MetrioPharm

ANNUAL REPORT

2015

FIRST IN HUMAN

COMPANY KEY FIGURES

CHF 0.60

PRICE FOR NEW SHARES IN THE LAST CAPITAL INCREASE OF NOVEMBER 2015

95,700,000

OUTSTANDING SHARES

24 %

EQUITY RATIO

CHF 199 million

COMPANY VALUATION (RISK-ADJUSTED NPV) ON 15-DEC-2015

(EVALUATION BY VALUATIONLAB AG, ZURICH)

Disclaimer:

This annual report was translated from German to English as a service for MetrioPharm's shareholders. MetrioPharm assumes no liability for the English version; legally binding is the German original.

POSSIBLE INDICATIONS

SARCOPENIA FRAILTY

MULTIPLE SCLEROSIS

PSORIASIS

RHEUMATOID ARTHRITIS

TENDINOPATHY

WOUND HEALING

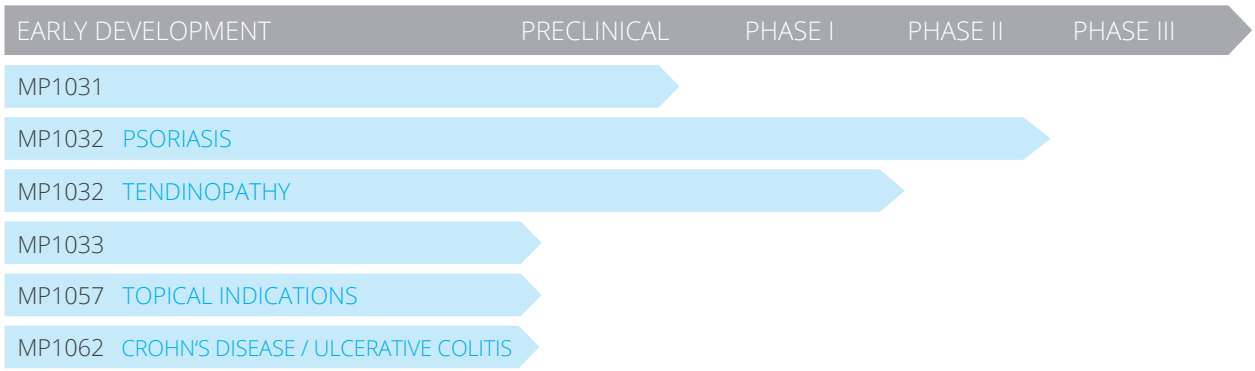
METRIOPHARM AT A GLANCE

Short Profile of MetrioPharm AG

MetrioPharm AG is a private pharmaceutical development company headquartered in Zurich. MetrioPharm AG is devoted to the development of effective and well-tolerated drugs for the treatment of acute and chronic inflammatory diseases. The development pipeline comprises several drug candidates, classified as macrophage modulators, for influencing the human immune system. The drug candidates are characterized by an exceptionally good safety profile – resulting in high tolerability for the patients – and a broad spectrum of efficacy in inflammation, autoimmune diseases, and infections.

Pipeline

MetrioPharm AG develops the MP1000 family of active agents as a new class of macrophage modulators for the treatment of acute and chronic inflammatory diseases. The MP1000 drug family consists of the pharmaceutically active substances MP1031, MP1032, MP1033, MP1057, and MP1062. Based on the findings on the efficacy and safety of MP1032, MetrioPharm has started to build a platform of follow-up molecules for specific indications.



The Year 2015 – First in Human

Last year, the First in Human study on MP1032 was successfully completed. MP1032 has thus passed the safety test in healthy volunteers. MetrioPharm prepared and accompanied this important phase I of the clinical drug development plan throughout the year 2015. Although MP1032 had already shown a very good safety and tolerability profile in preclinical studies, the phase I trial results exceeded all expectations. No toxicological reactions or side effects were observed in healthy subjects – with a maximum dosage corresponding to three times the therapeutic dose (over a period of seven days). As all currently approved anti-inflammatory drugs may cause severe side effects and intolerance, this result is a significant milestone in the pharmaceutical development of MP1032 and for the performance of MetrioPharm AG.

FIRST IN
HUMAN

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Team of MetrioPharm

LETTER TO SHAREHOLDERS

Dear Shareholders,

Last year was special in the history of our company; our lead compound MP1032 has successfully completed the phase I clinical trial. MetrioPharm has thus achieved a goal towards which we have been working long and hard: to enter clinical drug development.

As many of you know – especially shareholders who have been with us for a long time – it was a long way to reach this milestone; a way that started with promising results from cell culture and animal models in the preclinical phase. Back then, our strategy was to test and validate MP1032 with the aim to out-license the compound early. Much has happened since then: The better we understood the features of our compound, the more doors have opened; not only in the treatment of acute infectious, but also of chronic degenerative diseases. Over the years, we have arrived at previously unimagined uses through intensive research and development. The targeted indications now also include autoimmune diseases such as psoriasis, inflammatory bowel diseases, and rheumatoid arthritis.

We have been steadily expanding our vision for our lead compound MP1032 and for our company. This is also reflected in the assessment of MetrioPharm AG. Since our going-private in December 2012, the company's value has increased by more than 300 % (market valuation 2012: CHF 13,280,202; 2015: CHF 57,420,000).

I would like to take this opportunity to express my thanks for all the efforts involved; first, I want to thank our employees and the scientific staff. We have managed to initiate the clinical development of our lead compound – a step that very few pharmaceutical start-ups manage to take on their own. MetrioPharm's team did an excellent job, especially when facing these challenges.

Secondly, I would like to thank you, our shareholders: Those who have accompanied us for many years and those who are new. Your trust and continued support enables us to develop new, highly effective, and safe therapies, and thus to lead MetrioPharm to sustained success.

Sincerely yours,

Wolfgang Bru

MANAGEMENT

Management of MetrioPharm

WOLFGANG BRYSCH, MD – CHIEF SCIENTIFIC OFFICER

Dr. Wolfgang Brysch studied computer sciences in the US and medicine in Göttingen, Germany, and Cambridge, UK. He subsequently completed his PhD thesis in neurobiology and conducted research work at the Max-Planck-Institute for Biophysical Chemistry. From 1989, Dr. Brysch headed the laboratory for molecular neurobiology and cancer research at the Max-Planck-Institute. He co-founded two successful research-based biotech companies and a specialized pharma-related IT company. Together with a team of scientists, Dr. Brysch has analyzed numerous biomolecular drug compounds and overseen their development from research through the clinical phases. In 2007, Dr. Brysch founded MetrioPharm AG together with his brother, Ekkehard Brysch, and other partners, and has since served as the company's Chief Scientific Officer (CSO) and President of the Board.

EKKEHARD BRYSCH – CHIEF EXECUTIVE OFFICER

Ekkehard Brysch studied law and economics in Göttingen, Germany. Since 1980, he acted as Managing Director and Partner of a consulting firm with offices in Germany and the US. In 1995, he earned his certification as a Certified Management Consultant (CMC). Mr. Brysch specializes in strategy development, joint venture implementation, franchising, and international corporate structuring. In the years 2001–2014, Ekkehard Brysch was managing director of BioMedion – a company that specializes in pharmaceutical IT and related consulting services. He is also the Managing Director of Athenion GmbH and Board Member of Athenion AG – the parent company of MetrioPharm AG. Since 2007, Mr. Brysch has served as Chief Executive Officer (CEO) of MetrioPharm AG, which he founded together with his brother, Dr. Wolfgang Brysch, and other partners.

MANAGEMENT

Management of MetrioPharm

JOHN ALAM, MD – SENIOR MEDICAL ADVISOR

Dr. Alam received an SB in chemical engineering from the Massachusetts Institute of Technology and an MD from the Northwestern University School of Medicine. Subsequently, he completed an internal medicine residency at Brigham and Women's Hospital and a post-doctoral fellowship at the Dana-Farber Cancer Institute. Between 1991 and 1997, he worked at Biogen Inc., where he led the clinical development of interferon 1 beta (Avonex®) for multiple sclerosis. He then moved to Vertex Pharmaceuticals, Inc., where he held positions as Chief Medical Officer and Executive Vice President Medicines Development, and played major roles in the development of innovative medicines for HIV, Hepatitis C, and Cystic Fibrosis (1997–2008). In 2010, Dr. Alam joined Inhibitix Inc. as Senior Medical Advisor, advancing the company's drug development program and facilitating the sale of the company to Bristol-Myers-Squibb in 2012. From 2011 to April 2014, he served as Head of the Therapeutic Strategic Area for Diseases of Aging at Sanofi. In 2014, Dr. John Alam joined MetrioPharm AG as Senior Medical Advisor.

ASTRID KAISER, PHD – HEAD OF DRUG DEVELOPMENT

Dr. Kaiser studied molecular biology and biochemistry in Berlin and Göttingen, and completed her PhD thesis at the Benjamin Franklin University Hospital, Institute of Infectious Diseases, Berlin. After receiving her doctorate, Dr. Kaiser worked as a senior scientist for over six years in human cancer research. Subsequently, Dr. Kaiser worked for several biomedical companies as a research consultant and project leader in the field of animal model design and drug development. Dr. Kaiser joined MetrioPharm in 2008 and was appointed Project Manager of the entire MP1000 drug development program in 2010. Since 2014, Dr. Kaiser leads and coordinates the clinical development program as MetrioPharm's Head of Drug Development.

BOARD OF DIRECTORS

Executive Members of the Board of Directors

WOLFGANG BRYSCH, MD – PRESIDENT OF THE BOARD

Dr. Wolfgang Brysch was elected for another four years on the Board in the 09th Ordinary General Assembly on April 23, 2015.
(For a CV of Dr. Wolfgang Brysch see "Management".)

Non-executive Directors

MARKUS WENNER – MEMBER OF THE BOARD

Markus Wenner studied law in Germany and the US. He worked for three and a half years at the international law firm Clifford Chance, specializing in Mergers and Acquisitions and Corporate Finance. After one year at GSM Industries as an investment manager, he switched to GCI Management, further specializing in Mergers and Acquisitions, Investment, Capital Market and Corporate Finance Projects. Markus Wenner is founder and owner of numerous small- and mid-sized companies, and is a member of several supervisory and advisory boards. He joined the Board of MetrioPharm AG in 2011. Markus Wenner was elected for another four years on the Board in the 09th Ordinary General Assembly on April 23, 2015.

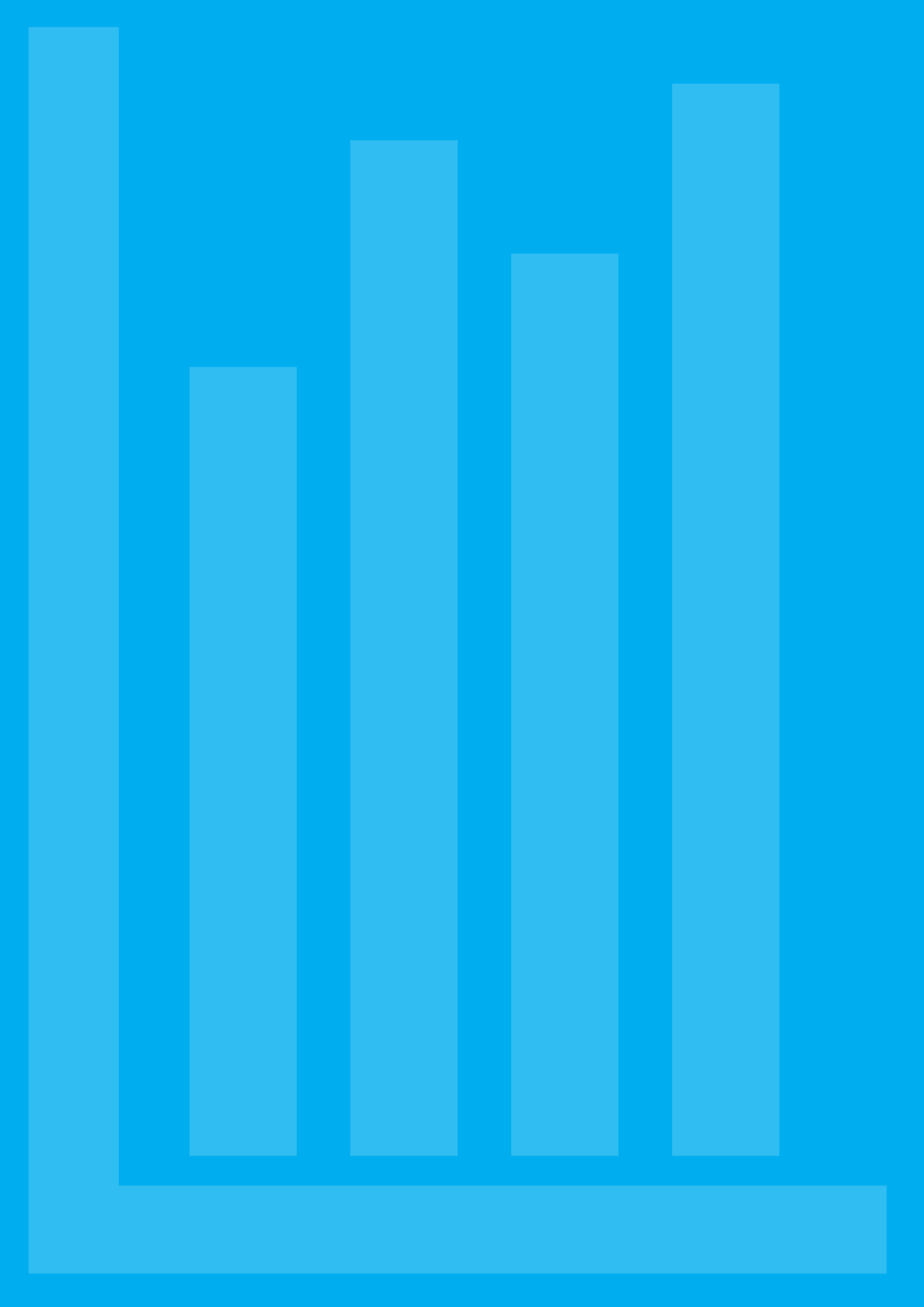
BOARD OF DIRECTORS

WERNER WOLF, PHD – MEMBER OF THE BOARD

Dr. Werner Wolf studied chemistry and physics in Graz and Vienna, Austria. He subsequently worked for four years as a researcher in biochemistry and immunobiology. From 1974 to 1998, Dr. Wolf worked for Boehringer Mannheim (now Roche), acting as Head of Research & Development of specialty chemicals for medical/biological research, and later as Director of this division. Dr. Wolf was also a member of the advisory board of the Global Life Science Fund. Until 2008, he served as Senior Scientist and Technology Advisor to TVM Capital, one of Germany's largest venture capital funds. Dr. Werner Wolf has since worked as a consultant for the European Commission (Bio Finance), the German Ministry of Education and Research, as well as for numerous international institutions and companies. He joined the Board of MetrioPharm AG in 2011. Dr. Wolf was elected for another four years on the Board in the 09th Ordinary General Assembly on April 23, 2015.

RT. HON DAVID DAVIS, MP (UK) – MEMBER OF THE BOARD

David Davis has a BSc Joint Honors in Molecular Science and Computer Science and completed the Advanced Management Program at Harvard. After completing his MBA at the London Business School, Mr. Davis worked for approximately fifteen years at Tate & Lyle PLC, becoming a main board director in 1987. During this time, he was also a Director of Globe Investment Trust. Since 1987, he has been a Member of Parliament, representing a constituency in Yorkshire. In 1990, he joined the government and has served in the Foreign and Commonwealth Office and the Cabinet office, where he was responsible for policy delivery and public service performance and was the Science Minister. In 2010, he chaired The Future of Banking Commission which investigated the causes of the recent banking crisis. David Davis was elected for one year on the Board in the 09th Ordinary General Assembly on April 23, 2015.



CAPITAL MARKET

Overview of the Swiss Biotechnology Industry

2015 was a globally successful year for companies in the biotechnology sector. 45 new products have been approved by the FDA in the US (2014: 41) – in Europe there were even 93 new products (EMA had authorized 82 new products in 2014). 78 biotechnology companies went public on the global stock markets in 2015 – including 45 companies from the United States and 33 European companies. These IPOs realized USD 3.8 billion in the United States and USD 1.4 billion in Europe. Nevertheless, the total collected capital through worldwide IPOs stayed below the record of the year 2014. In Switzerland, this number was low as usual, with one IPO in 2015 compared to two IPOs in 2014.

Notwithstanding the low number of IPOs in Switzerland, Swiss biotechnology companies saw a new peak in financing. A total capital of CHF 907 million was procured in 2015. Thus, the record amount from 2007 was exceeded by CHF 22 million. The proportion of capital funding was evenly distributed between public (CHF 474 million) and private (CHF 433 million) companies. Thus, compared to last year, the share of capital raised by publicly traded companies has increased considerably (2014: CHF 246 million from public companies and CHF 473 million from private companies).

Outstanding Securities of MetrioPharm AG on 31-Dec-2015

The following private marketable securities are outstanding in the fiscal year 2015.

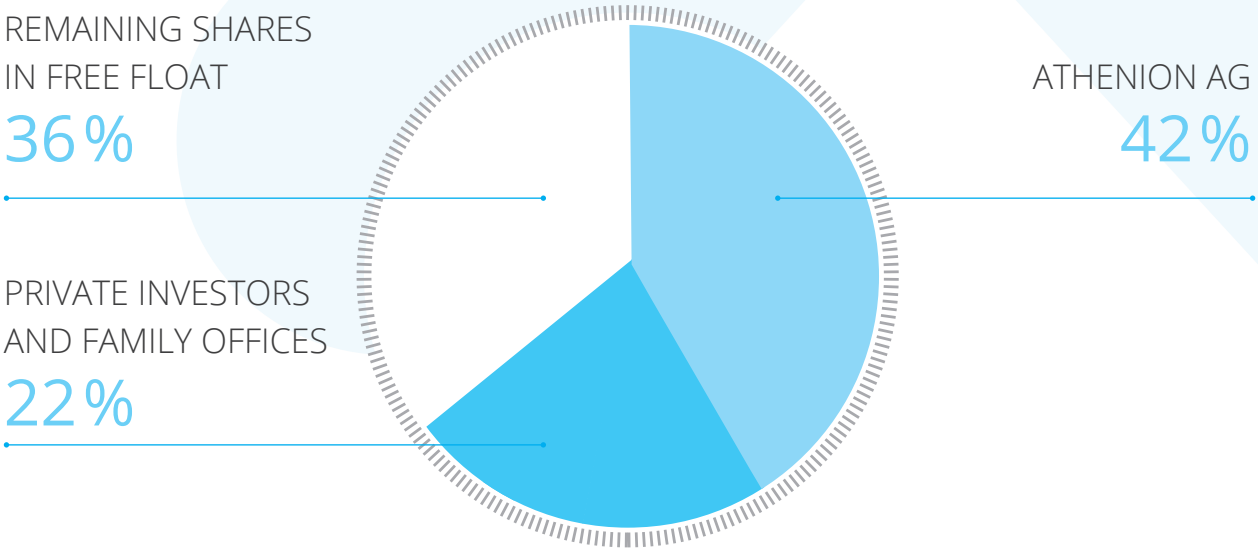
METRIOPHARM AG REGISTERED SHARE

WKN	A0YD9Q
ISIN	CH0107076744
Outstanding shares on 31-Dec-2015	95,700,000 shares
Nominal value per share	0.20 CHF
Capital stock on 12-Dec-2015	19,140,000 CHF
Stock exchange	2007-2012: First Quotation Board of the Frankfurt Stock Exchange Since 2012: Privately tradable

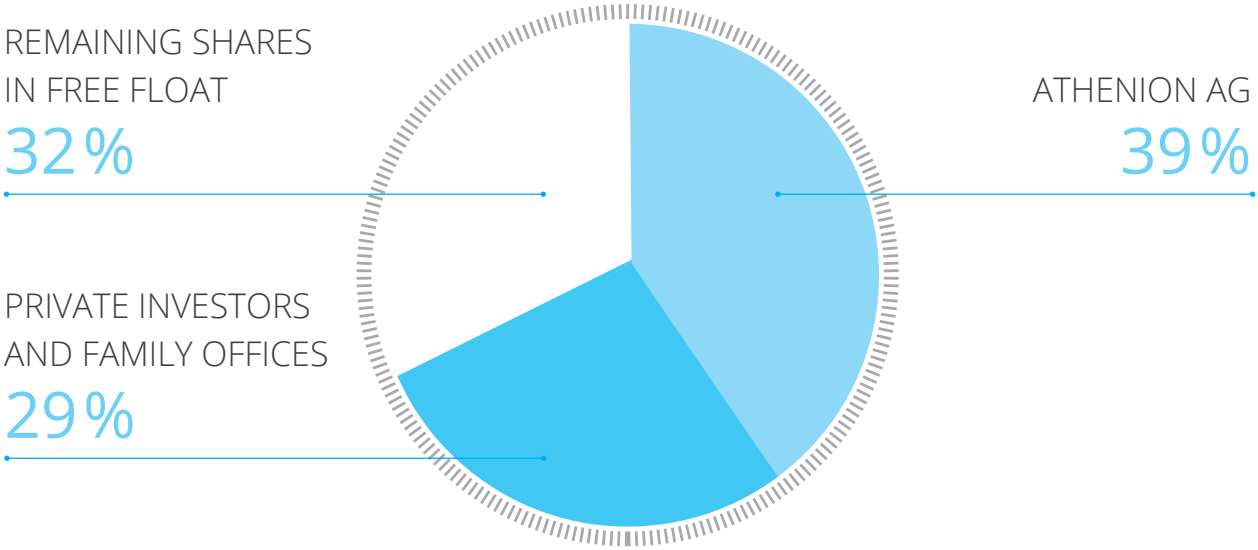
In 2015, MetrioPharm AG increased its capital stock by CHF 3.94 million to CHF 19.14 million. In November 2015, MetrioPharm AG registered shares were subscribed for CHF 0.60. The proceeds from the capital increases were used to finance the clinical phase I trial of MP1032.

Capital increases were carried out without subscription rights pursuant to Art. 3a of MetrioPharm AG's bylaws, leading to the following changes in the shareholder structure:

2014



2015



METRIOPHARM CONVERTIBLE BOND 2014–2017

WKN	A1Z NKR
ISIN	DE000A1ZNKR9
Total nominal value	CHF 1,200,000.00
Nominal interest rate	5 % per annum
Beginning of the term	01-Sep-2014
Date of maturity	01-Sep-2017
Conversion right	CHF 30,000 into 33,333 registered shares Conversion ratio: 33,333 : 1 Conversion price: CHF 0.90
Exercise periods	01-Jul-2016 until 31-Jul-2016 01-Jul-2017 until 31-Jul-2017
Stock exchange	Privately tradable

The proceeds from the issuance of the convertible bond A1Z NKR / DE000A1ZNKR9 were used for the regulatory preclinical development, GMP production, and preparation of the clinical phase I trial of MP1032.

Newly Issued MetrioPharm Bonds until Date of Reporting

METRIOPHARM CONVERTIBLE BOND 2016–2019

WKN	A18 XSE
ISIN	DE000A18XSE
Total nominal value	CHF 6,030,000.00
Nominal interest	5 % per annum
Beginning of the term	01-Feb-2016
Date of maturity	01-Feb-2019
Conversion right	CHF 45,000 into 50,000 registered shares Conversion ratio: 50,000: 1 Conversion price: CHF 0.90
Exercise period	01-Jul-2016 until 15-Jan-2019
Stock exchange	Privately tradable

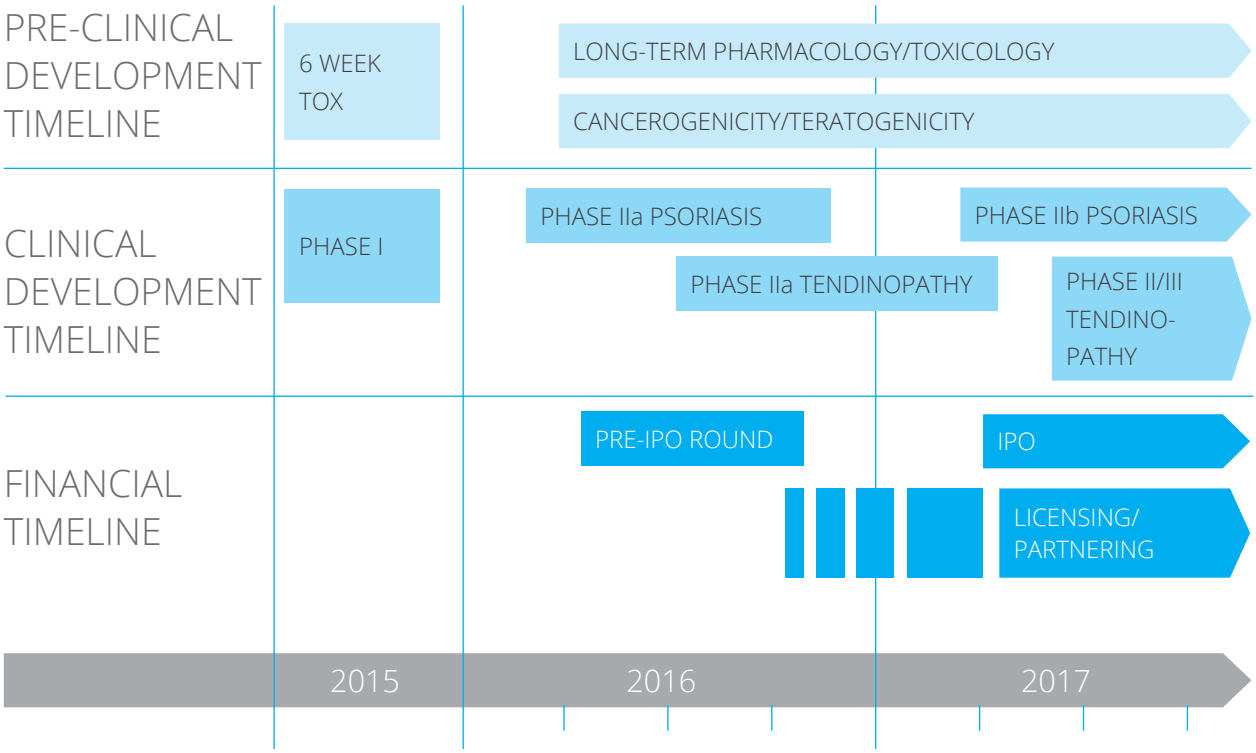
The proceeds from the issuance of the convertible bond A18 XSE / DE000A18XSE will be used to finance a clinical phase II trial of MP1032 and ongoing business operations.

Financing Strategy

In 2015, no revenues could be used for self-financing, as all MetrioPharm substances are still under development. MetrioPharm AG recurred therefore to private capital market financing. The negative equity ratio resulting from the issuance of convertible bonds in 2014 could be turned into a positive equity ratio of 24 % due to three capital increases in 2015. With this capital, the development plan for the lead compound MP1032 could be realized and MP1032 could be tested in humans for the first time in the fourth quarter of 2015, showing a very positive result.

These positive results of phase I enable MetrioPharm AG to initiate a phase IIa trial of MP1032 in psoriasis patients in the second quarter of 2016. This could be financed through the issuance of another convertible bond on February 01, 2016. Furthermore, a last round of private equity financing to fund the development program and MetrioPharm's ongoing operations is planned for 2016. Concurrently, the management is seeking consultation on an appropriate timing of a re-IPO and takes a going public in 2017 into consideration for having a better access to the capital market.

In parallel, first contacts with potential licensing partners for the use of MP1032 in the treatment of psoriasis were established in 2015. However, talks on out-licensing will only be substantiated after completion of the phase IIa trial in order to realize the expected added value. Based on the outcome of these negotiations, the phase IIb trial for MP1032 in psoriasis should preferably be funded through an out-licensing deal or a strategic partnership. MetrioPharm AG expects first revenues from out-licensing agreements starting from 2017. Two years later, revenues from product sales could already be generated.



Investor Relations

As a young Red Biotechnology company, MetrioPharm AG develops new agents for treating inflammation, autoimmune diseases, and infections since 2007. Such a development is complex, lengthy, and costly, but offers the potential for high revenues and a huge increase in company value.

The performance of MetrioPharm AG, measured by the average market price of its shares, fluctuated very strongly as a result of speculative transactions at the First Quotation Board of the Frankfurt Stock Exchange, shortly after the company had been founded. The Board of MetrioPharm AG decided therefore to use the closing of the First Quotation Board in December 2012 for a going-private, thus reducing running costs and simplifying company structures. This intensified the focus on the core business of MetrioPharm – the development of drug candidates – and led to a steady growth of the company and the company value, measured by the issue price of new shares, which most recently reached CHF 0.60.

	2015	2014	2013	2012
Price / share	0.60 CHF	- CHF	- CHF	0.17 CHF
Number of outstanding shares	95,700,000	76,000,000	76,000,000	60,000,000
Market valuation	57,420 CHF k	13,280k CHF k	13,280k CHF k	12,206 CHF k

In 2015, MetrioPharm commissioned an external company evaluation through valuationLAB AG, Zurich. Under the assumption that the development plan for the lead compound MP1032 will be adhered to, MetrioPharm AG was valued with CHF 185 million (DCF) or CHF 199 million (risk-adjusted NPV). For communicating this positive development and for preparing to go public, MetrioPharm AG expanded its Investor Relations team.

Executive Assistant Sandra Meissner used to be the only contact for MetrioPharm AG's shareholders. In November 2015, Eva Brysch joined the company as Investor Relations Manager and has since formed a team with Ms. Meissner.

Eva Brysch completed her education as a bank consultant with honors in 2008, and studied business administration at the University of Göttingen and at the Free University of Berlin, where she obtained her M.Sc. in 2013. Mrs. Brysch worked as Brand Manager at Athenion GmbH until 2015. "I am pleased to combine my experiences in marketing and finance and to optimize MetrioPharm's communication. My duties in Investor Relations at MetrioPharm are to inform all market players continuously and promptly about significant events – be they shareholders, analysts, or the financial press," said Eva Brysch.

THE COMPANY

MetrioPharm AG is a private pharmaceutical development company headquartered in Zurich.

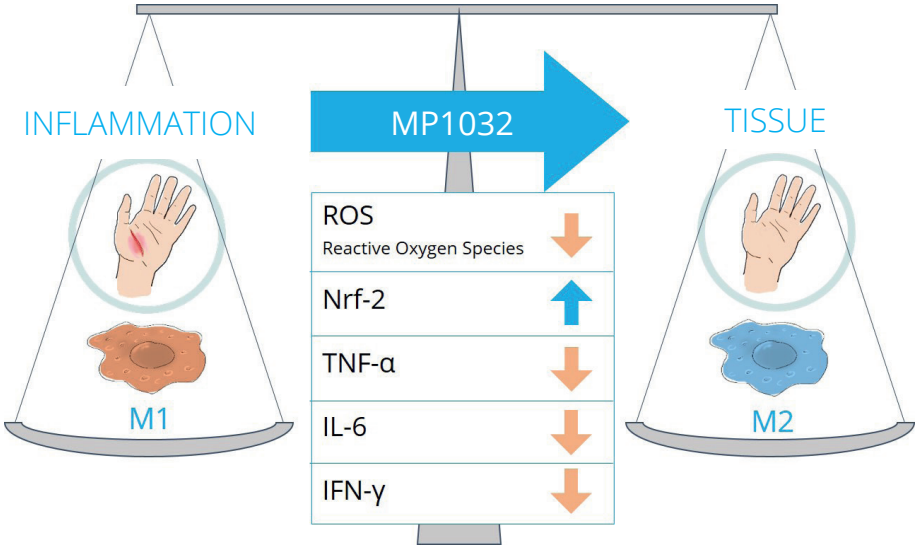
It is MetrioPharm AG's objective to make the treatment of chronic inflammatory diseases effective and tolerable to patients. To achieve this goal, MetrioPharm's team developed a new generation of macrophage modulators on the basis of its lead compound MP1032 to control inflammation, auto-immune diseases, and infections.

Inflammation plays a key role in a variety of diseases, such as rheumatoid arthritis, psoriasis, osteo-arthritis, tendinopathy, multiple sclerosis, and degenerative diseases of old age. Current drugs with a proven efficacy against these diseases suppress the immune system (immunosuppression). This suppression brings about a number of potentially serious side effects; in particular, the risk of infection is significantly increased.

An immunologically modern approach is an adjusted modulation of the immune system. Members of the MP1000 family do not suppress the immune system, but modulate the over-activity of macrophages responsible for inflammation to physiologically adequate levels. This approach reduces the potential for a number of side effects while maintaining high efficacy. MP1032 is the first compound of the MP1000 family currently in clinical development (phase IIa).

Our Mode of Action: Macrophage Modulation

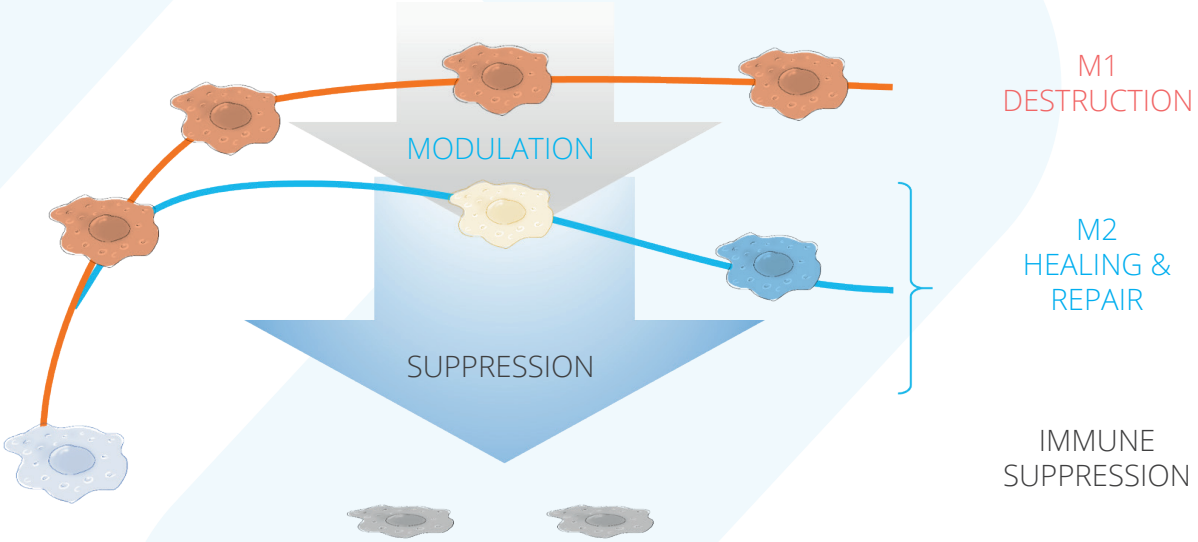
Substances from the MP1000 drug family have a common mode of action: They modulate macrophages. Macrophages are white blood cells that belong to the group of phagocytes. As part of the innate immune system, they eliminate exogenous microorganisms; a single macrophage can eliminate more than 100 bacteria. Furthermore, macrophages play a key role in the formation and control of inflammation. Macrophages can take different forms and functions: M1 macrophages



Mode of action: MP1032's influence on cell function and the inflammation markers TNF-α, IL-6, IFN-γ

initiate and sustain inflammation wherever infections, injuries, or autoimmune reactions occur in the body. For inflammations to subside, macrophages need to convert to the M2 type responsible for tissue repair.

Many diseases are caused by M1 macrophages that do not convert to M2 macrophages, thus unphysiologically maintaining inflammatory processes. In such cases, TNF-alpha or interleukin blockers are often used as therapeutics. These antibody-based drugs block the corresponding inflammatory mediators and thus suppress the immune system. This leads to frequent side effects, as other diseases may break out. In contrast, macrophage modulators reestablish the balance between M1 and M2 macrophages, so that a physiological immune response can take place.



Macrophage modulation versus immunosuppression

Business Model: Two Strategic Approaches for Minimal Development Costs and Maximum Value

MetrioPharm's development strategy is currently focused on the development, out-licensing, clinical approval, and marketing of the lead compound MP1032 in a variety of indications. In addition, the findings on MP1032's mode of action are used to establish a pipeline of follow-up molecules for specific indications. Two strategic approaches are pursued to ensure an optimal ratio between development costs and value generation.

MINIMIZING DEVELOPMENT COSTS AND RISKS

The development of novel drugs bears risks and many pharmaceutical biotech companies have already failed. The critical phases are the clinical trials, in which the safety and efficacy of an active ingredient are tested and evaluated: In phase I, safety is tested in healthy humans, phase II is concerned with the safety and efficacy in patients, and in phase III efficacy is evaluated in a large number of patients. More than 80 % of clinical drugs fail in the early clinical phases (phase I to phase II). By this time, many

million US dollars have already been invested.
This is where MetrioPharm's development strategy is unique: We develop our drug candidates on the basis of specific precursors. Their efficacy has already been proven in humans, but they are not suitable for an approval in Europe, the US, or other developed markets for reasons of lack of chemical purity or insufficient characterization. MetrioPharm is developing ultrapure and properly defined drugs from these precursors according to ICH guidelines to meet all international standards. The experience and clinical observations with the precursor drugs give us high confidence that the candidate compounds successfully complete the clinical development phase. MetrioPharm's own pharmaceutical development thus generates exactly characterized, reproducible, and patentable compounds.

MAXIMIZING INDEPENDENCE AND ADDED VALUE

The MP1000 family represents a new generation of macrophage modulators beneficial in a variety of inflammatory diseases. In order to remain independent from large pharmaceutical companies and licensees, MetrioPharm independently develops its drug candidates in specialized niche indications up to market authorization. For indications with a high development effort, MetrioPharm AG cooperates with international pharmaceutical partners.

The clinical development of the active compounds takes primarily place in Switzerland and Germany – countries, whose approval standards for new medicines are among the world's most stringent. The pharmaceutical development is mostly coordinated by the 100 % subsidiary MetrioPharm Deutschland GmbH, enabling MetrioPharm to act as an independent pharmaceutical company within the EU.

The developed drugs are to be marketed through licensing agreements with established pharmaceutical companies and through direct sales in selected countries. Revenue will thus be generated from royalties and sales.

Evolution into a Fully Integrated Pharmaceutical Company

MetrioPharm AG was founded in 2007 with the objective to license pharmaceutical agents primarily from Eastern Europe and Asia. MetrioPharm aimed to develop these drugs for early clinical development stages and out-license them to established pharmaceutical companies for marketing in the EU and United States. MetrioPharm AG began its development program with MP1000, a mixture of related, inadequately characterized drug compounds, for which good evidence of anti-infective effects in humans were available.

By detailed analysis and research on this drug family from 2007 to 2010, individual substances with increased pharmaceutical activity could be identified and characterized. They have been subsequently

patented under the names MP1031, MP1032, and MP1033 by MetrioPharm AG. MP1032 proved to be the most stable and effective form and is MetrioPharm's lead compound under development to date.

In 2011, after discovery and patenting of MP1032, MetrioPharm has intensified its focus on developing this drug candidate through preclinical and clinical studies. Preclinical studies on MP1032 in 2011 and 2012 revealed a considerably larger spectrum of activities than originally assumed. MP1032 has the potential to provide a significant improvement over conventional therapies, particularly in chronic inflammatory and autoimmune diseases.

From 2010 onwards, the development of other drugs was therefore halted. MP1032 presented so much promise that all resources were used for advancing the drug candidate to the clinical phase. This goal was achieved in 2015 with the beginning and successful completion of the first phase I clinical trial.

New insights from the last years on the therapeutic modulation of macrophages enabled MetrioPharm AG to establish a platform of MP1032 follow-up compounds for selected indications. In 2015, MetrioPharm has begun to systematically investigate possible successor compounds and thus expanded the preclinical pipeline.

Goals for the Forthcoming Fiscal Year 2016

Following the successful application of MP1032 in humans in 2015, the safety and tolerability data will be confirmed in a phase IIa study with psoriasis patients from the beginning of 2016. In addition, various parameters allowing to draw conclusions about the influence of MP1032 on disease progression in psoriasis will be analyzed.

Upon the start of the phase IIa trial on MP1032 in psoriasis patients, MetrioPharm's team will use free resources to initiate further regulatory studies (long-term pharmacology and toxicology) required for clinical phase III trials and subsequently for obtaining a marketing authorization. At the end of 2016, MP1032 is scheduled to be tested in another indication: tendinopathy, a partially inflammatory, degenerative disease of the ligaments and tendons resulting in pain and loss of mobility.

MetrioPharm AG's Medium- and Long-term Development Strategy

After MP1032's proof of concept in psoriasis, MetrioPharm AG will enter into negotiations with potential licensees or strategic partners. The objective of these negotiations will be sufficient funding for subsequent clinical trials (phase IIb and III) for MP1032 in psoriasis. Milestone payments

by licensees are planned to be used to further advance the independent development of MP1032 for tendinopathy.

Furthermore, MetrioPharm AG pursues an expansion strategy of its pipeline by other active agents or follow-up compounds from the MP1000 family. Consequently, MetrioPharm AG is bound to become a fully integrated pharmaceutical company with revenues from licenses in major key markets, a team of specialists for the development and optimization of existing drugs, and a sales team for proprietary drugs in profitable niche markets.

Market Environment

In the medium term, MetrioPharm AG will put its developmental focus on the lead compound MP1032 for the indications psoriasis and tendinopathy.

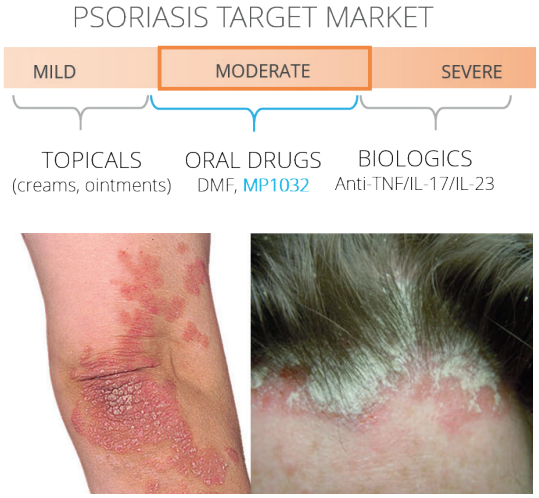
PSORIASIS

Psoriasis is an inflammatory skin disease that manifests itself by scaly, itchy skin particularly on the scalp, elbows, and knees. The itching and flaking skin severely impairs the quality of life of affected patients.

Two million people have psoriasis in Germany alone, with more than 100 million people being affected worldwide. The psoriasis market is expected to grow from currently about USD 5 billion to more than USD 10 billion in the next few years.

Psoriasis is classified into different levels of severity, each with different treatment options. Mild psoriasis is treated by topical medications (ointments); only when topical medications are ineffective, other treatment methods need to be considered. In moderate-to-severe psoriasis, systemic medications or phototherapy are applied. Only when these therapies fail biologics may be administered by injection. Although biologics are currently the most effective drugs, they are only the third therapeutic line due to side effects and high costs.

MetrioPharm AG's MP1032 targets the moderate-to-severe psoriasis segment. Mild psoriasis is usually treated by ointments, yet the frequent moderate forms of the disease still have a high unmet medical need. In the EU, this market segment alone is worth EUR 3.5 million, and USD 4 million in the US.



Other biotech and pharmaceutical companies besides MetrioPharm AG target this lucrative

market segment: Recently, the PDE4 inhibitor Otezla has been successfully marketed. Due to its relatively high price, Otezla is used only after the generic systemic medications, but before the more expensive and less tolerated biologics. However, Otezla itself is not very well tolerated either and its safety profile is inferior to that of MP1032 at the current stage of development.

Other potential competitors are in development – Forward Pharma's FP187 (phase III), XenoPort's XP23829 (phase II), Pfizer's Xeljanz (phase III), Can-Fite's CF101 (phase III), Jannsen's ASP015K (phase II), Lilly / Incyte's Baricitinib (phase II), and Kadmon's KD025 (phase II) – but not one of them has a safety profile comparable to MP1032. If the assumed effectiveness of MP1032 is confirmed in phase II, MP1032 will have the potential to be approved as the best tolerated oral psoriasis drug in the market. Therefore, MetrioPharm AG expects a sales potential of up to CHF 2.3 billion per year.

TENDINOPATHY

Another phase IIa trial on MP1032 in tendinopathy is planned to be carried out in 2016. Tendinopathy is a collective term for tendinitis (tendon inflammation) and tendinosis (tendon injuries). Small tears can occur in a tendon through joint overload or sudden or excessive load. Such an injury requires a few days to six weeks to heal, accompanied by a painful inflammation of the tendon (tendinitis). Cases where weakened tendons are repeatedly injured faster than they can heal are classified as tendinosis, since the tendon structure is experiencing sustained damage.

There are few scientifically reliable data on the prevalence of tendon injuries. Existing data have only been compiled for injuries of specific tendons, such as the Achilles tendon or the rotator cuff. However, it can be assumed that about 2 % of the population experience a tendon injury per year. Approximately half of these injuries are treated by medical personnel or with medication, with a focus on symptom relieve. Standard therapies include non-steroidal analgesics, corticosteroids, or physiotherapy. The experimental treatment with enriched platelet-rich plasma (PRP) is used for causal treatment, i.e. support of self-healing. Although data on efficacy is insufficient, the size of the PRP market is estimated to be USD 160 million. This market is expected to grow in the coming years to up to USD 350 million. MetrioPharm AG is not aware of any other development by a pharmaceutical company to target causal treatment of tendinopathy.

MP1032's mode of action – to accelerate the healing process – allows for the use of MP1032 as a therapeutic for tendinitis before a tendinosis develops. In addition, MP1032 could accelerate the repair of already damaged tendons and thus also shorten the duration of tendinosis treatments. MetrioPharm AG expects a sales potential of CHF 800 million per year.

FINANCIAL REPORT ACCORDING TO SWISS LEGISLATION

(THE FOLLOWING SECTION IS IN GERMAN LANGUAGE IN ACCORDANCE WITH SWISS LEGAL REQUIREMENTS.)

BILANZ

MetrioPharm AG, Zürich – Bilanz per 31. Dezember

		31.12.2015	31.12.2014
		CHF	CHF
AKTIVEN			
Umlaufvermögen			
Flüssige Mittel		408'828.79	243'680.75
Übrige kurzfristige Forderungen			
gegenüber Dritten		7'912.05	301.54
gegenüber Nahestehenden		0.00	61'779.00
gegenüber Tochtergesellschaften		224'808.78	0.00
gegenüber Beteiligten		4'637.75	0.00
Aktive Rechnungsabgrenzungen		5'600.00	233'998.85
Total Umlaufvermögen		651'787.37	539'760.14
Anlagevermögen			
Beteiligungen		31'067.50	31'067.50
Sachanlagen			
Büromaterial und Anlagen		1'000.00	1'300.00
Immaterielle Anlagen			
Patente	8)	11'245'188.74	8'554'472.29
Wertberichtigung Immaterielle Anlagen	8)	-5'362'755.74	-4'602'244.00
Total Anlagevermögen		5'914'500.50	3'984'595.79
TOTAL AKTIVEN		**6'566'287.87**	**4'524'355.93**

BILANZ

MetrioPharm AG, Zürich – Bilanz per 31. Dezember

		31.12.2015 CHF	31.12.2014 CHF
PASSIVEN			
Kurzfristiges Fremdkapital			
Verbindlichkeiten aus Lieferungen und Leistungen			
gegenüber Dritten		309‘513.15	173‘144.80
gegenüber Tochtergesellschaften		27‘880.95	0.00
gegenüber Nahestehenden		0.00	73‘173.20
Kurzfristige verzinsliche Verbindlichkeiten			
gegenüber Dritten (ohne Rangrücktritt)		761‘277.93	0.00
gegenüber Beteiligten (mit Rangrücktritt)		3‘222‘922.85	0.00
Übrige kurzfristige Verbindlichkeiten			
gegenüber Dritten		139‘512.35	30‘860.30
gegenüber Nahestehenden		0.00	349‘312.15
gegenüber Organe der Gesellschaft		6‘136.20	0.00
gegenüber Beteiligten		223‘980.60	0.00
Passive Rechnungsabgrenzungen			
gegenüber Dritten		285‘404.00	346‘805.83
gegenüber Organe der Gesellschaft		43‘048.80	0.00
Total kurzfristiges Fremdkapital		5‘019‘676.83	973‘296.28
Langfristiges Fremdkapital			
Langfristig verzinsliche Verbindlichkeiten			
gegenüber Dritten (ohne Rangrücktritt)		0.00	2‘980‘670.89
gegenüber Dritten (mit Rangrücktritt)		0.00	1‘350‘000.00
gegenüber Nahestehende		0.00	3‘846.81
gegenüber Beteiligten (ohne Rangrücktritt)		0.00	271‘710.85
gegenüber Beteiligten (mit Rangrücktritt)		0.00	3‘914‘482.08
Total langfristiges Fremdkapital		0.00	8‘520‘710.63
Eigenkapital			
Gezeichnetes Kapital	8)	19‘140‘000.00	15‘200‘000.00
Gesetzliche Kapitalreserven			
Reserven aus Kapitaleinlagen	8)	11‘488‘193.30	5‘208‘193.30
Verlustvortrag		-25‘377‘844.28	-21‘815‘737.74
Unternehmensergebnis		-3‘703‘737.98	-3‘562‘106.54
Total Eigenkapital		1‘546‘611.04	-4‘969‘650.98
TOTAL PASSIVEN		**6‘566‘287.87**	**4‘524‘355.93**

ERFOLGSRECHNUNG

MetrioPharm AG, Zürich
vom 1. Januar bis 31. Dezember

		2015 CHF	2014 CHF
Lizenz- und Dienstleistungserträge		0.00	0.00
Übrige Erträge		2'561.00	3'214.60
Betriebsertrag		2'561.00	3'214.60
Forschungs- und Entwicklungskosten	9)	-998'629.81	-536'611.00
Bruttogewinn I		**-996'068.81**	**-533'396.40**
Personalaufwand		-520'528.58	-653'629.70
Bruttogewinn II		**-1'516'597.39**	**-1'187'026.10**
Verwaltungsaufwand	9)	-1'205'479.66	-1'455'752.67
Übriger Betriebsaufwand		-20'880.90	-35'619.36
Kapitalsteuern		-32'807.15	-26'228.15
Betrieblicher Aufwand		-1'259'167.71	-1'517'600.18
Betriebliches Ergebnis vor Abschreibungen, Finanzerfolg und Steuern (EBITDA)		**-2'775'765.10**	**-2'704'626.28**
Abschreibungen		-760'811.74	-602'734.00
Betriebsergebnis vor Finanzerfolg und Steuern (EBIT)		**-3'536'576.84**	**-3'307'360.28**
Finanzertrag		7'455.43	1'437.95
Finanzaufwand		-174'616.57	-269'747.06
Ausserordentlicher Ertrag		0.00	13'562.85
Neutrales Ergebnis		-167'161.14	-254'746.26
Ergebnis vor Steuern		**-3'703'737.98**	**-3'562'106.54**
Gewinnsteuern		0.00	0.00
Unternehmensergebnis		**-3'703'737.98**	**-3'562'106.54**

ANHANG ZUR JAHRESRECHNUNG

MetrioPharm AG, Zürich

1) NEUES RECHNUNGSLEGUNGSGESETZ

Die Jahresrechnung 2015 wurde erstmals nach den Bestimmungen des Schweizerischen Rechnungslegungsrechts (32. Titel des Obligationenrechts) erstellt.

Aufgrund der erstmaligen Anwendung des neuen Schweizerischen Rechnungslegungsrecht und in Übereinstimmung mit Art. 2 Abs. 4 der Übergangsbestimmungen wurde in Bezug auf die Zahlen des Vorjahres auf die Stetigkeit der Darstellung und Gliederung der Bilanz und der Erfolgsrechnung verzichtet. Die Vorjahresangaben sind somit nur beschränkt vergleichbar.

2) BEWERTUNGSGRUNDSÄTZE

Die vorliegende Jahresrechnung wurde gemäss den Vorschriften des Schweizerischen Gesetzes, insbesondere der Artikel über die kaufmännische Buchführung und Rechnungslegung des Obligationenrechts (Art. 957 bis 962) erstellt.

In der Jahresrechnung wurden die nachfolgenden Grundsätze angewendet:

Bewertungsgrundlagen bilden grundsätzlich die historischen Werte, d.h. Anschaffungs- oder Herstellungskosten. Werden auf einzelnen Positionen Abschreibungen oder Wertberichtigungen vorgenommen, sind sie in der Bilanz grundsätzlich netto ausgewiesen. Es gilt der Grundsatz der Einzelbewertung von Aktiven und Passiven.

Allen erkennbaren Verlustrisiken und Minderwerten wird durch Wertberichtigung oder Rückstellung Rechnung getragen. Aufwendungen und Erträge sind periodengerecht abgegrenzt.

Bei Bilanzpositionen in fremder Währung erfolgt die Umrechnung in CHF zum Stichtagskurs per 31.12., welcher von der Eidgenössischen Steuerverwaltung (ESTV) vorgegeben wird.

Bewertungsgrundsätze einzelner Bilanzpositionen

- Flüssige Mittel	Nominalwert
- Forderungen	Nominalwert unter angemessener Berücksichtigung von betriebswirtschaftlich notwendigen Wertberichtigungen.
- Aktive Rechnungsabgrenzungen	Nominalwert
- Beteiligungen	Höchstens zu den Anschaffungskosten unter Abzug der betriebswirtschaftlich notwendigen Wertberichtigungen.
- Sachanlagen	Höchstens zu den Anschaffungskosten unter Abzug der betriebswirtschaftlich notwendigen Abschreibungen.
- Immaterielle Werte	Höchstens zu den Anschaffungskosten unter Abzug der betriebswirtschaftlich notwendigen Wertberichtigungen. Diese richten sich nach der Laufzeit der Patente und erfolgen linear.
- Kurzfristiges Fremdkapital	Nominalwert
- Langfristiges Fremdkapital	Nominalwert
- Rückstellungen	Nominalwert unter angemessener Berücksichtigung von betriebswirtschaftlich notwendigen und/oder steuerlich zugelassenen Bedingungen. Für ungewisse Verpflichtungen und drohende Verluste gemäss Schätzung des Managements.

ANHANG ZUR JAHRESRECHNUNG

MetrioPharm AG, Zürich

3) UNTERNEHMENSFORTFÜHRUNG

Das Geschäftsziel der MetrioPharm AG setzt vor der Auslizensierung von Patenten und Lizenzen deren Weiterentwicklung und ausführliche Dokumentation voraus. Derzeit erzielt die Gesellschaft keine Umsatzerlöse aus der Verwertung von Patenten und Lizenzen. Die von der Gesellschaft entwickelten Wirkstoffe befinden sich in einer weit fortgeschrittenen Phase IIa (klinische Studie), welche die Anwendung am Patienten vorsieht. Die Phase I wurde bereits im Dezember 2015 ohne Nebenwirkungen an gesunden Probanden abgeschlossen. Aufgrund dieses Fortschritts und Sondierungsgesprächen mit Pharmaunternehmen besteht grosses Interesse an diesen Wirkstoffen.

Der Verwaltungsrat der MetrioPharm AG beschäftigt sich fortlaufend mit der Überwachung der finanziellen Situation der Gesellschaft. An der ordentlichen Generalversammlung vom 23. April 2015 wurde eine genehmigte Kapitalerhöhung um bis zu 41‘000‘000 Aktien bzw. nominal max. CHF 8‘200‘000 (vgl. Punkt 4) sowie eine bedingte Kapitalerhöhung um bis zu 41‘000‘000 Aktien bzw. nominal max. CHF 8‘200‘000 (vgl. Punkt 5) beschlossen.

Voraussichtlich zwei weitere Kapitalerhöhungen sollen im Geschäftsjahr 2016 stattfinden, welche die Sicherung der Finanzierung über das Geschäftsjahr 2016 hinaus sichern sollen. Eine Reihe von Gesprächen mit potenziellen Investoren und Bankinstitutionen laufen derzeit. Beabsichtigt sind Kapitalerhöhungen von total CHF 6 Mio. und CHF 12 Mio. (inkl. Agio).

Die laufende Liquidität der MetrioPharm AG wird zusätzlich weiterhin durch Darlehenszusagen und bereits erfolgten Einzahlungen von Beteiligten und Dritten im Geschäftsjahr 2016 sichergestellt. Im März 2016 sind CHF 4.5 Mio. der MetrioPharm AG zugeflossen und einbezahlt worden, die auf die Ausgabe von neuen Wandelanleihen an einen Dritten zurückzuführen sind.

Der Verwaltungsrat und das Management stehen darüber hinaus mit mehreren Pharmaunternehmen über eine Lizenzerteilung in Verhandlungen, welche sich mit dem Abschluss der klinischen Phase IIa voraussichtlich im dritten Quartal 2016, konkretisieren sollten. Vor diesem Hintergrund sieht der Verwaltungsrat die Finanzierung/Liquidität für den laufenden Geschäftsbetrieb der MetrioPharm AG bis Ende 2016 als gesichert an, zumal neue Aufträge an externe Auftragnehmer nur bei jeweils gesicherten Finanzierungen ausgelöst werden.

Der Verwaltungsrat ist sich bewusst, dass die Fortführungsfähigkeit der Unternehmung davon abhängt, ob die erwarteten Finanzierungs- und Budgeterwartungen eintreten. Er ist vor dem Hintergrund des bisherigen Verlaufes und der geführten Gespräche und Verhandlungen davon überzeugt, dass diese Erwartungen eintreffen werden und dass eine Bilanzierung zu Fortführungswerten gerechtfertigt ist.

ANHANG ZUR JAHRESRECHNUNG

MetrioPharm AG, Zürich

4) GENEHMIGTE KAPITALERHÖHUNG

Der Verwaltungsrat ist ermächtigt, jederzeit bis zum 23. April 2017 das Aktienkapital im Maximalbetrag von CHF 5'460'000 durch Ausgabe von höchstens 27'300'000 vollständig zu liberierenden Namenaktien mit einem Nennwert von je CHF 0.20 zu erhöhen. Erhöhungen auf dem Wege der Festübernahme sowie Erhöhungen in Teilbeträgen sind gestattet. Der jeweilige Ausgabebetrag, der Zeitpunkt der Dividendenberechtigung und die Art der Einlagen werden vom Verwaltungsrat bestimmt.

Der Verwaltungsrat ist berechtigt, das Bezugsrecht der Aktionäre zu beschränken oder aufzuheben und Dritten zuzuweisen, im Falle der Verwendung der Aktien:

- für die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen, den Erwerb von Produkten, Immaterialgüterrechten oder Lizenzen oder für Investitionsvorhaben, einschliesslich Produktentwicklungs-programmen, oder im Falle einer Aktienplatzierung für die Finanzierung oder Refinanzierung solcher Transaktionen oder Investitionsvorhaben durch eine Aktienplatzierung bei einem oder mehreren Anleger; oder
- zum Zwecke der Erweiterung des Aktionärskreises in bestimmten Finanz- oder Investoren-Märkten, zur Beteiligung von strategischen Partnern, oder im Zusammenhang mit der Kotierung von neuen Aktien an inländischen oder ausländischen Börsen; oder
- für die Beteiligung oder Entschädigung von Unternehmen, die für die Gesellschaft oder eine ihrer Tochtergesellschaften Leistungen erbringen; oder
- zum Zwecke einer raschen und flexiblen Beschaffung von Eigenkapital durch eine Aktienplatzierung, welche mit Bezugsrechten nur schwer oder zu wesentlich schlechteren Bedingungen möglich wäre; oder
- für die Beteiligung von Mitgliedern des Verwaltungsrates, Mitgliedern der Geschäftsleitung, Mitarbeitern, Beauftragten, Beratern oder anderen Personen, die für die Gesellschaft oder eine Ihrer Tochtergesellschaften Leistungen erbringen.

Aktien, für welche Bezugsrechte eingeräumt, aber nicht ausgeübt werden, stehen zur Verfügung des Verwaltungsrates, der diese im Interesse der Gesellschaft verwendet.

ANHANG ZUR JAHRESRECHNUNG

MetrioPharm AG, Zürich

5) BEDINGTE KAPITALERHÖHUNG

Gemäss Beschluss der öffentlich beurkundeten Generalversammlung der MetrioPharm AG vom 23. April 2015 kann sich das Aktienkapital im Maximalbetrag von CHF 8'200'000 durch Ausgabe von höchstens 41'000'000 voll zu liberierenden Namenaktien zum Nennwert von je CHF 0.20 erhöhen, davon (a) bis zu einem Betrag von CHF 4'100'000 durch Ausübung von Wandel- und/oder Optionsrechten, welche in Verbindung mit auf nationalen oder internationalen Kapitalmärkten begebenen Anleihens- oder ähnlichen Obligationen der Gesellschaft oder einer ihrer Konzerngesellschaften eingeräumt werden und (b) bis zu einem Betrag von CHF 4'100'000 durch Ausübung von Optionsrechten, welche den Aktionären eingeräumt werden. Bei der Ausgabe von Anleihens- oder ähnlichen Obligationen, mit denen Wandel- und/oder Optionsrechte verbunden sind, ist das Bezugsrecht der Aktionäre hinsichtlich der bei Ausübung dieser Rechte auszugebenden Aktien ausgeschlossen. Zum Bezug der neuen Aktien sind die jeweiligen Inhaber von Wandel- und/oder Optionsrechten berechtigt. Die Wandel- und/oder Optionsbedingungen sind durch den Verwaltungsrat festzulegen.

Der Verwaltungsrat ist ermächtigt, bei der Ausgabe von Anleihens- oder ähnlichen Obligationen, mit denen Wandel- und/oder Optionsrechte verbunden sind, das Vorwegzeichnungsrecht der Aktionäre zu beschränken oder aufzuheben, (1) als solche Anleihens- oder ähnliche Obligatonen zum Zwecke der Finanzierung oder Refinanzierung der Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen ausgegeben werden oder (2) falls solche Anleihens- oder ähnliche Obligationen auf den internationalen Kapitalmärkten emittiert werden oder (3) ein anderer wichtiger Grund gemäss Art. 652b Abs. 2 OR vorliegt. Wird das Vorwegzeichnungsrecht durch Beschluss des Verwaltungsrates aufgehoben, gilt Folgendes: Die Wandel- bzw. Optionsanleihen sind zu den jeweiligen marktüblichen Bedingungen (einschliesslich der marktüblichen Standard-Verwässerungsschutzklauseln) auszugeben, und die Ausgabe neuer Aktien erfolgt zu den jeweiligen Wandel- oder Optionsbedingungen. Dabei dürfen Wandelrechte höchstens während 10 Jahren und Optionsrechte höchstens während 7 Jahren ab dem Zeiptunkt der betreffenden Anleihensemissionen ausübbar sein.

6) ANGABEN ZU WESENTLICHEN BETEILIGUNGEN

MetrioPharm Deutschland GmbH, Berlin – Zweck: Verwertung von Patenten, Lizenzen oder Rechten

		2015	2014
Stammkapital:	EUR	25'000.00	25'000.00
Quote (Kapital und Stimmen):		100%	100%
Buchwert:	CHF	31'067.50	31'067.50

ImmunoLogik GmbH, Trockenborn-Wolfersdorf

Die Beteiligung wurde im Betrage von EUR 25'000 mit Kaufvertrag vom 30. Juli 2014 an die Athenion AG (Zug) verkauft.

7) ANGABEN ÜBER ANZAHL VOLLZEITSTELLEN IM JAHRESDURCHSCHNITT

	2015	2014
Vollzeitstellen im Jahresdurchschnitt (10 / 50 / 250)	< 10	< 10

ANHANG ZUR JAHRESRECHNUNG

MetrioPharm AG, Zürich

	2015	2014

8) ERLÄUTERUNGEN ZU EINZELNEN POSITIONEN DER BILANZ

Immaterielle Anlagen *(Angaben in CHF)*	**5'882'433.00**	**3'952'228.29**

Patentbezeichnung:

Europäische und amerikanische Nationalisierung der PCT-Anmeldung WO 01/72305 („A medicament and method for the production thereof")

Erteilungsjahr: ab 2007	Anfangsbestand zum 1.1.:	3'428'560.00	3'999'990.00
Abschreibungsdauer: linear bis 2020	Zugänge:	0.00	0.00
	Abgänge:	0.00	0.00
	Abschreibungen:	-571'430.00	-571'430.00
	Schlussbestand zum 31.12.:	2'857'130.00	3'428'560.00

Patentbezeichnung:

Patentfamilie der PCT-Anmeldung WO 2011/107295 („Kristalline Formen zu 5-Amino-2,3-Dihydrophthalazin-1,4-Dion Natriumsalz, diese enthaltende pharmazeutische Zubereitungen und Verfahren zu ihrer Herstellung")

Erteilungsjahr: ab 2014	Anfangsbestand zum 1.1.:	523'668.29	0.00
Abschreibungsdauer: linear bis 2031	Zugänge:	2'690'716.45*	554'472.29
	Abgänge:	0.00	0.00
	Abschreibungen:	-189'081.74	-30'804.00
	Schlussbestand zum 31.12.:	3'025'303.00	523'668.29

** Bei den Zugängen handelt es sich um aktivierungsfähige Fremdkosten, welche direkt dem entsprechenden Patent zugewiesen werden können. Eigenaufwendungen werden nicht aktiviert.*

Gezeichnetes Kapital	**Anzahl Aktien**	**CHF**
Gezeichnetes Kapital zum 1.1.2015	*76'000'000*	15'200'000.00
- Genehmigte Kapitalerhöhung Januar 2015	*6'000'000*	1'200'000.00
- Genehmigte Kapitalerhöhung Juli 2015	*11'000'000*	2'200'000.00
- Genehmigte Kapitalerhöhung November 2015	*2'700'000*	540'000.00
Gezeichnetes Kapital zum 31.12.2015	*95'700'000*	*19'140'000.00*

	2015	2014

Reserven aus Kapitaleinlagen	**CHF**
Reserven aus Kapitaleinlagen zum 1.1.2015	5'208'193.30
- Genehmigte Kapitalerhöhung Januar 2015	800'000.00
- Genehmigte Kapitalerhöhung Juli 2015	4'400'000.00
- Genehmigte Kapitalerhöhung November 2015	1'080'000.00
Reserven aus Kapitaleinlagen zum 31.12.2015	11'488'193.30

9) ERLÄUTERUNGEN ZU EINZELNEN POSITIONEN DER ERFOLGSRECHNUNG

Forschungs- und Entwicklungskosten

Forschungs- und Entwicklungskosten beinhalten Fremdhonorare und Aufwendungen, die der Kategorie Grundlagenforschung zuzuschreiben sind und dementsprechend nicht direkt einem immateriellen Anlagegut zugeordnet werden können.

Verwaltungsaufwand *(Angaben in CHF)*	**1'205'479.66**	**1'455'752.67**
Raumaufwand	24'000.00	24'000.00
Gebühren, Abgaben	33'706.65	15'858.55
Emissionsabgabe	101'119.15	0.00
Verwaltungsaufwand	390'139.50	159'367.95
Verwaltungsratshonorare	59'678.60	14'526.20
Rechts- & Beratungskosten	596'835.76	1'241'999.97
Total gemäss Erfolgsrechnung	1'205'479.66	1'455'752.67

10) KAPITALVERLUST

Die Jahresrechnung 2015 der MetrioPharm AG weist zum 31. Dezember 2015 einen hälftigen Kapitalverlust im Sinne von Art. 725 Abs. 1 OR auf. Entsprechende Sanierungsmassnahmen wurden aufgrund der Überschuldungssituation per 31. Dezember 2014 bereits im Vorjahr beschlossen und im aktuellen Geschäftsjahr umgesetzt.
Wie unter Punkt 3 festgehalten, sind weitere Sanierungsmassnahmen in Form von Kapitalererhöhungen mit Barliberierung im Geschäftsjahr 2016 vorgesehen. Gespräche mit potenziellen Investoren und Bankinstitutionen laufen derzeit.

Bericht der Revisionsstelle zur Eingeschränkten Revision
an die Generalversammlung der
MetrioPharm AG, Zürich

Zürich, 27. Mai 2016

Als Revisionsstelle haben wir die auf den Seiten 28 bis 36 wiedergegebene Jahresrechnung (Bilanz, Erfolgsrechnung und Anhang) der MetrioPharm AG für das am 31. Dezember 2015 abgeschlossene Geschäftsjahr geprüft.

Für die Jahresrechnung ist der Verwaltungsrat verantwortlich, während unsere Aufgabe darin besteht, die Jahresrechnung zu prüfen. Wir bestätigen, dass wir die gesetzlichen Anforderungen hinsichtlich Zulassung und Unabhängigkeit erfüllen.

Unsere Revision erfolgte nach dem Schweizer Standard zur Eingeschränkten Revision. Danach ist diese Revision so zu planen und durchzuführen, dass wesentliche Fehlaussagen in der Jahresrechnung erkannt werden. Eine Eingeschränkte Revision umfasst hauptsächlich Befragungen und analytische Prüfungshandlungen sowie den Umständen angemessene Detailprüfungen der beim geprüften Unternehmen vorhandenen Unterlagen. Dagegen sind Prüfungen der betrieblichen Abläufe und des internen Kontrollsystems sowie Befragungen und weitere Prüfungshandlungen zur Aufdeckung doloser Handlungen oder anderer Gesetzesverstösse nicht Bestandteil dieser Revision.

Bei unserer Revision sind wir nicht auf Sachverhalte gestossen, aus denen wir schliessen müssten, dass die Jahresrechnung nicht Gesetz und Statuten entspricht.

Ohne unsere Prüfungsaussage einzuschränken machen wir auf die Anmerkung 3 „Unternehmensfortführung" im Anhang der Jahresrechnung aufmerksam, in der dargelegt ist, dass eine wesentliche Unsicherheit besteht, die erheblichen Zweifel an der Fähigkeit der MetrioPharm AG zur Fortführung der Unternehmenstätigkeit aufwirft. Würde die Fortführung der Unternehmenstätigkeit verunmöglicht, müsste die Jahresrechnung auf Basis von Veräusserungswerten erstellt werden.

Wir machen darauf aufmerksam, dass die Hälfte des Aktienkapitals und der gesetzlichen Reserven nicht mehr gedeckt ist (Art. 725 Abs. 1 OR).

Ferax Treuhand AG

Urs Schneider
Zugelassener Revisionsexperte
Leitender Revisor

Deborah Keller
Zugelassene Revisionsexpertin

SERVICE / GLOSSARY

BIOTECHNOLOGY

Biotechnology is an interdisciplinary science that deals with the use of enzymes, cells, and organisms in technical applications. Biotechnological methods can be used in different areas, such as medicine (Red Biotechnology), plants and agriculture (Green Biotechnology), and industry (White Biotechnology). Pharmaceutical biotechnology is a field of Red Biotechnology, which encompasses scientific methods and techniques for the development, testing, manufacturing, and approval of drugs. Classical pharmaceutic companies are also classified as biotechnological when they are small, research-intensive organizations.

DCF

The "discounted cash flow" method is calculated on the basis of future free cash flows, which are going to be generated by a company or a product in the future. In this model, these values are discounted at the current time, summed up and determined as the present value. DCF calculations can be used to determine the potential of an investment.

EMA

The European Medicines Agency is responsible for the scientific evaluation and approval of drugs, and for monitoring the safety of drugs developed by pharmaceutical companies for the use in the EU.

FDA

The American Food and Drug Administration is the official regulatory authority in the United States for food and drug control.

FIRST QUOTATION BOARD

The First Quotation Board was a slightly more regulated subsegment of the Open Market of the Frankfurt Stock Exchange. It was closed in 2012 after illegal manipulations with shares of this segment. All companies were automatically delisted.

GOING-PRIVATE

Going-private, as opposed to going public, refers to the transfer of a listed company to a private company that is not traded on the stock markets.

GOING PUBLIC

Going public (as well as the IPO = Initial Public Offering) is the listing of private companies on stock exchange markets.

ICH GUIDELINES

The ICH guidelines have been developed as part of the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH) together with the research industry of the three largest markets EU, USA, and Japan. These guidelines cover the examination of quality (Q1–Q11), effectiveness (E1–E16) and security (S1–S10), and multi-disciplinary issues (M1–M8).

IPO

See going public, re-IPO.

MILESTONE PAYMENTS

Royalty payments which a licensee pays to the licensor upon reaching certain scientific or commercial milestones of the licensed product. The date of such payments and their amount are the subject of individually negotiated licensing agreements.

PHASE I

In the first phase of clinical research, the safety profile of the drug is tested in healthy subjects and the response of the human organism to the new preparation is examined. Therefore, it is often referred to as “First in Human”.

PHASE II

In phase II, clinical efficacy of a new product is tested and the therapeutic concept is confirmed. This research phase is the proof of concept. Herein the investigational medicinal product is administered for the first time to patients. In preparation, the indication and appropriate drug doses must be established. This phase aims to show the influence of the drug on a particular disease.

PHASE IIA

Depending on the decision of the pharmaceutical company, the phase II can be divided into two consecutive phases: In phase IIa, the investigational medicinal product is first administered to a smaller group of patients and the drug dose is optimized. The results will be confirmed in a phase IIb trial with more patients in order to optimize the treatment regimen (dose, administration interval, etc.) and to gain a broader statistical basis.

PIPELINE

A pipeline in pharmaceutical development is defined as the sum of all drug candidates currently in any phase of development before marketing authorization.

PRECLINIC

The preclinical phase is the first regulatory step in drug development. The safety and potential toxicological profile are examined. The aim of this research phase is to provide a reliable basis for predicting the reaction of the human organism to the new drug. The safety of the drug has to be proven.

PROOF OF CONCEPT

In pharmaceutical development, the proof of concept is a confirmation of a scientific or therapeutic hypothesis. It examines whether an active agent shows the expected therapeutic effect.

PSORIASIS

Psoriasis is a non-infectious, inflammatory skin disease (dermatosis). It manifests itself mainly by strongly scaly, up to palm-sized areas of the skin (often on the knees, elbows, and scalp). Psoriasis is often associated with severe itching and changes to finger- and toenails.

RE-IPO

The Initial Public Offering (IPO) refers to the initial offering of shares of a company on a stock exchange. The term re-IPO is used for companies that have left the public capital market and go public again.

RISK-ADJUSTED NPV

The “risk-adjusted net present value” method is based on the same method as the DCF method (see DCF). However, herein the future cash flows are weighted by their probability of occurrence. The NPV method is commonly used for the evaluation of individual products of the biotech and pharmaceutical industry. The success rates can be estimated on the basis of comparable projects. In biotechnology, for example, the average probability that a product of a given area reaches the next phase (e.g., a clinical phase I, II, or III) is calculated.

TENDINOPATHY

Tendinopathy is a collective term for tendinitis (tendon inflammation) and tendinosis (tendon injuries).

MULTIANNUAL VIEW OF KEY FIGURES

	2015	2014	2013	2012	2011
EARNINGS, FINANCIAL AND NET ASSET POSITIONS					
Operating profit/loss	- 3,537	- 3,307	- 4,314	- 3,841	- 2,632
Net profit/loss	- 3,704	- 3,562	- 4,433	- 3,817	- 2,965
EBITDA	- 2,776	- 2,705	- 3,742	- 3,268	- 2,058
Equity	1,547	- 4,970	- 1,408	3,025	2,839
Equity ratio	24 %	- 110 %	- 33 %	63 %	52 %
Balance sheet total	6,566	4,524	4,278	4,824	5,474
METRIOPHARM REGISTERED SHARE					
Earnings per share (basic)	- 0.04 CHF	- 0.05 CHF	- 0.06 CHF	- 0.05 CHF	- 0.05 CHF
Number of outstanding shares	95,700,000	76,000,000	76,000,000	76,000,000	60,000,000
Price/share */**	0.60 CHF**	- *	- *	0.17 CHF*	0.20 CHF*
Market capitalization Market valuation */**	57,420**	13,280*	13,280*	13,280	12,206

In CHF k, unless otherwise indicated

* The shares of MetrioPharm AG were listed at the Frankfurt Stock Exchange in the First Quotation Board from 2007–2012. For these years, the annual average share prices were chosen as price/share. With the closing of the First Quotation Board in December 2012, MetrioPharm AG decided to go private. The market valuation in the years 2013 and 2014 was calculated based on the average price from 2012.

** To calculate the market valuation in 2015, the price of new shares of MetrioPharm AG was used as a basis.

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TRIAL

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