
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the Month of August 2024

Commission File Number: 001-40488

MOLECULAR PARTNERS AG
(Translation of registrant's name into English)

**Wagistrasse 14
8952 Zürich-Schlieren
Switzerland
Telephone: +41 447557700**
(Address of registrant's principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:
 Form 20-F Form 40-F

EXPLANATORY NOTE

Molecular Partners AG (the "Registrant") is filing this Form 6-K to furnish (i) a press release the Registrant issued on August 26, 2024, (ii) its Half year 2024 Strategic Update and Financial Summary and (iii) condensed consolidated interim financial statements (unaudited) as of, and for the three and six months ended, June 30, 2024 (including accompanying notes thereto), which are furnished herewith as Exhibit 99.1, 99.2 and 99.3, respectively.

Exhibits 99.1, 99.2, 99.3 and 101 to this Report on Form 6-K shall be deemed to be incorporated by reference into the Registrant's Registration Statements on Form F-3 (File No. 333-265960) and Forms S-8 (File No. 333-272974 and File No. 333-280491) and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

Exhibit

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|------|--|
| 99.1 | <u>Press release dated August 26, 2024</u> |
| 99.2 | <u>Half year 2024 Strategic Update and Financial Summary.</u> |
| 99.3 | <u>Half year 2024 condensed consolidated interim financial statements and accompanying notes (unaudited).</u> |
| 101 | The following materials from this Report on Form 6-K are formatted in XBRL (eXtensible Business Reporting Language):
(i) Condensed consolidated interim statements of financial position as of June 30, 2024 and December 31, 2023 (unaudited);
(ii) Condensed consolidated interim statements of comprehensive loss for the three and six months ended June 30, 2024 and 2023 (unaudited); (iii) Condensed consolidated interim cash flow statement for the six months ended June 30, 2024 and 2023 (unaudited); (iv) Condensed consolidated interim statements of changes in equity for the six months ended June 30, 2024 and 2023 (unaudited); and (v) Explanatory notes to the condensed consolidated interim financial statements (unaudited). |
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Molecular Partners AG

(Registrant)

Date: August 26, 2024

/s/ PATRICK AMSTUTZ

Name: Patrick Amstutz

Title: Chief Executive Officer



Molecular Partners Reports H1 2024 Corporate Highlights and Financials

First Radio-DARPin Therapy (RDT) candidate MP0712 nominated; supporting preclinical package presented at SNMMI; initial clinical data expected in 2025

Strategic collaboration agreement signed with Orano Med to co-develop ²¹²Pb-based RDT candidates for multiple oncology targets, including MP0712

MP0533 phase 1 dose escalation continues with cohort 8 open; clinical data update on amended dosing scheme expected in 2025

Switch-DARPin Platform: preclinical data supporting mechanism of action of Switch-DARPin concept and of first candidate MP0621 presented at EHA

MP0317 positive data of the completed Phase 1 trial presented at ASCO, confirming tumor microenvironment remodeling, favorable safety profile and dosing flexibility

Outlook: Funded into 2027 with cash and short-term deposits of CHF 159 million as of June 30, 2024, Molecular Partners expects total operating expenses of CHF 65 - 75 million in 2024

ZURICH-SCHLIEREN, Switzerland and CONCORD, Mass., August 26, 2024 (GLOBE NEWSWIRE) — **Ad hoc announcement pursuant to Art. 53 LR:** Molecular Partners AG (SIX: MOLN; NASDAQ: MOLN), a clinical-stage biotech company developing a new class of custom-built protein drugs known as DARPin therapeutics ("Molecular Partners" or the "Company"), today announced corporate highlights and unaudited financial results for the first half-year of 2024.

"In the first half of 2024, we made substantial progress with our Radio-DARPin Therapy (RDT) platform. We nominated the first RDT candidate, MP0712 targeting DLL3, and we look forward to bringing it to patients in 2025 with our partner Orano Med, the leader in the ²¹²Pb field. With them, we entered into a strategic collaboration earlier this year, to access and leverage their supply and manufacturing capabilities, as well as clinical experience, with radiopharmaceuticals, to co-develop Radio-DARPin Therapeutics together," said Patrick Amstutz, Ph.D., Molecular Partners' Chief Executive Officer. "Additionally, we progressed our immune cell engagers, including the cKit Switch-DARPin MP0621 into pre-clinical studies, and progressed MP0533 in AML to the top planned dose, seeing initial clinical responses and now testing dose intensification."

Research & Development Highlights

Radio-DARPin Therapy (RDT) Platform and MP0712

Molecular Partners has leveraged the intrinsic properties of DARPins, such as small size, high affinity and specificity, to engineer Radio-DARPins as ideal vector candidates for radiopharmaceutical therapeutics and to create a Radio-DARPin Therapy (RDT) platform amenable to a broad range of tumor targets. Historically, small protein-based vectors faced challenges with kidney accumulation and toxicity, as well as suboptimal tumor uptake. Molecular Partners' RDT platform addresses these limitations with its half-life extension technologies and surface engineering approaches, while preserving the advantages of the small protein format.

Throughout H1 2024, Molecular Partners has continued to demonstrate the RDT platform's ability to deliver on its intended design. The Company has engaged with scientific experts in radiopharmaceutical innovation, as well as investor and clinical communities to build awareness of the unique offering of Radio-DARPins and to identify opportunities for potential RDT portfolio growth.

In January 2024, Molecular Partners entered into a strategic collaboration with Orano Med to co-develop ²¹²Pb-based RDTs for patients with solid tumors. The partnership combines Molecular Partners' leadership in DARPins, as a highly differentiated modality for tumor-targeted delivery of radioisotopes,

with Orano Med's leading expertise and capabilities in Targeted Alpha Therapy to further advance the RDT platform and expand Molecular Partners' RDT portfolio. ^{212}Pb represents the next generation of targeted alpha therapies, with a selective, safe, and potent profile in patients: in addition to virtually endless supply of starting material, Orano Med has established robust and independent supply and manufacturing capabilities required for seamless delivery of targeted alpha therapies to clinical sites.

In June 2024, Molecular Partners nominated MP0712 as its first RDT candidate, a ^{212}Pb -based DLL3-targeting RDT in its co-development program with Orano Med. The supporting preclinical data were presented at the Society of Nuclear Medicine and Molecular Imaging (SNMMI) 2024 Annual Meeting which took place in Toronto, Canada.

DLL3 is a priority target for radiopharmaceutical therapy based on its abundant expression in over 85% small cell lung cancer (SCLC) patients and other aggressive neuroendocrine tumors, while its expression in healthy tissues is low. SCLC is an aggressive form of lung cancer, with a poor five-year survival prognosis and a high unmet need for patients.

The data presented at SNMMI provide strong support for the clinical development of MP0712 in SCLC and other DLL3-expressing neuroendocrine tumors. *In vivo* data demonstrated strong and homogeneous tumor uptake, as well as substantial and durable inhibition of tumor growth at clinically relevant doses. Furthermore, the *in vivo* data suggested a favorable preclinical safety profile and support MP0712's potential for clinical use. Achieving favorable tumor to kidney ratios and biodistribution are key design objectives for this program. In both areas MP0712 performed well in mouse xenograft tumor models; tumor to kidney ratios over two were observed, and close to 60% of the injected dose per gram of tissue was detectable in the tumor.

The replicable learnings from the development and optimization of MP0712, as well as additional RDT platform improvements, are being taken forward to the broader RDT portfolio. Molecular Partners will present additional data in an oral presentation at the 2024 Congress of the European Association of Nuclear Medicine (EANM) in October 2024, and plans to initiate a first-in-human clinical trial of MP0712 in 2025.

In addition to the above updates, Molecular Partners continued to progress its RDT portfolio of projects in partnership with Novartis and is evaluating additional targets for RDT programs.

MP0533

MP0533, a novel tetra-specific T cell-engaging DARPin, is currently being evaluated in a Phase 1/2a clinical trial for patients with relapsed/refractory acute myeloid leukemia (r/r AML) and myelodysplastic syndrome/AML (MDS/AML) (ClinicalTrials.gov: NCT05673057). The mechanism of action of MP0533 is designed to preferentially kill AML cells (blasts, leukemic progenitor and stem cells) that express any combination of the three cell surface antigens CD33, CD123, and CD70, while sparing healthy cells, which tend to express only one or none of these targets. The immune activation against the malignant cells is achieved through CD3-mediated T cell-engagement.

In April 2024, comprehensive preclinical data supporting MP0533's proposed unique mechanism of action for the treatment of AML was published in *Cancer Immunology Research* (<https://doi.org/10.1158/2326-6066.CIR-23-0692>), a journal of the American Association for Cancer Research.

In the ongoing Phase 1/2a clinical trial, as of 29 July 2024, MP0533 has demonstrated an acceptable safety profile with the majority of adverse events reported being infusion-related reactions and cytokine release syndrome. Four clinical responses have been observed among the 28 patients across dosing regimens (DR) 1–6. These included a complete response in DR 4 and a morphologic leukemia-free state in three patients, one each in DRs 3, 5 and 6. Furthermore, an encouraging trend in bone marrow blast cell reductions was observed as of the data cut-off date; 7 of 26 evaluable patients and 5 of 11 patients with low disease burden at baseline (blasts <20%) displayed a blast reduction over 50%.

At present, data are being collected for DR7 and dose escalation continues with DR 8 open. Based on the observed safety profile and encouraging initial antitumor activity data, and following discussion with treating physicians and key opinion leaders, Molecular Partners is amending the protocol to further

increase dosing and improve the exposure profile of MP0533. The Company's aim is to achieve higher response rates, as well as improved depth and duration of responses in r/r AML patients. Molecular Partners plans to present a clinical update on the program in H2 2024, and on the amended dosing scheme for MP0533 in 2025.

Switch-DARPin Platform and first candidate MP0621

The Switch-DARPin platform represents a novel innovative DARPin-based approach by Molecular Partners that provides a logic-gated “on/off” function (the “Switch”) to multispecific DARPin candidates, allowing target activation only in the presence of a defined set of antigens. The goal is conditional activation of a targeted immune response. The first Switch-DARPin program, MP0621 (cKit x CD16a x CD47), was introduced in January 2024 and is designed to induce killing of hematopoietic stem cells as a next-generation conditioning regimen. Molecular Partners’ intends to extend access to potentially curative HSCT for more patients with AML as well as those with other hematologic malignancies or genetic diseases requiring HSCT.

In June 2024, the Company presented preclinical proof-of-concept data from MP0621 at the European Hematology Association (EHA) 2024 Hybrid Congress which took place in Madrid, Spain. The safety, efficacy and pharmacokinetic data supported MP0621’s ability to selectively kill cKit positive cells and conditionally block the immunosuppressive protein CD47, with limited systemic side effects.

Crucially, these preclinical data also validated the Switch-DARPin concept, demonstrating that a logic-gated immune activation with a reversible switch can be achieved with a DARPin design. This provides another novel DARPin approach for conditional activation of anticancer immunotherapies and its utilization to locally engage immune-modulating targets not amenable to other treatment modalities. Further preclinical studies are ongoing with updates for the MP0621 program planned for H2 2024.

MP0317

MP0317 is a CD40 agonist designed to activate immune cells specifically within the tumor microenvironment (TME) by anchoring to fibroblast activation protein (FAP) which is expressed in high amounts around tumors. This tumor-localized approach has the potential to deliver greater efficacy with fewer side effects compared to systemic CD40-targeting therapies.

In June 2024, the Company presented positive data from its completed Phase 1 dose-escalation clinical trial of MP0317 at the American Society of Clinical Oncology (ASCO) Annual Meeting 2024 which took place in Chicago, IL, USA.

The final analysis included 46 patients with advanced solid tumors and confirmed earlier reported interim results. MP0317 displayed a favorable and manageable safety profile across all nine planned dosing cohorts (0.03–10 mg/kg) administered intravenously weekly or every 3 weeks with only one patient experiencing a dose-limiting toxicity (transient asymptomatic grade 3 elevation of liver enzymes). The most frequently observed adverse reactions were fatigue and lower grade infusion-related reactions (grade 1–2). MP0317 treatment resulted in target occupancy in tumor biopsies with evidence of TME remodeling. In terms of clinical response, one patient achieved an unconfirmed partial response and stable disease was observed in 14 additional patients.

The positive data support further clinical evaluation of MP0317 in combination with complementary anticancer therapies and demonstrated the ability of the DARPin design to deliver on a targeted, tumor-localized CD40 activation mechanism. Molecular Partners is in discussion with leading academic centers regarding potential investigator-initiated combination trials.

Corporate and Management Highlights

On August 26 2024, Philippe Legenne, M.D., MBA, MHS, acting CMO and SVP Medical Strategy and Development, was appointed Chief Medical Officer at MP. “I am grateful that Phillippe is stepping fully into the role of CMO. Under his leadership, our MP0533 program has enrolled all dose cohorts at maximum speed, strongly supported by our investigators. This was only possible by the stellar performance by Philippe's team. With his broad oncology background, ability to build a strong team and

gift to engage trustfully with KOLs, he is in an ideal position to progress our first Radio-DARPin therapies towards clinical development in the months to come.” said Patrick Amstutz, CEO of Molecular Partners.

Dr. Legenne joined Molecular Partners in early 2020. Over this time, he has led the clinical development strategy and execution across the Molecular Partners portfolio, including the successful initiation and seamless execution of MP0533, MP0317 and Ensovibep. Prior to joining Molecular Partners, Philippe held positions of increasing responsibility at JNJ, GSK, and Novartis, both in the United States and Europe. In his most recent role prior to Molecular Partners, Philippe led the EU medical organization for the oncology portfolio at Amgen. He received his medical degree from the Université de Lille (France), an MBA from ESSEC Business School (Paris) and a Master’s degree in health economics from Université Paris Dauphine-PSL.

As previously communicated, a putative class action complaint filed in July 2022 in the U.S. District Court for the Southern District of New York was dismissed without prejudice in the Company’s favor in February 2024 and was subsequently ordered closed.

At the Company’s Annual General Meeting on April 17, 2024, all motions proposed by the Board of Directors at the Annual General Meeting were approved by the shareholders of the Company.

H1 2024 Operational and Financial Highlights

- Strong financial position with CHF 159.1 million in cash (including short term deposits) as of June 30, 2024
- Net cash used in operating activities of CHF 32.8 million in H1 2024
- Operating loss of CHF 31.8 million and net loss of CHF 26.4 million in H1 2024
- Company expected to be funded into 2027, excluding any potential payments from R&D partnerships

The H1 2024 Financial Statements are available on the company’s website.

Key figures as of June 30, 2024 (unaudited) (CHF million, except per share, FTE data)	H1 2024	H1 2023	Change
Total revenues and other income	4.3	3.5	0.8
R&D expenses	(27.2)	(24.3)	(2.9)
SG&A expenses	(8.9)	(10.2)	1.2
Operating result	(31.8)	(31.0)	(0.8)
Net result	(26.4)	(30.8)	4.4
Basic and diluted net result per share (in CHF)	(0.80)	(0.94)	0.14
Net cash from (used in) operating activities	(32.8)	(29.8)	(2.9)
Cash balance (incl. time deposits) as of June 30	159.1	218.2	(59.1)
Total shareholders’ equity as of June 30	155.6	206.0	(50.4)
Number of total FTE as of June 30	161.9	168.5	(6.6)

Business Outlook and Priorities

Molecular Partners continues its strategic focus on areas of maximum differentiation by virtue of the DARPins’ unique properties. The Company expects its cash position provides the flexibility to execute on its development priorities efficiently and effectively within this focus, with funding to support portfolio development forecasted into 2027. In addition to its two existing clinical-stage programs, the Radio-DARPin Therapy and Switch-DARPin platforms have been further substantiated by maturing data as

sources of growth for the Company's portfolio. As a whole, Molecular Partners remains well positioned to significantly grow through developmental milestones, new candidates and potential partnerships.

Financial Outlook 2024

For 2024, at constant exchange rates, the Company expects total expenses of CHF 65 - 75 million (previously estimated at CHF 70 - 80 million), of which approximately CHF 8.0 million will be non-cash effective costs for share-based payments, IFRS pension accounting and depreciation. This guidance does not include any potential receipts from R&D partnerships.

With CHF 159.1 million in cash and short-term time deposits and no debt as of June 30, 2024, the Company expects to be funded into 2027, excluding any potential receipts from R&D partners.

The Company's balance sheet continued to be debt-free in 2024. As of June 30, 2024, the Company employed 161.9 FTE (full time equivalents), down 4% year-on-year. About 84% of the employees are employed in R&D-related functions.

Documentation

The results presentation, this press release, and the H1 2024 report will be made available on www.molecularpartners.com after 10:00pm (CET) on August 26, 2024.

H1 2024 Conference Call & Audio Webcast

Molecular Partners will hold a conference call and audio webcast on August 27, 2024, 2:00pm CET (8:00am EST). To register for the H1 2024 conference call, please dial the following numbers approximately 10 minutes before the start of the presentation:

Switzerland / Europe: +41 44 575 0267

USA: +1 844 763 8274

UK: +44 20 3795 9972

Financial calendar

October 31, 2024	Interim Management Statement Q3 2024
March 12, 2025	Full-year results 2024

The latest timing of the above events can be viewed on the investor section of the website.

About DARPin Therapeutics

DARPin (Designed Ankyrin Repeat Protein) therapeutics are a new class of custom-built protein drugs based on natural binding proteins that open new dimensions of multi-functionality and multi-target specificity in drug design. The flexible architecture, intrinsic potential for high affinity and specificity, small size and high stability of DARPins offer benefits to drug design over other currently available protein-based therapeutics. DARPin candidates can be radically simple, with a single DARPin unit acting as the delivery vector to a specific target; or multispecific, with the possibility of engaging more than five targets, and combining multiple and conditional functionalities in a unique DARPin drug candidate. The DARPin platform is designed to be a rapid and cost-effective drug discovery engine, producing drug candidates with optimized properties and high production yields. DARPin therapeutics have been clinically validated across several therapeutic areas and developed through to the registrational stage.

About Molecular Partners AG

Molecular Partners AG is a clinical-stage biotech company pioneering the design and development of DARPin therapeutics for medical challenges other drug modalities cannot readily address. The Company has programs in various stages of pre-clinical and clinical development, with oncology as its main focus. Molecular Partners leverages the advantages of DARPins to provide unique solutions to patients through its proprietary programs as well as through partnerships with leading pharmaceutical companies. Molecular Partners was founded in 2004 and has offices in both Zurich, Switzerland and Concord, MA, USA. For more information, visit www.molecularpartners.com and find us on LinkedIn and Twitter/X @MolecularPrtnrs

For further details, please contact:

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Cautionary Note Regarding Forward-Looking Statements

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995, as amended, including, without limitation: implied and express statements regarding the clinical development of Molecular Partners' current or future product candidates; expectations regarding timing for reporting data from ongoing clinical trials or the initiation of future clinical trials; the potential therapeutic and clinical benefits of Molecular Partners' product candidates and its RDT and Switch-DARPin platforms; the selection and development of future programs; Molecular Partners' collaboration with Orano Med including the benefits and results that may be achieved through the collaboration; and Molecular Partners' expected business and financial outlook, including anticipated expenses and cash utilization for 2024 and its expectation of its current cash runway. These statements may be identified by words such as "aim", "expect", "guidance", "intend", "outlook", "plan", "potential", "will" and similar expressions, and are based on Molecular Partners' current beliefs and expectations. These statements involve risks and uncertainties that could cause actual results to differ materially from those reflected in such statements. Some of the key factors that could cause actual results to differ from Molecular Partners' expectations include its plans to develop and potentially commercialize its product candidates; Molecular Partners' reliance on third party partners and collaborators over which it may not always have full control; Molecular Partners' ongoing and planned clinical trials and preclinical studies for its product candidates, including the timing of such trials and studies; the risk that the results of preclinical studies and clinical trials may not be predictive of future results in connection with future clinical trials; the timing of and Molecular Partners' ability to obtain and maintain regulatory approvals for its product candidates; the extent of clinical trials potentially required for Molecular Partners' product candidates; the clinical utility and ability to achieve market acceptance of Molecular Partners' product candidates; the potential that Molecular Partners' product candidates may exhibit serious adverse, undesirable or unacceptable side effects; the impact of any health pandemic, macroeconomic factors and other global events on Molecular Partners' preclinical studies, clinical trials or operations, or the operations of third parties on which it relies; Molecular Partners' plans and development of any new indications for its product candidates; Molecular Partners' commercialization, marketing and manufacturing capabilities and strategy; Molecular Partners' intellectual property position; Molecular Partners' ability to identify and in-license additional product candidates; unanticipated factors in addition to the foregoing that may impact Molecular Partners' financial and business projections and guidance; and other risks and uncertainties that are described in the Risk Factors section of Molecular Partners' Annual Report on Form 20-F for the fiscal year ended December 31, 2023, filed with Securities and Exchange Commission (SEC) on March 14, 2024 and other filings Molecular Partners makes with the SEC. These documents are available on the Investors page of Molecular Partners' website at www.molecularpartners.com. In addition, this press release contains information relating to interim data as of the relevant data cutoff

date, results of which may differ from topline results that may be obtained in the future. Any forward-looking statements speak only as of the date of this press release and are based on information available to Molecular Partners as of the date of this release, and Molecular Partners assumes no obligation to, and does not intend to, update any forward-looking statements, whether as a result of new information, future events or otherwise.

Business Update

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Research & Development Highlights

Radio-DARPIn Therapy (RDT) Platform and MP0712

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The positive data support further clinical evaluation of MP0317 in combination with complementary anticancer therapies and demonstrated the ability of the DARPin design to deliver on a targeted, tumor-localized CD40 activation mechanism. Molecular Partners is in discussion with leading academic centers regarding potential investigator-initiated combination trials.

Corporate and Management Highlights

On August 26 2024, Philippe Legenne, M.D., MBA, MHS, acting CMO and SVP Medical Strategy and Development, was appointed Chief Medical Officer at MP. “I am grateful that Phillippe is stepping fully into the role of CMO. Under his leadership, our MP0533 program has enrolled all dose cohorts at maximum speed, strongly supported by our investigators. This was only possible by the stellar performance by Philippe's team. With his broad oncology background, ability to build a strong team and gift to engage trustfully with KOLs, he is in an ideal position to progress our first Radio-DARPin therapies towards clinical development in the months to come.” said Patrick Amstutz, CEO of Molecular Partners.

Dr. Legenne joined Molecular Partners in early 2020. Over this time, he has led the clinical development strategy and execution across the Molecular Partners portfolio, including the successful initiation and seamless execution of MP0533, MP0317 and Ensovibep. Prior to joining Molecular Partners, Philippe held positions of increasing responsibility at JNJ, GSK, and Novartis, both in the United States and Europe. In his most recent role prior to Molecular Partners, Philippe led the EU medical organization for the oncology portfolio at Amgen. He received his medical degree from the Université de Lille (France), an MBA from ESSEC Business School (Paris) and a Master's degree in health economics from Université Paris Dauphine-PSL.

As previously communicated, a putative class action complaint filed in July 2022 in the U.S. District Court for the Southern District of New York was dismissed without prejudice in the Company's favor in February 2024 and was subsequently ordered closed.

At the Company's Annual General Meeting on April 17, 2024, all motions proposed by the Board of Directors at the Annual General Meeting were approved by the shareholders of the Company.

H1 2024 Operational and Financial Highlights

- Strong financial position with CHF 159.1 million in cash (including short term deposits) as of June 30, 2024
- Net cash used in operating activities of CHF 32.8 million in H1 2024
- Operating loss of CHF 31.8 million and net loss of CHF 26.4 million in H1 2024
- Company expected to be funded into 2027, excluding any potential payments from R&D partnerships

The H1 2024 Financial Statements are available on the company's website.

Key figures as of June 30, 2024 (unaudited) (CHF million, except per share, FTE data)	H1 2024	H1 2023	Change
Total revenues and other income	4.3	3.5	0.8
R&D expenses	(27.2)	(24.3)	(2.9)
SG&A expenses	(8.9)	(10.2)	1.2
Operating result	(31.8)	(31.0)	(0.8)
Net result	(26.4)	(30.8)	4.4
Basic and diluted net result per share (in CHF)	(0.80)	(0.94)	0.14
Net cash from (used in) operating activities	(32.8)	(29.8)	(2.9)
Cash balance (incl. time deposits) as of June 30	159.1	218.2	(59.1)
Total shareholders' equity as of June 30	155.6	206.0	(50.4)
Number of total FTE as of June 30	161.9	168.5	(6.6)

Business Outlook and Priorities

Molecular Partners continues its strategic focus on areas of maximum differentiation by virtue of the DARPins' unique properties. The Company expects its cash position provides the flexibility to execute on its development priorities efficiently and effectively within this focus, with funding to support portfolio development forecasted into 2027. In addition to its two existing clinical-stage programs, the Radio-DARPin Therapy and Switch-DARPin platforms have been further substantiated by maturing data as sources of growth for the Company's portfolio. As a whole, Molecular Partners remains well positioned to significantly grow through developmental milestones, new candidates and potential partnerships.

Financial Outlook 2024

For 2024, at constant exchange rates, the Company expects total expenses of CHF 65 - 75 million (previously estimated at CHF 70 - 80 million), of which approximately CHF 8.0 million will be non-cash effective costs for share-based payments, IFRS pension accounting and depreciation. This guidance does not include any potential receipts from R&D partnerships.

With CHF 159.1 million in cash and short-term time deposits and no debt as of June 30, 2024, the Company expects to be funded into 2027, excluding any potential receipts from R&D partners.

The Company's balance sheet continued to be debt-free in 2024. As of June 30, 2024, the Company employed 161.9 FTE (full time equivalents), down 4% year-on-year. About 84% of the employees are employed in R&D-related functions.

About DARPin Therapeutics

DARPin (Designed Ankyrin Repeat Protein) therapeutics are a new class of custom-built protein drugs based on natural binding proteins that open new dimensions of multi-functionality and multi-target specificity in drug design. The flexible architecture, intrinsic potential for high affinity and specificity, small size and high stability of DARPins offer benefits to drug design over other currently available protein-based therapeutics. DARPin candidates can be radically simple, with a single DARPin unit acting as the delivery vector to a specific target; or multispecific, with the

possibility of engaging more than five targets, and combining multiple and conditional functionalities in a unique DARPin drug candidate. The DARPin platform is designed to be a rapid and cost-effective drug discovery engine, producing drug candidates with optimized properties and high production yields. DARPin therapeutics have been clinically validated across several therapeutic areas and developed through to the registrational stage.

About Molecular Partners AG

Molecular Partners AG is a clinical-stage biotech company pioneering the design and development of DARPin therapeutics for medical challenges other drug modalities cannot readily address. The Company has programs in various stages of pre-clinical and clinical development, with oncology as its main focus. Molecular Partners leverages the advantages of DARPins to provide unique solutions to patients through its proprietary programs as well as through partnerships with leading pharmaceutical companies. Molecular Partners was founded in 2004 and has offices in both Zurich, Switzerland and Concord, MA, USA. For more information, visit www.molecularpartners.com and find us on LinkedIn and Twitter/X @MolecularPrtnrs

Financial Summary

Results and overview

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated interim financial statements which have been prepared in accordance with IAS 34 Interim Financial Reporting. Due to rounding, the numbers presented in this overview may not not precisely equal the detailed consolidated financial statements.

In addition to historical data, this discussion contains forward-looking statements regarding our business and financial performance based on current expectations that involve risks, uncertainties and assumptions. Actual results may differ materially from those discussed in the forward-looking statements as a result of various factors.

Key Financials (CHF million, except per share, FTE data)

	H1 2024	H1 2023	Change
Total revenues and other income	4.3	3.5	0.8
R&D expenses	(27.2)	(24.3)	(2.9)
SG&A expenses	(8.9)	(10.2)	1.2
Total operating expenses (incl depr. & amort.)	(36.1)	(34.5)	(1.6)
Operating result	(31.8)	(31.0)	(0.8)
Net finance result	5.4	0.2	5.2
Income taxes	—	—	—
Net result	(26.4)	(30.8)	4.4
Basic and diluted net result per share (in CHF)	(0.80)	(0.94)	0.14
Net cash from (used in) operating activities	(32.8)	(29.8)	(2.9)
Net cash from (used in) investing activities	30.8	7.4	23.4
Net cash from (used in) financing activities	(0.6)	(0.6)	—
Exchange gain/(loss) on cash positions	1.0	(1.7)	2.7
Net increase (decrease) in cash & cash equivalents	(1.6)	(24.7)	23.1
Cash & cash equivalents	65.7	63.2	2.4
Cash & cash equivalents (incl. short-term time deposits)	159.1	218.2	(59.1)
Total non-current assets	5.0	6.6	(1.6)
Total current assets	165.6	223.9	(58.3)
Total shareholders' equity	155.6	206.0	(50.4)
Total non-current liabilities	3.7	8.8	(5.2)
Total current liabilities	11.3	15.7	(4.3)
Number of total FTE	161.9	168.5	(6.6)

Financial highlights

Over the course of 2024, the Group continued to invest in its clinical and preclinical programs as well as in research and development in order to progress its portfolio of DARPin candidates towards value-creating milestones.

The strong balance sheet continues to provide our Group with financial flexibility and a forecasted cash runway into 2027 beyond the envisaged key value inflection points expected to be captured until then.

Molecular Partners' broad pipeline across multiple indications in oncology, its collaborations with pharma companies, and its financial position, all combine to provide our Group a robust position within the biotech sector. The Group continues to employ its financial and human resources into the evolution of its proprietary DARPin technology, the progression of innovative programs as well as the advancement of its pipeline of proprietary and outlicensed drug candidates in clinical development, targeting high-value indications.

Revenues

In H1 2024, the Group recognized total revenues and other income of CHF 4.3 million (2023: CHF 3.5 million). The revenue in the first six months of 2024 and 2023 was solely attributable to the Group's collaboration with Novartis.

As of June 30, 2024 the Group has CHF 0.6 million of contract liabilities under the Novartis collaboration agreement. This contract liability is expected to be recognized as revenue in the current year as the Group performs its collaboration activities.

Operating expenses (incl. depreciation and amortization)

The Group's operating expenses consist primarily of costs associated with research, preclinical and clinical testing, personnel-related costs and, to a lesser extent, facility expenses, professional fees for legal, tax, audit and strategic purposes, administrative expenses and depreciation of property, plant and equipment.

Overall, total operating expenses increased by CHF 1.6 million (5%) to CHF 36.1 million in H1 2024 (compared to CHF 34.5 million in H1 2023). The two major expense categories were personnel expenses of CHF 20.2 million (56% of total operating expenses) and research and development projects related costs totaling CHF 10.5 million (29% of total operating expenses).

Total R&D expenses in H1 2024 increased by CHF 2.9 million (12%) to CHF 27.2 million (H1 2023: CHF 24.3 million), mainly due to higher costs associated with manufacturing and clinical activities for MP0533, during 2024 as compared to 2023.

Total SG&A expenses in H1 2024 went down by CHF 1.2 million (12%) to CHF 8.9 million (H1 2023: CHF 10.2 million), mainly due to an decrease in director and officers insurance and professional fees.

As of June 30, 2024, the Group had 161.9 full-time employees (FTEs) on its payroll, including 135.7 FTEs (84%) in R&D and 26.2 FTEs (16%) in SG&A.

Operating result

In the first six months of 2024, the Group generated an operating loss of CHF 31.8 million (compared to an operating profit of CHF 31.0 million in the same period in 2023).

Financial income and expenses

In the first six months of 2024, Molecular Partners recorded a net financial gain of CHF 5.4 million, compared to a net financial gain of CHF 0.2 million in the same period in 2023.

The financial income amounted to CHF 5.4 million, is driven by income generated from interest on the Group's cash balances. The Group does not hedge for translation risks as it pursues a stringent natural hedging policy by optimizing the matching of cash in/out flows in the respective currencies.

Income and deferred taxes

Molecular Partners AG did not have to pay or accrue any income taxes in the reporting periods. Future taxable income in Switzerland will be subject to federal, cantonal and communal income taxes. The Company's applicable income tax rate in Switzerland is 19.3%.

Net result

In H1 2024, the Group recorded a net loss of CHF 26.4 million (H1 2023: CHF 30.8 million net loss).

Balance sheet and capital resources

As of June 30, 2024, the Group's position on cash and cash equivalents plus short-term time deposits decreased by CHF 27.8 million compared to year-end 2023 to CHF 159.1 million (or 93% of the total assets).

Compared to year-end 2023, the total shareholders' equity position decreased by CHF 20.9 million to CHF 155.6 million as of June 30, 2024 (December 31, 2023: CHF 176.4 million). The Group's balance sheet continued to be debt-free throughout H1 2024.

Liabilities in the balance sheet are primarily comprised of contract liabilities, trade payables and accrued expenses from our operations as well as pension liabilities as per IAS19. Total liabilities as of June 30, 2024 amount to CHF 15.0 million (December 31, 2023: CHF 21.9 million).

Cash flow statement

In the first six months of 2024, Molecular Partners recorded a net cash outflow from operations of CHF 32.8 million, compared to the net cash outflow from operations of CHF 29.8 million in the same period in 2023.

Cash inflow from investing activities during the first six months of 2024 was CHF 30.8 million, compared to a CHF 7.4 million cash inflow in the same period of 2023. The cash flows from investing activities are largely driven by the shift of cash into short-term time deposits and vice versa. During the first six months of 2024 a CHF 0.3 million outflow was recorded for capital expenditures in equipment and intangible assets.

Net cash outflow from financing activities in the first six months of 2024 was CHF 0.6 million. Overall, the cash flow activities resulted in a net decrease of the Group's total cash and cash equivalents balance of CHF 1.6 million from CHF 67.3 million at the end of 2023 to CHF 65.7 million as per June 30, 2024.

Financial risk management

The Group is developing several products and is currently not generating a constant revenue stream. At present, the lack of consistent positive operating cash flow may expose the Group to financing risks in the medium term. Risk management is carried out centrally under policies approved by the Board of Directors. Furthermore, the Group manages financial risks such as foreign exchange risk and liquidity.

Molecular Partners conducts its activities primarily in Switzerland, EU and U.S. As a result, the Group is exposed to a variety of financial risks, such as foreign exchange rate risk, credit risk, liquidity risk, cash flow and interest rate risk. The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group is not exposed to market price development as it has no saleable products.

The following is a summary of how we manage and mitigate the key financial risks:

- **Foreign exchange risk:** In order to reduce its foreign exchange exposure, Molecular Partners may enter into currency contracts (forwards and options) with selected high-quality financial institutions to hedge against foreign currency exchange rate risks. The Group's primary exposure to financial risk is due to fluctuation of exchange rates between CHF, EUR, and USD. The Group's hedging policy is (1) to maximize natural hedging by matching expected future cash flows in the different currencies and (2) if markets conditions allow, to consider hedging certain of the remaining expected net currency exposure as the need arises. However, due to market volatilities and uncertainties in the cash flows, a 100% hedging of the currency exposure is impossible or not appropriate. Molecular Partners does not engage in speculative transactions.
- **Interest rate risk:** Molecular Partners earns interest income or may pay negative interest on cash and cash equivalents and its profit and loss may be influenced by changes in market interest rates. The Group is investing a portion of its cash balances in short-term time deposits in line with its treasury guidelines.
- **Credit risk:** The maximum credit risk on financial instruments corresponds to the carrying amounts of the Group's cash and cash equivalents and receivables. The Group has not entered into any guarantees or similar obligations that would increase the risk over and above

the carrying amounts. All cash and cash equivalents are held with three major Swiss banks with ratings between A and AAA as per Standard & Poor's. The Group enters into partnerships with partners which have the appropriate credit history and a commitment to ethical business practices. Other receivables with credit risk mainly include interest receivables.

- Liquidity risk: Based on the Group's Business Plan 2024-2028, management estimates that the Group is financed into 2027 .

Financial Outlook 2024

For the full year 2024, at constant exchange rates, the Group expects total expenses of CHF 65-75 million (previously estimated at CHF 70 - 80 million), of which approximately CHF 8 million will be non-cash effective costs for share-based payments, IFRS pension accounting and depreciation.

With CHF 159 million in cash and cash equivalents plus short-term time deposits and no debt as of June 30, 2024, Molecular Partners expects to be funded into 2027, excluding any potential receipts from R&D partners.

Financial Calendar

The following table summarizes the scheduled financial calendar for the financial year 2024.

Date:	Event:
October 31, 2024	Interim Management Statement Q3 2024
March 12, 2025	Full-year results 2024

Condensed consolidated interim financial statements (unaudited)

Condensed consolidated interim statement of financial position
as of

in CHF thousands	Note	June 30, 2024	December 31, 2023
Assets			
Property, plant and equipment		4,891	5,681
Intangible assets		122	212
Total non-current assets		5,013	5,893
Short-term time deposits		93,440	119,580
Other current assets		3,108	3,617
Trade and other receivables		3,370	1,953
Cash and cash equivalents		65,686	67,309
Total current assets		165,604	192,459
Total assets		170,617	198,352
Shareholders' equity and liabilities			
Share capital	5.3	3,668	3,635
Additional paid-in capital		367,516	365,530
Treasury share reserve	5.3	(981)	(981)
Cumulative losses		(214,634)	(191,755)
Total shareholders' equity		155,569	176,429
Lease liability		1,837	2,444
Employee benefits	5.9	1,851	5,063
Total non-current liabilities		3,688	7,507
Trade and other payables		2,858	1,328
Accrued expenses		6,705	7,547
Contract liability	5.2	585	4,333
Lease liability		1,212	1,208
Total current liabilities		11,360	14,416
Total liabilities		15,048	21,923
Total shareholders' equity and liabilities		170,617	198,352

See accompanying notes, which form an integral part of these unaudited condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive loss for the 6 months ended June 30,

		2024	2023
in CHF thousands	Note		
Revenues and other income			
Revenues from research and development collaborations	5.1	4,289	3,465
Total revenues and other income		4,289	3,465
Operating expenses			
Research and development expenses		(27,191)	(24,327)
Selling, general and administrative expenses		(8,932)	(10,109)
Total operating expenses		(36,123)	(34,436)
Operating result		(31,834)	(30,971)
Financial income	5.6	5,447	1,955
Financial expenses	5.6	(20)	(1,749)
Net finance result		5,427	206
Result before income taxes		(26,407)	(30,765)
Income taxes	5.7	—	—
Net result, attributable to shareholders		(26,407)	(30,765)
Other comprehensive result			
Items that will not be reclassified to profit or loss			
Remeasurement of net pension liabilities, net of tax	5.9	3,532	(1,507)
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(4)	(4)
Other comprehensive result, net of tax		3,528	(1,511)
Total comprehensive result, attributable to shareholders		(22,879)	(32,276)
Basic and diluted net result per share (in CHF)	5.8	(0.80)	(0.94)

See accompanying notes, which form an integral part of these unaudited condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive loss for the 3 months ended June 30,		2024	2023
in CHF thousands			
	Note		
Revenues and other income			
Revenues from research and development collaborations	5.1	1,551	415
Total revenues and other income		1,551	415
Operating expenses			
Research and development expenses		(13,087)	(11,632)
Selling, general and administrative expenses		(4,440)	(4,666)
Total operating expenses		(17,527)	(16,298)
Operating result		(15,976)	(15,883)
Financial income			
Financial income	5.6	912	1,088
Financial expenses			
Financial expenses	5.6	(18)	(1,192)
Net finance result		894	(104)
Result before income taxes		(15,082)	(15,987)
Income taxes			
Income taxes	5.7	—	—
Net result, attributable to shareholders		(15,082)	(15,987)
Other comprehensive result			
Items that will not be reclassified to profit or loss			
Remeasurement of net pension liabilities, net of tax	5.9	948	(1,536)
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(5)	(1)
Other comprehensive result, net of tax		943	(1,537)
Total comprehensive result, attributable to shareholders		(14,139)	(17,524)
Basic and diluted net result per share (in CHF)	5.8	(0.46)	(0.49)

See accompanying notes, which form an integral part of these unaudited condensed consolidated interim financial statements.

Condensed consolidated interim cash flow statement for the 6 months
ended June 30,

	2024	2023
in CHF thousands		
Net result attributable to shareholders	(26,407)	(30,765)
Adjustments for:		
Depreciation and amortization	1,208	1,214
Share-based compensation costs	1,983	3,060
Change in employee benefits	319	317
Financial income	(5,447)	(1,955)
Financial expenses	20	1,749
Changes in working capital:		
Change in other current assets	62	888
Change in trade and other receivables	(1,397)	(469)
Change in trade and other payables	1,541	591
Change in contract liability	(3,748)	(2,788)
Change in accrued expenses	(842)	(1,610)
Exchange gain/(loss) on working capital positions	(43)	(30)
Interest paid	(13)	(18)
Other financial expense	(7)	(9)
Net cash used in operating activities	(32,771)	(29,825)
Proceeds from investments in short term time deposits	148,404	161,723
Investments in short term time deposits	(119,777)	(155,478)
Acquisition of property, plant and equipment	(312)	(185)
Acquisition of intangible assets	(16)	(157)
Interest received	2,461	1,502
Net cash from investing activities	30,760	7,405
Proceeds from exercise of stock options, net of transaction costs	36	27
Payment of lease liabilities	(603)	(598)
Net cash used in financing activities	(567)	(571)
Exchange gain (loss) on cash positions	955	(1,712)
Net decrease in cash and cash equivalents	(1,623)	(24,703)
Cash and cash equivalents at January 1	67,309	87,946
Cash and cash equivalents at June 30,	65,686	63,243

See accompanying notes, which form an integral part of these unaudited condensed consolidated interim financial statements.

Condensed consolidated interim statement
of changes in equity

in CHF thousands	Share capital	Additional paid-in capital	Treasury share reserve	Cumulative losses	Total shareholders' equity
At January 1, 2023	3,604	360,323	(981)	(127,780)	235,166
Net result	—	—	—	(30,765)	(30,765)
Remeasurement of net pension liabilities	—	—	—	(1,507)	(1,507)
Exchange differences on translating foreign operations	—	—	—	(4)	(4)
Total comprehensive income	—	—	—	(32,276)	(32,276)
Share-based compensation costs ⁽¹⁾	—	3,060	—	—	3,060
Exercise of stock options, net of transaction costs	29	(2)	—	—	27
At June 30, 2023	3,633	363,381	(981)	(160,056)	205,977
At January 1, 2024	3,635	365,530	(981)	(191,755)	176,429
Net result	—	—	—	(26,407)	(26,407)
Remeasurement of net pension liabilities	—	—	—	3,532	3,532
Exchange differences on translating foreign operations	—	—	—	(4)	(4)
Total comprehensive income	—	—	—	(22,879)	(22,879)
Share-based compensation costs ⁽¹⁾	—	1,983	—	—	1,983
Exercise of stock options, net of transaction costs	33	3	—	—	36
At June 30, 2024	3,668	367,516	(981)	(214,634)	155,569

⁽¹⁾ See note 5.5

See accompanying notes, which form an integral part of these unaudited condensed consolidated interim financial statements.

Explanatory notes to the condensed consolidated interim financial statements

1. General Information

Molecular Partners AG ("Company") and its subsidiary (collectively "Molecular Partners" or "Group") is a clinical-stage biopharmaceutical company pioneering designed ankyrin repeat proteins (DARPin) candidates to treat serious diseases, with a current focus on oncology and virology. The Company was founded on November 22, 2004, and is domiciled at Wagistrasse 14, 8952 Schlieren, Canton of Zurich, Switzerland. It is subject to the provisions of the articles of association and to article 620 et seq. of the Swiss Code of Obligations, which describe the legal requirements for limited companies ("Aktiengesellschaften").

Molecular Partners Inc. is a wholly owned subsidiary of Molecular Partners AG. Molecular Partners Inc. was incorporated in the United States in the State of Delaware on October 8, 2018. Molecular Partners Inc. is based in Cambridge, Massachusetts.

The unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2024 were approved for issuance by the Board of Directors on August 26, 2024.

The Company's shares are listed on the SIX Swiss Exchange (Ticker: MOLN) since November 5, 2014 and on the Nasdaq Global Select Market (Ticker: MOLN) since June 16, 2021.

2. Basis of Preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2023. They do not include all the information required for a complete set of consolidated financial statements prepared in accordance with IFRS as issued by the IASB. However, selected explanatory notes are included to explain events and transactions that are significant to gain an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2023.

The accounting policies set forth in the notes to those annual consolidated financial statements have been consistently applied to all periods presented, except as per below.

The condensed consolidated interim financial statements are presented in thousands of Swiss Francs (TCHF), unless stated otherwise.

The business is not subject to any seasonality. Revenues largely depend on the underlying alliance contracts and the achievement of agreed milestones, while expenses are largely affected by the phase of the respective projects, particularly with regard to external research and development expenditures.

Due to rounding, the numbers presented in the financial statements might not precisely equal the accompanying notes.

3. New or Revised IFRS Standards and Interpretations

A number of new or amended standards became applicable for annual periods beginning on or after January 1, 2024. These standards are not expected to have any significant impact on the Group's accounting policies and did not require any retrospective adjustments.

4. Accounting estimates and judgments

The condensed consolidated interim financial statements have been prepared under the historical cost convention. In preparing these condensed consolidated interim financial statements, management made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

5. Other explanatory notes

5.1 Revenue and other group-wide disclosures

On January 5, 2024, the Group announced it entered into a co-development agreement with Orano Med to co-develop ²¹²Pb-based Radio Darpin Therapies (RDT). Under the terms of the co-development agreement, Molecular Partner's previously disclosed RDT target DLL3 (delta-like ligand 3) will be included in the collaboration with Orano Med. Both companies are developing additional radioligand therapy candidates in partnership with other companies, with Molecular Partners having announced its first collaboration with Novartis in December 2021.

Molecular Partners maintains the option to explore DLL3 for targeted therapy outside of the radiotherapy space. Both companies agree to share the cost of preclinical and clinical development with additional commitments to supply their respective materials.

On December 14, 2021, the Group entered into a License and Collaboration Agreement with Novartis to develop DARPin-conjugated radioligand therapeutic candidates for oncology. The Group is able to recharge Novartis its employee related expenses associated with the research activities. During the six months ended June 30, 2024, the Group recognized as revenue an amount of TCHF 541 in relation to this recharge (six months ended June 30, 2023: TCHF 678). During the three months ended June 30, 2024, the Group recognized as revenue an amount of TCHF 230 in relation to this recharge (three months ended June 30, 2023: TCHF 292).

As part of the same agreement, the Group received in January 2022 an upfront fee of USD 20 million (CHF 18.6 million). Revenue related to the upfront payment is recognized over time in line with the progress made over the duration of the contractually agreed research plan.

During the six months ended June 30, 2024, the Group recognized as revenue an amount of TCHF 3,748 (six months ended June 30, 2023: TCHF 2,787) related to the upfront payment received in January 2022. During the three months ended June 30, 2024, the Group recognized as revenue an amount of TCHF 1,321 (three months ended June 30, 2023: TCHF 123) in relation to the same upfront payment.

Revenues in the table below are attributable to individual countries and are based on the location of the Group's collaboration partners.

Revenues by country

in TCHF, for the six months ended June 30	2024	2023
Switzerland	4,289	3,465
Total revenues	4,289	3,465

Analysis of revenue by major alliance partner

in TCHF, for the six months ended June 30	2024	2023
Novartis AG, Switzerland	4,289	3,465
Total revenues	4,289	3,465

Revenues by country in TCHF, for the three months ended June 30	2024	2023
Switzerland	1,551	415
Total revenues	1,551	415

Analysis of revenue by major alliance partner in TCHF, for the three months ended June 30	2024	2023
Novartis AG, Switzerland	1,551	415
Total revenues	1,551	415

5.2 Contract liability

The table below presents the movement in the Group's contract liabilities during the six months ended June 30, 2024:

in CHF thousands	Contract liability at December 31, 2023	Recognized as revenue	Contract liability at June 30, 2024
Novartis AG, Switzerland	4,333	(3,748)	585
Total	4,333	(3,748)	585

in CHF thousands	Current	Non-current	Contract liability
Novartis AG, Switzerland	585	—	585
Balance at June 30, 2024	585	—	585

5.3 Issuances of equity securities

As of June 30, 2024, as a result of the vesting of Performance Share Units ("PSUs") the outstanding issued share capital of the Company increased to CHF 3,668,259 divided into 36,682,587 fully paid registered shares (inclusive of 3,500,000 treasury shares).

5.4 Dividends

The Group has paid no dividends since its inception and does not anticipate paying dividends in the foreseeable future.

5.5 Share-based compensation

As of June 30, 2024, 276,154 options were outstanding (December 31, 2023: 282,105 options) under all active option plans. As of June 30, 2024, and December 31, 2023 all outstanding options were fully vested.

As of June 30, 2024, a total of 2,383,853 PSUs and 345,798 Restricted Stock Units ("RSUs") were outstanding, of which none were vested (as of December 31, 2023 a total of 1,347,983 PSUs and 182,678 RSUs were outstanding). The changes in the number of share-based awards (options, RSUs and PSUs) outstanding during the six month period ended June 30, 2024, is as follows:

Share options / PSU/ RSU movements	Weighted average exercise price		Weighted average exercise price		Weighted average exercise price	
	Total numbers	(CHF)	Options (numbers)	(CHF)	PSU / RSU (numbers)	(CHF)
Balance outstanding at January 1, 2024	1,812,766	1.16	282,105	6.89	1,530,661	0.10
Granted	1,859,112	0.10	—	—	1,859,112	0.10
(Performance adjustment) ¹	(238,261)	0.10	—	—	(238,261)	0.10
(Forfeited) ²	(94,072)	0.10	—	—	(94,072)	0.10
(Expired)	(5,450)	6.06	(5,450)	6.06	—	—
(Exercised options), vested PSU / RSU	(328,290)	0.11	(501)	6.94	(327,789)	0.10
Balance outstanding at June 30, 2024	3,005,805	0.73	276,154	6.91	2,729,651	0.10

¹Performance adjustments indicate forfeitures due to non-market performance conditions not achieved

²Forfeited due to service conditions not fulfilled

The share-based compensation costs recognized during the six months ended June 30, 2024, amounted to TCHF 1,983 (TCHF 3,060 for the six months ended June 30, 2023). For the three months ended June 30, 2024 the share-based compensation costs amounted to TCHF 1,129 (TCHF 1,312 for the three months ended June 30, 2023).

5.6 Financial income and expense

Financial income

in CHF thousands, for the six months ended June 30	2024	2023
Interest income on financial assets held at amortized cost	2,015	1,955
Net foreign exchange gain	3,432	—
Total	5,447	1,955

in CHF thousands, for the three months ended June 30	2024	2023
Interest income on financial assets held at amortized cost	912	1,088
Total	912	1,088

Financial expense

in CHF thousands, for the six months ended June 30	2024	2023
Net foreign exchange loss	—	(1,722)
Interest expense on leases	(13)	(18)
Other financial expenses	(7)	(9)
Total	(20)	(1,749)

in CHF thousands, for the three months ended June 30	2024	2023
Net foreign exchange loss	(9)	(1,177)
Interest expense on leases	(6)	(9)
Other financial expenses	(3)	(6)
Total	(18)	(1,192)

Exchange results primarily represent unrealized foreign exchange results on the cash and short-term time deposit balances held in USD and in EUR, respectively.

5.7 Income taxes

The Group has in recent years reported operating losses, with the exception of the year ended December 31, 2022, that resulted in a tax loss carry-forward in Switzerland of TCHF 144,483 as of December 31, 2023. No deferred tax assets have been recognized for these tax loss carry forwards, because it is not probable that such loss carry forwards can be utilized in the foreseeable future. In addition, no deferred tax positions were recognized on other deductible temporary differences (e.g. pension liabilities under IAS 19) due to the significant tax loss carry forwards.

5.8 Earnings per share

for the six months ended June 30	2024	2023
Weighted average number of shares used in computing basic and diluted earnings per share	33,025,576	32,694,617

for the three months ended June 30	2024	2023
Weighted average number of shares used in computing basic and diluted earnings per share	33,182,251	32,830,804

5.9 Other Comprehensive result

In order to recognize remeasurements of the net defined benefit obligation in the period in which they arise, the Group utilizes its independent actuaries to update the calculation of the defined benefit obligation and plan assets at each reporting date. The primary component of the remeasurement as of and for the six month period ended June 30, 2024, relates to an increase in the funding status of our main pension provider.

5.10 Related parties

The Group did not enter into any related party transactions in the interim periods presented.

5.11 Putative Class Action

On July 12, 2022, a putative class action complaint was filed in the U.S. District Court for the Southern District of New York against the Company, its directors, and certain of its executive officers. On May 23, 2023, an amended complaint was filed. The amended complaint alleged that the defendants violated federal securities laws by, among other things, making misrepresentations and omissions regarding its product candidate MP0310 and an associated licensing agreement. The amended complaint sought among others unspecified compensatory damages on behalf of persons and/or entities which purchased the Company's American Depositary Shares (ADSs) pursuant to certain offering documents issued in connection with the Company's initial public offering of ADSs. The Company and named individual defendants moved to dismiss the amended complaint on July 24, 2023. On February 5, 2024, the court dismissed the amended complaint without prejudice. On February 29, 2024, the court ordered the case closed.

5.12 Events after the balance sheet date

No events occurred between the balance sheet date and the date on which these condensed consolidated interim financial statements were approved for issuance by the Board of Directors that would require adjustment to these condensed consolidated interim financial statements or disclosure under this section.



Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information to the Board of Directors of Molecular Partners AG, Schlieren

Introduction

We have been engaged to review the accompanying condensed consolidated interim statement of financial position of Molecular Partners AG as at June 30, 2024 and the related condensed consolidated interim statements of comprehensive loss for the six and three-months periods ended June 30, 2024, the related condensed consolidated interim cash flow statement and statement of changes in equity for the six-month period then ended, and selected explanatory notes (the condensed consolidated interim financial information). The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at and for the six and three-months periods ended June 30, 2024 is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting.

KPMG AG

Simon Studer
Licensed Audit Expert

Greg Puccetti

Zurich, August 26, 2024