MorphoSys AG

Annual General Meeting Speech 2021

May 19, 2021

The spoken word shall prevail.

Presentation slide 1: Annual General Meeting 2021

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[Start Jean-Paul Kress, Chief Executive Officer of MorphoSys AG]

Ladies and gentlemen, dear shareholders and shareholder representatives.

I would like to welcome you to the MorphoSys Annual Shareholders' Meeting 2021, which we are holding virtually for the second consecutive year due to the ongoing pandemic.

I will start by reviewing 2020, transition to the first quarter 2021 results, and then I will comment on our operational plans for the rest of the year.

Afterwards, our Chief Financial Officer, Sung Lee, will present the key financial data for fiscal 2020 and the first quarter of 2021 and provide a financial outlook for the remainder of 2021.

Presentation slide 8: Covid-19 pandemic

Before I start with the overview, I briefly want to comment on the impact of the pandemic. The Covid 19 pandemic has been an unprecedented event globally. At the onset our leadership team proactively developed a risk mitigation plan to address the impact. The safety and well-being of our workforce, healthcare workers and patients was our top priority. I would like to emphasize the tremendous efforts of all of our employees and how they have approached the challenges with great dedication and professionalism. Collectively, we have been able to ensure business continuity and to provide patients with access to Monjuvi.

Presentation slide 9: MorphoSys is an Emerging Leader in Hematology-Oncology & Autoimmune Diseases

To the high level overview, MorphoSys is an emerging biopharmaceutical leader, specializing in hematology-oncology and autoimmune diseases.

We are now a commercial stage company with the launch of Monjuvi in 2020 and continue to leverage our deep scientific roots to build our long-term pipeline. The company has a strong reputation for antibody generation and development technology platform.

Our late-stage development pipeline is progressing, thanks to our clinical development programs in oncology and autoimmune diseases, as well as our successful partnerships with many of the world's leading biopharma companies. We are very well capitalized with a solid cash position and also royalty streams to position ourselves for continued success.

We have expanded our global footprint by building a full commercial organization in the U.S., and we are also expanding our global development capability in Boston to further accelerate our clinical development.

Presentation slide 10: 2020 Was a Transformative Year for MorphoSys - 2021 Will Focus on Commercial and Clinical Execution

The year 2020 was a transformative year for MorphoSys.

In January 2020, we announced a global collaboration and license agreement with Incyte for the development and commercialization of tafasitamab. The agreement included an upfront payment of $750 million, an equity investment by Incyte of $150 million, up to $1.1 billion in potential milestones. In the U.S., we co-commercialize and co-promote Monjuvi together with Incyte, outside of the U.S, Incyte will be responsible for the commercialization and will pay royalties to MorphoSys.

The accelerated FDA approval of Monjuvi in the US on July 31 2020 was a significant milestone. We are proud of this success and intend to build upon it as we bring Monjuvi and other therapies to market. The launch of Monjuvi marked the culmination of a tremendous effort by a wide range of departments across the company and in collaboration with our partner Incyte.

Monjuvi is the first and only FDA-approved second-line therapy for adult patients with relapsed or refractory diffuse large B-cell lymphoma (DLBCL). DLBCL is the most common form of adult non-Hodgkin lymphoma worldwide. It is an aggressive disease, with approximately one in three patients failing to respond to first-line therapy or subsequently relapsing. We believe Monjuvi has the potential to transform the standard of care in DLBCL due to its approved indication, combinability, and ease of use.

For 2021, our main focus is on the execution of our commercialization plans for Monjuvi in the United States. We want to ensure that as many patients as possible have access to Monjuvi. Outside of the U.S., we will continue to support Incyte with approvals in markets like the the EU and Switzerland as well as other countries like Canada.

We are also working on expanding Monjuvi's opportunities having recently announced the initiation of two pivotal studies. In order to make Monjuvi available for the earlier treatment of patients with DLBCL, we have started a study called frontMIND, the first patient was treated just last week. In April, we announced the initiation of the inMIND trial in patients with relapsed or refractory follicular lymphoma or marginal zone lymphoma. We are working to realize our vision of expanding Monjuvi as a backbone treatment for diffuse large B-cell lymphoma and other B-cell malignancies.

Presentation slide 11: Products, Partnerships and Research Drive Stakeholder Value.

We are focusing on 3 pillars to drive value for stakeholders:

The first pillar is revenues from commercialization of our own products, such as Monjuvi. The second pillar is royalties and milestones from our partnered programs, like Janssen's blockbuster Tremfya, otilimab, which is developed by GSK, and gantenerumab which is developed by Roche. And the third pillar is our foundational research platform with cutting-edge antibody technology. We will continue to invest in our platforms and complement them

with other innovative platforms in the future like T-cell engager and bispecific antibody platforms.

Presentation slide 12: Our Clinical Pipeline

Our clinical focus is on two programs: tafasitamab and felzartamab, previously known as MOR202. Tafasitamab, our CD19 antibody, is being developed broadly in different B-cell malignancies. Felzartamab, our CD38 antibody, is being developed in autoimmune indications.

I will speak about both programs in more detail later.

Presentation slide 13: Clinical Programs Developed by Partners (Selection)

Moving on to the pipeline assets that are developed by our partners.

Janssen's Tremfya is already successfully on the market for the treatment of psoriasis and psoriatic arthritis where we are receiving royalties. Turning to felzartamab which internally we are pursuing in autoimmune indications. For Greater China we have out-licensed felzartamab to I-Mab Biopharma in the multiple myeloma setting. Other late stage programs that are developed by partners are otilimab developed by GSK in RA and severe pulmonary COVID-19-associated disease and gantenerumab, which is in development by Roche for Alzheimer's disease. All three programs are in phase 3 and could potentially add to our royalty stream going forward.

I will come to these programs in more detail later.

Presentation slide 14: Tafasitamab/Monjuvi

Presentation slide 15: MONJUVI addresses a high unmet medical need

Turning to tafasitamab...

FDA approval was based on the compelling data from our L-MIND study.

Monjuvi is the only second-line therapy that results in a high number of complete and durable responders in all subgroups, addressing a significant unmet need.

The combined safety and tolerability profile could support a paradigm shift toward treating patients until disease progression, which could enable long-term disease control.

And Monjuvi is accessible to patients in both community and academic care settings as it is easy to administer and does not require hospitalization or intensive monitoring. This is particularly beneficial because physician feedback showed that treatment in a setting close to home was important for patients during the COVID-19 pandemic.

Presentation slide 16: MONJUVI — Progress Achieved in 2020 — Foundation for Long-Term Growth

Our focus in 2021 is to ensure patient access to Monjuvi.

Monjuvi first quarter sales came in at $15.5 million, driven primarily by demand. While sales were impacted by the COVID-19 pandemic and declined sequentially for non-demand related reasons, underlying patient demand increased over the last quarter. We are encouraged to

see progress in the fundamentals with increasing share in second and third line, positive feedback from healthcare professionals and account trends. We have maintained a leading share of voice near 50%.

Looking at account trends more closely, we are very encouraged by the continued traction in the number of accounts ordering Monjuvi – exiting the first quarter with more than 500 accounts. Key academic centers continue to be interested in Monjuvi and we are seeing increased momentum in community care – the interest underscores the broad accessibility of Monjuvi.

We continue to expect a gradual build for Monjuvi as we drive increased uptake in second line and longer treatment duration. Our continued focus in 2021 is to lay the foundation for long-term growth and continue to establish Monjuvi as the standard of care for appropriate second line patients with relapsed / refractory DLBCL.

The safety and tolerability profile of Monjuvi - along with duration of response - supports a paradigm shift in the treatment of r/r DLBCL. Our treatment regimen - treating patients with Monjuvi until disease progression - makes the 2-year long-term data relevant not only for patient benefit, but also from an economic perspective. And we look forward to presenting the 3-year long-term data from Monjuvi at upcoming major medical conferences such as ASCO, EHA, and ICML.

As we continue to work to establish Monjuvi as the standard of care for eligible patients we never lose sight of the fact that nearly 10,000 DLBCL patients in the U.S. each year could benefit from the promise of Monjuvi. It's our mission to make this important new treatment available to them.

Presentation slide 17: Rapid expansion of tafasitamab in other indications and combinations

In addition to executing the launch of Monjuvi, we are also focused on rapidly expanding the tafasitamab label and exploring tafasitamab in combination with other approved or emerging agents.

We presented initial results from our firstMIND Phase 1b trial late last year at an important scientific conference, the American Society of Hematology meeting. The study showed an initial preliminary response rate of over 90% in a patient population that had an overall poor prognosis. The results also showed that the combination of tafasitamab with lenalidomide and combination chemotherapy with the antibody rituximab, often referred to as R-CHOP, had no unexpected toxicity, which is very encouraging.

These firstMIND data are the basis for our pivotal Phase III study frontMIND. The first patient in this study was dosed last week. FrontMIND will enroll up to 880 patients and will evaluate the combination of tafasitamab and lenalidomide in addition to current standard treatment (R-CHOP) compared to the standard treatment R-CHOP alone. Our goal is to improve cure rates in DLBCL across all lines of treatment.

Beyond DLBCL, we will expand the use of tafasitamab to other indications and recently started a pivotal study in indolent lymphoma - another area of high unmet need, especially in high-risk patients. We initiated the inMIND study with the tafasitamab-lenalidomide combination in patients with FL and MZL with our partner Incyte.

Tafasitamab could be uniquely suited as a combination partner and backbone of choice due to its safety profile. We are excited to explore the combination of tafasitamab with Xencor's bispecific CD20xCD3 antibody plamotamab in patients with r/r DLBCL, frontline DLBCL and r/r follicular lymphoma to help more patients in this area of high unmet medical need.

Also, Incyte is leading the advancement to evaluate the combination of tafasitamab with its PI3 kinase delta inhibitor parsaclisib. In addition, there is increasing interest from other companies to study tafasitamab in combination with their compounds.

We are excited about the progress we have made on tafasitamab in our comprehensive development program.

Presentation slide 18: Felzartamab

Turning to felzartamab, our next in line asset...

Presentation slide 19: Felzartamab (MOR202)

We are excited about the potential for felzartamab which is being developed in two parallel streams, by MorphoSys on the one side and by our partner I-Mab Biopharma on the other side.

You may be familiar in general with the importance of CD38 – a surface antigen that can be found on the immune cells that cause autoimmune disease and a blood cancer called multiple myeloma. Developing an antibody against CD38, like felzartamab, offers the possibility to address both fields.

MorphoSys develops felzartamab for autoimmune kidney diseases. I will come to that in more detail.

In 2017 we have entered into a regional license agreement with I-Mab for the development of TJ202 for China, Hong-Kong, Macau and Taiwan. I-Mab currently evaluates TJ202 in two pivotal studies for the treatment of patients with relapsed or refractory multiple myeloma.

Presentation slide 20: Exploring Felzartamab in Autoimmune Diseases

CD38 is overly expressed at a specific developmental stage in the B cell development, especially on antibody-producing plasma cells. Overproduction of autoantibodies from these cells can cause organ damage and lead to a variety of autoimmune indications.

Felzartamab is currently being evaluated in patients with autoimmune membranous nephropathy – aMN - a disease with a large unmet need. There are roughly ten thousand patients in the U.S. of whom 30-40% develop end-stage renal disease ultimately requiring dialysis or kidney transplantation. The M-PLACE proof of concept trial is ongoing and we are aiming to share data at an upcoming medical conference later this year. We are also continuing enrolment in a parallel phase 2 study, New-PLACE, to optimize the dose schedule.

Mid-2021 we plan to expand the clinical development of felzartamab with another indication, IgA nephropathy. IgA nephropathy is the most common glomerular disease worldwide and there is currently no cure available and we hope to bring a new treatment option to these patients.

Presentation slide 21: Clinical Programs developed by Partners

Presentation slide 22: Partner programs - Tremfya® (guselkumab)

Our partnered programs are an important part of our pipeline and we expect this segment to continue to be a growing source of revenue in the future. These partnerships allow us to realize the full potential of antibodies discovered with our technology.

A great example is Tremfya from Janssen that developed into a blockbuster drug. It is the first therapeutic based on our technology and is approved for psoriasis and psoriatic arthritis in the US, EU and other countries worldwide. We are encouraged that Janssen is exploring additional indications as well. In 2020 we received 42.5 million EUR in royalties from Janssen, an increase of more than 20% compared to the previous year.

Presentation slide 23: Programs developed by Partners - Otilimab and Gantenerumab

Otilimab is being developed by our licensing partner GlaxoSmithKline for the indication of rheumatoid arthritis. According to public disclosure, the primary completion of the ongoing phase 3 studies is anticipated for 2022.

Furthermore, GSK initiated a clinical trial in May (OSCAR) to evaluate the efficacy and safety of otilimab in patients with severe pulmonary COVID 19-associated disease. GSK reported preliminary results from the OSCAR trial in February 2021. As these data suggest important clinical benefit in a predefined subgroup of high-risk patients and an urgent unmet medical need, GSK has adapted the OSCAR study to expand this cohort and confirm the potentially significant results. Treatment of the first patient in the expanded study triggered milestone payments totaling € 16 million to MorphoSys in the first quarter of 2021.

Gantenerumab is being developed by our partner Roche for Alzheimer's disease. The antibody is assessed in two ongoing phase 3 studies. Roche is also testing gantenerumab in the context of their brain shuttle technology in a phase 2 study.

Presentation slide 24: Cutting Edge Research Platforms

Presentation slide 25: Technology Platforms to Expand Pipeline

MorphoSys has a leading foundation in proprietary cutting edge antibody discovery platforms and has continued to refine its drug discovery platforms over the years. The company is committed to advancing its proprietary platforms to fill the Company's pipeline with a focus on hematology-oncology and solid cancer.

But we are not standing still - last year we expanded our toolset with CyCAT, a very exciting technology. Based on an agreement with Cherry Biolabs, we receive access to their innovative hemibody technology. This technology could increase specificity and selectivity of tumor targeting and enable a substantially enlarged therapeutic window.

Another new antibody format is our proprietary bispecific antibody technology. It is a new "2+1" bispecific antibody format with physicochemical properties to simplify the development and large-scale production of such molecules.

We believe that T-cell engaging molecules hold great promise and with CyCAT we have the option to enhance the specificity of tumor targeting for these molecules. This can significantly broaden our therapeutic approaches.

Presentation slide 26: Operational outlook

Presentation slide 27: Expected Newsflow 2021 and Beyond

With our efforts to build tafasitamab into the backbone in the treatment of non-Hodgkin's lymphoma and to expand the development to different indications and geographies, we expect several important updates on tafasitamab in the coming months and years. Incyte is advancing regulatory submissions for tafasitamab in Canada and the EU. After the European Medicines Agency assessment process started in May last year, we expect feedback on that this year. We expect to continue clinical studies exploring tafasitamab in first line treatment as well as combination studies. And we will share long-term data from the L-MIND study at upcoming medical conferences.

For felzartamab, we anticipate phase 1/2 data from the M-PLACE study in patients with membranous nephropathy this year and we expect that our partner I-Mab will submit a biologics license application (BLA) in China for felzartamab for the treatment of multiple myeloma in China.

Beyond 2021, we expect study results from programs being developed by our partners, such as otilimab with GSK and gantenerumab with Roche.

MorphoSys is well positioned for the future. We are focused on executing on the Monjuvi launch, establishing tafasitamab as a potential backbone of treatments for B-cell malignancies and the expansion of our pipeline. We believe these efforts will drive long-term shareholder value.

I would now like to hand over to Sung Lee to give you an overview on the finances.

[Sung Lee takes over]

Presentation slide 28:

Thank you, Jean-Paul for your comments on the operating business.

Presentation slide 29: 2020 financial results in line with financial guidance - EBIT exceeded

The 2020 financial results were in line with the financial guidance updated in October 2020, with EBIT exceeding expectations.

MorphoSys Group revenues amounted to 327.7 million euros for 2020, exceeding the upper end of our updated guidance range of 317 to 327 million euros.

R&D expenses amounted to €141.4 million and slightly exceeded our forecast range of 130 to 140 million Euro.

EBIT reached 27.4 million euros, exceeding the guided range of 10 to 20 million euros.

Presentation slide 30: 2020 Consolidated income statement

Turning to the Income statement…

Group revenues for 2020 were €327.7 million, compared to €71.8 million in 2019. The large increase was mainly driven by the collaboration and licensing agreement struck with Incyte in early 2020.

Included in the full year revenues are €18.5 million from Monjuvi sales and 42.5 million Euro royalties from net sales of Tremfya.

Cost of sales were €9.2 million in 2020, compared to €12.1 million in 2019.

R&D expenses were €141.4 million for 2020. Growth over 2019 reflects primarily the increased investment to support the advancement of our proprietary programs and impairment charges taken against legacy deals.

SG&A expenses were €159.1 million in 2020. The growth over 2019 was anticipated and driven by the build out of the commercial infrastructure to prepare for and launch Monjuvi and investment to support the overall growth of the business.

For 2020 we reported a consolidated net profit of €97.9 million compared to a net loss of €103.0 million in 2019. Profitability in 2020 was driven primarily by the recognition of €236.1 million as part of the up-front consideration from our partner Incyte.

We ended the year with cash and investments of more than €1.2 billion compared to €357 million at the end of 2019. With our strong balance sheet and cash position we are well capitalized to execute on our growth strategy.

Presentation slide 31: 2020 Consolidated balance sheet

As of December 31, 2020, we recorded total assets of € 1.66 billion, compared to €496 million at the end of 2019.

At the end of 2020, our cash and investments including our investments in current and non-current financial assets amounted to €1.24 billion.

Presentation slide 32: 3M 2021: Profit & Loss Statement

Now let's have a look at the figures for the first quarter of 2021.

Revenues from Monjuvi sales amounted to €12.9 million and royalty income from net sales of Tremfya amounted to €11.6 million in the first three months.

Cost of sales were €5.0 million for the first three months of 2021, compared to €3.3 million in the first quarter of 2020.

R&D expenses were €33.3 million for the first three months of 2021. Growth over 2020 reflects primarily the increased investment to support the advancement of our proprietary programs.

Selling Expenses grew to €28.2 million for the first three months of 2021 as the company built out its commercial infrastructure to launch Monjuvi and made investments to support the overall growth of the business. General & Administrative expenses remained nearly unchanged at €10.3 million for the first three months of 2021.

In the first three months of 2021 we reported a consolidated net loss of €41.6 million compared to a net profit of €195.5 million in the first three months of 2020. Profitability in 2020 was driven primarily by the recognition of €236.1 million as part of the up-front consideration from our partner Incyte.

Presentation slide 33: Consolidated balance sheet March 31, 2021*

We recorded total assets of 1.65 billion euros at March 31, 2021, compared with 1.66 billion euros at December 31, 2020.

We ended the first quarter with cash and investments of €1.22 billion compared to 1.24 billion at the end of 2020.

Presentation slide 34: Financial outlook 2021

Turning to our guidance for 2021:

We anticipate Group revenues to be in the range of €150 million to €200 million. This forecast includes the recently announced €16 million milestone payments from GSK. The range also captures the potential for variability from the first full year of the Monjuvi product launch and the impact from the pandemic which we believe will be greater in the first half of this year.

As part of the group revenues, we expect a moderate year to year growth of royalty revenue from Tremfya. The guidance does not include other potential significant milestones from development partners.

We expect operating expenses, excluding cost of sales, to be in the range of €355 to €385 million with R&D expenses expected to comprise 45 to 50 percent of this range. R&D investments will be focused on the continued development of tafasitamab and felzartamab, early-stage development programs, and further development of our technologies.

As our income statement evolves due to the growth and prominence of certain categories, we will adapt accordingly and provide guidance on the measures we believe are helpful to the investment community…this could include net product sales.

Presentation slide 35: MorphoSys Shareholder Structure

Most of the shares currently in circulation are held by institutional investors, and in many cases by specialists in the healthcare sector.

Overall, we have a good mix in terms of regional distribution in our shareholder base. Based on a recent survey of the shareholder structure, we currently assume that around 32% of our shareholders are institutional investors from the USA, a slight decrease compared with the previous year. Approximately 28% of investors are from Germany, 18% from the UK, and 12% from the rest of Europe. The remaining balance is distributed over the rest of the world or could not be allocated.

Baillie Gifford & Co. is currently our largest single investor with a reported 8.18% ownership. Another major investor is Artisan Partners with 4.35% ownership.

Presentation slide 36: Development of the Group workforce in 2020

Let's now turn to the number of employees in our Company. At the end of 2020, the MorphoSys Group employed 615 people, an increase of 89 employees compared to the end of the previous year.

The percentage of females in the MorphoSys workforce is traditionally high and remained unchanged at approximately 58%.

At the End of March 31, 2021, the MorphoSys Group employed 609 people, slightly down due to employee turnover but still significantly more than in the first three months of 2020, when we had 439 employees.

Presentation slide 37: Use of capital authorizations in 2020

This slide provides a short overview on the utilization of authorized and conditional capital in 2020.

Under the terms of the agreement with Incyte, Incyte invested $150 million in new MorphoSys American Depositary Shares, or ADSs. MorphoSys therefore increased its share capital in March 2020 by issuing 907,441 new ordinary shares to enable Incyte to purchase approximately 3.6 million ADSs. One American Depositary Share represents one-fourth of a MorphoSys ordinary share.

From the conditional capital 2008-III, 24,647 shares were issued to exercise convertible bonds that have been granted to the Management Board and certain employees.

In October 2020, MorphoSys placed unsubordinated, unsecured convertible bonds for €325 million from the conditional capital 2016-I on the market that will be maturing on October 16, 2025. We cannot tell at the moment how many bonds will be converted into shares as the number will depend on the development on the share price in the future.

Thank you for your attention, and I'll now return the floor to Mrs. Vermeylen.

Presentation slide 38: Back to the agenda