MEDIA RELEASE

Molecular Partners reports key financials for FY 2018 and corporate highlights for Q4 2018: Company positioned for growth following positive phase 3 abicipar data and validation of DARPin® platform through Amgen collaboration

Research & Development:

- **MP0310: Molecular Partners and Amgen announced strategic collaboration for clinical development and commercialization of lead IO candidate MP0310 (FAP x 4-1BB), validating the company's immuno-oncology toolbox and DARPin® platform; first-in-human trial planned for H2 2019**
- **MP0250 and MP0274: Additional patient data of ongoing phase 2 trial of MP0250 in combination with Velcade® in MM support data observed in first patient cohort; Complementary phase 2 trial of MP0250 in combination with Pomalyst® (IMiD) in MM in preparation; Recruitment of first patient cohort for phase 1 trial of MP0274 completed**
- **Abicipar (Allergan partnership): Phase 3 secondary endpoint data presented in Q4 2018 underline potential to become first fixed 12 week anti-VEGF for wet AMD; Allergan plans to file abicipar with the FDA in H1 2019 and expects results of MAPLE trial in H1 2019**

Team:

- **Talent base of 118 full-time employees (+10% year-on-year), reflecting further build-out of oncology expertise**

Financial Highlights:

- **Strong financial position with CHF 99.0 million in cash as of December 31, 2018**
- **USD 50 million upfront payment from collaboration agreement with Amgen collected in January 2019**
- **Net cash used in operating activities of CHF 42.5 million in 2018, reflecting further build-out of R&D and clinical pipeline**
- **Operating loss of CHF 37.4 million and net loss of CHF 37.0 million in 2018**
- **Company funded into H2 2020, which is beyond Allergan's expected abicipar launch resulting in expected steady income stream for Molecular Partners**

Zurich-Schlieren, Switzerland, February 7, 2019. Molecular Partners AG (SIX: MOLN), a clinical-stage biotech company pioneering the use of DARPin® therapeutics* to treat serious diseases, today announced its unaudited financial results for 2018 and corporate highlights for the fourth quarter 2018. The fourth quarter was marked by positive phase 3 efficacy data presented for abicipar as well

as the initiation of a strategic collaboration with Amgen in the field of immuno-oncology, two key milestones for the company.

“This was an important year for Molecular Partners in our key focus areas of oncology and immuno-oncology, including the presentation of the clinical strategy for MP0250 and the further development of our immuno-oncology portfolio. In addition, our partnership with Amgen in immuno-oncology validates our innovative therapeutic designs and our successful transition into oncology,” said Dr. Patrick Amstutz, Chief Executive Officer of Molecular Partners. “Positive data from the ongoing trials of abicipar in ophthalmology continue to underscore the therapeutic power of the DARPin® platform. We are now preparing our company for the next phase of growth, marked by Allergan’s expected launch of abicipar as early as 2020.”

MP0250: Update on phase 2 trial of MP0250 plus Velcade®/dexamethasone in multiple myeloma at ASH and company’s R&D Day in New York; complementary trial of MP0250 plus Pomalyst®/dexamethasone starts in 2019

MP0250, Molecular Partners’ lead oncology asset, is a multi-DARPin® candidate that targets hepatocyte growth factor (HGF) and vascular endothelial growth factor (VEGF), targeting two prominent pathways involved in tumor progression. Both pathways contribute to adaptive resistance to several targeted therapies and MP0250 may have the potential to overcome such adaptive resistance mechanisms.

At the ASH conference in December 2018, the company presented an update on its ongoing phase 2 trial evaluating MP0250 in combination with bortezomib (Velcade®) and dexamethasone in patients with multiple myeloma who had failed standard therapies. Early data from eight patients of the expansion part as per cut-off date of January 31, 2019, support the data observed in the first patient cohort.

The company further discussed potential development strategies for MP0250 at its R&D Day in New York in December 2018 and revealed plans to initiate a second phase 2 trial for MP0250 in MM. In this complementary trial patients will be treated with MP0250 in combination with pomalidomide (Pomalyst®) and dexamethasone. These patients will be relapsed or refractory MM patients who have failed at least two lines of therapy including a proteasome inhibitor (PI) and an immunomodulatory drug (IMiD) with the most recent therapy being IMiD-based. The ongoing phase 2 trial for MP0250 in MM in combination with Velcade® and dexamethasone is updated to recruit patients with a proteasome inhibitor (PI) based regimen as the most recent therapy. Together, these trials will cover the two main backbones of MM therapy and offer patients the potential to extend treatment with their last-used drug.

MP0250: Patient recruitment for phase 2 trial in Non-Small Cell Lung Cancer (NSCLC) ongoing

Molecular Partners is continuing patient recruitment for its ongoing phase 1b/2 clinical study of MP0250 in combination with osimertinib (Tagrisso®) in patients with EGFR-mutated Non-Small Cell Lung Cancer (NSCLC) who were pre-treated with osimertinib.

A total of seven patients have been recruited so far at the MP0250 dose of 8mg/kg, dosed every three weeks. As several patients are still on treatment, it is premature to present data on efficacy or toxicity at this point in time.

MP0274 in HER2-positive solid tumors: Recruitment of patient cohort in ongoing Phase 1 trial completed and dose escalation 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. Recruitment for the first patient cohort has been completed and the dose escalation phase continues.

MP0310: Strategic immuno-oncology collaboration will jointly develop MP0310 in combination with Amgen's oncology assets

On December 19, 2018, the company announced a collaboration and license agreement for the clinical development and commercialization of MP0310 (FAP x 4-1BB). MP0310 is a preclinical molecule designed to locally activate immune cells in the tumor by binding to FAP on tumor stromal cells (localizer) and co-stimulating T cells via 4-1BB (immune modulator).

Under the terms of the agreement, Amgen obtains exclusive global development and commercial rights for MP0310. The parties will jointly evaluate MP0310 in combination with Amgen's oncology pipeline products, including its investigational BiTE® (bispecific T cell engager) molecules. Under the collaboration, Molecular Partners retains certain rights to develop and commercialize its proprietary DARPin® pipeline products in combination with MP0310.

In January 2019, Molecular Partners collected an upfront payment of USD 50 million. The company is further eligible to receive up to USD 497 million in development, regulatory and commercial milestone payments, as well as double-digit, tiered royalties up to the high teens. The parties agreed to share the clinical development costs in defined percentages for the first three indications subject to certain conditions. For all additional clinical trials, Amgen is responsible for all development costs.

Immuno-oncology: Preclinical data on the company's DARPin® toolbox and on MP0310 highlighted at multiple scientific conferences

In Q4 2018, the company presented preclinical data on MP0310 at multiple scientific conferences. Moreover, Molecular Partners presented data on FAP x CD40, a second multi-specific preclinical DARPin® molecule in immuno-oncology. In 2019, the company plans to further advance DARPin® candidates arising from its immuno-oncology toolbox as well as to test other differentiating therapeutic designs with its DARPin® approaches.

Abicipar: Potential to be the first fixed 12 week anti-VEGF for nAMD

In Q4 2018, Allergan presented phase 3 safety and efficacy data of abicipar from SEQUOIA and CEDAR, two ongoing and identical global phase 3 trials designed to assess the efficacy and safety of abicipar compared with ranibizumab (Lucentis®) in treatment-naive patients with neovascular age-related macular degeneration (nAMD). These data underscore abicipar's potential to become the first fixed 12-week anti-VEGF therapeutic.

Allergan consequently reiterated its intention to file the abicipar BLA with the Food and Drug Administration (FDA) in H1 2019 and continues to plan the market launch for 2020. Additionally, Allergan expects to share results from the MAPLE study, testing a further optimized formulation of abicipar, in H1 2019.

Financial highlights: Collaboration with Amgen further increased solid financial flexibility

In the financial year 2018, Molecular Partners recognized total revenues of CHF 10.4 million (2017: CHF 20.0 million) and incurred total expenses of CHF 47.8 million (2017: CHF 45.8 million). This led to an operating loss of CHF 37.4 million for 2017 (2017: Operating loss of CHF 25.8 million). The net financial result of CHF 0.4 million recorded in 2018 remained on the same level as in 2017. This resulted in a 2018 net loss of CHF 37.0 million (2017: Net loss of CHF 25.4 million).

The net cash used for operating activities in 2018 was CHF 42.5 million (2017: net cash used of CHF 40.0 million). Including time deposits, the cash and cash equivalents position decreased by CHF 42.1 million vs. year-end 2017 to CHF 99.0 million as of December 31, 2018 (December 31, 2017: CHF 141.1 million). Total shareholders' equity stood at CHF 91.7 million as of December 31, 2018, a decrease of CHF 25.0 million (December 31, 2017: CHF 116.7 million). The USD 50 million upfront payment from the strategic collaboration with Amgen was collected in January 2019 and further increases the company's solid cash position with no debt on the balance sheet.

Key figures as of December 31, 2018

Key Financials (unaudited) *(CHF million, except per share, FTE data)*	**FY 2018**	**FY 2017**	**change**
Total revenues	**10.4**	20.0	(9.6)
R&D expenses	(38.2)	(37.4)	(0.8)
G&A expenses	(9.6)	(8.4)	(1.2)
Operating result	**(37.4)**	(25.8)	(11.6)
Net financial result	0.4	0.4	0.0
Net result	**(37.0)**	(25.4)	(11.6)
Basic net result per share (in CHF)	(1.75)	(1.22)	(0.53)
Net cash from (used in) operating activities	(42.5)	(40.0)	(2.5)
Cash balance (incl. time deposits) as of Dec. 31	**99.0**	141.1	(42.1)
Total shareholders' equity as of Dec. 31	91.7	116.7	(25.0)
Number of total FTE as of Dec. 31	**117.7**	107.8	9.9
- thereof in R&D	104.4	96.5	7.9
- thereof in G&A	13.3	11.3	2.0

As a result of the adoption of IFRS 15, deferred revenues as of December 31, 2017 of CHF 18.4 million were partly reclassified to equity (CHF 9.0 million) in the IFRS financial statements to reflect the accumulated past effect of the adoption as of January 1, 2018. The remaining portion of CHF 9.4 million was recognized as revenues due to the option exercise in relation to the Discovery Alliance Agreement with Allergan in 2018. The remaining revenue in 2018 was generated from the Amgen agreement in December 2018.

As of December 31, 2018, the company employed 118 FTE, up 10% compared to year-end 2017. About 90% of the employees are employed in R&D-related functions.

"In the course of 2018, Molecular Partners' financial position continued to develop in line with our expectations. We were able to reinforce our solid cash position with the USD 50 million upfront payment from the strategic collaboration with Amgen. This further increases our financial flexibility to capture multiple value-creating inflection points into H2 2020, beyond Allergan's expected market launch of abicipar and the related expected steady income stream from there on," said Andreas Emmenegger, Chief Financial Officer of Molecular Partners. "As we are setting up our organization for growth, we plan to substantially increase investments, mainly into our clinical program as well as into the expansion of our workforce."

Business outlook and priorities

In 2019, Molecular Partners will present additional data from its ongoing phase 2 trials of MP0250 in patients with multiple myeloma (MM). The company also expects to present initial data of its phase 1b/2 study of MP0250 in EGFR-mut NSCLC in 2019. The company also expects data in 2019 for MP0274, the proprietary, single-pathway DARPin® drug candidate for the treatment of HER2-positive cancer.

The company will continue to advance its DARPin® candidates within its **immuno-oncology pipeline,** and will present further research and preclinical data for additional therapeutic candidates resulting from the company's immuno-oncology toolbox. For the company's most advanced IO candidate, MP0310, Molecular Partners and its strategic collaboration partner Amgen expect to enter into a clinical phase 1 monotherapy trial in H2 2019.

In **ophthalmology**, following the differentiating phase 3 efficacy data of abicipar in patients with wet AMD, Allergan plans to file abicipar with the FDA in H1 2019. Allergan also continues to expect results from the MAPLE study, using the further optimized formulation of abicipar, in H1 2019. Molecular Partners will continue to support Allergan in advancing abicipar through the phase 3 trials and in further optimizing the abicipar formulation. Allergan indicated its intention to launch the phase 3 study for abicipar in DME in H2 2019. Finally, the company continues to support Allergan in advancing the three preclinical ophthalmology assets optioned-in from the existing research collaboration.

Financial outlook 2019

For the full year 2019, at constant exchange rates, the company expects total expenses of CHF 70-80 million, of which around CHF 7 million will be non-cash effective costs for share-based payments, IFRS pension accounting and depreciations. The increase versus the previous year is mainly driven by the progress of the company's pipeline, additional clinical trials for MP0250, the start of manufacturing of phase 3 material for MP0250 as well as the budgeted growth of the company's workforce. Capital expenditures in FY 2019 are expected to be approximately CHF 3 million.

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. 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.

Investor documentation of FY 2018 results

This FY 2018 press release as well as the FY 2018 results presentation are available on the investors section of the company's website.

FY 2018 results presentation, conference call and audio webcast

Molecular Partners will hold the FY 2018 results presentation in its headquarters in Zurich-Schlieren on February 07, 2019, 2:00pm CET (1:00pm GMT, 8:00am EST). For those who are unable to participate in the live event, the company provides conference call and audio webcast capabilities.

In order to register for the **FY 2018 conference call**, please dial the following numbers approximately 10 minutes before the start of the presentation:

Switzerland / Europe	+41 (0) 58 310 5000
UK	+44 (0) 203 059 5862
USA	+1 (1) 631 570 5613

Participants will have the opportunity to ask questions after the presentation.

The FY 2018 audio webcast will be accessible, both live and as a replay, on the investors section of the company's website www.molecularpartners.com, along with the accompanying presentation slides.

Financial Calendar

March 15, 2019	Expected Publication of Annual Report 2018
April 16, 2019	Annual General Meeting
May 9, 2019	Interim Management Statement Q1 2019
August 27, 2019	Publication of Half-year Results 2019 (unaudited)
October 31, 2019	Interim Management Statement Q3 2019

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

About the DARPin® Difference

DARPin® therapeutics are a new class of protein therapeutics opening an extra dimension of multi-specificity and multi-functionality. DARPin® candidates can engage more than five targets, offering potential benefits over those offered by conventional monoclonal antibodies or other currently available protein therapeutics. The DARPin® technology is a fast and cost-effective drug discovery engine, producing drug candidates with ideal properties for development and very high production yields.

With their good safety profile, low immunogenicity and long half-life in the bloodstream and the eye, DARPin® therapeutics have the potential to advance modern medicine and significantly improve the treatment of serious diseases, including cancer and sight-threatening disorders. Molecular Partners is partnering with Allergan to advance clinical programs in ophthalmology and is advancing a proprietary pipeline of DARPin® drug candidates in oncology and immuno-oncology. The most advanced global product candidate is abicipar, a molecule currently in phase 3, in partnership with Allergan. Several DARPin® molecules for various ophthalmic indications are also in development. The most advanced DARPin® therapeutic candidate wholly owned by Molecular Partners, MP0250, is in phase 2 clinical development for the treatment of solid and hematological tumors. MP0274, the second-most advanced DARPin® drug candidate owned by Molecular Partners, binds to Her2 and inhibits downstream signaling, which leads to induction of apoptosis. MP0274 is currently in phase 1. Molecular Partners is also advancing a growing preclinical pipeline that features several immuno-oncological development programs. DARPin® is a registered trademark owned by Molecular Partners AG.

About Molecular Partners AG

Molecular Partners AG is a clinical-stage biotech company that is developing a new class of therapies known as DARPin® therapeutics. The company continues to attract talented individuals who share the passion to develop breakthrough medicines for serious diseases. Molecular Partners has compounds in various stages of clinical and preclinical development and several more in the research stage, with a current focus on oncology and immuno-oncology. The company establishes research and development partnerships with leading pharmaceutical companies and is backed by established biotech investors.

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

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