March 14, 2019

FY2018 – Conference Call

The spoken word shall prevail.

Speaker: Verena Kupas, Manager Corporate Communications & IR at MorphoSys

Good afternoon, good morning and welcome to our full year results conference call and webcast. My name is Verena Kupas, Manager Corporate Communications & Investor Relations at MorphoSys.

Slide 2: Today on the Call

With me on the call today are Simon Moroney, our CEO, Jens Holstein, our CFO, Malte Peters, our CDO, and Markus Enzelberger, our CSO.

Slide 3: Safe Harbor

Before we start, I would like to remind you that during this conference call, we will present and discuss certain forward-looking statements concerning the development of MorphoSys's core technologies, the progress of its current research and development programs and the initiation of additional programs. Should actual conditions differ from the Company's assumptions, actual results and actions may differ from those anticipated. You are therefore cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof.

Slide 4: Agenda

Simon will start with a brief review of the highlights of 2018 and will then handover to Malte who will present the progress we have made with MOR208 as well as the other Proprietary Programs during the reporting year. Simon will then comment on the progress in our Partnered Discovery Segment. After that, Jens will review the financial results for 2018 and present the financial guidance for 2019, before handing back to Simon for the operational outlook for 2019. The presentation will last about 30 minutes.

After the presentation, we will all be available for your questions. You will find the slide deck on our corporate website. I would now like to hand over to Simon Moroney.

Slide 5: Highlights FY 2018

Speaker: Dr. Simon Moroney, CEO

Thank you Verena, and also from me, a warm welcome to our financial results call for 2018.

Slide 6: Highlights in 2018

It's a real pleasure to wrap up what was an outstanding year for MorphoSys.

The year 2018 was marked by a number of events that highlight our maturing product pipeline and progress towards our goal of becoming a fully integrated biopharmaceutical company. In addition to the pipeline progress, we made important advances in business development and our revenue, EBIT and cash all comfortably exceeded the financial guidance we had issued at the beginning of the year.

During the call, we will recap the main highlights of 2018, focusing on a selection of our pipeline programs. The primary focus of our activities and investment is our proprietary drug portfolio, first and foremost MOR208. Although this program is our top priority, it should not overshadow some of the other programs in our Proprietary Development segment that we are excited about. And the potential in our Partnered Discovery segment was highlighted by the commercial success of Janssen's drug Tremfya®, which reached over half a billion U.S. dollars in sales in its first full year on the market.

Slide 7: Portfolio

Slide 8: Proprietary Development Segment

I'll start with a quick overview of our Proprietary Development segment before handing over to Malte for more detail.

Our highest priority is MOR208 and we made great progress with this investigational program during 2018. By year-end, MOR208 had emerged as one of the most interesting new cancer drug candidates in our industry. Our initial goal is to bring MOR208 to market as fast as possible to offer a treatment alternative to patients suffering from a particularly aggressive form of blood cancer, diffuse large B-cell lymphoma, or DLBCL. With maturing clinical data, breakthrough therapy designation from the FDA and a clear view of the path to market, we are planning to commercialize MOR208 in the U.S. and are building an organization there for this purpose. The goal for the U.S. organization is very clear: to ensure that the market launch of MOR208, subject of course to regulatory approval, will be a success. If all goes according to plan, this could happen as early as mid-2020.

Four other programs from our Proprietary Development segment are also worthy of mention due to the progress made in 2018.

In the middle of last year, together with our partner Galapagos we entered a lucrative partnership with Novartis on our investigational anti-IL17C antibody MOR106. We believe that

this deal gives us the best possible chance to maximize the opportunity that this promising program represents, not only in its lead indication atopic dermatitis, but also in others.

Second, our investigational CD38 antibody MOR202 advanced in the hands of our partner I-Mab Biopharma, who continued preparations for a pivotal study in multiple myeloma in greater China.

We built on our successful relationship with I-Mab to partner a second compound with them, namely MOR210, our pre-clinical antibody targeting the C5a receptor, which we see as a potentially interesting immuno-oncology target.

Last but not least, the investigational anti-GM-CSF antibody MOR103, also known as GSK3196165 delivered results for our partner GSK, who subsequently committed to take it into a phase 3 clinical study in rheumatoid arthritis.

With this introduction, I'll hand-over to Malte who will provide you with some more details.

Speaker: Dr. Malte Peters, CDO, MorphoSys AG

Thank you, Simon, and also a warm welcome from my side. We are indeed excited about our MOR208 program and this is where I would like to start.

Slide 9: MOR208 – L-MIND (1)

MOR208 is an investigational antibody directed against CD19 that we are currently exploring in three clinical trials: the phase 2 L-MIND and the phase 3 B-MIND trials in relapsed/refractory DLBCL and the phase 2 COSMOS trial in r/r CLL and SLL. Our main focus is on r/r DLBCL.

We have made remarkable progress with MOR208 during 2018.

I'll start with L-MIND, our most important and advanced trial in terms of market proximity.

L-MIND is a phase 2, open-label, single-arm trial evaluating MOR208 plus lenalidomide (LEN) in patients with r/r DLBCL who are ineligible for high-dose chemotherapy and autologous stem cell transplantation. Patients were eligible for enrollment if they had one to three prior lines of therapy, with at least one prior therapy including an anti-CD20 targeting therapy, such as rituximab. In November 2018, the last of the 81 patients enrolled in the study reached the 12th month of follow-up. Database lock took place thereafter, and we are currently cleaning the data.

Slide 10: MOR208 – L-MIND (2)

In December 2018, we presented interim data from all 81 patients enrolled in this study at the American Society of Hematology (ASH) Annual Meeting. These data, based on a June-2018 cut off, were even better than the results that we had published from earlier data-cuts.

A total of 58% of patients showed an objective response to the treatment, with 33% showing complete regression of their tumors. A significant proportion of patients (46%) were still on study treatment at data cut-off. The most significant metric observed is progression-free survival. Median PFS was reported at 16.2 months, suggesting very durable responses under the treatment of MOR208 plus lenalidomide. Median duration of response was not reached and 70% of responding patients were without progression at 12 months.

Data observed to-date showed that no unexpected toxicities were observed for the treatment combination of MOR208 plus lenalidomide and no infusion-related reactions (IRRs) were reported for MOR208. Treatment-related serious adverse events (SAEs) only occurred in 20% of the patients. Just over half the patients required dose reduction of LEN and 72% could stay on a daily LEN dose of 20 mg or higher.

We believe that the data we have seen so far from the L-MIND trial suggest that MOR208 plus lenalidomide could be a potential new treatment alternative for this area of unmet medical need. If approved, the combination could provide a new chemotherapy-free regimen to patients who are in urgent need of more therapeutic options. As a reminder, the trial is in patients with relapsed or refractory disease who are ineligible to receive aggressive or toxic treatments such as high-dose chemotherapy and autologous stem cell transplantation and who are therefore also unlikely to be eligible for more complicated and more toxic therapies. For these patients, there is currently no approved treatment.

We have continued our dialogue with the FDA under the current breakthrough therapy designation and are planning to seek approval for MOR208 as fast as possible based on the L-MIND data. We are assembling the data packages for a BLA submission to the FDA that we plan to complete by year-end.

In parallel, we have started discussions with National European Regulatory authorities to explore the possibility of using the L-MIND study as the basis for an approval in Europe. We had envisaged seeking European approval based on our B-MIND study, which I'll come to shortly, but given our L-MIND data and our interactions with the FDA, we decided to seek interactions also with European agencies regarding L-MIND. We're very early in this process, but have been encouraged by our initial interactions. If the EMA were to agree to accept a potential marketing authorization application based on L-MIND, submission of such an MAA could occur earlier than originally anticipated based on the B-MIND trial. We are seeking scientific advice from EMA and look forward to learning more about this potential alternative in the coming months.

Slide 11: MOR208 –B-MIND and COSMOS Trials

This brings me to our other ongoing trial of MOR208 in r/r DLBCL, namely B-MIND. This head-to-head phase 3 study is investigating the efficacy of MOR208 plus bendamustine versus rituximab plus bendamustine in adult DLBCL patients worldwide.

B-MIND is important for us as it may serve, in addition to being potentially pivotal on its own, as a confirmatory study if conditional approval is granted based on L-MIND.

To that end, we were very happy to announce last week that during the first quarter of 2019 we implemented an amendment of B-MIND in agreement with the FDA. The scientific rationale for the amendment is based on published literature as well as our own pre-clinical data, which indicate that MOR208 might be particularly active in DLBCL patients who can be characterized by the presence of a certain biomarker. Discussions with the FDA regarding the biomarker assay are currently being planned and are expected to take place in the middle of this year.

The pre-planned, event-driven interim analysis of B-MIND remains projected to take place in the second half of 2019. Depending on the outcome of the interim analysis, an increase from 330 to 450 patients may be required, in which case an event-driven primary analysis of the study is expected in the first half of 2021.

Beyond DLBCL, we published results from our COSMOS trial of MOR208 in CLL at EHA in June and at ASH in December. COSMOS is a small trial, of MOR208 plus idelalisib or venetoclax in patients with chronic lymphocytic leukemia (CLL) and small lymphocytic lymphoma (SLL) after discontinuation of prior ibrutinib therapy. In combination with idelalisib, an objective response was observed in 9 of 11 patients, including one complete response. Two patients showed stable disease. One patient with a very good partial response according to response criteria was taken off the study to receive stem cell transplantation.

In the combination with venetoclax, an objective response was shown in 10 of 13 patients, including three complete responses. Three patients discontinued study participation in the first cycle without undergoing a response assessment. No patient had progressive disease. Five patients showed minimal residual disease (MRD) negativity, which means that no tumor cells were detectable in the peripheral blood.

The data highlighted the potential of MOR208 in additional B cell malignancies beyond DLBCL and confirm that MOR208 may be combined with other cancer drugs currently used in hematological malignancies, including PI3K or BCL-2 inhibitors.

To sum up, we believe that MOR208-based therapies have the potential to become a treatment alternative in a variety of B cell malignancies, and our goal is to make these available to as many patients as possible. To that end, we announced plans at the end of last year to bring MOR208 into front-line development in DLBCL and preparations are ongoing for a phase 1b trial, which will start later this year. Pending analysis of the Phase Ib data, the next step may be a pivotal phase 2/3 trial with roughly 800-900 patients, commencing in mid-2020. In addition, we are currently evaluating further development options and settings to broaden the therapeutic scope of MOR208, which we will outline to the market in due course.

During 2018, we also made very good progress elsewhere in our Proprietary Development segment and I would now like to focus on the highlights of two of these programs, MOR106 and MOR202.

Slide 12: MOR106 – proprietary antibody against IL-17C

A very interesting drug candidate from our Proprietary Development segment is MOR106, our potentially first-in-class anti-IL-17C antibody for atopic dermatitis, discovered and co-developed together with Galapagos. In early 2018, we presented data from a phase 1 study at the American Association of Dermatology conference. In the study, MOR106 showed first signs of activity and durable responses and was generally well-tolerated in atopic dermatitis patients. We started two additional clinical studies in atopic dermatitis later in 2018, the phase 2 IGUANA trial and a bridging study to evaluate a subcutaneous formulation of MOR106.

In July 2018, together with Galapagos, we signed an exclusive global license agreement with Novartis for MOR106. Financial terms of the deal were very favorable comprising an upfront payment of 95 million Euro plus milestone potential of up to 850 million Euro and double-digit royalties on product sales. Atopic dermatitis is a debilitating skin disease affecting over 80 million people across the world’s seven largest markets. We are excited about the deal with Novartis, as we believe this will enable us to advance MOR106 as quickly and broadly as possible while allowing us to allocate more resources elsewhere, in particular to the development of MOR208.

Slide 13: MOR202 – proprietary antibody against CD38

I'll now move on to MOR202, our proprietary anti-CD38 antibody for multiple myeloma and potentially other indications.

We completed our phase 1/2 study of MOR202 in multiple myeloma, either as a single agent or in combination with pomalidomide or lenalidomide, and presented data based on the primary analysis in an oral presentation at ASH in December of last year. Data were consistent with earlier cut-offs from the trial showing long durations of response in the IMiD combinations of up to 19 months. Only 6% of patients showed infusion-related reactions, all of which were of grades 1 and 2. Encouraged by this safety profile, we have shown that infusion time could be reduced from the initial 2 hours to just 30 minutes.

We are supporting our partner I-Mab Biopharma in its preparations for late-stage clinical development in multiple myeloma in the Chinese region. I-Mab submitted an IND application to the Chinese and Taiwanese authorities for MOR202 and we expect that they will start a first pivotal trial of MOR202 soon.

We also continued to evaluate our own development options for MOR202 in other indications and we expect to start a clinical trial in an autoimmune disease later this year.

That completes my review of our Proprietary Development segment and with this, I will now hand back to Simon.

Slide 14: Partnered Discovery Programs: Highlights

Thank you, Malte. Before I review the highlights of our Partnered Discovery segment, allow me one general remark.

Our business model has evolved to one that is now very heavily focused on proprietary drug development. The Partnered Discovery segment, which was the Company's initial focus, is no longer being actively pursued. Nevertheless, it is a substantial part of our value proposition and our financial participation in so many potential drugs will continue to serve MorphoSys well long into the future.

The partnerships in this segment provide value on several fronts: we expect them to provide a growing revenue stream in the years ahead, they allow us to enter territories that it would be difficult for us to reach on our own and they enable us to exploit the full potential of products discovered using our technology.

A great example is Janssen's Tremfya®, the first therapeutic agent based on our technology to reach the market. After approvals in the U.S., Canada and Europe in 2017 for the treatment of plaque psoriasis, many other countries followed during 2018, including Japan, South Korea, Australia and Brazil. In 2018, its first full year on the market, total sales were 544 million US-Dollar, giving us confidence that Tremfya® is on its way to becoming a blockbuster. In its core indication of psoriasis, Janssen reported new clinical data in 2018 demonstrating superiority over competitor Cosentyx® in a head-to-head clinical study, based on the primary endpoint of the ECLIPSE trial, namely PASI 90 at week 48. Janssen is conducting more than 10 advanced-stage clinical trials of Tremfya® in a variety of settings and indications. These include psoriatic arthritis, pediatric psoriasis, Crohn's disease, ulcerative colitis and hidradenitis suppurativa,

illustrating the advantage for us of working with a committed partner. We expect sales of Tremfya® to continue to grow strongly in the years to come, from which MorphoSys will benefit through our royalty participation.

In June 2018, we were able to announce good news for the anti-amyloid beta antibody gantenerumab, when our partner Roche initiated a new phase 3 program in patients with early Alzheimer's disease. The program, consisting of the two phase 3 trials GRADUATE-1 and GRADUATE-2, will enroll approximately 1,520 patients in 31 countries worldwide. Patients will receive a significantly higher dose of gantenerumab than in Roche's previous trials, as a subcutaneous injection with titration up to the target dose. We are pleased to see Roche's commitment and their sustained belief in the program. This was further cemented by Roche's announcement a few weeks ago that they will continue gantenerumab development despite having had to stop another beta amyloid antibody program in Alzheimer's disease.

Slide 15: Pipeline

Overall, we have seen a number of advancements throughout the entire clinical pipeline last year, too many to mention here. Just two examples to make the point: in June 2018 our partner Bayer brought a novel compound into the clinic based on our technology, the thorium-227 radiolabeled antibody conjugate BAY2287411. Or most recently, Blackstone Life Science committed 250 million US-Dollar to create a cardiovascular startup together with Novartis. The biotech, Anthos Therapeutics, begins life with MAA868, a Factor XI antibody made by MorphoSys.

Slide 15 gives you an up-to-date snapshot of the clinical pipeline. As a reminder, the dark blue bars on the chart refer to our Partnered Discovery segment, the golden ones refer to programs that originated in our Proprietary Development segment. As you can see, Tremfya® is just the tip of the iceberg. One of our strengths as an organization is the breadth and depth of that pipeline. We see a number of programs that we believe have the potential to transform the treatment of the diseases they address. The entire R&D pipeline comprised a record-high of 115 programs at year-end 2018, 29 of which were in clinical development, and with the first product launched. Five out of the 29 clinical programs – so around 17% – are from our Proprietary Development segment.

That concludes the operational review, I will now hand over to Jens for his wrap-up of the financials.

Slide 16: Financials FY 2018

Speaker: Jens Holstein, CFO of MorphoSys AG

Thank you, Simon.

Slide 17: Financial Results FY2018

Ladies and Gentlemen, also from my side a warm welcome to all of you and thanks for your interest in the Company.

2018 was a very successful year for MorphoSys. Just to remind you – we introduced our guidance in March last year and increased our financial goals in September 2018 following antitrust clearance for our MOR106 license agreement with Novartis. Group revenues in 2018 amounted to 76.4 million Euro and thus above the updated guidance which ranged from 67 to 72 million Euro.

Our proprietary R&D expenses amounted to 98.3 million Euro and were just slightly above our guidance from 87 to 97 million Euro.

EBIT reached minus 59.1 million Euro, fully in line with our updated guidance of minus 55 to minus 65 million Euro.

Slide 18: FY2018: Profit or Loss Statement

Please move on with me to slide 18 that illustrates our P&L statement. As stated before, Group revenues amounted to 76.4 million Euro and thus 14% above the previous year. The increase is mainly driven by the upfront payment of 47.5 million Euro received from Novartis in conjunction with the license agreement for MOR106.

Revenues include royalties on net sales of Tremfya® amounting to EUR 15.4 million in its first full commercial year 2018, after 1.9 million Euro for 2017. Due to a contractually triggered currency conversion, the Tremfya® royalty revenue was lowered by EUR 1.7 million.

Total operating expenses increased slightly from 133.8 million Euro in 2017 to 136.5 million Euro in 2018, mainly due to higher selling and administrative expenses. In 2018, research and development expenses decreased by 6% to 106.4 million Euro, primarily due to the contractual ending of the Novartis collaboration in November 2017. To reflect the build-up of commercial structures for MOR208 in the U.S. initiated in July 2018, MorphoSys started presenting “selling expenses” as a separate line item on January 1, 2018. In 2018, selling expenses amounted to 6.4 million Euro after 4.8 million Euro in 2017. Splitting out selling expenses, would have reduced our research and development expenses as well as our general and administrative expenses for 2017 by 3.5 million Euro and 1.3 million Euro, respectively.

General and administrative expenses increased by 39% from 15.7 million Euro in 2017 to 21.9 million Euro in 2018 mainly due to higher personnel expenses as well as costs for external services, primarily related to the Nasdaq listing that took place in April 2018.

Earnings before interest and taxes amounted to minus 59.1 million Euro compared to an EBIT of minus 67.6 million Euro in 2017.

In 2018, the consolidated net loss amounted to minus 56.2 million Euro, after minus 69.8 million Euro in the previous year. This translates into a loss per share of minus 1 Euro and 79 Cents in 2018, compared to minus 2 Euros and 41 Cents in 2017.

Slide 19: FY2018: Segment Reporting

Let’s move to the segment reporting on slide 19 of the presentation:

In our Proprietary Development segment, we focus on the research and clinical development of our own drug candidates. In 2018, this segment recorded revenues of 53.6 million Euro, after 17.6 million Euro in 2017, mainly due to the 47.5 million Euro upfront payment from Novartis for MOR106 that has been fully recognized in our revenues figures. Expenses for proprietary R&D, including technology development, increased by 2% from 96.3 million Euro in 2017 to 98.3 million Euro in 2018. The Proprietary Development segment reported an EBIT of minus 53.3 million Euro, after minus 81.3 million Euro in 2017.

In the Partnered Discovery segment, we apply our proprietary technology to the discovery of new drug candidates for pharmaceutical companies, benefiting from our partners' development advancements through R&D funding, licensing fees, success-based milestone payments and royalties. Revenue in the Partnered Discovery segment decreased from 49.2 million Euro in 2017 to 22.8 million Euro in 2018. The decrease was primarily driven by the contractual ending of the active collaboration with Novartis at the end of November 2017. The segment revenue for 2018 included 3.5 million Euro for funded research and license fees, compared to 41.9 million Euro in 2017, and 19.3 million Euro for success-based payments received primarily from Janssen, after 7.3 million Euro in 2017. The EBIT in the Partnered Discovery segment was 13.3 million Euro, compared to 30.3 million Euro in 2017.

Slide 20: FY2018: Balance Sheet

Let's move on to the balance sheet on slide 20. As of December 31, 2018, we recorded total assets of 538.8 million Euro, compared to 415.4 million Euro at year-end 2017.

At year-end 2018, we had 454.7 million Euro in cash. Due to the adoption of IFRS 9 "Financial Instruments", this position is now reported on the balance sheet under the line items "cash and cash equivalents"; "financial assets at fair value through profit or loss"; and current and non-current "other financial assets at amortized cost".

At the end of the previous year, this position amounted to 312.2 million Euro and had comprised the line items "cash and cash equivalents", "available-for-sale financial assets" and current "financial assets classified as loans & receivables".

The number of shares issued totaled 31,839,572 at year-end 2018, after 29,420,785 at year-end 2017. The main reason for this increase was the capital increase performed for our Nasdaq listing completed in April of last year.

Slide 21: Financial Guidance FY2019 and Outlook

I am now coming to the financial guidance for 2019 before I will pass back to Simon for the strategic and operational outlook.

Slide 22: Financial Guidance FY2019

For the financial year 2019, MorphoSys will continue to invest strongly in the development of its proprietary candidates, with the primary goal of driving MOR208 to market and also invest significantly into preparations for commercializing that asset. We are fortunate to be in a position to make these investments based on the strength of our balance sheet, our expectation that revenues will grow significantly in the years ahead and the fact that our

partners carry most of the development costs in our overall pipeline. For 2019, we expect to generate Group revenues in the range of 43 to 50 million Euro. The reduction compared to 2018 is mainly due to the positive one-time payment of 47.5 million Euro in 2018 in connection with the Novartis deal for MOR106 partly offset by increased royalties. Revenues are expected to include royalty income from Tremfya® ranging from 23 to 30 million Euro at constant exchange rate to the US dollar. This means that Tremfya royalties, in its second full year, are expected to completely replace the annual free cash flow of our former Novartis collaboration that ended in 2017. Expenses for proprietary R&D are anticipated in a corridor of 95 to 105 million Euro. We further expect earnings before interest and taxes (EBIT) of minus 127 to minus 137 million Euro for 2019. Please note expenses in 2019 will include R&D expenses for our partnered business, an increase in SG&A over 2018 in connection with the build-up of our commercial structures as well costs for the production of commercial material for MOR208 that will be reflected in the cost of sales line. It is important to mention that this guidance does not include a potential larger milestone for the start of a phase 3 clinical trial for MOR103/GSK3196165 that could occur in the course of 2019. The guidance also does not include revenues from potential future partnerships or licensing agreements for MOR208 or any other compound that is in our proprietary development. Effects from potential in-licensing or co-development deals for new development candidates are also not included in the guidance.

Ladies and gentlemen, MorphoSys is financially and operationally in excellent shape and we are excited about the prospects of MorphoSys for 2019. Based on our solid financial position, which we successfully strengthened in 2018 through our Nasdaq IPO, an attractive partnership with Novartis for MOR106 and an increasing royalty stream from Tremfya® product sales, we are well positioned to continue the advancement of our pipeline products. In particular we aim to drive our lead program MOR208 towards the market and build our commercial capabilities in the United States in preparation for a potential commercialization of MOR208, subject to FDA approval.

With this, I would like to end my part and hand back to Simon.

Speaker: Dr. Simon Moroney, CEO

Thank you, Jens.

Slide 23: Proprietary Development Segment – Expected Newsflow 2019

To conclude:

We look forward with great confidence. We believe that MorphoSys is nearing an inflection point in its development as a company. We stand shortly before a very significant milestone for us, namely the transition to a commercial biopharmaceutical company. That transition hinges on a compound that we are justifiably excited about, **MOR208**. It should therefore come as no surprise that this will be our top priority in 2019.

Primary analysis of the data from all 81 patients enrolled in the L-MIND study is ongoing and we expect to present the final results at a scientific conference around mid-year.

We plan to complete the BLA submission comprising preclinical, clinical and CMC data to the FDA by year-end. According to these plans, the filing will comprise data from the L-MIND study

supplemented by real-world data from patients comparable to those in the L-MIND study, but who have received lenalidomide single-agent treatment. We aim to publish the final data from the L-MIND study in mid-year and the real-world lenalidomide-only data compared with the L-MIND results at a medical conference towards the end of the year.

We will also continue our recently initiated talks with European authorities to evaluate a potential path toward approval based on L-MIND. If the European Medicines Agency were to accept a potential marketing authorization application based on L-MIND, submission of such an MAA could occur significantly earlier than was originally anticipated based on the B-MIND trial. We will seek EMA advice within the next several months.

We are proceeding with the build-up of commercial capabilities in the U.S. to prepare for the expected commercialization of MOR208, subject of course to FDA approval. We continue to work under the assumption that we will need to be ready to launch MOR208 by mid-2020. We currently expect the US organization at launch to comprise around 80-100 people.

For B-MIND, as outlined by Malte, we are now proceeding with an amended version of the trial, which includes a biomarker as a co-primary endpoint. We are very pleased with this amendment as it will enable us to test the hypothesis that MOR208 shows enhanced activity in patients who can be identified using the biomarker, while in addition allowing us to test efficacy in the unselected patient population as originally planned. For 2019, we expect discussions with the FDA regarding the biomarker assay around mid-year. The pre-planned interim analysis is projected to take place in the second half of the year.

As Malte mentioned, for front-line DLBCL development, the first step will be a phase 1b study, which will commence later this year.

We will also continue our exploratory COSMOS trial of MOR208 plus idelalisisb or venetoclax in relapsed/refractory CLL/SLL and expect to present results later in 2019.

Finally for MOR208, we are working on plans to develop the antibody in indications beyond DLBCL, and hope to be able to provide details around the middle of this year.

Turning to **MOR202**, as already outlined by Malte, we plan to start an exploratory clinical trial in an autoimmune indication in the third quarter of this year, at which time we will disclose the indication. We also expect our partner I-Mab to initiate a pivotal development program of MOR202 in multiple myeloma (MM) in the Chinese region this year, possibly within the next few months. Further, I-Mab recently stated that they want to start clinical development in lupus in 2019 and we expect them to file an IND for this later in the year.

For **MOR106**, our joint antibody program with Galapagos under a global licensing agreement with Novartis, we will bring, together with Galapagos, our phase 2 IGUANA study and the phase 1 bridging study toward primary completion in the second half of this year. In addition, we plan to start further clinical studies in atopic dermatitis together with Galapagos in the course of the year.

For **MOR103/GSK3196165**, based on announcements made by GSK earlier this year, we expect GSK to initiate phase 3 development in rheumatoid arthritis in the second half of 2019. The dosing of the first patient in a pivotal study would trigger a milestone payment from GSK, which would be material to our financial results, although, as stated by Jens, is not in our current guidance.

For our lanthipeptide **MOR107**, we will continue preclinical investigations with a focus on oncology.

Slide 24: Partnered Discovery Segment – Expected Development

Turning to our Partnered Discovery segment, by the end of 2019 primary completion may be reached in up to 15 clinical trials in phases 2 and 3 from partners evaluating antibodies made using MorphoSys's technology. Of particular note are:

- phase 3 trials of Tremfya® conducted by Janssen in psoriasis and in psoriatic arthritis,
- a potentially pivotal phase 2b study by Mereo BioPharma in osteogenesis imperfecta (brittle bone syndrome) of the HuCAL antibody setrusumab directed against sclerostin,
- several phase 2/3 trials of Novartis's BAFF receptor antibody VAY736 in indications including Idiopathic Pulmonary Fibrosis, severe primary Sjogren's syndrome and autoimmune hepatitis that might reach primary analysis of their phase 2 parts in 2019.

As always, we have no control over what our partners communicate, but there is obviously the potential for a lot of data relevant to our pipeline.

In conclusion, MorphoSys is at a pivotal position in its development. With the approval of Tremfya®, we started the transformation of our income statement to that of a product company. The next key step, anticipated to happen if MOR208 reaches the market, will be the addition of our own product revenue on top of those royalties. Transformation to a truly commercial company, active on both sides of the Atlantic, is a key goal for the company. As Jens has pointed out, we will continue to invest strongly to make this vision become a reality. But also looking at the depth of our pipeline, in both our proprietary and partnered businesses, I see a number programs with the potential to reach the market in the foreseeable future. We are very optimistic about the company's prospects.

To conclude, a few words on my own behalf. On February 19, 2019, I informed the Supervisory Board of MorphoSys that I will not renew my contract as a member of the company's Management Board. As a result of this decision, I will step down as CEO on expiry of my current contract on June 30, 2020, or when a successor is appointed, whichever comes sooner. MorphoSys today is stronger than it has ever been and I am immensely proud of everything we have achieved over the past 27 years since MorphoSys was founded. There is only one reason for my decision: after dedicating such a long time to MorphoSys, I am looking forward to having a bit more time for other interests, and to exploring new opportunities.

In the meantime, it's business as usual and there's plenty of stuff ahead of us here. We look forward to another exciting year.

Verena Kupas: Thank you Simon. We'd now like to open the call to your questions.

Slide 25: Q&A

Slide 26: Wrap-up / Take home messages

Dr. Simon Moroney, CEO, MorphoSys AG

Thank you, and to conclude the call, I would like to remind you of the main points to take away.

We are very bullish about our prospects, headed by MOR208. Based on our dialogue with the FDA, we aim to bring MOR208 plus lenalidomide in r/r DLBCL to approval as fast as possible and are doing everything to make an anticipated launch of MOR208 in the U.S. a success. We are targeting an area of major unmet need and hope to be able to offer patients a new treatment option.

MOR106: Based on the data observed so far, and an intensifying development program with Novartis, we look forward to speeding up and broadening development of this exciting and potentially first-in-class asset.

MOR202: We will continue to support our partner I-Mab to bring this compound to pivotal development in multiple myeloma in China, while driving forward our own development program in a selected autoimmune indication.

Tremfya®: Based on Janssen's tremendous success in development and commercialization of this antibody in plaque psoriasis, we are optimistic that it could become a very large and successful drug.

And finally, this is the tip of an iceberg of programs that could contribute significantly to value creation for MorphoSys in the future.

We look forward to keeping you informed of progress.

Verena Kupas: That concludes the call. If any of you would like to follow up, we are in the office for the remainder of the day. Thank you for your participation in the call and goodbye.