MEDIA RELEASE

Interim Management Statement Q1 2020:
Continued Progress on Abicipar, Sharpened Focus on Pipeline Activities

Research & Development Highlights:

- **Abicipar in neovascular wet age-related macular degeneration (nAMD):**
  - **Presentation of MAPLE data at the 2020 Angiogenesis, Exudation, and Degeneration symposium showed lower rates of intra-ocular inflammation than the rate observed in Phase 3 studies, as well as no incidences of retinal vasculitis**
  - **In March, a filing for approval of abicipar in nAMD was submitted to the Japanese Pharmaceuticals and Medical Devices Agency**
  - **In March, a manuscript detailing the pooled phase 3 data of abicipar was accepted for publication by *Ophthalmology*, the journal of the American Academy of Ophthalmology**
- **MP0250 in multiple myeloma:**
  - **Discussions regarding potential collaborations for MP0250 are ongoing**
  - **As of April 30th, 2020, thirty patients have been enrolled at the 8mg/kg cohort in its ongoing study MP0250-201. 5/30 patients still receiving treatment will be monitored and treated, per protocol. The company will not enroll additional patients in this study.**
- **AMG 506 (MP0310) in solid tumors:**
  - **Dose escalation ongoing with continued strong recruitment**
  - **Data from the dose escalation cohorts will be used to inform potential Ph1b combination studies with Amgen assets and will be conducted by Amgen**
- **MP0317 (FAP X CD40):**
  - **United States Food and Drug Administration (FDA) Investigational New Drug Application (IND)-enabling work continues to progress**
  - **IND filing anticipated around the end of 2020**
- **Three scientific posters accepted for 2020 American Academy for Cancer Research (AACR) Annual Meeting, to be held virtually from June 22-24**
  - **Topics will cover AMG 506, MP0317, and peptide-MHC DARPin® programs**
- **In April, the company announced its efforts to design a highly potent DARPin® antiviral therapeutic against SARS-CoV-2, with candidate selection ongoing, and the potential to initiate clinical studies in H2 2020**

Operational & Financial Highlights:

- **Election of three new members to our Board of Directors, including Sandip Kapadia, Vito Palombella Ph.D., and Michael Vasconcelles, M.D.**
- **Cash and short-term deposits of CHF 80.7M as of March 31, 2020**
- **Net cash used in operating activities of CHF 12.8M**
- **Operating loss of CHF 12.2M and net loss of CHF 13.3M in Q1 20**
- **Company funded into H2 2021, not including potential milestones from ongoing partnerships**

Zurich-Schlieren, Switzerland, May 7, 2020. Molecular Partners AG (SIX: MOLN), a clinical-stage biotech company that is developing a new class of custom-built protein therapeutics known as DARPin® therapeutics, announced today its interim management statement for the period ending March 31, 2020.

"We have responded to the current global pandemic in three ways: ensuring the safety of our employees and other stakeholders; preserving continuity of operations with appropriate safeguards; and initiating an accelerated anti-COVID-19 program to leverage the compelling advantages of the DARPin® platform against the novel coronavirus. As we prepare for the FDA's decision regarding abicipar, which would be the first approved DARPin® therapeutic, we have continued to progress our broad pipeline of next-generation multi-DARPin® candidates," said Patrick Amstutz, Ph.D., Chief Executive Officer of Molecular Partners. "Our focus as ever is excellence in scientific innovation executed by a team united by a common purpose to deliver an entirely new class of medicine."

Clinical Updates:

MP0250 in multiple myeloma

MP0250 is a multi-DARPin® candidate that targets hepatocyte growth factor (HGF) and vascular endothelial growth factor (VEGF), two prominent tumor escape pathways, and has the potential to reverse adaptive resistance to standard-of-care cancer therapies.

The first phase 2 trial for MP0250 in combination with proteasome inhibitors (PIs) is evaluating MP0250 in combination with bortezomib (Velcade®) and dexamethasone in patients with multiple myeloma who have failed standard therapies. As of April 30th, 2020, thirty patients have been enrolled at the 8mg/kg cohort in its ongoing study MP0250-201. 5/30 patients still receiving treatment will be monitored and treated, per protocol. The company will not enroll any additional patients into this study. As discussed at the December 2019 R&D Day, the company is focusing on identifying collaborators best placed to accelerate this program.

Phase 1 trial of AMG 506 (MP0310) continues dose escalation

For AMG 506 (MP0310), the phase 1 MP0310-CP101 trial is ongoing and dose escalation is underway. The trial will enroll up to 54 patients at three sites in France to evaluate the safety, tolerability and pharmacokinetics of AMG 506 (MP0310) in patients with locally advanced or metastatic solid tumors.

MP0317 (FAP x CD40) IND-enabling work continues to progress

In Q4 2019, Molecular Partners nominated tumor-localized immune agonist MP0317 as the second DARPin® protein in the company's immuno-oncology pipeline. MP0317 comprises localizer (FAP) and stimulator (CD40) DARPin® domains. It is designed to activate immune cells specifically in the tumor and not in the rest of the body, potentially delivering greater efficacy with fewer side effects. Preclinical data demonstrated that the company's multi-specific FAP x CD40 DARPin® molecule induced FAP-dependent activation of B cells, dendritic cells and macrophages. As previously indicated, the company anticipates filing an IND for MP0317 around the end of 2020.

Dosing ongoing in trial for MP0274 in HER2-positive solid tumors

Recruitment for the dose escalation phase of the phase 1 trial of MP0274 continues. MP0274 is a multi-DARPin® product candidate being developed for the treatment of HER2-positive solid tumors. In preclinical trials MP0274 inhibits downstream signaling pathways, and directly kills HER2-addicted tumor cells through the induction of apoptosis. This represents a new and differentiated mode of action as compared to current standard-of-care antibodies.

Abicipar: Additional filing in Japan, and data presented demonstrating improved tolerability of Abicipar in the MAPLE study

In February 2020, at the Angiogenesis, Exudation, and Degeneration symposium, a presentation titled "Update on the Safety and Efficacy of Abicipar Pegol" was provided by Baruch D. Kuppermann, M.D., Ph.D. This presentation reviewed data from both, the 2-year follow-up data of the CEDAR and SEQUOIA phase 3 studies as well as the MAPLE study, which was a 28 week open-label study that evaluated Abicipar produced via a modified manufacturing process and has demonstrated a lower inflammation rate than the rate observed in Phase 3 studies. The data presented showed that in year 2 of the CEDAR and SEQUOIA study and in the MAPLE study there were no incidences of retinal vasculitis.

In March 2020, an application to approve abicipar for the treatment of nAMD was filed to the Japanese Pharmaceuticals and Medical Devices Agency.

Balance sheet: Strong cash and equity positions as of March 2020

Molecular Partners' financial performance for the first three months of 2020 reflects an operating cash outflow of CHF 12.8 million. Cash and short-term deposits decreased by CHF 14.4 million in Q1 2020 to CHF 80.7 million as of March 31, 2020 (year-end 2019: CHF 95.1 million).

As of March 31, 2020, the company employed 139.6 FTEs, a 14% increase year-over-year, with approximately 85% of employees serving in R&D functions.

Business outlook and priorities

In 2020, Molecular Partners anticipates regulatory decisions by the FDA and European Medicines Agency (EMA) regarding the market launch of **abicipar** for patients with nAMD. The FDA is expected to take action on the Biologics License Application (BLA) by mid-2020, and a decision from the European Commission is expected in the second half of 2020. Molecular Partners continues to work closely with its partner Allergan in the preparation and education of the market for the expected launch.

In **immuno-oncology**, recruitment of patients will continue in the phase 1 trial of MP0310 (AMG 506). Molecular Partners and Amgen expect to collect initial data from this trial in H2 2020.

In **oncology**, the company intends to conclude its phase 2 trial of MP0250 in patients with multiple myeloma in combination with Velcade® and will pursue partnership opportunities for the MP0250 program. The company further plans in 2020 to establish dosing and clinical strategy for MP0274, as that therapeutic candidate concludes its phase 1 dose escalation.

Additionally, Molecular Partners will continue to advance its **immuno-oncology research pipeline**, specifically the MP0317, the CD3 DARPin® T cell-engager platform and peptide-MHC programs.

Financial outlook 2020

For the FY 2020, at constant exchange rates, the company continues to expect total expenses of CHF 60-70 million, of which around CHF 6 million will be non-cash effective costs for share-based payments, International Financial Reporting Standards (IFRS) pension accounting and depreciations.

This guidance is subject to the progress of the pipeline, mainly driven by manufacturing costs, the speed of enrollment of patients in clinical trials and data from research and development projects; in addition to potential external impacts such as the ongoing COVID-19 global pandemic. No guidance can be provided with regard to net cash flow projections. Timelines and potential milestone payments for existing and potentially new partnerships are not disclosed.

Financial Calendar

August 26, 2020	Publication of Half-year Results 2020 (unaudited)
October 29, 2020	Interim Management Statement Q3 2020

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

About the DARPin® therapeutics

DARPin® therapeutics are a new class of custom-built protein therapeutics based on natural binding proteins that open a new dimension of multi-functionality and multi-target specificity in drug design. A single DARPin® candidate can engage more than five targets, and its flexible architecture and small size offer benefits over conventional monoclonal antibodies or other currently available protein therapeutics. DARPin® therapeutics have been clinically validated through to registration via the development of abicipar, Molecular Partners' most advanced DARPin® drug candidate. The DARPin® platform is a fast and cost-effective drug discovery engine, producing drug candidates with optimized properties for development and very high production yields. DARPin® is a registered trademark owned by Molecular Partners AG.

About Molecular Partners AG

Molecular Partners AG is a clinical-stage biotech company developing a new class of custom-built proteins known as DARPin® therapeutics, designed to address challenges current modalities cannot. The company has compounds in various stages of clinical and preclinical development with a focus on oncology. Molecular Partners has formed partnerships with leading pharmaceutical companies to advance DARPin® therapeutics across multiple therapeutic areas.

For more information regarding Molecular Partners AG, go to: www.molecularpartners.com.

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