First Quarter Interim Statement

January – March 2017

morphosys

Engineering the Medicines of Tomorrow

Contents

MorphoSys Group:
First Quarter Interim Statement January – March 2017

3 SUMMARY

5 GROUP INTERIM STATEMENT
5 OPERATING BUSINESS PERFORMANCE
8 HUMAN RESOURCES
8 KEY FINANCIAL FIGURES
10 SUBSEQUENT EVENTS
10 FINANCIAL GUIDANCE

11 INTERIM CONSOLIDATED FINANCIAL STATEMENTS
11 CONSOLIDATED INCOME STATEMENT (IFRS)
FOR THE FIRST THREE MONTHS OF 2017 AND 2016 (UNAUDITED)
12 CONSOLIDATED BALANCE SHEET (IFRS) AS OF MARCH 31, 2017 (UNAUDITED)
AND DECEMBER 31, 2016 (AUDITED)
14 CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (IFRS)
AS OF MARCH 31, 2017 AND 2016 (UNAUDITED)
16 CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)
FOR THE FIRST THREE MONTHS OF 2017 AND 2016 (UNAUDITED)

Summary of the First Quarter of 2017

FINANCIAL RESULTS FOR THE FIRST THREE MONTHS OF 2017

- Group revenue in the first quarter of 2017 totaled € 11.8 million (Q1/2016: € 12.1 million), and EBIT amounted to € -14.9 million (Q1/2016: € -9.7 million).
- The Group's liquidity position on March 31, 2017 equaled € 349.9 million (December 31, 2016: € 359.5 million).
- Company confirms its 2017 financial guidance for revenue in the range of € 46 million to € 51 million and EBIT in the range of € -75 million to € -85 million.

OPERATING HIGHLIGHTS FOR THE FIRST QUARTER OF 2017

- In January 2017, MorphoSys announced that its partner Novartis was conducting a further phase 2 clinical trial with bimagrumab in obese patients with type 2 diabetes. With this new study, bimagrumab is now being tested in three different indications.
- In February 2017, MorphoSys announced that it had added a second US patent to the patent infringement lawsuit against Janssen Biotech and Genmab A/S.
- In February 2017, MorphoSys reported that its fully owned subsidiary Lanthio Pharma B.V. had initiated phase 1 clinical development with the lanthipeptide MOR107.
- In March 2017, MorphoSys disclosed that its partner Roche plans to initiate two new pivotal phase 3 studies with gantenerumab in patients with prodromal to mild Alzheimer's disease.
- In March 2017, MorphoSys announced that its licensee Janssen had published new positive data from two phase 3 clinical studies of the HuCAL antibody guselkumab in patients with moderate to severe forms of plaque psoriasis.
- In early January 2017, MorphoSys announced that the Company's Supervisory Board had appointed Dr. Malte Peters as the new Chief Development Officer. Dr. Peters assumed his new position on March 1, 2017 succeeding Dr. Arndt Schottelius who left the Company on February 28, 2017.
- In March 2017, MorphoSys reported that Management Board member Dr. Marlies Sproll would take a temporary leave for family reasons. The Supervisory Board appointed Dr. Markus Enzelberger as Interim Chief Scientific Officer effective April 15, 2017, for the duration of Dr. Sproll's absence.
- At the end of the first quarter of 2017, MorphoSys's pipeline comprised a total of 114 therapeutic antibodies, 30 of which are in clinical development.

MORPHOSYS PRODUCT PIPELINE AS OF MAY 3, 2017

Program / Partner	Indication	Phase 1	Phase 2	Phase 3	Registration
Guselkumab (CNTO1959), Janssen	Psoriasis				
Gantenerumab, Roche	Alzheimer's disease				
Anetumab Ravtansine (BAY94-9343), Bayer	Solid tumors				
BHQ880, Novartis	Multiple myeloma				
Bimagrumab (BYM338), Novartis	Musculoskeletal diseases				
BPS804, Mereo / Novartis	Brittle bone syndrome				
CNTO3157, Janssen	Inflammation				
CNTO6785, Janssen	Inflammation				
Elgemtumab (LJM716), Novartis	Cancer				
MOR103/GSK3196165*, GSK	Inflammation				
MOR202	Multiple myeloma				
MOR208	DLBCL, CLL/SLL				
Tesidolumab (LFG316), Novartis	Eye diseases				
Utomilumab (PF-05082566), Pfizer	Solid tumors				
VAY736, Novartis	Inflammation				
Xentuzumab (BI-836845), BI	Solid tumors				
BAY1093884, Bayer	Hemophilia				
MOR106, Galapagos	Inflammation				
MOR107 (LP2-3), Lanthio Pharma	Not disclosed				
MOR209/ES414, Aptevo	Prostate cancer				
NOV-7, Novartis	Eye diseases				
NOV-8, Novartis	Inflammation				
NOV-9, Novartis	Diabetic eye diseases				
NOV-10, Novartis	Cancer				
NOV-11, Novartis	Blood disorders				
NOV-12, Novartis	Prevention of thrombosis				
NOV-13, Novartis	Cancer				
NOV-14, Novartis	Asthma				
Vantictumab (OMP-18R5), OncoMed	Solid tumors				

Partnered Discovery Programs

Proprietary Development Programs

* MOR103/GSK3196165 is fully outlicensed to GSK.

Group Interim Statement: January 1 – March 31, 2017

Operating Business Performance

PROPRIETARY DEVELOPMENT

MorphoSys's proprietary development activities are currently focused on five clinical candidates:

- the hemato-oncological programs MOR208 and MOR202, for which MorphoSys holds worldwide commercial rights;
- the antibody MOR106 for treating inflammatory diseases, which is being co-developed with Galapagos;
- the prostate cancer program MOR209/ES414, which is being co-developed with the US company Aptevo Therapeutics, a spin-off from Emergent BioSolutions; and
- the lanthipeptide MOR107 being developed by MorphoSys's Dutch subsidiary Lanthio Pharma.

Finally, GlaxoSmithKline (GSK) is conducting clinical tests of MOR103/GSK3196165, which was outlicensed to GSK, for the treatment of rheumatoid arthritis and hand osteoarthritis.

MOR208 is an Fc-enhanced therapeutic antibody targeting CD19, a molecule that can be found on the surface of blood cancer cells, for the treatment of B cell malignancies. MorphoSys initiated a phase 2 development program in 2016 to evaluate MOR208 in combination with other cancer drugs for patients with lymphoma and leukemia including:

- A study initiated in April 2016 evaluating MOR208 in combination with lenalidomide in patients with relapsed or refractory diffuse large B cell lymphoma (DLBCL) (L-MIND trial – **L**enalidomide-**M**OR208 **IN D**LBCL). The study is designed as an open-label, single-arm study with the primary endpoint being the overall response rate (ORR) and multiple secondary endpoints, including progression-free survival (PFS), overall survival (OS) and time to progression (TTP).
- A trial initiated in September 2016 named B-MIND (**B**endamustine-**M**OR208 **IN D**LBCL) is evaluating the safety and efficacy of administering MOR208 in combination with the chemotherapeutic agent bendamustine in comparison to the cancer drug rituximab plus bendamustine. The intention is to include 330 adult patients worldwide with relapsed or refractory diffuse large B cell lymphoma (DLBCL) who are not eligible for autologous stem cell transplantation. The trial's current safety run-in phase is evaluating the safety and tolerability of MOR208 in combination with bendamustine. Thereafter, the study is expected to transition into a pivotal phase 3 trial in the current year.
- In addition to the two combination trials in DLBCL, MorphoSys has been evaluating MOR208 in a phase 2 combination trial for chronic lymphocytic leukemia (CLL) or small lymphocytic lymphoma (SLL) since December 2016. The trial, named COSMOS (**C**LL patients assessed for **O**RR & **S**afety in **MO**R208 **S**tudy), is designed to evaluate the safety and efficacy of MOR208 in combination with the cancer drugs idelalisib or venetoclax. Patients included in the trial

had shown an insensitivity to a prior treatment with a BTK inhibitor such as ibrutinib or were diagnosed with progressing cancer during this treatment.

MOR202 targets CD38, one of the most strongly and uniformly expressed antigens on the surface of malignant plasma cells. MOR202 is currently being evaluated in a clinical phase 1/2a dose escalation study in patients with relapsed/refractory multiple myeloma (MM). In this study, MOR202 is administered alone and in combination with the immunomodulatory cancer drugs lenalidomide and pomalidomide, plus dexamethasone.

In February 2017, MorphoSys announced that it has added a second patent with US Patent Number 9,200,061 to its lawsuit against Janssen Biotech, and Genmab, A/S. This patent claims methods of treating hematologic cancer associated with the undesired presence of CD38-positive cells by administering antibodies that bind to a specific region of the target molecule, CD38. In a hearing that took place on February 6, 2017 the District Court granted MorphoSys's request to add the 9,200,061 patent to the case. By its complaint, MorphoSys seeks redress for infringement by Janssen's and Genmab's daratumumab, a CD38-directed monoclonal antibody indicated for the treatment of certain patients with multiple myeloma.

MOR209/ES414 is currently in a phase 1 study in patients suffering from metastatic castration-resistant prostate cancer. The study continued on schedule in the reporting period according to the study protocol, which had been amended in the prior year.

MOR106 is a fully human Ylanthia antibody against IL-17C, jointly discovered and developed by Galapagos and MorphoSys. The compound is currently in a phase 1 trial initiated in 2016 in patients with atopic dermatitis. The study is investigating the safety, tolerability and the pharmacokinetic profile of MOR106 when administered in single ascending doses in healthy volunteers as well as multiple ascending doses in patients suffering from atopic dermatitis. MOR106 is the first publicly known antibody targeting IL-17C in clinical development worldwide.

MOR107 is a lanthipeptide based on the proprietary technology platform belonging to MorphoSys's Dutch subsidiary Lanthio Pharma B.V. and the first lanthipeptide in MorphoSys's clinical pipeline. In February 2017, MorphoSys announced that Lanthio Pharma had initiated a phase 1 clinical study with MOR107 to evaluate its safety, tolerability, pharmacokinetics and pharmacodynamics in healthy male volunteers. MOR107 is a selective agonist of the angiotensin II receptor type 2. Lanthipeptides have been developed as a class of modified peptides with improved stability and selectivity.

In addition to these five clinical programs, MOR202, MOR208, MOR209/ES414, MOR106 and MOR107, MorphoSys is also pursuing several proprietary programs in early stages of research and development.

MOR103/GSK3196165 was outlicensed to GlaxoSmithKline (GSK). GSK is currently evaluating this HuCAL antibody in a phase 2b study and a phase 2a study in patients with rheumatoid arthritis (RA) as well as in a phase 2a clinical study in patients suffering from inflammatory hand osteoarthritis.

On March 31, 2017, the number of proprietary therapeutic antibody programs totaled 14, one of which was outlicensed (December 31, 2016: 14 programs, of which one was outlicensed). Of these programs, six are in clinical development and eight in the discovery stage.

PARTNERED DISCOVERY

The Partnered Discovery segment contains the activities and programs in which MorphoSys is contracted by its partners to apply its proprietary technology to discover new antibodies. The partners are then responsible for the products' clinical development and later commercialization. MorphoSys participates in the success of this later development and commercialization through set milestone payments and royalties.

In January 2017, MorphoSys announced that its partner Novartis would be starting a phase 2 clinical trial with bimagrumab in an additional indication. This trial is designed to evaluate the safety, pharmacokinetics and efficacy of this HuCAL antibody compared to a placebo in 60 obese patients with type 2 diabetes. As already communicated, MorphoSys does not expect Novartis to exercise its option to extend the collaboration and expects the partnership to end in accordance with the contract at the end of November 2017. Development candidates from this partnership will continue to be developed beyond the scope of the contract or may also be initiated under the subscription acquired by Novartis which, as with all existing programs, could lead to further milestone payments and royalties.

In March 2017, MorphoSys disclosed that its partner Roche plans to initiate a new pivotal phase 3 program with gantenerumab in patients with prodromal to mild Alzheimer's disease. Gantenerumab is a monoclonal antibody directed against beta amyloid based on MorphoSys' HuCAL technology. MorphoSys was notified that Roche is preparing the initiation of two clinical studies and currently expects to begin the study program sometime in 2017.

MorphoSys made a further announcement in March 2017 disclosing that its licensee Janssen had published positive data from two phase 3 clinical studies of the fully human anti-IL-23 HuCAL antibody guselkumab in patients with moderate to severe forms of plaque psoriasis. Janssen presented the data from the VOYAGE 2 and NAVIGATE clinical studies at the 2017 annual meeting of the American Academy of Dermatology (AAD) in Orlando, Florida. As Janssen had announced in November 2016, the data from both studies were already a part of the applications for approval submitted by Janssen for guselkumab in the United States and Europe.

In the first three months of 2017, the number of therapeutic antibodies in the Partnered Discovery segment was constant at a total of 100 (December 31, 2016: 100). Of those programs, 24 are in clinical development, 22 in preclinical development and 54 in the discovery stage.

CORPORATE DEVELOPMENTS

In early January 2017, MorphoSys announced that the Supervisory Board had appointed Dr. Malte Peters as the Company's new Chief Development Officer. Dr. Peters assumed his seat on the Management Board on March 1, 2017, succeeding Dr. Arndt Schottelius who left the Company to pursue other opportunities. Dr. Schottelius remained Chief Development Officer until February 28, 2017. Dr. Peters was previously employed as Global Head, Clinical Development Biopharmaceuticals at Novartis's subsidiary Sandoz. With effect from March 1, 2017, Dr. Peters was entitled for the period of one year to request the transfer of treasury shares held by the Company to himself up to a total amount of € 500,000. The shares have been transferred to Dr. Peters in March 2017 with a volume of 9,505 treasury shares.

In March 2017, MorphoSys reported that Management Board member Dr. Marlies Sproll would take a temporary leave for family reasons. Dr. Sproll will take a leave of absence from her position for an initial period of six months starting April 15, 2017. During this period, she will remain a member of the Management Board and will resume her position as Chief Development Officer as soon as circumstances

allow. The Supervisory Board appointed Dr. Markus Enzelberger as Interim Chief Scientific Officer effective April 15, 2017 for the duration of Dr. Sproll's absence. Prior to this appointment, Dr. Enzelberger was the Company's Senior Vice President Discovery Alliances and Technologies. Dr. Enzelberger is a chemist and has worked closely together with Dr. Sproll for the past 15 years.

At the end of March 2017, MorphoSys published the agenda for the Company's Annual General Meeting (AGM), which will take place on May 17, 2017. MorphoSys's Supervisory Board has nominated Krisja Vermeylen as candidate to be elected as a new Supervisory Board member at the Company's AGM. Ms. Vermeylen will replace Karin Eastham, who has resigned from her Supervisory Board mandate for personal reasons with effect from the conclusion of the AGM 2017. Ms. Vermeylen currently serves as Senior Vice President Corporate People & Organisation at Novo Nordisk A/S, Bagsvaerd, Denmark. Over the last 20 years, she has worked with Novo Nordisk in various management positions, including as General Manager for Belgium and Luxemburg (BeLux), France and, most recently, Germany.

Human Resources

On March 31, 2017, the MorphoSys Group had 351 employees (December 31, 2016: 345). In the first three months of 2017, the number of employees at the MorphoSys Group averaged 349.

Key Financial Figures

In the interim statements, MorphoSys reports the key financial figures that are important for the internal control of the Group: revenues, operating expenses, EBIT, segment results and the liquidity position. The presentation of the key financial figures may be expanded to include material business transactions that affected other line items of the income statement or balance sheet in a given quarter.

Revenues

Revenue declined in comparison to the prior year and amounted to € 11.8 million (Q1/2016: € 12.1 million). Success-based payments amounted to 2%, or € 0.2 million (Q1/2016: 8% or € 1.0 million), of total revenues. From a geographical standpoint, MorphoSys generated 4%, or € 0.5 million, of its commercial revenues with biotechnology and pharmaceutical companies and non-profit organizations headquartered in North America and 96%, or € 11.3 million, with partners primarily located in Europe and Asia. In the comparable period of the previous year, these figures were 6% and 94%, respectively. Approximately 96% of the Group's revenues were generated with Novartis, Leo Pharma and Pfizer (Q1/2016: 97% with Novartis, Bayer and Pfizer).

Operating Expenses

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses in the first three months of 2017 increased as anticipated based on ongoing projects to € 23.3 million (Q1/2016: € 18.6 million). Expenses in this area were largely driven

by expenses for external laboratory services of € 10.9 million (Q1/2016: € 8.5 million) and personnel expenses of € 7.2 million (Q1/2016: € 6.4 million).

DISTRIBUTION OF R&D EXPENSES (IN MILLION €)

	1-3/2017	1-3/2016
R&D Expenses on behalf of Partners	4.1	4.0
Proprietary Development Expenses	18.9	14.1
Technology Development Expenses	0.3	0.5
R&D Total	**23.3**	**18.6**

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased compared to the same period in the previous year and amounted to € 3.6 million (Q1/2016: € 3.2 million). The main expenses under this item are personnel expenses amounting to € 2.7 million (Q1/2016: € 2.4 million) and expenses for external services of € 0.4 million (Q1/2016: € 0.5 million).

Segment Reporting

The Group consists of two business segments: Proprietary Development and Partnered Discovery. The activities included in these segments have not changed since the publication of the 2016 Annual Report.

For the Three Months Period Ended 31 March, (in 000's €)	Proprietary Development		Partnered Discovery		Unallocated		Group	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues	205	134	11,635	11,961	0	0	11,840	12,095
Operating Expenses	19,222	14,570	4,383	4,305	3,279	2,986	26,884	21,861
Other Income	73	96	0	0	150	75	223	171
Other Expenses	0	0	0	0	107	96	107	96
Segment EBIT	**(18,944)**	**(14,340)**	**7,252**	**7,656**	**(3,236)**	**(3,007)**	**(14,928)**	**(9,691)**
Finance Income	0	0	0	0	115	214	115	214
Finance Expenses	0	0	0	0	50	116	50	116
Profit before Taxes	**(18,944)**	**(14,340)**	**7,252**	**7,656**	**(3,171)**	**(2,909)**	**(14,863)**	**(9,593)**
Income Tax (Income) / Expenses	0	0	0	0	(179)	2,386	(179)	2,386
Consolidated Net Profit / (Loss)	**(18,944)**	**(14,340)**	**7,252**	**7,656**	**(3,350)**	**(523)**	**(15,042)**	**(7,207)**

* Differences due to Rounding.

Liquidity

On March 31, 2017, the Group's liquidity position amounted to € 349.9 million compared to € 359.5 million on December 31, 2016.

Liquidity consisted of the balance sheet items “cash and cash equivalents”, “available-for-sale financial assets”, “bonds, available-for-sale” and current and non-current “financial assets classified as loans and receivables”.

The decline in liquidity was mainly the result of the use of cash for operations in the first three months of 2017.

Subsequent Events

In the second quarter of 2017, a new performance share program and a new stock option program will be granted to the Management Board and a group comprising the Company’s senior management.

April 1, 2017, marked the end of the four-year vesting period for the 2013 Long-Term Incentive Program and the 2013 convertible bond program. The Management Board and Senior Management Group now have six months to exercise their option to purchase a total of 36,729 and 24,594 shares and a period until March 31, 2020 to exercise 299,997 or 136,588 conversion rights, respectively.

As previously communicated and as reflected in the Company’s 2017 guidance, MorphoSys expected the collaboration with Novartis to conclude at the end of November 2017 in accordance with the contract. In April 2017, the Company was informed by Novartis, that Novartis will not exercise its option to extend the contract.

In April 2017, MorphoSys’s partner OncoMed announced that the HuCAL antibody tarextumab did not reach the primary and secondary endpoints in the phase 2 PINNACLE study in patients with small cell lung cancer (SCLC).

No other events occurred that require reporting.

Financial Guidance

MorphoSys’s current financial guidance for the 2017 financial year was published on March 9, 2017 and remains unchanged. The Group expects revenues in the full-year 2017 in the range € 46 million to € 51 million. Proprietary R&D expenses are expected to rise to a range of € 85 million to € 95 million. The Group expects earnings before interest and taxes (EBIT) to be in the range of € -75 million and € -85 million. This forecast does not take into account any additional revenue from future collaborations and/or licensing partnerships.

Consolidated Income Statement (IFRS) – (unaudited)

€	Three Months Ended 03/31/2017	Three Months Ended 03/31/2016
Revenues	**11,840,058**	**12,094,976**
Operating Expenses		
Research and Development	23,282,127	18,632,340
General and Administrative	3,601,894	3,228,406
Total Operating Expenses	**26,884,021**	**21,860,746**
Other Income	223,601	170,514
Other Expenses	107,204	96,036
Earnings before Interest and Taxes (EBIT)	**(14,927,566)**	**(9,691,292)**
Finance Income	115,031	213,762
Finance Expenses	49,656	115,836
Income Tax Income / (Expenses)	(179,471)	2,386,398
Consolidated Net Loss for the Period	**(15,041,662)**	**(7,206,968)**
Basic Net Loss per Share for the Period	**(0.52)**	**(0.28)**
Diluted Net Loss per Share for the Period	**(0.52)**	**(0.28)**
Shares Used in Computing Basic Net Result per Share	28,764,077	26,090,649
Shares Used in Computing Diluted Net Result per Share	28,932,949	26,189,162

Consolidated Balance Sheet (IFRS)

€	March 31, 2017 (unaudited)	Dec. 31, 2016 (audited)
ASSETS		
Current Assets		
Cash and Cash Equivalents	116,508,316	73,928,661
Available-for-sale Financial Assets	69,247,561	63,361,727
Bonds, Available-for-sale	1,511,700	6,532,060
Financial Assets classified as Loans and Receivables	87,646,513	136,108,749
Accounts Receivable	10,804,493	12,596,655
Tax Receivables	573,482	519,915
Other Receivables	648,000	656,887
Inventories, Net	315,238	310,366
Prepaid Expenses and Other Current Assets	15,973,297	14,041,469
Total Current Assets	**303,228,600**	**308,056,489**
Non-current Assets		
Property, Plant and Equipment, Net	4,147,178	4,189,108
Patents, Net	5,163,685	5,323,341
Licenses, Net	3,109,971	3,146,937
In-process R&D Programs	50,818,700	50,818,700
Software, Net	1,109,730	1,285,474
Goodwill	7,364,802	7,364,802
Financial Assets classified as Loans and Receivables, Net of Current Portion	75,013,667	79,521,181
Prepaid Expenses and Other Assets, Net of Current Portion	3,935,732	3,894,085
Total Non-current Assets	**150,663,465**	**155,543,628**
TOTAL ASSETS	**453,892,065**	**463,600,117**

€	March 31, 2017 (unaudited)	Dec. 31, 2016 (audited)
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable and Accrued Expenses	32,511,789	32,222,616
Tax Provisions	1,652,006	1,652,006
Provisions	2,130,314	3,195,252
Current Portion of Deferred Revenue	5,814,834	1,232,072
Total Current Liabilities	**42,108,943**	**38,301,946**
Non-current Liabilities		
Provisions, Net of Current Portion	23,166	23,166
Deferred Revenue, Net of Current Portion	1,491,046	1,672,872
Convertible Bonds due to Related Parties	218,293	218,293
Deferred Tax Liability	7,582,267	7,421,835
Other Liabilities, Net of Current Portion	884,787	501,840
Total Non-current Liabilities	**10,199,559**	**9,838,006**
Total Liabilities	**52,308,502**	**48,139,952**
Stockholders' Equity		
Common Stock	29,159,770	29,159,770
Ordinary Shares Issued (29,159,770 and 29,159,770 for 2017 and 2016, respectively)		
Ordinary Shares Outstanding (28,773,265 and 28,763,760 for 2017 and 2016, respectively)		
Treasury Stock (386,505 and 396,010 shares for 2017 and 2016, respectively), at Cost	(14,296,907)	(14,648,212)
Additional Paid-in Capital	429,249,248	428,361,175
Revaluation Reserve	61,783	136,101
Accumulated Income	(42,590,331)	(27,548,669)
Total Stockholders' Equity	**401,583,563**	**415,460,165**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**453,892,065**	**463,600,117**

Consolidated Statement of Changes in Shareholder's Equity (IFRS) – (unaudited)

	Common Stock	
	Shares	€
Balance as of January 1, 2016	**26,537,682**	**26,537,682**
Compensation Related to the Grant of Convertible Bonds and Performance Shares	0	0
Repurchase of Treasury Stock in Consideration of Bank Fees	0	0
Reserves:		
Change in Unrealized Gains and Losses on Available-for-sale Financial Assets and Bonds, Net of Tax Effects	0	0
Change in Unrealized Gains and Losses on Cash Flow Hedges, Net of Tax Effects	0	0
Consolidated Net Loss for the Period	0	0
Total Comprehensive Income	0	0
Balance as of March 31, 2016	**26,537,682**	**26,537,682**
Balance as of January 1, 2017	**29,159,770**	**29,159,770**
Compensation Related to the Grant of Convertible Bonds and Performance Shares	0	0
Transfer of Treasury Stock to Members of the Management Board	0	0
Reserves:		
Change in Unrealized Gains and Losses on Available-for-sale Financial Assets and Bonds, Net of Tax Effects	0	0
Change in Unrealized Gains and Losses on Cash Flow Hedges, Net of Tax Effects	0	0
Consolidated Net Loss for the Period	0	0
Total Comprehensive Income	0	0
Balance as of March 31, 2017	**29,159,770**	**29,159,770**

	Treasury Stock Shares	Treasury Stock €	Additional Paid-in Capital €	Revaluation Reserve €	Accumulated Income €	Total Stockholders' Equity €
	434,670	**(15,827,946)**	**319,394,322**	**(202,158)**	**32,834,107**	**362,736,007**
	0	0	478,610	0	0	478,610
	52,295	(2,181,429)	0	0	0	(2,181,429)
	0	0	0	(201,011)	0	(201,011)
	0	0	0	(341,683)	0	(341,683)
	0	0	0	0	(7,206,968)	(7,206,968)
	0	0	0	(542,694)	(7,206,968)	(7,749,662)
	486,965	**(18,009,375)**	**319,872,932**	**(744,852)**	**25,627,139**	**353,283,526**
	396,010	**(14,648,212)**	**428,361,175**	**136,101**	**(27,548,669)**	**415,460,165**
	0	0	1,239,378	0	0	1,239,378
	(9,505)	351,305	(351,305)	0	0	0
	0	0	0	(21,298)	0	(21,298)
	0	0	0	(53,020)	0	(53,020)
	0	0	0	0	(15,041,662)	(15,041,662)
	0	0	0	(74,318)	(15,041,662)	(15,115,980)
	386,505	**(14,296,907)**	**429,249,248**	**61,783**	**(42,590,331)**	**401,583,563**

Consolidated Statement of Cash Flows (IFRS) – (unaudited)

For the Period Ended March 31, (in €)	2017	2016
Operating Activities:		
Consolidated Net Loss for the Period	(15,041,662)	(7,206,968)
Adjustments to Reconcile Net Loss to Net Cash Provided by / (Used in) Operating Activities:		
Depreciation and Amortization of Tangible and Intangible Assets	984,388	926,802
Net (Gain) / Loss on Sales of Financial Assets	387	(71,295)
Proceeds from Derivative Financial Instruments	1,514	538,078
Net (Gain) / Loss on Derivative Financial Instruments	37,714	80,322
Net (Gain) / Loss on Sale of Property, Plant and Equipment	31	18
Recognition of Deferred Revenue	(5,557,468)	(5,508,091)
Stock-based Compensation	1,239,378	478,610
Income Tax (Income) / Expenses	179,471	(2,386,398)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	1,792,162	1,400,134
Prepaid Expenses, Other Assets and Tax Receivables	(2,192,809)	(2,866,855)
Accounts Payable and Accrued Expenses and Provisions	(700,007)	(710,630)
Other Liabilities	351,198	(999,613)
Deferred Revenue	9,958,402	8,333,333
Income Taxes Paid	(53,567)	(784,214)
Net Cash Provided by / (Used in) Operating Activities	**(9,000,868)**	**(8,776,767)**

in €	2017	2016
Investing Activities:		
Purchases of Available-for-sale Financial Assets	(11,383,410)	(8,000,000)
Proceeds from Sales of Available-for-sale Financial Assets	5,500,000	14,000,000
Proceeds from Sales of Bonds, Available-for-sale	5,000,000	0
Purchase of Financial Assets Classified as Loans and Receivables	(19,000,000)	(24,499,998)
Proceeds from Sale of Financial Assets Classified as Loans and Receivables	71,999,928	69,900,000
Purchase of Property, Plant and Equipment	(428,180)	(295,379)
Purchase of Intangibles	(141,944)	(93,227)
Interest Received	34,129	841,371
Net Cash Provided by / (Used in) Investing Activities	**51,580,523**	**51,852,767**
Financing Activities:		
Repurchase of Treasury Stock in Consideration of Bank Fees	0	(2,181,429)
Interest Paid	0	(1,039)
Net Cash Provided by / (Used in) Financing Activities	**0**	**(2,182,468)**
Increase / (Decrease) in Cash and Cash Equivalents	42,579,655	40,893,532
Cash and Cash Equivalents at the Beginning of the Period	**73,928,661**	**90,927,673**
Cash and Cash Equivalents at the End of the Period	**116,508,316**	**131,821,205**

Imprint

MorphoSys AG
Semmelweisstr. 7
82152 Planegg
Germany
Phone: +49-89-89927-0
Fax: +49-89-89927-222
Email: info@morphosys.com
Internet: www.morphosys.com

Corporate Communications and Investor Relations
Phone: +49-89-89927-404
Fax: +49-89-89927-5404
Email: investors@morphosys.com

Published on May 3, 2017

This interim statement is also published in German and can be downloaded from the Company's website (PDF).

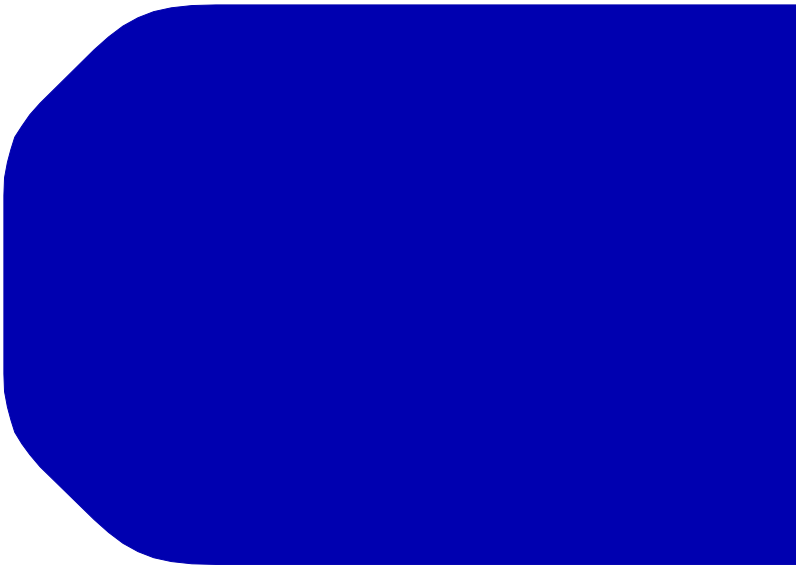
Concept and Design
3st kommunikation GmbH, Mainz

Translation
Klusmann Communications, Niedernhausen

Produced in-house using FIRE.sys

Financial Calendar 2017

MARCH 9, 2017	PUBLICATION OF 2016 FINANCIAL RESULTS
MAY 3, 2017	PUBLICATION OF 2017 FIRST QUARTER INTERIM STATEMENT
MAY 17, 2017	2017 ANNUAL GENERAL MEETING IN MUNICH
AUGUST 3, 2017	PUBLICATION OF 2017 HALF-YEAR REPORT
NOVEMBER 7, 2017	PUBLICATION OF 2017 THIRD QUARTER INTERIM STATEMENT



MorphoSys AG
Semmelweisstr. 7
82152 Planegg
Germany
Tel.: +49-89-89927-0
Fax: +49-89-89927-222
www.morphosys.com