

To the Shareholders of Molecular Partners AG (Company)

Invitation to the Annual General Meeting

Wednesday, April 29, 2020, 2:00 p.m.

Molecular Partners AG, 5th Floor, **Wagistrasse 14, 8952 Schlieren**, Switzerland

Based on Article 6a of Swiss Ordinance 2 on measures to fight the coronavirus (COVID-19) in the version from March 16, 2020, the Company has decided that shareholders of Molecular Partners AG may exercise their rights at the Annual General Meeting taking place on April 29, 2020 exclusively through the independent proxy. This measure allows the Company to hold the Annual General Meeting as planned despite the current situation. The conduct of the Annual General Meeting remains subject to additional measures that might be issued by the Swiss authorities.

Agenda and Proposals of the Board of Directors

1. Approval of the Annual Report and the Annual Financial Statements for the Financial Year 2019

The Board of Directors proposes to approve the Annual Report 2019 and the Annual Financial Statements 2019.

Explanations

The Annual Report 2019 includes the IFRS Consolidated Financial Statements (pages 76ff. of the Annual Report 2019) and the Company Only Financial Statements (pages 120ff. of the Annual Report 2019).

2. Consultative Vote on the Compensation Report

The Board of Directors proposes to approve in a consultative vote the Compensation Report 2019.

Explanations

The Compensation Report 2019 is included in the Annual Report 2019 (pages 62ff.). The Board of Directors has decided, in accordance with the Swiss Code of Best Practice for Corporate Governance, to submit the Compensation Report to shareholders for a separate consultative vote in addition to the binding approvals of compensation under agenda item 10.

3. Appropriation of Net Loss

The Board of Directors proposes to carry forward the net loss of CHF 33,445,874 thereby bringing the loss carried forward position from CHF 65,822,694 to CHF 99,268,568.

4. Appropriation of Reserves

The Board of Directors proposes to transfer CHF 148,000,000 from the sub-position "Reserves from capital contributions" within the legal capital reserves to a new sub-position "Reserves from capital contributions" within the free reserves.

Explanations

The Company Only Financial Statements for the year ending December 31, 2019 present that one-half of the share capital and the legal capital reserves (taking into consideration the totality of the reserves from capital contributions) are no longer covered pursuant to Article

725 para. 1 CO. In order to address this capital loss, the Board of Directors proposes a reclassification of the reserves from capital contributions in the amount of CHF 148,000,000 from the non-protected legal capital reserves to the free reserves.

Subject to the approval of the proposed appropriation of the net loss under agenda item 3 above and the transfer of reserves from capital contributions under this agenda item 4 by the Annual General Meeting, the respective reserves and cumulative losses will develop as follows:

TCHF	Legal capital reserves	Free reserves and cumulative losses	
	Reserves from capital contributions	Reserves from capital contributions	Cumulative losses
Amounts according to balance sheet as of 31 December 2019	161,859	—	(99,269)
Transfer according to the proposal of the Board of Directors to the Annual General Meeting	(148,000)	148,000	—
Amounts after proposed transfer	13,859	148,000	(99,269)

5. Discharge of the Board of Directors and the Management Board

The Board of Directors proposes that its members and the members of the Management Board be granted discharge for their activities in the financial year 2019.

6. Renewal of Authorized Share Capital

The Board of Directors proposes that the authorized share capital of the Company in a maximum amount of CHF 565,986 be renewed for a period of two years until April 29, 2022 and Article 3a of the Articles of Incorporation¹ be amended accordingly as follows (**changes marked**):

Article 3a- Present version

Authorized Capital

¹ The board of directors is authorized to increase the share capital, at any time until April 18, 2020, by a maximum amount of CHF 565,986 by issuing a maximum of 5,659,860 fully paid up shares with a par value of CHF 0.10 each. An increase of the share capital in partial amounts shall be permissible.

The rest of Article 3a remains unchanged.

Article 3a - Requested new version

Authorized Capital

The board of directors is authorized to increase the share capital, at any time until **April 29, 2022**, by a maximum amount of CHF 565,986 by issuing a maximum of 5,659,860 fully paid up shares with a par value of CHF 0.10 each. An increase of the share capital in partial amounts shall be permissible.

The rest of Article 3a remains unchanged.

Explanations

The Board of Directors proposes to renew the existing amount of authorized share capital, without any increase, for an additional period of two years. While since its IPO in 2014, the Company has exclusively sourced financing solutions through clinical and research collaborations with external partners, it is imperative for a clinical stage biotech company, without regular source of income, to keep a reasonable level of financial flexibility.

¹ <http://investors.molecularpatterns.com/corporate-governance/governance-documents.aspx>

7. Re-Elections and Elections to the Board of Directors and the Nomination and Compensation Committee

7.1 Re-Elections to the Board of Directors

The Board of Directors proposes the re-elections of:

- 7.1.1 William (Bill) Burns;
- 7.1.2 Gwen Fyfe;
- 7.1.3 Steven H. Holtzman; and
- 7.1.4 Patrick Amstutz;

each as member of the Board of Directors for a term of office of one year until the conclusion of the annual general meeting 2021. All re-elections are held individually.

Explanations

For biographical details on the candidates please refer to the Company's website². As announced in February 2020, Göran Ando, William (Bill) Lee and Petri Vainio have indicated their wish not to stand for re-election at the Annual General Meeting 2020. Please note that Patrick Amstutz, as CEO of the Company, is not and will not be member of any committee of the Board of Directors.

7.2 Elections to the Board of Directors

The Board of Directors proposes the elections of:

- 7.2.1 Sandip Kapadia;
- 7.2.2 Vito J. Palombella; and
- 7.2.3 Michael Vasconcelles;

each as member of the Board of Directors for a term of office of one year until the conclusion of the annual general meeting 2021. All elections are held individually.

Explanations

Sandip Kapadia is currently CFO of Intercept Pharmaceuticals, a biopharmaceutical company focused on the development and commercialization of novel therapeutics to treat progressive non-viral liver diseases. He has over 20 years of experience in building and leading finance and administration teams at life sciences companies both, in Europe and in the United States. Prior to joining Intercept, Sandip held finance leadership positions over 19 years at the Novartis headquarter and Novartis affiliates in the United States, Switzerland, the Netherlands and the United Kingdom, including CFO of North America at Novartis' generic division, Sandoz. He was previously on the board of directors of Therachon AG and has been serving on the board of directors of Passage Bio since January 2020. Sandip earned his bachelor's degree in business administration and accounting from Montclair State University, an M.B.A from Rutgers Graduate School of Management and is a certified public accountant.

Vito J. Palombella, Ph.D., is currently CSO of Surface Oncology, an immuno-oncology company developing next-generation antibody therapies focused on the tumor microenvironment, where he leads the company's drug discovery and translational research efforts. Vito has over 25 years of scientific leadership and experience in advancing first-in-class therapeutic programs. Prior to Surface, he was EVP and CSO at Infinity Pharmaceuticals, where he was responsible for drug discovery and preclinical development. Previously, he was director of molecular biology and protein chemistry at Syntonix Pharmaceuticals, senior director of cell and molecular biology at Millennium Pharmaceuticals and held a number of positions at LeukoSite and ProScript. Vito was involved in the discovery and development of bortezomib (Velcade®), a proteasome inhibitor, and duvelisib (Copiktra®), a PI3K-d/g inhibitor, both for cancer therapy. Vito earned his bachelor's degree in microbiology from Rutgers University and a master's degree and Ph.D. in viral oncology and immunology from the New York University Medical Center.

² www.molecularpartners.com/aboutus/board-of-directors

Michael Vasconcelles, M.D., is currently CMO of Flatiron Health, a healthcare technology and services company focused on accelerating cancer research and improving patient care. Prior to Flatiron, Michael served as CMO of Unum Therapeutics Inc., a Cambridge-based oncology biotech focused on developing autologous engineered T cell products for the treatment of cancer. Previously, Michael was accountable for the research and development strategy and execution of the oncology portfolio at both, Takeda/Millennium and Genzyme, from discovery through product licensure and post-approval. Michael joined the faculty of the Harvard Medical School in 1996 and is currently a clinical instructor in medicine at Harvard Medical School and a practicing oncologist and associate physician at the Dana-Farber Cancer Institute and Brigham & Women's Hospital in Boston.

7.3 Re-Election of the Chairman of the Board of Directors

The Board of Directors proposes the re-election of William (Bill) Burns as Chairman of the Board of Directors for a term of office of one year until the conclusion of the annual general meeting 2021.

7.4 (Re-)Elections to the Nomination and Compensation Committee

The Board of Directors proposes the (re-)elections of:

- 7.4.1 William (Bill) Burns;
- 7.4.2 Steven H. Holtzman; and
- 7.4.3 Michael Vasconcelles;

each as member of the Nomination and Compensation Committee, for a term of office of one year until the conclusion of the annual general meeting 2021. All (re-)elections are held individually.

Explanations

If William (Bill) Burns is re-elected, the Board of Directors intends to re-appoint him as chairperson of the Nomination and Compensation Committee.

8. **Re-Election of the Statutory Auditors**

The Board of Directors proposes to re-elect KPMG AG, Zurich, as statutory auditors for the financial year 2020.

9. **Re-Election of the Independent Proxy**

The Board of Directors proposes that Anwaltskanzlei Keller KLG, Zurich, be re-elected as the independent proxy for a term of office until the conclusion of the annual general meeting 2021.

10. **Approval of the Compensation Amounts for the Board of Directors and the Management Board**

10.1 Approval of the Compensation Amount for the Board of Directors for the Next Term of Office

The Board of Directors proposes to approve the maximum aggregate amount of CHF 953,700 as compensation for the Board of Directors for the term of office from the annual general meeting 2020 until the annual general meeting 2021.

Explanations

The compensation for the Board of Directors is expected to consist of a fee in cash for the work in the Board of Directors and its committees in an aggregate amount of up to CHF 346,800 and an allocation of restricted share units (RSUs) in an aggregate amount of up to CHF 606,900. RSUs are subject to a three-year blocking period. For purposes

of this proposal the RSUs will be valued as of the grant date. The maximum amount includes estimated social security contributions, except for mandatory employer contributions to state social security institutions³.

The proposed maximum compensation 2020 for the Board of Directors remains largely unchanged compared to the compensation amount 2019. Additional information on the compensation model for the Board of Directors may be found in the Compensation Report 2019.

10.2 Approval of the Fixed Compensation Amount for the Management Board from July 1, 2020 until June 30, 2021

The Board of Directors proposes to approve the maximum aggregate amount of CHF 1,693,205 as fixed compensation for the four members of the Management Board for the period from July 1, 2020 until June 30, 2021.

Explanations

The proposed fixed compensation for the four current members of the Management Board shall consist of a fixed compensation in cash, which includes the base salaries as well as social security and pension contributions, except for the mandatory employer contributions to state social security institutions⁴.

The significant decrease of the proposed fixed compensation amount compared to the fixed compensation amount for the previous period from July 1, 2019 until June 30, 2020 is due to the decrease of members of the Management Board from five to four. The individual maximum fixed compensation for the members of Management Board did not increase compared to 2019.

Additional information on the compensation model for the Management Board may be found in the Compensation Report 2019.

10.3 Approval of the Variable Compensation Amount for the Management Board for the Current Financial Year

The Board of Directors proposes to approve the maximum aggregate amount of CHF 2,185,208 as variable compensation for the four members of the Management Board for the current financial year.

Explanations

The proposed variable compensation consists of a variable short-term compensation in cash and a variable long-term compensation in the form of performance share units (PSUs) as well as estimated social security and pension contributions, except for the mandatory employer contributions to state social security institutions⁴. PSUs are subject to a three-year vesting period. At the vesting date, the members of the Management Board may receive between zero and maximum 1.2 of Company shares per PSU based on the achievement of predetermined performance criteria for the financial year 2020. The PSUs will be valued as of the grant date. For purposes of this proposal the valuation will be based on the issuance of 1.2 shares for each PSU, i.e. assuming maximum target achievement. The proposal also assumes maximum target achievement for the variable short-term compensation.

The significant decrease of the proposed variable compensation amount compared to the variable compensation amount for the financial year 2019 is due to the decrease of

³ Molecular Partners will be obliged to make employer contributions to social security insurance (providing for old age, unemployment, handicap, etc.) in addition to the compensation of the members of the Board of Directors, pursuant to applicable mandatory law. Based on currently applicable contribution rates and assuming vesting of all RSUs, the employer contributions relating to fixed and long-term compensation are expected not to exceed CHF 27,081 in the aggregate.

⁴ Molecular Partners will be obliged to make employer contributions to social security insurance (providing for old age, unemployment, handicap, etc.) in addition to the compensation of the members of the Management Board pursuant to applicable mandatory law. As an estimate based on currently applicable contribution rates the employer contributions are expected not to exceed (i) with respect to the fixed compensation CHF 133,674, and (ii) with respect to the variable compensation (assuming maximum target achievement and maximum vesting of the PSUs) CHF 196,669.

members of the Management Board from five to four. The individual maximum variable compensation for the members of Management Board did not increase compared to 2019.

Additional information on the short-term and long-term compensation model for the Management Board may be found in the Compensation Report 2019.

The Annual General Meeting 2020 will be conducted in English.

Schlieren, March 25, 2020

William (Bill) Burns, Chairman of the Board of Directors

Organizational Information

Documents

The Annual Report 2019, which is published only in English and includes the Compensation Report as well as the reports of the statutory auditors, is available for inspection at the domicile of Molecular Partners AG, Wagistrasse 14, 8952 Schlieren (Zurich). It is also available on the Company's website: www.molecularpartners.com.

Shareholders Entitled to Vote

Shareholders registered with voting rights in the share register as of April 21, 2020, 5:00 p.m., CEST, will be authorized to vote at the Annual General Meeting 2020 through the independent proxy (see below).

Representation and Proxy

In line with the applicable Swiss regulation, the Company has decided that this year's Annual General Meeting will be conducted solely by voting through the independent proxy and without physical attendance of shareholders. By granting power of attorney to the independent proxy, Anwaltskanzlei Keller KLG, Alfred-Escher-Strasse 11, 8002 Zurich, your voting rights are fully guaranteed without you having to physically attend the Annual General Meeting. Shareholders wishing such representation by the independent proxy are asked to either:

- sign the enclosed proxy form and send it, together with any voting directives, to the Company's share registrar held by areg.ch ag (see below); or
- issue proxies and voting instructions to the independent proxy via the Internet. Enter www.netvote.ch/molecularpartners in your browser and follow the user prompts on the display. You have the same reply options as with the paper format. You will find your personal access data (ID and password) for the initial registration on the registration form.

Proxies and any changes to voting directives may be issued until April 27, 2020, 11:59 a.m., CEST.

In the absence of specific voting instructions on the proxy form, general authorization is granted to the independent proxy to vote the shares in favor of the proposals of the Board of Directors. This also applies to proposals which are not included in this invitation and might be submitted during the Annual General Meeting 2020.

Entries in the Share Register – Trading of Shares

No entries will be made in the share register in the period from April 22, 2020 until the end of the Annual General Meeting 2020. However, shares may be traded without restrictions. Shareholders who sell part or all of their shares prior to the Annual General Meeting 2020 are no longer entitled to vote to that extent.

Future electronic receipt of AGM invitation

If you would like to receive invitations to the Company's annual general meetings electronically in the future, you can access the instruction issuance system under www.netvote.ch/molecularpartners and click on "Select correspondence method". The login details can be found on the enclosed reply slip.

Questions

Please direct your administrative questions directly to our share registrar (areg.ch ag, Fabrikstrasse 10, 4614 Hägendorf, Tel +41 62 209 16 60, e-mail: info@areg.ch).