

# Molecular Partners: Novel Therapeutic Designs Applied

Patrick Amstutz, CEO

Andreas Emmenegger, CFO

*Presentation of the FY 2019 Results*

*February 6, 2020 – Molecular Partners AG (SIX: MOLN)*



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# Agenda

- Review & Highlights FY 2019
- Financial Results FY 2019
- Outlook 2020 & Beyond
- Q&A

Patrick Amstutz, CEO

Andreas Emmenegger, CFO

Patrick Amstutz, CEO



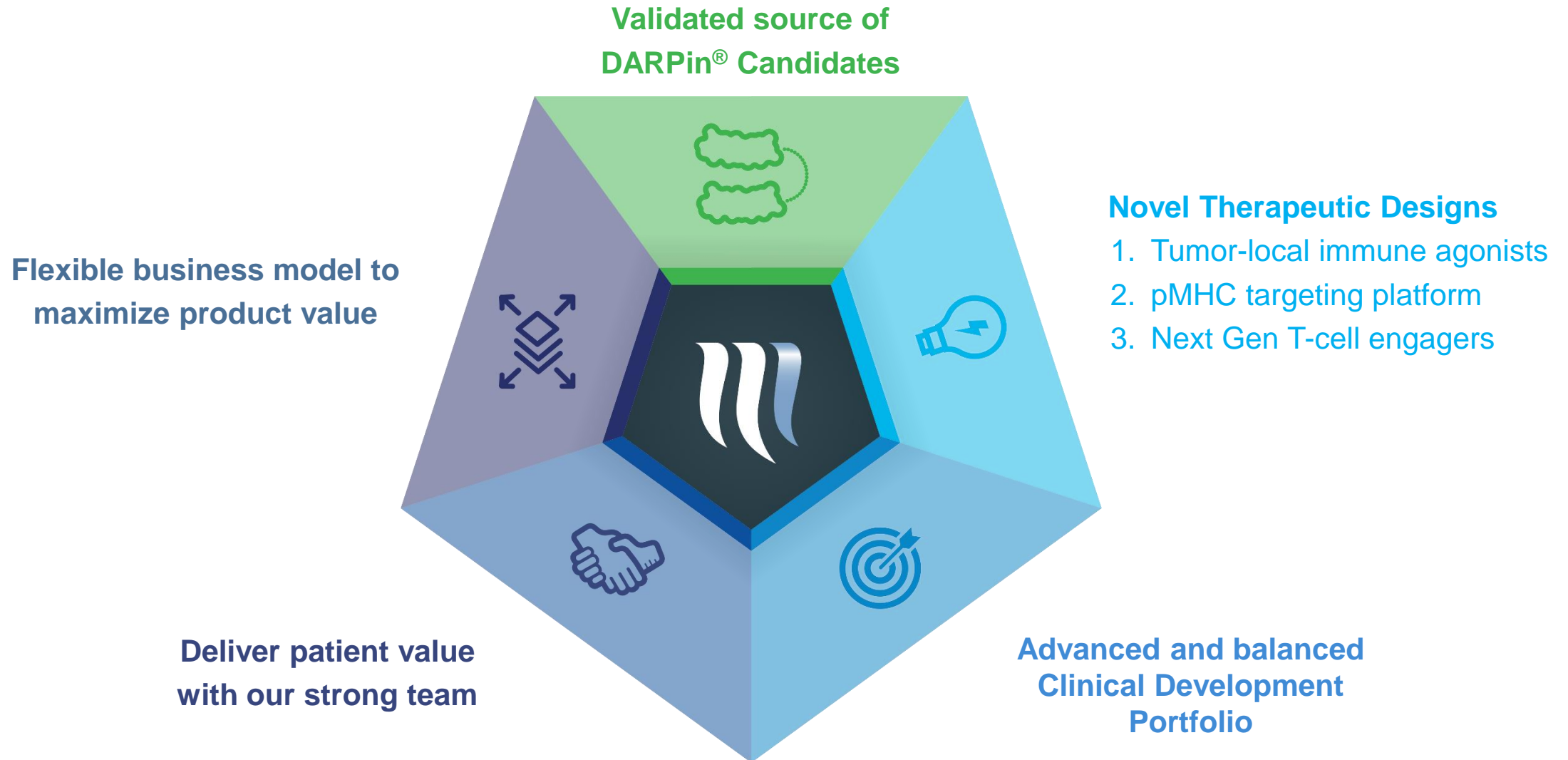
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# Review & Highlights FY 2019

# Molecular Partners In Brief

- **DARPin® Engine:** Source for candidates with novel therapeutic designs
- **Clinical Development Portfolio** advanced and balanced:
  - **Abicipar** on track for market launch in nAMD in 2020
  - **MP0250** in P2: new MoA in MM, ODD received; **MP0274 in P1:** new MoA in Her2+ cancers
  - **MP0310** in P1, 1<sup>st</sup> novel therapeutic design in the clinic
- **Research** is delivering candidates with novel therapeutic designs in three areas:
  - **Tumor-localized agonists, pMHC binders & next generation T-cell engagers**
- Long-standing **partnerships** with Allergan and Amgen
- **Well financed through mid-2021**, on-track towards recurring income with expected abicipar launch in 2020 by Allergan

# Key Advantages of Molecular Partners



# Financial & Team Highlights FY 2019

- Strong financial position with CHF 95.1 million in cash (incl. short-term deposits) as of December 31, 2019 vs. CHF 99.0 million at YE 2018
  - USD 50 million upfront payment from collaboration agreement with Amgen collected in January 2019
  - Net cash used in operating activities of CHF 1.2 million in 2019
- Operating loss of CHF 37.2 million and net loss of CHF 36.8 million in 2019
- Talent base of 135 full-time employees at year-end 2019 (+15% year-on-year), reflective of growth of the company and its pipeline

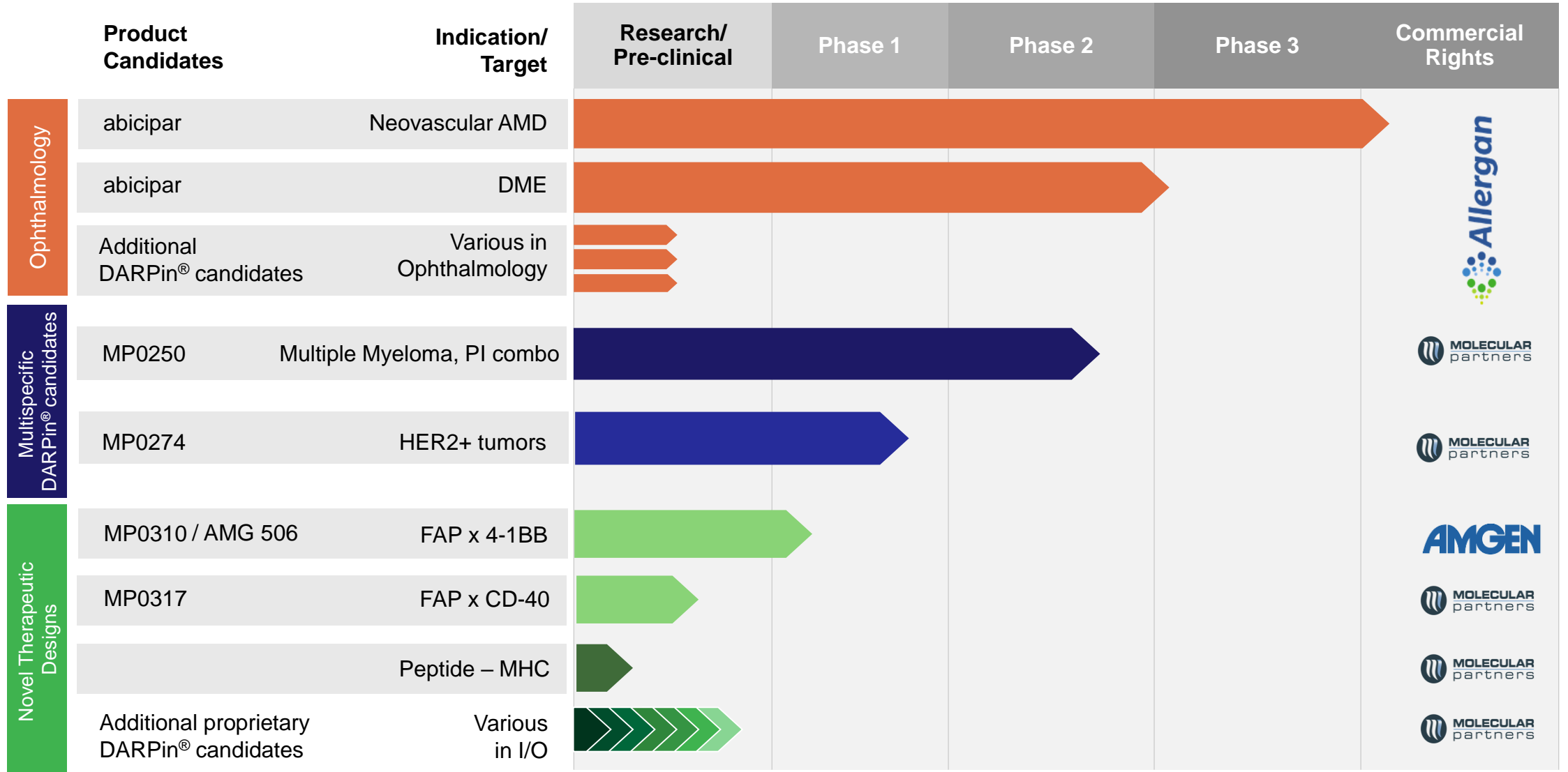


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# Highlights: Pipeline & Novel Therapeutic Designs



# A Balanced and Robust Portfolio



# Real-World Evidence Shows Patients Aren't Achieving the Vision Gains Seen in Clinical Trials

## Clinical trials



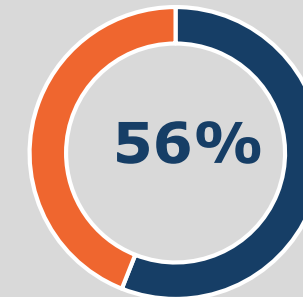
## Real world



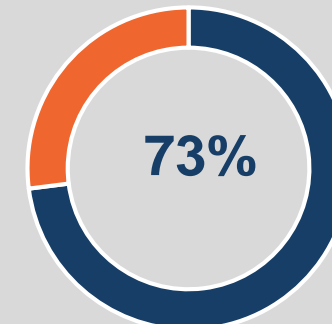
**43%** of patients undertreated with **5 or fewer** injections/year<sup>15</sup>

When treating nAMD patients, RSs are still looking for:

Long-acting / sustained delivery



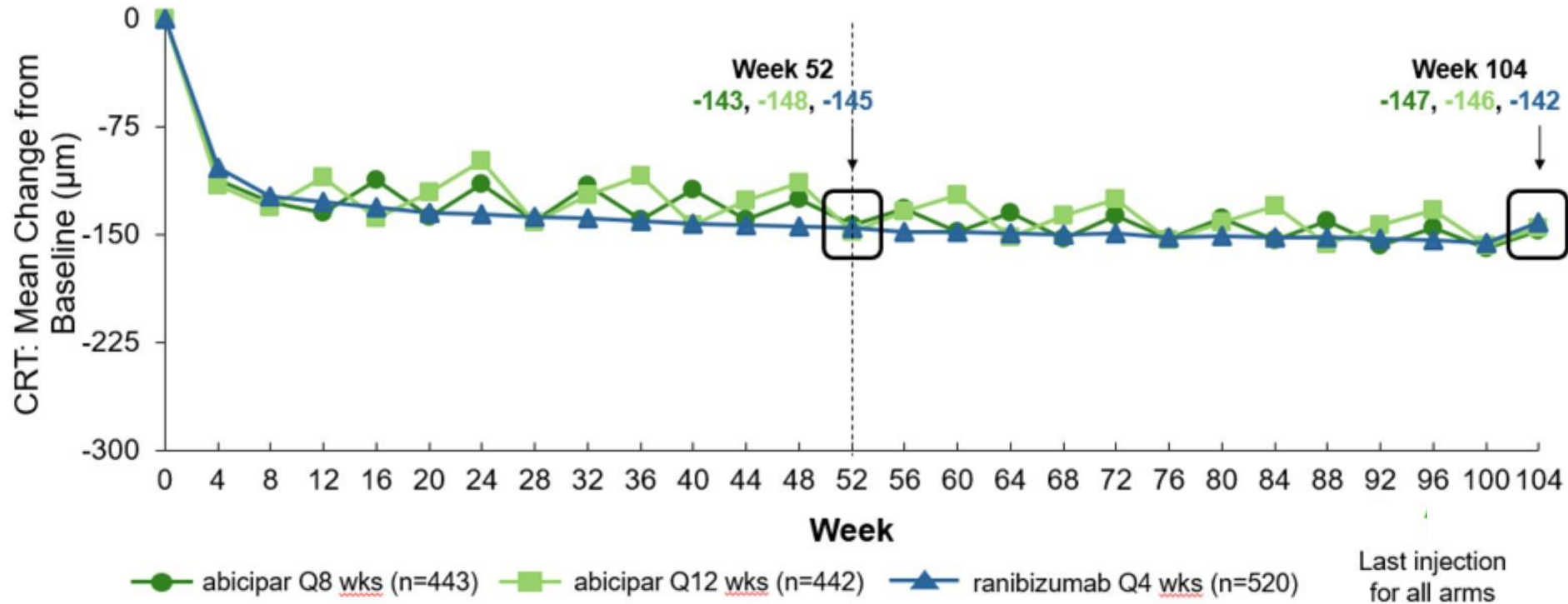
Reduced Treatment Burden



Ref 16

**References:** 1. Brown DM, et al. *Ophthalmology*. 2009;116:57–65. 2. Rosenfeld PJ, et al. *N Engl J Med*. 2006;355:1419–1431. 3. Heier JS, et al. *Ophthalmology*. 2012;119:2537–2548. 4. Wykoff CC, et al. *Ophthalmology*. 2015;122:2514–2522. 5. Kertes PJ, et al. EURETINA 2017. 6. Silva R, et al. *Ophthalmology*. 2018;125:57–65. 7. Berg K, et al. *Ophthalmology*. 2015;122:146-152. 8. DeCroos FC, et al. *Am J Ophthalmol*. 2017;180:142-150. 9. Wai et al. *Am J Ophthalmic Clin Trials*. 2018;1:1-6. 10. Gillies MC, et al. *Ophthalmology*. 2016;123:2545–53. 11. Holz FG, et al. EURETINA 2017; Oral presentation. 12. Holz FG, et al. *Br J Ophthalmol*. 2015;99:220–6. 13. Writing Committee for the UK Age-Related Macular Degeneration EMR Users Group. *Ophthalmology*. 2014;121:1092–101. 14. Kim LN, et al. *Retina*. 2016;36:1418–31. 15. Treatment patterns & outcomes during 12-months of nAMD Management in Real-World clinical practice, Charles Wykoff 16. American Society of Retina Specialists Preferences and Trends (PAT) Survey.

# Secondary Endpoint: Mean Change in CRT From Baseline at Weeks 52 and 104



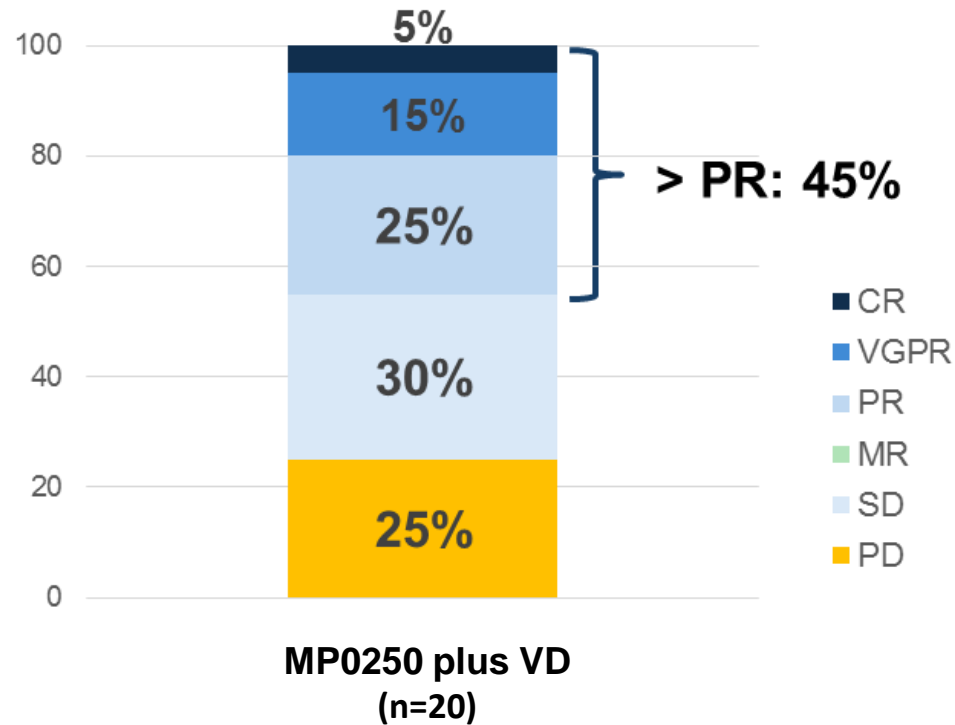
**CRT improvement after initial doses were maintained to Week 104 with quarterly abicipar injections (10) vs. monthly ranibizumab injections (25)**

CRT = central retinal thickness

*Abicipar is under investigation and the safety and efficacy of this product have not been established.*

# MP0250: Durable & Deep Responses in Diverse MM Phenotypes

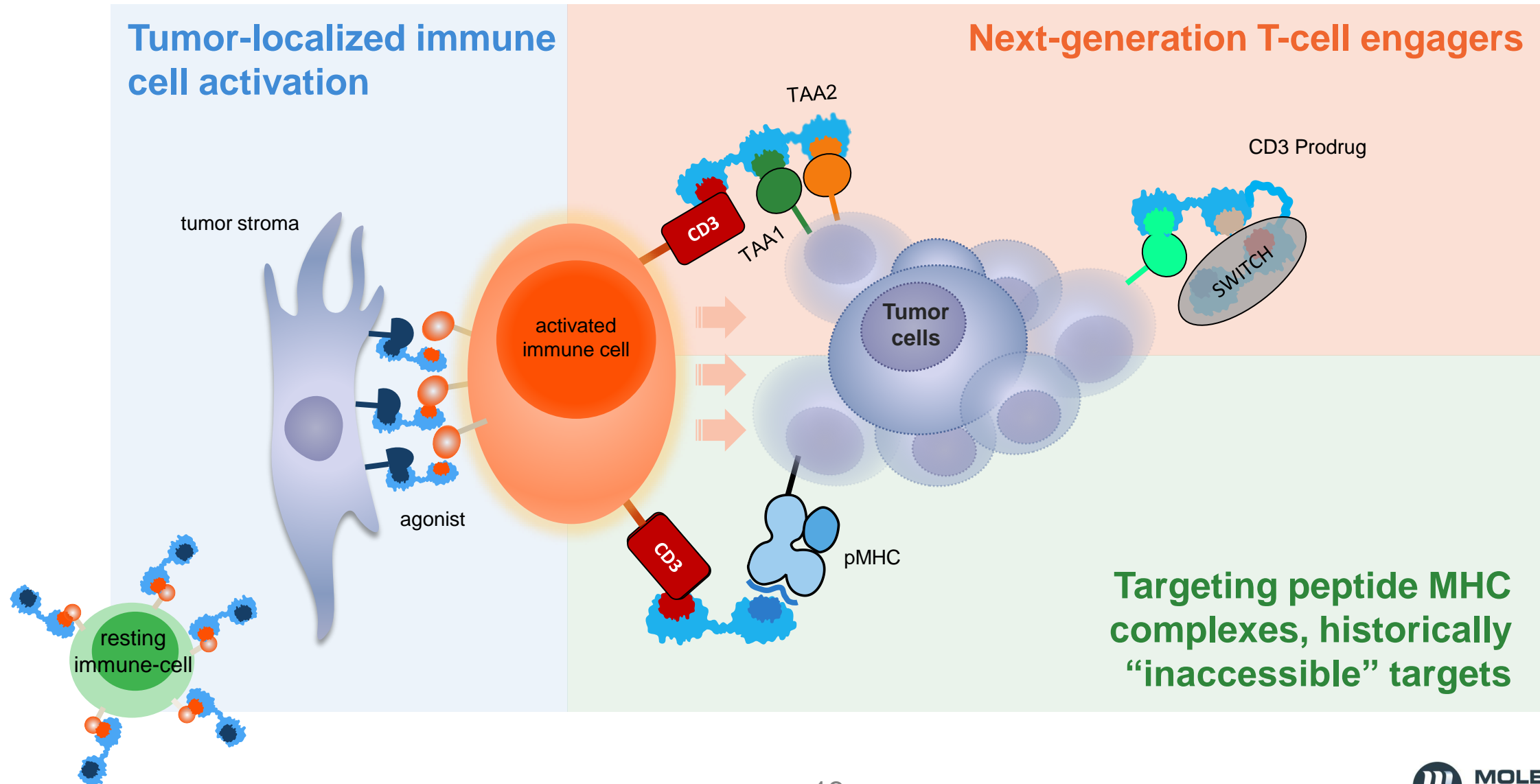
CP-201 trial: MP0250 in combination with bor/dex in R/RMM patients



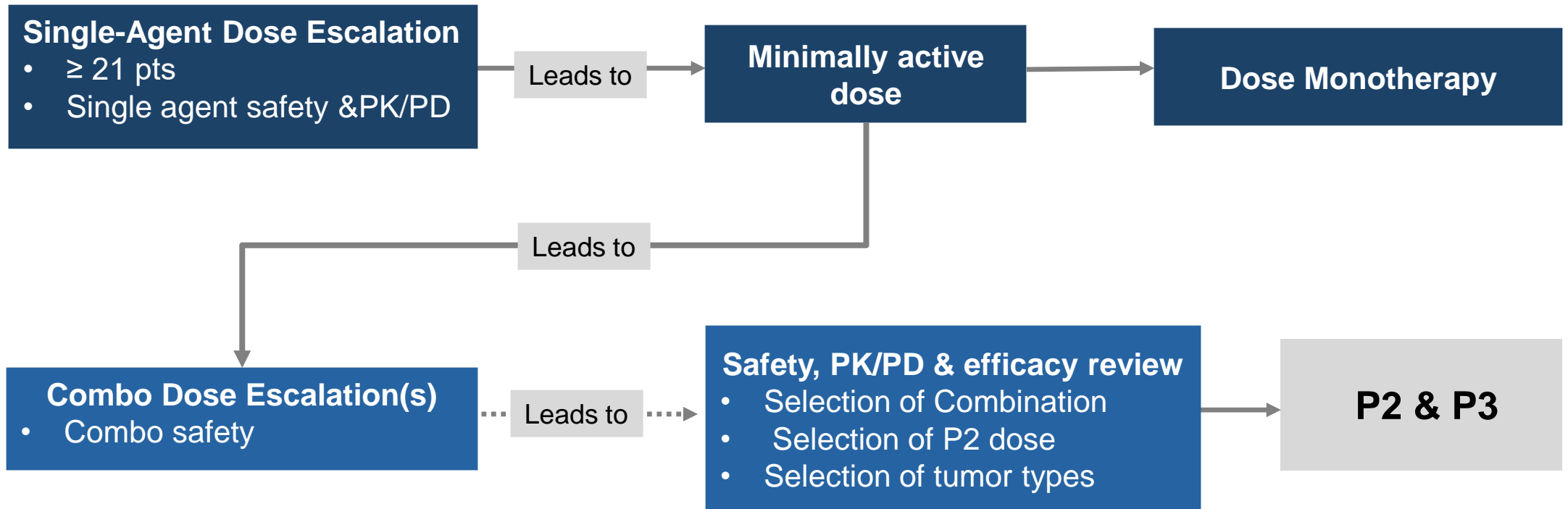
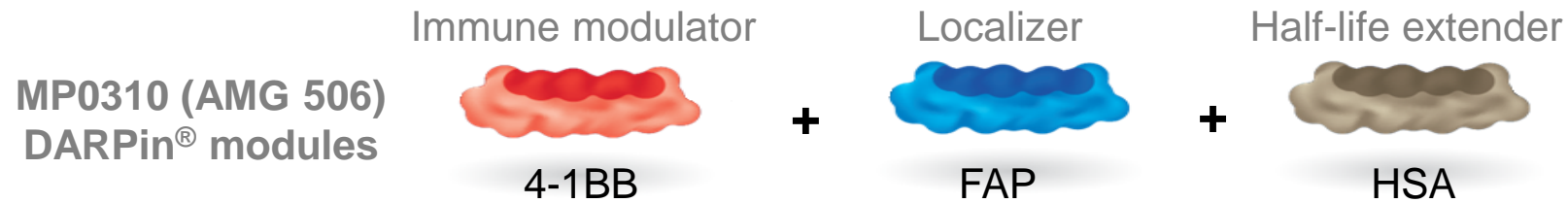
- **Responses** in patients who had **never responded**
- **Heavily pretreated patients**, representative of typical RRMM population; median of 4 prior lines (n=20)
- 4/6 patients coming **directly from Dara** had clinical benefit (incl. 4/5 Dara-refractory patients)
- 2 Patients with **17p deletion** progressed quickly

MP assessment based on IMWG criteria data cut-off Sep 2019 – as presented at ASH 2019

# Applying our Therapeutic DARPin® Designs in IO

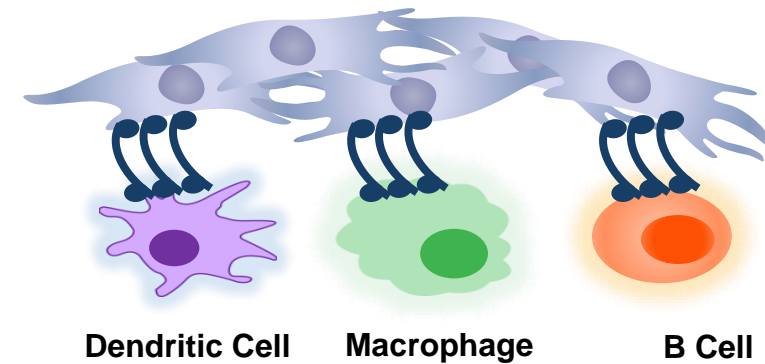
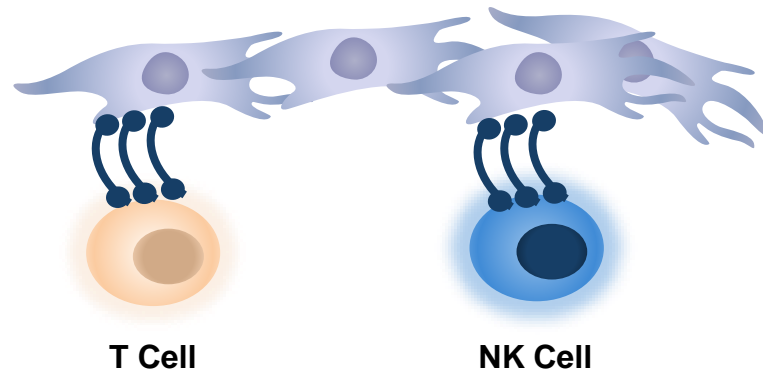
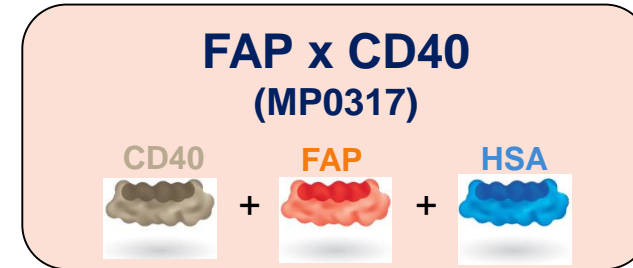
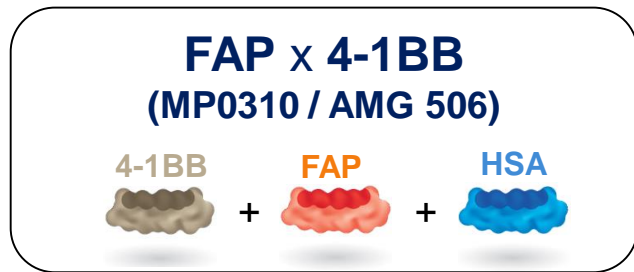


# MP0310 (AMG 506) Activating T cells in the Tumor

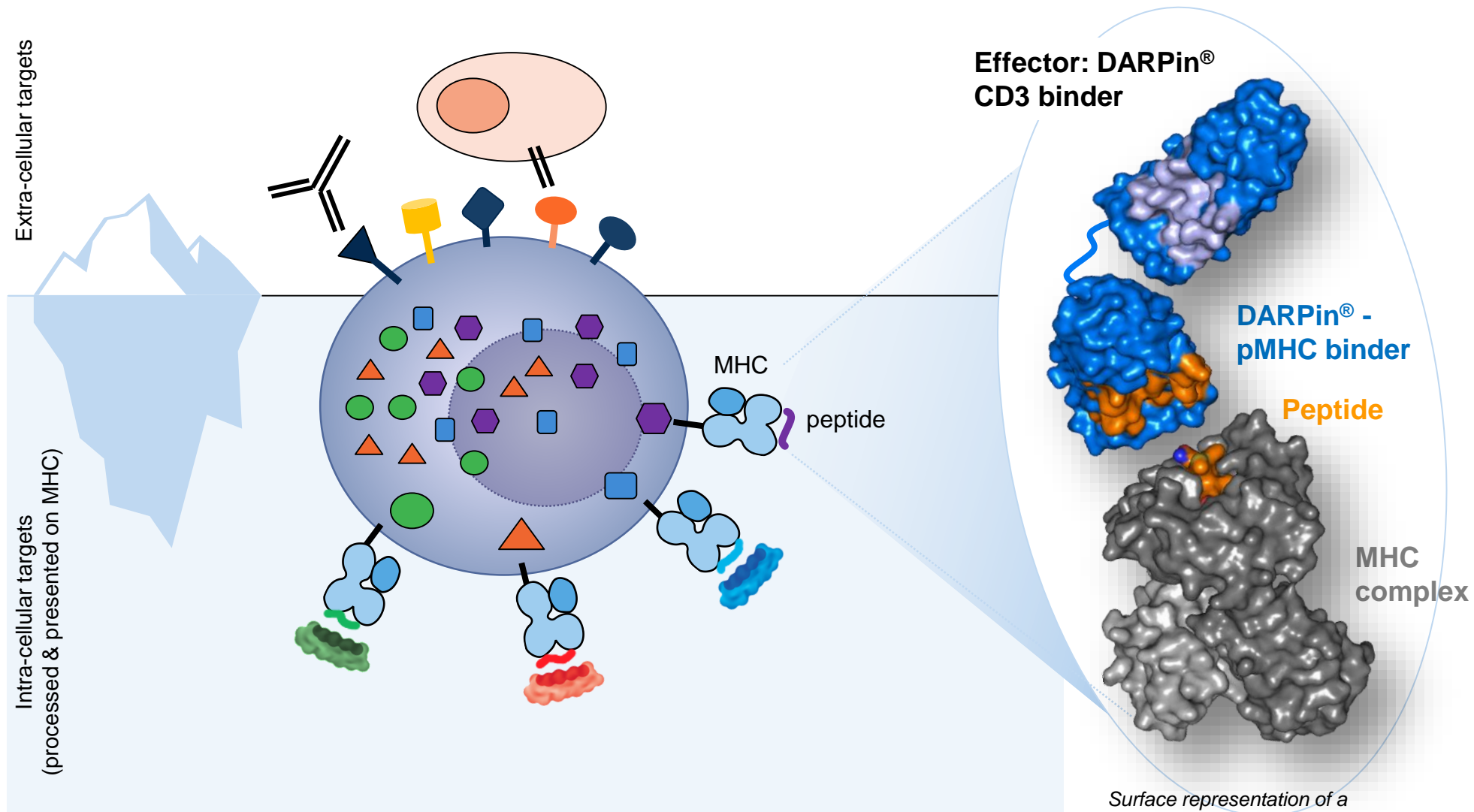


- Dose escalation ongoing
- Expected to start MP0310 (AMG 506) combination trials in 2020

# Expanding from Adaptive to Innate Principles: CD40 agonists



# pMHC: Approach for “Inaccessible” Highly Selective Targets

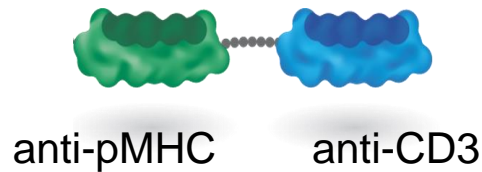


Surface representation of a DARPin® domain and of a MHC-peptide crystal structure



# pMHC: Rapid and Straightforward Selection of DARPins<sup>®</sup> pMHC Binders with High Selectivity

## DARPin<sup>®</sup> candidate



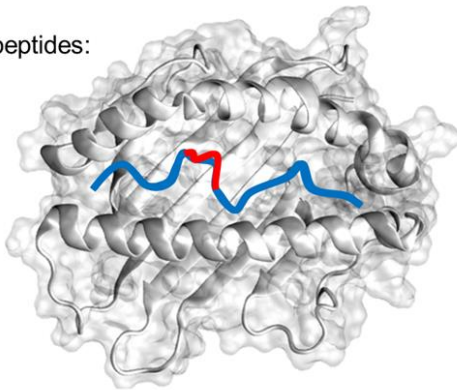
### The Alanine Scanning Approach

Wild-type peptide embedded in MHC complex:

RIMYFIENA

Alanine mutated peptides:

AIMYFIENA  
 RIMYFIENA  
 RIAYFIENA  
 RIMAFIENA  
 RIMYAIENA  
 RIMYFAENA  
 RIMYFIANA  
 RIMYFIEAA  
 RIMYFIENA

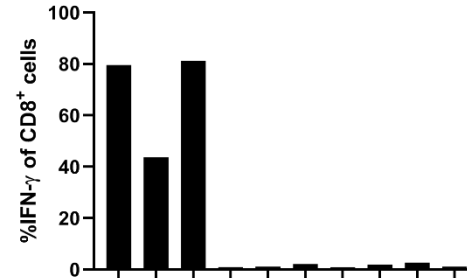


adapted from Knapp B et al. 2014, PLOS Computational Biology

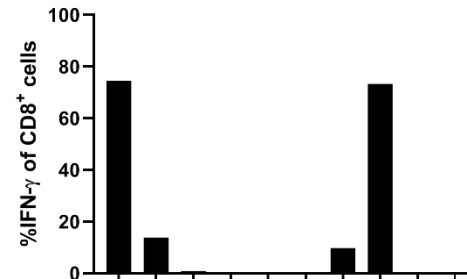
## Selectivity

(binding pattern by Alanine scanning)

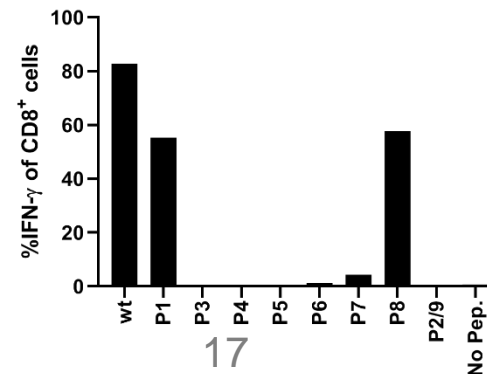
pMHC-A x CD3



pMHC-B x CD3

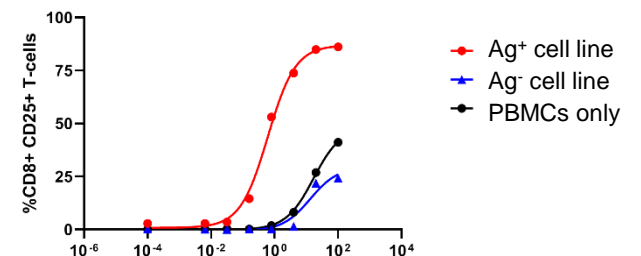
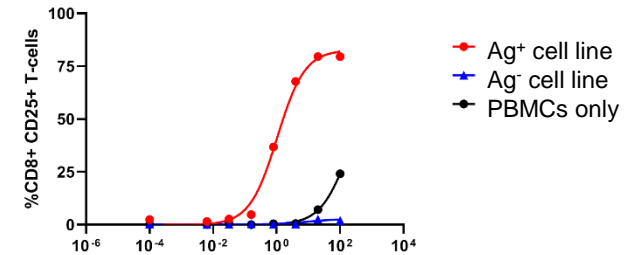
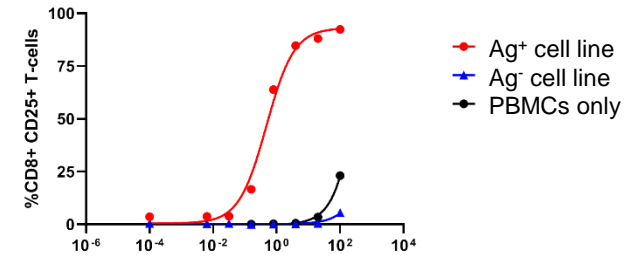


pMHC-C x CD3



## Activity & Selectivity

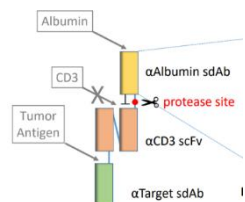
(T cell activation assay)



DARPin<sup>®</sup> T-cell engager [nM]

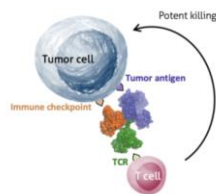
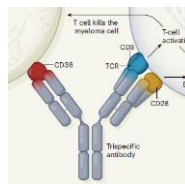
# Building Next Generation of DARPin® T-Cell Engagers

T-cell engager field is progressing to the next level to address key limitations



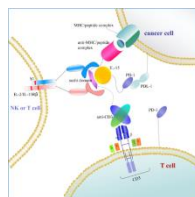
**Tumor Activate T-Cell Engager**  
(e.g. Prodrug by Harpoon)

**Co-stimulate T Cell Receptor**  
(e.g. CD28 by Sanofi)



**Block Checkpoint in Synapse**  
(e.g. LocATE by CDR-life)

**Integrate Stimulating Features**  
(e.g. TriTE by TIMMUNE: IL-15 fusion)



Multi-DARPin® T-Cell Engagers for better safety and increased efficacy

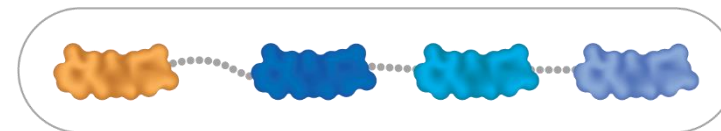


Improving Safety

Boosting Activity

Removing Brake

Sustained Activity





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# Financial Results FY 2019

# Key Figures FY2019

<i>(CHF million, except per share and FTE data)</i>	<b>FY 2019</b>	<b>FY 2018</b>	<b>change</b>
<b>Revenues</b>	<b>20.4</b>	10.4	<b>10.0</b>
<b>Total operating expenses<sup>1</sup></b>	<b>(57.6)</b>	(47.8)	<b>(9.8)</b>
<b>Operating result – EBIT</b>	<b>(37.2)</b>	(37.4)	<b>0.2</b>
<b>Net financial result</b>	<b>0.4</b>	0.4	<b>0.0</b>
<b>Net result</b>	<b>(36.8)</b>	(37.0)	<b>0.2</b>
<b>Basic net result per share (in CHF)</b>	<b>(1.72)</b>	(1.75)	<b>0.03</b>
<b>Net cash used in operations</b>	<b>(1.2)</b>	(42.5)	<b>41.3</b>
<b>Cash balance (incl. s.t. deposits) as of Dec 31</b>	<b>95.1<sup>2</sup></b>	99.0	<b>(3.9)</b>
<b>Number of FTE's as of Dec 31</b>	<b>135.2</b>	117.7	<b>17.5</b>

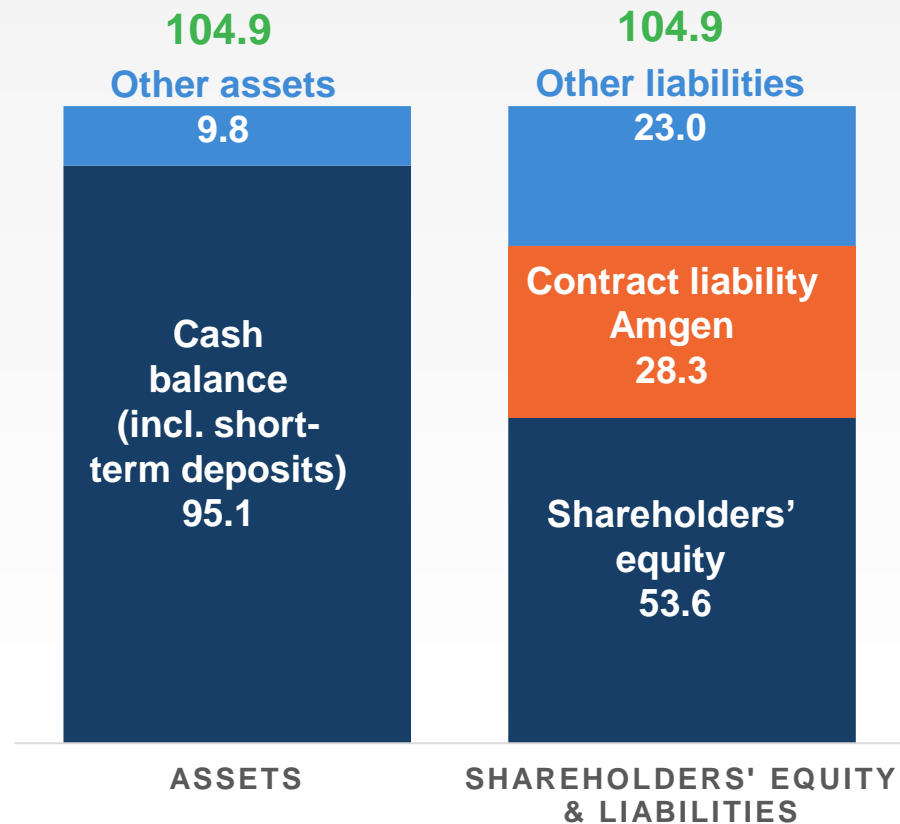
<sup>1</sup> Thereof non-cash costs of CHF 5.3mn in FY2019 and CHF 5.2mn in in FY2018

<sup>2</sup> Including CHF 19.4m short-term time deposits

Note: Rounding differences may occur

# Balance Sheet

CHF million, as of Dec 31, 2019

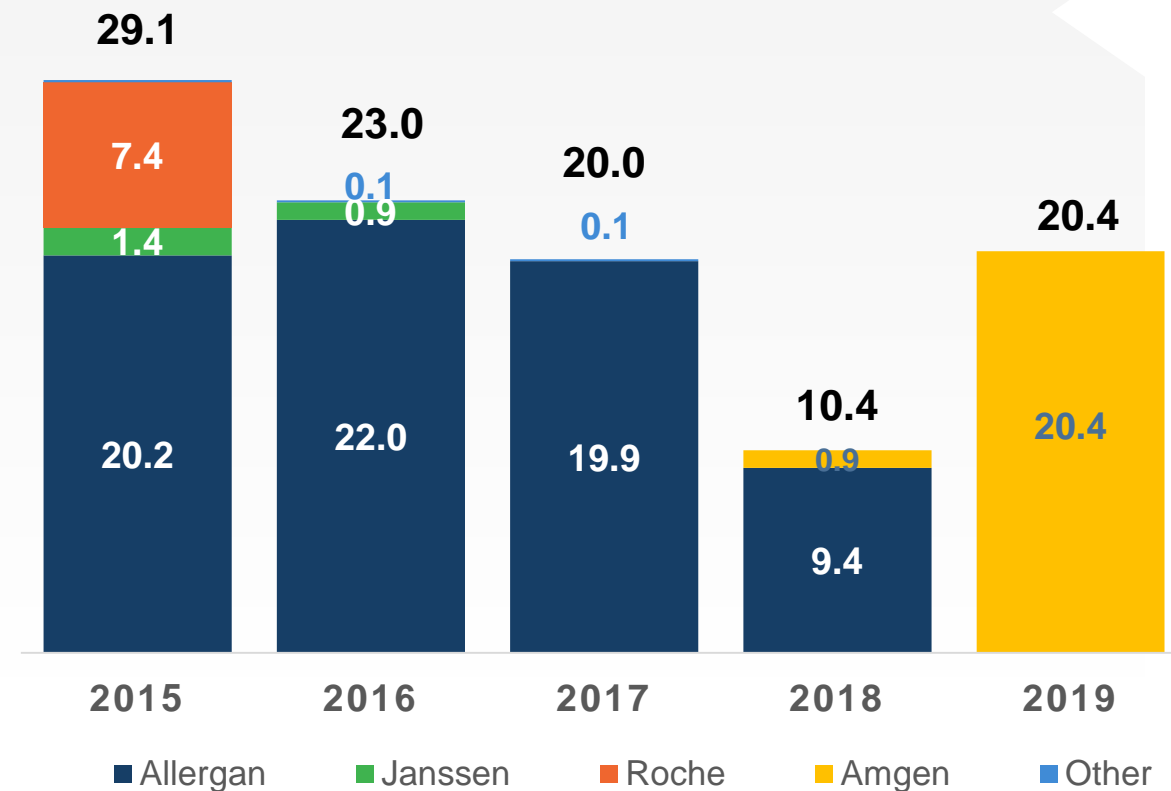


## Highlights

- Continuing strong balance sheet
- CHF 95.1 million cash balance (incl. short-term deposits, 91% of total assets)
- Amgen contract liability of CHF 28.3 million to be recognized into revenue until approx. end of 2021
- Solid equity base with CHF 53.6 million
- Debt free

# Accounting Revenues

In CHF million



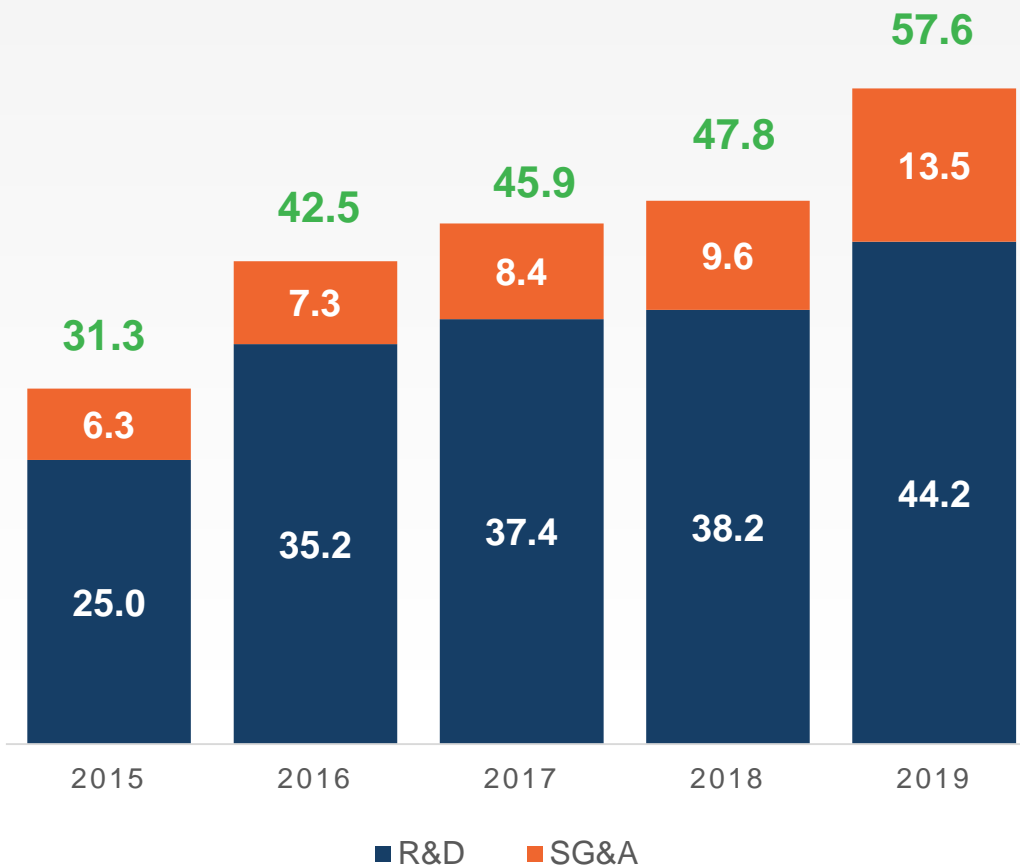
Note: Rounding differences may occur

Highlights

- CHF 49.3 million (USD 50 million) upfront fee from Amgen collected in January 2019 and recognized as revenues from contract signing in Dec 2018 until approx. end of 2021
- CHF 20.4 million accounting revenues in 2019, exclusively related to the USD 50 million upfront fee collected from Amgen in January 2019

# Operating Expenses

in CHF million (incl. depreciation & amortization)



Note: Rounding differences may occur

## Highlights

- Expense development in line with expectations
- Ongoing scale-up of R&D to accelerate pipeline growth; R&D share of total expenses slightly lower at 77% (2018: 80%)
- Main cost drivers in 2019:
  - Investments in pre-clinical and clinical development of proprietary oncology assets (MP0250, MP0274, MP0310, MP0317)
  - Personnel cost, reflecting ongoing build-out and growth of organization
  - Expenses include CHF 5.4 million non-cash effective costs

# Financial Guidance for Full-Year 2020

- Total expenses of CHF 60-70 million, of which around 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

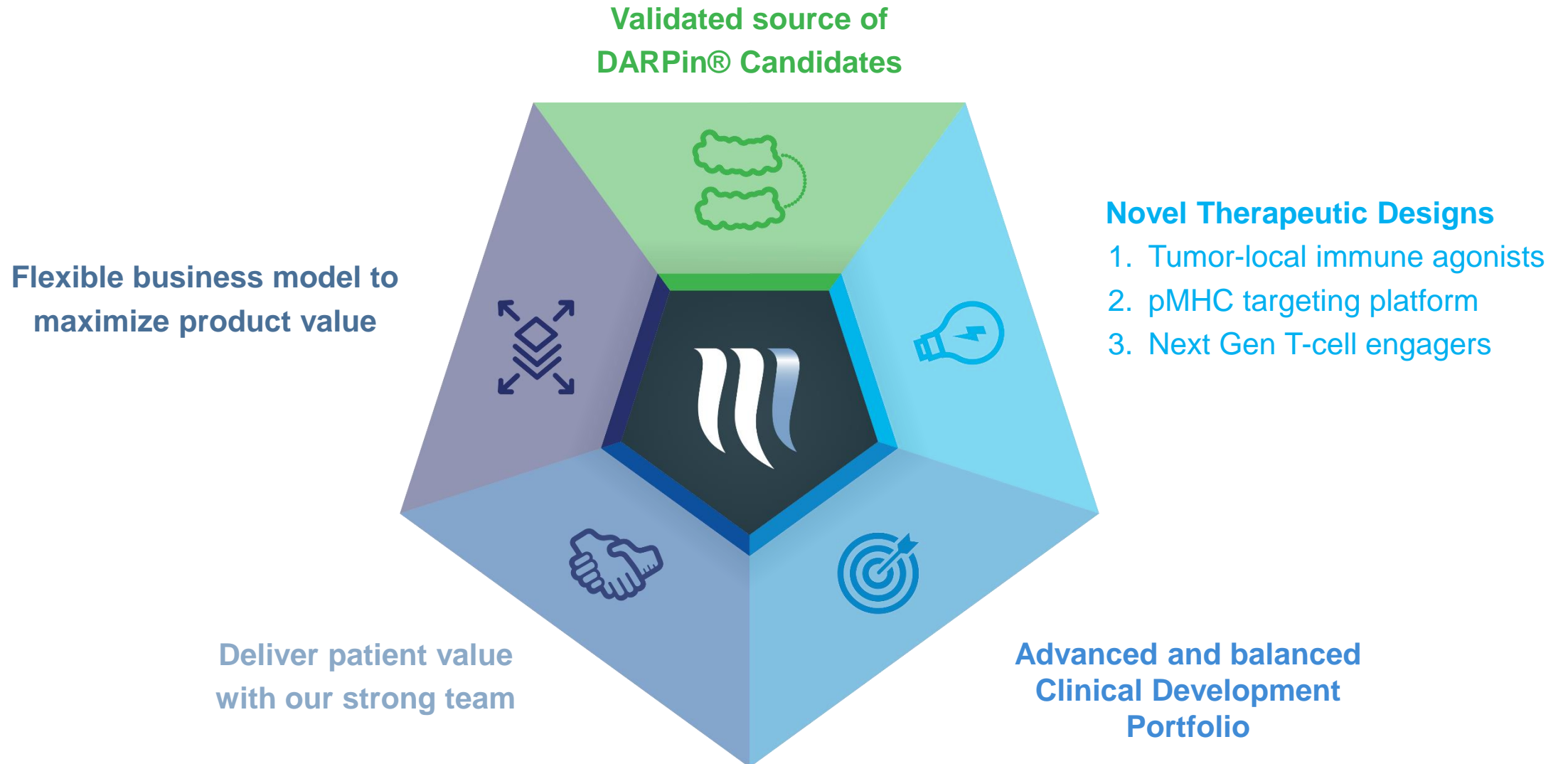




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# Outlook 2019 & Beyond

# Key Advantages of Molecular Partners



# Expected 2020 Catalysts

	2020
<b>Abicipar</b>	<ul style="list-style-type: none"> <li>▪ Approval and launch in nAMD (US and EU)</li> <li>▪ Initiation of Abicipar Phase 3 in DME patients</li> </ul>
<b>MP0250</b>	<ul style="list-style-type: none"> <li>▪ Additional P2 data from PI-combo trial</li> <li>▪ Continued development of MP0250 in partnership</li> </ul>
<b>MP0274</b>	<ul style="list-style-type: none"> <li>▪ Establish dose and define path forward</li> </ul>
<b>MP0310</b>	<ul style="list-style-type: none"> <li>▪ Identify MP0310 dose in ongoing phase 1</li> <li>▪ Initiation MP0310 combination trials</li> </ul>
<b>Research</b>	<ul style="list-style-type: none"> <li>▪ Prepare for MP0317 IND submission</li> <li>▪ Selection of 1st pMHC candidate for development</li> <li>▪ Multiple updates at AACR &amp; other international conferences</li> </ul>

Funding into H2 2021

(excl. any future proceeds related to Abicipar and partnerships)



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**Thank you**



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Questions?



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# Appendix

# Management Team & Board of Directors

## EXECUTIVE MANAGEMENT



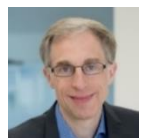
### Dr. Patrick Amstutz, CEO

- Co-founder, former CBO & COO
- **Member of the Board of Directors**
- PhD in biochemistry from UZH



### Dr. Nicolas Leupin, CMO

- Most recently CMO at Argenx
- Proven track record in drug development
- Senior positions at Celgene



### Dr. Michael Stumpp, COO

- Co-founder
- PhD in biochemistry from UZH



### Andreas Emmenegger, CFO

- Former CFO Glycart, Finance Roles at Roche
- >20 years experience as CFO of private & listed companies and in fund raising, IPOs

## BOARD OF DIRECTORS



### Bill Burns, Chairman

- Former CEO of Roche Pharmaceuticals
- Former board member of Roche, Genentech, Chugai Pharmaceuticals, Shire



### Göran Ando, Vice Chairman

- Former Chairman, Novo Nordisk
- Former CSO, Pharmacia



### Gwen Fyfe

- Former VP, Oncology Development at Genentech



### Steven H. Holtzman

- President and CEO, Decibel Therapeutics
- Former EVP, Biogen



### William "Bill" Lee

- EVP Research, Gilead

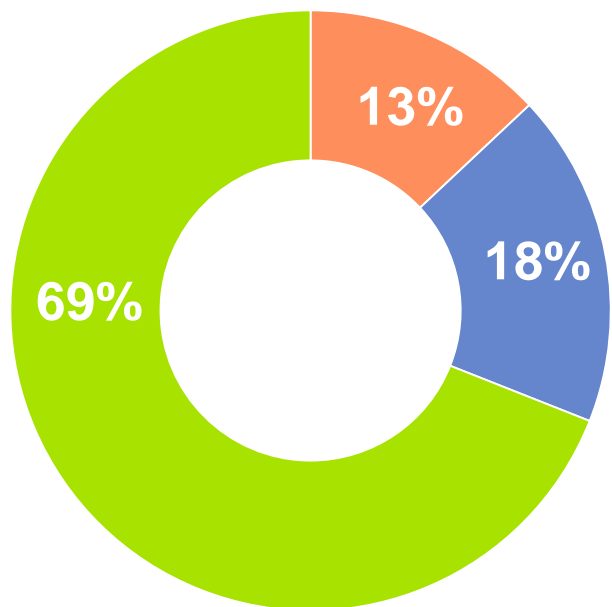


### Petri Vainio

- Managing Director, Essex Woodlands Ventures

# Shareholder Structure

as of December 31, 2019



- Pre-IPO investors (4 VC's)
- Management, Board, Founders
- Others

## Highlights

- VC holdings further reduced to ca. 13%
- Listed on SIX Swiss Exchange (SIX: MOLN)
- Included in key indices: SPI, SPI Extra, SXI Life Sciences and SXI Bio+Medtech
- 21.6 million shares outstanding
- CHF 378 million market cap. as of Dec 31, 2019
- 92% formal free float as per SIX definition



# Balance Sheet

<i>(CHF million)</i>	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>
<b>Non-current assets</b>	<b>5.0<sup>6</sup></b>	1.8	1.9	2.5	2.5
<b>Other current assets<sup>1</sup></b>	<b>4.8</b>	54.4 <sup>5</sup>	1.4	1.4	1.5
<b>Cash balance<sup>4</sup></b>	<b>95.1</b>	99.0	141.1	180.2	215.4
<b>Shareholders' equity</b>	<b>53.6</b>	91.7	116.7	135.8	151.8
<b>Non-current liabilities<sup>2</sup></b>	<b>22.2</b>	26.6	13.6	32.5	41.2
<b>Current liabilities<sup>3</sup></b>	<b>29.1</b>	36.9	14.1	15.8	26.4

<sup>1</sup> Prepayments and other assets, trade and other receivables

<sup>2</sup> Thereof deferred revenues / contract liabilities of CHF 20.4m in FY2014, CHF 37.0m in FY2015, CHF 26.8m in FY2016, CHF 9.5m in FY2017 and CHF 20.9 in FY 2018 and CHF 10.0 in FY2019

<sup>3</sup> Thereof deferred revenues / contract liabilities of CHF 18.5m in FY2014, CHF 22.2m in FY2015, CHF 10.5m in FY2016, CHF 8.9m in FY2017 and CHF 27.8 in 2018 and CHF 18.3 in FY 2019

<sup>4</sup> Includes CHF 20.0m short-term time deposits in 2015, CHF 30.5m in 2016, CHF 9.8m in 2017, nil in FY 2018 and CHF 19.4m in 2019

<sup>5</sup> Includes CHF 49.3 million as receivable on Amgen, paid in January 2019

<sup>6</sup> Includes CHF 2.5 of capitalized leases following the implementation of IFRS 16 as per January 1, 2019

# Income Statement

<i>(CHF million)</i>	<i>FY 2019</i>	<i>FY 2018</i>	<i>FY 2017</i>	<i>FY 2016</i>	<i>FY 2015</i>
<b>Revenues</b>	<b>20.4</b>	10.4	20.0	23.0	29.1
<b>R&amp;D expenses<sup>1</sup></b>	<b>(44.0)</b>	(38.2)	(37.4)	(35.2)	(25.0)
<b>SG&amp;A expenses<sup>2</sup></b>	<b>(13.5)</b>	(9.6)	(8.4)	(7.3)	(6.3)
<b>Operating result</b>	<b>(37.2)</b>	(37.4)	(25.8)	(19.5)	(2.2)
<b>Net financial result</b>	<b>0.4</b>	0.4	0.4	0.9	2.1
<b>Net result</b>	<b>(36.8)</b>	(37.0)	(25.4)	(18.6)	(0.1)

<sup>1</sup> Thereof non-cash costs of CHF 3.7m in FY2015, CHF 3.4m in FY2016, CHF 2.9m in FY2017, CHF 3.2m in FY 2018 and CHF 3.6 m in FY 2019

<sup>2</sup> Thereof non-cash costs of CHF 1.6m in FY2015, CHF 1.3m in FY2016, CHF 2.1m in FY2017, CHF 2.1m in FY 2018 and CHF 1.8 m in FY 2019

Note: Rounding differences may occur

# Cash Flow Statement

<i>(CHF million)</i>	<i>FY 2019</i>	<i>FY 2018</i>	<i>FY 2017</i>	<i>FY 2016</i>	<i>FY 2015</i>
<b>Net cash from / (used in) operations</b>	<b>(1.2)</b>	(42.5)	(40.0)	(35.4)	26.5
<b>Net cash from / (used in) investing</b>	<b>(19.8)<sup>5</sup></b>	9.6 <sup>4</sup>	20.9 <sup>3</sup>	(11.3) <sup>2</sup>	(20.7) <sup>1</sup>
<b>Net cash from / (used in) financing</b>	<b>(0.2)</b>	0.4	0.8	0.4	0.2
<b>Exchange gain / (loss) on cash</b>	<b>(2.0)</b>	0.1	(0.1)	0.6	1.0
<b>Net cash increase / (decrease)</b>	<b>(23.2)</b>	(32.4)	(18.4)	(45.7)	7.0
<b>Cash balance at year end</b>	<b>95.1<sup>5</sup></b>	99.0	141.1 <sup>3</sup>	180.2 <sup>2</sup>	215.4 <sup>1</sup>

<sup>1</sup> Includes CHF 20.0 million short-term time deposits

<sup>2</sup> includes CHF 10.5 million increase in short-term time deposits, CHF 30.5 million short-term time deposits at year-end

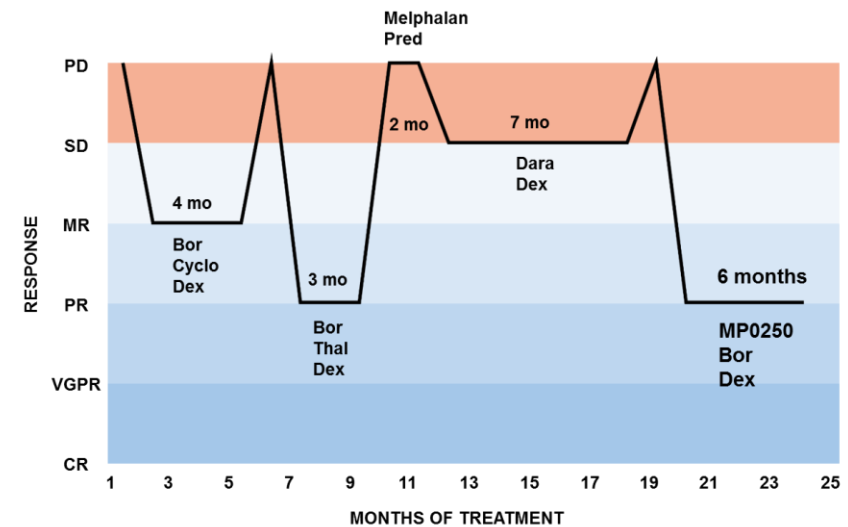
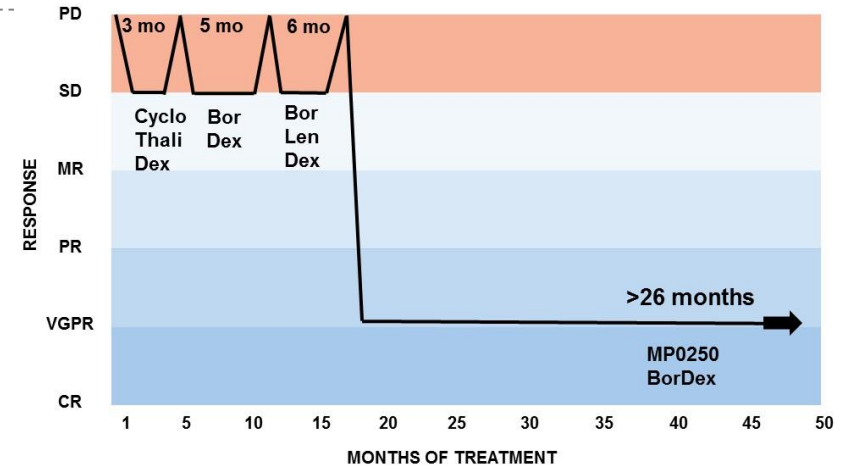
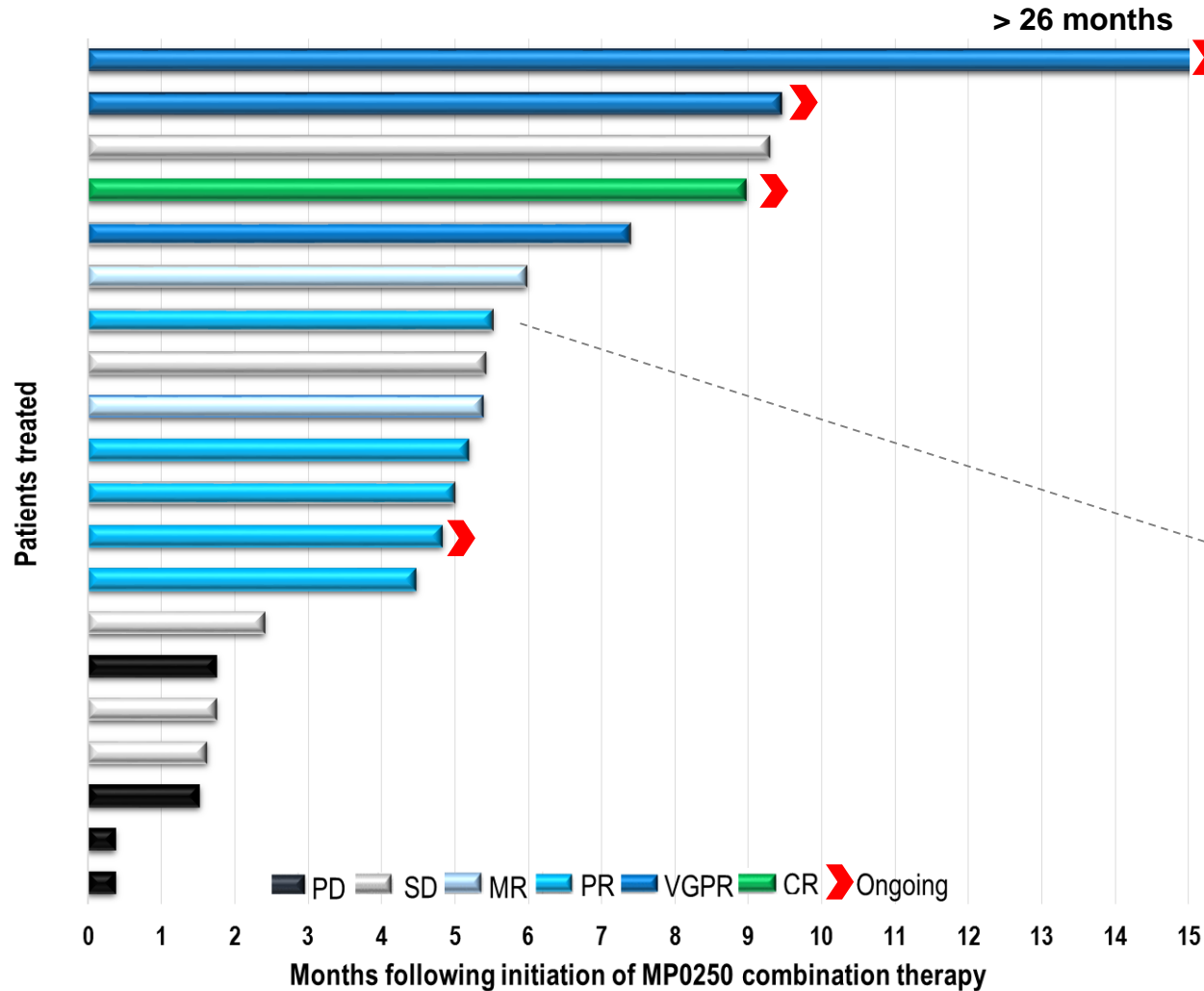
<sup>3</sup> includes CHF 20.7 million decrease in short-term time deposits, CHF 9.8 million short-term time deposits at year-end

<sup>4</sup> includes CHF 9.7 million decrease in short-term time deposits

<sup>5</sup> includes CHF 19.4 million decrease in short-term time deposits, CHF 19.4 million short-term time deposits at year-end

Note: Rounding differences may occur

# MP0250: Deep and Durable Responses



as presented at ASH 2019



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**IR Agenda**

March 20, 2020  
April 29, 2020

Expected Publication of Annual Report 2019  
Annual General Meeting