POLYPHOR

Annual General Meeting Information Call

March 22\textsuperscript{nd} 2021
Welcome and Introduction – Kuno Sommer, Chairman of the board

2020 Results, pipeline progression and 2021 priorities – Gokhan Batur, CEO

Annual General Meeting, agenda items – Kuno Sommer, Chairman of the Board
Forward-looking statement

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Polyphor Management Team and the Board of Directors

<table>
<thead>
<tr>
<th>Management Team</th>
<th>Board of Directors</th>
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| **Gökhan Batur**  
CEO  
- Former Global Head of Antibiotics Business at Merck Co Inc. leading a portfolio of 2B$  
- Leadership positions at regional and global level in hospital and oncology launches at Merck |
| **Frank Weber**  
Chief Medical & Development Officer  
- CMO of Probiodrug and Head of market access of Santhera  
- SVP Intermune; CMO Merck and Merck-Serono |
| **Daniel Obrecht**  
Chief Scientific Officer  
- Co-founder of Polyphor  
- Former Head of Combinatorial Chemistry Group at Roche |
| **Hernan Levett**  
CFO  
- Former CFO at NASDAQ listed company Auris Medical  
- VP of Finance at Intermune after 10 years at Novartis in various finance roles |
| **Franziska Muller**  
Head of HR  
- Holds a master’s degree from the University of Fribourg in organizational psychology  
- She joined the company in 2008 |
| **Kuno Sommer, Chairman**  
- Former Head of Contract Research at Harlan Laboratories  
- Former CEO of Berna Biotech  
- Former EC member at Roche Flavours and Fragrance Div. (Givaudan) |
| **Andreas Wallnöfer, Vice Chairman**  
- Various senior leadership positions  
- Head of Clinical Research & Exploratory Dev., Head of pRED at Roche  
- Partner in BioMedInvest III fund |
| **Bernard Bollag**  
- Former Group Treasurer at Syngenta  
- Founder and Managing Director at Beaufort Capital  
- Former CEO of Berna Biotech  
- Former EC member at Roche Flavours and Fragrance Div. (Givaudan) |
| **Silvio Inderbitzin**  
- Previous CEO of Spirig Pharma until its trade sale in 2013  
- Active investor in small to mid-sized Swiss life sciences companies  
- Nomination of Hugh O’Dowd* |
| **Kuno Sommer, Chairman**  
- Chairman on the Board of ONK Therapeutics  
- Non-executive Director on the Board of Puma Biotechnology  
- President, Chief Executive Officer, and a member of the Board of Directors of Neon Therapeutics  
- 20 years in a variety of senior leadership roles at Novartis Pharmaceuticals Corporation including his role as Chief Commercial Officer of Novartis Oncology |
| **Employees at a glance:**  
- 52 FTE’s  
- Research: 18, Development: 21, Staff Functions: 13 |

* Hugh O’Dowd is being nominated for election at 2021 AGM
2020 Results Highlights

Strong achievements in 2020 following renewed strategy and management team

✓ Balixafortide Phase III Trial enrollment closed on time with 432 patients and 3 positive DSMBs *

✓ Fosun Pharma China Partnership: important milestone for the development and commercialization of balixafortide in one of the largest markets in oncology

✓ Moving inhaled murepavadin to clinical development with IMI and CF Foundation support and funding

✓ Two CARB-X awards for ongoing early-stage AB programs – thanatin derivatives and OMPTA BamA

✓ Research efforts for new CXCR4 lead candidate in hematologic malignancies and balixafortide in SARS-CoV-2 provide incremental pipeline expansion opportunity

✓ Cash on hand of CHF 34.3 million as of December 31, 2020 expected to finance operations into Q3 2021; equity-linked financing arrangement with IRIS allows for additional flexibility to further extend the cash outlook if needed.

* DSMB: Data Safety Monitoring Board
2021 Plan and Priorities

Oncology:

- Prepare for filing following ORR and PFS data readouts expected in **Q2 and Q4 2021** for balixafortide

- Expand balixafortide opportunity in additional solid tumor indications:
  - Plan to initiate Phase Ib/IIa study in first-line metastatic breast cancer in combination with nab-paclitaxel (Q3 21)
  - Expand to additional solid cancers via Phase Ib/II study (following ORR results) based on preclinical evidence

- Nominate clinical indications in hematologic malignancies for newly identified CXCR4 candidate based on preclinical proof of concept data in overcoming resistance against SoC in various liquid tumors

Infectious Disease:

- Initiate Phase I trial for inhaled murepavadin with first patient enrolled in Q3 2021 (updated guidance)

- Deliver on thanatin derivatives and OMPTA BamA program milestones in partnership with CARB-X

- Assess balixafortide in treatment of Covid-19

**ORR = Objective Response Rate**

**PFS = Progression Free Survival**
### Polyphor Pipeline and Plan

*Opportunity to provide multiple pipeline progress and key inflection points until 2022*

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<tr>
<th>Program</th>
<th>Research</th>
<th>Preclinical</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Market</th>
<th>Partnership / Funding</th>
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<tr>
<td><strong>Balixafortide</strong></td>
<td>Metastatic breast cancer</td>
<td>Other cancer/combos</td>
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<td>FOSUN PHARMA</td>
<td>(China)</td>
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<td><strong>New CXCR4 lead candidate</strong></td>
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<td><strong>Inhaled Murepavadin</strong></td>
<td>Chronic CF infections</td>
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<td><strong>BamA</strong></td>
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<td><strong>Thanatin Derivatives</strong></td>
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*Multidrug Resistant

**Pipeline Today**

**Pipeline 2022 Plan**
**Objectives:**

- **Key primary endpoint:** Progression free survival (PFS) at 12 months after the last patient is randomized
- **Co-primary endpoint:** Objective Response Rate (ORR) at 6 months after the last patient is randomized

**Patient Population:**

- Locally recurrent or metastatic breast cancer (BC)
- HER2 negative, with any ER/PR
- Previously treated with 1–4 chemotherapeutic regimens for locally recurrent or metastatic BC
- Previously received an anthracycline and a taxane in either the adjuvant or metastatic setting, unless contraindicated for safety reasons

**FORTRESS Randomization Curve (Nov 2020)**

- Recruitment closed on October 29th, 2020
- 3 positive DSMB decisions to continue the trial without any modifications
- 3rd line+ patients: 344 / 320 recruited → complete
- 2nd line patients: 88 / 64 recruited (mainly supports EU label) → complete
- HER2- and HR+: 278 patients (64%) and Triple Negative: 154 (36%)
**Overall population N=384, 320 3rd line + and 64 2nd line**

7/19 - 10/20

16 months recruitment

**90% power for detecting superiority of Balixafortide + eribulin versus eribulin monotherapy for the primary efficacy endpoint of PFS in both the 3rd line + and overall population**

Q2 '21

6 months from last pt enrolled

ORR* data cut

Accelerated approval option

Q4 '21

12 months from last pt enrolled

PFS* + interim OS data cut

NDA filing

end '22

24 months from last pt enrolled

OS* final analysis

Label extension

*Alpha allocation and recycling is used to ensure control of the overall Type I error rate for these formal analyses
Balixafortide Oncology Strategy – Initial Indication and Expansion Plan

Initial Indication

- End of Recruitment
- ORR in 3rd line+ patients
- PFS in all patients
- Potential US approval (accelerated)
- US / EU Approval (PFS based)

Future Indication Expansion Plan

- Preclinical studies in other combinations / tumors
- CXCR4 Diagnostic Test
- Non-IV Formulation
- Phase Ib/II Study in combination with first line taxane chemotherapy regimen
- Phase Ib/II Study in new solid cancer indications
Polyphor has identified a novel potent and selective CXCR4 antagonist to start non-clinical development for the treatment of haematological malignancies in 2021.

The compound remains undisclosed until relevant patent application is filed.

CXCR4 is a validated target in several haematological malignancies and expression level correlates strongly with worse prognosis.

### Table: CXCR4 overexpression and Survival

<table>
<thead>
<tr>
<th>Cancer type</th>
<th>No. of studies</th>
<th>No. of patients (CXCR4+/CXCR4-)</th>
<th>Hazard ratio (95% CI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hematological malignancy</td>
<td>6</td>
<td>537(315/222)</td>
<td>2.31 (1.33, 4.02)</td>
</tr>
</tbody>
</table>

**CXCR4 overexpression correlates with worse survival**

CI: confidence interval

Zhao et al., Oncotarget (2015)
In vitro studies demonstrate strong and dose-dependent synergistic effects of compound in combination with two different SoC against sensitive and resistant liquid cancer cell lines.
Pharmacological in vitro and in-vivo data generated in collaboration with leading academic centre in Switzerland (IOR Bellinzona)

Experiments in several hematologic cancer types and combinations ongoing

Patent application filing planed for Q2 2021 and disclosure of compound thereafter

In vitro studies demonstrate good potential of Compound on top of SoC in several liquid cancers

New compound formulation experiments started

Potential for first-in-human study in the second half of 2022

New Development Project of a highly selective and potent CXCR4 antagonist initiated based on in-house macrocycle technology and focused collaboration with academic centers of excellence
Infectious Disease

1. OMPTA
2. Inhaled Murepavadin for CF program update
3. COVID-19 opportunity with Balixafortide
OMPTA Antibiotics
Outer Membrane Protein Targeting Antibiotics constitute a novel class of antibiotics.

Polyphor’s mission in tackling AMR is to bring first new class of gram-negative ABs after 50 years that are effective, safe and are durable against resistance covering all WHO priority 1 pathogens.

Our innovation focuses on three targets within OMPTA class

1. LptD/E: Inhaled Murepavadin Phase I (IMI and CFF funding)

2. LPS and BamA: Hit to Lead (CARBX funding)

3. LptA Thanatin Derivatives: Hit to Lead (CARBX funding)

- Truly a new class validated by Nature publication
- A unique spectrum of coverage targeting all, single or a group of specific WHO Priority 1 pathogens are possible
- Strong potential for lower propensity for resistance versus classical antibiotics
- Robust science enabling non-dilutive funding and external financing (CARBX, Welcome Trust, Novo, IMI and CF Foundation)
Infections will remain a major problem in Cystic Fibrosis post CFTR modulator era

- *P. aeruginosa* is the leading cause of lung function decline and mortality in CF accounting for 2/3 of the chronic infections
- Tobramycin and aztreonam are commonly used inhaled ABs for CF, developed 10-20 years ago administered 2-3 times daily
- Despite proven efficacy, exacerbation, lung function decline and mortality persist over time in CF due to *P. aeruginosa*
- Cystic Fibrosis Foundation has committed at least $100 million to the Infection Research Initiative in 2019

Inhaled Murepavadin – Novel Class Selective Inhaled AB for CF:

- Potentially first new class (OMPTA) and *P. aeruginosa* specific inhaled AB for CF

**Pre-clininal experiments and studies show:**
- Best *in vitro* activity against *P. aeruginosa* including MDR / XDR strains
- Biofilm activity (*in vitro*) and low resistance potential
- No cross-resistance with other antibiotics
- High safety margin (least 5-10 fold above IV application) in preclinical GLP
- Potent activity in lung infection models

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**Excellent In-Vitro Activity**

**Vs. Approved Inhaled Antibiotics**

| MICs (mg/L) of 414 *Pseudomonas aeruginosa* isolates from people with CF* |
|------------------|------------------|------------------|
|                  | MIC₅₀       | MIC₉₀       | Range            |
| Murepavadin      | 0.12        | 2           | 0.016->16        |
| Aztreonam        | 8           | 128         | 0.25->256        |
| Ciprofloxacin    | 1           | 8           | 0.03->32         |
| Tobramycin       | 1           | 16          | 0.12->128        |
| Colistin         | 1           | 2           | 0.25->16         |

* Isolates collected between 2007-2018, mostly from The Netherlands and Spain.

Ref: Ekkelenkamp M. Report on in vitro susceptibility of clinical isolates from cystic fibrosis and bronchiectasis patients against murepavadin (POL7080), part 1 of 2. The “inhaled Antibiotics in Bronchiectasis and Cystic Fibrosis” (iABC) consortium; 2018.
Inhaled Murepavadin for Cystic Fibrosis
Changing the treatment paradigm in treating chronic P. aeruginosa infections in Cystic Fibrosis

Potentially the first pathogen specific new class inhaled antibiotic for P. aeruginosa, leading cause of exacerbations, lung function decline and mortality in CF

Clinical Program Plan and Timelines:
- Clinical Trial Authorization (CTA) granted following preclinical program suggesting broad safety margin and efficacy
- Phase I study plan to include single and multiple dosing in healthy volunteers up to 7 days.
- Patient enrollment start expected in Q3 2021
- Phase Ib/IIa study planned in patients with CF supported by CF Foundation

Targeted and attractive rare disease opportunity:
- Attractive orphan market opportunity
- Comparators’ peak sales (200-400m USD)
- Can be expanded from CF to Non Cystic Fibrosis Bronchiectasis and beyond

Clinical development CF

<table>
<thead>
<tr>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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<tr>
<td>Clinical development CF</td>
<td>Phase I SAD</td>
<td>Phase I MAD</td>
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<tr>
<td>CTA</td>
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* Tobi and Cayston
New Indication: Balixafortide for the Treatment of SARS COVID-19

**Balixafortide showed a clear and consistent effect in an anti-viral test (CPE assay)**

- In collaboration with the University Basel (Prof. Klimkait), Balixafortide was investigated for its effect on cell protection in a cytopathic effect assay (CPE) of SARS CoV-2 (COVID-19)

In these pre-clinical experiments Balixafortide:

- showed a clear reduction of infected cells when given concomitantly and up 90 min after the virus inoculation
- showed a strong and reproducible protective effect (in the range of 90%) at clinically relevant / achievable concentrations
Fatal COVID-19 is characterized by escalating activation of bystander CXCR4+ T cells in the lungs.

“If CXCR4-driven T cell infiltration does indeed contribute to fatal COVID-19, then inhibitors against this receptor may be useful.”
Balixafortide in SARS-CoV-2 Infection

Hypothesis and potential R&D Pathway

Scientific Hypothesis

- Anti-viral efficacy through direct viral effect
- Anti-inflammatory effect through antagonism of CXCR4

R&D Pathway

<table>
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<tr>
<th>Preclinical trials (current phase)</th>
<th>Safety testing in animals</th>
<th>Safety testing in healthy humans (Phase I)</th>
<th>Testing for effectiveness in humans (Phase II)</th>
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<tbody>
<tr>
<td>Transitioned to In-Vivo Research</td>
<td>Completed*</td>
<td>Assessing Feasibility</td>
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* Completed through development of the oncology program.
FY 2020 net loss of CHF 44.9 million, CHF 56.7 million in operating expenses, which is slightly below the guidance of CHF 57-59 million provided during our H1 2020 results conference call

- Revenues increased by CHF 14.3 million from the last reporting period due to upfront milestones payment from Fosun licensing agreement
- Lower R&D expenses by CHF 8.4 million reflecting balixafortide pivotal trial compared to the additional 2 murepavadin pivotal trials in 2019
- Increase in financial expenses of CHF 2.8 million driven by foreign exchange losses (CHF -1.5 million) due to depreciation of USD in 2nd half-year 2020 as well as sale of Santhera shares in 2019 (CHF -1.1 million), which led to lower financial expense level in 2019 compared to 2020
- Other operating expenses includes general & administrative (CHF -4.6 million), marketing & sales (CHF -0.7 million) and other income (CHF 1.0 million)
### Financial Highlights

In CHF million (based on consolidated IFRS financial statements)

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<td>77.4</td>
<td>-42.4</td>
<td>-0.7</td>
<td>34.3</td>
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- Cash and cash equivalents at the end of 2020 were CHF 34.3 million.
- Cash was deployed to our operating activities, mainly driven by progression of the FORTRESS trial for balixafortide and by the final payments for closed PRISM and UDR murepavadin I.V. trials (accrued for in 2019).
- Other includes proceeds from convertible notes (CHF +2.4 million), other financing activities, i.e. net financing includes repayment of the loan on leasehold improvements and related interest (CHF -1.3 million) and net effect of exchange rate movements (CHF -1.8 million) mainly due to depreciation of USD.
Guidance for 2021

- Cash on hand of CHF 34.3 million as of December 31, 2020 expected to finance operations into Q3 2021.

- For 2021 we expect that operating expenses (excluding share-based payments and IAS 19 pension adjustments) to be in the range of CHF 41-45 million.

- Equity-linked financing arrangement with IRIS allows for additional flexibility to further extend the cash outlook if needed.

- Annual General Meeting to take place on April 6th, 2021.
AGM Agenda and Rationale
1. Approval of the Management Report and the Consolidated Accounts (IFRS) for the year 2020 and the Annual Accounts (statutory) of Polyphor Ltd for the year 2020

The Board of Directors proposes approval of the management report and the consolidated accounts (IFRS) for the year 2020 and the annual accounts (statutory) of Polyphor Ltd for the year 2020.

2. Allocation of the Balance Sheet Result

The Board of Directors proposes to carry forward the net loss of the year 2020 amounting to CHF 43’893’681 under Swiss statutory accounts.

3. Discharge of the Board of Directors and Executive Management

The Board of Directors proposes that the members of the Board of Directors and Executive Management be granted discharge for the year 2020.
4. Share capital reduction through decrease of nominal value of shares (1/2)

4. Share Capital Reduction through Decrease of Nominal Value of Shares*

The Board of Directors proposes to implement a share capital reduction by reducing the nominal value of all its shares from (currently) CHF 2.00 each, to CHF 0.02 each (in future) and to allocate the amount resulting from the Company’s reduction in share capital to the Company’s capital reserves.

Background for this proposal is to enhance flexibility in any future financing activities; in view of the fact that CHF 22 million of Share Capital is highly unusual for a Company the size of Polyphor; and in excess of the CHF100'000 legally required minimum.

The reduction in the nominal value of the Company's shares neither changes the number of shares (registered, authorized or conditional), nor creates any transfer of value. It is a technical step between two categories within the Company's equity. Hence no value or dividend will be disbursed. Shareholders' rights remain unchanged, and likewise total equity remains unchanged.

* Numbers do not include 145'201 registered shares issued from the Company's conditional share capital in connection with the exercise of stock options and convertible bonds in 2020 but not yet registered in the commercial register. If these shares have also been registered at the date of the shareholder meeting, the numbers in this resolution will be adjusted accordingly.
4. Share capital reduction through decrease of nominal value of shares (2/2)

Based on the audit report pursuant to Art. 732 para. 2 of the Swiss Code of Obligations of the regulated auditing firm Ernst & Young AG, Basel, which has been provided to the General Meeting, the Board of Directors proposes to reduce the share capital of the Company as follows:

1. The share capital of CHF 22'126'414.00 shall be reduced by CHF 21'905'149.86 to CHF 221'264.14.
2. According to the audit report, the claims of the company’s creditors are fully covered despite the reduction of the share capital.
3. The capital reduction shall be achieved by reducing the nominal value of all 11’063’207 currently registered shares from CHF 2.00 to CHF 0.02 per registered share.
4. The total amount of share capital reduction according to clause 1 shall be increased by the reduced par value of the registered shares issued out of the authorized and conditional share capital of the Company after the Annual General Meeting.
5. The entire amount of share capital reduction shall be allocated to “legal reserve from capital contributions”.
6. Upon registration of the share capital reduction in the Commercial Register, paragraph 1 of each of Art. 3, Art. 3a, Art. 3b and Art. 3c of the articles of association shall be amended accordingly.

Article 733 of the Swiss Code of Obligations requires the Board to formally give notice of the share capital reduction after resolution at the Annual General Meeting by publishing it three times in the Swiss Official Gazette of Commerce. After expiry of the legally prescribed two-month waiting period, the capital reduction will be carried out, entered in the Commercial Register and becomes effective as of the date of entry in the Commercial Register.
5. Increase of Conditional Share Capital for Employee Benefit Plans

The Board of Directors proposes to increase the conditional share capital for employee benefit plans by 100'000 registered shares with a nominal value of CHF 2 each and to amend article 3c paragraph 1 of the articles of association to read as follows:

Art. 3c Conditional Share Capital for Employee Benefit Plans
The share capital of the Company shall be increased by an amount not exceeding CHF 1’899’216 through the issue of a maximum of 949’608 registered shares, payable in full, each with a nominal value of CHF 2.00, in connection with the exercise of option rights granted to any employee of the Company or a subsidiary, and any consultant, members of the Board of Directors, or other person providing services to the Company or a subsidiary.

Numbers in proposed new article 3c do not yet take into account registered shares issued from the Company’s conditional share capital in connection with the exercise of stock options in 2020 but not yet registered in the commercial register. If these shares have also been registered at the date of the shareholder meeting, the numbers in this resolution will be adjusted accordingly.
5. Increase of Conditional Share Capital for Employee Benefit Plans

- We’ve looked at current industry practice and we have aligned our Employee Benefit Plan towards biotech practice in 2019.

- Employee stock option plan (ESOP) is aimed at performance and retention and the strike price of the stock options is set based on market conditions (average price of previous trading days before the options are granted and not an arbitrary price fixed by the company)

- This increase of conditional share capital allows Company to offer options to its employees, based on performance and retention schemes. We believe that as a biotech we need to remain an attractive employer both to attract and retain talent.

- Because of the performance nature of the stock options that could be granted, the increase of the conditional share capital for employee benefit plans is up to a maximum of 949'608. This request also covers for the stock options granted to date.

- The conditional share capital increase for employee benefit plans approved in AGM 2020 was 300'000 registered shares (request for 2021 is an increase 100'000 registered shares)
6. Election to the Board of Directors

The Board of Directors proposes to re-elect Kuno Sommer as chairman and member of the Board, to re-elect Bernard Bollag, Silvio Inderbitzin and Andreas Wallnöfer as members of the Board and to elect Hugh O'Dowd as new member of the Board, each for the term until the next Annual Shareholders' Meeting:

6.a Re-Election of Kuno Sommer as chairman and member of the Board
6.b Re-Election of Bernard Bollag as member of the Board
6.c Re-Election of Silvio Inderbitzin as member of the Board
6.d Re-Election of Andreas Wallnöfer as member of the Board
6.e Election of Hugh O'Dowd as new member of the Board

Hugh O'Dowd currently serves as independent Non-executive Chairman on the Board of ONK Therapeutics, an innovative natural killer (NK) cell therapy company and as Non-executive Director on the Board of Puma Biotechnology, Inc (NASDAQ: PBYI), an oncology company. Until its acquisition by BioNTech SE in May 2020, he served for four years as President, Chief Executive Officer, and a member of the Board of Directors of Neon Therapeutics, Inc. (NASDAQ: NTGN), a clinical-stage immuno-oncology company that developed neoantigen-based therapeutics. Prior to Neon Therapeutics, Hugh O'Dowd spent more than 20 years in a variety of senior leadership roles at Novartis Pharmaceuticals Corporation including his role as Chief Commercial Officer of Novartis Oncology from 2011 to 2015. During this time, he was responsible for the oncology portfolio strategy for the world’s then second-largest oncology / hematology organization, including global brand leadership, business development/licensing, and commercialization.
7. Election of the auditors

The Board of Directors proposes to re-elect the current auditors, Ernst & Young AG, for the term until the next Annual Shareholders' Meeting.
8. Election of the Independent Proxy

The Board of Directors proposes to re-elect lic. iur. Marius Meier, Attorney at Law and Public Notary, Lautengartenstrasse 7, CH-4052 Basel, Switzerland, as independent proxy for the term until the next Annual Shareholders' Meeting.
9. Election of the Members of the Compensation Committee

The Board of Directors proposes to elect Silvio Inderbitzin, Kuno Sommer and Andreas Wallnöfer as the members of the compensation committee, each for the term until the next Annual Shareholders' Meeting.

9.a Election of Silvio Inderbitzin
9.b Election of Kuno Sommer
9.c Election of Andreas Wallnöfer
10. Compensation for the Members of the Board of Directors and the Executive Management

The Board of Directors proposes to hold the following separate votes on the non-performance related and the variable compensation of the Board of Directors and the Executive Management:

10.a Vote on Total Fixed (Non-Performance-Related) Compensation for Members of the Board of Directors until the next Annual Shareholders’ Meeting

The Board of Directors proposes that shareholders approve the total maximum amount of fixed (non-performance-related) compensation for the members of the Board of Directors for the period until the next Annual Shareholders’ Meeting of CHF 265’352 including a maximum of CHF 20’000 for additional consultancy services by Board members and including the related social security costs.

10.b Vote on Equity Based Compensation for Members of the Board of Directors until the next Annual Shareholders’ Meeting

The Board of Directors proposes that shareholders approve the grant of a maximum of 35’500 options for the members of the Board of Directors for the period until the next Annual Shareholders' Meeting, with a current maximum value of all options of CHF 266’352, a quarterly vesting ending at the next shareholders' meeting plus the related social security costs (estimate based on current value: CHF 16’256).
10. Compensation for the Members of the Board of Directors and the Executive Management

The Board of Directors proposes to hold the following separate votes on the non-performance related and the variable compensation of the Board of Directors and the Executive Management:

10.c Vote on Cash Compensation for Members of the Executive Management payable in 2022

The Board of Directors proposes that shareholders approve the total maximum amount of cash compensation for the five members of the Executive Management payable 2022 of CHF 2’500’000 (including the related social security costs) of which a maximum of CHF 1’750’000 is for fixed (non-performance-related) compensation and a maximum of CHF 750’000 is variable (performance-related) compensation.

10.d Vote on Equity Based Compensation for Members of the Executive Management for 2022

The Board of Directors proposes that shareholders approve the grant of a maximum of 130’000 options for the five members of the Executive Management for the year 2022, with a current maximum value of all options of CHF 990’000 with quarterly vesting over four years plus the related social security costs (estimate based on current value: CHF 59'530)
10. Compensation for the Members of the Board of Directors and the Executive Management

- Board of directors assumes compensation for 5 members and Executive Management assumes 5 members – No changes when compared with 2020.

- Compensation of the board of directors reduced to CHF 265’250, from CHF 300’000 requested in the 2020 AGM.

- Equity Based Compensation for Members of the Board of Directors increased to 35’500, from 18’750 requested in the 2020 AGM

- CHF 2.5m for Executive Management compensation entails,

  - Up to CHF 1.7m of salary, of which
    - CHF 1.3m of base salary
    - CHF 0.4m of social contributions

  - Up to CHF 0.8m of bonus, of which
    - CHF 0.7m of bonus if 150% performance is achieved (CHF 0.4m if 100% performance is achieved)
    - CHF 0.1m of social contributions

- 2020 AGM Executive Management compensation request was CHF 2.5m and the effective payout is expected to be in the range of CHF 2.1m.

- Total Cash compensation for existing EC members (salary, social contributions and bonus) in 2018 was CHF 2.1m, 2019 was CHF 1.8m, 2020 was CHF 1.6m, 2021 is estimated to be in the range of 2.1m (dependent on the bonus rate)