



# 20 Annual 24 Report

Creating the future in peptides

# Remuneration Report

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## Letter from the Chair of the Remuneration and Nomination Committee



**Philippe Weber**  
Chair of the Remuneration and Nomination Committee

Dear Shareholders,

I am pleased to present PolyPeptide's Remuneration Report for 2024.

Complementing our Management, Corporate Responsibility, Corporate Governance and Financial Reports, this Remuneration Report describes PolyPeptide's compensation system and its governance as well as the underlying principles that ensure compensation, particularly the variable incentive components, is linked to PolyPeptide's strategic objectives and overall performance. Furthermore, this Remuneration Report offers insight into the Remuneration and Nomination Committee's key activities during 2024.

One important focus area in 2024 has been the revision of the Group's long-term incentive program (LTIP). With the assistance of an external independent advisor on remuneration matters, the Remuneration and Nomination Committee critically reviewed the structure of the LTIP, with the goal to recalibrate the performance metrics to support PolyPeptide's key strategic ambitions and facilitate immediate performance improvements, while unlocking long-term success. The Remuneration and Nomination Committee sought to establish an approach that fosters a culture of sustainable, high-quality performance with appropriate risk-taking. Following an iterative process, which included an industry and peer review, the Remuneration and Nomination Committee recommended three key performance metrics: (i) revenue to lay a solid foundation for the Group's targeted future growth, (ii) EBITDA to focus management's energy on restoring operational performance and profitability and (iii) Total Shareholder Return to promote capitalization recovery and enable a balanced view of the Group's performance by taking into account PolyPeptide's shareholders' perspective. Later in this Remuneration Report, we describe in more detail the weighting for each of the performance metrics and how the targets were set in 2024. To ensure broader alignment with strategic objectives and embed a shared commitment to PolyPeptide's long-term success, the Remuneration and Nomination Committee recommended the expansion of the eligible pool of participants to include all members of the PolyPeptide Management Committee and other key members of the Group's senior management.

Alongside the new performance metrics under the LTIP, the Remuneration and Nomination Committee further reviewed the performance metrics of the Group's short-term incentive program (STIP). To drive engagement and coordinated efforts among the Executive Committee, the weighting and allocation of the STIP performance metrics are now the same for all members of the Executive Committee, with 85% dependent on Group-wide performance criteria and the balance on individual objectives. In addition, we recognize the growing significance of ESG topics to all stakeholders. Therefore, STIP Group-wide performance metrics include not only financial objectives but also sustainability targets. In the following sections of this Remuneration Report, we provide further insights into the STIP performance metrics and the target setting approach for 2024.

We believe that the revisions to both the LTIP and STIP align with the expectations of our shareholders and reflect our ongoing commitment to transparently aligning compensation strategies with PolyPeptide's priorities, ensuring that variable compensation is closely tied to performance as well as sustainable value creation.

Succession planning for the Board of Directors was another key priority for the Remuneration and Nomination Committee. Following a targeted search, upon the recommendation of the Remuneration and Nomination Committee, the Board of Directors has announced the nomination of Jo LeCouilliard as a new independent member of the Board of Directors to stand for election at the annual general meeting 2025 ("AGM 2025"). Ms. LeCouilliard brings significant expertise to the Board in the area of healthcare management, and her financial background will enhance the Board's strategic financial oversight and risk management. After serving for four years, Beat In-Albon has decided not to stand for re-election at the AGM 2025. The Remuneration and Nomination Committee, together with the Board of Directors, thanks Mr. In-Albon for his dedicated service and valuable contributions.

In addition to its focus on PolyPeptide's variable incentive programs and succession planning among the Board of Directors, the Remuneration and Nomination Committee carried out its other regular tasks during the reporting year. As described further on in this Remuneration Report, the Remuneration and Nomination Committee reviewed an updated compensation benchmark desk research for the Board of Directors and Executive Committee, conducted the Executive Committee's 2023 performance assessment and set the performance goals for 2024. The Remuneration and Nomination Committee also recommended remuneration for the members of the Board of Directors and Executive Committee, while preparing this Remuneration Report and the say-on-pay votes for the AGM 2024.

One high priority for the Remuneration and Nomination Committee, and its entrusted material ESG topic, remains PolyPeptide's "People". Indeed, at PolyPeptide, employees are recognized as one of the Company's most important strengths. The organization is committed to fostering a fair, inclusive, and respectful work environment that offers meaningful development opportunities. In 2024, the Remuneration and Nomination Committee evaluated together with the Group's Chief Human Resources Officer PolyPeptide's organizational initiatives around talent management, including assessing the Group's first Group-wide talent review process conducted across all sites and global functions. Striving to be an employer of choice in its sector, PolyPeptide recognizes the importance of culture and leadership development as well as a robust compensation framework to attract, motivate, and retain the highly qualified talent essential for global success. The Remuneration and Nomination Committee will continue to collaborate with the Group's Chief Human Resources Officer to enhance PolyPeptide's appeal to both current and future employees. This includes advancing fair and equitable remuneration policies and practices aligned with PolyPeptide's sustainability goals, diversity and inclusion initiatives, and well-being strategies. By prioritizing these efforts, PolyPeptide aims to strengthen its workforce, drive sustainable performance, and cultivate behaviors that reflect the company's values.

Looking forward to 2025, the Remuneration and Nomination Committee will continue to proactively evaluate and review the Group's remuneration programs. We are confident that our revised variable incentive structures and processes align with market standards, as well as the interests of our shareholders and other key stakeholders, and effectively support our compensation strategy to attract, motivate and retain the right talent. Nevertheless, the Remuneration and Nomination Committee will continue to regularly monitor developments and to assess opportunities for further development.

We welcome an open dialogue with PolyPeptide's shareholders as we continue to refine and enhance our remuneration structure. At the AGM 2025, you will have the chance to share your views on PolyPeptide's remuneration policies, principles, and elements through a consultative vote on this Remuneration Report. Additionally, we will seek your approval for the total compensation amounts to be awarded (i) to the Board of Directors for the period until the next general meeting in 2026 and (ii) to the Executive Committee for the financial year 2026 (binding votes). We respectfully request your approval of these agenda items at the AGM 2025.

On behalf of the Board of Directors and the Remuneration and Nomination Committee, I extend our gratitude for your trust and continued support during this transformative period.

Sincerely,

**Philippe Weber**

Chair of the Remuneration and Nomination Committee

## Remuneration Report 2024

This Remuneration Report describes PolyPeptide's remuneration governance and principles, structure and elements. We have prepared this report in compliance with the requirements of the Swiss Code of Obligations ("CO"), the Company's Articles of Association as well as the SIX Swiss Exchange Directive on Information relating to Corporate Governance ("DCG") and the principles of the Swiss Code of Best Practice for Corporate Governance issued by economiesuisse.<sup>1</sup>

All information within this Remuneration Report 2024 refers to the Company's organization, Articles of Association<sup>2</sup> and Organizational Regulations<sup>3</sup> that were in effect as of 31 December 2024 (unless otherwise stated).

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<sup>1</sup> In its version as approved by the board of economiesuisse on 14 November 2022.

<sup>2</sup> PolyPeptide Group AG's Articles of Association are available at [www.polypeptide.com/investors/results-center/results-2024/](http://www.polypeptide.com/investors/results-center/results-2024/).

<sup>3</sup> PolyPeptide Group AG's Organizational Regulations are available at [www.polypeptide.com/investors/results-center/results-2024/](http://www.polypeptide.com/investors/results-center/results-2024/).

# 1 Remuneration governance

## 1.1 Articles of Association

Our [Articles of Association](#)<sup>4</sup> include the principles governing remuneration. The key provisions are summarized below.

**Table 1: Articles of Association**

<b>Votes on compensation</b>  <b>Article 13</b>	<p>The general meeting approves, separately and bindingly, the aggregate amounts of: (i) the maximum compensation of the Board of Directors for the term of office until the next general meeting that may be paid or allocated; and (ii) the maximum overall compensation of the Executive Committee (fixed and variable components) that may be paid or allocated in the subsequent business year.</p>
<b>Principles of compensation Board of Directors</b>  <b>Article 25 para. 1</b>	<p>The compensation of the members of the Board of Directors consists of fixed compensation elements and may comprise variable compensation elements; the fixed compensation comprises a fixed base fee and fixed fees for chair positions and memberships in Board committees or for roles of the Board of Directors as well as a lump sum compensation for expenses; the variable compensation (if applicable) comprises performance-related compensation elements and financial instruments (e.g., performance stock units (PSU)) and depends on the achievement of strategic and / or financial targets set in advance by the Board of Directors over the course of a performance period defined by the Board of Directors. The compensation is awarded in cash, in the form of shares in the Company and other benefits.</p>
<b>Principles of compensation Executive Committee</b>  <b>Article 26 para. 1</b>	<p>Compensation for members of the Executive Committee consists of fixed base compensation in cash as well as variable compensation. The fixed compensation comprises the base compensation and may comprise additional compensation elements and benefits. The variable compensation may comprise short-term and long-term compensation components. Compensation to members of the Executive Committee may be awarded in cash, in the form of shares in the Company and other benefits.</p>
<b>Short-term and long-term variable compensation</b>  <b>Article 26 paras. 2-4</b>	<p>Short-term variable compensation of the Executive Committee depends on the achievement of targets set in advance by the Board of Directors over the course of a one-year performance period; the long-term variable compensation of the Executive Committee shall take into account the sustainable long-term performance and strategic objectives of PolyPeptide and achievements are generally measured based on a period of several years set in advance by the Board of Directors.</p>
<b>Agreements related to compensation, maximum contract terms and non-compete terms of the Executive Committee</b>  <b>Article 24</b>	<p>The employment agreements of the members of the Executive Committee shall in principle be concluded for an indefinite period. If the Board of Directors considers a fixed term appropriate, such fixed term shall not exceed one year. Employment agreements for an indefinite term may have a termination notice period of maximum 12 months; non-competition obligations for the time following termination of an employment contract with members of the Executive Committee and the associated compensation are permitted to the extent that this is justified from a business perspective. The compensation for such a non-competition undertaking shall not exceed the average compensation paid to such member during the last three financial years.</p>
<b>Additional compensation for new members of the Executive Committee</b>  <b>Article 29</b>	<p>If newly appointed members of the Executive Committee take office after the general meeting has approved the aggregate maximum amount of compensation of the members of the Executive Committee for the next business year, such newly appointed members may receive a compensation in each case of up to 50% of the last aggregate maximum amount of compensation for the Executive Committee approved by the general meeting.</p>
<b>Loans, credits and pension benefits</b>  <b>Article 28 para. 1</b>	<p>The Company shall not grant loans, credits, pension benefits (other than in the context of occupational pension) or securities to current or former members of the Board of Directors or the Executive Committee or to persons closely associated with them. Advance payments of fees for lawyers, court fees and similar costs relating to the defense against corporate liability claims up to a maximum amount of CHF 1,000,000 are permitted.</p>

In addition, our [Organizational Regulations](#)<sup>5</sup>, including the Charter of the Remuneration and Nomination Committee, further describe and define the roles and responsibilities of the Remuneration and Nomination Committee and the Board of Directors.

<sup>4</sup> PolyPeptide Group AG's Articles of Association are available at [www.polypeptide.com/investors/results-center/results-2024/](http://www.polypeptide.com/investors/results-center/results-2024/).

<sup>5</sup> PolyPeptide Group AG's Organizational Regulations are available at [www.polypeptide.com/investors/results-center/results-2024/](http://www.polypeptide.com/investors/results-center/results-2024/).

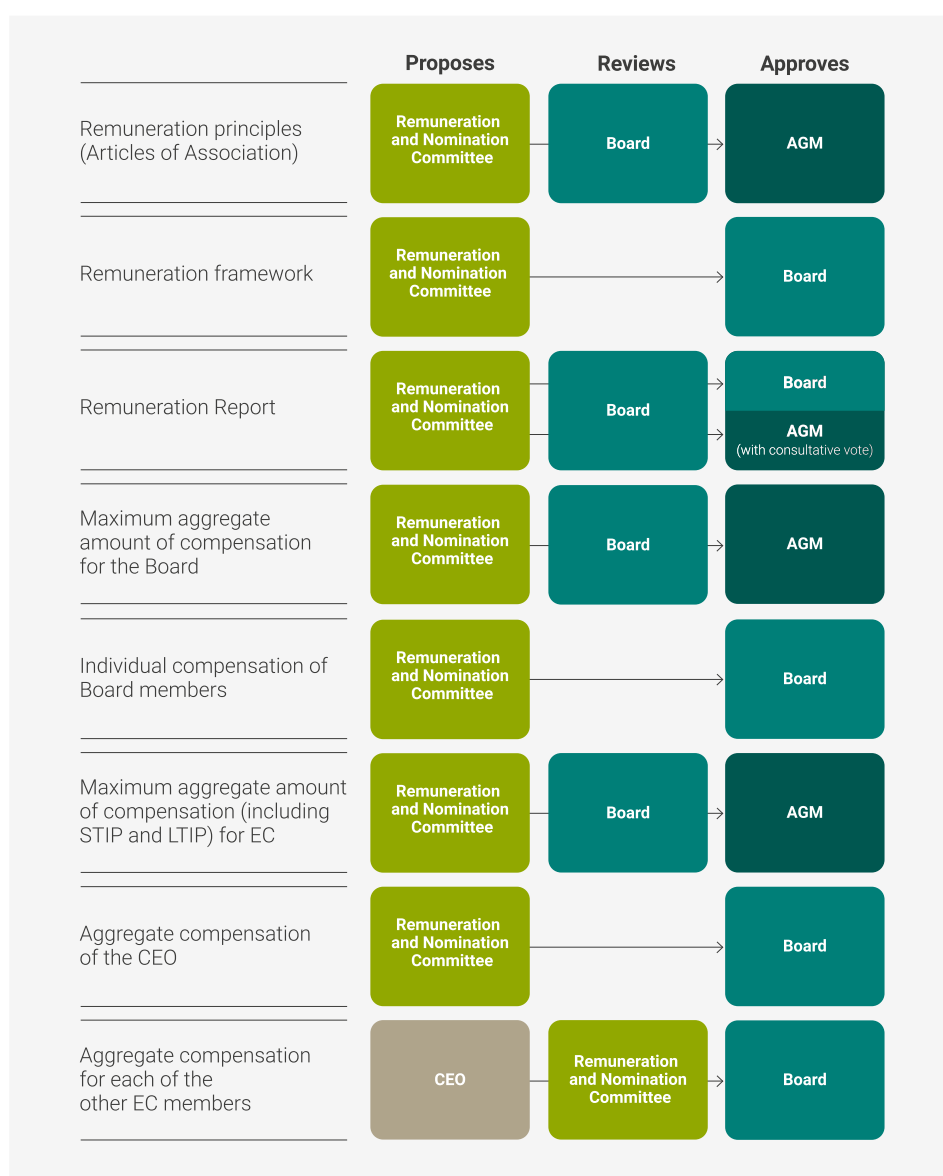
## 1.2 Role and activities of the Board of Directors and shareholders

As provided for in the CO and our [Articles of Association](#), our shareholders have significant influence on the compensation of PolyPeptide’s governing bodies and annually approve the maximum aggregate compensation for the members of our Board of Directors and Executive Committee for the applicable periods.

At PolyPeptide, the approach to remuneration is mainly structured by the Remuneration and Nomination Committee, with our Board of Directors being ultimately responsible for ensuring that we comply with and implement our shareholders’ resolutions on compensation matters as well as adhere to statutory compensation provisions and the compensation principles set out in our [Articles of Association](#).

The decision-making relationship between our shareholders, the Board of Directors, the Remuneration and Nomination Committee and the CEO is illustrated below.

**Table 2: Responsibilities regarding compensation decisions**

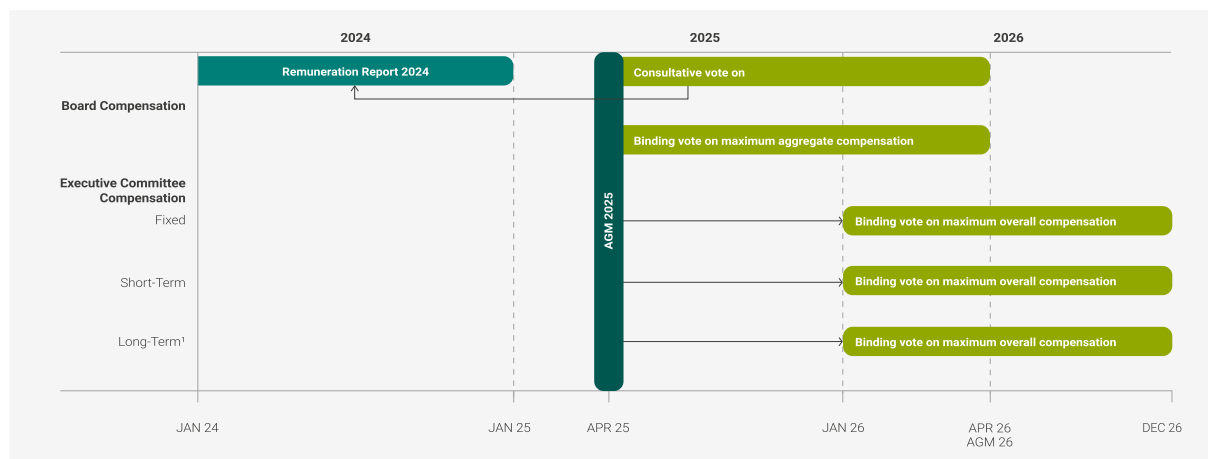


The Board of Directors will submit two separate binding prospective compensation-related resolutions for shareholder approval at the upcoming general meeting 2025 (“AGM 2025”):

- The maximum aggregate amount of compensation of the Board of Directors for the term of office ending at the conclusion of the next general meeting (i.e., until the general meeting in 2026); and
- The maximum overall compensation of the Executive Committee (fixed and variable components) for the financial year 2026.

In addition, the Board of Directors will submit this Remuneration Report to shareholders for a separate consultative vote.

**Table 3: Structure of shareholder voting on compensation at the AGM 2025**



<sup>1</sup> For details regarding the LTIP, including vesting periods, see [section 5.1.4 “Long-term incentive program”](#) of this Remuneration Report.

The Board of Directors may divide the maximum overall compensation of the Executive Committee to be proposed for approval into a maximum fixed and maximum variable compensation and submit the respective proposals for separate approval by the general meeting. Further, the Board of Directors may present to the general meeting deviating or additional proposals for approval in relation to the same or different time periods.

If the general meeting does not approve the amount of the proposed fixed and variable compensation, as the case may be, the Board of Directors may either submit new proposals at the same general meeting, convene an extraordinary general meeting and make new proposals for approval, or submit the proposals regarding compensation for retrospective approval at the next general meeting.

At the general meeting 2024 (“AGM 2024”), the Board of Directors submitted two separate binding prospective compensation-related proposals, which were approved by the shareholders:

- The maximum aggregate amount of compensation of the Board of Directors for the term of office ending at the conclusion of the next general meeting (i.e., until the general meeting in 2025) in the amount of CHF 1,600,000 (including all employee and employer social security contributions); and
- The maximum overall compensation of the Executive Committee (fixed and variable components) for the financial year 2025 in the amount of CHF 7,000,000 (including all employee and employer social security and pension contributions).

In addition, shareholders approved the Remuneration Report 2023 in a consultative vote. For a reconciliation of approved compensation for the Board of Directors versus the estimated awarded amounts until the AGM 2025, see [section 4.2 “Compensation of the Board of Directors”](#) of this Remuneration Report. For a reconciliation of approved compensation for the Executive Committee versus awarded amounts for the year ended 31 December 2024, see [section 5.2.2 “Aggregate compensation of the Executive Committee”](#) of this Remuneration Report.



### 1.3 Role and activities of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee acts in advisory and preparatory capacities and has no decision-making authority of its own (unless provided with such authority by a special resolution of the Board of Directors). The Board of Directors remains ultimately responsible for the tasks delegated to the Remuneration and Nomination Committee by Swiss law, the Articles of Association or the Organizational Regulations.

The Remuneration and Nomination Committee is entrusted with preparing and periodically reviewing PolyPeptide's compensation policy, compensation strategy and principles as well as the performance criteria related to compensation and the accompanying review of their implementation. The Remuneration and Nomination Committee is also responsible for submitting proposals and recommendations to the Board of Directors regarding compensation matters. The Remuneration and Nomination Committee further supports the Board of Directors in preparing the compensation proposals for the general meeting. In addition, the Remuneration and Nomination Committee assists the Board of Directors in relation to the succession planning for and nomination of the members of the Board of Directors and the Executive Committee as well as the corporate governance of the Company and the Group. In furtherance of this, the Remuneration and Nomination Committee, for example, regularly assesses the set of competencies as well as each Director's contributions to ensure that an appropriate mix of skills, expertise and diversity is represented on the Board of Directors and its Committees. The specific responsibilities and competencies of the Remuneration and Nomination Committee are set forth in [art. 19 of the Articles of Association](#), [section 5.3 of the Organizational Regulations](#) as well as the [Remuneration and Nomination Committee Charter](#).

The Remuneration and Nomination Committee consists of at least two members of the Board of Directors who are elected individually and annually by the general meeting for a term of office ending at the conclusion of the next general meeting. Re-election is possible. The chair of the Remuneration and Nomination Committee is independent and is appointed by the Board of Directors. As of 31 December 2024, the Remuneration and Nomination Committee consisted of two members: Philippe Weber (chair) and Peter Wilden.<sup>6</sup>

The Remuneration and Nomination Committee meets at such frequency as it deems necessary to fulfill its duties, normally ahead of ordinary Board meetings, which are expected to take place at least four (4) times per year. Additional meetings may be held and may be convened at the request of either the Board of Directors or any Remuneration and Nomination Committee member. Since 1 January 2024, the Remuneration and Nomination Committee met six (6) times, in a combination of in-person sessions and video conferences, for an average duration of approximately one (1) hour.

The Remuneration and Nomination Committee keeps the Chair informed on a regular basis of all important strategic issues, transactions as well as any business situations and / or developments within its scope of responsibilities and duties. In addition, the chair of the Remuneration and Nomination Committee provides the full Board of Directors at their ordinary meetings with an overview of key topics discussed at the most recent Remuneration and Nomination Committee meeting. The signed minutes (together with all presentation and background materials) from each Remuneration and Nomination Committee meeting are also circulated or otherwise made available to the full Board for their review.

The Remuneration and Nomination Committee communicates periodically with and may invite to meetings the CEO, the CFO and the Chief Human Resources Officer, as well as such other persons (including external specialist advisors) as the Remuneration and Nomination Committee deems appropriate. Such individuals may attend meetings without the right to vote as guests, except where not appropriate (e.g., if particular matters relating to their performance or remuneration are discussed).

In 2023 and 2024, the Remuneration and Nomination Committee worked with HCM International Ltd., Zurich ("HCM International") as external independent advisor on certain remuneration matters, including the redesign of and target setting for the long-term incentive program. For the changes made to the long-term incentive plan in 2024, see [section 5.1.4 "Long-term incentive program" of this Remuneration Report](#). Other than with regards to the advice on certain remuneration matters, HCM International did not have any additional mandates at PolyPeptide in 2023 and 2024.

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<sup>6</sup> The AGM 2024 confirmed the re-election of Philippe Weber and Peter Wilden as members of the Remuneration and Nomination Committee.

In 2022, the Remuneration and Nomination Committee engaged Willis Towers Watson (“WTW”) for quantitative compensation benchmark services for PolyPeptide’s management, including the Board of Directors and Executive Committee (see [section 2 “Remuneration philosophy and principles” of this Remuneration Report](#)). WTW did not provide any benchmark services in 2023 and 2024. However, WTW provided additional advisory services to the Group in 2023 and 2024, specifically actuarial valuations at two of our European sites. We believe that these standard and comparatively minor additional mandates at two of our local PolyPeptide sites did not impact their objectivity or independence.

In accordance with [art. 19 of the Articles of Association](#) and the [Remuneration and Nomination Committee Charter](#), the Remuneration and Nomination Committee discussed the following topics at its meetings in 2024:

### **Review of remuneration principles, strategy and structure**

- General review and assessment of the continued appropriateness of PolyPeptide’s remuneration principles, strategy and structure
- Review of the Remuneration Report 2023
- Review of compensation proposals for the Board of Directors and Executive Committee for AGM 2024
- Finalization of the redesign of PolyPeptide’s long-term incentive program (LTIP), with a focus on the performance targets
- Review of shareholders’ and proxy advisors’ feedback on the Remuneration Report 2023
- Review of the structure and approach to the Remuneration Report 2024, including analysis on remuneration disclosure

### **Compensation of the Board of Directors**

- Preparation of compensation proposals for AGM 2024 for the Board of Directors
- Review of the results of the remuneration benchmark desk research for the Board of Directors

### **Compensation of the Executive Committee**

- Review and preparation of proposals to the Board regarding the achievement of the 2023 variable short-term incentive for the members of the Executive Committee, including individual performance appraisal
- Review and preparation of proposals to the Board regarding individual performance targets and weighting for the 2024 variable short-term incentive for the members of the Executive Committee
- Review and preparation of proposals to the Board regarding performance targets for the 2024 variable long-term incentive award for the Executive Committee
- Preparation of compensation proposals for AGM 2024 for the Executive Committee
- Review of the results of the remuneration benchmark desk research for the Executive Committee

### **Succession and governance**

- Succession planning and candidate recruitment for the Board of Directors
- Review of succession strategy for PolyPeptide’s management
- Review of the results of the self-assessments of the Board of Directors and its Committees and consideration of an external evaluation
- General update on corporate governance trends and best practices as well as relevant regulatory developments
- Review of shareholder analysis and outreach
- Update on human capital management, including the Group’s human resources mid- and long-term plan and an overview of key people analytics
- Review of material ESG topics assigned to the Remuneration and Nomination Committee
- Review of the Remuneration and Nomination Committee Charter

For more information, see also [section 3.5.3.1 “Remuneration and Nomination Committee” of the Corporate Governance Report 2024](#).

## 2 Remuneration philosophy and principles

We believe that a corporate culture offering employees dynamic and stimulating working conditions with great opportunities to grow and contribute to the shared objective of creating customer satisfaction and fostering long-term customer loyalty through excellence in peptide and oligonucleotide technology, quality, value, service and customer support is key for safeguarding PolyPeptide's long-standing success.

In order to attract, motivate and retain talented individuals who drive performance, the Remuneration and Nomination Committee gives careful consideration to PolyPeptide's remuneration framework, which aims to be simple, clear and transparent. The Remuneration and Nomination Committee is guided by the following key principles:

- the remuneration framework should be competitive, commensurate with market conditions and drive sustainable long-term value creation
- the remuneration framework should reward individual performance and align the interests of the Board of Directors and Executive Committee with the interests of PolyPeptide and its shareholders
- the remuneration framework should be traceable
- the remuneration framework should contain a balance of both fixed and variable components to create sustainable value
- short-term variable components should be based on clear criteria and performance targets tied to PolyPeptide's strategic objectives and values, with consideration given to qualitative factors, including the individual's commitment to PolyPeptide's values through demonstrated behaviors
- long-term variable components should be evaluated and only awarded on the basis of PolyPeptide's long-term performance to promote the creation of shareholder value
- the remuneration framework should avoid creating unintended, undesirable or conflicting incentives or behaviors

As a basis for this work and to support compensation recommendations to the Board of Directors, the Remuneration and Nomination Committee reviews every two or three years (or more often as required) PolyPeptide's compensation system against the compensation of comparable companies to ensure that PolyPeptide's remuneration continues to be guided by its established principles and that remuneration levels remain competitive to support the retention and attraction of talent. For these purposes, the Remuneration and Nomination Committee regularly considers whether it is appropriate or necessary to engage external advisors as well as whether the identified peer groups from the most recent benchmark studies remain valid. The Remuneration and Nomination Committee further considers PolyPeptide's overall internal compensation structure, the individual's profile (e.g., skill set, experience, seniority), PolyPeptide's global activities and the growing complexity and demands of its industry. Following such assessments, the Remuneration and Nomination Committee may propose to the Board of Directors compensation adjustments (e.g., increases / decreases in base salaries or changes in the structure or proportion of the compensation components) for proposal to the general meeting.

In 2024, the Remuneration and Nomination Committee reviewed the compensation of the Board of Directors against internally compiled data (i) from executive studies and reports and (ii) on the basis of the disclosures of Swiss companies of similar size and structure, (e.g., considering sector, employee base, revenue and market capitalization) as well as based on their business model and geographic presence.<sup>7</sup> This updated internal review showed that PolyPeptide maintained its positioning between the tenth and twenty-fifth percentile within this Swiss peer group as in 2023 (see [section 2 "Remuneration philosophy and principles" of the Remuneration Report 2023](#)). After examining the available data, the Remuneration and Nomination Committee observed that PolyPeptide's aggregate Board remuneration trended moderately higher. At the same time, the Remuneration and Nomination Committee remains focused on the Group's strategic ambitions and the need to retain and attract highly qualified directors to drive PolyPeptide's transformation and future growth. Furthermore, at least half of the Board's remuneration is paid in shares, thus closely aligning the Board's interest with that of the Company's shareholders to drive PolyPeptide's success (see also [section 4.1 "Remuneration approach" of this Remuneration Report](#)). On the basis of this assessment, the Remuneration and Nomination Committee concluded that no proposed changes to the remuneration of the Board of Directors were currently warranted.

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<sup>7</sup> The similarly sized Swiss peer group comprised 13 companies in 2024: Lonza Group AG, Straumann Holding AG, Sonova Holding AG, Bachem Holding AG, Tecan Group Ltd., Galenica AG, Siegfried Holding AG, Idorsia Ltd, Medacta Group SA, medmix AG, Medartis Holding AG, Sensiron Holding AG and Ypsomed Holding AG (newly considered among the Swiss peer group).

To ensure competitiveness with the market, the compensation of the Executive Committee was also benchmarked in 2024 against internally compiled data (i) from executive studies and reports, (ii) from previously obtained European benchmark data (adjusted for inflation between 2022 and 2024)<sup>8</sup> and (iii) on the basis of applicable disclosures of Swiss companies of similar size and structure, (e.g., considering sector, employee base, revenue and market capitalization) as well as based on their business model and geographic presence.<sup>7</sup> Review of the data shows that PolyPeptide is generally positioned between the tenth and twenty-fifth percentile across the different peer groups with relatively higher aggregate Executive Committee compensation depending on the individual roles. The Remuneration and Nomination Committee assessed the results, while at the same time considering PolyPeptide's ambitious growth strategy and the need to recruit and retain highly qualified executives in a competitive international labor market, and decided that currently no proposed changes to the aggregate remuneration of the Executive Committee was currently warranted.

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<sup>8</sup> PolyPeptide commissioned a report from WTW in 2022, which analyzed executive compensation from a selected peer group of 22 European health science companies, consisting of Galapagos NV, Genmab A/S, Leo Pharma A/S, H. Lundbeck A/S, Laboratories Expanscience, QIAGEN N.V., IDT Biologika, Fidia Farmaceutici S.P.A., Cinfa S.A., Grupo Alter, Swedish Orphan Biovitrum AB, Ferring B.V., Galderma S.A., IBSA Institut Biochimique SA, Lonza Group AG, Novartis AG, Roche Holding AG, Straumann Holding AG, Tecan Group Ltd, Vifor Pharma AG, Bio Products Laboratory Holding Limited and Mundipharma International Limited. This peer group was selected by considering factors such as industry, revenue, employee base, geographic footprint, etc. The benchmark focused on appropriate functions within the peer group by applying the WTW grading. WTW uses a position evaluation methodology to size each role so that in all cases positions were compared with similar positions in terms of scope. See [section 2 "Remuneration philosophy and principles" of the Remuneration Report 2022](#).

### 3 Agreements related to the compensation for members of the Board of Directors and the Executive Committee

According to [art. 24 para. 1 of the Articles of Association](#) and in line with the CO, any mandate agreements with members of the Board of Directors have a fixed term until the conclusion of the next general meeting. Early termination or removals remain reserved. According to [art. 24 para. 2 of the Articles of Association](#), the employment agreements of the members of the Executive Committee are in principle concluded for an indefinite period. If the Board of Directors considers a fixed term appropriate, such fixed term will not exceed one year. Employment agreements for an indefinite term may have a termination notice period of maximum 12 months. [Art. 24 para. 3 of the Articles of Association](#) provides that the non-competition obligations for the time following termination of an employment contract with members of the Executive Committee and the associated compensation are permitted to the extent that this is justified from a business perspective. According to [art. 24 para. 3 of the Articles of Association](#), the compensation for such a non-competition undertaking shall not exceed the average compensation paid to such member during the last three business years.

Currently, all members of the Executive Committee are employed under contracts of unlimited duration with notice periods not exceeding a maximum of 12 months. Board mandates are not subject to notice periods and terminate ordinarily at the conclusion of the next general meeting. There are no contractual agreements or undertakings in place with respect to severance payments for members of either the Executive Committee or the Board of Directors. For information regarding special vesting provisions of any applicable LTIP awards, in particular with regard to a change of control, see [section 5.1.4 "Long-term incentive program" of this Remuneration Report](#).

In addition, the current Executive Committee agreements contain non-competition clauses, and, in accordance with [art. 24 para. 3 of the Articles of Association](#), any compensation for such a non-competition undertaking does not exceed the average compensation paid to such Executive Committee member during the last three business years.

## 4 Compensation framework for the Board of Directors

### 4.1 Remuneration approach

Pursuant to [art. 25 of the Articles of Association](#), the compensation of the members of the Board of Directors (including the Chair) is determined by the entire Board of Directors based on the proposal of the Remuneration and Nomination Committee and subject to and within the limits of the aggregate maximum amounts approved by the general meeting. According to [section 4\(b\) of the Organizational Regulations](#), the Chair is required to abstain from the deliberation and decision-making about their own compensation. The compensation consists of fixed compensation elements and may comprise variable compensation elements. The fixed compensation includes a fixed base fee and fixed fees for chair positions and memberships in Board committees or for roles of the Board of Directors as well as potentially a lump sum compensation for expenses (if applicable), which are determined by the full Board of Directors based on the proposal of the Remuneration and Nomination Committee, subject to and within the limits of the aggregate maximum amounts approved by the general meeting.

Any variable compensation comprises performance-related compensation elements and financial instruments (e.g., performance stock units (PSU)) and depends on the achievement of strategic and / or financial targets set in advance by the Board of Directors over the course of a performance period defined by the Board of Directors. The compensation is awarded in cash, in the form of shares in the Company and other benefits. Where the compensation is paid in whole or in part in shares or financial instruments, the Board of Directors determines the grant conditions as well as any restriction periods and forfeit conditions.

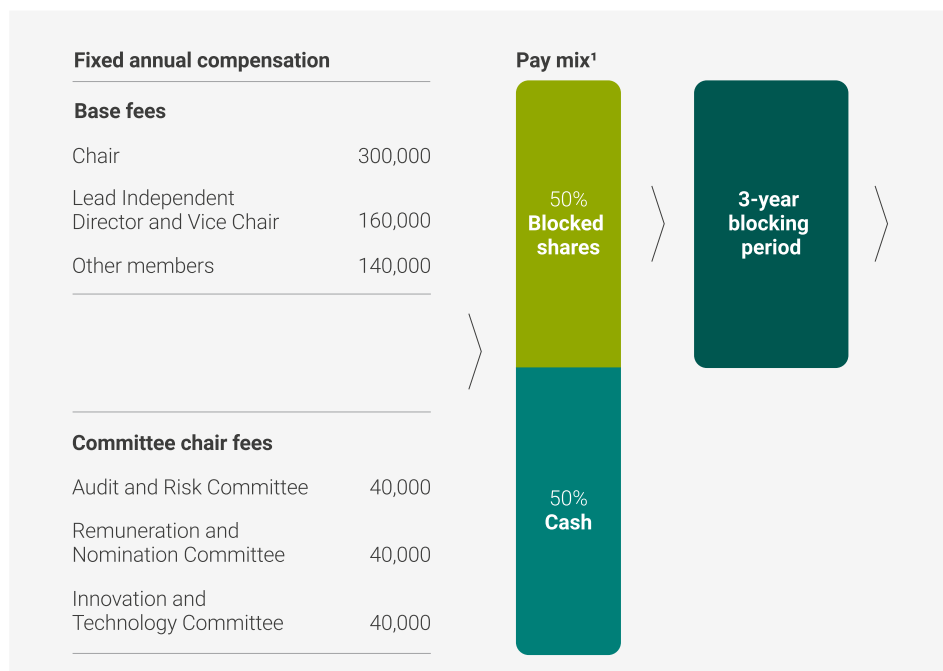
Currently, members of the Board of Directors only receive fixed compensation elements, of which at least half are payable in shares and the remainder in cash. Board members have the option of electing to be paid up to 100% of their fixed fee in shares. For Board members electing to receive more than 50% of their fixed fee in shares, the shares exceeding the 50% portion will be granted at a discount of 20% to market price.<sup>9</sup> All shares received as part of the Board's remuneration are subject to a three-year blocking period from the date of grant. We believe that the share-based component strengthens the alignment of the Board of Directors' interests with those of our shareholders as well as further incentivizes the members of the Board of Directors to drive PolyPeptide's success. During the period under review, there were no payments to pension funds or similar institutions for the members of the Board of Directors.

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<sup>9</sup> The market price is the volume-weighted average share price over the last five trading days prior to the quarterly payment date.

Below is an overview of the current remuneration framework for the Board of Directors.

**Table 4: Remuneration framework for the Board of Directors (in CHF)**



<sup>1</sup> Board members have the option of electing on an annual basis to be paid up to 100% of their fixed fee in shares. For Board members electing to receive more than 50% of their fixed fee in shares, the shares exceeding the 50% portion will be granted at a discount of 20% to market price (calculated based on the volume-weighted average share price over the last five trading days prior to the quarterly payment date).

The cash and share compensation are paid out on a quarterly basis. The number of shares is determined by dividing each Board member’s respective share-based compensation by the volume-weighted average closing share price over the last five trading days prior to the quarterly payment date (and with a discount of 20% on the shares exceeding 50% of the fixed fee, if applicable) and rounded up to the next whole number of shares. Any shares delivered to Board members in connection with their compensation are / will be blocked for a period of three years from the date of grant. In 2024, the allocated shares were sourced from the Company’s treasury shares.

If a Board member resigns before completion of the respective term of office (i.e., mid-term), such member is entitled to the respective pro-rata compensation earned up to and including the resignation date, and any compensation already received in excess of the pro-rata entitlement is to be transferred back to the Company.

Pursuant to [art. 27 of the Articles of Association](#), expenses that are not covered by the lump sum compensation for expenses (if applicable) pursuant to PolyPeptide’s expense regulations are reimbursed against presentation of the relevant receipts. Amounts paid for expenses actually incurred do not need to be approved by the general meeting.

## 4.2 Compensation of the Board of Directors

The structure and remuneration components of the members of the Board of Directors has not changed in 2024 compared to 2023. However, the total compensation of the Board of Directors decreased by 22.6% for the year ended 31 December 2024 as compared to 31 December 2023 due to (i) the reduced size of the Board of Directors following AGM 2024, (ii) the fixed executive chair fee awarded to Peter Wilden for the period 1 February 2023 to 30 September 2023 and (iii) the appointment of Erik Schropp as chair of the Audit and Risk Committee ("ARC")<sup>2</sup>.

The following tables show the compensation of the Board of Directors for the period from 1 January 2024 to 31 December 2024 (Table 5) and from 1 January 2023 to 31 December 2023 (Table 6). In each of these periods, the Board did not receive a lump sum for expenses; rather, any expenses incurred were reimbursed against the presentation of the relevant receipts.

**Table 5: 2024 Compensation of the Board of Directors**  
(1 January 2024–31 December 2024)

CHF	Position	Cash compensation	Share-based compensation <sup>1</sup>	Total (cash and shares)	Social security contributions	Total compensation
	Peter Wilden	75,000	243,817	<b>318,817</b>	18,225	<b>337,042</b>
	Patrick Aebischer	50,000	162,555	<b>212,555</b>	11,762	<b>224,317</b>
	Vice-Chair, Lead Independent Director, ITC Chair					
	Erik Schropp <sup>2</sup>	–	–	–	–	–
	Member, ARC Chair					
	Jane Salik	70,000	70,038	<b>140,038</b>	–	<b>140,038</b>
	Independent Member					
	Beat In-Albon <sup>3</sup>	37,500	122,572	<b>160,072</b>	8,569	<b>168,640</b>
	Independent Member					
	Philippe Weber <sup>4</sup>	18,000	180,042	<b>198,042</b>	13,356	<b>211,398</b>
	Independent Member, RNC Chair					
	Dorothee A. Deuring <sup>5</sup>	17,500	18,907	<b>36,407</b>	2,681	<b>39,088</b>
	Independent Member					
	<b>Total Board of Directors</b>	<b>268,000</b>	<b>797,930</b>	<b>1,065,930</b>	<b>54,593</b>	<b>1,120,523</b>

<sup>1</sup> The number of shares due quarterly for each Director is determined by dividing each Board member's respective share-based compensation by the volume-weighted average share price over the last five trading days prior to the quarterly grant date and rounded up to the next whole number of shares. For Board members electing to receive more than 50% of their fixed fee in shares, the shares exceeding the 50% portion are granted at a discount of 20% to the volume-weighted average share price over the last five trading days prior to the quarterly grant date. The table reflects the fair value at grant date of the shares. For information regarding the accounting treatment of such share-based payments under IFRS, see [note 4 "Share-based payment" of the consolidated financial statements in the Financial Report 2024](#).

<sup>2</sup> Erik Schropp, as representative of Draupnir Holding B.V. (one of the Company's significant shareholders, see [section 1.2 "Significant shareholders" of the Corporate Governance Report 2024](#)), waived all compensation for his Board duties for the term of office from the AGM 2024 to AGM 2025, including for his role as chair of the ARC as of 11 April 2024.

<sup>3</sup> Beat In-Albon stepped down as Chair of the ARC as of 11 April 2024.

<sup>4</sup> Philippe Weber is a Partner at Niederer Kraft Frey AG (NKF). For the year ended 31 December 2024, the Group paid CHF 35,539 to NKF for legal services in relation to ongoing corporate legal matters (e.g., securities, employment, tax, bank finance and corporate law matters), of which CHF 3,710 was directly attributable to legal services provided by Philippe Weber.

<sup>5</sup> Dorothee A. Deuring was elected as a member of the Board of Directors at the AGM 2023 on 12 April 2023 and decided not to stand for re-election at the AGM 2024 on 10 April 2024.



**Table 6: 2023 Compensation of the Board of Directors**  
(1 January 2023–31 December 2023)

CHF	Position	Cash compensation	Share-based compensation <sup>1</sup>	Total (cash and shares)	Social security contributions	Total compensation
Peter Wilden	Chair	71,250	249,643	<b>320,894</b>	20,165	<b>341,059</b>
	Executive Chair <sup>2</sup>	200,000	–	<b>200,000</b>	14,356	<b>214,356<sup>2</sup></b>
Patrick Aebischer	Vice-Chair, Lead Independent Director, ITC Chair	50,000	163,263	<b>213,263</b>	11,803	<b>225,067</b>
Erik Schropp <sup>3</sup>	Member	–	–	–	–	–
Jane Salik	Member	70,000	70,354	<b>140,354</b>	–	<b>140,354</b>
Beat In-Albon	Independent Member, ARC Chair	45,000	146,946	<b>191,946</b>	10,507	<b>202,453</b>
Philippe Weber <sup>4</sup>	Independent Member, RNC Chair	18,500	180,232	<b>198,732</b>	13,402	<b>212,135</b>
Dorothee A. Deuring <sup>5</sup>	Independent Member	52,500	52,621	<b>105,121</b>	7,765	<b>112,886</b>
<b>Total Board of Directors</b>		<b>507,250</b>	<b>863,060</b>	<b>1,370,310</b>	<b>78,002</b>	<b>1,448,313</b>

<sup>1</sup> The number of shares due quarterly for each Director is determined by dividing each Board member's respective share-based compensation by the volume-weighted average share price over the last five trading days prior to the quarterly grant date and rounded up to the next whole number of shares. For Board members electing to receive more than 50% of their fixed fee in shares, the shares exceeding the 50% portion are granted at a discount of 20% to the volume-weighted average share price over the last five trading days prior to the quarterly grant date. The table reflects the fair value at grant date of the shares. For information regarding the accounting treatment of such share-based payments under IFRS, see [note 4 "Share-based payment" of the consolidated financial statements in the Financial Report 2023](#).

<sup>2</sup> The amount reflects the fixed executive chair fee of CHF 25,000 per month awarded to Dr. Peter Wilden in his role as Executive Chair (as announced on 30 January 2023) for the period 1 February 2023 to 30 September 2023. For the year ended 31 December 2023, Dr. Peter Wilden received in aggregate total compensation of CHF 555,415.

<sup>3</sup> Erik Schropp, as representative of Draupnir Holding B.V. (one of the Company's significant shareholders, see [section 1.2 "Significant shareholders" of the Corporate Governance Report 2023](#)), waived all compensation for his Board duties for the term of office from the AGM 2023 to AGM 2024.

<sup>4</sup> Philippe Weber is a Partner at Niederer Kraft Frey AG (NKF). For the year ended 31 December 2023, the Group paid CHF 185,892 to NKF for legal services in relation to ongoing corporate legal matters (e.g., securities, employment, tax, bank finance and corporate law matters), of which CHF 6,720 was directly attributable to legal services provided by Philippe Weber. In addition, NKF provided legal assistance in connection with the signing of a revolving credit facility agreement (as announced by the Company on 2 October 2023). The revolving credit facility agreement enabled the Company to refinance its then existing borrowings as well as to continue to finance its working capital and capital expenditure requirements to support its planned business growth.

<sup>5</sup> Dorothee A. Deuring was elected as a member of the Board of Directors at the AGM 2023 on 12 April 2023.

### Reconciliation of compensation to shareholder resolutions

For the term to the AGM 2025, the AGM 2024 approved a maximum aggregate amount of fixed compensation for the Board of Directors of CHF 1,600,000 (including all employee and employer social security contributions). For the term to the AGM 2024, the AGM 2023 approved a maximum aggregate amount of fixed compensation for the Board of Directors of CHF 1,600,000 (including all employee and employer social security contributions).

Table 7 shows the reconciliation between the compensation that has been / will be paid / granted for the respective term of office and the maximum aggregate amount approved by the general meeting:

**Table 7: Compensation approved and compensation paid / to be paid / granted for the members of the Board of Directors**

	Total compensation granted	Maximum aggregate amount available	Status
AGM 2023 to AGM 2024	CHF 1,446,700 <sup>1</sup>	CHF 1,600,000	Approved AGM 2023
AGM 2024 to AGM 2025	CHF 1,051,939 <sup>2</sup>	CHF 1,600,000	Approved AGM 2024

<sup>1</sup> The amount includes the fixed executive chair fee of CHF 25,000 per month awarded to Dr. Peter Wilden in his role as Executive Chair for the period 1 February 2023 to 30 September 2023.

<sup>2</sup> The amount represents an estimate for the term of office from AGM 2024 to AGM 2025. The amount is calculated as an estimate for the six members of the Board of Directors elected at the AGM 2024, of which one member (Erik Schropp) waived his compensation for his Board duties for the current term of office. The final amount of total compensation granted will be disclosed in the Remuneration Report 2025.

## 4.3 Loans, credits and related-party compensation

In accordance with [art. 28 of the Articles of Association](#), no loans or credits were directly or indirectly granted or outstanding as at 31 December 2024 or 31 December 2023, respectively, to current members of the Board of Directors. In addition, no loans or credits were directly or indirectly granted or outstanding as at 31 December 2024 or 31 December 2023, respectively, to former members of the Board of Directors.

For the years ended 31 December 2024 and 31 December 2023, respectively, no compensation was directly or indirectly paid or granted to persons closely associated with current or former members of the Board of Directors. In addition, no loans or credits were directly or indirectly granted or outstanding as at 31 December 2024 or 31 December 2023, respectively, to persons closely associated with current or former members of Board of Directors.

For the related party transactions, refer to [note 22 "Related parties" of the consolidated financial statements in the Financial Report 2024](#).

## 5 Compensation framework for the Executive Committee

### 5.1 Remuneration approach

Pursuant to [art. 26 of the Articles of Association](#), the compensation of the members of the Executive Committee is determined by the entire Board of Directors based on the proposal of the Remuneration and Nomination Committee and subject to and within the limits of the aggregate amounts approved by the general meeting. Regarding the compensation of the members of the Executive Committee (other than the CEO), the Remuneration and Nomination Committee works in consultation with the CEO.

In principle (and as set forth by the [Organizational Regulations](#)), members of the Executive Committee shall attend designated and selected sections of the meetings of the Board and Remuneration and Nomination Committee meetings as guests without the right to vote, except where not appropriate (e.g., if particular matters relating to their performance or remuneration are discussed). Compensation to members of the Executive Committee may be awarded in cash, in the form of shares in the Company and other benefits.

The remuneration framework for members of the Executive Committee consists of fixed base compensation in cash as well as variable compensation elements. The fixed compensation comprises the base salary, pension and other benefits. The variable compensation comprises short-term and long-term compensation components.

Below is an overview of the current remuneration framework for the Executive Committee.

**Table 8: Remuneration framework for the Executive Committee**

Component	Instrument	Purpose	Criteria
<b>Fixed compensation</b>			
<b>Base salary</b>	Monthly/bi-weekly cash payment	Attract, motivate, and retain talented and qualified management	Responsibilities and scope of the position; employee qualifications and skills; financial considerations; market conditions and competitiveness
<b>Pension and Other benefits</b>	Pension plan, insurance and benefits	Retain and safeguard employees and their dependents in the event of retirement, sickness, inability to work or death; provide competitive employee benefits	Comply with local laws and regulations (i.e., Switzerland, Sweden, the US, etc.); tailored to market conditions
<b>Variable compensation</b>			
<b>Short-term incentive program</b>	Annual cash bonus	Attract, motivate, retain and reward annual / short-term financial, operational and strategic objectives as well as demonstrated commitment to PolyPeptide values	Achievement of pre-identified performance targets (e.g., financial, operational and personal) at the end of a financial year
<b>Long-term incentive program</b>	Annual grant of performance share units (PSUs)	Retain, motivate, enhance and reward loyalty and align interests of shareholders and management	Achievement of pre-identified performance targets at the end of a three-year performance period

### 5.1.1 Base salary

The base salary for each member of the Executive Committee is a fixed component of compensation paid in cash on a monthly or bi-weekly basis depending on market practice. The base salary reflects the scope and key responsibilities of the role as well as the qualification and skills required to perform the role, along with the employee's individual skill set, qualifications and experience. Financial considerations, such as budget and affordability, are also evaluated together with market conditions and competitiveness (see [section 2 "Remuneration philosophy and principles" of this Remuneration Report](#) for further information regarding benchmarking analyses).

### 5.1.2 Pension and Other benefits

Pension and Other benefits provide security for employees and their dependents in the event of retirement, sickness, inability to work or death. The members of the Executive Committee participate in the pension and social insurance schemes in the countries where their employment contracts were entered into or where they are resident, as the case may be. As such, the plans vary according to local market practice and regulations; however, at a minimum, they reflect the statutory requirements of the respective countries. For example, in line with local employment practice for Swiss employees, all employees under Swiss employment contracts are covered by a supplementary non-compulsory occupational welfare plan in addition to PolyPeptide's compulsory occupational pension scheme.

We also offer competitive employee benefits. Depending on market practice, such additional benefits may include a company car or car allowance, health coverage, variable vacation supplement, etc. and, where relevant, relocation-related and international benefits, such as executive benefits allowance or reimbursements, tax advisory services, etc. In addition, to the extent applicable and as supported by appropriate documentation and verification, supplemental awards to incoming Executive Committee members to compensate for remuneration forfeited at the previous employer (generally on a "like-for-like" basis) are reported as "Other benefits". The monetary value of any of these remuneration elements is disclosed in the compensation tables.

Out-of-pocket expenses incurred by members of the Executive Committee in connection with their employment services for PolyPeptide are duly reimbursed in accordance with the applicable regulations and are not considered to be compensation subject to approval and, hence, are not further considered in the compensation tables presented further below.

### 5.1.3 Short-term incentive program

#### 5.1.3.1 Overview

The short-term incentive program ("STIP") is an annual cash-based incentive program intended to motivate and reward the Executive Committee to deliver on PolyPeptide's short-term financial, operational and strategic objectives.

In accordance with [art. 26 of the Articles of Association](#), the STIP performance targets are determined in advance by the Board of Directors, upon recommendation of the Remuneration and Nomination Committee, for one financial year, where any awards are based on the audited consolidated financial statements for that specific financial year (as applicable). Performance targets are determined on an annual basis for each member of the Executive Committee, taking into account such member's position, responsibilities, and tasks, before or at the beginning of the one-year performance period. Pay-outs are subject to caps that are expressed as pre-determined multipliers of the respective performance target levels.

We set demanding STIP financial performance targets to incentivize the delivery of best-in-class financial and operational performance. The annual targets for the financial and operational objectives are derived from the Group's annual budget and mid-term strategic plan. In parallel, individual performance targets (which are of a more qualitative and strategic nature and may include, for example, leadership skills, organizational development, demonstration of behaviors in line with PolyPeptide's values and management of strategic projects) also serve to encourage and motivate the Executive Committee to achieve the Group's objectives. As a general principle, the financial, operational and individual performance targets set each year further incorporate significant improvements against the previous year's achievements. As such, we consider our STIP financial, operational and individual performance targets commercially sensitive information. Communicating such targets would provide privileged insight into PolyPeptide's strategy and could lead to a competitive disadvantage. Therefore, we have decided not to disclose the specific STIP performance targets, but to provide a general comment on their achievement at the end of the cycle (e.g., see [Table 14 in section 5.2.1 "Overview and performance assessment" of this Remuneration Report](#) for an overview of the STIP target performance in 2024).

Following the end of the applicable financial year, the Remuneration and Nomination Committee assesses the achievement of the STIP financial and operational performance targets and calculates the corresponding payout factor, which is subject to approval of the Board of Directors. For the individual performance component, the Remuneration and Nomination Committee conducts an assessment of the individual contributions of each member of the Executive Committee and includes the corresponding payout factor in its proposal to the Board of Directors.

In case of termination of employment before the payout of the respective STIP, the STIP payout may be forfeited or reduced depending on the conditions of such termination and subject to applicable law. Any STIP awards are paid in cash by 30 June following the approval of the applicable audited consolidated financial statements and are not subject to forfeiture or clawback provisions.

### 5.1.3.2 2024 STIP

For the year ended 31 December 2024, the individual target incentive amount for the CEO corresponded to 75% of the base salary and for the other current members of the Executive Committee in office as of 31 December 2024 between 30–35% of the base salary depending on the role. The maximum payout amount for the CEO was equivalent to 112.5% of the base salary and for the other current members of the Executive Committee in office as of 31 December 2024 between 45–52.5% of the base salary.

Currently, payouts under the STIP are calculated based on the achievement level of the respective performance targets, with 100% achievement resulting in 100% payout. For each quantitative performance target, there is a minimum threshold performance level of 85% achievement of the performance target, below which there is no payout. There is also a maximum performance level of 115% achievement of the performance target, at which threshold the payout is capped at 150%. For each qualitative performance target, appropriate deliverables, ranges and/or milestones are defined at the start of the reporting period and subsequently assessed at the end of the reporting period. Linear extrapolation is used to calculate the payout between the minimum threshold and target, and target and maximum. Thus, total payout under the STIP can range from 0% to 150% of the target incentive amount.

For the year ended 31 December 2024, the STIP objectives for the Executive Committee comprised financial, operational, ESG and individual performance objectives, as detailed in the table below.

**Table 9: 2024 STIP performance objectives and weighting for the Executive Committee**

Focus in 2024	Performance objective	Weighting
Growth	Revenue	30%
Profitability	EBITDA	35%
Liquidity and operational efficiency	Net Working Capital	15% <sup>1</sup>
Sustainability	Green Chemistry (ESG)	5%
Individual performance	Personal objectives	15%

<sup>1</sup> The weighting of the Net Working Capital performance objective is split between: H1 2024 at 5% and H2 2024 at 10%

To drive engagement and coordinated efforts among the Executive Committee, the weightings and allocation of the STIP performance metrics were revisited in 2024 and are now the same for all members of the Executive Committee, with 85% dependent on Group-wide performance criteria and 15% on individual objectives. Furthermore, to underpin PolyPeptide’s commitment to sustainability, an ESG performance objective has also been added. The performance objectives were chosen because they are key value drivers for PolyPeptide and generally reward Executive Committee members for supporting the Group’s growth, liquidity and operational efficiency as well as increasing profitability and promoting sustainable value creation. The sustainability performance objective focuses on PolyPeptide’s green chemistry initiatives by assessing the Group’s progress with regard to solvent consumption, percolation deployment and progress in green solvent projects (see also [Corporate Responsibility Report 2024](#)).

## 5.1.4 Long-term incentive program

### 5.1.4.1 Overview

The share-based long-term incentive program (“LTIP”) is designed to motivate, reward and retain key employees by providing them with the opportunity to become shareholders as well as participate in the future long-term success and prosperity of PolyPeptide. Furthermore, the LTIP is intended to align the interests of eligible employees with those of the Company’s shareholders, to promote a performance culture throughout the organization and to align remuneration with the creation of shareholder value.

In accordance with [art. 26 of the Articles of Association](#), the LTIP takes into account the sustainable long-term performance and strategic objectives of PolyPeptide. Achievements are generally measured based on a period of several years. The long-term compensation pay-outs are subject to caps that may be expressed as pre-determined multipliers of the respective target levels.

The Board of Directors or, to the extent delegated to it, the Remuneration and Nomination Committee determines the performance metrics, target levels and target achievement as well as grant, vesting, exercise, restriction and forfeiture conditions and periods in relation to shares or similar rights regarding shares to be awarded. In particular, the conditions may provide for continuation, acceleration or removal of vesting, exercise, restriction and forfeiture conditions and periods, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change of control or termination of an employment or mandate agreement. The Group may procure the required shares or other securities through purchases in the market or by using conditional share capital. Compensation may be paid by PolyPeptide or companies controlled by it.

For awards made to any members of the Executive Committee (including the CEO), the Board of Directors approves any granting of PSUs upon recommendation of the Remuneration and Nomination Committee. The LTIP award for the Executive Committee, reflecting the value of the PSUs at grant date (*i.e.*, assuming 100% target achievement), will be subject to the maximum aggregate compensation amounts approved by the general meeting for the financial year in which the award is made. The number of shares vesting will depend on the achievements against the targets at the end of the three-year performance period and the LTIP value may vary based on the share price at the time of vesting.

With regard to the CEO, his employment agreement provides for an annual LTIP award target (*i.e.*, assuming 100% target achievement) corresponding to 145% of his base salary for the allocation of PSUs. For the other current members of the Executive Committee, their employment agreements provide for an annual target corresponding to between 10–30% of their base salary for the allocation of PSUs depending on the role. For eligible employees outside the Executive Committee, such individuals will be selected by the CEO based on objective and subjective criteria determined by the Executive Committee.

#### 5.1.4.2 LTIP Plan<sup>10</sup>

Beginning in 2023 and continuing in the first quarter of 2024, with the assistance of an external independent advisor, the Remuneration and Nomination Committee critically reviewed the structure of the LTIP, with the goal to establish a long-term incentive approach that fostered a culture of sustainable, high-quality performance with appropriate risk-taking. Following an iterative process, which included an industry and peer review, the LTIP rules (the “Plan”) were revised as of 11 April 2024 and included three new key performance metrics to be measured over a three-year performance period: (i) revenue to lay a solid foundation for the Group’s targeted future growth, (ii) EBITDA to focus management’s energy on restoring operational performance and profitability and (iii) Total Shareholder Return (“TSR”) to promote capitalization recovery and enable a balanced view of the Group’s performance by taking into account PolyPeptide’s shareholders’ perspective. Furthermore, to ensure broader alignment with strategic objectives and embed a shared commitment to PolyPeptide’s long-term success, the Board of Directors, upon recommendation of the Remuneration and Nomination Committee, expanded the eligible pool of participants to include all members of the Executive Committee, all members of the PolyPeptide Management Committee and other key members of the Group’s global senior management.

According to the Plan, in any calendar year between 1 January and 31 December, inclusive (a “Plan Year”), eligible employees may be awarded the contingent right to receive a certain number of registered Company shares in the future, provided that certain performance and other conditions are achieved (“Performance Share Unit(s)” or “PSU(s)”). Any shares awarded will only be transferred after such PSUs have vested and contingent upon continuous employment (subject to certain limited exemptions).

As a rule, the number of PSUs to be granted will equal the award amount (*i.e.*, usually a defined percentage of base salary converted into CHF) divided by the volume-weighted average share price over the last 20 trading days prior to the LTIP grant date. PSUs represent an unsecured, contingent right to the future transfer of shares in accordance with and subject to the restrictions set out in the Plan. PSUs do not provide the participant with any shareholding rights such as dividends, voting rights or the like during the vesting period. The right to receive any PSUs and / or shares under the Plan cannot be settled in cash.

As alluded to above, the vesting of (i) 30% of the granted PSUs will be based on the cumulative revenue; (ii) 40% of the granted PSUs will be based on the cumulative EBITDA; and (iii) 30% of the granted PSUs will be based on TSR, in each case as achieved during the three-year performance period compared to pre-defined performance ranges with minimum, target and maximum goals set by the Board of Directors, upon recommendation from the Remuneration and Nomination Committee.

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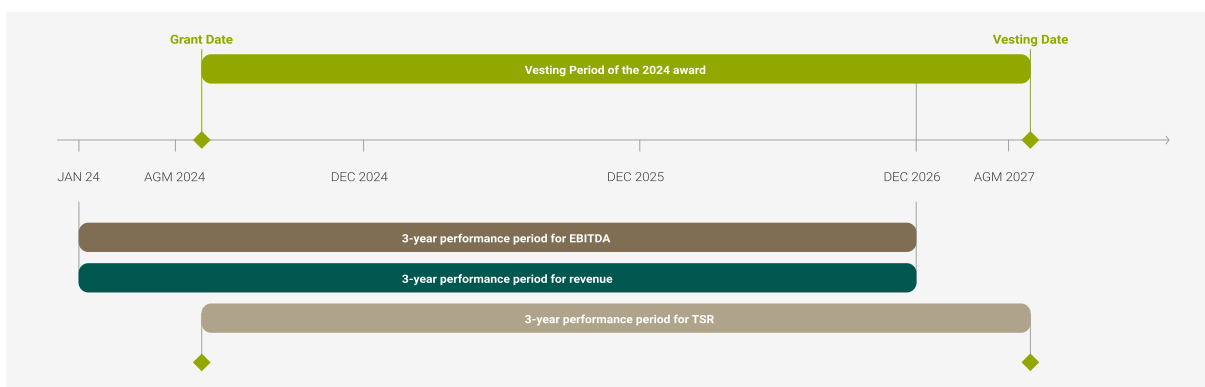
<sup>10</sup> Summary of the relevant LTIP Plan.

Revenue and EBITDA performance targets are aligned with the Group’s financial reporting cycles (i.e., three full financial years) and are derived from the audited financial statements.

TSR measures the Company’s share performance and total return to shareholders over time by combining share price appreciation and dividends expressed as an annualized percentage. The Company calculates TSR as follows: the compound annual growth rate (“CAGR”) between (i) the 20-day VWAP on the 21st trading day after the Company’s general meeting in the grant year and (ii) the 20-day VWAP on the 21st trading day after the Company’s general meeting relating to the last financial year of the applicable three-year performance period plus cumulative dividends per share distributed to the shareholders during this period (if any). The performance period of TSR is meant to capture and reflect shareholders’ reaction to the Group’s communicated performance outcomes of the preceding financial year.

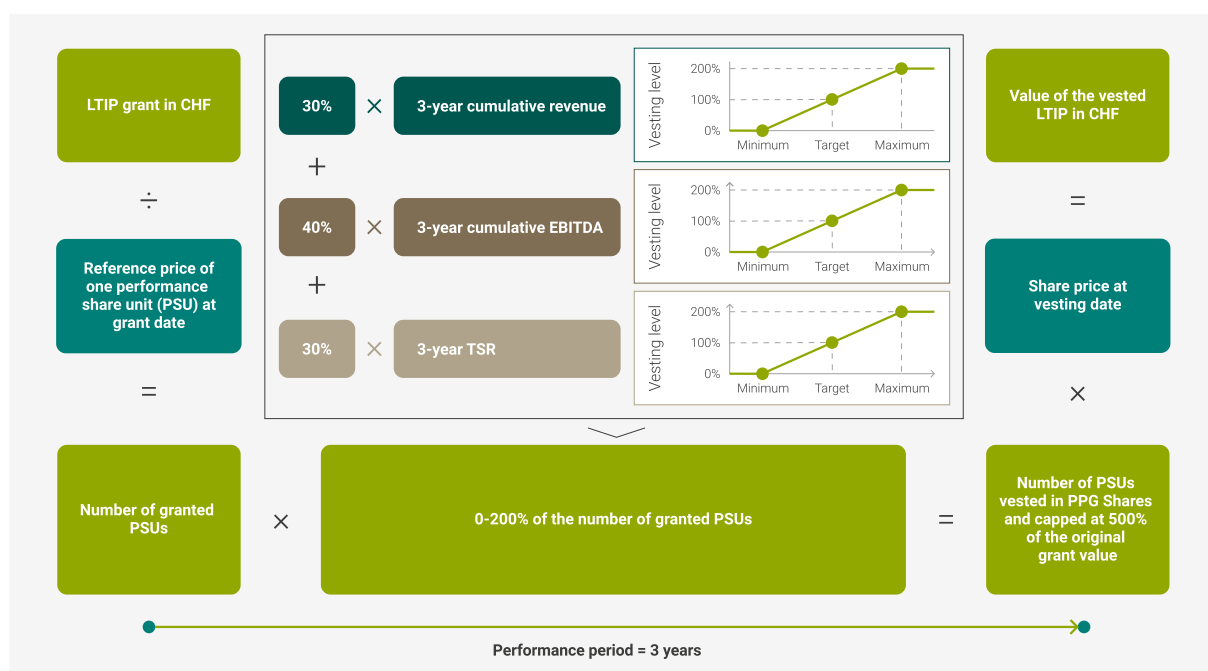
An illustration of the performance periods for each of the measures is presented in Table 10.

**Table 10: LTIP Performance Periods**



On the vesting date, if the minimum performance for any of the revenue, EBITDA or TSR measures as defined in the performance range is not met, the portion of the PSUs relating to that performance measure expires unconditionally and the respective PSUs do not vest. If the maximum performance is met or exceeded for a performance measure, participants may receive up to 200% of that portion of the PSUs relating to the respective performance measure. Between minimum and target performance as well as between target and maximum performance, the variable factor will increase linearly. The number of vested PSUs is subject to an absolute value cap representing, in each case, 500% of the original grant award.

**Table 11: LTIP**



The annual LTIP performance targets are set considering a thorough outside-in approach conducted by an external independent advisor modelling future possible performance outcomes for the performance period as well as the Company's mid-term strategy. The actual revenue, EBITDA and TSR targets are considered commercially sensitive information, and we believe that communicating such targets would provide privileged insight into PolyPeptide's strategy and could lead to a competitive disadvantage. As such, in the event that any PSUs vest, we will provide information on the target achievement at the end of the respective performance period (*i.e.*, for the 2024 LTIP award with the reporting for the financial year 2027, see Table 10).

If PSUs vest and the respective shares are transferred to a participant pursuant to the Plan, that participant will receive an additional number of shares to compensate for missed dividend payments during the vesting period. The number of additional shares will equal the total amount of dividends during the vesting period attributable to the shares transferred to that participant, divided by the volume weighted average share price over the last 20 trading days prior to the vesting date.

Upon recommendation of the Remuneration and Nomination Committee, the Board of Directors may in its discretion adjust PSUs as it deems appropriate in the case of variation of share capital (*e.g.*, issues of shares or other equity securities) or other corporate events (other than a change of control) to maintain the value of the PSUs outstanding.

Generally, in case of termination for cause, breach of confidentiality or voluntary termination, PSUs are forfeited without compensation. In certain circumstances, for example the termination of employment as a result of death, all PSU grants will vest with immediate effect on a pro-rata basis at target (based on the period of active employment during the performance period). Upon the occurrence of a corporate event (*e.g.*, change of control due to a merger), all unvested PSUs shall immediately vest at target. In the event of termination of employment due to retirement, permanent disability or if a participant's employment is terminated without cause effective before the vesting date, any PSUs held will vest at the end of the applicable vesting period(s) on a pro-rata basis.

The Plan further includes clawback provisions that allow for the cancelation or forfeiture of all or part of any unvested PSUs or, following vesting of any PSUs, the repayment for all or part of any vested PSUs, shares or cash settlements made under the Plan. These provisions apply in cases where, *inter alia*, the participant (i) engages in any act or omission that is considered malfeasance, fraud or misconduct, (ii) materially breaches any legal, regulatory or contractual obligations and/or internal policy of PolyPeptide, and/or (iii) takes part in any specific conduct that leads (or substantially contributes) to (A) the Company or PolyPeptide having to restate financial statements and / or (B) an inaccurate assessment of any performance or other condition under the Plan pursuant to which the individual LTIP award was made.

For PSUs granted in 2023, the LTIP is determined based on the three-year average of annual return on net operating assets (RONOA) and the three-year weighted cumulative basic earnings per share (EPS) objectives of the Company, each with a weighting of 50%. The vesting conditions for those grants remain materially unchanged. For further information, see [section 5.1.4.2 "LTIP Plan" of the Remuneration Report 2023](#).

### 5.1.4.3 LTIP Plan awards and vesting of prior awards

The following table provides an overview of granted entitlements (PSUs) under the LTIP awards in 2024 and 2023.

**Table 12: LTIP award**

	LTIP award 2023	LTIP award 2024	Total outstanding PSUs as at 31 December 2024
CEO	34,040	38,988	<b>73,028</b>
Executive Committee	–	6,030	<b>6,030</b>
Management	–	14,055	<b>14,055</b>
<b>Total</b>	<b>34,040</b>	<b>59,073</b>	<b>93,113</b>

There were no PSUs outstanding that would have vested in 2024.



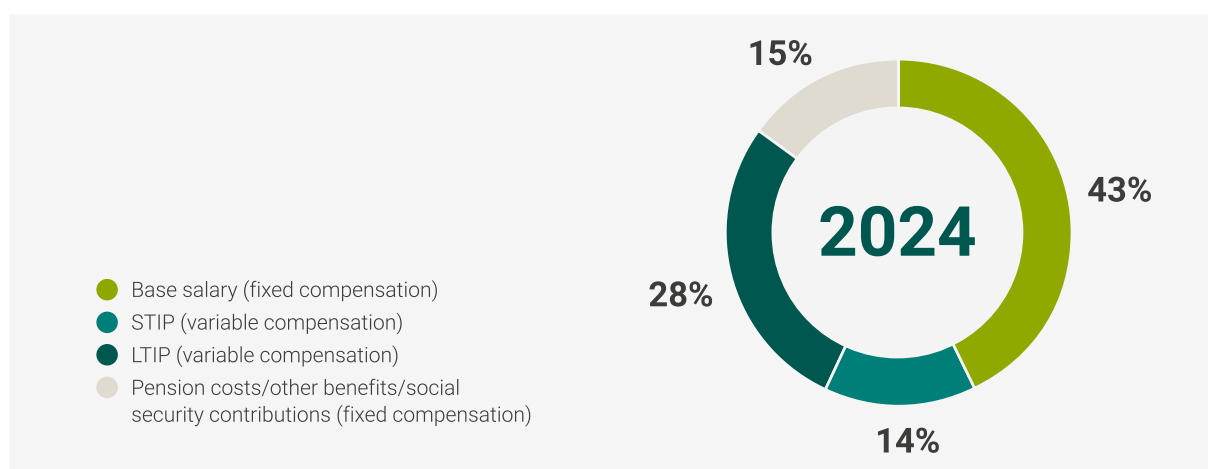
## 5.2 Compensation of the Executive Committee

### 5.2.1 Overview and performance assessment

For the year ended 31 December 2024, the Executive Committee received base salary, variable compensation and pension and Other benefits in line with the remuneration framework described in [section 5.1 "Remuneration approach" of this Remuneration Report](#).

Overall, in 2024, the total variable compensation of the CEO (*i.e.*, STIP and LTIP) amounted to 60.3% of his total compensation and 151.9% of his total fixed compensation (*i.e.*, base salary, pension costs, Other benefits and social security contributions). For the other members of the Executive Committee (excluding the CEO), the total variable compensation (*i.e.*, STIP and LTIP) amounted to an average of 19.8% of the total compensation and an average of 24.6% of the total fixed compensation (*i.e.*, base salary, pension costs, Other benefits and social security contributions). Below is a cumulative overview of the compensation received by the Executive Committee.

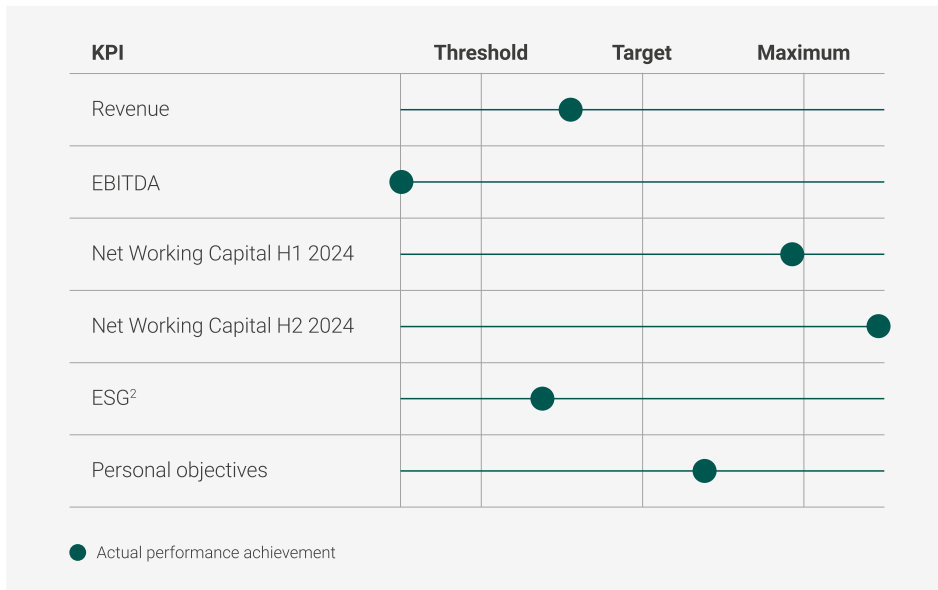
**Table 13: Breakdown of Executive Committee compensation**



In light of PolyPeptide’s reported revenue increase of 5.1% and EBITDA of EUR 25.4 million, the STIP 2024 financial performance objectives were between the minimum threshold and target for growth but below the threshold for profitability. In terms of Net Working Capital, the performance objective’s achievement was close to the maximum threshold for H1 2024 and above the maximum threshold for H2 2024. With regard to the ESG objective, the Group’s overall achievement was between the minimum threshold and target. Upon recommendation of the Remuneration and Nomination Committee following its assessments of the respective individuals, the Board determined that the members of the Executive Committee had achieved between 75% and 150% of their respective personal objectives.

Table 14 illustrates the outcome of the STIP performance targets for 2024 (see [Table 9 in section 5.1.3.2 "2024 STIP" of this Remuneration Report](#) for an overview of the 2024 STIP performance objectives and weighting for the Executive Committee).

**Table 14: 2024 STIP performance of objectives<sup>1</sup>**



<sup>1</sup> Applicable for Executive Committee members in office as of 31 December 2024.

<sup>2</sup> The achievement of the ESG targets in 2024 was negatively impacted by certain changes in the product mix in production during the course of the year.

Thus, under the STIP 2024, the combined payout for the financial, operational and individual performance targets is 63.8% of the STIP target incentive amount for the CEO and between 52.6% and 63.8% of the STIP target incentive amounts for the other current members of the Executive Committee in office as of 31 December 2024.

## 5.2.2 Aggregate compensation of the Executive Committee

The following table shows the total aggregate compensation for the CEO (*i.e.*, Juan José González) as the highest paid member of the Executive Committee during the period under review as well as the aggregate amount for the other current and former members of the Executive Committee for the period from 1 January 2024 to 31 December 2024.

For the year ended 31 December 2024, the Executive Committee received total remuneration of CHF 4,714,606 (2023: CHF 4,715,682). This is an overall decrease of 0.02% compared to the previous year, with the main changes explained in greater detail below.

**Table 15: 2024 Compensation of the Executive Committee**  
(1 January 2024–31 December 2024)

CHF	Juan José González (CEO)	Other members of the Executive Committee <sup>7</sup>	Total
Base salary	791,700	1,235,348	<b>2,027,048</b>
Pension costs <sup>1</sup>	105,545	166,307	<b>271,851</b>
Other benefits <sup>2</sup>	24,000	119,276	<b>143,276</b>
Social security contributions <sup>3</sup>	89,119	219,768	<b>308,887</b>
<b>Total fixed compensation</b>	<b>1,010,364</b>	<b>1,740,698</b>	<b>2,751,062</b>
STIP bonus <sup>4</sup>	380,982	250,493	<b>631,476</b>
LTIP grant <sup>5</sup>	1,153,643	178,426	<b>1,332,069</b>
<b>Total compensation<sup>6</sup></b>	<b>2,544,989</b>	<b>2,169,618</b>	<b>4,714,606</b>

<sup>1</sup> Reflects pension contributions made in the year ended 31 December 2024, including (i) estimated contributions in relation to STIP 2024 to be paid by 30 June 2025 and (ii) differences in actual contributions paid in 2024 in relation to STIP 2023 compared to the estimated contributions in relation to STIP 2023 as disclosed in Table 16.

<sup>2</sup> Other benefits may include company car or car allowance, health coverage, variable vacation supplement etc. and, where relevant, relocation-related and international benefits, such as executive benefits allowance, tax advisory services, etc. The amounts reflected also include (i) estimated Other benefits due in relation to STIP 2024 to be paid by 30 June 2025; (ii) differences in actual Other benefits due in 2024 in relation to STIP 2023 compared to the estimated Other benefits in relation to STIP 2023 as disclosed in Table 16.

<sup>3</sup> Reflects social security contributions made in the year ended 31 December 2024, including (i) estimated contributions in relation to STIP 2024 to be paid by 30 June 2025; and (ii) differences in actual contributions paid in 2024 in relation to STIP 2023 compared to the estimated contributions in relation to STIP 2023 as disclosed in Table 16.

<sup>4</sup> Includes (i) the STIP to be paid by 30 June 2025; and (ii) differences in actual STIP 2023 paid in 2024 compared to the estimated STIP 2023 due to currency rate fluctuations.

<sup>5</sup> Disclosure reflects the LTIP grant for the reporting year, *i.e.*, the value of the PSUs at grant date, assuming 100% target achievement. The LTIP value at vesting may vary based on performance outcomes (between 0 and 200%) and respective share price at the time of vesting.

<sup>6</sup> All compensation amounts are disclosed in gross amounts. Amounts converted to CHF from other currencies are translated at the average exchange rates for the year ended 31 December 2024.

<sup>7</sup> Reflects the compensation for the period from 1 January 2024 to 31 December 2024 of the other current members of the Executive Committee as well as former members of the Executive Committee as follows: (i) the compensation paid to Lalit Ahluwalia during the CFO transition period from 1 January 2024 to 29 February 2024 following Marc Augustin's commencement as CFO on 1 January 2024, and (ii) the pro-rated compensation paid to Neil James Thompson as Director Global Sales and Marketing as well as compensation paid during his six-month contractual notice period that ended on 1 November 2024. For the year ended 31 December 2024, the Company paid CHF 291,316 in compensation to former members of the Executive Committee.

**Table 16: 2023 Compensation of the Executive Committee**  
(1 January 2023–31 December 2023)

CHF	Juan José González (CEO) <sup>1</sup>	Other members of the Executive Committee <sup>8</sup>	Total
Base salary	561,167	1,763,932	2,325,098
Pension costs <sup>2</sup>	74,452	231,472	305,923
Other benefits <sup>3</sup>	51,706	292,723	344,429
Social security contributions <sup>4</sup>	61,371	334,814	396,185
<b>Total fixed compensation</b>	<b>748,696</b>	<b>2,622,940</b>	<b>3,371,636</b>
STIP bonus <sup>5</sup>	231,042	356,635	587,678
LTIP grant <sup>6</sup>	756,369	–	756,369
<b>Total compensation<sup>7</sup></b>	<b>1,736,107</b>	<b>2,979,576</b>	<b>4,715,682</b>

<sup>1</sup> As announced on 3 April 2023, Juan José González was appointed as new CEO effective 12 April 2023.

<sup>2</sup> Reflects pension contributions made in the year ended 31 December 2023, including (i) estimated contributions in relation to STIP 2023 to be paid by 30 June 2024 and (ii) differences in actual contributions paid in 2023 in relation to STIP 2022 compared to the estimated contributions in relation to STIP 2022 as disclosed in Table 14 in section 5.2.2 "Aggregate compensation of the Executive Committee" of the Remuneration Report 2023.

<sup>3</sup> Other benefits may include company car or car allowance, health coverage, variable vacation supplement etc. and, where relevant, relocation-related and international benefits, such as executive benefits allowance, tax advisory services, etc. The amounts reflected also include (i) estimated Other benefits due in relation to STIP 2023 to be paid by 30 June 2024; (ii) differences in actual Other benefits due in 2023 in relation to STIP 2022 compared to the estimated Other benefits in relation to STIP 2022 as disclosed in Table 14 in section 5.2.2 "Aggregate compensation of the Executive Committee" of the Remuneration Report 2023.

<sup>4</sup> Reflects social security contributions made in the year ended 31 December 2023, including (i) estimated contributions in relation to STIP 2023 to be paid by 30 June 2024; and (ii) differences in actual contributions paid in 2023 in relation to STIP 2022 compared to the estimated contributions in relation to STIP 2022 as disclosed in Table 14 in section 5.2.2 "Aggregate compensation of the Executive Committee" of the Remuneration Report 2023.

<sup>5</sup> Includes (i) the STIP to be paid by 30 June 2024; and (ii) differences in actual STIP 2022 paid in 2023 compared to the estimated STIP 2022 due to currency rate fluctuations.

<sup>6</sup> Disclosure reflects the LTIP grant for the reporting year, i.e., the value of the PSUs at grant date, assuming 100% target achievement. The LTIP value at vesting may vary based on performance outcomes (between 0 and 150%) and respective share price at the time of vesting. Juan José González, the CEO, was the only employee eligible to participate in the LTIP 2023 and was granted 34,040 PSUs.

<sup>7</sup> All compensation amounts are disclosed in gross amounts. Amounts converted to CHF from other currencies are translated at the average exchange rates for the year ended 31 December 2023.

<sup>8</sup> Reflects the compensation of the other current and former members of the Executive Committee for the period from 1 January 2023 to 31 December 2023 as follows: (i) the compensation paid to Neil James Thompson (Director Global Sales and Marketing), Jens Fricke (Director Global Operations) and Christina Del Vecchio, General Counsel (including a one-time appreciation bonus), (ii) the pro-rated compensation paid to Raymond De Vré, who resigned as CEO and stepped down from the Executive Committee on 30 January 2023 as well as compensation paid during his six-month contractual notice period that ended on 31 July 2023, (iii) the pro-rated compensation paid to Jan Fuhr Miller, who resigned as CFO and stepped down from the Executive Committee on 30 April 2023, but remained employed until 30 June 2023, (iv) the pro-rated compensation paid to Lalit Ahluwalia as new CFO ad interim and member of the Executive Committee effective 1 May 2023 until he stepped down from the Executive Committee as of 31 December 2023 and (v) the pro-rated compensation paid to Daniel Lasanow (former Director Global Operations) for the applicable portion of his contractual 12-month notice period that ended on 30 November 2023. For the year ended 31 December 2023, the Company paid CHF 965,443 in compensation to former members of the Executive Committee.

### Additional commentary

The summaries below provide additional commentary with regard to the changes in the composition of the remuneration paid to the Executive Committee in 2024 as compared to 2023:

**Composition of the Executive Committee:** Table 15 reflects the remuneration of the current and former members of the Executive Committee for the period from 1 January 2024 to 31 December 2024, with 5.0 full-time equivalents in total. In 2024, Neil James Thompson stepped down as Director Global Sales and Marketing and member of the Executive Committee as of 26 April 2024. Thus, the totals reflected in Table 15 include, inter alia, (i) the compensation paid to Lalit Ahluwalia during the CFO transition period that from 1 January 2024 to 29 February 2024 following Marc Augustin's commencement as CFO on 1 January 2024 and (ii) the pro-rated compensation paid to Neil James Thompson as Director Global Sales and Marketing as well as compensation paid during his six-month contractual notice period that ended on 1 November 2024.

Table 16 reflects the remuneration of the current and former members of the Executive Committee, with 6.39 full-time-equivalents in total, for the period from 1 January 2023 to 31 December 2023. In 2023, PolyPeptide experienced transitions at the level of both the CEO and CFO. Specifically, Juan José González joined as CEO and member of the Executive Committee as of 12 April 2023, succeeding Raymond De Vré who resigned as CEO and member of the Executive Committee as of 30 January 2023. Jan Fuhr Miller resigned as CFO and member of the Executive Committee on 30 April 2023, and Lalit Ahluwalia joined as CFO ad interim and member of the Executive Committee as of 1 May 2023. Thus, the totals reflected in Table 16 include, inter alia, (i) the compensation paid to Neil James Thompson (Director Global Sales and Marketing), Jens Fricke (Director Global Operations) and Christina Del Vecchio (General Counsel, including a one-time appreciation bonus), (ii) the pro-rated compensation paid to Raymond De Vré as CEO as well as compensation paid during his six-month contractual notice period that ended on 31 July 2023, (iii) the pro-rated compensation paid to Juan José González as of 12 April 2023, (iv) the pro-rated compensation paid to Jan Fuhr Miller as CFO effective 1 January 2023 until 30 April 2023 as well as compensation paid until his departure on 30 June 2023, (v) the pro-rated compensation paid to Lalit Ahluwalia as CFO ad interim and member of the Executive Committee effective 1 May 2023 until he stepped down from the Executive Committee as of 31 December 2023 and (vi) the pro-rated compensation paid to Daniel Lasanow (former Director Global Operations) for the applicable portion of his contractual 12-month notice period that ended on 30 November 2023.

**Base salary:** The variance in base salary between 2023 and 2024 (a decrease of 12.8%) is mainly due to the changes in the composition of the Executive Committee, as described above. For members of the Executive Committee in office as of 31 December 2023 and 31 December 2024, respectively, the aggregated base salary levels in CHF increased by 4.5% in 2024 as compared to 2023, mainly due to individual salary increases and currency rate fluctuations.

**Other benefits:** Other benefits decreased by 58.4% in 2024 as compared to 2023, mainly due to the changes in the composition of the Executive Committee, as described above.

**STIP:** The total payout under the STIP in 2024 is 7.5% higher than in 2023, reflecting the performance levels as described in section 5.2.1 "Overview and performance assessment" of this Remuneration Report. The comparison of the total payouts in 2024 as compared to 2023 is further impacted by the changes to the composition of the Executive Committee, as described above.

**LTIP:** In 2024, the LTIP was expanded to all members of the Executive Committee (four (4) participants) whereas in 2023, Juan José González was the only employee eligible to participate in the LTIP and was granted 34,040 PSUs. Thus, this line item proportionally increased reflecting the additional individual LTIP awards made in 2024.

#### Reconciliation of compensation to shareholder resolutions

For the year ended 31 December 2023, the AGM 2022 approved a maximum aggregate amount of fixed and variable compensation for the Executive Committee of CHF 7,000,000 (including all employee and employer social security and pension contributions). Two new members were promoted to the Executive Committee and Juan José González was newly appointed to the Executive Committee in each case after the AGM 2022; however, no additional compensation amount in excess of that approved by the AGM 2022 was paid / granted, since the approved aggregate amount of compensation for the financial year 2023 was sufficient to compensate those newly appointed members. The compensation paid / granted to the Executive Committee in the year ended 31 December 2023 amounted to CHF 4,715,682 (including all employee and employer social security and pension contributions). It is thus within the limits of the amount approved by the extraordinary shareholders' meeting for the same period.

For the year ended 31 December 2024, the AGM 2023 approved a maximum aggregate amount of fixed and variable compensation for the Executive Committee of CHF 7,000,000 (including all employee and employer social security and pension contributions). One new member was appointed to the Executive Committee after AGM 2023 (*i.e.*, the CFO); however, no additional compensation amount in excess of that approved by the AGM 2023 has been paid / granted, since the approved aggregate amount of compensation for the financial year 2024 was sufficient to compensate the members of the Executive Committee. The compensation paid / granted to the Executive Committee in the year ended 31 December 2024 amounted to CHF 4,714,606 (including all employee and employer social security and pension contributions). It is thus within the limits of the amount approved by the shareholders' meeting for the same period.

Table 17 below shows the reconciliation between the compensation that has been paid / granted for the respective term of office and the maximum aggregate amount approved by the general meeting:

**Table 17: Compensation approved and compensation paid / granted for the members of the Executive Committee**

	Total compensation granted	Maximum aggregate amount available	Status
1 January 2023 – 31 December 2023	CHF 4,715,682	CHF 7,000,000	Approved AGM 2022
1 January 2024 – 31 December 2024	CHF 4,714,606	CHF 7,000,000	Approved AGM 2023
1 January 2025 – 31 December 2025	–	CHF 7,000,000	Approved AGM 2024

### 5.3 Loans, credits and related-party compensation

In accordance with [art. 28 of the Articles of Association](#), no loans or credits were directly or indirectly granted or outstanding as at 31 December 2024 or 31 December 2023, respectively, to current members of the Executive Committee. In addition, no loans or credits were directly or indirectly granted or outstanding as at 31 December 2024 or 31 December 2023, respectively, to former members of the Executive Committee.

For the years ended 31 December 2024 and 31 December 2023, respectively, no compensation was directly or indirectly paid or granted to persons closely associated with current or former members of the Executive Committee. In addition, no loans or credits were directly or indirectly granted or outstanding as at 31 December 2024 or 31 December 2023, respectively, to persons closely associated with current or former members of the Executive Committee.

For the related party transactions, refer to [note 22 "Related parties" of the consolidated financial statements in the Financial Report 2024](#).

## 6 Ownership of shares and options

The members of the Board of Directors and Executive Committee reflected in the table below held 0.4% of the outstanding shares as at 31 December 2024 and 0.4% as at 31 December 2023. Other than as indicated in the table below, no persons or entities closely associated with members of the Board of Directors or Executive Committee held any shares as of 31 December 2023 or 31 December 2024, respectively.

**Table 18: Shares held by members of the Board of Directors<sup>1</sup>**

Name	Position	Shares held as at 31 December 2024	Shares held as at 31 December 2023
Peter Wilden	Chair	30,690	22,436
Patrick Aebischer	Vice-Chair, Lead Independent Director, Chair ITC	20,006	14,503
Erik Schropp <sup>2</sup>	Member, Chair ARC	3,193	3,193
Jane Salik	Independent Member	25,882	23,511
Beat In-Albon	Independent Member	17,196	13,054
Philippe Weber	Independent Member, Chair RNC	22,071	15,976
Dorothee A. Deuring <sup>3</sup>	Independent Member	n/a	3,000

<sup>1</sup> Any shares delivered to Board members in connection with their compensation are blocked for a period of three years from the date of grant.

<sup>2</sup> Erik Schropp is also a director of Draupnir Holding B.V. (one of the Company's significant shareholders); Draupnir Holding B.V.'s shareholding is not reflected in Table 18 (see [section 1.2 "Significant shareholders" of the Corporate Governance Report 2024](#)).

<sup>3</sup> Dorothee A. Deuring did not stand for re-election as a member of the Board of Directors at AGM 2024.

**Table 19: Shares held by members of the Executive Committee**

Name	Position	Shares held as at 31 December 2024	Shares held as at 31 December 2023
Juan José González	CEO	227,842	227,842
Marc Augustin	CFO	2,500	2,500
Christina Del Vecchio	General Counsel	–	–
Jens Fricke	Director Global Operations	1,380	1,380
Neil James Thompson <sup>1</sup>	Director Global Sales and Marketing	n/a	1,122

<sup>1</sup> Member of the Executive Committee until 26 April 2024.

As of 31 December 2024, none of the members of the Board of Directors or the Executive Committee, or any persons closely associated with any member, held any stock options.

## 7 Other remuneration-related information under the CO

For the reporting period, no compensation other than as described in this Remuneration Report was paid or granted to former or current members of the Board of Directors or the Executive Committee. As described in [section 4.3 "Loans, credits and related-party compensation"](#) and [section 5.3 "Loans, credits and related-party compensation"](#) of this Remuneration Report, no compensation was paid or granted to persons closely associated with former or current members of the Board of Directors or the Executive Committee. For the avoidance of doubt, remuneration paid to former Executive Committee members in the year ended 31 December 2024 is included in the remuneration in [section 5.2.2 "Aggregate compensation of the Executive Committee"](#) of this Remuneration Report.



## 8 Activities in other companies

In accordance with Swiss law, [art. 23 of the Articles of Association](#) limits the number of comparable functions at other companies with an economic purpose (including their group) that members of the Board of Directors and Executive Committee are allowed to have at one time. As of 31 December 2024, the members of the Board of Directors and Executive Committee carried out the following activities or mandates in comparable functions at other companies with an economic purpose (including their group) as per art. 734e CO:

### Board of Directors

#### Peter Wilden, Chair

*Outside mandates at listed companies*

- None

*Outside mandates at non-listed companies*

- None

#### Patrick Aebischer, Vice-Chair and Lead Independent Director

*Outside mandates at listed companies*

- Member of the board of directors of Nestlé SA, Switzerland (since 2015)

*Outside mandates at non-listed companies*

- Member of the board of directors of Swiss Vaccine SA, Switzerland (since 2022)
- Chair of the board of directors of Vandria SA, Switzerland (since 2021)
- Senior Partner of NanoDimension Management Limited, Cayman Islands (since 2017)
- Chair of the board of directors of Amazentis SA, Switzerland (since 2007)

#### Erik Schropp, Member

*Outside mandates at listed companies*

- None

*Outside mandates at non-listed companies*

- CEO of Esperante Investments Group (since 2020) (including serving as a member of the board of directors of Draupnir Corporation B.V., The Netherlands (since 2022) and Draupnir Holding B.V., The Netherlands (since 2008) and of the following strategic business units: (i) SEVER Life Sciences B.V., The Netherlands (since 2019), including serving as a member of the board of directors of two subsidiary companies; (ii) Esperante Ventures B.V., The Netherlands (since 2008); (iii) Svar Life Science AB, Sweden (since 2008), including serving as a member of the board of directors of two subsidiary companies)
- Member of the board of directors of Haydn Holding AB, Sweden (since 2012) (including serving as a member of the board of directors at six subsidiary companies)
- Member of the board of directors of Ferring Foundation B.V., The Netherlands (since 2008) (including serving as a member of the board of directors of two subsidiary entities)

#### Jane Salik, Member

*Outside mandates at listed companies*

- None

*Outside mandates at non-listed companies*

- None

#### Beat In-Albon, Independent member

*Outside mandates at listed companies*

- Member of the board of directors of Evolva Holding SA, Switzerland (since 2020)

*Outside mandates at non-listed companies*

- Chair of the board of directors of Hans Kalbermatten Thermalbad AG, Switzerland (since 2021)

#### Philippe Weber, Independent member

*Outside mandates at listed companies*

- Vice-Chair of the board of directors of Leonteq AG, Switzerland, and Leonteq Securities AG, Switzerland (both since 2020)
- Member of the board of directors of Medacta Group AG, Switzerland (since 2019)
- Member of the board of directors of EDAG Engineering Group AG, Switzerland (since 2015)

*Outside mandates at non-listed companies*

- Member of the board of directors of NorthStar Holding AG, Switzerland (since 2018)
- Member of the board of directors of Banca del Ceresio SA, Switzerland (since 2017)
- Member of the board of directors of Newron Suisse SA, Switzerland (since 2007)
- Partner at Niederer Kraft Frey AG, Switzerland (since 2002)

## Executive Committee

### **Juan José González, Chief Executive Officer**

*Outside mandates at listed companies*

- None

*Outside mandates at non-listed companies*

- None

### **Marc Augustin, Chief Financial Officer**

*Outside mandates at listed companies*

- None

*Outside mandates at non-listed companies*

- None

### **Christina Del Vecchio, Chief Legal Officer**

*Outside mandates at listed companies*

- None

*Outside mandates at non-listed companies*

- None

### **Jens Fricke, Director Global Operations**

*Outside mandates at listed companies*

- None

*Outside mandates at non-listed companies*

- None

For additional information regarding the business experience, education and activities of each member of the Board of Directors and Executive Committee, refer to [section 3.1 "Members of the Board of Directors"](#) and [section 4.1 "Members of the Executive Committee"](#), respectively, of the Corporate Governance Report 2024.



Phone +41 44 444 35 55  
www.bdo.ch  
zurich@bdo.ch

BDO Ltd  
Schiffbaustrasse 2  
8031 Zurich

## STATUTORY AUDITOR'S REPORT

To the general meeting of PolyPeptide Group AG, Baar

### Report on the Audit of the Remuneration Report according to Art. 734a-734f CO

#### Opinion

We have audited the remuneration report of PolyPeptide Group AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) contained in table 5 "2024 Compensation of the Board of Directors (1 January 2024 - 31 December 2024)" on page 144, section 4.3 "Loans, credits and related-party compensation" on page 146, table 15 "2024 Compensation of the Executive Committee (1 January 2024 - 31 December 2024)" on page 155, section 5.3 "Loans, credits and related-party compensation" on page 158, table 18 "Shares held by members of the Board of Directors" on page 159, table 19 "Shares held by members of the Executive Committee" on page 159, section 7 "Other remuneration-related information under the CO" on page 160, and section 8 "Activities in other companies" on page 161/162 of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report (pages 133 to 162) complies with Swiss law and the Company's articles of incorporation.

#### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include table 5 "2024 Compensation of the Board of Directors (1 January 2024 - 31 December 2024)" on page 144, section 4.3 "Loans, credits and related-party compensation" on page 146, table 15 "2024 Compensation of the Executive Committee (1 January 2024 - 31 December 2024)" on page 155, section 5.3 "Loans, credits and related-party compensation" on page 158, table 18 "Shares held by members of the Board of Directors" on page 159, table 19 "Shares held by members of the Executive Committee" on page 159, section 7 "Other remuneration-related information under the CO" on page 160, and section 8 "Activities in other companies" on page 161/162 in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.



Phone +41 44 444 35 55  
www.bdo.ch  
zurich@bdo.ch

BDO Ltd  
Schiffbaustrasse 2  
8031 Zurich

#### Board of directors' Responsibilities for the Remuneration Report

The board of directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the board of directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. The board of directors is also responsible for designing the remuneration system and defining individual remuneration packages.

#### Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Zurich, 10 March 2025

BDO Ltd

René Füglistner  
Licensed Audit Expert  
Auditor in Charge

Jan Trautwein  
Licensed Audit Expert

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