March 13, 2018

Results FY2017 & Outlook 2018

MorphoSys AG

Today on the Call

Dr. Simon Moroney

Chief Executive Officer

Jens Holstein

Chief Financial Officer

Dr. Malte Peters

Chief Development Officer

This presentation includes forward-looking statements.

Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties including changes in business, economic competitive conditions, regulatory reforms, foreign exchange rate fluctuations and the availability of financing. These and other risks and uncertainties are detailed in the Company's Annual Report.

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 Medicine Agency (EMA) or any other regulatory authority (except for guselkumab/Tremfya®).

Agenda

1. **Highlights FY2017**
2. **Portfolio**
3. **Financials FY2017**
4. **Guidance FY2018 & Outlook**
5. **Q&A Session**

Highlights FY2017

Highlights 2017

- Maturing product pipeline and progress towards goal of becoming a fully integrated biopharmaceutical company
- Pipeline progress complemented by excellent financial performance
- Upgraded revenue and EBIT guidance fully achieved

Portfolio

MOR208: L-MIND

Lenalidomide with MOR208: Phase 2 in r/r DLBCL

Official Title:

A phase 2, single-arm, open-label, multicentre study to evaluate the safety and efficacy of lenalidomide combined with MOR208 in patients with relapsed or refractory diffuse large B cell lymphoma (r/r DLBCL)

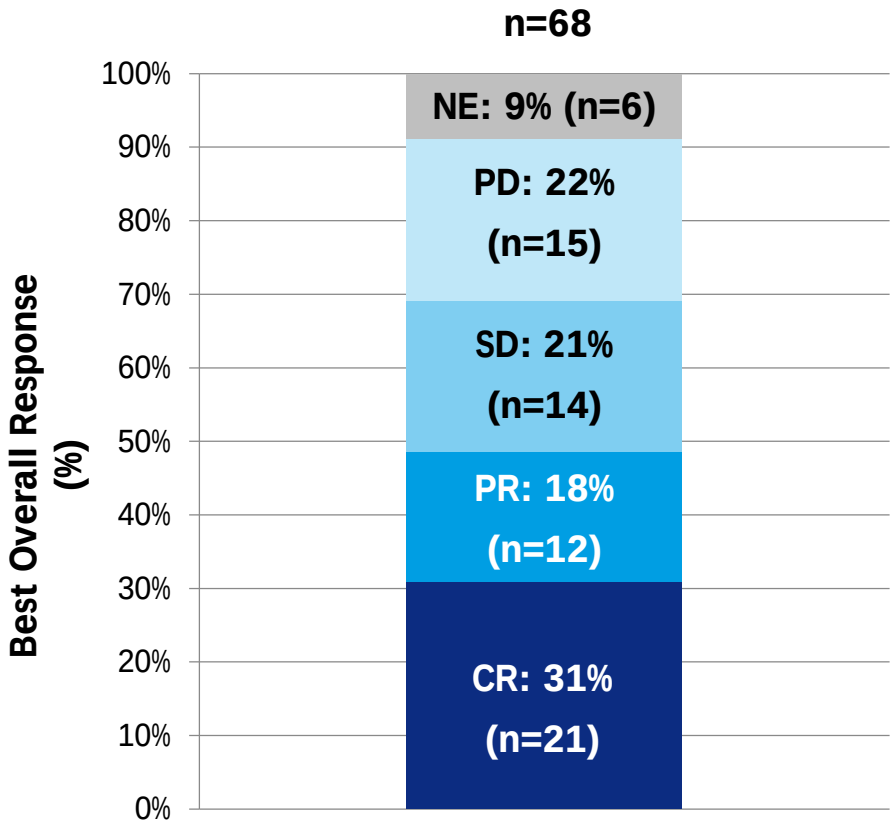
L-MIND: Latest Data at New Cut-Off Date Dec. 12, 2017

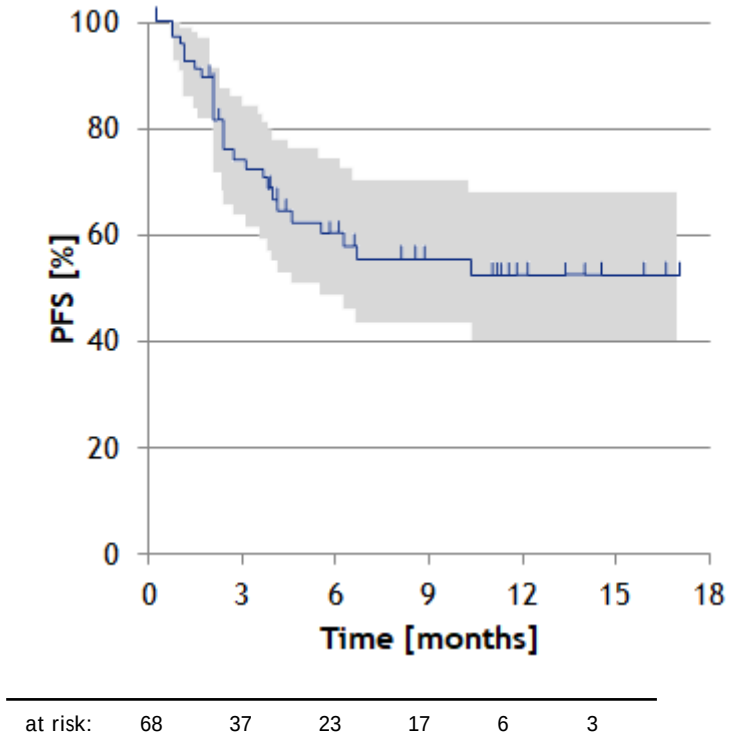
Recruitment Complete With 81 Patients; Thereof 68 Patients Response Evaluable

Baseline Characteristics		n=81 (%)
Age [years], median		72
Sex, n(%)	Male	44 (54%)
Ann Arbor Stage, n(%)	I-II III-IV Currently Unknown	35 (43%) 40 (49%) 6 (7%)
Prior Lines n (%)	Median 1 2 3 Currently Unknown	2 39 (48%) 32 (40%) 8 (10%) 2 (3%)
Primary Refractory, n (%)	Yes No Currently Unknown	14 (17%) 65 (80%) 2 (3%)
Refractory to previous therapy line, n (%)	Yes No Currently Unknown	32 (40%) 47 (58%) 2 (3%)
Rituximab-Refractory, n (%)	Yes No Currently Unknown	30 (37%) 49 (61%) 2 (3%)
Prior Stem Cell Transplantation, n (%)	Yes No Currently Unknown	8 (10%) 72 (89%) 1 (1%)

L-MIND: Response to Treatment

ORR and mPFS in L-MIND r/r DLBCL Patients – Data Cut-Off December 12, 2017



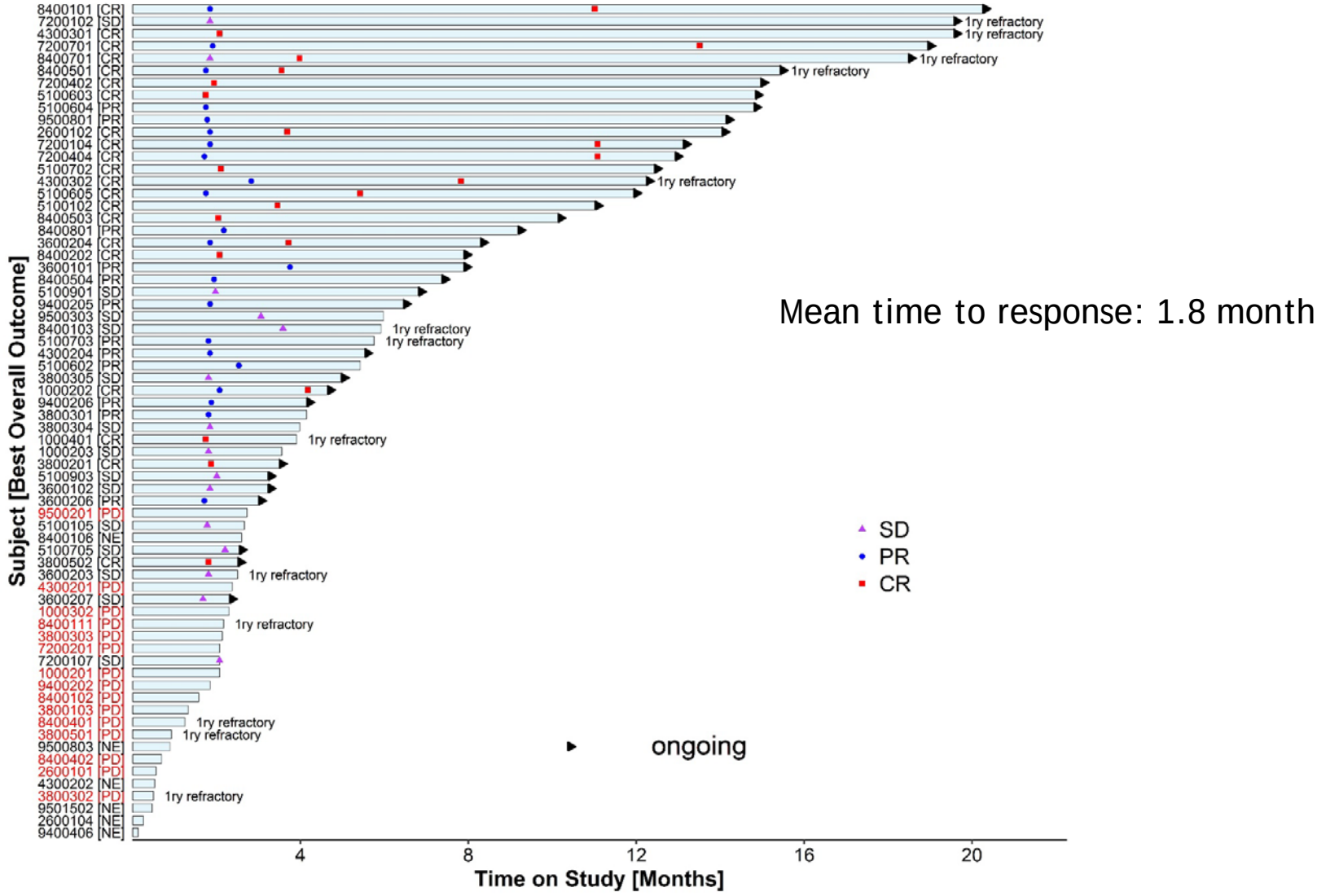


- Median PFS: NR (95% CI 4.3 months – NR)
- PFS rate at 12 months: 50.4% (95% CI 40-67%)
- Median follow-up: 8.3 months

DLBCL, Diffuse Large B-cell Lymphoma; ORR, objective response rate; PFS, progression-free survival; NE, non-evalubale; PD, progressive disease; SD, stable disease; PR, partial response; CR, complete response; NR, not reached; CI, conficence interval

L-MIND: Duration of Response

Swimmers Plot

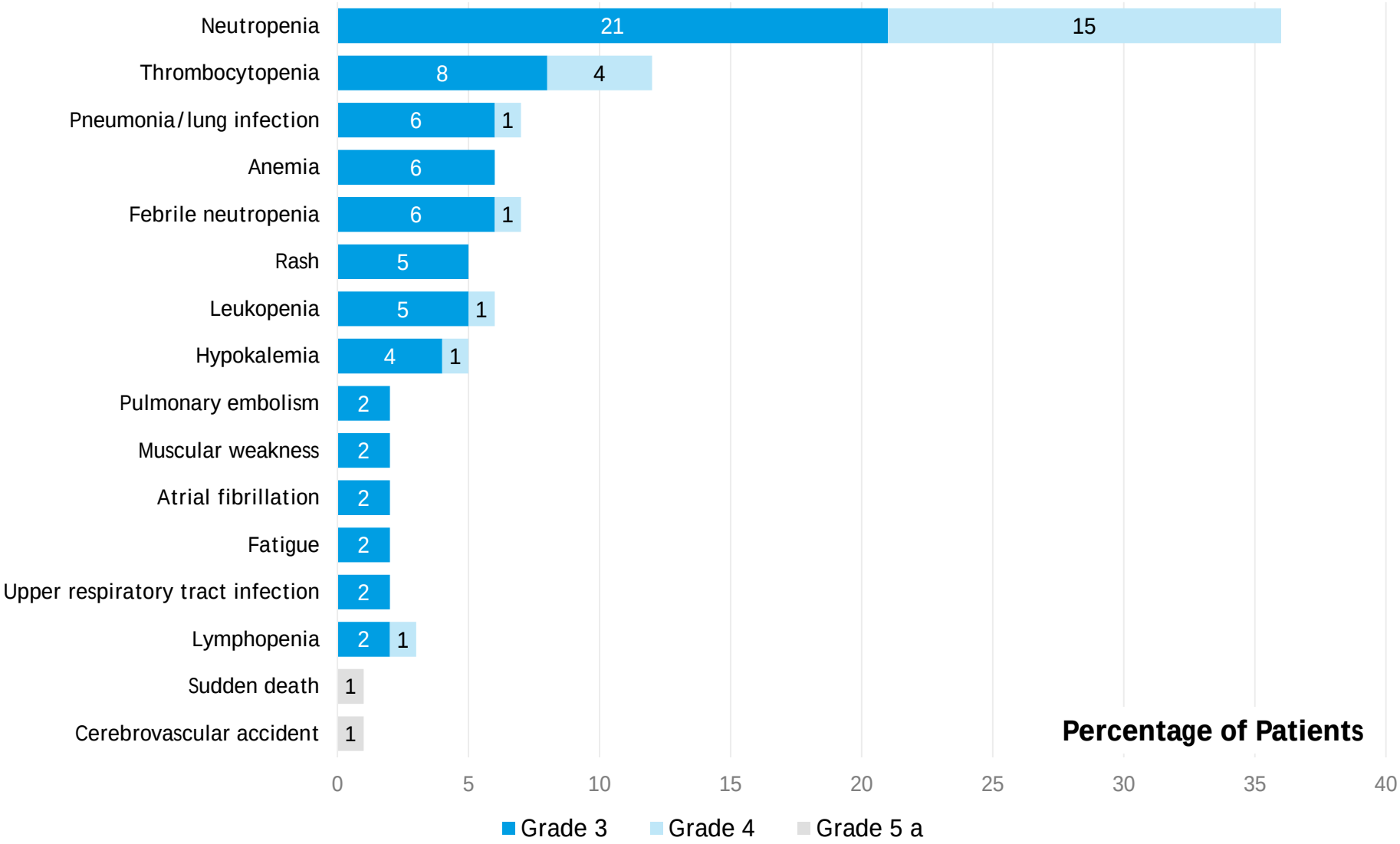


Mean time to response: 1.8 month

SD, stable disease; PR, partial response; CR, complete response

L-MIND: Safety Data

Treatment-emergent Adverse Events of Grade ≥3, n (%), N= 81



TEAEs of grade ≥ 3 reported in ≥ 2 % of patients, data cut: 12-Dec-2017. A Single occurrences of fatal events were included in this table.

MOR208: Clinical Development Plan

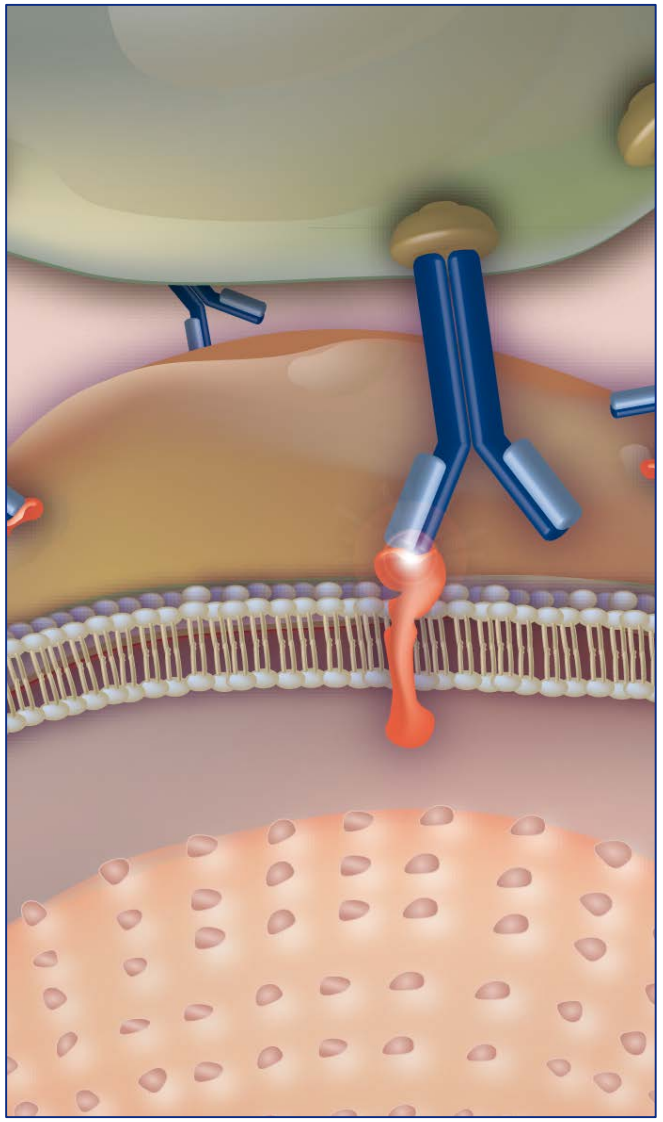
Opportunity Across Spectrum of B Cell Malignancies

Indication	Trial / Phase	Design	Timeline
DLBCL	L-MIND Phase 2	Lenalidomide + MOR208 in relapsed or refractory DLBCL pts ineligible for HDCT and ASCT	Under discussion with FDA
	B-MIND Phase 3	Bendamustine + MOR208 vs. bendamustine + rituximab in relapsed or refractory DLBCL pts ineligible for HDCT and ASCT	Primary endpoint: Q4 2019
CLL	COSMOS Phase 2	MOR208 + idelalisib in relapsed or refractory CLL BTKi-failures MOR208 + venetoclax in relapsed or refractory CLL BTKi-failures	Updates at medical conferences 2018
DLBCL	Front line	Under evaluation	
Indolent lymphomas		Under evaluation	

Proprietary Portfolio: MOR202

Multiple Myeloma (MM)

- A differentiated antibody targeting CD38
- Ongoing phase 1/2a study in r/r MM patients
- Encouraging efficacy and safety data
- Partnering deal with I-Mab for development in MM in Greater China in November
- Further development in MM in other regions depends on partnering
- Clinical Study in NSCLC in combination with nivolumab in planning



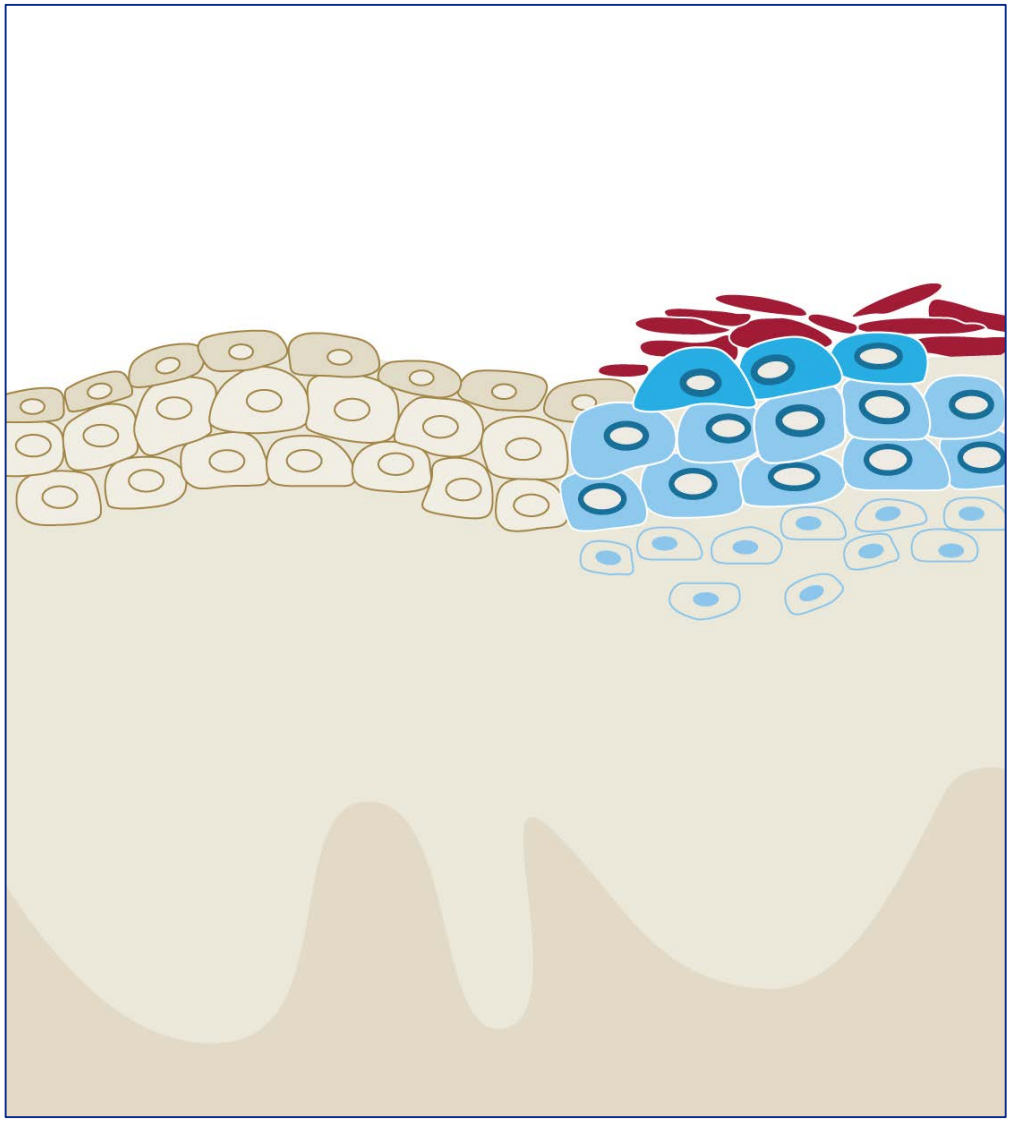
Proprietary Portfolio: MOR106

The Drug Candidate

- Ylanthia antibody targeting IL-17C implicated in a number of inflammatory skin disorders
- 50/50 co-development with Galapagos
- First publicly disclosed antibody against this cytokine

Evidence of Activity

- Phase 1 study in atopic dermatitis completed in 2017
  - Generally well tolerated
  - At highest dose level, 5/6 patients (83%) showed at least 50% improvement of dermatitis symptoms
  - Long-lasting response up to 12 weeks after last dosing
- Data support progression to Phase 2



Partnered Discovery Program: Tremfya® (Guselkumab)

Janssen's Novel Biologic Being Developed for Immune-Mediated Diseases

The Drug

- First-in-class anti-IL-23 human monoclonal antibody
- Generated using MorphoSys's HuCAL technology

Status

- Approved in U.S., EU, Canada for moderate-to-severe plaque psoriasis
- First royalties are reflected in FY 2017 results

Differentiation

- Compelling clinical efficacy
- Convenience: 8-weekly s.c. dosing

Phase 3 Trials

- Head-to-head vs. Cosentyx® in plaque psoriasis: ongoing
- Psoriatic arthritis: 2 trials ongoing
- Crohn's disease: planned

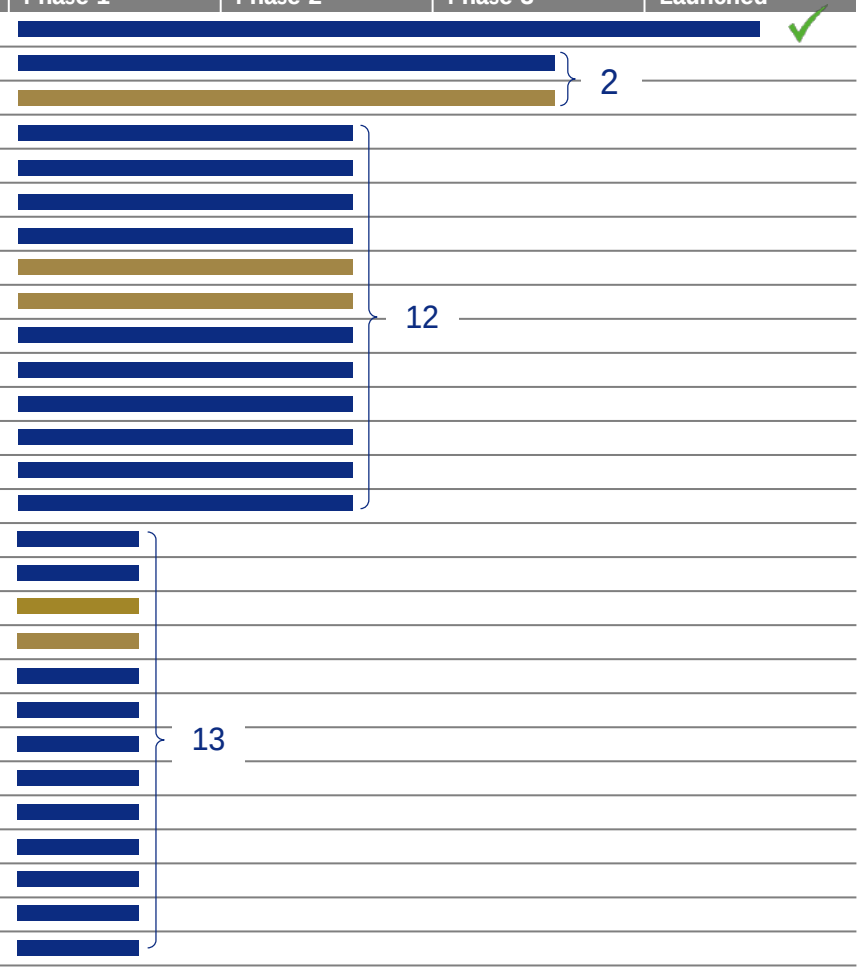
Tremfya®
(guselkumab)

janssen
PHARMACEUTICAL COMPANIES
OF Johnson & Johnson

Our Clinical Pipeline (March 8, 2018)

28 Product Candidates in Clinical Development, First Product Launched

Program	Partner	Target	Disease area	Phase 1	Phase 2	Phase 3	Launched
Tremfya® (Guselkumab)*	Janssen	IL-23p19	Psoriasis				✓
Gantenerumab	Roche	Amyloid-ß	Alzheimer's disease				
MOR208	-	CD19	Hematological malignancies				
Anetumab Ravtansine (BAY94-9343)	Bayer	Mesothelin (ADC)	Solid tumors				
BHQ880	Novartis	DKK-1	Multiple myeloma				
Bimagrumab (BYM338)	Novartis	ActRIIB	Musculoskeletal diseases				
CNTO6785	Janssen	-	Inflammation				
MOR103/GSK3196165**	GSK	GM-CSF	Inflammation				
MOR202	I-Mab Biopharma***	CD38	Multiple myeloma				
NOV-12 (MAA868)	Novartis	Factor XI	Prevention of thrombosis				
Setrusumab (BPS804)	Mereo/Novartis	Sclerostin	Brittle bone syndrome				
Tesidolumab (LFG316)	Novartis	C5	Eye diseases				
Utomilumab (PF-05082566)	Pfizer	4-1BB	Cancer				
VAY736	Novartis	BAFF-R	Inflammation				
Xentuzumab (BI-836845)	BI	IGF-1	Solid tumors				
BAY1093884	Bayer	TFPI	Hemophilia				
Elgemtumab (LJM716)	Novartis	HER3	Cancer				
MOR106	Galapagos	IL-17C	Inflammation				
MOR107 (LP2-3)****	-	AT2-R	Not disclosed				
NOV–7 (CLG561)	Novartis	-	Eye diseases				
NOV–8	Novartis	-	Inflammation				
NOV-9 (LKA651)	Novartis	-	Diabetic eye diseases				
NOV-10 (PCA062)	Novartis	-	Cancer				
NOV-11	Novartis	-	Blood disorders				
NOV-13 (HKT288)	Novartis	-	Cancer				
NOV-14	Novartis	-	Asthma				
PRV-300 (CNTO3157)	ProventionBio	TLR-3	Inflammation				
Vantictumab (OMP-18R5)	OncoMed	Fzd 7	Solid tumors				



*Tremfya® investigated in ongoing phase 3 ongoing studies in various indications.
**MOR103/GSK3196165 is fully outlicensed to GSK.
***For development in the Greater China market (China, Hong Kong, Taiwan, Macao).
****A Phase 1 study in healthy volunteers was completed. MOR107 is currently in preclinical investigation with a focus on oncology indications.

Financials FY2017

Financial Results FY2017: Fully in Line With Guidance

In € million	Guidance 2017	Reported 2017
Group Revenues	**63 to 66**	**66.8**
Proprietary R&D Expenses (incl. Technology Development)	96 to 100	**99.1**
EBIT	**-66 to -71**	**-67.6**

FY2017: Income Statement*

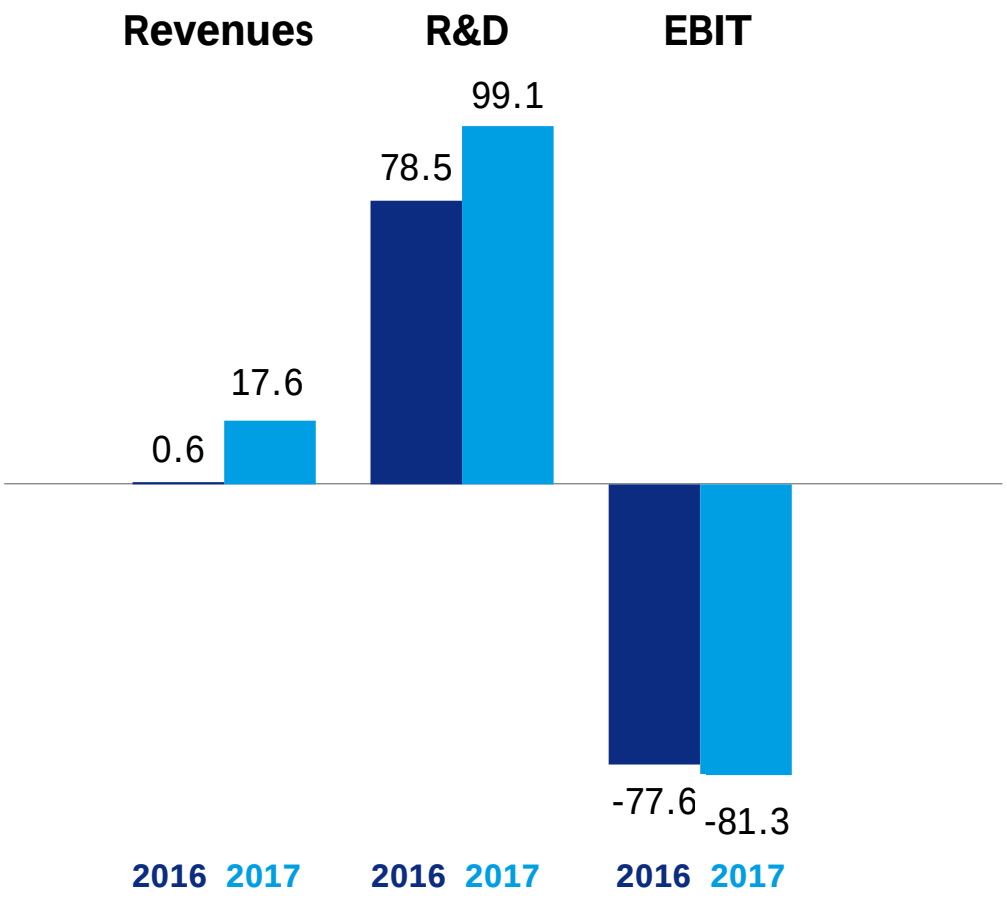
In € million	2017	2016	△
Revenues	**66.8**	**49.7**	**34%**
Research and Development Expenses	(116.8)	(95.7)	(22%)
General and Administrative Expenses	(17.0)	(14.1)	(21%)
Total Operating Expenses	**(133.8)**	**(109.8)**	**(22%)**
Other Income / Expenses	(0.6)	0.2	>(100%)
EBIT	**(67.6)**	**(59.9)**	**(13%)**
Finance Income	0.7	1.4	(50%)
Finance Expenses	(1.9)	(1.3)	(46%)
Income Tax (Expenses)	(1.0)	(0.5)	(100%)
Consolidated Net Loss	**(69.8)**	**(60.4)**	**(16%)**
Earnings per Share, basic and diluted (in €)	**(2.41)**	**(2.28)**	**(6%)**

* Differences due to rounding.

FY2017: Segment Reporting

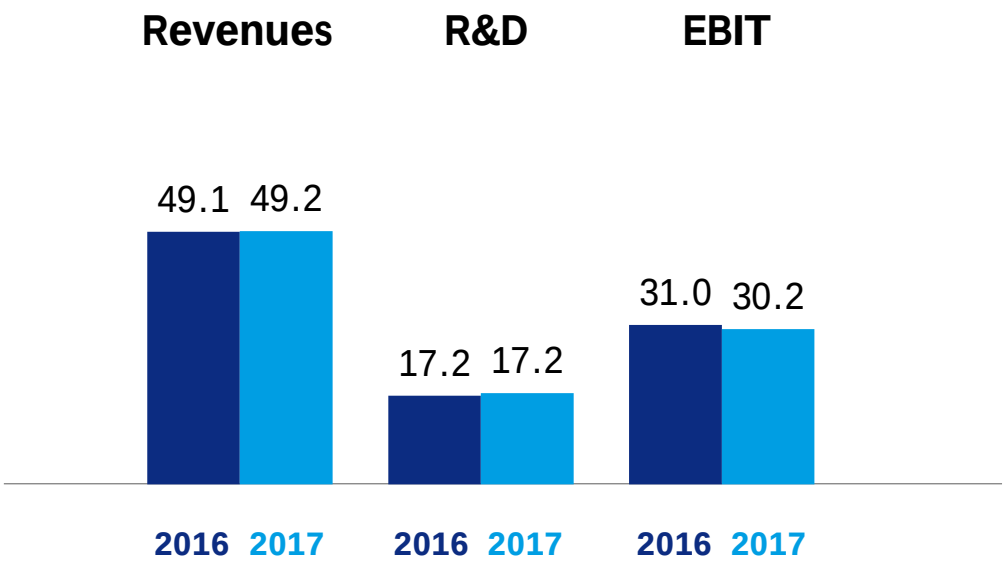
Proprietary Development

In € million



Partnered Discovery

In € million



FY2017: Balance Sheet*

In € million	Dec 31, 2017	Dec 31, 2016
Assets		
Cash and Cash Equivalents	76.6	73.9
Available-for-sale Financial Assets	86.5	63.4
Bonds, Available-for-sale	0.0	6.5
Financial Assets classified as Loans & Receivables	149.1	136.1
Other Current Assets	28.5	28.2
Total Current Assets	**340.7**	**308.1**
Financial Assets classified as Loans & Receivables, Net of Current Portion	0.0	79.5
Other Non-current Assets	74.7	76.0
Total Non-current Assets	**74.7**	**155.5**
Total Assets	**415.4**	**463.6**
Liabilities & Stockholders' Equity		
Total Current Liabilities	**47.7**	**38.3**
Total Non-current Liabilities	**9.0**	**9.8**
Total Stockholders' Equity	**358.7**	**415.5**
Total Liabilities & Stockholders' Equity	**415.4**	**463.6**

* Differences due to rounding.

Financial Guidance FY2018 & Outlook

Financial Guidance FY2018

In € million	Reported FY2017	Guidance FY2018
Group Revenues	**66.8**	**20-25***
Proprietary R&D Expenses (incl. Technology Development)	99.1	**95-105**
EBIT	**(67.6)**	**(110) - (120)**

*Revenues are expected to include royalty income from Tremfya® ranging from EUR 12-17 million on constant USD currency.

Expected Newsflow 2018 (1/2)

Proprietary Development Segment

MOR208	Hematological malignancies	■ L-MIND: Analysis all 81 enrolled patients ■ B-MIND: Ongoing enrollment of phase 3 part in r/r DLBCL ■ COSMOS: Updates at medical conferences ■ Building commercial capabilities for MOR208
MOR202/ I-Mab Biopharma*	Multiple myeloma & other tumors	■ Further partnering discussions ongoing ■ Final data phase 1/2a study in late 2018 ■ Start of a phase 1/2 trial in NSCLC in 2018
MOR106	Atopic dermatitis	■ Start of phase 2 trial in Q2 2018 in atopic dermatitis
MOR103/ GSK3196165**	Rheumatoid Arthritis	■ Data from phase 2b study in rheumatoid arthritis and from phase 2a study in hand osteoarthritis, both conducted by GSK
MOR107	Not disclosed	■ After completion of a phase 1 study in healthy volunteers in 2017, preclinical analysis in oncology ongoing

* For development in the Greater China market (China, Hong Kong, Taiwan, Macao). **MOR103/GSK3196165 is fully outlicensed to GSK.

Expected Newsflow 2018 (2/2)

Partnered Discovery Segment

Tremfya® / Guselkumab (Janssen/J&J)	Psoriasis

- Ongoing phase 3 trials in other psoriasis variants and psoriatic arthritis
- Start of trials in Crohn's disease planned
- Primary completion of several phase 3 studies in psoriasis scheduled for 2018, thereof head-to-head comparison with Cosentyx®

Gantenerumab (Roche)	Alzheimer's disease

- Data from phase 3 dose-escalation trial expected in Q1 2018
- New phase 3 studies planned to start in 2018 in patients with prodromal to mild Alzheimer's disease with higher dosing (GRADUATE-1 and GRADUATE-2)

Q&A

Take Home Messages

- **MOR208**
  Focus on developing MOR208 plus lenalidomide in r/r DLBCL to approval as fast as possible

- **MOR202**
  Progress, both clinically and in terms of the work we're doing to secure the program's future

- **MOR106**
  We focus on working with our partner Galapagos on the start of a phase 2 study in Q2 2018

- **Guselkumab/Tremfya®**
  Based on Janssen's announced plans to develop Tremfya® more broadly in psoriasis as well as in psoriatic arthritis and Crohn's disease, it could become a very large and successful drug

Thank You

Corporate Communications & IR
Phone +49 (0)89 / 899 27-404
Fax +49 (0)89 / 899 27-5404
Email investors@morphosys.com

www.morphosys.com