Further MP0250 clinical data and partner interest underline Molecular Partners' continued progress of its proprietary oncology compounds

April 16, 2018

Research & Development:

- **MP0250 in multiple myeloma (MM): Promising initial safety and efficacy data from the ongoing phase 2 study of MP0250 reconfirmed with updated data presented at the European Myeloma Network Meeting in Turin on April 21**
- **MP0250 in EGFR-mutated Non-Small Cell Lung Cancer (EGFR mut NSCLC): Collaboration with AstraZeneca for ongoing phase 1b/2 clinical study of MP0250 with osimertinib (Tagrisso®) announced on April 11; dosing of first patient expected in coming weeks**
- **Immuno-oncology: Pre-clinical data on the company's DARPin® "toolbox" as well as on MP0310, the first DARPin® development candidate resulting out of it, presented at the AACR Annual Meeting 2018 in Chicago on April 17**
- **Abicipar: On track for one-year phase 3 topline data in H2 2018; Allergan expects to start phase 3 studies in DME (diabetic macular edema) in H2 2018**
- **Ophthalmology: Allergan exercised all three options for the development of three additional DARPin® product candidates**

Team:

- **Bill Burns elected Chairman of Molecular Partners at the 2018 AGM on April 18**
- **Talent base with 113 full-time employees (+11% year-on-year), reflecting further build-out of oncology expertise**

Financial highlights:

- **Strong financial position with CHF 129.5 million in cash and short-term deposits as of March 31, 2018**
- **Net cash used in operating activities of CHF 10.4 million in Q1 2018, reflecting further build-out of R&D and clinical pipeline**
- **Deferred revenues position of CHF 18.4 million per year-end 2017 recognized as equity (CHF 8.9 million) as well as Q1 18 revenues of 9.5 million, following adoption of IFRS 15**

Zurich-Schlieren, Apil 26, 2018. Molecular Partners AG (SIX: MOLN), a clinical-stage biopharmaceutical company developing a new class of drugs known as DARPin® therapies*, announced today its Interim Management Statement for the period ending March 31, 2018.

"We are very pleased with the progress of our pipeline during the first quarter of 2018," said Dr. Patrick Amstutz, Chief Executive Officer of Molecular Partners. "Since the beginning of the year, we presented promising clinical data on additional patients treated with our lead oncology asset, MP0250, in Multiple Myeloma. Moreover, we have entered into a collaboration with AstraZeneca for our second phase 2 study of MP0250 in EGFR-mutated Non-Small Cell Lung Cancer and expect to dose the first patient in the coming weeks. Finally, our existing partner, Allergan, has exercised all three options from our discovery alliance agreement manifesting our mutual conviction in the potential of our DARPin® technology in ophthalmology as well as of the success of our joint collaboration."

Additional data reconfirm promising progress of phase 2 study of MP0250 in Multiple Myeloma

MP0250, Molecular Partners' lead oncology asset, is a phase 2 multi-DARPin® candidate that simultaneously targets hepatocyte growth factor (HGF) and vascular endothelial growth factor (VEGF), two prominent tumor escape pathways, and has the potential to reverse resistance to standard of care cancer therapies.

The phase 2 study for this compound is being conducted at centers in Germany, Poland and Italy and continues to progress well. This study is evaluating MP0250 in combination with bortezomib (Velcade®) and dexamethasone in patients with multiple myeloma who have failed standard therapies.

The company anticipates further safety data and initial efficacy data before year-end 2018.

AstraZeneca agreed to collaborate in second phase 2 study of MP0250 in Non-Small Cell Lung Cancer (NSCLC) by supplying osimertinib (Tagrisso®)

Molecular Partners is collaborating with AstraZeneca (LON: AZN) for its phase 1b/2 clinical study of MP0250 in combination with osimertinib

(Tagrisso®) in patients with EGFR-mutated Non-Small Cell Lung Cancer (NSCLC) who were pre-treated with osimertinib. Under the collaboration agreement, AstraZeneca will supply osimertinib for the clinical study. The study is planned to enroll approximately 40 patients and will take place in the United States. The first patient is expected to be dosed in the coming weeks. Initial safety data are expected by the end of 2018 with initial efficacy data in 2019.

"We are delighted to welcome AstraZeneca as collaboration partner for our second phase 2 study of MP0250. This underlines the growing interest in MP0250 and indicates the potential value of MP0250 in EGFR-mutated NSCLC," said Dr. Andreas Harstrick, Chief Medical Officer Molecular Partners.

Immuno-oncology: Pre-clinical data on the company's DARPin® "toolbox" and on MP0310

At the Annual Meeting 2018 of the American Association of Cancer Research (AACR) in Chicago, Molecular Partners presented new pre-clinical data on MP0310 as well as its DARPin® "toolbox". MP0310 targets simultaneously 4-1BB and FAP and is the first of many potential DARPin® candidates which has been advanced into preclinical development. These tumor-restricted agonists only activate immune cells in the tumor and not in the rest of the body thereby allowing full activation and potentially higher dosing of the anti-cancer agents without as severe side effects.

"We are very pleased with the progress of our portfolio showcasing the innovative power of the DARPin® technology in the multi-specific biologics space," commented Michael T. Stumpp, Chief Scientific Officer Molecular Partners. "With MP0310 and other potential candidates from our DARPin® toolbox, we are moving forward therapies that have the potential to support existing therapies and provide significant additional patient benefits."

Ophthalmology: Allergan exercised third option for the development of three additional DARPin® product candidates

In February, the company's collaboration partner, Allergan, exercised its third option to develop and commercialize DARPin® product candidates arising from its discovery alliance with Molecular Partners. In 2012, Molecular Partners and Allergan had entered into a broad discovery alliance in ophthalmology to spur the development of novel multi-DARPin® molecules for diseases with high unmet medical need. Upon the exercise of this last option, Molecular Partners has granted Allergan an exclusive license to the selected three multi-DARPin® product candidates for use in ophthalmology.

The alliance broadens the initial collaboration on abicipar and entitles Molecular Partners to certain success-based development, regulatory and sales milestone payments aggregating up to USD 960 million, as well as tiered royalty payments (up to the low double-digit percentage range) on any future product sales. Allergan will be responsible for all future development costs.

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

Molecular Partners anticipates that its collaboration partner Allergan will present one-year phase 3 topline data for abicipar in wet age-related macular degeneration (wet AMD) in H2 2018. The company further expects Allergan to communicate the start of the phase 3 studies of abicipar in diabetic macular edema (DME) in H2 2018.

Balance Sheet: Strong cash and equity positions as of March 31, 2018

Molecular Partners' financial performance for the first quarter 2018 is in-line with management's expectations and reflects ongoing investments to further expand the company's proprietary pipeline. Cash and short-term deposits decreased by CHF 11.5 million since year-end 2017 to CHF 129.5 million as of March 31, 2018.

As a result of the adoption of IFRS 15, deferred revenues as of December 31, 2017 of CHF 18.4 million were partly reclassified to equity (CHF 8.9 million) to reflect the accumulated past effect of the adoption as of January 1, 2018. The remaining portion of CHF 9.5 million was recognized as revenues in the first quarter 2018.

As of March 31, 2018, the company employed 113 FTEs (+11% year-over-year), with approximately 90% of employees serving in R&D functions.

"During the first quarter 2018, Molecular Partners' financial position continued to develop in line with our expectations," said Andreas Emmenegger, Chief Financial Officer Molecular Partners. "Our strong cash position provides us with the required financial flexibility to achieve multiple value-creating inflection points into 2020."

Bill Burns elected Chairman at the 2018 Annual General Meeting

William (Bill) Burns, former CEO of Roche Pharmaceuticals, was elected as Chairman of Molecular Partners at the company's Annual General Meeting held on April 18. Bill Burns held various executive positions at Roche for 28 years, culminating in his nomination to the position of CEO of Roche Pharmaceuticals and board seats at Roche, Genentech and Chugai Pharmaceuticals. The company will benefit from his vast experience in the development and commercialization of drugs, particularly in oncology, and extensive knowledge of pharmaceutical industry operations.

All other motions recommended by the company's Board of Directors were approved as well by the shareholders present at the meeting.

Business outlook and priorities

For the company's proprietary oncology pipeline, the company expects to report in 2018 additional safety data and initial efficacy data from the phase 2 study of MP0250 in patients with multiple myeloma (MM). Subject to the expected dosing of the first patient in the coming weeks, the company also expects initial safety data from the phase 1b/2 study of MP0250 in NSCLC in 2018. For MP0274, the proprietary, single-pathway DARPin® drug candidate for the treatment of HER2-positive cancer, Molecular Partners expects initial safety data in Q4 2018 and first efficacy data in 2019.

The company will continue to advance its **immuno-oncology pipeline** and will present further research and preclinical data for its DARPin® candidate MP0310 in 2018. In this promising field, Molecular Partners is increasing its focus 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 studies in patients with wet AMD and in initiating the phase 3 studies of abicipar in patients with DME. The company will also continue to support Allergan in further

advancing the three pre-clinical ophthalmology assets optioned-in from the existing research collaboration. Allergan is on track to present one-year phase 3 topline data in wet AMD in H2 2018 and anticipates launching abicipar for this indication in the year 2020.

Financial outlook 2018

For the full year 2018, at constant exchange rates, the company continues to expect expenses of CHF 50-60 million, of which around CHF 7 million will be non-cash effective costs for share-based payments, IFRS pension accounting and depreciations. However, this guidance is subject to the progress of the pipeline, mainly driven by manufacturing costs, the speed of enrollment of patients in clinical studies and data from research and development projects.

No guidance can be provided with regard to net cash flow projections. Timelines and potential milestone payments from existing and potentially new partnerships are not disclosed.

*DARPin® is a registered trademark owned by Molecular Partners AG.

Financial Calendar

- August 30, 2018 – Publication of 2018 Half-year Results
- November 01, 2018 – Q3 2018 Management Statement

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

About the DARPin® Difference

DARPin® therapeutics are a new class of protein therapeutics opening an extra dimension of multi-specificity and multi-functionality. DARPin® candidates are potent, specific, safe and very versatile. They can engage in more than 5 targets at once, offering potential benefits over those offered 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 Phase 1 clinical development for the treatment of solid tumors and in Phase 2 development for hematological tumors. In addition, Molecular Partners intends to further evaluate MP0250 for solid tumors in a phase 1b/2 trial for EGFR-mutated NSCLC. MP0274, the second-most advanced DARPin® drug candidate in oncology, has broad anti-HER activity; it inhibits HER1, HER2 and HER3-mediated downstream signaling via Her2, leading to induction of apoptosis. MP0274 has moved into Phase 1. 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 founding scientists, the company continues to attract talented individuals who share the passion to develop 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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