3.96/share respectively EUR 23.76 after the share capital reduction. The vesting period began on the issuance dates 27 February, 1 August and 1 December 2008 and comprises two years for 50 %, three years for an additional 25 % and four years for the remaining 25 % of the option rights granted. During the vesting period, the legal minimum lock-up period of two years applies. The transfer of option rights is prohibited. The option must be exercised within eight years after issuance. If this is not the case it will be forfeited without compensation unless an extension of the exercise period is declared by Probiodrug.

The subsequent table provides an overview of the development of Probiodrug's stock options as well as the exercise prices:

T26

	31.12.2014		31.12.2013	
Stock option program 2007 Common shares (former Preferred shares)	Weighted average exercise price per share EUR	Number of acquirable shares Shares	Weighted average exercise price per share EUR	Number of acquirable shares Shares
Options outstanding for common shares at the beginning of the reporting period	7.03	98,145	7.03	98,145
Options issued for common shares in the reporting period	0.00	0	0.00	0
Options exercised in the reporting period	0.00	0	0.00	0
Forfeited options for common shares in the reporting period	7.03	4,140	0.00	0
Change due to simplified share capital reduction	42.18	78,339	0,00	0
Options outstanding for common shares at the end of the reporting period	42.18	15,666	7.03	98,145
Exercisable options at the end of the reporting period	0.00	0	0.00	0

T27

	31.12.2014		31.12.2013	
Stock option program 2007 Common shares	Weighted average exercise price per share EUR	Number of acquirable shares Shares	Weighted average exercise price per share EUR	Number of acquirable shares Shares
Options outstanding for common shares at the beginning of the reporting period	3.96	65,430	3.96	65,430
Options issued for common shares in the reporting period	0.00	0	0.00	0
Options exercised in the reporting period	0.00	0	0.00	0
Forfeited options for common shares in the reporting period	3.96	2,760	0.00	0
Change due to simplified share capital reduction	23.76	52,248	0.00	0
Options outstanding for common shares at the end of the reporting period	23.76	10,422	3.96	65,430
Exercisable options at the end of the reporting period	0.00	0	0.00	0

The accounting for the stock options is at fair value in accordance with IFRS 2. The fair value is determined at the measurement date and is allocated over the vesting period. The fair value is determined on the basis of the binomial model. The granting of the individual stock options took place at different dates and therefore led to different measurement dates for the vesting periods so that different fair values of the options result for the options issued. The base price is fixed at the measurement date of the respective options.

No expenses associated with the stock options are recorded for the years 2013 and 2014 due to the end of the vesting period.

Stock option program 2010/2013

In mid-2010 a stock option program was launched on the basis of which the three members of the management board were granted 515,403 shares. On the basis of this program, an additional 255,289 stock options were issued to an employee. By 31 December 2013, 127,644 options were forfeited such that, as at 31 December 2013, 643,048

options were outstanding. As a consequence of the simplified share capital reduction in the ratio 6:1, the stock options decreased by 535,875 options. As at 31 December 2014, 107,173 options were outstanding.

One stock option gives the holder the right to acquire a common share (option right). The exercise price for the acquisition of a new common share amounted to EUR 1.00 and changed to EUR 6.00 as consequence of the simplified share capital reduction. The option rights granted within the framework of the stock option plan have a term of six (2010 issuance) and four (2013 issuance) years. The lock-up period amounts to four years. The vesting period began on the date of issuance (30 June 2010 for the options issued in 2010 and 24 June 2013 for the options issued in 2013). Subsequent to the expiration of the vesting period, the option rights granted become non-forfeitable (even upon exit). 1/3 of the options become non-forfeitable after seven months, 1/3 of the options after 19 months and 1/3 of the options after 31 months. The lock-up period is not affected by this stipulation.

T28

The subsequent overview shows the development of Probiodrug's stock options and the issue prices: Stock option program 2010 Common shares	31.12.2014 Weighted average exercise price per share EUR	31.12.2014 Number of acquirable shares Shares	31.12.2013 Weighted average exercise price per share EUR	31.12.2013 Number of acquirable shares Shares
Options outstanding for common shares at the beginning of the reporting period	1.00	643,048	1.00	515,403
Options issued for common shares in the reporting period	0.00	0	1.00	255,289
Options exercised in the reporting period	0.00	0	0.00	0
Forfeited options for common shares in the reporting period	0.00	0	1.00	127,644
Change due to simplified share capital reduction	6.00	535,875	0.00	0
Options outstanding for common shares at the end of the reporting period	6.00	107,173	1.00	643,048
Exercisable options at the end of the reporting period	0.00	0	0.00	0

The accounting for the stock options is at fair value in accordance with IFRS 2. The fair value is determined at the measurement date and is allocated over the vesting period. The fair value is determined on the basis of the binomial model.

The following factors were considered for the calculation of the fair value:

1. In the financial year 2010, on the grant date 30 June 2010, 515,403 options for common shares with an original exercise price of EUR 1.00 were issued while on the grant date 24 June 2013, 255,289 options for common shares with an original exercise price of EUR 1.00 were issued. The respective amounts after the simplified share capital reduction is EUR 6.00 for common shares.

2. The volatility expected on the grant date 30 June 2010 was determined to be 50% while 40% was expected for the grant date 24 June 2013.

3. The expected term of the options for those issued in 2010 as well as for those issued in 2013 amounted to 4.0 years. It was assumed that the options will be exercised immediately upon expiration of the lock-up period of four years.

4. The non-exercise of the stock options issued due to fluctuations in personnel and the return of options for other reasons was not taken into consideration in the measurement.

5. The estimated value of a Probiodrug common share at the grant date amounted to EUR 2.69 for options issued in 2010 and EUR 3.25 for the options issued in 2013.

6. The risk free interest rate for the term of the options issued in 2010 amounted to 1.19 % while that for the options granted in 2013 amounted to 0.53%.

7. The expected dividend was assumed to be EUR 0.00.

The total expenses associated with the stock options allocated to 2014 amounted to EUR 0k (2013: EUR 305k). These were added to the additional paid-in capital.

Stock option program 2014
In October 2014 a stock option program was launched on the basis of which certain employees were granted 209,667 options on 27 October 2014 and 104,834 shares on 1 November 2014. As at 31 December 2014 all options were outstanding.

One stock option gives the holder the right to acquire a common share (option right). The exercise price for the acquisition of a new common share amounts to EUR 15.25 for options granted on 27 October 2014 and EUR 23.60 for options granted on 1 November 2014. The option rights granted within the framework of the stock option plan have a term of eight years. The lock-up period amounts to four years. There is a threshold to exercise the option of an average share price within 20 days before the exercise exceeds the exercise price of minimum 10 %. The vesting period began on the date of issuance. Subsequent to the expiration of the vesting period, the option rights granted become non-forfeitable (even upon exit). 40 % of the options are immediately non-forfeitable, 20 % of the options become non-forfeitable after 12 months, 20 % of the options after 24 months and 20 % of the options after 36 months. The lock-up period is not affected by this stipulation.

T29

The subsequent overview shows the development of Probiodrug's stock options and the issue prices: Stock option program 2014 Common shares	31.12.2014 Weighted average exercise price per share	31.12.2014 Number of acquirable shares
	EUR	Shares
Options outstanding for common shares at the beginning of the reporting period	0.00	0
Options issued for common shares in the reporting period	18.03	314,501
Options exercised in the reporting period	0.00	0
Forfeited options for common shares in the reporting period	0.00	0
Options outstanding for common shares at the end of the reporting period	18.03	314,501
Exercisable options at the end of the reporting period	0.00	0

The accounting for the stock options is at fair value in accordance with IFRS 2. The fair value is determined at the measurement date and is allocated over the vesting period. The fair value is determined on the basis of the Monte-Carlo-simulation model.

The following factors were considered for the calculation of the fair value:

1. In financial year 2014, on the grant date of 27 October 2014, 209,667 options for common shares with an original exercise price of EUR 15.25 were issued while on the grant date 1 November 2014, 104,834 options for common shares with an original exercise price of EUR 23.60 were issued.

2. The volatility expected on both grant dates was determined to be 45%.

3. The expected term of the options amounted to four years. It was assumed that the options will be exercised immediately upon expiration of the lock-up period of four years.

4. The non-exercise of the stock options issued due to fluctuations in personnel and the return of options for other reasons was not taken into consideration in the measurement.

5. The share price of a Probiodrug common share at the grant date amounted to EUR 15.25 for options issued on 27 October 2014 and EUR 24.80 for the options issued on 1 November 2014.

6. The risk free interest rate for the term of the options issued on 27 October 2014 amounted to 0.05 % while that for the options granted on 1 November 2014 amounted to 0.03%.

7. The expected dividend was assumed to be EUR 0.00.

The total expenses associated with the stock options allocated to 2014 amounted to EUR 1,008k (2013: EUR 0k). These were added to the additional paid-in capital.

6.7.6.2 Phantom stock option program

Phantom stock option program 2007
Simultaneously with the issuance of 201,420 Probiodrug AG stock options within the framework of the ESOP 2007, 201,420 phantom stock options for preferred shares were issued on the issue dates 27 February, 1 August and 1 December 2008. The exercise price amounted to EUR 7.03 and changed to EUR 42.18 due to the simplified share capital reduction in the ratio 6:1. In addition, on 2 July 2008, a phantom stock option program open only to members of the supervisory board was introduced with 13,500 phantom stock options for preferred shares at an exercise price of EUR 7.03 and 9,000 phantom stock options for common shares with an exercise price of EUR 3.96. Due to the simplified share capital reduction, the exercise prices changed from EUR 7.03 to EUR 42.18 for preferred shares and from EUR 3.96 to EUR 23.76 for common shares. In August 2014 all preferred shares were converted into common shares at a ratio of 1:1.

Through 1 January 2013, 41,595 phantom stock options had been forfeited. In 2014 no additional options were issued and 6,900 options were forfeited. As a consequence of the simplified share capital reduction in September 2014, the phantom stock options decreased by 146,212 options. As at 31 December 2014 29,213 options were outstanding.

A phantom stock option entitles the holder to the payment of a cash bonus which amounts to the difference between the price of a common share and the price which is attained for a common share in conjunction with an IPO, a merger or the takeover of Probiodrug (exit event).

The subsequent overview shows the development of the portfolio of phantom stock options as well as the exercise prices:

T30

	31.12.2014		31.12.2013	
Phantom stock option program 2007	Weighted average exercise price EUR	Number of phantom stock options Shares	Weighted average exercise price EUR	Number of phantom stock options Shares
Outstanding phantom stock options at the beginning of the reporting period	6.90	182,325	6.90	182,325
Phantom stock options issued in the reporting period	0.00	0	0.00	0
Options exercised in the reporting period	0.00	0	0.00	0
Forfeited options in the reporting period	7.03	6,900	0.00	0
Change due to simplified share capital reduction	41.40	146,212	0.00	0
Outstanding options at the end of the reporting period	41.40	29,213	6.90	182,325
Exercisable options at the end of the reporting period	0.00	0	0.00	0

At the time of issuance of the phantom stock options, the fair value of the phantom stock options for preferred shares amounted to EUR 3.16 (issue date 27 February 2008), EUR 3.18 (issue date 2 July 2008), EUR 3.11 (issue date 1 August 2008) and EUR 3.08 (issue date 1 December 2008) as well as EUR 1.79 for phantom stock options for common shares.

As of the balance sheet date 31 December 2014, the newly determined fair value for former phantom stock options for common shares (former preferred shares) was EUR 0.00 (31.12.2013: EUR 0.12) and EUR 0.41 (31.12.2013: EUR 0.51) for former phantom stock options for common shares.

The following factors were considered in determining the fair value as of 31 December 2014:

1. In financial year 2008 214,920 phantom stock options were issued for preferred shares on 27 February, 2 July 2008, 1 August and 1 December 2008 at an exercise price of EUR 7.03 and 9,000 phantom stock options were issued for common shares with an exercise price of EUR 3.96. The respective amounts after the simplified share capital reduction are EUR 42.18 for a preferred share and EUR 23.76 for a common share.

2. The expected volatility amounts to 40%. For the determination of the expected volatility an average value rounded to 5 percentage points of the historic volatility of comparable businesses in the prior three years was used.

3. For the expected remaining term of the phantom stock options the exit event "IPO" on 27 October 2014 with an end of the lock-up period (12 months) was applied. The respective remaining term of the phantom stock options amounts to 10 months. In the determination of the remaining term of the option rights it was further assumed that all options would be exercised at that time. This would be compensated with cash. The expected term of the phantom stock options was aligned to the expected term of the stock options. Payment is not only dependent on the occurrence of an exit event but also on the additional condition that, at the time of exercise of the phantom stock options, at least 50% of the stock options must have been exercised.

4. It was estimated that the value of a Probiodrug share at the measurement date 31 December 2014 amounted to EUR 20.00.

5. The exercise price for a former common share amounts to EUR 23.76 while that of a former preferred share is EUR 42.18.

6. The risk free interest rate at the measurement date 31 December 2013 was –0.04%.

7. The expected dividend payment was assumed to be EUR 0.00.

The total cumulative expenses associated with the phantom stock options incurred through 31 December 2014 which were allocated on the basis of the fair value as at 31 December 2014 amounted to EUR 1k (31.12.2013: EUR 25k) and were recorded within current provisions. As such, in financial year 2014, income from the release of provisions amounting to EUR 24k resulted.

Phantom stock option program 2010/2013
In 2010, on the issue dates 9 June, 30 June and 1 September 2010, an additional 350,474 phantom stock options were issued to the then chairperson of the supervisory board, the three members of the management board and an additional individual. In 2013 255,289 additional phantom stock options were issued to a consultant at the same conditions. The exercise price amounted to EUR 1.00 and was changed to EUR 6.00 due to the simplified share capital reduction in the ratio 6:1.

Through 1 January 2014 180,391 phantom stock options were forfeited as a result of members of the supervisory board leaving their positions as well as employees leaving the Company. 77,310 phantom stock options were forfeited in 2014 as it was assumed that the "exit event threshold" was not achieved with the IPO. As a consequence of the simplified share capital reduction in September 2014, the stock options decreased by 290,052 options. As a result, as at 31 December 2014, 58,010 phantom stock options were outstanding.

A phantom stock option entitles the holder to receive a cash payment determined as the difference between the exercise price of a common share and the value of a common share attained as a result of an IPO, merger or takeover of Probiodrug (exit event). The cash bonus is only paid in case of an exit event. The lock-up period amounts to 3.5 years. The phantom stock options expire in stages within 31 months of issuance subsequent to an exit from the Company. The maximum term of the phantom stock options is six years.

In addition, an „exit event threshold" of EUR 200 million was established. Within a period of 24 months subsequent to an exit event, the beneficiary is entitled to an additional 10,308 phantom stock options for each EUR 25 million in net revenues generated as a result of an exit event subsequent to the deduction of all transaction costs in excess of the exit event threshold. The maximum number of phantom stock options thereby amounts to 989,568 for the three members of the management board and 783,409 for the other two beneficiaries. For the purpose of the valuation it is assumed that the exit event threshold was not achieved with the IPO, as such, all phantom stock options tied to the exit event threshold are considered to have been forfeited.

The overview below shows the development of the phantom stock options and the exercise:

T31

	31.12.2014		31.12.2013	
Phantom stock option program 2010/2013	Exercise price EUR	Number of phantom stock options Shares	Exercise price EUR	Number of phantom stock options Shares
Phantom stock options outstanding at the beginning of the reporting period	1.00	425,372	1.00	206,161
Phantom stock options granted during the reporting period	0.00	0	1.00	255,289
Phantom stock options exercised during the reporting period	0.00	0	0.00	0
Phantom stock options forfeited during the reporting period	1.00	77,310	1.00	36,078
Reduction of phantom stock options due to simplified share capital reduction	6.00	290,052	0.00	0
Phantom stock options outstanding at the end of the reporting period	6.00	58,010	1.00	425,372
Exercisable phantom stock options at the end of the reporting period	0.00	0	0.00	0

The following factors were considered in determining the fair value as at 31 December 2014:

1. In financial year 2010 350,474 phantom stock options were issued on the issue dates 9 June, 30 June and 1 September while in 2013 255,289 phantom stock options were issued with an exercise price of EUR 1.00. The respective amount after the simplified share capital reduction is EUR 6.00.

2. The expected volatility amounts to 40 %. For the determination of the expected volatility an average value rounded to 5 percentage points of the historical volatility of comparable businesses in the prior three years was used.

3. For the expected remaining term of the phantom stock options the exit event "IPO" on 27 October 2014 with an end of the lock-up period (12 months) was applied. The respective remaining term of the phantom stock options amounts to 10 months. In the determination of the remaining term of the option rights it was further assumed that all options would be exercised at that time. This would be compensated with cash. The expected term of the phantom stock options was aligned to the expected term of the stock options. Payment is not only dependent on the occurrence of an exit event but also on the additional condition that, at the time of exercise of the phantom stock options, at least 50% of the stock options must have been exercised.

4. It was estimated that the value of a Probiodrug share at the measurement date 31 December 2014 amounted to EUR 20.00 for a Probiodrug common share.

5. The risk free interest rate at the measurement date 31 December 2013 was –0.04 %.

6. The expected dividend payment was assumed to be EUR 0.00.

The total cumulative expenses associated with the phantom stock options incurred through 31 December 2014 which were allocated on the basis of the fair value as at 31 December 2014 amounted to EUR 753k (31.12.2013: EUR 694k) and were recorded within current provisions. As such, in financial year 2014, expenses from the additions to provisions amounted to EUR 226k. These are presented within the general and administrative expenses respectively within research and development expenses. As such, in the financial year 2014, income from the release of provisions amounting to EUR 167k resulted.

6.8 Noncurrent liabilities

6.8.1 Investment grants

The deferred subsidies (government grants) for fixed assets include investment subsidies from the public sector.

As of the balance sheet date in 2014, they amounted to EUR 11k and are released to income over the average economic useful life of the underlying assets.

The development of the line item is as follows:

T32

	2014	2013
	EUR k	EUR k
Balance carried forward as at 1 January	24	67
Release during the financial year	–13	–43
Balance as at 31 December	**11**	**24**
Of which noncurrent	0	11
Of which current	11	13

6.8.2 Pension liabilities

Probiodrug has two defined benefit pension plans. The pension commitments include entitlements to disability and retirement pensions in amounts specifically determined by individual. The specified annual retirement pension is paid once the retirement age is reached. In addition, a pension commitment for a survivor's pension in a predetermined amount per entitled individual was committed to for survivors.

Plan assets consist solely of pension liability insurance contracts which have been concluded. The asset values of the insurance contracts were off-set against the pension obligations as the insurance contracts are qualifying insurance policies in accordance with IAS 19.

The amount of the defined benefit obligation (actuarial present value of the accrued pension entitlements) is determined on the basis of actuarial methodologies which require the use of estimates. The calculation was based on the Heubeck 2005 G mortality tables.

The measurement of the pension benefits is based on the following actuarial assumptions:

T33

	2014	2013
Discount rate	1.56 %	3.43 %

The discount rate was determined based on industrial bonds with an AA rating and a comparable term.

In addition, an annual salary increase of 0 % and an increase in the pension of 1.5 % was assumed.

As of 31 December 2014, the present value of the pension commitments (defined benefit obligations) amounted to EUR 1,564k (31.12.2013: EUR 1,109k). The remeasurements included within other comprehensive income amounted to EUR –405k as at the balance sheet date (31.12.2013: EUR 35k).

In the financial year 2014, pension expense amounting to EUR 72k (2013: EUR 106k) was recorded, of which EUR 34k (2013: EUR 71k) consisted of service costs and EUR 38k (2013: EUR 34k) of interest expense. 50.0% of the service cost was recorded in general and administrative expenses and 50.0% was recorded in research and development expense.

The plan assets offset comprise the insurance pledged to the beneficiaries which may only be used to make pension payments to the beneficiaries and is, thereby, not available to other creditors of the Company. The present value of the plan assets as at 31 December 2014 amounted to EUR 635k (31.12.2013: EUR 574k); interest income earned on plan assets which is presented within the interest expense amounted to EUR 21k (2013: EUR 18k).

As such, the net commitment (defined benefit liability) as of the balance sheet date amounted to EUR 929k (31.12.2013: EUR 535k).

The subsequent sensitivity analysis shows how the present value of the defined benefit pension obligation changes if the interest rate changes holding other assumptions constant:

Interest rate – 0.5%: Δ DBO EUR 135k (31.12.2013: EUR 91k)

Interest rate + 0.5%: Δ DBO EUR –120k (31.12.2013: EUR –81k)

RECONCILIATION OF DEFINED BENEFIT OBLIGATION AND PLAN ASSETS

T34

In EUR k	Defined benefit obligation	Plan assets	Pension provision (DBL)
Balance as of 01.01.2013	**1,062**	**–517**	**545**
Current service cost	71	–	71
Interest expense (+) /interest income (-)	34	–18	16
Remeasurement	–58	23	–35
Income (-)/ expenses (+) from plan assets (without amounts included in interest expense)	–	23	23
Actuarial gains (-)/ losses (+)	–58	–	–58
Effects from changes in financial assumptions	–37	–	–37
Effects from changes in demographic assumptions	0	–	0
Effects from changes based on experience	–21	–	–21
Employer's contributions	–	–62	–62
Pension benefits paid	0	0	0
Balance as of 31.12.2013	**1,109**	**–574**	**535**
Current service cost	34	–	34
Interest expense (+)/ interest income (-)	38	–21	17
Remeasurement	383	22	405
Income (-)/ expenses (+) from plan assets (without amounts included in interest expense)	–	22	22
Actuarial gains (-)/ losses (+)	383	–	383
Effects from changes in financial assumptions	391	–	391
Effects from changes in demographic assumptions	0	–	0
Effects from changes based on experience	–8	–	–8
Employer's contributions	–	–62	–62
Pension benefits paid	0	0	0
Balance as of 31.12.2014	**1,564**	**–635**	**929**

In the reporting period, the following items associated with defined contribution obligations were recorded in the statement of comprehensive income:

T35

In EUR k	2014	2013
Current service cost	34	71
Net interest expense (+)/ income(-)	17	16
Interest expense associated with DBO	38	34
Interest income on plan assets	–21	–18
Total net pension expense	51	87

The total expenses associated with defined contribution plans include the employer's contribution to the statutory pension scheme amounting to EUR 47k (2013: EUR 78k).

In 2015, plan contributions amounting to EUR 62k are expected. The weighted average duration of the pension commitments is 15.7 years (31.12.2013: 16.0 years). The pension payments for the two beneficiaries will probably be due in three respectively four years.

6.8.3 Noncurrent provisions

The noncurrent provisions include the cumulative total expenses recorded through the balance sheet date for commitments associated with the phantom stock options in the amount of EUR 0k (31.12.2013: EUR 719k). For further explanations please refer to section 6.9.6.2.

The development of the line item is as follows:

T36

	2014	2013
	EUR k	EUR k
Balance as at 1 January	719	501
Additions during the financial year	225	308
Release during the financial year	−190	−90
Reclassification in current provisions	−754	0
Balance as at 31 December	**0**	**719**

6.9 Current liabilities

6.9.1 Tax liabilities

The tax liabilities of EUR 2,543k comprise the Company's payment obligations as a result of the tax audit for the period 2002 through 2005 including interest for late payment. EUR 1,341k relates to corporate income tax and EUR 1,202k to trade tax.

6.9.2 Provisions

The provision includes commitments associated with the phantom stock options (see 6.8.3) and the tax audit risk associated with a disputed witholding tax deduction on license fees. As a consequence of the Company's appeal, the tax audit has not yet been finalised.

6.9.3 Trade payables

As at the balance sheet date, trade payables amounted to EUR 1,036k (31.12.2013: EUR 1,314k). They have a remaining term of up to one year.

6.9.4 Convertible bonds

In addition to the convertible bonds recorded as at 31 December 2013 totalling EUR 5,346k, new convertible bonds totalling EUR 4,276k were issued in 2014 as an extension to the convertible bonds 2013. In August 2014 all convertible bonds totalling EUR 9,622k were converted into common shares.

6.9.5 Other current liabilities

T37

	31.12.2014	31.12.2013
	EUR k	EUR k
Salaries and wages	135	113
Payroll and church taxes	45	23
Workers' compensation board	1	1
Other	14	24
Total	**195**	**161**

7. Explanations on the cash flow statement

The cash and cash equivalents consist solely of the cash and cash equivalents presented on the balance sheet.

The cash outflows from operating activities of EUR 10,589k (2013: EUR 8,459k) were primarily attributable to the loss of EUR 11,437k recorded in the financial year (2013 EUR 9,807k).

The positive cash flows from investing activities in the amount of EUR 1,326k (2013: EUR – 22k) were primarily attributable to cash receipts which resulted from the sale of tangible assets in the amount of EUR 465k in 2013 and the partial repayment of the loan by Ingenium in an amount of EUR 761k.

The positive cash flows from financing activities totalling EUR 25,762k (2013: EUR 5,346k) were impacted by the inflows attributable to the issuance of shares in the amount of EUR 23,244 less transaction costs of EUR 1,758k and of convertible bonds in the amount of EUR 4,276k.

8. Segment reporting

Probiodrug only has operations in one business segment and in one regional segment. Revenues were not realised in the reporting periods presented.

All assets included within the noncurrent assets are located in Germany.

9. Disclosures with respect to financial instruments

9.1 General disclosure

A financial instrument is a contract which simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are broken down into non-derivative and derivative financial instruments.

On the asset side, the non-derivative financial instruments primarily include other financial assets as well as cash and cash equivalents.

On the liability and equity side, the non-derivative financial instruments primarily consist of financial liabilities, convertible bonds, trade payables as well as other current financial liabilities.

There were no derivative financial instruments as at 31 December 2014 or in the comparative period.

The categories „measured at fair value through profit and loss", „financial instruments held-to-maturity" and „financial instruments available for sale" were not relevant with respect to the financial assets and financial liabilities recorded as at 31 December 2014.

9.2 Categories of financial assets and financial liabilities

The subsequent table shows the fair values and the carrying amounts for the classes of financial instruments established in accordance with IFRS 7. All fair values presented are classified in level 1 of the fair value hierarchy. There were no fair values of hierarchy levels 2 or 3 in the financial year 2014 or in the comparative period. In addition, in the financial years presented, there were no reclassifications between the three levels of the fair value hierarchy.

ASSETS T38

In EUR k	At amortised cost		At fair value		Total	
Valuation category	Loans and receivables		Held-for-trading			
In EUR k	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
31.12.2014						
Trade receivables	0	0	0	0	0	0
Current and noncurrent other financial assets	101	101	0	0	101	101
Cash and cash equivalents	20,920	20,920	0	0	20,920	20,920
Total 2014	**21,021**	**21,021**	**0**	**0**	**21,021**	**21,021**
31.12.2013						
Trade receivables	0	0	0	0	0	0
Current and noncurrent other financial assets	1,238	1,238	0	0	1,238	1,238
Cash and cash equivalents	4,421	4,421	0	0	4,421	4,421
Total 2013	**5,659**	**5,659**	**0**	**0**	**5,659**	**5,659**

LIABILITIES T39

In EUR k	At amortised cost		At fair value		Total	
Valuation category	Financial liabilities recorded as amortised costs		Financial liabilities recognised at fair value through profit and loss			
In EUR k	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
31.12.2014						
Trade receivables	1,036	1,036	0	0	1,036	1,036
Total 2014	**1,036**	**1,036**	**0**	**0**	**1,036**	**1,036**
31.12.2013						
Trade receivables	1,314	1,314	0	0	1,314	1,314
Cash and cash equivalents	5,346	5,346	0	0	5,346	5,346
Total 2013	**6,660**	**6,660**	**0**	**0**	**6,660**	**6,660**

Refer to the following supplementary explanations on the financial instruments presented in the table above:

Valuation within the individual valuation categories

The fair values of the „loans and receivables“ recorded at amortised cost as well as the “financial liabilities recorded at amortised cost” are broken down as follows:

a.) with respect to the financial assets, trade receivables and other current and noncurrent financial assets, the fair value corresponds with the nominal value less any valuation charges which were necessary; non-interest bearing loans and receivables or loans and receivables with low interest rates with a remaining term in excess of one year were not to be considered.

b.) The fair value of all financial liabilities was the respective settlement amount; non-interest bearing liabilities or low interest bearing liabilities with a remaining term in excess of one year were not to be considered.

c.) The fair value of the convertible bonds was equivalent to the nominal value because the conversion could have occurred at any time.

Reconciliation to balance sheet line items
The classes of financial instruments established in accordance with IFRS 7 correspond with the line items of the balance sheet.

9.3 Other disclosures in accordance with IFRS 7

Disclosures with respect to income and expense

The subsequent overview presents the net results of financial assets and financial liabilities on the basis of valuation categories:

T40

		Interest result	Subsequent measurement		
2014 In EUR k	Interest income	Interest expense	Valuation adjustments (Other operating expenses)	Write-offs (Other operating expenses)	Total
Other short-term financial assets	430			−397	33
Cash and cash equivalents	3	0	0	0	3
Total	**433**	**0**	**0**	**−397**	**36**

T41

		Financial result	Subsequent measurement		
2013 In EUR k	Interest income/ other financial result	Interest expense	Valuation adjustments (Other operating expenses)	Write-offs (Other operating expenses)	Total
Other short-term financial assets	860		0	−860	0
Cash and cash equivalents	9	0	0	0	9
Total	**869**	**0**	**0**	**−860**	**9**

As at the balance sheet date, Probiodrug only had receivables which were not overdue and for which there was no indication of an impairment.

9.4 Financial risks and risk management

9.4.1 Organisation

Risk management system, goals and methods
In addition to operating business risks, Probiodrug is subject to the following risks as a result of the use of financial instruments: credit risks, liquidity risks and market risks. The Company has established a clear functional organisation to monitor and control risks. To make risks controllable from the perspective of risk prevention, a risk management system has been implemented and is continuously being further developed to address the different risk areas. Predefined specific individual risks are continuously monitored using early warning signals.

The goal with respect to risk management is to define different risk management processes which make a timely identification of risks relating to quantity, probability of occurrence and damage amounts possible and which provide appropriate counter measures for those who have been named responsible for the processes.

Accordingly, in connection with a risk-oriented and forward-looking management approach, Probiodrug has developed and implemented a risk management system. The implementation of a functional risk management system is considered part of the overall leadership responsibility of management.

Responsibilities are clearly assigned to the individual organisational units which are involved in the risk management process:

Management board:
The risk management process begins with the management board which, in the course of overall management, on the basis of the risk bearing potential, provides a clear definition of the strategy, the business types, acceptable and unacceptable risks as well as the total justifiable risk.

Risk management:
Risk management is responsible for the active monitoring and controlling of the respective risk groups. Risk is reduced through risk minimisation measures undertaken and by monitoring adherence to limits.

Supervisory board:
The supervisory board has a control function with respect to all measures for risk limitation and risk management in the Company.

9.4.2 Risk groups

In connection with its business operations, Probiodrug is subject not only to operating business risks but also to a multitude of financial risks including credit risks, liquidity risks and market risks as explained below:

9.4.2.1 Credit risks

Credit risks exist with respect to the deterioration of the economic conditions of the Company's customers or other contracting parties. This could lead to the partial or complete risk of default with respect to contractually agreed to payments or services as well as to impairment of financial instruments.

Probiodrug currently has no regular sales. As such, credit risks are not considered to be significant to the Company.

Default risks exist with respect to substantially all financial instruments recorded as assets. The amount of the financial assets defines the maximum default risk. To the extent that risks are identified for individual financial instruments, these are taken into account by recording valuation adjustments.

Probiodrug's capital investments are only made with financial institutions with first class credit ratings which are subject to the depositor's guarantee fund of German banks. Investments are made in financial assets which do not have any inherent risk of loss and which are subject to either no or only a low level of change in terms of value.

Maximum risk of default
The maximum default risk for financial assets without considering possible security held or other credit improvements (e.g. right to offset) is as follows:

Carrying amount as an equivalent for the maximum risk of default

T42

Carrying amount as an equivalent for the maximum risk of default EUR k	31.12.2014	31.12.2013
Loans and receivables	101	1,238
of which trade receivables	0	0
of which other financial assets	101	1,238
Cash and cash equivalents	20,920	4,421
	21,021	**5,659**

As of the balance sheet dates 31 December 2014 and 31 December 2013, the financial assets were neither impaired nor overdue.

9.4.2.2 Liquidity risk

Liquidity risks in the narrow sense exist when the Company does not have adequate funds to settle its ongoing payment obligations. The payment obligations result primarily from the ongoing cost of business operations and investing activities against which there are only minor cash receipts.

In order to manage the liquidity situation during the year, the Company utilises appropriate financial planning instruments. Matching maturities of the interim capital needs and availability is thereby assured. As at 31 December 2014, cash and cash equivalents amounted to EUR 20.9 million. The cash and cash equivalents as at 31 December 2014 provide for the Company's financing beyond the upcoming twelve months. Management believes that additional cash inflows can be generated. If the currently planned assumptions with respect to liquidity do not prove to be viable, based on the current cash reach, there could prospectively be a risk that the financing of the Company is insufficient.

The Company's planning is based on the assumption that no cash outflows will be required with respect to the potential additional tax claims of the fiscal authorities for the year 2004 in 2015 or 2016. Probiodrug has filed a lawsuit at the Tax Court [Finanzgericht] contesting the potential back taxes. A ruling has not yet been made. A stay of execution for the contested decisions has been granted.

This risk was provided for in the financial statements by recording an appropriate provision. Should significant payments be required in 2015 or 2016 for the back taxes being contested in the fiscal courts, the Company's ability to execute its business plan could be jeopardised.

Analysis of maturities

The table below presents an analysis of the remaining terms of all contractually agreed financial liabilities as at 31 December 2014 and 31 December 2013:

CONTRACTUAL REMAINING TERMS OF FINANCIAL LIABILITIES T43

EUR k	Carrying amount	Up to 30 days	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
31.12.2014						
Non-derivative financial liabilities						
Trade payables	1,036	1,036	0	0	0	0
Total	**1,036**	**1,036**	**0**	**0**	**0**	**0**
31.12.2013						
Non-derivative financial liabilities						
Trade payables	1,314	1,314	0	0	0	0
Convertible bonds	5,346	0	0	5,346	0	0
Total	**6,660**	**1,314**	**0**	**5,346**	**0**	**0**

9.4.2.3 Market risks

Market risks develop from a possible change in risk factors which lead to a negative change in market value of the financial assets and liabilities which are subject to this risk factor. General risk factors such as currency risks, risks attributable to changes in interest rates and price risks can be of relevance to Probiodrug.

Exchange rate risks

Currently Probiodrug is not exposed to any exchange rate risks. Exchange rate risks could develop if a portion of the future sales are realised in US dollars or in another foreign currency.

Risk of changes in interest rates

Probiodrug does not have any interest bearing assets or liabilities to a third party. As such, there is no risk with respect to changes in interest rates.

Price risks

At present, no price risks have been identified.

9.4.2.4 Other risks

Probiodrug is insured against typical risks.

10. Capital Management

Probiodrug's primary focus is the long-term increase in the value of the Company in the interest of the shareholders, employees and collaboration partners.

The goal is to sustainably increase the value of Probiodrug by continuing to generate positive data from studies, efficient processes in research and development, a forward-looking and value-oriented portfolio management as well as continuously increasing the level of awareness of Probiodrug and the approaches it applies in the pharmaceutical industry and, in the mid-term, the transfer of central assets of Probiodrug into industrial collaborations. To achieve this, the business and financial risks along with financial flexibility are in managements' focus.

An authorisation of the general shareholders' meeting to repurchase own shares did not exist as at the balance sheet date, 31 December 2014.

Probiodrug currently has three active stock option programs from the years 2007, 2010 and 2014.

Probiodrug is not subject to any capital requirements stemming from the Articles of Association.

As at 31 December 2014, Probiodrug's equity amounted to EUR 15,971k (31.12.2013: EUR −4,304k), which equates to an equity ratio of 74.4 % (31.12.2013: negative). The total liabilities amounts to EUR 5,509k (31.12.2013: EUR 10,585k).

11. Other

11.1 Contingencies and other financial commitments

As at the balance sheet date, there were no contingencies. The total other financial commitments relating mainly to agreements for rental and research services and license agreements amounted to EUR 260k (31.12.2013: EUR 183k).

11.2 Related party relationships

The following individuals and entities were considered related parties of Probiodrug during the reporting period:

a) Shareholders of Probiodrug with a controlling or significant influence on Probiodrug

b) Members of the key management personnel of the Company or a key shareholder of the Company

c) Enterprises which can be controlled by individuals within a) or b)

Transactions with key management personnel

The remuneration of the management board was broken down as follows:

T44

In EUR k	2014	2013
Short-term employee benefits	710	513
Post-employment benefits	50	48
Share-based payments	1,008	8
Total	**1,768**	**569**

On 27 February 2008, within the scope of the 2007 option program 23,712 options for common shares, 35,568 options for preferred shares as well as 59,280 phantom stock options were issued to the members of the management board. Within the scope of the 2010 option program, 515,403 options for common shares, as well as 61,848 phantom stock options were issued. Within the scope of the 2014 option program 314,501 options were issued to the members of the management board. More detailed information is provided in item 6.7.6.

The pension commitments described in item 6.8.3 relate to Prof. Dr Demuth (former member of management board) and Dr Glund. The development of the pension provision is also presented there.

The remuneration of the supervisory board was broken down as follows:

T45

In EUR k	2014	2013
Short-term benefits	18	24
Share-based payment	0	0
Total	**18**	**24**

On 2 July 2008, 7,500 phantom stock options were issued to Prof. Frank. Further details are presented in item 6.7.6.2.

The 2014 convertible bonds were issued to the shareholders of the Company and converted into shares of the Company in August 2014. The shareholders of the Company participated in Probiodrug's IPO in October 2014.

Other related party transactions
Ingenium, a wholly owned subsidiary of Probiodrug, which was sold in July 2014

As at 31 December 2014, Probiodrug had receivables from shareholder loans granted to Ingenium totalling EUR 0k (2013: EUR 8,600k) and receivables from accrued interest thereon EUR 0k (2013: EUR 2,378k). As at 31 December 2013 valuation adjustments totalled EUR 10,253k (thereof: EUR 860k with an income impact in 2013). In 2014 further interest income totaling EUR 430k was accrued. A provision of EUR 397k was recorded against this.

In 2014 Ingenium repaid EUR 761k in conjunction with the sale of the company. The remaining outstanding receivables were assigned to the buyer of Ingenium.

Futhermore Probiodrug paid EUR 50k into the additional paid-in capital of Ingenium in 2013. This was written off in its entirety in 2013. Other than this, there were no transactions with Ingenium in 2014. There are no longer further post contractual obligations.

Other than this, there were no transactions or business activities with related parties.

11.3 Events subsequent to the balance sheet date
There were no significant events subsequent to the balance sheet date.

11.4 Approval and release
On 28 February 2015 Probiodrug AG's management board approved these IFRS consolidated financial statements for release to the supervisory board.

12. Explanation regarding transition to IFRSs
As stated in note 2.1, these are the first Probiodrug (unconsolidated) financial statements prepared in accordance with IFRSs. The financial statements 2011 – 2013 were prepared and presented as consolidated financial statements in accordance with IFRSs.

The accounting policies set out in note 3 were applied for the financial statements as at 31 December 2013 and 1 January 2013 (date of transition).

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with German GAAP (its previous GAAP). An explanation of how the transition from the previous GAAP to IFRSs has affected the financial position, financial performance and cash flows is set out in the following tables.

Reconciliation of equity

ASSETS

T46

In EUR k	Notes	Previous GAAP	Effect of transition to IFRSs	IFRSs 1 January 2013
A. Noncurrent assets				
I. Other intangible assets	3.3/6.1	67	0	67
II. Plant and equipment	3.4/6.2	926	0	926
III. Financial assets	3.6	3	0	3
Total noncurrent assets		**996**	**0**	**996**
B. Current assets				
I. Inventories		18	0	18
II. Trade receivables		5	0	5
III. Other short-term financial assets	6.3	732	0	732
IV. Tax refunds	6.4	17	0	17
V. Other assets	6.5	360	0	360
VI. Cash and cash equivalents	3.9/6.6	7,556	0	7,556
Total noncurrent assets		**8,688**	**0**	**8,688**
Total assets		**9,684**	**0**	**9,684**

EQUITY AND LIABILITIES

T47

In EUR k	Notes	Previous GAAP	Effect of transition to IFRSs	IFRSs 1 January 2013
A. Equity				
I. Share capital	6.7	25,529	0	25,529
II. Legal reserve	6.7.1	228	0	228
III. Additional paid-in capital	6.97.2	50,931	944	51,875
IV. Other reserves for remeasurement of the pensions	6.7.3	0	−234	−234
V. Retained earnings	6.7.4	−71,206	−1,029	−72,235
Total equity		**5,482**	**−319**	**5,163**
B. Noncurrent liabilities				
I. Investment grants	3.11/6.8.1	0	24	24
II. Pensions	3.12/6.8.2	282	263	545
III. Provisions	3.13/6.8.3	512	−11	501
IV. Other noncurrent liabilities		0	0	
Total noncurrent assets		**794**	**276**	**1,070**
C. Current liabilities				
I. Investment grants	3.11	0	43	43
II. Tax liabilities	6.9.1	2,347	0	2.347
III. Provisions	3.16/6.9.2	41	0	41
IV. Convertible bonds	6.9.4	0	0	0
V. Trade payables	6.9.3	704	0	704
VI. Other current liabilities	6.9.5	316	0	316
Total current liabilities		**3.408**	**43**	**3,451**
Total liabilities		**4,202**	**319**	**4,521**
Total equity and liabilities		**9,684**	**0**	**9,684**

ASSETS

T48

In EUR k	Notes	Previous GAAP	Effect of transition to IFRSs	IFRSs 31 December 2013
A. Noncurrent assets				
I. Other intangible assets	3.3/6.1	101	0	101
II. Plant and equipment	3.4/6.2	321	0	321
III. Financial assets	3.3	3	0	3
Total noncurrent assets		**425**	**0**	**425**
B. Current assets				
I. Inventories		0	0	0
II. Trade receivables		0	0	0
III. Other short-term financial assets	6.3	1,238	0	1,238
IV. Tax refunds	6.4	9	0	9
V. Other assets	6.5	188	0	188
VI. Cash and cash equivalents	3.9/6.6	4,421	0	4,421
Total current assets		**5,856**	**0**	**5,856**
Total assets		**6,281**	**0**	**6,281**

EQUITY AND LIABILITIES

T49

In EUR k	Notes	Previous GAAP	Effect of transition to IFRSs	IFRSs 31 December 2013
A. Equity				
I. Share capital	6.7	25,529	0	25,529
II. Legal reserve	6.7.1	228	0	228
III. Additional paid-in capital	6.7.2	51,468	712	52,180
IV. Other reserves for remeasurement of the pensions	6.7.3	0	−199	−199
V. Retained earnings	6.7.4	−81,302	−740	−82,042
Total equity		**−4,077**	**−227**	**−4,304**
B. Noncurrent liabilities				
I. Investment grants	3.11/6.8.1	0	11	11
II. Pensions	3.15/6.8.2	321	214	535
III. Provisions	3.13/6.8.3	730	−11	719
IV. Other noncurrent liabilities		0	0	
Total noncurrent liabilities		**1,051**	**214**	**1,265**
C. Current liabilities				
I. Investment grants	3.11	0	13	13
II. Tax liabilities	6.9.1	2,445	0	2,445
III. Provisions	3.13/6.9.2	41	0	41
IV. Convertible bonds	6.9.4	5,346	0	5,346
V. Trade payables	6.9.3	1,314	0	1,314
VI. Other current liabilities	6.9.5	161	0	161
Total current liabilities		**9,307**	**13**	**9,320**
Total liabilities		**10,358**	**227**	**10,585**
Total equity and liabilities		**6,281**	**0**	**6,281**

T50

In EUR k	Notes	Previous GAAP	Effect of transition to IFRSs	IFRSs
				31 December 2013
I. Profit or loss				
Revenue	5.1	0	0	0
Cost of sales	5.2	0	0	0
Gross profit		**0**	**0**	**0**
Research and development expenses	5.3	−7,698	−306	−8,004
General and administrative expenses	5.4	−3,298	854	−2,444
Other operating income	5.6	704	43	747
Operating profit/loss		**−10,292**	**591**	**−9,701**
Interest income		869	−860	9
Interest expense		−673	558	−115
Financial profit/loss		**196**	**−302**	**−106**
Loss before tax		**−10,096**	**289**	**−9,807**
Income tax expense	5.7	0	0	0
Net loss for the period		**−10,096**	**289**	**−9,807**
II. Other comprehensive income (loss)				
Items not to be reclassified subsequently to profit or loss				
Remeasurement of the net defined benefit pension liability		**0**	**35**	**35**
Total other comprehensive income (loss)		**0**	**35**	**35**
III. Comprehensive income (loss)		**−10,096**	**324**	**−9,772**
Earnings per share in EUR (basic and diluted)		**−2.37/0.07/−2.30**	**0.07**	**−2.30**

Adjustments to the statement of cash flows
There are no other material differences between the statement of cash flows presented in accordance with IFRS and the statement of cash flows presented under Probiodrug's previous GAAP.

Halle, 28 February 2015

Dr Konrad Glund **Dr Hendrik Liebers** **Dr Inge Lues**

C. AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To Probiodrug AG, Halle

We have audited the accompanying financial statements of Probiodrug AG, Halle, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Equity and Notes to the IFRS financial statements for the financial year from 1 January to 31 December 2014.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We con-ducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the parent company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriate-ness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of Probiodrug AG, Halle, as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with the IFRSs, as adopted by the EU.

Leipzig, 6 March 2015
KPMG AG
Wirtschaftsprüfungsgesellschaft

Lauer
Wirtschaftsprüfer
German Public Auditor

Nötzel
Wirtschaftsprüferin
German Public Auditor

D. RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the net assets, financial position and results of operations of Probiodrug AG.

Halle, 28 February 2015

Management Board of Probiodrug AG

Dr Konrad Glund **Dr Hendrik Liebers** **Dr Inge Lues**

PART II

A. FINANCIAL STATEMENTS – ENGLISH (HGB)

BALANCE SHEET AS AT 31 DECEMBER 2014

ASSETS T51

			31.12.2014		31.12.2013
	EUR	EUR	EUR	EUR
A. Fixed assets				
I. Intangible assets				
Similar rights acquired for consideration, licenses and software		81,571.13		100,868.06
II. Tangible assets				
1. Buildings on third-party land	27,645.95		34,556.02	
2. Other equipment, operating and office equipment	73,507.31	101,153.26	285,987.09	320,543.11
III. Long-term financial assets				
1. Shares in affiliated companies	0.00		1.00	
2. Participations	3,450.00	3,450.00	3,450.00	3,451.00
		186,174.39		**424,862.17**
B. Current assets				
I. Receivables and other assets				
1. Receivables from affiliated companies	0.00		728,063.01	
2. Other assets	296,096.92	296,096.92	610,474.74	1,338,537.75
II. Cash-in-hand and bank balances		20,919,926.71		4,421,392.00
		21,216,023.63		**5,759,929.75**
C. Prepaid expenses		**77,861.82**		**96,155.97**
D. Deficit not covered by equity		**0.00**		**4,077,534.09**
Net accumulated losess of which deficit not covered by equity EUR 0.00 (in the prior year EUR 4,077,534.09)				
		21,480,059.84		**10,358,481.98**

EQUITY AND LIABILITIES

T52

	31.12.2014	31.12.2013
	EUR	EUR
A. Equity		
I. Share capital	6,765,898.00	25,528,929.00
Contingent capital: EUR 524,169.00		
(in the prior year EUR 5,714,159.00)		
II. Capital reserves	22,016,465.55	51,467,571.73
III. Revenue reserves		
Legal reserves	227,625.00	227,625.00
IV. Accumulated losses brought forward (in the prior year to the extent covered by equity)	–12,480,753.10	–77,224,125.73
– Total accumulated losses EUR 12,480,753.10		
(in the prior year EUR 81,301,659.82) –		
– of which deficit not covered by equity		
EUR 0.00 (in the prior year EUR 4,077,534.09) –		
refer to D. Assets		
	16,529,235.45	**0.00**
B. Provisions		
1. Pension provision	370,450.00	321,037.41
2. Tax provision	2,543,210.75	2,444,990.75
3. Other provisions	1,107,042.99	1,375,691.99
	4,020,703.74	**4,141,720.15**
C. Liabilities		
1. Bonds	0.00	5,346,000.00
– of which convertible EUR 0.00 (in the prior year EUR 5,346,000.00) –		
2. Trade payables	876,394.23	837,668.04
3. Other liabilities	53,726.42	33,093.79
– of which taxes EUR 45,421.87		
(in the prior year EUR 22,713.95) –		
	930,120.65	**6,216,761.83**
	21,480,059.84	**10,358,481.98**

INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014

T53

	2014		2013	
	EUR	EUR	EUR	EUR
1. Other operating income		237,407.87		703,723.60
2. Cost of materials				
a) Costs of supplies and purchased merchandise	−55,092.00		−53,778.66	
b) Costs of purchased services	−4,291,285.88	−4,346,377.88	−4,251,669.10	−4,305,447.76
3. Personnel expenses				
a) Wages and salaries	−1,263,986.09		−1,547,782.49	
b) Social security and post employment costs	−191,017.19	−1,455,003.28	−234,454.68	−1,782,237.17
– of which in respect of retirement provisions EUR 78,939.01 (in the prior year EUR 64,117.56) –				
4. Amortisation of intangible fixed assets and depreciation of tangible fixed assets		−93,846.03		−313,722.16
5. Other operating expenses		−4,576,095.76		−4,545,131.19
6. Other interest and similar income		432,934.49		869,278.27
– of which from affiliated companies EUR 430,000.32 (in the prior year EUR 860,000.64) –				
7. Write-downs of long-term financial assets		0.00		−50,000.00
8. Interest and similar expenses		−226,105.92		−672,480.20
9. Results of ordinary operations		**−10,027,086.51**		**−10,096,016.61**
10. Extraordinary expenses/extraordinary results		−2,232,270.20		0.00
11. Net loss		**−12,259,356.71**		**−10,096,016.61**
12. Loss carry forward		−81,301,659.82		−71,205,643.21
13. Income from the release of capital reserves		54,871,798.43		0.00
14. Income from the reduction of capital		26,208,465.00		0.00
15. Net accumulated losses		**−12,480,753.10**		**−81,301,659.82**

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014

T54

	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
	EUR	EUR
Net loss of the period without extraordinary expenses	−10,027,085	−10,096,017
Proceeds from extraordinary item	−474,513	0
Amortisation and depreciation of fixed assets	93,846	313,722
Income/expense from the disposal of fixed assets	**5,599**	−144,148
Increase in pension provision	49,413	39,219
Increase in tax provision	98,220	98,280
Decrease (in prior year increase) of other provisions	−268,649	196,413
Income/expenses without a cash impact	−32,445	536,817
Decrease in inventories	0	17,423
Decrease in trade receivables	0	2,957
Decrease in receivables from affiliated companies	0	2,173
Increase in other assets	−111,479	75,110
Decrease in prepaid expenses	18,294	23,367
Increase in trade payables	38,726	532,691
Increase (in prior year decrease) of other liabilities	20,633	−56,223
Cash flow from operating activities	**−10,589,440**	**−8,458,216**
Proceeds from the disposal of tangible assets	574,249	43,001
Proceeds from the disposal of intangible assets	2,930	0
Capital expenditures for tangible assets	−2,040	−4,678
Capital expenditures for intangible assets	−10,041	−60,743
Proceeds from loan repaid	760,508	0
Cash flow from investing activities	**1,325,606**	**−22,420**
Proceeds from the issuance of stock	23,244,126	0
Transaction costs	−1,757,757	0
Proceeds from the issuance of convertible bonds	4,276,000	5,346,000
Cash flow from financing activities	**25,762,369**	**5,346,000**
Changes in cash and cash equivalents	**16,498,535**	**−3,134,636**
Cash and cash equivalents at the beginning of the financial year	**4,421,392**	**7,556,028**
Cash and cash equivalents at the end of the period	**20,919,927**	**4,421,392**

T55

	31.12.2014	31.12.2013
	EUR	EUR
Composition of cash and cash equivalents		
Cash-on-hand	450	465
Bank balances	20,919,477	4,420,927
	20,919,927	**4,421,392**

STATEMENT OF SHAREHOLDERS' EQUITY AS AT 31.12.2014

T56

	Share Capital		Capital reserves	Legal reserve	Retained earnings	Equity
	Ordinary shares EUR	Preferred shares EUR	EUR	EUR	EUR	EUR
Balance as at 01.01.2013	**3,414,375**	**22,114,554**	**50,930,755**	**227,625**	**−71,205,643**	**5,481,666**
Issuance of convertible bonds	0	0	536,817	0	0	536,817
Net loss	0	0	0	0	−10,096,017	−10,096,017
Balance as at 31.12.2013	**3,414,375**	**22,114,554**	**51,467,572**	**227,625**	**−81,301,660**	**−4,077,534**
Capital increase as a result of the conversion of convertible bonds	0	5,921,229	3,700,771	0	0	9,622,000
Conversion of preferred shares into ordinary shares	28,035,783	−28,035,783	0	0	0	0
Simplified capital reduction	−26,208,465	0	−54,871,798	0	81,080,263	0
Issuance of shares	1,524,205	0	21,719,921	0	0	23,244,126
Net loss	0	0	0	0	−12,259,357	−12,259,357
Balance as at 31.12.2014	**6,765,898**	**0**	**22,016,466**	**227,625**	**−12,480,753**	**16,529,235**

B. NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR FROM 01 JANUARY TO 31 DECEMBER 2014

I. GENERAL INFORMATION

The annual financial statements of Probiodrug AG were prepared using the accounting policies and measurement methods prescribed by the [German] Commercial Code (HGB) [Handelsgesetzbuch] applying the Accounting Law Modernisation Act [Bilanzrechtsmodernisierungsgesetzes] (BilMoG) as well as the complementary regulations of the [German] Stock Corporation Act.

As a result of the issuance of shares on the Euronext/Amsterdam in October 2014, Probiodrug is a capital market oriented company as defined in Section 264d of the HGB and is thereby considered a large capital corporation as defined by Section 267 (3) of the HGB.

There was no change in the form of presentation in comparison with the prior year.

II. ACCOUNTING POLICIES AND MEASUREMENT METHODS

Fixed assets

Tangible and intangible assets were measured at their acquisition costs reduced by scheduled depreciation and amortisation.

The scheduled depreciation and amortisation was calculated on the straight-line basis considering the expected useful life of the underlying asset within the entity on the bases of the official depreciation tables in accordance with tax regulations.

In financial year 2014, newly acquired moveable assets with acquisition costs of up to EUR 410.00 were immediately depreciated in their entirety. The cumulative items recorded in the prior years continue to be depreciated on the straight-line basis in accordance with Section 6 (2a) of the German Income Tax Act (EStG) [Einkommensteuergesetz] over a period of five years. In total, the cumulative items are of minor importance.

Participations are recorded at their acquisition costs.

Current assets

Receivables and other assets were measured at their nominal value less necessary valuation adjustments giving consideration to all identifiable risks. No foreign currency receivables existed as at the balance sheet date.

The **cash-in-hand and bank balances** were measured at their nominal values.

The valuation of accounts denominated in a foreign currency was on the basis of the mean average exchange rate as at the balance sheet date.

Prepaid expenses comprise payments made prior to the balance sheet date, which represent expenses for a specific period after the balance sheet date.

Deferred taxes are recorded for differences between amounts recorded in the commercial financial statements and those recorded in the tax accounts, to the extent that these are expected to reverse in upcoming financial years. To the extent that the deferred taxes result in a debit balance as at the balance sheet date, no use is made of the allowed alternative treatment in accordance with Section 274 (1) sentence 2 of the HGB.

Equity
The Company's equity is recorded at its nominal value.

Provisions
Provisions are recorded at the settlement amounts deemed necessary when applying prudent business judgement. All identifiable risks are given consideration.

Long-term provisions with a term of more than 12 months are discounted in accordance with Section 253 (2) sentence 1 of the HGB.

The measurement of the pension provisions is based on the „projected unit credit" - method (PUC method). Probiodrug made use of the allowed alternative treatment whereby the average market interest rate of the previous seven business years as published by the Deutsche Bundesbank [German Federal Reserve], which results from an assumed remaining term of 15 years, was applied as the discount rate. The biometric calculation used was provided by the 2005 G mortality tables of Prof. Dr Klaus Heubeck ['Richttafeln 2005 G' von Klaus Heubeck]. The parameters applied in the calculation are presented in the explanations on the balance sheet.

Liabilities
Liabilities are recorded at their settlement amounts. Liabilities in a foreign currency are recorded at the mean average exchange rate in effect as at the balance sheet date.

The existing liabilities are not secured.

Income Statement
In accordance with Section 275 (2) of the HGB, the Company again elected the total cost method of presentation.

III. EXPLANATIONS ON THE BALANCE SHEET

Fixed assets
The development of fixed assets as well as the amortisation and depreciation recorded in the financial year is shown for each balance sheet line item in the schedule of fixed assets presented in the appendix to the notes to the financial statements.

Long-term financial assets and receivables from affiliated companies
The shares in the subsidiary, Ingenium Pharmaceuticals GmbH, Munich ("Ingenium"), were sold at their carrying value in the financial year just ended (in the prior year notional amount of EUR 1.00).

In previous financial years, Probiodrug provided financing for its subsidiary, Ingenium, in the form of shareholder loans totalling EUR 8,600k. At the prior balance sheet date they totalled EUR 10,978k including interest accrued thereon. In addition, other receivables from Ingenium amounted to EUR 3k. Due to the subsidiary's sustained losses, a valuation adjustment of EUR 10,253k was recorded (carrying value as at 31 December 2013: EUR 728k). On the basis of an agreement dated 13 July 2014, the loans became non-interest bearing with effect from 30 June 2014. EUR 761k of the receivables from Ingenium which totalled EUR 11,410k as at 30 June 2014 were collected and the remaining EUR 10,648k was assigned to the buyer in conjunction with the sale of the company.

Other assets
Without exception, the other assets all have a remaining term of up to one year. They primarily consist of receivables from the fiscal authorities (EUR 189k; in the prior year EUR 50k) as well as other receivables (EUR 107k; in the prior year EUR 560k). In the prior year the other receivables primarily consisted of receivables from the sale of fixed assets.

Deferred taxes

As at the balance sheet date, after offsetting debit and credit balances with respect to deferred taxes (consideration of overall difference) a net debit balance resulted for deferred taxes. The calculation is based on an effective tax rate of 31.58%, which is expected to be the rate in effect when the differences reverse. Probiodrug does not make use of the allowed alternative treatment whereby a debit balance may be recorded in accordance with Section 274 (1) sentence 2 of the HGB. As such, deferred taxes are not presented on the balance sheet. The debit and credit deferred tax balances calculated result from the tax loss carry forwards and different values calculated for the pension provision.

Share Capital

As at 31 December 2014, the subscribed capital amounted to EUR 6,765,898.00. It is broken down into 6,765,898 registered ordinary shares with no par value (bearer shares). In the prior year the subscribed capital amounted to EUR 25,528,929.00 and was divided into 3,414,375 registered ordinary shares with no par value (bearer shares), 3,095,837 registered voting preference shares of the Series A as well as 19,018,717 registered voting preference shares of the Series B.

On 21 August 2014 the convertible bonds issued in 2013 and 2014 were converted into preference shares of the Series B2 by making use of the contingent capital 2013 and 2014. The subscribed capital was increased by a total of EUR 5,921,229.00 by issuing 5,921,229 registered voting preference shares of the Series B2.

On 25 August 2014 the shareholders' meeting resolved to convert the registered preference shares with voting rights of the Series A, B and B2 into registered ordinary bearer shares with no par value (bearer shares). All preferences of the various classes of shares were eliminated in their entirety. Thereafter, the subscribed capital amounted to EUR 31,450,158.00 and was broken down into 31,450,158 ordinary bearer shares with no par value with a notional value of EUR 1.00 per share.

On 8 September 2014, the shareholders' meeting resolved to reduce the Company's share capital from EUR 31,450,158.00 by EUR 26,208,465.00 to EUR 5,241,693.00, divided into 5,241,693 ordinary bearer shares with no par value. The capital decrease was completed pursuant to the regulations regarding simplified capital reductions (Sections 229 et. seq. of the AktG) in the ratio of 6:1, with the intention of covering incurred losses totalling EUR 26,208,465.00. The capital reduction was completed in such a manner that six ordinary bearer shares with no par value were consolidated into one ordinary bearer share with no par value.

On 9 October 2014, the shareholders' meeting resolved to increase the Company's share capital from EUR 5,241,693.00, broken down into 5,241,693 ordinary bearer shares with no par value, in exchange for a cash contribution of up to EUR 1,696,720 to a total of EUR 6,938,413 by the issuance of up to 1,696,720 new, ordinary bearer shares with no par value with profit participation rights beginning on 1 January 2014. The issue price per share to be issued amounted to EUR 1.00. The proportional amount of the share capital attributable to each new share amounted to EUR 1.00. Shareholders' subscription rights were excluded for cash capital increases. The management board was authorised, with the approval of the supervisory board, to establish the further details with respect to the increase in capital as well as the implementation and the conditions for the issuance of the shares. The resolution with respect to the increase in the share capital was required to be implemented prior to the end of 31 December 2014.

In conjunction with the initial public offering on the Euronext/Amsterdam on 27 October 2014, the equity was increased by EUR 1,475,409.00 by issuing 1,475,409 new ordinary bearer shares with no par value. The proportion of the share capital attributable to each new share is EUR 1.00.

Subsequently, the share capital totalled EUR 6,717,102.00 broken down into 6,717,102 ordinary bearer shares with no par value with a notional value of EUR 1.00.

On 12 November 2014 the management board, with the approval of the supervisory board, resolved to increase the share capital by EUR 48,796.00 to EUR 6,765,898.00 in exchange for cash. The increase was made by partially using the authorised capital 2014 by issuing 48,796 new registered ordinary shares with no par value at an issue price of EUR 1.00 per share. Thereafter the share capital amounted to EUR 6,765,898.00 broken down into 6,765,898 ordinary bearer shares with no par value with a notional value of EUR 1.00.

Contingent capital 2008/I
As at 31 December 2014, the contingent capital 2008/I amounted to EUR 11,300.00 (in the prior year EUR 67,800.00). Of this amount, EUR 10,422.00 (in the prior year EUR 67,120.00) is reserved as a result of the distribution of option rights. By resolution of the shareholders' meeting on 8 September 2014, the contingent capital 2008/1 was reduced to EUR 11,300.00. The reduction was made in conjunction with the simplified reduction of capital in the ratio 6:1.

The contingent capital 2008/I serves to redeem the option rights which were distributed in conjunction with the Stock Option Program 2007. A new distribution of options on the basis of this program is no longer possible.

The contingent capital increase will only be carried out to the extent that the beneficiaries of the stock options make use of their buying option. The new shares resulting from the exercise of the stock options will participate in earnings from the beginning of the financial year in which the rights are exercised. In addition to employees of the Company and formerly affiliated companies for whom, as per Section 194 (3) of the AktG, no disclosures are required, the following members of the management board (respectively former members of the management board) are permitted to acquire the following number of shares (subsequent to reduction in conjunction with the capital decrease 6:1):

Dr Konrad Glund, Halle, up to 912 ordinary shares,
Dr Hendrik Liebers, Leipzig, up to 2,128 ordinary shares,
Prof. Dr Hans-Ulrich Demuth, Halle, up to 912 ordinary shares.

Contingent capital 2008/II
As at 31 December 2014, the contingent capital 2008/II totalled EUR 16,950.00 (in the prior year EUR 101,700.00). Of this amount, EUR 15,666.00 (in the prior year EUR 100,815.00) is reserved as a result of the issuance of options.

The contingent capital 2008/II serves to redeem the option rights distributed in conjunction with the Stock Option Program 2007. A new issuance of options under this program is no longer possible.

The contingent capital increase will only be carried out to the extent that the beneficiaries make use of their buying options. The new shares resulting from the exercise of the stock options will participate in earnings from the beginning of the financial year in which the rights are exercised. In addition to employees of the Company and former affiliated companies for whom, as per Section 194 (3) of the AktG, no disclosures are required, the following members of the management board (respectively former members of the management board are permitted to acquire the following number of shares (subsequent to reduction in conjunction with the capital reduction of 6:1):

Dr Konrad Glund, Halle, up to 1,368 ordinary shares (previously preference shares of the series A),
Dr Hendrik Liebers, Leipzig, up to 3,192 ordinary shares (previously preference shares of the series A),
Prof. Dr Hans-Ulrich Demuth, Halle, up to 1,368 ordinary shares (previously preference shares of the series A).

Contingent Capital 2010/I
As at 31 December 2014, the contingent capital 2010/I amounted to EUR 85,901.00 (in the prior year EUR 1,236,967.00). Of this amount, EUR 85,899.00 (in the prior year EUR 515,403.00) is reserved as a result of the issuance of options. The reduction of the contingent capital was made in conjunction with the simplified capital reduction in the ratio of 6:1.

The contingent capital 2010/I serves to redeem the option rights distributed in conjunction with the Stock Option Program 2010. A new issuance of options under this program is no longer possible.

The contingent capital increase will only be carried out to the extent that the beneficiaries of the stock options make use of their buying options. The new shares resulting from the exercise of the stock options will participate in earnings from the beginning of the financial year in which the rights are exercised. The following members of the management board (respectively former members of the management board) are permitted to acquire the following number of shares (subsequent to reduction in conjunction with the capital reduction in the ratio of 6:1):

Dr Konrad Glund, Halle, up to 28,633 ordinary shares,
Dr Hendrik Liebers, Leipzig, up to 28,633 ordinary shares,
Prof. Dr Hans-Ulrich Demuth, Halle, up to 28,633 ordinary shares.

Contingent Capital 2013/I
By resolution of the general meeting of the shareholders on 22 July 2013, the Company's share capital was contingently increased (contingent capital 2013/I) by EUR 4,307,692.00 to redeem the conversion rights respectively conversion obligations associated with the convertible bonds which were issued on the basis of a resolution of the general meeting of the shareholders on the same day. The supervisory board's approval for the issuance of convertible bonds was granted on 22 July 2013.

By using EUR 3,289,845.00 of the contingent capital 2013/I, 3,289,845 subscription shares were issued on 21 August 2014 by converting the convertible bonds issued in 2013. After issuing these subscription shares, the contingent capital 2013/I amounted to EUR 1,017,547.00.

On the basis of a resolution dated 25 August 2014, the remaining contingent capital 2013/I was revoked.

Contingent capital 2014/I
By resolution of the shareholders' meeting on 16 May 2014, the contingent capital 2014/1 was established.

By resolution of the general meeting of the shareholders on 16 May 2014, the Company's share capital was contingently increased (contingent capital 2014) by EUR 3,692,300.00 to grant conversion rights respectively obligations for convertible bonds issued on the basis of a resolution of the general meeting of the shareholders on the same date. The approval of the supervisory board for the issuance of the convertible bonds was given on 30 April 2014.

By using EUR 2,631,384 of the contingent capital 2014, 2,631,384 subscription shares were issued on 21 August 2014 by converting the convertible bonds issued in 2014. After issuing these subscription shares, the contingent capital 2014 still amounted to EUR 1,060,916.00.

On the basis of a resolution dated 25 August 2014, the remaining contingent capital 2014/I was revoked.

Contingent capital 2014/II
By resolution of the shareholders' meeting on 29 September 2014, the contingent capital 2014/II was established.

The Company's share capital was contingently increased by a nominal value of up to EUR 410,018.00 by the issuance of up to 410,018 ordinary bearer shares with no par value (contingent capital 2014/1). The contingent capital increase serves to redeem stock option rights in accordance with Section 192 (2) number 3 AktG issued as part of Stock Option Program 2014 (in the version of the resolutions of the shareholders' meeting on 29 September 2014). The contingent capital increase will only be carried out to the extent that the beneficiaries make use of their buying options. The new shares resulting from the exercise of the stock options will participate in earnings from the beginning of the financial year in which the rights are exercised.

The following members of the management board are permitted to acquire the following number of shares:

Dr Konrad Glund, Halle, up to 104,834 ordinary shares,
Dr Inge Lues, Seeheim-Jugenheim, up to 104,834 ordinary shares and
Dr Hendrik Liebers, Leipzig up to 104,833 ordinary shares.

Stock Options

1. In conjunction with the stock option program as resolved by the shareholders' meeting and the meeting of the supervisory board on 29 September 2014, the management board was authorised to issue up to 410,018 stock options by one or more issuances until 31 December 2016 to current and future employees and members of the management board. The general mechanisms regarding the distribution of the stock options requires the approval of the supervisory board. To the extent that options are granted to members of the management board, only the supervisory board is authorised to issue the shares.

   The options confer the beneficiaries the right to purchase new ordinary bearer shares of the Company in accordance with the terms and conditions of the option.

2. The scope of the beneficiaries for the maximum number of 410,018 option rights is as follows:

   a) Current and future members of the Company's management board may be granted up to 314,501 options. Unused options may be issued to the beneficiaries under b).

   b) Current and future Company employees may be issued up to 95,517 options.

3. The options issued as part of the Stock Option Program 2014 can only be utilised within a period of eight years subsequent to issuance.

4. Upon exercise of the options, ordinary bearer shares with no par value can be acquired at a ratio of 1:1 in exchange for payment of the exercise price. Subsequent to the conversion of Probiodrug AG's shares to registered shares, registered ordinary shares can be drawn.

   The management board is authorised, with the approval of the supervisory board - for those options held by members of the management board, the supervisory board alone determines – to adjust the acquisition of shares in the course of capital measures or during a Company transformation. Fractions of options or shares which may result will be rounded down.

   The exercise price for an option issued prior to the Company's initial public offering, is equal to the issue price during the initial public offering.

   The exercise price for an option issued subsequent to the initial public offering in accordance with 5 c) (i), is equal to the simple average of the relevant stock exchange prices on all stock exchange trading days prior to the issuance of the option.

   The exercise price for an option issued subsequent to the initial public offering in accordance with 5 c) (ii), is equal to the simple average of the relevant stock exchange prices on the most recent 20 stock exchange trading days prior to the issuance of the option.

   The "relevant stock exchange price" is the share's closing price as per XETRA or a successor system to XETRA, or, in case of a listing on a foreign exchange, the corresponding exchange price on the foreign exchange. If Probiodrug's share is listed on a number of exchanges, the share price on the exchange with the highest trading volume with respect to Probiodrug shares during the relevant period is decisive.

   The management board can determine, with the approval of the supervisory board, if the shares required to redeem the options will be provided by the contingent capital existing for this purpose, by contingent capital to be established in the future or by an existing respectively by a still to be resolved upon program by the shareholders' meeting for the acquisition of own shares. Alternatively, if so decided by the management board with the approval of the supervisory board, the beneficiaries can be granted a payment in cash. The payment in cash is determined as the difference between the exercise price and the simple average of the relevant exchange prices on the ten exchange trading days prior to the day the options are exercised. To the extent that options of management board members are affected, the supervisory board alone makes the determination.

5. Acquisition periods

   a) Options can be made available for purchase by the beneficiaries in one tranche or in a number of tranches through 31 December 2016.

   b) Options may be issued within a period of thirty calendar days prior to a public offering by the Company

   c) Subsequent to the Company's initial public offering, options may be granted:

      i) Within the first twenty exchange trading days after the initial public offering and

      ii) within the first twenty exchange trading days in the first quarter, the second quarter, the third quarter and the fourth quarter of a financial year.

6. The beneficiaries can exercise the options

   a) after the expiry of a waiting period of at least four years after the issue and where applicable - the option vesting period has expired; and

   b) in case the shares are officially traded on the regulated market or unregulated market on a national or foreign stock exchange ("public offering"); and

   c) as soon as the lock up period agreed with the exchange or the underwriting banks in conjunction with the initial public offering of Probiodrug AG has expired; in case of doubt a lock-up period of twelve months shall apply; and

   d) when the simple average of the relevant stock exchange prices of the last twenty stock exchange trading days prior to the day of exercise of the option exceeds the exercise price by at least 10% (performance target as laid down in Section 193 (2) number 4 of the AktG).

7. With respect to Section 193 (2) number 4 of the AktG (exercise period) and to avoid insider violations in accordance with the Securities Trading Act, even after the expiration of the four year minimum waiting period and irrespective of consideration of the performance goal, the options may only be exercised three times in a financial year within a four week period. These exercise periods begin on the third banking day after the annual shareholders' meeting, subsequent to the publishing of the report for the second quarter and after the publishing of the report for the third quarter. If the Company does not publish any quarterly reports, the options may only be exercised once each year within a four week period beginning on the third banking day after the annual shareholders' meeting.

   Furthermore, the exercising of the options is prohibited from that day onward on which the Company announced an offer to acquire new shares or convertible bonds with conversion or subscription rights via a letter to all shareholders or by a publication in the Federal Gazette [Bundesanzeiger], until the day on which the subscription shares are first officially listed "ex rights".

8. The options are not transferable.

   Subsequent to the Company's initial public offering, the management board - and, to the extent options held by the management board are impacted, the supervisory board - may decide that all options or a portion of the options are freely assignable and tradeable after expiration of the lock-up period agreed upon within the scope of the initial public offering. In this case the management board respectively the place of exercise must be informed in writing about each sale, assignment, pledge or other encumbrance of options.

9. The beneficiary is responsible for all taxes, including church taxes and the solidarity surcharge, along with social security contributions incurred as a result of the granting and exercise of the options.

In 2014, 314,501 options for ordinary bearer shares with no par value were issued to the management board within the scope of the Stock Option Program 2014 (refer to contingent capital 2014/I).

Authorised capital 2011/II
By resolution of the general meeting of the shareholders on 20 September 2011, the authorised capital 2011/II was established. Probiodrug's management board is authorised, with the approval of the supervisory board, to increase the Company's share capital by issuing up to an additional 207,807 new registered no-par value preference shares of the Series (B) in one or a number of steps in consideration for cash of up to EUR 207,807.00 in the period through 31 December 2013. No capital increase was carried out with the authorised capital 2011/II.

By resolution of the shareholders' meeting on 25 August 2014 this authorised capital was revoked.

Authorised capital 2014/I
The authorised capital 2014/I was established on the basis of a resolution of the shareholders' meeting on 09 October 2014.

The management board is authorised, with the consent of the supervisory board, to increase the Company's share capital on or before 30 September 2019 by one or more issuances in exchange for a cash contribution or a contribution in kind of up to EUR 2,620,846.00 by issuing a total of up to 2,620,846 new, ordinary bearer shares with no par value (authorised capital 2014/I). The management board is also authorised, with the approval of the supervisory board, to determine the further specifics with respect to the capital increase, its implementation and the conditions for the issuance of the shares from the authorised capital 2014. The management board is authorised, with the approval of the supervisory board, to exclude pre-emptive rights.

On 23 October 2014, the shareholders' meeting resolved to increase the authorised capital 2014/I from EUR 2,620,846.00 to EUR 3,358,551.00. The authorisations granted to the management board and the supervisory board with respect to the authorised capital 2014/I were, correspondingly, modified.

On 12 November 2014 the management board resolved, with the approval of the supervisory board, to use EUR 48,796.00 of the authorised capital to increase the share capital in exchange for cash of EUR 48,796.00. 48,796 ordinary bearer shares with no par value were issued with an issue price of EUR 1.00 per share.

As at 31 December 2014, the authorised capital 2014/I totalled EUR 3,309,755.00.

Voting rights notification
Disclosure as to the existence of an equity interest as at the balance sheet date

CFH BETEILIGUNGSGESELLSCHAFT MBH, Leipzig, Germany, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 30 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 4.47% (corresponding to 234,239 voting rights) on 27 October 2014. 0.75% of the voting rights (corresponding to 39,204 voting rights) are to be attributed to CFH Beteiligungsgesellschaft mbH pursuant to Section 22 (1) sentence 1 no. 1 WpHG.

SÜD BETEILIGUNGEN GMBH, Stuttgart, Germany, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 30 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 4.47% (corresponding to 234,239 voting rights) on 27 October 2014. 4.47% of the voting rights (corresponding to 234,239 voting rights) are to be attributed to Süd Beteiligungen GmbH pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to Süd Beteiligungen GmbH are held via the following controlled company whose holdings of voting rights amount to 3% or more in Probiodrug: CFH Beteiligungsgesellschaft mbH.

LANDESBANK BADEN-WÜRTTEMBERG, Stuttgart, Germany, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 30 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 4.47% (corresponding to 234,239 voting rights) on 27 October 2014. 4.47% of the voting rights (corresponding to 234,239 voting rights) are to be attributed to Landesbank Baden-Württemberg pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to Landesbank Baden-Württemberg are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug: Süd Beteiligungen GmbH, CFH Beteiligungsbesellschaft mbH.

COÖPERATIEF LSP IV U.A., Johannes Vermeerplein 9, 1071 DV Amsterdam, Netherlands, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 8.45% on 27 October 2014 (corresponding to 442,806 voting rights).

LSP IV MANAGEMENT B.V., Amsterdam, Netherlands, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 3 November 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 8.45% on 27 October 2014 (corresponding to 442,806 voting rights). 8.45% of the voting rights (corresponding to 442,806 voting rights) are to be attributed to LSP IV Management B.V. pursuant to Section 22 (2) sentence 1 no. 6 WpHG. The voting rights that are to be attributed to LSP IV Management B.V. are held via the following company it controls whose holdings of voting rights amount to 3% or more in Probiodrug: Coöperatief LSP IV U.A.

LSP MANAGEMENT GROUP B.V., Amsterdam, Netherlands, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 4 November 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 8.45% on 27 October 2014 (corresponding to 442,806 voting rights). 8.45% of the voting rights (corresponding to 442,806 voting rights) are to be attributed to LSP Management Group B.V. pursuant to Section 22 (2) sentence 1 no. 6 and sentence 2 WpHG. The voting rights that are to be attributed to LSP Management Group B.V. are held via the following company it controls whose holdings of voting rights amount to 3% or more in Probiodrug: Coöperatief LSP IV U.A.

BIOTECH GROWTH N.V., Curacao, the Netherlands Antilles, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 15.06% on 27 October 2014 (corresponding to 789,439 voting rights).

BB BIOTECH AG, Schaffhausen, Switzerland, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 3 November 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 15.06% on 27 October 2014 (corresponding to 789,439 voting rights). 15.06% of the voting rights (corresponding to 789,439 voting rights) are to be attributed to BB Biotech AG pursuant to Section 22 (2) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to BB Biotech AG are held via the following controlled company whose holdings of voting rights amount to 3% or more in Probiodrug: Biotech Growth N.V.

HBM HEALTHCARE INVESTMENTS (CAYMAN) LTD., George Town, Grand Cayman, Cayman Islands, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 9.44% on 27 October 2014 (corresponding to 494,825 voting rights).

HBM HEALTHCARE INVESTMENTS AG, Zug, Switzerland, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 9.44% on 27 October 2014 (corresponding to 494,825 voting rights). 9.44% of the voting rights (corresponding to 494,825 voting rights) are to be attributed to HBM Healthcare Investments AG pursuant to Section 22 (2) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to HBM Healthcare Investments AG are held via the following controlled company whose holdings of voting rights amount to 3% or more in Probiodrug AG: HBM Healthcare Investments (Cayman) Ltd

EDMOND DE ROTHSCHILD INVESTMENT PARTNERS, Paris, France, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 6 November 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 15.67% on 27 October 2014 (corresponding to 821,409 voting rights). 15.67% of the voting rights (corresponding to 821,409 voting rights) are to be attributed to Edmond de Rothschild Investment Partners pursuant to Section 22 (2) sentence 1 no. 6 WpHG.

IBG RISIKOKAPITALFONDS I GMBH & CO. KG, Magdeburg, Germany, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 9.51% on 27 October 2014 (corresponding to 498,549 voting rights).

IBG RISIKOKAPITALFONDS II GMBH & CO. KG, Magdeburg, Germany, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 7.71% on 27 October 2014 (corresponding to 404,261 voting rights).

IBG BETEILIGUNGSVERWALTUNG KOMPLEMENTÄR GMBH, Magdeburg, Germany, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 17.48% on 27 October 2014 (corresponding to 916,435 voting rights). 17.48% of the voting rights (corresponding to 916,435 voting rights) are to be attributed to IBG Beteiligungsverwaltung Komplementär GmbH pursuant to Section 22 (2) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to IBG Beteiligungsverwaltung Komplementär GmbH are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug: IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG.

IBG BETEILIGUNGSGESELLSCHAFT SACHSEN-ANHALT MBH, Magdeburg, Germany, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 18.12% on 27 October 2014 (corresponding to 949,607 voting rights). 17.48% of the voting rights (corresponding to 916,435 voting rights) are to be attributed to IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH pursuant to Section 22 (2) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug: IBG Beteiligungsverwaltung Komplementär GmbH, IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG.

SACHSEN-ANHALT, LAND - MINISTERIUM DER FINANZEN DES LANDES SACHSEN-ANHALT, Magdeburg, Germany, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 18.12% on 27 October 2014 (corresponding to 949,607 voting rights). 18.12% of the voting rights (corresponding to 949,607 voting rights) are to be attributed to Sachsen-Anhalt, Land, pursuant to Section 22 (2) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to Sachsen-Anhalt, Land, are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug: IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH, IBG Beteiligungsverwaltung Komplementär GmbH, IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG,

BIOGEN IDEC MA INC., CAMBRIDGE, MASSACHUSETTS, USA, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 5 November 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 4.04% on 27 October 2014 (corresponding to 211,651 voting rights).

BIOGEN IDEC INC., Cambridge, Massachusetts, USA, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 30 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 4.04% on 27 October 2014 (corresponding to 211,651 voting rights). 4.04% of the voting rights (corresponding to 211,651 voting rights) are to be attributed to Biogen Idec Inc. pursuant to Section 22 (2) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to Biogen Idec Inc. are held via the following controlled company whose holdings of voting rights amount to 3% or more in Probiodrug AG: Biogen Idec MA Inc.

TVM V LIFE SCIENCE VENTURES GMBH & CO. KG, Munich, Germany, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 9.53% on 27 October 2014 (corresponding to 499,368 voting rights).

TVM V LIFE SCIENCE MANAGEMENT GMBH & CO. KG, Munich, Germany, informed our company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 9.53% on 27 October 2014 (corresponding to 499,368 voting rights). 9.53% of the voting rights (corresponding to 499,368 voting rights) are to be attributed to TVM V Life Science Management GmbH & Co. KG pursuant to Section 22 (2) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to TVM V Life Science Management GmbH & Co. KG are held via the following controlled company whose holdings of voting rights amount to 3% or more in Probiodrug: TVM V Life Science Ventures GmbH & Co. KG.

WELLINGTON HEDGE MANAGEMENT, LLC, Boston, Massachusetts, USA, informed our Company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 6 November 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 3.05% on 27 October 2014 (corresponding to 160,049 voting rights). 3.05% of the voting rights (corresponding to 160,049 voting rights) are to be attributed to Wellington Hedge Management, LLC pursuant to Section 22 (2) sentence 1 no. 1 WpHG.

WELLINGTON MANAGEMENT COMPANY, LLP, Boston, Massachusetts, USA, informed our company pursuant to Section 21 (1a) WpHG (German Securities Trading Act) on 6 November 2014, that its voting rights proportion in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, amounted to 4.06% on 27 October 2014 (corresponding to 212,771 voting rights). 4.06% of the voting rights (corresponding to 212,771 voting rights) are to be attributed to Wellington Management Company, LLP, pursuant to Section 22 (2) sentence 1 no. 1 WpHG, and also concurrently pursuant to Section 22 (2) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to Wellington Management Company, LLP are held via the following company whose holdings of voting rights amount to 3% or more in Probiodrug AG: Wellington Hedge Management, LLC.

JPMORGAN ASSET MANAGEMENT (UK) LIMITED, London, United Kingdom, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 31 October 2014, that its voting rights proportion exceeded the threshold of 3% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 31 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 3.87% (corresponding to 260,000 voting rights). 3.87% (corresponding to 260,000 voting rights) are to be attributed to JPMorgan Asset Management (UK) Limited pursuant to Section 22 (1) sentence 1 no. 6 WpHG.

HBM HEALTHCARE INVESTMENTS (CAYMAN) LTD, George Town, Grand Cayman, Cayman Islands, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 5 November 2014, that its voting rights proportion exceeded the threshold of 10% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 29 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 11.28% (corresponding to 757,482 voting rights) on that date.

HBM HEALTHCARE INVESTMENTS AG, Zug, Switzerland, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 5 November 2014, that its voting rights proportion exceeded the threshold of 10% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 29 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 11.28% (corresponding to 757,482 voting rights) on that date. 11.28% (corresponding to 757,482 voting rights) are to be attributed to HBM Healthcare Investments AG pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to HBM Healthcare Investments AG are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug AG: HBM Healthcare Investments (Cayman) Ltd.

EDMOND DE ROTHSCHILD INVESTMENT PARTNERS, Paris, France, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 6 November 2014, that its voting rights proportion fell below the threshold of 15% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 29 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 14.43% (corresponding to 969,613 voting rights) on that date. 14.43% (corresponding to 969,613 voting rights) are to be attributed to Edmond de Rothschild Investment Partners pursuant to Section 22 (1) sentence 1 no. 6 WpHG.

IBG BETEILIGUNGSVERWALTUNG KOMPLEMENTÄR GMBH, Magdeburg, Germany, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 5 November 2014, that its voting rights proportion fell below the threshold of 15% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 29 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 13.64% (corresponding to 916,435 voting rights) on that date. 13.64% (corresponding to 916,435 voting rights) are to be attributed to IBG Beteiligungsverwaltung Komplementär GmbH pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to IBG Beteiligungsverwaltung Komplementär GmbH are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug AG: IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG.

IBG BETEILIGUNGSGESELLSCHAFT SACHSEN-ANHALT MBH, Magdeburg, Germany, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 5 November 2014, that its voting rights proportion fell below the threshold of 15% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 29 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 14.14% (corresponding to 949,607 voting rights) on that date. 13.64% (corresponding to 916,435 voting rights) are to be attributed to IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug AG: IBG Beteiligungsverwaltung Komplementär GmbH, IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG.

SACHSEN-ANHALT, LAND - MINISTERIUM DER FINANZEN DES LANDES SACHSEN-ANHALT, Magdeburg, Germany, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 5 November 2014, that its voting rights proportion fell below the threshold of 15% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 29 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 14.14% (corresponding to 949,607 voting rights) on that date. 14.14% (corresponding to 949,607 voting rights) are to be attributed to Sachsen-Anhalt, Land, pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to Sachsen-Anhalt, Land, are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug AG: IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH, IBG Beteiligungsverwaltung Komplementär GmbH, IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG.

KEMPEN & CO. N.V., Amsterdam, the Netherlands, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 4 November 2014, that its voting rights proportion exceeded the thresholds of 3 and 5% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 29 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 8.46% (corresponding to 568,390 voting rights) on that date.

F. VAN LANSCHOT BANKIERS N.V., 52 JN, 's-Hertogenbosch, the Netherlands, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 4 November 2014, that its voting rights proportion exceeded the thresholds of 3 and 5% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 29 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 8.46% (corresponding to 568,390 voting rights) on that date. 8.46% (corresponding to 568,390 voting rights) are to be attributed to F. van Lanschot Bankiers N.V. pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to F. van Lanschot Bankiers N.V. are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug AG: Kempen & Co. N.V.

VAN LANSCHOT N.V., 52 JN, 's-Hertogenbosch, the Netherlands, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 5 November 2014, that its voting rights proportion exceeded the thresholds of 3 and 5% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 29 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 8.46% (corresponding to 568,390 voting rights) on that date. 8.46% (corresponding to 568,390 voting rights) are to be attributed to Van Lanschot N.V. pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to Van Lanschot N.V. are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug: F. van Lanschot Bankiers N.V., Kempen & Co. N.V.

KEMPEN & CO. N.V., Amsterdam, the Netherlands, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 4 November 2014, that its voting rights proportion fell below the threshold of 5% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 31 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 4.93% (corresponding to 330,802 voting rights) on that date.

F. VAN LANSCHOT BANKIERS N.V., 52 JN, 's-Hertogenbosch, the Netherlands, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 4 November 2014, that its voting rights proportion fell below the threshold of 5% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 31 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 4.93% (corresponding to 330,802 voting rights) on that date. 4.93% (corresponding to 330,802 voting rights) are to be attributed to F. van Lanschot Bankiers N.V. pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to F. van Lanschot Bankiers N.V. are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug AG: Kempen & Co. N.V.

VAN LANSCHOT N.V., 52 JN, 's-Hertogenbosch, the Netherlands, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 5 November 2014, that its voting rights proportion fell below the threshold of 5% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 31 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 4.93% (corresponding to 330,802 voting rights) on that date.

4.93% (corresponding to 330,802 voting rights) are to be attributed to Van Lanschot N.V. pursuant to Section 22 (1) sentence 1 no. 1 WpHG. The voting rights that are to be attributed to Van Lanschot N.V. are held via the following controlled companies whose holdings of voting rights amount to 3% or more in Probiodrug AG: F. van Lanschot Bankiers N.V., Kempen & Co. N.V.

KEMPEN & CO. N.V., Amsterdam, the Netherlands, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 11 November 2014, that its voting rights proportion fell below the threshold of 3% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 3 November 2014, and that its voting rights proportion in Probiodrug AG amounted to 0.96% (corresponding to 64,245 voting rights) on that date.

F. VAN LANSCHOT BANKIERS N.V., 52 JN, 's-Hertogenbosch, the Netherlands, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 11 November 2014, that its voting rights proportion fell below the threshold of 3% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 3 November 2014, and that its voting rights proportion in Probiodrug AG amounted to 0.96% (corresponding to 64,425 voting rights) on that date. 0.96% (corresponding to 64,425 voting rights) are to be attributed to F. van Lanschot Bankiers N.V. pursuant to Section 22 (1) sentence 1 no. 1 WpHG.

VAN LANSCHOT N.V., 52 JN, 's-Hertogenbosch, the Netherlands, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 11 November 2014, that its voting rights proportion fell below the threshold of 3% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 3 November 2014, and that its voting rights proportion in Probiodrug AG amounted to 0.96% (corresponding to 64,425 voting rights) on that date. 0.96% (corresponding to 64,425 voting rights) are to be attributed to Van Lanschot N.V. pursuant to Section 22 (1) sentence 1 no. 1 WpHG.

WELLINGTON HEDGE MANAGEMENT, LLC, Boston, Massachusetts, USA, informed our Company pursuant to Section 21 (1) WpHG (German Securities Trading Act) on 11 November 2014, that its voting rights proportion fell below the threshold of 3% of the voting rights in Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Germany, ISIN DE0007921835, on 29 October 2014, and that its voting rights proportion in Probiodrug AG amounted to 2.38% (corresponding to 160,049 voting rights) on that date. 2.38% (corresponding to 160,049 voting rights) are to be attributed to Wellington Hedge Management, LLC, pursuant to Section 22 (1) sentence 1 no. 1 WpHG.

Capital reserves

As at 31 December 2014 the capital reserves amounted to EUR 22,016,465.55 (in the prior year EUR 51,467,571.73).

In connection with the August 2014 conversion of the convertible bonds amounting to EUR 9,622,000.00, EUR 3,700,771.00 was recorded in the capital reserves.

On 05 September, in preparation for the simplified capital reduction in accordance with Section 229 (1) of the AktG, the management board resolved to reduce the capital reserves in accordance with Section 229 (2) of the AktG to a remaining value of EUR 296,544.30. The release of the reserves totalled EUR 54,871,798.43.

In conjunction with the capital increase on the basis of a cash contribution within the scope of the initial public offering during the financial year, payments totalling EUR 21,719,921.25 were made into the capital reserves in accordance with section 272 (2) number 4 of the HGB.

Revenue reserves

The legal reserves are unchanged at EUR 227,625.00 in accordance with section 150 (2) of the AktG.

Net accumulated losses

As at 31 December 2014, the net accumulated loss totalled EUR 12,480,753.10. It developed as follows during the financial year:

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	EUR	EUR
Accumulated deficit as at 31 December 2013		81,301,659.82
Net loss in financial year 2014		12,259,356.71
Changes within the scope of the simplified capital reduction		
Release of the capital reserves	–54,871,798.43	
Income from the reduction of capital	–26,208,465.00	–81,080,263.43
Net accumulated loss as at 31 December 2014		**12,480,753.10**

Tax Provisions
As per the audit report of the tax office Halle/Saale dated 25 June 2009 on the tax audit carried out in 2008, the 2004 operating income was retroactively increased by approximately EUR 10,010k.

On 5 October 2009, the Company filed an appeal against the changed assessments for 2004 corporate income tax and the solidarity tax contribution. In 2008, in accordance with the prudence principle, the Company recorded the risk resulting from the assessments within the tax provision. In a ruling with respect to the appeal issued by the fiscal authorities in September 2013, the assessment notices with respect to corporate income tax and the solidarity surcharge for 2004 was changed and the tax obligation was reduced slightly. Other than that, the appeal was denied. In addition, in October 2013 an amended municipal tax assessment notice for the assessment period 2004 was issued. The afore mentioned risks including the accrued interest thereon were given consideration by increasing the tax provision by EUR 98k as at 31 December 2014 to EUR 2,543k.

The Company has contested the changed assessment notices. A ruling has not yet been issued. A stay of execution was granted for the assessment notices in dispute.

Provision for pensions
The calculation of the pension provision was carried out using a discount rate of 4.53%. A further parameter applied in the calculation was a pension progression rate of 1.5%.

During the financial year, personnel expenses in conjunction with the pension obligations amounting to EUR 74k (in the prior year EUR 64k) and interest expense of EUR 42k (in the prior year EUR 42k) were recorded. Interest expense includes income on the assets used to fund the obligation in the amount of EUR 4k (in the prior year EUR 5k) which is presented as a net amount.

As at 31 December 2014, the cash surrender value of the covering assets corresponds with the pledged entitlement to the life insurance amounting to EUR 635k (in the prior year EUR 574k). In accordance with Section 246 (2) of the HGB, this amount was off-set with the settlement amount of the pension provision which amounted to EUR 1,005k (in the prior year EUR 895k). The recorded pension provision amounted to EUR 370k (in the prior year EUR 321k).

Other provisions
The other provisions include provisions attributable to the phantom stock options issued in 2010 and 2013 (EUR 754k; in the prior year EUR 719k), other personnel related provisions (EUR 141k; in the prior year EUR 126k), provisions for financial statements and audit (EUR 76k; in the prior year EUR 39k), provisions for outstanding invoices (EUR 83k; in the prior year EUR 438k) as well as a provisions for the Company's other business activities (EUR 53k; in the prior year EUR 53k).

The provision for phantom stock options is recorded as stock based remuneration with payment in cash at the fair value. Measurement is based on a Monte-Carlo simulation, in which the following factors were given consideration in the determination of the fair value:

- the exercise price of the option rights in accordance with the respective option terms and conditions
- the term of the option rights (until 27 October 2015)
- the current share price of EUR 20.00 of the underlying shares
- the expected volatility of the share price at 40% as well as
- the risk-free interest rate for the term of the option rights at –0.04%.

Liabilities
As was the case in the prior year, the liabilities as at the balance sheet date all have a remaining term of up to one year.

IV. EXPLANATIONS ON THE INCOME STATEMENT

Other operating income

The other operating income during the financial year included:

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	2014	2013
	EURk	EURk
Income from the release of provisions	220	88
Other income relating to other periods	0	10
Expense based research and other grants	9	453
Income from the sales of fixed assets	6	150
Income from exchange rate differences	2	3
	237	704

Other operating expenses

The other operating expenses include expenses attributable to other periods amounting to EUR 77k (in the prior year EUR 79k) as well as expenses from exchange rate differences amounting to EUR 3k (in the prior year EUR 1k).

Extraordinary expenses

The extraordinary expenses of EUR 2,232k (in the prior year EUR 0k) consist of expenses for the initial public offering on the Euronext/Amsterdam.

V. EXPLANATIONS ON THE CASH FLOW STATEMENT

The cash flows from operating activities include interest paid of EUR 90k (in the prior year EUR 0k) and interest received totalling EUR 3k (in the prior year EUR 9k).

Of the total transaction costs of EUR 2,232k paid in the financial year, EUR 1,758k were attributable to the initial public offering.

The non-cash expenses in the prior year comprise interest expense in conjunction with the issuance of the convertible bonds.

VI. OTHER DISCLOSURES

Subsidies

Through the financial year 2014, Probiodrug AG received public subsidies for projects. In addition, the Federal Ministry for Education and Research grants further subsidies. The subsidies were, in part, granted subject to subsequent audits.

Recommendation for appropriation of result

The management board makes the following recommendation with respect to the appropriation of the result:
The accumulated deficit amounts to EUR –12,480,753.10. This will be carried forward.

Average number of employees during the financial year

The subsequent employee groups were active for the Company in the financial year:

EMPLOYEE GROUPS T59

	2014	2013
Members of the management board	2	2
Employees	10	17

Other financial commitments

The total of the other financial commitments as at 31 December 2014 was EUR 260k (in the prior year EUR 183k).

Disclosures with respect to executive bodies

Management board

During the financial year just ended, the Company's business was directed by the members of the management board:

Dr Konrad Glund (Dipl.-Biochemiker [degreed biochemist]) – CEO, Chairperson

Dr Hendrik Liebers (Dipl.-Biologe [degreed biologist], Dipl.-Kaufmann [degreed businessman]), CFO.
Member of the supervisory board of Löser Medizintechnik GmbH, Leipzig

Dr Inge Lues (Dipl.-Biologe [degreed biologist]), CDO (from 1 November 2014)

All of the above have the authority to represent the Company on their own. In addition, Dr Lues is released from the constraints of Section 181 of the BGB.

With respect to the remuneration of the management board we refer to the compensation report which forms a part of the management report.

Disclosure as to total remuneration of former management board members

During the financial year, EUR 43k was recorded in the pension provision for previous members of the management board.

Supervisory board
The following were appointed as members of the supervisory board:

Dr Erich Platzer, medical doctor, Badenweiler/Switzerland – Chairperson
- Member of the board of directors, Aptose Biosciences, Toronto, Canada
- Owner and managing director of Platzer Consult GmbH, Basel, Switzerland
- Sole shareholder and board of directors of, PlatzerInvest AG, Basel, Switzerland
- Board of directors - President credentis AG, Windisch, Switzerland
- Board of directors - President Advanced Osteotomy Tools AG, Basel, Switzerland
- Board of directors member Viroblock SA, Plans-les-Ouates (Geneva), Switzerland
- Board of directors member Léman Micro Devices SA, Lausanne, Switzerland

Dr Dinnies von der Osten, Managing Director, Berlin – Vice Chairperson
- Managing Director, Goodvent GmbH & Co. KG, Magdeburg
- Advisory board Market Logic Software AG, Berlin

Prof. Dr Georg Frank, biologist, Dessau
- Chairperson of the supervisory board of Metropolregion Mitteldeutschland Management GmbH, Leipzig
- Supervisory board member of Mitteldeutschen Flughafen AG, Leipzig

Dr Olivier Litzka, Partner at Edmond de Rothschild Investment Partners, Paris
- Member of the supervisory board of Noxxon Pharma AG, Berlin
- Member of the supervisory board, SuperSonic Imagine, Aix-en-Provence, France
- Member of the board of directors, JenaValve Technology Inc., Munich and Irvine/USA
- Member of the board, Allecra Therapeutics GmbH, Weil am Rhein, - until August 2014
- Member of the board, Sapiens Steering Brain Simulation BV, Eindhoven, the Netherlands, - until September 2014

Dr Jörg Neermann, Managing Director, Munich
- Managing Director LSP Service Deutschland GmbH, Munich
- Member of the supervisory board, Activaero GmbH, Gmünden/Wohra, until 18 March 2014
- Member of the advisory board, Ventaleon GmbH, Gauting
- Member of the supervisory board, Affimed AG, Heidelberg, until 4 December 2014
- Member of the supervisory board, Eyesense AG, Basel, Switzerland
- Member of the supervisory board, Curetis AG, Holzgerlingen

Dr Hubert Birner, Managing Partner, Munich – since 25 August 2014
- Managing partner TVM Capital GmbH, Munich
- Managing partner TVM Life Science Management Inc., Montreal, Canada
- Managing partner TVM Life Science Management GmbH, Munich
- Chairman of the board of Argos Therapeutics Inc., Durham, USA
- Member of the board of Proteon Therapeutics, Inc., Boston, USA
- Chairman of the board of SpePharm Holding B.V., Amsterdam, Netherlands

Dr Axel Polack, medical doctor – until 7 July 2014

During the financial year the remuneration of the supervisory board totalled EUR 18k.
The term of the supervisory board ends at the conclusion of the shareholders' meeting which resolves upon the exoneration of the supervisory board for financial year 2014.

Auditor's fees

The fees billed by the auditor during the financial year consisted of the following:

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	EURk
Year end audit fees	135
Of which for the prior year (IFRS)	(83)
Other confirmation services	50
Other services	23
	208

Compliance statement in accordance with Section 161 of the AktG

The compliance statement prescribed by Section 161 of the AktG regarding the Corporate Governance Codex was provided by the management board and the supervisory board and made available to the shareholders on the Probiodrug internet page.

Halle, 25. February 2015

Dr Konrad Glund **Dr Hendrik Liebers** **Dr Inge Lues**

APPENDIX: SCHEDULE OF FIXED ASSETS IN FINANCIAL YEAR 2014

	Acquisition and production costs			
	01.01.2014	Additions	Disposals	31.12.2014
	EUR	EUR	EUR	EUR
I. Intangible assets				
Similar rights acquired for consideration, licenses and software	255,225.88	10,041.01	13,000.00	252,266.89
II. Tangible assets				
1. Buildings on third-party land	181,002.98	0.00	0.00	181,002.98
2. Other equipment, operating and office equipment	2,216,848.84	2,039.91	1,643,690.34	575,198.41
	2,397,851.82	**2,039.91**	**1,643,690.34**	**756,201.39**
III. Long-term financial assets				
1. Shares in affiliated companies	5,380,434.48	0.00	5,380,434.48	0.00
2. Participations	3,450.00	0.00	0.00	3,450.00
	5,383,884.48	**0.00**	**5,380,434.48**	**3,450.00**
	8,036,962.18	**12,080.92**	**7,037,124.82**	**1,011,918.28**

C. MANAGEMENT REPORT FOR FINANCIAL YEAR 2014

1. COMPANY BASICS

Legal Structure

Probiodrug AG – hereinafter „Probiodrug AG", „Probiodrug" or the „Company" is a German stock corporation domiciled in Halle/Saale. The Company has a subsidiary, Probiodrug Inc., USA. All operating activities and assets are concentrated in Probiodrug AG; currently Probiodrug Inc. has neither operating activities nor assets. The subsidiary, Ingenium Pharmaceuticals GmbH, was sold in 2014.

Business activities

Probiodrug AG is a biopharmaceutical company dedicated to the research and development of new therapeutic products for the treatment of Alzheimer's disease (hereinafter also „Alzheimer's" or „AD").

Headquartered in Halle, Germany, Probiodrug was founded in 1997 by Prof. Dr Hans-Ulrich Demuth and Dr Konrad Glund and successfully developed a new therapeutic concept for the treatment of diabetes – the DP4 inhibitors/Gliptins. Today, Probiodrug's aim is to become a leading company in the development of Alzheimer's treatments and thereby to provide a better life for patients'.

Probiodrug has identified a new therapeutic concept linked to disease initiation and progression. The development approaches are targeting pyrogluamate-Abeta (pGlu-Abeta), in particular by the inhibition of the enzyme Glutaminyl Cyclase („QC"), as one therapeutic strategy to fight AD.

Research and development

As was the case in the past, in financial year 2014 Probiodrug focussed its resources on the lead program – the development of PQ912, an inhibitor of the enzyme QC for the treatment of Alzheimer's and other diseases. In addition, work was advanced on pGlu-Abeta binding antibodies (PBD-C06) as well as on PQ 1565, a further QC inhibitor. The primary work in these areas is

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			Accumulated amortisation/depreciation			Carrying values
	01.01.2014	Amortisation/ depreciation in the financial year	Disposals	31.12.2014	31.12.2014	31.12.2013
	EUR	EUR	EUR	EUR	EUR	EUR
	154,357.82	26,407.47	10,069.53	170,695.76	81,571.13	100,868.06
	146,446.96	6,910.07	0.00	153,357.03	27,645.95	34,556.02
	1,930,861.75	60,528.49	1,489,699.14	501,691.10	73,507.31	285,987.09
	2,077,308.71	**67,438.56**	**1,489,699.14**	**655,048.13**	**101,153.26**	**320,543.11**
	5,380,433.48	0.00	5,380,433.48	0.00	0.00	1.00
	0.00	0.00	0.00	0.00	3,450.00	3,450.00
	5,380,433.48	**0.00**	**5,380,433.48**	**0.00**	**3,450.00**	**3,451.00**
	7,612,100.01	**93,846.03**	**6,880,202.15**	**825,743.89**	**186,174.39**	**424,862.17**

carried out by external service providers (contract research organisations as well as contract manufacturers) and cooperation partners in the areas ancillary research, production development and production, preclinical and clinical trials as well as analytics.

As a result of its 2013 sale to AstraZeneca, the project CDK 9 for the treatment of inflammatory and oncological diseases no longer forms part of the pipeline.

Patent Portofolio

In 2014 Probiodrug further developed and consolidated its portfolio of patents and patent applications. Important patent registrations were granted in key markets. In total, at the end of 2014, 43 patent families and registrations were held (in the prior year: 42). The focussing of the patent portfolio in non-core areas was off-set by new applications in development relevant areas.

Important events in the financial year

a) Issuance of convertible bonds
On 16 May 2014, Probiodrug's shareholders' meeting resolved to issue a convertible bond which was subscribed to in the amount of EUR 4.3 million. The funds secured with this financial instrument were collected in their entirety. The conversion rights associated with these convertible bonds were exercised in their entirety in August 2014.

b) Simplification of the capital structure
With a view to future capital market compatibility, the Company's capital structure was substantially adjusted in the course of the Company's IPO preparations. In conjunction herewith, all existing convertible bonds were converted into equity, the different classes of preference shares were uniformly converted into ordinary shares and the existing investment and shareholder agreements were rescinded. Finally, the ordinary shares issued subsequent to conversion were reduced in a reverse split in the ratio of 6:1.

c) Execution of initial public offering
In October 2014 Probiodrug successfully completed an initial public offering. On 27 October 2014 the first listing of Probiodrug shares took place on the Euronext in Amsterdam. 1,524,205 new shares were issued as part of the initial public offering generating gross proceeds of EUR 23.2 million.

d) Sale of the subsidiary Ingenium Pharmaceuticals GmbH
As at 31 December 2013, Probiodrug had receivables from shareholder loans granted to Ingenium totalling EUR 8.6 million as well as accrued interest thereon of EUR 2.4 million.

As at 31 December 2012, as a consequence of the sale of the CDK 9 project which was the only asset of Ingenium, a valuation adjustment was recorded against the receivables from Ingenium on the basis of the sales price realised reducing the value of the receivables to EUR 0.7 million. In April 2014 the last instalment of the sales price for the CDK 9 project was collected and on 14 July 2014 Ingenium, along with all of the receivables still in existence at that time, was sold for EUR 1.00. There are no longer any post contractual obligations.

e) Changes in management board and supervisory board
As at 1 November 2014, Dr Ingeborg Lues was appointed as a member of the management board with responsibility for the function drug development. The contracts of the management board members Dr Glund and Dr Liebers, with a term through 30 November 2014, were revised and have a term through 30 November 2017. In July 2014, Dr Polack resigned from the supervisory board. On 25 August 2014 the shareholders' meeting elected Dr Birner as a new member of the supervisory board and re-elected all other supervisory board members. The term of all supervisory board members ends with the shareholders' meeting which resolves upon the exoneration of the supervisory board for the year 2014.

2. OVERVIEW OF THE BUSINESS DEVELOPMENT

2.1 General conditions

The general environment with respect to Alzheimer's research developed positively in 2014. There were, in part, significant collaborations in the pharmaceutical industry in the Alzheimer area, implying an increasing interest in the development of research and development pipelines in this area. Noteworthy are the collaborations involving BiogenIdec and Eisai (March 2014) as well as that of Lilly and AstraZeneca (September 2014). From the perspective of the investors, this development, along with the initial positive clinical data for example from BiogenIdec, led to an increase in interest in the indication Alzheimer. In conjunction with the promising data already generated by Probiodrug as well as the general positive stock market environment for biotechnology companies, this led to the Company's successful initial public offering on the Euronext in Amsterdam in October 2014.

From the perspective of the industry, there continues to be an unchanged high level of interest in novel treatment approaches which make innovative pharmacological interventions possible for diseases such as Alzheimer's which are still insufficiently treated thereby prospectively making attractive reimbursement possible. However, as a consequence, high validation and thereby risk optimising requirements are a prerequisite for a (lucrative) partnership.

2.2 Company development

In 2014 the Company focussed on the following primary areas
- Establishing capital market viability and completing an initial public offering
- Preparation of the clinical study phase IIa for PQ912
- Completion of the clinical study phase I for PQ912
- Completion of the 3 month toxicity study for PQ912
- Development and validation of biomarker – panels for the further clinical trials of PQ912 and subsequent development compounds.

Probiodrug was able to make important progress and realise successes in all areas.

2.3 Presentation of the net assets, financial position and results of operations

Net assets

The subsequent condensed balance sheet provides an overview of Probiodrug's net assets and financial position:

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	31.12.2014	31.12.2013
	EUR k	EUR k
Assets		
Intangible assets	82	101
Tangible assets	101	320
Long-term financial assets	3	3
Fixed assets	**186**	**424**
Receivables and other assets	296	1,339
Cash and bank balances	20,920	4,421
Current assets	**21,216**	**5,760**
Prepaid expenses	78	96
Deficit not covered by equity	0	4,078
Total assets	**21,480**	**10,358**
Equity and liabilities		
Equity	**16,529**	**0**
Provisions	4,021	4,142
Liabilities	930	6,216
Total equity and liabilities	**21,480**	**10,358**

As at the end of 2014, the total assets of Probiodrug amounted to EUR 21,480k (2013: EUR 10,358k). As a result of the disposal of tangible assets with a carrying value of EUR 157k and scheduled amortisation and depreciation of EUR 94k, off-set by additions of EUR 12k, the total fixed assets presented on the balance sheet declined by EUR 238k. In 2014 current assets increased from EUR 5,760k to EUR 21,216k. While receivables and other assets declined by EUR 1,043k in the reporting period, cash and cash equivalents increased by EUR 16,499k. The decline in the receivables and other assets was primarily attributable to the collection of receivables from affiliated companies as well as the decline in the other receivables attributable to the sale of fixed assets.

As a result of measures implemented to increase capital, cash receipts totalling EUR 27,520k were realised in 2014. As at the balance sheet date, bank balances amounted to EUR 20,920k.

As at 31 December 2014, Probiodrug's equity amounted to EUR 16,529k (2013: deficit not covered by equity of EUR 4,078k). As at 31 December 2014, the equity ratio amounted to 77%.

The detailed development of equity is presented in the attached statement of shareholders' equity.

As at 31 December 2014, provisions only decreased marginally by EUR 121k to EUR 4,021k. EUR 370k of the provisions (2013: EUR 321k) comprise pension provisions, EUR 1,107k (2013: EUR 1,376k) are other provisions and EUR 2,543k (2013: EUR 2,445k) are tax provisions for potential tax claims from 2004.

During the reporting period, liabilities declined substantially from EUR 6,216k to EUR 930k. This was primarily attributable to the conversion of convertible bonds issued in 2013 totalling EUR 5,346k into stock in 2014.

As at 31 December 2014, trade payables amounted to EUR 876k (2013: EUR 838k).

Financial position
In the reporting period, the operating cash flow amounted to EUR –10,589k (2013: EUR –8,458k).

In 2014 the cash flow from investing activities amounted to EUR 1,326k (2013: EUR –22k). Cash inflows primarily resulted from sale of fixed assets in December 2013 as well as the repayment of the loan granted to Ingenium.

In the financial year 2014 the cash flow from financing activities amounted to EUR 25,762k (2013: EUR 5,346k). This resulted from inflows in conjunction with the shares issued (EUR 23,244k) less the transaction costs associated herewith (EUR 1,758k) as well as from inflows resulting from the issuance of convertible bonds (EUR 4,276k).

Overall, in the reporting period, the Company realised an increase in cash and cash equivalents amounting to EUR 16,499k.

Results of operations
A condensed overview of the Company's income statement is presented below:

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	2014	2013
	EUR k	EUR k
Other operating income	237	704
Cost of materials	–4,346	–4,305
Personnel expenses	–1,455	–1,782
Amortisation and depreciation of intangible and tangible assets	–94	–314
Other operating expenses	–4,576	–4,545
Financing results	207	147
Result from ordinary activities	**–10,027**	**–10,096**
Extraordinary expenses	–2,232	0
Net loss for the financial period	**–12,259**	**–10,096**

The Company's net loss for the year amounted to EUR 12,259k (2013: EUR 10,096k). The financial year 2014 was characterised by extraordinary expenses amounting to EUR 2,232k. These comprised transaction costs in conjunction with the Company's initial public offering. In the result from ordinary activities, which was approximately equal to that of the prior year, there were the following significant changes in comparison with 2013:

- other operating income declined by EUR 467k, due primarily to a decline in subsidies received (EUR –444k);
- personnel expenses declined by EUR 327k due to a reduction in employees;
- amortisation and depreciation on intangible and tangible assets declined as a result of the sale of fixed assets in the financial year 2013.

Overall statement
At the time of preparation of this management report, the Company's economic position was generally unchanged in comparison with the explanations provided above.

2.4 Non-financial performance indicators

Studies to be completed
Probiodrug uses a number of contract research organisations to complete the planned preclinical and clinical studies as well as in production development and production. Important performance indicators in this respect are, in addition to compliance with the budget, the quality of the work carried out as well as compliance with all applicable regulations. As a safeguard in this area, Probiodrug carries out audits prior to the awarding of contracts as well as during the ongoing work addressing the

afore mentioned points and potentially deriving recommendations for action. Great emphasis is placed on adherence to timetables for the work contracted and thereby the completion of ongoing studies within the original timeframe. With respect hereto, Probiodrug works closely with the mandated entity and has alternative scenarios prepared so as to potentially be able to limit or compensate delays.

Employees
As at 31 December 2014, including the management board, Probiodrug had 13 (2013: 16) employees, of which 54% were female. In 2014 there was an average of 12 employees (2013: 19). In 2014 Probiodrug incurred personnel expenses (excluding non-cash expenses for the stock option programme) of EUR 1.45 million (2013: EUR 1.78 million). This was primarily due to the reduction in staff as a result of the reorganisation, which began in 2012 and was completed in 2013, to adjust the Company and personnel structure to the focused development strategy.

The Company has a balanced personnel policy whereby positions are filled with the most qualified individual.

Intellectual property rights
A robust patent portfolio is a decisive success factor for Probiodrug. Probiodrug has a very experienced patent management which further strengthened and strategically optimised the patent portfolio in 2014. In order to ensure focus on the sustainable value drivers as well as to optimise costs and benefits, Probiodrug continuously reviews its patent portfolio and patent applications. Furthermore, in 2014, the entire intellectual property portfolio around CDK 9 was transferred to AstraZeneca in conjunction with the sale of this program.

As at 31 December 2014, 43 patent families were held (31 December 2013: 42). The focussing of the patent portfolio in non-core areas was off-set by new applications in the development relevant areas. As such, Probiodrug's overall patent position was further improved.

3. EVENTS OF PARTICULAR SIGNIFICANCE SUBSEQUENT TO THE BALANCE SHEET DATE (SUBSEQUENT EVENTS)

There were no events of particular significance subsequent to the balance sheet date.

4. OPPORTUNITIES AND RISKS REPORT

4.1 Opportunities report

Increasing interest in Alzheimer's
In 2014 (after a „break" of a number of years) there were a number of somewhat significant collaborations in the pharmaceutical industry in the Alzheimer's area, implying an interest in the development of a research and development pipeline in this area. Prospectively this could lead to an increased frequency of transactions. In comparison, the available number of new, scientifically supported concepts with initial clinical data is limited. From both a strategic perspective as well as in terms of content, Probiodrug is well positioned in this regard. In case of success, this provides opportunities which could substantially increase the Company's value.

Important progress in projects being pursued
In 2014 Probiodrug was able to generate important clinical and preclinical data which, in the view of the Company, further provides for the viability of the therapeutic concept being pursued. Additional key patents were granted in important markets. The continuation of this development, i.e. the generation of additional positive data, should have a positive impact on the value of individual programs as well as the Company's total value.

License revenues as a result of patents
Probiodrug's very comprehensive and well positioned patent portfolio could lead to additional licensing agreements and thereby proceeds if other companies are dependent on the use of such patent rights within the scope of their own developments. If Probiodrug allows for the use of these patent rights, the Company would receive license fees thereby improving the Company's financial position, results of operations and net assets.

Takeover
In addition to license agreements, complete takeovers of pharmaceutical and biotechnological companies is a preferred transaction form to obtain access to promising development programs and interesting technologies. This is reflected in generally active M&A activities in the biotechnology and pharmaceutical areas in recent years. The premiums paid in comparison with the actual market prices can be substantial.

4.2 Risk Report

Probiodrug's risk
Probiodrug is exposed to various individual risks. The occurrence of these risks can, individually or in the aggregate, with the incurrence of other risks respectively other circumstances, have a material adverse effect on the business activities, the realisation of significant Company goals and/or Probiodrug's refinancing and could have substantial negative implications on the Company's net assets, financial position and results of operations. In the worst case this could force the Company to file for insolvency.

Sector specific risks

Market and competition
The pharmaceutical development process in the Alzheimer's area as well as with respect to related indications is characterised by long development cycles as well as substantial investment requirements for preclinical and clinical research and development until such time when a product is ready for commercialisation. Probiodrug is in competition with other entities which are also seeking to develop new approaches for the treatment of Alzheimer's.

As such, Probiodrug is exposed to the risk that other development approaches will result in a superior safety/efficacy profile and/or that they will achieve a development edge which could reduce Probiodrug's prospects with respect to the conclusion of a lucrative industrial collaboration ultimately having a negative impact on the licensing of product candidates.

In general, the pharmaceutical industry has a substantial need to replenish their own research and development pipelines by in-licensing or acquiring innovative projects from biotechnology companies in the area of Alzheimer's and related indications. However, for entrance into lucrative partnerships there are substantial requirements with respect to validation and risk optimisation as a prerequisite.

Furthermore, it cannot be ruled out that the failure of other development programs in the Alzheimer's area, including those of competitors, could result in a general reduction in the willingness of the pharmaceutical industry to make significant investments in this indication.

This could possibly result in Probiodrug not being able to conclude an industrial partnership or lead to it not being possible for a cooperation or licensing partner to further develop or commercialise these even if the Company's own development programs did not fail.

Product development (in general)
Probiodrug's success is dependent on different research and development programmes. The Company is subject to the risks of the development of drugs.

Typical risks include:
Individual product candidates may not be effective or sufficiently effective, may have unacceptable side effects or may not be formulated or manufactured so that they cannot be successfully further developed. Service providers and partners may become insolvent which could result in a delay in development and/or result in the relevant data becoming unusable.

The responsible authorities may not grant the required regulatory approvals, they may grant these with restrictions or after a delay.

At present, Probiodrug has a development candidate in the clinical study phase (PQ912) as well as two candidates which are in earlier phases. On the basis of this product pipeline, risks, respectively the dependence on one individual active substance can,

in principle, be reduced. However, due to the different development phases, a substantial portion of the Company's value results from PQ912. Current study results suggest that PQ912 can be safely applied and that it is well tolerable. However, Probiodrug cannot exclude that, in upcoming studies, it may fail to demonstrate effectiveness when used on patients and/or that side effects will result which may be characterised as safety relevant. Such findings could lead to a delay in or the discontinuation of the development of a development candidate. This could have a negative effect on Probiodrug's net assets, financial position or results of operations as well as on the market valuation.

Administrative proceedings
Probiodrug's business activities are subject to substantial legal regulations and controls in various jurisdictions on which the Company de facto does not have any influence. Probiodrug is, for example, dependent on regulatory approvals to carry out clinical studies. Delays in issuance, in requesting further documentation and data prior to issuance or extension or the expiration or withdrawal of these approvals could result in delays in the further development of Probiodrug's research and development projects.

Risks arising from business activities

Development and licensing partnerships
Probiodrug has focussed on the research and development of therapies for the treatment of Alzheimer's and related diseases. In order to generate profits and to become self-sufficient in terms of financing, the Company must generate sales – either as a result of advance payments, milestone payments or commissions – arising from cooperation agreements with pharmaceutical and biotechnology companies. To date, no industrial cooperation has been concluded with the consequence that no revenues have been realised. Against this background, and in view of the required substantial future research and development expenses, Probiodrug will, for the time being, continue to present negative operating results.

To become profitable in the mid-term, Probiodrug will have to conclude a corresponding agreement with the pharmaceutical industry or with another biotechnology company. Should it not be possible for Probiodrug to secure such a partner or if this is only possible at economically unfavourable terms, this could delay the development of the respective products and/or result in lower revenues thereby reducing the intrinsic value of the project.

Patent and trademark protection
Probiodrug protects its own developments with a comprehensive patent strategy. Nonetheless, the Company cannot guarantee that its patent protection is sufficient for its business activities. It cannot be precluded that third parties may file appeals against Probiodrug's patent registrations or that they challenge the effectiveness of the patents. It can also not be precluded that Probiodrug may become engaged in a patent dispute with third parties e.g., when Probiodrug must defend against the unauthorised use of its patents by third parties. Every legal verdict against Probiodrug's patents can inhibit the further development of the program affected and potentially that of the Company. Regardless of the outcome, these types of proceedings are time and cost intensive and may tie up substantial Company resources. This could, in turn, have negative implications on the programs affected and potentially the Company. As per the Company's current knowledge, no objections have been raised against the patents or patent registrations.

Risks associated with product development

Collaboration with external service providers in the area of research and development
Probiodrug carries out the required preclinical and clinical studies with contract research organisations (hereinafter CROs). The Company is dependent on the quality of their work. Replacing a CRO during an ongoing study is very complex as a result of which there may be substantial delays and it may become necessary to repeat the study involved. Should the CRO not carry out its work with the required due care and/or not adhere to the legal requirements and quality assurance norms, the further development of the affected projects may be negatively impacted.

As Probiodrug does not own and operate its own production facilities for the production of pharmaceutical products, Probiodrug is dependent on contract manufacturing organisations, (CMOs). These deliver the pharmaceutical active substances for Probiodrug's products, manufacture the quantities required and formulate, optimise and produce the medicinal preparations. This dependence on external suppliers and manufacturers leads to risks for Probiodrug. In particular, these comprise the on-time delivery in sufficient quantity and quality as well as adherence to legal regulations and quality norms. The occurrence

of these risks could lead to delays or to the discontinuation of ongoing preclinical and clinical studies or could delay, respectively prevent, the start of planned preclinical and clinical studies with a corresponding consequence for the development of the product candidate.

Patient recruitment
A further risk with respect to the development of drugs is the need to recruit a sufficient number of suitable patients for the PQ912 clinical study. Due to the complexity of the medical conditions (e.g., design of the study, attractiveness of the study from the perspective of the patient and the clinical investigators, competitive situation, patient population, locations) in the periphery of the clinical studies delays may be encountered. In addition, clinical study centres could – for example as a result of other concurrent clinical studies or due to continuing quality issues with respect to their internal organisation – have difficulty recruiting a sufficient number of patients within the period required. This could endanger the timing as well as the execution of the study and could lead to delays. In order to progress the study Probiodrug may, therefore, be required to involve other clinical centres in the ongoing study. This could lead to an increase in costs and potentially to an increase in variability.

Capital market risks

Additional financing
On the basis of the current cash and cash equivalents, the Company can provide for the continuity of operations for a period exceeding the next twelve months. However, Probiodrug has a need for substantial capital to achieve its mid- to long-term corporate and development goals. This will require an increase in equity or in third party financing or the generation of inflows as a result of the granting of licenses or cooperations. It is not certain that Probiodrug will be able to obtain additional capital within the required timeframe, to the extent required, at economically favourable terms or that this can be realised at all. Should the Company not be able to obtain access to additional financing, this could inhibit, or even completely endanger, the continuity of the Company and could lead to Probiodrug's liquidation or insolvency. Should the Company obtain additional capital by issuing new shares, this could lead to a dilution of the shareholding of the existing shareholders. Should the Company not be able to obtain additional funding, Probiodrug may be inhibited in the further development of its projects and/or the development of one or a number of products could be discontinued and/or the speed of development could be reduced resulting in a negative effect on the competitive position as well as on the results of operations, financial position and net assets to the extent that this could lead to the Company's insolvency.

Financial risks

Investment of liquid funds
The Company invests the available liquid funds in an interest bearing manner. The Company solely invests in investment grade assets with only a low level of liquidity or default risk.

Transactions with international service providers and partners with whom payment terms are denominated in a currency other than the euro, lead to a currency risk. On the basis of economic considerations, Probiodrug has not engaged in any hedging activities seeking instead to pay its own obligations in a foreign currency. As such, the risk of exchange rate fluctuations is reduced.

Presentation of loss in accordance with Section 92 (1) of the AktG
Probiodrug AG is not yet profitable and incurred operating losses in the prior financial years. As a result of the distinctive market, research and development expenses over time have led to a substantial loss carry forward. This is off-set against the equity. At such time at which, despite the paid in surplus of the shares issued, a loss amounting to one half of the share capital as determined based on [German] commercial law is incurred, Section 92 (1) of the AktG requires the convening of a shareholders' meeting without delay. Such an announcement of a loss could have negative consequences for the share price as well as for Probiodrug's procurement of additional financing.

Potential additional tax payment
Following a tax audit in 2008, the tax authorities retroactively increased the taxable profits for 2004 by approximately EUR 10 million, resulting in a tax claim for corporate income tax, solidarity surcharge and trade tax of EUR 1.7 million plus interest of 0.5% per month since 1 April 2006. The potential tax liability amounts to a total of approx. EUR 2.5 million (including accrued interest). Probiodrug believes that the better arguments speak against the tax authorities' view and has contested the claims

of the tax authorities. The matter is now pending with the competent tax court. As a matter of precaution, Probiodrug has recognised in its financial statements a tax provision corresponding to the amount in dispute (including accrued interest). Nevertheless, should Probiodrug eventually be required to make such tax payments, this would have a corresponding material adverse effect on Probiodrug's liquidity and cash flow position and may negatively affect its business, prospects and financial condition. Such payment obligations could endanger the going concern of Probiodrug if Probiodrug does not succeed in obtaining additional funding.

Recognition of tax losses carried forward
The use of Probiodrug's existing tax loss carry forwards and ongoing losses for German corporate income and trade tax purposes may be forfeited or may have already been forfeited in case of a direct or indirect transfer of shares, including the issue of new shares from a capital increase, subject to certain limited exceptions. Such limitations apply to both corporate income and trade tax and are dependent on the percentage of share capital or voting rights transferred within a five-year period to one acquirer or person(s) closely related to the acquirer or a group of acquirers with a common interest. If more than 25% of the share capital or voting rights are transferred to such an acquirer (including subscription of new shares), tax loss carry forwards and current losses will be forfeited on a pro rata basis while a transfer of more than 50% will result in a total forfeiture. To the extent the utilisation of tax loss carry forwards is restricted, they cannot be set off against future taxable profits. This would result in an increased tax burden.

Administrative and other risks
Probiodrug's success is heavily dependent on management as well as on qualified personnel. The management board as well as many employees have substantial experience and are difficult to replace. Competition with respect to qualified personnel is very intense in the biotechnology and pharmaceutical sectors. To date, Probiodrug has always been able to fill the most important positions with suitable employees at appropriate terms. Should the Company not be able to retain management or qualified personnel and not be able to adequately replace these or only be able to replace these with a substantial delay, this could have a negative effect on its ability to further develop the projects pursued as well as on the Company.

Legal risks
The Company is exposed to potential risks in various areas including corporate law, employment law, tax law, patent law, etc. To reduce these to a minimum and to prevent legally incorrect decisions, Probiodrug's management board makes relevant decisions after consultation with external experts e.g., attorneys and other advisors.

Other risks
Other potential risks, for example with respect to environmental protection and the integrity of IT systems or legal respectively compliance violations by employees are currently not assessed as significant. Probiodrug has implemented precautionary organisational measures to address potential risks.

Overall assessment of the risk situation
Giving consideration to all of the afore mentioned risks, there currently are only a few factors which could, in the short-term, endanger the continuity of Probiodrug in the financial year 2015. Overall, the Company is well positioned. The cash and cash equivalents as at 31 December 2014 provide for the Company's financing beyond the upcoming twelve months. Management believes that additional cash inflows can be generated. If the currently planned assumptions with respect to liquidity do not prove to be viable, based on the current cash reach, there could prospectively be a risk that the financing of the Company is insufficient.

5. OUTLOOK

The mid-term focus of Probiodrug's business activities can be summarised as follows:

- Further preclinical and clinical testing of the development candidate PQ912 in the area of QC inhibition, in particular execution of the first patient study in 2015/ 2016,
- Securing further supporting data and intellectual property protection for the therapeutic concept of QC inhibition as a fundamental novel approach for the treatment of Alzheimer's and other diseases,
- Further progression of the therapeutic concept of the anti pGlu specific anti-bodies (PBD-CO6) as well as that of PQ1565, an

additional QC inhibitor,
- Further increasing visibility and acceptance as an important prerequisite for an industrial transaction,
- Optimising external cooperations to increase the breadth and speed of the research and development processes as well as the involvement of key opinion leaders.

As a result of the additional costs being incurred for development activities which are not yet off-set by any sales, the Company also projects a net loss for the financial year 2015 by trend approximately comparable with that of 2014.

The Company is well positioned in the development of new therapeutic concepts for the treatment of Alzheimer's. The successfully completed initial public offering has further solidified this positioning. By successful further program development, Probiodrug will lay the groundwork for a mid-term option for a lucrative industrial partnership or an M&A transaction as well as the further generation of a substantial company value.

6. PROBIODRUG´S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Risk Management System

Probiodrug AG has an active, systematic risk management on the basis of which risks are to be identified, monitored and, on the basis of appropriate measures, minimised. Probiodrug's current business risks are primarily in the research and development of novel active pharmaceutical ingredients, the protection of intellectual property, the cooperation with a network of service providers and partners, maintaining equity as well as in the Company's mid- to long-term financing. These risks are continuously assessed so as to optimise the Company's opportunities/risks position.

In a continuous process, management board members responsible for the different functions within the Company identify, analyse and evaluate the risks with respect to their probability of occurrence, their possible costs and their effect on liquidity, the time reference as well as the existence of possible and planned countermeasures. The respective management board members regularly inform Probiodrug's entire management board. Based on this, the management board and, where necessary, the supervisory board determine how the Company will address the risks identified.

In addition, the Company has set-up an internal control system consisting of various rules and regulations such as signatory rules, standard operating procedures (SOP), the dual-control principle, spot checks, self-checks, employee training and emergency planning.

Application of these regulations is obligatory for the entire company.

Within the scope of quality management, use is made of specification documents. These include position descriptions as well as functional descriptions. In addition, verification documents are used. These include notes respectively documents which document the results attained or provide objective evidence of activities, e.g., in the form of an audit report.

The required signatures fix the authority to sign for purchases and invoices. Differentiation exists with respect to the amount of the purchase and whether the signature is provided by a project member, the project manager or a management board member.

All projects are analysed in detail in regular project meetings and further steps are determined. These provide for close coordination of accompanying research and pharmaceutical development as well as with the management board. Project meetings generally take place weekly and comprise the presentation and discussion of the individual projects PQ912, PQ1565, PBD-C06 biomarker as well as the accompanying research. The participants in the project meetings include the responsible management board member, the project manager as well as the employees and possibly advisors of the individual projects.

Risk management and internal control system in the financial reporting process

The internal control and risk management system with respect to the financial reporting process ensures that the financial reporting is consistent and in compliance with legal regulations and generally accepted accounting principles and the national regulations (HGB) as well as with the International Financial Reporting Standards (IFRS). This includes adhering to the dual control principle, spot checks and emergency planning. On the basis of continuous training, the financial team, including the

consultants utilised, ensures that all legal requirements are implemented by the Company.

Controls to provide for compliance and reliability of financial reporting are carried out on the basis of various measures including plausibility checks of the figures and system access controls on the basis of an authorisation concept as well as on the basis of manual checks such as variance and trend analysis and comparisons with budgeted figures. Meetings and analysis regarding the significant key financial figures take place regularly for the individual projects.

The Company's controlling system is supported by the three components planning, monitoring and reporting. On the basis of the strategic business plan, Probiodrug prepares annual budgets which currently comprises the calendar year subsequent to the budget year for internal monitoring and controlling purposes as well as a mid-term plan for the duration of the significant ongoing preclinical and clinical studies as well as for those to be initiated. On the basis of this planning as well as the actual figures, the management board receives the required monitoring and control information for each month. In addition, regular reporting takes place with respect to the development of the business, progress in the research and development programs, activities with respect to personnel, public relations and investor relations as well as with respect to the patent situation (as a non-financial performance indicator). With the aid of these monitoring instruments, the management board and controlling are in a position to adequately assess the situation and to identify, evaluate and address opportunities and risks.

The preparation of the HGB and the IFRS financial statements is based on uniform regulations. The comparatively small finance team provides for the consistent presentation of the same circumstances. This provides certainty for the entries and the corresponding classifications on the subprojects.

7. REPORTING IN ACCORDANCE WITH SECTION 289 (4) OF THE HGB

7.1 Summary information with respect to capital, voting rights and stock with special rights

As at 31 December 2014, Probiodrug AG's share capital amounted to EUR 6,765,898.00. It is divided into 6,765,898 ordinary bearer shares with a notional par value of EUR 1.00 per share. Each share provides one vote at the shareholders' meeting as well as dividend entitlements when distributions are resolved upon; there are no restrictions on voting rights. The share capital has been paid in in its entirety. No own shares are held.
No shareholders have special rights which confer control. In particular, there is no right to appoint members of the supervisory board in accordance with Section 101 (2) of the AktG. To the extent that Probiodrug AG's employees or affiliated companies hold shares of the Company, they directly exercise control over the voting rights.

In accordance with the resolution of the shareholders' meeting on 23 October 2014, the management board is authorised, with the approval of the supervisory board, to increase the Company's share capital through 23 October 2019 by up to EUR 3,358,551.00 through single or multiple issues of new bearer shares in exchange for cash and/or a contribution in kind, whereby subscription rights can be excluded (authorised capital 2014/I). On 12 November 2014, in conjunction with the exercising of the Greenshoe option in connection with the initial public offering, 48,796 new shares were issued. The authorised capital 2014/I thereby still amounts to EUR 3,309,755.00.

In total, the contingent capital amounts to EUR 524,169.00. As at the balance sheet date it still amounts to EUR 524,169.00 and consists of the following:

Contingent capital 2008/I
The Company's share capital was contingently increased by up to EUR 11.300,00 by the issuance of up to 11,300 new shares (contingent capital 2008/I, Section 5 (4) of the Articles of Association). The contingent capital increase solely serves to redeem the stock options issued to members of the management board as well as Company employees on the basis of the resolution of the shareholders' meeting held on 21 February 2008.

Contingent capital 2008/II
The Company's share capital was contingently increased by up to EUR 16,950.00 by the issuance of up to 16,950 new shares (contingent capital 2008/II, Section 5 (5) of the Articles of Association). The contingent capital increase solely serves to redeem the stock options which were issued to members of the management board and Company employees on the basis of the shareholders' meeting held on 21 February 2008.

Contingent capital 2010/I

The Company's share capital was contingently increased by up to EUR 85,901.00 by the issuance of up to 85,901 new shares (contingent capital 2010/I, Section 5 (6) of the Articles of Association). The contingent capital increase solely serves to redeem the stock options which were issued to members of the management board and Company employees on the basis of the shareholders' meeting held on 18 May 2010 with amendments dated 20 September 2011, 30 December 2011, 31 October 2012 and 25 August 2014.

Contingent capital 2014/I

The Company's share capital was contingently increased by up to EUR 410,018.00 by the issuance of up to 410,018 new shares (contingent capital 2014/I, Section 5 (7) of the Articles of Association). The contingent capital increase solely serves to redeem the options which were issued to members of the management board and Company employees on the basis of the resolution of the shareholders' meeting held on 29 September 2014.

Authorisation to acquire own shares

In the shareholders' meeting on 9 October 2014, the management board was authorised to repurchase shares of the Company on or before 30 September 2019 with a nominal amount of up to EUR 524,169.00 of the share capital complying with the restrictions in Section 71 (1) number 8 of the AktG. The acquisition may be carried out on the stock exchange or by way of a public offer to all shareholders. The own shares can, among other things, be used to reduce the share capital. The management board was also authorised, with the approval of the supervisory board, to use the own shares, with the exclusion of the shareholders' subscription rights, (i) in conjunction with the listing of shares in the Company on foreign stock exchanges where they had not previously been admitted to trading (ii) in connection with the acquisition of companies, parts of companies or equity investments in companies as well as a merger and (iii) to sell the shares at a price not falling significantly below the stock exchange price of the shares in the Company.

To date the management board has not made use of this authorization.

7.2 Shareholders of Probiodrug AG

As at the balance sheet date the following shareholders of Probiodrug AG had shareholdings in accordance with the provision of the German Securities Trading Act (WpHG), the voting rights exceeded 10.0%.

SHAREHOLDER T64

	Legal seat	Voting rights in %
BB Biotech AG	Schaffhausen/ Switzerland	15.7
Edmond de Rothschild Investment Partners	Paris/ France	14.4
IBG Group	Magdeburg/ Germany	14.1
HBM Healthcare Investments	Zug/Switzerland	11.4

Restrictions with respect to the transfer of shares

In conjunction with the initial public offering, the former shareholders committed to the underwriting bank for the initial public offering, that, for a period of six months subsequent to the first day of trading of the shares, i.e., from 27 October 2014, they would not make any shares in their possession on that date available, pledge or sell these. For a further period of six months this is only possible with the consent of the underwriting bank.

7.3 Appointment and removal of members of the management board

The appointment and removal of members of the management board is regulated by Sections 84 and 85 of the AktG as well as in Section 6 of the Articles of Association in the version dated 14 November 2014. In accordance with section 6 of the Articles of Association, the management board consists of one or a number of members; moreover, the supervisory board determines the number of members of the management board. The members of the management board are appointed for a maximum period of five years. This also applies to the reappointment of the respective management board member.

As at 1 November 2014, Dr Ingeborg Lues was appointed as a member of the management board with responsibility for the function drug development. The contracts for the board members Dr Glund and Dr Liebers, with a term through 30 November 2014, were amended and have a term through 30 November 2017.

7.4 Changes to the Articles of Association

Changes to the Articles of Association are made pursuant to Sections 179 and 133 of the AktG. In accordance with Section 20 of the Articles of Association, the simple majority of the voting rights exercised and in terms of equity the simple majority of the share capital represented at the time of resolution is sufficient for resolutions of the shareholders' meetings (including changes to the Articles of Association) so long as the law does not specifically require something else. Other than this, the supervisory board is authorized to make changes to the Articles of Association which only relate to wording.

7.5 Other disclosures

In case of a change of control of Probiodrug AG, there are agreements with the members of the management board. Should, in case of a change of control, the appointment as a member of the management board be terminated or if the responsibilities are limited in a more than insignificant manner, the members of the management board can terminate their contracts as members of the management board. In such a case they would be entitled to payment of the fixed compensation through the end of their original contract term plus a part of the variable compensation on the basis of 100% target achievement pro rata temporis if these were fixed for the year. The employees' contracts do not have any stipulations for such a situation.

8. CORPORATE GOVERNANCE STATEMENT IN ACCORDANCE WITH SECTION 289 a OF THE HGB

The corporate governance statement in accordance with Section 289a of the HGB includes the corporate governance statement pursuant to the German Corporate Governance Code, relevant information on corporate governance practices and a description of the procedures of the management board and the supervisory board.

COMPLIANCE STATEMENT OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD IN ACCORDANCE WITH SECTION 161 OF THE AKTG

Pursuant to the recommendations of the „Government Commission on the German Corporate Governance Code" in accordance with Section 161 of the AktG:
Probiodrug AG's management board and supervisory board declare that the recommendations of the „Government Commission on the German Corporate Governance Code" published by the German Federal Ministry of Justice on 24 June 2014 have been complied with, with the following exceptions:

1. Section 3.8 of the Code – retained amount in the D&O insurance for the supervisory board

   The Company maintains D&O insurance covering all members of the supervisory board. No retained amount is stipulated. As most of the supervisory board members do not receive any remuneration, a retained amount would lead to an unreasonable result in financial terms for the supervisory board members.

2. Section 4.2.3 (2) sentence 6 of the Code – Cap amounts for the remuneration and the variable remuneration components

   Phantom stocks were granted to the management board members which can be exercised upon listing. No cap is provided for such phantom stocks. Apart from that, stock options were granted to the management board members for which no cap is provided in case they are exercised. In any other respect, cap amounts are provided in the agreements with the management board members.

3. Section 4.2.3 (4) of the Code – Limitation to two years' remuneration of the payment to a management board member in case of premature termination

   The currently existing contracts with members of the management board do not provide for any cap. In connection with the transformation of the Company for the purpose of its listing, a primary aim was to ensure the cooperation with the management board members.

4. Section 5.1.2 of the Code – Diversity, reasonable involvement of female members

   With Dr Inge Lues who was appointed as a member of the management board with effect from 1 November 2014, one third of the management board members are female. However, the Company does not consider fixed diversity quota levels in case an insufficient number of qualified candidates can be identified.

5. Section 5.4.1 (2) of the Code – naming of precise objectives regarding the composition of the supervisory board

   Regarding the composition of the supervisory board in the future, the supervisory board intends to have members with experience in the public capital market. Considering the alignment of the Company, the members of the supervisory board should also have U.S. experience. As these requirements make it difficult to find a sufficient number of qualified members for the supervisory board, the supervisory board did not determine any fixed diversity quota, in particular no fixed female quota.

6. Section 5.4.6 (1) sentence 2 of the Code – Taking into account of the chair, the vice chair and the membership in committees for the remuneration of the supervisory board members

   Until now, only Prof. Frank receives remuneration for his activities as a supervisory board member. Considering that the other supervisory board members do not receive any remuneration, no increased remuneration can be paid to the chairperson or deputy chairperson of the supervisory board or to committee chairpersons. In the future, it is planned to remunerate new members of the supervisory board. In that case an increased remuneration for the chairperson and the deputy chairperson of the supervisory board as well as for committee chairpersons is to be provided as well.

7. Section 7.1.2 sentence 4 of the Code – shortened publication deadline of the Code for financial reports

   According to Section 7.1.2 sentence 4 of the Code, the financial statements of the Company should be publicly accessible within 90 days of the end of the financial year, and the interim reports should be available within 45 days of the end of the reporting period. While the Company will publish the annual financial statements in accordance with the recommendation of the Code, the Company intends to publish the interim reports within the statutory time period of two months from the end of the reporting period of the half-year financial report as of 30 June.

   The supervisory board and the management board are confident that these time periods are suitable and necessary for careful preparation of the documents. Furthermore, the supervisory board and management board consider the statutory requirements as sufficient for timely information to the shareholders and the capital markets for the time being. However, the possibility of complying with the shorter deadlines of the Code is being reviewed.

INFORMATION REGARDING CORPORATE GOVERNANCE

Probiodrug's management is conscious of treating each other fairly, respectfully and in conformance with the law. In view of the comparatively small size of the Company, which leads to personal contact with all employees and partners, along with the flat hierarchy, these measures are sufficient to provide for responsible teamwork. As such, additional regulations with respect to corporate governance are not necessary.

Management and monitoring is carried out in accordance with German law, social norms and broadly with the guidelines of the German Corporate Governance Code.

OPERATING PRINCIPLES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

As required by the German Stock Corporation Law, Probiodrug is led by the management board which is, in turn, monitored by the supervisory board. Both governing bodies work closely together in a trustful and constructive manner to provide for the advancement of the programs being pursued and thereby to sustainably increase the Company's value. The management board and the supervisory board come to an agreement on the Company's strategic direction and discuss the implementation

and control thereof. The management board regularly informs the supervisory board in a timely and comprehensive manner about all company relevant questions with respect to planning, the stage of development of the programs being pursued, strategy, business development, finances, risk position, risk management as well as the internal control system and compliance. With respect hereto, the management board also updates the supervisory board between meetings about important events. Decisions required in the short-term are, in case of need, made during teleconferences or via circulation procedures.

In the management board's internal rules of procedure, important transactions are subject to the approval of the supervisory board. In individual cases the supervisory board can make further management board decisions subject to the approval of the supervisory board.

Management board

Probiodrug's management board comprising Dr Konrad Glund (Chairperson; Chief Executive Officer/CEO), Dr Hendrik Liebers (member of the board; Chief Financial Officer/CFO) and Dr Inge Lues (member of the board; Chief Development Officer/CDO), independently manages the Company and is, within the scope of the regulations applicable to German stock companies, bound by the interests and the guiding principles of Probiodrug. The goal of the work of the management board is sustainable and value optimising corporate development. The members of the management board have complementary skills sets and experience and have, in part, already worked together within the management board over a number of years. Further details as to the work in the management board are determined on the basis of rules of procedure.

All management board functions coordinate their activities on a weekly basis. Management board decisions are made on the basis of a simple majority of the members participating in the making of a resolution. In case of a tie, the Chairperson has the deciding vote.

Supervisory board

As per the Articles of Association, as at 31 December 2014, the supervisory board was comprised of six members. The work of the supervisory board, the principles of passing resolutions as well as the work of the committees is regulated by the rules of procedure of the supervisory board. Dr Erich Platzer is the chairperson. Vice chairperson is Dr Dinnies Johannes von der Osten. The additional members are Dr Jörg Neermann, Dr Hubert Birner, Dr Olivier Litzka and Prof. Georg Frank. In the reporting period the supervisory board convened seven times, (30 January, 06 March, 30 April, 17 June, 8 September, 30 September, 25 November). The current supervisory board members are, respectively were in the past, active at the international level in the biotechnology and pharmaceutical sectors, have the corresponding networks and are, as a result of own experience, very familiar with the needs of this sector.

To increase the supervisory board's efficiency, two committees were established: the audit committee and the compensation committee. The audit committee comprises Dr von der Osten, Dr Birner and Dr Neermann; Dr von der Osten is the chairperson. All members have the corresponding expertise and independence. The compensation committee comprises Dr Platzer, Prof. Frank and Dr Litzka; Dr Platzer serves as chairperson.

These committees report their activities to the entire supervisory board.

Transparency

Probiodrug comprehensively informs the capital market in a timely manner as to its business position as well as particular events. The financial reporting is in accordance with German and Dutch legal regulations by publishing the annual report, the half-year financial report and by the interim management board announcements. In addition to the Company's obligatory reporting in accordance with the HGB, Probiodrug voluntarily publishes financial reports in accordance with IFRS, in particular for the international investors.

Further information is made available to the public in the form of press releases respectively ad-hoc announcements. All financial reports, announcements, presentations and communications are available on the Company's internet site.

9. COMPENSATION REPORT

9.1 Compensation of the management board

Amount and structure
The annual compensation for the members of the management board has three components:

- fixed compensation,
- a success based bonus,
- stock options.

The amount of the compensation was last adjusted in conjunction with the new service contracts in 2014.

Fixed compensation
The amount of the fixed compensation is dependent on the member's function and responsibilities as well as on what is common in the industry and in the market, which is, above all, orientated on similar listed companies in the biotechnology sector. The fixed compensation is paid out as a monthly salary.

Success based compensation
The success based compensation consists of a bonus measured in terms of one year. The success based bonus is determined by the supervisory board on the basis of an annual performance assessment and its best judgement. The benchmark for the bonus is the development of Probiodrug's business as well as the extent of achievement of the individual as well as the general company objectives. These objectives include, among others, topics in the area of development, business development, strategy, investor relations and general management.

At the beginning of the following calendar year, the supervisory board reaches a decision as to the extent of the achievement of the objectives. The bonus is payable subsequent to the resolution of the supervisory board as to the achievement of the objectives. The maximum bonus amount is fixed.

In 2014 an additional one-time fixed bonus was agreed in case of an IPO. A maximum amount was fixed. The bonus is payable upon the conclusion of a successful IPO.

Stock options
Further components of compensation with a long-term incentive component are the employee stock option programs, in which the management board as well as the employees participate. Within the scope of these programs, stock options were issued to members of the management board in the years 2008, 2010 and 2014 entitling the individuals to acquire shares. Detailed information as to the current option holdings is presented in the notes to the financial statements.

With respect to compliance with the Code's recommendations regarding management compensation, reference is made to section 7 of the management report „Statement on corporate governance" subsection Compliance statement in accordance with Section 161 of the AktG.

Management board compensation in 2014

A detailed listing of the individual salaries of the members of the management board is included in the following table:

BENEFITS GRANTED T65

				Dr Konrad Glund CEO
Reappointment				01 Dec 14
EUR	2013	2014 (actual)	2014 (minimum)	2014 (maximum)
Fixed compensation	190,000	191,667	191,667	191,667
Fringe benefits	25,070	25,098	25,098	25,098
Total	**215,070**	**216,765**	**216,765**	**216,765**
Annual variable compensation	47,000	95,000	0	135,500
Release of provision prior year	0	−9,000	0	0
Perennial variable compensation				
Stock option plan 2014 (8 years)		595,457	0	595,457
Total	**262,070**	**898,222**	**216,765**	**947,722**
Pension expense	29,093	44,830	44,830	44,830
Total compensation	291,163	943,052	261,595	992,552

BENEFITS GRANTED T66

				Dr Hendrik Liebers CFO
Reappointment				01 Dec 14
EUR	2013	2014 (actual)	2014 (minimum)	2014 (maximum)
Fixed compensation	160,000	164,167	164,167	164,167
Fringe benefits	26,597	26,597	26,597	26,597
Total	**186,597**	**190,764**	**190,764**	**190,764**
Annual variable compensation	47,000	95,000	0	122,000
Release of provision prior year	0	−9,000	0	0
Perennial variable compensation				
Stock option plan 2014 (8 years)		595,451	0	595,451
Total	**233,597**	**872,215**	**190,764**	**908,215**
Pension expense	0	5,130	5,130	5,130
Total compensation	233,597	877,345	195,895	913,346

BENEFITS GRANTED

T67

				Dr Inge Lues CDO
Reappointment				01 Dec 14
EUR	2013	2014 (actual)	2014 (minimum)	2014 (maximum)
Fixed compensation	0	35,000	35,000	35,000
Fringe benefits	0	621	621	621
Total	**0**	**35,621**	**35,621**	**35,621**
Annual variable compensation	0	95,000	0	95,000
Perennial variable compensation				
Stock option plan 2014 (8 years)	0	995,923	0	995,923
Total	**0**	**1,126,544**	**35,621**	**1,126,544**
Pension expense		0	0	0
Total compensation	0	1,126,544	35,621	1,126,544

Liability insurance (D&O)

From 1 July 2010 the current Company D&O insurance for the members of the management board includes the retained amount legally provided for. With respect to the adherence to the recommendations of the Code regarding D&O insurance for members of the supervisory board, reference is made to section 7 of the management report „Statement on corporate governance“ subsection Compliance statement in accordance with Section 161 of the AktG.

Shareholdings of the members of the management board

Based on information available to the Company, as at 31 December 2014, Probiodrug's management board held a total of 378,376 stock options entitling them to the acquisition of 378,376 shares along with 57,020 phantom stocks. In addition, they held 179,386 shares, equating to 2.67% of all of the Company's shares.

9.2 Supervisory board compensation

From the perspective of the Company, it should, in particular, be in the interest of the supervisory board to be focussed on the sustainable and long-term successful development of the Company. As such, Probiodrug believes that fixed compensation for some members of the supervisory board is constructive. Regardless of their compensation, all members of the supervisory board are entitled to reimbursement for their travel expenses and are included in the existing D&O insurance.

Determination of supervisory board compensation
The compensation of the supervisory board is based on the resolution of the shareholders' general meeting on 30 June 2008. As per this resolution, supervisory board member Prof. Georg Frank is entitled to an annual base compensation of EUR 7k plus EUR 1k per face-to-face meeting, EUR 0.7k per committee meeting and EUR 0.5k per supervisory board or committee teleconference. Should Prof. Frank take on the role of the chairperson of the supervisory board, these amounts would increase by 50%, should Prof. Frank become chairperson of a committee, the payments for each face-to-face meeting, committee meeting and teleconference would increase by 50%. Variable compensation is not paid.

2014 supervisory board compensation
In the financial year 2014 the total compensation for Prof. Frank amounted to EUR 18.5k.

Shareholdings of members of the supervisory board
Based on the knowledge of Probiodrug, as at 31 December 2014, the members of Probiodrug AG's supervisory board held a total of 174,674 shares and thereby held a total of 2.58% of the Company's shares.

Halle, 25 February 2015

Management Board of Probiodrug

Dr Konrad Glund **Dr Hendrik Liebers** **Dr Inge Lues**

D. AUDITOR'S REPORT

We have audited the annual financial statements, comprising the balance sheet, the income statement, the statement of cash flows, the statement of shareholders' equity and the notes to the financial statements, together with the bookkeeping system, and the management report of Probiodrug AG, Halle for the financial year from 1 January to 31 December 2014. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 of the HGB and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the management board, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of Probiodrug AG in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Leipzig, 6 March 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft
[original German version signed by:]

Lauer
Wirtschaftsprüfer
[German Public Auditor]

Nötzel
Wirtschaftsprüferin
[German Public Auditor]

E. RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the net assets, financial position and results of operations of Probiodrug AG and the management report includes a fair view of the development and performance of the business and the position of Probiodrug AG, together with a description of the principle opportunities and risks associated with the expected development of Probiodrug AG.

Halle, 25 February 2015

Management Board of Probiodrug AG

Dr Konrad Glund **Dr Hendrik Liebers** **Dr Inge Lues**

PART III

A. JAHRESABSCHLUSS (HGB)

BILANZ ZUM 31. DEZEMBER 2014

AKTIVA

T68

	31.12.2014		31.12.2013	
	EUR	EUR	EUR	EUR
A. Anlagevermögen				
I. Immaterielle Vermögensgegenstände				
Entgeltlich erworbene ähnliche Rechte, Lizenzen und Software		81.571,13		100.868,06
II. Sachanlagen				
1. Bauten auf fremden Grundstücken	27.645,95		34.556,02	
2. Andere Anlagen, Betriebs- und Geschäftsausstattung	73.507,31	101.153,26	285.987,09	320.543,11
III. Finanzanlagen				
1. Anteile an verbundenen Unternehmen	0,00		1,00	
2. Beteiligungen	3.450,00	3.450,00	3.450,00	3.451,00
		186.174,39		**424.862,17**
B. Umlaufvermögen				
I. Forderungen und sonstige Vermögensgegenstände				
1. Forderungen gegen verbundene Unternehmen	0,00		728.063,01	
2. Sonstige Vermögensgegenstände	296.096,92	296.096,92	610.474,74	1.338.537,75
II. Kassenbestand und Guthaben bei Kreditinstituten		20.919.926,71		4.421.392,00
		21.216.023,63		**5.759.929,75**
C. Rechnungsabgrenzungsposten		**77.861,82**		**96.155,97**
D. Nicht durch Eigenkapital gedeckter Fehlbetrag		**0,00**		**4.077.534,09**
Bilanzverlust, soweit nicht durch Eigenkapital gedeckt		**0,00**		**4.077.534,09**
		21.480.059,84		**10.358.481,98**

PASSIVA

T69

		31.12.2014	31.12.2013
		EUR	EUR
A.	**Eigenkapital**		
I.	Grundkapital	6.765.898,00	25.528.929,00
	Bedingtes Kapital	524.169,00	5.714.159,00
II.	Kapitalrücklage	22.016.465,55	51.467.571,73
III.	Gewinnrücklagen		
	Gesetzliche Rücklage	227.625,00	227.625,00
IV.	Bilanzverlust (i. Vj. Bilanzverlust, soweit durch Eigenkapital gedeckt)	–12.480.753,10	–77.224.125,73
	– Bilanzverlust insgesamt	12.480.753,10	81.301.659,82
	– davon nicht durch Eigenkapital gedeckt	0,00	4.077.534,09
	vgl. Posten D. Aktiva		
		16.529.235,45	**0,00**
B.	**Rückstellungen**		
1.	Rückstellungen für Pensionen	370.450,00	321.037,41
2.	Steuerrückstellungen	2.543.210,75	2.444.990,75
3.	Sonstige Rückstellungen	1.107.042,99	1.375.691,99
		4.020.703,74	**4.141.720,15**
C.	**Verbindlichkeiten**		
1.	Anleihen	0,00	5.346.000,00
	– davon konvertibel EUR 0,00 (i. Vj. EUR 5.346.000,00) –		
2.	Verbindlichkeiten aus Lieferungen und Leistungen	876.394,23	837.668,04
3.	Sonstige Verbindlichkeiten	53.726,42	33.093,79
	– davon aus Steuern	45.421,87	22.713,95
		930.120,65	**6.216.761,83**
		21.480.059,84	**10.358.481,98**

GEWINN- UND VERLUSTRECHNUNG FÜR DIE ZEIT VOM 1. JANUAR BIS 31. DEZEMBER 2014

T70

	31.12.2014		31.12.2013	
	EUR	EUR	EUR	EUR
1. Sonstige betriebliche Erträge		237.407,87		703.723,60
2. Materialaufwand				
a) Aufwendungen für Betriebsstoffe und für bezogene Waren	−55.092,00		−53.778,66	
b) Aufwendungen für bezogene Leistungen	−4.291.285,88	−4.346.377,88	−4.251.669,10	−4.305.447,76
3. Personalaufwand				
a) Löhne und Gehälter	−1.263.986,09		−1.547.782,49	
b) Soziale Abgaben und Aufwendungen für Altersversorgung	−191.017,19	−1.455.003,28	−234.454,68	−1.782.237,17
– davon für Altersversorgung		78.939,01		64.117,56
4. Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen		−93.846,03		−313.722,16
5. Sonstige betriebliche Aufwendungen		−4.576.095,76		−4.545.131,19
6. Sonstige Zinsen und ähnliche Erträge		432.934,49		869.278,27
– davon aus verbundenen Unternehmen		430.000,32		860.000,64
7. Abschreibungen auf Finanzanlagen		0,00		−50.000,00
8. Zinsen und ähnliche Aufwendungen		−226.105,92		−672.480,20
9. Ergebnis der gewöhnlichen Geschäftstätigkeit		**−10.027.086,51**		**−10.096.016,61**
10. Außerordentliche Aufwendungen / Außerordentliches Ergebnis		−2.232.270,20		0,00
11. Jahresfehlbetrag		**−12.259.356,71**		**−10.096.016,61**
12. Verlustvortrag		−81.301.659,82		−71.205.643,21
13. Ertrag aus der Auflösung der Kapitalrücklage		54.871.798,43		0,00
14. Ertrag aus der Kapitalherabsetzung		26.208.465,00		0,00
15. Bilanzverlust		**−12.480.753,10**		**−81.301.659,82**

KAPITALFLUSSRECHNUNG FÜR DIE ZEIT VOM 1. JANUAR BIS 31. DEZEMBER 2014

T71

	01.01.2014 to 31.12.2014	01.01.2013 to 31.12.2013
	EUR	EUR
Periodenfehlbetrag ohne außerordentliche Aufwendungen	−10.027.085	−10.096.017
Auszahlungen aus außerordentlichen Posten	−474.513	0
Abschreibungen auf Gegenstände des Anlagevermögens	93.846	313.722
Gewinne/Verluste aus dem Abgang von Vermögenswerte des Anlagevermögens	**5.599**	−144.148
Zunahme der Pensionsrückstellungen	49.413	39.219
Zunahme der Steuerrückstellungen	98.220	98.280
Abnahme (i. Vj. Zunahme) der sonstigen Rückstellungen	−268.649	196.413
Nicht zahlungswirksame Aufwendungen/Erträge	−32.445	536.817
Abnahme der Vorräte	0	17.423
Abnahme der Forderungen aus Lieferungen und Leistungen	0	2.957
Abnahme der Forderungen gegen verbundene Unternehmen	0	2.173
Zunahme der sonstigen Vermögenswerte	−111.479	75.110
Abnahme des aktiven Rechnungsabgrenzungspostens	18.294	23.367
Zunahme der Verbindlichkeiten aus Lieferungen und Leistungen	38.726	532.691
Zunahme (i. Vj. Abnahme) sonstiger Verbindlichkeiten	20.633	−56.223
Cashflow aus laufender Geschäftstätigkeit	**−10.589.440**	**−8.458.216**
Einzahlungen aus dem Abgang von Sachanlagen	574.249	43.001
Einzahlungen aus dem Abgang von immateriellen Anlagevermögenswerten	2.930	0
Auszahlungen für Investitionen in Sachanlagen	−2.040	−4.678
Auszahlungen für Investitionen in immaterielle Anlagevermögenswerte	−10.041	−60.743
Einzahlungen aus Tilgung Darlehen	760.508	0
Cashflow aus Investitionstätigkeit	**1.325.606**	**−22.420**
Einnahmen aus Aktienemission	23.244.126	0
Auszahlungen für Transaktionskosten	−1.757.757	0
Einzahlungen aus ausgegebenen Wandelschuldverschreibungen	4.276.000	5.346.000
Cashflow aus Finanzierungstätigkeit	**25.762.369**	**5.346.000**
Zahlungswirksame Veränderung des Finanzmittelfonds	**16.498.535**	**−3.134.636**
Finanzmittelfonds am Anfang des Geschäftsjahres	**4.421.392**	**7.556.028**
Finanzmittelfonds am Ende der Periode	**20.919.927**	**4.421.392**

T69

	31.12.2014	31.12.2013
	EUR	EUR
Zusammensetzung des Finanzmittelfonds		
Kassenbestand	450	465
Guthaben bei Kreditinstituten	20.919.477	4.420.927
	20.919.927	**4.421.392**

EIGENKAPITALSPIEGEL ZUM 31. DEZEMBER 2014

T72

	Gezeichnetes Kapital		Kapital-rücklage	Gesetzliche Rücklage	Erwirt-schaftetes Eigenkapital	Eigenkapital
	Stamm-aktien EUR	Vorzugs-aktien EUR	EUR	EUR	EUR	EUR
Stand 01.01.2013	**3.414.375**	**22.114.554**	**50.930.755**	**227.625**	**−71.205.643**	**5.481.666**
Ausgabe von Wandelschuldverschreibungen	0	0	536.817	0	0	536.817
Jahresfehlbetrag	0	0	0	0	−10.096.017	−10.096.017
Stand 31.12.2013	**3.414.375**	**22.114.554**	**51.467.572**	**227.625**	**−81.301.660**	**−4.077.534**
Kapitalerhöhung aus der Wandlung von Wandelschuldverschreibungen		5.921.229	3.700.771	0	0	9.622.000
Umstellung der Vorzugsaktien auf Stammaktien	28.035.783	−28.035.783	0	0	0	0
Vereinfachte Kapitalherabsetzung	−26.208.465		−54.871.798	0	81.080.263	0
Aktienemission	1.524.205		21.719.921	0	0	23.244.126
Jahresfehlbetrag	0		0	0	−12.259.357	−12.259.357
Stand 31.12.2014	**6.765.898**	**0**	**22.016.466**	**227.625**	**−12.480.753**	**16.529.235**

B. ANHANG ZUM JAHRESABSCHLUSS FÜR DAS GESCHÄFTSJAHR 01. JANUAR BIS ZUM 31. DEZEMBER 2014

I. ALLGEMEINE ANGABEN

Der Jahresabschluss der Probiodrug AG wurde auf der Grundlage der Bilanzierungs- und Bewertungsvorschriften des Handelsgesetzbuches unter Anwendung des Bilanzrechtsmodernisierungsgesetzes (BilMoG) sowie nach den ergänzenden Vorschriften des Aktiengesetzes aufgestellt.

Durch die Ausgabe von Aktien an der Euronext/Amsterdam im Oktober 2014 ist Probiodrug eine kapitalmarktorientierte Gesellschaft im Sinne des § 264d HGB und gilt damit entsprechend § 267 Abs. 3 HGB als große Kapitalgesellschaft.

Eine Abweichung in der Darstellungsform gegenüber dem Vorjahr ergab sich nicht.

II. BILANZIERUNGS- UND BEWERTUNGSGRUNDSÄTZE

Anlagevermögen

Immaterielle Vermögensgegenstände und Sachanlagen wurden zu den Anschaffungskosten angesetzt und um planmäßige Abschreibungen vermindert.

Die planmäßigen Abschreibungen wurden unter Zugrundelegung der voraussichtlichen betrieblichen Nutzungsdauer unter Anlehnung an die amtliche AfA-Tabelle und entsprechend den steuerlichen Vorschriften linear vorgenommen.

Im Geschäftsjahr 2014 wurden neu angeschaffte bewegliche Wirtschaftsgüter bis zu Anschaffungskosten in Höhe von EUR 410,00 sofort abgeschrieben. In den Vorjahren gebildete Sammelposten werden weiterhin gemäß § 6 Abs. 2a EStG über 5 Jahre abgeschrieben. Die Sammelposten sind insgesamt von untergeordneter Bedeutung.

Beteiligungen werden zu Anschaffungskosten bilanziert.

Umlaufvermögen

Forderungen und sonstige Vermögensgegenstände wurden unter Berücksichtigung aller erkennbaren Risiken bewertet und mit ihrem Nominalwert abzüglich erforderlicher Wertberichtigungen bilanziert. Forderungen in fremder Währung bestanden am Bilanzstichtag nicht.

Der **Kassenbestand und die Guthaben bei Kreditinstituten** sind zum Nominalwert angesetzt.

Die Bewertung von Fremdwährungskonten erfolgt mit dem am Abschlussstichtag geltenden Devisenkassamittelkurs.

Der **Rechnungsabgrenzungsposten** beinhaltet Ausgaben vor dem Bilanzstichtag, die Aufwand für eine bestimmte Zeit nach dem Stichtag darstellen.

Latente Steuern werden auf die Unterschiede in den Bilanzansätzen der Handelsbilanz und der Steuerbilanz angesetzt, sofern sich diese in späteren Geschäftsjahren voraussichtlich abbauen. Im Falle eines Aktivüberhangs der latenten Steuern zum Bilanzstichtag wird von dem Aktivierungswahlrecht des § 274 Abs. 1 Satz 2 HGB kein Gebrauch gemacht.

Eigenkapital

Das Eigenkapital der Gesellschaft ist zum Nennwert bilanziert.

Rückstellungen

Rückstellungen sind in Höhe des Erfüllungsbetrages angesetzt, der nach vernünftiger kaufmännischer Beurteilung notwendig erscheint. Dabei wurden alle erkennbaren Risiken berücksichtigt.

Langfristige Rückstellungen mit einer Laufzeit von mehr als 12 Monaten werden gemäß § 253 Abs. 2 Satz 1 HGB abgezinst.

Die Berechnung der Pensionsrückstellungen erfolgte nach der „projected unit credit"-Methode (PUC-Methode). Probiodrug hat von dem Wahlrecht Gebrauch gemacht, als Abzinsungssatz den von der Deutschen Bundesbank bekannt gegebenen durchschnittlichen Marktzinssatz der vergangenen sieben Geschäftsjahre zu verwenden, der sich bei einer angenommenen Restlaufzeit von 15 Jahren ergibt. Als biometrische Rechnungsgrundlagen wurden die „Richttafeln 2005 G" von Prof. Dr. Klaus Heubeck verwendet. Die angewandten Berechnungsparameter sind in den Erläuterungen zur Bilanz dargestellt.

Verbindlichkeiten
Verbindlichkeiten sind mit dem Erfüllungsbetrag angesetzt. Verbindlichkeiten in fremder Währung sind mit dem am Bilanzstichtag geltenden Devisenkassamittelkurs bewertet.

Die bestehenden Verbindlichkeiten sind nicht besichert.

Gewinn- und Verlustrechnung
Die Gesellschaft hat im Geschäftsjahr das Gesamtkostenverfahren gemäß § 275 Abs. 2 HGB fortgeführt.

III. ERLÄUTERUNGEN ZUR BILANZ

Anlagevermögen
Die Entwicklung des Anlagevermögens sowie die Abschreibungen des Geschäftsjahres je Posten der Bilanz sind im Anlagenspiegel als Anlage zum Anhang dargestellt.

Finanzanlagen und Forderungen gegen verbundene Unternehmen
Die Anteile an der Tochtergesellschaft Ingenium Pharmaceuticals GmbH, München („Ingenium") wurden im abgelaufenen Geschäftsjahr zum Buchwert veräußert (i. Vj. Erinnerungswert von EUR 1,00).

Probiodrug hat in den vorangegangenen Geschäftsjahren zur Finanzierung ihrer Tochtergesellschaft Ingenium Gesellschafterdarlehen in Höhe von insgesamt TEUR 8.600 ausgereicht, die zum vorangegangenen Bilanzstichtag einschließlich aufgelaufener Zinsen in Höhe von TEUR 10.978 valutierten. Darüber hinaus bestanden sonstige Forderungen gegen die Ingenium in Höhe von TEUR 3. Die Forderungen waren auf Grund nachhaltiger Verluste der Tochtergesellschaft in Höhe von TEUR 10.253 wertberichtigt (Buchwert 31. Dezember 2013: TEUR 728). Die Darlehen wurden mit Vereinbarung vom 13. Juli 2014 mit Wirkung zum 30. Juni 2014 zinslos gestellt. Die zum 30. Juni 2014 bestehenden Forderungen gegenüber der Ingenium in Höhe von insgesamt TEUR 11.410 wurden in Höhe von TEUR 761 getilgt und in Höhe von insgesamt TEUR 10.648 mit der Veräußerung des Unternehmens an den Käufer abgetreten.

Sonstige Vermögensgegenstände
Die sonstigen Vermögensgegenstände haben ohne Ausnahme eine Restlaufzeit von bis zu einem Jahr. Sie beinhalten im Wesentlichen Forderungen gegen das Finanzamt (TEUR 189; i. Vj. TEUR 50) sowie sonstige Forderungen (TEUR 107; i. Vj. TEUR 560). Die sonstigen Forderungen des Vorjahres betrafen im Wesentlichen Forderungen aus der Veräußerung von Anlagevermögen.

Latente Steuern
Zum Bilanzstichtag ergibt sich nach Saldierung der aktiven und passiven latente Steuern (Gesamtdifferenzenbetrachtung) ein Aktivüberhang der latenten Steuern. Ihrer Berechnung liegt ein effektiver Steuersatz von 31,58 % zugrunde, der voraussichtlich beim Abbau der Differenzen zum Tragen kommt. Die Probiodrug macht von dem Aktivierungswahlrecht des § 274 Abs. 1 Satz 2 HGB keinen Gebrauch, so dass sich insgesamt kein Ausweis latenter Steuern in der Bilanz ergibt. Die ermittelten aktiven und passiven latenten Steuern resultieren aus Verlustvorträgen und unterschiedliche Wertansätze bei den Pensionsrückstellungen.

Grundkapital
Das gezeichnete Kapital beträgt zum 31. Dezember 2014 EUR 6.765.898,00 und ist eingeteilt in 6.765.898 auf den Namen lautende Stammaktien ohne Nennbetrag (Stückaktien). Im Vorjahr betrug das gezeichnete Kapital EUR 25.528.929,00 und war eingeteilt in 3.414.375 auf den Namen lautende Stammaktien ohne Nennbetrag (Stückaktien), 3.095.837 auf den Namen lautende stimmberechtigte Vorzugsaktien der Serie A sowie 19.018.717 auf den Namen lautende stimmberechtigte Vorzugsaktien der Serie B.

Am 21. August 2014 wurden unter Nutzung der Bedingten Kapitalia 2013 und 2014 die in 2013 und 2014 ausgegebenen Wandelschuldverschreibungen in Vorzugsaktien der Serie B2 gewandelt. Das gezeichnete Kapital wurde insgesamt um EUR 5.921.229,00 erhöht durch die Ausgabe von 5.921.229 auf den Namen lautende stimmberechtigte Vorzugsaktien der Serie B2.

Die Hauptversammlung vom 25. August 2014 beschloss die Umstellung der auf den Namen lautenden stimmberechtigten Vorzugsaktien der Serie A, Serie B und Serie B2 auf den Namen lautende Stammaktien ohne Nennbetrag (Stückaktien). Sämtliche Vorzüge der jeweiligen Aktiengattung wurden vollständig aufgehoben. Das gezeichnete Kapital betrug danach EUR 31.450.158,00 und war eingeteilt in 31.450.158 auf den Inhaber lautende nennwertlose Stammaktien mit einem rechnerischen Nennbetrag pro Aktie von EUR 1,00.

Die Hauptversammlung vom 8. September 2014 beschloss, das Grundkapital der Gesellschaft von EUR 31.450.158,00 um EUR 26.208.465,00 auf EUR 5.241.693,00, eingeteilt in 5.241.693 auf den Inhaber lautende nennwertlose Stammaktien, herabzusetzen. Die Herabsetzung erfolgte nach den Vorschriften über die vereinfachte Kapitalherabsetzung (§§ 229 ff. AktG) im Verhältnis 6:1, um in Gesamthöhe von EUR 26.208.465,00 Wertminderungen auszugleichen und sonstige Verluste zu decken. Sie wurde in der Weise durchgeführt, dass jeweils 6 auf den Inhaber lautende nennwertlose Stammaktien zu einer auf den Inhaber lautenden nennwertlosen Stammaktie zusammengelegt wurden.

Die Hauptversammlung vom 9. Oktober 2014 beschloss das Grundkapital der Gesellschaft von derzeit EUR 5.241.693,00, eingeteilt in 5.241.693 auf den Inhaber lautende nennwertlose Stammaktien, gegen Bareinlagen um bis zu EUR 1.696.720 auf bis zu EUR 6.938.413 durch Ausgabe von bis zu 1.696.720 neuen, auf den Inhaber lautenden nennwertlosen Stammaktien mit Gewinnberechtigung ab 1. Januar 2014 zu erhöhen. Der Ausgabebetrag je auszugebender Aktie beträgt EUR 1,00. Der auf jede neue Aktie entfallende anteilige Betrag des Grundkapitals beträgt EUR 1,00. Das Bezugsrecht der Aktionäre wurde für die Barkapitalerhöhung ausgeschlossen. Der Vorstand wurde ermächtigt, mit Zustimmung des Aufsichtsrates die weiteren Einzelheiten der Kapitalerhöhung, ihrer Durchführung und der Bedingungen für die Ausgabe der Aktien festzusetzen. Der Beschluss über die Erhöhung des Grundkapitals war bis zum Ablauf des 31. Dezember 2014 durchzuführen.

Mit dem Gang an die Börse Euronext/Amsterdam am 27. Oktober 2014 wurde das Eigenkapital um EUR 1.475.409,00 durch die Ausgabe von 1.475.409 neuer auf den Inhaber lautenden nennwertlosen Stammaktien erhöht. Der auf jede neue Aktie entfallende anteilige Betrag des Grundkapitals beträgt EUR 1,00.

Das Grundkapital betrug danach EUR 6.717.102,00 eingeteilt in 6.717.102 auf den Inhaber lautende nennwertlose Stammaktien mit einem rechnerischen Nennwert von EUR 1,00.

Am 12. November 2014 beschloss der Vorstand mit Zustimmung des Aufsichtsrates, das Grundkapitals gegen Bareinlage um EUR 48.796,00 auf EUR 6.765.898,00 zu erhöhen. Die Erhöhung erfolgte unter der teilweisen Nutzung des Genehmigten Kapitals 2014 durch die Ausgabe von 48.796 neuer auf den Inhaber lautenden nennwertlosen Stammaktien zu einem Ausgabepreis von EUR 1,00 je Aktie.

Das Grundkapital betrug danach EUR 6.765.898,00 eingeteilt in 6.765.898 auf den Inhaber lautende nennwertlose Stammaktien mit einem rechnerischen Nennwert von EUR 1,00.

Bedingtes Kapital 2008/I

Die Höhe des Bedingten Kapitals 2008/I beträgt zum 31. Dezember 2014 EUR 11.300,00 (i. Vj. EUR 67.800,00). Davon sind EUR 10.422,00 (i. Vj. EUR 67.120,00) durch die Ausgabe von Optionen belegt.

Das Bedingte Kapital 2008/I wurde mit Beschluss der Hauptversammlung vom 08. September 2014 auf EUR 11.300,00 herabgesetzt. Die Reduzierung erfolgte im Zuge der vereinfachten Kapitalherabsetzung im Verhältnis 6:1.

Das Bedingte Kapital 2008/I dient zur Sicherung von Optionsrechten, die im Rahmen des Stock Option Programm 2007 ausgegeben wurden. Eine Neuausgabe von Optionen unter diesem Programm ist nicht mehr möglich.

Die bedingte Kapitalerhöhung wird nur insoweit durchgeführt, als die Berechtigten der Aktienoptionen von ihrem Bezugsrecht Gebrauch machen. Die aus den ausgeübten Aktienoptionen hervorgehenden neuen Aktien nehmen von Beginn des Geschäftsjahres an, in dem sie durch Ausübung des Bezugsrechts entstehen, am Gewinn teil. Neben Mitarbeitern der Gesellschaft und

ehemals verbundener Unternehmen, für die gemäß § 194 Abs. 3 AktG keine Angaben erforderlich sind, sind die folgenden Vorstandsmitglieder (bzw. ehemaligen Vorstandsmitglieder) zum Bezug der folgenden Anzahl von Aktien zugelassen (nach Reduzierung im Zuge der Kapitalherabsetzung 6:1):

Dr. Konrad Glund, Halle, i. H. v. bis zu Stück 912 Stammaktien,
Dr. Hendrik Liebers, Leipzig, i. H. v. bis zu Stück 2.128 Stammaktien,
Prof. Dr. Hans-Ulrich Demuth, Halle, i. H. v. bis zu Stück 912 Stammaktien

Bedingtes Kapital 2008/II
Die Höhe des Bedingten Kapitals 2008/II beträgt zum 31. Dezember 2014 EUR 16.950,00 (i. Vj. EUR 101.700,00). Davon sind EUR 15.666,00 (i. Vj. EUR 100.815,00) durch die Ausgabe von Optionen belegt.

Das Bedingte Kapital 2008/II dient zur Sicherung von Optionsrechten, die im Rahmen des Stock Option Programm 2007 ausgegeben wurden. Eine Neuausgabe von Optionen unter diesem Programm ist nicht mehr möglich.

Die bedingte Kapitalerhöhung wird nur insoweit durchgeführt, als die Berechtigten der Aktienoptionen von ihrem Bezugsrecht Gebrauch machen. Die aus den ausgeübten Aktienoptionen hervorgehenden neuen Aktien nehmen von Beginn des Geschäftsjahres an, in dem sie durch Ausübung des Bezugsrechts entstehen, am Gewinn teil. Neben Mitarbeitern der Gesellschaft und ehemals verbundener Unternehmen, für die gemäß § 194 Abs. 3 AktG keine Angaben erforderlich sind, sind die folgenden Vorstandsmitglieder (bzw. ehemaligen Vorstandsmitglieder) zum Bezug der folgenden Anzahl von Aktien zugelassen (nach Reduzierung im Zuge der Kapitalherabsetzung 6:1):

Dr. Konrad Glund, Halle, i. H. v. bis zu Stück 1.368 Stammaktien (vormals Vorzugsaktien der Serie A),
Dr. Hendrik Liebers, Leipzig, i. H. v. bis zu Stück 3.192 Stammaktien (vormals Vorzugsaktien der Serie A),
Prof. Dr. Hans-Ulrich Demuth, Halle, i. H. v. bis zu Stück 1.368 Stammaktien (vormals Vorzugsaktien der Serie A).

Bedingtes Kapital 2010/I
Die Höhe des Bedingten Kapitals 2010/I beträgt zum 31. Dezember 2014 EUR 85.901,00 (i. Vj. EUR 1.236.967,00). Davon sind EUR 85.899,00 (i. Vj. EUR 515.403,00) durch die Ausgabe von Optionen belegt. Die Reduzierung des Bedingten Kapitals erfolgte im Zuge der Kapitalherabsetzung im Verhältnis 6:1.

Das Bedingte Kapital 2010/I dient zur Sicherung von Optionsrechten, die im Rahmen des Stock Option Programm 2010 ausgegeben wurden. Eine Neuausgabe von Optionen unter diesem Programm ist nicht mehr möglich.

Die bedingte Kapitalerhöhung wird nur insoweit durchgeführt, als die Berechtigten der Aktienoptionen von ihrem Bezugsrecht Gebrauch machen. Die aus den ausgeübten Aktienoptionen hervorgehenden neuen Aktien nehmen von Beginn des Geschäftsjahres an, in dem sie durch Ausübung des Bezugsrechts entstehen, am Gewinn teil. Die folgenden Vorstandsmitglieder (bzw. ehemaligen Vorstandsmitglieder) sind zum Bezug der folgenden Anzahl von Aktien zugelassen (nach Reduzierung im Zuge der Kapitalherabsetzung 6:1):

Dr. Konrad Glund, Halle, i. H. v. bis zu Stück 28.633 Stammaktien,
Dr. Hendrik Liebers, Leipzig, i. H. v. bis zu Stück 28.633 Stammaktien,
Prof. Dr. Hans-Ulrich Demuth, Halle, i. H. v. bis zu Stück 28.633 Stammaktien.

Bedingtes Kapital 2013/I
Das Grundkapital des Gesellschaft ist durch Beschluss der Hauptversammlung vom 22. Juli 2013 um EUR 4.307.692,00 zur Gewährung von Umtauschrechten bzw. Umtauschpflichten aus Teilwandelschuldverschreibungen, die auf Grund des Beschlusses der Hauptversammlung vom gleichen Tage begeben wurden, bedingt erhöht (Bedingtes Kapital 2013/I). Die Zustimmung des Aufsichtsrates zur Begebung der Teilwandelschuldverschreibungen wurde am 22. Juli 2013 erteilt.

Unter Nutzung des Bedingten Kapitals 2013/I in Höhe von EUR 3.289.845,00 wurden am 21. August 2014 3.289.845 Bezugsaktien durch Wandlung der in 2013 gegebenen Wandelschuldverschreibungen ausgegeben. Nach Ausgabe dieser Bezugsaktien betrug das Bedingte Kapital 2013/I EUR 1.017.847,00.

Mit Beschluss vom 25. August 2014 wurde das noch verbliebene Bedingte Kapital 2013/I aufgehoben.

Bedingtes Kapital 2014/I
Mit Beschluss der Hauptversammlung vom 16. Mai 2014 wurde das Bedingte Kapital 2014/I geschaffen.

Das Grundkapital der Gesellschaft ist durch Beschluss der Hauptversammlung vom 16. Mai 2014 um EUR 3.692.300,00 zur Gewährung von Umtauschrechten bzw. Umtauschpflichten aus Teilwandelschuldverschreibungen, die auf Grund des Beschlusses der Hauptversammlung vom gleichen Tage begeben wurden, bedingt erhöht (Bedingtes Kapital 2014). Die Zustimmung des Aufsichtsrates zur Begebung der Teilwandelschuldverschreibungen wurde am 30. April 2014 erteilt.

Unter Nutzung des Bedingten Kapitals 2014 in Höhe von EUR 2.631.384 wurden am 21. August 2014 2.631.384 Bezugsaktien durch Wandlung der in 2014 gegebenen Wandelschuldverschreibungen ausgegeben. Nach Ausgabe dieser Bezugsaktien betrug das Bedingte Kapital 2014 noch EUR 1.060.916,00.

Mit Beschluss vom 25. August 2014 wurde das noch verbliebene Bedingte Kapital 2014/I aufgehoben.

Bedingtes Kapital 2014/II
Mit Beschluss der Hauptversammlung vom 29. September 2014 wurde das Bedingte Kapital 2014/I geschaffen.

Das Grundkapital der Gesellschaft ist um nominal bis zu EUR 410.018,00 durch Ausgabe von bis zu Stück 410.018 auf den Inhaber lautenden nennwertlosen Stammaktien bedingt erhöht (Bedingtes Kapital 2014/1). Die bedingte Kapitalerhöhung dient der Einlösung von Aktienoptionen gemäß § 192 Abs. 2 Nr. 3 AktG, die im Rahmen des Stock Option Programm 2014 (in der Fassung der Beschlüsse der Hauptversammlung vom 29. September 2014) ausgegeben wurden. Die bedingte Kapitalerhöhung wird nur insoweit durchgeführt, als die Berechtigten der Aktienoptionen von ihrem Bezugsrecht Gebrauch machen. Die aus den ausgeübten Aktienoptionen hervorgehenden neuen Aktien nehmen von Beginn des Geschäftsjahres an, in dem sie durch Ausübung des Bezugsrechts entstehen, am Gewinn teil.

Folgende Vorstandsmitglieder sind zum Bezug der folgenden Anzahl von Aktien zugelassen:

Dr. Konrad Glund, Halle, i. H. v. bis zu Stück 104.834 Stammaktien,
Dr. Inge Lues, Seeheim-Jugenheim, i. H. v. bis zu Stück 104.834 Stammaktien und
Dr. Hendrik Liebers, Leipzig, i. H. v. bis zu Stück 104.833 Stammaktien.

Aktienoptionen

1. Im Rahmen des von der Hauptversammlung und des Aufsichtsrates am 29. September 2014 beschlossenen Stock Option Programmes wurde der Vorstand ermächtigt, bis zum 31. Dezember 2016 einmalig oder mehrmals bis zu 410.018 Optionen an derzeitige und zukünftige Mitarbeiter und Mitglieder des Vorstands auszugeben, wobei der generelle Mechanismus der Verteilung der Optionen der Zustimmung des Aufsichtsrates bedarf. Soweit Bezugsrechte an Mitglieder des Vorstands der Gesellschaft ausgegeben werden, ist nur der Aufsichtsrat zur Ausgabe berechtigt.

   Die Optionen sollen den jeweiligen Begünstigten nach Maßgabe der Optionsbedingungen berechtigen, neue Stammaktien der Gesellschaft zu erwerben.

2. Der Kreis der Bezugsberechtigten setzt sich bei einem Gesamtvolumen der maximal zur Verfügung stehenden Stück 410.018 Optionen wie folgt zusammen:

   a) Auf gegenwärtige und zukünftige Mitglieder des Vorstands der Gesellschaft entfallen bis zu Stück 314.501 Optionen. Nicht ausgeschöpfte Optionen können an die Begünstigten nach lit. b) ausgegeben werden.

   b) Auf gegenwärtige und zukünftige Mitarbeiter der Gesellschaft entfallen bis zu Stück 95.517 Optionen.

3. Die im Rahmen des Stock Option Programms 2014 ausgegebenen Optionen können nur innerhalb von acht Jahren nach ihrer Ausgabe ausgeübt werden.

4. Durch Ausübung der Optionen können jeweils im Verhältnis 1:1 auf den Inhaber lautende nennwertlose Stammaktien gegen Zahlung des jeweiligen Basispreises bezogen werden. Nach einer Umstellung der Aktien der Probiodrug AG auf Namensaktien können auf den Namen lautende Stammaktien bezogen werden.

   Der Vorstand ist ermächtigt, mit Zustimmung des Aufsichtsrats - soweit Optionen von Vorstandsmitgliedern betroffen sind, entscheidet allein der Aufsichtsrat - den Aktienbezug bei Kapitalmaßnahmen oder einer Umwandlung der Gesellschaft anzupassen. Eventuell entstehende Bruchteile von Optionen oder Aktien werden abgerundet.

   Der Basispreis für eine Option, die vor dem Börsengang der Gesellschaft ausgegeben wird, entspricht dem Ausgabepreis im Rahmen des Börsengangs.

   Der Basispreis für eine Option, die nach dem Börsengang gemäß Ziffer 5c) (i) ausgegeben wird, entspricht dem einfachen Durchschnitt der Maßgeblichen Börsenkurse an sämtlichen Börsenhandelstagen vor Ausgabe der Option.

   Der Basispreis für eine Option, die nach dem Börsengang gemäß Ziffer 5c) (ii) ausgegeben wird, entspricht dem einfachen Durchschnitt der Maßgeblichen Börsenkurse der letzten zwanzig Börsenhandelstage vor der Ausgabe der Option.

   Der „Maßgebliche Börsenkurs“ ist der Schlusskurs der Aktie, der auf XETRA oder auf einem Nachfolgesystem von XETRA festgestellt wird, oder, bei Börsennotierung im Ausland, der entsprechende Börsenkurs an der ausländischen Börse. Wenn die Aktie von Probiodrug an mehreren Börsen notiert ist, sind die Kurse an der Börse mit den höchsten Handelsumsätzen in der Probiodrug-Aktie während des relevanten Zeitraums maßgebend.

   Der Vorstand kann mit Zustimmung des Aufsichtsrats wählen, ob die zur Erfüllung der ausgeübten Optionen erforderlichen Aktien aus dem zu diesem Zweck bestehenden Bedingten Kapital, aus zukünftig zu schaffendem Bedingten Kapital oder aus einem bestehenden bzw. von der Hauptversammlung künftig noch zu beschließenden Programm zum Erwerb eigener Aktien zur Verfügung gestellt werden. Alternativ kann dem Bezugsberechtigten nach Wahl des Vorstands mit Zustimmung des Aufsichtsrats ein Barausgleich gewährt werden. Der Barausgleich berechnet sich dabei aus der Differenz zwischen dem Basispreis und dem einfachen Durchschnitt der maßgeblichen Börsenkurse an den zehn Börsenhandelstagen vor dem Tag der Ausübung der Option. Soweit Optionen von Vorstandsmitgliedern betroffen sind, entscheidet allein der Aufsichtsrat.

5. Erwerbszeiträume

   a) Optionen können den Bezugsberechtigten einmalig oder in mehreren Tranchen bis zum 31. Dezember 2016 zum Erwerb angeboten werden.

   b) Vor einem Börsengang der Gesellschaft können Optionen innerhalb von dreißig Kalendertagen vor dem Börsengang ausgegeben werden.

   c) Nach einem Börsengang der Gesellschaft können Optionen

      i) innerhalb der ersten zwanzig Börsenhandelstage nach dem Börsengang und

      ii) innerhalb der ersten zwanzig Börsenhandelstage des ersten Quartals, des zweiten Quartals, des dritten Quartals und des vierten Quartals eines Geschäftsjahres ausgegeben werden.

6. Die Bezugsberechtigten können die Optionen ausüben,

   a) sobald mindestens vier Jahre nach ihrer Ausgabe vergangen sind und - soweit einschlägig -die Optionen unverfallbar geworden sind; und

   b) die Aktie im regulierten Markt oder Freiverkehr einer inländischen Börse oder an einer ausländischen Börse gehandelt wird („Börsengang“); und

c) sobald die bei Börsengang der Probiodrug AG mit der Börse oder den Emissionsbanken vereinbarte Haltefrist (lock up period) abgelaufen ist; in Zweifelsfällen soll eine Haltefrist von zwölf Monaten gelten; und

d) wenn der einfache Durchschnitt der Maßgeblichen Börsenkurse der letzten zwanzig Börsenhandelstage vor Ausübung der Option mindestens 10 % über dem Basispreis liegt (Erfolgsziel i. S. d. § 193 Abs. 2 Nr. 4 AktG).

7. Die Optionen dürfen im Hinblick auf § 193 Abs. 2 Nr. 4 AktG (Ausübungszeiträume) und zur Vermeidung von Insiderverstößen nach dem Wertpapierhandelsgesetz auch nach Ablauf der vierjährigen Mindestwartefrist und unbeschadet der Beachtung des Erfolgsziels nur dreimal im Geschäftsjahr innerhalb eines vierwöchigen Zeitraums ausgeübt werden. Diese Ausübungszeiträume beginnen am dritten Bankarbeitstag nach der ordentlichen Hauptversammlung, nach der Veröffentlichung des Berichts für das zweite Quartal und nach Veröffentlichung des Berichts für das dritte Quartal. Veröffentlicht die Gesellschaft keine Quartalsberichte können die Optionen nur einmal im Jahr innerhalb eines vierwöchigen Zeitraums ausgeübt werden, der am dritten Bankarbeitstag nach der ordentlichen Hauptversammlung beginnt.

   Darüber hinaus ist die Ausübung der Optionen ausgeschlossen von dem Tag an, an dem die Gesellschaft ein Angebot an ihre Aktionäre zum Bezug von neuen Aktien oder Teilschuldverschreibungen mit Wandel- oder Bezugsrechten durch Anschreiben an alle Aktionäre oder durch eine Veröffentlichung im Bundesanzeiger bekannt gibt, bis zu dem Tag, an dem die bezugsberechtigten Aktien erstmals „ex Bezugsrecht“ notiert werden.

8. Die Optionen sind nicht übertragbar.

   Nach dem Börsengang der Gesellschaft kann der Vorstand – und soweit Optionen des Vorstands betroffen sind, der Aufsichtsrat – beschließen, dass sämtliche Optionen oder ein Teil der Optionen nach Ablauf der vereinbarten Haltefristen im Rahmen des Börsengangs frei übertragbar und handelbar sind. In diesem Fall ist jede Veräußerung, Abtretung, Verpfändung oder sonstige Belastung von Optionen dem Vorstand bzw. der Ausübungsstelle schriftlich mitzuteilen.

9. Alle im Rahmen der Gewährung und Ausübung der Optionen etwaig anfallenden Steuern, einschließlich Kirchensteuer und Solidaritätszuschlag, sowie Sozialversicherungsbeiträge hat der Bezugsberechtigte selbst zu tragen.

   In 2014 wurden 314.501 Optionen auf den Inhaber lautende nennwertlose Stammaktien im Rahmen des Stock Option Programm 2014 an den Vorstand ausgegeben (siehe Bedingtes Kapital 2014/I).

Genehmigtes Kapital 2011/II
Mit Beschluss der Hauptversammlung vom 20. September 2011 wurde das Genehmigte Kapital 2011/II geschaffen. Der Vorstand der Probiodrug ist ermächtigt, mit Zustimmung des Aufsichtsrats das Grundkapital der Gesellschaft in der Zeit bis zum 31. Dezember 2013 einmalig oder mehrmals gegen Bareinlagen um bis zu EUR 207.807,00 durch Ausgabe von insgesamt bis zu 207.807 neuen, auf den Namen lautenden nennwertlosen Vorzugsaktien der Serie (B) zu erhöhen. Es wurde keine Kapitalerhöhung unter Nutzung des Genehmigten Kapitals 2011/II durchgeführt.

Mit Beschluss der Hauptversammlung vom 25. August 2014 wurde dieses genehmigte Kapital aufgehoben.

Genehmigtes Kapital 2014/I
Mit Beschluss der Hauptversammlung vom 9. Oktober 2014 wurde das Genehmigte Kapital 2014/I geschaffen.

Der Vorstand wird ermächtigt, mit Zustimmung des Aufsichtsrates das Grundkapital der Gesellschaft in der Zeit bis zum 30. September 2019 einmalig oder mehrmalig gegen Bareinlagen oder Sacheinlagen um bis zu EUR 2.620.846,00 durch Ausgabe von insgesamt bis zu 2.620.846 neuen, auf den Inhaber lautenden nennwertlosen Stammaktien zu erhöhen (Genehmigtes Kapital 2014/I). Der Vorstand wird ferner ermächtigt, mit Zustimmung des Aufsichtsrates die weiteren Einzelheiten der Kapitalerhöhung, ihrer Durchführung und der Bedingungen für die Ausgabe der Aktien aus dem Genehmigten Kapital 2014 festzulegen. Der Vorstand wird ermächtigt, mit Zustimmung des Aufsichtsrates das Bezugsrecht auszuschließen.

Die Hauptversammlung vom 23. Oktober 2014 beschloss die Erhöhung des Genehmigten Kapitals 2014/I von EUR 2.620.846,00 auf EUR 3.358.551,00. Die dem Vorstand und Aufsichtsrat in Bezug auf das Genehmigte Kapital 2014 erteilten Ermächtigungen wurden entsprechend angepasst.

Am 12. November 2014 beschloss der Vorstand mit Zustimmung des Aufsichtsrates, eine teilweise Nutzung des Genehmigten Kapitals in Höhe von EUR 48.796,00 zur Erhöhung des Grundkapitals gegen Bareinlage um EUR 48.796,00. Es wurden 48.796 auf den Inhaber lautenden nennwertlosen Stammaktien zu einem Ausgabepreis von EUR 1,00 je Aktie ausgegeben.

Das Genehmigte Kapital 2014/I beträgt zum 31. Dezember 2014 EUR 3.309.755,00.

Stimmrechtsmitteilungen
Angaben zum Bestehen einer Beteiligung am Bilanzstichtag

DIE CFH BETEILIGUNGSGESELLSCHAFT MBH, Leipzig, Deutschland hat uns gemäß § 21 Abs. 1a WpHG am 30. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 4,47% der Stimmrechte (234.239 Stimmrechte) beträgt. 0,75% der Stimmrechte (39.204 Stimmrechte) sind der CFH Beteiligungsgesellschaft mbH gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen.

DIE SÜD BETEILIGUNGEN GMBH, Stuttgart, Deutschland hat uns gemäß § 21 Abs. 1a WpHG am 30. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 4,47% der Stimmrechte (234.239 Stimmrechte) beträgt, dass 4,47% der Stimmrechte (234.239 Stimmrechte) der Süd Beteiligungen GmbH gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen sind und das die vorgenannten Stimmrechte, die der Süd Beteiligungen GmbH zuzurechnen sind, über das folgende von ihr kontrollierte Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug beträgt, gehalten werden: **CFH Beteiligungsgesellschaft mbH.**

DIE LANDESBANK BADEN-WÜRTTEMBERG, Stuttgart, Deutschland hat uns gemäß § 21 Abs. 1a WpHG am 30. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 4,47% der Stimmrechte (234.239 Stimmrechte) beträgt, dass 4,47% der Stimmrechte (234.239 Stimmrechte) der Landesbank Baden Württemberg gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen sind und dass die vorgenannten Stimmrechte, die der Landesbank Baden Württemberg zuzurechnen sind, über das folgende von ihr kontrollierte Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug beträgt, gehalten werden: **Süd Beteiligungen GmbH, CFH Beteiligungsgesellschaft mbH.**

COÖPERATIEF LSP IV U.A., Johannes Vermeerplein 9-1071 DV Amsterdam, Niederlande hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 8,45 % der Stimmrechte (442.806 Stimmrechte) beträgt.

LSP IV MANAGEMENT B.V., Amsterdam, Niederlande, hat uns gemäß § 21 Abs. 1 WpHG am 3. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 8,45 % (442.806 Stimmrechte) beträgt. 8,45 % der Stimmrechte (442.806 Stimmrechte) sind der LSP IV Management B.V., gemäß § 22 Abs. 2, Satz 1, Nr. 6 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der LSP IV Management B.V. zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **Coöperatief LSP IV U.A.**

LSP MANAGEMENT GROUP B.V., Amsterdam, Niederlande, hat uns gemäß § 21 Abs. 1a WpHG am 4. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 8,45 % (442.806 Stimmrechte) beträgt. 8,45 % der Stimmrechte (442.806 Stimmrechte) sind der LSP Management Group B.V., gemäß § 22 Abs. 2, Satz 1, Nr. 6 und Satz 2 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der LSP IV Management B.V. zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **Coöperatief LSP IV U.A.**

BIOTECH GROWTH N.V., Curacao, Niederländische Antillen hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 15,06 % der Stimmrechte (789.439 Stimmrechte) beträgt.

BB BIOTECH AG, Schaffhausen, Schweiz, hat uns gemäß § 21 Abs. 1a WpHG am 3. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am

27. Oktober 2014 15,06 % (789.439 Stimmrechte) beträgt. 15,06 % der Stimmrechte (789.439 Stimmrechte) sind der BB Biotech AG, gemäß § 22 Abs. 2, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der BB Biotech AG zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **Biotech Growth N.V.**

HBM HEALTHCARE INVESTMENTS (CAYMAN) LTD., George Town, Grand Cayman, Cayman Islands, hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 9,44 % der Stimmrechte (494.825 Stimmrechte) beträgt.

HBM HEALTHCARE INVESTMENTS AG, Zug, Schweiz, hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 9,44 % (494.825 Stimmrechte) beträgt. 9,44 % der Stimmrechte (494.825 Stimmrechte) sind der HBM Healthcare Investments AG, gemäß § 22 Abs. 2, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der HBM Healthcare Investments AG zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **HBM Healthcare Investments (Cayman) Ltd.**

EDMOND DE ROTHSCHILD INVESTMENT PARTNERS, Paris, Frankreich, hat uns gemäß § 21 Abs. 1a WpHG am 6. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 15,67 % (821.409 Stimmrechte) beträgt. 15,67% der Stimmrechte (821.409 Stimmrechte) sind der Edmond de Rothschild Investment Partners, gemäß § 22 Abs. 2, Satz 1, Nr. 6 WpHG zuzurechnen.

IBG RISIKOKAPITALFONDS I GMBH & CO. KG, Magdeburg, Deutschland, hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 9,51 % der Stimmrechte (498.549 Stimmrechte) beträgt.

IBG RISIKOKAPITALFONDS II GMBH & CO. KG, Magdeburg, Deutschland, hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 7,71 % der Stimmrechte (404.261 Stimmrechte) beträgt.

IBG BETEILIGUNGSVERWALTUNG KOMPLEMENTÄR GMBH, Magdeburg, Deutschland, hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 17,48% (916.435 Stimmrechte) beträgt. 17,48 % der Stimmrechte (916.435 Stimmrechte) sind der IBG Beteiligungsverwaltung Komplementär GmbH, gemäß § 22 Abs. 2, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der IBG Beteiligungsverwaltung Komplementär GmbH zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG.**

IBG BETEILIGUNGSGESELLSCHAFT SACHSEN-ANHALT MBH, Magdeburg, Deutschland, hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 18,12% (949.607 Stimmrechte) beträgt. 17,48 % der Stimmrechte (916.435 Stimmrechte) sind der IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH, gemäß § 22 Abs. 2, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **IBG Beteiligungsverwaltung Komplementär GmbH IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG.**

SACHSEN-ANHALT, LAND – MINISTERIUM DER FINANZEN DES LANDES SACHSEN-ANHALT, Magdeburg, Deutschland, hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 18,12% (949.607 Stimmrechte) beträgt. 18,12% der Stimmrechte (949.607 Stimmrechte) sind dem Land Sachsen-Anhalt, gemäß § 22 Abs. 2, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die dem Land Sachsen-Anhalt zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3% oder mehr an Probiodrug betragen, gehalten: **IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH, IBG Beteiligungsverwaltung Komplementär GmbH IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG.**

BIOGEN IDEC MA INC., Cambridge, Massachusetts, USA, hat uns gemäß § 21 Abs. 1a WpHG am 5. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 4,04 % der Stimmrechte (211.651 Stimmrechte) beträgt.

BIOGEN IDEC INC., Cambridge, Massachusetts, USA, hat uns gemäß § 21 Abs. 1a WpHG am 30. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 4,04 % (211.651 Stimmrechte) beträgt. 4,04 % der Stimmrechte (211.651 Stimmrechte) sind der Biogen Idec Inc., gemäß § 22 Abs. 2, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der Biogen Idec Inc. zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **Biogen Idec MA Inc.**

TVM V LIFE SCIENCE VENTURE GMBH & CO. KG, München, Deutschland, hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 9,53 % der Stimmrechte (499.368 Stimmrechte) beträgt.

TVM V LIFE SCIENCE MANAGEMENT GMBH & CO. KG, München, Deutschland, hat uns gemäß § 21 Abs. 1a WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 9,53 % der Stimmrechte (499.368 Stimmrechte) beträgt. 9,53 % der Stimmrechte (499.368 Stimmrechte) sind der TVM V Life Science Management GmbH & Co. KG, gemäß § 22 Abs. 2, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der TVM V Life Science Management GmbH & Co. KG zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **TVM V Life Science Venture GmbH & Co. KG**

WELLINGTON HEDGE MANAGEMENT, LLC, BOSTON, MASSACHUSETTS, USA, hat uns gemäß § 21 Abs. 1a WpHG am 6. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 3,05 % der Stimmrechte (160.049 Stimmrechte) beträgt. 3,05 % der Stimmrechte (160.049 Stimmrechte) sind der Wellington Hedge Management, LLC gemäß § 22 Abs.2 Satz 1 Nr. 1 WpHG zuzurechnen.

WELLINGTON MANAGEMENT COMPANY, LLC, BOSTON, MASSACHUSETTS, USA, hat uns gemäß § 21 Abs. 1a WpHG am 6. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 27. Oktober 2014 4,06 % der Stimmrechte (212.771 Stimmrechte) beträgt. 4,06 % der Stimmrechte (212.771 Stimmrechte) sind der Wellington Management Company, LLC, gemäß § 22 Abs. 2, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der Wellington Management Company, LLC zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **Wellington Hedge Management, LLC**

JP MORGAN ASSET MANAGEMENT, (UK) Limited, London, Großbritanien, hat uns gemäß § 21 Abs. 1 WpHG am 31. Oktober 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 31. Oktober 2014 die Schwelle von 3 % der Stimmrechte überschritten hat und der Stimmrechtsanteil 3,87 % (260.000 Stimmrechte) beträgt. 3,87 % der Stimmrechte (260.000 Stimmrechte) sind der JP Morgan Asset Management (UK) Limited gemäß § 22 Abs. 1, Satz 1, Nr. 6 WpHG zuzurechnen.

HBM HEALTHCARE INVESTMENTS, (CAYMAN) LTD, George Town, Grand Cayman Islands, hat uns gemäß § 21 Abs. 1 WpHG am 5. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 29. Oktober 2014 die Schwelle von 10% der Stimmrechte überschritten hat und der Stimmrechtsanteil 11,28 % (757.482 Stimmrechte) beträgt.

HBM HEALTHCARE INVESTMENTS AG, Zug, Schweiz, hat uns gemäß § 21 Abs. 1 WpHG am 5. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 29. Oktober 2014 die Schwelle von 10 % der Stimmrechte überschritten hat und der Stimmrechtsanteil 11,28 % (757.482 Stimmrechte) beträgt. 11,28 % der Stimmrechte (757.482 Stimmrechte) sind der HBM Healthcare Investments AG gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der HBM Healthcare Investments AG zuzurechnen sind, werden über das folgende von ihr kontrollierte Unternehmen, deren Stimmrechtsanteil jeweils 3% oder mehr an Probiodrug beträgt, gehalten: **HBM Healthcare Investments (Cayman) Ltd.**

EDMOND DE ROTHSCHILD INVESTMENT PARTNERS, Paris, Frankreich, hat uns gemäß § 21 Abs. 1 WpHG am 6. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 29. Oktober 2014 unter die Schwelle von 15 % der Stimmrechte gefallen ist und der Stimmrechtsanteil 14,43 % (969.613 Stimmrechte) beträgt. 14,43 % der Stimmrechte (969.613 Stimmrechte) sind der Edmond de Rothschild Investment Partners gemäß § 22 Abs. 1, Satz 1, Nr. 6 WpHG zuzurechnen.

IBG BETEILIGUNGSVERWALTUNG KOMPLEMENTÄR GMBH, Magdeburg, Deutschland, hat uns gemäß § 21 Abs. 1 WpHG am 5. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 29. Oktober 2014 unter die Schwelle von 15 % der Stimmrechte gefallen ist und der Stimmrechtsanteil 13,64 % (916.435 Stimmrechte) beträgt. 13,64 % der Stimmrechte (916.435 Stimmrechte) sind der IBG Beteiligungsverwaltung Komplementär GmbH gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der IBG Beteiligungsverwaltung Komplementär GmbH zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3% oder mehr an Probiodrug betragen, gehalten: **IBG Risikokapitalfonds I GmbH & Co. KG., IBG Risikokapitalfonds II GmbH & Co. KG.**

IBG BETEILIGUNGSGESELLSCHAFT SACHSEN-ANHALT MBH, Magdeburg, Deutschland, hat uns gemäß § 21 Abs. 1 WpHG am 5. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 29. Oktober 2014 unter die Schwelle von 15 % der Stimmrechte gefallen ist und der Stimmrechtsanteil 14,14 % (949.607 Stimmrechte) beträgt. 13,64 % der Stimmrechte (916.435 Stimmrechte) sind der IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **IBG Beteiligungsverwaltung Komplementär GmbH, IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG.**

SACHSEN-ANHALT, LAND – MINISTERIUM DER FINANZEN DES LANDES SACHSEN-ANHALT, Magdeburg, Deutschland, hat uns gemäß § 21 Abs. 1 WpHG am 5. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 29. Oktober 2014 unter die Schwelle von 15 % der Stimmrechte gefallen ist und der Stimmrechtsanteil 14,14 % (949.607 Stimmrechte) beträgt. 14,14 % der Stimmrechte (949.607 Stimmrechte) sind dem Land Sachsen-Anhalt gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die dem Land Sachsen-Anhalt zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3% oder mehr an Probiodrug betragen, gehalten: **IBG Beteiligungsgesellschaft Sachsen-Anhalt mbH, IBG Beteiligungsverwaltung Komplementär GmbH, IBG Risikokapitalfonds I GmbH & Co. KG, IBG Risikokapitalfonds II GmbH & Co. KG.**

KEMPEN & CO. N.V., Amsterdam, Niederlande, hat uns gemäß § 21 Abs. 1 WpHG am 4. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 29. Oktober 2014 die Schwellen von 3 und 5 % der Stimmrechte überschritten hat und der Stimmrechtsanteil 8,46 % (568.390 Stimmrechte) beträgt.

F. VAN LANSCHOT BANKIERS N.V., 52 JN, ´s-Hertogenbosch, Niederlande, hat uns gemäß § 21 Abs. 1 WpHG am 4. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 29. Oktober 2014 die Schwellen von 3 und 5 % der Stimmrechte überschritten hat und der Stimmrechtsanteil 8,46 % (568.390 Stimmrechte) beträgt. 8,46% der Stimmrechte (568.390 Stimmrechte) sind der F. van Lanschot Bankiers N.V., gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der F. van Lanschot Bankiers N.V. zuzurechnen sind, werden über das folgende von ihr kontrollierte Unternehmen, dessen Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug beträgt, gehalten: **Kempen & Co. N.V.**

VAN LANSCHOT N.V., 52 JN, ´s-Hertogenbosch, Niederlande, hat uns gemäß § 21 Abs. 1 WpHG am 5. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 29. Oktober 2014 die Schwellen von 3 und 5 % der Stimmrechte überschritten hat und der Stimmrechtsanteil 8,46 % (568.390 Stimmrechte) beträgt. 8,46 % der Stimmrechte (568.390 Stimmrechte) sind der Van Lanschot N.V., gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der Van Lanschot N.V. zuzurechnen

sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **F. van Lanschot Bankiers N.V., Kempen & Co. N.V.**

KEMPEN & CO. N.V., Amsterdam, Niederlande, hat uns gemäß § 21 Abs. 1 WpHG am 4. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 31. Oktober 2014 unter die Schwelle von 5% der Stimmrechte gefallen ist und der Stimmrechtsanteil 4,93 % (330.802 Stimmrechte) beträgt.

F. VAN LANSCHOT BANKIERS N.V., 52 JN, ´s-Hertogenbosch, Niederlande, hat uns gemäß § 21 Abs. 1 WpHG am 4. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 31. Oktober 2014 unter die Schwelle von 5% der Stimmrechte gefallen ist und der Stimmrechtsanteil 4,93 % (330.802 Stimmrechte) beträgt. 4,93 % der Stimmrechte (330.802 Stimmrechte) sind der F. van Lanschot Bankiers N.V. gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der F. van Lanschot Bankiers N.V. zuzurechnen sind, werden über das folgende von ihr kontrollierte Unternehmen, dessen Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug beträgt, gehalten: **Kempen & Co. N.V.**

VAN LANSCHOT N.V., 52 JN, ´s-Hertogenbosch, Niederlande, hat uns gemäß § 21 Abs. 1 WpHG am 5. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 31. Oktober 2014 unter die Schwelle von 5 % der Stimmrechte gefallen ist und der Stimmrechtsanteil 4,93 % (330.802 Stimmrechte) beträgt. 4,93% der Stimmrechte (330.802 Stimmrechte) sind der Van Lanschotrs N.V. gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen. Die vorgenannten Stimmrechte, die der Van Lanschot N.V. zuzurechnen sind, werden über die folgenden von ihr kontrollierten Unternehmen, deren Stimmrechtsanteil jeweils 3 % oder mehr an Probiodrug betragen, gehalten: **F. van Lanschot Bankiers N.V., Kempen & Co. N.V.**

KEMPEN & CO. N.V., Amsterdam, Niederlande, hat uns gemäß § 21 Abs. 1 WpHG am 11. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 3. November 2014 unter die Schwelle von 3% der Stimmrechte gefallen ist und der Stimmrechtsanteil 0,96 % (64.245 Stimmrechte) beträgt.

F. VAN LANSCHOT BANKIERS N.V., 52 JN, ´s-Hertogenbosch, Niederlande, hat uns gemäß § 21 Abs. 1 WpHG am 11. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 3. November 2014 unter die Schwelle von 3 % der Stimmrechte gefallen ist und der Stimmrechtsanteil 0,96 % (64.425 Stimmrechte) beträgt. 0,96 % der Stimmrechte (64.425 Stimmrechte) sind der F. van Lanschot Bankiers N.V. gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen.

VAN LANSCHOT N.V., 52 JN, ´s-Hertogenbosch, Niederlande, hat uns gemäß § 21 Abs. 1 WpHG am 11. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 3. November 2014 unter die Schwelle von 3% der Stimmrechte gefallen ist und der Stimmrechtsanteil 0,96 % (64.425 Stimmrechte) beträgt. 0,96 % der Stimmrechte (64.425 Stimmrechte) sind der Van Lanschot N.V., gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen.

WELLINGTON HEDGE MANAGEMENT, LLC, Boston, Massachusetts, USA, hat uns gemäß § 21 Abs. 1 WpHG am 11. November 2014 mitgeteilt, dass ihr Stimmrechtsanteil an der Probiodrug AG, Weinbergweg 22, 06120 Halle (Saale), Deutschland (ISIN DE0007921835) am 29. Oktober 2014 unter die Schwelle von 3% der Stimmrechte gefallen ist und der Stimmrechtsanteil 2,38 % (160.049 Stimmrechte) beträgt. 2,38 % der Stimmrechte (160.049 Stimmrechte) sind der Wellington Hedge Management, LLC, gemäß § 22 Abs. 1, Satz 1, Nr. 1 WpHG zuzurechnen.

Kapitalrücklage
Die Kapitalrücklage beträgt zum 31. Dezember 2014 EUR 22.016.465,55 (i. Vj. EUR 51.467.571,73).

Im Zusammenhang mit der Wandlung der Wandelschuldverschreibungen in Höhe von EUR 9.622.000,00 im August 2014 wurden EUR 3.700.771,00 in die Kapitalrücklage eingestellt.

Am 05. September 2014 beschloss der Vorstand zur Vorbereitung der einfachen Kapitalherabsetzung gemäß § 229 Abs. 1 AktG

die Kapitalrücklage gemäß § 229 Abs. 2 AktG bis auf einen verbleibenden Restbetrag von EUR 296.544,30 aufzulösen. Die Auflösung der Rücklage erfolgte in Höhe von EUR 54.871.798,43.

Im Zusammenhang mit den im Geschäftsjahr erfolgten Kapitalerhöhungen durch Bareinzahlungen im Rahmen des IPO wurden Einzahlungen in die Kapitalrücklage gemäß § 272 Abs. 2 Nr. 4 HGB in Höhe von EUR 21.719.921,25 geleistet.

Gewinnrücklage
In die gesetzliche Rücklage ist unverändert der Betrag in Höhe von EUR 227.625,00 gemäß § 150 Abs. 2 AktG eingestellt.

Bilanzverlust
Der Bilanzverlust zum 31. Dezember 2014 beträgt EUR 12.480.753,10 und hat sich im Geschäftsjahr wie folgt entwickelt:

T73

	EUR	EUR
Bilanzverlust zum 31. Dezember 2013		81.301.659,82
Jahresfehlbetrag des Jahres 2014		12.259.356,71
Veränderungen im Rahmen der einfachen Kapitalherabsetzung		
Auflösung der Kapitalrücklage	−54.871.798,43	
Ertrag aus der Kapitalherabsetzung	−26.208.465,00	−81.080.263,43
Bilanzverlust zum 31. Dezember 2014		**12.480.753,10**

Steuerrückstellungen
Laut Prüfungsbericht des Finanzamtes Halle/Saale vom 25. Juni 2009 der in 2008 durchgeführten Betriebsprüfung ist der Betriebsgewinn des Jahres 2004 rückwirkend um ca. TEUR 10.010 zu erhöhen.

Die Gesellschaft hat am 5. Oktober 2009 gegen die geänderten Bescheide über Körperschaftsteuer und Solidaritätszuschlag 2004 Einspruch eingelegt. Dem aus den Bescheiden resultierenden Risiko hatte die Gesellschaft aus Vorsichtsgründen bereits in 2008 durch die Bildung einer Steuerrückstellung Rechnung getragen. Mit einer im September 2013 ergangenen Einspruchsentscheidung des Finanzamtes wurden die Bescheide über Körperschaftsteuer und Solidaritätszuschlag 2004 geändert und die Steuerschuld geringfügig vermindert, im Übrigen wurde der Einspruch abgewiesen. Darüber hinaus erging im Oktober 2013 ein geänderter Gewerbesteuerbescheid für den Erhebungszeitraum 2004. Den vorgenannten Risiken einschließlich der aufgelaufenen Zinsen wurde durch eine Erhöhung der Steuerrückstellungen zum 31. Dezember 2014 um TEUR 98 auf TEUR 2.543 Rechnung getragen.

Gegen die geänderten Bescheide wurde Klage eingereicht, über die derzeit noch nicht entschieden worden ist. Die Aussetzung der Vollziehung der angefochtenen Bescheide wurde jeweils gewährt.

Pensionsrückstellungen
Die Berechnung der Pensionsrückstellungen erfolgte mit einem Abzinsungssatz von 4,53 %. Als weiterer Berechnungsparameter wurde ein Rententrend in Höhe 1,5 % herangezogen.

Im Geschäftsjahr wurden Personalaufwendungen im Zusammenhang mit den Pensionsverpflichtungen in Höhe von TEUR 74 (i. Vj. TEUR 64) und laufende Zinsaufwendungen in Höhe von TEUR 42 (i. Vj. TEUR 42) erfasst. Im Zinsaufwand wurden Erträge aus dem Deckungsvermögen in Höhe von TEUR 4 (i. Vj. TEUR 5) saldiert ausgewiesen.

Der beizulegende Zeitwert des Deckungsvermögens entspricht dem Aktivwert der verpfändeten Lebensversicherungen und beträgt zum 31. Dezember 2014 TEUR 635 (i. Vj. TEUR 574). Dieser wurde gemäß § 246 Abs. 2 HGB mit dem Erfüllungsbetrag der Pensionsrückstellungen in Höhe von TEUR 1.005 (i. Vj. TEUR 895) saldiert. Die bilanzierte Pensionsrückstellung beträgt TEUR 370 (i. Vj. TEUR 321).

Sonstige Rückstellungen
Die sonstigen Rückstellungen beinhalten Rückstellungen aus den in 2010 und 2013 ausgegebenen Phantom-Stock-Optionen (TEUR 754; i. Vj. TEUR 719), sonstige personalbezogene Rückstellungen (TEUR 141; i. Vj. TEUR 126), Rückstellungen für Abschluss und Prüfung (TEUR 76; i. Vj. TEUR 39), Rückstellungen für ausstehende Rechnungen (TEUR 83; i. Vj. TEUR 438) sowie Rückstellungen aus der sonstigen Geschäftstätigkeit des Unternehmens (TEUR 53; i. Vj. TEUR 53).

Die Rückstellungen für Phantom-Stock-Optionen werden als aktienbasierte Vergütungstransaktion mit Barausgleich mit dem beizulegenden Zeitwert angesetzt. Die Bewertung erfolgte mittels einer Monte-Carlo-Simulation, wobei folgende Faktoren bei der Berechnung des beizulegenden Zeitwertes berücksichtigt worden sind:

- der Ausübungspreis des Optionsrechtes gemäß den jeweiligen Optionsbedingungen
- die Laufzeit des Optionsrechts (bis 27. Oktober 2015)
- der aktuelle Kurs der zu Grunde liegenden Aktien mit EUR 20,00
- die erwartete Volatilität des Aktienkurses mit 40 % sowie
- der risikolose Zins für die Laufzeit des Optionsrechts mit –0,04 %.

Verbindlichkeiten
Die am Bilanzstichtag bestehenden Verbindlichkeiten haben wie im Vorjahr sämtlich eine Restlaufzeit von bis zu einem Jahr.

IV. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG

Sonstige betriebliche Erträge
Unter den sonstigen betrieblichen Erträgen des Geschäftsjahres sind ausgewiesen:

T74

	2014	2013
	TEUR	TEUR
Erträge aus der Auflösung von Rückstellungen	220	88
Sonstige periodenfremde Erträge	0	10
Aufwandsbezogene Forschungs- und sonstige Zuschüsse	9	453
Erträge aus Anlagenverkäufen	6	150
Erträge aus Währungskursdifferenzen	2	3
	237	**704**

Sonstige betriebliche Aufwendungen
Die sonstigen betrieblichen Aufwendungen beinhalten periodenfremde Aufwendungen in Höhe von TEUR 77 (i. Vj. TEUR 79) sowie Aufwendungen aus Währungskursdifferenzen in Höhe von TEUR 3 (i. Vj. TEUR 1).

Außerordentliche Aufwendungen
Die außerordentlichen Aufwendungen in Höhe von TEUR 2.232 (i. Vj. TEUR 0) umfassen insgesamt die Aufwendungen für den Börsengang an die Euronext/Amsterdam.

V. ERLÄUTERUNGEN ZUR KAPITALZUFLUSSRECHNUNG

Der Cash-Flow aus laufender Geschäftstätigkeit beinhaltet gezahlte Zinsen in Höhe von TEUR 90 (i. Vj. TEUR 0) und erhaltene Zinsen in Höhe von TEUR 3 (i. Vj. TEUR 9).

Von den im Geschäftsjahr insgesamt gezahlten Transaktionskosten in Höhe von TEUR 2.232 sind der Kapitalerhöhung im Rahmen des Börsengangs TEUR 1.758 zuzurechnen.

Die nicht zahlungswirksamen Aufwendungen des Vorjahres betreffen Zinsaufwendungen im Zusammenhang mit ausgegebenen Wandelschuldverschreibungen.

VI. SONSTIGE ANGABEN

Fördermittel

Die Probiodrug AG hat bis einschließlich des Geschäftsjahres 2014 öffentliche Zuschüsse zur Projektförderung erhalten. Darüber hinaus werden von Seiten des Bundesministeriums für Bildung und Forschung weitere Zuschüsse gewährt. Die Zuschüsse stehen teilweise unter dem Vorbehalt der Nachprüfung.

Vorschlag zur Ergebnisverwendung

Der Vorstand schlägt folgende Ergebnisverwendung vor:

Der Bilanzverlust beträgt EUR – 12.480.753,10. Dieser wird auf neue Rechnung vorgetragen.

Durchschnittliche Zahl der während des Geschäftsjahres beschäftigten Arbeitnehmer

Die nachfolgenden Arbeitnehmergruppen waren während des Geschäftsjahres im Unternehmen beschäftigt:

ARBEITNEHMERGRUPPEN T75

	2014	2013
Vorstandsmitglieder	2	2
Angestellte	10	17

Sonstige finanzielle Verpflichtungen

Der Gesamtbetrag sonstiger finanzieller Verpflichtungen zum 31. Dezember 2014 beträgt TEUR 260 (i. Vj. TEUR 183).

Angaben zu Gesellschaftsorganen

Vorstand

Während des abgelaufenen Geschäftsjahres wurden die Geschäfte des Unternehmens durch die Mitglieder des Vorstandes

Herr Dr. Konrad Glund (Dipl.-Biochemiker) – CEO, Sprecher

Herr Dr. Hendrik Liebers (Dipl.-Biologe, Dipl.-Kaufmann), CFO
Mitglied des Aufsichtsrates der Löser Medizintechnik GmbH, Leipzig

Frau Dr. Inge Lues (Dipl.-Biologe), CDO (ab 1. November 2014)

geführt.

Sie sind sämtlich alleinvertretungsberechtigt. Frau Dr. Lues ist darüber hinaus von den Beschränkungen des § 181 BGB befreit.

Zu den Vergütungen der Vorstände verweisen wir auf den Vergütungsbericht als Bestandteil des Lageberichts.

Angabe der Gesamtbezüge ehemaliger Vorstandsmitglieder

Für ehemalige Vorstandsmitglieder wurden im Geschäftsjahr TEUR 43 in die Pensionsrückstellung eingestellt.

Aufsichtsrat
Zu Mitgliedern des Aufsichtsrates wurden bestellt:

Dr. Erich Platzer, Arzt, Basel/ Schweiz – Vorsitzender
- Member of the Board of Directors, Aptose Biosciences, Toronto, Canada
- Eigentümer und Geschäftsführer Platzer Consult Gmbh, Basel, Schweiz
- Alleinaktionär und Verwaltungsrat, Platzer Invest AG, Basel, Schweiz
- Verwaltungsrat-Präsident credentis AG, Windisch, Schweiz
- Verwaltungsrat-Präsident Advanced Osteotomy Tools AG, Basel, Schweiz
- Verwaltungsrat-Mitglied Viroblock SA, Plans-les-Ouates (Genf), Schweiz
- Verwaltungsrat-Mitglied Léman Micro Devices SA, Lausanne, Schweiz

Dr. Dinnies von der Osten, Geschäftsführer, Berlin – stellv. Vorsitzender
- Geschäftsführer, GoodVent Beteiligungsmamangement GmbH & Co. KG, Magdeburg
- Beirat Market Logic Software AG, Berlin

Prof. Dr. Georg Frank, Biologe, Dessau
- Aufsichtsratsvorsitzender der Metropolregion Mitteldeutschland Management GmbH, Leipzig
- Aufsichtsratsmitglied der Mitteldeutschen Flughafen AG, Leipzig

Dr. Olivier Litzka, Partner bei Edmond de Rothschild Investment Partners Paris
- Mitglied des Aufsichtsrats, Noxxon Pharma AG, Berlin
- Mitglied des Aufsichtsrats, SuperSonic Imagine, Aix-en-Provence, France
- Member of the board of directors, JenaValve Technology Inc., Munich and Irvine/USA
- Mitglied des Beirates, Allecra Therapeutics GmbH, Weil am Rhein, - bis August 2014
- Mitglied des Beirates, Sapiens Steering Brain Stimulation BV, Eindhoven, Niederlande, bis September 2014

Dr. Jörg Neermann, Geschäftsführer, München
- Geschäftsführer LSP Services Deutschland GmbH, München
- Mitglied des Aufsichtsrates, Activaero GmbH, Gmünden/Wohra, bis 18.3.2014
- Mitglied des Aufsichtsrates, Ventaleon GmbH, Gauting
- Mitglied des Aufsichtsrates, Affimed AG, Heidelberg, bis 4.12.2014
- Mitglied des Aufsichtsrates, Eyesense AG, Basel, Schweiz
- Mitglied des Aufsichtsrates, Curetis AG, Holzgerlingen

Dr. Hubert Birner, Geschäftsführender Partner, München – seit 25. August 2014
- Geschäftsführer TVM Capital GmbH, München
- Geschäftsführer TVM Life Science Management Inc., Montreal, Kanada
- Geschäftsführer TVM Life Science Management GmbH, München
- Chairman of the Board of Argos Therapeutics Inc., Durham, USA
- Member of the Board of Directors of Proteon Therapeutics, Inc. Boston, USA
- Chairman of the Board of SpePharm Holding B.V. ,Amsterdam, Niederlande

Dr. Axel Polack, Arzt – bis 7. Juli 2014

Die Bezüge des Aufsichtsrats beliefen sich im abgelaufenen Geschäftsjahr auf insgesamt TEUR 18.

Die Amtszeit des Aufsichtsrates endet mit Ablauf der Hauptversammlung, die über die Entlastung des Aufsichtsrates für das Geschäftsjahr 2014 beschließt.

Honorare des Abschlussprüfers
Das für das Geschäftsjahr berechnete Honorar des Abschlussprüfers setzt sich wie folgt zusammen:

T76

TEUR	
Abschlussprüfungskosten	135
davon für das Vorjahr	(83)
Andere Bestätigungsleistungen	50
Sonstige Leistungen	23
	208

Entsprechenserklärung nach § 161 AktG

Die nach § 161 AktG vorgeschriebene Entsprechenserklärung zum Corporate Governance Kodex wurde von Vorstand und Aufsichtsrat abgegeben und den Aktionären auf der Internetseite der Probiodrug zugänglich gemacht.

Halle, den 25. Februar 2015

Dr. Konrad Glund **Dr. Hendrik Liebers** **Dr. Inge Lues**

ANLAGE: ENTWICKLUNG DES ANLAGEVERMÖGENS IM GESCHÄFTSJAHR 2014

	Anschaffungs- und Herstellungskosten			
	01.01.2014	Zugänge	Abgänge	31.12.2014
	EUR	EUR	EUR	EUR
I. Immaterielle Vermögensgegenstände				
Entgeltlich erworbene ähnliche Rechte, Lizenzen und Software	255.225,88	10.041,01	13.000,00	252.266,89
II. Sachanlagen				
1. Bauten auf fremden Grundstücken	181.002,98	0,00	0,00	181.002,98
2. Andere Anlagen, Betriebs- und Geschäftsausstattung	2.216.848,84	2.039,91	1.643.690,34	575.198,41
	2.397.851,82	**2.039,91**	**1.643.690,34**	**756.201,39**
III. Finanzanlagen				
1. Anteile an verbundenen Unternehmen	5.380.434,48	0,00	5.380.434,48	0,00
2. Beteiligungen	3.450,00	0,00	0,00	3.450,00
	5.383.884,48	**0,00**	**5.380.434,48**	**3.450,00**
	8.036.962,18	**12.080,92**	**7.037.124,82**	**1.011.918,28**

C. LAGEBERICHT FÜR DAS GESCHÄFTSJAHR 2014

1. GRUNDLAGEN DES UNTERNEHMENS

Rechtliche Struktur

Die Probiodrug AG – im folgenden „Probiodrug AG", „Probiodrug" oder auch das „Unternehmen" ist eine Aktiengesellschaft deutschen Rechts mit Sitz in Halle/Saale. Sie hat eine Tochtergesellschaft, die Probiodrug Inc., USA. Alle operativen Tätigkeiten und Assets sind in der Probiodrug AG konzentriert; die Probiodrug Inc. übt derzeit keine operative Geschäftstätigkeit aus und hält keine Vermögensgegenstände. Das Tochterunternehmen Ingenium Pharmaceuticals GmbH ist in 2014 veräußert worden.

Geschäftstätigkeit

Die Probiodrug AG ist ein biopharmazeutisches Unternehmen, welches sich auf die Forschung und Entwicklung neuer therapeutischer Produkte für die Behandlung der Alzheimer`schen Erkrankung (im Folgenden auch „Alzheimer" oder „AD") fokussiert.

Probiodrug ist in Halle, Deutschland domiziliert und wurde 1997 von Prof. Dr. Hans-Ulrich Demuth und Dr. Konrad Glund gegründet und entwickelte erfolgreich ein neuartiges Therapiekonzept für die Behandlung von Diabetes Typ 2 – den DP4 Inhibitoren oder auch Gliptinen. Heute ist Probiodrugs Ziel, eine führende Unternehmung im Bereich der Entwicklung von Behandlungen von Alzheimer zu werden und damit einen Beitrag zur Lebensqualitätsverbesserung von Patienten zu leisten.

Probiodrug hat ein neues therapeutisches Konzept identifiziert, welches sowohl die Krankheitsauslösung als auch die Progression adressiert. Die Entwicklungsansätze targetieren pyroglutaminiertes Abeta (pGlu-Abeta), insbesondere durch die Hemmung des Enzyms Glutaminyl-Cyclase („QC"), als eine therapeutische Strategie zur Bekämpfung von AD.

T77

			Kumulierte Abschreibungen			Buchwerte
	01.01.2014	Abschreibungen des Geschäftsjahres	Abgänge	31.12.2014	31.12.2014	31.12.2013
	EUR	EUR	EUR	EUR	EUR	EUR
	154.357,82	26.407,47	10.069,53	170.695,76	81.571,13	100.868,06
	146.446,96	6.910,07	0,00	153.357,03	27.645,95	34.556,02
	1.930.861,75	60.528,49	1.489.699,14	501.691,10	73.507,31	285.987,09
	2.077.308,71	**67.438,56**	**1.489.699,14**	**655.048,13**	**101.153,26**	**320.543,11**
	5.380.433,48	0,00	5.380.433,48	0,00	0,00	1,00
	0,00	0,00	0,00	0,00	3.450,00	3.450,00
	5.380.433,48	**0,00**	**5.380.433,48**	**0,00**	**3.450,00**	**3.451,00**
	7.612.100,01	**93.846,03**	**6.880.202,15**	**825.743,89**	**186.174,39**	**424.862,17**

Forschung und Entwicklung

Probiodrug fokussierte im Geschäftsjahr 2014 seine Ressourcen unverändert auf das Hauptprogramm – die Entwicklung von PQ912, eines Inhibitors des Enzyms QC zur Behandlung von Alzheimer und anderen Erkrankungen. Daneben wurden die Arbeiten an spezifisch an pGlu Abeta bindenden Antikörpern (PBD-C06) sowie PQ 1565, eines weiteren QC-Inhibitors vorangetrieben. Die wesentlichen Arbeiten in diesen Bereichen werden durch externe Dienstleister (Auftragsforschungsorganisationen sowie Lohnherstellern) und Kooperationspartner in den Bereichen Pharmabegleitforschung, Herstellungsentwicklung und Herstellung, präklinische und klinische Prüfung sowie Analytik erbracht.

Das Projekt CDK 9 zur Behandlung von inflammatorischen und onkologischen Erkrankungen war aufgrund der Veräußerung in 2013 an die Firma Astra Zeneca kein Pipelinebestandteil mehr.

Patent-Portfolio

Probiodrug hat sein Portfolio an Patenten und Patentanmeldungen entsprechend in 2014 weiterentwickelt und gefestigt. Wichtige Patentanmeldungen wurden in Schlüsselmärkten erteilt. Insgesamt wurden Ende 2014 43 Patentfamilien und Patentanmeldungen gehalten (Vorjahr: 42). Einer Fokussierung des Patentportfolios in Nichtkerngebieten standen Neuanmeldungen in den entwicklungsrelevanten Gebieten gegenüber.

Wichtige Ereignisse des laufenden Geschäftsjahres

a) Platzierung einer Wandelanleihe

Am 16. Mai 2014 beschloss die Hauptversammlung der Probiodrug die Begebung einer Wandelanleihe, die in einer Höhe von EUR 4,3 Mio gezeichnet wurde. Die mit diesem Finanzierungsinstrument gesicherten Mittel wurden komplett valutiert. Die Wandlungsrechte unter dieser Wandelanleihe wurden im August 2014 vollständig ausgeübt.

b) Bereinigung der Kapitalstruktur

Im Zuge der Vorbereitungen des Unternehmens auf einen IPO wurde die Kapitalstruktur des Unternehmens im Hinblick auf eine zukünftige Kapitalmarktfähigkeit weitgehend geändert. Hierbei wurden alle bestehenden Wandelanleihen in Eigenkapi-

tal konvertiert, die ausgegebenen verschiedenen Klassen von Vorzugsaktien einheitlich in Stammaktien umgewandelt und die bestehenden Investment- und Anteilseignervereinbarungen aufgehoben. Schließlich wurden die nach der Umwandlung ausgegebenen Stammaktien im Verhältnis 6:1 zusammengelegt.

c) Durchführung eines Initial Public Offering

Im Oktober 2014 führte Probiodrug erfolgreich einen Börsengang durch. Am 27. Oktober 2014 erfolgte in diesem Zusammenhang die Erstnotiz der Aktien der Probiodrug am Euronext in Amsterdam. Im Zuge des Börsenganges wurden durch die Ausgabe von insgesamt 1.524.205 neuen Aktien im Rahmen von Kapitalerhöhungen Bruttoerlöse von EUR 23,2 Mio generiert.

d) Verkauf des Tochterunternehmen Ingenium Pharmatceuticals GmbH

Insgesamt hatte Probiodrug per 31. Dezember 2013 Forderungen aus gewährten Gesellschafterdarlehen gegenüber Ingenium in Höhe von EUR 8,6 Mio sowie EUR 2,4 Mio aus aufgelaufenen Zinsen.

Im Zuge der Veräußerung des CDK 9 Projektes, des einzigen Assets der Ingenium, waren die Forderungen gegen die Ingenium auf Grundlage des erzielten Kaufpreises zum 31. Dezember 2012 auf einen Wert von EUR 0,7 Mio wertberichtigt worden. Im April 2014 wurde die letzte Kaufpreisrate des CDK 9 Projektes vereinnahmt und am 14. Juli 2014 die Ingenium einschließlich aller dann noch bestehenden Forderungen für EUR 1,00 veräußert. Nachvertragliche Verpflichtungen bestehen nicht mehr.

e) Änderungen in Vorstand und Aufsichtsrat

Zum 1. November 2014 wurde Dr. Ingeborg Lues zum Vorstand mit Geschäftsbereich (Pharma) - Entwicklung berufen. Die mit einer Laufzeit bis zum 30. November 2014 versehenen Vorstandsverträge von Dr. Glund und Dr. Liebers wurden neu gefasst und mit einer Laufzeit bis zum 30. November 2017 versehen. Dr. Polack legte sein Aufsichtsrat im Juli 2014 nieder. Die Hauptversammlung vom 25. August 2014 wählte Dr. Birner zum neuen Aufsichtsrat und wählte alle sonstigen Aufsichtsräte wieder. Die Amtszeit aller Aufsichtsräte endet mit der Hauptversammlung, die über die Entlastung des Aufsichtsrates für das Jahr 2014 beschließt.

2. ÜBERBLICK ÜBER DIE GESCHÄFTSENTWICKLUNG

2.1 Rahmenbedingungen

Die Rahmendaten des Jahres 2014 im Bereich der Alzheimer-Forschung haben sich insgesamt positiv entwickelt. Es waren teilweise signifikante Kollaborationen der Pharmaindustrie im Alzheimerbereich zu verzeichnen, die auf eine Zunahme des Interesses am Aufbau von Forschungs- und Entwicklungspipelines in diesem Bereich hindeuten. Zu nennen sind hier etwa die Kollaboration von BiogenIdec und Eisai (März 2014) sowie von Lilly und AstraZeneca (September 2014). Seitens der Investoren hat diese Entwicklung, zusammen mit ersten positiven klinischen Daten etwa von BiogenIdec, zu einer Zunahme des Interesses an der Indikation Alzheimer geführt. Gemeinsam mit den bislang generierten vielversprechenden Daten von Probiodrug sowie dem generell positiven Börsenumfeld für Biotechnologieunternehmen hat dies dazu geführt, dass das Unternehmen im Oktober 2014 erfolgreich einen Börsengang an der Börse Euronext in Amsterdam umsetzen konnte.

Industrieseitig besteht ein unverändert hohes Interesse an neuartigen Behandlungsansätzen, die innovative pharmakologische Interventionen in bislang noch unzureichend therapierten Erkrankungen, wie etwa Alzheimer, und damit perspektivisch eine attraktive Vergütung ermöglichen. Hierbei werden aber hohe Validierungs- und damit Risikooptimierungsanforderungen als Voraussetzung für eine (lukrative) Partnerschaft gestellt.

2.2 Firmenentwicklung

Das Unternehmen konzentrierte sich in 2014 hauptsächlich auf folgende Schwerpunkte:

- Herstellung der Kapitalmarktfähigkeit und Durchführung eines Börsenganges
- Vorbereitung der klinischen Prüfungsphase IIa für PQ912
- Abschluss der klinischen Studie Phase I von PQ912
- Abschluss der 3 Monats – Toxizitäts - Studie von PQ912
- Aufbau und Validierung eines Biomarker – Panels für die weitere klinische Prüfung von PQ 912 und nachfolgenden Entwicklungssubstanzen

Probiodrug konnte in allen Bereichen wichtige Fortschritte und Erfolge erzielen.

2.3 Darstellung der Vermögens-, Finanz- und Ertragslage

Vermögenslage

Zur Entwicklung der Vermögens- und Finanzlage ist nachfolgend eine verkürzte Bilanz der Probiodrug dargestellt:

T78

	31.12.2014	31.12.2013
	TEUR	TEUR
Aktiva		
Immaterielle Vermögensgegenstände	82	101
Sachanlagen	101	320
Finanzanlagen	3	3
Anlagevermögen	**186**	**424**
Forderungen und sonstige Vermögensgegenstände	296	1.339
Kassenbestand und Guthaben bei Kreditinstituten	20.920	4.421
Umlaufvermögen	**21.216**	**5.760**
Aktive Rechnungsabgrenzungsposten	78	96
Nicht durch Eigenkapital gedeckter Fehlbetrag	0	4.078
Summe Aktiva	**21.480**	**10.358**
Passiva		
Eigenkapital	**16.529**	**0**
Rückstellungen	4.021	4.142
Verbindlichkeiten	930	6.216
Summe Passiva	**21.480**	**10.358**

Das bilanzielle Gesamtvermögen der Probiodrug betrug zum Ende des Jahres 2014 TEUR 21.480 (2013: TEUR 10.358). Durch den Abgang von Sachanlagen mit einem Buchwert in Höhe von TEUR 157 und planmäßige Abschreibungen in Höhe von TEUR 94, dem Zugänge in Höhe von TEUR 12 gegenüberstehen, verringerte sich das in der Bilanz ausgewiesene Anlagevermögen um TEUR 238. Das Umlaufvermögen stieg in 2014 von TEUR 5.760 auf TEUR 21.216. Hierbei verringerten sich die Forderungen und sonstigen Vermögensgegenstände im Berichtsjahr um TEUR 1.043, während die liquiden Mittel um TEUR 16.499 anstiegen. Die Verringerung der Forderungen und sonstigen Vermögensgegenstände resultiert hauptsächlich aus der Bezahlung der Forderungen gegen verbundene Unternehmen sowie dem Rückgang der sonstigen Forderungen aus dem Verkauf von Anlagevermögen.

Durch Kapitalbeschaffungsmaßnahmen konnten in 2014 Bareinzahlungen in Höhe von gesamt TEUR 27.520 realisiert werden. Zum Bilanzstichtag betragen die Guthaben bei den Kreditinstituten TEUR 20.920.

Das Eigenkapital der Probiodrug betrug zum 31.12.2014 TEUR 16.529 (2013: Nicht durch Eigenkapital gedeckter Fehlbetrag von TEUR 4.078). Die Eigenkapitalquote betrug zum 31. Dezember 2014 77 %.

Die detaillierte Entwicklung des Eigenkapitals ist dem anhängenden Eigenkapitalspiegel zu entnehmen.

Die Rückstellungen haben sich zum 31. Dezember 2014 nur geringfügig um TEUR 121 auf TEUR 4.021 verringert. Von den Rückstellungen entfallen TEUR 370 (2013: TEUR 321) auf Pensionsrückstellungen, TEUR 1.107 (2013: TEUR 1.376) auf sonstige Rückstellungen sowie TEUR 2.543 (2013: TEUR 2.445) auf eine potenzielle Steuernachforderung aus 2004.

Die Verbindlichkeiten verringerten sich im Berichtsjahr deutlich von TEUR 6.216 auf TEUR 930, hauptsächlich resultierend aus der Wandlung der in 2013 ausgegebenen Wandelschuldverschreibungen in Höhe von TEUR 5.346 in Aktien in 2014.

Die Verbindlichkeiten aus Lieferungen und Leistungen betrugen zum 31. Dezember 2014 TEUR 876 (2013: TEUR 838).

Finanzlage
Der operative Cash Flow betrug im Berichtszeitraum TEUR –10.589 (2013: TEUR 8.458).

Der Cash Flow aus der Investitionstätigkeit betrug im Jahr 2014 TEUR 1.326 (2013: TEUR –22). Der Mittelzufluss resultiert größtenteils aus bereits im Dezember 2013 veräußerten Vermögensgegenständen des Anlagevermögens sowie Einnahmen durch Darlehensrückzahlungen der Ingenium.

Der Cash Flow aus Finanzierungstätigkeit belief sich im Geschäftsjahr 2014 auf TEUR 25.762 (2013: TEUR 5.346). Dieser resultiert aus Einnahmen im Zusammenhang mit den Aktienemissionen (TEUR 23.244) abzüglich der damit einhergehenden Transaktionskosten (TEUR –1.758) und aus Einnahmen durch die Ausgabe von Wandelschuldverschreibungen (TEUR 4.276).

Insgesamt kann das Unternehmen für den Berichtszeitraum einen Anstieg der liquiden Mittel in Höhe von TEUR 16.499 verzeichnen.

Ertragslage
Nachfolgend ist eine verkürzte Gewinn- und Verlustrechnung des Unternehmens dargestellt:

T79

	2014	2013
	TEUR	TEUR
Sonstige betriebliche Erträge	237	704
Materialaufwand	–4.346	–4.305
Personalaufwand	–1.455	–1.782
Abschreibungen auf immaterielle Vermögensgegenstände und Sachanlagen	–94	–314
Sonstige betriebliche Aufwendungen	–4.576	–4.545
Finanzergebnis	207	147
Ergebnis der gewöhnlichen Geschäftstätigkeit	**–10.027**	**–10.096**
Außerordentliche Aufwendungen	–2.232	0
Jahresfehlbetrag	**–12.259**	**–10.096**

Der Jahresfehlbetrag der Gesellschaft beläuft sich auf TEUR 12.259 (2013: TEUR 10.096). Das Geschäftsjahr 2014 zeichnete sich durch außerordentliche Aufwendungen in Höhe von TEUR 2.232 aus. Diese Aufwendungen betreffen die Transaktionskosten im Zusammenhang mit dem Börsengang des Unternehmens. Im Ergebnis der gewöhnlichen Geschäftstätigkeit, welches insgesamt gegenüber dem Vorjahr annähernd gleich geblieben ist, gab es die folgenden wesentlichen Veränderungen gegenüber 2013:

- einen Rückgang der sonstigen betrieblichen Erträge in Höhe von TEUR 467, hauptsächlich resultierend aus einem geringeren Fördermittelzufluss (TEUR –444);
- einen Rückgang der Personalaufwendungen in Höhe von TEUR 327 durch Abbau von Mitarbeitern;
- einen Rückgang der Abschreibungen auf immaterielle Vermögensgegenstände und Sachanlagen nach den Verkäufen von Sachanlagen während des Geschäftsjahres 2013.

Gesamtaussage
Die wirtschaftliche Lage der Gesellschaft ist zum Zeitpunkt der Aufstellung dieses Lageberichts im Wesentlichen unverändert gegenüber den obigen Ausführungen.

2.4 Nicht finanzielle Leistungsindikatoren

Durchzuführende Studien
Zur Durchführung der geplanten präklinischen und klinischen Studien sowie der Herstellungsentwicklung und Herstellung bedient sich Probiodrug einer Reihe von Auftragsforschungsunternehmen. Wichtige Leistungsindikatoren in diesem Zusammenhang sind neben der Budgettreue die Qualität der durchgeführten Arbeiten sowie die Beachtung aller anzuwendenden Vorschriften. Zur Absicherung in diesem Bereich führt Probiodrug vor Auftragsvergabe und während der laufenden Arbeiten Audits durch, die die vorgenannten Themen adressieren, prüfen und ggf. Handlungsempfehlungen ableiten. Von hoher Bedeutung ist weiterhin die Termintreue der kontrahierten Arbeiten und damit der Abschluss laufender Studien im Rahmen der ursprünglichen Zeitplanung. Hierzu arbeitet Probiodrug eng mit den mandatierten Unternehmen zusammen und hält Alternativszenarien bereit, um ggf. auftretende zeitliche Rückstände zu begrenzen respektive zu kompensieren.

Mitarbeiterinnen und Mitarbeiter
Zum 31. Dezember 2014 beschäftigte Probiodrug inkl. Vorstand 13 (2013: 16) Mitarbeiter, wobei der Anteil der Mitarbeiterinnen 54 % ausmachte. Im Jahr 2014 waren durchschnittlich 12 Arbeitnehmer tätig (2013: 19). Probiodrug verzeichnete im Jahr 2014 Personalkosten (ohne nichtzahlungswirksame Aufwendungen für Aktienoptionsprogramme) von EUR 1,45 Mio (2013: EUR 1,78 Mio). Grund hierfür ist in erster Linie der Rückgang der Belegschaft in Folge der in 2012 initiierten und 2013 abgeschlossenen Reorganisation zur Anpassung der Unternehmens- und Personalstruktur an die fokussierte Entwicklungsstrategie.

Das Unternehmen verfolgt eine ausgeglichene Personalpolitik und besetzt die jeweiligen Positionen mit den qualifiziertesten Mitarbeiterinnen bzw. Mitarbeitern.

Gewerbliche Schutzrechte
Ein robustes Patentportfolio ist für Probiodrug von erfolgsentscheidender Bedeutung. Probiodrug verfügt über ein sehr erfahrenes Patentmanagement, welches das Patentportfolio 2014 weiter gestärkt und strategisch optimiert hat. Probiodrug überprüft kontinuierlich das Portfolio an Patenten und Patentanmeldungen, um eine Fokussierung auf die nachhaltigen Werttreiber sowie eine Kosten – Nutzen – Optimierung sicherzustellen. In 2014 erfolgte zudem die Übertragung des gesamten Schutzrechtportfolios im Bereich CDK 9 im Zuge des Verkaufes dieses Programmes an die Firma AstraZeneca.

Zum 31. Dezember 2014 wurden 43 Patentfamilien gehalten (31. Dezember 2013: 42). Einer Fokussierung des Patentportfolios in Nichtkerngebieten standen dabei Neuanmeldungen in den entwicklungsrelevanten Gebieten gegenüber, so dass insgesamt die Patentposition von Probiodrug weiter gestärkt wurde.

3. VORGÄNGE VON BESONDERER BEDEUTUNG NACH DEM BILANZSTICHTAG (NACHTRAGSBERICHT)

Es gab keine Vorgänge von besonderer Bedeutung nach dem Bilanzstichtag.

4. CHANCEN- UND RISIKOBERICHT

4.1 Chancenbericht

Zunehmendes Interesse an Alzheimer
Im Jahr 2014 war (nach einer „Pause“ von mehreren Jahren) wieder das Auftreten von teilweise signifikanten Kollaborationen der Pharmaindustrie im Alzheimerbereich zu verzeichnen, die auf eine Zunahme des Interesses am Aufbau von Forschungs- und Entwicklungspipelines in diesem Bereich hindeuten. Hieraus könnte perspektivisch eine erhöhte Transaktionsfrequenz erwachsen. Das Angebot an neuen, wissenschaftlich breit untersetzten Konzepten mit ersten klinischen Daten ist demgegenüber beschränkt. Probiodrug ist hier strategisch und inhaltlich komfortabel aufgestellt. Im Erfolgsfall eröffnen sich hieraus Perspektiven, die mit einer erheblichen Zunahme des Unternehmenswertes verbunden sein können.

Wichtige Fortschritte in den verfolgten Projekten
Im Jahr 2014 gelang Probiodrug die Generierung wichtiger klinischer und präklinischer Daten, die die Tragfähigkeit des verfolgten Therapiekonzeptes aus Sicht der Gesellschaft weiter absichern. Weitere Schlüsselpatente wurden in wichtigen

Märkten erteilt. Eine Weiterführung dieser Entwicklung, sprich die Generierung weiterer positiver Daten, dürfte sich positiv auf die Bewertung der einzelnen Programme sowie den Gesamtwert der Gesellschaft auswirken.

Lizenzeinnahmen durch Patente
Das sehr umfassende und gut positionierte Patentportfolio von Probiodrug kann zu zusätzlichen Lizenzvereinbarungen und damit -einnahmen führen, wenn andere Firmen im Rahmen ihrer eigenen Entwicklungen auf die Nutzung solcher Patentrechte angewiesen sind. Sollte Probiodrug die Nutzung dieser Patentrechte gewähren, erhält das Unternehmen hierfür Lizenzgebühren und verbessert so die Finanz-, Ertrags- und Vermögenslage der Gesellschaft.

Übernahme
Neben Lizenzvereinbarungen ist die Übernahme ganzer Firmen eine bevorzugte Transaktionsform von Pharma- und Biotechnologieunternehmen, um so Zugang zu vielversprechenden Entwicklungsprogrammen und interessanten Technologien zu bekommen. Dies zeigt sich in einer aktiven M&A-Tätigkeit in den vergangenen Jahren im Biotechnologie- und Pharmabereich generell. Die gezahlten Prämien gegenüber dem aktuellen Marktpreis können dabei erheblich sein.

4.2 Risikobericht

Risiken von Probiodrug
Probiodrug ist verschiedenen Einzelrisiken ausgesetzt. Das Eintreten dieser Risiken kann, einzeln oder zusammen, mit dem Eintritt anderer Risiken bzw. anderer Umstände die Geschäftstätigkeit, das Erreichen wesentlicher Unternehmensziele und/ oder die Refinanzierungsfähigkeit der Probiodrug wesentlich beeinträchtigen sowie erhebliche nachteilige Auswirkungen auf die Ertrags-, Finanz- und Vermögenslage des Unternehmens haben. Dies könnte im schlechtesten Fall dazu führen, dass das Unternehmen gezwungen ist, Insolvenz anzumelden.

Branchenbezogene Risiken

Markt und Wettbewerb
Der Pharmaentwicklungsprozess im Bereich Alzheimer und verwandten Indikationen ist durch lange Entwicklungszyklen sowie einen großen Investitionsbedarf für die präklinische und klinische Forschung und Entwicklung bis zur Marktreife eines Produktes gekennzeichnet. Probiodrug steht hier mit anderen Unternehmen in Konkurrenz, die sich ebenfalls mit der Entwicklung neuer Behandlungsansätze gegen Alzheimer befassen.

Probiodrug ist daher dem Risiko ausgesetzt, dass andere Entwicklungsansätze ein überlegenes Wirksamkeits- und/ oder Sicherheitsprofil zeigen und/ oder sich einen Entwicklungsvorsprung gegenüber Probiodrug erarbeiten, der die Aussichten von Probiodrug auf den Abschluss lukrativer Industriekollaborationen sowie letztlich auch die Zulassung von Produktkandidaten von Probiodrug negativ beeinflussen würde.

Die Pharmaindustrie hat generell zwar einen großen Bedarf, die eigenen Forschungs- und Entwicklungspipelines durch Einlizenzierung oder Erwerb innovativer Projekte von Biotechnologieunternehmen im Bereich Alzheimer und verwandten Indikationen aufzufüllen. Für lukrative Partnerschaften werden hierbei jedoch hohe Anforderungen bzgl. Validierung und Risikooptimierung als Voraussetzung für den Eintritt in solche Partnerschaften gestellt.

Weiterhin ist nicht auszuschließen, dass das Scheitern weiterer Entwicklungsprogramme im Alzheimerbereich auch von Wettbewerbern im Allgemeinen zu einer abnehmenden Bereitschaft seitens der Pharmaindustrie zu signifikanten Investments in diese Indikation führen könnte.

Dies könnte dazu führen, dass Probiodrug möglicherweise keine Industriepartnerschaften abschließen kann, oder dass es einem Kooperations- oder Lizenzpartner nicht gelingt, diese weiterzuentwickeln oder zu vermarkten, selbst wenn die Entwicklungsprogramme der Gesellschaft nicht gescheitert sind.

Produktentwicklung (allgemein)
Der Erfolg von Probiodrug ist von den verschiedenen Forschungs- und Entwicklungsprogrammen abhängig. Das Unternehmen unterliegt den Risiken der Medikamentenentwicklung.

Typische Risiken sind:
Einzelne Produktkandidaten zeigen keine oder keine ausreichende Wirksamkeit, haben nicht akzeptable Nebenwirkungen oder lassen sich nicht formulieren bzw. produzieren, sodass sie nicht erfolgreich weiterentwickelt werden können. Dienstleister und Partner werden insolvent, was eine Verzögerung der Entwicklung und/oder eine Nicht-Verwertbarkeit der relevanten Daten nach sich ziehen könnte.

Die zuständigen Behörden erteilen die erforderlichen Zulassungsgenehmigungen nicht, nur mit Einschränkungen oder nur mit Verzögerung.

Zurzeit verfügt Probiodrug über einen Wirkstoff in der klinischen Prüfung (PQ912) sowie zwei Wirkstoffe, die sich in früheren Phasen befinden. Aufgrund dieser Produktpipeline können die Risiken bzw. die Abhängigkeit von einem einzelnen Wirkstoff zwar prinzipiell reduziert werden, aufgrund der unterschiedlichen Entwicklungsphasen liegt aber ein erheblicher Teil des Firmenwertes bei PQ912. Bisher vorliegende Studienergebnisse legen nahe, dass PQ912 sicher anwendbar und gut verträglich ist. Probiodrug kann aber nicht ausschließen, dass in anstehenden Studien möglicherweise keine ausreichende Wirksamkeit am Patienten nachgewiesen wird und/oder dass Nebenwirkungen auftreten, die als sicherheitsrelevant einzustufen sind. Solche Befunde können zu einer Verzögerung oder zum Abbruch der Entwicklung eines Wirkstoffes führen, was einen negativen Einfluss auf die Ertrags-, Finanz- und Vermögenslage und die Börsenbewertung von Probiodrug haben könnte.

Verwaltungsverfahren
Die Geschäftstätigkeit von Probiodrug ist umfangreichen rechtlichen Regelungen und Kontrollen in verschiedenen Jurisdiktionen unterworfen, auf die das Unternehmen de facto keinen Einfluss hat. So ist Probiodrug beispielsweise von behördlichen Genehmigungen für die Durchführung klinischer Studien abhängig. Die zeitlich verzögerte Erteilung, das Anfordern weiterer Unterlagen und Daten vor Erteilung oder Verlängerung, das Erlöschen oder der Entzug dieser Genehmigungen kann zu zeitlichen Verzögerungen bei der Weiterentwicklung der Forschungs- und Entwicklungsprojekte von Probiodrug führen.

Risiken aus der Geschäftstätigkeit

Entwicklungs- und Lizenzpartnerschaften
Probiodrug hat sich auf die Forschung und Entwicklung von Therapien für die Behandlung von Alzheimer und verwandten Erkrankungen fokussiert. Zur Gewinnerzielung und eigenständigen Finanzierung muss das Unternehmen Umsatzerlöse – etwa aus Vorabzahlungen, Meilensteinzahlungen oder Umsatzbeteiligungen aus Kooperationsverträgen mit Pharma- und Biotechnologieunternehmen – erzielen. Bislang wurde noch keine Industriekooperation eingegangen und folglich auch keine Umsätze erzielt. Vor diesem Hintergrund und im Hinblick auf auch zukünftig erforderliche hohe Forschungs- und Entwicklungsaufwendungen wird Probiodrug zunächst weiterhin ein negatives Betriebsergebnis ausweisen.

Um mittelfristig profitabel zu werden, ist Probiodrug auf den Abschluss entsprechender Vereinbarungen mit der Pharmaindustrie oder anderen Biotechnologieunternehmen angewiesen. Falls es Probiodrug nicht oder nur zu wirtschaftlich ungünstigen Konditionen gelingt, solche Partner zu gewinnen, kann dies die Entwicklung der jeweiligen Produkte verzögern und/oder zu geringeren Erlösen führen und somit die Werthaltigkeit des Projekts reduzieren.

Patente und Markenschutz
Eigene Entwicklungen schützt Probiodrug durch eine umfassende Patentstrategie. Dennoch kann die Gesellschaft nicht garantieren, dass der Schutz ihrer Patente für ihre Geschäftstätigkeit ausreichend ist. Es ist dabei nicht auszuschließen, dass Dritte Widersprüche gegen Patentanmeldungen von Probiodrug anmelden oder die Wirksamkeit der Patente anfechten. Es ist ebenfalls nicht auszuschließen, dass Probiodrug mit Dritten in Patentstreitigkeiten gerät, z. B. wenn Probiodrug die unerlaubte Nutzung von Patenten durch Dritte abwehren muss. Jedes juristische Urteil gegen Probiodrug-Patente kann die weitere Entwicklung der betroffenen Programme und ggf. des Unternehmens beeinträchtigen. Unabhängig vom Ausgang sind dabei derartige Verfahren zeit- und kostenaufwendig und binden ggf. erhebliche Unternehmensressourcen, so dass allein hieraus negative Auswirkungen auf die betroffenen Programme und ggf. das Unternehmen resultieren können. Aktuell werden nach Kenntnis der Gesellschaft keine Einwände gegen Patente oder Patentanmeldungen geltend gemacht.

Risiken der Produktentwicklung

Zusammenarbeit mit externen Dienstleistern im Forschungs- und Entwicklungsbereich
Probiodrug führt die erforderlichen präklinischen und klinischen Studien mit Auftragsforschungsorganisationen (Contract Research Organisations, kurz CROs) durch. Das Unternehmen ist von der Qualität deren Arbeit abhängig und ein Ersatz einer CRO während einer laufenden Studie ist sehr aufwändig und führt in der Folge zu teilweise erheblichen Verzögerungen, ggf. auch der Notwendigkeit der Wiederholung der betreffenden Studie. Sollte eine CRO nicht mit der gebotenen Sorgfalt arbeiten und/ oder erforderliche behördliche Vorschriften und Qualitätssicherungsnormen nicht einhalten, kann die weitere Entwicklung der betroffenen Projekte negativ beeinträchtigt werden.

Da Probiodrug keine Herstellungseinrichtungen zur Produktion pharmazeutischer Produkte besitzt und betreibt, ist Probiodrug von Lohnherstellern (Contract Manufacturing Organisations, kurz CMOs) abhängig. Diese liefern die pharmazeutischen Wirkstoffe für die Produkte von Probiodrug, stellen sie in den benötigten Mengen her und formulieren, optimieren und produzieren die Arzneimittelzubereitung. Diese Abhängigkeit von externen Lieferanten und Herstellern birgt für Probiodrug Risiken. Dies betrifft vor allem die fristgerechte Lieferung in ausreichender Menge und Qualität sowie die Einhaltung behördlicher Vorschriften und Qualitätssicherungsnormen. Ein Eintreten dieses Risikos könnte zu Verzögerungen oder zum Abbruch laufender präklinischer und klinischer Studien oder zur Verzögerung bzw. Verhinderung des Starts geplanter präklinischer und klinischer Studien mit entsprechenden Konsequenzen für die Entwicklung des Produktkandidaten führen.

Patientenrekrutierung
Ein weiteres Risiko der Medikamentenentwicklung ist die Notwendigkeit, für die klinische Studie von PQ912 eine ausreichende Zahl von geeigneten Patienten zu gewinnen. Aufgrund der komplexen medizinischen Gegebenheiten (etwa Studiendesign, Attraktivität der Studie aus Sicht der Patienten und Prüfärzte, Wettbewerbssituation, Patientenpopulation, Standorte) im Umfeld klinischer Studien kann es hierbei zu zeitlichen Verzögerungen kommen.

Zudem könnten klinische Studienzentren – etwa aufgrund anderer laufender klinischer Studien oder auch aufgrund anhaltender Qualitätsmängel in ihrem internen Organisationsablauf – nicht in der Lage sein, eine hinreichende Patientenzahl fristgerecht zu rekrutieren. Dies kann den zeitlichen Ablauf sowie die Durchführung der Studie gefährden und zu Verzögerungen führen. Um den Studienverlauf voranzutreiben, kann Probiodrug daher gezwungen sein, zusätzliche klinische Zentren in die laufenden Studien einzuschließen, was zu einer Kostensteigerung sowie ggf. einer Erhöhung der Variabilität führen würde.

Kapitalmarktrisiken

Weitere Finanzierung
Auf Basis des derzeitigen Finanzmittelbestands ist das Unternehmen in der Lage, den Fortbestand der Geschäftstätigkeit über die nächsten zwölf Monate hinaus sichern zu können. Probiodrug hat aber zur Erreichung seiner Unternehmens- und Entwicklungsziele mittel- und langfristig einen hohen Kapitalbedarf. Hierfür ist die Aufnahme von Eigen- oder Fremdkapital oder die Generierung von Einnahmen aus Lizenzvergaben oder Kooperationen notwendig. Es ist nicht sicher, dass Probiodrug die Kapitalaufnahme jeweils zeitgerecht, im erforderlichen Umfang, zu wirtschaftlich vorteilhaften Konditionen oder überhaupt umsetzen kann. Sollte das Unternehmen keinen weiteren Zugang zu Finanzierungen erhalten, könnte dies die Fortführung der Unternehmung behindern oder vollständig verhindern und zur Liquidation oder Insolvenz von Probiodrug führen. Für den Fall, dass die Gesellschaft zusätzliches Kapital durch die Ausgabe neuer Aktien aufnimmt, kann dies zu einer Verwässerung des Aktienbestands der Altaktionäre führen. Sollte sich das Unternehmen keinen Zugang zu weiteren Finanzmitteln erschließen können, könnte dies dazu führen, dass Probiodrug in der weiteren Entwicklung seiner Projekte beeinträchtigt wird und/ oder die Entwicklung von einem oder mehreren Produkten einstellen und/ oder die Entwicklungsgeschwindigkeit so verringern muss, dass dies negative Auswirkungen auf die Wettbewerbsposition sowie die Ertrags-, Finanz- und Vermögenslage bis hin zu einer Insolvenz des Unternehmens haben könnte.

Finanzrisiken und bilanzielle Risiken

Anlage liquider Mittel
Das Unternehmen legt freie liquide Mittel verzinslich an. Dabei investiert die Gesellschaft ausschließlich in sichere Anlageformen (Investment Grade), die nur geringen Liquiditäts- und Ausfallrisiken unterliegen.

Geschäfte mit internationalen Dienstleistern und Partnern, bei denen vertragliche Zahlungsvereinbarungen auf eine andere Währung als den Euro lauten, bergen ein Währungsrisiko. Probiodrug betreibt derzeit in Folge wirtschaftlicher Abwägungen keine Sicherungsgeschäfte, sondern versucht, auch eigene Verpflichtungen in Fremdwährungen zu begleichen. So wird das Risiko von Währungsschwankungen verringert.

Verlustanzeige gemäß § 92 Abs. 1 AktG
Die Probiodrug AG ist noch nicht profitabel und erwirtschaftete in den zurückliegenden Geschäftsjahren jeweils ein negatives Betriebsergebnis. Aufgrund ausgeprägter Forschungs- und Entwicklungsaufwendungen kumulieren sich diese Verluste über die Zeit zu einem hohen Verlustvortrag. Dieser wird gegen das bestehende Eigenkapital gerechnet. In dem Zeitpunkt, in dem trotz des Agios der ausgegebenen Aktien ein Verlust in Höhe der Hälfte des Grundkapitals nach handelsrechtlichen Grundsätzen festgestellt wird, verlangt § 92 Abs. 1 AktG die unverzügliche Einberufung einer Hauptversammlung. Eine entsprechende Verlustanzeige könnte negative Folgen für den Aktienkurs und die Aussichten der Probiodrug auf die Akquirierung weiterer Finanzmittel haben.

Potenzielle Steuernachzahlung
Im Zuge einer Betriebsprüfung im Jahr 2008, hat das Finanzamt rückwirkend die zu besteuernden Erträge für 2004 um ca. EUR 10 Mio erhöht, was in einer Steuernachforderung für Körperschaftsteuer, Solidaritätszuschlag und Gewerbesteuer von EUR 1,7 Mio zzgl. 0,5 % Zinsen pro Monat seit dem 1. April 2006 resultiert. Die potentielle Steuerverbindlichkeit beträgt ca. EUR 2,5 Mio (einschl. Zinsen). Probiodrug glaubt, dass die besseren Argumente gegen die Auffassung der Finanzbehörde sprechen und hat die Forderungen des Finanzamtes angefochten. Die Angelegenheit ist nun am zuständigen Finanzgericht anhängig. Aus Vorsichtsgründen hat Probiodrug die Steuerverbindlichkeit (einschl. aufgelaufener Zinsen) in seinem Abschluss abgebildet. Nichtdestotrotz, sollte Probiodrug schließlich diese Steuerzahlungen tätigen müssen, würde dies entsprechende ungünstige Auswirkungen auf Probiodrug`s Liquidität und Cash Flow Position haben und kann sein Geschäft, seine Aussichten und seine Finanzsituation negativ beeinflussen. Diese Zahlungsverpflichtungen könnten dann die Fortführungsprognose von Probiodrug gefährden, wenn es Probiodrug nicht gelingt, weitere Finanzmittel zu erhalten.

Anerkennung von steuerlichen Verlustvorträgen
Die Verwendung der existierenden Verlustvorträge von Probiodrug und fortlaufende Verluste entsprechend der deutschen Körperschafts- und Gewerbesteuer können verfallen oder sind möglicherweise bereits verfallen in Fällen einer direkten oder indirekten Übertragung von Aktien, einschließlich der Ausgabe neuer Aktien aus einer Kapitalerhöhung, vorbehaltlich bestimmter Limitationen. Diese Limitationen betreffen sowohl die Körperschaft- als auch die Gewerbesteuer und sind abhängig vom prozentualen Anteil des Aktienkapitals oder der Stimmrechte an einen Erwerber oder eine Person/ Personen, die mit dem Erwerber oder einer Gruppe von Erwerbern mit gemeinsamen Interesse, in enger Beziehung stehen, innerhalb eines Zeitraumes von fünf Jahren. Falls mehr als 25 % des Aktienkapitals oder der Stimmrechte an einen Erwerber (einschließlich der Zeichnung neuer Aktien) übertragen werden, verfallen die Verlustvorträge und aufgelaufenen Verluste pro rata, während bei einem Transfer von mehr als 50 % ein Komplettverfall erfolgt. In dem Umfang, wie die Nutzung der Verlustvorträge beschränkt ist, können diese nicht gegen zukünftige zu versteuernde Erträge verrechnet werden, was in einer erhöhten Steuerlast resultieren würde.

Administrative und sonstige Risiken
Der Erfolg von Probiodrug hängt stark von den Führungskräften sowie qualifiziertem Fachpersonal ab. Der Vorstand und viele Mitarbeiter verfügen über einen großen Erfahrungsschatz und sind schwer zu ersetzen. Der Wettbewerb um Fachkräfte ist in der Biotechnologie- und Pharmabranche sehr intensiv. Probiodrug ist es bisher immer gelungen, die wichtigsten Positionen mit geeigneten Mitarbeitern zu angemessenen Konditionen zu besetzen. Sollte das Unternehmen Führungskräfte oder Fachpersonal verlieren und nicht adäquat oder nur mit erheblicher Verzögerung ersetzen können, könnte sich dies nachteilig auf seine Fähigkeit zur weiteren Entwicklung der verfolgten Projekte sowie des Unternehmens an sich auswirken.

Rechtliche Risiken
Das Unternehmen sieht sich potentiellen Risiken in verschiedenen Bereichen, wie etwa Gesellschafts-, Arbeits- und Steuerrecht, Patentrecht etc. ausgesetzt. Um diese auf ein Minimum zu reduzieren und um rechtlichen Fehlentscheidungen zusätzlich vorzubeugen, stimmt der Vorstand von Probiodrug relevante Entscheidungen mit externen Experten, wie z. B. Anwälten und weiteren Beratern, ab.

Andere Risiken
Andere potentielle Risiken, etwa in den Bereichen Umweltschutz und IT-Integrität oder Rechts- bzw. Compliance-Verstöße von Mitarbeitern, werden derzeit als nicht signifikant eingeschätzt. Probiodrug hat organisatorische Vorkehrungen getroffen, um potentiellen Risiken zu begegnen.

Gesamtbeurteilung der Risikosituation
Unter Abwägung aller genannten Risiken sind aus heutiger Sicht wenige Faktoren erkennbar, welche den kurzfristigen Fortbestand von Probiodrug im Geschäftsjahr 2015 gefährden könnten. Das Unternehmen ist insgesamt gut aufgestellt. Der Finanzmittelbestand zum 31. Dezember 2014 sichert die weitere Finanzierung des Unternehmens über die nächsten zwölf Monate hinaus. Das Management geht davon aus, weitere Finanzzuflüsse generieren zu können. Sollten sich die derzeit geplanten Annahmen hinsichtlich der Liquiditätssituation als nicht tragfähig erweisen, besteht vor dem Hintergrund der aktuellen Liquiditätsreichweite perspektivisch jedoch das Risiko einer potenziell nicht ausreichenden Finanzierung des Unternehmens.

5. AUSBLICK/PROGNOSEBERICHT

Die mittelfristigen Schwerpunkte der Unternehmenstätigkeit der Probiodrug lassen sich wie folgt zusammenfassen:

- Weitere präklinische und klinische Testung des Entwicklungskandidaten PQ 912 im Bereich QC - Inhibierung, insbesondere Durchführung einer ersten Patientenstudie in 2015/ 2016,
- Weitere datentechnische Untersetzung und schutzrechtliche Absicherung des therapeutischen Konzeptes der QC-Inhibierung als grundlegend neuem Ansatz zur Behandlung von Alzheimer und anderen Erkrankungen,
- Weitere Progression des therapeutischen Konzeptes von anti pGlu-spezifischen Antikörpern (PBD-C06) sowie von PQ 1565, einem weiteren QC-Inhibitor,
- Weitere Steigerung von Visibilität und Akzeptanz als wesentliche Voraussetzung für eine Industrietransaktion,
- Optimierung der externen Kooperationen zur Erhöhung von Breite und Geschwindigkeit des Forschungs- und Entwicklungsprozesses sowie der Einbindung wesentlicher Meinungsbildner.

Aufgrund weiterhin anfallender Aufwendungen für die Entwicklungstätigkeit, denen noch keine Umsatzerlöse gegenüberstehen, rechnet die Gesellschaft auch für das Geschäftsjahr 2015 mit einem Jahresfehlbetrag tendenziell ungefähr auf dem Niveau des Jahres 2014.

Das Unternehmen ist im Bereich der Entwicklung neuer Therapieansätze zur Behandlung von Alzheimer gut aufgestellt. Der erfolgreich durchgeführte Börsengang hat diese Positionierung weiter gefestigt. Bei erfolgreicher weiterer Programmentwicklung eröffnet sich Probiodrug die mittelfristige Option einer lukrativen Industriepartnerschaft oder einer M&A-Transaktion sowie die weitere Generierung eines erheblichen Firmenwertes.

6. RISIKOMANAGEMENT UND INTERNES KONTROLLSYSTEM VON PROBIODRUG

Risikomanagementsystem
Die Probiodrug AG verfügt über ein aktives, systematisches Risikomanagement, mit dem Risiken erkannt, überwacht und durch geeignete Maßnahmen minimiert werden sollen. Die derzeitigen Geschäftsrisiken von Probiodrug liegen insbesondere im Bereich Forschung und Entwicklung von neuartigen pharmazeutischen Wirkstoffen, dem Schutz des geistigen Eigentums, in der Kooperation mit einem Netzwerk von Dienstleistern und Partnern, in der Eigenkapitalerhaltung sowie in der mittel- und langfristigen Finanzierung des Unternehmens. Diese Risiken werden fortlaufend überprüft, um die Chancen-/ Risikoposition des Unternehmens zu optimieren.

In einem kontinuierlichen Prozess werden die Risiken durch die jeweils verantwortlichen Vorstände der verschiedenen Unternehmensbereiche hinsichtlich ihrer Eintrittswahrscheinlichkeit, ihrer möglichen Kosten- und Liquiditätswirksamkeit, des Zeitbezugs sowie der bestehenden, möglichen und geplanten Gegensteuerungsmaßnahmen identifiziert, analysiert und bewertet. Die jeweiligen Vorstandsmitglieder informieren regelmäßig den Gesamtvorstand von Probiodrug. Hierauf aufbauend entscheiden Vorstand und ggf. Aufsichtsrat, wie das Unternehmen mit den identifizierten Risiken umgeht.

Ergänzend hierzu ist im Unternehmen ein internes Kontrollsystem etabliert, das aus verschiedenen Vorschriften wie Unterschriftenregelung, Standardarbeitsanweisungen (Standard Operating Procedures – SOP), dem Vier-Augen-Prinzip, Stichprobenkontrollen, Selbstinspektionen, Mitarbeitertrainings und Notfallplanungen besteht.

Die Anwendung dieser Regelungen ist für das gesamte Unternehmen verbindlich.

Im Rahmen des Qualitätsmanagements wird mit Vorgabedokumenten gearbeitet. Diese enthalten etwa Stellen- und Funktionsbeschreibungen. Zudem werden Nachweisdokumente eingesetzt. Dabei handelt es sich um Aufzeichnungen bzw. Dokumente, die die erreichten Ergebnisse dokumentieren oder einen objektiven Nachweis ausgeführter Tätigkeiten bereitstellen, z. B. in Form eines Auditberichts.

Die Unterschriftenregelung legt Zeichnungsberechtigungen für Bestellungen und Rechnungen fest. Unterschieden wird hierbei nach der Höhe der Bestellung und ob es sich bei dem Unterzeichnenden um einen Projektmitarbeiter, Projektleiter oder Vorstand handelt.

Alle Projekte werden in regelmäßigen Projektmeetings detailliert analysiert und weitere Schritte festgelegt. Diese stellen eine enge Abstimmung der Begleitforschung und pharmazeutischer Entwicklung untereinander sowie mit dem Vorstand sicher. Die Projektmeetings finden in der Regel wöchentlich statt und umfassen die Vorstellung und Diskussion der einzelnen Projekte PQ912, PQ1565, PBD-C06, Biomarker sowie der Pharmabegleitforschung. Die Teilnehmer der Projektmeetings sind der zuständige Vorstand, die Projektleiter der Projekte sowie die Mitarbeiter und ggf. Berater der Einzelprojekte.

Risikomanagement und internes Kontrollsystem im Rechnungslegungsprozess
Das interne Kontroll- und Risikomanagementsystem im Hinblick auf den Rechnungslegungsprozess stellt sicher, dass die Rechnungslegung einheitlich ist und in Übereinstimmung mit den gesetzlichen Vorgaben und Grundsätzen ordnungsgemäßer Buchführung und den nationalen Vorschriften (HGB) sowie den International Financial Reporting Standards (IFRS) erfolgt. Es beinhaltet die Einhaltung des Vier-Augen-Prinzips, Stichprobenkontrollen und Notfallplanungen. Durch kontinuierliche Weiterbildung stellt das Finanzteam zzgl. eingesetzter Berater sicher, dass alle gesetzlichen Anforderungen im Unternehmen umgesetzt werden.

Die Kontrollen zur Sicherstellung der Ordnungsmäßigkeit und der Verlässlichkeit der Rechnungslegung erfolgen vor allem durch verschiedene Maßnahmen, wie Plausibilitätsprüfungen des Zahlenwerks und Systemzugangskontrollen auf Basis eines Berechtigungskonzepts sowie durch manuelle Checks, wie z. B. Abweichungs- und Trendanalysen und Vergleiche mit Budgetzahlen. Regelmäßig werden Besprechungen und Analysen der wesentlichen Finanzkennzahlen in Zusammenarbeit mit den Einzelprojekten durchgeführt.

Das Controlling-System des Unternehmens stützt sich auf die drei Komponenten Planung, Monitoring und Reporting. Unter Berücksichtigung der strategischen Geschäftsplanung erstellt Probiodrug Einjahresbudgets für interne Steuerungs- und Kontrollzwecke sowie eine Mittelfristplanung für die Laufzeit der wesentlichen laufenden bzw. zu initiierenden präklinischen und klinischen Studien, was derzeit das an das Budgetjahr anschließende Kalenderjahr umfasst. Auf Basis dieser Planungen sowie der aktuellen Ist-Zahlen erhält der Vorstand die notwendigen Steuerungs- und Kontrollinformationen für jeden Monat. Zusätzlich wird regelmäßig über die Geschäftsentwicklung, die Fortschritte in den Forschungs- und Entwicklungsprogrammen, die Aktivitäten in den Bereichen Personal, Public Relations & Investor Relations sowie über die Patentsituation (als nichtfinanzieller Leistungsindikator) berichtet. Mit Hilfe dieser Steuerungsinstrumente sind der Vorstand und das Controlling in der Lage, Chancen und Risiken adäquat zu identifizieren, bewerten und adressieren.

Die Erstellung des HGB- sowie IFRS-Abschlusses folgt einheitlichen Regeln. Die überschaubare Größe des Finanzteams stellt die einheitliche Darstellung gleicher Sachverhalte sicher. Dies stellt die Sicherheit der Buchungen und die entsprechenden Zuordnungen auf die Teilprojekte sicher.

7. BERICHTERSTATTUNG NACH § 289 ABS. 4 HGB

7.1 Zusammenfassende Angaben zu Kapitalien, Stimmrechten und Sonderbefugnissen bei Aktien

Zum Stichtag 31. Dezember 2014 beträgt das Grundkapital der Probiodrug AG EUR 6.765.898,00 und ist eingeteilt in 6.765.898 auf den Inhaber lautende Stückaktien mit einem rechnerischen Nennbetrag von je EUR 1,00. Jede Aktie gewährt eine Stimme in der Hauptversammlung sowie das Gewinnbezugsrecht bei beschlossenen Ausschüttungen; Beschränkungen des Stimmrechts bestehen nicht. Das Grundkapital ist voll eingezahlt. Es werden keine eigenen Anteile gehalten.

Es gibt keine Inhaber von Aktien mit Sonderrechten, die Kontrollbefugnisse verleihen. Insbesondere existieren keinerlei Entsendungsrechte in den Aufsichtsrat gemäß § 101 Abs. 2 AktG. Soweit Arbeitnehmer der Probiodrug AG oder verbundener Unternehmen am Kapital der Gesellschaft beteiligt sind, üben diese die Stimmrechtskontrollrechte unmittelbar aus.

Entsprechend der Beschlussfassung der Hauptversammlung vom 23. Oktober 2014 ist der Vorstand ermächtigt, mit Zustimmung des Aufsichtsrats bis zum Ablauf des 23. Oktober 2019 das Grundkapital der Gesellschaft um insgesamt bis zu EUR 3.358.551,00 durch eine oder mehrmalige Ausgabe neuer, auf den Inhaber lautender Stückaktien gegen Bareinlagen und/oder Sacheinlagen zu erhöhen, wobei das Bezugsrecht ausgeschlossen werden kann (Genehmigtes Kapital 2014/I). Am 12. November 2014 wurden im Rahmen der Ausübung einer Greenshoe-Option im Zusammenhang mit dem Börsengang 48.796 Bezugsaktien ausgegeben. Das genehmigte Kapital 2014/I beträgt damit noch EUR 3.309.755,00.

Das Bedingte Kapital umfasst in Summe EUR 524.169,00, besteht zum Bilanzstichtag noch in Höhe von EUR 524.169,00 und setzt sich wie folgt zusammen:

Bedingtes Kapital 2008/I
Das Grundkapital der Gesellschaft ist um bis zu EUR 11.300,00 durch Ausgabe von bis zu 11.300 neuen Aktien bedingt erhöht (Bedingtes Kapital 2008/I, § 5 Abs. 4 der Satzung). Die bedingte Kapitalerhöhung dient ausschließlich der Erfüllung von Optionsrechten, die aufgrund der von der Hauptversammlung vom 21. Februar 2008 erteilten Ermächtigung zur Gewährung von Aktienoptionen an Mitglieder des Vorstands und Arbeitnehmer der Gesellschaft ausgegeben wurden.

Bedingtes Kapital 2008/II
Das Grundkapital der Gesellschaft ist um bis zu EUR 16.950,00 durch Ausgabe von bis zu 16.950 neuen Aktien bedingt erhöht (Bedingtes Kapital 2008/II, § 5 Abs. 5 der Satzung). Die bedingte Kapitalerhöhung dient ausschließlich der Erfüllung von Optionsrechten, die aufgrund der von der Hauptversammlung vom 21. Februar 2008 erteilten Ermächtigung zur Gewährung von Aktienoptionen an Mitglieder des Vorstands und Arbeitnehmer der Gesellschaft ausgegeben wurden.

Bedingtes Kapital 2010/I
Das Grundkapital der Gesellschaft ist um bis zu EUR 85.901,00 durch Ausgabe von bis zu 85.901 neuen Aktien bedingt erhöht (Bedingtes Kapital 2010/I, § 5 Abs. 6 der Satzung). Die bedingte Kapitalerhöhung dient ausschließlich der Erfüllung von Optionsrechten, die aufgrund der von der Hauptversammlung vom 18. Mai 2010 mit Nachträgen vom 20. September 2011, 30. Dezember 2011, 31. Oktober 2012 und 25. August 2014 erteilten Ermächtigung zur Gewährung von Aktienoptionen an Mitglieder des Vorstands und Arbeitnehmer der Gesellschaft ausgegeben wurden.

Bedingtes Kapital 2014/I
Das Grundkapital der Gesellschaft ist um bis zu EUR 410.018,00 durch Ausgabe von bis zu 410.018 neuen Aktien bedingt erhöht (Bedingtes Kapital 2014/I, § 5 Abs. 7 der Satzung). Die bedingte Kapitalerhöhung dient ausschließlich der Erfüllung von Optionsrechten, die aufgrund der von der Hauptversammlung vom 29. September 2014 erteilten Ermächtigung zur Gewährung von Aktienoptionen an Mitglieder des Vorstands und Arbeitnehmer der Gesellschaft ausgegeben wurden.

Ermächtigung zum Erwerb eigener Aktien
Die Hauptversammlung vom 9. Oktober 2014 hat den Vorstand gemäß § 71 Abs. 1 Nr. 8 AktG ermächtigt, bis zum 30. September 2019 Aktien der Gesellschaft im Umfang von bis zu einem auf diese Aktien entfallenden anteiligen Betrag des Grundkapitals von EUR 524.169,00 zu erwerben. Der Erwerb darf über die Börse oder mittels eines an alle Aktionäre gerichteten öffentlichen Kaufangebots erfolgen. Die eigenen Aktien können unter anderem zum Zwecke der Einziehung erworben werden.

Der Vorstand wurde auch ermächtigt, mit Zustimmung des Aufsichtsrats die erworbenen Aktien unter Ausschluss des Bezugsrechts der Aktionäre (i) im Rahmen einer Einführung von Aktien der Gesellschaft an ausländischen Börsen, an denen sie noch nicht zum Handel zugelassen sind oder (ii) im Rahmen des Zusammenschlusses mit Unternehmen oder im Rahmen des Erwerbs von Unternehmen, Beteiligungen an Unternehmen oder Unternehmensteilen, zu verwenden sowie (iii) zu einem Preis zu veräußern, der den Börsenpreis der Aktien der Gesellschaft zum Zeitpunkt der Veräußerung nicht wesentlich unterschreitet.

7.2 Anteilsbesitz an der Probiodrug AG

An der Probiodrug AG sind zum Bilanzstichtag folgende Anteilseigner der Gesellschaft nach den Vorschriften des Wertpapierhandelsgesetzes (WpHG) beteiligt, die 10,0 % der Stimmrechte überschreiten.

ANTEILSEIGNER T80

	Sitz	Stimmrechte in %
BB Biotech AG	Schaffhausen/Schweiz	15,7
Edmond de Rothschild Investment Partners	Paris/Frankreich	14,4
IBG Gruppe	Magdeburg/Deutschland	14,1
HBM Healthcare Investments	Zug/Schweiz	11,4

Beschränkungen hinsichtlich der Übertragung von Aktien

Im Rahmen des Börsengangs haben sich die damaligen Aktionäre gegenüber der den Börsengang begleitenden Bank verpflichtet, für einen Zeitraum von sechs Monaten nach der Handelsaufnahme, d.h. ab 27. Oktober 2014, keine zum damaligen Zeitpunkt bestehenden Aktien aus ihrem Besitz anzubieten, zu verpfänden oder zu verkaufen. Für eine weitere Periode von sechs Monaten ist dies nur mit Zustimmung der emissionsbegleitenden Bank zulässig.

7.3 Ernennung und Abberufung von Mitgliedern des Vorstands

Die Ernennung und Abberufung der Mitglieder des Vorstands ist in den §§ 84, 85 AktG sowie in § 6 der Satzung in der Fassung vom 14. November 2014 geregelt. Gemäß § 6 der Satzung besteht der Vorstand aus einem oder mehreren Mitgliedern; im Übrigen bestimmt der Aufsichtsrat die Anzahl der Vorstände. Die Mitglieder des Vorstands werden für eine maximale Dauer von fünf Jahren bestellt. Dies gilt auch für eine erneute Bestellung des jeweiligen Vorstandsmitgliedes.

Zum 1. November 2014 wurde Dr. Ingeborg Lues zum Vorstand mit Geschäftsbereich (Pharma) - Entwicklung berufen. Die mit einer Laufzeit bis zum 30. November 2014 versehenen Vorstandsverträge von Dr. Glund und Dr. Liebers wurden neu gefasst und mit einer Laufzeit bis zum 30. November 2017 versehen.

7.4 Satzungsänderungen

Die Änderung der Satzung erfolgt nach den §§ 179, 133 AktG. Nach § 20 der Satzung genügen für die Beschlüsse der Hauptversammlung (einschließlich Satzungsänderungen), soweit nicht das Gesetz zwingend etwas anderes vorschreibt, als Stimmenmehrheit die einfache Mehrheit der abgegebenen Stimmen und als Kapitalmehrheit die einfache Mehrheit des bei der Beschlussfassung vertretenen Grundkapitals. Darüber hinaus ist der Aufsichtsrat nach der Satzung ermächtigt, Änderungen der Satzung zu beschließen, die nur die Fassung betreffen.

7.5 Sonstige Angaben

Es existieren Vereinbarungen mit den Vorstandsmitgliedern für den Fall eines Kontrollwechsels bei der Probiodrug AG. Sollte im Falle eines Kontrollwechsels die Bestellung zum Vorstand enden oder die Kompetenzen und Verantwortlichkeiten mehr als nur unwesentlich eingeschränkt werden, können die Vorstandsmitglieder ihre Vorstandsverträge beenden unter Auszahlung der bis zum Ende der ursprünglichen Vertragslaufzeit anfallenden Festvergütung sowie zuzüglich einer anteiligen variablen Vergütung basierend auf einer 100-igen Zielerreichung, sofern diese für das entsprechende Jahr entschieden worden ist. Die Anstellungsverträge der Mitarbeiter enthalten keine Regelungen für einen solchen Fall.

8. ERKLÄRUNG ZUR UNTERNEHMENSFÜHRUNG ENTSPRECHEND § 289A HGB

Die Erklärung zur Unternehmensführung nach § 289a HGB beinhaltet die Entsprechungserklärung zum Deutschen Corporate Governance Kodex, Angaben zu Unternehmensführungspraktiken sowie eine Darstellung der Arbeitsweisen von Vorstand und Aufsichtsrat.

ENTSPRECHENSERKLÄRUNG VON VORSTAND UND AUFSICHTSRAT NACH § 161 AKTG

Zu den Empfehlungen der „Regierungskommission Deutscher Corporate Governance Kodex" gemäß § 161 AktG:

Vorstand und Aufsichtsrat der Probiodrug AG erklären, dass den vom Bundesministerium der Justiz am 24. Juni 2014 bekanntgemachten Empfehlungen der „Regierungskommission Deutscher Corporate Governance Kodex" mit folgenden Ausnahmen entsprochen wird:

1. Ziffer 3.8 des Kodex – Höhe des Selbstbehalts in der D&O-Versicherung für den Aufsichtsrat

   Bei der Gesellschaft besteht eine D&O-Versicherung, in die auch alle Aufsichtsratsmitglieder einbezogen sind. Ein Selbstbehalt ist hier nicht vereinbart. Da die Aufsichtsratsmitglieder überwiegend keine Vergütung erhalten, würde ein Selbstbehalt für Aufsichtsratsmitglieder wirtschaftlich betrachtet zu einem unverhältnismäßigen Ergebnis führen.

2. Ziffer 4.2.3 Abs. 2 Satz 6 des Kodex – Höchstgrenzen hinsichtlich der Vergütung und der variablen Vergütungsbestandteile

   Den Vorstandsmitgliedern wurden Phantom Stocks gewährt, die bei Börsengang ausgeübt werden können. Für diese Phantom Stocks ist keine Höchstgrenze vorgesehen. Außerdem wurden den Vorstandsmitgliedern Aktienoptionen gewährt, bei deren Ausübung auch keine Höchstgrenze vorgesehen ist. Im Übrigen ergeben sich aus den Verträgen mit den Vorstandsmitgliedern Höchstgrenzen.

3. Ziffer 4.2.3 Abs. 4 des Kodex – Begrenzung der Zahlung an ein Vorstandsmitglied bei vorzeitiger Beendigung auf zwei Jahresvergütungen

   Die aktuell bestehenden Vorstandsverträge enthalten keine Begrenzung. Im Zusammenhang mit der Umstrukturierung der Gesellschaft stand es im Vordergrund, die Zusammenarbeit mit den Vorstandsmitgliedern abzusichern.

4. Ziffer 5.1.2 des Kodex – Vielfalt (Diversity), angemessene Berücksichtigung von Frauen

   Mit Dr. Inge Lues, die mit Wirkung zum 1. November 2014 zum Mitglied des Vorstandes berufen wurde, ist ein Drittel der Vorstandsmitglieder weiblich. Die Gesellschaft beabsichtigt jedoch keine festen Quoten für die Vielfalt (Diversity), falls nicht in ausreichender Zahl qualifizierte Kandidaten zur Verfügung stehen.

5. Ziffer 5.4.1 Abs. 2 des Kodex – Benennung konkreter Ziele für die Zusammensetzung des Aufsichtsrates

   Der Aufsichtsrat beabsichtigt, bei der zukünftigen Zusammensetzung des Aufsichtsrates, dass Mitglieder Erfahrung im Bereich der Pharmaforschung und der Erforschung der Alzheimerschen Krankheit und vergleichbarer Erkrankungen sowie Erfahrungen im öffentlichen Kapitalmarkt haben. Auf Grund der Ausrichtung des Unternehmens sollen Mitglieder des Aufsichtsrates auch US-Erfahrung haben. Da es auf Grund dieser Anforderungen schwierig ist, in ausreichender Zahl qualifizierte Mitglieder für den Aufsichtsrat zu finden, hat der Aufsichtsrat keine feste Quote für die Diversity festgelegt, insbesondere keine feste Frauenquote.

6. Ziffer 5.4.6 Abs. 1 Satz 2 des Kodex – Berücksichtigung des Vorsitz, stellvertretenden Vorsitz und der Mitgliedschaft in Ausschüssen bei der Vergütung des Aufsichtsrates

Bisher erhält nur Prof. Frank eine Vergütung für seine Tätigkeit als Aufsichtsrat. Da die anderen Aufsichtsratsmitglieder keine Vergütung erhalten, kann auch keine erhöhte Vergütung für den Vorsitzenden und den stellvertretenden Vorsitzenden des Aufsichtsrates sowie die Vorsitzende von Ausschüssen gezahlt werden. Für neue Aufsichtsratsmitglieder ist in der Zukunft geplant, dass diese eine Aufsichtsratsvergütung erhalten. In diesem Fall soll dann auch eine erhöhte Vergütung für den Vorsitzenden und den stellvertretenden Vorsitzenden des Aufsichtsrates sowie die Vorsitzenden von Ausschüssen vorgesehen werden.

7. Ziffer 7.1.2 Satz 4 des Kodex – Verkürzte Fristen für die Veröffentlichung von Finanzberichten

Gemäß Ziffer 7.1.2 Satz 4 des Kodex sollen der Jahresabschluss der Gesellschaft, innerhalb von 90 Tagen nach Ende des Geschäftsjahres, die Zwischenberichte innerhalb von 45 Tagen nach dem Ende des Berichtszeitraums öffentlich zugänglich sein. Während die Gesellschaft den Jahresabschluss nach den Vorgaben des Kodes veröffentlichen wird, beabsichtigt die Gesellschaft, den Halbjahresfinanzbericht innerhalb der gesetzlichen Frist von zwei Monaten nach dem Ende des Berichtszeitraums für den Halbjahresfinanzbericht zum 30. Juni zu veröffentlichen.

Nach Überzeugung von Aufsichtsrat und Vorstand sind die gesetzlichen Zeiträume für eine sorgfältige Erstellung der Dokumente angemessen. Auch sind die gesetzlichen Vorgaben aus Sicht des Vorstands und des Aufsichtsrats für eine zeitnahe Information der Aktionäre und des Kapitalmarkts momentan ausreichend. Die Möglichkeit einer Einhaltung der verkürzten Fristen des Kodex wird jedoch fortlaufend geprüft.

ANGABEN ZU UNTERNEHMENSFÜHRUNGSPRAKTIKEN

Die Unternehmensführung von Probiodrug ist auf einen fairen, respektvollen und gesetzeskonformen Umgang untereinander bedacht. In Anbetracht der relativ geringen Unternehmensgröße, die zu einem persönlichen Umgang mit allen Mitarbeitern und Partnern führt, sowie der flachen Hierarchie reichen diese Maßstäbe für ein verantwortungsvolles Miteinander aus. Weitere Festlegungen zu Unternehmensführungspraktiken sind daher nicht erforderlich.

Die Unternehmensführung und -überwachung erfolgen in Übereinstimmung mit den deutschen Gesetzen, den gesellschaftlichen Normen und weitgehend den Richtlinien des Deutschen Corporate Governance Kodex.

ARBEITSWEISEN VON VORSTAND UND AUFSICHTSRAT

Wie vom Aktiengesetz gefordert, wird die Probiodrug vom Vorstand geführt, der seinerseits vom Aufsichtsrat überwacht wird. Beide Organe arbeiten eng, vertrauensvoll und konstruktiv zusammen, um den Fortschritt der verfolgten Programme zu sichern und damit den Wert des Unternehmens nachhaltig zu steigern. Die strategische Ausrichtung des Unternehmens stimmt der Vorstand mit dem Aufsichtsrat ab und erörtert mit ihm auch deren Umsetzung und Steuerung. Der Vorstand informiert den Aufsichtsrat regelmäßig, zeitnah und umfassend über alle unternehmensrelevanten Fragen der Planung, des Entwicklungsstandes der verfolgten Programme, der Strategie, der Geschäftsentwicklung, der Finanzen, der Risikolage, des Risikomanagements sowie des internen Kontrollsystems und Compliance. Hierzu informiert der Vorstand den Aufsichtsrat auch zwischen den Sitzungen über wesentliche Ereignisse. Kurzfristig notwendige Entscheidungen werden bei Bedarf auch im Rahmen von Telefonkonferenzen getroffen oder im Umlaufverfahren gefasst.

In der Geschäftsordnung des Vorstands sind Zustimmungsvorbehalte des Aufsichtsrats für wichtige Geschäftsvorfälle festgelegt. In einzelnen Fällen kann der Aufsichtsrat weitere Entscheidungen des Vorstandes einem Zustimmungsvorbehalt unterstellen.

Vorstand

Der Vorstand der Probiodrug, dem Dr. Konrad Glund (Vorstandssprecher; Chief Executive Officer/CEO), Dr. Hendrik Liebers (Mitglied des Vorstands; Chief Financial Officer/CFO) und Dr. Inge Lues (Mitglied des Vorstands; Chief Development Officer/CDO) angehören, führt die Geschäfte eigenverantwortlich und ist im Rahmen der aktienrechtlichen Vorschriften an das Interesse und die geschäftspolitischen Grundsätze der Probiodrug gebunden. Zielsetzung der Vorstandsarbeit ist dabei eine

nachhaltige und wertoptimierende Geschäftsentwicklung. Die Vorstandsmitglieder sind in ihren Fähigkeiten und Erfahrungen komplementär und arbeiten im Vorstand von Probiodrug teilweise bereits langjährig zusammen. Die nähere Ausgestaltung der Arbeit im Vorstand wird durch eine Geschäftsordnung bestimmt.

Alle Vorstandsbereiche stimmen sich untereinander im normalerweise wöchentlichen Turnus ab. Entscheidungen des Gesamtvorstands werden mit der einfachen Mehrheit derjenigen Mitglieder getroffen, die an der Beschlussfassung teilnehmen. Bei Stimmengleichheit gibt die Stimme des Vorstandssprechers den Ausschlag.

Aufsichtsrat

Der Aufsichtsrat bestand entsprechend der Satzung zum 31. Dezember 2014 aus sechs Mitgliedern. Die Arbeit des Aufsichtsrates, die Grundsätze seiner Beschlussfassungen sowie die Arbeit seiner Ausschüsse werden von der Geschäftsordnung des Aufsichtsrates geregelt. Vorsitzender ist Dr. Erich Platzer, stellvertretender Vorsitzender Dr. Dinnies Johannes von der Osten. Die weiteren Mitglieder sind Dr. Jörg Neermann, Dr. Hubert Birner, Dr. Olivier Litzka und Prof. Georg Frank. Der Aufsichtsrat tagte im Berichtszeitraum 7-mal, (30. Januar, 6. März, 30. April, 17. Juni, 8. September, 30. September, 25. November). Die gegenwärtigen Aufsichtsräte sind bzw. waren in der Vergangenheit international in der Biotechnologie- und Pharmabranche tätig, verfügen über entsprechende Netzwerke und kennen aus eigener Erfahrung sehr gut die Bedürfnisse dieses Sektors.

Um die Effizienz der Aufsichtsratsarbeit zu erhöhen, wurden zwei Ausschüsse gebildet: der Prüfungsausschuss (Audit Committee) und der Vergütungsausschuss (Compensation Committee). Dem Prüfungsausschuss gehören Dr. von der Osten, Dr. Birner und Dr. Neermann an; den Vorsitz hat Dr. von der Osten. Alle Mitglieder verfügen über die entsprechende Expertise und Unabhängigkeit. Dem Vergütungsausschuss gehören Dr. Platzer, Prof. Frank und Dr. Litzka an; den Vorsitz hat Dr. Platzer.

Diese Ausschüsse berichten dem Gesamtaufsichtsrat über ihre Aktivitäten.

Transparenz

Probiodrug informiert den Kapitalmarkt umfassend und zeitnah über ihre Geschäftslage und besondere Vorkommnisse. Die Finanzberichterstattung erfolgt in Übereinstimmung mit den gesetzlichen Vorschriften in Deutschland und in den Niederlanden durch Veröffentlichung des jährlichen Geschäftsberichts, des Halbjahresfinanzberichts und durch die Zwischenmitteilungen der Geschäftsführung. Neben der für die Gesellschaft obligatorischen Berichterstattung nach HGB veröffentlicht Probiodrug insbesondere für ihre internationalen Investoren parallel Finanzberichte, die auf freiwilliger Basis gemäß IFRS erstellt werden.

Weitere Informationen werden der Öffentlichkeit im Rahmen von Pressemitteilungen bzw. Ad-hoc Mitteilungen zur Verfügung gestellt. Sämtliche Finanzberichte, Meldungen, Präsentationen und Mitteilungen können auf der Internetseite der Gesellschaft eingesehen werden.

9. VERGÜTUNGSBERICHT

9.1 Vergütung der Vorstände

Höhe und Struktur
Die jährliche Vergütung der Vorstandsmitglieder besteht aus drei Komponenten:

- einer erfolgsunabhängigen Vergütung (Festvergütung),
- einer erfolgsabhängigen Bonusregelung,
- Aktienoptionen.

Die Höhe der Vergütung wurde zuletzt im Rahmen der neuen Dienstverträge im Jahr 2014 angepasst.

Erfolgsunabhängige Vergütung
Die Höhe der Festvergütung ist abhängig von der übertragenen Funktion und Verantwortung sowie von branchen- und marktüblichen Rahmenbedingungen, die sich vor allem an anderen vergleichbaren börsennotierten Unternehmen aus der Biotechnologiebranche orientieren. Die Festvergütung wird als monatliches Gehalt ausgezahlt.

Erfolgsabhängige Vergütung
Die erfolgsabhängige Vergütung besteht aus einem auf ein Jahr bemessenen Bonus.

Der erfolgsabhängige Bonus wird vom Aufsichtsrat nach einer entsprechenden jährlichen Leistungsbeurteilung und nach pflichtgemäßem Ermessen festgelegt. Maßstab für den Bonus sind die Geschäftsentwicklung der Probiodrug sowie der Umsetzungsgrad individueller sowie allgemeiner Unternehmensziele. Diese Ziele betreffen u.a. Themen aus den Bereichen Entwicklung, Business Development, Strategie, Investor Relations und allgemeines Management.

Der Aufsichtsrat beschließt am Beginn des folgenden Kalenderjahres über die Erfüllung der Ziele. Der Bonus ist zahlbar nach der Beschlussfassung des Aufsichtsrats über die Zielerreichung. Er ist hinsichtlich seiner Höhe betragsmäßig gedeckelt.

Für 2014 wurde zusätzlich ein einmaliger, betraglich fixer Bonus für den Fall eines erfolgreichen IPO vereinbart. Er ist hinsichtlich seiner Höhe betragsmäßig gedeckelt. Der Bonus ist zahlbar nach der Durchführung eines erfolgreichen IPO.

Aktienoptionen
Als weitere Vergütungskomponente mit langfristiger Anreizwirkung nutzt das Unternehmen Mitarbeiterbeteiligungsprogramme, sogenannte ESOP (Employee Stock Option Programme), an denen sowohl der Vorstand als auch die Mitarbeiter partizipieren. Im Rahmen dieser Programme wurden an die Vorstände in den Jahren 2008, 2010 und 2014 Aktienoptionen ausgegeben, die zum Bezug von Aktien der Probiodrug berechtigen. Detaillierte Informationen über den aktuellen Optionsbesitz sind im Anhang aufgeführt.

Im Hinblick auf die Einhaltung der Kodexempfehlungen zur Managementvergütung wird auf die auf Kapitel 7. des Lageberichtes „Erklärung zur Unternehmensführung“ Unterabschnitt Entsprechenserklärung nach § 161 AktG verwiesen.

Vorstandsvergütung für das Jahr 2014

Eine detaillierte Aufstellung der individuellen Gehälter der Vorstandsmitglieder ist in der nachfolgenden Tabelle dargestellt:

GEWÄHRTE ZUWENDUNGEN

T81

				Dr. Konrad Glund CEO
Wiederbestellung				**01 Dez 14**
EUR	**2013**	**2014 (tatsächlich)**	**2014 (mindestens)**	**2014 (maximal)**
Festvergütung	190,000	191,667	191,667	191,667
Nebenleistungen	25,070	25,098	25,098	25,098
Summe	215,070	216,765	216,765	216,765
Einjährige variable Vergütung	47,000	95,000	0	135,500
Auflösung Rückstellungen Vorjahr	0	–9,000	0	0
Mehrjährige variable Vergütung				
Stock Option Plan 2014 (8 Jahre)		595,457	0	595,457
Summe	**262,070**	**898,222**	**216,765**	**947,722**
Versorgungsaufwand	29,093	44,830	44,830	44,830
Gesamtvergütung	**291,163**	**943,052**	**261,595**	**992,552**

GEWÄHRTE ZUWENDUNGEN

T82

				Dr. Hendrik Liebers CFO
Wiederbestellung				**01 Dez 14**
EUR	**2013**	**2014 (tatsächlich)**	**2014 (mindestens)**	**2014 (maximal)**
Festvergütung	160,000	164,167	164,167	164,167
Nebenleistungen	26,597	26,597	26,597	26,597
Summe	186,597	190,764	190,764	190,764
Einjährige variable Vergütung	47,000	95,000	0	122,000
Auflösung Rückstellungen Vorjahr	0	–9,000	0	0
Mehrjährige variable Vergütung				
Stock Option Plan 2014 (8 Jahre)		595,451	0	595,451
Summe	**233,597**	**872,215**	**190,764**	**908,215**
Versorgungsaufwand	0	5,130	5,130	5,130
Gesamtvergütung	**233,597**	**877,345**	**195,895**	**913,346**

GEWÄHRTE ZUWENDUNGEN

T83

				Dr. Inge Lues CDO
Neubestellung				01 Dez 14
EUR	2013	2014 (tatsächlich)	2014 (mindestens)	2014 (maximal)
Festvergütung	0	35,000	35,000	35,000
Nebenleistungen	0	621	621	621
Summe	0	35,621	35,621	35,621
Einjährige variable Vergütung	0	95,000	0	95,000
Mehrjährige variable Vergütung				
Stock Option Plan 2014 (8 Jahre)	0	995,923	0	995,923
Summe	**0**	**1,126,544**	**35,621**	**1,126,544**
Versorgungsaufwand		0	0	0
Gesamtvergütung	**0**	**1,126,544**	**35,621**	**1,126,544**

Haftungsversicherung (D&O)

Die aktuelle D&O-Versicherung der Gesellschaft für die Vorstände enthält seit dem 1. Juli 2010 den gesetzlich vorgesehenen Selbstbehalt. Hinsichtlich der Einhaltung der Kodexempfehlungen zur D&O-Versicherung für Aufsichtsräte wird auf Kapitel 7. des Lageberichtes „Erklärung zur Unternehmensführung“ Unterabschnitt Entsprechenserklärung nach § 161 AktG verwiesen.

Aktienbesitz der Vorstandsmitglieder

Die Vorstandsmitglieder der Probiodrug hielten nach Kenntnis des Unternehmens zum 31. Dezember 2014 insgesamt 378.376 Aktienoptionen, die zum Bezug von 378.376 Aktien berechtigen sowie 57.020 Phantom Stocks. Zudem hielten sie 179.386 Aktien, also 2,67 % aller Unternehmensanteile.

9.2 Vergütung des Aufsichtsrats

Aus Sicht der Gesellschaft sollte insbesondere das Interesse des Aufsichtsrats auf eine nachhaltige und langfristig erfolgreiche Entwicklung des Unternehmens ausgerichtet sein. Deshalb hält Probiodrug eine Festvergütung für einige Mitglieder des Aufsichtsrats für zielführend. Unabhängig von ihrer Vergütung erhalten alle Aufsichtsratsmitglieder einen Ersatz ihrer Reisekosten und sind in die bestehende D&O–Versicherung einbezogen.

Festlegung der Aufsichtsratsvergütung

Die Vergütung des Aufsichtsrats beruht auf dem Beschluss der ordentlichen Hauptversammlung vom 30. Juni 2008. Laut diesem Beschluss erhält das Aufsichtsratsmitglied Prof. Georg Frank eine jährliche Grundvergütung von TEUR 7 zuzüglich TEUR 1 je Präsenzsitzung, TEUR 0,7 je Ausschusssitzung und TEUR 0,5 je Telefonkonferenz des Aufsichtsrates oder Ausschusses. Sollte Prof. Frank den Aufsichtsratsvorsitz innehaben, würden diese Beträge um 50% ansteigen; sollte Prof. Frank den Vorsitz eines Aufsichtsratsausschusses innehaben, würden die Zahlungen je Präsensitzung, Ausschussitzung und Telefonkonferenz um 50 % steigen. Eine variable Vergütung wird nicht gezahlt.

Aktienbesitz der Aufsichtsratsmitglieder
Die Aufsichtsratsmitglieder der Probiodrug AG hielten nach Kenntnis von Probiodrug zum 31. Dezember 2014 insgesamt 174.674 Aktien und damit einen Anteil in Höhe von 2,58 % des Unternehmens.

Halle, den 25. Februar 2015

Der Vorstand der Probiodrug AG

Dr. Konrad Glund **Dr. Hendrik Liebers** **Dr. Inge Lues**

D. BESTÄTIGUNGSVERMERK DES ABSCHLUSSPRÜFERS

Wir haben den Jahresabschluss – bestehend aus Bilanz, Gewinn- und Verlustrechnung, Kapitalflussrechnung, Eigenkapitalspiegel sowie Anhang – unter Einbeziehung der Buchführung und den Lagebericht der Probiodrug AG, Halle, für das Geschäftsjahr vom 1. Januar bis 31. Dezember 2014 geprüft. Die Buchführung und die Aufstellung von Jahresabschluss und Lagebericht nach den deutschen handelsrechtlichen Vorschriften liegen in der Verantwortung des Vorstandes der Gesellschaft. Unsere Aufgabe ist es, auf der Grundlage der von uns durchgeführten Prüfung eine Beurteilung über den Jahresabschluss unter Einbeziehung der Buchführung und über den Lagebericht abzugeben.

Wir haben unsere Jahresabschlussprüfung nach § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung vorgenommen. Danach ist die Prüfung so zu planen und durchzuführen, dass Unrichtigkeiten und Verstöße, die sich auf die Darstellung des durch den Jahresabschluss unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und durch den Lagebericht vermittelten Bildes der Vermögens-, Finanz- und Ertragslage wesentlich auswirken, mit hinreichender Sicherheit erkannt werden. Bei der Festlegung der Prüfungshandlungen werden die Kenntnisse über die Geschäftstätigkeit und über das wirtschaftliche und rechtliche Umfeld der Gesellschaft sowie die Erwartungen über mögliche Fehler berücksichtigt. Im Rahmen der Prüfung werden die Wirksamkeit des rechnungslegungsbezogenen internen Kontrollsystems sowie Nachweise für die Angaben in Buchführung, Jahresabschluss und Lagebericht überwiegend auf der Basis von Stichproben beurteilt. Die Prüfung umfasst die Beurteilung der angewandten Bilanzierungsgrundsätze und der wesentlichen Einschätzungen des Vorstandes sowie die Würdigung der Gesamtdarstellung des Jahresabschlusses und des Lageberichts. Wir sind der Auffassung, dass unsere Prüfung eine hinreichend sichere Grundlage für unsere Beurteilung bildet.

Unsere Prüfung hat zu keinen Einwendungen geführt.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss den gesetzlichen Vorschriften und vermittelt unter Beachtung der Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Probiodrug AG. Der Lagebericht steht in Einklang mit dem Jahresabschluss, vermittelt insgesamt ein zutreffendes Bild von der Lage der Gesellschaft und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar.

Leipzig, den 6. März 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Lauer
Wirtschaftsprüfer

Nötzel
Wirtschaftsprüferin

E. VERSICHERUNG DER GESETZLICHEN VERTRETER

Wir versichern nach bestem Wissen, dass gemäß den anzuwendenden Rechnungslegungsgrundsätzen der Jahresabschluss ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- Finanz- und Ertragslage der Probiodrug AG vermittelt und im Bericht über die Lage der Gesellschaft der Geschäftsverlauf einschließlich des Geschäftsergebnisses und die Lage der Probiodrug AG so dargestellt sind, dass ein den tatsächlichen Verhältnissen entsprechendes Bild vermittelt sowie die wesentlichen Chancen und Risiken der voraussichtlichen Entwicklung der Probiodrug AG beschrieben sind.

Halle, den 25. Februar 2015

Der Vorstand der Probiodrug AG

Dr. Konrad Glund **Dr. Hendrik Liebers** **Dr. Inge Lues**

ANNUAL REPORT, FULL YEAR RESULTS 2014

31 MARCH 2015

INTERIM MANAGEMENT STATEMENT Q1 2015

13 MAY 2015*

ANNUAL GENERAL MEETING 2015

10 JUNE 2015*

INTERIM REPORT, HALF YEAR RESULTS 2015

27 AUGUST 2015*

INTERIM MANAGEMENT STATEMENT Q3 2015

19 NOVEMBER 2015*

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