



PolyPeptide Group AG (SIX: PPGN)

2021 results & business update

15 March 2022

GLOBAL SUPPORT FOR A QUALITY SOLUTION

Disclaimer

This presentation (the "Presentation") has been prepared by PolyPeptide Group AG ("PolyPeptide" and together with its subsidiaries, "we", "us" or the "Group"). The information contained in the Presentation does not purport to be comprehensive. Please refer to the financial reports available on our website at <https://report.polypeptide.com/ar/21/>.

PolyPeptide, together with its directors, officers, employees and advisors, make no representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the fairness, reasonableness, accuracy, or completeness or correctness of the information contained in the Presentation or of the views given or implied. PolyPeptide, together with its directors, officers, employees and advisors, shall have no liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this Presentation, its information or its contents or otherwise arising in connection therewith. PolyPeptide reserves the right to amend or replace the Presentation at any time and undertakes no obligation to provide the recipients with access to any additional information. Neither PolyPeptide, its directors, officers, employees or advisors nor any other person shall not be obligated to update or correct the information set forth in the Presentation (except as required by applicable laws and regulations). Nothing in this Presentation is, or should be relied upon as, a promise or representation as to the future.

To the extent available, the industry, market and competitive position data contained in this Presentation has come from official or third-party sources as of 31 December 2021 or a commissioned market study completed in early 2021. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Group believes that each of these publications, studies and surveys has been prepared by a reputable source, the Group has not independently verified the data contained therein and there is no guarantee that such data has been verified by those sources. In addition, certain of the industry, market and competitive position data contained in this Presentation come from the Group's own internal research and estimates based on the knowledge and experience of the Group's management in the market in which the Group operates. While the Group believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this Presentation.

Forward-looking information

This Presentation has been prepared by PolyPeptide and includes forward-looking information and statements concerning the outlook for its business. These statements are based on current expectations, estimates and projections about the factors that may affect its future performance. These expectations, estimates and projections are generally identifiable by statements containing words such as 'expects', 'believes', 'estimates', 'targets', 'plans', 'outlook' or similar expressions. There are numerous risks, uncertainties and other factors, many of which are beyond PolyPeptide's control, that could cause its actual results to differ materially from the forward-looking information and statements made in this Presentation and which could affect its ability to achieve its stated targets. Although PolyPeptide believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Alternative Financial Performance Measures (APM)

This Presentation contains references to operational indicators, such as customer projects, and alternative financial performance measures ("APM") that are not defined or specified by IFRS, including EBITDA, adjusted EBITDA, adjusted EBITDA margin, net operating assets, return on net operating assets, capital expenditures, equity ratio, net working capital, free cash flow, net cash and total financial debt. These APM should be regarded as complementary information to and not as substitutes of the Group's consolidated financial results based on IFRS. For the definitions of the main operational indicators and APM used, including related abbreviations, as well as for selected reconciliations to IFRS, refer to the section "Definitions and reconciliations" in PolyPeptide Group AG's Annual Report 2021 available at <https://report.polypeptide.com/ar/21/>.

THIS PRESENTATION IS NOT AN INVITATION TO PURCHASE SECURITIES OF POLYPEPTIDE OR THE GROUP.

Agenda

1	Introduction	Raymond De Vré, CEO
2	2021 financial results	Jan Fuhr Miller, CFO
3	Strategy, priorities & outlook	Raymond De Vré, CEO
4	Q&A	All

Q&A

The presentation will be followed by a Q&A session.

Anyone who wishes to ask a question, or make a comment can do it in the following ways:

- **Through the telephone by pressing * and 1**
(please register on the website to receive the personal dial in details)
In case of assistance please press * and 0
- **Through the webcast by writing the questions via the relative field**

Summary of 2021 performance

Strong results reflecting well on technical capabilities, execution mindset and strong customer focus

- **Revenue growth of 26.5% to € 282.1 m**
 - Driven by custom projects in phase III, including a substantial contribution from Novavax
 - Further expansion of project pipeline, now including 196 active projects
- **Adjusted EBITDA growth of 42.4% to € 88.2 m, with margin of 31.3%, up by 3.5 percentage points**
- **Result for the year up by 50.8% to € 47.3 m with basic EPS of € 1.47**
- **Accelerated capital deployment to meet capacity requirements**
 - Capital expenditures of € 76.7 m or 27.2% of revenue
- **Oligo R&D and GMP pilot plant facility established with dedicated team; first customer project started**
- **CHF 0.30 per share as cash distribution to be proposed to AGM 2022**

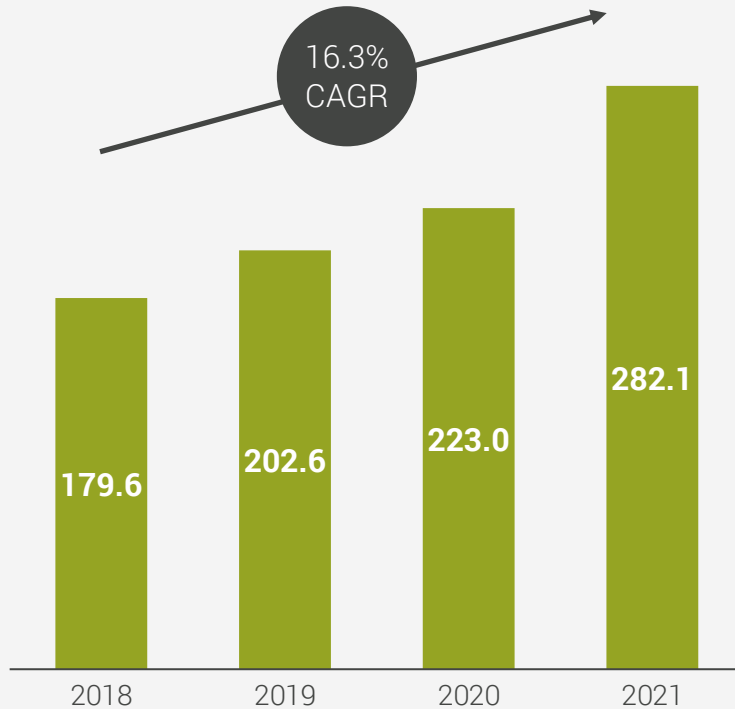
Agenda

1	Introduction	Raymond De Vré, CEO
2	2021 financial results	Jan Fuhr Miller, CFO
3	Strategy, priorities & outlook	Raymond De Vré, CEO
4	Q&A	All

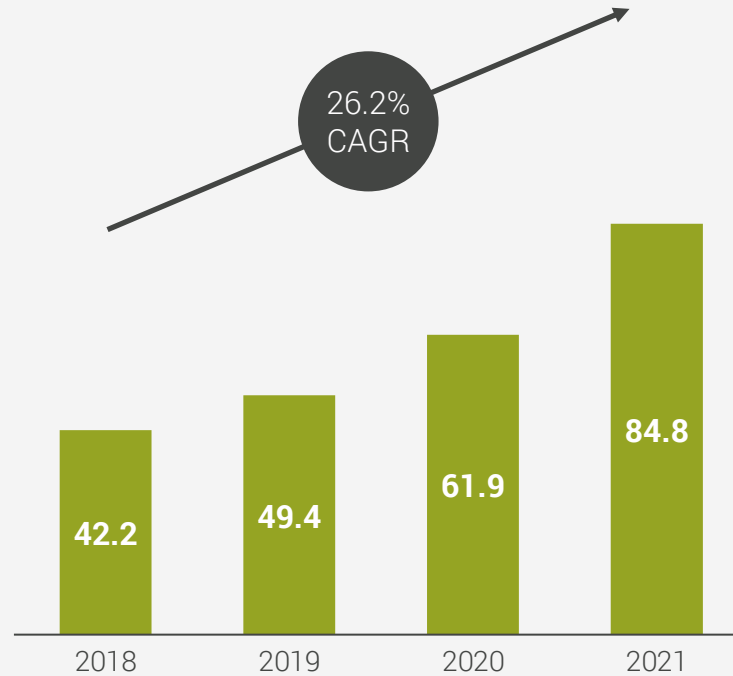
Revenue and EBITDA development

Strong growth momentum, while completing successful IPO and leadership transition

Revenue € m



Reported EBITDA € m



2021 revenue of € 282.1 m, up 26.5%

- Doubling of volumes manufactured
- Favorable impact related to projects in response to coronavirus pandemic
- Technical capabilities and execution mindset
- Strong customer focus

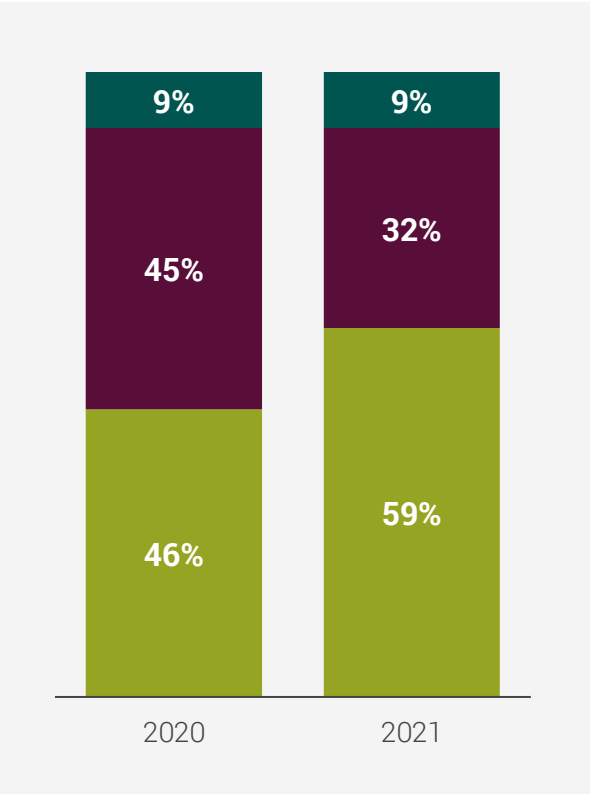
2021 EBITDA of € 84.8 m, up 37.0%

- Higher capacity utilization
- Improved labor productivity
- Favorable product mix

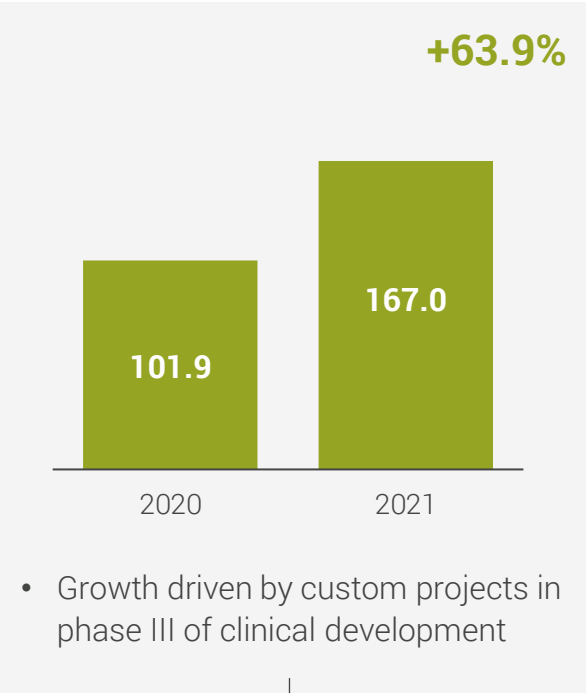
Revenue by segment

Growth driven by custom projects

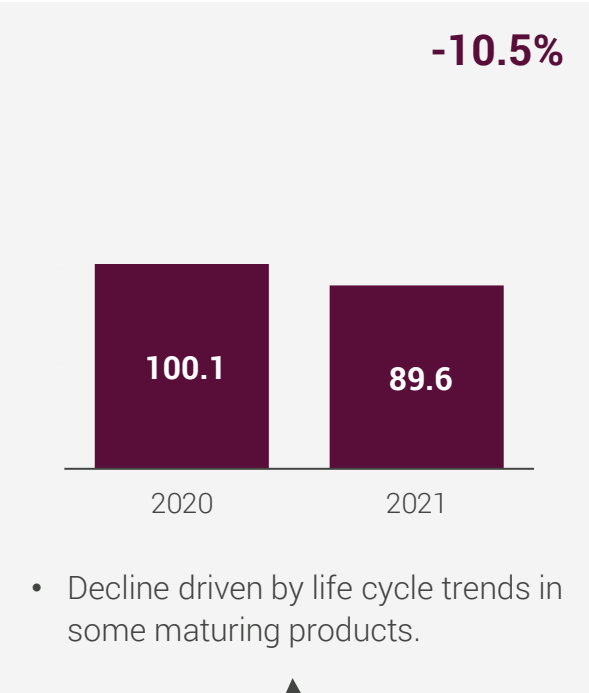
Composition of Group revenue



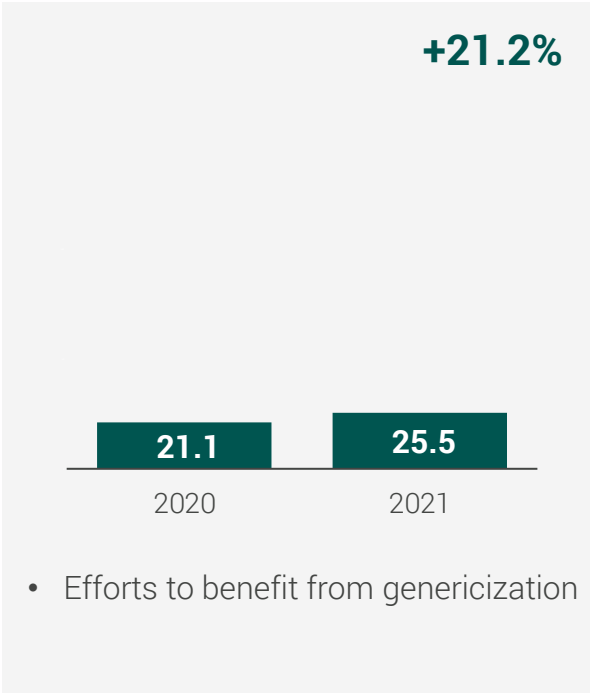
Custom projects € m



Contract manufacturing € m



Generics and cosmetics € m

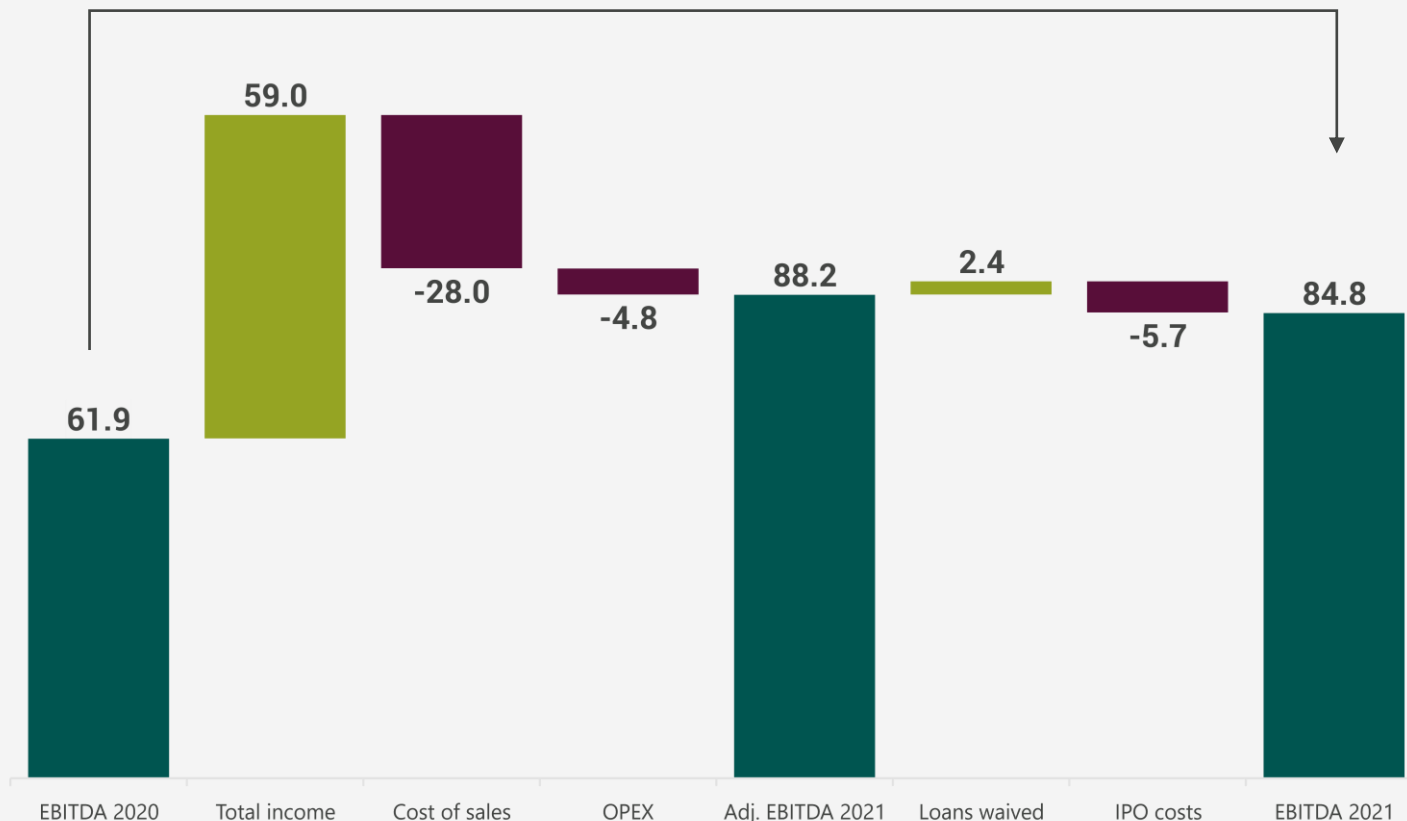


Adjusted EBITDA

Favorable impact from gross margin enhancement

€ m

+37.0%



2021 adjusted EBITDA of € 88.2 m, up 42.4%

Adjustments already reported with HY results

- Non-recurring IPO costs of € 5.7 m, of which €4.3 m bonus-related
- Non-recurring income from US government loans of € 2.4 m waived in context of the coronavirus pandemic

Adjusted EBITDA margin of 31.3%, up 3.5 pts

EBIT and result for the year

Result for the year up by 50.8% with basic EPS of € 1.47

Summary P&L € m

	2018	2019	2020	2021
Revenue	179.6	202.6	223.0	282.1
EBITDA	42.2	49.4	61.9	84.8
margin %	23.5%	24.4%	27.8%	30.1%
Depreciation, amortization & impairment (if any)	-14.4	-15.8	-17.5	-20.7
Operating result (EBIT)	27.8	33.5	44.4	64.2
margin %	15.5%	16.6%	19.9%	22.7%
Total financial result	1.7	-3.3	-6.7	-4.3
Income tax charges	-5.6	-4.5	-6.4	-12.6
Result for the year	23.8	25.7	31.3	47.3
margin %	13.3%	12.7%	14.0%	16.8%

2021 Result of € 47.3 m, up 50.8%

- Margin of 16.8%

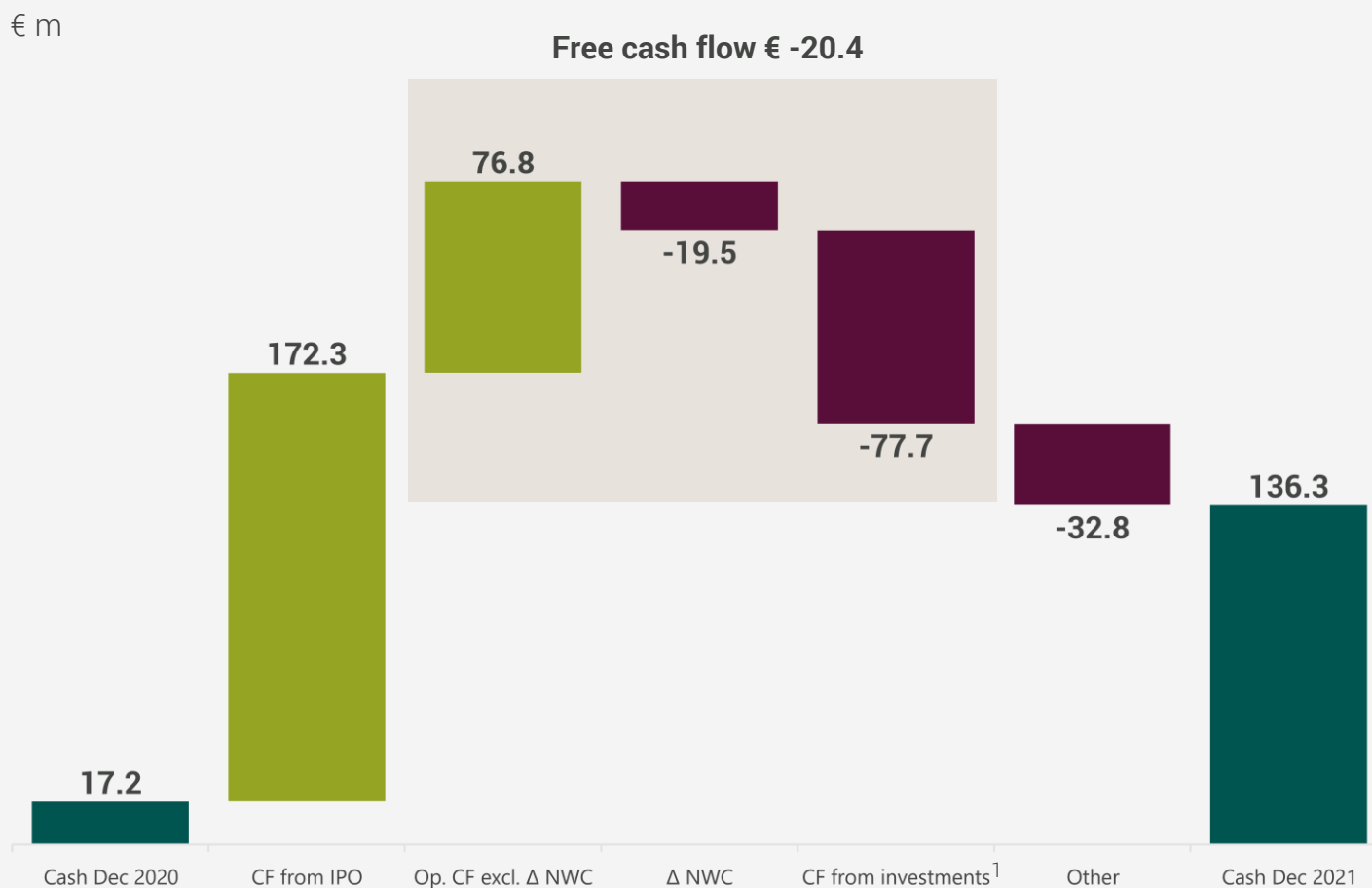
Basic earnings per share (EPS) of € 1.47

2021 with higher tax charges

- Tax rate of 21.0% (16.9% in 2020)
- Higher taxable income with higher non-capitalized tax losses and stable R&D tax credits

Cash flow and cash position

Strong cash position following the IPO



2021 net cash flows from operating activities (excl NWC) of € 76.8 m

- Net cash flow from changes in NWC of € -19.5 m, also reflecting record sales in December 2021
- Net cash flow from investments¹ of € -77.7 m as a result of accelerated capital deployment

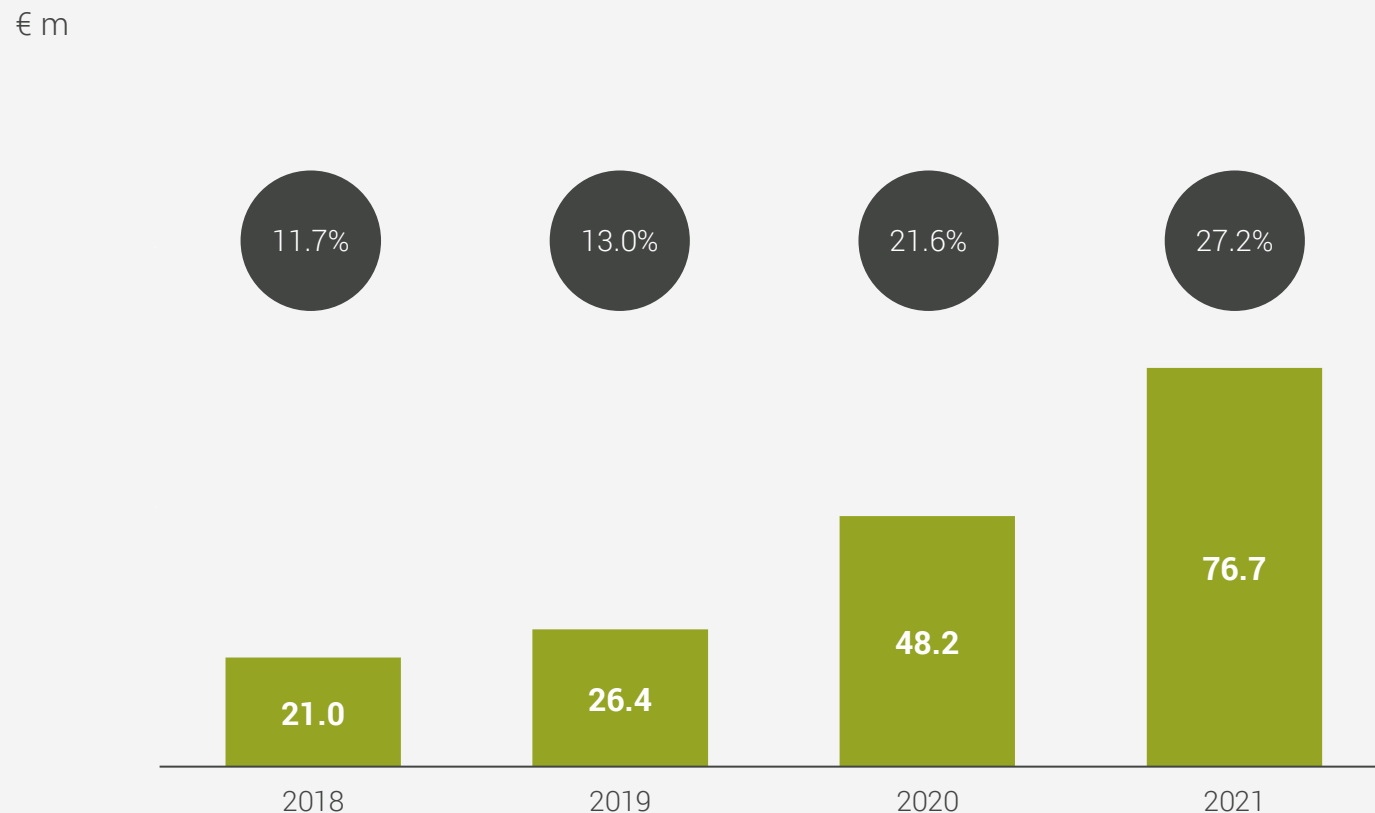
Cash balance of € 136.3 m per YE 2021

- Re-financing / repayment of € 25 m term loan following the IPO

¹CF from acquisition of intangible assets and property, plant and equipment

Capital expenditures

Capacity expansion, new capabilities, modernization, digitalization



● as % of revenue

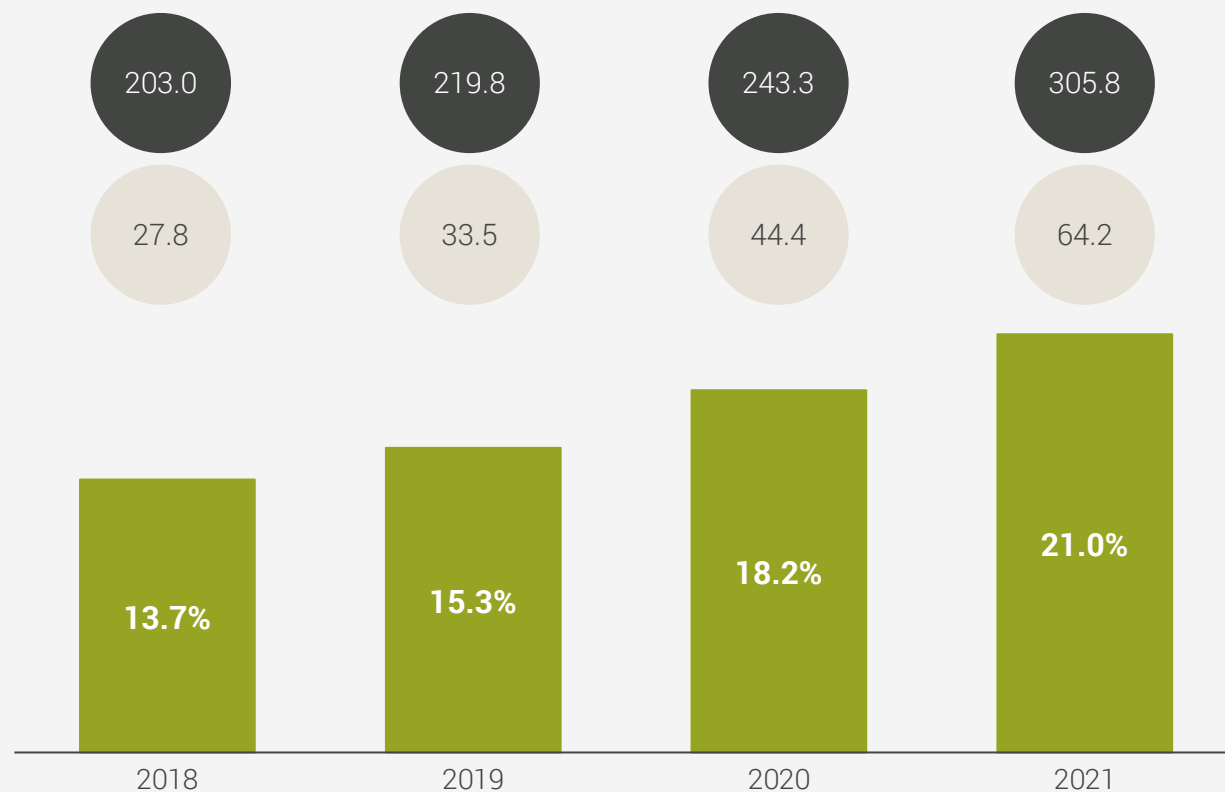
2021 capital expenditures¹ of € 76.7 m, or 27.2% of revenue, including

- Large-scale solid phase synthesis capacity in Braine-l'Alleud (Belgium)
- Large scale downstream capacity in Malmö (Sweden)
- Freeze drying capacity at several sites
- Product development and analytical labs
- General office and infrastructure expansion
- Oligonucleotide facility in Torrance (California)
- IT infrastructure and digitalization efforts

¹Capital expenditures defined as investments in intangible assets and property, plant and equipment capitalized during the reporting period

Return on net operating assets

Increased capital productivity from higher asset utilization



● Avg. NOA € m ● EBIT € m

2021 RONO¹ of 21.0%

Increased asset utilization as evidenced by
avg. NOA up 25.7%
vs EBIT up 44.6%

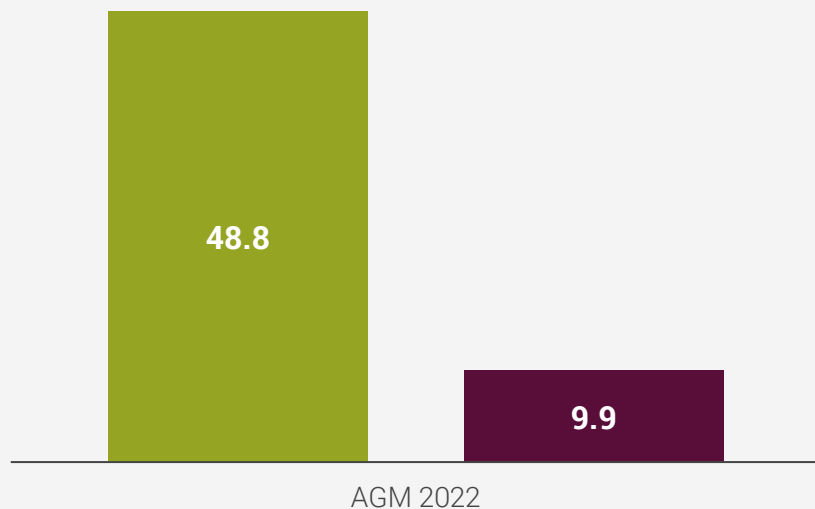
¹RONOA defined as last twelve months operating result in percent of average net operating assets

Dividend proposal

Proposed cash distribution to AGM 2022 from foreign capital reserves of CHF 0.30 per share

Result for the year and cash distribution

CHF m



● Result for the year ● Cash distribution (proposed to AGM 2022)

Cash distribution proposal to AGM 2022

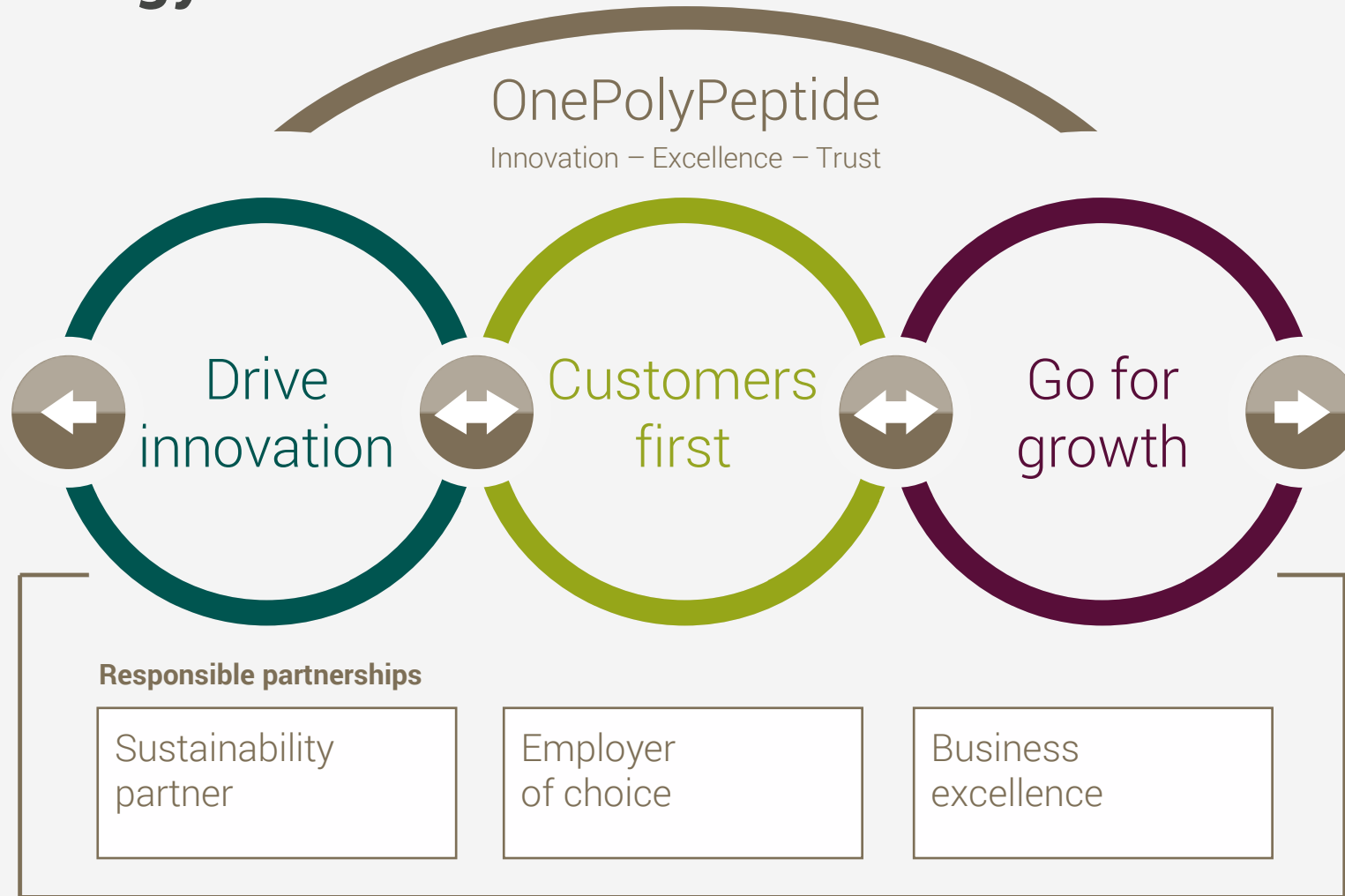
- CHF 0.30 per share
- Distribution of CHF 9.9¹ m
- Payout ratio of 20.3% of result for the year 2021; in line with dividend policy of a pay-out ratio of between 20% and 30% of the result for the year

¹Calculated on the basis of the number of shares entitled to the cash distribution as of 31 December 2021

Agenda

1	Introduction	Raymond De Vré, CEO
2	2021 financial results	Jan Fuhr Miller, CFO
3	Strategy, priorities & outlook	Raymond De Vré, CEO
4	Q&A	All

Integrated strategy



Customers first

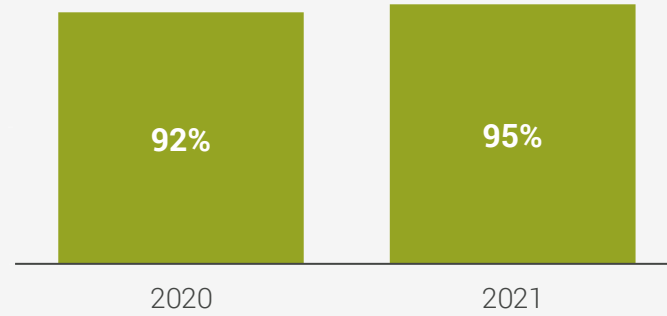
Aspiring to be the preferred long-term partner in the industry



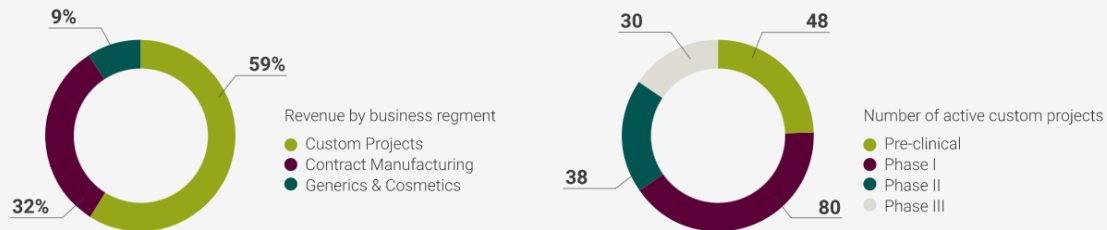
Strong customer commitment

- Delivering high-quality products and services
- Being flexible
- Helping customers secure regulatory approval and successfully commercialize their innovative therapies
- Innovating to improve process performance

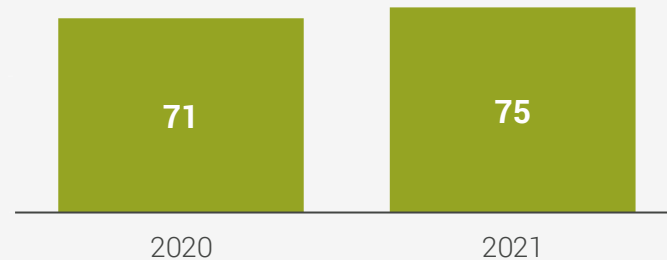
OTIF (on-time-in-full) delivery performance



Splits by segment and active custom projects¹



NPS (net promoter score)²



¹Approximate split as per year-end 2021

²Based on interviews with ca. 100 customers in the context of an annual customer survey conducted by a 3rd party on behalf of PolyPeptide

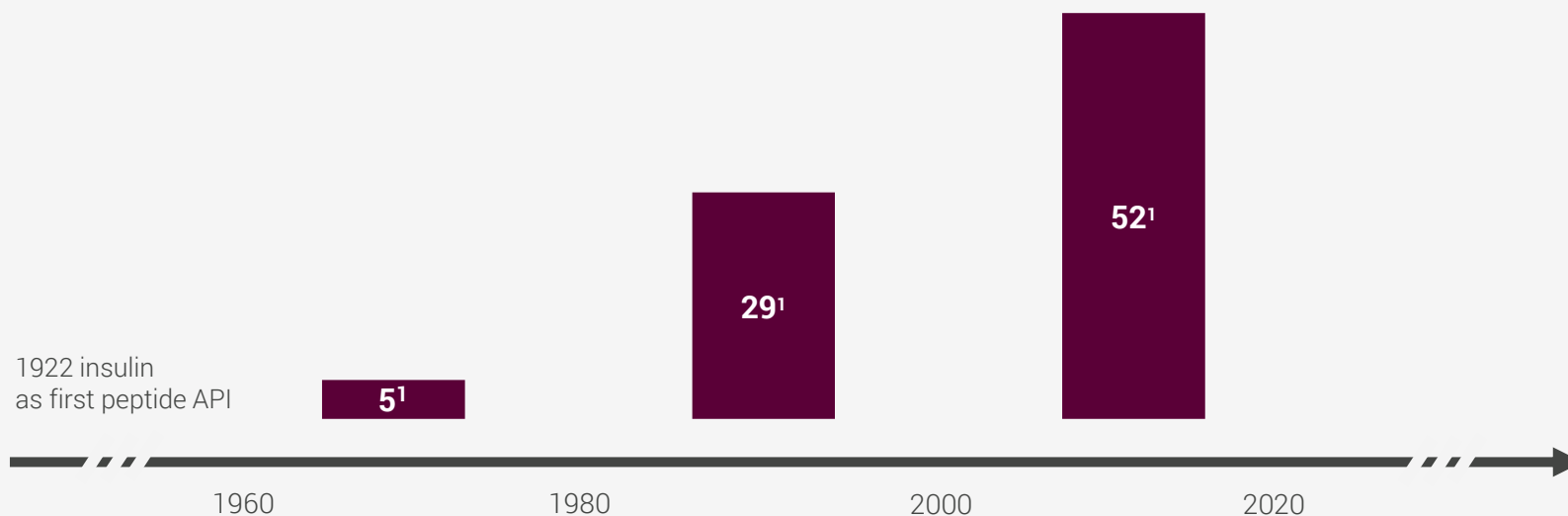
Go for growth

Core peptide segment expected to remain a growth driver



Increasing use of peptides across a diverse set of indications and medical conditions

- Longer and more complex peptides
- Cocktail of peptides
- Pegylation and conjugation
- Cell penetrating peptides as carriers



- Peptide market USD 44bn by 2025, growing at 7%; continued increased in level of outsourcing
- Continued R&D investments into peptides by big pharma and biotech. YE 2021 ca.²
 - 81 FDA approvals
 - 250 therapies in clinical development
 - 500 pre-clinical
- Increasing expected number of peptides losing patent in the next decade, further fueling growth of the peptide API generics market

¹Number of peptide drugs approvals in respective period; source: Muttenthaler et al., Trends in peptide drug discovery, Nature Reviews Drug Discovery 20, 309–325 (February 2021)

²Source GlobalData, as of December 2021

Go for growth

Building new capabilities in oligonucleotides

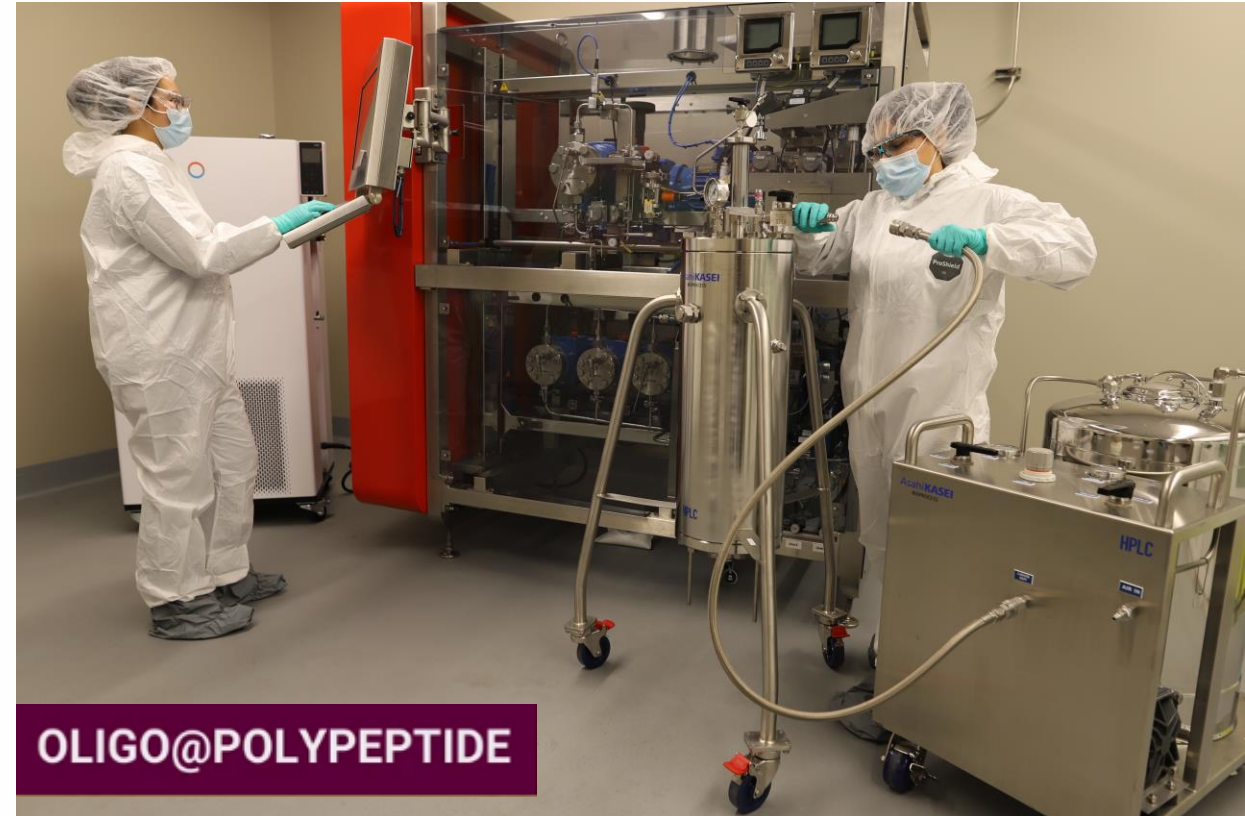


Addressing unmet customer needs in oligonucleotide modality given increasing therapeutic relevance

- R&D and GMP pilot plant facility up and running
- Dedicated team
- First customer project started
- Building of portfolio of early-stage custom projects

Committed to providing capacity

- First Building – R&D and GMP pilot plant
 - 2 small scale and 1 medium scale lines on site and operational
 - Adding additional lines to triple throughput
- Second Building – evaluation of site expansion ongoing
 - Engineering study completed to potentially add large scale process lines for multikg batch production



GMP pilot plant purification suite

Drive Innovation

Multi-faceted comprehensive green chemistry program to reduce environment footprint



Reduce

Optimize Process Mass Intensity (PMI) by reducing the amount of chemicals used in production

Example: Development of new percolation practices, reducing by up to 70% the amount of solvent used to rinse resin

Recycle

Continue to promote and further standardize recycling of solvent, reagents and other waste

Example: Acetonitrile recycling in downstream processes

Replace

Contribute to scientific progress to replace hazardous chemicals whenever possible

Example: Replacement of DMF with greener solvent alternatives

Avoid

Contribute to disruptive technologies to avoid the use of chemical reagents

Example: Collaboration on mechanochemistry solutions for solvent-free synthesis

OnePolyPeptide

Improving processes, systems and platforms across the Group for sustainable growth



Malmö



Braine



Strasbourg



Torrance



San Diego



Ambernath



Right balance between
global integration of
systems and local diversity

Sales
& marketing

Development,
regulatory, IP

Operations

Quality

Innovation
& technology

Human
ressources

Legal
& compliance

Finance & IT

IR, ESG,
corp. comms.

PolyPeptide Management Committee

Corporate sustainability and responsible partnerships

Material ESG topics and ESG agenda as integral part of business strategy



Five-step
materiality
assessment

Twelve ESG material topics

Sustainability partner

- Green chemistry
- Circular waste management
- Environmental protection
- Climate change mitigation

Employer of choice

- People development
- Employee health
- Diversity & inclusion

Business excellence

- Supply chain engagement
- Product quality
- Stakeholder dialogue
- Data protection
- Ethics & compliance

Established ESG agenda 2022+

- First focus on
 - Green chemistry
 - People development
 - Supply chain engagement
- Development of specific ESG targets
- Broadening of CO₂ footprint assessment
- Broadening of various certification programs
- Decision on reporting standard for FY 2023

Outlook and guidance for 2022

Mid-term aspiration

Expect continued favorable industry trends
Implement strategic agenda

Mid-term guidance unchanged
Revenue growth in low teens
with adjusted EBITDA margin of around 30%

2022 guidance

Continued infrastructure investments
Building on strong 2021 performance

Revenue growth	Adj. EBITDA margin	Capex as % of Revenue
12-14%	~30%	>25%

Agenda

1	Introduction	Raymond De Vré, CEO
2	2021 financial results	Jan Fuhr Miller, CFO
3	Strategy, priorities & outlook	Raymond De Vré, CEO
4	Q&A	All

Q&A

The presentation will be followed by a Q&A session.

Anyone who wishes to ask a question, or make a comment can do it in the following ways:

- **Through the telephone by pressing * and 1**
(please register on the website to receive the personal dial in details)
In case of assistance please press * and 0
- **Through the webcast by writing the questions via the relative field**

APPENDIX



HY time series

Summary P&L € m; unaudited

	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020	H2 2020	H1 2021	H2 2021
Revenue	81.6	97.9	90.7	111.9	87.8	135.2	135.1	147.0
EBITDA	20.6	21.6	22.7	26.7	18.5	43.4	39.9	45.0
margin %	25.2%	22.1%	25.0%	23.8%	21.1%	32.1%	29.5%	30.6%
Depreciation, amortization & impairment (if any)	-6.8	-7.7	-7.5	-8.3	-8.4	-9.2	-9.1	-11.6
Operating result	13.8	13.9	15.2	18.3	10.2	34.2	30.8	33.4
margin %	16.9%	14.2%	16.8%	16.4%	11.6%	25.3%	22.8%	22.7%
Total net financial result	0.6	1.1	-0.9	-2.4	-0.9	-5.8	-1.3	-3.0
Income tax charges	-2.8	-2.8	-2.9	-1.6	-1.5	-4.9	-4.9	-7.7
Result of the period	11.6	12.2	11.4	14.3	7.8	23.5	24.6	22.6
margin %	14.2%	12.5%	12.6%	12.8%	8.9%	17.4%	18.2%	15.4%

Consolidated statement of income

1 January – 31 December

kEUR	Note	2021	2020
Revenue	3	282,126	223,033
Other operating income	3	4,091	1,778
Total income		286,217	224,811
Cost of sales		-182,426	-151,108
Gross profit		103,791	73,703
Marketing and sales expenses	3	-3,864	-3,640
Research expenses	3	-1,407	-1,312
General and administrative expenses	3	-34,355	-24,373
Total operating expenses		-39,626	-29,325
Operating result (EBIT)		64,165	44,378
Financial income	3	653	106
Financial expenses	3	-4,970	-6,799
Total financial result		-4,317	-6,693
Result before income taxes		59,848	37,685
Income tax charges	5	-12,590	-6,350
Result for the year		47,258	31,335
Attributable to shareholders of PolyPeptide Group AG		47,258	31,335
Earnings per share in EUR, basic	7	1.47	1.04
Earnings per share in EUR, diluted	7	1.47	1.04

Consolidated statement of financial position

As at 31 December

Assets, kEUR	Note	2021	2020
Non-current assets			
Intangible assets	8	14,268	12,556
Property, plant and equipment	9	216,486	156,930
Right-of-use assets	10	18,956	12,878
Deferred income tax assets	5	10,255	13,548
Other financial assets	25	3,467	201
Total non-current assets		263,432	196,113
Current assets			
Inventories	12	113,001	94,269
Trade receivables	13	65,233	53,494
Contract assets	3	2,556	2,044
Corporate income tax receivables		3,699	5,826
Other current assets	14	10,814	7,021
Cash and cash equivalents	15	136,303	17,208
Total current assets		331,606	179,862
Total assets		595,038	375,975

Equity and liabilities, kEUR	Note	2021	2020
Equity attributable to equity holders of the parent			
Share capital	6	302	33,000
Share premium		212,800	2,340
Translation reserve		9,285	-5,616
Treasury shares		-1,187	-
Other capital reserves		3,946	-
Retained earnings		196,027	147,936
Total equity		421,173	177,660
Non-current liabilities			
Deferred income tax liabilities	5	1,106	876
Pensions	16	38,981	39,128
Provisions	17	4,568	4,312
Interest-bearing loans and borrowings	18	0	25,000
Lease liabilities	10	14,947	10,454
Other financial liabilities	19	10,302	16,697
Total non-current liabilities		69,904	96,467
Current liabilities			
Lease liabilities	10	3,058	1,979
Other financial liabilities	19	1,145	10,199
Corporate income tax payable		4,001	8,276
Trade payables	21	28,481	28,359
Contract liabilities	3	46,072	33,480
Other current liabilities	21	21,204	19,555
Total current liabilities		103,961	101,848
Total liabilities		173,865	198,315
Total equity and liabilities		595,038	375,975

Consolidated statement cash flow

1 January – 31 December

kEUR	2021	2020
Cash flow from operating activities		
Result for the year	47,258	31,335
Adjustments to reconcile cash generated by operating activities		
Depreciation and amortization	20,683	17,545
Movement in provisions	-236	-1,403
Movement in pensions	1,465	2,016
Share-based payment expense	1,208	0
Financial income	-653	-106
Financial expenses	4,970	6,799
Income tax charge	12,590	6,350
Government grant income	-2,387	0
IPO-related transaction costs	5,721	0
Changes in net working capital		
(Increase) / decrease in inventories	-17,669	-22,101
(Increase) / decrease in trade receivables	-11,751	-21,213
(Increase) / decrease in contract assets	-488	-223
(Increase) / decrease in other current assets	-3,905	2,469
Increase / (decrease) in trade payables	1,178	4,870
Increase / (decrease) in contract liabilities	11,492	23,581
Increase / (decrease) in other current liabilities	1,648	2,894
Cash generated from operations	71,124	52,813
Interest income received	8	106
Interest expenses paid	-2,384	-1,018
Income taxes paid	-11,396	-2,419
Net cash flows from operating activities	57,352	49,482
Cash flow from investing activities		
Acquisition of intangible assets	-3,747	-2,580
Acquisition of property, plant and equipment	-73,961	-40,621
Disposal of property, plant and equipment	122	383
Movement in other financial assets	-3,259	258
Net cash flows from investing activities	-80,845	-42,560

kEUR	2021	2020
Cash flow from financing activities		
Proceeds from the issue of ordinary shares	182,141	0
Purchase of own shares	-5,464	0
IPO-related transaction costs	-7,376	0
Repayment by Draupnir Holding B.V. related to IPO bonus	2,998	0
Proceeds from other financial liabilities	0	2,353
Proceeds from short-term borrowings from banks	25,000	0
Repayment of long-term borrowings from banks	-25,000	0
Repayment of short-term borrowings from banks	-25,000	0
Repayment of lease liabilities	-2,637	-1,967
Repayment of other financial liabilities	-13,734	-7,116
Net cash flow from financing activities	130,928	-6,730
Net movement in cash and cash equivalents	107,435	192
Cash and cash equivalents at the beginning of the year	17,208	17,508
Net foreign currency exchange differences	11,660	-492
Cash and cash equivalents at the end of the year	136,303	17,208

Green chemistry

Selected recent scientific publications by PolyPeptide scientists



2022

R. Ravetti Duran, O. Ludemann-Hombourger

“SPPS : Process improvements to reduce solvent consumption”, Spec. Chem. Mag., Jan-Feb 2022, 40-43

J. Pawlas, J.H. Rasmussen

Environmentally Sensible Organocatalytic Fmoc/t-Bu Solid-Phase Peptide Synthesis. Org. Lett. 2022, 24, 1827–1832.

2021

J. Pawlas, J. H. Rasmussen

“Circular aqueous Fmoc/tBu Solid-Phase Peptide Synthesis”, ChemSusChem, 2021, 14(16), 3231-3236

R. Ravetti Duran, O. Ludemann-Hombourger

“Efficient and sustainable solutions for large scale peptide manufacturing”, Chemistry Today, 2021, 39(6), 42-44

2019

J. Pawlas, B. Antonic, M. Lundqvist, T. Svensson, J. Finnman, J.H. Rasmussen

“2D Green SPPS for on-resin removal of acid sensitive protecting groups and lactamization», Green Chem., 2019, 21(10), 2594-2600

J.H. Rasmussen, J. Pawlas, O. Ludemann-Hombourger, E.D. Reikai

“Aspects of greening peptide chemistry within the pharmaceutical manufacturing industry”, Chemistry Today, 2019, 37(2), 42-44

J. Pawlas, J. H. Rasmussen

“ReGreen SPPS: enabling circular chemistry in environmentally sensible solid-phase peptide synthesis», Green Chem., 2019, 21(21), 5990-5998

Contact and IR calendar

Contact

Michael Stäheli

Head of Investor Relations & Corporate Communications

Phone: +41 (0) 41 723 20 34

michael.staeheli@polypeptide.com

investorrelations@polypeptide.com

www.polypeptide.com

Share information

PolyPeptide Group AG has been listed on the Swiss Stock Exchange (SIX) since 29 April 2021 under the symbol PPGN, Swiss security number 111 076 085 and ISIN CH111 076 085

Share register

areg.ch ag

Fabrikstrasse 10

4614 Hägendorf, Switzerland

info@areg.ch

Tel: +41 62 209 16 60

Selected events in 2022

23 March 2022 | Roadshow in New York, US, with Bank of America

25 March 2022 | Roadshow in London, UK, with Bank of America

5 April 2022 | Roadshow in Paris, FR, with Berenberg

7 April 2022 | Roadshow in Zurich, CH, with ZKB

8 April 2022 | Roadshow in Geneva, CH, with ZKB

Corporate events in 2022 and 2023

15 March 2022 | FY 2021 Results

26 April 2022 | AGM 2022

19 August 2022 | HY 2022 Results

14 March 2023 | FY 2022 Results

12 April 2023 | AGM 2023



THANK YOU