



PolyPeptide Group AG (SIX: PPGN)

Investor presentation

1st half 2022

GLOBAL SUPPORT FOR A QUALITY SOLUTION

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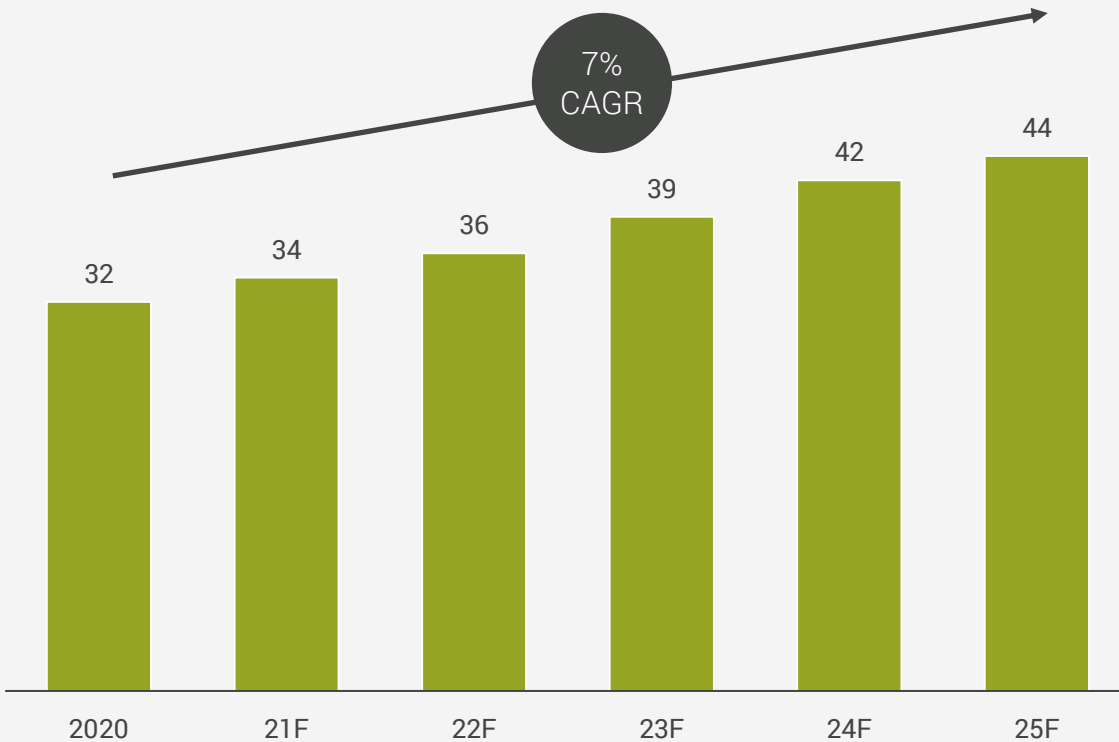
Agenda

1	Market overview
2	Company overview
3	Strategy
4	Performance & financial targets
5	Corporate Governance, calendar and contact

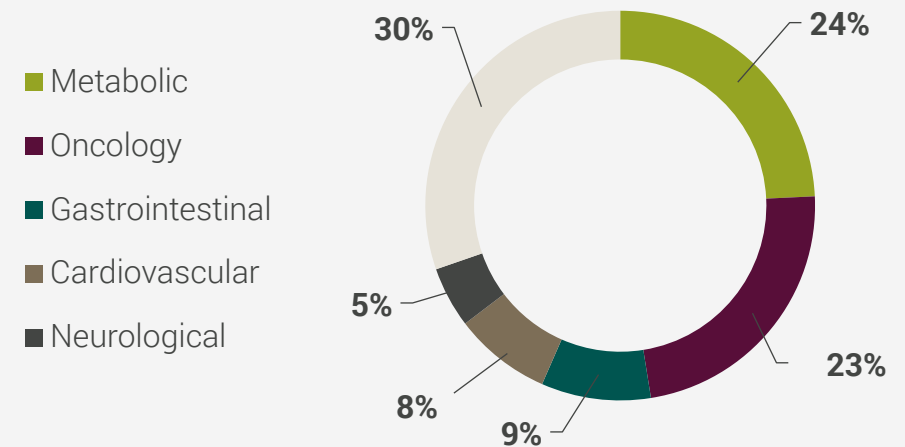
Peptide-based drugs market with structural growth momentum

Broad therapeutic areas with significant product pipeline

Estimated peptide therapeutics end market (\$ Bn)¹



~81 drugs approved and ~750 in development²



- Broad therapeutical areas of application resulting in rich project pipeline globally
- Increasing number of expected API approvals for years to come

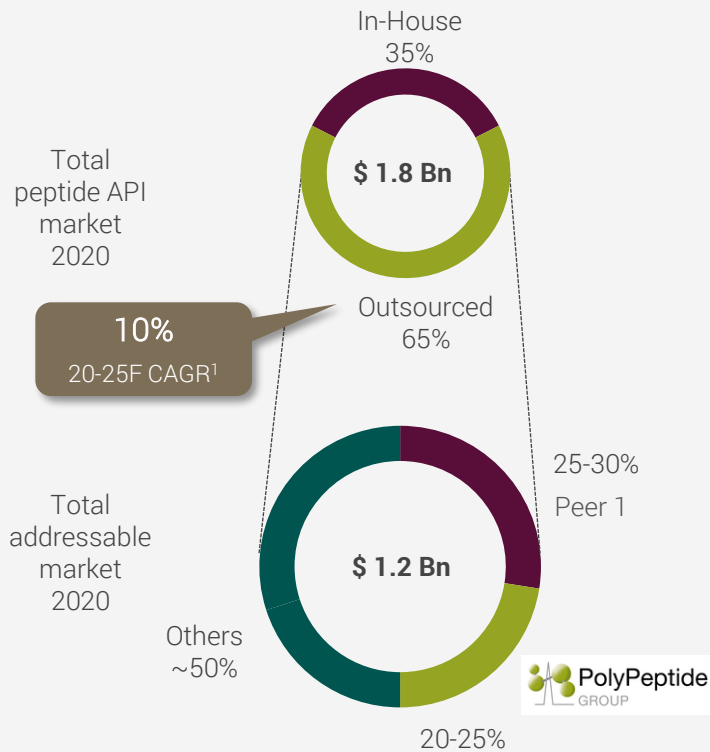
¹Based on a study commissioned by PolyPeptide and completed in early 2021

²Source GlobalData, as of Dec 2021, incl. pre-clinical and clinical development; split as of Dec 2020

Addressable peptide API market of ~\$ 1.2 Bn with ~10% CAGR

Continued trend towards outsourcing and specialization

Market structure¹



Outsourcing trends

- Innovative drug development processes resulting in rich pipelines across modalities
- Pharma and biotech customers to focus on core competencies, time to market and productivity
- Higher complexity of emerging peptide APIs, including shift towards chemical synthesis
- Evolving regulatory requirements and high capex requirements resulting in need for critical scale

CDMO success factors

Specialized technical expertise and know-how

GMP capabilities with high delivery performance

Ability to meet evolving regulatory requirements

Continued capacity building with high utilization

Reputation and market access for pipeline building

Innovation mindset and high customer satisfaction

¹Based on a study commissioned by PolyPeptide and completed in early 2021

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70+ years of experience in peptide manufacturing

2021 | Public company listing on SIX Swiss Exchange

2017 | Acquisition of Lonza's peptide business in Braine, Belgium

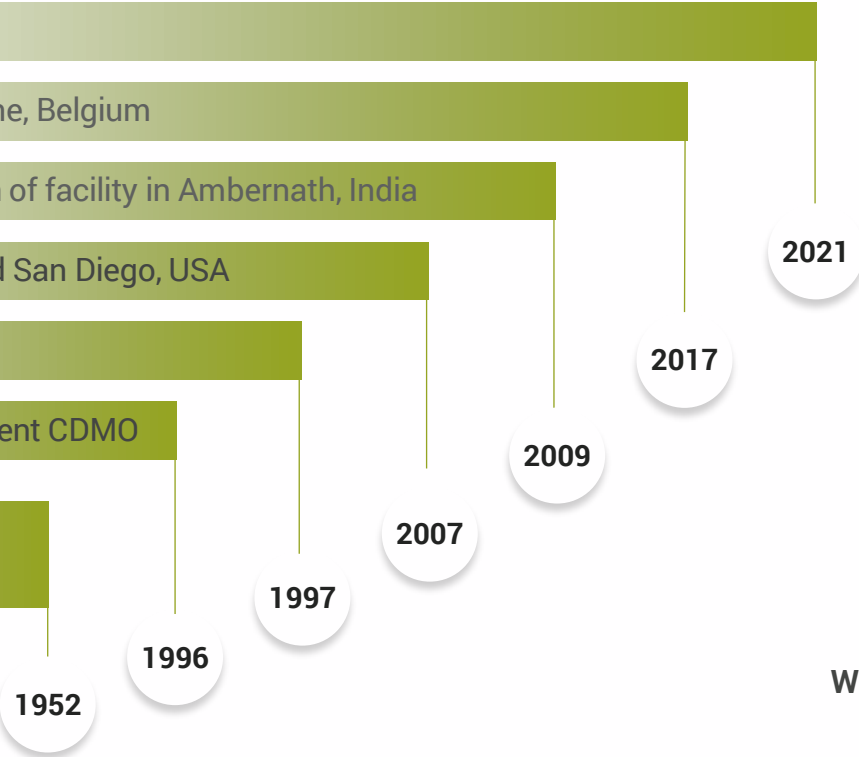
2009 | Expansion in Malmö, Sweden, and inauguration of facility in Ambernath, India

2007 | Acquisition of NeoMPS Strasbourg, France, and San Diego, USA

1997 | Start of operations in Torrance, USA

1996 | Founding of PolyPeptide Group as an independent CDMO

1952 | Start of commercial therapeutic peptide manufacturing in Malmö, Sweden as part of Ferring



70+ years



Long-term partnerships



Talented team with agile mindset



Track record of quality & reliability



Leading innovation & technologies



World-class manufacturing processes



Comprehensive services for complex peptides

Supporting customers over product life cycle in three segments



Custom projects

Full spectrum manufacturing and associated CMC services supporting pre-clinical development

Process designed in partnership with the customer to be scalable through the development process

Pre-clinical & clinical phases I-III



Contract manufacturing

Expertise in process development, manufacturing scale-up, regulatory filings, and launch preparation. Continuous yield improvement is key

Commercial, after regulatory approval



Generics and Cosmetics

Manufacture of a range of peptide-based generics and cosmetics at commercial scale for multiple customers

Generics with non-originator customers

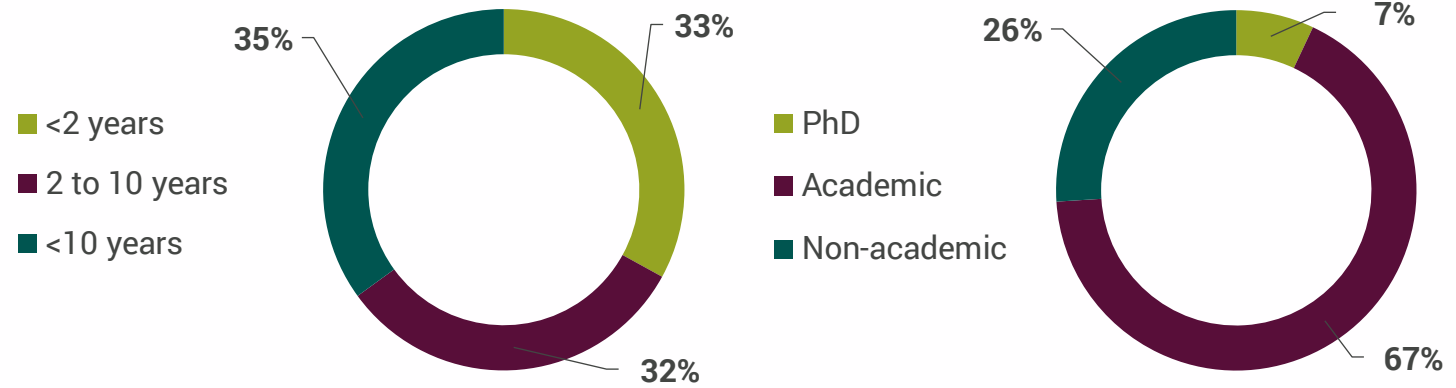


> 1'100 employees worldwide with deep knowledge

Network of GMP-certified sites for services across development phases

- A global market leader for innovative clinical and commercial stage peptide drug substances
- Manufacturing around half of all approved peptide API's and strong custom project pipeline
- Long-term partner for customers, from biotech start-ups to large pharmaceutical companies

Employees by experience and by qualification¹



Specialized sites in Europe, the US and India¹



Torrance, USA
197 employees

San Diego, USA
66 employees



Malmö, Sweden
293 employees

Braine-l'Alleud, Belgium
345 employees

Strasbourg, France
123 employees

Zug, Switzerland (HQ)
5 employees



Ambarnath, India
72 employees



¹Data based on headcount as of 31 December 2021

Production sites overview (1/2)

Specialized facilities from experimental to large scale production



Malmö



Braine-l'Alleud



Strasbourg



Torrance



San Diego



Ambernath



Heritage of PolyPeptide. Large facility for all peptide batch sizes and all segments.

Site with largest liquid phase synthesis in operations, major solid phase capacity expansion ongoing; facility for all peptide batch sizes and all segments.

Special focus on innovation and cosmetics. Smaller facility for most peptide segments.

Mid-sized site, also servicing personalized medicine, handling most peptide batch sizes for all segments; lab space and pilot GMP facility to serve oligonucleotides.

Designed to efficiently handle smaller peptide batch sizes for all segments, incl. radio-labelled peptides.

Designed to handle generic peptides, manufactured mostly in mid-sized batches.

~12,800 m ²	~30,000 m ²	~6,100 m ²	~14,000 m ²	~4,800 m ²	~8,100 m ²
293 employees ¹	345 employees ¹	123 employees ¹	197 employees ¹	66 employees ¹	72 employees ¹
>30 years	>30 years	>20 years	>20 years	>20 years	>10 years

¹Data based on headcount as of 31 December 2021

Production sites overview (2/2)

Specialized facilities from experimental to large scale production

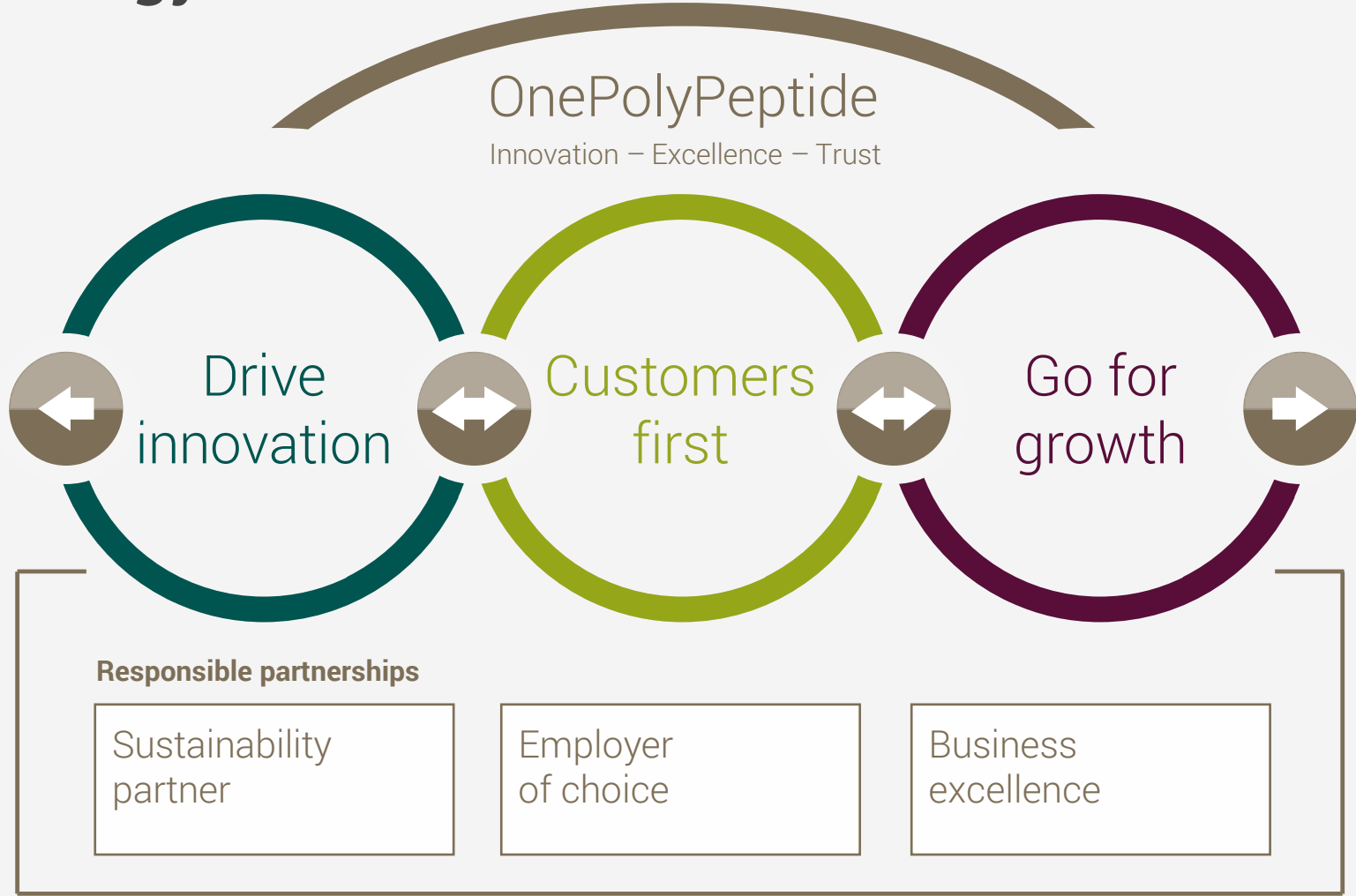
	Malmö	Braine-l'Alleud	Strasbourg	Torrance	San Diego	Ambernath
USFDA	8 inspections 1997, 2001, 2004, 2005, 2008, 2009, 2013, 2016	6 inspections 2001, 2005, 2009, 2012, 2014, 2017	3 inspections 2009, 2014, 2019	15 inspections 1999, 2001, 2001, 2002, 2004, 2008, 2009, 2010, 2011, 2012, 2013, 2015, 2017, 2019, 2021	14 inspections 1992, 1995, 1998, 2004, 2005, 2005, 2009, 2009, 2010, 2011, 2012, 2015, 2017, 2019	2 inspections 2016, 2019
Local	 8 inspections 2003, 2004, 2007, 2010, 2017, 2015, 2019, 2021	 5 inspections 2008, 2011, 2014, 2017, 2020	 5 inspections 2006, 2010, 2014, 2017, 2020	 1 inspection <i>(State of California)</i> 1997	 2 inspections <i>(State of California)</i> 1990, 2002	 5 inspections 2011, 2014, 2018, 2021, 2021
Other	 2007, 2011, 2015, 2016, 2017, 2018  2017  2005 & 2012  2009	 2001, 2005, 2009, 2012, 2013, 2014, 2016  2011	 2015  2017	 2017	 2011 & 2016  2005  2011, 2016	 2014  2012, 2016, 2019  2013, 2015, 2015, 2017, 2019, 2019
ESG						

Status as of May 2022

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Integrated strategy

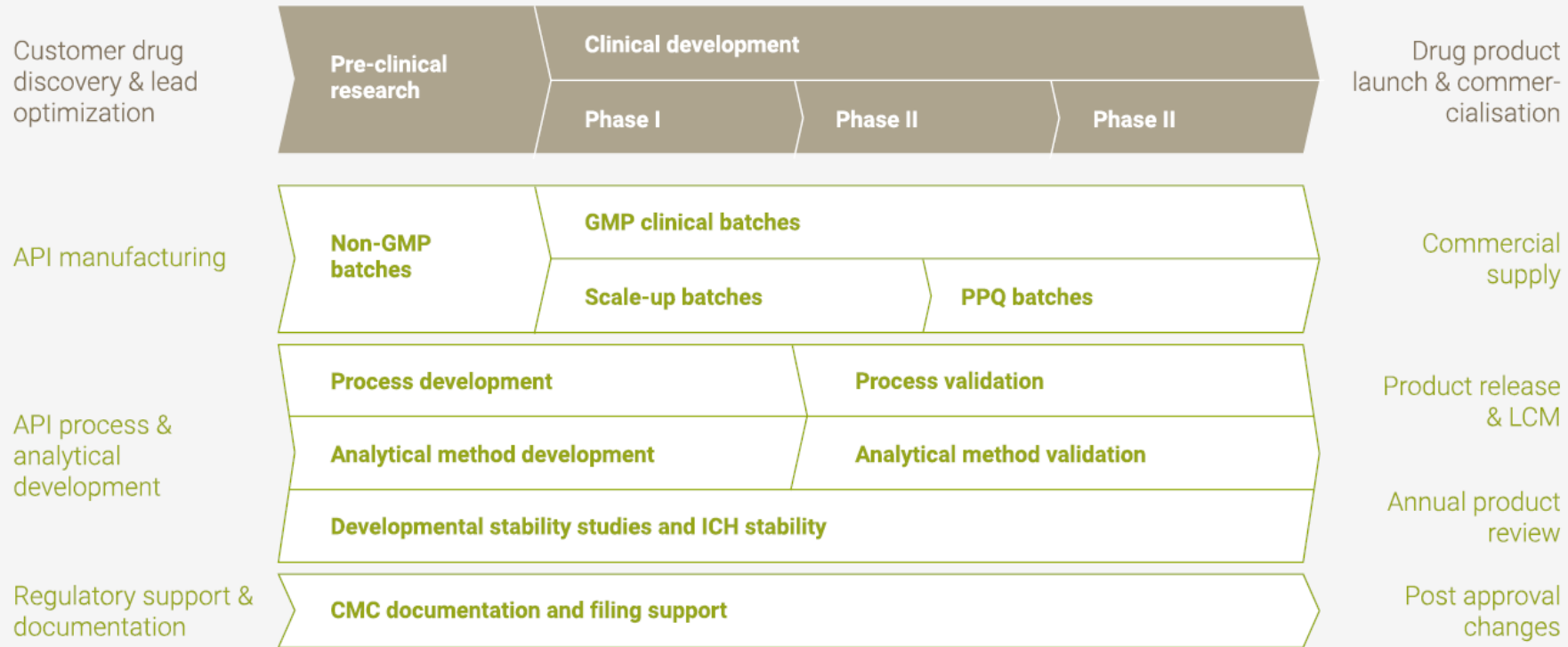


Start here – stay here

Providing expert knowledge for API's along product life cycle



API development & manufacturing: from initial phases to commercialization



Legend:

API – Active pharmaceutical ingredient; CMC – Chemistry, manufacturing & controls; GMP – Good manufacturing practice; ICH – International council for harmonization; LCM – Life cycle management; NDA – New drug application; PPQ – Process performance qualification

Customers first

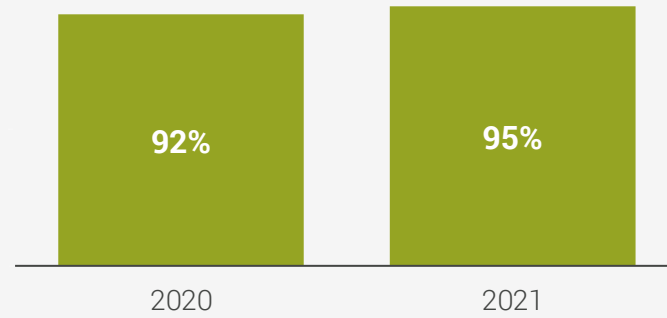
Aspiring to be the preferred long-term partner in the industry



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

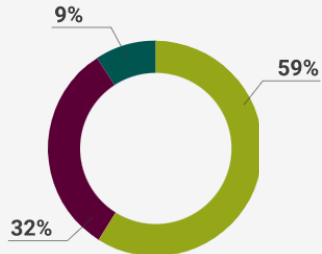
OTIF (on-time-in-full) delivery performance



Splits by segment and active custom projects¹

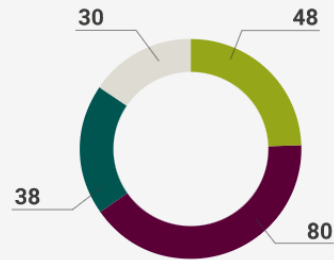
Revenue by business segment

- Custom Projects
- Contract Manufacturing
- Generics & Cosmetics

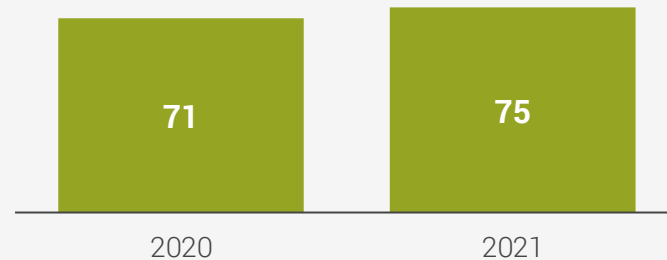


Number of active custom projects

- Pre-clinical
- Phase I
- Phase II
- Phase III



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

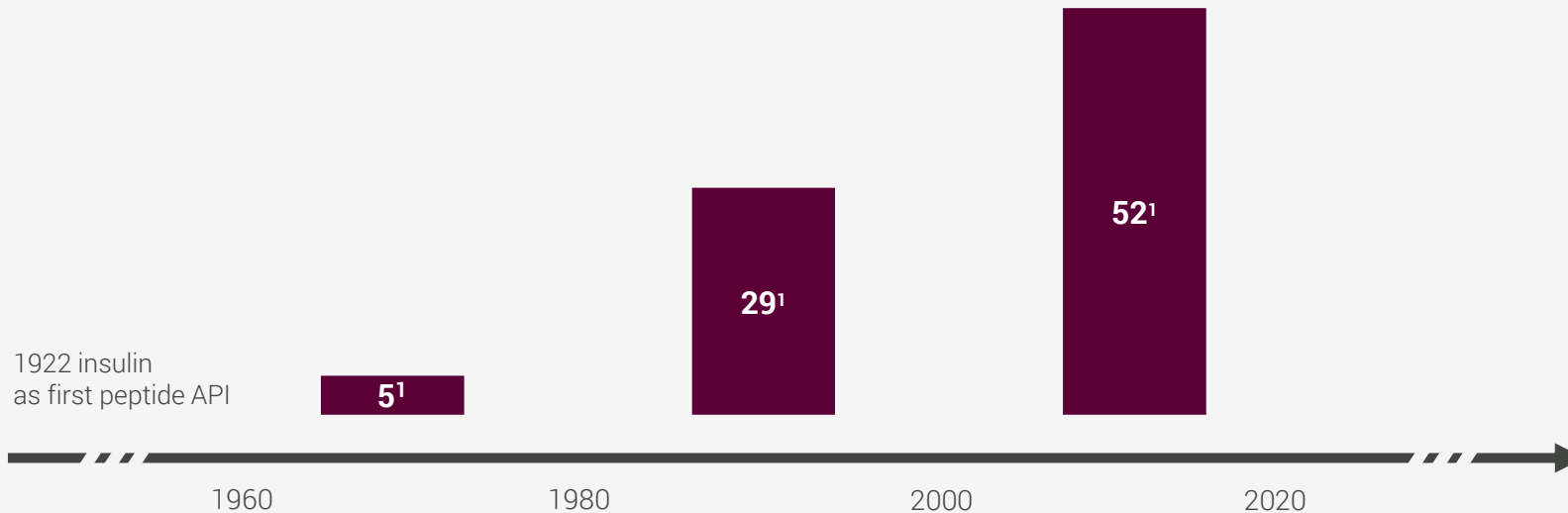
Go for growth

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 (Feb 2021)

²Source GlobalData, as of Dec 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

Improving cost, time, quality

Innovation is critical for staying ahead of the curve



- Advanced monitoring automation
- Improved automated processes for peptide synthesis and purification
- In silico predictive tools
- MES



- Alternative isolation technologies
- Flow chemistry, electrochemistry



- Innovative analytics
- Particle analysis
- LIMS

Culture of innovation

- Innovation culture being embedded in the organization
- Global “Innovation and Technology” group in Strasbourg and Torrance
- Go from idea to concept all the way to deployment at scale
- Incubator for new business (services and product) ideas

Established external collaborations network



OnePolyPeptide

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



Malmö



Braine-l'Alleud



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 resources

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

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Summary of 2021 performance / key figures

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

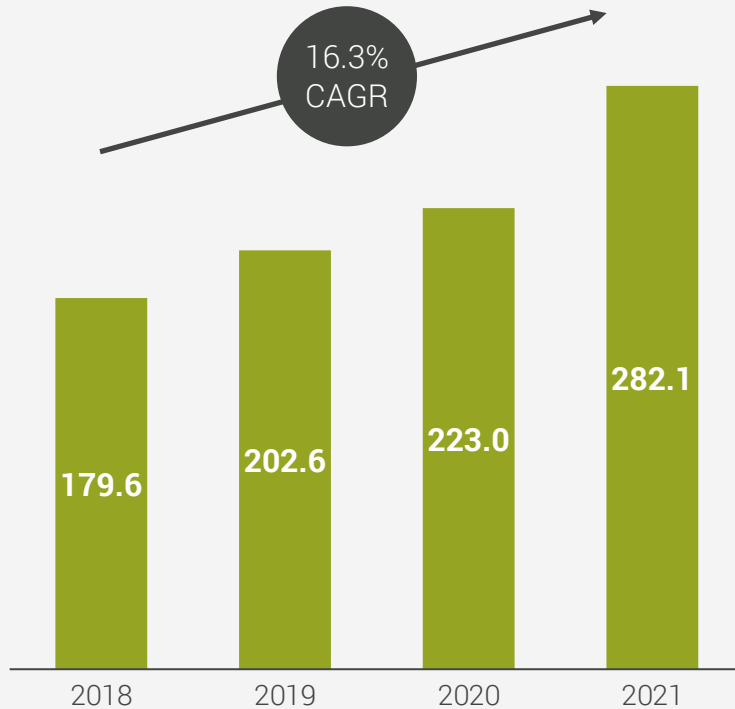
kEUR	2021	2020	Change
Revenue	282,126	223,033	26.5%
Custom Projects	167,006	101,872	63.9%
Contract Manufacturing	89,600	100,108	-10.5%
Generics & Cosmetics	25,520	21,053	21.2%
EBITDA	84,848	61,923	37.0%
Adjusted ¹ EBITDA	88,199	61,958	42.4%
Adjusted ¹ EBITDA in % of revenue	31.3%	27.8%	3.5 ppts
Operating result (EBIT)	64,165	44,378	44.6%
Operating result (EBIT) in % of revenue	22.7%	19.9%	2.8 ppts
Result of the year	47,258	31,335	50.8%
Result of the year in % of revenue	16.8%	14.0%	2.7 ppts
Earnings per share (EUR), basic	1.47	1.04	41.0%
Return on net operating assets (RONOA)	21.0%	18.2%	2.7 ppts
Cash and cash equivalents	136,303	17,208	–
Net cash flow from operating activities	57,352	49,480	15.9%
Capital expenditures	76,652	48,183	59.1%
Capital expenditures in % of revenue	27.2%	21.6%	5.6 ppts
Total assets	595,038	375,975	58.3%
Equity ratio	70.8%	47.3%	23.5 ppts
Employees (# of FTEs, average)	1,041	910	14.4%

¹Adjusted EBITDA excludes one-off IPO costs of EUR 5.7 million, partly offset by US government loans of EUR 2.4 million waived in context of the coronavirus pandemic

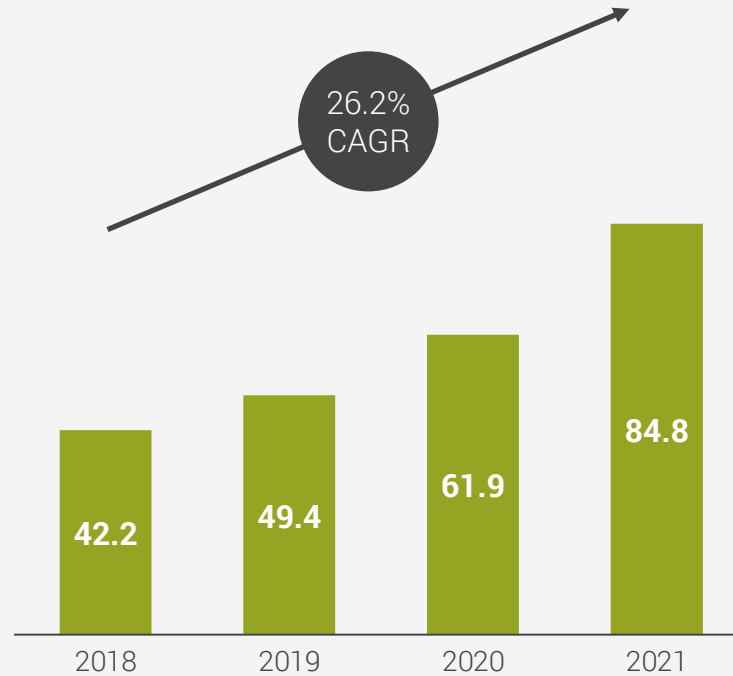
Revenue and EBITDA development

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

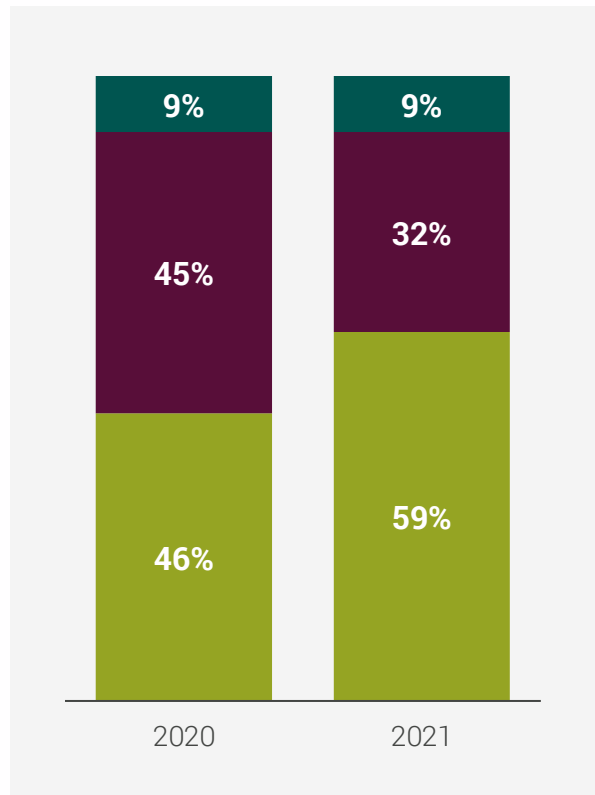
2021 EBITDA of € 84.8 m, up 37.0%

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

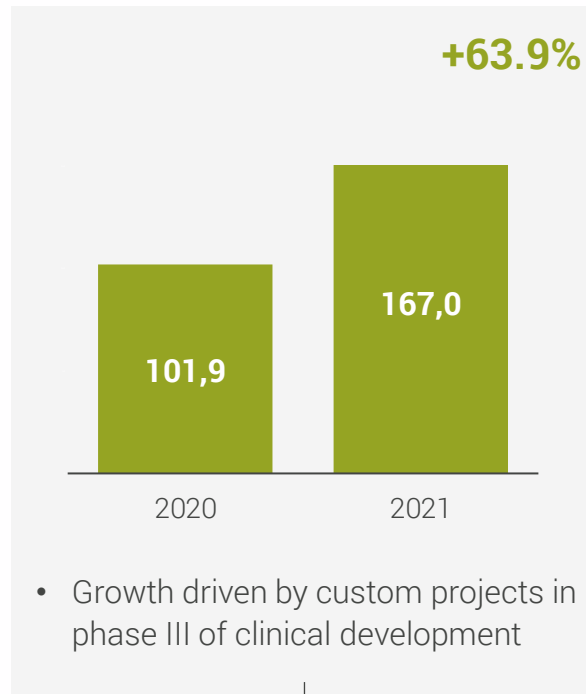
Revenue by segment

Growth driven by custom projects

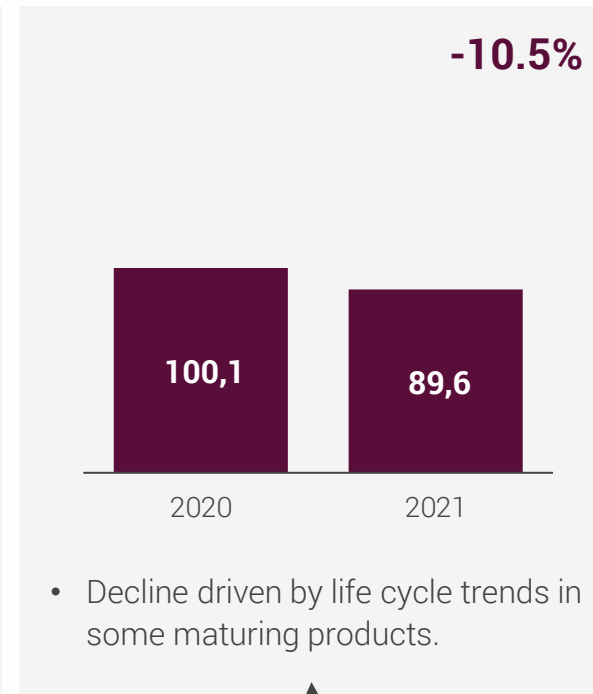
Composition of Group revenue



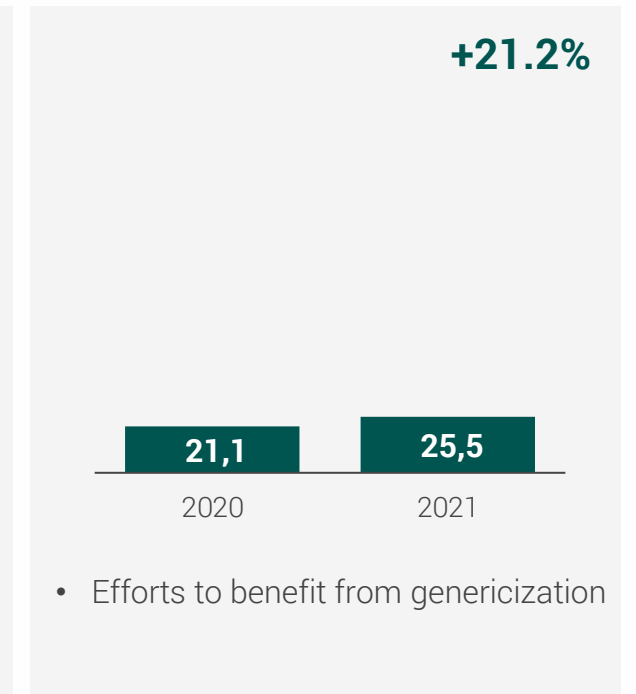
Custom projects € m



Contract manufacturing € m



Generics and cosmetics € m

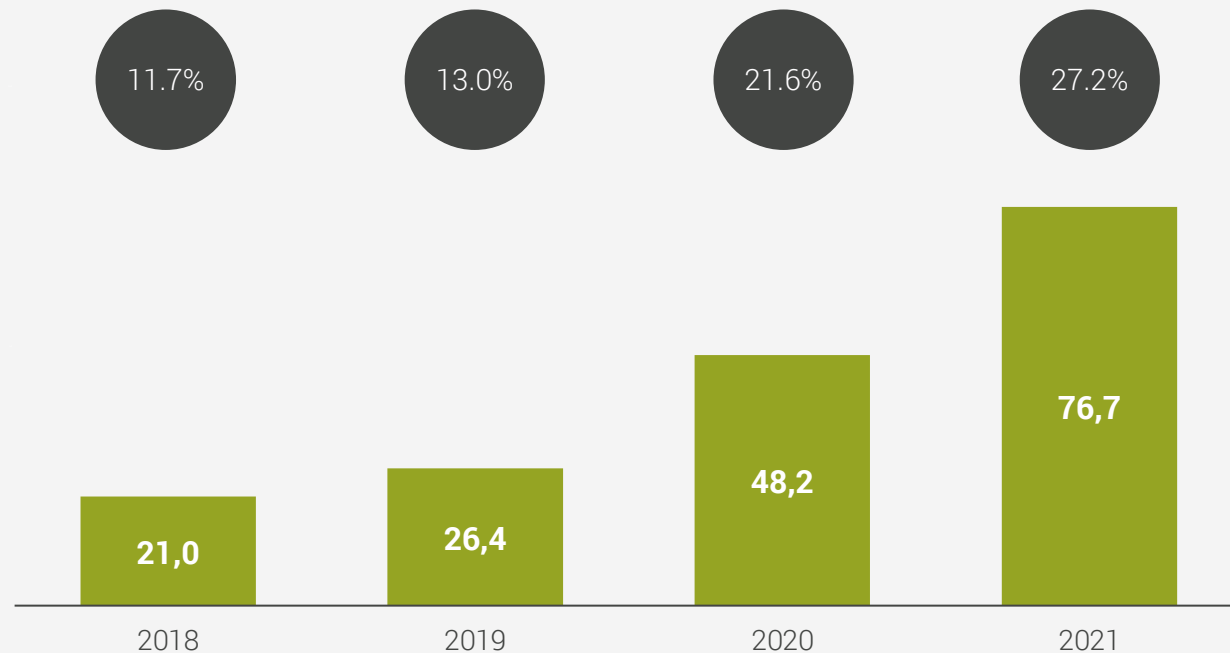


Late-stage projects expected to progress into contract manufacturing

Capital expenditures

Capacity expansion, new capabilities, modernization, digitalization

€ m



● 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

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%

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PMC – PolyPeptide Management Committee

Members of the Executive Committee 




Raymond De Vré 
Belgian, CEO




Neil Thompson 
British, Director Global Sales and Marketing



Daniel Lasanow 
Belgian, Director Global Operations



Christina Del Vecchio 
Swiss / Swedish, General Counsel



Jan Fuhr Miller 
Danish, CFO



Jon Holbech Rasmussen
Danish, Director Global Development, IP and Regulatory



Landon Piluso
American, Director Global Quality



Olivier Ludemann-Hombourger
French, Director Global Innovation and Technology



Monika Casanova
German, Chief HR Officer (from May 2022)



Michael Stäheli
Swiss, Head IR / Corporate Communications / ESG


Board of Directors

Chairman and members appointed in 2021 in context of IPO




Peter Wilden 
German
Chairman




Jane Salik 
American
Member



Erik Schropp 
Dutch
Member






Philippe A. Weber 
Swiss
Independent Member



Beat In-Albon 
Swiss
Independent Member



Patrick Aebischer 
Swiss
Independent Member

Chair 
Member 

Remuneration & nomination committee
Innovation & technology committee
Audit & risk committee

The Board of Directors is responsible for PolyPeptide's overall direction and oversight of management, and holds the ultimate decision-making authority, with the exception of matters reserved for shareholders.

Visit our website or the section
Corporate Governance in the
Annual Report 2021 for the detailed CV's

polypeptide.com
report.polypeptide.com/ar/21/board-of-directors/

IR contact and financial calendar

Investor Relations team

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Head of Investor Relations & Corporate Communications

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Share information

PolyPeptide Group AG has been listed on the Swiss Stock Exchange (SIX)

since 29 April 2021 under the symbol SIX: PPGN,

Swiss security number 111 076 085 and ISIN CH111 076 085

Share register

areg.ch ag

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Phone: +41 (0) 62 209 16 60 / info@areg.ch

GLOBAL SUPPORT FOR A QUALITY SOLUTION

Selected upcoming IR events

23 May 2022 | Berenberg conference in Terrytown, NY, USA

21 September 2022 | Investora conference in Zurich, CH, Verein Investora

04 November 2022 | ZKB Swiss Equity Conference in Zurich, CH

17 November 2022 | Credit Suisse Equity Forum Switzerland in Zurich, CH

Corporate events in 2022 and 2023

15 March 2022 | FY 2021 Results

26 April 2022 | AGM 2022

19 August 2022 | Half-year Results 2022

14 March 2023 | Full-year Results 2022

12 April 2023 | AGM 2023

Visit our website for the detailed event calendar polypeptide.com

Analyst coverage

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THANK YOU

