



April 2021

Corporate Governance Presentation

Forward-Looking Statements

This communication contains certain forward-looking statements concerning the MorphoSys group of companies, including the expectations regarding tafasitamab's ability to treat patients with relapsed or refractory diffuse large B-cell lymphoma, the further clinical development of tafasitamab, including ongoing confirmatory trials, additional interactions with regulatory authorities and expectations regarding future regulatory filings and possible additional approvals for tafasitamab as well as the commercial performance of Monjuvi. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "would," "could," "potential," "possible," "hope" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The forward-looking statements contained herein represent the judgment of MorphoSys as of the date of this release and involve known and unknown risks and uncertainties, which might cause the actual results, financial condition and liquidity, performance or achievements of MorphoSys, or industry results, to be materially different from any historic or future results, financial conditions and liquidity, performance or achievements expressed or implied by such forward-looking statements. In addition, even if MorphoSys' results, performance, financial condition and liquidity, and the development of the industry in which it operates are consistent with such forward-looking statements, they may not be predictive of results or developments in future periods. Among the factors that may result in differences are MorphoSys' expectations regarding risks and uncertainties related to the impact of the COVID-19 pandemic to MorphoSys' business, operations, strategy, goals and anticipated milestones, including its ongoing and planned research activities, ability to conduct ongoing and planned clinical trials, clinical supply of current or future drug candidates, commercial supply of current or future approved products, and launching, marketing and selling current or future approved products, the global collaboration and license agreement for tafasitamab, the further clinical development of tafasitamab, including ongoing confirmatory trials, and MorphoSys' ability to obtain and maintain requisite regulatory approvals and to enroll patients in its planned clinical trials, additional interactions with regulatory authorities and expectations regarding future regulatory filings and possible additional approvals for tafasitamab as well as the commercial performance of Monjuvi, MorphoSys' reliance on collaborations with third parties, estimating the commercial potential of its development programs and other risks indicated in the risk factors included in MorphoSys' Annual Report on Form 20-F and other filings with the U.S. Securities and Exchange Commission. Given these uncertainties, the reader is advised not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of publication of this document. MorphoSys expressly disclaims any obligation to update any such forward-looking statements in this document to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements, unless specifically required by law or regulation.

The compounds discussed in this slide presentation are investigational products being developed by MorphoSys and its partners and are not currently approved by the U.S. Food and Drug Administration (FDA), European Medicines Agency (EMA) or any other regulatory authority (except for tafasitamab/Monjuvi® and guselkumab/Tremfya®). There is no guarantee any investigational product will be approved.

Supervisory Board Members



	DR. MARC CLUZEL Chairman	DR. GEORGE GOLUMBESKI Deputy Chairman	KRISJA VERMEYLEEN Member	MICHAEL BROSINAN Member, Independent Financial Expert	SHARON CURRAN Member	WENDY JOHNSON Member
Year of birth (Age*)	1955 (66)	1957 (63)	1962 (58)	1955 (65)	1968 (52)	1952 (68)
Nationality	French	US-American	Belgian	US-American	Irish	US-American
On MOR SVB Board for	9 years	3 years	4 years	3 years	2 years	6 years
End of current period	2021	2023	2021	2023	2021	2022
Proposed for re-election at 2021 AGM	x		x		x	
Memberships in statutory SVBs and/or in comparable domestic or foreign Supervisory Bodies of commercial enterprises <i>**not publicly listed company; group mandate</i>	2 Memberships**	1 Chair** 1 Membership** 1 Membership	1 Membership**		2 Memberships** 1 Membership	1 Membership

All Supervisory Board members are independent in the meaning of the German Corporate Governance Code.

Detailed CV's can be found here: www.morphosys.com/svb

*As of Feb 1, 2021

Attendance Rate of Supervisory Board and Committee Meetings 2020

	SVB Member*	Supervisory Board	Audit Committee	Remuneration & Nomination Committee	Science & Technology Committee	Participation quota
Supervisory Board 11 Meetings						
Audit Committee 5 Meetings	Dr. Marc Cluzel	11/11		7/7		100%
	Dr. George Golumbeski	11/11			7/7	100%
Remuneration & Nomination Committee 7 Meetings	Wendy Johnson	11/11		4/4**	7/7	100%
	Krisja Vermeyleen	11/11	5/5	7/7		100%
Science and Technology Committee 7 Meetings	Michael Brosnan	11/11	5/5			100%
30 Board Meetings in 2020	Sharon Curran	11/11	5/5			100%

Participation quota of 100% for all Supervisory Board members.

*Current members only; meetings were held physically, via video conference or by phone

**Committee member for the last four meetings only

Management Board & Executive Committee Members



								
	Dr. Jean-Paul Kress Chief Executive Officer MANAGEMENT BOARD	Sung Lee Chief Financial Officer MANAGEMENT BOARD	Dr. Malte Peters Chief Research & Development Officer MANAGEMENT BOARD	Dr. Roland Wandeler Chief Operating Officer MANAGEMENT BOARD	Charlotte Lohmann SVP General Counsel	Dr. Barbara Krebs-Pohl SVP Head of Global BD&L and Alliance Management	Maria Castresana SVP Global Head of Human Resources	Daniel Palmacci SVP Global Head of Technical Operations
Year of birth	1965	1970	1962	1972	1970	1968	1973	1969
Nationality	French	US-American	German	Swiss	German & Swedish	German	Spanish	Italian, German & US-American
With MOR AG since	2 years (2019)	2021	4 years (2017)	1 year (2020)	May 2012	January 1998	April 2020	July 2020
End of current appointment	2022	2024	2022	2023				
Memberships	Chairman of the Board of Directors, Erytech Pharma SA, Lyon, France (publicly listed Company)		Member of the Board of Directors, Tango Therapeutics, Cambridge, MA, U.S. (not publicly listed company; group mandate)					
EXECUTIVE COMMITTEE								

Detailed CV's can be found here: www.morphosys.com/excom

Our strategic direction is to become a recognized leader in oncology & autoimmune diseases and to establish MorphoSys among the premier league of independent, innovative & fully integrated BioPharma companies.

Financial Guidance FY 2021



In € million	Reported FY 2020	Guidance FY2021
Group Revenues	327.7	150 to 200*
Operating Expenses	309.7	355 to 385**
Share of R&D in Operating Expenses (in %)	45.7%	45 to 50%

Liquidity position at year-end 2020: € 1,244.0 million

Total ordinary shares issued at year-end 2020: 32,890,046

Germany, Frankfurt Stock Exchange: MOR; U.S., NASDAQ Global Market: MOR

* This forecast on Group revenues includes the announced € 16 million milestone payments from GSK, but excludes other potential significant milestones from development partners and/or licensing partnerships. This revenue guidance is subject to a number of uncertainties including the potential for variability from the first full year of the Monjuvi product launch, the limited visibility that MorphoSys has on the Tremfya royalty stream as well as the ongoing COVID-19 pandemic and the impact on our as well as our partner's business operations ** Operating expenses, inclusive of Incyte's share of Monjuvi selling costs

Our Strategic Imperatives are Clear



1 Maximize the tafasitamab potential and become a leader in hemato-oncology

2 Develop felzartamab in the autoimmune diseases space

3 Expand the pipeline for sustainable growth

4 Continue building a compelling global operating model, footprint & talent pool and embrace operational excellence

Delivering Value for Patients

Through our products and our people



Leadership & Performance Culture

MbO / Performance Reviews

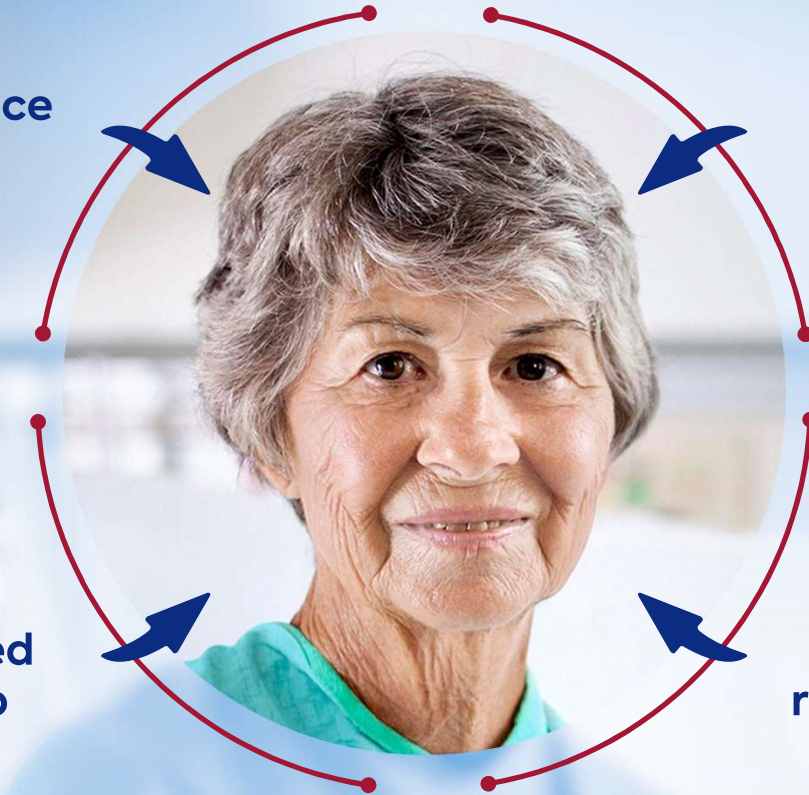
Team Rewards

A patient-focused and success driven working environment

Rewards & Recognition

Value-based leadership

Individual recognition

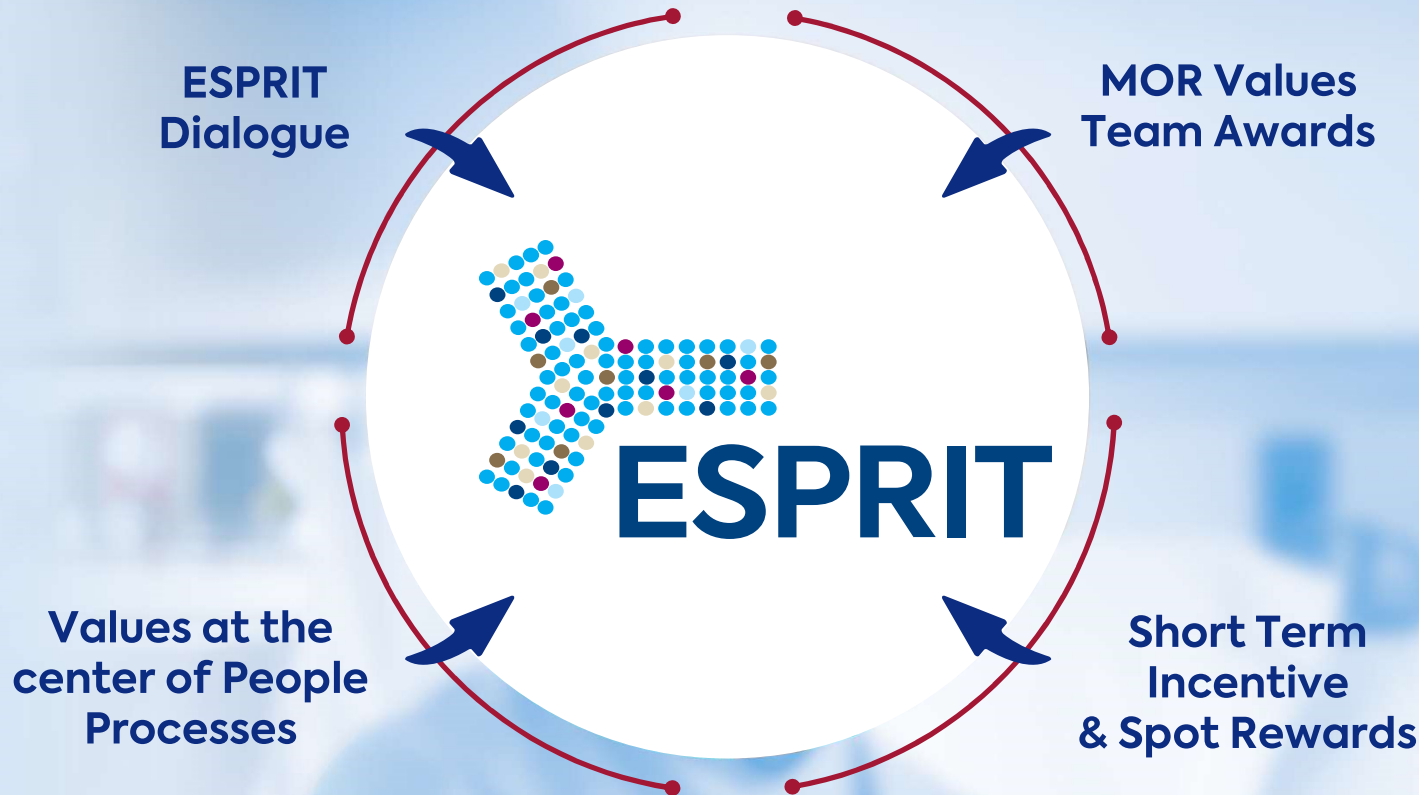


A Global Sustainable Operating Model

Our ESPRIT initiative: The very spirit of MorphoSys



Leadership &
Performance
Culture



Rewards &
Recognition

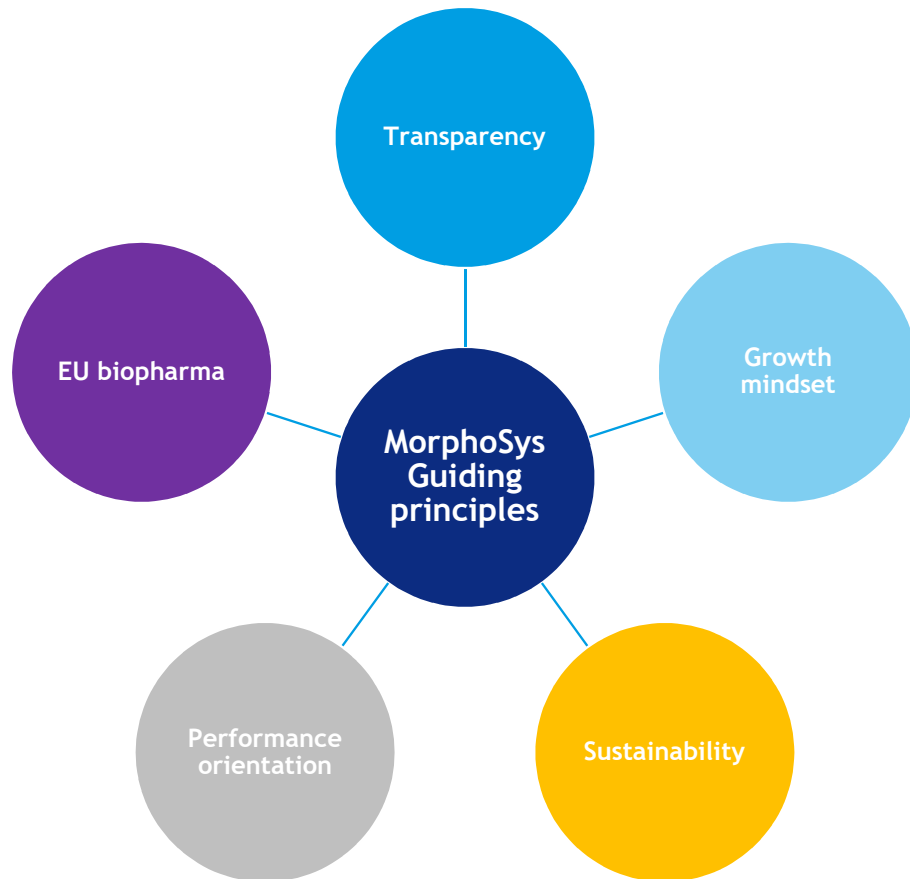
The spirit that unites us, the actions that define us, and the culture that powers us.

Remuneration System



Remuneration System 2021

Executive Summary



Highlights of MorphoSys Remuneration System:

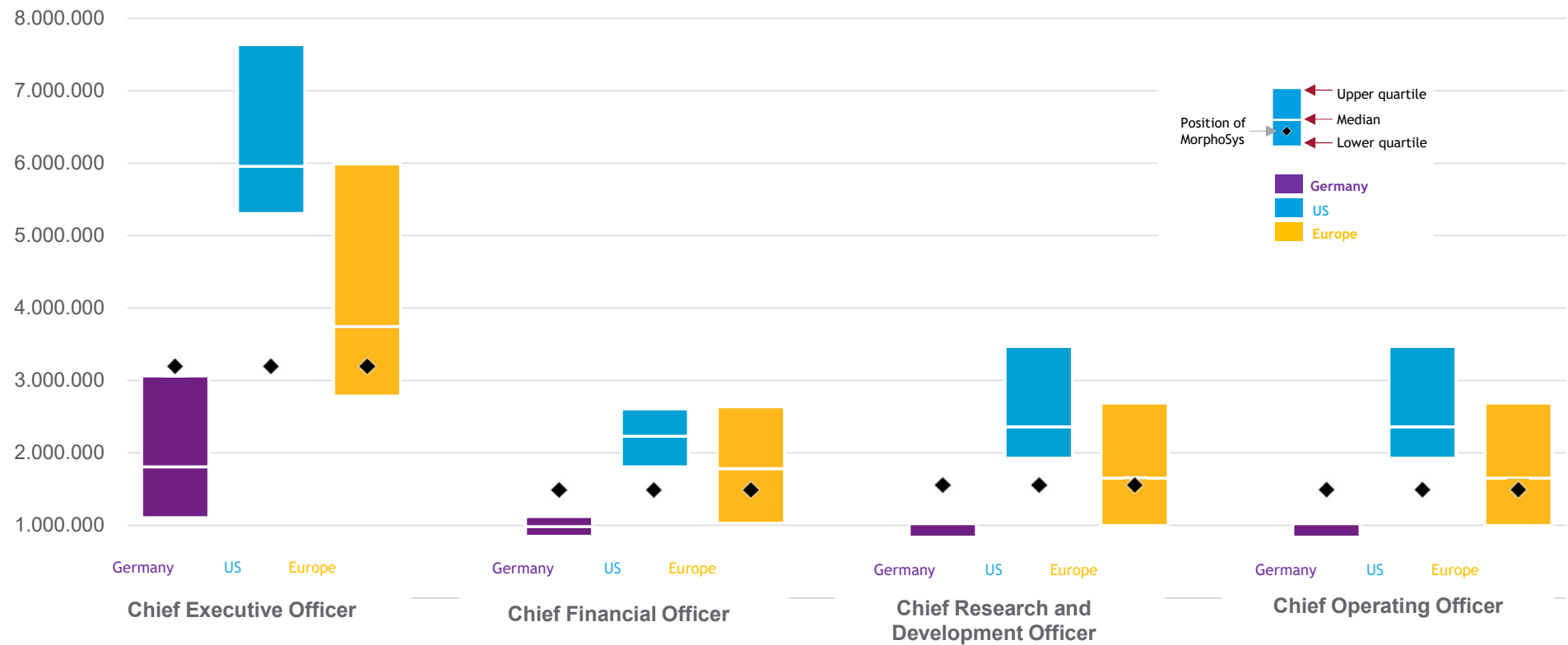
- MorphoSys complies with the recommendations of the new German Corporate Governance Code
- Target remuneration considers international peer groups
- Target positioning in the lower quartile to Median of European biotech/biopharma market
- Maximum remuneration calculated considering STI and LTI caps
- Introduction of an ESG goal in LTI programs
- Claw-backs in place in individual contracts and plan rules
- Moderate change in control provisions

Remuneration System 2021

Market comparison - Germany, US, Europe



MorphoSys compensation compared to the market (Target Direct Compensation)



Remuneration System 2021

Peer Group 1



German Comparator Market

Company	Revenue (in mEUR)	Employees	Market cap (in mEUR)	Total Assets (in mEUR)	Country	Index	Industry
Bechtle AG	2,666	11,487	6,888	2,449	Germany	TecDAX	Information Technology
Cancom SE	829	3,820	1,533	1,110	Germany	TecDAX	Information Technology
Carl Zeiss Meditec AG	715	3,232	10,787	2,081	Germany	TecDAX	Health Care
Compugroup Medical SE & Co. KGaA	380	4,501	4,003	1,404	Germany	TecDAX	Health Care
Evotec SE	231	3,030	3,758	1,191	Germany	TecDAX	Health Care
Gerresheimer AG	667	9,872	2,762	2,635	Germany	MDAX	Health Care
Grenke AG	273	1,780	1,602	7,689	Germany	MDAX	Financials
Nemetschek SE	288	2,875	7,109	891	Germany	TecDAX	Information Technology
QIAGEN N.V.	725	5,096	9,749	4,749	Germany	TecDAX	Health Care
Siltronic AG	623	3,190	2,550	1,909	Germany	TecDAX	Information Technology
Software Aktiengesellschaft	412	4,948	2,554	2,067	Germany	TecDAX	Information Technology
Stada Arzneimittel***	1,465	11,100	6,350	5,152	Germany	-	Health Care
1st Quartile	357	3,150	2,553	1,351			
Median	645	4,161	3,881	2,074			
3rd Quartile	751	6,290	6,943	3,164			
MorphoSys	320	640	3,180	1,380			

*Data source: Employees from peer companies according to annual reports 2019; revenues and total assets were calculated as YTD, market capitalization cut-off date 10/21/2020, source: Capital IQ, all values rounded.

Remuneration System 2021

Peer Group 2



US Comparator Market

Company	Revenue (in mEUR)	Employees	Market cap (in mEUR)	Total Assets (in mEUR)	Country	Index	Industry
Acceleron Pharma Inc.	39	237	5,697	426	USA	NASDAQ	Health Care
Agios Pharmaceuticals, Inc.	111	536	2,592	867	USA	NASDAQ	Health Care
Amicus Therapeutics, Inc.	109	584	4,926	623	USA	NASDAQ	Health Care
FibroGen, Inc.	60	531	2,854	718	USA	NASDAQ	Health Care
Ligand Pharmaceuticals Incorporated	66	115	1,396	1,104	USA	NASDAQ	Health Care
Xencor, Inc.	40	166	2,317	573	USA	NASDAQ	Health Care
bluebird bio, Inc.	196	1,090	2,631	1,873	USA	NASDAQ	Health Care
Denali Therapeutics Inc.	8	261	7,837	575	USA	NASDAQ	Health Care
Biohaven Pharmaceutical Holding Company Ltd.	10	647	4,196	377	USA	NYSE	Health Care
Insmed Incorporated	71	435	2,798	787	USA	NASDAQ	Health Care
Sarepta Therapeutics, Inc.	223	743	5,303	2,562	USA	NASDAQ	Health Care
Alnylam Pharmaceuticals, Inc.	181	1,323	13,914	2,998	USA	NASDAQ	Health Care
Sage Therapeutics, Inc.	3	675	4,326	735	USA	NASDAQ	Health Care
1st Quartile	39	261	2,631	575			
Median	66	536	4,196	735			
3rd Quartile	111	675	5,303	1,104			
MorphoSys	320	640	3,180	1,380			

*Data source: Employees from peer companies according to annual reports 2019; revenues and total assets are calculated as YTD, market capitalization cut-off date 10/21/2020, source: Capital IQ, all values rounded.

Remuneration System 2021

Peer Group 3



European Comparator Market

Company	Revenue (in mEUR)	Employees	Market cap (in mEUR)	Total Assets (in mEUR)	Country	Index	Industry
Abcam plc	163	1,150	3,293	735	UK	FTSE AIM	Health Care
Alkermes plc	439	2,235	2,179	1,602	Ireland	NASDAQ	Health Care
Almirall, S.A.	433	1,820	1,737	2,322	Spain	BME	Health Care
Amarin Corporation plc	258	965	1,546	813	Ireland	NASDAQ	Health Care
argenx SE	31	186	10,406	2,022	Netherlands	EBR	Health Care
Dechra Pharmaceuticals PLC	293	1,753	4,198	1,166	UK	FTSE250	Health Care
Galapagos NV	225	1,003	6,812	5,852	Netherlands	AMX	Health Care
GW Pharmaceuticals plc	215	901	2,543	774	UK	NASDAQ	Health Care
Orion Oyj	572	3,265	5,100	1,106	Finland	STOXX EUROPE 600	Health Care
Swedish Orphan Biovitrum AB (publ)	737	1,335	4,616	4,074	Sweden	OMX SWEDEN	Health Care
Stada Arzneimittel	1,465	11,100	6,350	5,152	Germany		Health Care
CureVac N.V.	0	360	7,285	0	Netherlands	NASDAQ	Health Care
QIAGEN N.V.	725	5,096	9,749	4,749	Germany	TecDAX	Health Care
1st Quartile	217	975	2,270	886			
Median	276	1,243	3,746	1,384			
3rd Quartile	437	1,803	4,979	2,247			
MorphoSys	320	640	3,180	1,380			

Suggested target positioning of MorphoSys within the European comparator market:
between the lower quartile and the median

MorphoSys is positioned above the median with respect to revenues, below the first quartile in terms of employees, between the lower quartile and the median in terms of market cap, and at the median with respect to total assets. Considering the European comparator market independently and given a higher emphasis on market capitalization (for reasons of international comparability), we suggest a target positioning of the Management Board's remuneration **between the lower quartile and the median.**

*Data source: Employees from peer companies according to annual reports 2019; revenues and total assets are calculated as YTD, market capitalization cut-off date 10/21/2020, source: Capital IQ, all values rounded.

Maximum Total Remuneration

Based on 2021 Annual Values



Incumbent name (Function)	Base Salary (in EUR)	Target-STI (in EUR)	Maximum-STI (in EUR)	LTI Grant Value (in EUR)	Target-Total Direct Compensation (in EUR)	Maximum LTI payout (250% cap)	Maximum Direct Comp. (in EUR)	Fringe Benefits	Pension Benefits	Maximum Total Remuneration
Dr. Jean-Paul Kress (CEO)	770,000	616,000	1,232,000	1,808,000	3,194,000	4,520,000	6,522,000	200,000	130,000	6,852,000
Sung Lee (CFO)	466,100	326,270	652,540	692,500	1,484,870	1,731,250	2,849,890	130,000 ^{**}	90,000	3,069,890
Dr. Malte Peters (CR&DO)	504,925	353,448	706,895	692,500	1,550,873	1,731,250	2,943,070	50,000	90,000	3,083,070
Dr. Roland Wandeler* (COO)	466,260	326,382	652,764	692,500	1,485,142	1,731,250	2,850,273	130,000 ^{**}	90,000	3,070,273 ^{**}

* Roland Wandeler's compensation is in USD and has been converted based on the exchange rate of 1 Euro =1.1796 USD; ** Relocation expenses planned for 2021

Maximum Total Remuneration

Considering next 4 years and renewal of contracts



Incumbent name (Function)	Base Salary (in EUR)	Target-STI (in EUR)	Maximum-STI (in EUR)	LTI Grant Value (in EUR)	Target-Total Direct Compensation (in EUR)	Maximum LTI payout (250% cap)	Maximum Direct Comp. (in EUR)	Fringe Benefits	Pension Benefits	Maximum Total Remuneration
CEO	800,000	640,000	1,280,000	2,000,000	3,440,000	5,000,000	7,080,000	250,000	150,000	7,480,000
CXOs	550,000	385,000	770,000	850,000	1,785,000	2,125,000	3,445,000	130,000	125,000	3,700,000

- Current Management Board contracts will need to be renewed in the next 4 years
- Maximum Remuneration should provide enough opportunity to reflect the expected growth of the company with a projected increase in complexity, scope of roles, market presence and product portfolio in the management board salaries upon renewal
- MorphoSys intends to remain competitive to attract global talent (especially in US and Europe) and maintain a target positioning in the lower quartile to Median of European biotech/biopharma market in the years to come
- Verticality analysis with regard to senior management pay and overall workforce remuneration ranges are performed on yearly basis to ensure a balanced remuneration approach across the company

Pay for Performance

MorphoSys STI and LTI Programs



Short-Term Incentive (STI)

- Annual STI based solely on company achievement
- STI targets at 80% /70% of base salary for CEO/CxOs, represent 19-22% of total pay mix
- STI goals built as a combination of commercial, financial, pipeline and organizational goals aligned with company strategy
- Strong performance orientation with high leverage and a maximum pay-out at 200% of target award

Long-Term Incentive (LTI)

- Performance KPIs are a combination of absolute and relative share performance and ESG goals
- LTI as 48-58% of total pay mix
- LTI annual grants for each Management Board member
- Current programs: SOP and PSUP with 4 years vesting schedule
- Strong performance orientation with high leverage and a maximum pay-out at 250% of target award

ESG Objectives

Workforce Engagement in our PSUP LTI Plan



WORFORCE ENGAGEMENT	
Goal Definition	Degree of engagement of all MorphoSys workforce as stated in a yearly employee survey conducted by independent survey providers. Engagement will be composed of established and recognized dimensions related to purpose, patient orientation, diversity and inclusion and employer attractiveness
Measurement	<ul style="list-style-type: none"> Absolute workforce engagement score - 100% defined based on best practice Relative workforce engagement score - comparison of MOR score versus peers in life science industry
Weighting	20% of overall PSUP KPIs
Rationale	Social dimensions are highly relevant in the current transformation of the company to a patient-centric organization, considering COVID virtual working conditions and the chance to gather insights on employee's views on our strategic direction and management practices. An engagement score can be measured quantitatively and objectively by external independent advisors

Change of Control Provisions

Ensuring attractiveness in a growth market

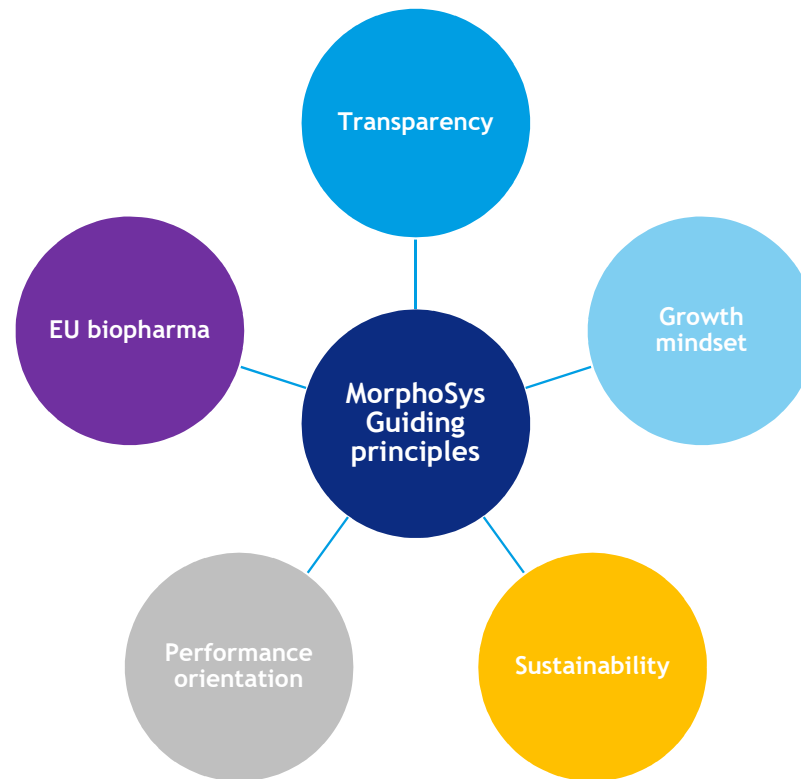
- MorphoSys as a German company recruits in the European and US market for executives
 - Change of Control provisions are common in biotech companies and growth industries, as well as in the US
 - MorphoSys aims to maintain the provisions which have traditionally been included in management board contracts in the last years
-
- Right of the members of the *Vorstand* to **step down** and to **terminate the service agreement**
 - Severance payments in case of an early termination of the service agreement due to a change of control are **capped at 200% of the annual remuneration** and **will not constitute remuneration for more than the remaining term of the service agreement**
 - As set forth in the respective plan conditions of the LTI plans,
 - irrespective of a stepping down of the *Vorstand* member, all stock options and performance share units become **fully vested**, and
 - the KPI achievement for each yearly period is deemed to be **at least 100%**

Remuneration System 2021

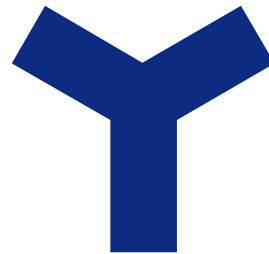
Conclusions



The remuneration of the Management Board reflects MorphoSys' ambitious growth plans with a high performance **orientation** and full compliance with say-on-pay requirements



LTI Programs, Company Goals & Claw Back Clauses



Current LTI Programs at MorphoSys

MorphoSys AG: Performance Share Unit Program / PSUP



Key Features	Granting of “performance share units” (“PSUs”), each entitling the respective participant to a payment in cash (or - at the discretion of MorphoSys - allocation of treasury shares), depending on the achievement of certain performance targets
Beneficiaries/Participants	<ul style="list-style-type: none"> ▪ Vorstand/Management Board ▪ Selected Employees of MorphoSys Group
Current Plans/Outstanding Grants	2020, introduced as of April 1 (“grant date”)
Grants	<ul style="list-style-type: none"> ▪ To Vorstand: by decision of the Supervisory Board ▪ To Selected Employees of MorphoSys Group: by decision of the Vorstand
Grant Size	<ul style="list-style-type: none"> ▪ A fixed grant amount in EUR (“allocation value”) is defined for each participant, taking into consideration his/her overall remuneration ▪ The allocation value is converted into a certain number of PSUs, based on the average price of the MorphoSys share prior to grant date
Waiting Period	4 years
Payout/Issue of new MorphoSys shares	The exercise of PSUs is possible after expiry of the 4 years’ waiting period, provided that certain exercise conditions (namely the relevant performance targets) have been met
Performance Targets	Performance targets consist of the absolute and relative MorphoSys share price performance (40% weighting each) and ESG goal (20% weighting, Starting 2021)
Payout / Settlement	Upon expiration of the waiting period, each PSU entitles to a cash payment claim in the amount of the average price of the MorphoSys share prior to end of the waiting period - but capped at 250% of the allocation value

Current LTI Programs at MorphoSys

MorphoSys AG: Stock Option Plan / SOP



Key Features	Granting of stock options , each entitling the respective participant to the subscription of up to two new MorphoSys shares at the end of the waiting period against payment of the exercise price, depending on the achievement of certain performance targets
Beneficiaries/Participants	<ul style="list-style-type: none">▪ Vorstand (for up to in aggregate 497,581 MorphoSys shares) /Management Board▪ Senior Management and Selected Key Employees (for up to in aggregate 497,581 MorphoSys shares)
Current Plans/Outstanding Grants	2017, 2018, 2019 and 2020, in each case introduced as of April 1 (“grant date”)
Grants	<ul style="list-style-type: none">▪ To Vorstand: by decision of the Supervisory Board▪ To Senior Management and Selected Key Employees: by decision of the Vorstand
Grant Size	<ul style="list-style-type: none">▪ A fixed grant amount in EUR (“allocation value”) is defined for each participant, taking into consideration his/her overall remuneration▪ The allocation value is converted into a certain number of stock options, based on the fair market value of one stock option at grant date under application of an option pricing model (with the fair market value being based on the stock exchange price of the MorphoSys share)
Waiting Period	4 years (mandatory under German stock corporation law)
Payout/Issue of new MorphoSys shares	<ul style="list-style-type: none">▪ The exercise of stock options is possible after expiry of the 4 years’ waiting period, provided that certain exercise conditions (namely the relevant performance targets) have been met▪ The final number of subscription rights (i.e. the final number of new MorphoSys shares upon the exercise of stock options) is determined pursuant to the overall performance target achievement
Performance Targets	<ul style="list-style-type: none">▪ In accordance with German stock corporation law, the performance targets have been bindingly determined by the shareholders’ meeting of MorphoSys AG▪ Performance targets (only) consist of the absolute and relative MorphoSys share price performance
Exercise Price	The exercise price, payable upon subscription of one new MorphoSys share, equals the 30 trading days’ closing price of the MorphoSys share on the Frankfurt Stock Exchange prior to the grant date

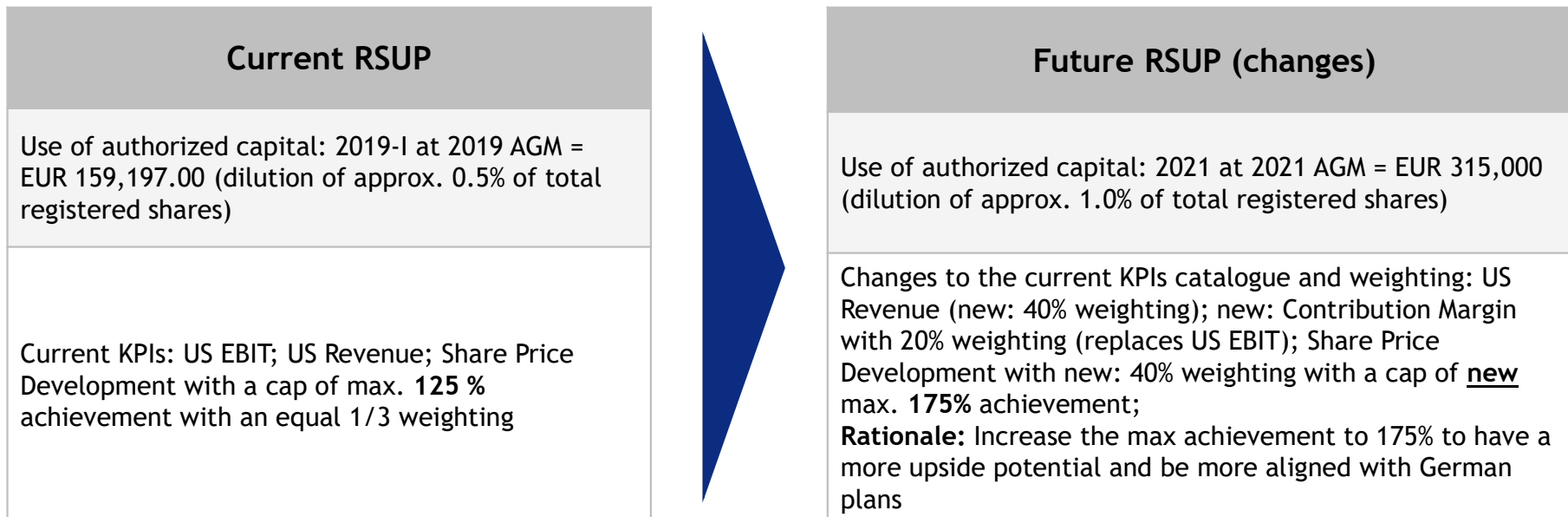
AGM 2021 and Long Term Incentive Programs in U.S.

Structuring of future RSUP (in shares via authorized capital)



AGM 2021 resolution topic

- Current RSUP design: 100% of the total LTI grant volume to be allocated in RSUs, use of the current **Restricted Stock Unit Plan (RSUP)** via authorized capital 2019-I for US Inc. participants
- Initial considerations for the future RSUP design (main terms & conditions):



Current LTI Programs at MorphoSys



MorphoSys US Inc.: Restricted Stock Unit Program / RSUP

Key Features	Granting of “restricted stock units” (“RSUs”), each conveying to the participant a cash payment claim against MorphoSys AG, which MorphoSys AG may (and practically will) fulfil by issuing new MorphoSys shares to the participant, instead of a cash payment, at the end of the waiting period
Beneficiaries/Participants	Employees of MorphoSys US Inc. (including directors and officers of MorphoSys US Inc.)
Current Plans/Outstanding Grants	2019, introduced for the first time as of October 1 (“grant date”)
Grants	By decision of the Board of Directors of MorphoSys US Inc., upon prior approval of the Vorstand of MorphoSys AG
Grant Size	<ul style="list-style-type: none"> ▪ A fixed grant amount in USD is defined for each participant, taking into consideration his/her overall remuneration ▪ The grant amount is converted into a certain number of RSUs, based on the stock exchange price of the MorphoSys share prior to grant date
Waiting Period	<ul style="list-style-type: none"> ▪ 3 years ▪ Divided into 3 annual cycles of 1 year each
Payout/Issue of new MorphoSys shares	<ul style="list-style-type: none"> ▪ RSUs are settled by MorphoSys AG after expiry of the 3 years’ waiting period, practically in such manner that new MorphoSys shares are issued from existing authorized capital ▪ Authorized capital needs to be regularly re-established for settlement of future tranches ▪ The final number of RSUs to be settled is determined pursuant to the achievement of the applicable KPIs, whereby KPIs are defined specifically/individually for each annual cycle
Performance Targets (KPIs)	<ul style="list-style-type: none"> ▪ KPIs are determined for each annual cycle by the Board of Directors of MorphoSys US Inc. with the consent of the Vorstand of MorphoSys AG ▪ KPIs for each annual cycle are (i) the EBIT and (ii) the revenue performance of MorphoSys US Inc. over the fiscal year in which the annual cycle starts (i.e. January 1 through December 31), as well as (iii) the performance of the MorphoSys share over the respective annual cycle (i.e. October 1 through September 30)

Company Goals 2021



	Weight
GOAL 1: MAXIMIZE ON TAFASITAMAB PROMISE	35%
<ul style="list-style-type: none">■ Drive successful launch in relapsed/refractory (r/r) diffuse large B-cell lymphoma (DLBCL)■ Develop tafasitamab to strengthen position in r/r DLBCL and advance backbone strategy■ Secure tafasitamab supply network through additional Contract Manufacturing Organizations and executing technology transfers according to plan	
GOAL 2: FILL THE PIPELINE FOR SUSTAINABLE GROWTH	30%
<ul style="list-style-type: none">■ Evaluate Business Development & Licensing and/or Merger & Acquisition opportunities and execute accordingly■ Drive innovation internally and achieve steady state pipeline	
GOAL 3: DEVELOP FELZARTAMAB INTO THE AUTOIMMUNE DISEASE SPACE	15%
<ul style="list-style-type: none">■ Reach proof of concept decision in lead indication antibody-mediated membranous nephropathy (aMN) in “M-PLACE” study and advance felzartamab program cross-functionally according to plan	
GOAL 4: DELIVER FINANCIALLY AND BUILD A COMPELLING GLOBAL OPERATING MODEL	20%
<ul style="list-style-type: none">■ Manage financial performance within guidance as published in March 2021■ Continue to drive organizational transformation with concrete initiatives on company culture (ESPRIT), efficiency (LEAN) and automation (DIGITALIZATION)	

How to determine achievement of Company Goals 2021



Goal Achievement

- For the financial year 2021, the Supervisory Board has resolved upon:
 - the **Company Goals for 2021** as well as the respective **weight of each of the 4 Company Goals** and
 - a number of **non-exhaustive target criteria**, which shall serve as a basis to determine the goal achievement percentage for each Company Goal
- At the beginning of the financial year 2022, the Supervisory Board determines the overall achievement of the Company Goals by:
 - **Determination of the overall goal achievement percentage** for each of the 4 Company Goals
 - The **non-exhaustive target criteria** within the 4 Company Goals thereby **serve as an indicator for the achievement** of the respective Company Goal. However, it is in the discretion of the Supervisory Board (i) to which extent the target criteria are considered in order to evaluate the achievement percentage of the individual Company Goals and (ii) to also reflect other aspects that are considered relevant for determining the goal achievement for each Company Goal, including but not limited to any impact of further developments of the Covid-19 pandemic on such Company Goal
 - The so-calculated goal achievement for each Company Goal corresponds to a certain score as follows:

Goal achievement of*	Leads to a Score of*
125% and above	200%
112.50%	150%
100%	100%
85%	75%
70%	50%

*Linear progression between percentage points / Goal achievement below 70% leads to a score of 0%

How to calculate the individual Bonus Pay-Out for 2021



STI Calculation

- **Determination of the overall Company Goal Achievement percentage** on the basis of the achieved score for each Company Goal and the defined weighting of each Company Goal, see also the following example calculation:

Goal	Company Goal Achievement (Example)	Score (Example)	Weight	Total (Example)
Goal 1	125%	200%	35%	70%
Goal 2	100%	100%	30%	30%
Goal 3	85%	75%	15%	11.25%
Goal 4	70%	50%	20%	10%
			100%	
Overall Goal Achievement				121.25%

- **Calculation of the total bonus pay-out for each Management Board member** on the basis of the following formula:
Overall Goal Achievement percentage (in the example 121.25%) x STI target (80% for CEO/70% CxO) x base salary

Claw Back Clauses

Management Board Members

Malus and Claw Back

The service agreements of the members of the Management Board as well as the plan conditions of the SOP and the PSUP will provide for Malus and Claw Back provisions as follows:

Trigger:

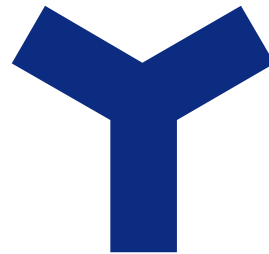
- Breach of duty by the respective member of the Management Board, i.e., willful or grossly negligent breach of statutory duties or internal conduct policies of MorphoSys, or
- Undue pay-out based on incorrect calculation (whereby fault on the part of the member of the Management Board is not required)

Consequences:

- The Supervisory Board is entitled to retain or reclaim variable remuneration in case of a breach of duty
- The Supervisory Board is further entitled to reclaim variable remuneration which was paid out based on incorrect calculation (but in any case limited to the amount which was paid out in excess)

Time Frame: Right to reclaim must be exercised within two years following the respective pay-out

Capital Structure



Corporate Financing: Proposed Renewals of Existing Capitals

Conditional & Authorized Capitals: No more than 10% w/o Subscription Rights* in Total



Capital Pursuant to Articles	Purpose	Usage Since Authorization	Proposed Resolution to the AGM 2021	% of Now-Current Share Capital
Conditional Capital 2016-I: Issuance of approx. 20% of then-current share capital	Convertible Bond (CVB) financing	CVBs issued in 10/2020, under exclusion of subscription rights of approx. 7.5%	Remainder of unused authorization & conditional capital to be cancelled as authorization expires in 04/2021	7.5%
Replacement - Conditional Capital 2021-I: Issuance of shares amounting to 10% of now-current share capital	Replacement of partly used and partly expiring Conditional Capital 2016-I for future CVB financing(s)	n.a.	Replacing Conditional Capital to issue shares of up to 10% of now-current share capital, w/o subscription rights up to 10%*	10% (10% w/o subscription rights*)
Total Conditional Capitals				17.5%
Authorized Capital 2018-I: Issuance of approx. 40% of then-current share capital	Contribution in cash or kind; exclusion of subscription rights up to 20% especially for contribution in kind	Not used, but right to exclude subscription rights has been predominantly used-up (Incyte 2020 + CVB 2020)	Cancel authorization & conditional capital	0%
Replacement - Authorized Capital 2021-I: Issuance of approx. 15% of now-current share capital	Replacement of Authorized Capital 2018-I	n.a.	Authorization & conditional capital for capital increase against contribution in cash and/or in kind	15% (10% w/o subscription rights*)
Authorized Capital 2020-I: Issuance of approx. 10% of then-current share capital	Contribution in cash; exclusion of subscription rights up to 10%	Not used, but right to exclude subscription rights reduced by CVB 2020 to approx. 2.5%	Cancel authorization & conditional capital	0%
Replacement - Authorized Capital 2021-II: Issuance of approx. 10% of now-current share capital	Replacement of Authorized Capital 2020-I	n.a.	Authorization & conditional capital for capital increase against contribution in cash	10% (10% w/o subscription rights*)
Total Authorized Capitals				25%

*The proposed authorizations to serve corporate financing purposes would in total not allow for exclusion of subscription rights by more than 10% (excluding authorizations serving SOPs).

SOPs: Proposed Cancellation/Reduction of Existing Capitals and Creation of New Capital

Conditional & Authorized Capitals



Capital Pursuant to Articles	Purpose	Usage Since Authorization	Proposed Resolution to the AGM 2021	% of Now-Current Share Capital
Cancellation - Conditional Capital 2008-III: Issuance of 13k shares	Employee Option Program	All options have been granted; no further usage possible as authorization expired	Conditional Capital to be cancelled in its entirety	0%
Reduction - Conditional Capital 2016-III: Issuance of 995k shares	Employee Option Program	Options to 741k shares have been granted; no further usage as authorization is expiring in 04/2021	Remainder of unused authorization & conditional capital (approx. 254k) to be cancelled as authorization expires in 04/2021	2%
Conditional Capital 2020-I: Issuance of 1.3m shares	Employee Option Program	Required (to serve existing option programs)	No changes	4%
Total Conditional Capitals				6%
New - Authorized Capital 2021-III: Issuance of approx. 1% of the now-current share capital	Employee Option Program (US RSUP)	Required to serve existing option programs in the US	New capital for US RSUP	Approx. 1%
Authorized Capital 2019-I: Issuance of approx. 0.5% of then-current share capital	Employee Option Program (US RSUP)	Required (to serve existing option programs in the US)	No changes	0.5 %
Total Authorized Capitals				1.5%
Total of all Capitals (Conditional + Authorized Capitals for Corporate Financing & SOPs)				50%

Outlook 2021



Outlook 2021

Focus on Execution of Strategic Imperatives



1 Maximize the tafasitamab potential and become a leader in hemato-oncology

2 Develop felzartamab in the autoimmune diseases space

3 Expand the pipeline for sustainable growth

4 Continue building a compelling global operating model, footprint & talent pool and embrace operational excellence

Thank You

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