



Interim Management Statement Q3 2017: Significant progress across all clinical programs – New pre-clinical immuno-oncology data to be presented during R&D Day in New York

October 26, 2017

Research & Development highlights:

- **MP0250:** Phase 2 study in Multiple Myeloma progressing well and according to plan
- **MP0250:** FDA accepted the company's IND (submitted in August 2017) for phase 2 study evaluating MP0250 in EGFR-mutated Non-Small Cell Lung Cancer (EGFR mut NSCLC); on track to dose first patient in Q1 2018
- **MP0274:** First patient dosed in phase 1 trial of this multi-DARPin® candidate for the treatment of HER2-positive solid tumors
- **Immuno-oncology:** Additional pre-clinical data on proprietary programs with focus on tumor restricted T-cell activation to be presented at the company's R&D Day in New York on November 9, 2017
- **Abicipar:** On track for one-year phase 3 efficacy data in wet age-related macular degeneration (wet AMD) in H2 2018

Team highlights:

- Bill Burns nominated for election to Molecular Partners' Board of Directors as Vice-Chairman at Extraordinary General Meeting (EGM) on October 31, 2017; will stand for nomination as Chairman at the company's Annual General Meeting (AGM) in 2018
- Molecular Partners CEO and Co-founder Patrick Amstutz also to stand for election to Board at EGM on October 31, 2017

Financial highlights:

- Financial performance in-line with expectations and guidance
- Strong financial position with CHF 151.5 million in cash and short-term time deposits as of September 30, 2017
- Net cash used in operating activities of CHF 28.5 million over the first nine months of 2017, reflecting scale-up of R&D and clinical development activities

Zurich-Schlieren, October 26, 2017. Molecular Partners AG (SIX: MOLN), a clinical-stage biopharmaceutical company developing a new class of drugs known as DARPin® therapies*, today announced its Interim Management Statement for the period ending September 30, 2017.

"We are very pleased with the ongoing progress of all our programs, both in oncology as well as in immuno-oncology, during the first nine months of 2017," said Dr. Patrick Amstutz, Chief Executive Officer of Molecular Partners. "Patient recruitment in the running phase 2 trial in Multiple Myeloma is advancing well. The FDA acceptance of the IND to proceed with MP0250 in a phase 2 study in NSCLC will allow us to test the potential of this drug in solid tumors. Further, the dosing of the first patient in the phase 1 trial of MP0274, our HER2 multi-DARPin® drug candidate, was a key milestone for our company, marking the second multi-DARPin® drug candidate to be evaluated in a systemic cancer trial. Finally, we will present promising pre-clinical data from our immuno-oncology candidates at our R&D Day."

Phase 2 study in Multiple Myeloma progressing well and according to plan

The phase 2 study of MP0250, Molecular Partners' lead oncology asset, is evaluating this agent in combination with bortezomib (Velcade®) and dexamethasone in patients with multiple myeloma who have failed standard therapies. For this study, which will measure the safety and efficacy of MP0250, additional patients have been dosed at centers in Germany, Poland and Italy. The company anticipates initial safety data before year-end 2017, followed by efficacy data in 2018.

FDA accepted IND for second phase 2 trial of MP0250 in Non-Small Cell Lung Cancer (NSCLC)

In August 2017, Molecular Partners submitted to the FDA an Investigational New Drug Application (IND) for a phase 1b/2 study of MP0250 in combination with osimertinib (Tagrisso®) in patients with EGFR-mutated Non-Small Cell Lung Cancer (NSCLC) pretreated with osimertinib. The FDA has accepted the IND and endorsed the company's first systemic oncology trial in the US. Targeting HGF and VEGF simultaneously, MP0250 administered in combination with osimertinib offers the possibility to target two of the described escape pathways.

"We are pleased to have received the positive feedback from the FDA on the IND for MP0250 for our first solid tumor indication," commented Dr. Andreas Harstrick, Chief Medical Officer of Molecular Partners. "This feedback from the FDA is encouraging, and we look forward to initiating our second phase 2 clinical trial of MP0250 as planned during the first quarter of 2018."

First patient enrolled in the phase 1 trial for MP0274

On October 12, 2017, the company announced that the first patient had been enrolled in the phase 1 trial of MP0274, a multi-specific DARPin® candidate being developed for the treatment of HER2-positive solid tumors.

MP0274 is a proprietary DARPin® drug candidate for the treatment of HER2-positive cancer with a completely new mode of action as compared to current standard of care antibodies. MP0274 induces a profound inhibition of specific downstream signaling pathways, providing mechanistic support to the finding that MP0274 directly kills HER2-addicted tumor cells through the induction of apoptosis.

Abicipar on track for one-year phase 3 efficacy data in H2 2018

The company anticipates one-year phase 3 efficacy data in wet age-related macular degeneration (wet AMD) in H2 2018. C. David Nicholson, Executive Vice President & Chief R&D Officer of Allergan, will provide an update on abicipar at Molecular Partner's R&D Day.

Balance Sheet: Strong cash and equity positions as of September 30, 2017

Molecular Partners' financial performance for the first nine months of 2017 was in-line with management's expectations and reflects the ongoing investments to further expand the company's proprietary pipeline. Cash and short-term time deposits decreased by CHF 5.4 million to CHF 151.5 million as of September 30, 2017, from CHF 156.9 million as of June 30, 2017.

As of September 30, 2017, the company employed 107 FTEs (+3% year-over-year), with approximately 90% of employees serving in R&D functions.

"During the first nine months of 2017, Molecular Partners' financial position continued to develop in line with our expectations," said Andreas Emmenegger, Chief Financial Officer of Molecular Partners. "Our strong cash position provides us with the required financial flexibility and strong negotiation position to achieve multiple value-creating inflection points at least through the end of 2019."

Bill Burns and Patrick Amstutz nominated for election to the Board on October 31, 2017 EGM

The Board of Directors of Molecular Partners has nominated William (Bill) Burns, former CEO of Roche Pharmaceuticals, for election to the Board of Directors at the upcoming EGM on

October 31, 2017. Upon his election, the Board plans to appoint Bill Burns as Vice-Chairman. At the AGM in 2018, he will stand for nomination as Chairman. Patrick Amstutz, CEO and Co-founder of Molecular Partners, will also stand for election to the Board at the EGM.

Business outlook and priorities

For the company's proprietary **oncology** pipeline, the company expects to report initial safety data from the phase 2 trial of MP0250 in patients with multiple myeloma (MM) in Q4 2017, and efficacy data in 2018. With regard to the phase 1b/2 trial of MP0250 for NSCLC, initial safety data are expected in 2018. For MP0274, the proprietary, single-pathway DARPin® drug candidate for the treatment of HER2-positive cancer, the company expects initial safety and activity data 2018.

The company will present new research data on its **immuno-oncology pipeline** at the R&D Day. In this promising field, Molecular Partners is increasingly focusing on activating agonists in a tumor-restricted way.

In **ophthalmology**, Molecular Partners will continue to support its strategic partner Allergan in advancing abicipar through phase 3 trials in patients with wet AMD, and in initiating a phase 3 trial of abicipar in patients with DME, the next retinal indication, in 2018.

R&D Day in New York on November 9 (12.00-2.30 pm EDT)

Molecular Partners will host an R&D Day for institutional investors, sell-side analysts, investment bankers, and business development professionals, entitled "The DARPin® Difference – Offering Patients a New Dimension of Protein Therapeutics". Molecular Partners' management team will provide an overview of the company's clinical oncology pipeline and present key data from its pre-clinical immuno-oncology activities. C. David Nicholson, Executive Vice President & Chief R&D Officer at Allergan will present and discuss the company's wet AMD candidate, abicipar. The event will also feature presentations by key opinion leaders (KOLs) in oncology, including Prof. Angelo Vacca, MD (Multiple Myeloma), Prof. Kathryn A. Gold, MD (Non-Small Cell Lung Cancer) and Dr. Richard Baird, MA MBBS FRCP Ph.D. (HER2+ Breast Cancer).

To reserve a seat for the R&D Day, please contact Susan Noonan at susan@sanoonan.com.

For those who are unable to attend in person, a [live webcast and replay](#) will be accessible.

Financial outlook 2017

The first nine months of 2017 developed in line with management expectations. For the full year 2017, at constant exchange rates, the company expects total expenses of approximately CHF 50 million, of which approximately CHF 5 million will be non-cash effective costs for share-based payments, IFRS pension accounting and depreciation. This guidance is subject to the progress of the pipeline, mainly driven by manufacturing costs, the speed of enrollment of patients in clinical trials and data from research and development projects.

Financial Calendar

October 31, 2017	Extraordinary General Meeting
November 9, 2017	R&D Day in New York
February 8, 2018	Publication of Full-year Results 2017 (unaudited)
March 16, 2018	Expected Publication of 2017 Annual Report
April 18, 2018	Annual General Meeting

<http://investors.molecularpartners.com/financial-calendar-and-events/>

About the DARPin® Difference

DARPin® therapeutics are a new class of protein therapeutics that open an extra dimension of multi-specificity and multi-functionality. DARPin® candidates are potent, specific, safe and very versatile. They can engage more than five targets at once, offering potential benefits over those provided by conventional monoclonal antibodies or other currently available protein therapeutics.

The DARPin® technology is a fast and cost-effective drug discovery engine, producing drug candidates with ideal properties for development and very high production yields. With their good safety profile, low immunogenicity and long half-life in the bloodstream and the eye, DARPin® therapies have the potential to advance modern medicine and significantly improve the treatment of serious diseases, including cancer and sight-threatening disorders. Molecular Partners is partnering with Allergan to advance clinical programs in ophthalmology, and is advancing a proprietary pipeline of DARPin® drug candidates in oncology. The most advanced global product candidate is abicipar, a molecule currently in phase 3, in partnership with Allergan. Several DARPin® molecules for various ophthalmic indications are also in development. The most advanced systemic DARPin® molecule, MP0250, is in a clinical POC study in multiple myeloma. In addition, Molecular Partners will evaluate MP0250 for the treatment of solid tumors in a phase 1b/2 trial in patients with epidermal growth factor receptor (EGFR)-mutated non-small cell lung cancer (NSCLC). MP0274, the company's second-most advanced DARPin® drug candidate in oncology, has entered into phase 1 clinical development. With its broad anti-HER activity, MP0274 inhibits HER1-, HER2- and HER3-mediated downstream signaling via Her2, leading to induction of apoptosis. Molecular Partners is also advancing a growing preclinical pipeline that features several immuno-oncological development programs. DARPin® is a registered trademark owned by Molecular Partners AG.

About Molecular Partners AG

Molecular Partners AG is a clinical-stage biopharmaceutical company that is developing a new class of therapies known as DARPin® therapies. With a management team that includes many of the company's founding scientists, Molecular Partners continues to attract talented individuals who share a passion for developing breakthrough medicines for serious diseases. Molecular Partners has compounds in various stages of clinical and preclinical development and several more in the research stage, with a current focus on ophthalmology and oncology. The company establishes research and development partnerships with leading pharmaceutical companies and is backed by established biotech investors.

For more information regarding Molecular Partners AG, go to: www.molecularpartners.com.

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