

Molecular Partners Secures CHF 46 million in Series B Financing Led by Essex Woodlands Health Ventures

Zurich-Schlieren, Switzerland, December 15, 2009. Molecular Partners AG, a pioneer in the development of DARPins as next generation protein therapeutics, has announced the closing of its Series B equity investment round securing CHF 46 million (€ 30 million, \$ 45 million).

The round was led by new investor Essex Woodlands Health Ventures, a leading venture capital and growth equity firm in the healthcare industry. All existing investors also participated in the round, including Index Ventures, Johnson & Johnson Development Corporation, BB Biotech Ventures and Endeavour. This increases the total amount raised by Molecular Partners to CHF 64.5 million since 2007.

The new funds will enable Molecular Partners not only to advance its lead compound MP0112, a best-in-class VEGF antagonist, into clinical proof of concept studies in two indications in ophthalmology, but will also support the development of Molecular Partners' broad proprietary pipeline of preclinical DARPin candidates. As novel biologics, DARPins combine the advantages of monoclonal antibodies with many of the properties of small molecules. Molecular Partners is collaborating with Centocor Research & Development, Inc. in the development of DARPins for two undisclosed targets.

The investment will see Dr. Petri Vainio, Managing Director at Essex Woodlands, join the board of directors at Molecular Partners.

Dr. Christian Zahnd, CEO commented: "We see this funding as a very strong validation of our company, the lead compound, and the DARPin platform. It will allow us to take our lead program through early clinical development, as well as to progress our pre-clinical pipeline towards the clinic. I am very happy to strengthen our investor base so significantly with Essex Woodlands. Also, I am grateful for the continuous support from our existing investors".

Dr. Petri Vainio from Essex Woodlands added: "Molecular Partners is one of those rare companies that owns a technology platform that is broad and powerful enough to generate numerous successful pharmaceutical products. We are all pleased and honoured to have the opportunity to back Christian and his team as they pursue their exciting vision for this company."

Jörn Aldag, chairman of the board commented: "The quality of the investors serves to highlight the quality of the science, the products and the entire team at Molecular Partners. I

would also like to welcome Petri Vainio to the board. His experience and knowledge will be key in ensuring Molecular Partners' continued success."

Dr. Francesco de Rubertis, Partner, from Index Ventures, who led the Series A round, commented: "The team at Molecular Partners has done a fantastic job in delivering on all of their aggressively set milestones. This very strong investment round underlines the confidence we have in Molecular Partners to become a leader in the field of next generation protein therapeutics."

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For more information, please visit www.molecularpartners.com

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Notes to editors:**About Molecular Partners:**

Molecular Partners is a privately held biotech company focusing on the commercialization of a novel class of biological drugs known as DARPins. The company is using/exploiting this novel class of protein therapeutics to create medicines for diseases with unmet medical need and to dramatically improve existing therapies. DARPins combine the high specificity, selectivity and safety of monoclonal antibodies with many advantages of small molecules, including high stability and low-cost production.

Molecular Partners has established a strong DARPIn pipeline which is well differentiated from standard therapeutic approaches. The lead DARPIn product, MP0112, a best-in-class VEGF antagonist, is being developed for ophthalmology indications and is scheduled to enter clinical testing in early 2010. In ophthalmology, MP0112 is expected to bring substantial patient benefit compared to competing products, through less frequent injections. Next to MP0112, Molecular Partners is building a broad pipeline of DARPIn drugs in inflammation, oncology and other disease areas. The internal pipeline is expanded by partnered programs with leading pharmaceutical companies. Molecular Partners has established collaborations with F. Hoffmann-la Roche, Centocor Research & Development Inc. and Bayer Schering Pharma. The company is backed by a strong syndicate of investors and holds a strong patent estate covering all DARPIn applications.

About Essex Woodlands Health Ventures:

With \$2.5 billion under management, Essex Woodlands is one of the largest and oldest venture capital and growth equity firms pursuing investments in pharmaceuticals, biotechnology, medical devices, health care services, and health information technology. Since its founding in 1985, Essex Woodlands has maintained its singular commitment to the healthcare industry and has been involved in the founding, investing, and/or management of over 100 healthcare companies ranging across all sectors, stages and geography. The team is comprised of 25 senior investment professionals with offices in Palo Alto, Houston, New York and London. For more information please see www.ewhv.com.

About Index Ventures:

Index Ventures is a leading European venture capital firm, active in technology venture investing since 1996. The firm is dedicated to helping top entrepreneurial teams in the Life Science and Information Technology sectors build their companies into market defining global leaders, and currently has over \$1 billion under management. The firm has offices in Geneva, London and Jersey and focuses its investment activity primarily on Europe and Israel. Investments include Genmab (GEN, Copenhagen), Addex (ADXN, SWX), PanGenetics, cellZome and Micromet. For more information, please visit www.indexventures.com.

About BB Biotech Ventures:

BB Biotech Ventures is a healthcare-dedicated venture capital fund, focused on companies that develop and market drugs and medical devices. The Guernsey-based fund is advised by the Bellevue Asset Management Group, which has operations in Boston and Kusnacht/Zurich, Switzerland. BB BIOTECH VENTURES currently invests from Fund II, which has a size of USD 123 mn and was closed in 2005. Bellevue is one of the largest financial healthcare investors in the world, investing both private and public equity. Investment vehicles additionally advised by Bellevue include BB BIOTECH and BB MEDTECH. For more information, please visit www.bbbiotechventures.com.

About Endeavour Vision:

Endeavour Vision combines a team of experienced venture capital professionals who have collectively invested in over 75 companies in 12 countries in both the Life Sciences and Information/Communication Technologies since 1989. The firm invests across Europe in early stage companies which have the potential to become global leaders. Past investments in the Life Sciences of Endeavour Vision professionals include Actelion (SWX:ATLN), Novimmune, Axovan (acquired by Actelion), Kuros Biosurgery and Endoart (acquired by Allergan, NYSE:AGN). For more information, please visit www.endeavourvision.com