

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

## **PolyPeptide delivers revenue of around EUR 132 million for H1 – expects net loss for H1 and full year 2023**

**Baar, July 13<sup>th</sup>, 2023 – PolyPeptide Group AG (SIX: PPGN) achieves H1 2023 revenue of around EUR 132 million driven by strong momentum in its peptide business. It expects 2023 to be a transitional year with a net loss for H1 2023 and the full year, as the Group offsets the revenue associated with the coronavirus pandemic and operational improvement initiatives take effect. The Group is in advanced negotiations with lenders to secure long-term financing for ongoing and future investments to support existing and new agreements and increased demand.**

With H1 2023 results scheduled for August 15<sup>th</sup>, PolyPeptide expects to report around EUR 132 million in revenue for H1 2023 (around EUR 134 million at constant currency rates) of which revenue associated with the coronavirus pandemic is immaterial. This compares to EUR 133.7 million in H1 2022, which included EUR 32.8 million of revenue associated with the coronavirus pandemic. The Group's order book for H2 2023 is robust as PolyPeptide advances its partnerships in the metabolic and rare disease markets. Its custom projects pipeline increased to 226 active projects as of June 30<sup>th</sup> (compared to 220 at the end of 2022), with 31 projects in phase III of clinical development. As a result, the Group plans to accelerate its capital expenditures anticipated for 2023.

The Group's operational improvement initiatives are underway. Initiatives include comprehensive training programs, process improvements, and upgrading its organization and capabilities. PolyPeptide continues to review its pricing and strengthen its cost management and working capital discipline.

Reported EBITDA for H1 2023 is expected to be between EUR -19 and EUR -21 million compared to EUR 26.7 million in H1 2022. Around half of the decline in profitability is driven by an inventory write-off of EUR 9.5 million, an impairment of EUR 2.0 million in assets and negative cost absorption reflecting inventory optimization. The other half reflects an increased cost base ahead of expected growth in H2 2023 and 2024, coupled with lower productivity.

The Group expects improved EBITDA for H2 2023, driven by higher revenue and its operational improvement initiatives. Despite this, the Group expects to operate for the full year 2023 at a net loss. It plans to update its guidance for 2023 together with the publication of the Half-year Report 2023.

**Juan-José Gonzalez, CEO of PolyPeptide, comments:** «PolyPeptide participates in one of the most attractive CDMO markets with significant growth potential. Our focus for H2 2023 is to deliver on our customers' demand and to execute our operational and profit improvement initiatives. Securing the long-term financing facility will enable us to continue our capacity expansion program and to maximize opportunities beyond 2023.»

### **Audio webcast with conference call today at 9.30am CEST**

The Group holds an audio webcast with conference call today at 9.30am CEST, where CEO Juan-José Gonzalez and CFO Lalit Ahluwalia will be available to answer questions. Please [click here](#) to join the audio webcast. To ask questions during the Q&A session, you must dial in to the moderated telephone conference. Participants may pre-register [here](#) and will receive

dedicated dial-in details to easily access the call. Please dial in 5-10 minutes prior to the start. A replay of the event will be made available on the [Corporate Website](#) after the call.

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## Contact

PolyPeptide Group AG  
Michael Stäheli  
Head of Investor Relations & Corporate Communications  
[michael.staeheli@polypeptide.com](mailto:michael.staeheli@polypeptide.com)  
T: +41 43 502 0580

## About PolyPeptide

PolyPeptide Group AG with its consolidated subsidiaries (“PolyPeptide”) is a focused Contract Development & Manufacturing Organization (CDMO) for peptide- and oligonucleotide-based active pharmaceutical ingredients. By supporting its customers mainly in pharma and biotech, it contributes to the health of millions of patients across the world. PolyPeptide offers products and services from pre-clinical through to commercial stages, including generics. Its active custom projects pipeline reflects the opportunities from novel drug therapies in development to fight both widespread and rare diseases. Dating back to 1952, PolyPeptide today runs a global network of six cGMP-certified facilities in Europe, the U.S. and India. PolyPeptide’s shares (SIX: PPGN) are listed on SIX Swiss Exchange. For more information, please 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’, ‘projects’, ‘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 financial performance measures (APM)

This media release contains references to APM that are not defined or specified by IFRS, including EBITDA, revenue at constant currency rate and revenue associated with the coronavirus pandemic. These APM should be regarded as complementary information to and not as substitutes for the Group’s consolidated financial results based on IFRS. These APM may not be comparable

to similarly titled measures disclosed by other companies. 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 2022](#).