

## **MEDIA & INVESTOR RELEASE**

# **Novartis announces collaboration with Molecular Partners to develop two DARPin® therapies designed for potential use against COVID-19**

- *Novartis has been granted an option to in-license global rights of MP0420 and MP0423 - multi-targeted direct acting antiviral therapeutic candidates demonstrating potential efficacy against COVID-19*
- *MP0420 and MP0423 are potential medicines with a unique approach for both the prevention and treatment of COVID-19, with the possibility to manufacture at scale, easy administration and with the potential to bypass cold storage*
- *Switzerland based Molecular Partners, a global leader in the development of DARPin® therapeutics, will be responsible for the conduct of phase 1 & 2 trials that may lead to emergency use approval; Novartis will be responsible for further development, manufacturing, distribution and commercialization*
- *This collaboration strengthens Novartis ongoing commitment to research and partner with other companies to find and develop treatment options for COVID-19 and make them available around the world as fast as possible*

**Basel, October 28, 2020** — Novartis and Molecular Partners AG today announced a collaboration in the form of an option and license agreement to develop, manufacture and commercialize Molecular Partners' anti-COVID-19 DARPin® program, consisting of two therapeutic candidates, MP0420 and MP0423. The collaboration aims to leverage Molecular Partners' proprietary DARPin® technologies and Novartis broad expertise in global drug development, regulatory affairs, manufacturing and commercialization to rapidly advance the program in keeping with the unprecedented global urgency created by the pandemic.

Novartis is making multiple contributions to the global efforts to combat the COVID-19 pandemic. As part of those efforts, it has become increasingly clear that to tackle the pandemic at a global level the development of medicines that can prevent and treat the virus, in addition to the development of vaccines, will be crucial. Multiple treatment options increases the likelihood of reaching and treating patients around the world and, in addition, may be especially important for certain populations at greater risk who may benefit from a prophylactic treatment. MP0420 and MP0423 are potential medicines for the prevention and treatment of COVID-19, with the possibility of being manufactured at scale and the potential to bypass cold storage.

“Novartis remains unwavering in its support for tackling COVID-19 and it is clear that this pandemic calls for not just scientific solutions, but also for collaboration between companies to

provide treatments in an area of high unmet need. This Swiss led partnership, which could deliver both prophylactic and treatment options at scale for COVID-19 patients across the globe, is another demonstration of our sustained commitment to addressing one of the greatest health challenges of our time,” said Vas Narasimhan, Chief Executive Officer of Novartis.

Molecular Partners are a Swiss based clinical-stage biotech company that are developing a new class of custom-built protein therapeutics known as DARPin® therapeutics. Under the agreement, during the option period, Molecular Partners will conduct Phase 1 clinical trials for MP0420, expected to begin in November 2020, and perform all remaining preclinical work for MP0423 and Novartis will conduct Phase 2 and Phase 3 clinical trials, with Molecular Partners as sponsor of these trials. Upon option exercise, Novartis would be responsible for all further development and commercialization activities. During the clinical development stage, Molecular Partners will provide clinical supply. The companies will work together to scale-up manufacturing capacity, in collaboration with Sandoz, the generics and biosimilar Novartis division, to provide worldwide supply.

Several characteristics of DARPin® therapeutics make them ideally suited for antiviral therapy including multi-specific target binding with the potential to prevent viral escape via mutations, the possibility for subcutaneous administration, long half-life for sustained activity, the potential to bypass cold storage and typically high-yield, highly scalable production in bacterial fermenters. These factors provide the possibility of developing and manufacturing this innovation at scale. This supports the commitment of both companies to leverage their respective strengths and expertise to urgently develop these two potential treatments and if the data are positive, facilitate access to these medicines for patients around the world as quickly as possible.

“Our team rapidly mobilized to deliver a unique DARPin®-based approach to address the overwhelming need for effective therapeutics against COVID-19. As a class, DARPins have demonstrated over years of clinical research a number of characteristics that enhance their profile as antiviral therapeutics for a global pandemic. We have built on this long-term research with these two candidates, which have demonstrated extremely potent neutralization of the virus through inhibiting multiple viral mechanisms,” said Patrick Amstutz, Chief Executive Officer of Molecular Partners. “We are thrilled to partner with Novartis, who has shown great commitment to combatting this pandemic and bringing innovative solutions to people around the world.”

Under the terms of the agreement, Molecular Partners will receive an upfront payment of CHF 60 million, including equity.

Molecular Partners will receive a further payment of CHF 150 million, upon Novartis electing to take up the option to both therapeutic candidates, and significant royalty on sales. Molecular Partners has agreed to forgo royalties in lower income countries, and is aligned with Novartis’ plans to ensure affordability based on countries’ needs and capabilities.

### **Novartis response to COVID-19 Pandemic**

Novartis is making multiple contributions to the global effort to combat the COVID-19 pandemic and support the stability of global healthcare systems. The company has committed to donating USD 40 million to support communities around the world impacted by the pandemic. In addition, Novartis has been active in two key cross-industry research initiatives, the COVID-19 Therapeutics Accelerator, coordinated by the Bill & Melinda Gates Foundation, Wellcome, and Mastercard, as well as a COVID-19 directed partnership supported by the Innovative Medicines Initiative (IMI). The company is also separately supporting COVID-19 related clinical investigations of several Novartis medicines. To sustain access, the Novartis generics and biosimilars division Sandoz became the first company to commit to keeping stable prices for a basket of essential medicines that may help in the treatment of COVID-19 and entered into a partnership with US-based Civica Rx to support stable supply of essential generic hospital medicines. We are making 15 drugs that treat key symptoms of COVID-19

available to low- and lower-middle income countries at zero profit until a vaccine or curative treatment is found. This includes dexamethasone which is the only medicine shown to decrease mortality so far in severe hospitalized COVID pneumonia patients. Novartis also announced a collaboration with the African Union (AU) through the Africa Medical Supplies Platform (AMSP) to facilitate the supply of medicines from the Novartis Pandemic Response Portfolio to the AU member states and Caricom countries. Furthermore, Novartis Gene Therapies entered into a manufacturing agreement with Massachusetts Eye and Ear and Massachusetts General Hospital to produce its novel genetic COVID-19 vaccine candidate called AAVCOVID.

More information about the Novartis response to COVID-19 is available at <https://novartis.com/coronavirus>

## **Disclaimer**

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## **About Novartis**

Novartis is reimagining medicine to improve and extend people's lives. As a leading global medicines company, we use innovative science and digital technologies to create transformative treatments in areas of great medical need. In our quest to find new medicines, we consistently rank among the world's top companies investing in research and development. Novartis medicines reach nearly 800 million people globally and we are finding innovative ways to expand access to our latest treatments. About 110,000 people of more than 140 nationalities work at Novartis around the world. Find out more at <https://www.novartis.com>.

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