

To the Shareholders of Molecular Partners AG (Company)

Invitation to the Annual General Meeting

Wednesday, April 21, 2021, 2:00 p.m.

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

Due to the ongoing COVID pandemic, the Board of Directors has decided to conduct the Annual General Meeting in accordance with Article 8 of the Federal Act on the Statutory Principles for Federal Council Ordinances on Combating the COVID-19 Epidemic (COVID-19 Act) and Article 27 of the Ordinance 3 on Measures to Combat the Coronavirus (COVID-19) (COVID-19 Ordinance 3) without the physical presence of shareholders. As a result, shareholders of Molecular Partners AG may exercise their rights at the Annual General Meeting exclusively via written or electronically submitted instructions to the independent proxy.

Agenda and Proposals of the Board of Directors

1. Approval of the Annual Report and the Annual Financial Statements for the Financial Year 2020

The Board of Directors proposes to approve the Annual Report 2020 and the Annual Financial Statements 2020.

Explanations

The Annual Report 2020 includes the IFRS Consolidated Financial Statements (pages 78ff. of the Annual Report 2020) and the Company Only Financial Statements (pages 127ff. of the Annual Report 2020).

2. Consultative Vote on the Compensation Report

The Board of Directors proposes to approve in a consultative vote the Compensation Report 2020.

Explanations

The Compensation Report 2020 is included in the Annual Report 2020 (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 9.

3. Appropriation of Net Loss

The Board of Directors proposes to carry forward the net loss of CHF 58,631,094 thereby bringing the loss carried forward position from CHF 99,268,568 to CHF 157,899,662.

4. 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 2020.

5. Authorized Share Capital

The Board of Directors proposes that the authorized share capital of the Company be renewed for a period of two years until April 21, 2023, that the maximum amount of the authorized share capital of the Company shall be CHF 728,675 and that 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 29, 2022, by a maximum amount of CHF 13,177.10 by issuing a maximum of 131,771 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 21, 2023**, by a maximum amount of CHF **728,675** by issuing a maximum of **7,286,750** 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 authorized share capital for an additional period of two years. The existing authorized share capital has been largely used to refinance the Company in July 2020. As per consistent practice since the initial public offering of the Company on the SIX Swiss Exchange in 2014, the Board of Directors proposes to maintain an authorized share capital representing approximately 25% of the Company's ordinary share capital. For a clinical stage biotech company without a regular source of income, it is imperative to maintain a reasonable level of financing flexibility.

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

6.1 Re-Elections to the Board of Directors

The Board of Directors proposes the re-elections of:

- 6.1.1 William (Bill) Burns;
- 6.1.2 Steven H. Holtzman;
- 6.1.3 Sandip Kapadia;
- 6.1.4 Vito J. Palombella;
- 6.1.5 Michael Vasconcelles; and
- 6.1.6 Patrick Amstutz;

each as a member of the Board of Directors for a term of office of one year until the conclusion of the annual general meeting 2022. All re-elections are held individually.

Explanations

For biographical details on the candidates please refer to the Company's website². As announced on February 5, 2021, Gwen Fyfe has indicated her wish not to stand for re-election at the Annual General Meeting 2021. 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.

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

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

6.2 Elections to the Board of Directors

The Board of Directors proposes the elections of:

- 6.2.1 Agnete B. Fredriksen; and
- 6.2.2 Dominik Höchli;

each as member of the Board of Directors for a term of office of one year until the conclusion of the annual general meeting 2022. All elections are held individually.

Explanations

Agnete B. Fredriksen, Ph.D. is a co-founder, President and Chief Scientific Officer of Vaccibody AS, a clinical-stage biopharmaceutical company dedicated to the discovery and development of novel immunotherapies for cancer and infectious diseases. With prior roles at Affitech AS and Medinnova AS, Agnete's focus is on developing vaccines from idea to clinical development. She is the author of numerous scientific papers in the field of immunology, immunotherapy and vaccines, and has been awarded several patents in the field of immunotherapy. She holds an MSc and a Ph.D. from the Institute of Immunology, Rikshospitalet Medical Center in Oslo, Norway. Agnete brings deep scientific and business expertise in immunotherapy, oncology and infectious diseases to the Company.

Dominik Höchli has 20 years of experience as marketing and medical affairs executive. Until 2020 he worked at Abbvie as Vice President, Head of Global Medical Affairs and member of the R&D and the Commercial leadership team. Dominik Höchli led global product launches for major blockbuster products, including HUMIRA, Maviret, Venetoclax and Skyrizi, and his leadership experience ranges from smaller country organizations and large global functions. He began his corporate career at McKinsey & Co. Dominik has a medical degree (MD) from the University of Bern.

Both Agnete Fredriksen and Dominik Höchli were determined to be independent.

6.3 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 2022.

6.4 Re-Elections to the Nomination and Compensation Committee

The Board of Directors proposes the re-elections of:

- 6.4.1 William (Bill) Burns;
- 6.4.2 Steven H. Holtzman; and
- 6.4.3 Michael Vasconcelles;

each as a member of the Nomination and Compensation Committee, for a term of office of one year until the conclusion of the annual general meeting 2022. 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.

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

The Board of Directors proposes to re-elect KPMG AG, Zurich, as statutory auditors for the financial year 2021.

8. 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 2022.

9. Approval of the Compensation Amounts for the Board of Directors and the Management Board

9.1 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 1,091,400 as compensation for the Board of Directors for the term of office from the annual general meeting 2021 until the annual general meeting 2022.

Explanations

The compensation for the Board of Directors is expected to consist of a fee in cash for the work of the Board of Directors and its committees in an aggregate amount of up to CHF 397,800 and an allocation of restricted share units (RSUs) in an aggregate amount of up to CHF 693,600. 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 increase of the above proposed maximum aggregate compensation compared to the compensation amount 2020 is essentially due to the increase of members of the Board of Directors from seven to eight (see agenda items 6.2 above). On an individual basis, the proposed maximum compensation 2021 for the Board of Directors remains largely unchanged compared to the compensation amount 2020. Additional information on the compensation model for the Board of Directors may be found in the Compensation Report 2020.

9.2 Approval of the Fixed Compensation Amount for the Management Board from July 1, 2021 until June 30, 2022

The Board of Directors proposes to approve the maximum aggregate amount of CHF 1,699,500 as fixed compensation for the four members of the Management Board for the period from July 1, 2021 until June 30, 2022.

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 proposed maximum fixed compensation amount remains largely unchanged compared to the fixed compensation amount for the previous period from July 1, 2020 until June 30, 2021. Additional information on the compensation model for the Management Board may be found in the Compensation Report 2020.

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 134,278, and (ii) with respect to the variable compensation (assuming maximum target achievement and maximum vesting of the PSUs) CHF 197,499.

9.3 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 2,194,434 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 the Company shares per PSU based on the achievement of predetermined performance criteria for the financial year 2021. 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 proposed variable compensation amount remains largely unchanged compared to the variable compensation amount for the financial year 2020. Additional information on the short-term and long-term compensation model for the Management Board may be found in the Compensation Report 2020.

The Annual General Meeting 2021 will be conducted in English.

Schlieren, March 26, 2021

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

Organizational Information

Documents

The Annual Report 2020, 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 13, 2021, 5:00 p.m., CEST, will be authorized to vote at the Annual General Meeting 2021 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 16, 2021, 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 2021.

Entries in the Share Register – Trading of Shares

No entries will be made in the share register in the period from April 14, 2021 until the end of the Annual General Meeting 2021. However, shares may be traded without restrictions. Shareholders who sell part or all of their shares prior to the Annual General Meeting 2021 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).