

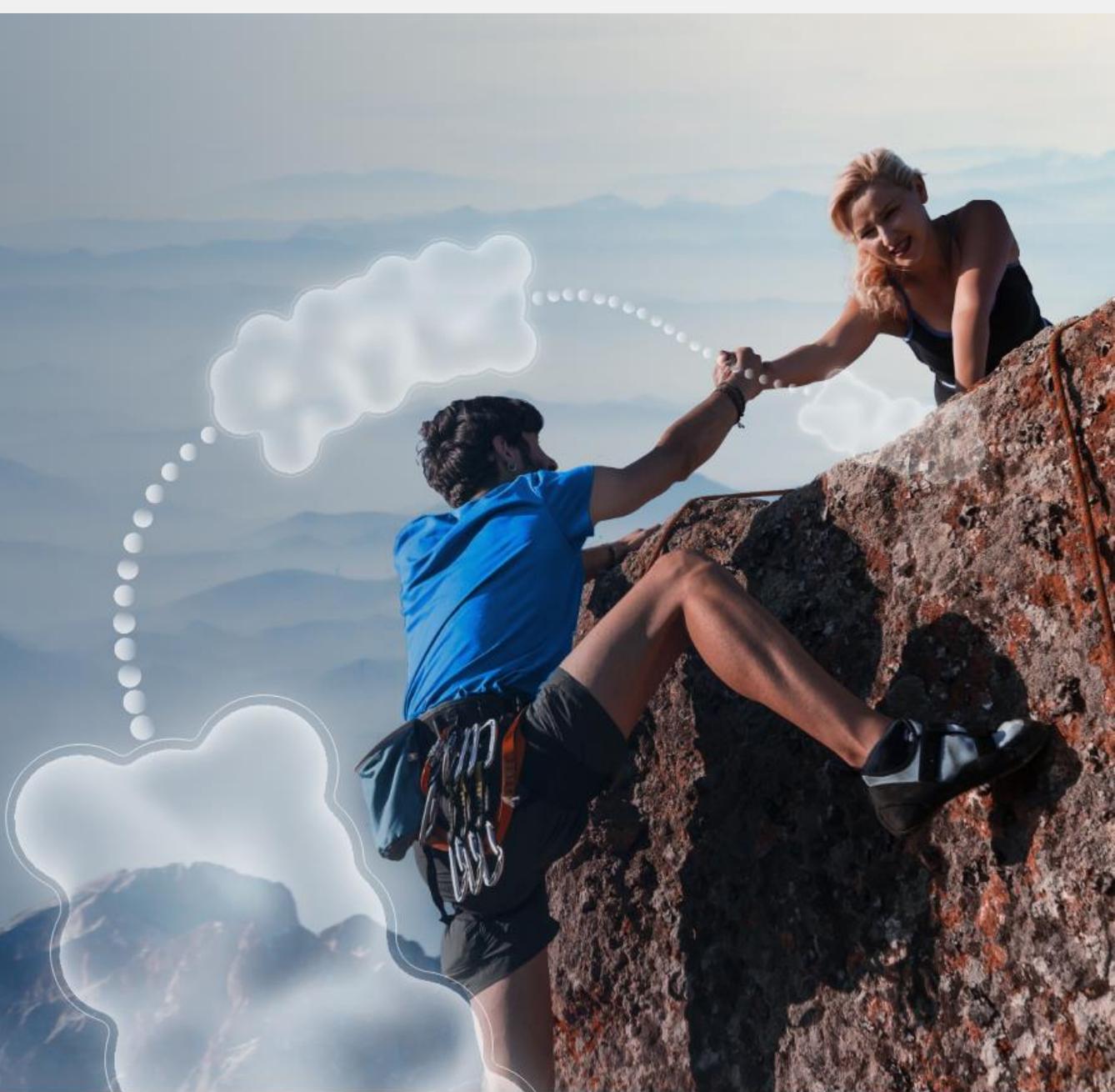


MOLECULAR PARTNERS: Custom Built Biology for Patients

Patrick Amstutz, CEO
Andreas Emmenegger, CFO

Presentation of the FY 2020 Results
February 5, 2021

Molecular Partners AG, Switzerland
(SIX: MOLN)



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Highlights 2020

Opportunity

- First & only multi-specific COVID drug in clinical development (ensovibep)
- Activity maintained on virus variants
- Idea to candidate in 12 weeks
- Bench to clinic ~8 months
- Partnered with Novartis to add large scale manufacturing & global reach

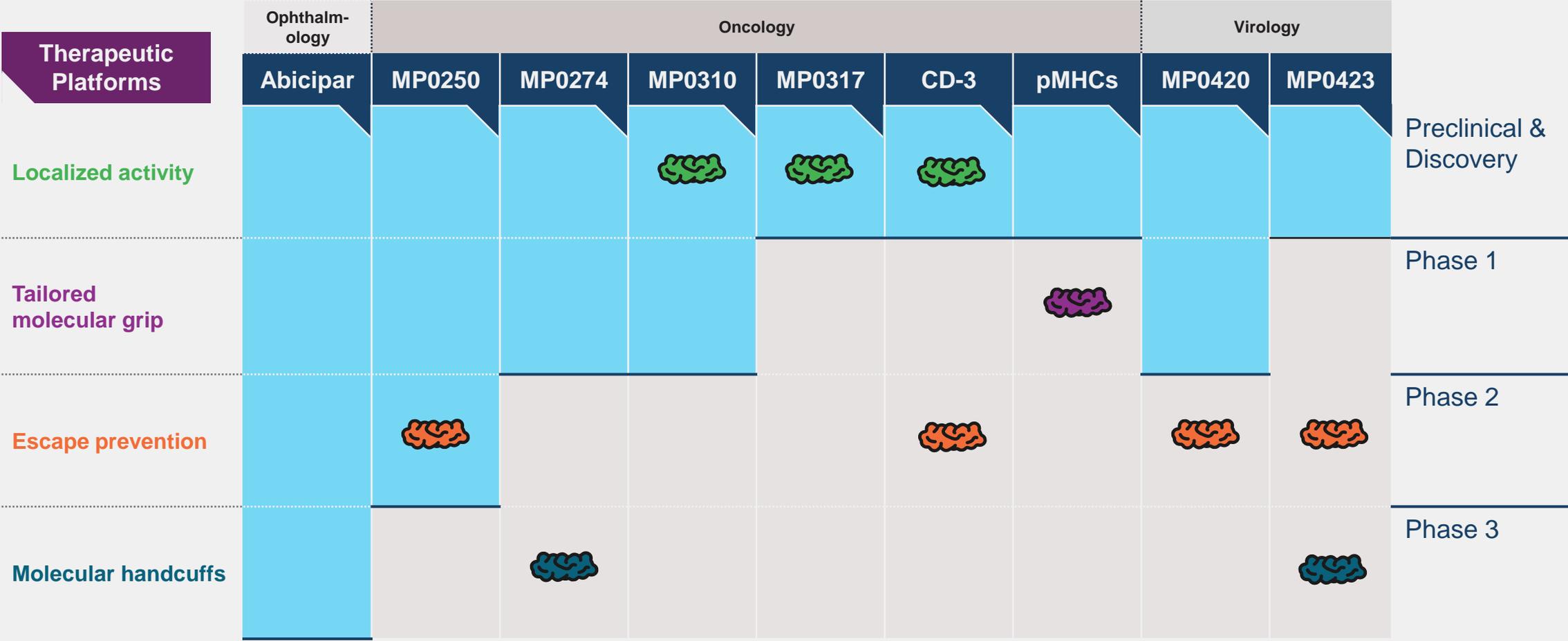
Execution

- Expanded development and research pipelines despite lock-down
- Advanced first IO local agonist to highest dose – biological activity observed– dose schedule finding ongoing (AMG 506 / MP0310)
- Research driving innovation with next-generation T-cell engagers and pMHC binders

Recognition

- Increased cash on balance sheet by over \$155m in 2020
- Raised \$90m
- COVID deal with Novartis adding \$65m of cash
- Continued strengthening of the MP team

A Portfolio Strategy Delivering Growth And Innovation



Pipeline

■ Antiviral
 ■ Immuno-oncology
 ■ Ophthalmology

CANDIDATE / FOCUS	RESEARCH	PRECLINICAL	PHASE 1	PHASE 2	PHASE 3	RIGHTS
Ensovibep (MP0420) / COVID-19						
MP0423 / COVID-19						
MP0310 / FAP x 4-1BB						
MP0317 / FAP x CD-40						
CD3 / T-Cell targeting DARPins						
Peptide-MHC targeting DARPins						
MP0250 / Multiple myeloma / PI combo						
MP0274 / HER2+ tumors						
Abicipar / Neovascular AMD						
Abicipar / DME						



Financial updates

Andreas Emmenegger

Operational & Financial Highlights FY 2020

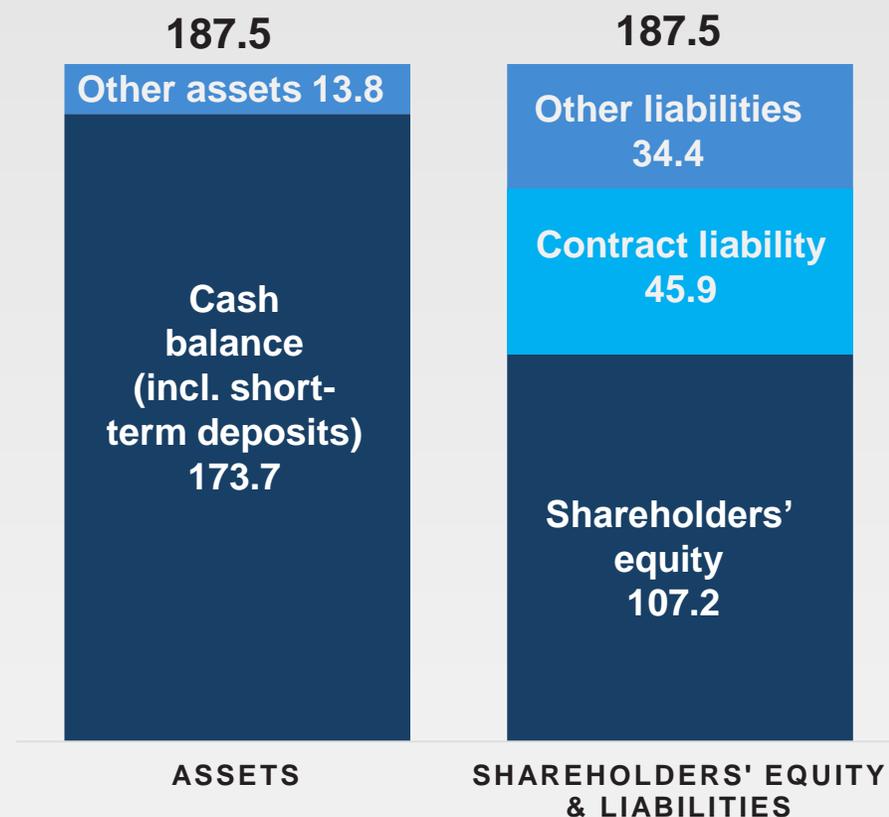
- Strong financial position with CHF 173.7 million in cash (including s.t. deposits) and no debt as of December 31, 2020
- Net cash used in operating activities of CHF 29.0 million in 2020
- Operating loss of CHF 58.3 million, net loss of CHF 62.8 million in 2020
- Company funded into 2023, excluding any potential payments from R&D partnerships
- Talent base of 145 full-time employees at year-end 2020

Key Figures FY2020

<i>(CHF million, except per share and FTE data)</i>	FY 2020	FY 2019	change
Revenues	9.3	20.4	(11.1)
Total operating expenses¹	(67.7)	(57.1)	(10.6)
Operating result – EBIT	(58.3)	(36.7)	(21.6)
Net financial result	(4.4)	0.4	(4.8)
Net result	(62.8)	(36.3)	(26.5)
Basic net result per share (in CHF)	(2.51)	(1.69)	(0.82)
Net cash used in operations	(29.0)	(1.2)	(27.8)
Cash balance (incl. s.t. deposits) as of Dec 31²	173.7	95.1	78.6
Number of FTE's as of Dec 31	145.4	135.2	10.2

Balance Sheet as of Dec 31, 2020

in CHF million | Dec 31, 2020



Highlights

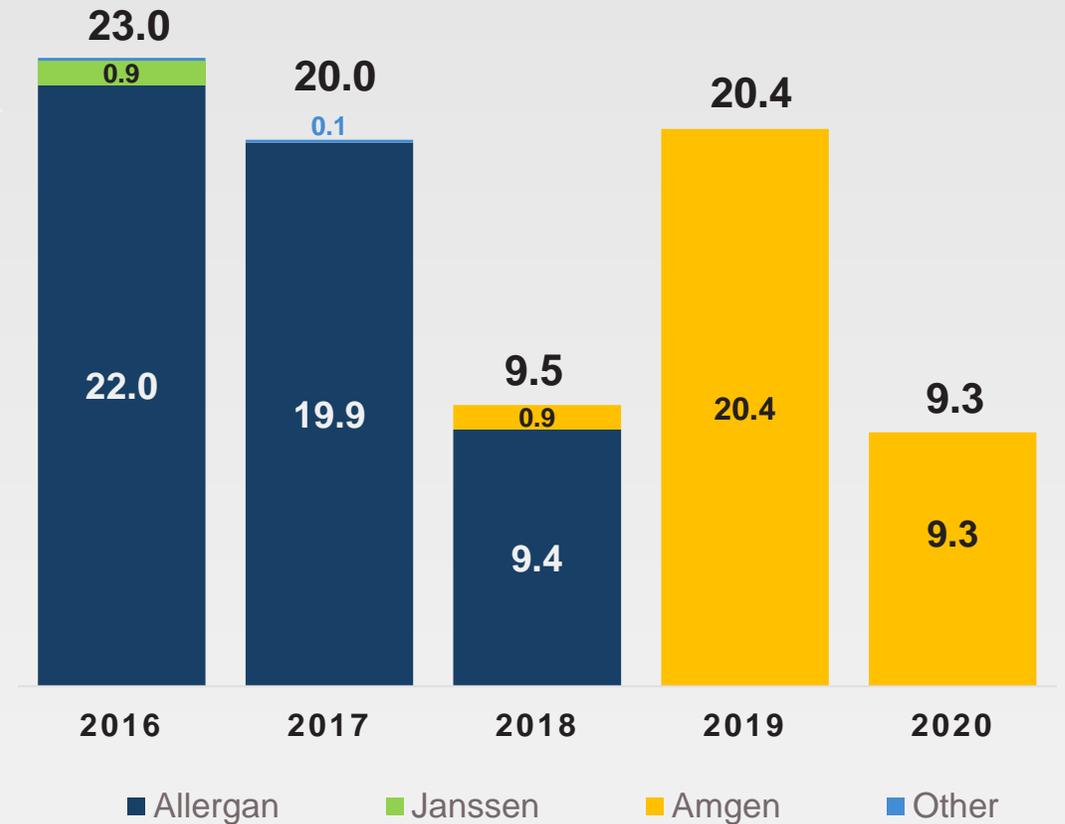
- Continuing strong balance sheet
- CHF 173.7 million cash balance (incl. short-term deposits, 93% of total assets)
- Contract liability of CHF 45.9 million to be recognized into revenue (or credit to expense) until approx. middle of 2022
- Solid equity base with CHF 107.2 million
- Debt free

Accounting Revenues

Highlights

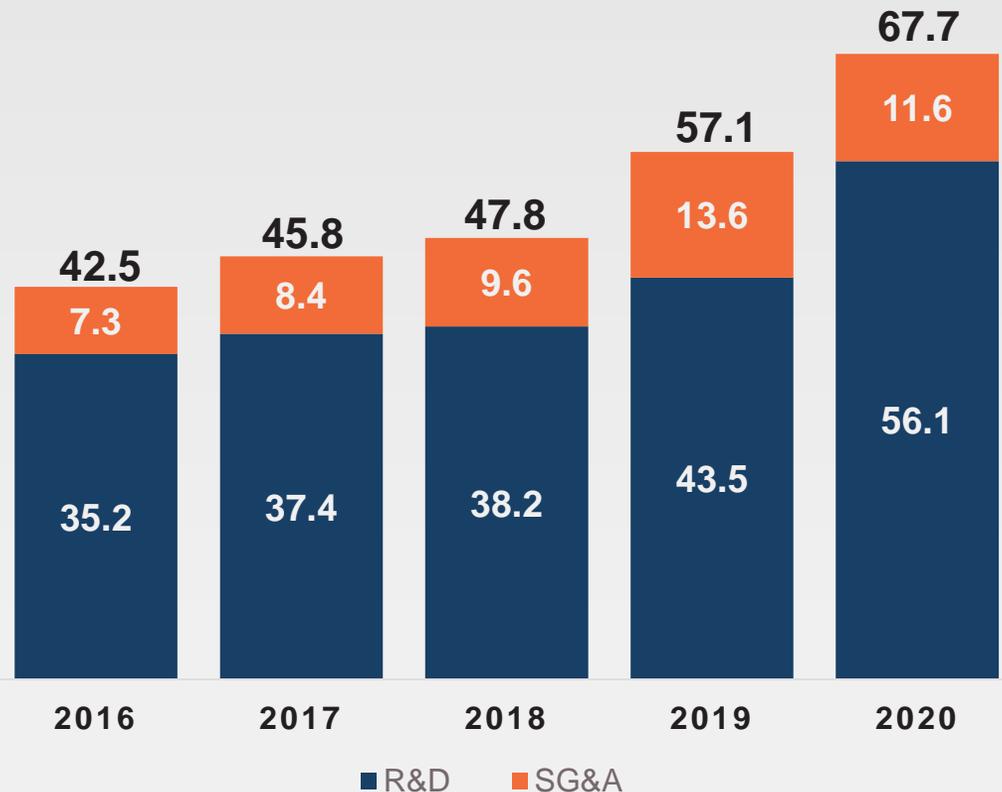
- CHF 9.3 million accounting revenues in 2020, exclusively related to the Amgen collaboration

in CHF million



Operating Expenses

in CHF million (incl. depreciation & amortization)



Highlights

- Expense development in line with expectations
- Ongoing scale-up of R&D to accelerate pipeline growth; R&D share of total expenses slightly higher at 83% (2019: 76%)
- Main cost drivers in 2020:
 - Investments in COVID-19 assets
 - 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 7.1 million non-cash effective costs

Financial Guidance for Full-Year 2021

- Total expenses of CHF 65-75 million, of which around CHF 7 million non-cash effective costs
- Gross cash burn of CHF 85-95 million, incl. CHF 20 million payable to Novartis for the manufacturing of commercial supply
- With CHF 173.7 million cash at hand and no debt the Company is funded into 2023, excluding any potential payments from R&D partnerships
- Guidance subject to progress and changes of pipeline

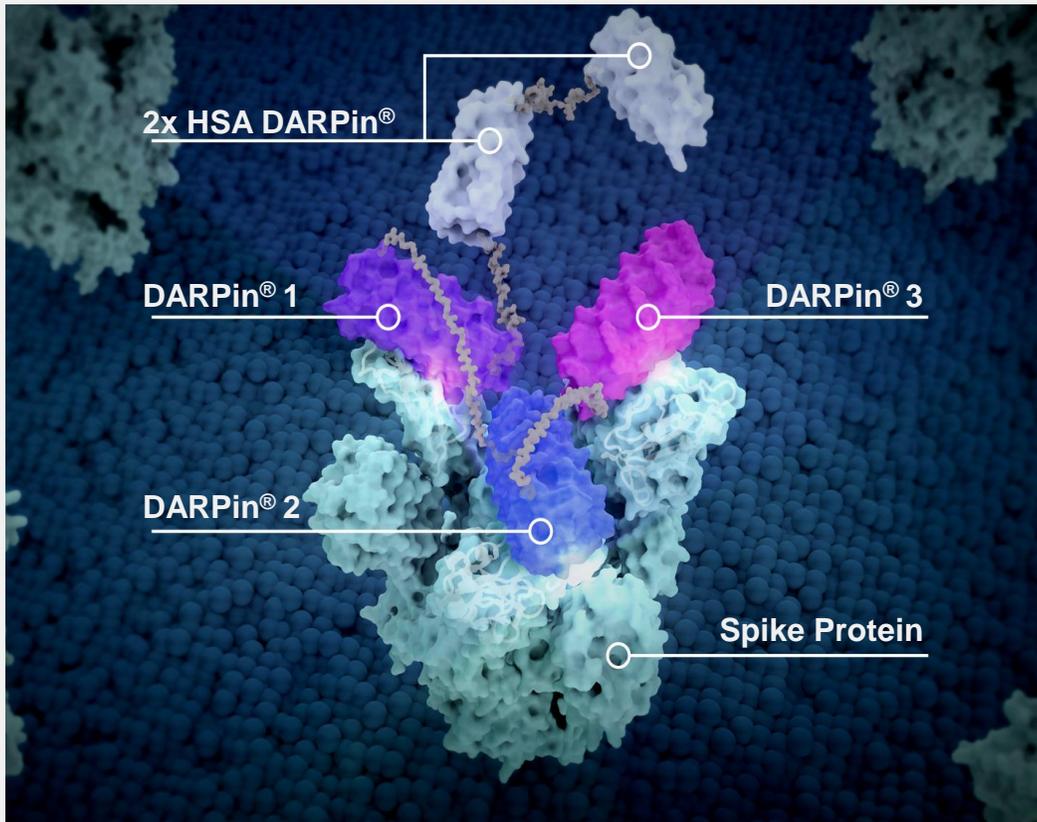


Research and Development Highlights

Patrick Amstutz

Ensovibep – MP0420 – Architecture & Concept

3-D Model

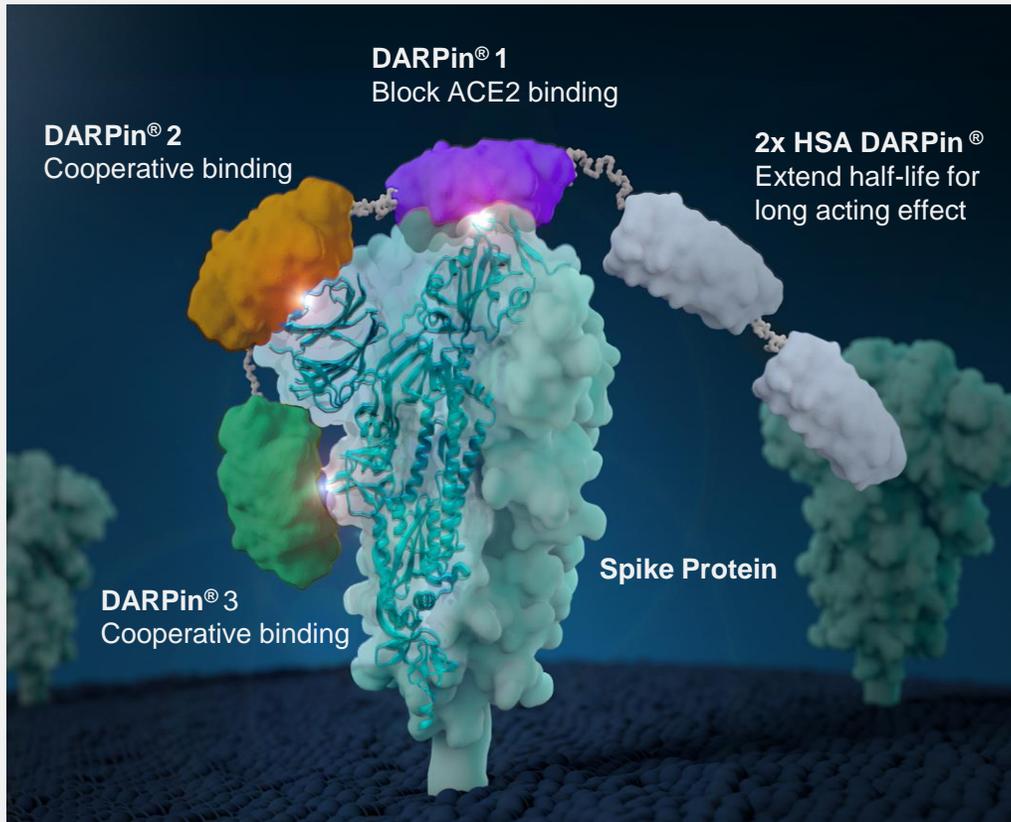


Characteristics

- Three individual RBD binding DARPin[®] molecules
- Cooperative binding
 - Highest potency
 - Protection for viral drift
- Long half-life (2x HSA DARPin[®] molecules)
- Low cost microbial manufacturing
- Small size & high solubility for potential bolus / s.c. injection

MP0423 – Architecture & Concept

3-D Model



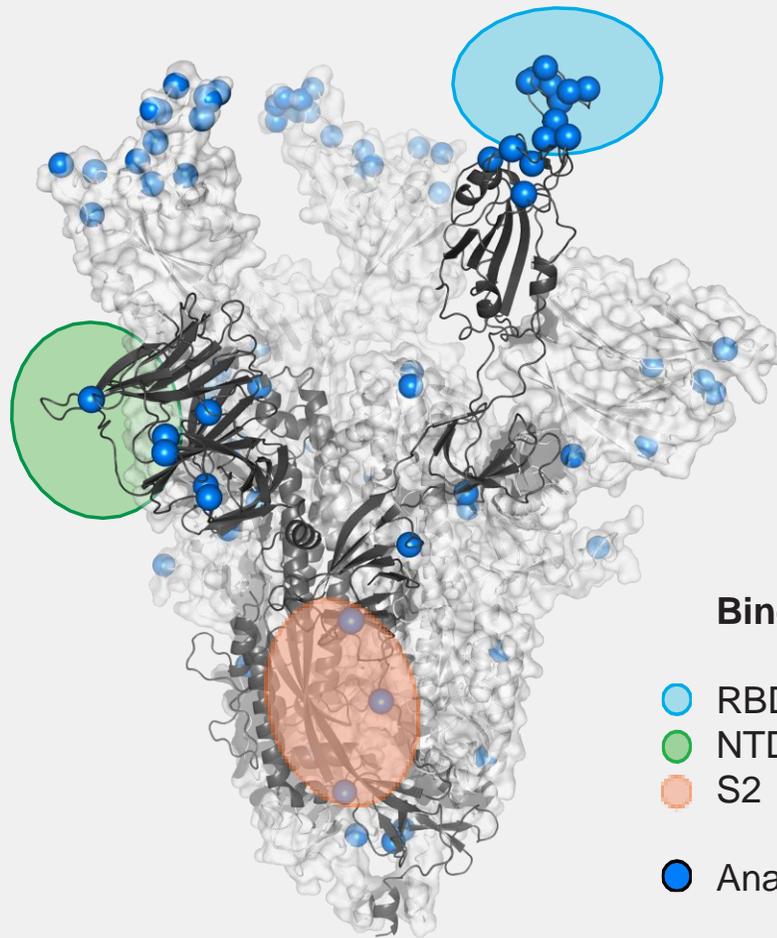
Characteristics

- Three DARPin[®] molecules targeting different domains of the spike protein
 - 1x RBD
 - 1x NTD
 - 1x S2
- High activity even when RBD domain is knocked out
- All other benefits of MP0420

SARS-Cov2 Spike Protein: domains, mutations, variants

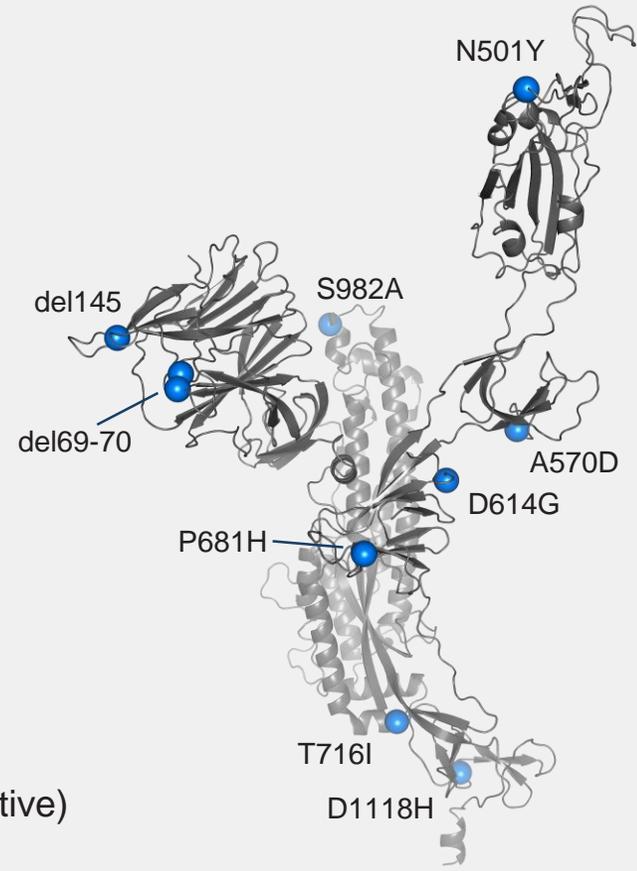
Spike Protein, Epitopes, Mutations

UK and SA variant

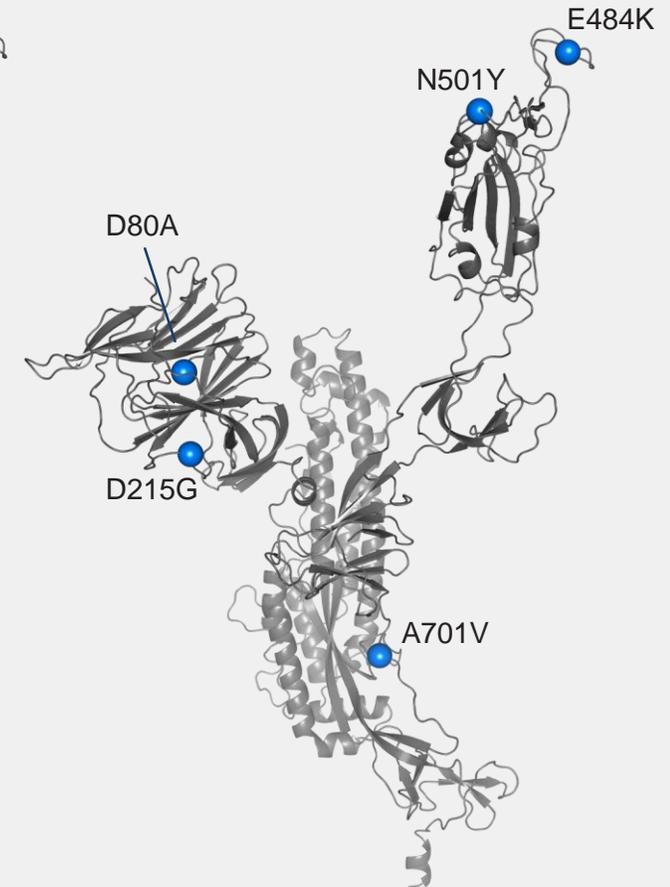


Binding regions:

- RBD DARPIn
- NTD DARPIn
- S2 DARPIn (putative)
- Analyzed mutations



UK Variant



South African Variant

Potency of our Candidates on viral mutants & variants

Variants	Rational	VSV Neutralization Assay IC ₅₀ [ng/mL]			
		MP0420	MP0423	REGN 0933	REGN 10987
wild type	(Wuhan)	1.0	3.1	3.9	6.1
B.1.351	(SA, Δ5)*	3.0	2.4	19.4	6.2
B.1.1.7	(UK, Δ9)**	1.7	70.1	2.4	3.5
Individual Mutations: Residues in variants					
N501Y	in UK, SA, BRA variants; increases RBD/ACE2 interaction ¹	0.5	1.4	4.3	5.8
E484K	in SA, BRA variants; increases RBD/ACE2 interaction ¹	2.7	1.8	17	5.8
K417E	residue mutated to N/T in SA, BRA variants	0.5	1.2	>100	1.5
Y453F	key residue evolved in Danish mink farms variants	3.2	2	>100	11.8
Individual Mutations: Highly frequent mutations					
D614G	Wide global spread	2.4	2.8	n.d.	n.d.
S477N	Wide global spread	1.9	0.8	n.d.	n.d.
N439K	Wide spread in northern america, UK; increases RBD/ACE2 interaction ¹	1.3	2.5	2.8	30.1
A222V	Wide European spread	2.2	3.1	7	2.9
Individual Mutations: RBD epitope or reported resistance for other therapeutics					
G446V		1.7	1	1.5	>100
G476S		1.5	3.1	n.d.	n.d.
T478I		2.7	2.8	4	7
P479S		2.1	1.5	3.7	9.8
V483A		2.3	1.9	n.d.	n.d.
F486V	reduces RBD/ACE2 interaction non-fit virus ¹ ; key residue DARPin RBD binder ²	>100	7.7	>100	4.4
Q493K		7.9	2.4	>100	10
F490S	Reduces RBD/ACE2 interaction ¹	3.8	1.6	3.1	9.2

Legend for the table

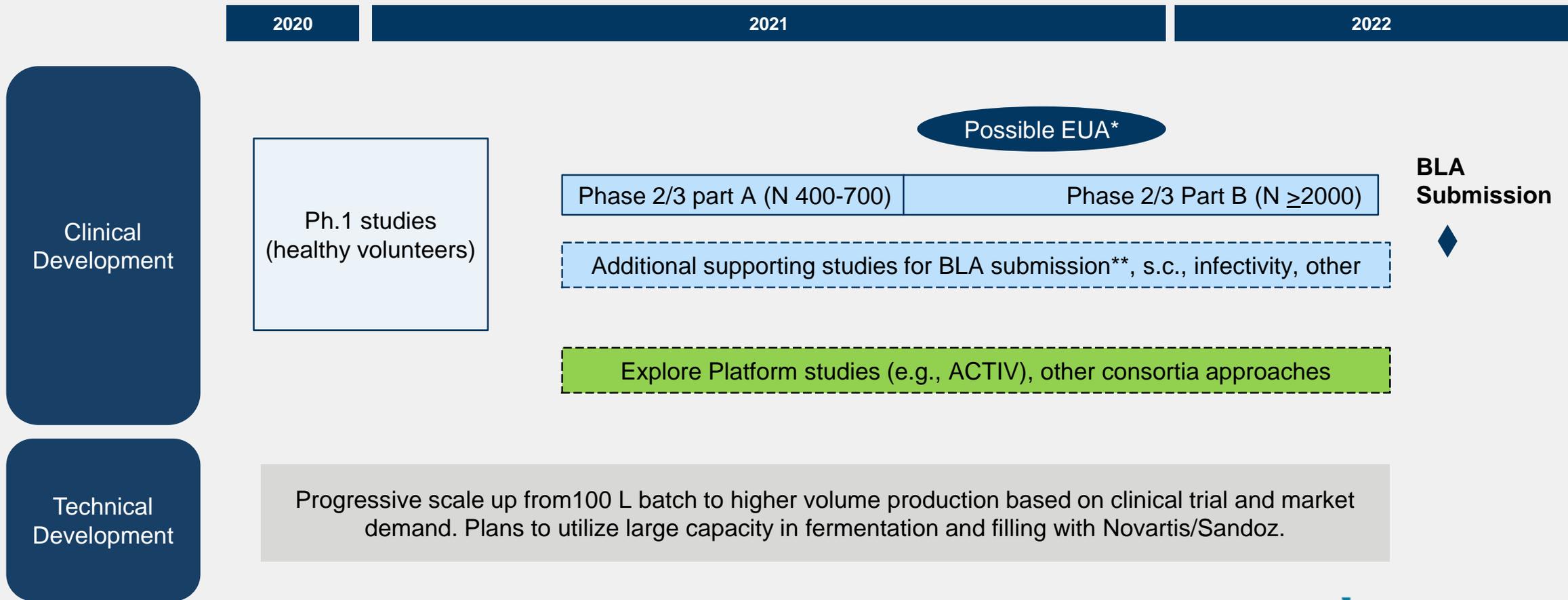
- n.d.: not determined
- Mutations (SA)*: D80A, D215G, E484K, N501Y, A701V
- Mutations (UK)**: del69-70, del145, N501Y, A570D, D614G, P681H, T716I, S982A, D1118H
- Redish shade: IC₅₀ values between >100 ng/mL (outside therapeutically active range)
- ¹ Influence of residue mutations on spike protein binding to human ACE2 (Yi et al. 2020)
 - Increase: stronger ACE2 binding = fitter virus
 - Decrease: weaker ACE2 binding = unfit virus
- ² Predicted interaction residue for DARPin RBD binder (Walser et al. 2020)

Cooperative binding – potency of the modules

Variants	Rational	VSV Neutralization Assay IC ₅₀ [ng/mL]			
		MP0420	Mono-valent RBD Binders in MP0420		
			RBD-1	RBD-2	RBD-3
wild type	(Wuhan)	1	7.2	2.1	13.3
B.1.351	(SA, Δ5)*	3.0	76	26	>100
B.1.1.7	(UK, Δ9)**	1.7	4.6	5.4	11.7
Individual Mutations : Residues in variants					
N501Y	in UK, SA, BRA variants; increases RBD/ACE2 interaction ¹	0.5	9.1	4.8	27.8
E484K	in SA, BRA variants; increases RBD/ACE2 interaction ¹	2.7	64.2	10.2	>100
K417E	residue mutated to N/T in SA, BRA variants	0.5	1.8	1	3.6
Y453F	key residue evolved in Danish mink farms variants	3.2	10.9	5.9	3.3
Individual Mutations: Highly frequent mutations					
D614G	Wide global spread	2.4	11.9	6.2	23
S477N	Wide global spread	1.9	3	2	9
N439K	Wide spread in northern america, UK; increases RBD/ACE2 interaction ¹	1.3	7.3	5.3	12.9
A222V	Wide European spread	2.2	3.3	4.6	19.5
Individual Mutations: Within RBD epitope of DARPins or reported resistance mutation for other therapeutic					
G446V		1.7	0.7	1.8	2.3
G476S		1.5	2.3	3.7	29
T478I		2.7	11.2	3.1	16.7
P479S		2.1	7.2	2.3	27.6
V483A		2.3	21.8	8.4	21.3
F486V	reduces RBD/ACE2 interaction non-fit virus ¹ ; key residue DARPIn RBD binder ²	>100	>100	>100	>100
Q493K		7.9	30	28.2	45.8
F490S	Reduces RBD/ACE2 interaction ¹	3.8	2.3	1.7	8.1

Novartis: Draft Development plan for MP0420

ALL DATES PRELIMINARY, SUBJECT TO HEALTH AUTHORITY INPUT



* Emergency Use Authorization submission, pending interim analysis of data is supportive of EUA
 ** Could involve additional dosing/ administration or treatment subtypes/ settings



Upcoming Catalysts Across The Portfolio in 2021

Antiviral portfolio	
MP0420 (ensovibep) MP0423	<ul style="list-style-type: none"> ▪ POC with EUA/BLA and approval in 2021 ▪ Emergency Use Authorization and/or BLA submission possible in 2021 ▪ MP0423 FIH
Novel antivirals	<ul style="list-style-type: none"> ▪ Develop novel DARPins for viral targets with first new target announced 2021
Immuno-oncology portfolio	
AMG 506 (MP0310)	<ul style="list-style-type: none"> ▪ Identify ideal dosing regimen in ongoing Phase 1 (H1/2021) ▪ Amgen potential combination trials (H2/2021)
MP0317	<ul style="list-style-type: none"> ▪ MP0317 FIH in H2 2021
T cell engagers	<ul style="list-style-type: none"> ▪ 1st Candidate selected for development ▪ Follow-up pipeline established
pMHC	<ul style="list-style-type: none"> ▪ Select Peptides for Candidate Selection – possibly with a partner

Funded into 2023

(Not incl. any future proceeds related to partnerships)



Thank you for your time!

Q&A

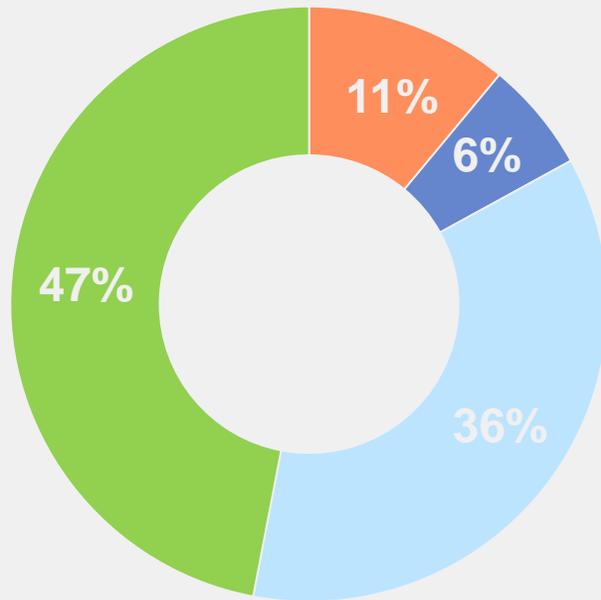




APPENDIX

Shareholder Structure

as of December 31, 2020



- Management, Board, Founders
- Novartis
- SIX registered major shareholders (>3%)
- Others (<3%)

Highlights

- VC holdings further reduced to below 6%
- Novartis acquired 6% stake as part of collaboration agreement
- Listed on SIX Swiss Exchange (SIX: MOLN)
- Included in key indices: SPI, SPI Extra, SXI Life Sciences and SXI Bio+Medtech
- 29.1 million shares outstanding
- CHF 605 million market cap. as of Dec 31, 2020
- 88% formal free float as per SIX definition

Balance Sheet (as per Dec 31)

<i>(CHF million)</i>	<i>FY 2020</i>	<i>FY 2019</i>	<i>FY 2018</i>	<i>FY 2017</i>	<i>FY 2016</i>
Non-current assets⁶	9.7	5.0	1.8	1.9	2.5
Other current assets¹	4.1	4.8	54.5 ⁵	1.4	1.4
Cash balance⁴	173.7	95.1	99.0	141.1	180.2
Shareholders' equity	107.2	54.1	91.7	116.7	135.8
Non-current liabilities²	22.7	22.2	26.6	13.6	32.5
Current liabilities³	57.7	28.6	36.9	14.1	15.8

¹ Prepayments and other assets, trade and other receivables

² Thereof deferred revenues / contract liabilities of CHF 26.8m in FY2016, CHF 9.5m in FY2017 and CHF 20.9m in FY 2018, CHF 10.0m in FY2019 and CHF 2.9m in 2020

³ Thereof deferred revenues / contract liabilities of CHF 10.5m in FY2016, CHF 8.9m in FY2017 and CHF 27.8m in FY 2018, CHF 18.3m in FY 2019 and CHF 42.9m in 2020

⁴ Includes CHF 30.5m short-term time deposits in 2016, CHF 9.8m in 2017, nil in FY 2018, CHF 19.4m in 2019 and CHF 40.0m in 2020

⁵ Includes CHF 49.3m million as receivable on Amgen, paid in January 2019

⁶ Includes CHF 2.5m of capitalized leases in 2019, and 7.2m in 2020

Note: Rounding differences may occur

Income Statement

<i>(CHF million)</i>	<i>FY 2020</i>	<i>FY 2019</i>	<i>FY 2018</i>	<i>FY 2017</i>	<i>FY 2016</i>
Revenues	9.3	20.4	10.4	20.0	23.0
R&D expenses¹	(56.1)	(43.5)	(38.2)	(37.4)	(35.2)
SG&A expenses²	(11.6)	(13.6)	(9.6)	(8.3)	(7.3)
Operating result	(58.3)	(36.7)	(37.4)	(25.8)	(19.5)
Net financial result	(4.4)	0.4	0.4	0.4	0.9
Net result	(62.8)	(36.3)	(37.0)	(25.4)	(18.6)

¹ Thereof non-cash costs of CHF 3.4m in FY2016, CHF 2.9m in FY2017, CHF 3.2m in FY 2018 ,CHF 3.6 m in FY 2019 and 3.6m in FY 2020

² Thereof non-cash costs of CHF 1.3m in FY2016, CHF 2.1m in FY2017, CHF 2.1m in FY 2018, CHF 1.8 m in FY 2019 and 3.5m in FY 2020

Note: Rounding differences may occur

Cash Flow Statement

<i>(CHF million)</i>	<i>FY 2020</i>	<i>FY 2019</i>	<i>FY 2018</i>	<i>FY 2017</i>	<i>FY 2016</i>
Net cash from / (used in) operations	(29.0)	(1.2)	(42.5)	(40.0)	(35.4)
Net cash from / (used in) investing	(21.7)⁵	(19.8) ⁴	9.6 ³	20.9 ²	(11.3) ¹
Net cash from / (used in) financing	113.2	(0.2)	0.4	0.8	0.4
Exchange gain / (loss) on cash	(4.5)	(2.0)	0.1	(0.1)	0.6
Net cash increase / (decrease)	(58.0)	(23.2)	(32.4)	(18.4)	(45.7)
Cash balance at year end	173.7⁵	95.1	99.0 ³	141.1 ²	180.2 ¹

¹ includes CHF 10.5 million increase in short-term time deposits, CHF 30.5 million short-term time deposits at year-end

² includes CHF 20.7 million decrease in short-term time deposits, CHF 9.8 million short-term time deposits at year-end

³ includes CHF 9.7 million decrease in short-term time deposits

⁴ includes CHF 19.4 million decrease in short-term time deposits, CHF 19.4 million short-term time deposits at year-end

⁵ includes CHF 20.6 million decrease in short-term time deposits, CHF 40.0 million short-term time deposits at year-end

Note: Rounding differences may occur



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