

Media Release – ad hoc announcement pursuant to Art. 53 LR

## PolyPeptide provides market update

**Baar, 12 July 2022 – PolyPeptide Group AG (PolyPeptide), a global leader in peptide and oligonucleotide development and manufacturing, today provides a market update. While investing to implement its growth strategy, PolyPeptide expects a drop in profitability in the first half of 2022 versus the first half of 2021. The EBITDA margin for the first half of 2022 is expected to be around 20% of revenue.**

This development is attributable to a combination of reasons. The first half of 2021 was an exceptionally strong period with a favorable business mix, and revenue for the first half of 2022 will be more or less flat versus the same period last year. Then, PolyPeptide was affected by an increase in raw material, energy and consumable prices as well as higher wage inflation that could not yet be passed to customers. Finally, PolyPeptide continued to build the organization to support business growth by increasing average full-time equivalents across manufacturing sites by around 13% compared to end of June 2021.

In addition, given the current evolution of the coronavirus pandemic, PolyPeptide expects a shift to 2023 of part of the remaining 2022 revenue associated to COVID-19. More details on the half-year 2022 results as well as an update on the full-year guidance will be presented on 19 August 2022 with the scheduled earnings release.

PolyPeptide is committed to its strategic growth agenda given the long-term potential of its core peptide and oligonucleotide business: it continues to invest in capacity expansion to meet the expected demand from its phase III custom projects, and continues to focus on pipeline building, leading to an increase of its active custom projects pipeline from 181 projects at the end of June 2021 to 218 projects at the end of June 2022.

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### About PolyPeptide

PolyPeptide is a Contract Development & Manufacturing Organization (CDMO) focusing on proprietary and generic GMP-grade peptides used by pharmaceutical and biotech companies in approved pharmaceutical products, drugs in clinical development as well as in generic products. Dating back to 1952, PolyPeptide today manufactures around one-half of all currently approved peptide drug substances with a global footprint of six GMP-certified facilities in Europe, the U.S. and India. As a multinational company with around 1,100 employees at the end of 2021, its diversity brings breadth, depth of knowledge and experience to the Group. PolyPeptide has grown organically and by selective acquisition of existing expertise, culminating in its position today as a leader in outsourced peptide manufacturing. PolyPeptide's shares (SIX: PPGN) are listed on SIX Swiss Exchange. For more information, visit [polypeptide.com](http://polypeptide.com).

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### Disclaimer

This media release has been prepared by PolyPeptide Group AG and includes forward-looking information and statements concerning the outlook for the Group's 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 Group AG's control, that could cause the

Group's actual results to differ materially from the forward-looking information and statements made in this media release and that could affect the Group's ability to achieve its stated targets. The important factors that could cause such differences include, among others: relationships with employees, customers and other business partners; strategies of competitors; manufacturing capacity and utilization; quality issues; supply chain matters; legal, tax or regulatory disputes; and changes in the political, social and regulatory framework in which the Group operates, or in economic or technological trends or conditions. Although PolyPeptide Group AG 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 Performance Measures (APM)**

This media release contains references to operational indicators, such as active custom projects, and APM that are not defined or specified by IFRS, including EBITDA. These should be regarded as complementary information to and not as substitutes of the Group's consolidated financial results based on IFRS. They may not be comparable to similarly titled measures disclosed by other companies. For the definitions of the operational indicators and APM used, including related abbreviations, refer to the section "Definitions and reconciliations" in PolyPeptide Group AG's [Annual Report 2021](#) and Half-year Report 2022 (once published).