

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

PolyPeptide provides market update

Baar, 2 December 2022 – PolyPeptide Group AG (SIX: PPGN), a focused global CDMO for peptide- and oligonucleotide-based active pharmaceutical ingredients, today provided a market update.

Audio webcast scheduled for today at 09.30 am CET.

- Several operational issues having an adverse impact on revenue and profitability
- Guidance for 2022 lowered to revenue of around EUR 285 million and an adjusted EBITDA margin of around 15%
- Jens Fricke appointed as Global Director Operations and member of the Executive Committee

While processing in the fourth quarter of 2022 a significant number of orders for the remainder of the year, PolyPeptide's production schedule has been adversely impacted by technical and manufacturing process issues that also required the temporary suspension of two manufacturing lines. In the meantime, these manufacturing lines have resumed operation and production was rescheduled in coordination with the small number of affected customers. Despite these difficulties, PolyPeptide will continue to support all its customers and meet their requirements through 2023 and beyond.

Raymond De Vré, CEO of PolyPeptide, commented:

"We have shifted some revenue planned for 2022 into 2023 and took a series of specific measures to improve performance and profitability, in addition to ongoing initiatives to harmonize processes and systems across the Group. Crucially, we stayed close to our customers to find the best possible solutions for each one of them. Equally important, the recent events do not change our confidence in the growth opportunities ahead of us."

Financial implications

With some revenue shifting into 2023, alongside higher costs and continued inflationary pressure, the Group will not be able to meet its financial guidance for 2022 and expects a material decline in profitability versus the previous year. The Group now expects 2022 revenue of around EUR 285 million at the level of the previous year and an adjusted EBITDA margin of around 15% (previous guidance: growth of between 8% and 10% and adjusted EBITDA margin of between 22% and 25%).

PolyPeptide will report its financial results for 2022 on 14 March 2023, including the guidance for 2023. With the continued strength from its active custom projects pipeline, the Group expects the growth of its peptide business in 2023 to more than offset the previously announced drop in pandemic-related revenue. Profitability is expected to improve from the disappointing level in 2022, also benefiting from the pricing measures initiated in 2022. While committed to delivering profitable growth, PolyPeptide will continue to invest in its growth strategy.

Change in management

To support the Group's growth strategy and operational excellence initiatives, Jens Fricke was appointed as Global Director Operations and member of the Executive Committee with immediate effect. Mr Fricke joined PolyPeptide in 2013, most recently managing the Group's site in Malmö, Sweden. His experience includes positions in management and production at LEO Pharma, ALK-Abello and Novo Nordisk. He holds a Master of Sciences in Biochemistry from the University of Copenhagen. Mr Fricke succeeds Daniel Lasanow, who decided to step down from his role and the Executive Committee. The company wishes to thank Daniel Lasanow for his committed service and valuable contributions since 2016.

Peter Wilden, Chairman of the Board of Directors, commented:

“We are excited to welcome Jens Fricke to the Executive Committee, who with his background and experience, is the ideal person to lead PolyPeptide’s global operations in the next phase. He will be responsible for maintaining a high delivery performance, while expanding capacity to meet the growing volume expectations of customers. It speaks for the quality of the team that we were able to find a successor internally.”

Audio webcast and conference call

PolyPeptide Group will hold an audio webcast today at 09.30 am CET with Raymond De Vré, CEO, and Jan Fuhr Miller, CFO. Please [click here](#) to join live audio webcast.

To ask questions during the Q&A session, you must dial in to the moderated telephone conference. Participants may [register here](#) to receive dial-in details. Please dial-in 5-10 minutes prior to the start.

A replay of the event will be available in the [Results Center](#) soon after the audio webcast.

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About PolyPeptide

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 GMP-certified facilities in Europe, the U.S. and India with around 1,200 employees as per the middle of 2022. PolyPeptide’s shares (SIX: PPGN) are listed on SIX Swiss Exchange. For more information, please visit polypeptide.com.

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Disclaimer

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