Molecular Partners

Patrick Amstutz, CEO
Andreas Emmenegger, CFO

Presentation of the H1 2020 Results

August 26, 2020 – Molecular Partners AG (SIX: MOLN)

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Agenda

▪ Review & Highlights H1 2020	Patrick Amstutz, CEO
▪ Financial Results H1 2020	Andreas Emmenegger, CFO
▪ Outlook 2020 & Beyond	Patrick Amstutz, CEO
▪ Q&A	

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Review & Highlights H1 2020

Molecular Partners: Pioneering DARPin® therapies to transform the lives of patients with cancer and other diseases

A global team united around a common purpose of bringing a new class of drugs to life

- Benefit from unique blend of founding DARPin inventors and key hires

Broad pipeline of custom-built protein therapeutics

- First DARPin candidate abicipar (licensed to AbbVie), CRL received from FDA in June 2020
- Immuno-oncology portfolio includes cutting-edge approaches:
    - First tumor-localized immune agonist in Phase 1 (licensed to Amgen), with 4-1BB as key target
    - New tumor-localizing immune agonist, with CD40 as key target
    - Peptide-MHC binding has delivered proof-of-concept
    - Anti-VEGF/Anti-HGF candidate for multiple myeloma in Phase 2
- COVID-19 DARPin antiviral candidate with best-in-class potential moving towards FIH Q4/2020

Partnerships and financing buoyed by long-term relationships

- Well financed into 2022, excluding milestones and royalties
- Amgen partnership: USD 497m in potential milestones; royalties to high-teens
- Abbvie abicipar collaboration: USD 360m in potential milestones; royalties to mid-teens

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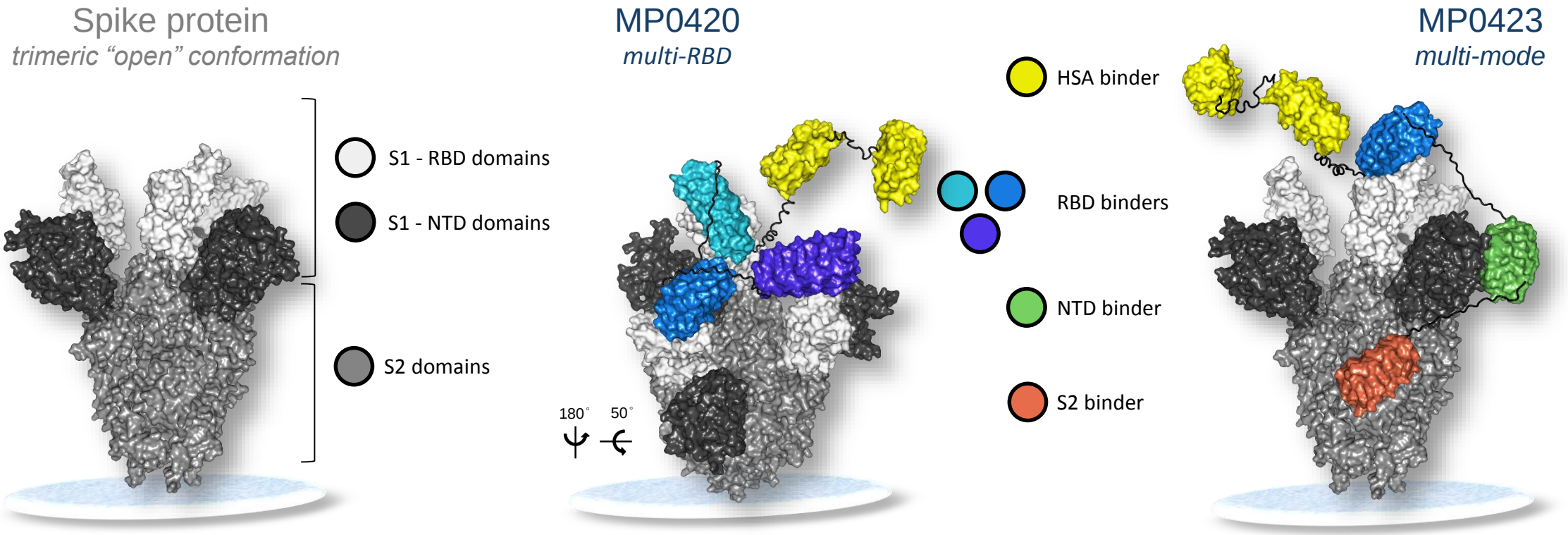
Financial & Team Highlights H1 2020

- Ongoing strong financial position with CHF 64.4 million in cash and short-term deposits as of June 30, 2020
- In July 2020, received gross proceeds of CHF 80.2 million from share capital increase, ensuring financing into 2022
- Net cash outflow from operating activities of CHF 27.9 million in H1 2020
- FY 2020 expense guidance slightly increased to CHF 65-75 million
- Appointed U.S. biotech executives to the Board of Directors at AGM of April 29, 2020
  - Sandip Kapadia,
  - Michael Vasconcelles, M.D., and
  - Vito J. Palombella, Ph.D.

R&D Highlights H1 2020

- **Anti-COVID-19 Program:**
  - Developed novel anti-COVID-19 multi-specific DARPin candidates
    - MP0420 is being prepared for clinical trial initiation in Q4 2020
    - Initial in vitro and in vivo data highly supportive of unique mechanisms of action with ultra-potent anti-viral activity
    - Secured partnership with AGC Biologics to meet initial projected clinical and commercial-scale manufacturing capacity
- **Oncology:**
  - Presented supportive data from AMG 506 (MP0310), MP0317 and peptide-MHC immuno-oncology programs at American Association of Cancer Research Virtual Annual Meeting
  - In August 2020, concluded recruitment of phase 1 study of MP0274 (Her2-targeting DARPin molecules) in patients with progressive Her2-positive cancer
- **Ophthalmology, Abicipar:**
  - Complete Response Letter received from U.S. FDA for abicipar by strategic partner Allergan/ AbbVie. AbbVie to determine appropriate next steps for program with FDA and other global regulatory agencies

MP0420 & MP0423 – Two COVID-DARPin Candidates



- We are developing two distinct Covid-DARPin Candidates, MP0420 and MP0423
- MP0420 is a Best-in-Class RBD inhibitor, MP0423 is the only multi-mode approach to date
- Natural antibodies (& vaccines) target mostly the RBD; MP0423 protects that Achilles heel

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COVID-DARPin Development Status

- Manufacturing
  - 100L and 1000L slots booked at AGC Biologics
  - First GMP material produced in August
- Regulatory
  - FIH for MP0420 in Q4
  - Engaging with multiple clinical consortia for streamlined clinical trial and regulatory processes
- Government Support
  - Swiss Army Lab supported all virology work
  - Swiss Government reservation agreement for 200’000 doses of MP0420
    - High mid-single digit mio CHF reservation fee
    - Price per dose will be negotiated once dose is fixed

AGC Biologics

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

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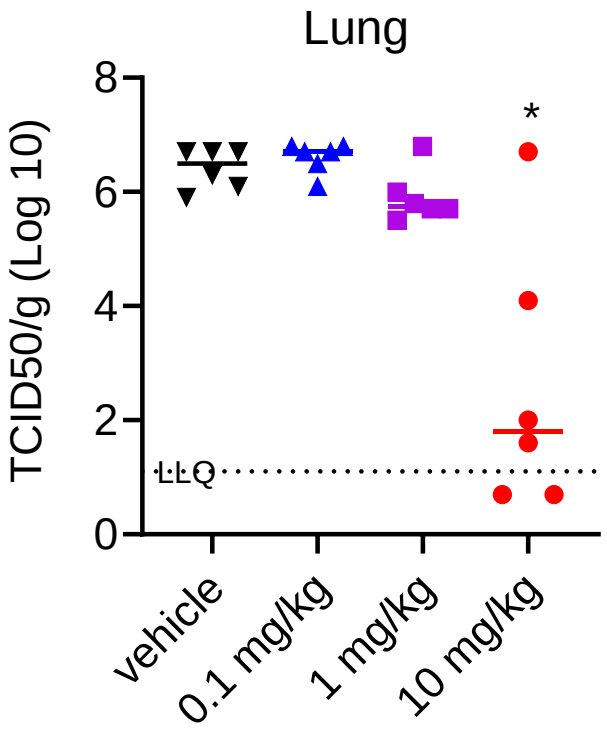
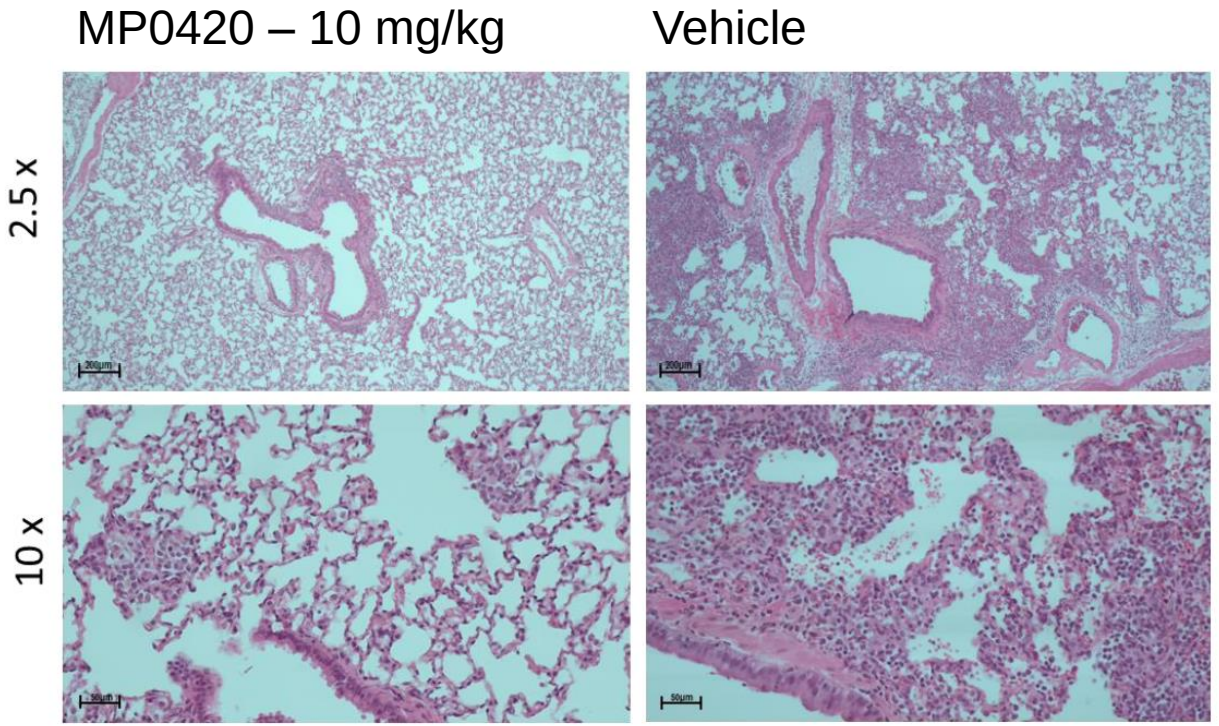
MP0420 – *in vivo* Activity – Hamster Model





- Hamster *in vivo* data show dose-dependent activity of MP0420
- Lung exposure & activity of the DARPin candidate via HSA DARPin module confirmed
- *In vivo* efficacy confirmed with DARPin MoA, without risk of Antibody-Dependent Enhancement (Fc-mediated)

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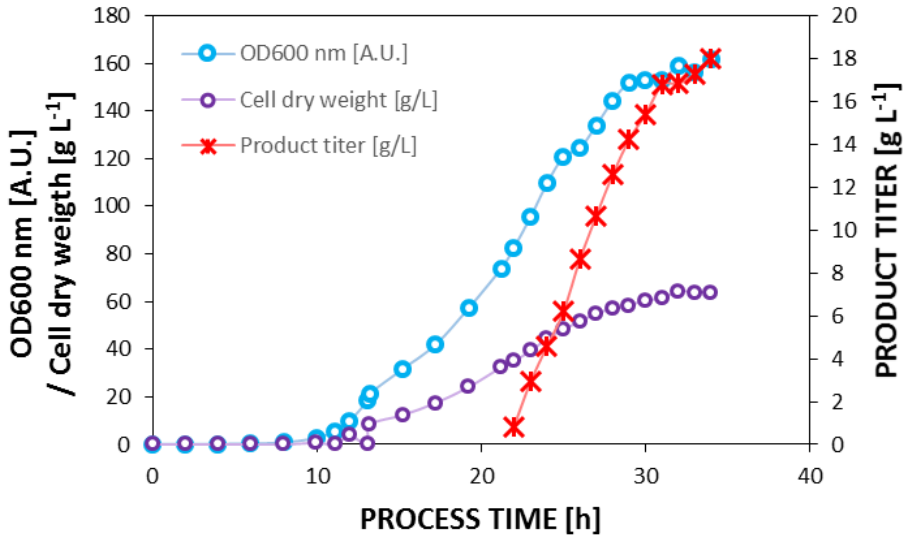
COVID-DARPin Manufacturing Advantages



- High yield **bacterial** production (12-17 g/l)
- No lengthy cell line development
- Standard chromatography and filtration steps for DSP
- Overall process duration of 7 to 10 working days

AGC Biologics

- Production slots confirmed with AGC (100 L & 1000 L)
- 100 L Production is ongoing, 1000 L in December

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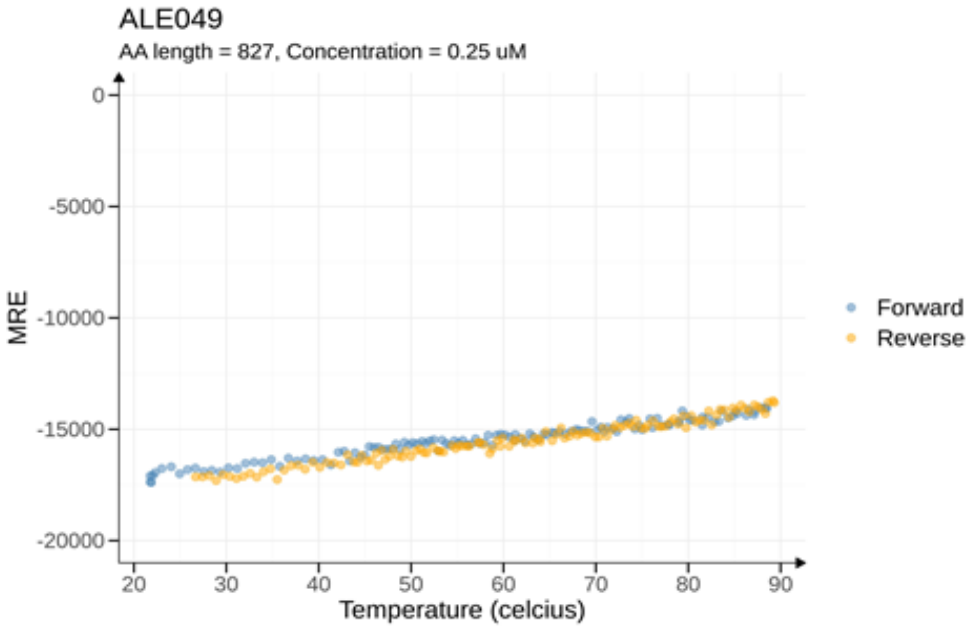
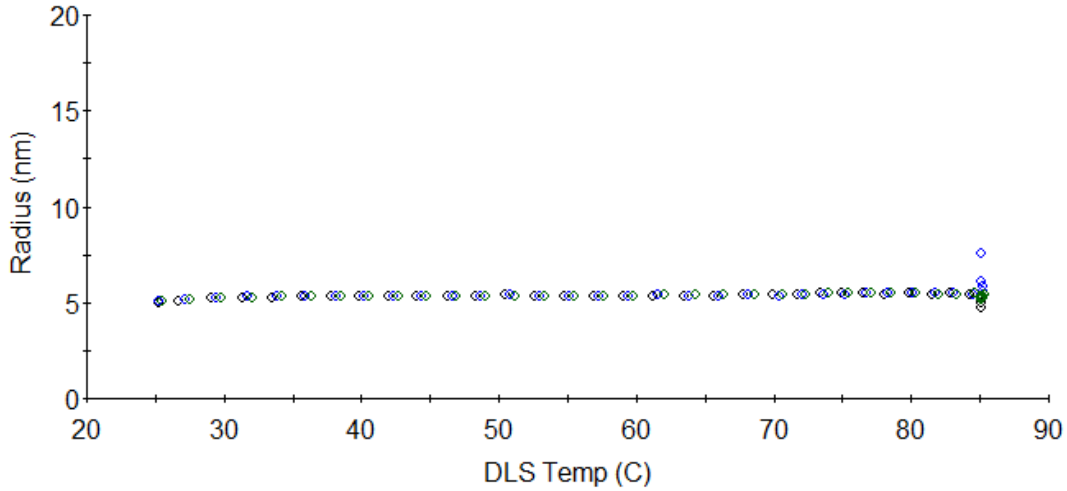
MP0420 is stable even at elevated temperatures

CD measurement at 0.25µM
before and after temperature ramp/reverse scan



Aggregation onset (DLS) at 1mg/ml



- MP0420 is highly heat stable and does not show any tendency for aggregation
- Potential opportunity to investigate liquid storage at room temperature

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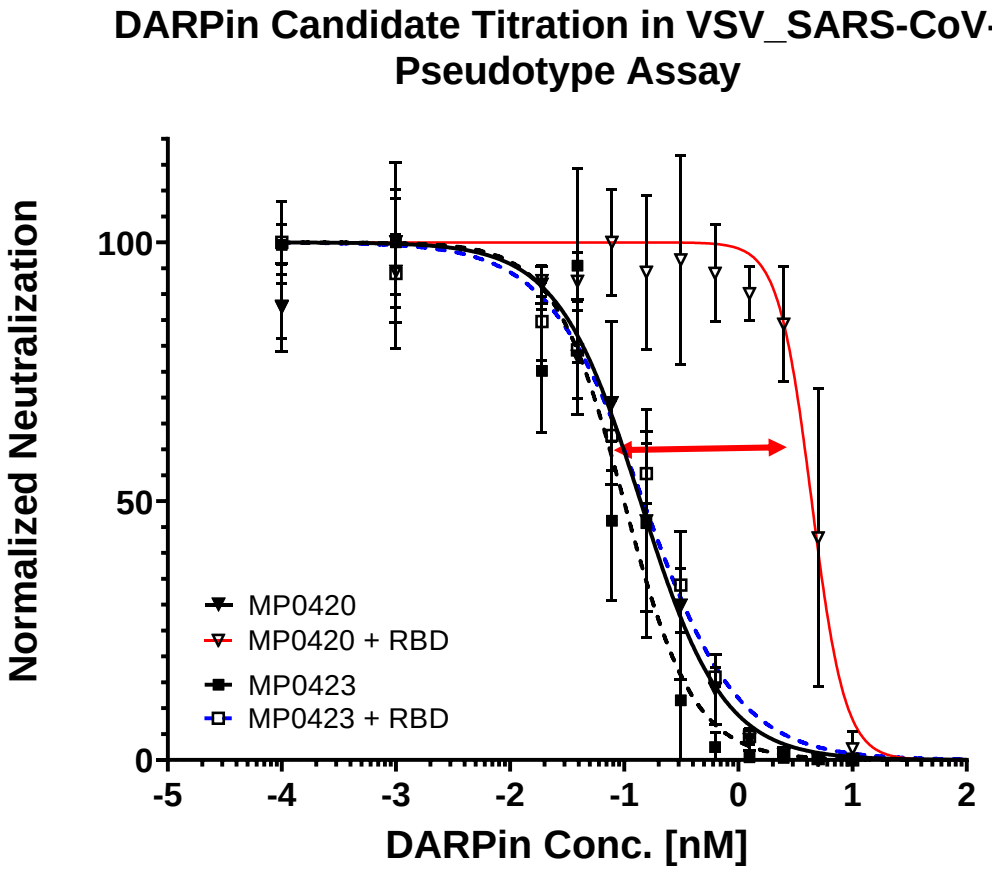
MP0423 – full activity with and without RBD



Name	IC50 (nM)
MP0420	0.1387
MP0420+RBD	4.387 ↓
MP0423	0.09933
MP0423+RBD	0.1466

- MP0423 is the only biologic therapeutic approach that **includes but does not depend** on RBD targeting

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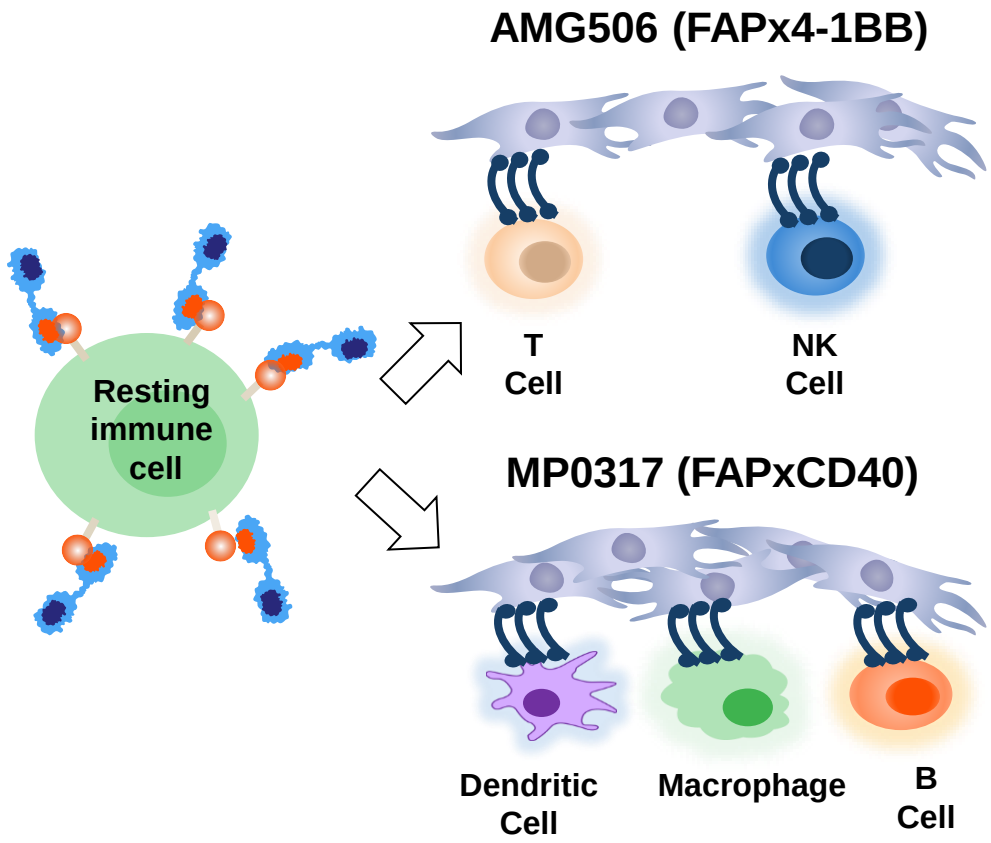
Summary

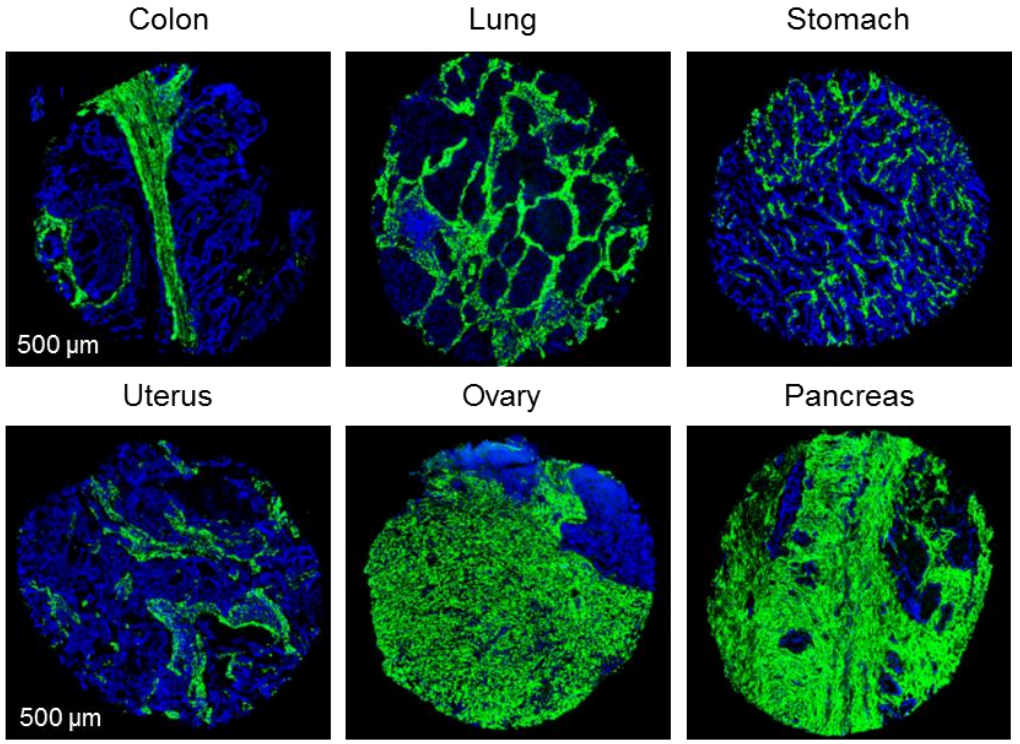
- **MP0420 – Best-in-Class anti-COVID-Candidate**
  - ✓ Highest potent drug candidate avoiding viral escape
  - ✓ Long-acting and safe drug candidate
  - ✓ Production of amounts for global use feasible (and not competing with mABs)
  - ✓ Simple out-patient dosing opportunity (s.c.)
  - ✓ Speed to FIH Q4/2020

- **MP0423** as global solution to cover the Achilles heel of antibodies & vaccines: escape to any and all RBD mutations
  - ✓ All of the benefits of MP0420
  - ✓ Speed to FIH H1/2021

Local Activation of Immune cells: Fibroblast Activation Protein (FAP) as a general switch



FAP expression adequate for immune activation in multiple solid tumors



- No activation by mono-binding of FAP or CD40/4-1BB
- Simultaneous binding leads to tumor-local immune activation

Human FAP, DAPI

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MP0317: FAP-dependent activation of specific immune cells

A Dendritic cells:

CD86 ✓ IL-12 ✓

CD83 ✓ CD80 ✓

B Macrophages:

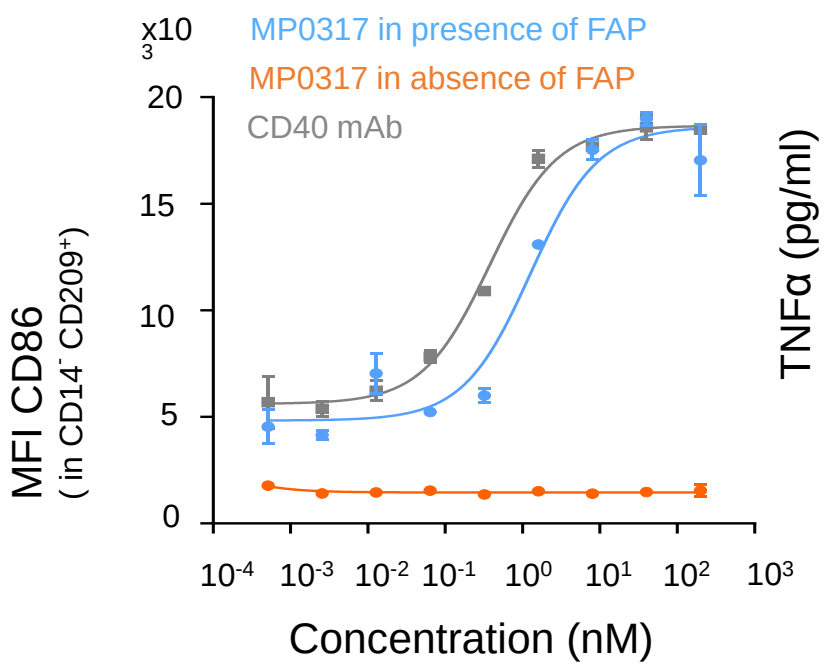
TNFα ✓ IL-12 ✓

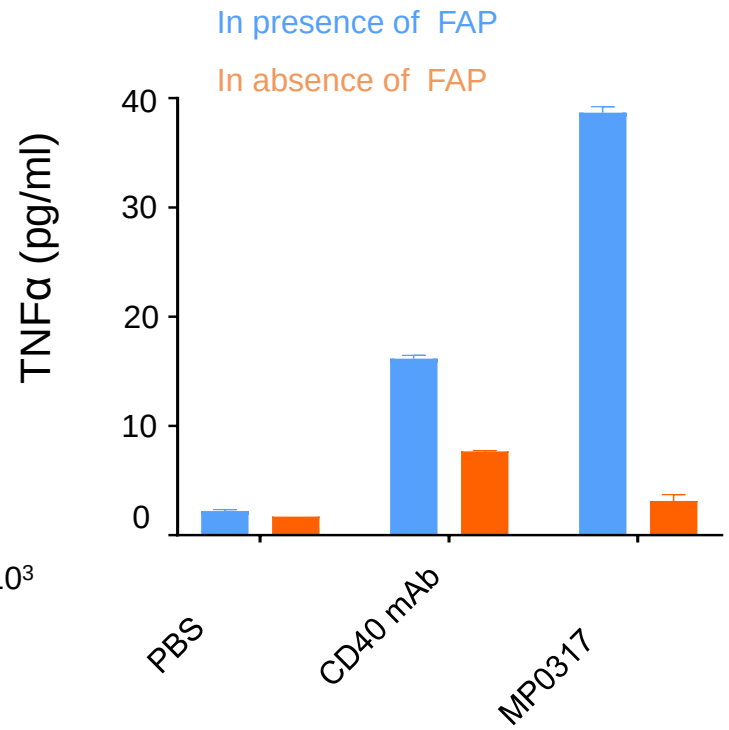
IL-6 ✓ CCL17 ✓

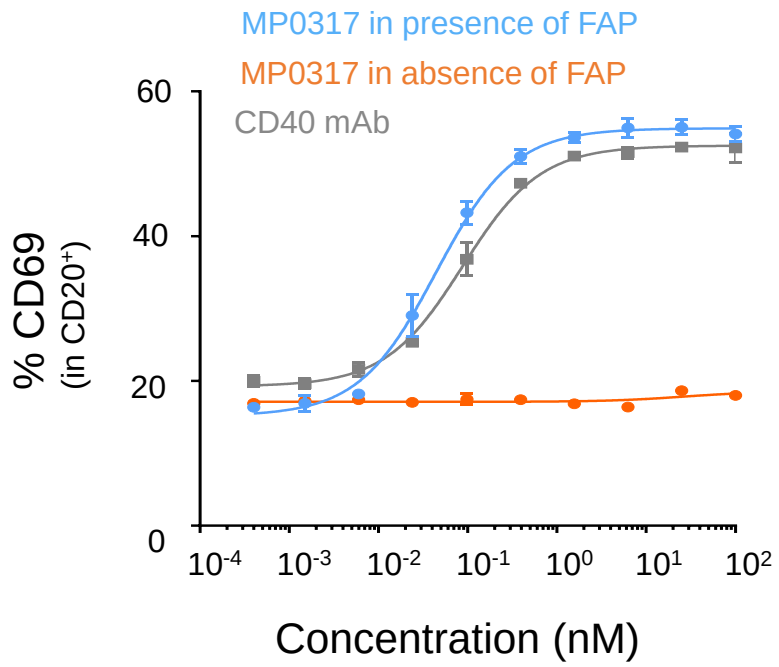
C B cells:

CD69 ✓

CD86 ✓







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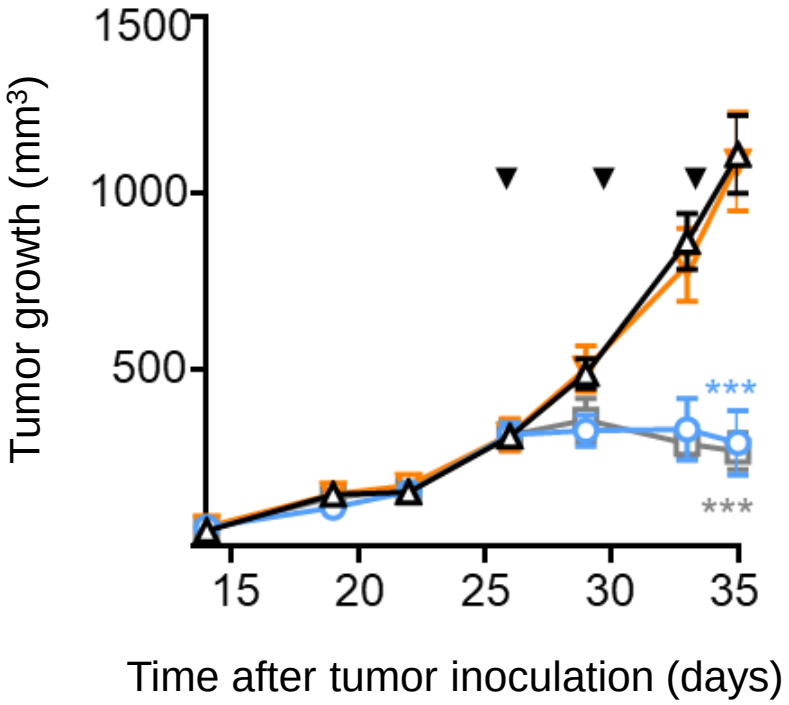
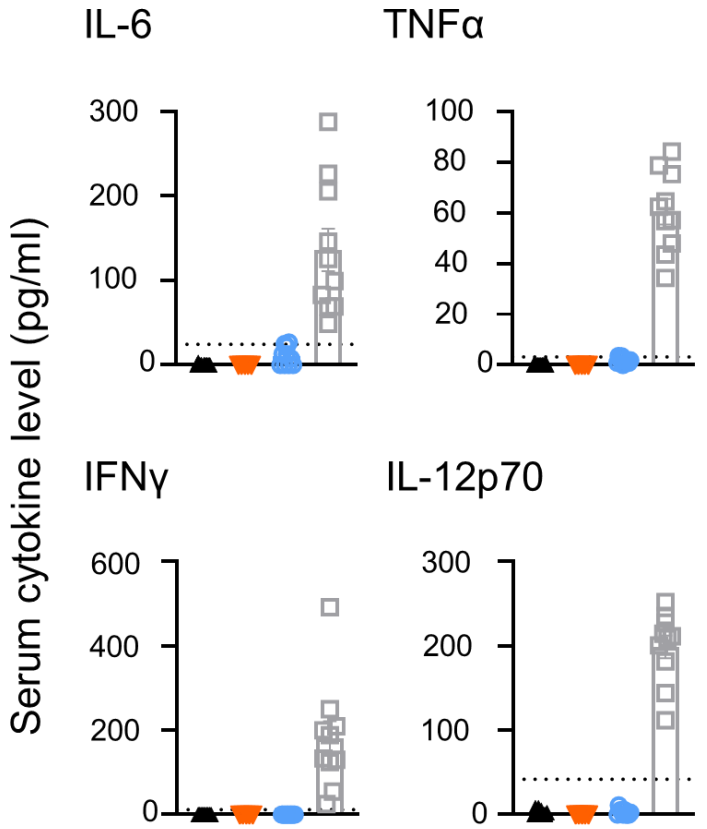
MP0317 shows full activity with no detectable side-effects

FAP^{HIGH} TUMOR: MC38-FAP Colorectal cancer





Vehicle

Neg. CTRL*

mFAP x mCD40

mCD40 Ab

*Neg. CTRL, DARPin® molecule binding CD40 and HSA, but not FAP

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Financial Results H1 2020

Key Figures H1 2020

(CHF million, except per share and FTE data)	***H1 2020***	*H1 2019*	***change***
Revenues	**7.5**	13.6	**(6.1)**
Total operating expenses [1]	**(30.6)**	(26.0)	**(4.6)**
Operating result – EBIT	**(23.1)**	(12.4)	**(10.7)**
Net financial result	**(1.6)**	(0.3)	**(1.3)**
Net result	**(24.7)**	(12.7)	**(12.0)**
Basic net result per share (in CHF)	**(1.14)**	(0.60)	**(0.54)**
Net cash used in operations	**(27.9)**	27.0	**(54.9)**
Cash balance (incl. s.t. deposits) as of June 30 [2]	**64.4**	123.3	**(58.9)**
Number of FTE's as of Jun 30	**143.6**	127.7	**15.9**

[1] Thereof non-cash costs of CHF 3.3 million in H1 2020 and CHF 2.9 million in H1 2019

[2] Including CHF 17.1 million short-term time deposits as per June 30, 2020 and CHF 55.6 million short-term time deposits as per June 30, 2019

Note: Rounding differences may occur

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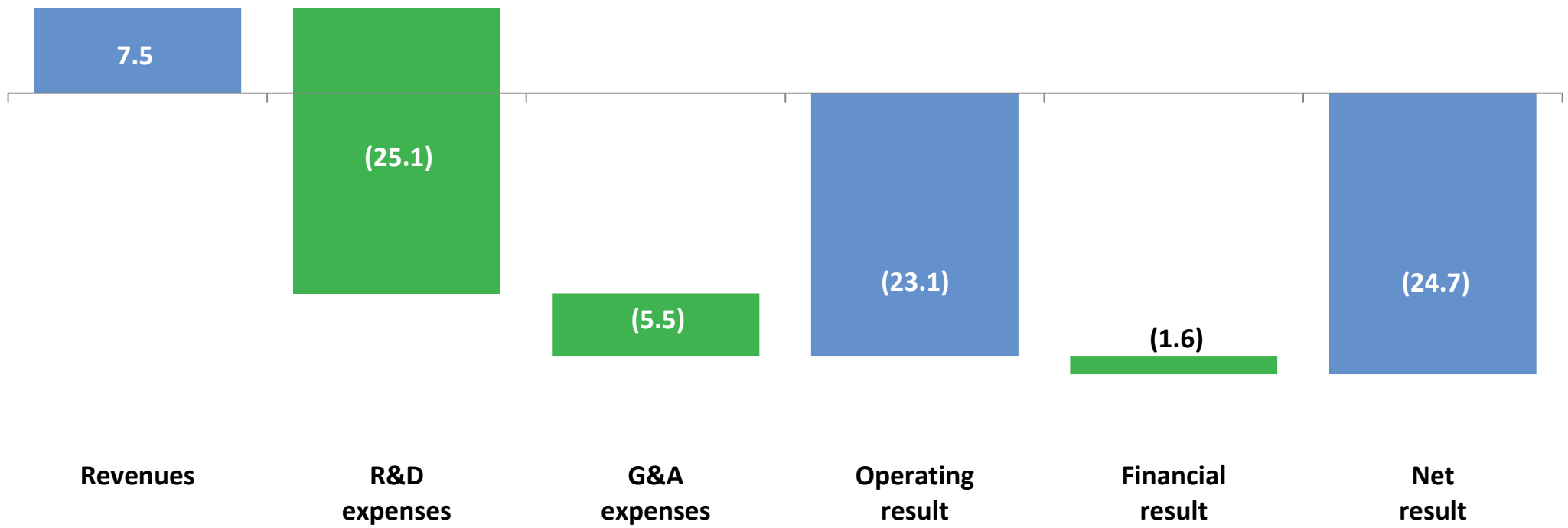
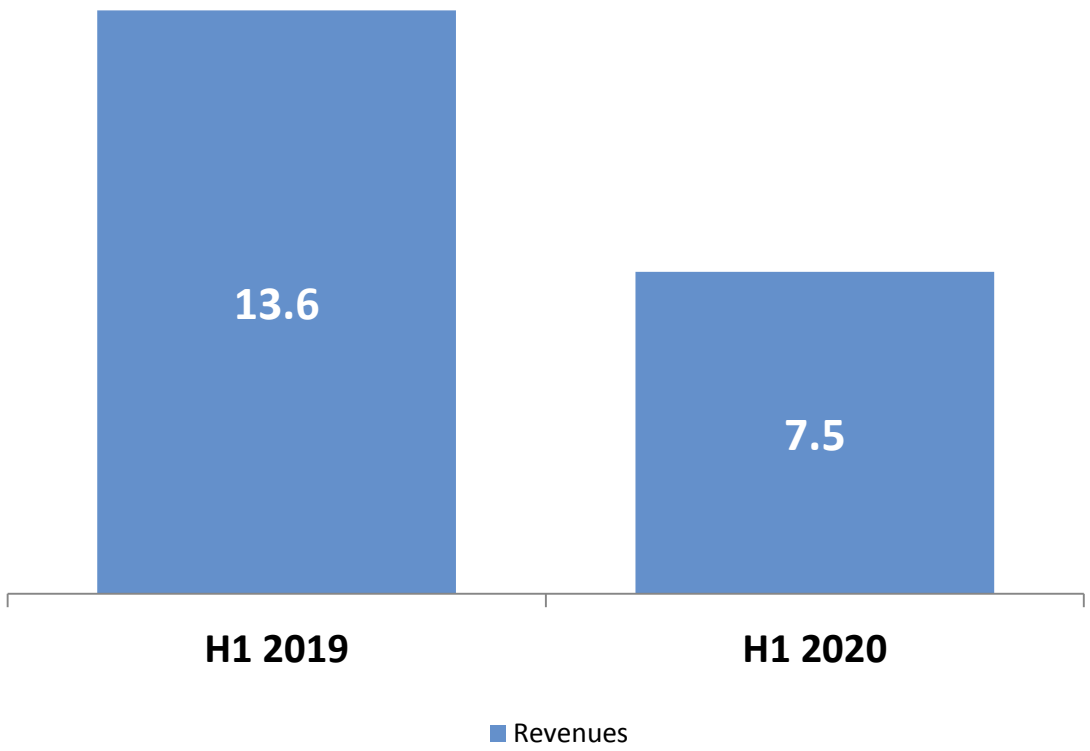
P&L Breakdown

in CHF million



Revenues

In CHF million

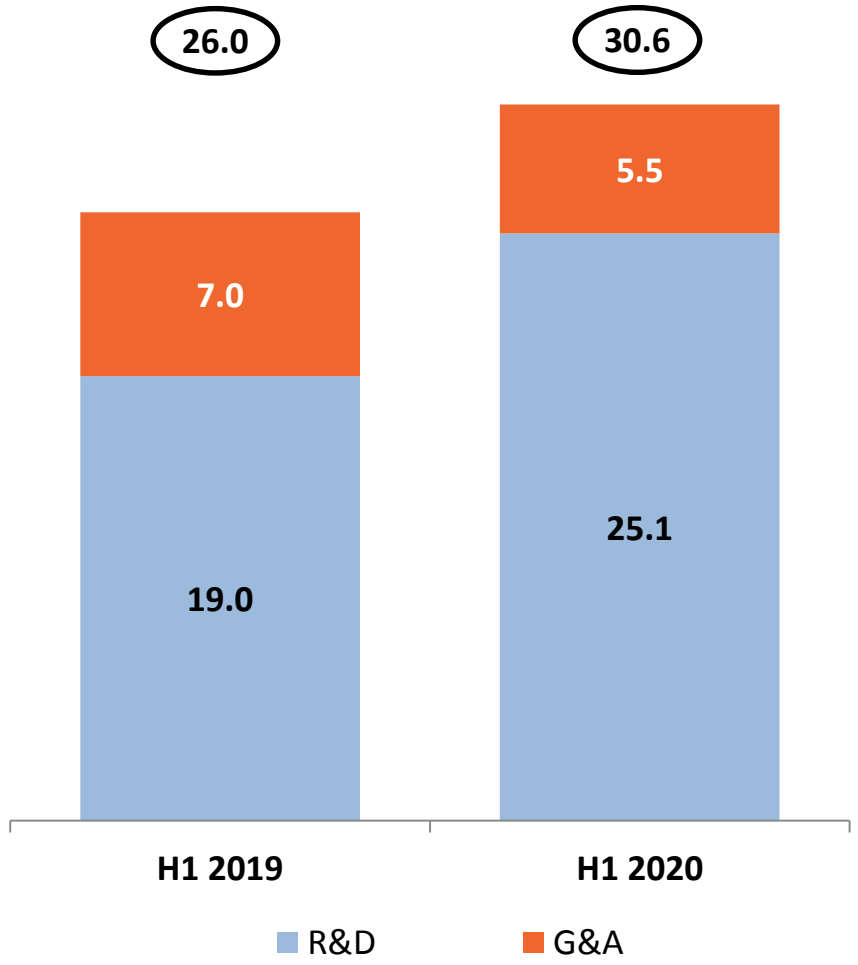


Comments

- CHF 7.5 million revenue recognized out of contract liabilities; total amount on H1 2020 relates to the Amgen collaboration
- As per June 30, 2020 CHF 20.8 million still to be recognized out of the total CHF 49.6 million from the Amgen collaboration

Operating Expenses

in CHF million (incl. depreciation & amortization)



Comments

- In H1 2020 main expense positions and drivers were:
  - CHF 16.1 million People related expenses
  - CHF 11.3 million external R&D costs
  - CHF 3.2 million other (Consulting and Professional Fees, facility and general office expenses plus depreciation)
- Included are CHF 3.3 million non-cash effective costs

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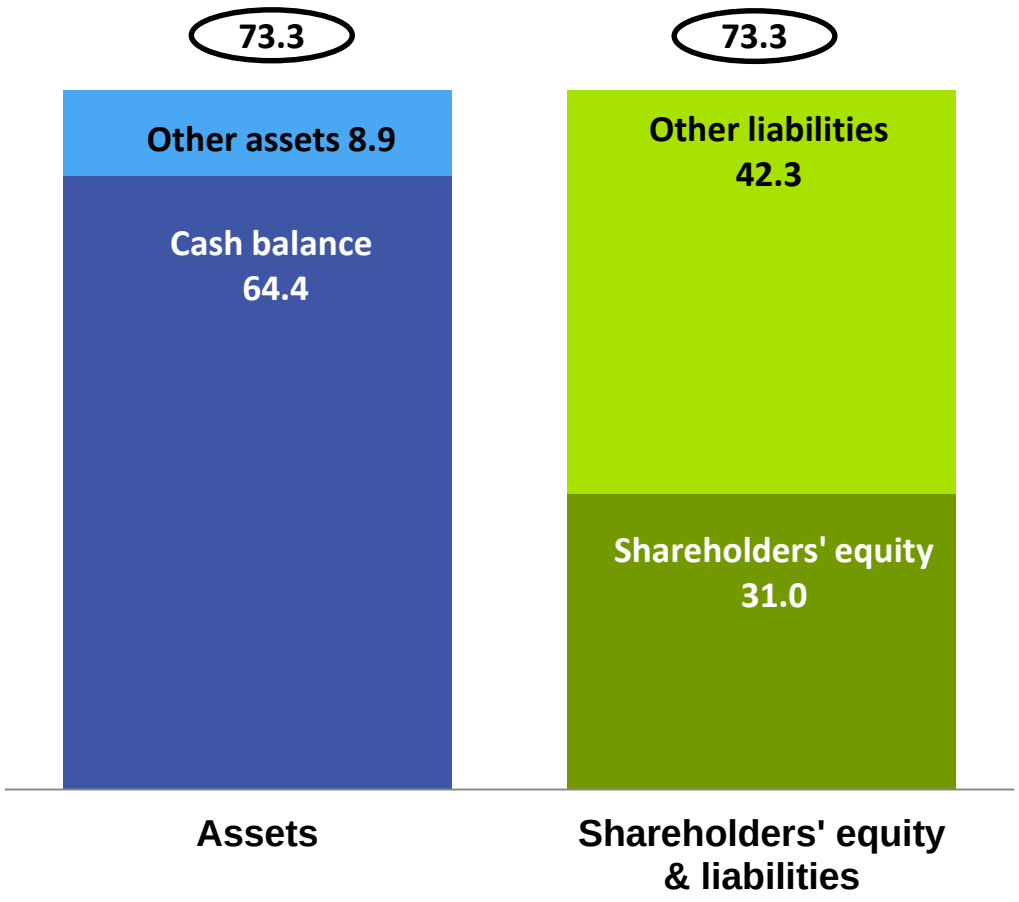
Balance Sheet

as of June 30, 2020 (CHF million)



Comments

- Strong and debt free balance sheet
- CHF 64.4 million cash balance (incl. time deposits) – 88% of total assets
- Equity base of CHF 31.0 million
- Other liabilities include CHF 20.8 million in relation to Amgen (revenue to be recognized), CHF 1.9 million lease liability, CHF 11.6 million for accrued employee benefits plus CHF 8.0 million for other current liabilities.

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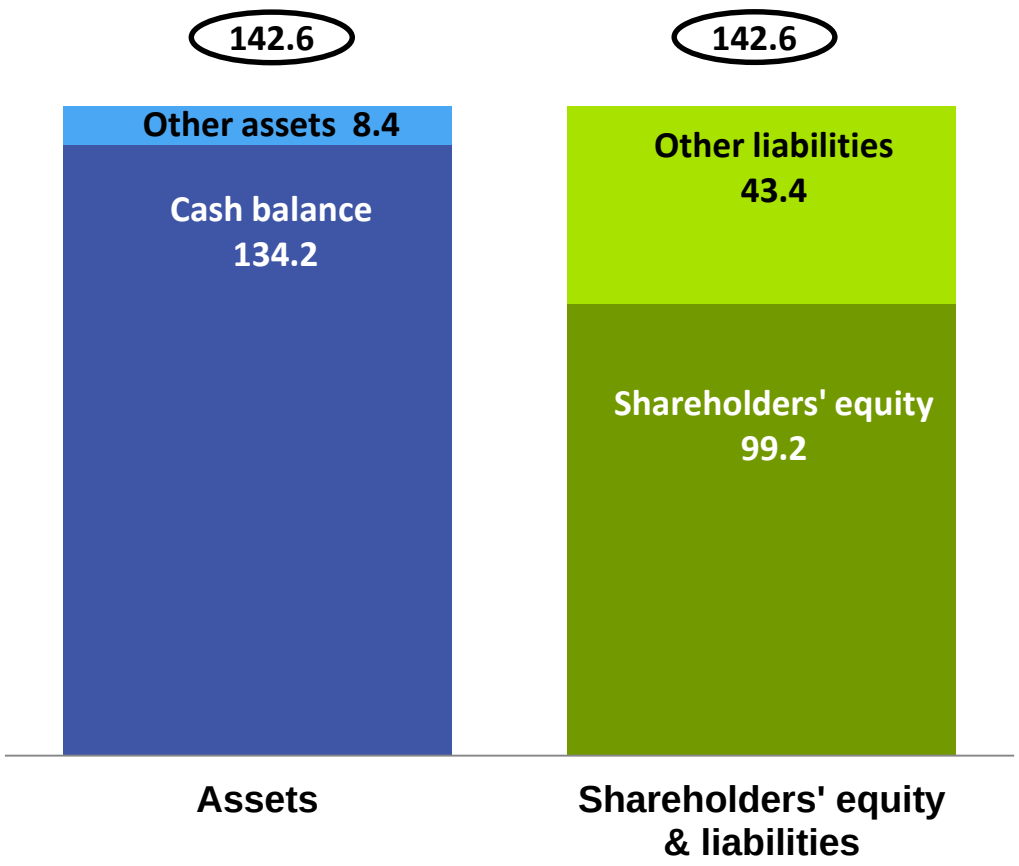
Balance Sheet (as of July 31, post capital increase)

as of July 31, 2020 (CHF million)



Comments

- Further strengthened balance sheet
- Debt free
- CHF 134.2 million cash balance (incl. time deposits) – 94% of total assets
- Equity base increased to of CHF 99.2 million (+68.2mn) representing 70% of total balance sheet

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Financial Guidance for Full-Year 2020

- Total expenses of CHF 65-75 million
  - ~CHF 6 million non-cash effective costs
- Capital expenditures of ca. CHF 3 million
- No guidance on net cash flow;
  - Timelines and potential milestones payments with partnerships not disclosed
- Guidance subject to progress and changes of pipeline

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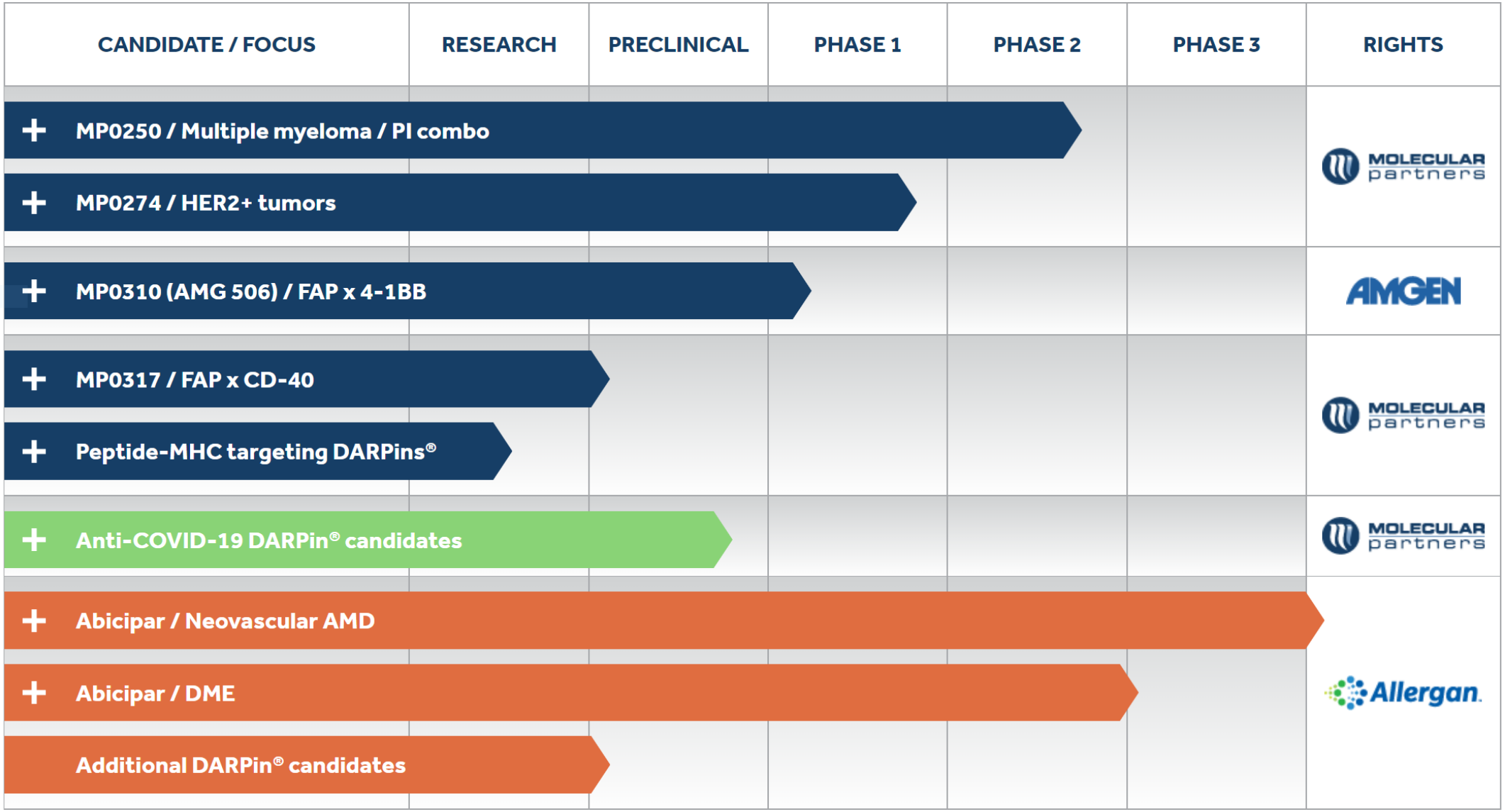
Outlook 2020 & Beyond

A Balanced and Robust Portfolio



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Expected Catalysts

	2020/2021
Abicipar	▪ Next steps ref. approval and launch in nAMD (US and EU) ➢ Discussions with FDA to resolve CRL issues from June 2020
MP0250	▪ Additional P2 data from PI-combo trial ▪ Continued development of MP0250 in partnership
MP0274	▪ Establish dose define path forward
AMG 506 (MP0310)	▪ Identify AMG 506 (MP0310) dose in ongoing phase 1 ▪ Initiation AMG 506 (MP0310) combination trials
MP0420	▪ Manufacturing scale-up for broad supply (August 2020) ▪ FIH of anti-SARS-Cov-2 DARPin in Q4 2020 ▪ Additional clarity on clinical development
MP0317	▪ Prepare for MP0317 IND submission ▪ Additional scientific publications and presentations

Funded into 2022
(excl. any future proceeds related to partnerships)

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Thank you!

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Questions?

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IR Agenda

October 29, 2020	Publication of Q3 Interim Management Statement
December 2020	R&D Day in New York (Virtual Meeting)